



15th वीं वार्षिक रिपोर्ट 2011-2012 ANNUAL REPORT

नेशनल हैन्डीकैप्ड फाइनेन्स एण्ड डिवेल्युमेन्ट कार्पोरेशन
**NATIONAL HANDICAPPED FINANCE AND
DEVELOPMENT CORPORATION**

(विकलांगता कार्य विभाग, सामाजिक न्याय एवं अधिकारिता मंत्रालय, भारत सरकार)
(Department of Disability Affairs, Ministry of Social Justice and Empowerment, Govt. of India)

(आईएस/आईएसओ 9001:2008 प्रमाणित)

(IS/ISO 9001:2008 Certified)

रैड क्रॉस भवन, सेक्टर -12, फरीदाबाद.121007 (हरियाणा)
दूरभाष : 0129 -2287513, 2226910, 2264841, टेलीफैक्स : 2284371
ई मेल : nhfdc97@gmail.com
वैबसाइट : www.nhfdc.nic.in

Red Cross Bhavan, Sector-12, Faridabad 121007 (Haryana)
Phone : 0129-2287513, 2226910, 2264841, Telefax : 2284371
E-mail : nhfdc97@gmail.com
Website : www.nhfdc.nic.in



निदेशक मंडल BOARD OF DIRECTORS

(10 सितंबर, 2012 की स्थिति के अनुसार)
(As on 10th September, 2012)

1. श्री हर्ष भाल
Shri Harsh Bhal
अध्यक्ष-सह-प्रबंध निदेशक, एनएचएफडीसी
Chairman -cum-Managing Director, NHFDC
2. श्री अजय नारायण झा
Shri Ajay Narayan Jha
संयुक्त सचिव और वित्तीय सलाहकार,
सामाजिक न्याय एवं अधिकारिता मंत्रालय, भारत सरकार
Joint Secretary & Financial Adviser,
Ministry of Social Justice & Empowerment,
Government of India
3. श्री पंकज जोशी
Shri Pankaj Joshi
संयुक्त सचिव (डीडी), विकलांगता कार्य विभाग,
सामाजिक न्याय एवं अधिकारिता मंत्रालय, भारत सरकार
Joint Secretary (DD), Department of Disability Affairs,
Ministry of Social Justice & Empowerment, Govt. of India
4. श्री एम.पी. सिंह
Shri M.P. Singh
अपर विकास आयुक्त
विकास आयुक्त कार्यालय (एमएसएमई)
Additional Development Commissioner,
O/o Development Commissioner (MSME)
5. श्री हरदीप सिंह किंगरा
Shri Hardip Singh Kingra
अध्यक्ष और प्रबंध निदेशक
राष्ट्रीय अनुसूचित जाति वित्त और विकास निगम
Chairman & Managing Director,
National Scheduled Castes Finance and
Development Corporation
6. श्री जी. नारायण राव
Shri G. Narayan Rao
अध्यक्ष और प्रबंध निदेशक
कृत्रिम अंग विनिर्माण निगम
Chairman & Managing Director,
Artificial Limbs Manufacturing Corporation
7. श्री अरुण कुमार गोयल
Shri Arun Kumar Goyal
महाप्रबंधक
आईडीबीआई बैंक लि.
General Manager, IDBI Bank Ltd.
8. श्री उमेश चन्द्र गौड़
Shri Umesh Chandra Gaur
महाप्रबंधक
भारतीय लघु उद्योग विकास बैंक
General Manager
Small Industries Development Bank of India

नेशनल हैन्डीकैप्ड फाइनेन्स एण्ड डिवैल्पमेन्ट कार्पोरेशन

श्री रणजित कुमार मिश्र
Shri Ranajit Kumar Mishra

कंपनी सचिव
Company Secretary

आंतरिक लेखापरीक्षक

मैसर्स कुमार विजय गुप्ता एण्ड कंपनी
चार्टर्ड अकाउन्टेन्ट्स
304, एसएसआर कारपोरेट पार्क,
3/6, मथुरा रोड एन एच-2, फरीदाबाद
हरियाणा-121003

Internal Auditors

M/s. Kumar Vijay Gupta & Co.,
Chartered Accountants
304, SSR Corporate Park, 3/6 Mathura Road,
NH-2, Faridabad, Haryana-121003

सांविधिक लेखा परीक्षक

मैसर्स विरमानी, राय एण्ड कुट्टी,
चार्टर्ड अकाउन्टेन्ट्स
709-710, अंसल चैम्बर्स-4,
6, भीकाजी कामा प्लेस, नई दिल्ली-110066

Statutory Auditors

M/s. Virmani, Roy & Kutty,
Chartered Accountants,
709-710, Ansal Chambers-II,
6, Bhikaji Cama Place, New Delhi - 110 066



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NOTICE

Notice is hereby given that the 15th Annual General Meeting of NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION will be held on Friday, the 28th day of September, 2012 at 11.30 A.M. at the Registered Office of the Company at Red Cross Bhavan, Sector -12, Faridabad - 121007 to transact the following business:-

ORDINARY BUSINESS :

01. To receive, consider and adopt Directors' Report, Audited Balance Sheet as at 31st March, 2012 and Income and Expenditure Account for the period ended on that date along with the reports of Auditors thereon.
02. To fix the remuneration of M/s. Virmani, Roy & Kutty, Chartered Accountants, Statutory Auditors appointed by Comptroller & Auditor General of India and in this connection to consider and if thought fit to pass with or without modifications the following resolution as an **Ordinary Resolution**.

“RESOLVED THAT pursuant to Section 224(8)(aa) and other applicable provisions (if any) of the Companies Act, 1956 the Corporation hereby approves an amount of Rs. 80,000/- (Rupees Eighty Thousand only) plus service tax (at the applicable rate) as audit fee to be paid to M/s. Virmani, Roy & Kutty, Chartered Accountants, Statutory Auditors of the Corporation for the financial year 2011-12 as appointed by the Comptroller & Auditor General of India”.

“FURTHER RESOLVED THAT the travelling and incidental expenses incurred by the Statutory Auditors in connection with the audit shall be reimbursed by the Corporation in accordance with the terms of appointment issued by C.& A.G. of India.”

By Order of the Board of Directors

For National Handicapped Finance and
Development Corporation

Place: Faridabad

Date : 25/09/2012

Sd/-
(R.K.Mishra)
Company Secretary

Note: A MEMBER ENTITLED TO ATTEND THE MEETING MAY APPOINT ANOTHER PERSON (WHETHER A MEMBER OR NOT) AS HIS /HER PROXY TO ATTEND AND VOTE ON A POLL. PROXY TO BE VALID SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING. A BLANK PROXY FORM IS ENCLOSED.



DIRECTORS' REPORT TO MEMBERS OF THE CORPORATION



Sh. Harsh Bhal, CMD, NHFDC

Dear Members,

Your Directors are pleased to present the 15th Annual Report on operations of your Corporation together with the audited statement of accounts for the period from 1st April 2011 to 31st March 2012 along with Auditors' report thereon.

1.1. INCORPORATION

The Corporation was promoted by Ministry of Social Justice & Empowerment, Government of India and incorporated as a Company on 24th January, 1997 under Section 25 of the Companies Act, 1956.

1.2. OBJECTIVES

The main objectives of the Corporation in gist are:

- i) Promoting economic developmental activities and self-employment ventures for the benefit of persons with disabilities.
- ii) Extending grant for persons with disabilities for up-gradation of their entrepreneurial skill for efficient management of self-employment ventures.
- iii) Extending loan to persons with disabilities for pursuing professional/technical education leading to vocational rehabilitation/self-employment.
- iv) Assisting self-employed individual with disability in marketing their products.

1.3. AUTHORISED CAPITAL

As on date of this report, the Authorized share capital of the Corporation is ₹ 400.00 Crores. The paid-up share capital of the Corporation as at 31st March, 2012 was ₹ 191.80 Crores divided into 19,18,010 nos. of equity shares of ₹ 1,000/- each. The entire equity of the Corporation is held by Government of India.

1.4. ELIGIBILITY CRITERIA FOR ASSISTANCE FROM CORPORATION

The eligibility criteria for financial assistance from the Corporation is as under:

Any disabled person who fulfills the following criteria is eligible to apply for financial assistance –

- a) Any Indian Citizen with 40% or more disability.
- b) Age between 18 and 60 years.
- c) Relevant educational /technical/ vocational qualification/ experience and background.

1.5. SCHEMES OF THE CORPORATION

Your Corporation has framed various schemes involving credit based as well as non-credit based activities for the benefit of persons with disabilities. These schemes are mainly implemented through State Channelising Agencies (SCAs) nominated by the State/UT Government(s). Salient features of schemes of the Corporation are as under:

1.5.1. CREDIT BASED SCHEMES

The credit based schemes include financial assistance to the person with disabilities fulfilling the eligibility criteria, in the form of concessional loans on convenient terms for setting up income generating activity.

Details of loan assistance under various schemes is as under:

S.No	Schemes	Maximum Loan (₹ in lakhs)	Interest rate (per annum) payable by Beneficiary
1	Sales/ Trading Activity	3.00	5-6%
2	Small Business in Service sector	5.00	5-6%
3	Purchase of Commercial Vehicles	10.00	5-8%
4	Small Industrial Unit	25.00	5-8%
5	Agricultural Activities	10.00	5-8%
6	Self Employment amongst persons with mental retardation, cerebral palsy and autism	10.00	5-8%
7 (i)	Education Loan for studies abroad	15.00	3.5-4%
(ii)	Education Loan for studies in India	7.50	3.5-4%
8	Parents Association for mentally retarded persons	5.00	5-6%
9	Yuva Swavalamban Yojna	25.00	5-8%
10	Scheme for financing Assistive Devices to enhance the employability /increased opportunity of self employment of Persons with Disabilities	5.00	5-6%
11	Micro Credit Scheme	Rs 0.25 lakh/ Beneficiary	Upto 5%

A rebate of 1% on interest rate is allowed to women with disabilities in all schemes except that in the case of Education Loan (Sl. 7), the rebate shall be 0.5%.

1.5.2. NON CREDIT BASED SCHEMES

Your Corporation carries out the following non-credit based schemes in the interest of Persons with disabilities;

- I. **Grant** for conducting/sponsoring the training under the scheme of 'Financial Assistance for Skill & Entrepreneurial Development'.
- II. Sponsoring the beneficiaries to various **Exhibitions and Fairs marketing assistance** providing wider exposure for skill upgradation.
- III. Sensitizing the officials involved in implementation of schemes, towards the target group and awareness creation amongst the state / district level functionaries through **workshops and conferences**

The Corporation provides funds to State Channelising Agencies for such workshops and conferences.

- IV. Funds are made available to SCAs for **advertisement and publicity** of schemes of the Corporation for benefit of persons with disabilities.



One day Capacity Building program for differently abled beneficiaries of WDC by JKS WDC. Srinagar/24.6.2011



NHFDC participating in Public Information Campaign at Ramtek, Nagpur / 02.07.2011

The list of State Channelizing Agencies of the Corporation in different States/ UTs is at **Annexure-I**.

Loans have also been channelized through Bank [Punjab & Sind Bank and Regional Rural Banks (RRBs) under collaborative agreement].

2. EQUITY SUPPORT FROM THE GOVERNMENT OF INDIA

During the financial year 2011-12, the Corporation received ₹ 25.00 Crores as Equity support from Government as compared to ₹ 50.00 Crores received during the previous financial year 2010-11.

3. PERFORMANCE OF THE CORPORATION:

3.1. RELEASE OF LOANS

The Corporation has been able to increase the disbursement of loan as well as coverage of beneficiaries during the year under review as compared to the previous financial year 2010-11. Comparative data of disbursement made in the previous two financial years is as under:

Financial Year →	2011-12	2010-11
Amt. Disbursed (in ₹ Crores)	50.86	31.84
No. of Beneficiaries Assisted	10625	6356
(including estimated no. of beneficiaries against advance funds on average loan basis)		

3.1.1. SCHEME-WISE PERFORMANCE

The scheme-wise performance of the Corporation in respect of disbursement of loan during the financial year under report is as under:

1.5.3 REPAYMENT PERIOD

Loan assistance under schemes of the Corporation are to be repaid within maximum period of ten years except loan for professional/ educational/ training courses, where the repayment is to be made within 7 years after commencement of repayment. In case of Micro Credit Scheme, the repayment is to be made within 3 years.

1.5.4. IMPLEMENTING AGENCIES

Funds of the Corporation are channelized through **State Channelizing Agencies (SCAs)** nominated through respective State/UT Government. These agencies, interalia, play the vital role of implementation of schemes of the Corporation for the benefit of target group in the respective States/U.T.s. The Corporation has been pursuing with certain States/UTs where the State Channelizing Agency (SCA) is yet to be operational.

Sl.	Schemes/Sector	Amount (In ₹ Crores)	Beneficiaries*
i)	Trading / Sales Activity	20.55	4283
ii)	Service Sector Activity	11.93	2339
iii)	Agricultural (Allied) Activity	13.06	3534
iv)	Agricultural Activity	0.98	69
v)	Small Business Activity (Manufacturing / Production)	1.09	220
vi)	Purchase of Vehicle for commercial hiring	2.70	162
vii)	Education Loan	0.55	18
viii)	Micro Credit Schemes	0	0
TOTAL		50.86	10,625

* includes estimated number of beneficiaries (on average basis) against advance funds released.

3.1.2. DISABILITY-WISE DISTRIBUTION OF LOAN MADE DURING THE YEAR

The Corporation aims at serving all categories of persons with disabilities and no special preference is attached to particular category of the target group.

However, it has been observed that major part of the loan off-take is for the benefit of OH category amongst the target group.

Particulars of distribution of loan during the year amongst different categories of Persons with Disabilities is as under:

Disability Type	Amount (In ₹ Crore)	Beneficiaries
Orthopedically Handicapped	42.68	8914
Mentally	1.32	270
Visually	3.14	591
Hearing	3.72	850
TOTAL	50.86	10625

3.1.3. GENDERWISE DISTRIBUTION OF LOAN

The gender-wise distribution of loan assistance by the Corporation during 2011-12 is as under:

Gender	Beneficiaries		Loan Disbursed	
	Nos.	%	Amt. (In ₹ Crore)	%
Female	3174	25.91	14.78	29.88
Male	7451	74.01	36.08	70.12
Total	10625	100.00	50.86	100.00

3.1.4. STATEWISE DISTRIBUTION OF LOAN

The performance of the Corporation is largely dependent on performances of implementing agencies. State wise distribution of loans during the financial year 2011-12 with comparative details for the previous financial year 2010-11 is at **Annexure-II**.



NHFDC organized capacity building for officials of Mahila Vikas Sambhya Nigam, Bhubaneswar/ 6.07.2011



3.1.5. TOP THREE STATES IN TERMS OF DISBURSEMENT OF LOANS DURING 2011-12

The Corporation has been pursuing with its State Channelizing Agencies, or increasing the coverage of target group in their respective states under schemes of the Corporation.



5
CMD, NHFDC in a meeting with Chairman of five Regional Rural Banks Scheme. Bhubaneswar/ 06.07.2011

The top three states in terms of loan offtake from the Corporation during the year 2011-12 is as under:

Rank	Name of State	Amount of Loan (In ₹ Crores)
1.	Haryana	9.27
2.	Tamil Nadu	8.79
3.	Uttrakhand	7.27

3.1.6. TOP THREE STATES IN TERMS OF BENEFICIARY COVERAGE DURING 2011-12

The Corporation aims at extending coverage of beneficiaries under its schemes for achievement of its objectives. Top three states in terms of coverage of beneficiaries under schemes of the Corporation during the financial year 2011-12 is as under:

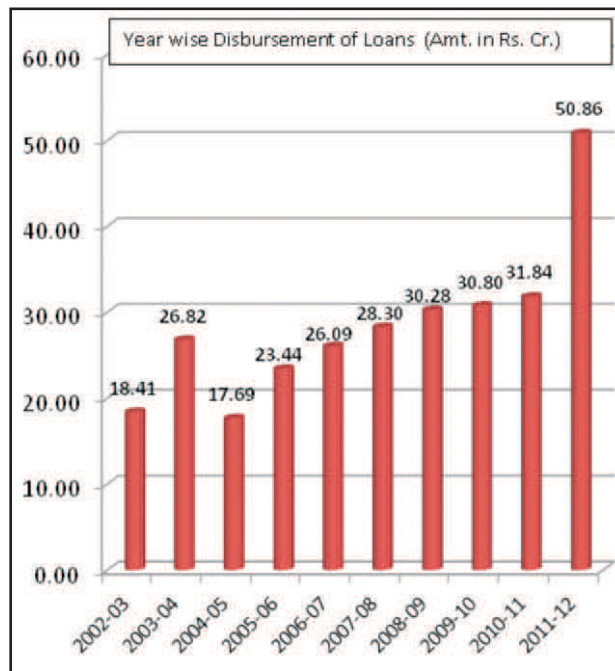
Rank	Name of State	No. of beneficiaries
1.	Tamil Nadu	3624
2.	Haryana	1838
3.	Uttrakhand	1444

4. PROGRESSIVE ACHIEVEMENTS

The Corporation has shown progressive achievement in various fronts over the past years. These are as under:

4.1. DISBURSEMENT OF LOANS

The Corporation has continually improved on disbursement of loans over the past years. Annual disbursement of loans for the benefit of Persons with Disabilities in the past ten years is graphically depicted as under:

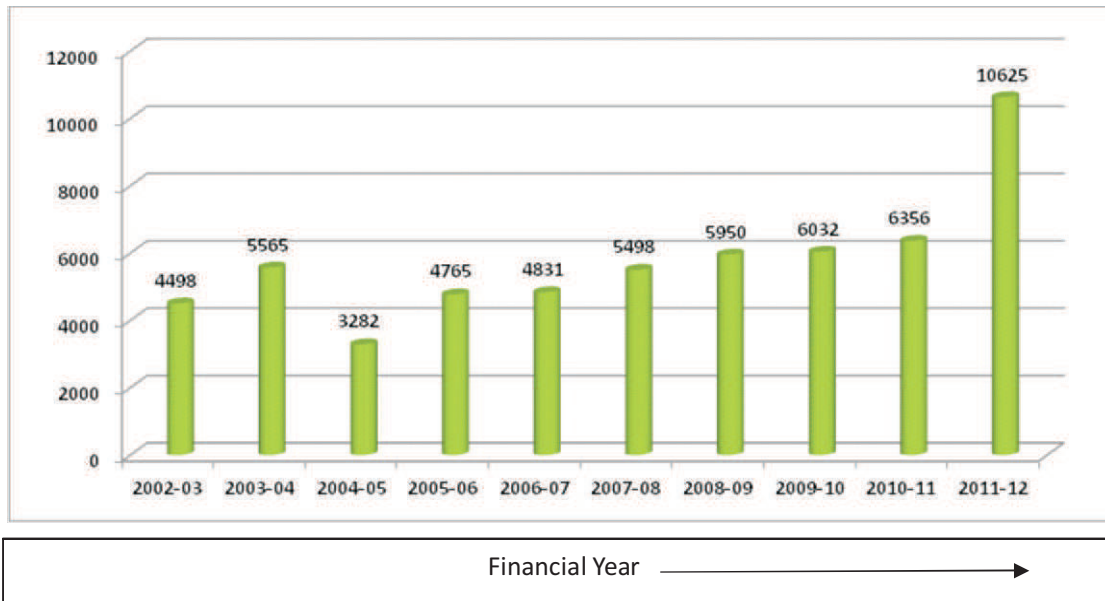


Financial Year →

4.2. COVERAGE OF BENEFICIARIES

Progress has been achieved in coverage of beneficiaries over the past years.

Yearwise coverage of beneficiaries under schemes of the Corporation for past ten years is stated in the following graph:



4.3. PERFORMANCE RATING VIS-A-VIS TARGETS IN MOU 2010-11

The Corporation had executed the Memorandum of Understanding for financial year 2010-11. Overall achievements of the Corporation in respect of MoU targets for the financial year 2010-11 have been rated as **“Very Good”** by Department of Public Enterprises in the scale of five classifications i.e. Excellent, Very Good, Good, Fair and Poor.



NHFDC signed MOU with Nine RRBs to channelize NHFDC funds under Credit Guarantee Scheme for Economic Empowerment of PwDs. Lucknow/ 12.09.2011

4.4. ACHIEVEMENT OF MOU 2011-12 TARGETS

The Corporation has achieved various targets set out in MoU (Memorandum of Understanding) for 2011-12. As per internal evaluation, the overall achievement of Corporation in respect of the MoU parameters is **‘Excellent’**. The MOU targets for the year 2011-12 are set out at **Annexure-III**.

5.1 MARKET INTERVENTION MEASURES

The Corporation assists the beneficiaries in participating in fairs/exhibitions at local/ State/National and International level as market assistance measures. The Corporation provides the space, reimburses travelling & accommodation expenses, part of carriage cost for goods, daily allowances for the beneficiary and escort for participation in these fairs.

The beneficiaries are exposed to market opportunities through their participation in these events. Such participation also showcases the abilities of the target group for the awareness of general public.



5.1.1. NATIONAL LEVEL EXHIBITIONS

During the year 2011-12, the corporation assisted beneficiaries in participation in National level exhibitions like, IITF, New Delhi and Shilpotshav, Dilli Haat, INA, New Delhi.

Details in respect of participation of beneficiaries in National level exhibitions during 2011-12 is as under:

Sl.	Exhibition	No. of Beneficiaries	No. of States/ UTs	No. of Stalls provided	Amount of Sale by NHFDC Beneficiaries
1.	IITF, New Delhi	21	7	10	₹ 14.20 lac
2.	Shilpotshav, Dilli Haat, INA, New Delhi	18	7	15	₹14.49 lac
3.	Mumbai Shilpotshav, Mumbai	9	3	10	₹1.51 lac
4.	Suraj Kund Craft Mela	7	5	5	₹10.91 lac
5.	Kolkata Shilpotshav, Kolkata	11	4	10	₹2.70 lac
	Total	66	26	50	₹ 43.81 lac

5.1.2. STATE/DISTRICT LEVEL EXHIBITIONS

Apart from National level exhibitions stated above, the Corporation also assisted beneficiaries in participating in various State/District level exhibitions during 2011-12 as under:

1. Aids and appliances distribution camp at Nagpur
2. Teez Festival at Dilli Haat, Pitampura, New Delhi
3. PIC at Keylong, Himachal Pradesh
4. PIC at Jhajjar, Haryana
5. PIC at Nadaun, Himachal Pradesh
6. PIC at Khatima, Udhamasinghnagar, Utrakhand
7. PIC at Nanpara, Behraich, Uttar Pradesh
8. PIC at Tigaon, Faridabad, Haryana
9. PIC at Kullu, Himachal Pradesh
10. Ability Expo at Tecnia Institute, Rohini, New Delhi
11. PIC at Mandsaur, Madhya Pradesh



Officers/ Staff being honoured during Hindi Pakhwada. Faridabad /14.09.2011

5.2 ASSISTANCE FOR SKILL & ENTREPRENEURIAL DEVELOPMENT

The Corporation is aware of the fact that an entrepreneur may not be able to succeed in the absence of required skills, in the competitive market conditions. Hence, special emphasis is attached to skill & EDP training of the target group.

Till date, the Corporation has organized **143** EDP/skill development trainings in **22** states covering **2433** persons with disabilities. During the year 2011-12, **64** EDP & skill development trainings were organized in **11** states covering **709** persons with disabilities.

Details of EDPs & Skill Development Trainings organized during 2011-12 is at **Annexure-IV**.

5.3. WORKSHOPS/AWARENESS CAMPS

The corporation conducted workshops in States/UTs for discussion and dissemination of information concerning implementation of welfare schemes concerning persons with disabilities.

Following awareness/workshops camps were conducted during the year under report;



Hon'ble Minister, Shri Mukul Wasnik visiting Shilpotsav, 2011 at Dilli Haat, INA. New Delhi/ 17.09.2011

A) Awareness Camps

Awareness camp in Himachal Pradesh under Pradhanmantri Adarsh Gram Yojana			
Sl.	Name of the Block	Date of campaign	Place of campaign
1.	Dharampur, Solan, HP	5.5.2011	Dharampur
2.	Dharampur, Solan, HP	5.5.2011	Koli
3.	Solan, HP	6.5.2011	Shalogra
4.	Solan,HP	6.5.2011	Soltanpur
5.	Kandaghat, Solan, HP	7.5.2011	Kandaghat
6.	Rajgarh, Sirmour, HP	9.5.2011	Rajgarh
7.	Rajgarh, Sirmour, HP	10.5.2011	Doothi
8.	Pachhad, Sirmour, HP	11.5.2011	Pachhad
9.	Nahan, Sirmour, HP	11.5.2011	Amhwala
10.	Paonta Sahib, Sirmour, HP	12.5.2011	Dobri
11.	Sangarh, Sirmour, HP	13.5.2011	Rajana
12.	Sangarh, Sirmour, HP	13.5.2011	Bhawai

B) Workshops

Sl.	Name of SCA of NHFDC	Date of workshop	Place of workshop
1.	Meghalaya State Apex Co-operative Bank	13.6.2011	West Garo Hills District, Meghalaya
2.	J&K State Women's Development Corporation	24.6.2011	Pampore, Srinagar
3.	Mahila Vikas Samabaya Nigam (Odisha)	6.7.2011	Bhubaneswar
4.	Gujarat Minorities Finance & Development Corporation	6.7.2011	Ahmedabad
5.	Lakshadweep Khadi & Village Industries Board	27.10.2011	Androth Island, Lakshadweep
6.	West Bengal Women Development Undertaking	6.3.2012	Kolkata



5.4 MONITORING AND FIELD INSPECTIONS

As a post disbursement monitoring measure, the Corporation carries out field inspection of implementing Agencies and beneficiaries assisted through them under schemes of the Corporation. These inspections are carried out by officials of the Corporation so that they also get to know the ground realities and are sensitized towards issues concerning the target group. During the financial year 2011-12, inspection was carried out in respect of beneficiaries assisted through SCAs in Haryana, Rajasthan, Madhya Pradesh, Tamil Nadu, Maharashtra, Punjab, Chhattisgarh and Gujarat. Total 326 beneficiaries were covered under the aforesaid inspections.

5.5. FUNCTIONING OF STATE CHANNELISING AGENCIES (SCAs)

The contribution of SCAs in disbursement of loans to the target group under schemes of the Corporation vary widely. The off-take of loan depends on various key factors like, repayment of dues, utilization of loan, availability of Government Guarantee cushion etc.

The corporation continuously follows up on issues concerning above key factors with the State Government Authorities and the concerned State Channelising Agency so that the flow of funds for the benefit of the target group is maintained. The Corporation had notionally allocated funds to the SCAs and released 50% of the funds to the SCA as Advance funding so as to speed up the lending process.

The performance/contribution of the SCAs in disbursement of loan during the financial year under report, notional allocation made for the SCA and reasons for lower off-take of loan are stated at **Annexure-V**.



Ms. Poonam Natrajan Chairperson National trust, inaugurating the cultural evening organized by NHFDC. New Delhi/29.09.2011

5.6. NATIONAL AWARD FOR THE BEST STATE CHANNELISING AGENCY OF THE CORPORATION

National Award for the Best State Channelising Agency of the Corporation had been instituted on the request of the Corporation in order to encourage the SCAs put their best efforts for implementation of schemes of the Corporation for the benefit of the target group and awarding the SCA in recognition thereof.

Jammu & Kashmir State Women's Development Corporation, the SCA of this Corporation in Jammu & Kashmir had been bestowed with the National Award as the Best SCA of the Corporation for the year 2010-11. Board of Directors express heartiest congratulation to the SCA for the good work put forth by it.

6. FINANCIAL PERFORMANCE

Financial performance of the Corporation for the year under report with comparative figures for the preceding financial year are as under:

Particulars	₹ in lakh	
	For F.Y. ended 2011-12	For F.Y. ended 2010-11
Total Income	832.71	443.44
Operating and General Expenses	367.74	258.92
Surplus (before Depreciation, Provision for Bad & Doubtful loans, Prior period Adj., Write back of excess provision)	464.97	184.52
Add Excess provision for earlier year written back	6.80	1.84
Surplus before providing for Doubtful Loans and Depreciation, prior period Adj.	471.77	186.36
Provision for Bad & Doubtful Loans	37.52	9.79
Depreciation	7.48	9.79
Surplus before Prior Period Adj.	426.76	166.77
Less : Prior period Expenses	54.94	11.48
Surplus/(Deficit) for the Year	371.82	155.29

6.1 APPROPRIATION OF SURPLUS

Since the Corporation is a Section 25 Company, it is not required to declare dividend and therefore, the entire surplus amounting to ₹3,71,82,096/- has been transferred to General Reserves account of the corporation. As at 31.3.2012, the General reserves stood at ₹ 31,30,08,635/-.



CMD, NHFDC kickstarting the Vigilance Awareness Week-2011. (31.10.2011 to 5.11.2011) Faridabad /31.10.2011



7. SCHOLARSHIP TO STUDENTS WITH DISABILITIES

Ministry of Social Justice & Empowerment, Government of India (the Administrative Ministry) entrusted the Corporation with the work of administering Scholarship Scheme (National Fund) for students with disabilities from the academic year 2009-10 onwards. Also, work concerning Scholarship Scheme (Trust Fund) for differently-abled students has been entrusted with the Corporation from the academic year 2011-12. Your Corporation made use of electronic as well as print media for wider publicity of these schemes. As a result, large number of applications have been received for scholarship under Scholarship Scheme (National Fund) and Trust Fund. Particulars of scholarship awarded under Scholarship Scheme (National Fund) in the



NHFDC Participating in Public Information Campaign in Uttarakhand. Udham Singh Nagar/ 15-17.11.2011

past two years out of funds received from Ministry of Social Justice & Empowerment, Government of India are as under:

Year	Applications received	No. of Scholarships Awarded	Amount of Scholarships
2009-10	3305	417	₹ 52,81,975/-
2010-11	3640	470	₹ 60,15,775/-
2011-12	2646	492 and 11 renewal case	₹ 64,92,526/- (fresh students) ₹ 1,71,998/- (Renewal)

Particulars of scholarship awarded under Scholarship Scheme (Trust Fund) during 2011-12 are as under:

Year 2011-12	Applications received	No. of Scholarships Awarded	Amount of Scholarships
<u>1.7.2011</u> 30.9.2011	3175	491	₹ 3,04,97,763/-
<u>1.10.2011</u> 31.12.2011	661	379	₹ 2,02,27,379/- [₹ 1,99,10,200/- (Scholarship Amount) plus ₹ 3,17,199/- (Cost of Assistive Device)]
<u>1.1.2012</u> 31.3.2012	978		
<u>1.4.2012</u> 30.6.2012	878	-	-

8.1 HUMAN RESOURCES

The Corporation has been able to carry out its activities with the available work force of 30 employees, which is below the sanctioned strength.

Staff strength of the corporation in different levels is as under:

(As on 31.3.2012)

Employee Group	Sanctioned Post	Filed post	Vacant
A	14	12	2
B	2	1	1
C	18	12	6
D	5	5	Nil
Total	39	30	9

During the year under report, one employee has joined the Corporation as Assistant Manager (Finance) while services of one employee working as Junior Assistant (Accounts) was terminated. Also, two employees working as Sr. Accountant and Junior Assistant respectively left the Corporation during the period under report for taking up higher post in other organization.

8.2. EMPLOYMENT OF PERSONS WITH DISABILITIES, SCHEDULED CASTES, SCHEDULED TRIBES, OTHER BACKWARD CLASSES

The information pertaining to representation of persons with disabilities in the employment of the Corporation as at 31.3.2012 is at **Annexure-VI** to this report.

The information pertaining to representation of Scheduled Castes, Scheduled Tribes, Other Backward Classes in the corporation as at 31.3.2012 is at **Annexure-VII** to this report.

8.3. PARTICULARS OF EMPLOYEES

No employee of the Corporation was in receipt of remuneration exceeding the limits prescribed in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

9.1. IS/ISO 9001: 2008 CERTIFICATION OF QUALITY MANAGEMENT SYSTEM

The Corporation earlier had established Quality Management System IS/ISO 9001:2008 vide Bureau of Indian Standards license no.NRO/QSC/L-9002437 w.e.f. 4th November, 2010. The said licence



CMD, NHFDC exchanging document (MoU) with Chairman, Haryana Garmin Bank for channelising funds to PwDs in Haryana. Rohtak /7.12.2011

was valid upto 5 March, 2012 only. Subsequently, the corporation had taken up the matter with Bureau of Indian Standards for renewal of Quality Management System licence.



The Renewal of Quality Management System (QMS) of the Corporation was subjected to audit by auditors appointed by Bureau of Indian Standards and a license no. NRO/QSC/L-9002437.1 was issued to the Corporation in respect of QMS under IS/ISO 9001:2008. The said licence shall be valid from 6th March, 2012 to 5th March, 2015 and may be renewed as prescribed in the Regulations.

9.2. RAJBHASHA IMPLEMENTATION

The Corporation encourages the use of Rajabhasha in office works. Hindi Pakhwara was celebrated in the Corporation in September, 2011. Various competitions were organized during Hindi Pakhwara.

During the year, many documents/letters of your Corporation were translated into Hindi. Quarterly meetings of Official Language Implementation Committee of your Corporation had been held and the progress made in use of Rajbhasha was reviewed at these meetings. All printed materials about the schemes of the Corporation for the benefit of persons with disabilities are published in Hindi.



CMD, NHFDC exchanging document (MoU) with Chairman, Gurgaon Gramin Bank for channelising funds to PwDs in Haryana. Faridabad/8.12.2011

The website of the Corporation (www.nhfdc.nic.in) is maintained both in Hindi and English.

9.3. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2011-12, there was no foreign exchange earnings and outgo.

9.4. RECEIPT OF DEPOSITS

During the financial year under consideration, the Corporation has not accepted any deposits from the Public.

9.5. DIRECTORS' RESPONSIBILITY STATEMENT

Board of Directors state that:

- In the preparation of Annual accounts, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departure except to the extent pointed out in the Auditors' report.

- The Directors had selected such accounting policies and adopted them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year and the income and expenditure account for the period ended on that date.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding assets of the Corporation and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.

9.6. STATUTORY AUDITORS FOR THE FINANCIAL YEAR 2011-12

M/s. Virmani, Roy & Kutty, Chartered Accountants, New Delhi, were appointed as the Statutory Auditors of the Company for the Financial Year 2011-12 vide Comptroller & Auditor General of India letter No. CA.V/ COY/ CENTRAL GOVERNMENT, HANDIF (1)/206 dated 26.8.2011.

The Statutory Auditors have audited the Annual accounts of the Company for the financial year 2011-12. Management's replies on observations/ qualifications in the report of statutory auditors are annexed to this report at **Annexure-VIII**



NHFDC participating in Ability Expo,2012 at Tecnia Institute, Rohini, New Delhi on 21-22 January, 2012

9.7. IMPORTANT DAYS/EVENTS DURING FINANCIAL YEAR 2011-12

During the financial year 2011-12, the Corporation observed various important events/days. Some of these events are as under:

a) Communal Harmony Campaign Week

The Corporation observed the week, commencing from 19th November, 2011 and concluding on 25th November, 2011 as the Communal Harmony Campaign Week. All officials took National Integration Pledge on 19.11.2011.

Various programmes were also organized during the Communal Harmony Campaign Week. All officials participated in discussion on need of Communal Harmony and ways to promote it.



The programme concluded on 25.11.2011 by observing the day as Flag Day. All officials voluntarily contributed in favour of National Foundation for Communal Harmony (NFCH). An amount of ₹1400/- collected from the employees of the Corporation and was remitted in the account of NFCH.

b) Sadbhavana Diwas

The Corporation observed 19th August, 2011 the Birth Anniversary of Late Prime Minister of India Shri Rajiv Gandhi as the Sadbhavana Diwas. Officials took Sadbhavana Day pledge on the occasion and took oath to do their best to promote National integration and communal harmony in the best possible manner.

10. CORPORATE GOVERNANCE

The Board of Directors of your Corporation believes in transparency, accountability and integrity in respect of affairs of the Corporation. Department of Public Enterprises (DPE) has come out with revised Guidelines on Corporate Governance vide Office Memorandum No. 18(8)/2005-GM dated 14 May, 2010.

A resolution has been passed at 64th meeting of Board of Directors of the Corporation held on 11th February, 2011 adopting Guidelines of Corporate Governance issued by DPE O.M. no. 18(8)/2005-GM dated 14 May, 2010 for implementation in the Corporation.



**CMD, NHFDC visiting Surajkund Craft Mela
Faridabad/ 5.02.2012**

Your Corporation is in process of implementing various aspects of the said Guidelines.

In terms of the Guidelines issued by Department of Public Enterprises (DPE) on Corporate Governance for CPSEs, the certificate issued by the Statutory Auditors of the Corporation regarding compliance of conditions of Guidelines of Corporate Governance is annexed to this report at **Annexure – IX**.

10.1. FINANCIAL HIGHLIGHTS

The Corporation has been able to make good progress in respect of various financial parameters during financial year 2011-12, as compared to the previous financial year 2010-11. Some of the key financial parameters and achievements in these respects are as under;

Sl.	Particulars	Amount (in ₹ Crores)		Change
		2011-12	2010-11	
i)	Total Income	8.33	4.43	88.04%
ii)	Income from Loans	3.44	3.16	8.86%
iii)	Other Income	4.89	1.27	285.03%



10.2. OPERATIONS OF THE CORPORATION

The outcome of operations of the Corporation during the year are depicted in the following ratios:

Sl.	Particulars	Amount
i)	Disbursement per Employee :	₹ 169.53lac
ii)	Surplus per Employee :	₹ 12.39 Lac
iii)	Cost of Loan (incl. Prov. for D/D) :	₹ 9,061.90 per Lac



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CMD, NHFDC in Capacity Building workshop for officials of WBWDU. Kolkata/6.3.2012

The overall operations of the corporation over the years is depicted through the following indicators;

- i) Disbursement of Loans upto 31.3.2012 : ₹ 316.12 Crores
- ii) No. of Beneficiaries for whom loan is released upto 31.3.2012 : 64385
- iii) Average Disbursement per beneficiary (in ₹ lac) 0.49 :
- iv) Trade-wise classification of Loan

The Corporation has been extending loans for the benefit of Persons with Disabilities for various income generating activities. As a matter of policy, the beneficiary is free to make his own choice of project /venture which he wants to set up. The corporation does not in any way influence the decision of the beneficiary.

Under the aforesaid circumstances, the following data in respect of beneficiaries indicate the choice areas/activities of the target group;

Sl.	Schemes/Sector	Beneficiaries		Disbursement	
		In absolute numbers	In %age	Amount (₹ in crore)	In %age
i)	Trading / Sales Activity	35866	55.71	167.74	23.06
ii)	Service Sector Activity	11,620	18.05	64.68	20.46
iii)	Agricultural (Allied) Activity	8,889	13.81	38.64	12.22
iv)	Agricultural Activity	798	1.24	9.65	3.05
v)	Small Business Activity (Manufacturing/ Production)	1116	1.73	7.37	2.33
vi)	Purchase of Vehicle for commercial hiring	890	1.38	19.62	6.21
vii)	Education Loan	58	0.09	1.36	0.43
viii)	Micro Credit Schemes	5,148	8.00	7.06	2.23
	TOTAL	64,385	100.00	316.12	100.00



v) Gender-wise Distribution of Loan

The Corporation encourages women with disabilities to empower themselves through financial assistance under its schemes. With this objective, the corporation allows rebate in interest rate (1% under all schemes except for education loan, where the rebate is 0.5%)

The Gender-wise distribution of loan under schemes of the Corporation till 31.3.2012 is as under:

Gender	Beneficiaries		Amount Disbursed	
	In absolute numbers	In %age	Amount (In ₹ Crore)	In %age
Male	51362	79.77	257.63	81.50
Female	13023	20.23	58.49	18.50
TOTAL	64385*	100.00	316.12	100.00

(*) Including estimated number of beneficiaries on the basis of average loan against the advance funds released to SCAs.

vi) Disability category wise break up (cumulative)

The Corporation has responsibility towards all categories of persons with disabilities. However, it is observed that OH category amongst persons with disabilities form the largest part amongst beneficiaries assisted by the corporation.



NHFDC signed MoU with three RRBs of Gujarat to facilitate flow of credit to PwDs. Gandhinagar/ 21.3.2012

The particulars of different categories of persons with disabilities assisted by the Corporation till 31.3.2012 are as under:

Sl.	Disability Category	Beneficiaries		Disbursement	
		In absolute numbers	In %age	Amount (In ₹ crore)	In %age
1	Orthopedically Handicapped	57,369	89.10	280.90	88.86
2	Mentally Retarded	1,074	1.67	6.08	1.92
3	Visually Impaired	3,522	5.47	17.10	5.41
4	Hearing Impaired	2,420	3.76	12.04	3.81
	TOTAL	64,385	100.00	316.12	100.00

vii) Loan Amt. wise distribution

Under schemes of the Corporation, the income generating activity/venture and investment in such venture are solely as per choice of the beneficiary. Still, it has been observed that majority of loans have been released for projects involving lesser cost.

The classification of loans released to beneficiaries till 31.3.2012, based on loan amount is as under:

National Handicapped Finance and Development Corporation

Sl.	Loan Range	Beneficiaries		Disbursement	
		In absolute numbers	In %age	Amount (In ₹ crore)	In %age
1.	Upto Rs. 50,000/-	52,429	81.43	163.31	51.66
2.	Above Rs. 50,000/- and upto Rs. 1.0 lakh	9,506	14.76	100.83	31.90
3.	Above Rs. 1.0 Lakh/- and upto Rs. 5.0 lakh	2,427	3.77	50.47	15.96
4.	Above Rs. 5.0 lakh	23	0.04	1.51	0.48
	TOTAL	64,385	100.00	316.12	100.00

10.3. Board Composition and Directors

The affairs of the Corporation are managed by the Board of Directors. The Board composition of the Corporation is as under;

Sl.	Particulars	Nos.	Present Status
1.	Chairman-cum-Managing Director	1	Shri Harsh Bhal, IIS
2.	Non-Official members working for/representing Handicapped (One person from each disability)	3	Vacant
3.	Persons representing Bio-Medical Engineering Departments IITs/ Research Institutes.	1	Vacant
4.	Representative of IDBI Bank Ltd.	1	Shri Arun Kumar Goyal General Manager, Industrial Development Bank of India
5.	Representative of SIDBI	1	Shri Umesh Chandra Gaur General Manager, Small Industries Development Bank of India.
6.	Development Commissioner, Small Scale Industries/Development Commissioner, Handicrafts/ Representative of Development Commissioner, Small Scale Industries/ Development Commissioner, Handicraft.	1	Shri M.P. Singh Addl. Development Commissioner, O/o. Development Commissioner (MSME), Government of India
7.	Financial Advisor/Joint Secretary to Ministry of Social Justice & Empowerment, Government of India	1	Shri Ajay Narayan Jha
8.	CMD, National Scheduled Castes Finance and Development Corporation	1	Shri Hardip Singh Kingra
9.	Joint Secretary (DD) Department of Disability Affairs, Ministry of Social Justice & Empowerment, Government of India	1	Shri Pankaj Joshi
10.	CMD, Artificial Limbs Manufacturing Corporation	1	Shri G. Narayan Rao



The right to fill any vacancy in the office of a Director caused by retirement, removal, resignation, death or otherwise vests with the President of India. Chairman-cum-Managing Director (sl-1 above) is the Executive Director of the Corporation. Directors stated at sl.2 above are non-official directors. Directors referred at Sl.3 to 10 (both inclusive) are ex-officio positions.

In terms of definition of independent director at clause 3.1.4 of the Guidelines on Corporate Governance issued by DPE, all directors of the Corporation are independent directors (except CMD, as he is not a part time Director).

10.4. Board Committee

i) Audit Committee

The Corporation has constituted Audit committee of the Board at 68th Board meeting held on 19th March, 2012 consisting of the following Directors;

- a) Shri Arun Kumar Goyal, General Manager, IDBI Bank Ltd.
- b) Shri Umesh Chandra Gaur, General Manager, SIDBI
- c) Shri G. Narayan Rao, CMD, Artificial Limbs Manufacturing Corporation

ii) Remuneration Committee

The Corporation reconstituted the remuneration committee at the 69th Board meeting of the Corporation held on 25th June, 2012 consisting of the following Directors;

- a) Director on the Board representing IDBI
- b) Director on the Board representing Internal Finance Division (IFD), Ministry of S.J.&E., GoI
- c) Director on the Board representing SIDBI

10.5. Annual General Meetings of the Corporation

Particulars of last three Annual General Meetings of the Corporation are as under;

Year	Date	Time	Venue	If any Special Resolution passed at the meeting
2011	23.9.2011	12.00 Noon	Registered Office of the Corporation at Red Cross Bhavan, Sector-12, Faridabad-121007 (Haryana)	NO
2010	29.9.2010	11.00 A.M.	-do-	NO
2009	23.9.2009	4.00 P.M.	-do-	NO

National Handicapped Finance and Development Corporation

10.6. Means of communication:

The Corporation uses both print and electronic media for effective communication. Some of the important information /contents of the website of the Corporation www.nhfdc.nic.in are;

- i) Information pertaining to major activities /decisions of the Corporation is placed on monthly basis. Also, the said information is sent to the Administrative Ministry on monthly basis.
- ii) Information regarding RTI Applications received, responded etc.
- iii) Information pertaining to Directors and officers of the Corporation
- iv) Manual under Right to Information Act, 2005
- v) Schemes of the Corporation for benefit of Persons with Disabilities
- vi) Particulars of applicants (Students with Disabilities) whom scholarship has been sanctioned.
- vii) Name & Address of Non-Government Organisations whom loan had been released by the Corporation for the benefit of Persons with Disabilities.
- viii) Name, Address & telephone numbers of State Channelising Agencies of the Corporation.
- ix) Liaisoning Officer designated for matters concerning reservation for Persons with Disabilities, Scheduled Castes, Scheduled Tribes and Other Backward Classes.

The Corporation participates in various camps organized by Public Information Bureau, Ministry of Broadcasting, Government of India to propagate its schemes for the benefit of persons with Disabilities.

10.7. DIRECTORS – CHANGES DURING FINANCIAL YEAR

During the financial year 2011-12, following changes had taken place in the Board of Directors of the Corporation:

Sl.	Name of Director	Tenure	
		From	To
1.	Shri Deepak Gupta, General Manager, IDBI Bank Ltd.	1.4.2005	10.11.2011
2.	Shri Ram Niwas Yadav, General Manager, SIDBI	26.2.2009	10.11.2011
3.	Dr. (Smt) Vinita Sharma, Dept. of Science & Technology, GoI	21.5.2009	Continuing
5.	Shri A.N. Jha, Joint Secretary & Financial Adviser, Ministry of Social Justice & Empowerment, GoI	10.11.2011	Continuing
6.	Shri Pankaj Joshi, Joint Secretary (DD), Dept. of Disability Affairs, Ministry of Social Justice & Empowerment, GoI	10.11.2011	Continuing
7.	Shri M.P. Singh, Addl. Development Commissioner, MSME	10.11.2011	Continuing
8.	Shri Hardip Singh Kingra, CMD, National Scheduled Castes Finance and Development Corporation	10.11.2011	Continuing
9.	Shri G. Narayan Rao, CMD, Artificial Limbs Manufacturing Corporation	10.11.2011	Continuing
10.	Shri Umesh Chander Gaur, General Manager, SIDBI	10.11.2011	Continuing
11.	Shri Arun Kumar Goyal, General Manager, IDBI Bank Ltd.	10.11.2011	Continuing



10.8. ATTENDANCE OF DIRECTORS AT BOARD MEETING

The particulars regarding attendance of Directors at Board meetings held during the financial year 2011-12 is as follows:

Sl.	Name of Director	No. of Board meetings held during the tenure (in 2011-12)	No. of Board meetings attended
1.	Shri Harsh Bhal	4	4
2.	Shri Deepak Gupta	2	2
3.	Shri Ram Niwas Yadav	2	-
4.	Dr. (Smt) Vinita Sharma	4	4
5.	Shri A.N. Jha	1	-
6.	Shri Pankaj Joshi	1	- *
7.	Shri M.P. Singh	1	-
8.	Shri Hardip Singh Kingra	1	-
9.	Shri G. Narayan Rao	1	1
10.	Shri Umesh Chander Gaur	1	1
11.	Shri Arun Kumar Goyal	1	1

Note : MSJE notification concerning appointment of Directors Sl. 5 to 11 was issued on 9.12.2011 and received with NHFDC on 22.12.2011. Hence, notice for 67th BOD meeting of the Corporation held on 9.12.2011 could not be issued to concerned directors appointed by the said notification.

* Representative of Shri Pankaj Joshi, JS(DD), MSJE was present at 1 (One) BOD meeting.

10.9. IMPORTANT DECISIONS TAKEN BY BOARD OF DIRECTORS DURING FINANCIAL YEAR 2011-12

During the financial year 2011-12, the Corporation had taken certain important decisions, which are summarized as follows:

a) INCENTIVE SCHEME FOR HIGHER TURNOVER

The Corporation has come out with an incentive policy for higher turnover thereby rewarding the SCAs with incentives based on achievement of higher loan off-take from the Corporation and fulfillment of other conditions of the scheme. This policy would ultimately benefit the target group and extend the coverage of more persons with disabilities under NHFDC schemes.

b) SKILL AND ENTREPRENEURIAL DEVELOPMENT SCHEME -AMENDMENT OF ELIGIBILITY CRITERIA

The Corporation has brought out amendments in skill and EDP Scheme to make it more effective and address the needs of the target group. The following major changes were brought about the scheme,

- the minimum age for getting the training under grant assistance provided by the corporation was lowered to 15 years.

- the duration of training has been enhanced from 6 (six) months to 12 (twelve) months and
- the monetary ceiling of grant amount per state per financial year has been removed.

c) LOAN WAIVER IN CASE OF DEATH OF BENEFICIARY

The corporation allowed loan waiver in the event of death of a beneficiary w.e.f. 9th December, 2011 on the same terms/manner/Guidelines as is allowed to beneficiaries of National Scheduled Castes Finance and Development Corporation under its scheme for loan waiver in the event of death of beneficiary.

d) COLLABORATIVE ARRANGEMENT WITH VOCATIONAL REHABILITATION CENTRE FOR HANDICAPPED (VRCs)

Skill is an essential element in the survival and growth of the business unit. The corporation intends to provide the much needed training facilities to the persons with disabilities, thereby making them acquire the required skills to successfully run/employ themselves in the income generating activities.

To meet the challenge of extending the training to the target group, the Corporation has tied up with Vocational Rehabilitation Centre (VRC) Directorate of Employment & Training, Ministry of Labour and Employment for providing training to Persons with Disabilities.

e) IMPLEMENTATION OF SCHEMES THROUGH SCHEDULED COMMERCIAL BANKS/REGIONAL RURAL BANKS etc. UNDER CREDIT GUARANTEE SCHEME FOR MICRO AND SMALL ENTERPRISES (CGS) OF CREDIT GUARANTEE FUND TRUST FOR MICRO AND SMALL ENTERPRISES (CGTMSE)

The corporation has opened up alternate channel for extending financial assistance to persons with disabilities by entering into collaborative arrangements with Scheduled Commercial Banks, Regional Rural Banks or other eligible institutions under Credit Guarantee Scheme for Micro and Small Enterprises (CGS) of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).

Under the above arrangement, financial assistance can flow to persons with disabilities for eligible projects under CGTMSE and that the borrower (PwD) need not provide any collateral security for availing the financial assistance.

As on date, the corporation has entered into collaborative arrangement with 17 Regional Rural Banks (RRBs) for the aforesaid purpose.

f) ENHANCEMENT IN DELEGATION OF AUTHORITY TO SCA

The delegated authority in favour of State Channelizing Agencies to sanction loan has been enhanced from Rs. 3.00 lac to Rs.5.00 lac with effect from 23rd August, 2011, i.e. the State Channelising Agencies can sanction on their own projects involving cost outlay up to Rs.5.00 Lac. This would make the lending process faster and smoother.



g) YUVA SWAVALAMBAN YOJNA

In order to extend financial assistance to young professionals amongst persons with disabilities, the Corporation has framed a policy wherein loan upto Rs.5.00 lac (Max.) can be provided at concessional rate of interest.

h) REMOVAL OF INCOME CRITERIA

The corporation has removed the income criteria from its eligibility preconditions for assistance under NHFDC scheme. This would not only dispense with the requirement of income certificate, but would also simplify the lending process.

i) RELAXATION IN LIQUIDATED DAMAGES ON DEFAULTED PAYMENTS AND PENAL INTEREST TO GOOD PERFORMING SCAs:

The Corporation has taken a practical view of the lending process and allowed relaxation to good performing State Channelising Agencies from the requirement of higher rate of interest(s)/liquidated damages on default in repayments and unutilisation of loan subject to fulfilment of specified conditions.

11. IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

The Corporation believes in transparency in its workings. Company Secretary of the Corporation is presently designated as CPIO. Alternate PIOs have also been nominated to look after matters concerning RTI Act, 2005 in the absence of CPIO. The Corporation takes a liberal view while dealing with RTI application and wherever applications are received without any application fee or other defects, the Corporation educates them for making the application properly so that information can be furnished to them. Also, particulars of applications received, rejected, responded, appeals made etc. are updated on the website of the Corporation www.nhfdc.nic.in pursuant to DOPT O.M. No. 4/10/2011-IR dated 18.5.2011.

The Corporation also uploads information pertaining to RTI applications in specified format with CIC website www.cic.gov.in on quarterly basis.

Particulars of RTI applications received during 2011-12 are as under:

a) No. of applications received	- 43	
b) No. of applications responded/disposed off	- 43	(including 2 applications which were responded in April, 2012)
c) No. of cases where information was denied	- Nil	
d) No. of appeals made	- 3	
e) No. of appeals decided	- 3	
f) Penalties/stricture on CPIO received	- Nil	

11.1. Initiative of the Corporation for better implementation of RTI Act, 2005:

The Corporation intends to make its website rich in content/information so that the information is disseminated to general public. Recently the Corporation has taken initiative to elicit queries on its schemes so that the same is answered with sufficient information

The following icon is to be clicked on the website of NHFDC for asking any information.

PLEASE ASK A QUESTION

In this process, the Corporation would identify major issues, information requirement of the general public and provides the relevant information in its website.

12. ACKNOWLEDGEMENTS

Your Directors are grateful to various Government Departments specifically M.S.J.&E. and DPE, Company's Auditors and Comptroller and Auditor General of India for their continued guidance and advice.

For and On behalf of Board of Directors

Date : 11/9/2012

Place: Faridabad

Sd/-
(Harsh Bhal)

Chairman-cum- Managing Director



Annexure-I

STATE CHANNELISING AGENCIES OF THE CORPORATION

Sl.	State/UT	State Channelising Agency
1.	Andaman and Nicobar Islands (General Loan Agreement is yet to be executed)	Andaman and Nicobar Islands Integrated Development Corporation Ltd., Vikas Bhawan, Post Box No.180 Port Blair, A&N – 744 101
2.	Andhra Pradesh	Andhra Pradesh Vikalangula Cooperative Corporation B.R.K.R. Bhawan, Hyderabad – 500 063.
3.	Arunachal Pradesh (General Loan Agreement is yet to be executed)	Arunachal Pradesh State Co-operative Apex Bank Ltd. P.O. & T. Naharlagun “D” Sector, District: Papum Pare, Arunachal Pradesh-791 110
4.	Assam	The Assam Cooperative Apex Bank Ltd., Pan Bazar, Guwahati-781 001.
5.	Bihar (General Loan Agreement was executed on 22.2.2012)	Bihar State Backward Classes Finance & Development Corporation, 4 th Floor, Sone Bhawan, Birchand Patel Marg, Patna-800 001 (Bihar)
6.	Chandigarh	Chandigarh Child & Women Development Corporation Limited, Town Hall Building, 3 rd Floor, Sector-17C, Chandigarh-160 017
7.	Chhattisgarh	Chhattisgarh Nishakat-Jan Vitt Avam Vikas Nigam An Undertaking of Social Welfare Deptt, Old DRDA Bhawan, Collectorate Parisar, Raipur -492 001 (Chhattisgarh)
8.	Dadra and Nagar Haveli, Daman & Diu (General Loan Agreement is yet to be executed)	Dadra and Nagar Haveli, Daman & Diu SC/ST, OBC and Minorities Financial and Development Corporation Limited., 2 nd Floor, Right Wing, P.W.D. Complex, Dadra & Nagar Haveli, SILVASSA-396230
9.	Delhi	Delhi SC/ST/OBC, Minorities, Handicapped Financial & Development Corporation Ltd. Ambedkar Bhavan, Institutional Area, Sector-XVI, Rohini, New Delhi-110085
10.	Goa	Goa State Scheduled Castes and OBCs Finance and Development Corporation Ltd., 4 th Floor, Patto Centre, Near Kadamba Bus Stand, Panaji – 403 001 (Goa).
11.	Gujarat	Gujarat Minorities Finance & Development Corporation Limited, 2 nd Floor, Block No. 11, Dr. Jivraj Mehta Bhavan, Gandhinagar – 382 010.
12.	Haryana	Haryana Backward Classes & Economically Weaker Section Kalyan Nigam Ltd., S.C.O. No. 813-14, Sec-22A, Chandigarh-160 022.
13.	Himachal Pradesh	H.P. Minorities Finance & Development Corporation, S.D.A. Complex, Block No. 38, Ist Floor, Kasumpti, Shimla – 171 009.

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Sl.	State/UT	State Channelising Agency
14.	Jammu & Kashmir	<p>Jammu & Kashmir State Women's Development Corporation Ltd., Behind Hotel Rigadoon, Dal Gate, A-Block, Old Secretariat, Srinagar - 190 001 <u>(from May to October)</u></p> <p>615-A, Gandhi Nagar, Jammu-180 012 <u>(from November to April)</u></p> <p>J&K SC, ST, OBC Development Corporation Ltd., Exchange Road, Near Red Cross, Dharamnath Trust, Council, Srinagar - 190 001 <u>(from May to October)</u></p> <p>Romesh Market, Shastri Nagar, Jammu -180 004 <u>(from November to April)</u></p>
15.	Jharkhand	Jharkhand State Tribal Co-operative Development Corporation Ltd. Balihar Road, Morabadi, Ranchi –834 004
16.	Karnataka	Karnataka State Women Development Corporation Ltd., 6th Floor, Jayanagar Shopping Complex, Jayanagar, Bangalore-560 011.
17.	Kerala	<p>Kerala State Handicapped Persons Welfare Corporation Ltd., T.C. 17/230(1) Juvenile Home Compound, Poojappura, Thiruvananthapuram – 695 012.</p> <p>Kerala State Womens Development Corporation Ltd., Basant- T.C. 20/2170, Near ManMohan Banglo Kodisar, Thiruvananthapuram – 695 012.</p>
18.	Lakshadweep	Lakshadweep Khadi and Village Industries Board, Kavaratti – 682 555, Union Territory of Lakshadweep.
19.	Madhya Pradesh	<p>M.P. Pichra Varg Tatha Alpsankhayak Vitta Aivam Vikas Nigam , Rajiv Gandhi Bhawan, 1st Floor, 35, Shyamla Hills, Bhopal – 462 002.</p> <p>Madhya Pradesh Rajya Sahkari Anusuchit Jati Vitta Aivam Vikas Nigam Ltd., Rajiv Gandhi Bhawan, 35, Shyamla Hills, Bhopal – 462 002.</p> <p>Madhya Pradesh Adivasi Vitt Evam Vikas Nigam, 35, Shyamla Hills, Rajiv Gandhi Bhawan, Bhopal – 462 002.</p> <p>Madhya Pradesh Viklang Kalyan Tatha Vikas Samiti, 1250, Tulsi Nagar, Bhopal – 462 003</p>



Sl.	State/UT	State Channelising Agency
20.	Maharashtra	Maharashtra State Handicapped Finance & Development Corporation Ltd., Room No. 74, Maharashtra Housing Board Building, Ground Floor, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra – 400 051
21.	Manipur (General Loan Agreement is yet to be executed)	Manipur State Womens' Development Corporation Limited, Directorate building, Near 2 nd M.R. Gate, Social Welfare Department Building, Imphal- 795 001, Manipur.
22.	Meghalaya	The Meghalaya Co-operative Apex Bank Ltd, Mahatma Gandhi Road, Shillong – 793 001.
23.	Mizoram	Mizoram Rural Bank, Head Office, B-5, Babu Tilla, Zarkawt, Aizwal, Mizoram-796 001
24.	Nagaland	Department of Social Security & Welfare, Nagaland Civil Secretariat, Government of Nagaland, Kohima-797 001.
25.	Orissa	Mahila Vikas Samabaya Nigam, Block-A-1, Ground Floor, Toshali Plaza, Satyanagar, Bhubaneswar-751 007.
26.	Puducherry	Pondicherry Corporation for Development of Women and Handicapped Persons Ltd., No. 30, Second Cross, Ponnagar , Reddiar Palayam, Puducherry- 605010
27.	Punjab	Punjab SC Land Finance & Development Corpn. SCO No. 101/103, Sector-17C, Chandigarh-160 017
28.	Rajasthan	Rajasthan S.C. & S.T. Finance & Development Coop-erative Corporation Ltd, Nehru Sahakar Bhawan, Central Block, IIIrd Floor, Bhawani Singh Marg, Jaipur – 382 001
29.	Sikkim	Sikkim SCs, STs & OBCs Development Corporation Ltd., Sonam Tshering Marg, Gangtok, Sikkim – 737101
30.	Tripura	Tripura Scheduled Caste Co-operative Development Corporation Ltd, P.O. Lake Chowmuhani, Agartala, West Tripura – 799 001
31.	Tamil Nadu	Tamil Nadu State Apex Cooperative Bank Limited, No. 4 (Old No. 233), Netaji Subash Chandra Bose Road, Chennai – 600 001.(T.N.)
32.	Uttarakhand	Uttaranchal Bahuudeshiye Vitta Evam Vikas Nigam Ltd., Bhawan No. 161, Nehru Nagar, (Old Nehru Colony, Haridwar Road), Dehradun – 248 001
33.	West Bengal	West Bengal Women Development Undertaking , LA Block, B-7, Sector-III, Salt Lake City, Kolkata – 700 091 (West Bengal).

Annexure-II

STATEWISE DISTRIBUTION OF LOAN

(Amount in ₹ Crores)

S.No.	State	2010-2011		2011-2012	
		Amount Disbursed	No. of Beneficiaries	Amount Disbursed	No. of Beneficiaries
1.	Assam	0.91	100	0.00	0
2.	Chandigarh	0.11	48	0.02	8
3.	Chattisgarh	2.33	152	2.85	160
4.	Delhi	0.40	144	0.10	36
5.	Goa	0.10	8	0.10	8
6.	Gujarat	0.30	76	1.70	435
7.	Haryana	1.93	292	9.27	1838
8.	Himachal Pradesh	2.33	208	2.20	228
9.	Jammu & Kashmir	0.99	105	1.57	176
10.	Jharkhand	0.97	78	0.00	0
11.	Karnataka	1.00	200	0.70	101
12.	Kerala	0.00	0	2.18	290
13.	Lakshadweep	0.19	22	0.10	13
14.	Madhya Pradesh	0.86	88	0.02	1
15.	Maharashtra	4.09	310	2.42	319
16.	Meghalaya	0.10	20	0.53	85
17.	Mizoram	0.50	178	0.00	0
18.	Orissa	1.76	365	0.36	27
19.	Pondicherry	0.39	74	2.83	392
20.	Punjab	0.73	80	1.50	320
21.	Rajasthan	2.01	239	1.35	124
22.	Sikkim	0.06	2	0.05	13
23.	Tamil Nadu	7.96	3239	8.79	3624
24.	Uttar Pradesh	0.00	0	4.65	921
25.	Uttaranchal	0.35	56	7.27	1444
26.	West Bengal	1.47	272	0.32	62
	Total	31.84	6356	50.86	10625



Annexure –III

ACHIEVEMENTS OF MOU 2011-12 TARGETS

Sl.	Particulars	Unit	Weight-age (in %)	Target (Excellent)	Achievement
1.	Static/Financial Parameters (40%)				
1.1	Gross Margin	₹Cr.	11	4.58	4.34
1.2	Disbursements	₹Cr.	13	50.00	50.86
1.3	% of total resources mobilized from source other than grant in aid of Government	%	03	50.00	50.86
1.4	Gross Margin / Total employment of the CPSE at the year-end as per Audited Accounts	Ratio	02	0.1348	0.1447
1.5	Recoveries as a % of amount due	%	05	73.05	73.25
1.6	Recoveries as a % of amount overdue for varying years	%	06	3.92	39.64
	Sub-Total (1) (1.1+1.2+1.3+1.4+1.5+1.6)		40		
2.	Non-financial Parameters* (60%)				
2.1	No. of Beneficiaries assisted during the year	Nos.	10	10000	10625
2.2	% age of beneficiaries inspected during the year	%	10	0.48	0.61
2.3	% age of beneficiaries found during inspection to have possessed the assets created	%	08	84.25	85.28
2.4	Workshops /Awareness Creation Programmes	Nos.	06	14	18
2.5	%age of assisted beneficiaries found during inspection to have crossed poverty line	%	02	8	60.38
2.6	Submission to DPE of completed data- sheet for PE Survey and penalties	Time line	01	15/9/11	15.10.2011
2.7	Minority representation (new recruitment/ representation of member belonging to Minority community in selection committee/ board)	No.	01	--	1
3.	%age Reduction in Non- performing assets – year wise break up	%	05	7.48	-283.12
4.	Participation in Regional /State Fairs/ Camps/Exhibitions	Nos.	05	15	16
5.	No of target group provided Entrepreneurship Development / skill development programme that help them to secure employment	Nos.	04	689	709
6.	Strategic plan prepared	Time line	02	30/9/11	Not Prepared
7.	Partnership with Government departments to leverage existing schemes	Nos.	02	3	3
8.	Partnership with EDP institutes to train beneficiaries	Nos.	02	3	3
9.	Networking with various institutions to achieve their mission	Time line	02	31/12/11	Before 31.12.2011
	Sub-total 2: (2+3+4+5+6+7+8+9)		60		
	Total (1+2)		100		

Annexure-IV

EDPs & Skill Development Trainings organized during 2011-12

State	Name of Consultancy	EDP Name	No. of Trainee	No. of EDPs
Karnataka	AEPC RD&LWF	Training in Advanced Special Machine Operator Course	40	2
Rajasthan	CIPET, Jaipur	Certificate course in Auto CAD	20	1
		Certificate course in Mould Polishing and Inspection	20	1
		Certificate course in Injection Moulding Machine	25	1
Orissa	VRC for Handicapped, Bhubaneswar	Typing and Computer	8	1
		Radio & TV	9	1
		Carpentry & Cane Work	7	1
		Metal	3	1
Gujarat	VRC for Handicapped, Ahmedabad	Radio & TV	10	1
		Refrigeration & AC	10	1
		Auto Repair	10	1
		Stenograph & Commercial Practice	10	1
		Armature & Coil Winding	10	1
		Metal	10	1
		Book Binding	10	1
Maharashtra	VRC for Handicapped, Mumbai	Commercial Practice Basic Computer	27	2
		Art & Crafts (Desk Publishing)	12	2
		Printing/Book Binding	8	2
		Electrical/Electronics	14	2
		Radio & TV	13	2
		Automobile Engineering	6	2
		Cutting & Tailoring	13	1
Uttar Pradesh	VRC for Handicapped, Kanpur	Cutting & Tailoring	7	2
		Radio & TV	8	2
		Dress Making & Hosiery	9	2
		Carpentry	3	1
		Electrical/Electronics	20	2
		Commercial	13	1
Himachal Pradesh	VRC for Handicapped, Una	Computer Application	10	1
		Automobile Mechanic	10	1
		Dress Making	10	1
		General Electronics	10	1
Haryana	ATDC, Ballabgarh	Sewing Machine Operator Course	25	1



State	Name of Consultancy	EDP Name	No. of Trainee	No. of EDPs
Andhra Pradesh	VRC for Handicapped, Hyderabad	Cutting & Tailoring	100	1
		Electronics		1
		Carpentry & Cane Weaving		1
		Watch & Clock		1
		Secretarial Practice		1
		Automobile Engineering		1
		Printing & Book Binding		1
		Refrigeration & Air Conditioning		1
		Metal		1
Tamil Nadu	VRC for Handicapped, Chennai	Commercial	20	1
		Domestic Appliances	20	1
		Metal	20	1
		Radio, TV & Electronics	20	1
		Photography	20	1
		Secretarial Practice	20	1
		Tailoring and Embroidery	20	1
		Screen Printing	20	1
Madhya Pradesh	VRC for Handicapped, Jabalpur	Arc Welder/Welding (Metal)	11	1
		Home Appliances Repairing (TV & Radio)	6	1
		Computer Application (MS Word Excel & Internet)	12	1
Total			709	64

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Annexure – V

PERFORMANCE/CONTRIBUTION OF SCAS IN DISBURSEMENT OF LOAN

Vis-à-vis Notional Allocation : As on 31.03.2012

(Amt. in ₹ Cr.)

S.No.	Name of SCAs/State	Notional Allocation (Amount)	Disbursement (Amount)	Reason for non achievement of the notional allocation
1.	A.P. Vikalangula Cooperative Corpn, Andhra Pradesh (APVCC)	3.77	Nil	i) Non repayment of overdue. ii) Non submission of proposals by APVCC
2.	Andaman and Nicobar Islands Integrated Dev. Corpn., Andaman and Nicobar (ANIIDC)	0.20	Nil	Non execution of GLA by ANIIDC.
3.	Assam Cooperative Apex Bank, Assam (ACAB)	4.64	Nil	i) Non repayment of outstanding dues. ii) Non receipt of sufficient proposals from ACAB
4.	Arunachal Pradesh Co-operative Apex Bank, Arunchal Pradesh (APCAB)	0.20	Nil	Non execution of GLA & BGG by APCAB.
5.	Bihar State Backward Classes Finance & Development Corporation, Bihar (BSBCFDC)	5.22	Nil	-
6.	Chandigarh Child & Women Development Corporation Limited, Chandigarh (CCWDC)	0.20	0.02	Non receipt of sufficient proposals from CCWDC
7.	Chattisgarh Nishaktjan Vitta Aivam Vikas Nigam, Chattisgarh (CNVAVN)	2.14	2.85	-
8.	Delhi SC/ST/OBC, Minorities, Handicapped Financial & Development Corporation Ltd., Delhi (DSFDC)	0.65	0.10	Non receipt of proposals from SCA
9.	Dadra and Nagar Haveli, Daman & Diu SC/ST, OBC and Minorities Financial and Development Corporation Limited. Dadra and Nagar Haveli, Daman & Diu (DNHDDSCSTOBCMFDC)	0.40	Nil	Non execution of GLA by DNHDDSCSTOBCMFDC.
10.	Goa State Scheduled Caste and OBC Finance Development Corporation Limited, Goa (GSSCOBCFDC)	0.20	0.10	Non receipt of proposals from GSSCOBCFDC
11.	Gujarat Minorities Finance & Development Corporation Limited, Gujarat (GMFDC)	3.39	1.70	i) Non availability of sufficient Block Govt. Guarantee from State Govt. ii) Non-repayment of overdue. iii) Non-submission of utilization details.
12.	Haryana Backward Classes & Economically Weaker Section Kalyan Nigam, Haryana (HBCKN)	4.53	9.25*	*Including funds given to two RRBs (Rs.7.00 Crore)



S.No.	Name of SCAs/State	Notional Allocation (Amount)	Disbursement (Amount)	Reason for non achievement of the notional allocation
13.	H.P. Minorities Finance & Development Corporation, Himachal Pradesh (HPMFDC)	1.80	2.20	-
14.	J&K State Women's Development Corporation, Jammu & Kashmir (JKWDC)	0.32	0.57	--
15.	J&K SC, ST, OBC Development Corporation Ltd, Jammu & Kashmir (JKSCSTOBCDC)	0.52	1.00	i) Non availability of sufficient Block Govt. Guarantee from State Govt. ii) Non-repayment of overdue. iii) Non-submission of utilization details.
16.	Jharkhand Tribal Development Corporation, Jharkhand (JTDC)	1.24	Nil	i) Non-repayment of overdue. ii) Non-submission of utilization details. iii) Non receipt of sufficient proposals from JTDC.
17.	Karnataka State Women Development Corporation Ltd., Karnataka (KSWDC)	2.60	0.70	i) Non-repayment of overdue. ii) Non-submission of utilization details iii) Non receipt of proposals from KSWDC.
18.	Kerala State Handicapped Persons Welfare Corporation Ltd., Kerala (KSHPWC)	2.38	2.18	i) Non availability of sufficient Block Govt. Guarantee from State Govt. ii) Non-repayment of overdue. iii) Non-submission of utilization details.
19.	Lakshadweep Khadi and Village Industries Board, Lakshadweep (LKVIB)	0.20	0.10	Non-receipt of sufficient proposals.
20.	M.P. Pichra Varg & Alp-sankhayak Vitt Evam Vikas Nigam, Madhya Pradesh (MPPVAVVN)	0.74	0.10	Non-repayment of overdue.
21.	M.P. Rajya Sahkari Anusuchit Jati Vitta Aivam Vikas Nigam, Madhya Pradesh (MPRSAJVAVN)	2.64	Nil	i) Non availability of sufficient Block Govt. Guarantee from State Govt. ii) Non-repayment of overdue
22.	M.P. Adivasi Vitt Evam Vikas Nigam , Madhya Pradesh (MPAVVN)	0.20	Nil	i) Non availability of sufficient Block Govt. Guarantee from State Govt. ii) Non-repayment of overdue iii) Non-submission of utilization details.
23.	M.P. Handicapped Welfare & Development Society, Madhya Pradesh (MPHWDS)	0.20	0.05	i) Non availability of sufficient Block Govt. Guarantee from State Govt. ii) Non-receipt of proposals
24.	Maharashtra State Handicapped Finance & Dev. Corpn., Maharashtra (MSHFDC)	4.34	2.42	i) Non availability of sufficient Block Govt. Guarantee from State Govt. ii) Non-repayment of overdue iii) Non-submission of utilization details.

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S.No.	Name of SCAs/State	Notional Allocation (Amount)	Disbursement (Amount)	Reason for non achievement of the notional allocation
25.	Meghalaya Co-operative Apex Bank Ltd, Meghalaya (MCAB)	0.25	0.53	—
26.	Manipur State Women Development Corporation, Manipur (MSWDC)	0.25	Nil	Non execution of GLA & BGG by MSWDC.
27.	Mizoram Rural Bank, Mizoram (MRB)	0.50	Nil	i) Non availability of sufficient Block Govt. Guarantee from State Govt. ii) Non-receipt of proposals from MRB.
28.	Department of Social Security & Welfare, Nagaland (DSSW)	0.23	Nil	i) Non-repayment of overdue. ii) Non receipt of proposals from DSSW.
29.	Mahila Vikas Samabaya Nigam, Orissa (MVSN)	2.82	0.36	Non receipt of proposals from MVSN.
30.	Pondicherry Corporation for Development of Women and Handicapped Persons Ltd., Pondicherry (PCDWHP)	0.80	2.83	—
31.	Punjab SC Land Finance & Development Corpn., Punjab (PSCLFDC)	1.17	1.50	—
32.	Rajasthan S.C. & S.T. Finance & Development Cooperative Corporation, Rajasthan (RSCSTFDCC)	3.90	1.35	Non receipt of proposals from RSCSTFDCC.
33.	Sikkim SC, ST & OBC Development Corporation Ltd., Sikkim (SSCTOBCDC)	0.20	0.05	Non receipt of sufficient proposals from SSCTOBCDC.
34.	Tripura Scheduled Caste Co-operative Development Corporation Ltd, Tripura (TSCCDC)	0.52	Nil	i) Non availability of sufficient Block Govt. Guarantee from State Govt. ii) Non-repayment of overdue iii) Non-submission of utilization details.
35.	Tamil Nadu State Apex Cooperative Bank Limited, Tamil Nadu (TNSACBL)	4.54	8.79	—
36.	Uttar Pradesh through RRBs	9.55	4.65	Non-receipt of proposals
37.	Uttaranchal Bahuudeshiye Vitta Aivam Vikas Nigam, Uttaranchal (UBVAVN) and through RRBs	0.54	7.27	—
38.	West Bengal Women Development Undertaking, West Bengal (WBWDU)	5.11	0.32	i) Non-repayment of overdue ii) Non receipt of sufficient proposals from WBWDU.
	Total	73.31	50.86	



Annexure – VI

REPRESENTATION OF THE PERSONS WITH DIABILITY AS ON 31.03.2012

Group	Number of Employees				DIRECT RECRUITMENT								PROMOTION							
					No. of Vacancies reserved			No. of Appointments Made during the year 1.4.2011 to 31.3.2012					No. of Vacancies Made			No. of Appointment Made				
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		
A	12	--	1	--	--	1	--	1	--	--	--	--	--	--	--	--	--	--		
B	1	--	--	--	--	1	--	--	--	--	--	--	--	--	--	--	--	--		
C	12	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		
D	5	--	1	--	--	*1	--	--	--	--	--	--	--	--	--	--	--	--		
Total	30	--	2	--	--	2	1	1	--	--	--	--	--	--	--	--	--	--		

Note:

- (i) VH stands for Visually Handicapped (Persons suffering from blindness or low vision).
- (ii) HH stands for Hearing Handicapped (Persons suffering from hearing impairment).
- (iii) OH stands for Orthopedically Handicapped (Persons suffering from locomotor Disability or Cerebral Palsy).

* Post reserved for HH category has been filled by candidate belonging to HH category against U/R category.

REPRESENTATION OF SCs, STs, AND OBCs AS ON 31.03.2012

Group	Number of Employees				Number of Appointment made during the previous Financial year (01.04.2011 - 31.03.2012)										
					By Direct Recruitment				By Promotion			By other Methods			
	Total	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	12	02#	--	03*	01	--	--	--	--	--	--	--	--	--	
Group B	01	--	--	--	--	--	--	--	--	--	--	--	--	--	
Group C	12	01	--	03	--	--	--	--	--	--	--	--	--	--	
Group D (Excluding Safai Karamcharis)	05	01#	--	01	--	--	--	--	--	--	--	--	--	--	
Group D (Safai Karamcharis)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Total	30	04	--	07	01	--	--	--	--	--	--	--	--	--	

Note:

- (i) SCs stands for Scheduled Castes
- (ii) STs stands for Scheduled Tribes
- (iii) OBCs stands for Other Backward Classes

One employee each in group A & group D belonging to SC category have been recruited in U/R category.

* One group A employee belonging to OBC category has been recruited in U/R category.



Annexure –VIII

Management’s replies on observations/ qualifications in the report of Statutory Auditors for the financial year 2011-12

Para	Observation of Statutory Auditors	Management’s Reply
4.6.1	<i>The Corporation has recognized Rs 1,14,762 as income for the current year , although this pertains to interest on accounts which have been declared Non Performing Assets. This in our opinion is not correct. However full provision has been made for this amount.</i>	<p>The provisioning has been made as per the approved policy of the Corporation. The income has been recognized as per accrual basis of accounting followed by the corporation.</p> <p>(Reference: Para 1.5 of Note-1 of Annual Accounts).</p>
4.6.2	<i>The Loan register and the General Ledgers had not been reconciled since many years. This has however now been done by an external agency, but no rectification entries have yet been passed. Thus the position remains the same as in the previous year and hence the Interest Income figure in the Income & Expenditure Account as well as the figure of Loans and Advances (only the portion of interest accumulated) in the Balance Sheet may not be correct. This should be dealt with in the Financial year 2012-2013 without further delay.</i>	<p>The corporation had engaged a Chartered Accountant Firm for the reconciliation of General Ledger with Loan ledgers upto financial year 2011-12. The said firm has already completed the reconciliation of General Ledger with Loan Ledgers which are yet to be cross-checked by the Corporation. The corporation shall take appropriate steps in this regard.</p> <p>The reconciliation of ledgers for earlier years shall be completed by 31.12.2012. The reconciliation of ledgers for current year shall be done on priority.</p>
4.6.3	<i>Neither penal Interest nor liquidated damages is being charged from the defaulting Channelizing agencies. Although a Board decision had been taken way back on 18.12.2003 to waive the interest, it was subject to obtaining permission from the Government of India. The last communication with the Government was on 20.03.2007 . No communication was received from the Government nor any follow up done thereafter. A calculation made by the Internal Auditors for the year 2011-2012 for penal interest (@3%) amounted to Rs.47.06 lakhs. This figure increases to a very large and material figure if in addition to the 3%, 2% penal interest and liquidated damages are also taken into concern and if these effects are given retrospective effect.</i>	<p>Matter shall be addressed by the Board of Directors so far as penal Interest and Liquidated damages are concerned.</p>

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Para	<i>Observation of Statutory Auditors</i>	Management's Reply
4.6.4	<i>The Corporation had filed an application for the Grant Of Exemption of Income Tax under Section 10(23)(c) (iv) of The Income tax Act, 1961, way back on 31st May 2006. Till date there has been no progress in obtaining the Exemption Certificate.</i>	<p>The Corporation has engaged a professional Chartered Accountant firm for guidance and taking up the matter with Income Tax Authorities on behalf of the Corporation for obtaining the exemption certificate at the earliest.</p> <p>Note-2.5 of Notes on accounts refers in this context.</p>
4.6.5	<i>The Internal Auditor was only appointed on 1st May 2012 for the financial year 2011-2012. Although the coverage of the Internal Audit was adequate, since the final report was received only on 12th July , 2012, all the rectifications could not be carried out before the completion of Statutory audit.</i>	The corporation would take appropriate steps to strengthen internal audit functions.
4.6.6	<p><i>The Corporation has for the benefit of its Employees created a separate Gratuity Trust namely “ NHFDC Employees Group Gratuity Scheme “ on 30th June 2011. However till date the following mandatory actions have not been taken :</i></p> <p><i>A. The Trust deed has not been registered under Section 12A of the Income tax Act, 1961.</i></p> <p><i>B. No separate accounts have been maintained by the new Trust.</i></p> <p><i>C. No Auditors have been appointed and consequently no Audit completed for the year ended 31st March, 2012.</i></p> <p><i>D. No Income Tax Permanent Account Number has been obtained.</i></p> <p><i>This is important for the Corporation because as per the Trust deed all expenses incurred by the new Trust in connection with the administration of the Fund etc., will have to be borne by the Corporation. Since the Trust is not yet registered any Income accruing to the Trust will be taxable income and Tax will have to be paid, which will ultimately fall on the Corporation as its liability.</i></p>	The observations are noted and appropriate measures shall be taken in this regard.



Para	Observation of Statutory Auditors	Management's Reply
4.6.7	<p><i>The Inter unit reconciliation between the Scholarship Scheme (National Fund) and Scholarship Scheme (Trust Fund) for persons with disabilities, has not been done till date. Thus the individual figures appearing in the Balance Sheet under these two heads may not be correct although the overall figures are correct.</i></p>	<p>The Corporation has been entrusted by Ministry of Social Justice & Empowerment, Government of India for administration of Scholarship to students with disabilities out of National Fund w.e.f. financial year 2009-10. The Corporation had specifically opened a savings bank Account for the said purpose. Later on, the corporation was entrusted with the administration of Scholarships to students with Disabilities out of Trust funds and Rs.5.10 Crore was received from Government on account of this fund on 24.1.2011. Since, there was no immediate requirement of outflow of funds from this scheme (Trust Fund), the entire amount was placed in Fixed Deposit Account.</p> <p>The matured amount of the Fixed Deposit of Rs.5.10 Cr. was kept with savings bank account opened for National Fund as a separate Bank account for this fund was yet to be opened for Trust Fund.</p> <p>Remittances under Trust Fund were made out of the aforesaid Bank account opened for National Fund. Later on, the balance amount pertaining to Trust Fund was transferred to the separate bank account opened for Trust Fund.</p> <p>The aforesaid bank accounts are reconciled.</p>
4.6.8	<p><i>The Credit Balance in the provision for Skill and Entrepreneurial Development Programme amounting to Rs.17,21,652 has not been reconciled. The correctness of this amount can only be ascertained after this reconciliation.</i></p>	<p>The Corporation shall take necessary action and address the issue during financial year 2012-13.</p>

Deepak Virmani, F.C.A

Abhijit Roy, F.C.A, L.L.B

Arun S. Kutty, F.C.A, D.I.S.A(ICAI)

Nitin Rajput, A.C.A

VIRMANI, ROY & KUTTY

CHARTERED ACCOUNTANTS

709-710, Ansal Chambers – II

6, Bhikaji Cama Place, New Delhi-110 066

Tel . : 26195564, 26193870, Fax : 26187790

E-mail : arunkutty@vrkca.com, vrkca@airtelmail.in

CERTIFICATE OF CORPORATE GOVERNANCE

To the members of

National Handicapped Finance and Development Corporation,

We have examined the compliance of the conditions of Corporate Governance by National Handicapped Finance and Development Corporation [“ the Corporation”] for the year ended on 31st March 2012, as envisaged in the Office Memorandum No.18(8)/2005-GM dated 14th May, 2010 issued by the Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Corporation for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Corporation.

In our opinion and to the best of our information and according to the explanations given to us, and according to the records and documents maintained by the Corporation, we certify that the Corporation has complied with the conditions of Corporate Governance, as stipulated in the guidelines on corporate governance issued by the Department of Public Enterprises for Central Public Sector Enterprises (CPSEs) except for the following:

- (a) *Policy for enterprise risk management is yet to be introduced by the Corporation;***
- (b) *Affirmation to the Code of conduct has not been signed by six out of the total of eight directors;***
- (c) *The time gap between two Board meetings exceeded more than three months;***
- (d) *The Corporation has not established whistle blower policy; and***
- (e) *The Audit Committee although constituted has not held any meetings during the financial year.***

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

**For Virmani, Roy & Kutty.,
Chartered Accountants
(Firm Regn. No. 010514N)**

**Sd/-
(ARUN SHANKARAN KUTTY)
Partner
Membership No. 084560**

**Place: NEW DELHI
Date : 10/09/2012**



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION FOR THE YEAR ENDED 31 MARCH 2012.

The preparation of financial statements of **National Handicapped Finance and Development Corporation** for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on the independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated **10.09.2012**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of **National Handicapped Finance and Development Corporation** for the year ended 31 March 2012. 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.

Based on 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 619(4) of the Companies Act, 1956.

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

Sd/-

(John K. Sellate)

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

Place : New Delhi.
Date : 25.09.2012

Deepak Virmani, F.C.A

Abhijit Roy, F.C.A, L.L.B

Arun S. Kutty, F.C.A, D.I.S.A(ICAI)

Nitin Rajput, A.C.A

VIRMANI, ROY & KUTTY

CHARTERED ACCOUNTANTS

709-710, Ansal Chambers – II

6, Bhikaji Cama Place, New Delhi-110 066

Tel . : 26195564, 26193870, Fax : 26187790

E-mail : vrkca@airtelmail.in , [website:http://www.vrkca.com](http://www.vrkca.com)

AUDITOR'S REPORT

TO THE MEMBERS OF NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION.

1. We have audited the attached Balance Sheet of **National Handicapped Finance and Development Corporation** as at 31st March, 2012 and the related Income & Expenditure Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Corporations' management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of materials misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. This report does not include the statement on the matters specified in the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, as the said order is not applicable to this corporation since it is registered under Section 25 of the said act.
4. We report that :
 - 4.1 We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 4.2 In our opinion, proper books of account as required by the law have been kept by the Corporation , so far as appears from our examination of the books;
 - 4.3 The Balance Sheet, Income & Expenditure Account and Cash Flow Statement dealt with by this report are agreement with the books of account ;
 - 4.4 In our opinion, the Balance Sheet, Income and Expenditure Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub- section 3(c) of section 211 of the Companies Act, 1956;
 - 4.5 The provisions of Section 274 (1) (g) of the Companies Act, 1956, are not applicable to the Corporation.
 - 4.6 In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements *subject* to :



- 4.6.1 *The Corporation has recognized Rs 1,14,762 as income for the current year, although this pertains to interest on accounts which have been declared Non Performing Assets . This in our opinion is not correct. However full provision has been made for this amount.*
- 4.6.2 *The Loan register and the General Ledgers had not been reconciled since many years. This has however now been done by an external agency, but no rectification entries have yet been passed. Thus the position remains the same as in the previous year and hence the Interest Income figure in the Income & Expenditure Account as well as the figure of Loans and Advances (only the portion of interest accumulated)in the Balance Sheet may not be correct. This should be dealt with in the Financial year 2012-2013 without further delay.*
- 4.6.3 *Neither penal Interest nor liquidated damages is being charged from the defaulting Channelizing agencies. Although a Board decision had been taken way back on 18.12.2003 to waive the interest, it was subject to obtaining permission from the Government of India. The last communication with the Government was on 20.03.2007. No communication was received from the Government nor was any follow up done thereafter. A calculation made by the Internal Auditors for the year 2011-2012 for penal interest (@3%) amounted to Rs.47.06 lakhs. This figure increases to a very large and material figure if in addition to the 3%, 2% penal interest and liquidated damages are also taken into concern and if these effects are given retrospective effect.*
- 4.6.4 *The Corporation had filed an application for the Grant Of Exemption of Income Tax under Section 10(23)(c) (iv) of The Income tax Act, 1961, way back on 31st May 2006. Till date there has been no progress in obtaining the Exemption Certificate.*
- 4.6.5 *The Internal Auditor was only appointed on 1st May 2012 for the financial year 2011-2012. Although the coverage of the Internal Audit was adequate, since the final report was received only on 12th July , 2012, all the rectifications could not be carried out before the completion of Statutory audit.*
- 4.6.6 *The Corporation has for the benefit of its Employees created a separate Gratuity Trust namely “ NHFDC Employees Group Gratuity Scheme “ on 30th June 2011. However till date the following mandatory actions have not been taken :*
- A. The Trust deed has not been registered under Section 12A of the Income tax Act, 1961.*
 - B. No separate accounts have been maintained by the new Trust.*
 - C. No Auditors have been appointed and consequently no Audit completed for the year ended 31st March, 2012.*
 - D. No Income Tax Permanent Account Number has been obtained.*

This is important for the Corporation because as per the Trust deed all expenses incurred by the new Trust in connection with the administration of the Fund etc., will have to be borne by the Corporation. Since the Trust is not yet registered any Income accruing to the Trust will be taxable income and Tax will have to be paid, which will ultimately fall on the Corporation as its liability.

4.6.7 The Inter unit reconciliation between the Scholarship Scheme (National Fund) and Scholarship Scheme (Trust Fund) for persons with disabilities, has not been done till date. Thus the individual figures appearing in the Balance Sheet under these two heads may not be correct although the overall figures are correct.

4.6.8 The Credit Balance in the provision for Skill and Entrepreneurial Development Programme amounting to Rs.17,21,652 has not been reconciled. The correctness of this amount can only be ascertained after this reconciliation.

And read together with the notes on accounts thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (i) In the case of the Balance Sheet, of the state of affairs of the Corporation as at 31st March, 2012;
- (ii) in the case of the Income and Expenditure Account, of the Surplus of the Corporation for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Virmani, Roy & Kutty
FRN: 010514N
Chartered Accountants

Sd/-
ARUN SHANKARAN KUTTY
(PARTNER)
M. NO. 084560

Date : 10/09/2012
Place : New Delhi



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National Handicapped Finance and Development Corporation

Balance Sheet as at 31 March, 2012

(Amount in Rupees)

	Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2.1	1,91,80,10,000	1,61,80,10,000
	(b) Reserves and surplus	2.2	31,30,08,635	27,58,26,539
	(c) Money received against share warrants		0	0
			2,23,10,18,635	1,89,38,36,539
2	Share application money pending allotment		0	5,00,00,000
3	Non-current liabilities			
	(a) Long-term borrowings		0	0
	(b) Deferred tax liabilities (net)		0	0
	(c) Other long-term liabilities		0	0
	(d) Long-term provisions	2.3	80,68,706	51,82,266
			80,68,706	51,82,266
4	Current liabilities			
	(a) Short-term borrowings		0	0
	(b) Trade payables		0	0
	(c) Other current liabilities	2.4	3,22,38,255	5,93,70,022
	(d) Short-term provisions	2.5	37,03,442	0
			3,59,41,697	5,93,70,022
	TOTAL		2,27,50,29,038	2,00,83,88,827
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	2.6	25,63,807	30,89,832
	(ii) Intangible assets		0	0
	(iii) Capital work-in-progress		0	0
	(iv) Intangible assets under development		0	0
	(v) Fixed assets held for sale		0	0
			25,63,807	30,89,832
	(b) Deferred tax assets (net)		-	-
	(c) Long-term loans and advances	2.7	1,63,18,24,458	1,39,54,61,440
	(d) Other non-current assets		0	0
			1,63,18,24,458	1,39,54,61,440
2	Current assets			
	(a) Current investments		0	0
	(b) Inventories		0	0
	(c) Trade receivables	2.8	2,05,77,727	1,75,39,571
	(d) Cash and cash equivalents	2.9	59,98,86,338	58,06,22,243
	(e) Short-term loans and advances	2.10	26,10,867	33,39,634
	(f) Other current assets	2.11	1,75,65,840	83,36,107
			64,06,40,773	60,98,37,555
	TOTAL		2,27,50,29,038	2,00,83,88,827
	Significant accounting policies	1		
	Accompanying notes on accounts forming part of the financial statements	2		
As per our audit report of even date attached.				
For and on behalf of M/s Virmani, Roy and Kutty Chartered Accountants Sd/- (Arun S. Kutty) Partner M.No. 84560 FRN : 010514N Date : 10/09/2012 Place : New Delhi			Sd/- (Arun Kumar Goyal) Director	For and Behalf of Board of Directors Sd/- (Harsh Bhal) Chairman -cum-Managing Director Sd/- (G.S.Panwar) Chief Manager (Finance)
			Sd/- (R.K.Mishra) Company Secretary	



Statement of Income & Expenditure Account for the year ended 31 March, 2012 (Amount in Rupees)

Particulars		Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross)	2.12	3,43,73,348	3,16,20,793
2	Other income			
	(a) Interest Income	2.13	4,88,22,207	1,26,58,540
	(b) Other Non Operating Income	2.13	75,358	64,508
3	Total revenue (1+2)		8,32,70,913	4,43,43,841
4	Expenses			
	(a) Employee benefits expense	2.14	2,47,34,507	1,83,63,226
	(b) Depreciation and amortisation expense	2.6a	7,48,265	9,79,423
	(c) Other expenses	2.15	1,57,92,175	85,08,033
	Total expenses		4,12,74,947	2,78,50,682
5	Surplus/ (Deficit) before exceptional and extraordinary items and tax (3 - 4)		4,19,95,966	1,64,93,159
6	Exceptional & extra ordinary items			
6.1	Add / (Less) :Prior Period Income/ (Expenses) (Net)	2.15a	(54,94,394)	(11,48,173)
6.2	Add Excess provision for earlier year written back		6,80,524	1,84,310
7	Surplus/ (Deficit) before extraordinary items and tax (5-6.1 + 6.2)		3,71,82,096	1,55,29,296
8	Surplus/ (Deficit) before tax		3,71,82,096	1,55,29,296
9	Tax expense:			
	(a) Current tax expense for current year		0	0
	(b) (Less): MAT credit (where applicable)		0	0
	(c) Current tax expense relating to prior years		0	0
	(d) Net current tax expense		0	0
	(e) Deferred tax		0	0
			0	0
10	Surplus/ (Deficit) from continuing operations (8 ± 9)		3,71,82,096	1,55,29,296
B	DISCONTINUING OPERATIONS			
11.1	Surplus/ (Deficit) from discontinuing operations (before tax)		0	0
11.2	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		0	0
11.3	Add / (Less): Tax expense of discontinuing operations			
	(a) on ordinary activities attributable to the discontinuing operations		0	0
	(b) on gain / (loss) on disposal of assets / settlement of liabilities		0	0
12	Surplus/ (Deficit) from discontinuing operations (11.1 ± 11.2 ± 11.3)		0	0
C	TOTAL OPERATIONS			
13	Surplus/ (Deficit) for the year (11 ± 12)		3,71,82,096	1,55,29,296
14	Earnings per share (of Rs. 1,000 each):			
	(a) Basic	2.17		
	(i) Continuing operations		21.33	11.47
	(ii) Total operations		21.33	11.47
	(b) Diluted			
	(i) Continuing operations		20.74	11.06
	(ii) Total operations		20.74	11.06
	Significant accounting policies	1		
	Accompanying notes on accounts forming part of the financial statements	2		

As per our audit report of even date attached.

For and on behalf of
M/s Virmani, Roy and Kutty
Chartered Accountants
Sd/-

(Arun S. Kutty)
Partner

M.No. 84560

FRN : 010514N

Date : 10/09/2012

Place : New Delhi

Sd/-
(Arun Kumar Goyal)
Director

For and Behalf of Board of Directors
Sd/-
(Harsh Bhal)
Chairman -cum-Managing Director

Sd/-
(G.S.Panwar)
Chief Manager (Finance)

Sd/-
(R.K.Mishra)
Company Secretary

National Handicapped Finance and Development Corporation

Cash Flow Statement for the year ended 31 March, 2012

(Amount in Rupees)

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
A. Cash flow from operating activities				
Net Surplus/ (Deficit) before extraordinary items and tax		3,71,82,096		1,55,29,296
<u>Adjustments for:</u>				
Depreciation and amortisation		7,48,265		9,79,423
Provision for impairment of fixed assets and intangibles		0		0
Amortisation of share issue expenses and discount on shares		0		0
(Profit) / loss on sale / write off of assets		52,226	52,895	(178)
Expense on employee stock option scheme		0		0
Provision for doubtful trade and other receivables, loans and advances		37,52,404		9,79,432
Operating Surplus/ (Deficit) before working capital changes		4,17,34,991		1,74,87,973
<u>Changes in working capital:</u>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories				
Trade receivables	(30,38,156)		(31,55,445)	
Short-term loans and advances	7,28,767		(5,06,730)	
Long-term loans and advances	(24,01,15,422)		(3,22,96,512)	
Other current assets	(92,29,733)		(63,89,729)	
Other non-current assets		(25,16,54,545)		(4,23,48,416)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables				
Other current liabilities	2,71,31,767)		3,28,66,824	
Other long-term liabilities	0		0	
Short-term provisions	37,03,442			
Long-term provisions	28,86,440		12,73,073	
		(2,05,41,885)		3,41,39,897
Cash flow from extraordinary items		(27,21,96,430)		(82,08,519)
Cash generated from operations		(23,04,61,438)		92,79,454
Net income tax (paid) / refunds		0		0
Net cash flow from / (used in) operating activities (A)		(23,04,61,438)		92,79,454
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(3,27,361)		(71,128)	
Proceeds from sale of fixed assets	52,895		10,393	
Inter-corporate deposits (net)				
Bank balances not considered as Cash and cash equivalents				
- Placed				
- Matured				
Current investments not considered as Cash and cash equivalents				
Cash flow from extraordinary items		(2,74,466)		(60,735)
Net income tax (paid) / refunds		0		0
Net cash flow from / (used in) investing activities (B)		(2,74,466)		(60,735)



Cash Flow Statement for the year ended 31 March, 2012

(Amount in Rupees)

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
C. Cash flow from financing activities and Reconciliation of Cash and Cash Equivalents				
Proceeds from issue of equity shares	25,00,00,000		50,00,00,000	
Proceeds from issue of preference shares				
Redemption / buy back of preference / equity shares				
Proceeds from issue of share warrants				
Share application money received / (refunded)				
Proceeds from long-term borrowings				
Repayment of long-term borrowings				
Net increase / (decrease) in working capital borrowings				
Proceeds from other short-term borrowings				
Repayment of other short-term borrowings				
Finance cost				
Dividends paid				
Tax on dividend				
Cash flow from extraordinary items		25,00,00,000		50,00,00,000
Net cash flow from / (used in) financing activities (C)		25,00,00,000		50,00,00,000
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		1,92,64,095		50,92,18,719
Cash and cash equivalents at the beginning of the year		58,06,22,243		7,14,03,524
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents				
Cash and cash equivalents at the end of the year		59,98,86,338		58,06,22,243
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		1,02,601		64,434
(b) Cheques, drafts on hand		0		0
(c) Balances with banks				
(i) In savings accounts		82,83,737		13,85,57,809
(ii) In Deposit accounts		59,15,00,000		44,20,00,000
		59,98,86,338		58,06,22,243

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

As per our audit report of even date attached.

For and on behalf of
M/s Virmani, Roy and Kutty
Chartered Accountants
Sd/-

(Arun S. Kutty)
Partner

M.No. 84560
FRN : 010514N
Date : 10/09/2012
Place : New Delhi

For and Behalf of Board of Directors

Sd/-
(Harsh Bhal)
Chairman -cum-Managing Director

Sd/-
(Arun Kumar Goyal)
Director

Sd/-
(G.S.Panwar)
Chief Manager (Finance)

Sd/-
(R.K. Mishra)
Company Secretary

CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1.1 Corporate Information:-

National Handicapped Finance and Development Corporation (NHFDC) was incorporated on 24th January 1997 under section 25 of the Companies Act, 1956 as an Apex Corporation for the benefit of persons with disabilities throughout the country. The operations of the Corporation are oriented to help persons with disabilities fulfill their aspirations and assimilate in the mainstream of the society through economic empowerment.

The Corporation is one of the Apex Corporation under the aegis of Ministry of Social Justice & Empowerment, Government of India.

Capital

The Authorized capital of the Corporation is Rs. 400 Crore divided into 40,00,000 Equity shares of Rs.1000/-each. The issued, subscribed and paid up share capital of the corporation as at 31.3.2012 was Rs.191,80,10,000/- divided into 1918010 equity shares of Rs. 1000/- each, fully paid up. The entire share capital is owned by Government of India.

Management

The company is managed by Board of Directors nominated by Government of India. The day to day operations are looked after by Chairman-cum-Managing Director with the support and assistance of employees of the Corporation.

Operations

NHFDC functions as an apex institution for channelising the fund to the Persons with Disabilities (PwDs) through the State Channelising Agencies (SCAs) nominated by the State Government (s). The Corporation has also entered into agreement (s) with Regional Rural Banks (RRBs) which functions as additional agencies channelizing NHFDC funds for the benefit of persons with Disabilities under Credit Guarantee Scheme.

Objectives

The main objectives of the Corporation have been set out in the Memorandum of Association. However, the objectives of the Corporation may be summarized in gist as under:

- a) Promoting economic development activities and self-employment ventures for the benefit of Persons with Disabilities.
- b) Extending grant for the Persons with Disabilities for upgradation of their entrepreneurial skill for proper and efficient management of self-employment ventures.
- c) Extending loan to Persons with Disabilities for pursuing professional/ technical education leading to vocational rehabilitation/self-employment.
- d) Assist self-employed individual with disability in marketing the products.



Schemes of NHFDC

The corporation assists a wide range of income generating activities for disabled persons. These are –

- a) For setting up small business in Service/Trading sector : Loan up to Rs. 3.0 lakh for sales/trading activity and Rs. 5.0 lakh for service sector activity
- b) For agricultural/allied Activities : Loan upto Rs. 10 lakh.
- c) For purchase of vehicle for commercial hiring – Loan upto Rs.10 lakh
- d) For self-employment amongst persons with Mental Retardation, Cerebral Palsy and Autism : Loan upto Rs.10 lakh.
- e) For setting up small industries unit : Loan upto Rs.25 lakh.
- f) Loan for Young Professionals (Doctors, Engineers, Advocates, Pharmacists, Architects etc.) - Loan upto Rs.25 lakh.
- g) Purchase of Aids & Appliances (to enhance the employability/self-employment of PwDs) – Loan upto Rs.5.0 lakh.
- h) For technical education/ training – Loan limit Rs.7.5 lakh for study in India and Rs.15.0 lakh for study at abroad.
- i) Micro Credit Scheme - Loan upto Rs.25000/- per beneficiary
- j) Scheme for Parents Association for the Mentally Retarded Persons – Loan upto Rs. 5.0 lakh
- k) Assistance for Skills and Entrepreneurial Development Programmes

Quality Management System

The Corporation believes in improving upon its operations, processes on a continuous basis. The Corporation has established Quality Management System and has been certified by BIS under IS/ISO 9001: 2008 certification.

1.2 Basis of Accounting:-

The Corporation is maintaining its financial accounts on mercantile system of accounting except otherwise stated. Accounts are prepared on a going concern basis and are consistent with generally accepted accounting principles.

1.3 Valuation of Fixed Assets:-

The fixed assets are accounted for at their Historical Cost.

1.4 Depreciation of Fixed Assets:-

- a) The Depreciation on various Fixed Assets is provided under the written down value method, on pro-rata basis with reference to the date of purchase or sale at the relevant rates provided in Schedule XIV of the Companies Act, 1956.
- b) Depreciation on assets costing less than Rs.5,000/- per item is provided @100%.

1.5 **Income:-**

Interest on loans and investments are accounted for on accrual basis at the applicable rate except the penal interest, which is accounted for on receipt basis.

1.6 **Retirement Benefits to Employees :-**

(i) **Defined Benefit Plans:-**

a. **Gratuity and Leave Benefit:-**

The Company has a defined benefit plan for payment of gratuity to all employees, which is funded with Life Insurance Corporation of India. Every employees who has completed five years or more of service receives gratuity on leaving company at 15 days' salary (last drawn salary) for each completed year of service. The present value of obligation is determined based on actuarial valuation as certified by LIC.

b. During the current year (2011-2012) actuarial valuation has been conducted by Life Insurance Corporation of India (LIC) and the liability for gratuity and leave encashment has been booked accordingly.

(ii) **Defined Contribution Plans:-**

The Corporation contributes @ 12% as defined contribution to the Employees Provident Fund maintained by the Employees Provident Fund Organization, Faridabad (Haryana) under Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the same is charged to the Income & Expenditure Account.

1.7 **Post Employment Benefits:-**

A. **Superannuation Benefits:-**

In accordance with the 2nd Pay Revision for Central Public Sector Undertaking approved by the Department of Public Enterprises and subsequently by Ministry of Social Justice & Empowerment (Govt. of India) effective from 01.01.2007, the Corporation was required to provide the Superannuation benefits @ 30% of the salary (Basic Pay plus IDA) of the employees towards contributory Provident Fund, Gratuity, Pension and Post Retirement Medical benefits.

B. **Performance Related Pay (PRP):-**

As per directions of the Administrative Ministry (MOSJ&E) vide OM No. 2-11/2009-DD.IV dated 30.04.2009, a Remuneration Committee was required to be constituted including representative from Integrated Finance Division of Ministry of Social Justice & Empowerment, Govt. of India and Remuneration Committee has been constituted accordingly. Remuneration Committee will decide the variable pay (Performance Related Pay. i.e. PRP) payable up to FY 2011-2012 and policy for its distribution among the employees within the prescribed limit by DPE. The same will be paid as and when decided.



1.8 **Provision for Bad and Doubtful Loans:-**

The Corporation has framed a policy of prudential norms for identification of non-performing loans and provisions against bad and doubtful loans at the 53rd Board meeting held on 29.8.2008. The said policy is implemented w.e.f. financial year 2008-2009. In view of the observations of Auditors in the Audit Report for Financial Year 2010-11, the Policy of the Corporation was reviewed by the Board at 69th Board Meeting of the Corporation held on 25th June 2012.

As per the decision of the Board provision shall be made against bad and doubtful loans as under:-

- a) Provision is made for bad and doubtful loan(s), which is/are outstanding for more than 5 (five) years and is/are not secured by Government Guarantee/Order/Assurance etc. as on the date up-to which the Balance Sheet is prepared.
- b) In the case of Non Government Organizations (NGOs), provision for bad and doubtful loan(s) is made, if the amounts are overdue for more than three years as on the date of Balance Sheet, to the extent the overdue amount(s) is/are not secured against such security as provided in the policy of the Corporation. For this purpose, the value of security shall be limited to 25% of the loan amount, where Fixed Deposit Receipt (FDR) is provided as security and/or 40% of the loan amount, where Collateral Security is furnished as security, by the NGO, as the case may be.
- c) The provision is created to the extent of 100% of the loan (principal /interest past due for the period stated hereinabove) and not secured as stated above.

1.9 **Cash Flow Statement:-**

Cash Flow Statement has been prepared on the basis of 'Indirect Method' in terms of Accounting Standard 3 and is annexed with Balance Sheet.

1.10 **Revenue Grants received from the Government:-**

- a) The Corporation has received grants from Ministry of Social Justice & Empowerment for Scheme of Scholarships programmes undertaken during the year for the development of the target group are disclosed in the Balance Sheet and expenses pertaining to this are accounted for under the same head.
- b) Unspent grants & interest accrued thereon are deferred & taken to current liabilities.

1.11 **Amortisation of Lease hold Stalls (Operating Lease)**

Ministry of Social Justice & Empowerment had allotted 3 stalls at Dilli Haat, Pitampura, to the Corporation for its beneficiaries for selling their products. The stalls had given on Lease hold basis to NHFDC. The cost of the stalls worth Rs.34,37,500/- was paid by NHFDC to Delhi Tourism. The period for lease is upto 17th June' 2023 i.e 12 years 8 months and 7 days. The date of taking over shops is 01.10.2010 would be amortized for 12 years 6 months as per the lease period from the financial year 2010-11 onwards. An amount of Rs.2,70,492/- would be charged to Income and Expenditure Account for 11 consecutive financial years also till the advance is fully adjusted.

1.12 Earning Per Share

Basic Earning Per Shares is calculated by dividing the net surplus/(deficit) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year .

For the purpose of calculating Diluted Earning Per Share, the net surplus/(deficit) for the year attributable to the equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.13 Provisions

The company recognizes a provision when there is present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligations and the amount of such obligations can be reliably estimated. Provisions are not discounted to their present value and are determined based on the management's estimation of the outflow required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

1.14 Contingent Liabilities

Contingent liabilities are disclosed in respect of possible obligation that have arisen from past events and the existence of which will be confirmed only by occurrence or non-occurrence of future events, not wholly within the control of the company. Contingent liabilities are also disclosed for the present obligations in respect of which it is not possible that there will be an outflow of resources or a reliable estimate of the amount of the obligation cannot be made.

When there is obligation in respect of which the likelihood of outflow of resources is remote, no provision is made.

1.15 Prior-Period Adjustments

The expenditure/income pertaining to the previous years have been charged to prior period adjustment account.



Note No. 2. NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS

Note 2.1 Share Capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
(a) <u>Authorised</u> Equity shares Rs. 1,000.00 par value 40,00,000 Equity shares	40,00,000	4,00,00,00,000	40,00,000	4,00,00,00,000
(b) <u>Issued</u> Equity shares Rs. 1,000.00 par value 19,18,010 Equity shares fully paid up (Previous Year Issued 16,18,010)	19,18,010	1,91,80,10,000	16,18,010	1,61,80,10,000
(c) <u>Subscribed and fully paid up</u> Equity shares Rs. 1,000.00 par value 19,18,010 Equity shares fully paid up (Previous Year Issued 16,18,010)	19,18,010	1,91,80,10,000	16,18,010	1,61,80,10,000
Total	19,18,010	1,91,80,10,000	16,18,010	1,61,80,10,000

Out of the total 19,18,010 equity shares of Rs. 1,000/- each, 19,18,009 equity shares of Rs. 1,000/- each have been issued in the name of President of India through the Additional Secretary to Government of India, Ministry of Social Justice and Empowerment and 1 equity share of Rs. 1,000/- has been issued in the name of Joint Secretary, Disability Division, Ministry of Social Justice and Empowerment, Government of India.

During the Financial year 2011-12, the Corporation allotted equity shares of Rs. 25 Crore (being 2,50,000 of Equity shares of Rs.1,000/- each fully paid up) in the equity share capital of the Corporation against Share Application Money of Rs.25 Crore sanctioned vide letter no.F.No.1-8/2007-DD-IV, dated 15/21.09.2011. The said amount was received / credited in the bank account of the Corporation (State Bank of Patiala, Sector-9, Faridabad) on 1st October 2011. The aforesaid shares were allotted in the name of President of India through the Additional Secretary, Ministry of Social Justice and Empowerment, Government of India.

In addition to above Rs.5 Crore had also been sanctioned by the Administrative Ministry vide letter no. F.No.1-8/2007-DD-IV, dated 24.03.2011, against which 50,000 equity shares of Rs.1,000/- each (fully paid up) were allotted on 21.04.2011 in the name of President of India through the Additional Secretary, Ministry of Social Justice and Empowerment, Government of India. The said amount was received/credited in the bank account of the Corporation (State Bank of Patiala, Sector-9, Faridabad) on 28th March, 2011. This was reflected in the accounts under Share Application Money (Pending Allotment) for the F/Y 2010-11.

Notes forming part of the financial statements

Note 2.1a Share capital - Reconciliation

Particulars			
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:			
Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2012			
- Number of shares	16,18,010	3,00,000	19,18,010
- Amount (₹)	1,61,80,10,000	30,00,00,000	1,91,80,10,000
Year ended 31 March, 2011			
- Number of shares	11,68,010	4,50,000	16,18,010
- Amount (₹)	1,16,80,10,000	45,00,00,000	1,61,80,10,000



Notes forming part of the financial statements

Note 2.2 Reserves and Surplus

(Amount in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) General reserve		
Opening balance	27,58,26,539	26,02,97,243
Add: Transferred from surplus	3,71,82,096	1,55,29,296
Closing balance	31,30,08,635	27,58,26,539
(b) Surplus		
Opening balance	0	0
Add: Net Excess of Income over Expenditure after tax transferred from Statement of Income & Expenditure Account	3,71,82,096	1,55,29,296
Amount available for appropriation	3,71,82,096	1,55,29,296
Appropriation	0	0
Amount transferred to General Reserve	3,71,82,096	1,55,29,296
Surplus - Closing Balance	0	0

In terms of Section 25(3)(b) of the Companies Act, 1956, the Corporation does not declare dividend and ploughs back its surplus to further its objectives and therefore the surplus for the year amounting to Rs.3,71,82,096/- has been transferred to General Reserve Account.

National Handicapped Finance and Development Corporation

Notes forming part of the financial statements

Note 2.3 Long-term provisions

(Amount in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Provision for employee benefits:		
(i) Provision for gratuity (net) (Refer Note 2.16)	0	29,71,106
(ii) Provision for post retirement benefits (pension and medical benefits)	49,69,945	0
(iii) Provision for other defined benefit plans (net) (Leave Encashment)	30,98,761	22,11,160
Total	80,68,706	51,82,266

The accumulated provision for gratuity as at 31.3.11 was Rs.31,20,044/-. However, as per actuarial valuation done through Life Insurance Corporation of India (LIC) on 1.7.11, an amount of Rs.31,82,593/- was paid under Group Gratuity Trust Scheme which includes Rs.27,303/- as premium on Gratuity Scheme. Accordingly, an amount of Rs.62,549/- (i.e. difference of Rs.31,20,044/- paid on 1.4.11 & Rs.31,82,593 paid on 1.7.11) was further provided towards provision for gratuity for the financial year 2011-12. Also, an amount of Rs.5,42,134/- was booked as expenditure in respect of gratuity under NHFDC Group Gratuity Trust Fund during financial year 2011-12. The date of actuarial valuation is 31.3.2012. Also, an amount of Rs. 1,48,938/- has been provided during current financial year towards provision for gratuity in respect of Shri S. Baburajan, Ex-AM(Fin.) for which no provision was made as per actuarial valuation carried out during financial year 2010-11.

The accumulated provision for leave encashment as at 31.03.2012 is Rs.30,98,761/- as per actuarial valuation done through Life Insurance Corporation of India (LIC). An amount of Rs.7,14,388/- has been provided towards provision for leave encashment for the financial year 2011-12. The date of actuarial valuation is 31.3.2012. Also, an amount of Rs. 46,938/- has been provided during current financial year towards provision for leave encashment in respect of Shri S. Baburajan, Ex-AM(Fin.) for which no provision was made as per actuarial valuation carried out during financial year 2010-11.

In accordance of the 2nd Pay Revision of Central Public Sector Undertaking approved by the Department of Public Enterprises & subsequently by Ministry of Social Justice & Empowerment, Govt. of India effected from 01.01.2007, NHFDC was required to provide the Superannuation benefits @ 30% of the Basic Pay & IDA of the employees of NHFDC for component of contributory Provident Fund, Gratuity, Pension and Post Retirement Medical benefits.

The provision for superannuation benefits for the F/Y 2006-07 to 2011-12 has been made in the books of accounts of current Financial Year (2011-12) as per details given below:-

Calculation of Provision for Superannuation Benefits

A). for the Financial year 2006-07 to 2010-11

(Amount in Rs.)

Sl. No.	Particulars	Rate	2006-07	2007-08	2008-09	2009-10	2010-11	Total
1	Basic Pay plus DA		6,89,421	29,50,341	48,35,160	75,77,292	89,02,512	2,49,54,726
2	Pay revision arrear w.e.f. 1.1.07		1,92,523	7,80,339	16,14,198	2,68,960	0	28,56,020
	Total		8,81,944	37,30,680	64,49,358	78,46,252	89,02,512	2,78,10,746
a	Superannuation benefits (Pension & Medical Rules) for employees of NHFDC w.e.f. 1.1.07 (@13% of BP +DA).	13%	1,14,653	4,84,988	8,38,417	10,20,013	11,57,327	36,15,397
	Total (a)	13%	1,14,653	4,84,988	8,38,417	10,20,013	11,57,327	36,15,397

B). for the Financial year 2011-12

(Amount in Rs.)

Sl. No.	Particulars	Rate	2011-12	Total
1	Basic Pay plus DA		1,04,19,603	1,04,19,603
	Total		1,04,19,603	1,04,19,603
a	Superannuation benefits (Pension & Medical Rules) for employees of NHFDC w.e.f. 1.1.07 (@13% of BP +DA).	13%	13,54,548	13,54,548
	Total (a)	13%	13,54,548	13,54,548



Notes forming part of the financial statements

Note 2.4 Other current liabilities

(Amount in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Other liabilities		
EPF Payable	0	2,41,107
Salary Payable	15,226	8,786
Other Payable (Employees)	54,228	12,33,438
Other Payable (Parties)	24,32,979	12,87,305
Other Payable (EDP)	17,21,652	25,44,762
Other Payable - TDS on salary	0	57,808
Arrear Payable - Fomer CMD	4,459	0
Telephone Expenses	5,269	1,00,925
Recovery A/c of Shri M.Ravi Kanth, Former CMD	7,809	7,809
Other Payable - Scholarship Scheme (National Fund)	6,315	92,711
Other Payable - Scholarship Scheme (Trust Fund)	43,661	0
Advance Receipts	3,85,161	3,38,312
Amount Withheld (Shri Rakesh Kumar Ex-DM)	11,330	24,855
Unlinked Receipts (Received through RTGS / CASH in SBI, Sec-12, Fdb. & SBOP, Sec-9, Fbd.)*	19,871	5,06,774
Employees Group Gratuity Scheme	5,42,134	0
GRANT IN AID FUND		
Scholarship Scheme (National Fund)	25,71,823	5,26,06,778
Scholarship Scheme (Trust Fund)	2,40,57,578	0
Scheme for Rehabilitation of Manual Scavengers (SRMS)	3,58,761	3,18,652
Total	3,22,38,255	5,93,70,022

The Corporation had received grant-in-aid fund of Rs. 216.00 lakh upto 31.3.2012 under Scheme for Rehabilitation of Manual Scavengers (SRMS) out of which an amount of Rs. Nil (previous year Rs.1,64,52,372/-) is incurred during the F/Y 11-12 under implementation of the scheme and balance amount of Rs.3,58,761/- (including interest accrued on deposits) is lying unspent with the Corporation as on 31.3.2012.

An amount of Rs.52,50,000/- had been received by the Corporation from the Ministry of Social Justice and Empowerment, Govt. of India (which includes Rs. 50.00 lakhs towards the estimated amount of scholarship was to be disbursed during the year 2009-10 and Rs. 2.50 lakhs being prescribed 5% of the scholarship amount towards administrative expenses was to be incurred in this regard by NHFDC). Subsequently, an amount of Rs.81.83 lakhs was also received on 12.08.2011 including administrative charges.

Out of which an amount of Rs.6,31,92,400/- (previous year Rs.35,80,537/-) was incurred during the FY 2011-12 under implementation of the scheme and balance amount of Rs.25,71,823/- (including interest accrued on deposits) is lying unspent with NHFDC as on 31.03.2012. Since there was no separate bank account opened for Grant-in-Aid under Scholarship (Trust Fund), so expenditure towards disbursement of scholarship and other expenses was incurred from a common bank account maintained for both scholarship till new account is opened for Trust Fund Scholarship.

An amount of Rs.510 Lakh (Rs.5 Crore for scholarship and Rs. 10 Lakh, being 2% of total fund towards administrative expenses for operating the scheme) was received during the previous financial year 2010-11 from the Ministry of Social Justice and Empowerment, Govt. of India on 24.01.2011 for providing Scholarship to eligible disabled persons (Trust Fund) as per the scheme and entire amount was kept in saving bank account of National Scholarship Fund. Out of which, an amount of Rs.2,25,751/- (previous year - Nil) was incurred from new A/c during the F/Y 2011-12 (opened for Trust Fund) under implementation of the scheme and balance amount of Rs.2,40,57,578/- (including interest accrued on deposits) is lying unspent with NHFDC as on 31.03.2012.

An amount of Rs.17,21,652/- (cumulative) payable to various consultants on account of Skill and Entrepreneurial Development Programme has been lying in the books although the payment of the same is kept pending for receipt of audited statements/utilization certificate etc. This has been done because the programmes were completed upto 31.03.2012.

Notes forming part of the financial statements

Unlinked Receipts

Other liabilities includes unlinked receipts of Rs.19,871/- (Net) against closing balance of amount received through R.T.G.S./Cash in the savings bank account maintained with State Bank of India, Mini Secretariat Branch, Sector-12, Faridabad and State Bank of Patiala, Sector-09, Faridabad. The source of these receipts could not be established till date. After tracing the source of these receipts, necessary accounting treatment shall be effected in the books of accounts.

The details of unlinked receipts are as under :

Sl. No.	Particulars	Amount (in Rs.)
a.	Opening Balance as on 01.04.2011	5,06,774
b.	Amount traced during f/y 2011-12	3,29,891
c.	Total (a-b)	1,76,883
d.	Additional unlinked receipts during f/y 2011-12	34,837
e.	Net (c+d)	2,11,720
f.	Interest on FDRs	1,91,848.89
g.	Total unlinked receipt (e-f)	19,871.11 (R/o Rs.19,871/-)

As per the table given above, an amount of Rs.1,91,849/- has been shown by bank as interest on FDRs which is yet to be confirmed by bank and effect would be taken into our books of accounts accordingly.



Notes forming part of the financial statements

Note 2.5 Short-term provisions

(Amount in Rupees)

	Particulars	As at 31 March, 2012	As at 31 March, 2011
(a)	Provision for employee benefits:		
	(i) Provision for other employee benefits (PRP)	37,03,442	0
	Total	37,03,442	0

No provision for Income Tax has been made in view of provisions of Section 11 of the Income Tax Act, 1961. The Corporation has obtained registration under Section 12AA of the Income Tax Act. The Corporation had also filed an application for grant of exemption under Section 10(23)(C)(iv) of the Income-tax Act, 1961, which is still under consideration by the Department.

As per directions of the Administrative Ministry (MOSJ&E) vide their OM No. 2-11/2009-DD.IV dated 30.04.2009, a Remuneration Committee was required to be constituted including representative from Integrated Finance Division of Ministry of Social Justice & Empowerment, Govt. of India. Accordingly, the matter of constitution of Remuneration Committee was taken in the 56th Board meeting held on 15.5.2009. Remuneration committee will decide the variable pay (Performance Related Pay. i.e. PRP) payable up to F/Y 2011-2012 and policy for its distribution among the employees within the prescribed limit by DPE, Govt. of India. Remuneration Committee has been reconstituted at 69th Board Meeting held on 25th June, 2012.

Pursuant to DPE guidelines, the provision for the PRP for the F/Y 2009-10, 2010-11 & 2011-12 has been made considering the 3% of the profit for the year and 2% of the incremental profit of the respective year as per details given below:

As per audited accounts for the F/Y 2007-08, although there was surplus of Rs.1,86,62,254/- but no PRP is payable due to non availability of MOU rating from DPE. However, in this regard, it is mentioned that no PRP is payable during the F/Y 2008-09 as there was deficit of Rs.2,88,50,964/- as per audited accounts of Corporation for F/Y 2008-09.

The rating for the F/Y 2011-12 is yet to be received from Department of Public Enterprises so provision is made for the F/Y 2011-12 considering MOU performance rating as "Excellent". The PRP for the year 2011-12 would be considered by the Remuneration Committee after the assessment of MOU performance of the Corporation by DPE after the accounts of 2011-12 are approved. The accounts of the F/Y 2011-12 are yet to be audited and certified. The same will be paid as and when decided.

National Handicapped Finance and Development Corporation

Notes forming part of the financial statements

Note 2.6 Tangible Assets

(Amount in Rupees)

A.	Tangible assets	Gross Block			
		Balance as at 1 April, 2011	Additions	Disposals	Balance as at 31 March, 2012
	(a) Furniture and Fixtures Owned	27,85,950	1,41,459	34,059	28,93,350
	(b) Vehicles Owned	11,45,689	0	0	11,45,689
	(c) Office equipment Owned	25,08,522	46,222	3,48,410	22,06,334
	(d) Computers Owned	56,51,899	96,680	9,05,916	48,42,663
	(e) Air Conditioners & Coolers Owned	7,09,636	43,000	66,292	6,86,344
	Total	1,28,01,696	3,27,361	13,54,677	1,17,74,380
	Previous year	1,27,44,964	71,128	14,396	1,28,01,696

(Amount in Rupees)

B	Tangible assets	Accumulated de preciation and impairment			Net block		
		Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	(a) Furniture and Fixtures Owned	22,55,724	1,09,047	31,295	23,33,476	5,59,874	5,30,226
	(b) Vehicles Owned	7,61,864	99,372	0	8,61,236	2,84,453	3,83,825
	(c) Office equipment Owned	13,02,041	1,75,198	2,59,238	12,18,001	9,88,333	12,06,481
	(d) Computers Owned	49,69,136	3,16,777	9,02,287	43,83,626	4,59,037	6,82,763
	(e) Air Conditioners & Coolers Owned	4,23,099	47,871	56,736	4,14,234	2,72,110	2,86,537
	Total	97,11,864	7,48,265	12,49,556	92,10,573	25,63,807	30,89,832
	Previous year	87,36,622	9,79,423	4,181	97,11,864	30,89,832	40,08,342

Note 2.6a Fixed assets- Other DiteIs

(Amount in Rupees)

C.	Depreciation and amortisation relating to continuing operations:		
	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Depreciation and amortisation for the year on tangible assets as per Note 2.6	7,48,265	9,79,423
	Total Depreciation and amortisation relating to continuing operations	7,48,265	9,79,423



Notes forming part of the financial statements

Note 2.7 Long-term loans and advances

(Amount in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Loans and advances to employees		
General Purpose Advance		
Secured, considered good	0	0
Unsecured, considered good	39,59,925	0
Doubtful	0	0
Less: Provision for doubtful loans and advances	0	0
	39,59,925	0
Computer Advance		
Secured, considered good	0	0
Unsecured, considered good	34,248	46,474
Doubtful	0	0
Less: Provision for doubtful loans and advances	0	0
	34,248	46,474
(b) Loans and advances (SCA's/ NGO's)		
Secured, considered good	1,28,39,06,247	1,12,88,83,987
Unsecured, considered good	33,23,71,314	25,77,79,643
Doubtful	79,17,712	48,45,832
	1,62,41,95,273	1,39,15,09,462
(c) Other Long Term Advances		
Secured, considered good	0	0
Unsecured, considered good	30,31,762	33,02,254
Doubtful	0	0
	30,31,762	33,02,254
(d) Other Non-Current Assets		
Long Term Deposits/ Advances		
Security deposits		
Secured, considered good	0	0
Unsecured, considered good	6,03,250	6,03,250
Doubtful	0	0
	6,03,250	6,03,250
Total	1,63,18,24,458	1,39,54,61,440

* Note: Long-term loans and advances include amounts due from:

Particulars	As at 31 March, 2012	As at 31 March, 2011
Directors	0	0
Other officers of the Company	39,94,173	46,474

* Long-term loans (Other officers of the company) includes the following :

1. General Purpose Advance	39,59,925	0
2. Computer Advance	34,248	46,474
TOTAL	39,94,173	46,474

A total amount of Rs.310.89 crore (Previous Year Rs.260 Crore) has been released up to 31.03.2012 as term loan and Rs.5.58 Crore (Previous Year Rs.5.58 Crore) has been released under Micro-Credit Financing Scheme.

An amount of Rs.4,50,000/- is given to M/s Indian Red Cross Society, Faridabad as Security Deposit for the premises of Red Cross Bhawan, Faridabad taken on lease by the corporation and interest amount is accounted on accrual basis.

National Handicapped Finance and Development Corporation

Notes forming part of the financial statements

Note 2.8 Trade receivables

(Amount in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	1,67,91,283	1,30,35,061
Unsecured, considered good	8,09,736	2,08,586
Doubtful	0	0
	1,76,01,019	1,32,43,647
Less: Provision for doubtful trade receivables		
Other Trade receivables		
Secured, considered good	24,41,095	35,84,354
Unsecured, considered good	3,10,394	7,11,570
Doubtful	0	0
	27,51,489	42,95,924
Less: Provision for doubtful trade receivables		
Scholarship (Trust Fund)	17,754	0
Scholarship (National Fund)	2,04,483	0
Scheme for Rehabilitation of Manual Scavengers (SRMS)	2,982	0
Total	2,05,77,727	1,75,39,571

Note: Trade receivables include debts due from:

Particulars	As at 31 March, 2012	As at 31 March, 2011
Directors	0	0
Other officers of the Company	0	0
Total	0	0



Notes forming part of the financial statements

Note 2.9 Cash and cash equivalents

(Amount in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Cash on hand	1,02,601	64,434
(b) Balances with banks		
(i) In savings accounts	82,83,737	13,85,57,809
(ii) In deposit accounts	59,15,00,000	44,20,00,000
Total	59,98,86,338	58,06,22,243
Details of Balances with banks		
State Bank of Patiala (Fbd)	41,51,709	5,33,80,333
State Bank of India- "NHFDC A/C"	11,71,755	8,47,83,313
State Bank of India- "NHFDC SRMS A/C"	3,58,588	3,06,842
State Bank of India- " NHFDC Scholarship A/C (National Fund)"	24,04,272	87,321
State Bank of India- " NHFDC Scholarship A/C (Trust Fund)"	1,97,414	0
Total	82,83,737	13,85,57,809
Details of Deposit Accounts		
Short Term Deposit (STD) With SBI, Sec-12	21,05,00,000	38,50,00,000
Short Term Deposit (STD) With SBOP, Sec-09	35,70,00,000	50,00,000
Short Term Deposit (STD) With SBI, NHFDC Scholarship Trust Fund	2,40,00,000	5,10,00,000
Short Term Deposit (STD) With SBI, NHFDC Scholarship National Fund	0	10,00,000
Total	59,15,00,000	44,20,00,000

Cash and Bank balances of Rs.59,98,86,338/- includes Rs.25.00 Crores on account of unutilized equity received from the Government of India, which were kept in FDRs with banks.

Cash and Bank balances of Rs. 59,98,86,338/- includes the following:-

Cash in hand : Rs.1,02,601/-

Balances with scheduled Saving Banks:

Saving Accounts : Rs. 82,83,737/-

In FDRs with Banks : Rs. 59,15,00,000/-

National Handicapped Finance and Development Corporation

Notes forming part of the financial statements

Note 2.10 Short-term loans and advances

(Amount in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Loans and advances to employees		
Secured, considered good	0	0
Unsecured, considered good	63,091	66,521
Doubtful	0	0
(b) Others (Parties)		
Secured, considered good	0	0
Unsecured, considered good	25,47,776	32,73,113
Doubtful	0	0
Total	26,10,867	33,39,634

Short-term loans and advances

(Amount in Rupees)

Note: Short-term loans and advances include amounts due from:

Particulars	As at 31 March, 2012	As at 31 March, 2011
Directors	0	0
Other officers of the Company	63,091	66,521
Total	63,091	66,521

* Short-term loans includes the following :

1. House Building Advance to Employees	0	39,291
2. Advance to Staff	52,091	27,230
3 LTC Advance	11,000	0
TOTAL	63,091	66,521

All the current assets, loans and advances in the opinion of the Directors have a value on realization, which in the ordinary course of business shall at least be equal to the amount, at which it is shown in the Balance Sheet.



Notes forming part of the financial statements

Note 2.11 Other current assets

(Amount in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Accruals		
Interest receivable & not due on Saving Bank Accounts	1,74,727	4,36,625
Interest receivable & not due on Term Deposits	1,66,26,978	72,15,751
Interest receivable & not due on House Building Advance to Employees	4,02,041	5,10,993
Interest receivable & not due on Computer Advance to Employees	16,756	19,361
Interest receivable & not due on Security Deposits	86,053	68,250
Interest receivable & not due on General Purpose Advance	1,19,115	0
(b) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	55,540	10,095
(c) Others		
(i) Others *	84,631	75,032
Total	1,75,65,840	83,36,107

* Others includes the following items :

Particulars	As at 31 March, 2012	As at 31 March, 2011
1 Amount recoverable from employees	15,818	6,667
2 Amount recoverable from :-		
a. NBCFDC	22,096	22,096
b. NSCFDC	22,096	22,096
c. Chief Commissioner (Disability)	163	0
d. Others	285	0
3 Income Tax (TDS) receivable	24,173	24,173
TOTAL (1+2+3)	84,631	75,032

Notes forming part of the financial statements

Note 2.12 Revenue from operations

(Amount in Rupees)

SL. No.	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Revenue From Operations comprising Interest from Loans		
(a)	Interest on Loans (SCAs)	3,40,76,877	3,13,11,116
(b)	Interest on Micro Credit Scheme (MCS)	2,96,471	3,09,677
	Total	3,43,73,348	3,16,20,793



Notes forming part of the financial statements

Note 2.13 Other Income

Interest Income

(Amount in Rupees)

Note	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(i)	Interest income comprises:		
	Interest from banks on:		
	Deposits	4,73,11,465	65,89,685
	other balances	13,49,634	59,30,253
	Interest on General Purpose Advance	1,19,115	0
	Other interest	41,993	1,38,602
	Total (A)	4,88,22,207	1,26,58,540

Other Non-Operating Income

(Amount in Rupees)

Note	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(ii)	Other non-operating income comprises:		
	Profit on sale of fixed assets	5,934	178
	Miscellaneous income	69,424	64,330
	Total (B)	75,358	64,508
	Grand Total (A+B)	4,88,97,565	1,27,23,048

National Handicapped Finance and Development Corporation

Notes forming part of the financial statements

Note 2.14 Employee benefits expense

(Amount in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
CMD		
Salary and Allowances	14,61,621	8,12,351
Medical Reimbursement	1,55,694	0
Foreign Service Contributions	2,81,175	1,53,005
Reimbursement of Refreshment Expenses	18,548	3,666
Reimbursement of Newspaper Expenses	7,046	5,533
Total	19,24,084	9,74,555
Staff		
Salary and Allowances	1,24,76,547	1,08,67,186
Medical Reimbursements	17,34,315	14,99,248
Conveyance Reimbursement	26,744	17,540
Transport Subsidy	10,34,511	9,68,762
Overtime Allowance	34,122	12,150
Children Education Allowance	2,43,073	2,25,305
Honorarium	39,383	0
Vehicle Maintenance Allowance	30,715	30,240
Uniform Allowance	12,148	11,785
Non Practicing Allowance	32,362	22,175
House Maintenance Allowance	7,787	7,428
Home Furnishing Allowance	1,10,839	1,02,203
Health Maintenance Allowance	15,523	15,181
Domestic Help Allowance	1,38,835	1,22,372
Reimbursement of Refreshment Expenses	2,49,851	2,53,484
Reimbursement of Newspaper Expenses	2,05,791	1,86,929
Leave Salary	7,14,388	6,10,199
Contributions to provident and other funds	14,46,860	12,41,612
Gratuity	6,04,683	8,58,750
Staff welfare expenses	3,40,446	3,36,122
PRP Expenses	19,56,952	0
Superannuation Benefit Scheme	13,54,548	0
Total	2,28,10,423	1,73,88,671
Grand Total	2,47,34,507	1,83,63,226

In respect of appointment of Shri Harsh Bhal, IIS, Chairman cum Managing Director, a sum of Rs.2,81,175/- has been debited towards leave salary and pension contribution in the books of accounts under heading "Foreign Service Contribution" for the period from 1.4.2011 to 31.03.2012. The matter of fixation of salary and other terms and conditions is still pending with the Administrative Ministry. However, he has been paid emoluments (Rs.19,24,084/-) on the basis of Notification No.1-6/2007-DD IV dated 23.09.2010 of the Ministry of Social Justice and Empowerment, Govt. of India.

Remuneration to Chairman-cum-Managing Director (C.M.D.)

(Amount in Rupees)

Particulars	F/Y 2011-12	F/Y 2010-11 (14.09.10 to 31.03.2011)
Pay & Allowances	14,61,621/-	8,12,351/-
Other benefits	4,62,463/-	1,62,204/-
TOTAL	19,24,084/-	9,74,555/-

In addition to above, an office car has been provided to the CMD as per the Terms and Conditions of his appointment. Accordingly, Rs. 2,940/- has been received from the CMD during the year 2011-12



Notes forming part of the financial statements

Note 2.15 Other expenses

(Amount in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Travelling Expenses (Directors)	8,44,705	5,62,152
Travelling Expenses (Others)	1,51,675	33,465
Travelling Expenses (Staff)	10,71,177	9,83,012
Business promotion	20,680	12,049
Audit Expenses	15,700	0
Out of pocket expenses to the auditors (Travelling)	44,000	40,500
Remuneration to Internal Auditors	84,270	59,895
Remuneration to Statutory Auditors	78,652	77,210
Loss on fixed assets sold / scrapped / written off	58,160	0
Advertisement Expenses	75,570	0
AMC Charges	1,50,407	1,92,105
Awareness Creation/Publicity Expenses	5,46,966	1,51,684
Bank Charges	3,789	12,617
Binding Charges	1,829	3,997
Board Meeting Expenses	36,356	36,288
Books and Periodicals	18,899	13,627
Cable Activation Charges	0	3,900
Corporation Membership Fees	3,258	52,758
Consultancy Fee	3,97,000	0
Daily Wages	1,27,013	1,40,792
DG Set Running & Maintenance	32,045	27,041
Electricity Charges	1,85,843	2,53,697
Entrepreneurial Dev. Programme (EDP A/c)	11,89,321	8,28,000
Exhibition/Social Development Expenses	23,77,154	7,80,128
Fees and Subscriptions	950	500
Filing Fee	34,866	47,500
Fuel Charges for Vehicles	3,27,441	2,01,132
General Expenses	56,124	7,299
Website Hosting / Maintenance Charges	1,200	1,500
Honorarium (others)	16,000	24,000
House Keeping Expenses	49,974	0
Implementation of Rajbhasha Expenses	11,000	2,140
Insurance Charges	23,005	20,284
ISO Certification Expenses	17,847	3,309
Lease Rent (Dilli Haat, Pitampura)	2,70,492	1,35,246
Maintenance Charges of Stalls at Dilli Haat	2,37,168	0
Meeting Expenses	67,890	10,894
Membership Fee to Habitat World	6,618	6,618
Newspaper & Periodicals Expenses	7,717	3,807
Office Maintenance Expenses	29,095	18,567
Office Rent Expenses	8,12,148	8,12,148
Outsourcing Expenses	55,198	0
Entertainment Expenses - (CMD Office)	0	1,438
Postage & Telegram Expenses	95,392	94,378
Printing and Stationery Expenses	4,18,884	2,51,503
Professional Charges	36,502	76,389
Repair & Maintenance (Vehicles)	1,04,344	76,739
Repair & Maintenance (Computers)	61,588	51,066
Repair & Maintenance (AC & Coolers)	18,950	2,285
Repair & Maintenance (Office Equipment)	16,879	0
Repair & Maintenance	26,248	18,685
Retention Charges	0	4,400
Security Hiring Expenses	5,97,414	4,15,464
Staff Recruitment Expenses	0	1,00,129
Telephone Expenses	3,88,092	3,59,676
Training Expenses (Staff)	26,030	0
Vehicle Maintenance Expenses	53,665	0
Vehicle Hiring Charges	3,17,986	2,07,094
Workshop/Conference/Seminar Expenses	3,38,596	3,09,494
Provision for doubtful trade and other receivables, loans and advances (net)	37,52,404	9,79,432
Total	1,57,92,175	85,08,033

As per the policy reviewed and approved by the Board at 69th meeting held on 25th June 2012, the total provision for bad & doubtful loans for SCA is Nil and NGOs is made for Rs.37,52,404/- in the books of accounts of NHFDC for the financial year 2011-12, (Previous Year Provision : SCA – Rs.NIL/-, NGO- Rs.9,79,432/-, Total Provision : Rs.9,79,432/-).

No Government Guarantee is being obtained from Union Territories although this has been under correspondence since a long time. Consequently these loans have been shown as unsecured loans.

The Corporation has taken office premises from Indian Red Cross Society, Faridabad on lease basis @ Rs.67,679/- per month for a period of 3 years w.e.f 01.12.09.

An amount of Rs.34,37,500/- (Rupees Thirty Four Lakh Thirty Seven Thousand and Five Hundred Only) was paid on 31st March'2009 to Delhi Tourism & Transport Development Corporation (DTTDC) for acquiring three stalls at the Dilli Haat, Pitampura. Agreement to this effect has been signed between Delhi Tourism & Transport Development Corporation and Ministry of Social Justice & Empowerment on 9th June'2010. The period for lease is upto 17th June'2023 i.e 12 years 8 months and 7 days. An amount of Rs.2,70,492/- has been charged to Income and Expenditure Account for the financial year 2011-2012 as lease rent for the period 01.4.2011 to 31.03.2012.

An amount of Rs.2,70,492/- would be charged to Income and Expenditure Account for 11 consecutive financial years also till the advance is fully adjusted. The date of taking over shops is 01.10.2010.

Also, provision is made in the F/Y 2011-12 of Rs.2,37,168/- (for the period from 1.4.2011 to 31.3.2012) towards maintenance charges of 3 stalls allotted to NHFDC at Dilli Hatt.



Notes forming part of the financial statements

Note 2.15a Other expenses (Details of Prior Period items)

(Amount in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(i) Details of Prior period items (net)		
Prior period expenses		
AMC Charges	723	10,290
Workshop Expenses	1,60,000	0
Publicity Expenses	0	17,420
EDP A/c	0	4,41,480
Travelling Expenses (Staff)	31,958	0
Remuneration to Statutory Auditors	4,412	0
Incentive on Good Recovery – SCA	(2,23,077)	85,075
Salaries & Allowances (CMD)	0	2,43,977
Foreign Service Contribution (CMD)	0	71,927
Salaries & Allowances (Staff)	53,66,914	1,62,143
Provision for Leave Salary	46,938	0
Provision for Gratuity	1,48,938	0
Interest on Saving Bank Account	0	1,15,861
Total	55,36,806	11,48,173
Prior period income		
EDP A/c	42,412	0
Total	42,412	0
Net Balance	54,94,394	11,48,173

Details of exceptional and extraordinary items:-

1. During the year, prior period adjustments of Rs. 54,94,394/- has been debited (previous year Rs. 11,48,173/-) to Income & Expenditure Account.
2. An amount of Rs.6,80,524/- (previous year Rs.1,84,310/-) is written back under the head Excess Provision of Doubtful Loans (SCAs'NGOs') against provision made in earlier years (Rs. NIL/- in respect of SCAs and Rs.6,80,524/- in respect of 10 NGOs) which has been received during the financial year 2011-12.

Notes forming part of the financial statements

Note 2.16 Disclosures under AS 15 - Employee Benefits

Employee benefit plans

Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 14,46,860.00 (Year ended 31 March, 2012) for Provident Fund contributions and Rs. 13,54,548.00 (Year ended 31 March, 2012) for Superannuation Fund contributions in the Statement of Income and Expenditure. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

- i. Gratuity
- ii. Leave Encashment
- iii. Post-employment benefits (Pension & Medical Benefits)

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
	Leave Encashment	Leave Encashment
Components of employer expense		
Current service cost	3,59,297	2,39,831
Past service cost	22,11,160	16,47,899
Adjustment of Leave Salary Excess provision made during FY 2010-11	-	-
Actuarial losses/(gains)		
LC Premium and Service Tax	8,719	9,844
Total expense recognised in the Statement of Income and Expenditure	7,61,326	6,10,199
Actual contribution and benefit payments for year		
Actual benefit payments	0	46,938
Actual contributions	-	-
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	26,04,470	20,08,423
Fair value of plan assets	-	-
Funded status [Surplus / (Deficit)]	-	-
Unrecognised past service costs	1,26,275	-
Net asset / (liability) recognised in the Balance Sheet	30,98,761	22,11,160
Particulars	Leave Encashment	Leave Encashment
Actuarial assumptions		
Discount rate	8.00%	8.00%
Salary escalation	7.00%	7.00%
Estimate of amount of contribution in the immediate next year	-	-

Note 2.16 Continues



Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
	Gratuity	Gratuity
Components of employer expense		
Settlement cost / (credit)		
Past service cost	29,71,106	22,61,294
Actuarial losses/(gains)		
LC Premium and Service Tax	29,692	26,482
Total expense recognised in the Statement of Income and Expenditure	6,04,683	8,58,750
Actual contribution and benefit payments for year		
Actual benefit payments	0	1,48,938
Contribution to NHFDC Employees Group Gratuity Trust	31,55,290	0
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	0	26,75,350
Fair value of plan assets		
Funded status [Surplus / (Deficit)]		
Unrecognised past service costs		
Net asset / (liability) recognised in the Balance Sheet	-	29,71,106
Actuarial assumptions		
Discount rate	8.00%	8.00%
Salary escalation	8.00%	8.00%
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age

National Handicapped Finance and Development Corporation

Notes forming part of the financial statements

Note 2.17 Disclosures under AS 20 - Earnings per Share

(Amount in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Earnings per share		
<u>Basic</u>		
<u>Continuing operations</u>		
Net Surplus/ (Deficit) for the year from continuing operations	3,71,82,096	1,55,29,296
Less: Preference dividend and tax thereon	0	0
Net Surplus/ (Deficit) for the year from continuing operations attributable to the equity shareholders	3,71,82,096	1,55,29,296
Weighted average number of equity shares	17,43,147	13,53,763
Par value per share	1,000	1,000
Earnings per share from continuing operations – Basic	21.33	11.47
<u>Total operations</u>		
Net Surplus/ (Deficit) for the year	3,71,82,096	1,55,29,296
Less: Preference dividend and tax thereon	0	0
Net Surplus/ (Deficit) for the year attributable to the equity shareholders	3,71,82,096	1,55,29,296
Weighted average number of equity shares	17,43,147	13,53,763
Par value per share	1,000	1,000
Earnings per share – Basic	21.33	11.47
<u>Diluted</u>		
The diluted earnings per share has been computed by dividing the Surplus by weighted average number of equity shares.		
<u>Continuing operations</u>		
Net Surplus/ (Deficit) for the year from continuing operations	3,71,82,096	1,55,29,296
Less: Preference dividend and tax thereon	0	0
Net Surplus/ (Deficit) for the year attributable to the equity shareholders from continuing operations	3,71,82,096	1,55,29,296
Add: Interest expense and exchange fluctuation on convertible bonds (net)	0	0
Surplus/ (Deficit) attributable to equity shareholders from continuing operations (on dilution)	3,71,82,096	1,55,29,296
Weighted average number of equity shares for Basic EPS	49,863	50,685
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	0	0
Weighted average number of equity shares - for diluted EPS	17,43,146.61	13,53,763.00
Par value per share	1,000	1,000
Earnings per share, from continuing operations - Diluted	20.74	11.06
<u>Total operations</u>		
Net Surplus/ (Deficit) for the year	3,71,82,096	1,55,29,296
Less: Preference dividend and tax thereon	0	0
Net Surplus/ (Deficit) for the year attributable to the equity shareholders	3,71,82,096	1,55,29,296
Add: Interest expense and exchange fluctuation on convertible bonds (net)	0	0
Net Surplus/ (Deficit) attributable to equity shareholders (on dilution)	3,71,82,096	1,55,29,296
Weighted average number of equity shares for Basic EPS	49,863	50,685
Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	0	0
Weighted average number of equity shares - for diluted EPS	17,43,147	13,53,763
Par value per share	1,000	1,000
Earnings per share – Diluted	20.74	11.06

Earning Per Share

(Amount in Rupees)

Sl. No.	Particulars	F/Y 2011-12	F/Y 2010-11
a)	Excess of Income over Expenditure for the year attributable to Equity Shareholders (Rs.)	3,71,82,096	1,55,29,296
b)	Weighted Average number of Equity Shares		
	Basic	17,43,147	13,53,763
	Diluted	17,93,010	14,04,448
c)	Basic Earning per share (a/b) (Rs.)	21.33	11.47
d)	Diluted Earning per share (Rs.)	20.74	11.06
e)	Nominal value per share (Rs.)	1,000	1,000



Note 2.18 General Disclosures

(i) Contingent Liability

A writ petition was filed by Shri T. Anantha Reddy S/o Shri Surender Reddy, R/o 12-5-27/3, Vijayapuri, South Lallaguda, Secunderabad, Hyderabad Dist, vide W.P.No. 2823 of 2006 against Managing Director, A.P. Vikalangula Co-operative Corporation and another before the Hon'ble High Court of Andhra Pradesh at Hyderabad (NHFDC impleaded as Defendant No. 2).

The petitioner wanted one time settlement of dues (Principal portion only) and that the interest to be waived in toto.

NHFDC contends that it is between the SCA and the borrower to settle the matter. So far, NHFDC is concerned, the SCA is the primary debtor, there is no privity of contract between the petitioner and NHFDC.

(ii) RELATED PARTY DISCLOSURES

List of related parties with whom transactions have taken place during the financial year 2011-12 and relationship as per the requirement of Accounting Standard (AS)-18 issued by the Institute of Chartered Accountants of India:

Sr. No.	Name of the Related Party	Relationship	Payment (Rs.)	
			2011-12	2010-11 (from 14.09.2010 to 31.03.2011)
1.	Shri Harsh Bhal, IIS, Chairman-cum- Managing Director	Key Managerial Personnel	19,24,084.00	9,74,555.00

(iii) Estimated amount of contract remaining to be executed on capital account and not provided for is Rs. Nil (net of advances), (previous year 'Nil')

(iv) Expenditure in Foreign Currency:-
Current Year: NIL (Previous Year NIL)

(v) Previous year's figures have been regrouped/ rearranged wherever necessary to correspond with current year's figures

PROXY FORM

NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION

I of at being a member of the NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION, hereby appoint of as my proxy to vote for me and on my behalf at the 15th (Fifteenth) Annual General Meeting of the Company to be held on the ____ day of _____, 2012 and at any adjournment thereof

Signed this day of