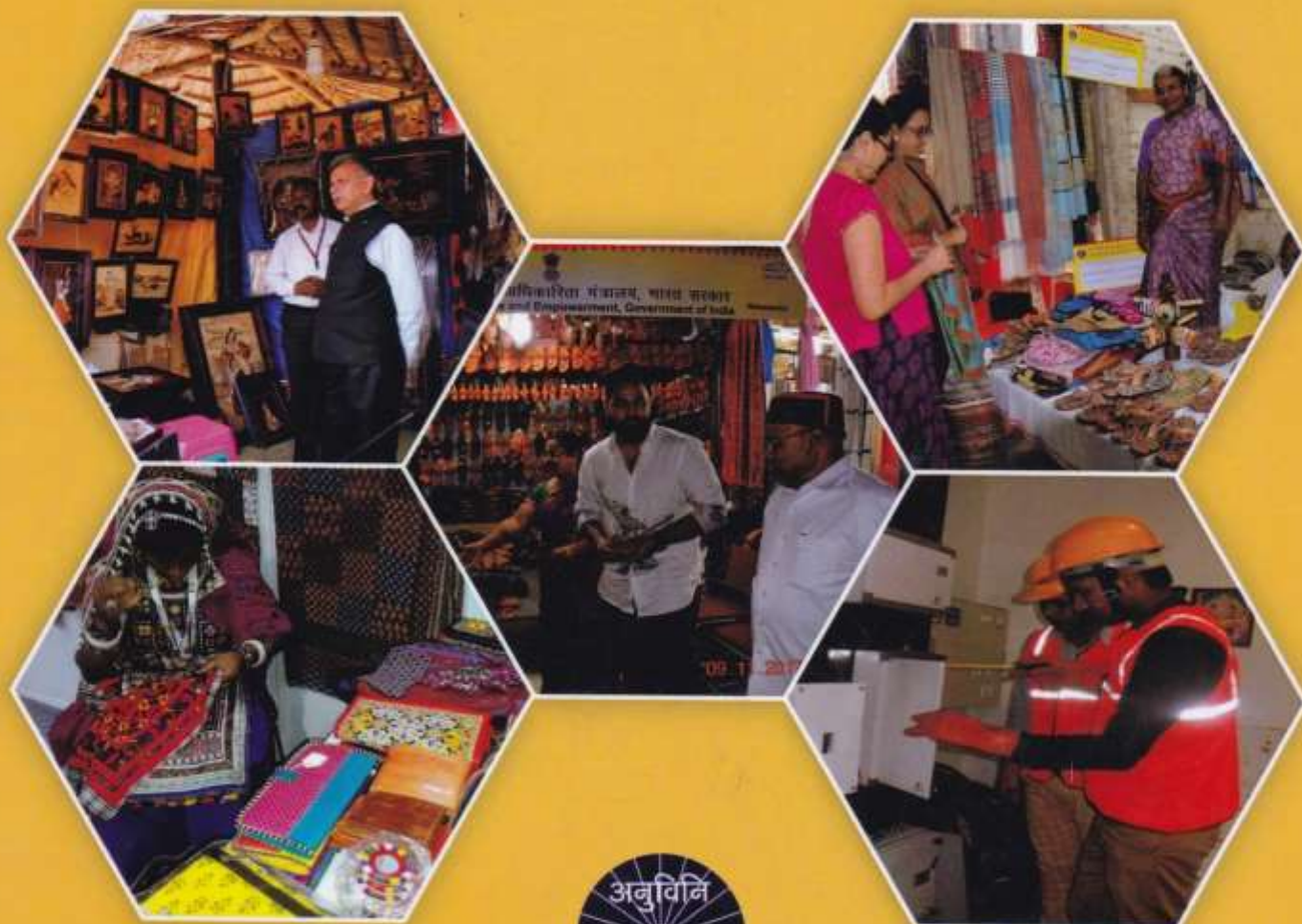




# 29<sup>वीं</sup> वार्षिक रिपोर्ट

## 29<sup>th</sup> ANNUAL REPORT

### 2017-18



नेशनल शेड्यूलड कास्ट्स फाइनेंस एंड डेवलपमेंट कॉर्पोरेशन  
(भारत सरकार का उपक्रम)

NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION  
(A Government of India Undertaking)

29<sup>वीं</sup> वार्षिक रिपोर्ट  
29<sup>th</sup> ANNUAL REPORT  
2017-18



नेशनल शेड्यूलड कास्ट्स फाइनेंस एंड डेवलपमेंट कॉर्पोरेशन  
( भारत सरकार का उपक्रम )

NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION  
(A Government of India Undertaking)



( आईएसओ 9001:2008 प्रमाणित कंपनी )  
(An ISO 9001:2008 Certified Company)



14<sup>वीं</sup> मंजिल, कोर 1 व 2, स्कोप मीनार, लक्ष्मी नगर जिला केंद्र, लक्ष्मी नगर, दिल्ली-110092  
14<sup>th</sup> Floor, Core 1 & 2, SCOPE Minar, Laxmi Nagar District Centre, Laxmi Nagar, Delhi-110092  
फोन/Phone : 011-22054392, 22054394, 22054396 फैक्स/Fax : 011-22054395  
ई-मेल/E-mail : support-nsfdc@nic.in वेबसाइट/Website : www.nsfdc.nic.in

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CIN : U93000DL1989NPL034967

नेशनल शेड्यूलड कास्ट्स फाइनेंस एंड डेवलपमेंट कॉर्पोरेशन  
( भारत सरकार का उपक्रम )

NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION

(A Government of India Undertaking)

NSFDC/SECT/29th AGM/268

20th September, 2018

## **NOTICE**

Notice is hereby given that the 29th Annual General Meeting(AGM) of the National Scheduled Castes Finance and Development Corporation will be held on 25.09.2018 (Tuesday) at 2.30 p.m in the Conference Hall, A-Wing, Ministry of Social Justice & Empowerment, Shastri Bhawan, New Delhi - 110 001 to transact the following businesses:

### **ORDINARY BUSINESS:**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, together with reports of the Directors, Auditors' Report, Management's Replies and Comments of the Comptroller and Auditor General of India thereon and pass the following resolution as an ordinary resolution, with or without modification(s):-

"**RESOLVED THAT** the audited Financial Statements of the Company for the financial year ended 31st March, 2018, together with Board Reports, Auditors' Report, Management's replies thereon and Comments of the Comptroller and Auditor General of India on the same be and are hereby received, considered and adopted."

**By the Order of the Board of Directors**

Place : Delhi

Dated: 20.09.2018

(Annu Bhogal)  
Company Secretary

### **NOTE:**

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE INSTEAD OF HIMSELF/ HERSELF. THE PROXY NEED NOT BE A MEMBER (PROXY FORM IS ENCLOSED).

पंजीकृत एवं प्र.का : 14<sup>थी</sup> मंजिल, कोर 1 व 2, स्कोप मीनार, लक्ष्मी नगर जिला केंद्र, लक्ष्मी नगर दिल्ली-110092  
Regd. & H.O.: 14<sup>th</sup> Floor, Core 1 & 2, SCOPE Minar, Laxmi Nagar District Centre, Laxmi Nagar, Delhi-110092

फोन/Phone : 011-22054392, 22054394, 22054396 फैक्स/Fax : 011-22054395, 22054349

ई-मेल/E-mail : support-nsfdc@nic.in वेबसाइट/Website : www.nsfdc.nic.in

**COMPANY INFORMATION**

**Board of Directors (2017-18)**

**Shri Shyam Kapoor**  
Chairman-cum-Managing Director  
(w.e.f. 29.07.2016)

**Shri B.L. Meena**  
(w.e.f. 04.06.2015)

**Smt. T.C.A. Kalyani**  
(w.e.f. 14.01.2016)

**Shri Gulab Singh**  
(w.e.f. 26.08.2014)

**Shri S.M. Awale**  
(w.e.f. 04.06.2015)

**Shri Kayzang Chhophel Lama**  
(w.e.f. 17.04.2017)

**Shri Lachiram Bhukya**  
(w.e.f. 23.03.2018)

**Shri Bhaskar Pant**  
(w.e.f. 23.03.2018)

**Shri Piyush Srivastava**  
(w.e.f. 23.03.2018)

**Smt. Aindri Anurag**  
(w.e.f. 04.06.2015 to 09.08.2018)

**Shri B. Anand Kumar**  
(w.e.f. 17.04.2017 to 23.03.2018)

**Ms. Vishakha Shailani (Non-official Director)**  
(w.e.f. 17.04.2017)

**Statutory Auditors**

**M/s. Naresh K. Gupta & Co.**  
**Chartered Accountants,**  
201-202A, Aditya Arcade,  
Plot No. 30, Community Centre,  
Preet Vihar,  
Delhi – 110 092.

**Bankers**

Syndicate Bank, Delhi  
Canara Bank, Delhi/Mumbai/Bengaluru  
SBI, New Delhi/Kolkata  
Corporation Bank, Delhi  
Union Bank of India, Delhi  
Punjab National Bank, Delhi  
Vijaya Bank, Delhi  
Indian Overseas Bank, Delhi  
Allahabad Bank, Delhi  
IDBI, Delhi  
Bank of Baroda, Delhi  
Bank of India, Delhi  
Andhra Bank, Delhi  
Oriental Bank of Commerce, Delhi  
Punjab & Sind Bank, Delhi  
Central Bank of India, Delhi  
Kotak Mahindra Bank, Delhi

**Registered Office**

National Scheduled Castes Finance and  
Development Corporation,  
(A Government of India Undertaking)  
14<sup>th</sup> Floor, SCOPE Minar, Core 1 & 2,  
Laxmi Nagar District Centre,  
Laxmi Nagar,  
Delhi-110 092.

**Company Secretary**

Smt. Annu Bhogal



## **CHAIRMAN'S ADDRESS ON 29<sup>th</sup> AGM OF NSFDC on 25<sup>th</sup> September, 2018**

**Dear Members,**

On behalf of the Board of Directors, I extend a very warm welcome to all of you to the 29th Annual General Meeting of your Company. I would like to convey my sincere gratitude to you for sparing your valuable time to be present on this important occasion.

The Annual Report for the financial year ending 31st March, 2018 alongwith the Directors' Report, Audited Annual Accounts with the Report of Auditors and comments of Comptroller and Auditor General of India have already been circulated to the Members, and with your permission, I shall take them as read.

I am happy to inform you that your Corporation has once again maintained its 'Excellent' Rating under the MoU 2016-17 with the Government. As on 31st March, 2018, the Authorised Share Capital of your Corporation was Rs. 1500 crore and Paid-up Capital was Rs.1348.01 crore.

### **MAJOR ACHIEVEMENTS**

#### **Sanction of Proposals**

During the year, your Corporation sanctioned proposals worth Rs.1069.67 crore to the SCAs/CAs for implementation of schemes. By achieving this, your Corporation has broken the barrier of Rs.1000 crore for the first time in 29 years.

#### **Disbursement of Funds**

During the year, your Corporation disbursed Rs.600.88 crore i.e.69.66% of total funds available during 2017-18 as against the target of 63% ('Excellent' target under MoU) to the SCAs/CAs for implementation of schemes to benefit 1,08,340 beneficiaries. By achieving these, your Corporation has broken the barrier of Rs.500 crore disbursement and covered more than one lakh beneficiaries for the first time in 29 years.

#### **Skill Development Training Programmes**

During the year, your Corporation sanctioned and implemented Skill Development Training Programmes with a cost of Rs.28.10 crore to train 17,088 persons belonging to Scheduled Castes and disbursed Rs.15.72 crore [including grant provided by Ministry of Social Justice & Empowerment under the Scheme of Assistance to Voluntary Organizations working for the Welfare of SCs, Training (Grant)-Advances & Training Expenses-Beneficiaries], by developing partnership with 17 (Seventeen) Skill Training Institutes. Out of 17,088 commenced, 10,862 persons completed their Skill Development Training Programmes. Further, training in respect of

11,079 persons which commenced during 2017-18, were completed during the year.

### **Achievements vis-à-vis Targets of MoU (2017-18)**

During the year, your Corporation has achieved all the MoU targets under 'Excellent' category. Based on the audited data, total aggregate score for the financial year 2017-18 comes to 'perfect' 100.00 which conforms to 'Excellent' Rating.

### **SPECIAL INITIATIVES**

Your Corporation has taken special initiatives during 2017-18 to further broaden and strengthen its activities. Some of them are as follows:

#### **(i) Composite Awareness Camps in States**

During the year, your Corporation participated in 15 Composite Awareness Camps to publicize the MoSJ&E's and National Corporations' Schemes at the field level. These camps were organized in Delhi, Jammu & Kashmir (Srinagar, Udhampur), Himachal Pradesh (Solan), Uttar Pradesh (Bijnor, Noida, Varanasi), Chandigarh, Madhya Pradesh (Indore, Chitrakoot, Ujjain). At each of these camps, your Corporation was provided a stall to publicize its Schemes and distribute the Scheme pamphlets to the visitors to generate mass awareness. Successful beneficiaries were also invited in some of the Camps to address the gathering about their experiences of availing loans under Corporation's schemes and activities related to business.

#### **(ii) Revision of Notional Allocation criteria**

During the year, your Corporation revised Notional Allocation criteria. As per the revision, the notional allocation for sanction and disbursement, based on total available funds, is made in two ways:

- (a) Notional allocation to all the SCAs of the States/UTs in proportion to the Scheduled Caste population represented by the States/UTs to the total Scheduled Caste population of the country for the purpose of official reporting such as reply to Parliament questions, Parliament matter, court matter, etc.
- (b) Notional allocation (active) to the SCAs of the States/UTs in proportion to the Scheduled Caste population represented by them to the total Scheduled Caste population of those States/UTs where SCAs have been availing funds regularly or availed funds atleast once in the last three financial years from NSFDC for the purpose of effective utilization of total available funds.

#### **(iii) Revision of Scheme-wise Allocation for Sanction & Disbursement.**

During the year, to cover more beneficiaries under Micro Credit Schemes, your Corporation revised the scheme-wise allocation for sanction and disbursement under Term Loan Schemes, Micro Credit Finance & Mahila Samridhi Yojana from existing ratio of 60:10:30 to the ratio of 50:15:35.

**(iv) Revision of Delegation of Powers for sanction of project**

During the year, to avoid the duplicacy in work and save time & resources, your Corporation revised the existing delegation of powers of CMD, NSFDC to sanction up to Rs.10.00 lakh for individual project/profit centres and up to Rs.500.00 lakh for a group scheme containing single business activity or different business activities having same unit cost irrespective of cost of project for both individual project/profit centres as well as group scheme containing single business activity or different business activities having same unit cost.

**(v) Development of Scheduled Caste Weaver Cluster**

In order to converge Government of India Schemes for providing more benefits to the Scheduled Caste Weavers, your Corporation has signed Memorandum of Understanding (MoU) with the Development Commissioner (Handlooms), Ministry of Textiles on 14th April, 2017. The basic objective of the MoU is to help Scheduled Caste Weavers and their families by promoting production and marketing of high value quality Handloom products at Cluster level in the field of Weaving.

**(vi) Development of Scheduled Caste Artisans Cluster**

During the year, with the financial assistance of Development Commissioner (Handicrafts), Ministry of Textiles, Government of India, your Corporation sanctioned Rs.221.16 lakh & released Rs.87.34 lakh to its appointed Project Implementing Agencies (PIAs) for development of 09 Handicraft Clusters for the benefit of 4,660 Scheduled Caste Artisans in the State of Assam (03 clusters), Bihar (01 cluster), Rajasthan (04 clusters) & West Bengal (01 cluster).

Besides above, your Corporation sanctioned Rs.7.50 lakh and released Rs.7.50 lakh from its own source to National Institute for Micro, Small and Medium Enterprises (ni-msme), Hyderabad, one of the PIAs, for development of 03 handicraft clusters for the benefit of 1,024 Scheduled Caste Artisans in the State of Andhra Pradesh, Maharashtra & Telangana @ 01 cluster per State.

**(vii) Initiatives taken for the Beneficiaries**

During the year, your Corporation revised the Lending Policies for SCAs, PSBs & RRBs and NBFC-MFIs. The following revisions were made in lending policies:

- (a) Enhancement of Unit Cost under Laghu Vyvassay Yojana (LVY) from Rs.3.00 lakh to Rs.5.00 lakh.
- (b) Enhancement of Unit Cost under Mahila Kisan Yojana (MKY) and Shilpi Samriddhi Yojana (SSY) from Rs.0.50 lakh to Rs.2.00 lakh.
- (c) Enhancement of Unit Cost under Micro Credit Finance (MCF) and Mahila Samriddhi Yojana (MSY) from Rs.0.50 lakh to Rs.0.60 lakh in the first cycle and Rs.1.00 lakh in subsequent cycles.
- (d) Enhancement of Unit Cost under Green Business Scheme (GBS) from Rs.2.00 lakh to Rs.30.00 lakh.

- (e) Enhancement of repayment period under Micro Credit Finance (MCF), Mahila Samridhi Yojana (MSY) and Aajeevika Micro-finance Yojana (AMY) from 03 years to 3½ years.
- (f) Enhancement of repayment period under Green Business Scheme (GBS) from 06 years to 10 years.
- (g) There should be a minimum of 80% cumulative utilization level of funds already disbursed as at the end of preceding month for disbursement till February end. Further, cumulative fund utilization level of 80% at the end of preceding day for disbursement of fund in the month of March.
- (h) Annual Family Income criterion for prospective Scheduled Caste beneficiaries was revised from Rs.98,000/- p.a. for rural areas and Rs.1,20,000/- p.a. for urban areas to Rs.3,00,000/- p.a. for both rural and urban areas in case of Credit Based Schemes.
- (i) There is no Annual family income criterion for prospective Scheduled Caste Trainees.

**(viii) Swachh Bharat Abhiyan**

In compliance of the directions from Ministry of Rural Development, Panchayati Raj, Ministry of Drinking Water & Sanitation and Ministry of Social Justice & Empowerment, your Corporation conducted various campaigns for “Swachhta Hi Sewa”. During the campaign period, your corporation undertook various activities relating to “Swachhta” and also sanctioned projects relating to environment cleanliness at various places and locations. Your Corporation organised cleanliness drive at JJ Cluster (Rajiv Camp) located opposite ChitraVihar, slum at C-Block Preet Vihar, Delhi and Denotified Nomadic Tribal (DNT) area, Sector-10, Gurugram, Haryana. Your Corporation Installed Bio-methanation Plant-cum-Organic Waste Processors at Bolpur, Birbhum District, West Bengal. “Swachhta hi Sewa” campaign was organized at non-residential school, Brahmpuri, Delhi and at SC leather cluster in Mettupalayam, Perambur, Tamil Nadu. Your Corporation also ensured upkeep and cleanliness of office premises.

In addition, your corporation made contribution to Swachh Bharat Kosh, Department of expenditure, Ministry of Finance amounting to Rs.28.50 lakhs, which would be utilized for constructing toilets in schools, rural and urban areas in furtherance to achieve the objective of cleanliness across the country. Swachh Bharat Kosh has been set up with the object of attracting Corporate Social Responsibility (CSR) funds from Corporate Sector and to get contribution from individuals and philanthropists to achieve the objective of Swachh Bharat Abhiyan.

**(ix) Celebration of International Yoga Day**

In compliance to the instructions issued by Ministry of AYUSH, your Corporation celebrated International Yoga Day on 21st June, 2017. On the occasion, “Yoga Session” was organized for all the employees of the Corporation. Morarji Desai National Institute of Yoga, Ministry of Ayush deputed Yoga instructor to impart yoga training to employees

of your Corporation. All the employees of your Corporation took active part in making the event successful.

**(x) Senior Citizens Week**

In compliance of the instructions issued by Ministry of Social Justice and Empowerment, your Corporation organized Health and Yoga camp for Senior citizens at different locations such as Greater Noida & Ghaziabad (U.P.), Faridabad (Haryana), during the “Senior Citizen Week” from 1st October to 7th October, 2017.

**(xi) Public Procurement Policy for MSEs**

The Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 mandates that 20% of the total Annual procurement of goods and services by all Central Ministries/ Public Sector Undertakings will be made from Micro and Small Enterprises (MSEs). Government has further earmarked a sub-total of 4% procurement of goods and services, out of the 20%, from MSEs owned by SC/ST entrepreneur. In compliance of the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order 2012, your Corporation has achieved the required target during the year 2017-18.

**(xii) Renewal of Quality Management System Certification Licence as per IS/ISO 9001:2008**

Your Corporation's Quality Management System Certification License as per IS/ISO 9001:2008, after successful completion of all the requirements of Quality Management System, was renewed by the Bureau of Indian Standards (BIS) in 2017-18. The BIS conducted renewal audit in the month of August, 2017 and recommended for the renewal of License in October, 2017. The renewed License number assigned by BIS is CRO/QM/L-8002836.3. The License is valid from 18th November, 2017 to 14th September, 2018. However, the validity of License shall be for maximum period of 3 years subject to the condition that all actions & verifications of transition to the revised version IS/ISO 9001:2015 is completed before 31st August, 2018. If this condition is met, the License will be allowed up to 29th November, 2019 and a new License will be issued by the BIS for the balance period.

**(xiii) Strengthening of IT-System**

Your Corporation is maintaining database for the project related data in an in-house devised module for generation of various reports. For comprehensive protection of data, hardware & networking against various viruses, spyware, adware and other malicious programmes, your Corporation has installed antivirus software, which is updated periodically. To strengthen IT equipment, PCs, laptops, accessories and peripherals were procured during the reported year.

Your Corporation maintained a disabled friendly, bilingual dynamic website during the year which was designed and developed by National Informatics Centre (NIC). Further, a new dynamic, disabled friendly and bilingual website which is in compliance with Guidelines for Indian Government Website (GIGW) along with a Web based Skill Training

Application is in the process of being hosted at NIC Cloud Server by replacing the existing website.

- The e-Office software has been implemented in NSFDC Head Office.
- A new web based NSFDC's Loan Accounting Software has been developed and currently is in Parallel Run.
- A Web based software for Annual Performance Appraisal Report (APAR/ACR) has been developed for use by NSFDC's officials. The salient features of the software are as follows:
  - Employee-wise APAR can be generated and issued by HR Department for the particular year.
  - Employees can access software with their individual User Code and Password.
  - After login, employees can fill up Self-Appraisal with a provision to add one PDF file.
  - After an employee has submitted his/her self-appraisal, APAR is automatically marked to the employee's Reporting Officer/Reviewing Officer/Accepting Officer.

#### (xiv) **Corporate Social Responsibility**

The Corporate Social Responsibility & Sustainability Development (CSR & SD) Policy has been formulated and recommended to the Board. The CSR & SD Policy indicating the activities to be undertaken by the Company has been approved by the Board.

As per Companies Act, 2013, out of a budgetary allocation of Rs.86.77 lakh (which is 2% of the net profit made during three immediately preceding financial years), the Company has spent Rs.32.76 lakh on CSR activities during the financial year 2017-18.

#### (xv) **Resource Linkage Programme**

The provisions of the Companies Act, 2013 under Section 135 require certain disclosures in the Board report. Your Corporation carries out activities specified in Schedule VII of the Act. Companies incorporated under Section 8 of the Act also find mention in the new Companies (Corporate Social Responsibility Policy) Rules, 2014 issued vide notification dated 27.02.2014 that they shall be implementing agencies.

During the year, your Corporation received sanction under Corporate Social Responsibility (CSR) from five profit making CPSEs namely Central Warehousing Corporation (CWC), National Fertilizers Limited (NFL), Rural Electrification Corporation (REC), Security Printing Minting Corporation of India Limited (SPMCIL) and MMTC Ltd. Further, CSR funds amounting to Rs.71.00 lakh were released to concerned training institutions during the year.

**Road Ahead**

Your Corporation will use innovative approaches to assist the target group for accelerating economic growth and increasing incomes. The focus of assistance will continue to be in economic activity, professional/technical education and skill development leading to employability. Geographically, the focus will be primarily on areas where the concentration of the target group is high, particularly in the aspirational districts of the country. Your Corporation will continue building on existing collaborative relationships and develop new partnerships with channelizing agencies and other development partners as well as follow multi-pronged strategy to promote entrepreneurship among Scheduled Castes.

**Acknowledgments**

On behalf of the Board of Directors of the Company, I take this opportunity to convey my deep gratitude for your continued support and valuable guidance. I convey my sincere thanks to the Ministry of Social Justice and Empowerment for their unstinted support and co-operation. I appreciate and acknowledge the support of the Board of Directors for their constant advice and encouragement. I acknowledge the assistance received from various Ministries of Government of India, Department of Public Enterprises, State Governments and UT Administrations. I also acknowledge the cooperation received from various State Channelizing Agencies, Channelizing Agencies comprising of various Public Sector Banks, Regional Rural Banks and Non-Banking Financial Company-Micro Finance Institutions, various profit making PSU Partners and foundations providing CSR funds etc.

I would like to convey my sincere thanks to the Training Institutions for their support that has enabled us to provide employment opportunities to the target group.

I would also acknowledge the sincere efforts of all employees of the Corporation which have enabled us to reach higher milestones. I look forward to continued support from all stakeholders in this journey.



**(Shyam Kapoor)**

**Chairman-cum-Managing Director**

**Place : Delhi**

**Date : 19<sup>th</sup> September, 2018**

## ACRONYMS

Short Form	Word
AA	Appellate Authority
BPL	Below Poverty Line
CA	Channelizing Agency
CAPIOs	Central Assistant Public Information Officers
CPIO	Central Public Information Officer
CPSEs	Central Public Sector Enterprises
CSR	Corporate Social Responsibility
CVC	Chief Vigilance Commission
CVO	Chief Vigilance Officer
CMD	Chairman-cum-Managing Director
DPE	Department of Public Enterprises
DPL	Double Poverty Line
EOIOE	Excess of Income Over Expenditure
HMV	Heavy Motor Vehicle
IITF	India International Trade Fair
ISSDRI	Incentive Scheme for SCAs for Development of Recovery Infrastructure
IT	Information Technology
LDDP	Liquidity Damages for Defaulted Payment
LMV	Light Motor Vehicle
MHRD	Ministry of Human Resources Development
MOSJ&E	Ministry of Social Justice and Empowerment
MoU	Memorandum of Understanding
MCD	Municipal Corporation of Delhi
MSE	Micro Small Enterprises
MFI	Micro Finance Institutions
NBFC	Non-Banking Financial Company
NAPE	National Award for Performance Excellence
NSFDC	National Scheduled Castes Finance and Development Corporation
NGO	Non Governmental Organization
NIC	National Informatics Centre
NICSI	National Informatics Centre Services Incorporated
OBC	Other Backward Classes
OTC	Over the Counter
PSUs	Public Sector Undertakings
PSB	Public Sector Bank
RRB	Regional Rural Bank
RTI	Right to Information
SCAs	State Channelizing Agencies
SCs	Scheduled Castes
SCSP	Scheduled Castes Sub-Plan
STs	Scheduled Tribes
TA/DA	Travelling Allowance/Daily Allowance
TOs	Transparency Officer
UCs	Utilization Certificates
UTs	Union Territories

**DIRECTORS' REPORT (2017-18)**

I welcome you to the 29<sup>th</sup> Annual General Meeting of your Corporation. Annual General Meetings are a platform to discuss the Annual Report on the progress of your Corporation together with its Audited Financial Statements, Auditors' Report and Comments of the C&AG on Accounts.

**1. CORPORATE PROFILE**

Your Corporation was set up as National Scheduled Castes & Scheduled Tribes Finance and Development Corporation on 08.02.1989, as a Company 'not for profit' under Section 25 of the Companies Act, 1956 (now, under Section-8 of the Companies Act, 2013). It catered to the needs of both Scheduled Castes & Scheduled Tribes target groups till 09.04.2001. On 10.04.2001, the Corporation was bifurcated after creation of National Scheduled Tribes Finance & Development Corporation for Scheduled Tribes target group under Ministry of Tribal Affairs. Consequent upon its bifurcation, your Corporation now exclusively caters to the needs of Scheduled Caste target group.

**1.1 Vision**

To be the leading catalyst in systematic reduction of poverty through socio-economic development of eligible Scheduled Castes, working in an efficient, responsive and collaborative manner with channelizing agencies and other development partners.

**1.2 Mission**

Promote prosperity among Scheduled Castes by improving flow of financial assistance and through skill development & other innovative initiatives.

**1.3 Objectives**

The Memorandum of Association of your Corporation lists the following main objects to be pursued:

- (i) Identification of trades & other economic activities of importance to Scheduled Castes population.
- (ii) Upgradation of skills & processes used by persons belonging to Scheduled Castes.
- (iii) Promotion of small, cottage & village industries.
- (iv) Financing of pilot programmes for upliftment and economic welfare of persons belonging to Scheduled Castes.
- (v) Improvement in flow of financial assistance to persons belonging to Scheduled Castes for their economic well-being.

- (vi) Assistance to target group in setting up their projects by way of project preparation, training and financial assistance.
- (vii) Extending loans to eligible students belonging to Scheduled Castes for pursuing full-time professional and technical courses in India and abroad.
- (viii) Extending loans to eligible youth to enhance their skill & employability by pursuing vocational education & training courses in India.

In pursuance of above objects, your Corporation is engaged in providing financial assistance at concessional interest rates under various credit-based schemes to persons belonging to Scheduled Castes through the State/UT Channelizing Agencies and other channel partners and is also implementing various non-credit based schemes to support the target groups.

#### **1.4 Authorized and Paid-up Share Capital**

During the year, the authorized share capital of your Corporation is Rs.1500.00 crore. The paid up share capital at the beginning of financial year 2017-18 was Rs.1218.02 crore (Rs.1.78 crore pending for allotment). The Government of India released Rs.128.21 crore during the year towards equity support. The cumulative paid up capital at the end of financial year was Rs.1348.01 crore.

#### **1.5 Organization Structure**

Your Corporation is headed by a Chairman-cum-Managing Director who is assisted by a General Manager, 2 Deputy General Managers and a team of Senior Executives. There are 78 employees working in your Corporation. Apart from Projects, Finance, Human Resources and Administration, there are other Departments viz. Corporate Services, Internal Audit, Coordination, Banking, Vigilance, Legal, MIS, Skill Training, Record Management CSR Library and Official Language Cell. In order to ensure efficient implementation and monitoring of NSFDC Schemes in the States, there is a Projects Desk headed by Assistant General Manager. Besides above, in order to expand outreach under NSFDC's schemes PAN India through Public Sector Banks, Regional Rural Banks, Cooperative Banks, other Institutions and the Last Mile Financiers i.e. the Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFIs), there is a Banking Division headed by Chief Manager. Apart from Projects Department and Banking Division, there is one Training Cell headed by Chief Manager, exclusively assigned with tasks related to Skill Development of target group.

The Organizational Chart is depicted at **Annexure-I**.

#### **1.6 Liaison Centres**

Your Corporation has three Liaison Centres, which keep liaison with respective

State/UT Channelizing Agencies & other Channel Partners and monitor implementation of various schemes in the respective State/UTs. The locations of the Liaison Offices and their jurisdiction are given below:

Sl.No.	Liaison Centre	Jurisdiction
(i)	Bengaluru	Tamil Nadu, Kerala, Karnataka, Andhra Pradesh, Telangana and Puducherry
(ii)	Kolkata	Odisha, West Bengal, Bihar, Jharkhand, Assam, Manipur, Meghalaya, Mizoram, Tripura and Sikkim
(iii)	Mumbai	Maharashtra, Gujarat, Rajasthan, Goa, Daman & Diu, Dadra & Nagar Haveli

The States like Chhattisgarh, Haryana, Punjab, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Uttar Pradesh, Uttarakhand and UTs of Delhi & Chandigarh, are being covered from Head Office directly.

## 1.7

### **Channel Finance System**

- (i) Your Corporation implements various credit based and non-credit based schemes for the target group through a network of 37 States/UT Channelizing Agencies (SCAs) spread across the country that are nominated by respective State Governments/UT Administrations. In addition, your Corporation has also established alternate channels for implementation of schemes through Public Sector Banks (PSBs), Regional Rural Banks (RRBs), Non-Banking Finance Company-Micro Finance Institutions (NBFC-MFIs) and other Institutions. As on 31.03.2018, your Corporation has 56 Alternate Channelizing Agencies (CAs).
- (ii) State/UT-wise list of SCAs/CAs is given at **Annexure-II (A) and II (B)**.
- (iii) Formulation and sponsoring of project proposals based on local needs, identification of eligible applicants and selection of beneficiaries, documentation with beneficiaries, implementation of schemes and recovery of loans from beneficiaries lies in the domain of the SCAs/CAs.

## 1.8

### **Notional Allocation of Funds**

At the beginning of each financial year, your Corporation notionally allocates funds to the SCAs, in proportion to the Scheduled Castes population of the Country represented by the respective State/UT.

## 1.9

### **Norms for Disbursement of Funds**

### 1.9.1

#### **Norms of SCAs**

Before disbursement of funds to the SCAs, the following norms are taken into consideration:

**(i) Guarantee:**

Availability of adequate State Government Guarantee/Bank Guarantee/ State Government Order/State Government Assurance.

**(ii) Utilization Level:**

There should be a minimum of 80% cumulative utilization level of funds already disbursed as at the end of preceding month for disbursement till February end. Further, cumulative fund utilization level of 80% at the end of preceding day for disbursement of fund in the month of March.

**(iii) Repayment of Dues:**

There should not be any overdues more than one year old.

The above norms are followed in case of disbursement under loan schemes. As regards the Educational Loan Scheme introduced w.e.f. 01.12.2009, the conditions of availability of State Government Guarantee and no overdues more than one year old are ensured at the time of sanction of Education Loan.

### 1.9.2

#### **Norms for PSBs/RRBs**

As per the Lending Policy of NSFDC, the PSBs & RRBs (Channelizing Agencies) have to fulfill certain norms to be eligible for disbursement of funds from NSFDC. These norms are given as under:

- There should not be any overdues payable to NSFDC at the time of disbursement.
- There should be a minimum of 80% cumulative utilization level of funds already disbursed as at the end of preceding month for disbursement till February end. Further, cumulative fund utilization level of 80% at the end of preceding day for disbursement of funds in the month of March, under project-based schemes.
- Besides above, the following conditions are to be fulfilled by the Regional Rural Banks (RRBs) based on their Annual Accounts of the preceding financial year:
  - Net Non-performing Assets (NPA) should be less than 10% or average net NPA for the last 05 financial years should be less than 10%. Further, out of these 05 years, the net NPA should be less than 10% each year, for at least 03 years.
  - Should be in profit in the last financial year or be in profit for at least any 03 out of last 05 financial years.
  - Should not be a defaulter of any Regulatory Body.

### 1.9.3 Norms for Other Organizations

Fixed Deposit lien to NSFDC/Bank Guarantee/Multi-city Post Dated Cheques in favour of NSFDC issued by a Public Sector Bank (PSB).

### 1.9.4 Norms for NBFC-MFIs

As per the Lending Policy of NSFDC, the NBFC-MFIs (Channelizing Agencies) have to fulfill certain norms to be eligible for disbursement of funds from NSFDC. These norms are given as under:

- ▶ No pending utilization of NSFDC funds for more than one year at the end of the preceding financial year.
- ▶ There should be a minimum of 80% cumulative utilization level of funds already disbursed as at the end of preceding month for disbursement till February end. Further, cumulative fund utilization level of 80% at the end of preceding day for disbursement of fund in the month of March.
- ▶ No overdues payable to NSFDC at the time of disbursement.
- ▶ The disbursement to NBFC-MFIs shall be subject to Security.
  - Under Cluster Mode, Guarantee from Public Sector Bank (PSB) equivalent to the amount to be disbursed or 50% in the form of Post Dated Cheques (PDCs) and 50% Fixed Deposit from PSB. One undated PDC equivalent to the 50% of amount to be disbursed.
  - Under Non-Cluster Mode, Guarantee/Fixed Deposit from Public Sector Bank equivalent to the amount to be disbursed or up to 50% in the form of mortgage of Residential/Commercial property alongwith Personal/ Corporate Guarantee of respective property owner (s) and remaining as Guarantee/Fixed Deposit from PSB.

### 1.10 Beneficiaries' Eligibility Criteria

The eligibility criteria of applicants for coverage under Corporation's schemes are as under:

- (i) Applicants should belong to the Scheduled Caste community.
- (ii) Annual family income of the applicants should be within Rs.3.00 lakh (for both rural and urban areas w.e.f. 08.03.2018) under Credit Based Schemes.

The Annual Family Income Criterion will not be applicable for skill development training programmes. The funds under skill development training programmes shall be provided as per the norms of Ministry of Skill Development and Entrepreneurship, Government of India.

### 1.11 Norms for coverage of Women Beneficiaries

Your Corporation gives importance to adequate coverage of women beneficiaries under its schemes. Consequent upon the recommendation of Task Force on Convergence and Coordination of Government Programmes/ Schemes for Educational, Economic and Social Empowerment of Scheduled Castes

and OBC women, your Corporation has devised norms to cover 40% women beneficiaries both in financial and physical terms under its schemes.



*Smt. Savitha Satheesan, S of Thiruvananthapuram was provided loan for setting up a Cool Bar under NSFDC's Term Loan Scheme.*

### 1.12 Schemes of Corporation

Your Corporation has various Credit Based & Non-Credit Based Schemes for providing financial and other assistance to the beneficiaries. Loans are provided to beneficiaries for various economic activities under Agriculture & Allied, Small Industries and Services including Transport Sectors. Your Corporation also provides loan for pursuing higher education and vocational education & training.

Details of schemes financed by your Corporation for the target group through its SCAs and CAs are as follows:

#### 1.12.1 Credit-Based Schemes

The various schemes formulated over the years by your Corporation include Term Loan, Working Capital Loan, Micro Credit Finance, Mahila Samriddhi Yojana, Mahila Kisan Yojana, Shilpi Samriddhi Yojana, Laghu Vyavasay Yojana, Nari Arthik Sashaktikaran Yojana, Educational Loan Scheme, Vocational Education & Training Loan Scheme, Green Business Scheme, Stand-up India Scheme and Aajeevika Microfinance Yojana for the socio-economic development of its target group. Under these schemes, loans are provided at concessional interest rates ranging from 1% to 8% p.a. depending on scheme/quantum of loan extended. Further, the SCAs/CAs are allowed to add 2-3% (except 8% in case of Aajeevika Microfinance Yojana) to the aforesaid interest rates under different Schemes and charge interest from the beneficiaries.

1.12.1(A) (i) Schemes implemented through SCAs /CAs

Sl. No.	Scheme	Unit Cost	Maximum Loan limit up to 90% of Unit Cost/ Profit Centre	Interest rates per annum chargeable to	
				CAs	Beneficiaries
(i)	Term Loan (TL)	Up to Rs.30.00 lakh however, interest is charged based on NSFDC share/unit.	Up to Rs.5.00 lakh	3%	6%
			Above Rs.5.00 lakh & up to Rs.10.00 lakh	5%	8%
			Above Rs.10.00 lakh & up to Rs.20.00 lakh	6%	9%
			Above Rs.20.00 lakh & up to Rs.27.00 lakh	7%	10%
	Working Capital Loan	Entire working capital is provided for projects costing up to Rs.5.00 lakh and up to 70% of the total working capital or Rs.7.00 lakh/unit, whichever is less, for projects costing above Rs.5.00 lakh & up to Rs.30.00 lakh.		8%	10%
(ii)	Micro-Credit Finance (MCF)	Up to Rs.0.60 lakh	Rs.0.54 lakh	2%	5%
(iii)	Mahila Samridhi Yojana (MSY)	Up to Rs.0.60 lakh	Rs.0.54 lakh	1%	4%
(iv)	Mahila Kisan Yojana (MKY)	Up to Rs.2.00 lakh	Rs.1.80 lakh	2%	5%
(v)	Shilpi Samridhi Yojana (SSY)	Up to Rs.2.00 lakh	Rs.1.80 lakh	2%	5%
(vi)	Laghu Vyavasay Yojana (LVY)	Up to Rs.5.00 lakh	Rs.4.50 lakh	3%	6%
(vii)	Nari Arthik Sashaktikaran Yojana (NASY)	As per any scheme of NSFDC		1%	4%
(viii)	Green Business Scheme (GBS)	Up to Rs.7.50 lakh	Rs.6.75 lakh	2%	4%
		Above Rs.7.50 lakh & up to Rs.15.00 lakh	Rs.13.50 lakh	3%	6%
		Above Rs.15.00 lakh & up to Rs.30.00 lakh	Rs.27.00 lakh	4%	7%
(ix)	Stand-up India Scheme	Above Rs.10.00 lakh & up to Rs.20.00 lakh	Rs.18.00 lakh	6%	9%
		Above Rs.20.00 lakh & up to Rs.30.00 lakh	Rs.27.00 lakh	7%	10%
(x)	Educational Loan Scheme (ELS)	Up to Rs.10.00 lakh or 90%, whichever is less (Studies in India)		1.5% (0.5% rebate for women)	4% (0.5% rebate for women)
		Up to Rs.20.00 lakh or 90%, whichever is less (Studies Abroad)			
(xi)	Vocational Education & Training Loan Scheme (VETLS)	Up to Rs.1.50 lakh (100%)		1.5% (0.5% rebate for women)	4% (0.5% rebate for women)

1.12.1(A) (ii) Scheme implemented through NBFC-MFIs

Sl. No.	Scheme	Unit Cost	Maximum Loan limit up to 90% of Unit Cost/ Profit Centre	Interest rates per annum chargeable to*	
				CAs	Beneficiaries
(xii)	Aajeevika Microfinance Yojana (AMY)	Up to Rs.0.60 lakh	Rs.0.54 lakh	5% (1% rebate for women)	13% (1% rebate for women)

\*The beneficiaries shall be eligible to get interest subvention @ 2% per annum from NSFDC on timely full repayment of dues on yearly basis. The amount shall be credited by NSFDC directly to the account of the beneficiaries by Direct Benefit Transfer (DBT) after receiving information from NBFC-MFIs about prompt repayment made by the beneficiaries subject to full repayment made by NBFC-MFIs.

**1.12.1(B) Means of Finance**

As per your Corporation's Lending Policy, the Corporation (NSFDC) provides loans up to 90% of unit cost and channelizing agencies and/or promoters provide remaining 10% amount, except in the case of Vocational Education & Training Loan Scheme where 100% cost of project is provided as loan by your Corporation.

**1.12.1(C) Promoter's Contribution**

In order to have promoter's stake and involvement in the project, promoter's contribution is insisted under Term Loan projects costing above Rs.1.00 lakh per unit as per the details given below:

Sl. No.	Project/Unit Cost	Minimum Promoter's Contribution as %age of Project Cost
(i)	Projects costing up to Rs.1.00 lakh	Not insisted upon
(ii)	Projects costing above Rs.1.00 lakh & up to Rs. 2.50 lakh	2%
(iii)	Projects costing above Rs.2.50 lakh & up to Rs.5.00 lakh	3%
(iv)	Projects costing above Rs.5.00 lakh & up to Rs. 10.00 lakh	5%
(v)	Projects costing above Rs.10.00 lakh & up to Rs. 20.00 lakh	7%
(vi)	Projects costing above Rs.20.00 lakh & up to Rs.30.00 lakh	10%

**1.12.1(D) Subsidy to Beneficiaries**

In all the schemes except Educational Loan Scheme and Vocational Education & Training Loan Scheme, subsidy up to Rs.10,000/- or 50% of the unit cost, whichever is less, is provided by SCAs to the Below Poverty Line (BPL) beneficiaries from Special Central Assistance to Scheduled Castes Sub-Plan (SCSP) funds released by Ministry of Social Justice & Empowerment to the State Governments. Under Educational Loan Scheme, beneficiaries enrolled in recognized Technical/ Professional courses (after Class XII) are also eligible for interest subsidy during moratorium period, which is provided by the Ministry of Human Resources Development (MHRD) under the Central Scheme of Interest Subsidy for students belonging to economically weaker sections.

**1.12.1(E) Moratorium Period**

Moratorium (Repayment Holiday) for repayment of principal amount is given to beneficiaries after disbursement of loan to enable beneficiaries to gain a firm footing in their business activities. However, no moratorium is offered for payment of interest amount. The scheme-wise moratorium periods are given as under:

Scheme	Moratorium Period
Term Loan	6 months to 12 months depending upon nature of business activity.
Micro Credit Finance	3 months
Mahila Samriddhi Yojana	3 months
Mahila Kisan Yojana	12 months
Shilpi Samriddhi Yojana	6 months
Laghu Vyavasay Yojana	6 months
Nari Arthik Sashaktikaran Yojana	3 months to 12 months depending upon the nature of scheme.
Educational Loan Scheme	6 months after course completion or getting employment, whichever is earlier.
Vocational Education & Training Loan Scheme	6 months after course completion or getting employment, whichever is earlier.
Green Business Scheme	6 months
Aajeevika Microfinance Yojana	3 months
Stand-up India Scheme	As per the norms of Stand-up India Scheme of Government of India.

#### 1.12.1(F) Repayment Period

The repayment period of loans is broadly fixed on the basis of assessment of cash flow generation, life of the project assets and gestation period of projects. Repayment periods under different schemes and activities are given below

Schemes	Repayment period
<b>Term Loan Schemes</b>	
Land Based Activities (Agricultural Land Cultivation, Horticulture & Irrigation etc.)	Up to 10 years
Transport Activities (Autorickshaws, Jeeps, Load Carriers, etc.)	Up to 5 Years
Small Industries	Up to 5 years
Service Sector Activities	Up to 5 years
<b>Working Capital Loan</b>	Up to 2 Years
<b>Mahila Kisan Yojana</b>	Up to 10 years
<b>Shilpi Samriddhi Yojana</b>	Up to 5 years
<b>Laghu Vyavasay Yojana</b>	Up to 6 years

Schemes	Repayment period
Nari Arthik Sashaktikaran Yojana	Up to 10 years
Vocational Education & Training Loan Scheme	Up to 5 years (for loan up to Rs.1.00 lakh) and up to 7 years (for loan above Rs.1.00 lakh)
Educational Loan Scheme	Up to 10 years (for loans up to Rs.7.50 lakh) & up to 15 years (for loans above Rs.7.50 lakh)
Micro Credit Finance	Up to 3 ½ years
Mahila Samriddhi Yojana	Up to 3 ½ years
Green Business Scheme	Up to 10 years
Aajeevika Microfinance Yojana	Up to 3 ½ years
Stand-up India Scheme	As per the norms of Stand-up India Scheme of Government of India.

**1.12.1(G) Second time loan facility**

Beneficiaries of Micro Credit Finance, Mahila Samriddhi Yojana and Aajeevika Microfinance Yojana, after repayment of entire loan within the stipulated period, are eligible for availing loan under any Scheme of your Corporation.

Further, your Corporation also extends second time loan to the beneficiaries who were provided Term Loan up to Rs.2.00 lakh per unit (including Mahila Kisan Yojana, Shilpi Samriddhi Yojana & Laghu Vyavasay Yojana) subject to (a) full repayment of earlier loan in time and (b) submission of Field Report on actual asset creation and successful running of the business.

**1.12.1(H) Sector-wise illustrative list of projects financed**

Projects financed under various Credit Based Schemes are categorized into four major sectors namely Agriculture & Allied, Industry, Services & Transport and Educational Loan Scheme. Illustrative list of projects under different sectors are given as under:

Agricultural & Allied Sector	
Agricultural Land Purchase	Tractor Trolley
Poly House	Power Tiller with Trolley
Industry Sector	
Flour Mill & Chilly Mill	Fly Ash Bricks Manufacturing

Service & Transport Sector	
Mini Venture	Tent House
Kirana & Cool Drinks	Centering Materials
Mini Hotel	Medical Shop
Mini Super Bazar	Leather Chappal Mfg. Unit
Concrete Mixture	DTP with Laser & Screen
Internet with Xerox Machine	Advocate Office
Mushroom Processing	Guest House Cum Lodge
Green Business (E-Rickshaw)	Auto Taxi
Pickup Van	Jeep Taxi
Auto Trolley Goods	Small Business
Taxi Car	Auto Goods Carrier
Educational Loan Scheme	
Engineering (Diploma in Electrical, Mechanical Engineering, Plastic Technology, B.E, B. Tech., M.Tech., etc.)	Nursing (B.Sc.)
PG Diploma in Transportation Design	Information Technology (BCA/MCA)
Architecture (B.Arch)	Management (BBA/MBA)
Medical (BAMS/BHMS/MBBS/ MD)	Law (LLB/LLM)
Pharmacy (B. Pharma/M. Pharma)	Dental (BDS)
Hospitality & Hotel Management (B.Sc.)	Education (PTC/B.Ed)

### 1.12.2 Non-Credit Based Schemes

#### 1.12.2(A) Skill Development Training Programmes

- Your Corporation sponsors Skill Development Training Programmes for persons of the target group in employable sectors such as Apparel, Telecom, Furniture & Fittings, Leather, IT/ITes, Plastics/Chemicals and Petro-Chemicals, Textile, Rubber, Capital Goods, Handicrafts and Carpet etc. The training programmes, in addition to technical skills also provide soft skills training.



*NSFDC sponsored Trainees undergoing training in Mill Operator trade conducted by the Training provider of Rubber Sector Skill Council at Jalandhar, Punjab.*

- These programmes are conducted through Government/Semi Government Autonomous Institutions, Universities/Deemed Universities/ Sector Skill Councils/Sector Skill Councils affiliated training providers and the trainees are provided free training and stipend @ Rs.1500/- per month during the training period.
- The trainees are also provided placement assistance and/or entrepreneurial guidance to start their own ventures with financial assistance from your Corporation through State Channelizing Agencies/Channel partners.

**1.12.2(B) Marketing Support to Beneficiaries**

Your Corporation provides platform to the beneficiaries making saleable products for selling their items at selected exhibitions and fairs.

**1.12.2(C) Free Stalls to Beneficiaries at Exhibitions/Fairs**

- (i) Your Corporation participates in National and International Exhibitions & Fairs and provides free Stalls to beneficiaries for exhibiting and selling their products.
- (ii) Participation in these exhibitions provides the beneficiaries an opportunity not only to sell their products but also to interact with customers, dealers, exporters and assess the needs/ requirements for development of new products.



*Shri Thaawarchand Gehlot, Hon'ble Union Minister (S&E) visiting stalls of NSFDG beneficiaries during IITF-2017 held at Pragati Maidan, New Delhi.*

**1.12.2(D) Marketing Training to Beneficiaries**

In order to provide beneficiaries with various inputs relating to marketing and developing/re-designing of artisan products as per customers' needs, marketing training is provided. In such training programmes, emphasis is given on how to modify products to suit customers' needs with input of better Over The Counter (OTC) salesmanship.

**1.12.2(E) Awareness Camps**

Awareness camps are conducted in various States to generate mass awareness among the target group about the schemes of your Corporation. During these camps, presentations are made and brochures & pamphlets on Corporation's schemes are distributed among the attendees. Successful beneficiaries are invited to address the gathering about their experiences of availing loans under Corporation's schemes and other activities related to business.

**2. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT****2.1 Achievements during the year****2.1.1 Sanction of Proposals**

During the year, your Corporation sanctioned proposals worth Rs.1069.67 crore to the SCAs/CAs for implementation of schemes. By achieving this, your Corporation has broken the barrier of Rs.1000 crore for the first time in 29 years.

**2.1.2 Disbursement of Funds**

During the year, your Corporation disbursed Rs.600.88 crore i.e. 69.66 % of total funds available during 2017-18 as against the target of 63% ('Excellent' target under MoU) to the SCAs/CAs for implementation of schemes to benefit 1,08,340 beneficiaries. By achieving these, your Corporation has broken the barrier of Rs.500 crore disbursement and covered more than one lakh beneficiaries for the first time in 29 years.

**2.1.2(A) Scheme-wise details of disbursement & beneficiaries covered**

The scheme-wise disbursement & beneficiaries covered for the year 2017-18 and that of previous year are given as under:

Sl. No.	Scheme	Amount (Rs. in crore)		Beneficiaries (Numbers)	
		2016-17	2017-18	2016-17	2017-18
<b>A.</b>	<b>Term Loan Schemes</b>				
(i)	Term Loan	130.39	124.35	13,552	3,375
(ii)	Green Business Scheme	54.36	1.75	40	20
(iii)	Stand-up India Scheme	0.00	9.25	0	76
(iv)	Mahila Kisan Yojana	0.35	0.47	86	118
(v)	Shilpi Samridhi Yojana	0.18	0.28	46	70
(vi)	Laghu Vyavasay Yojana	169.39	205.53	11,954	11,937
(vii)	Educational Loan Scheme	7.06	4.74	308	266
(viii)	Vocational Education & Training Loan Scheme	0.28	0.00	21	0
	<b>Sub Total (A)</b>	<b>362.01</b>	<b>346.37</b>	<b>26,007</b>	<b>15,862</b>

Sl. No.	Scheme	Amount (Rs. in crore)		Beneficiaries (Numbers)	
		2016-17	2017-18	2016-17	2017-18
(i)	Micro Credit Finance	29.16	187.46	7,267	42,027
(ii)	Mahila Samriddhi Yojana	87.81	65.14	48,831	50,057
(iii)	Aajeevika Microfinance Yojana	0.00	1.91	0	394
	<b>Sub Total (B)</b>	<b>116.97</b>	<b>254.51</b>	<b>56,098</b>	<b>92,478</b>
	<b>Grand Total [(A) + (B)]</b>	<b>478.98</b>	<b>600.88</b>	<b>82,105</b>	<b>1,08,340</b>

**2.1.2(B) Sector-wise details of disbursement & beneficiaries covered:**

Sl. No.	Scheme	Amount (Rs. in crore)		Beneficiaries (Numbers)	
		2016-17	2017-18	2016-17	2017-18
(i)	Term Loan				
(a)	Primary Sector (Land Purchase, Irrigation and other Allied Activities)	82.17	6.28	7,872	461
(b)	Secondary Sector (Industries)	0.26	0.00	13	0
(c)	Tertiary Sector (Services & Transport)	102.32	118.07	5,667	2,914
	<b>Total (a) + (b) + (c)</b>	<b>130.39</b>	<b>124.35</b>	<b>13,552</b>	<b>3,375</b>
(ii)	Green Business Scheme	54.36	1.75	40	20
(iii)	Stand up India Scheme	0.00	9.25	0	76
(iv)	Mahila Kisan Yojana (Primary Sector)	0.35	0.47	86	118
(v)	Shilpi Samriddhi Yojana	0.18	0.28	46	70
(vi)	Laghu Vyavasay Yojana	169.39	205.53	11,954	11,937
(vii)	Micro Credit Finance	29.16	187.46	7,267	42,027
(viii)	Mahila Samriddhi Yojana	87.81	65.14	48,831	50,057
(ix)	Aajeevika Microfinance Yojana	0.00	1.91	0	394
(x)	Educational Loan Scheme	7.06	4.74	308	266
(xi)	Vocational Education & Training Loan Scheme	0.28	0.00	21	0
	<b>Grand Total (i to xi)</b>	<b>478.98</b>	<b>600.88</b>	<b>82,105</b>	<b>1,08,340</b>

**2.1.2(C)(i) MoU Targets Vs Achievements (2017-18)**

Consolidated MoU targets and achievements for the financial year 2017-18 are placed at **Annexure-III**. All the MoU targets under 'Excellent' category have been achieved. Based on the audited data, total aggregate score for the financial year 2017-18 come to perfect 100.00 which confirms to 'Excellent' Rating.

(ii) **Loan disbursed to Micro Finance Beneficiaries as a %age of Total Disbursement**

During the year, the percentage of Loan disbursed to Micro Finance Beneficiaries as a %age of Total Disbursement of your Corporation is 42.36%.

(iii) **Number of target group provided skill development training in terms of common norms issued by Ministry of Skill Development**

During the year, 16,088 persons of target group were covered under skill development training programmes of duration less than 6 months which were compliant to the common norms issued by Ministry of Skill Development and Entrepreneurship, Government of India.

(iv) **Number of target group provided skill development training of atleast 6 months duration**

During the year, 1,000 persons of target group provided skill development training of atleast 6 months duration by your Corporation.

(v) **Online submission of Annual Confidential Report (ACR)/Annual Performance Appraisal Report (APAR) in respect of all executives (E-0 and above) along with compliance of prescribed timelines w.r.t. writing of ACR/APAR**

During the year, the percentage of Online submission of ACR/APAR in respect of all executives (E-0 and above) along with compliance of prescribed timelines w.r.t. writing of ACR/APAR of your Corporation is 100.00%. In-house software for maintaining and submitting on-line APARs has been developed.

(vi) **Online Quarterly Vigilance clearance updation for Senior Executives [AGM (E-5) and above]**

During the year, Online Quarterly Vigilance clearance updation for Senior Executives [Assistant General Manager (E-5) and above] is achieved with 100% by your Corporation.

(vii) **Preparation of Succession Plan and its approval by Board of Directors**

During the year, the Succession Plan of the Corporation has been approved by the Board of Directors in the 146th Board Meeting held on 21.08.2017 and sent to DPE through MoSJ&E in time.

(viii) **Holding of Departmental Promotion Committee (DPC) Meetings without delay for executive (E-0 and above level)**

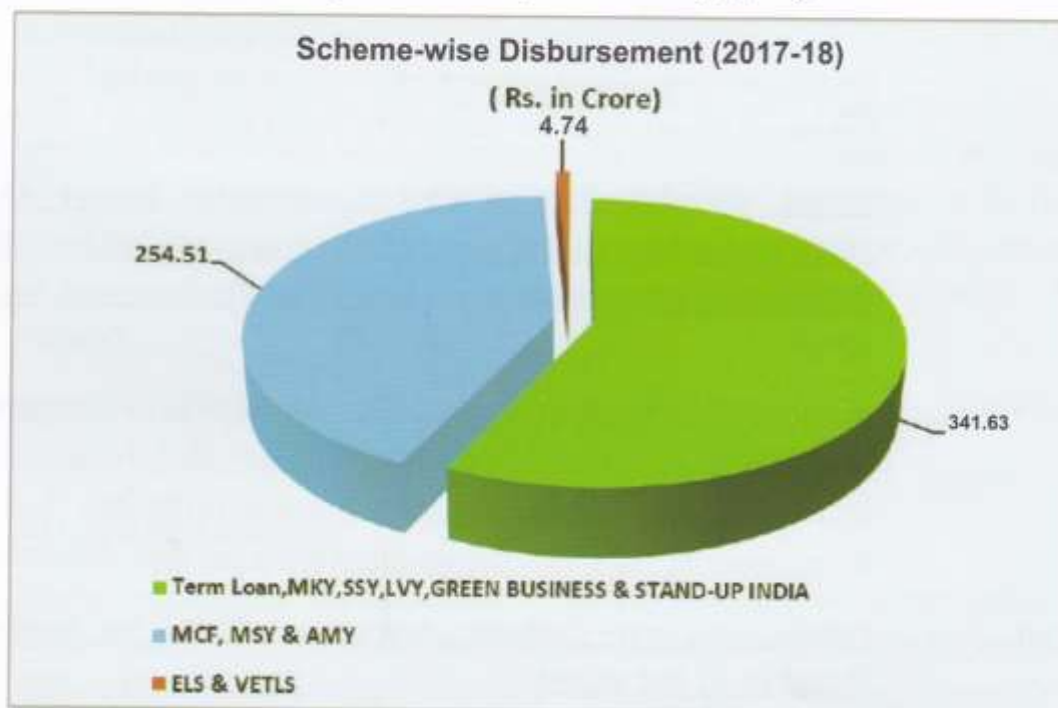
During the year, holding of DPC against clear vacancy at all the levels in the Corporation is achieved with 100% by your Corporation.

(ix) **Talent Management and carrier progression by imparting atleast one week training in Centre of Excellence within India e.g. IITs, IIMs, NITs, ICAI, etc.**

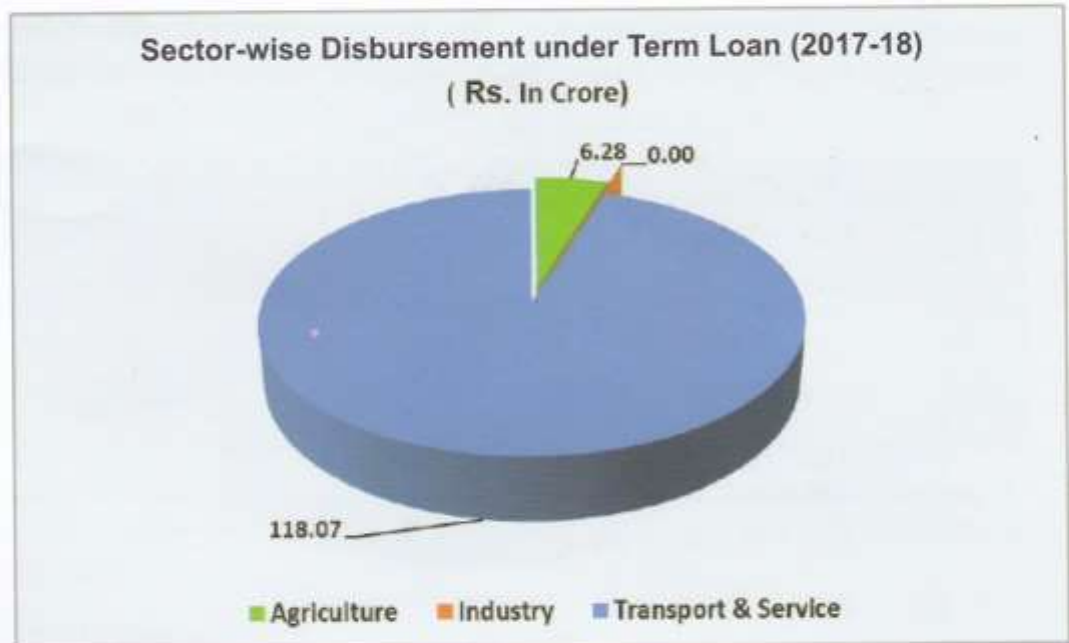
During the year, the percentage of Talent Management and carrier progression by imparting atleast one week training in Centre of Excellence within India e.g. IITs, IIMs, NITs, ICAI, etc. of your Corporation is 13.89%.

2.1.2(D) **Scheme-wise/sector-wise Disbursement**

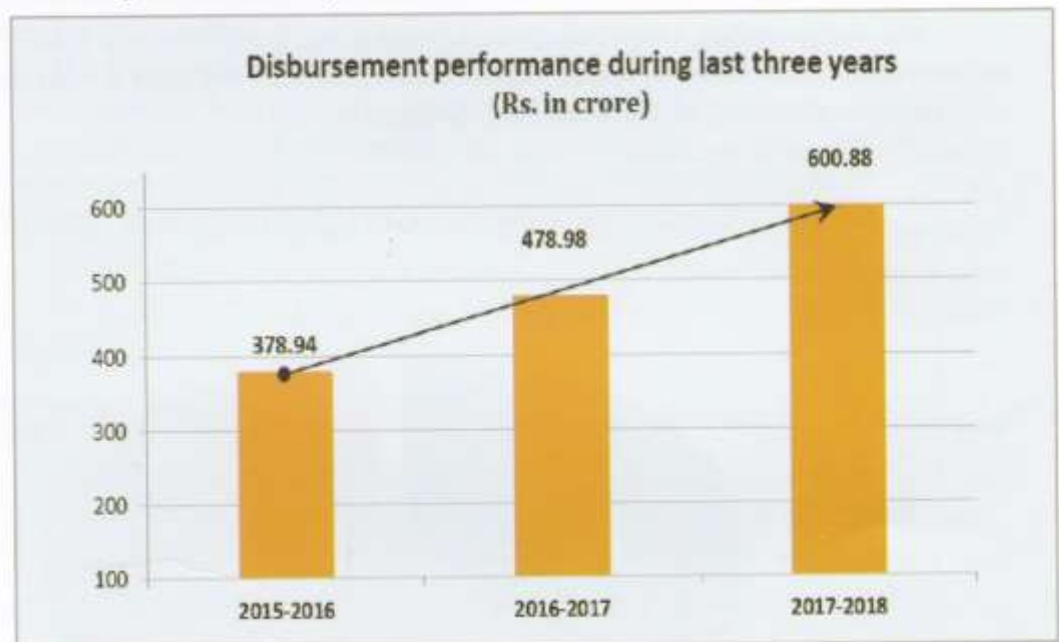
The performance during 2017-18 is depicted in the graphs given below:



- (i) Term Loan Scheme includes Mahila Kisan Yojana (MKY), Shilpi Samriddhi Yojana (SSY), Laghu Vyavasay Yojana (LVY), Green Business Scheme & Stand-up India Scheme (SIS).
- (ii) Micro Credit includes Micro Credit Finance (MCF), Mahila Samriddhi Yojana (MSY) & Aajeevika Microfinance Yojana (AMY).
- (iii) Educational Loan Scheme includes Educational Loan Scheme (ELS) & Vocational Education & Training Loan Scheme (VETLS).



- During the last three years, disbursement shows ascending trend.

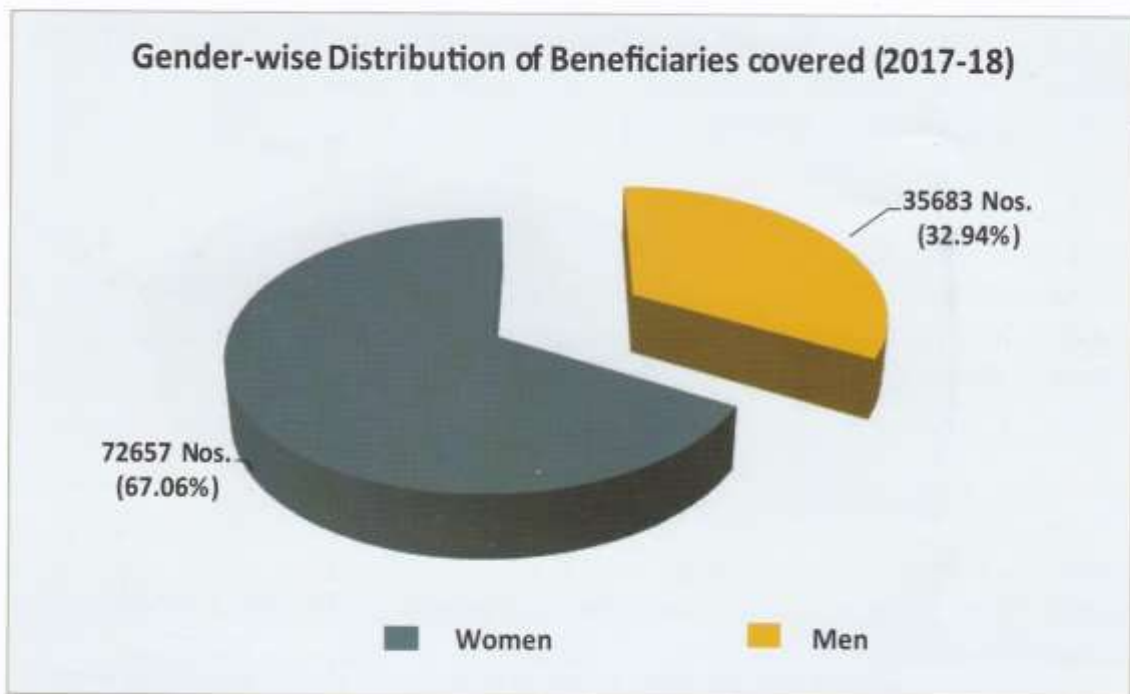


### 2.1.3

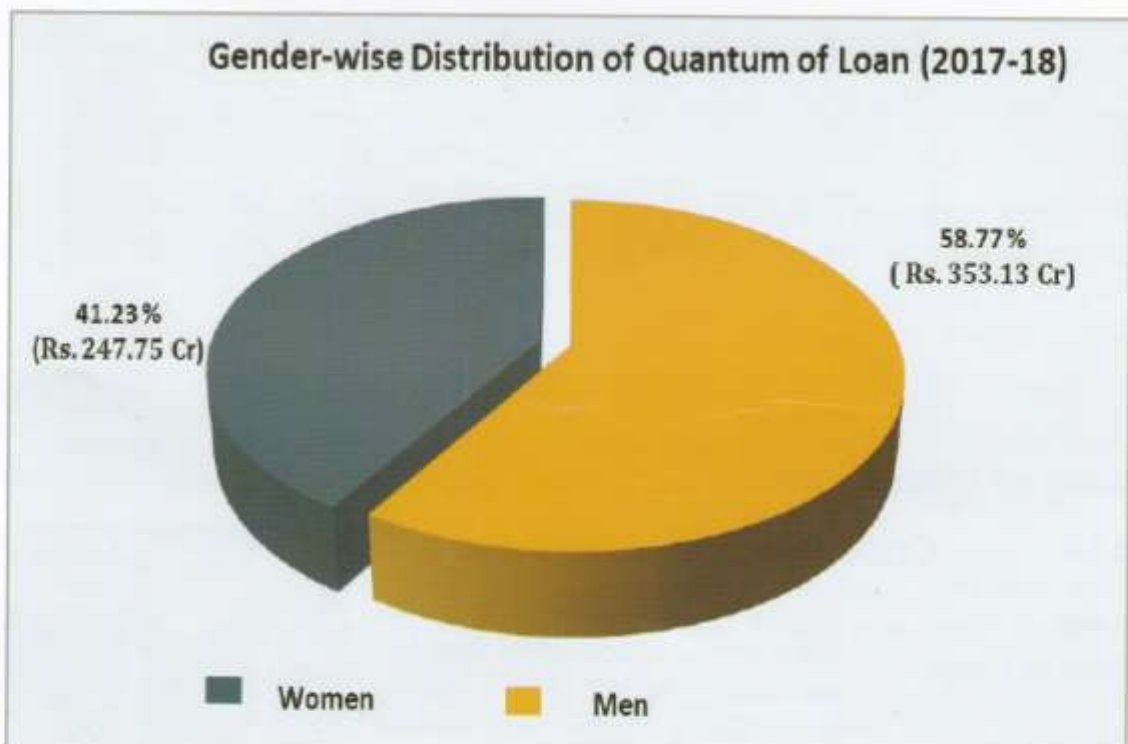
#### Coverage of Women Beneficiaries

- During the year, your Corporation has provided concessional financial assistance to 72,657 women beneficiaries under its various schemes, which constituted 67.06% of the total coverage against the norm of 40% in physical terms.

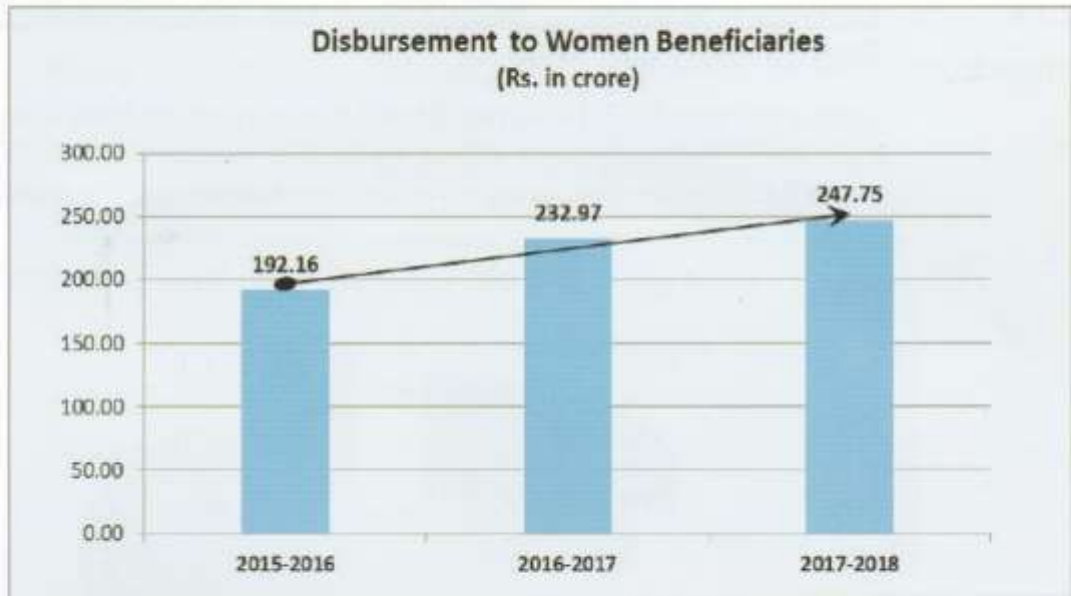




Similarly, during the year, your Corporation has disbursed Rs.247.75 crore for women beneficiaries, which constitutes 41.23% of the year's total disbursement as against the norm of 40% in financial terms.



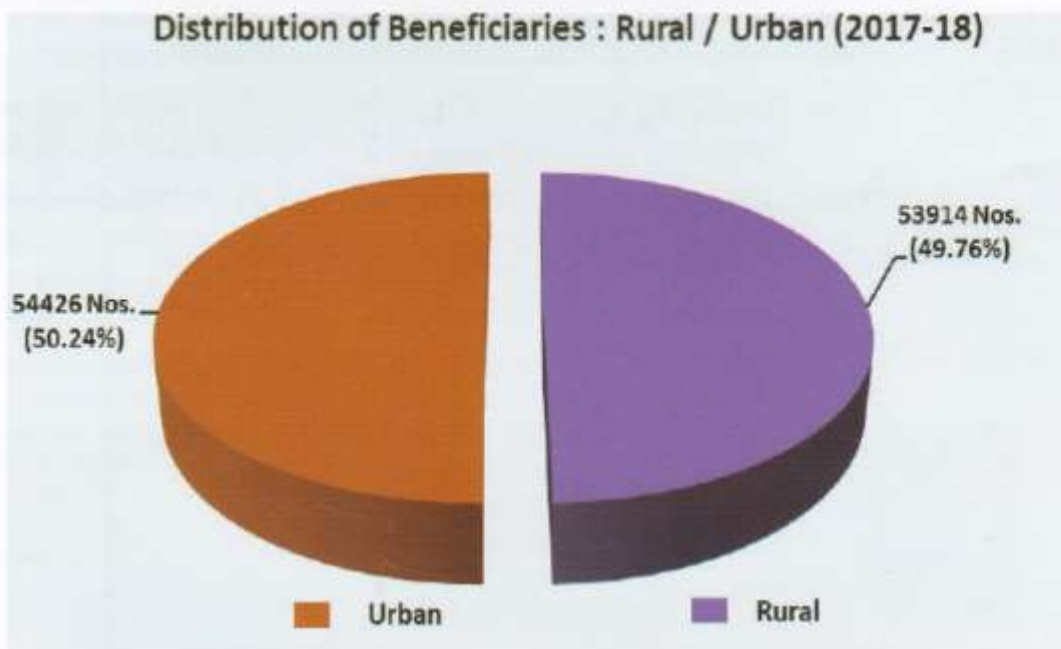
During the last three years, disbursement to women beneficiaries shows ascending trend.



#### 2.1.4

##### Coverage of beneficiaries in Rural/Urban Areas:

During the year 2017-18, your Corporation covered 49.76% beneficiaries from rural areas and 50.24% from urban areas.



#### 2.1.5

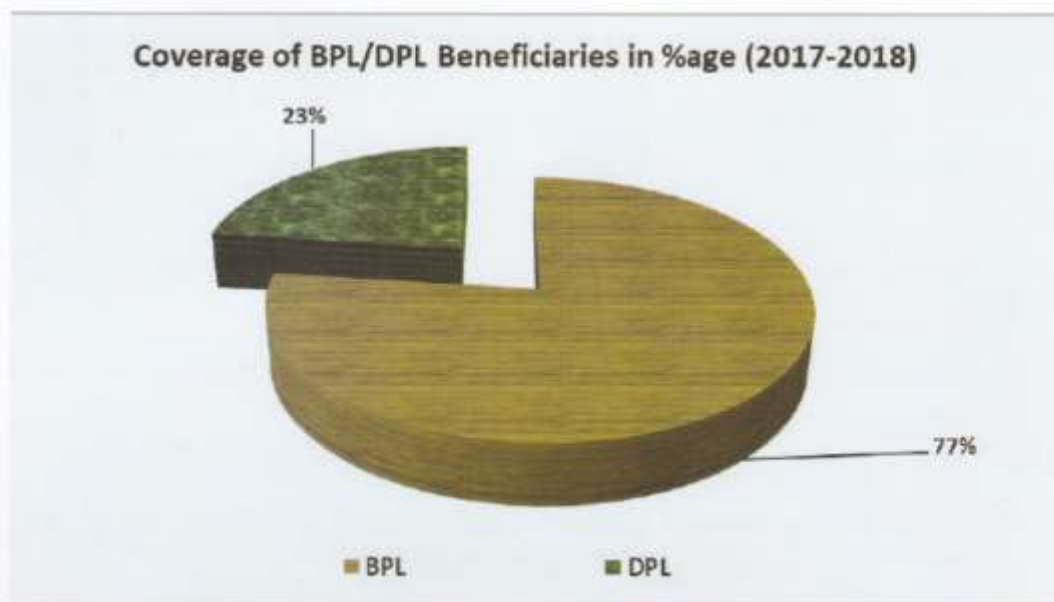
##### Fund Utilization

During the year, your Corporation took up an intensive drive with all the SCAs/CAs to improve utilization of funds disbursed for implementation of schemes. This resulted in achieving cumulative utilization level of 77.61 % as on 31.3.2018.

## 2.1.6

### Coverage of beneficiary - Below Poverty Line (BPL) and above BPL & below Double Poverty Line (DPL)

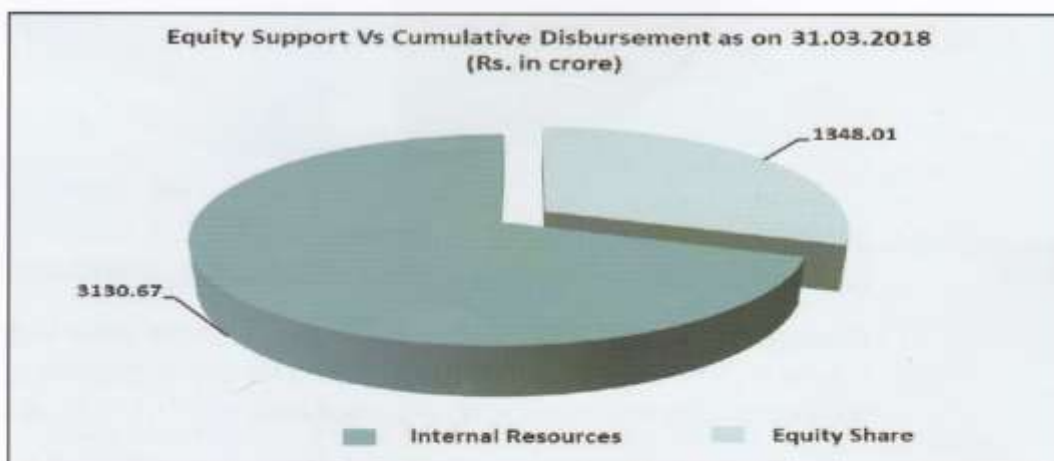
During the year 2017-18, as per the utilization report received from channelizing agencies, 77% beneficiaries falling under BPL category and 23% falling under above BPL & below DPL category were covered under your Corporation's schemes.



## 2.1.7

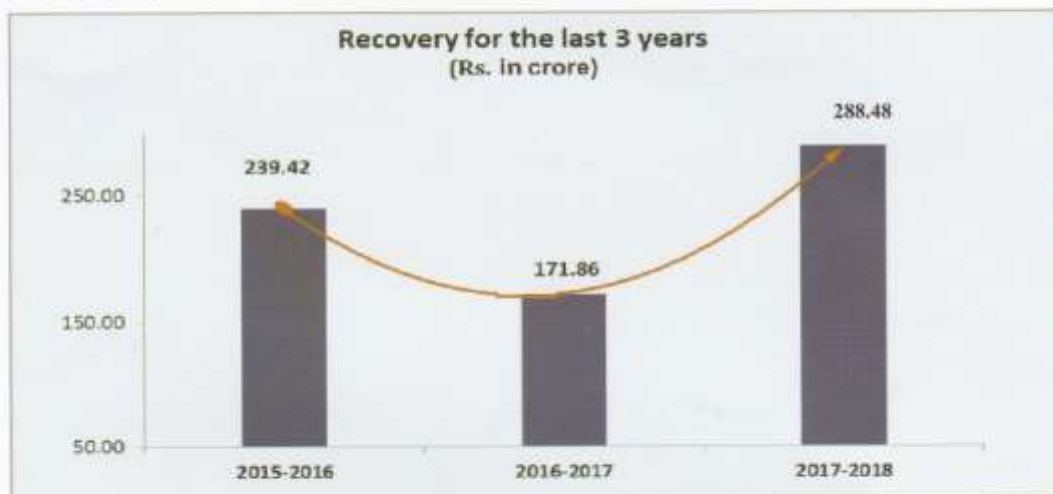
### Equity Support Vis-à-vis Cumulative Disbursement

- During the year, your Corporation received equity support of Rs.128.21 crore from the Government of India and disbursed Rs.600.88 crore.
- The cumulative equity support as on 31.03.2018 has been Rs.1348.01 crore against which your Corporation achieved cumulative disbursement of Rs.4478.68 crore covering 11.85 lakh beneficiaries out of which 6.86 lakh were women beneficiaries (57.86%).
- The disbursement so far is 3.32 times of equity received from Government of India.



### 2.1.8 Loan Recovery from the SCAs/CAs

During the year, your Corporation received recovery of Rs.288.48 crore from SCAs/CAs.



### 2.1.9 Functioning of SCAs/CAs

Your Corporation adopts channel finance system wherein funds are channelized to the beneficiaries through the SCAs/CAs. At beginning of the financial year, there were 37 SCAs in the normal channel and 52 CAs in the Alternate Channel. During the financial year, your Corporation signed MoA with 4 new Agencies in the alternate channel. Thus, there were 37 SCAs and 56 other Channelizing Agencies in the alternative channel with NSFDC during the year in 27 States and 6 UTs, out of which 25 States and 6 UTs have availed funds.

#### 2.1.10 Partnerships

##### 2.1.10(A) Partnership with Government Departments/Established Institutions to leverage the Corporation's objectives

During the year, your Corporation established partnership with the following institutions to leverage the Corporation's objectives:



*An MoA was executed between REC Foundation and NSFDC on 30.11.2017 at REC Ltd, New Delhi for the job oriented skill development training programme. REC has sanctioned CSR grant for skill training of 1650 SC beneficiaries to NSFDC*

Sl. No.	Institutions	Objectives
1.	Union Bank of India, Mumbai	For expanding outreach at National Level.
2.	Punjab National Bank, New Delhi	
3.	Bank of Baroda, Mumbai	
4.	Oriental Bank of Commerce, Gurgaon	
5.	Surabhi Earth Foundation, New Delhi	For Development of Scheduled Caste Artisan/Weaver Clusters.
6.	Manav Vikas Sanstha, Jaipur	
7.	Art Illuminates Mankind (aim), Kolkata	For Development of Scheduled Caste Artisan Clusters.
8.	Mahila Mandal Barmer Agor, Barmer	
9.	Jai Bhairav Welfare Society, Bikaner	For Development of Scheduled Caste Artisan/Weaver Clusters.
10.	Indian Institute of Entrepreneurship, Guwahati	
11.	National Institute for Micro, Small and Medium Enterprises (ni-msme), Hyderabad.	For Development of Scheduled Caste Artisan Clusters.
12.	Grameen Sahara, Kamrup, Assam	For Development of Scheduled Caste Weaver Clusters.
13.	Development Commissioner (Handlooms), Ministry of Textiles, Government of India, New Delhi	For Development of Scheduled Caste Weaver Clusters.
14.	Furniture & Fittings Skill Council, Haryana.	For Imparting Skill Training.
15.	Domestic Workers Sector Skill Council, New Delhi	
16.	Indian Plumbing Skills Council (IPSC), Delhi	
17.	Textile Sector Skill Council, New Delhi	
18.	Rubber Skill Development Council, New Delhi	
19.	Electronics Sector Skill Council of India (ESSCI), New Delhi	
20.	Ashok Leyland Driving Training & Research Institute, Chhindwara, Madhya Pradesh.	
21.	National Fertilizers Limited, New Delhi	Corporate CSR funding for Imparting Skill Training.
22.	Apollo Med Skills Limited, Hyderabad	For Imparting Skill Training.
23.	Skill Council for Green Jobs, New Delhi	For Imparting Skill Training.
24.	REC Foundation, New Delhi	Corporate CSR funding for Imparting Skill Training.
25.	MMTC Limited, New Delhi	Corporate CSR funding for Imparting Skill Training.

**2.1.10(B) Participation in Exhibitions/Fairs:**

During the year, your Corporation participated in the following exhibitions/fairs to provide marketing platforms for the products of beneficiaries. The details of States covered and craft items exhibited in the above events are given as under:



*Shri Thaawarchand Gehlot, Hon'ble Union Minister (SJE) interacting with NSFDC beneficiary during Shilpotsav-2017 at Dillihaat, INA, New Delhi.*



*Beneficiary of NSFDC selling their products at Exhibition IITF-2017 at Pragati Maidan, New Delhi.*

S. No	Location	Date	States covered	Craft items sold
1.	Exhibition-cum-sale at Handloom Haat, Delhi	14th-20th April, 2017	Delhi, Madhya Pradesh, Maharashtra	Block printing, Chanderi saree, suits, Fiber article & Immitation, Jewelry & Kolhapuri Chappal
2.	Malwa Utsav Mela, Indore, MP	2nd-8th May, 2017	Madhya Pradesh, Gujarat, Delhi, Punjab, Rajasthan, West Bengal	Block printing, Chanderi saree, suits, Punjabi Jutti, Rajasthani Jutti, Jute Bag etc.
3.	Exhibition Textile, Gandhinagar, Gujrat	30th June-3rd July, 2017	Gujarat	Embroidery & Crochet items, Leather clothing items
4.	Handloom Haat, Janpath, New Delhi	16th-29th October, 2017	Delhi, Madhya Pradesh, Maharashtra, Gujarat, Puducherry	Block printing, Readymade Garments, Embroidery items, Chanderi saree, suits, Fiber article & Immitation, Jewellery & Kolhapuri Chappal etc.

S. No	Location	Date	States covered	Craft items sold
5.	Shilpotsav, Dilli Haat INA	1st-15th November, 2017	Delhi, Madhya Pradesh, Maharashtra, Gujarat, Puducherry, Punjab	Block printing, Readymade Garments, Embroidery items, Chanderi saree, suits, Fiber article & Imitation, Jewelry, Kolhapuri Chappal, Punjabi Jutti, Leather bags, Bed sheets, Moti work block printing, Chanderi, Handloom Shawls, Stoles, Jackets, Socks, Caps and Mufflers, Batik Printing, Soft Toys etc.
6.	IITF 2017, New Delhi	14th-27th November, 2017	Karnataka, Maharashtra, Uttar Pradesh, Guwahati, Chandigarh, Gujarat, Madhya Pradesh, Himachal Pradesh	Earthenware, Wooden Toys, Wooden Crafts/Painting, Kolhapuri Chappal, Terracotta Jewellery, Artificial Jewelry, Handloom Imitation /cloth work, Chanderi & Cotton saree, Block Printing, woolen items etc.
7.	9th East Himalayan Expo 2017, Shillong	14th-20th December, 2017	Assam	Tera Cotta, Brass Metal items, Jewelry
8.	Lokutsa, Goa, Panaji	14th-21st January, 2018	Maharashtra	Fiber Articles & Artificial Jewelry
9.	Guwahati Handloom Expo, Assam	27th January- 11th February, 2018	Guwahati	Handloom products, Imitation jewelry /cloth work, Artificial flowers
10.	Kerala Expo, Alleppey	26th Dec, 2017-2nd Jan, 2018	Kerala	Leather products, Handloom items

S. No	Location	Date	States covered	Craft items sold
11.	Surajkund International Craft Mela 2018, Faridabad	2nd-18th February, 2018	Gujarat, Haryana, Himachal Pradesh, Madhya Pradesh, Puducherry, Rajasthan, Delhi, Maharashtra, Punjab, West Bengal, Manipur & Karnataka.	Embroidered Crocheted item Fabrics, Bed Sheet, Patch Work, Handloom Shawls, Stoles, Jackets, Socks, Caps and Mufflers, Chanderi Sarees, Fiber Articles and Paintings, Leather Products, Rajasthani & Punjabi Jutti, Readymade Garments, Batik Printing, wooden toys, Rose wood painting, Kantha Shilp, Soft Toys, Block printing etc.

During the year, the total sale figure of the beneficiaries in 3 major exhibitions in Delhi is as under:

S.No.	Name of Exhibitions	Date	Sale (Rs.)
1.	Shilpotsav, Dilli Haat INA, New Delhi	1st-15th November, 2017	32,24,990.00
2.	IITF 2017, New Delhi	14th-27th November, 2017	42,42,100.00
3.	Surajkund International Craft Mela 2018, Faridabad(Haryana)	2nd-18th February, 2018	45,77,970.00
<b>Grand Total</b>			<b>1,20,45,060.00</b>

#### 2.1.11

#### Composite Awareness Camps in States

During the year, your Corporation participated in 15 Composite/ Awareness Camps to publicize the Ministry's and National Corporations' Schemes at the field level. These camps were organized in Delhi, Jammu & Kashmir (Srinagar, Udhampur), Himachal Pradesh (Solan), Uttar Pradesh (Bijnor, Noida, Varanasi), Chandigarh, Madhya Pradesh (Indore, Chitrakoot, Ujjain). At each of these camps, your Corporation was provided a stall to publicize its schemes and distribute the Scheme pamphlets to the visitors to generate mass awareness. Successful beneficiaries were also invited in some of the Camps to address the gathering about their experiences of availing loans under Corporation's schemes and activities related to business.

Sl. No.	Exhibition/Fair	Dates
i.	Kaushal and Rozgar Mela, Deoghar	3rd – 5th April, 2017
ii.	UCMS & GTB hospital Dilshad Garden, Delhi	13th May, 2017
iii.	Rising Kashmir, International Conference Centre, Srinagar, J&K	3rd – 6th July, 2017
iv.	North East Calling Mela, Delhi	9th -10th Sept, 2017
v.	Awareness Camp, Bijnor. Uttar Pradesh	16th Sept, 2017
vi.	Awareness Camp, Jhalawar	17th Sept, 2017
vii.	Awareness Camp, Ghumerwin, Himachal Pradesh	15th October, 2017
viii.	Swadeshi Mela, Varanasi, Uttar Pradesh	8th –17th October, 2017
ix.	Awareness programe with ATDC at Sundernagri	17th October, 2017
x.	Awareness Campaign at Barola Village, Noida	25th October, 2017
xi.	Destination Himachal, Solan	24th-26th October, 2017
xii.	Swadeshi Mela, Chandigarh	22nd-26th November, 2017
xiii.	Vision Mela Jammu & Kashmir, Udampur, J&K	29th-31st January, 2018.
xiv.	5th Government Development & Policies Expo-2018, Indore, Madhya Pradesh.	9th-11th February, 2018
xv.	Aajeevika Mela, Pragati Maidan, Delhi	23rd March-1st April, 2018

## 2.1.12

### External Evaluation Study of Credit and Non-Credit Based Schemes

During the year, your Corporation had commissioned an evaluation study of its Credit and Non-Credit Based Schemes to M/s Datamation Consultants Pvt. Ltd., Delhi. The study covered 1,623 beneficiaries/trainees trained during 2016-17 in 5 State/UTs namely Chandigarh, Chhattisgarh, Rajasthan, Uttarakhand and West Bengal. The State/UT-wise beneficiaries/trainees covered under the study are given as under:

Sl. No.	State	Number of Beneficiaries	Number of Trainees	Total
(i)	Chandigarh	82	10	92
(ii)	Chhattisgarh	100	20	120
(iii)	Rajasthan	100	64	164
(iv)	Uttarakhand	40	20	60
(v)	West Bengal	1187	0	1187
	<b>Total</b>	<b>1509</b>	<b>114</b>	<b>1623</b>

2.1.13

**Skill Development Training Programmes & Skill Training Institute**



*NSFDC sponsored Practical Session being given to trainees on Machine operation by CIPET, Vijayawada under NSFDC skill development training programme.*



*NSFDC sponsored training program in Machine Operator- Plastic Processing trade at Central Institute of Plastics Engineering & Technology, (CIPET), Balasore, Odisha.*

During the year, your Corporation sanctioned and implemented Skill Development Training Programmes with a cost of Rs.28.10 crore to train 17,088 persons belonging to Scheduled Castes and disbursed Rs.15.72 crore [(including grant provided by Ministry of Social Justice & Empowerment under the Scheme of Assistance to Voluntary Organization working for the Welfare of SCs, CSR Fund & Training Expenses-Beneficiaries], by developing partnership with 17 (Seventeen) Skill Training Institutes. In addition, an amount of Rs.52.17 lakh was received from Central Warehousing Corporation (CWC), Power Finance Corporation (PFC), Rashtriya Ispat Nigam Ltd. (RINL), and Security Printing & Minting Corporation of India Ltd. (SPMCoI) under CSR fund & released to the concerned training institute.

The Skill Development Training Programmes were conducted in various trades/sectors such as Sewing Machine Operator, Carpenter-Wooden Furniture, Leather Footwear - Closing & Stitching, Leather Garments - Cutting & Clicking, Leather Tanning Process, Leather Finishing Process, Machine Operator Assistant-Plastics Processing (MO-PP), Machine Operator Assistant-Plastics Extrusion (MO-PE), Machine Operator-Injection Moulding (MO-IM), Machine Operator-Blow Moulding (MO - BM), CNC Operator Turning, CNC Operator Vertical Machining etc. Out of 17,088 commenced, 10,862 persons completed their Skill Development Training Programmes and as per information, placement of trainees in Self/Wage-employment is underway. Further, training in respect of 11079 persons which commenced during 2017-18, were completed during the year.

*The State/UT-wise abstract under Skill Development Training Programmes is placed at **Annexure - IV***

### **2.1.14 Revision of Notional Allocation criteria**

During the year, your Corporation revised Notional Allocation criteria. As per the revision, the notional allocation for sanction and disbursement, as per the total available funds, is made in two ways:

- (i) Notional allocation to all the SCAs of the States/UTs in proportion to the scheduled caste population represented by the States/UTs to the total scheduled caste population of the country for the purpose of official reporting such as reply to Parliament questions, Parliament matter, court matter, etc.
- (ii) Notional allocation (active) to the SCAs of the States/UTs in proportion to the scheduled caste population represented by them to the total scheduled caste population of those States/UTs where SCAs have been availing funds regularly or availed funds atleast once in the last three financial year from NSFDC for the purpose of effective utilization of total available funds.

### **2.1.15 Revision of Scheme-wise Allocation for Sanction & Disbursement**

During the year, to cover more beneficiaries under Micro Credit Schemes, your Corporation revised the scheme-wise allocation for sanction and disbursement under Term Loan Schemes, Micro Credit Finance & Mahila Samriddhi Yojana from existing ratio of 60:10:30 to the ratio of 50:15:35.

### **2.1.16 Revision of Delegation of Powers for sanction of project**

During the year, to avoid the duplicacy of work and save time & resources, your Corporation revised the existing delegation of powers of CMD, NSFDC to sanction up to Rs.10.00 lakh for individual project/profit centres and up to Rs.500.00 lakh for a group scheme containing single business activity or different business activities having same unit cost to irrespective of cost of project for both individual project/profit centres as well as group scheme containing single business activity or different business activities having same unit cost.

## 2.1.17

**Development of Scheduled Caste Weaver Cluster**

In order to converge Government of India Schemes for providing more benefits to the Scheduled Caste Weavers, your Corporation has signed Memorandum of Understanding (MoU) with the Development Commissioner (Handlooms), Ministry of Textiles on 14th April, 2017. The basic objective of the MoU is to help Scheduled Caste Weavers and their families by promoting production and marketing of high value quality Handloom products at Cluster level in the field of Weaving. During the year,



*NSFDC assisted women artisans of Hand Embroidery Craft Cluster undergoing training under the Integrated Design & Technology Development Project at Village & Block Poogal, District- Bikaner, Rajasthan under Ambedkar Hasthshilp Vikas Yojana (AHVY) of Development Commissioner (Handicrafts) implemented by NSFDC.*

after completion of the Base line Survey, the Corporation has proposed 09 National Handloom Development Programme (NHDP) to the concerned Directorate of the Handlooms & Textiles in the State of Assam, M.P, Rajasthan & U.P

## 2.1.18

**Development of Scheduled Caste Artisans Cluster**

During the year, with the financial assistance of Development Commissioner (Handicrafts), Ministry of Textiles, Government of India, your Corporation sanctioned Rs.221.16 lakh & released Rs.87.34 lakh to its appointed Project Implementing Agencies (PIAs) for development of 09 handicraft clusters for the benefit of 4,660 Scheduled Caste Artisans in the State of Assam (03 clusters), Bihar (01 cluster), Rajasthan (04 clusters) & West Bengal (01 cluster).



*NSFDC assisted women artisans of Madhubani Painting & Embroidery Craft Cluster undergoing Design and Technical Development Workshop at Village Jitwarpur Block & District -Madhubani, Bihar under Ambedkar Hasthshilp Vikas Yojana (AHVY) of Development Commissioner (Handicrafts) implemented by National Scheduled Castes Finance & Development Corporation (NSFDC).*

Besides above, your Corporation sanctioned Rs.7.50 lakh and released Rs.7.50 lakh from its own source to National Institute for Micro, Small and Medium Enterprises (ni-msme), Hyderabad, one of the PIAs, for development of 03 handicraft clusters for the benefit of 1,024 Scheduled Caste Artisans in the State of Andhra Pradesh, Maharashtra & Telangana @ 01 cluster per State.

The cluster-wise details are given as under:

Sl No.	Name of the PIA	Location of Cluster	Cluster Activity	Number of Artisans	Amount Sanctioned (Rs. in lakh)	Amount Released (Rs. in lakh)
1.	Jai Bhairav Welfare Society (JBWS), Bikaner	Poogal, Bikaner, Rajasthan	Hand Embroidery	519	59.12	26.18
		Sardarshar, Churu, Rajasthan	Bandej (Tie & Dye)	525	7.50	6.75
2.	Mahila Mandal Barmer Agor (MMBA), Barmer	Gadra Road, Barmer, Rajasthan	Hand Embroidery (Mirror)	500	59.12	26.18
3.	Art Illuminates Mankind (aim), Kolkata	Jitwarpur, Madhubani, Bihar	Madhubani Painting & Sujni Craft	545	57.92	13.23
		Bolpur, Birbhum, West Bengal	Batik & Tie-Dye	512	7.50	3.75
4.	Manav Vikas Sanstha (MVS), Jaipur	Ward No. 39, 41, 42, 43 & 44, Tonk, Rajasthan	Namda Craft	559	7.50	3.75
5.	Indian Institute of Entrepreneurship (IIE), Guwahati	Dhalpur Lakhimpur, Assam	Terracotta and Cane & Bamboo	500	7.50	0.00
		Sonakuchi, Barpeta, Assam	Jewellery Craft	500	7.50	3.75
		Bartala, Nalbari, Assam	Cane & Bamboo	500	7.50	3.75

Sl No.	Name of the PIA	Location of Cluster	Cluster Activity	Number of Artisans	Amount Sanctioned (Rs. in lakh)	Amount Released (Rs. in lakh)
6.	National Institute for Micro, Small and Medium Enterprises (ni-msme), Hyderabad	Adilabad, Telangana	Multi craft items	402	2.50	2.50
		Mulasthanam, East Godavari, Andhra Pradesh	Leather handicrafts	390	2.50	2.50
		Sindhudurg, Maharashtra	Bamboo crafts	232	2.50	2.50
			<b>Total</b>	<b>5,684</b>	<b>228.66</b>	<b>94.84</b>

#### 2.1.19

#### The best five performing States for the year 2017-18

(a) Sanction availed		
Rank	State	Amount (Crore)
1	Maharashtra	159.85
2	Uttar Pradesh	151.53
3	Andhra Pradesh	132.96
4	Tamil Nadu	121.26
5	West Bengal	79.53

(b) Disbursement availed		
Rank	State	Amount (Crore)
1	Tamil Nadu	87.71
2	Uttar Pradesh	74.09
3	Tripura	62.23
4	West Bengal	61.15
5	Maharashtra	60.38

(c) Fund Utilization (Active States)		
Rank	State	%age
1	Haryana	99.59
2	Kerala (KSWDC)	95.97
3	Sikkim	90.81
4	Kerala (KSDC)	89.65
5	Himachal Pradesh	89.14

KSWDC: Kerala State Women's Development Corporation.

KSDC : Kerala State Development Corporation for SCs & STs Ltd.

(d) Repayments made		
Rank	State	Amount (crore)
1	Maharashtra	57.21
2	West Bengal	36.93
3	Karnataka	35.82
4	Uttar Pradesh	34.11
5	Kerala	19.20

(e) Beneficiaries covered		
Rank	State	Numbers
1	West Bengal	47,573
2	Tamil Nadu	14,934
3	Uttar Pradesh	12,117
4	Tripura	9,144
5	Madhya Pradesh	4,754

(f) Women Beneficiaries		
Rank	State	Numbers
1	West Bengal	47,194
2	Tamil Nadu	5,996
3	Uttar Pradesh	4,365
4	Tripura	3,588
5	Bihar	2,572

## 2.1.20

**Initiatives taken to incentivize SCAs**

## 2.1.20(A)

**Incentive Scheme for SCAs for Development of Recovery Infrastructure (ISSDRI)**

Your Corporation has been implementing the scheme since 2007-08 to provide incentive to SCAs @ 0.5% on the total amount repaid by them in a financial year, to such SCAs whose cumulative field recovery is more than 60% at the end of financial year or whose recovery improvement is at least 10 percentage points over the last financial year and who are making 100% repayment to your Corporation.

On the requests of the SCAs, the scheme was liberalized as under:

- (i) The SCAs paying 100% to NSFDC, as at the preceding financial year end, are to be provided 0.5% of the total amount repaid in the year as incentive under ISSDRI subject to the condition that their recovery from beneficiaries being at least 50% or their recovery improvement is at least 5 percentage points over the last financial year.
- (ii) The SCAs paying 90% to NSFDC, as at the preceding financial year end, are to be provided 0.25% of the total amount repaid in the year as incentive under ISSDRI subject to the condition that their recovery from beneficiaries being at least 50% or their recovery improvement is at least 5 percentage points over the last financial year.

Since the scheme was well received by the SCAs, its implementation has been extended till 31.03.2022.

During the year, the following SCAs have been provided incentives amount under the ISSDRI for the financial year 2016-17:

Sl. No.	Name of SCA	Incentive Amount (Rs.)
(i)	Chandigarh SCs, BCs & Minorities Financial & Development Corporation Ltd., Chandigarh.	3,856/-
(ii)	Goa State SCs & OBCs Development Corporation Ltd., Goa.	2,662/-
(iii)	Haryana SCs Finance & Development Corporation, Haryana.	55,348/-
(iv)	Himachal Pradesh SCs & STs Development Corporation, Himachal Pradesh.	32,486/-
(v)	Kerala State Development Corporation for SCs & STs Ltd., Kerala.	2,46,210/-
(vi)	Kerala State Women's Development Corporation, Kerala.	1,92,453/-
(vii)	Uttarakhand Bahu-udeshiya Vitta Evam Vikas Nigam, Uttarakhand.	17,576/-
(viii)	West Bengal SCs & STs Development & Finance Corporation, West Bengal.	13,84,778/-
	<b>TOTAL</b>	<b>19,35,369/-</b>

**2.1.20(B) Scheme of 'National Award for Performance Excellence' (NAPE)**

Your Corporation had been implementing a Scheme of 'Mechanism of Rating of SCAs & Awards for Better Performance' since 2007-08 to provide incentives to better performing SCAs. The Scheme has been revised as 'National Award for Performance Excellence' (NAPE). The revision in the Scheme was made keeping in view the current priorities of the Government of India.

The new Scheme is implemented with effect from 2016-17 with a total budget of around Rs.45.00 lakh per year.

Under the "National Award for Performance Excellence", the SCAs would be provided performance incentives as under:

(₹ in Lakh)

Category	Parameter	Prize			Total
		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	
I	The SCAs availing funds from NSFDC against their Notional Allocation up to Rs. 3.00 crore in a particular financial year	5.00	3.00	2.00	10.00
II	The SCAs availing funds from NSFDC against their Notional Allocation more than Rs.3.00 crore and up to Rs.10.00 crore in a particular financial year	7.00	5.00	3.00	15.00
III	The SCAs availing funds from NSFDC against their Notional Allocation more than Rs.10.00 crore in a particular financial year	10.00	6.00	4.00	20.00
	<b>Total</b>	<b>22.00</b>	<b>14.00</b>	<b>9.00</b>	<b>45.00</b>

**2.1.21 Initiatives taken for the Beneficiaries**

**Revision in the Lending Policies of SCAs, Public Sector Banks (PSBs)/ Regional Rural Banks (RRBs) and NBFC-MFIs**

During the year, your Corporation revised the Lending Policies for SCAs, PSBs & RRBs and NBFC-MFIs. The following revisions were made in lending policies:

**2.1.21(A) Amendments in NSFDC Lending Policy for State Channelising Agencies (SCAs), Public Sector Banks (PSBs)/Regional Rural Banks (RRBs)**

- Enhancement of Unit Cost under Laghu Vyvassay Yojana (LVY) from Rs.3.00 lakh to Rs.5.00 lakh.
- Enhancement of Unit Cost under Mahila Kisan Yojana (MKY) and Shilpi Samriddhi Yojana (SSY) from Rs.0.50 lakh to Rs.2.00 lakh.

- (iii) Enhancement of Unit Cost under Micro Credit Finance (MCF) and Mahila Samriddhi Yojana (MSY) from Rs.0.50 lakh to Rs.0.60 lakh in the first cycle and Rs.1.00 lakh in subsequent cycles.
- (iv) Enhancement of Unit Cost under Green Business Scheme (GBS) from Rs.2.00 lakh to Rs.30.00 lakh with the following slab-wise interest rates:

Sl. No.	Unit Cost	Interest per annum chargeable to	
		SCAs/CAs	Beneficiaries
(a)	Up to Rs.7.50 lakh	2%	4%
(b)	Above Rs.7.50 lakh and up to Rs.15.00 lakh	3%	6%
(c)	Above Rs.15.00 lakh and up to Rs.30.00 lakh	4%	7%

- (v) Enhancement of repayment period under Micro Credit Finance (MCF) and Mahila Samriddhi Yojana (MSY) from 03 years to 3 ½ years.
- (vi) Enhancement of repayment period under Green Business Scheme (GBS) from 06 years to 10 years.
- (vii) There should be a minimum of 80% cumulative utilization level of funds already disbursed as at the end of preceding month for disbursement till February end. Further, cumulative fund utilization level of 80% at the end of preceding day for disbursement of fund in the month of March.
- (viii) Annual Family Income criterion for prospective Scheduled Caste beneficiaries was revised from Rs.98,000/- p.a. for rural areas and Rs.1,20,000/- p.a. for urban areas to Rs.3,00,000/- p.a. for both rural and urban areas in case of Credit Based Schemes.
- (ix) There is no Annual family income criterion for prospective Scheduled Caste Trainees.

**2.1.21(B) Amendments in NSFDC Lending Policy for NBFC-MFIs**

- (i) Enhancement of repayment period under Aajeevika Microfinance Yojana (AMY) from 03 years to 3 ½ years.
- (ii) There should be a minimum of 80% cumulative utilization level of funds already disbursed as at the end of preceding month for disbursement till February end. Further, cumulative fund utilization level of 80% at the end of preceding day for disbursement of fund in the month of March.
- (iii) Annual Family Income criterion for prospective Scheduled Caste beneficiaries from Rs.98,000/- p.a. for rural areas and Rs.1,20,000/- p.a. for urban areas to Rs.3,00,000/- p.a. for both rural and urban areas.

### 2.1.22

#### **Swachh Bharat Abhiyan**

In compliance of the directions from Ministry of Rural Development, Panchayati Raj, Ministry of Drinking Water & Sanitation and Ministry of Social Justice & Empowerment, your Corporation conducted various campaigns for “Swachhta Hi Sewa”. During the campaign period, your Corporation undertook various activities

relating to “Swachhta” and also sanctioned projects relating to environment cleanliness at various places and locations. Your Corporation organised cleanliness drive at JJ Cluster (Rajiv Camp) located opposite Chitra Vihar, slum at C-block Preet Vihar, Delhi and Denotified Nomadic Tribal (DNT) area, sector-10, Gurugram, Haryana. Your Corporation Installed Bio-methanation Plant cum Organic Waste Processors at Bolpur, Birbhum District, West Bengal. “Swachhta hi Sewa” campaign was organized at non-residential school, Brahmपुरi, Delhi and at SC leather cluster in Mettupalayam, Perabur, Tamil Nadu. Your Corporation also ensured upkeep and cleanliness of office premises.



*Instalation of Drainage pipe in Preet Vihar slum area, during Swachh Bharat Abhiyan by NSFDC.*

In addition, your corporation made contribution to Swachh Bharat Kosh, Department of expenditure, Ministry of Finance amounting to Rs.28.50 lakhs, which would be utilized for constructing toilets in schools, rural and urban areas in furtherance to achieve the objective of cleanliness across the country. Swachh Bharat Kosh has been set up with the objective of attracting Corporate Social Responsibility (CSR) funds from Corporate Sector and to get contribution from individuals and philanthropists to achieve the objective of Swachh Bharat Abhiyan.

### 2.1.23

#### **Celebration of International Yoga Day**

In compliance of the instructions issued by Ministry of AYUSH, your Corporation celebrated International Yoga Day on 21st June, 2017. On the occasion, “Yoga Session” was organized for all the employees of the Corporation. Morarji Desai National Institute of Yoga, Ministry of Ayush deputed Yoga instructor to



*International Yoga Day was celebrated by NSFDC.*

impart yoga training to employees of your Corporation. All the employees of your Corporation took active part in making the event successful.

**2.1.24 Senior Citizens Week**

In compliance of the instructions issued by Ministry of Social Justice and Empowerment, your Corporation organized Health and Yoga camp for Senior citizens at different locations such as Greater Noida & Ghaziabad (U.P.), Faridabad (Haryana), during the "Senior Citizen Week" from 1st October to 7th October, 2017.

**2.1.25 Public Procurement Policy for MSEs**

The Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 mandates that 20% of the total Annual procurement of goods and services by all Central Ministries/Public Sector Undertakings will be made from Micro and Small Enterprises (MSEs). Government has further earmarked a sub-total of 4% procurement of goods and services, out of the 20%, from MSEs owned by SC/ST entrepreneur. In compliance of the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order 2012, your Corporation has achieved the required target during the year 2017-18.

**3. FINANCIAL PERFORMANCE w.r.t. OPERATIONAL PERFORMANCE**

**3.1 Income & Expenditure Account**

- (i) During the year, the Revenue from Operations (Net) of your Corporation is Rs.39.44 crore. During the year, the Operating Profit or Surplus/Revenue from Operation (Net) of your Corporation is 51.62%.
- (ii) During the year 2017-18, the income of the Corporation has increased from Rs.28.88 crore to Rs.39.44 crore.
- (iii) The total Expenses including employee cost has increased from Rs.9.71 crore to Rs.13.51 crore in 2017-18.
- (iv) Excess of Income over Expenditure (EOIOE) during the year 2017-18 is Rs.47.51 crore as against Rs.49.00 crore during 2016-17.

**3.2 Appropriation of Profit**

The Corporation transfers 10% of EOIOE to the Special Reserve Fund and balance to General Reserve. Accordingly, Rs. 4.80 crore is appropriated to Special Reserve fund and Rs. 42.82 crore is transferred to General Reserve to be ploughed back for further disbursement.

**3.3 Earning Per Share**

Earning per Equity Share during 2017-18 is Rs.36.74 & Rs.36.74 (Basic & Diluted) as against Rs.43.15 & Rs.43.13 (Basic & Diluted) for 2016-17.

**3.4 NPA/Total Loans (Net)**

During the year, the percentage of NPA/Total Loans (Net) of your Corporation is 0.92 %.

### 3.5 Loans disbursed/Total Funds Available

During the year, the percentage of Loans disbursed/Total Funds Available of your Corporation is 69.66 %.

### 3.6 Overdue Loans/Total Loans (Net)

During the year, the percentage of Overdue Loans/Total Loans (Net) of your Corporation is 21.65 %.

### 3.7 Return on Investment: PAT or Surplus/Net Worth

The Net Worth of the Corporation has increased from Rs.1645.37 crore in 2016-17 to Rs.1822.09 crore in 2017-18. During the year, PAT or Surplus/Net Worth of your Corporation is 2.61 %.

## 4. IMPROVEMENT IN FUNCTIONING OF THE CORPORATION

### 4.1 MoU 'Excellent' Rating (2016-17)

Your Corporation had submitted Self Evaluation Performance Report of the MoU for the Financial Year 2016-17 based on the Audited Data, to the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India through Ministry of Social Justice & Empowerment, Government of India. Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India has given MoU Composite Score of 97.65 and rated the performance of your Corporation as "Excellent".

### 4.2 Renewal of Quality Management System Certification Licence as per IS/ISO 9001:2008

Your Corporation's Quality Management System Certification License as per IS/ISO 9001:2008, after successful completion of all the requirements of Quality Management System, was renewed by the Bureau of Indian Standards (BIS) in 2017-18. The BIS conducted renewal audit in the month of August, 2017 and recommended for the renewal of License in October, 2017. The renewed License number assigned by BIS is CRO/QM/L-8002836.3. The License is valid from 18th November, 2017 to 14th September, 2018. However, the validity of License shall be for maximum period of 3 years subject to the condition that all actions & verifications of transition to the revised version IS/ISO 9001:2015 is completed before 31st August, 2018. If this condition is met, the License will be allowed up to 29th November, 2019 and a new License will be issued by the BIS for the balance period.

### 4.3 Strengthening of IT-System

Your Corporation is maintaining database for the project related data in an in-house devised module for generation of various reports. For comprehensive protection of data, hardware & networking against various viruses, spyware, adware and other malicious programmes, your Corporation has installed antivirus software, which

is updated periodically. To strengthen IT equipment, PCs, laptops, accessories and peripherals were procured during the reported year.

- Your corporation maintained a disabled friendly, bilingual dynamic website during the year which was designed and developed by National Informatics Centre (NIC). Further, a new dynamic, disabled friendly and bilingual website which is in compliance with Guidelines for Indian Government Website (GIGW) along with a Web based Skill Training Application is in the process of being hosted at NIC Cloud Server by replacing the existing website.
- The e-Office software has been implemented in NSFDC Head Office.
- A new web based NSFDC's Loan Accounting Software has been developed and currently is in Parallel Run.
- A web based software for Annual Performance Appraisal Report (APAR/ ACR) has been developed for use by NSFDC's officials. The salient features of the software are as follows:
  - o Employee wise APAR can be generated and issued by HR Department for the particular year.
  - o Employees can access software with their individual User Code and Password.
  - o After login, employees can fill up Self-Appraisal with a provision to add one PDF file.
  - o After an employee has submitted his/her self-appraisal, APAR is automatically marked to the employee's Reporting Officer/ Reviewing Officer/ Accepting Officer.

## 5.

### **HUMAN RESOURCE DEVELOPMENT**

### 5.1

#### **Human Capital & Training of NSFDC Staff**

The manpower of the Corporation as on 31st March, 2018 is 78 personnel deployed in Head Office and three Liaison Centers of the Corporation. The Corporation regards training and development as a function concerned with organizational activity aimed at improving the job performance of individuals and groups in organizational settings. In order to align the skill of its human resource with the latest requirements of acts, rules and business goals, besides conducting in-house training programmes, the officers and staff of the Corporation were sent to various premier institutions for short-term training programs in relevant functional areas of the Corporation. The details of the training and Institutions, are as under:

Sl. No.	Name of Training Programme/Institution	Training Programme Conducted by
1.	One day Orientation Programme on “GFR 2017”	ISTM, New Delhi
2.	Yoga Training	Morarji Desai National Institute of Yoga, New Delhi
3.	National Convention on “Digitalization : Opportunities and Challenges”	SCOPE, New Delhi
4.	Two days ‘Training Programme on “Public Procurement under GFRs 2017” including e-procurement and GeM”	ISTM, New Delhi
5.	Certificate Course in CSR	Indian Institute of Corporate Affairs, M/o Corporate Affairs, GOI
6.	5 days Vigilance Course for “CVOs of PSUs, Banks, Central Govt. Ministries”	CBI Academy, Ghaziabad
7.	Training Programme in Public Finance Management System (PFMS)	Public Finance Management System, O/o Controller General of Accounts, Ministry of Finance
8.	MDP on Organizational Excellence through Leadership	IIM, Calcutta
9.	MDP on Finance for Non-Finance Executives	IIM, Calcutta
10.	MDP on Managerial Leadership and Conflict Resolution	IIM, Calcutta
11.	MDP on Personal Growth and Team Building	IIM, Calcutta
12.	MDP on Financial Development Programme on Financial Decision Making using Excel	NIFM, Faridabad

**5.2 Representation of SCs, STs, OBCs and PwD category of employees in the Corporation**

Your Corporation has followed the Government's Policy on reservations and concessions for SCs, STs, OBCs and PwD Categories. As per Department of Personnel and Training (DoPT), Ministry of Personnel, PG and Pensions OM No.36035/17/2008-Estt.(Res) dated 14.11.2008 received through MoSJ&E letter No.1-4/2009-CDN dated 4.6.2009, the required data in the prescribed format pertaining to representation of SCs, STs, OBCs and PwD Categories, are placed at **Annexures-V, VI and VII** respectively.

**5.3 Measures to give special consideration to Minorities in recruitment:**

Your Corporation has been observing the directives and guidelines contained in OM No.39016/7(S)/2006-Estt.(B) dated 8.7.2007 of Department of Personnel & Training (DoPT) and Prime Minister's-15 point programme for welfare of Minorities which inter-alia envisage special consideration in recruitment of Minorities.

**5.4 Sexual Harassment of Women at Work Place:**

In compliance of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Corporation has constituted 'Internal Complaints Committee(s)' at Head Office and Liaison Centres level to look into the incidents/complaints of Sexual Harassment in organization's premises, if any. Further, in compliance of Section 22 of the Act, the Annual Report on incidents of Sexual Harassment is as under:

1.	Number of complaints of Sexual Harassment received in the year	NIL
2.	Number of complaints disposed off during the year	Not applicable
3.	Number of cases pending for more than 90 days	Not applicable
4.	Number of workshops on awareness programmes against sexual harassment conducted during the year	-
5.	Nature of action	Not Required

## 6. OTHER ACHIEVEMENTS

### 6.1 Progressive use of Official Language

- During the year, your Corporation organized four workshops for the staff members to improve noting and drafting in Rajbhasha.



*During Hindi Pakhwada, Dr. Laxmi Shanakar Bajpai was invited and small session of Kavya Goshti was organised for the employees of the NSFDC at Headquarters, Delhi.*

- During 01-15 September, 2017 'Rajbhasha Pakhwada' was celebrated at your Corporation's Head Office and Liaison Centres. During the Pakhwada "Shabda Hamara Vakya Aapka", Hindi Noting/Drafting, Hindi Essay, Kavya Path and Prashna Manch competitions were organized at Head office, Delhi and Hindi Nibandh Pratiyogita was organized in liaison centres. All the winners of various competitions were awarded with cash prize.

### 6.2 Observance of Vigilance Awareness Week

During the year, your Corporation, as per the directives of Central Vigilance Commission (CVC) observed 'Vigilance Awareness Week-2017' from 30.10.2017 to 08.11.2017 on the theme – "My Vision – Corruption Free India".

The Vigilance Awareness Week was inaugurated on 30.10.2017 with the administration of Integrity Pledge to the Officers & Employees of your Corporation. The Officials were addressed by the CMD & Chief Vigilance Officer on the importance of vigilance. Similarly, Vigilance Awareness Week also commenced with the administration of Pledge by Liaison Officers & employees of your Corporation in the respective Liaison Offices as well.



*CMD, NSFDC administering of Integrity pledge to NSFDC employees during Vigilance Awareness Week.*

The messages of Hon'ble President of India, Hon'ble Vice-President of India, Hon'ble Prime Minister of India, Hon'ble Home Minister of India and Chief Vigilance Commissioners were also displayed on the Notice Board for the benefit of officials/employees of your Corporation. The NSFDC Whistle Blower Policy was also displayed on the Notice Board for information of all the employees.

Inhouse programmes were chalked out and organized by your Corporation during the Vigilance Awareness Week. Banners and slogans on Vigilance were displayed in the Office to draw the attention of Officers and Employees to make them appreciate & perceive the need to fight corruption and promote honesty, integrity & transparency.

During the week, an Essay Competition on the theme "मेरा लक्ष्य: भ्रष्टाचार मुक्त भारत /My Vision: Corruption free India" was organized. Further, three separate workshops/sensitization programmes were held on the following topics :

- Workshop on Preventive Vigilance in which a copy of the preventive vigilance chapter of the Vigilance Manual of CVC was publicized.
- Presentation made for all the employees on the NSFDC's Conduct Discipline and Appeal Rules, 1990 (as amended up to 24.02.2016).
- Presentation made on Dos and Don'ts for the employees.

Beside above, your Corporation sent the "Integrity Pledge" to the Furniture and Fittings Sector Skill Council, a Training Partner of NSFDC, to take Integrity Pledge on 30.10.2017 as a part of the Vigilance Awareness Week – 2017.

### 6.3

#### **Implementation of Right to Information Act, 2005**

Your Corporation has been implementing the Right to Information Act, 2005 since October, 2005.

(i)	Details of Corporation's functions along with its functionaries etc. have been placed on Corporation's Website (www.nsfdc.nic.in).
(ii)	Manuals as required under the Act have been prepared and put on the Website.
(iii)	The Corporation also designated Appellate Authority, Transparency Officer and Public Information Officers as required under the Act.
(iv)	This Corporation is implementing RTI online through alignment on RTI online portal managed by DoP&T since its inception in the year 2016-17.
(v)	During the year, 76 applications were received. No appeal was received during the year. All applications received during the year were disposed-off within the specified time limit.
(vi)	The status of RTI applications as reported to Central Information Commission on-line, in each quarter during the financial year 2017-18 is as given below:-

	Opening Balance at beginning of the Quarter	No. of applications received as transferred from other PAs u/s 6(3)	Received during the Quarter (including cases transferred to other PAs)	No. of cases transferred to other PAs u/s 6(3)	Decisions where requests/ appeals rejected	Decisions where requests/ appeals accepted
<b>Progress during 1st Quarter (April to June, 2017)</b>						
Requests	04	05	27	08	0	17
First Appeals	0	N.A.	0	N.A.	0	0
<b>Progress during 2nd Quarter (July to September, 2017)</b>						
Requests	11	03	12	04	0	18
First Appeals	0	N.A.	0	N.A.	0	00
<b>Progress during 3rd Quarter (October to December, 2017)</b>						
Requests	04	02	10	03	0	09
First Appeals	0	N.A.	0	N.A.	0	00
<b>Progress during 4th Quarter (January to March, 2018)</b>						
Requests	04	04	13	08	0	11
First Appeals	0	N.A.	0	N.A.	0	0
	Total No. of CAPIOs designated		Total No. of CPIOs designated		Total No. of TOs designated	Total No. of AAs designated
	0		1		1	1

Block II (Details about fees collected, penalty imposed and disciplinary action taken)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Registration Fee Collected (in Rs.) u/s 7(1)	70	20	10	50
Additional Fee Collected (in Rs.) u/s 7(3)	0	0	0	40

- (vii) As per the fourth Quarterly Report on RTI uploaded on the CIC Website, there were 02 RTI applications pending as on 31.03.2018. These applications were subsequently replied within the stipulated time.

#### 6.4

#### **Conservation of Energy, Technology Absorption, Foreign Earnings and Outgo**

The activities undertaken by your Corporation do not fall under the purview of disclosures of particulars under Section 134(3)(m) of the Companies Act, 2013, in so far as it relates to the conservation of energy, technology absorption, foreign earnings and outgo.

**7. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Section 197(12) of the Act Read with Rules 5(2) 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and particulars of the employees employed throughout the financial year who received remuneration in excess of the limits set out in the said Rules are annexed herewith as **Annexure-VIII**

Disclosures pertaining to remuneration and other details as required under Section 197(2) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Accounts.

**8. CORPORATE SOCIAL RESPONSIBILITY**

The Corporate Social Responsibility & Sustainability Development (CSR & SD) Policy has been formulated and recommended to the Board. The CSR & SD Policy indicating the activities to be undertaken by the Company, has been approved by the Board. The CSR & SD Policy may be accessed on the Company's website at : <http://www.nsfdc.nic.in/en/csr>.

As per Companies Act, 2013, out of a budgetary allocation of Rs.86.77 lakh (which is 2% of the net profit made during three immediately preceding financial years), the Company spent Rs.32.76 lakh on CSR activities during the financial year 2017-18.

The Annual Report on CSR activities is annexed at **Annexure-IX**.

**9. RESOURCE LINKAGE PROGRAMME**

The provisions of the Companies Act, 2013 under Section 135 require certain disclosures in the Board report. Your Corporation carries out activities specified in Schedule VII of the Act. Companies incorporated under Section 8 of the Act also find mention in the new Companies (Corporate Social Responsibility Policy) Rules, 2014 issued vide notification dated 27.02.2014 that they shall be implementing agencies.

During the year, your Corporation received sanction under Corporate Social Responsibility (CSR) from five profit making CPSE's namely Central Warehousing Corporation (CWC), National Fertilizers Limited (NFL), Rural Electrification Corporation (REC), Security Printing Minting Corporation of India Limited (SPMCIL) and MMTC Ltd. Further, CSR funds amounting to Rs.71.00 lakh were released to concerned training institutions during the year.

The Skill training programmes under the above CSR funded projects for the financial year 2017-18 have been sanctioned in the States of Andhra Pradesh, Bihar, Delhi, Karnataka, Kerala, Madhya Pradesh, Rajasthan, Tamil nadu and Uttar Pradesh. The implementation of training programmes is underway.

### 10. **THE REPORT ON CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance set out by the Companies Act, 2013 and Department of Public Enterprises (DPE). The Report on Corporate Governance forms an integral part of this Report at **Annexure-X**. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached at **Annexure-XI** to the Report on Corporate Governance.

### 11. **BOARD OF DIRECTORS**

The Board of Directors is headed by the Chairman-cum-Managing Director, the Board consisted of 11 members as on 31.03.2018. For further details please refer Report on Corporate Governance annexed to this Annual Report.

### 12. **MEETINGS OF THE BOARD**

During the financial year under review, four meetings of the Board of Directors were held. For further details please refer Report on Corporate Governance annexed to this Annual Report.

#### 12.1 **Remuneration Committee**

The Board of Directors, in the 144<sup>th</sup> Board Meeting held on 5<sup>th</sup> December, 2016, has re-constituted the Remuneration Committee, however, during the year 2017-18, the remuneration Committee Meeting was not held.

#### 12.2 **Audit Committee**

The constitution of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013. The Audit Committee of the Company comprises of Smt. T.C.A. Kalyani (Chairperson), Shri S.M. Awale (Member) and Shri Shyam Kapoor (Member). Smt. Annu Bhogal (Company Secretary) is the Secretary of the Audit Committee. During the year all the recommendations made by the Audit Committee were accepted by the Board.

#### 12.3 **Vigil Mechanism**

Chief Vigilance Officer is appointed by the orders of the Administrative Ministry who is in charge of a separate and independent department i.e. Vigilance Department in the Company. Further, protected disclosures can also be made by a whistle blower to the Chairman-cum-Managing Director of the Corporation under Whistle Blower Policy.

### 13. **RISK MANAGEMENT**

As a part of the implementation of the guidelines on Corporate Governance issued by DPE, a Risk Management Policy for drawing of appropriate risk assessment, management and minimization framework as also internal risk assessment

framework, integrated and aligned with Corporate has been approved by the Board of Director's of NSFDC.

The company manages, monitors and reports to the Ministry on the principal risks and uncertainties that can impact its ability to achieve its strategic objective. The company's management system, organizational structure, process and standards and code of conduct governs how the company conducts the business and manages associated risks.

**14. INTERNAL FINANCIAL CONTROL**

The company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

**15. ANNUAL GENERAL MEETING (AGM)**

During the year, 28th AGM was held on 29.09.2017 for adoption of Accounts for the year 2016-17. The entire share capital is held by Hon'ble President of India represented by the Secretary to the Government of India, MOSJ&E, except one share held in the name of Joint Secretary, MOSJ&E. The Annual Accounts for the year 2016-17 were adopted along with Directors' Report.

**16. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the companies Act, 2013, your Directors state that:-

- (i) In the preparation of the annual accounts, 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 were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The directors had prepared the annual accounts on a going concern basis; and
- (v) The directors had laid down internal financial controls to be followed by

the company and that such internal financial controls are adequate and were operating effectively.

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

### 17. **AUDITORS AND AUDITORS' REPORT**

#### 17.1 **Statutory Auditors**

M/s Naresh K. Gupta & Co., Chartered Accountants, Delhi, was appointed as Statutory Auditors under Section 129(4) of the Companies Act, 2013 by C&AG for the financial year 2017-18. The Statutory Auditor's Report on the Accounts of NSFDC for the year ended 31st March, 2018 along with the replies of the Company shall be given in the **Addendum-A & B** to this Report, respectively.

#### 17.2 **C&AG Audit**

The Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) & (7) of the Companies Act, 2013 through MAB-IV. The comment of the C&AG on the Accounts of NSFDC for the year ended 31st March, 2018 along with the replies of the Company shall be attached as **Addendum-C** to this Report.

#### 17.3 **Code of Conduct**

The Board of Directors has laid down the Code of Business Conduct and Ethics for the Board Members and Senior Management of the Company. All Board Members and key officials of the company have affirmed their compliance with the Code.

### 18. **GENERAL**

Your directors state that no disclosures or reporting is required in respect of the following items during the year under review:

- (i) A statement on declaration given by independent directors under subsection (6) of section 149;
- (ii) In case of a company covered under sub-section (1) of section 178, company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section(3) of section 178;
- (iii) Particulars of loans, guarantees or investments under section 186.
- (iv) Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form;

- (v) The amount, if any, which is recommended should be paid by way of dividend;
- (vi) No significant or material orders were passed by the Authorities or Courts or Tribunals which impact the going concern status and Company's operations in future.

**19.**

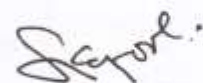
**ACKNOWLEDGMENTS**

Your Directors would like to place on record their appreciation for the dedicated services rendered by the employees of your Corporation during the year which has resulted in achieving 'Excellent' performance rating under Memorandum of Understanding targets fixed by the Inter Ministerial Committee (IMC) Task Force of Department of Public Enterprises, Government of India.

Your Directors wish to place on record their sincere thanks for the continuing support of the Ministry of Social Justice and Empowerment in guiding your Corporation from time to time to achieve better results. Your Directors also wish to place on record their appreciation for the support extended by Department of Company Affairs, Department of Public Enterprises, Ministry of Finance, Comptroller and Auditor General of India, and for the cooperation of the State-level Scheduled Castes Finance and Development Corporations and other channelizing agencies.

Your Directors are also grateful to various other Government Departments, Agencies and Statutory Auditors to the Corporation for their continued guidance and support.

**For and on behalf of the Board of Directors**



**(Shyam Kapoor)**

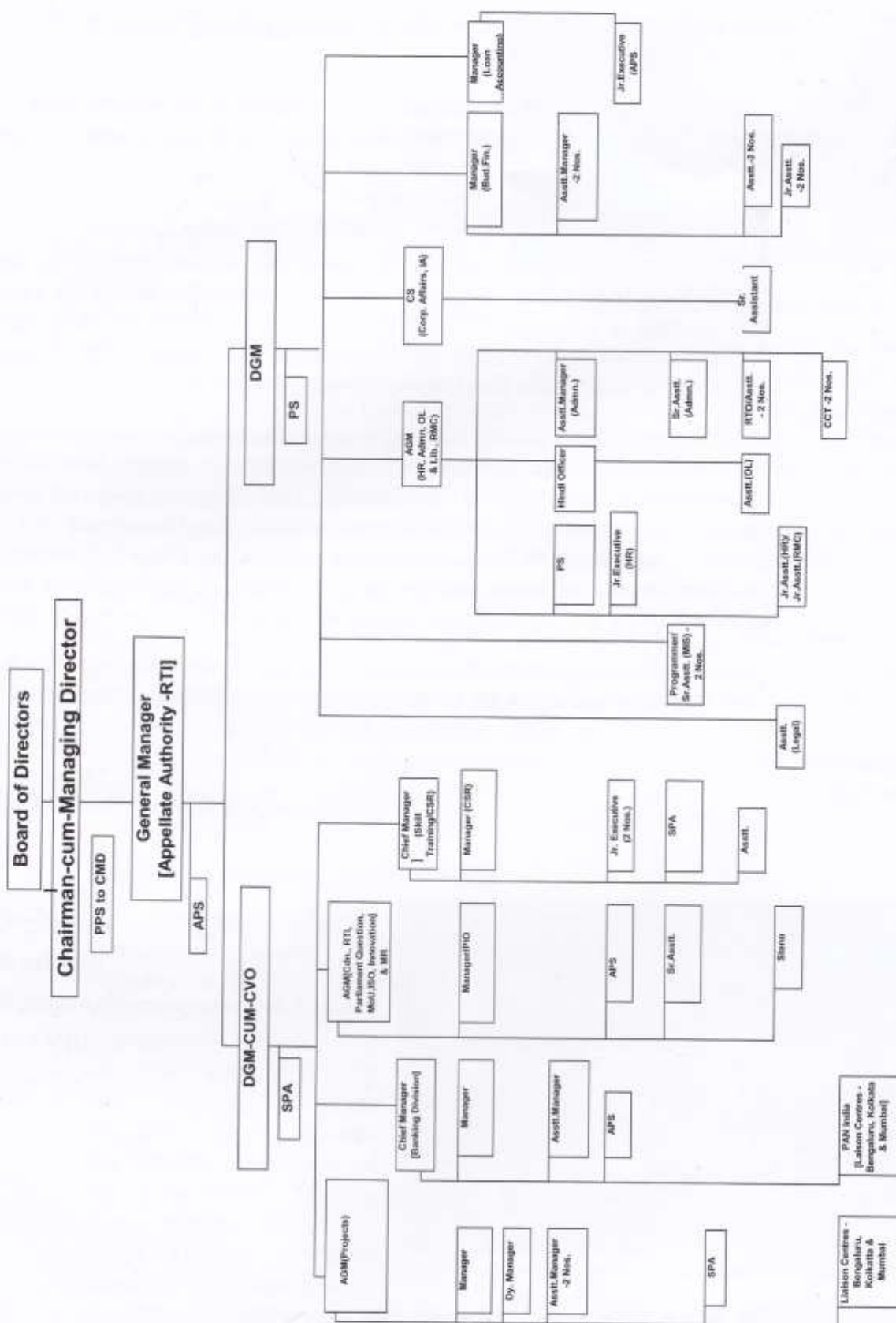
**Chairman-cum-Managing Director**

**DIN : 02643416**

**Place : Delhi**

**Date : 19<sup>th</sup> September, 2018**

## ORGANIZATION CHART (As on 31.03.2018)



## ANNEXURE-II (A)

(See Para 1.7)

**STATE/UT-WISE LIST OF STATE CHANNELISING AGENCIES**

Sl. No	State/UT	Name of Channelizing Agency
1	Andhra Pradesh	1. Andhra Pradesh Scheduled Castes Co-operative Finance Corporation. Ltd.
2	Assam	2. Assam State Development Corporation for Scheduled Castes Ltd.
3	Bihar	3. Bihar State SCs Co-operative Development Corporation Ltd.
4	Chhattisgarh	4. Chhattisgarh State Antavasayee Sahkari Finance & Development Corporation.
5	Goa	5. Goa State SCs & OBCs Development Corporation Ltd.
6	Gujarat	6. Gujarat Scheduled Castes Development Corporation. 7. Gujarat Scheduled Caste Most Backward Classes Development Corporation.
7	Haryana	8. Haryana Scheduled Castes Finance and Development Corporation Ltd.
8	Himachal Pradesh	9. Himachal Pradesh SCs & STs Development Corporation.
9	Jharkhand	10. Jharkhand State Scheduled Castes Co-operative Development Corporation.
10	Jammu & Kashmir	11. Jammu & Kashmir SCs, STs & OBCs Development Corporation Ltd.
11	Karnataka	12. Dr. B.R. Ambedkar Development Corporation Limited.
12	Kerala	13. Kerala State Development Corporation for SCs & STs Ltd. 14. Kerala State Women's Development Corporation
13	Madhya Pradesh	15. Madhya Pradesh State Co-operative SCs Fin. & Development Corporation.
14	Maharashtra	16. Mahatma Phule BCs Development Corporation Ltd. 17. Sahityaratna Lokshahir Annabhau Sathe Development Corporation. 18. Sant Rohidas Leather Industries & Charmakar Development Corporation.
15	Manipur	19. Manipur Tribal Development Corporation Ltd. 20. Manipur State STs & SCs Development Co-operative Bank Ltd
16	Meghalaya	21. Meghalaya Co-operative Apex Bank Ltd.
17	Mizoram	22. Mizoram Urban Co-operative Development Bank Ltd. 23. Mizoram Khadi & Village Industries Board.
18	Odisha	24. Odisha SCs & STs Development Finance Co-operative Corporation Ltd.
19	Punjab	25. Punjab Scheduled Castes Land Development & Finance Corporation.
20	Rajasthan	26. Rajasthan SCs & STs Finance & Development Co-operative Corporation.
21	Sikkim	27. Sikkim SCs, Tribes & Backward Classes Development Corporation.
22	Tamil Nadu	28. Tamil Nadu Adi Dravidar Housing & Development Corporation.
23	Telangana	29. Telangana Scheduled Castes Co-operative Development Corporation. Ltd.
24	Tripura	30. Tripura Scheduled Castes Co-operative Development Corporation Ltd.
25	Uttar Pradesh	31. Uttar Pradesh Scheduled Castes Finance & Development Corporation Ltd.
26	Uttarakhand	32. Uttarakhand Bahu-udeshiya Vitta Evam Vikas Nigam.
27	West Bengal	33. West Bengal SCs & STs Development & Finance Corporation.
28	Chandigarh	34. Chandigarh SCs, BCs & Minorities Financial & Development Corporation Ltd.
29	Dadra & Nagar Haveli and Daman & Diu	35. DNH, D & Diu SCs/STs/Other BCs & Minorities Financial & Development Corporation.
30	Delhi	36. Delhi SC/ST/OBC/Minorities & Handicapped Financial & Development Corporation
31	Puducherry	37. Puducherry Adi Dravidar Development Corporation Ltd.

Note: The State/UTs namely Arunachal Pradesh, Nagaland and Lakshadweep Islands do not have Scheduled Castes population as per Census, 2011 data, and therefore, have not been included in the statement.

ANNEXURE-II (B)

(See Para 1.7)

(1 of 2)

**LIST OF CHANNELISING AGENCIES – ALTERNATE CHANNEL**

Sl. No	State/UT	Name of Channelising Agency
1	Andhra Pradesh	1. Chaitanya Godavari Grameena Bank, Guntur. 2. Andhra Pradesh GrameenaVikas Bank, Warangal. 3. Sapthagiri Grameena Bank, Chittoor.
2	Assam	4. North Eastern Development Finance Corporation, Guwahati. 5. Grameen Development & Finance Private Limited, Chhaygaon. 6. Assam GraminVikash Bank, Guwahati. 7. Langpi Dehangi Rural Bank, Satgoan.
3	Bihar	8. Madhya Bihar Gramin Bank, Patna. 9. Uttar Bihar Gramin Bank, Muzzafarpur. 10. Bihar Gramin Bank, Begusarai.
4	Gujarat	11. Dena Gujarat Gramin Bank, Gandhinagar. 12. Baroda Gujarat Gramin Bank, Bharuch, Gujarat.
5	Haryana	13. Sarva Haryana Gramin Bank, Rohtak. 14. Oriental Bank of Commerce, Gurgaon.
6	Himachal Pradesh	15. Himachal Pradesh Gramin Bank, Mandi.
7	Jharkhand	16. Jharkhand Silk, Textiles & Handicrafts Development Corporation. 17. Vananchal Gramin Bank, Dumka.
8	Karnataka	18. Syndicate Bank, Bengaluru. 19. Pragathi Krishna Gramin Bank, Bellary. 20. Karnataka Vikas Grameena Bank, Dharwad. 21. Kaveri Gramin Bank, Mysore. 22. Vijaya Bank, Bengaluru. 23. Canara Bank, Bengaluru.
9	Kerala	24. Kerala Gramin Bank, Malappuram.
10	Maharashtra	25. Maharashtra Gramin Bank, Aurangabad. 26. Vidarbha Konkan Gramin Bank, Nagpur. 27. Anik Financial Services Private Limited, Maharashtra. 28. Dena Bank, Bandra Mumbai. 29. Union Bank of India Mumbai. 30. Bank of Baroda Mumbai.

ANNEXURE-II (B)  
(See Para 1.7)  
(2 of 2)

Sl. No	State/UT	Name of Channelising Agency
11	Madhya Pradesh	31. Madhyanchal Gramin Bank, Sagar. 32. Narmada Jabhua Gramin Bank, Indore.
12	Odisha	33. Sambandh Finserve Pvt. Ltd, Rourkela.
13	Punjab	34. Punjab Gramin Bank, Kapurthala. 35. Sutlej Gramin Bank, Bathinda.
14	Rajasthan	36. Rajasthan Marudhara Gramin Bank, Jodhpur.
15	Tamil Nadu	37. Indian Overseas Bank, Chennai. 38. Pallavan Grama Bank, Salem. 39. Pandyan Grama Bank, Virdhunagar.
16	Telangana	40. Andhra Bank, Hyderabad. 41. Telangana Grameena Bank, Hyderabad.
17	Tripura	42. Tripura Gramin Bank, Agartala.
18	Uttar Pradesh	43. Purvananchal Gramin Bank, Gorakhpur. 44. Allahabad UP Gramin Bank, Banda. 45. Sarva UP Gramin Bank, Meerut. 46. Baroda UP Gramin Bank, Raebareli. 47. UP Sahkari Gram Vikas Bank, Lucknow. 48. Prathama Bank, Moradabad. 49. Kashi Gomti Samyut Gramin Bank, Varanasi. 50. Gramin Bank of Aryavart, Gomti Nagar, Lucknow.
19	Uttarakhand	51. Uttaranchal Gramin Bank, Dehradun.
20	Puducherry	52. Puduvai Bhararthiar Grama Bank, Muthialpaet.
21	West Bengal	53. Allahabad Bank, Kolkata. 54. BRITTI Prosikshan Private Limited, Kolkata.
22	Delhi	55. Don Bosco Tech Society, New Delhi. 56. Punjab National Bank, New Delhi.

**ACHIEVEMENTS OF MoU TARGETS**  
**[2017-18]**

Sl. No.	Performance Criteria	Unit	Marks	'Excellent' Target (2017-18)	Achievement (Audited)
<b>(A) Compulsory Parameter</b>					
(i)	Turnover-Revenue from Operations (Net)	Rs./Crore	10	30.00 (32.72 - Revised)	39.44
(ii)	Operating Profit or Surplus/ Revenue from Operation (Net)	%age	20	19.10% (49.93%-Revised)	51.62%
(iii)	Return on Investment : PAT or Surplus/Net Worth	%age	20	1.30% (2.05%-Revised)	2.61%
<b>(B) Optional Parameters (Finance CPSEs)</b>					
(i)	Loans disbursed/Total Funds available	%age	10	63.00% (67.11%-Revised)	69.66%
(ii)	Loan disbursed to Micro Finance Beneficiaries as a %age of Total Disbursement	%age	05	42.00%	42.36%
(iii)	Overdue Loans/Total Loans (Net)	% age	10	24.00% (23.93%-Revised)	21.65%
(iv)	NPA/Total Loans (Net)	%age	10	1.09%	0.92%
<b>(v) Any other Specific Result-oriented Measurable Parameter</b>					
(A)	Number of target group provided skill development training in terms of common norms issued by Ministry of Skill Development	Nos.	05	16,000	16,088
(B)	Number of target group provided skill development training of atleast 6 months duration	Nos.	05	1,000	1,000
* Target under Clause (B) above is separate and in addition to target under Clause (A)					

Sl. No.	Performance Criteria	Unit	Marks	'Excellent' Target (2017-18)	Achievement (Audited)
(vi)	HRM Parameters				
(A)	On-line submission of ACR/ APAR in respect of all executives ( <i>E-0 and above</i> ) alongwith compliance of prescribed timelines w.r.t. writing of ACR/ APAR	%age of number of executives	01	100%	100%
(B)	Online Quarterly Vigilance clearance updation for Senior Executives [AGM ( <i>E-5</i> ) and above]	%age of number of Senior Executives	01	100%	100%
(C)	Preparation of Succession Plan and its approval by Board of Directors	Date	01	30.9.2017	The Succession Plan of the Corporation has been approved by the Board of Directors in the 146th Board Meeting held on 21.8.2017.
(D)	Holding of DPC without delay for executive ( <i>E-0 and above level</i> )	%age	01	100%	100%
(E)	Talent Management and career progression by imparting atleast one week training in Centre of Excellence within India e.g. IITs, IIMs, NITs, ICAI, etc.	%age of executives	01	10%	13.89%
	<b>TOTAL</b>		<b>100</b>		

**ANNEXURE-IV**  
[See Para 2.1.13]

**STATE/UT WISE ABSTRACT UNDER SKILL DEVELOPMENT**  
**TRAINING PROGRAMMES (2017-18)**

(In Number)

Sl. No.	States/UTs	Commenced (Persons)	Completed (Persons)
1	Andhra Pradesh	450	150
2	Assam	1190	665
3	Bihar	698	399
4	Chhattisgarh	255	255
5	Delhi	252	204
6	Gujarat	150	67
7	Haryana	878	539
8	Himachal Pradesh	375	175
9	Jammu & Kashmir	250	189
10	Jharkhand	415	97
11	Karnataka	454	140
12	Kerala	626	429
13	Madhya Pradesh	1429	1251
14	Maharashtra	440	270
15	Manipur	25	25
16	Odisha	767	263
17	Punjab	512	330
18	Rajasthan	946	599
19	Tamil Nadu	2069	1276
20	Telangana	310	270
21	Tripura	788	700
22	Uttar Pradesh	2459	1465
23	Uttarakhand	250	250
24	West Bengal	1100	854
	<b>Grand Total</b>	<b>17088</b>	<b>10862</b>

**ANNEXURE-V**  
**(See Para 5.2)**  
**SC/ST/OBC REPORT -I**

**ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs, STs and OBCs AS ON FIRST JANUARY OF THE YEAR AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDAR YEAR**

Name of the Public Sector Enterprise: National Scheduled Castes Finance and Development Corporation, Delhi

Groups	Representation of SCs/STs/OBCs (As on 01.01.2018)				Number of appointments made during the calendar year 2017									
					By Direct Recruitment				By Promotion			By Deputation/ Absorption		
	Total no. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group 'A' Managerial/ Executive Level*	36	09	01	05	-	-	-	-	06	-	01	-	-	-
Group 'B' Non- Supervisory Staff	09	03	02	02	-	-	-	-	04	01	01	-	-	-
Group 'C' Non- Executive Staff (Excluding Sweepers)	30	18	01	06	-	-	-	-	06	06	-	-	-	-
<b>Total</b>	<b>75</b>	<b>30</b>	<b>4</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>7</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Including CMD.

**ANNEXURE-VI**  
(See Para 5.2)  
**SC/ST/OBC REPORT -II**

**ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs, STs and OBCs IN VARIOUS GROUPS 'A'**  
**SERVICES AS ON FIRST JANUARY OF THE YEAR AND NUMBER OF APPOINTMENTS MADE IN THE VARIOUS**  
**GRADES IN THE PRECEDING CALENDAR YEAR**

Name of the Public Sector Enterprise: National Scheduled Castes Finance and Development Corporation, Delhi

Pay Scale (In Rupees)	Representation of SCs/STs/OBCs (As on 01/01/2018)				Number of appointments made during the calendar year 2017									
	Total no. of employees	SCs	STs	OBCs	By Direct Recruitment				By Promotion			By other methods		
					Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
CMD on Deputation [CDA Pattern]	1	-	-	-	-	-	-	-	-	-	-	-	-	-
E-7: ₹ 100000-260000	1	1	-	-	-	-	-	-	-	-	-	-	-	-
E-6: ₹ 90000-240000	2	1	-	-	-	-	-	-	-	-	-	-	-	-
E-5: ₹ 80000-220000	3	-	1	1	-	-	-	-	3	-	1	-	-	-
E-4: ₹ 70000-200000	3	-	-	-	-	-	-	-	3	-	-	-	-	-
E-3: ₹ 60000-180000	6	1	-	1	-	-	-	-	-	-	-	-	-	-
E-2: ₹ 50000-160000	1	1	-	-	-	-	-	-	-	-	-	-	-	-
E-1: ₹ 40000-140000	9	2	-	1	-	-	-	-	-	-	-	-	-	-
E-0: ₹ 30000-120000	10	3	-	2	-	-	-	-	-	-	-	-	-	-
Total	36	9	1	5	-	-	-	-	6	-	1	-	-	-

**ANNEXURE – VII**  
(See Para 5.2)

**REPRESENTATION OF THE PERSONS WITH DISABILITIES (AS ON 1st January, 2018)**

Group	Number of Employees					Direct Recruitment					Promotion				
						No. of vacancies reserved					No. of vacancies reserved				
	Total	VH	HH	OH		VH	HH	OH	Total		VH	HH	OH	Total	
1	2	3	4	5		6	7	8	9	10	11	12	13	14	15
Group 'A'	36	-	-	1		-	-	-	-	-	-	-	-	-	-
Group 'B'	09	1	-	-		-	-	-	-	-	-	-	1	-	-
Group 'C'	30	-	-	1		-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>75</b>	<b>1</b>	<b>-</b>	<b>2</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>

**Note :** The overall representation of Persons with Disability (PwDs) is 4.05%.

**ANNEXURE-VIII**  
(See Para 7)

**Particulars of employees as required under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2018**

- a) **Employed throughout the financial year under review and were in receipt of remuneration for the financial year in aggregate of not less than Rs. 1,02,00,000/-**

S. No.	Name and Age	Designation & Nature of Duties	Remuneration received	Qualification	Experience(Yrs)	Date of joining	Previous employment held	Percentage of equity shares held by the employee in the Company within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of Section 217 of the Act
NIL								

- b) **Employed for part of the year and were in receipt of remuneration at the rate of not less than Rs. 8,50,000/- per month**

S. No.	Name and Age	Designation & Nature of Duties	Remuneration received	Qualification	Experience(Yrs)	Date of joining	Previous employment held	Percentage of equity shares held by the employee in the Company within the meaning of sub-clause (iii) of clause (2) above	whether any such employee is a relative of any director or manager of the company and if so name of such director or manager
NIL									

**Notes:**

- The terms and conditions of all above appointments are as per Company's Rules.
- Remuneration received includes salary, other allowances and bonus in accordance with the provisions of the Income Tax Act, 1961 and the Rules made therefor.
- If employed throughout the financial year or part thereof, as in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY**

This Corporation strongly believes in inclusive economic growth. The Company's CSR initiatives are based on this principle. Schedule VII of Section 135 of the Companies Act, 2013 lists out various areas in which corporate entities are expected to deploy their CSR funds and implement programmes for social development. NSFDC has strategically chosen the company's CSR initiatives with a focus on improving the quality of life.

**1. Expenditure on CSR Initiatives**

The following table presents theme-wise CSR expenditure of NSFDC for the year 2017-18:-

(Amount in Rs.)	
CSR Expenditure	F Y 2017-18
Yoga Camp for Senior Citizen	15,821.00
Contribution to Swachh Bharat Kosh	28,50,000.00
Installation of Bio-Methanation Plant cum Organic waste processor	2,30,000.00
Sanitation (SwachhtaPhakwada)	1,80,544.00
<b>Total</b>	<b>32,76,365.00</b>

**2. Composition of the Corporate Social Responsibility Committee**

The Corporate Social Responsibility Policy & Sustainable Development (CSR & SD Policy) of the Corporation has been formulated in line with the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 made thereunder and the "DPE Guidelines". The CSR Policy has been approved by the Board of Directors.

The Company constituted a Corporate Social Responsibility Committee (CSR Committee) of the Board consisting of following Directors:-

- |       |   |           |
|-------|---|-----------|
| (i)   | Shri Shyam Kapoor                                       | Chairman  |
|       | Chairman-cum-Managing Director, NSFDC                   |           |
| (ii)  | Shri S.M. Awale,  | Member    |
|       | General Manager (Audit), IDBI Bank                      |           |
| (iii) | Shri Gulab Singh,                                       | Member    |
|       | Deputy Secretary, Banking Division, Ministry of Finance |           |
| (iv)  | Smt. Annu Bhogal,                                       | Secretary |
|       | Company Secretary, NSFDC                                |           |

ANNEXURE-IX

(See Para 8)

(Page 2 of 3)

As per CSR & SD Policy, the CSR&SD activities are coordinated at Corporate Office by the Internal Committee for CSR. This Committee is accountable to the CSR Committee constituted by the Board which oversee the CSR&SD activities. Presently, the constitution of Internal Committee for CSR is as follows:-

(i)	Shri C. Ramesh Rao, DGM-I	Chairman
(ii)	Smt. Annu Bhogal, Company Secretary	Member
(iii)	Shri Sapan Barua, Chief Manager	Member
(iv)	Shri Thota Satish, Manager	Member

3. **CSR Activities during the year 2017-18**

The overview of thematic projects/programmes undertaken / ongoing during the financial year are given here under:-

1	2	3	4	5	6		7	8
Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Project or programs 1. Local area or Other 2. Specify the State and Districts where projects or programs was undertaken#	Amount outlay (Budget) project or programs wise*	Amount spent on the projects or programmss		Cumulative expenditure upto the reporting period (Rs. 6A + 6B)	Amount spent : Direct or through Implementing Agencies
					Direct expenditure on projects or programme (A)	Over-heads (B)		
1. Safe Drinking Water, Sanitation and Slum Development								
(i)	Sanitation and Cleanliness (Swachhta Pakhwada)	Promoting health care, cleanliness through providing Sudhu water purifier Tablets, Dustbins, safe drinking water, sanitation, plantation in various areas	1. Local Areas JJ Cluster ChitraVihar, 2. Delhi & PreetVihar, Delhi State & Districts Birbhum District, West Bengal	1,80,544.00	1,80,544.00	-	1,80,544.00	Direct
(ii)	Installation of bio-methanation Plant cum Organic waste processor	Installation of Bio-methanation Plant cum Organic waste processor which can break down the organic material in the absence of air to produce cooking Gas & Organic Manure	State & Districts Birbhum District, West Bengal	2,30,000.00	2,30,000.00	-	2,30,000.00	Through channelizing agency, West Bengal SCDC

## ANNEXURE-IX

(See Para 8)

(Page 3 of 3)

1	2	3	4	5	6		7	8
SL No.	CSR Project or Activity Identified	Sector in which the project is covered	Project or programs 1. Local area or Other 2. Specify the State and Districts where projects or programs was undertaken#	Amount outlay (Budget) project or programs wise*	Amount spent on the projects or programmes		Cumulative expenditure upto the reporting period (Rs. 6A + 6B)	Amount spent : Direct or through Implementing Agencies
					Direct expenditure on projects or programme (A)	Over-heads (B)		
(iii)	Contribution to Swachh Bharat Kosh	Contribution to Swachh Bharat kosh for build toilets in schools, rural and urban areas in furtherance to achieve the objective of cleanliness across the country	Swachh Bharat Kosh, Department of Expenditure	28,50,000.00	28,50,000.00		28,50,000.00	Direct
(iv)	Yoga Camp for senior citizens during Sr. Citizen weeks	Promoting health care among senior citizens through organizing Yoga camp	State & Districts Faridabad, Haryana Greater Noida Uttar Pradesh Ghaziabad, Utar Pradesh	15,821.00	15,821.00		15,821.00	Direct
			<b>Total</b>	<b>32,76,365.00</b>	<b>32,76,365.00</b>		<b>32,76,365.00</b>	

## CORPORATE GOVERNANCE REPORT

### 1. STATEMENT OF COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organization. We are committed to meet the aspiration of all our stakeholders which is Government of India in our case. This is demonstrated in governance processes and an entrepreneurial performance focused work environment.

Despite rapid development, financial exclusion, unacceptable poverty levels, unemployment, declining income levels from traditional agricultural activities and lack of skills have remained the major challenges in the economic development of Scheduled Castes. Although, the developmental parameters of the Scheduled Castes have improved since 2001, the gap between mainstream and Scheduled Castes population still persists in the society. Imbalances in development along with environmental degradation and gender inequality pose major challenges for attaining inclusive growth.

NSFDC needs to support capacity development initiatives of State Channelizing Agencies for promoting good governance and improving delivery of services. NSFDC also needs to further integrate elements of good governance in its own operations.

### 2. BOARD OF DIRECTORS

#### 2.1 Board Composition and Category of Directors

The Directors are appointed by the President of India through Administrative Ministry in the Company. There are 15 posts in composition of Board of Directors. The Board consisted of 11 members as on 31.03.2018.

**ANNEXURE-X**  
(See Para 10)  
(Page 2 of 6)

The composition of the Board and category of Directors are as follows:-

Category		Name of Directors	In the capacity of
Whole time, Executive, Managing Director		Shri Shyam Kapoor	Chairman-cum-Managing Director
Government Directors*:-			
(a)	Representing MOSJ&E	Shri B.L. Meena Smt. Aindri Anurag Smt. T.C.A. Kalyani	JS(SCD), MOSJ&E JS(SCD), MOSJ&E FA, MOSJ&E
(b)	Representing other Ministries	Shri Gulab Singh Shri Piyush Srivastava	Representative of Banking Division of Finance Ministry Representative of MSME
(c)	Representing other agencies	Shri S.M. Awale Shri Bhaskar Pant	Representative of IDBI Representative of NABARD
(d)	Representing SCAs	Shri Kayzang Chhophel Lama Shri Lachiram Bhukya	Representing SCA of Sikkim Representing SCA of Telangana
Non-Official Director		Ms. Vishakha Shailani	

\*The part time Government Directors are ex-officio appointees and their terms is co-terminus with the term of the respective position held by them in Government at the time of appointment on the Company's Board.

## 2.2 Board Meetings and Procedures

The Board of Directors is the apex body constituted for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders (Government of India) long-term interests are being served.

## 2.3 No. of Board Meetings held with dates:-

Four Board meeting were held during the year, as against the minimum requirement of two meetings. The details of Board meetings are given below:-

Board Meeting	Date	Board Strength	No. of Directors Present
145 <sup>th</sup>	17.04.2017	09	08
146 <sup>th</sup>	21.08.2017	09	08
147 <sup>th</sup>	15.11.2017	08	05
148 <sup>th</sup>	23.03.2018	11	10

**2.4 Attendance of Directors at Board Meetings**

Name of Directors	From	To	No. of Meetings held during tenure (2017-18)	No. of meetings attended during tenure (2017-18)
Shri Shyam Kapoor	29.07.2016	Till Date	4	4
Shri Gulab Singh	26.08.2014	Till date	4	3
Shri B.L. Meena	04.06.2015	Till date	4	2
Shri Shalil M. Awale	04.06.2015	Till date	4	4
Smt. Aindri Anurag	04.06.2015	Till date	4	2
Smt. T.C.A. Kalyani	14.01.2016	Till Date	4	4
Ms. Vishakha Shailani	17.04.2017	Till Date	4	4
Shri B. Anand Kumar	17.04.2017	23.03.2018	2	2
Shri Kayzang Chhophel Lama	17.04.2017	Till Date	4	3
Shri Bhaskar Pant	23.03.2018	Till Date	1	1
Shri Piyush Srivastava	23.03.2018	Till Date	1	1
Shri Lachiram Bhukya	23.03.2018	Till Date	1	1

**2.5 Appointments & Cessation of Directors**

During the year, the following changes took place in the Board of Directors:-

Sl. No.	Name of Director	From	To	Reason for change
1	Shri Bhaskar Pant	23.03.2018	Till Date	Appointment
2	Ms. Vishakha Shailani	17.04.2017	Till Date	Appointment
3	Shri Kayzang Chhophel Lama	17.04.2017	Till Date	Appointment
4	Shri Piyush Srivastava	23.03.2018	Till Date	Appointment
5	Shri Lachiram Bhukya	23.03.2018	Till Date	Appointment
6	Shri B. Anand Kumar	17.04.2017	23.03.2018	Vacation of office

**2.6 Recording minutes of proceedings at Board and Committee meetings**

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board members for their comments.

**2.7 Remuneration to Directors**

Being a Central Government Public Sector Enterprise, the appointment, tenure and remuneration of Chairman-cum-Managing Director is decided by the Government of India. The Government letter appointing Chairman-cum-Managing Directors indicate the detailed terms & condition of their appointment, including the period of appointment, scale of pay etc. and it also indicates that in respect of other terms and conditions not cover in the letter, the relevant rules of the Corporation shall apply.

**2.7.1 Ex-officio Part Time Government Directors**

Ex-officio Part Time Government Directors are not paid any remuneration and also not paid sitting fees for attending Board/Committee meetings. None of the Government Directors have any pecuniary relationship or transactions with the Company during the year.

**2.7.2 Independents Directors**

Independent Directors are not paid any remuneration except reimbursement of expenses on official visits to beneficiaries & training institutes. The matter regarding sitting fees has been referred by the Board to the Ministry for issue of a common notification applicable to all CPSEs under MOSJ&E.

**2.8 Code of Conduct**

NSFDC follows a well-defined Code of Conduct, which fairly addresses the issues of integrity, conflict interest and confidentiality and stresses the need of ethical conduct, which is the basis of good governance. Code of Conduct as applicable to Board level and below Board level.i.e. one grade below Board level upto General Managing Cadre is in existence.

**3 Annual General Meeting**

During the preceding three years, the Company's Annual General Meetings were held at Chamber of Secretary, Ministry of Social Justice & Empowerment, 6th Floor, ('A'-Wing) Shastri Bhawan, New Delhi.

The date and time of Annual General Meetings held during last three years and the special resolution(s) passed there at are as follows:-

Year	Date	Time	Special Resolution Passed
2014-15	21.09.2015	10.00 AM	NIL
2015-16	27.09.2016	3.00 P.M.	NIL
2016-17	29.09.2018	12.00 Noon	NIL

#### **4. Audit Committee**

The Corporation is registered under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) as a Company not for profit. It is neither a Public Company nor a subsidiary of a Public Company. It is a Private government company and not listed with any Stock Exchanges. Since the Company does not fall under the definition of listed Public Company, the provision of the constitution of the Audit committee was not applicable to the Corporation. However, keeping in view the Corporate Governance guidelines for CPSEs issued by DPE, Audit Committee of the Board was constituted on 14.01.2016 on terms of reference as prescribed by DPE.

Ministry of Corporate Affairs issued a notification dated 05.06.2015, exempting Section 8 Companies to the extent "the words in sub-section (2) of Section 177 'with independent directors forming a majority' shall be omitted". Accordingly, the Board may nominate any director as members as having independent directors as members is exempted for Section 8 Companies vide the aforesaid notification. The Audit Committee has discharged such roles as envisaged under the provisions of Section 177 of the Companies Act, 2013.

The Audit Committee met four times on 17.04.2017, 21.08.2017, 15.11.2017 and 23.03.2018 during the financial year 2017-18.

#### **5. CSR Committee**

The Corporate Social Responsibility Committee has been constituted in line with Section 135 and Schedule-VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014. The present CSR Committee comprises of Shri Shyam Kapoor (Chairman), Shri S.M. Awale (Member) and Shri Gulab Singh (Member).

The Committee met twice during the year under review on 17.04.2017 & 23.03.2018. The role of CSR Committee should interalia include the following:-

- (i) Formulation & recommendation of CSR Policy to the Board.
- (ii) Recommendation of CSR Expenditure.
- (iii) Monitoring & implementation of CSR Projects

## 6. Disclosures

### 6.1 Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large

During the period under review, the Company had not entered into any material transaction with any of its related parties other than pay and allowances.

### 6.2 Details of non-compliance by the Company, penalties, strictures imposed on the Company by any statutory authority, on any matter related to any guidelines issued by Government during the last three years

During the period under review, the Company had not been imposed penalty / strictures by any Statutory Authority during the last three years.

### 6.3 Compliance

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), ensure adherence to the Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the institute of Company Secretaries of India. The concerned departmental heads are responsible for all applicable laws and regulations, as per their respective functions.

## 7. Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

## 8. Means of Communication

The Company displays Annual Report on its website together with other important information pertaining to the Company. Annual Reports and other papers related to shareholders are laid before Lok Sabha and Rajya Sabha regularly in physical form.

## 9. Compliance Certificate

This report duly complies with the requirements of DPE's Guidelines on Corporate Governance for CPSEs and covers all the suggested items mentioned in Annexure-VII of the Guidelines. The quarterly report on compliance with the Corporate Governance requirements prescribed by DPE is also sent to Administrative Ministry regularly. The certificate obtained from practicing Company Secretary regarding compliance of conditions of Guidelines of Corporate Governance of CPSEs has been annexed to the Board Report at **Annexure-XI.**



**MNK & ASSOCIATES**

Company Secretaries

G-41, Ground Floor, West Patel Nagar, New Delhi - 110008

Tel: +91-11-45095230; Mobile: +91-9818156340; Email: nazim@mnkassociates.com

**CERTIFICATE ON CORPORATE GOVERNANCE**

(As per Clause 8.2.1 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by DPE)

To,  
The Members of  
National Scheduled Castes Finance and Development Corporation  
New Delhi

We have examined the compliance of conditions of Corporate Governance by National Scheduled Castes Finance and Development Corporation ("the Company") for the year ended March 31, 2018 as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India (DPE) and annexure mentioned there under.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in above mentioned Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in DPE Guidelines, except the following:

1. The Government has appointed nominee directors exceeding the limit fixed by the DPE Guidelines;
2. The total number of Independent Directors should be atleast 50% of the total Board Members (in case of listed CPSE with an executive chairman) and atleast one-third (in case of listed CPSE without an executive chairman). However, on perusal of the records of the Company, we observed that the appointment of Director is made by the concerned Ministry by way of notification and the Ministry has issued notification to appoint only one Independent Director in the Company. .
3. During the financial year 2017-18, no meeting of the Remuneration Committee was held.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For MNK & Associates  
Company Secretary



(Mohd Nazim Nazim)  
Proprietor  
CP 8245 (FCS: 6529)

Place: New Delhi  
Date: 25.07.2018

## BALANCE SHEET AS AT 31st MARCH 2018

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
<b>I. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	483.77	498.82
(b) Investment Property	4	14.17	14.87
(c) Other intangible assets	5	1.29	4.32
(d) Intangible assets under development	6	10.35	-
(e) Financial assets			
(i) Loans	7	89,843.63	72,861.15
(ii) Others	8	4.34	4.34
(f) Other Non Current Assets	9	50.04	47.71
		90,407.60	73,431.21
<b>2 Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	10	1,454.97	1,848.79
(ii) Bank balances other than (i) above	11	32,051.87	31,075.04
(iii) Loans	7	60,962.73	55,373.96
(iv) Others	12	5,177.48	4,237.08
(b) Current Tax Asset (Net)	13	11.65	9.81
(c) Other Current Assets	14	106.90	122.77
		99,765.60	92,667.45
<b>Total Assets</b>		<b>190,173.20</b>	<b>166,098.66</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	15	134,801.00	121,802.00
(b) Other equity	16	47,408.94	42,735.02
		<b>182,209.94</b>	<b>164,537.02</b>
<b>2 Liabilities</b>			
<b>(i) Non-current liabilities</b>			
(a) Provisions	17	283.56	240.94
<b>(ii) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	4,747.17	-
(ii) Others	19	2,492.82	1,093.20
(b) Other current liabilities	20	40.38	13.98
(c) Provisions	17	399.34	213.52
		7,679.70	1,320.70
<b>Total Equity and Liabilities</b>		<b>190,173.20</b>	<b>166,098.66</b>
<b>III. See accompanying notes to the financial statements</b>			

As per our Report of even date attached

For Naresh K Gupta &amp; Co.

Chartered Accountants  
FRN: 002232 N

sd/-

Nitish Gupta  
Partner  
M. No.096295

sd/-

(Varun Sharma)  
Manager (Finance)

sd/-

(M.S. Chhatwal)  
Manager (Finance)

sd/-

(Rajesh Bihari)  
Dy. Gen. Manager

sd/-

(Devanand)  
General Manager

sd/-

(Annu Bhogal)  
Company Secretary

For and on behalf of the Board of Directors

sd/-

(T.C.A. Kalyani)  
Director  
DIN-02406559

sd/-

(Shyam Kapoor)  
Chairman-Cum-Managing Director  
DIN-02643416Place : New Delhi  
Date : 21st August, 2018

## Statement of Income & Expenditure for year ended 31st March 2018

(₹ in Lakhs)

Particulars		Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
I	Revenue from operations	21	3,944.08	2,887.58
II	Other Income	22	2,715.08	3,521.18
III	<b>Total Revenue (I+II)</b>		<b>6,659.16</b>	<b>6,408.76</b>
IV	<b>Expenses</b>			
	Employee Benefits Expenses	23	1,353.78	971.06
	Finance Cost	24	89.56	9.40
	Depreciation & Amortization Expenses	25	42.15	38.49
	Incentives to SCA	26	89.12	88.42
	Training Exp-Beneficiaries		8.44	-
	CSR Expenses	40	32.76	97.07
	Bad & Doubtful Loans	27	-	2.73
	Other Expenses	28	291.94	300.95
	<b>Total Expenses (IV)</b>		<b>1,907.76</b>	<b>1,508.12</b>
V	<b>Excess of Income over expenditure before Exceptional Items and Tax (III - IV)</b>		4,751.40	4,900.64
VI	Exceptional Items	29	(0.22)	(0.28)
VII	<b>Excess of Income over expenditure before Tax (V - VI)</b>		4,751.61	4,900.92
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	<b>Excess of Income over expenditure for the period from continuing operations (VII-VIII)</b>		<b>4,751.61</b>	<b>4,900.92</b>
X	Excess of Income over expenditure from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Excess of Income over expenditure discontinued operations (X - XI)		-	-
XIII	<b>Excess of Income over expenditure for the period (IX + XII)</b>		<b>4,751.61</b>	<b>4,900.92</b>
XIV	<b>Other Comprehensive Income</b>			
	A. (i) Items that will not be reclassified to Income & Expenditure Account	30	(109.97)	1.04
	(ii) Income Tax relating to Items that will not be reclassified to Income & Expenditure Account		-	-
	B. (i) Items that will be reclassified to Income & Expenditure Account		-	-
	(ii) Income Tax relating to Items that will be reclassified to Income & Expenditure Account		-	-
XV	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Excess of Income over expenditure and Other Comprehensive Income for the period)</b>		<b>4,641.64</b>	<b>4,901.96</b>

(₹ in Lakhs)

<b>XVI</b>	<b>Earning per equity share:</b> (For continuing Operation)			
	(1) Basic (in ₹)	31	36.74	43.15
	(2) Diluted (in ₹)	31	36.74	43.13
<b>XVII</b>	<b>Earnings Per Equity Share:</b> (For discontinuing Operation)			
	(1) Basic (in ₹)		-	-
	(2) Diluted (in ₹)		-	-
<b>XVIII</b>	<b>Earnings Per Equity Share:</b> (For discontinued and continuing Operation)			
	(1) Basic (in ₹)	31	36.74	43.15
	(2) Diluted (in ₹)	31	36.74	43.13
<b>XIX</b>	See accompanying notes to the financial statements			

As per our Report of even date attached

For Naresh K Gupta & Co.

Chartered Accountants

FRN: 002232 N

sd/-

Nitin Gupta  
Partner

M. No.096295

sd/-

(Varun Sharma)  
Manager (Finance)

sd/-

(M.S. Chhatwal)  
Manager (Finance)

sd/-

(Rajesh Bihari)  
Dy. Gen. Manager

sd/-

(Devanand)  
General Manager

sd/-

(Annu Bhogal)  
Company Secretary

*For and on behalf of the Board of Directors*

sd/-

( T.C.A. Kalyani )  
Director  
DIN-02406559

sd/-

(Shyam Kapoor)  
Chairman-Cum-Managing Director  
DIN-02643416

Place : New Delhi  
Date : 21st August, 2018

## Statement of Changes in Equity (SOCE) for the period ended 31st March 2018

### A. Equity share capital

(₹ in Lakhs)

Particulars	Number of shares (in lakhs)	Amount
<b>Balance at April 1, 2016</b>	99.81	99,813.00
Changes in equity share capital during the year		
(a) Issue of equity shares capital during the year	21.99	21,989.00
<b>Balance at March 31, 2017</b>	121.80	121,802.00
Changes in equity share capital during the year		
Issue of equity shares capital during the year	13.00	12,999.00
<b>Balance at March 31, 2018</b>	<b>134.80</b>	<b>134,801.00</b>

### B. Other Equity

Particulars	Share application money pending allotment	Reserves & Surplus		Total
		Special Reserve	General Reserve	
Balance at the beginning of the year	178.00	3,283.72	39,273.30	42,735.02
Prior period Adjustments (Refer Note :- 36)	-	-	-	-
<b>Restated balance at the beginning of the year</b>	<b>178.00</b>	<b>3,283.72</b>	<b>39,273.30</b>	<b>42,735.02</b>
Profit for the year	-	-	4,751.61	4,751.61
Other Comprehensive Income for the year	-	-	(109.97)	(109.97)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>4,641.64</b>	<b>4,641.64</b>
Transfer to Special reserve	-	470.11	(470.11)	-
Interest on Special Reserve Fund Investment	-	210.27	-	210.27
Share application money received during the year	-	-	-	-
Issue of share capital	(178.00)	-	-	(178.00)
<b>Balance at the end of the year</b>	<b>-</b>	<b>3,964.11</b>	<b>43,444.83</b>	<b>47,408.94</b>

## Statement of Changes in Equity (SOCE) for the period ended 31st March 2017

## C. Other Equity

(₹ in Lakhs)

Particulars	Share application money pending allotment	Reserves & Surplus		Total
		Special Reserve	General Reserve	
Balance at the beginning of the year	8,367.00	2,607.15	34,929.07	45,903.22
Prior period Adjustments (Refer Note :- 36)	-	-	(61.50)	(61.50)
<b>Restated balance at the beginning of the year</b>	<b>8,367.00</b>	<b>2,607.15</b>	<b>34,867.57</b>	<b>45,841.72</b>
Profit for the year	-	-	4,900.92	4,900.92
Other Comprehensive Income for the year	-	-	1.04	1.04
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>4,901.96</b>	<b>4,901.96</b>
Transfer to Special Reserve	-	496.23	(496.23)	-
Interest on Special Reserve Fund Investment	-	180.34	-	180.34
Share application money received during the year	178.00	-	-	178.00
Issue of share capital	(8,367.00)	-	-	(8,367.00)
<b>Balance at the end of the year</b>	<b>178.00</b>	<b>3,283.72</b>	<b>39,273.30</b>	<b>42,735.02</b>

As per our Report of even date attached

For Naresh K Gupta &amp; Co.

Chartered Accountants  
FRN: 002232 Nsd/-  
(Varun Sharma)  
Manager (Finance)sd/-  
(M.S. Chhatwal)  
Manager (Finance)sd/-  
(Rajesh Bihari)  
Dy. Gen. Managersd/-  
(Devanand)  
General Managersd/-  
(Annu Bhogal)  
Company Secretarysd/-  
Nitin Gupta  
Partner  
M. No.096295

For and on behalf of the Board of Directors

Place : New Delhi  
Date : 21st August, 2018sd/-  
( T.C.A. Kalyani )  
Director  
DIN-02406559sd/-  
(Shyam Kapoor)  
Chairman-Cum-Managing Director  
DIN-02643416

## Statement of Cash Flow for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>A. Cash Flow from Operating Activities</b>		
Excess of income over expenditures before exceptional items and tax	4,751.61	4,900.92
<b>Adjustments to reconcile net profit to net cash provided by operating activities:</b>		
Depreciation	42.15	38.49
Other comprehensive income on remeasurement of defined benefit plans	(109.97)	1.04
Loss /(Profit) on sale/impairment/exchange of assets	(0.22)	(0.28)
<b>Operating profit before changes in operating Assets &amp; liabilities</b>	<b>(1) 4,683.57</b>	<b>4,940.17</b>
<b>Adjustments for:</b>		
Decrease / (Increase) in non-current loans	(16,982.49)	(21,060.43)
Decrease / (Increase) in other non-current financial assets	0.00	(1.72)
Decrease / (Increase) in other non-current assets	(2.33)	3.25
Decrease / (Increase) in current loans	(5,588.77)	(8,039.55)
Decrease / (Increase) in other current financial assets	(940.40)	(939.14)
Decrease / (Increase) in other current assets	15.87	(32.97)
Decrease/ (Increase) in Other Bank Balance	(976.83)	10,250.93
(Decrease) / Increase in other current financial liability	1,399.62	920.74
(Decrease) / Increase in other current liability	26.40	(29.01)
(Decrease)/ Increase in non current provisions	42.62	(20.91)
(Decrease)/ Increase in current provisions	185.82	113.98
	<b>(2) (22,820.49)</b>	<b>(18,834.83)</b>
<b>Cash generated from operation</b>	<b>(1+2) (18,136.92)</b>	<b>(13,894.66)</b>
Income Tax Paid	(1.84)	(2.45)
<b>Net Cash Outflow from Operating Activities</b>	<b>(18,138.76)</b>	<b>(13,897.11)</b>
<b>B. Cash Flow From Investing Activities</b>		
Sale/Disposal of Property, Plant and Equipments	0.97	0.64
Intangible Assets under Development	(10.35)	-
Purchase of Property, Plant and Equipments	(24.12)	(21.31)
Purchase of Intangible Assets	-	(3.35)
Interest on Special Reserve Fund investment	210.27	180.34
<b>Net Cash Inflow from Investing Activities</b>	<b>176.77</b>	<b>156.32</b>

<b>C. Cash Flow From Financing Activities</b>		
Issue of Share Capital	12,821.00	13,622.00
Share application money pending allotment	-	178.00
Proceeds from Borrowings	4,747.17	-
<b>Net Cash Inflow from Financing Activities</b>	<b>17,568.17</b>	<b>13,800.00</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(393.82)</b>	<b>59.21</b>
Cash & Cash Equivalents at the beginning of the year (Refer note :- 9)	1,848.79	1,789.58
<b>Closing Cash &amp; Cash Equivalents</b>	<b>1,454.97</b>	<b>1,848.79</b>
<b>Reconciliation of Cash &amp; Cash Equivalents</b>		
<b>Cash and Cash Equivalents as at the end of the year (Refer note :- 9)</b>	<b>1,454.97</b>	<b>1,848.79</b>

**Notes:-**

1. The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS-7 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Previous year's figures are reclassified/regrouped to confirm and make them comparable with those of the current year.

**As per our Report of even date attached**

**For Naresh K Gupta & Co.**

Chartered Accountants  
FRN: 002232 N

sd/-  
Nitin Gupta  
Partner  
M. No.096295

sd/-  
(Varun Sharma)  
Manager (Finance)

sd/-  
(M.S. Chhatwal)  
Manager (Finance)

sd/-  
(Rajesh Bihari)  
Dy. Gen. Manager

sd/-  
(Devanand)  
General Manager

sd/-  
(Annu Bhogal)  
Company Secretary

**For and on behalf of the Board of Directors**

sd/-  
( T.C.A. Kalyani )  
Director  
DIN-02406559

sd/-  
(Shyam Kapoor)  
Chairman-Cum-Managing Director  
DIN-02643416

Place : New Delhi  
Date : 21st August, 2018

## **Notes to Accounts**

### **Note :- 1 Corporate Information**

National Scheduled Castes & Scheduled Tribes Finance and Development Corporation is a not for profit company domiciled in India and was incorporated on 08.02.1989 under Section 25 of companies Act 1956 (now under Section 8 of the Companies Act, 2013). It catered to the needs of both Scheduled Castes & Scheduled Tribes target groups till 09.04.2001. On 10.04.2001, the Corporation was bifurcated after creation of National Scheduled Tribes Finance & Development Corporation for Scheduled Tribes target group under Ministry of Tribal Affairs. Consequent upon its bifurcation, Corporation now exclusively caters to the needs of Scheduled Castes target group. The registered office of the company is located at 14th Floor, Core 1 & 2, Scope Minar, Laxmi Nagar District Centre, Delhi-110092.

### **Note :- 2 Accounting Policies**

#### **2.1 Statement of Compliance**

The financial statements as at and for year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian accounting standards) Amendment Rules 2016 and 2017.

#### **2.2 Basis of preparation**

The financial statements have been prepared under the historical cost convention and on an accrual basis, except for the following item that have been measured at fair value as required by relevant Ind-AS.

- (i) Defined benefit Plan and other long term employee benefits
- (ii) Certain financial assets and liabilities measured at fair value.

#### **2.3 Use of estimates and judgement**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Examples of such estimates include useful life of property, plant and equipment, intangible assets, provision for doubtful debts, future obligations under employee retirement benefit plans & contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognised in the period in which the results are known /materialize.

- 2.4** All financial information presented in Indian rupees and all values are rounded to the nearest lakh rupees with two decimal points except where otherwise stated.

**2.5 Statement of Cash flow**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

For the purposes of statement of cash flow, cash and cash equivalents include cash in hand, cash at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand are considered part of the Company's cash management system.

**Amendment to Ind-AS 7:**

Effective April 1, 2017, the company adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the financial statements.

**2.6 Foreign Currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (i.e. Functional Currency). The financial statements are presented in Indian rupees, which is the company's functional and presentation currency.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of Income & Expenditure.

**2.7 Property, Plant and Equipment**

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of asset includes the following

- (i) Cost directly attributable to the acquisition of the assets
- (ii) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

Cost of replacement, major inspection, repair of significant parts and borrowing costs for long-term construction projects are capitalised if the recognition criteria are met.

Property, Plant & Equipment whose cost does not exceed Rs.5000/- have been directly charged to statement of income & expenditure.

Upon sale of assets cost and accumulated depreciation are eliminated from the financial statements and the resultant gains or losses are recognized in the statement of income & expenditure.

Depreciation is provided for property, plant and equipment on written down value method over their estimated useful life of assets as prescribed in schedule II of the Companies Act 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

## Category of Assets

Particulars	Estimated Useful Life (years)
Freehold Building	60
Air Conditioners	5
Computer & Peripherals	3
Fixture & fittings	10
Furniture	10
Office Equipment	5
Vehicles	8
Leasehold building is being amortised over the primary lease period.	

Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset. The residual value of the assets is taken as 5% of the cost of assets.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

## 2.8 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.

In respect of 'Intangible Assets' software not forming integral part of hardware equipment; software development and related expenditure resulting into successful deployment of the

developed software, is recognized at cost and being amortized over a period of 3 years thereof.

Depreciation methods, useful life and residual values are reviewed at each balance sheet date.

## **2.9 Investment properties**

- (i) Investment property comprises completed property, property under construction and property held under finance lease that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.
- (ii) Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- (iii) The company depreciates building component of investment property over the estimated useful life of the assets as prescribed in property, plant and equipment. (Refer note:2.7)
- (iv) Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Difference between the net disposal proceeds and the carrying amount of the asset is recognized in Statement of Income & Expenditure in the period of de-recognition.

## **2.10 Provisions**

Provision is recognised when:

- (i) The Company has a present obligation as a result of a past event,
- (ii) A probable outflow of resources is expected to settle the obligation and
- (iii) A reliable estimate of the amount of the obligation can be made.

Provision recognized above which are expected to be settled beyond 12 months are measured at the present value by using pre-tax discount rate that reflects the risks specific to the liability and the increase in the provision due to the passage of time is recognized as interest expenses.

Provision are reviewed at each Balance Sheet Date.

## **2.11 Revenue recognition**

### **(i) Revenue from Operation**

- a) Revenue is recognized to the extent that, it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount, or the amount in

respect of which recovery has ceased to be probable, is recognised as an expense rather than as an adjustment of the amount of revenue already recognised.

- b) Interest income on loans given is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable, using Effective Interest Rate method.
- c) Penal interest on delay in utilization and defaults in the repayments is recognized on realization due to uncertainty of its collectability.
- d) Interest on refund recognized on unutilized amount is accounted for on accrual basis.

**(ii) Other Income**

Interest incomes on FDR's and Bank deposits are recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable using Effective Interest Rate Method.

**2.12 Revenue Grants from Government/Other Organisations**

- (i) Grants received during the year related to previous years are recognized in the current year.
- (ii) Unspent grants & interest accrued thereon are deferred & taken to current liabilities.
- (iii) Grants sanctioned by the Government (whether received or not) for programmes undertaken during the year are recognized against related expenses in current year.

**2.13 Leases**

**(i) Operating Lease**

- Lease is classified as operating lease when significant portion of the risk and rewards are not transferred to the company.
- Payments are charged to Statement of Income & Expenditure on straight-line basis over the lease term except where lease payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

**(ii) Finance Lease**

- a) that transfers substantially all the risks and rewards incidental to ownership of an asset
- b) are capitalised at lease inception at lower of fair value or present value of minimum lease payment
- c) payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

- d) finance charges are recognised in finance costs in the statement of Income & Expenditure.
- e) depreciated over the useful life of the asset. However, if there is no reasonable certainty to obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

#### 2.14 Impairment of Non Financial Assets

- (i) The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.
- (ii) An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the Statement of Income & Expenditure.
- (iii) An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

#### 2.15 Employee Benefits

##### (i) Short Term Employee Benefits

Short Term Employee Benefits such as short-term compensated absences are recognized as an expense on an undiscounted basis in the statement of Income & Expenditure of the year in which the related service is rendered.

##### (ii) Post-Employment Benefits & other Long Term Employee Benefits

###### a) Defined Contribution Plan

Defined Contribution Plans such as Provident Fund, Pension Employees Deposit Linked Insurance and Group Savings Linked Insurance Schemes are recognized as an expense and charged to the statement of Income & Expenditure. The company makes defined contribution to the Regional Provident Fund Commissioner in respect of provident fund. The Company does not have further obligation in this respect beyond its contribution which is expensed off when they become due.

###### b) Defined Benefits Plan

###### i) Gratuity

The employees Gratuity Fund Scheme is funded by the Corporation managed by LIC through a separate trust. LIC, a Government

Undertaking has charged the premium during the year based on the actuarial calculation as certified by LIC. The amount recognized in the balance sheet is the present value of the defined benefit obligations less fair value of plan assets less any past service cost not yet recognized, at the balance sheet date.

**ii) Leave Benefit**

The Corporation operates a defined benefit plan (the Leave Benefit Plan) covering eligible employees based on the respective employees salary and the tenure of employment as per the leave rules of the Corporation. Leave Benefits such as Leave Encashment, Sick Leave, etc. are recognized on the basis of actuarial valuation made as at the end of the year.

**2.16 Special reserve Fund**

The Corporation transfers 10% of Excess of Income over Expenditure to the Special Reserve Fund for meeting investments in buildings and for contingencies/ eventualities.

**2.17 Expenditure & Provisions**

- Payments on account of Skill Development Training Programmes (beneficiaries) is charged to the statement of "Income and Expenditure" in the year of disbursement and are shown distinctly being Corporate Social Responsibility expenditure.

The incentive & other schemes shall be accounted for on accrual basis.

**2.18 Income taxes**

The Income of the Company is exempted from tax under section 10(26B) of the Income Tax Act, 1961. Thus, no provision for income tax is required. Consequently, the provisions of Ind AS-12 of the "Accounting for Income Taxes" is not applicable.

**2.19 Earnings per Share**

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**2.20 Contingent Liabilities and Contingent Assets**

- Contingent Liabilities are disclosed in either of the following cases:
  - (i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or

- (ii) A reliable estimate of the present obligation cannot be made; or
  - (iii) A possible obligation, unless the probability of outflow of resource is remote.
- Contingent assets are disclosed where an inflow of economic benefits is probable.
  - Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.
  - Contingent Liability is net of estimated provisions considering possible outflow on settlement.

## **2.21 Fair Value Measurement**

Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The company 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.

Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## **2.22 Financial instruments:-**

### **(i) Initial recognition and measurement**

Financial Instruments recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

### **(ii) Subsequent measurement**

#### **Financial Assets**

Financial assets are classified in following categories:

#### **(A) At Amortised Cost**

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost using effective interest rate method less impairment, if any. The EIR amortisation is included in finance income in the statement of Income & Expenditure.

#### **(B) At fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as at the Fair value through Other comprehensive income if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent solely payment of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Income & Expenditure. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned is recognised using the EIR method.

(C) At Fair value through Profit & Loss (FVTPL)

FVTPL is a residual category for financial Assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency. The company has not designated any financial asset as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Income & Expenditure.

**Financial liabilities**

a) Financial liabilities at Amortised Cost

Financial liabilities at amortised cost represented by trade and other payables, security deposits and retention money are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

b) Financial liabilities at FVTPL

The company has not designated any financial liabilities at FVTPL.

(iii) **De-recognition**

• Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

• Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of Income & Expenditure.

**(iv) Impairment of financial assets:**

- i) The company assesses at each date of balance sheet whether a financial asset is impaired. Ind AS-109 requires expected credit losses (ECL) to be measured through a loss allowance.
- ii) For all Financial Assets other than contract assets/Trade receivables, expected credit losses are to be measured at an amount equal to 12 months expected credit losses or at an amount equal to the life time ECL's if credit risk on the financial asset has increase significantly since its initial recognition.
- iii) ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of Income & Expenditure.

**2.23 Non-current Assets (or disposal groups) held for Sale**

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the Balance sheet.

If the criteria stated by IND AS 105 "Non-current Assets Held for Sale and Discontinued Operations" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

**2.24 IND AS 115 Revenue from Contracts with Customers:**

MCA had notified IND AS 115 on Revenue from Contracts with Customers on dated March 28, 2018. The standard establishes a new five step model that will apply to revenue arising from Contracts with customers. Under IND AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IND AS 115 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IND AS.

The effective date of IND AS 115 is annual periods beginning on or after 1st April 2018. The Company is required to adopt the standard by the Financial Year commencing 1st April 2018.

The Company is currently evaluating the requirements of IND AS 115 and has not yet determined the impact on the financial statements.

## Note :- 3

## Property, Plant &amp; Equipments

(₹ in Lakhs)

Particulars	Buildings Freehold	Buildings Leasehold	Furniture, Fixtures & Fittings	Vehicles	Office Equipments	Computers	Total
<b>Cost or Deemed Cost</b>							
At 1 April 2016	22.48	635.37	113.35	15.01	30.08	65.97	882.27
Additions	-	-	3.03	0.44	4.45	13.39	21.31
Disposals/Adjustments	-	-	(2.39)	(0.02)	(1.42)	(2.22)	(6.05)
At 31 March 2017	22.48	635.37	113.99	15.43	33.11	77.14	897.53
Additions	-	-	1.95	-	7.79	14.38	24.12
Disposals/Adjustments	-	-	(9.74)	(0.02)	(3.82)	(1.99)	(15.56)
At 31 March 2018	22.48	635.37	106.21	15.42	37.09	89.52	906.09
<b>Depreciation and Impairment</b>							
At 1 April 2016	15.84	152.07	106.33	6.81	24.30	62.25	367.60
Depreciation charge for the year	0.32	22.64	0.91	2.83	3.35	6.75	36.80
Impairment	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	(2.32)	(0.01)	(1.30)	(2.06)	(5.69)
At 31 March 2017	16.16	174.71	104.92	9.63	26.35	66.94	398.71
Depreciation charge for the year	0.32	20.97	1.32	1.93	4.89	8.99	38.42
Impairment	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	(9.35)	(0.02)	(3.55)	(1.89)	(14.81)
At 31 March 2018	16.48	195.69	96.88	11.54	27.68	74.04	422.32
<b>Net book value</b>							
At 31 March 2018	6.00	439.68	9.33	3.88	9.40	15.48	483.77
At 31 March 2017	6.32	460.66	9.08	5.81	6.76	10.20	498.82

**Note :- 3.1** The company has applied the estimated useful lives as specified in Schedule II, of the Companies Act 2013, except in respect of certain assets as disclosed in Accounting Policy on Depreciation / Amortization on fixed assets. Accordingly, the unamortized carrying value is being depreciated / amortized over the revised / remaining useful lives.

**Note :- 3.2** Buildings includes both leasehold and freehold buildings. Leasehold buildings includes premises at SCOPE Minar Buidling, purchased on sub-lease pending transfer of title/sub-lease. Further, the formal deed of the two flats purchased in Mumbai is yet to be executed between MHADA & Housing Society.

## Note :- 4

### Investment Property

Particulars	(₹ in Lakhs)	
	Freehold Buildings	Total
<b>Cost or Deemed Cost</b>		
At 1 April 2016	46.50	46.50
Additions	-	-
Disposals/Adjustments	-	-
At 31 March 2017	46.50	46.50
Additions	-	-
Disposals/Adjustments	-	-
At 31 March 2018	46.50	46.50
<b>Depreciation and Impairment</b>		
At 1 April 2016	30.88	30.88
Depreciation charge for the year	0.75	0.75
Impairment	-	-
Disposals/Adjustments	-	-
At 31 March 2017	31.63	31.63
Depreciation charge for the year	0.70	0.70
Impairment	-	-
Disposals/Adjustments	-	-
At 31 March 2018	32.33	32.33
<b>Net book value</b>		
At 31 March 2018	14.17	14.17
At 31 March 2017	14.87	14.87

**Note :- 4.1** The company has applied the estimated useful lives as specified in Schedule II, of the Companies Act 2013, except in respect of certain assets as disclosed in Accounting Policy on Depreciation / Amortization on fixed assets. Accordingly, the unamortized carrying value is being depreciated / amortized over the revised / remaining useful lives.

## Note :- 5

## Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Total
<b>Cost or Deemed Cost</b>		
At 1 April 2016	11.53	11.53
Addition during the year	3.35	3.35
Adjustment	-	-
<b>Closing balance at 31st March 2017</b>	<b>14.88</b>	<b>14.88</b>
Addition during the year	-	-
Adjustment	-	-
<b>Closing balance at 31st March 2018</b>	<b>14.88</b>	<b>14.88</b>
<b>Amortization and Impairment</b>		
At 1 April 2016	9.62	9.62
Amortization during the year	0.94	0.94
Impairment during the year	-	-
<b>Closing balance at 31st March 2017</b>	<b>10.56</b>	<b>10.56</b>
Amortization during the year	3.03	3.03
Impairment during the year	-	-
<b>Closing balance at 31st March 2018</b>	<b>13.59</b>	<b>13.59</b>
<b>Net Carrying Value</b>		
As at 31 March 2018	1.29	1.29
As at 31 March 2017	4.32	4.32

## Note :- 6

## Intangible Assets under development

(₹ in Lakhs)

Particulars	Amount
<b>Cost or Deemed Cost</b>	
At 1 April 2016	-
Addition during the year	-
Adjustment	-
<b>Closing balance at 31st March 2017</b>	-
Addition during the year	10.35
Adjustment	-
<b>Closing balance at 31st March 2018</b>	<b>10.35</b>
<b>As at 31 March 2018</b>	<b>10.35</b>
<b>As at 31 March 2017</b>	<b>-</b>

6.1: During the financial year 2017-18, the new version of NSFDC's website including module for Skill Training was under development by NCTI. Against this, expense incurred for Rs.8.99 lakh for development and hosting of website and Rs.1.36 lakh for hiring of server space for the website from National Informatics Centre Services Inc. The website has been hosted on 21.05.2018.

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## Note :- 7 Financial Assets - Loans

Non-current portion of the Loans has been classified under 'non-current financial assets - loans' and current portion of the Loans has been classified under 'current financial assets - loans'.

(₹ in Lakhs)

Particulars	As at 31st March 2018		Total	As at 31st March 2017		Total
	Non - Current	Current		Non - Current	Current	
<b>I A. Loans (unsecured-considered good)</b>						
<b>i) Term Loan Disbursement (Refer note:7.1)</b>	316,044.10	-	316,044.10	281,955.80	-	281,955.80
Less: Refund / Recall	(46,910.61)	-	(46,910.61)	(35,824.17)	-	(35,824.17)
Less: Re-payments	(165,937.62)	-	(165,937.62)	(152,282.35)	-	(152,282.35)
Less Current part	(37,359.82)	37,359.82	-	(33,045.99)	33,045.99	-
	65,836.05	37,359.82	103,195.87	60,803.29	33,045.99	93,849.28
<b>ii) M.C.F. Disbursement</b>	60896.45	-	60,896.45	42,150.41	-	42,150.41
Less: Refund / Recall	(9,658.20)	-	(9,658.20)	(9,203.06)	-	(9,203.06)
Less: Re-payments	(26,398.30)	-	(26,398.30)	(23,275.15)	-	(23,275.15)
Less Current part	(9,398.37)	9,398.37	-	(7,109.97)	7,109.97	-
	15,441.58	9,398.37	24,839.95	2,562.23	7,109.97	9,672.20
<b>iii) M.S.Y. Disbursement</b>	63977.94	-	63,977.94	57,463.74	-	57,463.74
Less: Refund / Recall	(9,976.49)	-	(9,976.49)	(9,110.09)	-	(9,110.09)
Less: Re-payments	(34,397.50)	-	(34,397.50)	(26,509.37)	-	(26,509.37)
Less Current part	(12,862.09)	12,862.09	-	(14,184.62)	14,184.62	-
	6,741.86	12,862.09	19,603.95	7,659.66	14,184.62	21,844.28
<b>iv) M.K.Y. Disbursement</b>	1246.70	-	1,246.70	1,199.50	-	1,199.50
Less: Refund / Recall	(448.03)	-	(448.03)	(419.23)	-	(419.23)
Less: Re-payments	(526.45)	-	(526.45)	(415.02)	-	(415.02)
Less Current part	(121.00)	121.00	-	(178.19)	178.19	-
	151.22	121.00	272.22	187.06	178.19	365.25
<b>v) S.S.Y. Disbursement</b>	400.65	-	400.65	372.65	-	372.65
Less: Refund / Recall	(233.34)	-	(233.34)	(217.64)	-	(217.64)
Less: Re-payments	(138.74)	-	(138.74)	(130.09)	-	(130.09)
Less Current part	(6.71)	6.71	-	(10.18)	10.18	-
	21.86	6.71	28.57	14.74	10.18	24.92
<b>vi) E.L.S. Disbursement</b>	4009.98	-	4,009.98	3,536.29	-	3,536.29
Less: Refund / Recall	(234.13)	-	(234.13)	(234.13)	-	(234.13)
Less: Re-payments	(664.10)	-	(664.10)	(381.52)	-	(381.52)
Less Current part	(960.15)	960.15	-	(715.31)	715.31	-
	2,151.60	960.15	3,111.75	2,205.33	715.31	2,920.64

Particulars	As at 31st March 2018		Total	As at 31st March 2017		Total
	Non - Current	Current		Non - Current	Current	
vii) VETLS Disbursement	28.27	-	28.27	28.27	-	28.27
Less: Refund / Recall	-	-	-	-	-	-
Less: Re-payments	-	-	-	-	-	-
Less Current part	(5.65)	5.65	-	-	-	-
	22.62	5.65	28.27	28.27	-	28.27
viii) AMY DISBURSEMENT	215.90	-	215.90	-	-	-
Less: Refund / Recall	-	-	-	-	-	-
Less: Re-payments	(27.04)	-	(27.04)	-	-	-
Less Current part	(115.08)	115.08	-	-	-	-
	73.78	115.08	188.86	-	-	-
	90,440.56	60,828.87	151,269.43	73,460.58	55,244.26	128,704.84
Less: Allowance for Bad & Doubtful Loans (refer note:34)	(830.91)	-	(830.91)	(887.07)	-	(887.07)
TOTAL : I A	89,609.65	60,828.87	150,438.52	72,573.51	55,244.26	127,817.77
I B. Loans secured, considered good						
i) Term Loan Disbursement*	-	-	-	24.90	-	24.90
Less: Refund / Recall	-	-	-	-	-	-
Less: Re-payments	-	-	-	(5.97)	-	(5.97)
Less Current part	-	-	-	(11.46)	11.46	-
	-	-	-	7.47	11.46	18.93
ii) MSY Disbursement*	1,048.00	-	1,048.00	1,048.00	-	1,048.00
Less: Refund / Recall	-	-	-	-	-	-
Less: Re-payments	(958.00)	-	(958.00)	(878.00)	-	(878.00)
Less Current part	(70.00)	70.00	-	(80.00)	80.00	-
	20.00	70.00	90.00	90.00	80.00	170.00
iii) Staff Advances	213.99	63.86	277.85	190.17	38.24	228.41
TOTAL : I B	233.99	133.86	367.85	287.64	129.70	417.34
* Against Lien of FDR'S ,PDC's						
Total (1A+1B)	89,843.63	60,962.73	1,50,806.36	72,861.15	55,373.96	1,28,235.11

## 7.1 Details for the Year

(₹ in Lakhs)

Particulars	Op Balance 01.04.17	Disbursements 2017-18	Repayments 2017-18	Refund / Recall 2017-18	Cl. Balance 31.03.18
Term Loan (TL)	93,868.21	34,088.30	13,655.27	11,086.44	103,214.80
Micro Credit Finance (MCF)	9,672.19	18,746.04	3,123.15	455.14	24,839.94
Mahila Samridhi Yojna (MSY)	22,014.28	6,514.20	7,968.13	866.40	19,693.95
Mahila Kisan Yojna (MKY)	365.25	47.20	111.43	28.80	272.22
Shilpi Samridhi Yojna (SSY)	24.92	28.00	8.65	15.70	28.57
Education Loan Scheme (ELS)	2,920.64	473.69	282.58	-	3,111.75
VTLES	28.27	-	-	-	28.27
AMY	-	191.00	21.07	-	169.93
<b>Total</b>	<b>1,28,893.76</b>	<b>60,088.43</b>	<b>25,170.28</b>	<b>12,452.48</b>	<b>151,359.43</b>

**Note 7.1(A):** Current Loans are loan amounts which are receivable during the next 12 months after end of the financial year.

**Note 7.1(B):** The unutilized amount of loan beyond stipulated time under the prevalent lending policy is eligible for refund. However, as the same is indeterminable in the existing environment, the same stand in non-current.

### Note 7.1(C): SCA Guarantee Disclosure

Consequent upon bifurcation of the Corporation in 2001, all the Assets & Liabilities of the erstwhile National Scheduled Castes & Scheduled Tribes Finance and Development Corporation were bifurcated in the ratio of 2:1 except value of real assets and the amount of Higher Rate of interest (HRI) and Liquidity Damages on Defaulted Payments (LDDP).

A meeting of the officials of both the Corporation was held in the office of Joint Secretary & Financial Advisor, MOSJ&E and Ministry of Tribal Affairs. It was decided in the said meeting to transfer Govt. Guarantee available with the NSCSTFDC on the day of bifurcation (i.e. 10.04.2001) in the recently revised ratio of SC & ST beneficiaries, by way of exchange of letters with intimation to the State Government concerned. The aforesaid guarantees are still in the name of erstwhile corporation i.e. NSCSTFDC.

Accordingly, vide various letters No.NSFDC/FIN-Loan/BF-02/Vol.-II/ dated 07.09.2006, the availability of specific State Government Guarantee (still in the name of erstwhile corporation) as on 10.04.2001 have been reduced by the following amounts:-

i) Karnataka - Rs.671.42 lakh, (ii) TAHDCO - Rs.184.18 lakh, (iii) Manipur - Rs.116.25 lakh, (iv) Andhra Pradesh (DRDA) - Rs.63.00 lakh, (V)Himachal Pradesh - Rs.204.21 lakh, (vi) Jammu & Kashmir - Rs.304.09 lakh, (vii) Kerala - Rs.95.49 lakh, (viii) Orissa - Rs.108.17 lakh and (ix) Rajasthan - Rs.289.24 lakh.

### Note 7.1(D)

In respect of loans given, company has obtained Government assurance amounting to Rs.5343.55 lakh (previous year Rs.4526.10 lakh) As per legal opinion obtained by the company, Government assurance do not tantamount to Government deed/order. However same can be enforced in disputed cases by way of arbitration. In view of the above, company is adequately covered in cases where the outstanding loan amount is backed by Govt. assurance.

## Note :- 8 Other financial assets - Non Current

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
i) Security Deposit (refer note:8.1)	4.34	4.34
Unsecured, considered good		
<b>Total</b>	<b>4.34</b>	<b>4.34</b>

**Note 8.1:** Security Deposits includes Telephone & Telex Security.

**Note :- 9 Other Non Current Assets****(₹ in Lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017
i) Advance recoverable (Doubtful)	1,539.99	1,540.01
Less : Allowance for Bad & Doubtful Deposits (Refer note:34)	(1,539.99)	(1,540.01)
ii) Prepaid Expenses (refer note:9.2)	50.04	47.71
<b>Total</b>	<b>50.04</b>	<b>47.71</b>

**Note 9.1:** Advance recoverable includes amount recoverable from Punwire Rs. 1,539.99/- Lakhs

**Note 9.2:** Prepaid expenses includes Rs 50.04 lakhs ( 2016-17 - Rs 47.71 lakhs) towards unamortized portion of Staff Loans & Advances or difference between the fair value of financial assets at initial recognition & loans given.

**Note: - 10 Cash and cash equivalent****(₹ in Lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017
i) Cash and Bank Balances		
Cash in hand	-	-
In Saving Accounts	1,454.97	1,848.79
<b>Total</b>	<b>1,454.97</b>	<b>1,848.79</b>

**Note :- 11 Bank Balance Other than Cash & Cash Equivalent****(₹ in Lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017
i) Other bank balance		
- In FDR's	26,738.64	27,510.68
- Grant Funds		
Special Reserve Fund Investment a/c	3,283.72	2,606.51
Other (refer note:11.1)	2,029.51	957.85
<b>Total</b>	<b>32,051.87</b>	<b>31,075.04</b>

**Note 11.1:** Other bank balances-Grant Funds includes funds meant for utilization of target group as per terms of grant for training.

**Note :- 12 Other Financial Assets****(₹ in Lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017
i) Interest Receivables	4,418.36	4,155.75
Less : Allowance for Bad & Doubtful Interest (Refer note:12.1 & 34)	(584.48)	(531.90)
<b>Sub-Total</b>	<b>3,833.88</b>	<b>3,623.85</b>
ii) Others		
Interest receivable on savings bank	6.49	4.12
Interest receivable but not due on deposits	1,114.66	437.44
Interest Receivable but Not Due on Special Reserve Fund	132.65	119.83
Rent Receivable	0.41	0.41
Amount recoverable	89.39	51.43
<b>Total</b>	<b>5,177.48</b>	<b>4,237.08</b>

**Note 12.1:** Although Interest of Rs 52.58 lakhs (2016-17; Rs 53.41 lakh) in respect of overdues from BSCDC has been booked in terms of Accounting Policy 2.11(i)(a).

## Note :- 13 Current Tax Assets

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
i) TDS receivable	11.65	9.81
<b>Total</b>	<b>11.65</b>	<b>9.81</b>

## Note :- 14 Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Advances other than Capital Advances</b>		
Advance to Staff	6.98	7.91
Advances to parties	24.64	96.69
<b>Others</b>		
Prepaid expenses	9.02	5.95
Gratuity Plan Assets	66.26	12.22
<b>Total</b>	<b>106.90</b>	<b>122.77</b>

**Note 14.1:** Prepaid expenses includes Rs 6.53 lakhs ( 2016-17 - Rs 4.83 lakhs) towards unamortized portion of Staff Loans & Advances or difference between the fair value of financial assets at initial recognition & loans given.

## Note :- 15 Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Authorized share capital</b>		
1,50,00,000 Equity Share of Rs 1,000 each (as at 31-03-2017 : 1,50,00,000) Equity Share of Rs 1,000 each	150,000.00	150,000.00
<b>Issued/Subscribed and Paid up Capital</b>		
1,34,80,100 Equity Share of Rs 1000 each (as at 31-03-2017: 1,21,80,200) Equity Share of Rs 1000 each	134,801.00	121,802.00
	<b>134,801.00</b>	<b>121,802.00</b>

## Note :- 15.1 Reconciliation of the number of equity shares and share capital

Particulars	As at 31st March 2018		As at 31st March 2017	
	(No's of Shares in Lakhs)	(₹ in Lakhs)	(No's of Shares in Lakhs)	(₹ in Lakhs)
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	121.80	121802.00	99.81	99,813.00
Add: Shares Issued during the year	13.00	12999.00	21.99	21,989.00
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	<b>134.80</b>	<b>1,34,801.00</b>	<b>121.80</b>	<b>121,802.00</b>

## Terms & Rights attached to Equity Shares

The Corporation has only one class of equity shares having par value of Rs.1,000 per share. Each holder of equity shares is entitled to one vote per share. The company has obtained Licence u/s 8 of the Companies Act, 2013 therefore dividend is not payable by the Company.

Note :- 15.2 Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company  
(₹ in Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	(No's of Shares in Lakhs)	% of holding	(No's of Shares in Lakhs)	% of holding
<b>Equity shares</b>				
President of India	134.80	100.00%	121.80	100.00%
	<b>134.80</b>	<b>100.00%</b>	<b>121.80</b>	<b>100.00%</b>

Note: - 16 Other Equity  
(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Other Reserves</b>		
Special Reserve	3,964.11	3,283.72
General Reserve	43,444.83	39,273.30
Share application money pending allotment	-	178.00
<b>Closing Balance</b>	<b>47,408.94</b>	<b>42,735.02</b>

Note 16.1 Special Reserve  
(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balance as at the beginning of the year	3,283.72	2607.15
Add: Interest on Special Reserve Fund Investment	210.27	180.34
Add : Transferred from Income and Expenditure Account (refer note 16.4 & 16.5)	470.11	496.23
<b>Closing Balance</b>	<b>3,964.11</b>	<b>3,283.72</b>

Note 16.2 General Reserve  
(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balance as at the beginning of the year	39,273.30	34,867.57
Add : Transferred from Income and Expenditure Account (refer note 16.5)	4,281.50	4,404.69
Add: Other comprehensive income arising from remeasurement of defined benefit obligation	-109.97	1.04
<b>Closing Balance</b>	<b>43,444.83</b>	<b>39,273.30</b>

Note 16.3 Share Application money pending Allotment

Particulars	As at 31st March 2018	As at 31st March 2017
Balance as at the beginning of the year	178.00	8,367.00
Add: Share application money received during the year	-	178.00
Less: Share allotted during the year	-178.00	-8,367.00
<b>Closing Balance</b>	<b>-</b>	<b>178.00</b>

Note 16.4: Pursuant to Accounting Policy-2.16, the Special Reserve Fund has been invested separately amounting to Rs. 3283.72/- lakhs including interest as per DPE guidelines.

## Note 16.5

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Opening Balance</b>		
Add : Transfer from income & Expenditure a/c	4,751.61	4,900.92
Less : 10% Transferred to Special Reserve Fund	475.16	496.23
Less:-10% Amount pertain to the prior year exp reverse from amount t/f to Special Reseve Fund	5.05	-
<b>Balance Transferred to General Reserve</b>	<b>4,281.50</b>	<b>4,404.69</b>

## Note: - 17 Current & Non current provisions

(₹ in Lakhs)

Particulars	As at 31st March 2018		Total	As at 31st March 2017		Total
	Non - Current	Current		Non - Current	Current	
i) Provision for Employee Benefits						
- Leave Benefits	283.56	17.90	301.46	240.94	6.17	247.11
- Provision for Foreign Service Contribution	-	-	-	-	2.88	2.88
- Provision for Performance Related Pay	-	250.31	250.31	-	143.13	143.13
ii) Other Provisions						
- Provision for incentive to SCA	-	131.12	131.12	-	61.35	61.35
<b>Total</b>	<b>283.56</b>	<b>399.34</b>	<b>682.90</b>	<b>240.94</b>	<b>213.52</b>	<b>454.46</b>

**Note 17.1** Amount pertaining to person(s) superannuating in next 12 months from close of the financial year has been taken as current provision.

## Note 17.2 Details of provisions:

(₹ in Lakhs)

Particulars	As at 1st April 2017	Additions during the year 2017-18	Utilized/payments during the year 2017-18	Written back during 2017-18	As at 31st March 2018
Leave Benefits	247.11	88.98	(34.63)	-	301.46
Provision for Foreign Service Contribution	2.88	-	-	(2.88)	0.00
Provision for PRP	143.13	107.33	-	-	250.46
Provision for incentive to SCA	0.00	131.12	-	-	131.12
<b>Total</b>	<b>393.12</b>	<b>327.43</b>	<b>-34.63</b>	<b>-2.88</b>	<b>683.04</b>

**Note 17.3 Disclosures as per Ind AS - 19 Actuarial Valuation (Gratuity, Leave Benefit )**

The summarized position of defined benefits of gratuity and long term leave benefits recognized in the statement of Income and Expenditure and Balance Sheet along with the funded status is as under:

(₹ in Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Gratuity (Funded)	Leave encashment (Unfunded)	Gratuity (Funded)	Leave encashment (Unfunded)
<b>(I) Key Assumption of actuarial</b>				
Mortality Rate	IALM (2006-08)		IALM (2006-08)	
Attrition rate				
Upto 30 yrs	3%	3%	3%	3%
31 to 44 years	2%	2%	2%	2%
above 44 years	1%	1%	1%	1%
Discount Rate	7.63%	7.63%	7.31%	7.31%
Salary rise (p.a)	6.00%	6.00%	6.00%	6.00%
Rate of return on plan assets (p.a)	N.A.		N.A.	
Remaining Working Life	13.01 Years	13.01 Years	13.00 Years	13.42 Years
<b>(II) Changes in the present value of obligations</b>				
Present value of obligations at the beginning of the period	310.26	247.11	302.52	284.05
Interest cost	22.68	18.06	23.78	22.33
Current service cost	19.93	14.16	12.20	12.99
Past service cost	28.58	-	-	-
Benefit paid (if any)	0.00	-34.63	-29.41	-38.13
Actuarial (gain)/loss	111.07	56.76	1.17	-34.13
Present value of the obligation at the end of the period	<b>492.52</b>	<b>301.46</b>	<b>310.26</b>	<b>247.11</b>
<b>(III) The amount to be recognized in the Balance Sheet:</b>				
Fair value of plan assets at the end of the year	558.78	-	322.48	-
Present value of obligation as at the end of the year	492.52	301.46	310.26	247.11
Net Asset/(Liability) recognized in the Balance sheet	<b>66.26</b>	<b>(301.46)</b>	<b>12.22</b>	<b>(247.11)</b>
<b>(IV) Expenses recognized in the income and expenditure statement</b>				
Current service cost	19.93	14.16	12.20	12.99
Past service cost	28.58	-	-	-
Net Interest cost	-0.89	18.06	0.56	22.32
Actuarial (gain)/ loss	-	<b>56.76</b>	-	<b>-34.13</b>
Net cost recognized in the Income & Expenditure Statement	<b>47.62</b>	<b>88.98</b>	<b>12.76</b>	<b>1.18</b>

## (V) Changes in the Fair Value of Planned Assets:

Fair Value of Plan Assets at the beginning of the period	322.48	0	295.35	0
Expected Return on Plan Assets	24.67	0	23.21	0
Contributions	211.63	0	31.12	0
Benefits paid	0	0	-29.41	0
Actuarial gain/(loss) on plan assets	0	0	2.21	0
Fair Value of Plan Assets at the end of the Period	<b>558.78</b>	<b>0</b>	<b>322.48</b>	<b>-</b>

## (VI) Actuarial Gain/(Loss) to be recognised in Other Comprehensive Income:

-109.97	-	1.04	-
<b>-109.97</b>	<b>-</b>	<b>1.04</b>	<b>-</b>

## Sensitivity analysis:

For the year ended 31st March 2018

Change in	Change in assumptions	Effect on Gratuity obligation	Effect on Leave Encashment
Discount Rate	+0.5%	(19.44)	(12.09)
	-0.5%	20.54	12.79
Salary Growth Rate	+0.5%	17.03	12.93
	-0.5%	(16.60)	(12.33)

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lumpsum benefit on retirement.

## Note: - 18 Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2018		Total	As at 31st March 2017		Total
	Non - Current	Current		Non - Current	Current	
i) Loan From IDBI	-	3,307.50	3307.50	-	-	-
ii) Loan From P&SB	-	1,439.67	1439.67	-	-	-
<b>Total</b>	<b>-</b>	<b>4,747.17</b>	<b>4,747.17</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 18.1. :** A short tenure loan against FDRs pertaining to IDBI Bank and Punjab & Sind Bank was availed for the purpose of fund management in order to achieve the disbursement targets of F.Y. 2017-18. As per terms, the rate charged was FDR rate + 0.60% on the borrowed amount and repayable on or before maturity of the FDRs. However the loan amount was repaid in full on 06.04.17 and 18.04.17.

**Note: - 19 Other financial liabilities**

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
(i) <b>Grant in Aid towards :</b>		
Grant for Skill Training (MOSJ&E) (refer note:19.1)	2,257.51	770.54
Grant from Other Organisations (refer note:19.1)	26.09	43.23
Grant from Ministry of Textiles	19.70	72.26
(ii) Security Deposit Received	4.22	3.91
(iii) EMD payable	18.87	13.17
(iv) Sundry Creditors	70.10	51.93
(v) Outstanding Expenses	39.71	127.45
(vi) Other Payable	56.62	10.71
<b>Total</b>	<b>2,492.82</b>	<b>1,093.20</b>

**Note 19.1** As advised by CAG, the Grants available are recognized as revenue grants and unspent balance is shown as Current Liabilities. During the year an amount of Rs. 3042.67 (2016-17: Rs 1,554.04/- Lakhs) was received from Govt Institutions towards imparting training and stipend. Out of total grants available, Rs. 1659.03 Lakhs (2016-17: Rs. 687.20/- Lakhs) was released and recognized during the financial year as revenue grant. The details of training grant and subsidy at the beginning, received, refunded, released during the year, and the balance as on 31.03.18 are as under :

(₹ in Lakhs)

Sl. No.	Particulars	Opening Balance as at 01.04.2017	Receipts during the year 17-18	Interest Income during the year 17-18	Refund	Recognized during the year 17-18 (Releases)	Closing Balance
1	Ministry of Social Justice & Empowerment (Training Grant)	770.54	2,950.00	29.94	-	1,492.96	2,257.51
2	Resource Linkage Program II	43.23	52.17	1.28	-	70.58	26.09
3	Grant from Ministry of Textile	72.26	40.50	2.43	-	95.49	19.70
	<b>Total</b>	<b>886.03</b>	<b>3,042.67</b>	<b>33.64</b>	<b>-</b>	<b>1,659.03</b>	<b>2,303.31</b>

**Note: - 20 Other current liabilities**

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Statutory Dues	40.38	13.51
Fair value Adjustment	-	0.47
<b>Total</b>	<b>40.38</b>	<b>13.98</b>

## Note: - 21 Revenue From Operations

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
<b>Interest on Loan to SCAs/others</b>		
Interest on Term Loan (TL)	3,180.68	2,306.34
Interest on Micro Credit Finance (MCF)	193.51	189.49
Interest on Mahila Kisan Yojana (MKY)	5.84	6.41
Interest on Mahila Samridhi Yojana (MSY)	191.73	198.37
Interest on Shilpi Samridhi Yojna (SSY)	0.50	0.30
Interest on Education Loan Scheme (ELS)	45.82	40.10
Interest on VETLS	0.34	-
Interest on Refund (refer note:21.1)	321.78	120.59
LDDP Received	-	5.47
HRI Received	0.30	20.51
<b>Other Operating Revenue</b>		
Reversal of allowance for doubtful loans	3.58	-
<b>Total</b>	<b>3,944.08</b>	<b>2,887.58</b>

**Note 21.1 :** During the year 2017-18, an Interest on Refund of Rs.313.00 lakhs (Rs.71.24 lakhs during the F.Y 2016-17), Rs.8.78 lakh (Rs.49.35 lakhs during the F.Y 2016-17) and Rs.NIL (Rs. NIL during the F.Y 2016-17) was levied on refund from SCAs, RRBs/PSBs and NBFC-MFIs respectively on refunded amount of Rs.6837.64 lakh ( Rs.2329.78 lakhs during the F.Y 2016-17). Interest on Refund is levied as per existing Lending Policy as follows:-

- (i) In case of SCAs on refund of disbursement amount in toto.
- (ii) In case of Channelizing Agencies:-
  - (a) Higher Rate of Interest (HRI) on funds not utilized within stipulated time period and refunded shall be applicable @4% p.a. over and above the normal rate of interest charged by NSFDC from CA(s) and it shall be applicable from the date of disbursement to date of refund.
  - (b) NSFDC funds refunded unutilized by the CA(s) even within 120 days shall attract the same HRI as indicated above.
  - (c) The CA(s) shall be exempted from levy of HRI on unutilized funds of the cumulative funds utilization level is 80% or above as the end of preceding financial year.
- (iii) In case of NBFC-MFI, the CAs shall be exempted from levy of Interest on Refund, if the cumulative fund utilization level is 80% or above under the particular scheme.

## Note: - 22 Other Income

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
<b>a) Interest Income</b>		
Interest on deposits with Banks	2,619.31	3,444.78
Interest on Saving Bank Accounts	47.38	39.76
Interest on advance to employees & others	26.25	19.77
<b>b) Other Non-Operating Income</b>		
EMD Forfeited	0.05	-
Miscellaneous Receipts	2.53	0.03
Rent Received (Refer note-22.1)	16.48	16.48
Fair value adjustment	0.19	0.36
Provision written back	2.88	-
<b>Total</b>	<b>2,715.08</b>	<b>3,521.18</b>

**Note 22.1:** Rs 0.28 lakhs during the F.Y. 2017-18 ( Rs 0.28 lakhs during the F.Y. 2016-17) for amortisation of deferred expenses recognised due to fair valuation of security deposits.

Note :- 23 Employee Benefits Cost

(₹ in Lakhs)		
Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
<b>a) Salary, Wages &amp; Benefits : CMD</b>		
Salary & Allowances	30.90	29.95
Medical Reimbursement	0.12	0.07
Membership fees	0.01	0.46
LTC Exp	-	-
Leave Benefit	0.61	-
Foreign Service Contributions	8.35	6.57
	<b>39.99</b>	<b>37.05</b>
<b>b) Salary, Wages &amp; Benefits : Employees</b>		
Salary & Allowances	874.01	664.01
Leave Benefit	88.98	1.18
LTC Encashment	0.31	1.00
LTC Exp	1.13	2.05
Medical Reimbursement	19.88	32.16
Overtime	0.97	1.09
Professional Membership Fees	0.09	0.10
PRP	107.19	75.85
	<b>1,092.57</b>	<b>777.44</b>
<b>c) Contribution to Provident Fund &amp; Other Funds</b>		
Corpn Cont. to PF/GSLIS	58.41	46.77
Corpn Cont to Pension	10.85	11.17
PF Admin Exp	4.93	4.12
Gratuity	48.60	13.34
Medical (Retiral)	17.03	14.45
Pension (Retiral)	56.77	48.16
	<b>196.59</b>	<b>138.01</b>
<b>d) Staff welfare expenses</b>	<b>16.37</b>	<b>14.91</b>
<b>e) Employee benefit expense on loans and advances</b>	<b>8.26</b>	<b>3.65</b>
<b>Total</b>	<b>1,353.78</b>	<b>971.06</b>

Note :- 24 Finance Costs

(₹ in Lakhs)		
Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
<b>Interest</b>		
Interest on Loan against FDR	89.05	8.77
<b>Other borrowing costs</b>		
Unwinding of discount on Security Deposits	0.32	0.29
Unwinding of discount on Earnest Money Deposits	0.19	0.34
<b>Total</b>	<b>89.56</b>	<b>9.40</b>

## Note :- 25 Depreciation & Amortization Costs

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Depreciation on Tangible Assets (refer note:3 & 4)	39.12	37.55
Amortization of Intangible assets (refer note: 5)	3.03	0.94
<b>Total</b>	<b>42.15</b>	<b>38.49</b>

## Note :- 26 Incentive to SCA

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Incentive to SCA for Recovery	44.12	46.42
Incentive to SCA- NAPE	45.00	42.00
<b>Total</b>	<b>89.12</b>	<b>88.42</b>

**Note 26.1:** The incentive & other schemes shall be accounted for on accrual basis w.e.f. 01.04.2017. A provision has been made for Rs.89.12 lakhs during 2017-18 and for Rs.42.00 lakhs has been booked during the 2016-17. The financial implication is:- decrease in income by Rs. 89.12 lakhs in 2017-18 and Rs. 69.57 lakhs in 2016-17.

## Note :- 27 Bad & Doubtful Loans

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Allowances for Bad & Doubtful Loans & Interest		
Bihar (refer note: 27.1)	-	2.73
<b>Total</b>	<b>-</b>	<b>2.73</b>

**Note 27.1:** As on 31.03.2011, the cumulative provision of BSCDC was Rs.1,113.62 lakh. Although, Bihar Scheduled Castes Development Corporation (BSCDC) extended Assurance to the extent of Rs.2,500.00 Lakhs to NSFDC in the year 2009-10, renewed in the year 2010-11. As per note no. 34.3 the accumulated provision was required to be written back however, as a matter of financial prudence, writing back of the cumulative provision of Rs.1,113.62 Lakhs (upto 31.03.2011) was postponed till the assurance is converted into Government Order. Accordingly, further provision is made after appropriation of repayment, equivalent to the total outstanding as on 31st March each year.

During the year Rs.56.16 lakh has been received from BSCDC, therefore after appropriation of payment, the excess provision to the extent of Rs.3.58 lakh has been written back. Accordingly, the cumulative provision of BSCDC as on 31.03.2018 is amounting to Rs.1,415.39 lakh (previous year Rs.1,418.97 lakh).

**Note :- 28 Other Expenses**

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Advertisement Expenses	1.38	2.81
Business Promotion Expenses	2.15	2.18
Computer and Website Exp	4.30	0.31
Corporation Membership fees	1.26	3.03
Directors/Board Meeting Expenses	1.26	0.83
Electricity Charges	23.62	27.83
Insurance Charges	1.34	4.50
Legal & Professional Expenses/Consultancy	19.99	23.13
Media Audio Visual Publ.Eva/Conf/Seminar	49.89	54.93
Office / Building Maintenance Expenses	99.02	78.71
Office Rent	5.48	21.51
Payments to Auditor (refer note: 28.1)	1.44	1.91
Parliamentary Committee Expenses	-	15.78
Postage, Telegram	1.60	1.59
Printing and Stationery	7.20	12.19
Staff Recruitment Exp	2.54	-
Telephone & Telex	6.63	7.19
Training Exp - Staff	6.66	1.09
Conveyance Expenses	1.07	0.36
Travelling Exp - Directors	5.50	3.02
Travelling Exp - Staff	34.59	28.54
Vehicle Expenses	13.15	8.18
Rates & Taxes	1.19	0.94
Newspapers, Books & Periodicals	0.69	0.39
<b>Total</b>	<b>291.94</b>	<b>300.95</b>

**Note 28.1: Auditors Remuneration**

For Audit Fee for previous year	0.04	0.29
For Audit Fee for current year	1.25	1.43
For Taxation matters	0.15	0.19
<b>Total</b>	<b>1.44</b>	<b>1.91</b>

**Note 29: Exceptional Items**

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
(Profit)/ Loss on sale of assets (Net)	(0.22)	(0.28)
Prior period	-	-
<b>Total</b>	<b>(0.22)</b>	<b>(0.28)</b>

## Note - 30 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:-

(₹ in Lakhs)

Particulars	FVTOCI	
	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Remeasurement of Defined benefit plans		
- Gratuity	(109.97)	1.04
<b>Total</b>	<b>(109.97)</b>	<b>1.04</b>

## Note - 31 Earnings per share (EPS)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
<b>Basic EPS</b>		
From continuing operation	36.74	43.15
<b>Diluted EPS</b>		
From continuing operation	36.74	43.13

### 31.1 Basic Earning per Share

The earnings and weighted average number of equity shares used in calculation of basic earning per share:-

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Profit attributable to equity holders of the company:		
<b>Continuing operations</b>	<b>4,751.61</b>	<b>4,900.92</b>
Earnings used in calculation of Basic Earning Per Share	4,751.61	4,900.92
Weighted average number of shares for the purpose of basic earnings per share	129.33	113.58

### 31.2 Diluted Earning per Share

The earnings and weighted average number of equity shares used in calculation of diluted earning per share:-

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Profit attributable to equity holders of the company:		
Continuing operations	4,751.61	4,900.92
Earnings used in calculation of diluted Earning Per Share from continuing operations	<b>4,751.61</b>	<b>4,900.92</b>

The weighted number of equity shares for the purpose of diluted earning per share reconciles to the weighted average number of equity shares used in calculation of basic earning per share as follows:

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Weighted average number of shares for the purpose of basic earnings per share	129.33	113.58
Effect of Dilution :		
Shares pending allotment	0.01	0.04
Weighted average number of shares for the purpose of Diluted earnings per share	<b>129.34</b>	<b>113.63</b>

**Note:- 31.3** During the F.Y. 2018-19, Company has allotted 13,73,900 shares of Rs. 1000/-each amounting Rs. 13,739.00 lakhs that would have changed significantly the number of ordinary shares outstanding as at 31-03-2018 if those transactions had occurred before the period ended 31-03-2018.

**Note :- 32 Capital management**

The company objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that company can continue to provide maximum returns to share holders and benefit to other stake holders

Further, company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018.

**Note :- 33 Fair Value measurements**

(i) The Carrying Value of Financial Instruments by categories are as follow:

(₹ in Lakhs)

Particulars	As at 31st March 2018			As at 31st March 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
(i) Cash and Cash Equivalents	-	-	1,454.97	-	-	1,848.79
(ii) Other Bank balances	-	-	32,051.87	-	-	31,075.04
(iii) Other Financial Assets	-	-	5,181.82	-	-	4,241.42
(iv) Loan to SCA's & CA's	-	-	150,528.52	-	-	128,006.70
(v) Loan to employees	-	-	277.85	-	-	228.41
<b>Total Financial Assets</b>	-	-	<b>189,495.03</b>	-	-	<b>165,400.36</b>
<b>Financial Liabilities</b>						
(i) Borrowings			4,747.17			-
(ii) Security Deposits and EMD payable	-	-	23.09	-	-	17.08
(iii) Other financial liabilities	-	-	2,469.73	-	-	1,076.12
<b>Total Financial Liabilities</b>	-	-	<b>7,239.99</b>	-	-	<b>1,093.20</b>

(ii) Fair value of financial assets and liabilities that are measured at fair value:

(₹ in Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
(i) Loan to SCA's and CA's	150,528.52	150,528.52	128,006.70	128,006.70
(ii) Staff loans and Advances	277.85	293.44	228.41	252.84
<b>Total Financial Assets</b>	<b>150,806.37</b>	<b>150,821.95</b>	<b>128,235.11</b>	<b>128,259.54</b>
<b>Financial Liabilities</b>				
(i) Security Deposits and EMD payable	23.09	23.09	17.08	18.10
<b>Total Financial Liabilities</b>	<b>23.09</b>	<b>23.09</b>	<b>17.08</b>	<b>18.10</b>

- i) The carrying amounts of cash and cash equivalents, other bank balances, Borrowings, Security deposits and EMD, other financial liabilities and loan to SCA's are considered to the same as their fair values, due to short term nature.
- ii) The fair value of "Loans to employees, Security Deposits & EMD payable" were calculated based on cash flows discounted using current market rate. They are classified as level 3 fair values in fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

## Fair Value Hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived form prices)

Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at amortised cost:-

### Fair Value Hierarchy as on 31-03-2018

(₹ in Lakhs)					
Particulars	Date of valuation	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Financial assets at Amortised Cost					
(i) Loan to employees	31st March 2018	-	-	293.44	293.44
<b>Total Financial Assets</b>		<b>-</b>	<b>-</b>	<b>293.44</b>	<b>293.44</b>
<b>Financial Liabilities</b>					
Financial Liabilities at Amortised Cost					
(i) Security Deposits and EMD payable	31st March 2018	-	-	23.09	23.09
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>23.09</b>	<b>23.09</b>

### Fair Value Hierarchy as on 31-03-2017

(₹ in Lakhs)					
Particulars	Date of valuation	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Financial assets at Amortised Cost					
(i) Loan to employees	31st March 2017	-	-	252.84	252.84
<b>Total Financial Assets</b>		<b>-</b>	<b>-</b>	<b>252.84</b>	<b>252.84</b>
<b>Financial Liabilities</b>					
Financial Liabilities at Amortised Cost					
(i) Security Deposits and EMD payable	31st March 2017	-	-	18.10	18.10
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>18.10</b>	<b>18.10</b>

### (iii) Financial Risk Management

The Company's principal financial liabilities comprise grants and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operation. The Company's principal financial assets include Term/Micro finance loans to SCA's/CA's that derive directly from its equity.

The Company is expose to market risk, credit risk and liquidity risk. The company's financial risk activities are governed by appropriate policies and procedures and those financial risks are identified, measured and managed in accordance with the

companies policies and risk objectives. The board of directors review and agree on policies for managing each of these risk, which are summarised below:-

#### a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Interest rate risk. Financial instruments affected by market risk includes loan and advances, deposits and other non derivative financial instruments.

#### b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company is not exposed to interest rate risk.

#### c) Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans receivables from SCA's & CA's. The company is exposed to credit risk from its financial activities of loans given to SCA's & CA's.

The company assesses and manages credit risk based on company's internal policies. The company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward looking information. Especially the following indicators are incorporated.

- Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees.
- Significant changes in the expected performance and behaviors of the borrower (SCA's & CA's), including changes in the payments status of the borrowers (SCA's & CA's) in the group and changes in the operating results of the borrower (SCA's).

In general, it is presumed that the credit risk has significantly increased since initial recognition if the payments are due for more than 3 years.

A default on a financial asset is when the counterparty fails to make payments whenever they fall due.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the companies policy. Investment of surplus are made only with approved with counterparty on the basis of the financial quotes received from the counterparty.

#### d) Liquidity Risk

Ultimate responsibility for liquidity risk management rest with the board of directors the company manages maintaining adequate banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturities of financial liabilities.

During F.Y. 2017-18, A shot tenure loan against FDRs pertaining to IDBI Bank and Punjab & Sind Bank was availed for the purpose of managing the liquidity risk of the Company.

Note :- 34

Note: 34.1 Provision for Expected Credit Losses of Loans and advances for the year ended 31st March, 2018 (₹ in Lakhs)

Particulars		Asset Group	Estimated Gross Carrying Amount of Default	Expected Probability of Default	Expected Credit Losses	Carrying Amount (Net of Impairment Provision)
Loss Allowance measured at life-time expected credit losses	Financial Asset for which credit risk has not increased significantly since initial recognition	Loans	150,528.52	0%	-	150,528.52
		Interest on Loans	3,833.88	0%	-	3,833.88
	Financial Asset for which credit risk has increased significantly and not creditly impaired	Loans	830.91	100%	830.91	-
		Interest on Loans	584.48	100%	584.48	-
		Advance	1,539.99	100%	1,539.99	-
			157,317.78		2,955.38	154,362.40

## 34.2 Provision for Expected Credit Losses of Loans and advances for the year ended 31st March, 2017

						(₹ in Lakhs)
Particulars		Asset Group	Estimated Gross Carrying Amount of Default	Expected Probability of Default	Expected Credit Losses	Carrying Amount (Net of Impairment Provision)
Loss Allowance measured at life-time expected credit losses	Financial Asset for which credit risk has not increased significantly since initial recognition	Loans	128,006.70	-	-	128,006.70
		Interest on Loans	3,623.85	-	-	3,623.85
	Financial Asset for which credit risk has increased significantly and not creditly impaired	Loans	887.07	1.00	887.07	-
		Interest on Loans	531.90	1.00	531.90	-
		Advance	1,540.01	1.00	1,540.01	-
				134,589.53		2,958.98

### Note :- 34.3

For SCA's where State Government Guarantee/order/Assurances are available the Allowance for Doubtful loans is made @ 100% in the Books of Account if overdue for more than 3 years old on the date of Balance Sheet and shortfall in State Government Guarantee/order/Assurances.

Other than SCAs (Where State Government Guarantee is not available)

- 100% provision on the amount due for payment but outstanding for the period of 3 years and above.
- 40% provision on the amount due for payment but outstanding for the period of 2 years and above but less than 3 years
- 25% provision on the amount due for payment but outstanding for the period of 1 year and above but less than 2 years
- No provision on the amount due for payment but outstanding for the period less than 1 year.

### Note 34.4 : Provision for Bad and Doubtful Deposits

Provision for bad and doubtful deposits for Rs.1,539.99/- Lakhs (2016-17 Rs.1,539.99/- Lakhs) [being the principal amount Rs.1,485.00/- Lakhs (2016-17 Rs.1,485.00/- Lakhs) and interest receivable & due Rs.54.99/- Lakhs (2016-17 Rs.54.99/- Lakhs)] made in the books of accounts in respect of deposit made with PUNWIRE during the year 2000-01. As the principal amount itself is doubtful for recovery, provision for interest has not been made.

Two court cases by NSFDC against PUNWIRE under Negotiable Instruments Acts, 1881 are pending with the concerned court. The Company (PUNWIRE) was wound-up by an order dated 01.02.2001 passed by the Hon'ble High Court of Punjab & Haryana. Thereafter, an Official Liquidator was appointed by the Court in the matter. As per information gathered from the Official Liquidator, assets of the PUNWIRE are not adequate enough even to settle the Company's liabilities towards its secured creditors. NSFDC, being an unsecured creditor, has no chance of recovery of its money and the money invested by NSFDC with the said Company is doubtful of recovery.

### Note :- 35

#### Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year.

#### a) Useful lives of property, plant & equipment

As described in note 2.7 company has estimated the useful life of property, plant & equipment.

The financial impact of the above assessment may impact the depreciation expenses in subsequent financial years.

#### b) Useful lives of Intangibles Assets

As described in note 2.8, company has estimated the useful life of intangible assets.

The financial impact of the above assessment may impact the amortisation expenses in subsequent financial years.

**c) Fair valuation measurement and valuation process**

The fair values of financial assets and financial liabilities is measured the valuation techniques including the DCF model. The inputs to these methods are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in arriving fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 33 for further disclosures.

**d) Defined benefit Obligations**

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Note :- 36 Prior Period Errors**

(₹ in Lakhs)

Particulars	Amount
<b>Opening General Reserve as on 01.04.2016</b>	<b>34,856.67</b>
Sundry Creditors (Training Exp- Beneficiaries)	10.90
<b>Restated Opening General Reserve as on 01.04.2016</b>	<b>34,867.57</b>
Restated Excess of Income over expenditure for the period from continuing operations for year ended 2016-17	4,900.92
Transfer to Special Reserve during 2016-17	-496.23
Other Comprehensive Income during 2016-17	1.04
<b>Restated Opening General Reserve as on 31.3.2017</b>	<b>39,273.30</b>

**Restated Excess of Income over expenditure for the year ended 31-03-2017**

(₹ in Lakhs)

Particulars	For Year ended 31st March 2017
<b>Impact on statement in Income &amp; Expenditure (Increase/(decrease) in profit)</b>	
Excess of Income over expenditure for the period from continuing operations	4,962.27
Incentive to SCA for Recovery	(19.35)
Incentive to SCA- NAPE	(42.00)
<b>Restated Excess of Income over expenditure for the period from continuing operations</b>	<b>4,900.92</b>

**Impact of Prior period errors on equity, statement of Income and Expenditure and EPS**

(₹ in Lakhs)

Particulars	For Year ended 31st March 2017	For Year ended 31st March 2016
<b>Impact on equity (increase/(decrease) in equity)</b>		
Provision for incentive to SCA	(61.35)	-
Sundry Creditors	-	10.29
Outstanding Expense	-	(16.14)
Interest Receivable	-	(0.15)
Advance to staff	-	(0.23)
Advance to Party	-	(49.72)
Amount Receivable	-	(1.01)
Other payable	-	0.04
Provision for gratuity	-	(4.58)
<b>Net Impact on Equity</b>	<b>(61.35)</b>	<b>(61.50)</b>

(₹ in Lakhs)

Particulars	For Year ended 31st March 2018	For Year ended 31st March 2017
<b>Impact on statement in Income &amp; Expenditure (increase/(decrease) in profit)</b>		
Other Expenses	-	67.49
Interest on Saving bank	-	0.14
Employee Benefit Expense	-	4.73
Incentive to SCA for Recovery	19.35	(19.35)
Incentive to SCA- NAPE	42.00	(42.00)
<b>Total Impact</b>	<b>61.35</b>	<b>11.01</b>
Attributable to Equity Holders	61.35	11.01

**Impact on basic and diluted earnings per share (EPS) (increase/(decrease) in EPS)**

Particulars	For Year ended 31st March 2018	For Year ended 31st March 2017
<b>Earnings per share for continuing operation</b>		
Basic, profit from continuing operations attributable to equity holders	0.47	0.10
Diluted, profit from continuing operations attributable to equity holders	0.47	0.10

**Note :- 37 Related Party Disclosures**

**Note :-37.1 Key Managerial personnel of the company**

Name	Position
Mr. Shyam Kapoor	Chairman Cum Managing Director
Mrs. Annu Bhogal	Company Secretary

**Note :- 37.2 Compensation of key management personnel:**

**Nature & volume of transactions with key management personnel during the year:**

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Short Term Benefits	60.83	50.72
Post Employee Benefits	1.35	3.91
Other Long Term Benefits	1.66	5.21
	<b>63.84</b>	<b>59.84</b>

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
<b>Loan to related party</b>		
Amount owned by related parties at beginning of the year	17.09	18.93
Loan Given during the year	0.00	0.00
Interest	1.01	1.51
Repayment during the year	-4.00	-3.35
<b>Amount owned by related parties at end of the year</b>	<b>14.10</b>	<b>17.09</b>

### 37.3 Transactions with the Government Related entities

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:-

**Name of Government:** Government of India, through Ministry of Social Justice and Empowerment (100% Capital ontribution)

**Certain significant Transactions:-** (₹ in Lakhs)

Party	Nature of Transactions	Year ended 31st March 2018	Year ended 31st March 2017
Ministry of Social Justice and Empowerment	Capital Contribution	12821.00	13800.00
Ministry of Social Justice and Empowerment	Grant for Skill Training	2950.00	1198.42
Ministry of Social Justice and Empowerment	Other Schemes	40.76	21.93
		<b>15811.76</b>	<b>15020.35</b>

### 38. Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	11.16	3.37
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made beyond the appointed date	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and Payable even in the succeeding year, until such date when interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**Note 39:** On account of transaction entered into with national level corporation and MOSJ&E the total amount recoverable after setting off receivable/payable comes to Rs 64.93 Lakhs (31.03.2017 Rs.79.61/- Lakhs) towards events held commonly/on their behalf.

#### **Note 40:** Corporate Social Responsibility

CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule - VII thereof during the year is Rs.86.77 lakh (previous year Rs.57.75 lakh).

During the year NIL Expenditure has been booked towards CSR as per assurance to C& AG.

Details of amount spent towards CSR is given below:-

CSR Expenditure	Financial Year(in Lakhs)	
	2017-18	2016-17
Yoga Camp for Senior Citizen	0.16	0
Contribution to Swachh Bharat Kosh	28.50	0
Installation of Bio-Methanation Plant cum Organic Waste Processor	2.30	0
Sanitation (Swachhta Phakwada)	1.80	0
Skill upgradation	0.00	97.07
<b>TOTAL</b>	<b>32.76</b>	<b>97.07</b>

**Note 41:** Madhya Pradesh State Co-op. Scheduled Castes Finance & Development Corporation has bifurcated their NSFDC's loan portfolio as per Madhya Pradesh Re-organization Act, 2000 which governs transfer of assets and liabilities between corporation/ state government on account of bifurcation of the erstwhile State of Madhya Pradesh (MP) into Chattisgarh and Madhya Pradesh (M.P.). The matter of apportionment of loan liability between MPSCFDC & CSASFDC on account of bifurcation of erstwhile MPSCFDC was referred to the Madhya Pradesh Sahakari Adhikaran, Bhopal by the Additional Registrar Cooperative Society as the bifurcation carried out by MPSCFDC was not acceptable by CSASFDC. Judgment of the Tribunal given in favour of MPSCFDC was not accepted by CSASFDC and it filed an appeal against the judgment before Hon'ble High Court of Madhya Pradesh, Jabalpur. The writ petition was admitted by the Hon'ble High Court of Madhya Pradesh, Jabalpur. The matter is still sub-judice.

Pending decision by the Court, the loan liability of Rs.210.09 Lakhs along with due interest has been accepted and repaid by CSASFDC. For loan liability of Rs. 835.93 Lakhs towards principal and Rs.889.46 Lakhs (previous year Rs. 820.51 Lakhs) towards interest as on 31.03.2018 not accepted by CSASFDC, the same continues to be shown against MPSCFDC and demand for its repayment is being raised on them.

**Note 42:** The total overdues of loans as on 31.03.2018 is Rs. 33,277.55 Lakhs (as at 31.03.2017/Rs.35,755.83 lakhs) including interest of Rs 3,793.71 Lakhs (as at 31.03.2017 Rs.2,528.68 Lakhs).

**42.1: The State Channelizing Agency having overdues more than three years are as below:**

S.No.	Agency	State	Total Overdues (₹ in lakh)
			(As on 31.03.2018)
1	ASDC	Assam	573.57
2	BSCDC	Bihar	1,415.39
3	MPSCFDC	Madhya Pradesh	1,725.39
4	LASDC	Maharashtra	8,527.08
5	OSFDC	Odisha	1,104.73
6	PSLDFC	Punjab	1,772.30
7	PUDCO	Puducherry	317.50
8	UPSCFDC	Uttar Pradesh	2,408.21
9	MSTCB	Manipur	93.77
<b>Total (A)</b>			<b>17,937.94</b>

**42.2 The State Channelizing Agency having overdues for less than three years are as below:**

S.No.	Agency	State	Total Overdues (₹ in lakh)
			(As on 31.03.2018)
1	GSCDC	Gujarat	5,310.57
2	DBRADC	Karnataka	2,497.68
3	LIDCOM	Maharashtra	1,719.05
4	TSCDC	Tripura	957.89
5	RSCDC	Rajasthan	948.36
6	GMBCDC	Gujarat	888.14
7	CTSCDC	Chhatisgarh	858.10
8	APSCDC	Andhra Pradesh	698.40
9	JSCDC	Jharkhand	335.93
10	J&KSCDC	Jammu & Kashmir	315.88
11	Remaining SCAs		809.61
<b>Total (B)</b>			<b>15,339.61</b>
<b>Gross Total (A+B)</b>			<b>33,277.55</b>

42.3 The utilization certificates for Rs.73,478.26 lakhs (as on 31.03.2017 Rs.49,512.04 lakhs) are pending as on 31.03.2018. The SCA wise details of unutilized funds is as follows:-

S.No.	Agency	State	Unutilized Funds (₹ in lakh)	
			2017-18	2016-17
1	DBRADC	Karnataka	8,598.24	7,652.41
2	APSCDC	Andhra Pradesh	6,347.35	1,099.44
3	GSCDC	Gujarat	5,012.95	3,342.14
4	WBSCSTDC	West Bengal	4,252.90	2,003.93
5	MPBCDC	Maharashtra	4,152.20	0.00
6	TSCDC	Tripura	3,451.20	1,035.05
7	LASDC	Maharashtra	3,354.84	3,354.84
8	CTSCDC	Chhatisgarh	2,837.59	704.01
9	LIDCOM	Maharashtra	1,503.27	1,658.10
10	TAHDCO	Tamil Nadu	1,281.37	0.00
11	RSCDC	Rajasthan	1,162.81	0.00
12	J&KSCSTDC	Jammu & Kashmir	1,160.34	919.52
13	DSFDC	Delhi	1,068.69	674.75
14	KSDC	Kerala	758.95	375.02
15	HPSCDC	Himachal Pradesh	386.17	0.00
16	GSCMBCDC	Gujarat	305.71	0.00
17	ASDC	Assam	304.75	0.00
18	PSLDFC	Punjab	251.43	0.00
19	JHARCRAFT	Jharkhand	250.00	0.00
20	UBEVN	Uttarkhand	229.75	0.00
21	JSCDC	Jharkhand	198.40	1,022.77
22	MPSCFDC	Madhya Pradesh	166.23	0.00
23	UPSCFDC	Uttar Pradesh	160.82	0.00
24	SSCSTBCDC	Sikkim	131.35	0.00
25	KSWDC	Kerala	120.61	458.44
26	OSFDC	Odisha	110.79	0.00
27	NEDFI	Manipur	100.00	0.00
28	Remaining SCAs		25,819.55	25,211.62
	<b>Total</b>		<b>73,478.26</b>	<b>49,512.04</b>

**Note 43: Exemption from Tax under the Income Tax Act, 1961**

No Provision for Income Tax/Deferred Tax is required as the income of Corporation is exempt from tax under section 10 (26) (B) of the Income Tax Act, 1961.

Further CBDT had issued Circular No.18/2017 dated 29.05.2017 which laid down that in case of Corporation, body, institution or association established for promoting interests of members of Scheduled Castes or Scheduled Tribes or backward classes referred to in Section 10 Clause (26B); whose income is unconditionally exempt and who are also statutorily not required to file return of income as per section 139 of the Income-tax Act, 1961 there would be no requirement for tax deduction at source, since their income is anyway exempt under the Income-tax under Section 10(26B) of the Income Tax of India Act, 1961.

**Note 44 :** Incomplete proposals for loan waiver under the scheme were received from five SCAs namely Tamil Nadu, Punjab, Gujarat, Uttar Pradesh and Tripura. Clarifications have been sought from SCAs which are pending. In the absence of complete information, a reasonable estimate of waiver could not be arrived at. In pursuance of Accounting Policy 2.17, no provision has been made.

**Note:- 45 Disclosure as per Ind AS- 17 'Lease'**

The Company has entered into operating lease arrangement for office premises. The minimum future lease payment during non-cancellable period under the foregoing arrangement is 'NIL'.

**Note:- 46 Exemption under Reserve Bank of India Act, 1934**

The Reserve Bank of India vide letter No.DNBS.ND.NO.4175MI/10.01.001 /2010-11 dated 29.04.2011 has certified that NSFDC has been exempted by the Bank from the applicability of provisions of Section 45-1A of the Reserve Bank of India Act, 1934 and other regulatory and prudential norms on the basis of Company (NSFDC) being classified by Government of India as a 'No profit no loss' company engaged in 'community services'. RBI advised to submit a copy of Board Resolution stating that the company (NSFDC) will not accept deposits from the public. Accordingly, the Resolution has been passed in the 118th Board Meeting held on 30.05.2011 and the Resolution submitted to RBI vide letter No.NSFDC/SECT/193/2010/2704 dated 13.06.2011.

**Note 47: Application of IndAS on material items**

The Prior Period Items and changes in accounting policies are applied retrospectively on account of materiality only in line with the provisions of Indian Accounting Standards.

**Note :- 48 Approval of financial statement**

The financial statements were approved for issue by the Board of Directors on **09.08.18**

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**Independent Auditor's Report**

**To the Members of  
NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION,**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS Financial Statements of **NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION ("the Company")** which comprise the Balance Sheet as at March 31, 2018, the Statement of Income and expenditure (including other Comprehensive Income), the statement of cash flow and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information ("herein after referred to as Ind AS Ind AS Financial Statements").

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, statement of changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the act read with Companies (Indian Accounting Rules) 2015, as amended and other accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered



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Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS Financial Statements

**BASIS FOR QUALIFIED OPINION**

1. *In pursuance to the accounting policy no.2.17 no provision has been made for waiver of loan in case of death of loan beneficiaries. We have been informed by the management that till date incomplete proposals for loan waiver under the scheme have been received from five SCAs namely Punjab, Gujarat, Tamil Nadu, Uttar Pradesh and Tripura. Clarification have been sought from SCAs which are pending. In the absence of complete information, a reasonable estimate of waiver couldn't be arrived at. The impact, if any, of the same on the Ind AS Financial Statements cannot be ascertained at this stage, in the absence of identification of such cases for all SCAs and thus we are unable to comment on the same.*
2. *Balance confirmation of loans (Financial Assets) has not been received from some of the agencies. In the absence of balance confirmation, the closing balances of loans as per books of accounts have been incorporated in the Ind AS Financial Statements. The impact, if any, of the outcome of this uncertainty on the Ind AS Financial Statements cannot be currently ascertained.*
3. *Company has classified loans amounting to Rs. 4024.87 lacs (LASDC- Rs. 3193.96 lacs and BSCDC- Rs. 830.91 lacs) as unsecured considered good while same should be classified as unsecured considered doubtful thereby overstating the loans considered good and understating the loans considered doubtful by Rs. 4024.87 lacs.*
4. *Company has a doubtful loan to LASDC (SCA) amounting to Rs. 3379.90 lacs (principal Rs. 3193.96 lacs and overdue interest Rs. 185.94 lacs) which is over due for more than 3 years as on the date of the balance sheet and not covered by Government guarantee. As per the company policy a provision for bad and doubtful loans at the rate of 100% is required to made for loans given to SCAs on the*



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amount of overdue amount for more than 3 years and which is also not covered by Government guarantee. However, no such provision has been made by the company in the Ind AS Financial Statements. Hence Profit of the company is overstated by 3379.90 lacs, Financial Assets- Loans are overstated by 3193.96 lacs and interest receivable is overstated by Rs. 185.94 lacs.

5. There are 3 cases where Government guarantee in respect of loans given to SCA falls short of the outstanding amount as on 31.03.2018 as below.

Name of the SCA	Amount outstanding as on 31.03.18 (Rs. In lacs)	Amount of guarantee (Rs. In lacs)
DBRADC	11,508.50	6,191.58
LASDC	8,766.07	2,025.00
LIDCOM	3,102.01	1,500.00

Shortfall in Government guarantee can have consequential impact in future on Ind AS Financial Statements in case of overdue loans. Company should obtain sufficient Government guarantee to cover the amount of outstanding loans.

6. Attention is drawn to note 7.1 (b). The company in respect of loan given, the unutilised amount beyond a stipulated period, is eligible for refund. However at the year end the aforesaid amounts have not been ascertained by the company and the same has been classified as non- current loans in Note 7 on "Financial Assets- Loans". The amount due for refund should be classified as current and disclosed accordingly. In absence of any quantification of such amounts by the company, same continue to be shown as Non- current.
7. Company is providing financial and others assistance to beneficiaries belonging to scheduled Castes through SCAs and CAs. However, utilization certificates for Rs.73,478.26 lakhs are pending as on 31<sup>st</sup> March 2018.
8. Company has given loans against post- dated cheques to North Eastern Development Finance Corporation Ltd (NEDFi), the outstanding balance of which as on 31.03.2018, is Rs. 90 lacs. The same has been incorrectly shown as secured loan- considered good instead of unsecured loan- considered good thereby increasing the amount of secured loan- considered good by Rs. 90 lacs and decreasing the amount of unsecured loan- considered good by Rs. 90 lacs.
9. Company has given loans against Fixed deposits to Anik Financial Services Private Limited, the outstanding balance of which as on 31.03.2018, is Rs. 97.20 lacs. The same has been incorrectly shown as unsecured loan- considered good instead of secured loan- considered good thereby increasing the amount of unsecured loan- considered good by Rs. 97.20 lacs and decreasing the amount of secured loan- considered good by Rs. 97.20 lacs.



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10. *Loan amounting to Rs. 127.31 lacs is classified as non-current loans in note 7 while the same are current in nature and therefore should be classified as current. Hence the amount of current loans is understated by Rs. 127.31 lacs and the amount of non-current loans are over stated by the same amount.*
11. *The Company has Post-Retirement Medical benefit (PRMB) under which the retired employees and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The liability for the same, based on actuarial valuation as per Ind AS 19 on "Employee Benefits", has not been ascertained by the company and hence not recognised in the Ind AS Financial Statements.*
12. *Interest on deposits with banks amounting to Rs. 2,619.31-lacs (note 22) and interest on special reserve fund investment amounting to Rs. 210.27 lacs (note 16.1) is subject to reconciliation with bank certificates and consequential adjustments, if any. The effect of the consequential adjustment has not been quantified by management.*
13. *The disclosures referred to in Ind AS 40 for Investment property with regard to information on valuation of investment property by an independent valuer, the amount recognised in Income and expenditure statement for rental income and various operating expenses, the existence and amount of restrictions on realizability of Investment property and contractual obligations in respect of Investment property, has not been made in the Ind AS Financial Statements.*

### OTHER MATTERS

1. *In terms of Note no.11.1, the company has booked interest income of Rs.52.58 lakhs in respect of doubtful overdues from Bihar Scheduled Castes Development Corporation (BSCDC) which has the effect of overstatement of Revenue from operations to the extent of Rs.52.58 lakhs. However, there is no impact on excess of income over expenditure to that extent due to creation of provision for Bad & Doubtful debts of the same amount as per policy no.2.22(iv).*
2. *It was observed that many SCAs have defaulted in payments which have resulted in overdues more than three years amounting to Rs. 179.38 Crores. Although out these loans, loans amounting to Rs. 111.97 crores are secured by state government guarantees, these guarantees are never invoked resulting in blockage of funds.*
3. *Attention is drawn to note 7.1 (d) regarding loans amounting to Rs. 5,343.55 lacs in respect of which company has obtained Government assurance. As per legal opinion obtained by the company, Government assurance do not tantamount to Government deed/order. However same can be enforced in disputed cases by way of arbitration. In view of the management, company is adequately covered in cases where the outstanding loan amount is backed by Government assurance.*



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4. Attention is drawn to note 7.1 (c) regarding SCA guarantee disclosure wherein the company has bifurcated Government guarantee available with National Scheduled Castes & Scheduled Tribes Finance and Development Corporation ("erstwhile entity") as on 10.04.2001 in the agreed ratio between the Company and National Scheduled Tribes Finance and Development Corporation ("NSTFDC"). The same was communicated vide various letters as is more appropriately described in the aforesaid note and consequentially the State Government guarantee still stands in the name of erstwhile entity and not in the name of the company.
5. There is a clerical mistake in the total of note 7 wherein the amount of allowance for bad and doubtful loans of Rs. 830.91 lacs is not reduced in the total
6. The amounts of Gross interest receivable and allowance for bad and doubtful interest as on 31.03.2017 have been reinstated in note 12(i) by reducing both the heads by Rs. 63.13 lacs. However no disclosure, in respect of the same, has been made in the Ind AS Financial Statements.
7. The amounts for provision for incentive to SCA are wrongly stated in note 17.2. The amounts are wrongly stated as Nil for provision as on 01.04.2017, Rs. 131.2 lacs for addition during the year 2017-18 and Nil for payment during the year 2017-18. The same should be as Rs. 61.35 lacs for provision as on 01.04.2017, Rs. 89.12 lacs for addition during the year 2017-18 and 19.35 lacs for payment during the year 2017-18.
8. Amounts in note 26.1 has been wrongly stated. A provision of Rs. 61.35 lacs has been made for incentive to SCA in respect of financial year 2016-17 which has also been disclosed in note 36. However in note 26.1 figures have been wrongly stated as Rs. 42 lacs in respect of provision of incentive to SCA and Rs. 69.57 lacs in respect of decrease in income for financial year 2016-17. The same should be Rs. 61.35 lacs for both provision of incentive to SCA and decrease in income for financial year 2016-17.
9. Impact on statement of income and expenditure statement has been wrongly shown as increase in Income by Rs. 61.35 lacs in respect of provision for incentive to SCA for the year ended on 31.03.2018 in note 36. The same should be Nil.
10. The amount of expenditure for the year ended 31.03.2017 is wrongly stated as Rs. 97.07 lacs for CSR expenses and NIL for Training expenses- Beneficiaries. The same should be Nil for CSR expenses and Rs. 97.07 lacs for Training expenses- Beneficiaries as per the audited Ind AS Financial Statements for financial year ending 31.03.2017
11. Company has wrongly included 0.01 lacs equity shares under the possible effect of dilution for calculation of earning per share. However in our opinion and as per information and explanation given to us there is no such potential dilution of equity shares as there are no equity shares pending for allotment as on 31.03.2018. Same does not have any material impact on calculated earning per share.



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Our opinion is not qualified/ modified in respect of these matters.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, subject to the possible effects of the matters described in the Basis of Qualified Opinion Paragraph, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with Ind AS and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its excess of income over expenditure, statement of changes in equity and its cash flow for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. Requirements of the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Companies Act, 2013, is not applicable to the Company.
2. As required by the comptroller and Auditor General (C&AG) of India through directions issued u/s 143 (5) of the Companies Act, 2013 on the basis of written representations received from the management, we give our report on the matters specified in the "Annexure A" attached.
3. As required by section 143(3) of the Act, 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;
  - c. The Balance Sheet, the Statement of Income and Expenditure, the cash Flow Statement and Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. Except for the effects of the matter described vide item no. 1 to 13 in the Basis of Qualified opinion paragraph, in our opinion, the aforesaid Ind AS Ind AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act;



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- e. In terms of Notification No. G.S.R 463 (E) dated June 5<sup>th</sup> 2015, issued by Ministry of Corporate Affairs, Government of India; sub section (2) of section 164 of Companies Act 2013 is not applicable to the Government Companies;
- f. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, does not have any adverse effect on the functioning of the Company.
- g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- h. 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 'B'; and
- i. With respect to the 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 Ind AS Financial Statements.
  - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no cases where the amount was required to be transferred to the investor education and protection fund by the company.

For and on behalf of  
**Naresh K Gupta & Co**  
Chartered Accountants

Firm's registration number: 00223224

  
Nitin Gupta  
Partner

Membership number: 096295



Place: Delhi

Date: August 21, 2018

# **NARESH K. GUPTA & CO.**

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## **"Annexure A" to the Independent Auditors' Report**

Below are our replies to the directions, issued by the comptroller and Auditor General of India u/s 143(5) of the companies act, 2013 with respect to the Ind AS Financial Statements of **M/s NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION** for the Financial Year ended on **31<sup>st</sup> March, 2018**

(1) Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state, the area of freehold and leasehold land for which title/lease deeds not available?	<p>Title of Leasehold/Freehold: The company does not own any land-either Leasehold or Freehold.</p> <p>The company has clear title to the Freehold buildings owned by the company.</p> <p>The title deeds of leasehold buildings situated at Scope Minar having an area of 11,144.43 sq. mtrs., purchased on sub lease is pending transfer of title/sublease.</p> <p>The formal deeds of the two flats purchased in Mumbai having an approximate total area of 1571 sq. ft., are yet to be executed between MHADA and Housing Society.</p>
(2) Whether there are any cases of waiver/write off of debts/loan/interest etc. if yes, the reason there for and amount involved?	<p>There is no waiver/ write off of debts/loan/interest during the year under audit.</p>
(3) Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant from the govt. or other authorities?	<p>Due to the nature of activities carried on, there are no inventories; hence company is not required to maintain records for inventories/inventories lying with the third parties.</p> <p>Further, we have been informed by the Management that there are no cases for assets received as gifts from government or other authorities.</p>

For and on behalf of  
**Naresh K Gupta & Co**

Chartered Accountants

Firm's registration number: 002132

Nitin Gupta

Partner

Membership number: 096295



Place: Delhi

Date: August 21, 2018

**NARESH K. GUPTA & CO.**

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**"Annexure B" to the Independent Auditor's Report of even date on the Ind AS Financial Statements of NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected



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depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors 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 Ind AS Financial Statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, except matters stated in para (a) and (b) below, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

1. *Considering the internal controls and systems of the company, we are not in a position to verify end use of the funds sanctioned and disbursed to SCAs. We have been informed by the management that the*



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*release of funds to eligible beneficiaries is the sole responsibilities of SCAs. The company needs to devise some audit system through which it can be ensured that funds are properly disbursed to the eligible beneficiaries. This becomes more important as the company is not for profit company and is enjoying many exemptions under various statutes.*

2. *Company is providing financial and others assistance to beneficiaries belonging to scheduled Castes through SCAs and CAs. However, utilization certificates for Rs. 73,478.26 lakhs are pending as on 31<sup>st</sup> March 2018. Internal control system should be strengthened to obtain utilization certificates at the earliest.*
3. *There are 3 cases where Government guarantee in respect of loans given to SCA falls short of the outstanding amount as on 31.03.2018, the details of which has already been shared in clause 5 of "Basis for qualified opinion" of our Audit report. The company should strengthen the internal control to monitor cases where there is shortfall in Government guarantee vis-à-vis the outstanding loan amounts.*
4. *There are various matters referred to in clauses 2 and 12 of our basis of qualified opinion and clauses 5 to 10 of emphasis of matter para which point to lapses in internal control financial reporting system. The company should monitor and strengthen internal control system in respect of the same.*

For and on behalf of  
**Naresh K Gupta & Co**  
Chartered Accountants  
Firm's registration number: 002232N

  
Nitin Gupta  
Partner

Membership number: 096295



Place: Delhi

Date: August 21, 2018

**ADDENDUM-B**  
(See Para 17.1 of The Director's Report)

**MANAGEMENT REPLY TO THE STATUTORY AUDITORS' REPORT ON THE ANNUAL ACCOUNTS 2017-18**

Para No.	Audit Para	Management's Reply
1.	<p>In pursuance to the accounting policy no. 2.17 no provision has been made for waiver of loan in case of death of loan beneficiaries. We have been informed by the management that till date incomplete proposals for loan waiver under the scheme have been received from five SCAs namely Punjab, Gujarat, Tamil Nadu, Uttar Pradesh and Tripura. Clarifications have been sought from SCAs which are pending. In the absence of complete information, a reasonable estimate of waiver couldn't be arrived at. The impact, if any, of the same on the Ind AS Financial Statements cannot be ascertained at this stage, in the absence of identification of such cases for all SCAs and thus we are unable to comment on the same.</p>	<p>The Accounting Policy No.2.17 does not pertain to loan waiver. It is related to "Expenditure &amp; Provisions and pertains to (i) Skill Training (Beneficiaries) expenses and (ii) Incentive &amp; Other Schemes"</p> <p>The loan waiver in case of death of beneficiaries was introduced with objective to consider waiving off loans/dues of beneficiaries of NSFDC in the event of their death during currency of loan by adopting a sympathetic consideration so as to mitigate the suffering of beneficiary's surviving legal heir(s), if they so desire.</p> <p>The requests for loan waiver received from 5 SCAs were incomplete viz-a-viz NSFDC scheme. The deficiencies were communicated to all the SCAs time and again. The SCAs without fulfilling the requisite documents and withdrawing the ineligible cases, request to waive the entire outstanding loan amount although the scheme is restricted only to the share of NSFDC and the SCAs in the proportion of sanctioned share of loan stipulated in LOI. The waiver shall be of the net outstanding amount after adjustment of value of assets recovered.</p> <p>The scheme, however, was closed w.e.f. 31.03.2015 and thereafter SCAs were requested to switch over to individual / group credit life insurance plan w.e.f. 01.04.2015 vide Board approval dated 18.07.2014.</p> <p>In view of the above, there is no financial implication on the Financial Statements for fin. year 2017-18.</p>
2.	<p>Balance confirmation of loans (Financial Assets) has not been received from some of the agencies. In the absence of balance confirmation, the closing balances of loans as per books of accounts have been incorporated in the Ind AS Financial Statements. The impact, if any, of the outcome of this uncertainty on the Ind AS Financial Statements cannot be currently ascertained.</p>	<p>The process of obtaining balance confirmation of loans and advances is a continuous process. After follow up, the balance confirmations from all the 64 SCAs/CAs have now been obtained.</p>

3	<p>Company has classified loans amounting to Rs.4024.87 lakhs (LASDC-Rs.3193.96 lakhs and BSCDC-Rs.830.91 lakhs) as unsecured considered good while same should be classified as unsecured considered doubtful thereby overstating the loans considered good and understating the loans considered doubtful by Rs.4024.87 lakhs</p>	<p>I. LASDC – Rs.3193.96 lakh As per lending policy of NSFDC, SCAs shall provide Government Guarantee Deed / Government Order / Assurance as security. LASDC has provided Government Deed for Rs.2025.00 lakh and Government Order for Rs.11050.00 lakh totalling to Rs.13075.00 lakh guarantee, against which total outstanding loan is Rs.8791.01 lakh. Accordingly, the loans to LASDC has been rightly classified under the “unsecured considered good”.</p> <p>II. BSCDC – Rs.830.91 lakh 100% Allowance for doubtful debt is provided in case of BSCDC equivalent to the outstanding amount of loan of BSCDC. Accordingly, the same is reduced from the loans “unsecured considered good” at Note No.6. As the same is already shown as doubtful in the Financial Statements there is no financial implication and a matter of presentation only.</p>
4	<p>Company has a doubtful loan to LASDC(SCA) amounting to Rs.3379.90 lakhs (Principal Rs.3193.96 lakhs and overdue interest Rs.185.94 lakhs) which is overdue for more than 3 years as on the date of the balance sheet and not covered by Government Guarantee. As per the company policy a provision for bad and doubtful loans at the rate of 100% is required to be made for loans given to SCAs on the amount of overdue amount for more than 3 years and which is also not covered by Government Guarantee. However, no such provision has been made by the company in the Ind AS Financial Statements. Hence Profit of the company is overstated by 3379.90 lakhs, Financial Assets – Loans are overstated by 3193.96 lakhs and interest receivable is overstated by Rs.185.94 lakhs.</p>	<p>The lending policy of NSFDC clearly stipulates that Government Guarantee in Deed form as well as in Order / Assurance form is fully valid for disbursement during the financial year.</p> <p>The statement of guarantee as on 31.03.2018 was provided to the audit indicating Government Deed of Rs.2025.00 lakh and Block Government Order of Rs.11050.00 lakh totalling to Rs.13075.00 lakh guarantee, against which total outstanding loan is Rs.8791.01 lakh.</p> <p>Further, LASDC has also provided balance confirmation certificate duly signed and stamped.</p> <p>Since the loans to LASDC are fully secured by way of Government Deed / Order, no provision is required to be made in the financials.</p>

5

There are 3 cases where Government guarantee in respect of loans given to SCA falls short of the outstanding amount as on 31.03.2018 as below:-

Name of the SCA	Amount outstanding as on 31.03.2018 (Rs. In Lakhs)	Amount of guarantee (Rs. In Lakhs)
DBRADC	11,508.50	6,191.58
LASDC	8,766.07	2,025.00
LIDCOM	3,102.01	1,500.00

Shortfall in Government guarantee can have consequential impact in future on Ind AS Financial Statements in case of overdue loans. Company should obtain sufficient Government guarantee to cover the amount of outstanding loans.

There is a misstatement in the audit observation. The Government Guarantee is available viz-a-viz outstanding amount of loan as on 31.3.2018 in the three cases as detailed below:-

Name of the SCA	Amount outstanding as on 31.03.2018	Amount of guarantee as per Audit	Actual Order figures as per NSFDC records	Remark
DBRADC	11,508.50	6,191.58	38,427.58	Adequately covered
LASDC	8,766.07	2,025.00	13075.00	Adequately covered
LIDCOM	3,102.01	1,500.00	4615.00	Adequately covered

Difference is on account of certain Government Orders which have not been taken into consideration by the audit. Since these Government Orders are issued by respective State Governments, are binding and valid form of Government Guarantee.

As the adequate Government Guarantee as per the lending policy for SCAs is available, there is no shortfall in Government Guarantee.

Further, DBRADC, LASDC and LIDCOM have also provided balance confirmation certificate duly signed and stamped.

6

Attention is drawn to note 7.1(b). The company in respect of loan given, the unutilised amount beyond a stipulated period, is eligible for refund. However at the year end the aforesaid amounts have not been ascertained by the company and the same has been classified as non-current loans in Note 7 on "Financial Assets - Loans". The amount due for refund should be classified as current and disclosed accordingly. In absence of any quantification of such amounts by the company, same continue to be shown as Non-current.

As per Lending Policy of NSFDC for SCAs, regarding unutilized amount there are following provisions:-

- levying of penal interest in case funds are not utilized within a specified period.
- Amounts lying unutilized with SCAs may be recalled by NSFDC.
- NSFDC may withhold further disbursement.

The objective of lending schemes of NSFDC is to provide loans to Scheduled Castes person living below the income limit of Rs.3,00,000/- per annum at concessional rates of interest. The provisions illustrated above clearly indicate that intention of the statute is to provide support to state financial institutions and word "may" is used.

In the light of the aforesaid provisions, gathering the data of unutilized amount is a matter of Management Information (MIS) only. When a certain amount is neither to be accounted for, nor ascertainable, the same may not be qualified by the Audit. In this regard, Note No.7.1(B) is self-explanatory, and it is already disclosed that the quantification of any such amount is

		<p>indeterminable.</p> <p>Generally SCAs/CAs utilise the funds in time, however some times SCAs/CAs take more time to utilize the funds due to reasons beyond their control.</p> <p>Further the utilization certificates are communicated from the district level to state level office and then to NSFDC. Due to this chain of communication, in certain cases, the SCAs/CAs are not able to communicate the UCs even if they have utilized the loan amount.</p> <p>It is pertinent to mention here that the aforesaid note was inserted at the insistence of audit as the utilization or non-utilization of loan.</p> <p>Keeping in view of the above, the presentation is correct.</p>
7	<p>Company is providing financial and others assistance to beneficiaries belonging to scheduled castes through SCAs and CAs. However, utilization certificates for Rs.73,478.26 lakhs are pending as on 31.08.2018.</p>	<p>SCAs are to utilize the disbursed funds within 120 days from the date of disbursement. NSFDC periodically undertakes utilization drives with the SCAs for pursuing utilization and obtaining utilization reports. As per NSFDC policy, utilization level of minimum 80% as at the end of preceding month, is a pre-requisite for making fresh disbursements to SCAs. The fulfillment of this condition is strictly ensured while releasing funds to SCAs.</p> <p>It is practically observed that in some cases utilization gets delayed due to delay in completion of documentation by the beneficiaries with the SCAs. Further, in the channel finance system, the utilization of 15-20% of the funds always remains in the pipeline and hence permission to this extent is given to the SCAs.</p> <p>Further, funds being shown as unutilized in records of NSFDC does not mean that they are actually not utilized at the field level. There is a possibility that funds are actually utilized in the districts but they are shown as unutilized in NSFDC records due to delay in submission of utilization reports by the field units of the SCAs to the Headquarters or pendency at SCAs' Headquarters to compile the same and thereby sending to NSFDC.</p> <p>As the figures of pending UC's is a matter of MIS and no treatment is carried out in the books of accounts, it is a matter of audit observation and should not be included under qualified opinion.</p>

8	Company has given loans against post-dated cheques to North Eastern Development Finance Corporation Ltd. (NEDFi), the outstanding balance of which as on 31.03.2018, is Rs.90.00 lakhs. The same has been incorrectly shown as secured loan-considered good instead of unsecured loan - considered good thereby increasing the amount of secured loan - considered good by Rs.90 lakhs and decreasing the amount of unsecured loan-considered good by Rs.90 lakhs.	Audit observation No.8 read with audit observation No.9 indicate that the Corporation has actually shown net amount of Rs.7.20 lakh (Rs.97.20 lakh - Rs.90.00 lakh) as unsecured instead of secured. Therefore, Rs.7.20 lakh is actually secured and should not have been 'qualified'. It is a matter of presentation and does not have a financial implication.
9	Company has given loans against Fixed deposits to Anik Financial Services Private Limited, the outstanding balance of which as on 31.03.2018, is Rs.97.20 lakhs. The same has been incorrectly shown as unsecured loan-considered good instead of secured loan-considered good thereby increasing the amount of unsecured good by Rs.97.20 lakhs and decreasing the amount of secured loan-considered good by Rs.97.20 lakhs.	
10	Loan amounting to Rs.127.31 lakhs is classified as non-current loans in note 7 while the same are current in nature and therefore should be classified as current. Hence, the amount of current loans is understated by Rs.127.31 lakhs and the amount of non-current loans are over stated by the same amount.	It is a matter of presentation and do not have financial implication.
11	The Company has Post-Retirement Medical benefit (PRMB) under which the retired employees and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The liability for the same, based on actuarial valuation as per Ind AS 19 on "Employee Benefit" has not been ascertained by the company and hence not recognised in the Ind AS Financial Statements.	<p>There is a misstatement in the audit observation that "retired employees and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals" as there is no company hospital / empanelled hospital for the treatment facilities of retired employees. The retired employees are free to take treatment in any hospital as per their choice / convenience.</p> <p>Ind AS 19 on Employee Benefits clearly state that "POST-EMPLOYMENT BENEFITS DEFINED CONTRIBUTION PLANS are accounted for as incurred Defined Benefit under unit credit method. Employer makes certain amount of the contribution every month in some definite period. The risk and reward incidental to return is borne by the employee. As there is no risk over and above the definite contribution because the entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. The contribution should be recognized as expense. Therefore, there is no question of discounting."</p> <p>In view of above as the employee contribution to PRMB is a defined contribution plan, the liability booked as expense is in accordance with Ind AS 19.</p>

12	Interest on deposits with banks amounting to Rs.2,619.31 lakhs (Note 22) and interest on special reserve fund investment amounting to Rs.210.27 lakhs (Note 16.1) is subject to reconciliation with bank certificates and consequential adjustments, if any. The effect of the consequential adjustment has not been quantified by management.	<p>The interest on Deposit with Banks and Interest on Special Reserve Fund investment is calculated and accounted for as per existing Accounting policy 2.11(ii) (a) which states <b>"interest incomes on FDR's and Bank deposits are recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable using Effective Interest Rate Method."</b> This policy is consistently followed, time tested and examined and concurred by all previous Statutory Auditors and Government Audit Party. Further, it is in accordance with Ind. AS, therefore consequential adjustments are not required.</p>
13	The disclosures referred to in Ind AS 40 for Investment property with regard to information on valuation of investment property by an independent valuer, the amount recognised in Income and expenditure statement for rental income and various operating expenses, the existence and amount of restrictions on realizability of Investment property and contractual obligations in respect of Investment property and contractual obligations in respect of Investment property, has not been made in the Ind AS Financial Statements.	<p>It is a matter of disclosure only and does not have any financial implication.</p> <p>The Corporation has only one investment property at Lucknow which is rented out to BIS, a Government Organization.</p> <p>In the opinion of the management, this investment property do not require to be valued by an independent valuer, keeping in view the following:-</p> <ul style="list-style-type: none"> <li>(i) The rental income is recognized at actual value</li> <li>(ii) there is no restriction on realizability as the property is freehold</li> <li>(iii) as per rent agreement NSFDC do not have any contractual obligation</li> <li>(iv) cost involved in hiring of independent valuer.</li> </ul>



कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा  
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-IV, नई दिल्ली.  
Office of the Principal Director of Commercial  
Audit & Ex-officio Member Audit Board-IV, New Delhi.  
गोपनीय

स. 696-PDCA/MAB-IV/HS/A/cs/NSFDC/18-19/4076  
दिनांक :- 26.09.2018

सेवा में,

The Chairman –cum- Managing Director,  
National Scheduled Castes Finance and Development Corporation,  
Scope Minar, Core 1 & 2  
District Centre, Laxmi Nagar,  
Delhi 110092

विषय: भारत के नियन्त्रक एवं महालेखापरीक्षक द्वारा कम्पनी अधिनियम 2013 के अनुच्छेद 143(6)(b) के अंतर्गत National Scheduled Castes Finance and Development Corporation के 31 मार्च 2018 को समाप्त वर्ष के वित्तीय खातों पर टिप्पणियां

महोदय,

इस पत्र के साथ कम्पनी अधिनियम 2013 के अनुच्छेद 143(6)(b) के National Scheduled Castes Finance and Development Corporation के 31 मार्च 2018 को समाप्त वर्ष के वित्तीय खातों पर Nil Comment प्रमाणपत्र भेजा जा रहा है।

कृपया इस पत्र की पावती भेजने की कृपा करें।

भवदीय

संलग्न : यथोपरि

(मनीष कुमार)

महानिदेशक वाणिज्य लेखापरीक्षा  
एवं पदेन सदस्य, लेखापरीक्षा बोर्ड - IV

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of National Scheduled Castes Finance and Development Corporation for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21<sup>st</sup> August 2018.

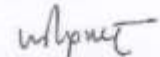
I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of National Scheduled Castes Finance and Development Corporation for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

**Place : New Delhi**

**Date : 20.09.2018**



**(मनीष कुमार)**

महानिदेशक वाणिज्य लेखापरीक्षा  
एवं पदेन सदस्य, लेखापरीक्षा बोर्ड - IV

## NSFDC Addresses of Offices

National Scheduled Castes Finance and Development Corporation  
(A Government of India Undertaking)  
(An ISO 9001 : 2008 Certified Company)

### Head Office

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Ph : 011-22054392, 22054394, 22054396 Fax : 011-22054395

e-mail : [support-nsfdc@nic.in](mailto:support-nsfdc@nic.in)

Website : [www.nsfdc.nic.in](http://www.nsfdc.nic.in)

### Liaison Centres

1	<b>Dr. V.R. Salkute</b> <b>Chief Manager</b> NSFDC Liaison Centre, 5 <sup>th</sup> Floor, Visveswaraiah Main Tower, Dr. Ambedkar Veedhi, Bengaluru -560 001 Phone: 080-22865175 Mobile: 09845871561
2	<b>Dr. V.R. Salkute</b> <b>Chief Manager</b> [Incharge], NSFDC Liaison Centre Oshiwara MHADA Complex, Building No.5, Flat No.004, Adarsh Nagar, New Link Road, Azad Nagar Post Office, Andheri (West), Mumbai -400 053. Phone: 022-26361624 Mobile: 09845871561
3	<b>Dr. K.C. Mahato</b> <b>Deputy General Manager</b> [Incharge], NSFDC Liaison Centre, New Market, Phase-I, 5 <sup>th</sup> Floor, 15-N, Nellie Sengupta Sarani, Kolkata -700 087. Phone : 033-22521395 Mobile: 09810448741



**नेशनल शेड्यूलड कास्ट्स फाइनेंस एंड डेवलपमेंट कॉर्पोरेशन**  
( भारत सरकार का उपक्रम )

**NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION**  
(A Government of India Undertaking)



( आईएसओ 9001:2008 प्रमाणित कंपनी )  
(An ISO 9001:2008 Certified Company)



14<sup>वीं</sup> मंजिल, कोर 1 व 2, स्कोप मीनार, लक्ष्मी नगर जिला केंद्र, दिल्ली-110092  
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