



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

## 2017-2018



**NATIONAL MINORITIES DEVELOPMENT & FINANCE CORPORATION**

(A Govt. of India Undertaking, Ministry of Minority Affairs)  
Core-1, 1st Floor, Scope Minar, Laxmi Nagar, Delhi - 110092

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## CHARIMAN'S SPEECH

### *Esteemed Shareholders and Celebrated Colleagues,*

With all humility, I feel privileged and honoured in extending a very warm welcome to each one of you on this festive occasion of 24<sup>th</sup> Annual General Meeting of your Corporation. It is a matter of great pleasure to be with the Shareholders – your presence changes twilight to twinkle reflecting your care about the progress and prosperity of NMDFC. On behalf of the Board of Directors and on my personal behalf, I acknowledge the same and express gratitude.

The Audited Annual Financial performance for year ending on 31.3.2018 and Director's Report have already been circulated and with your permission I take them as read.

The Corporation is treading on the path of financial discipline and fiscal consolidation in mission mode and I feel completely overwhelmed to share with you that this year too we got a "Nil" comments from C&AG. This continues to be significant achievement.

It is enrapturing to inform respected shareholders that the Parliamentary Committee, in one of its review meeting held recently, has showered praise on the functioning of your Corporation and expressed their utmost satisfaction and trust in NMDFC for carrying out its mandated works. It is a matter for all of us to feel proud about it.

The evaluation of MOU for the year 2017-18 is under progress. Based on performance rendered by your Company, I am sure, that it will be placed in grading of 'Excellent' by Govt. of India.

### ***Salient aspects of performance in the arena of finance:***

Your Corporation recorded highest ever disbursement achievement of Rs.570.83 crores during Financial Year 2017-18. The Share Capital touched Rs.1795.60 crores registering a growth of Rs.255.78 crores as compared to last Financial Year. The surplus also increased considerably from Rs.48.38 crores in 2016-17 to Rs.54.77 crores at the end of 31.3.2018, thereby registering an increase of 11.67%.

### ***Repayments:***

The cumulative repayments from SCAs of your Corporation is 91.89% under Term Loan whereas the same is 99.26% in case of Micro Financing. So far as grass root level recoveries from beneficiaries by SCAs of your Corporation are concerned, eight SCAs have more than 90% recovery performance. Eleven SCAs have reported recovery from beneficiaries in the range of 70% to 90% whereas six SCAs performance so far recovery is concerned is below 50%.

### ***New initiatives:***

Your Corporation has started discharging its Corporate Social Responsibility. It took up various projects and activities which have been covered and delineated in the Director's Report. Some of the activities undertaken have been dedicated by none other than Hon'ble Minister of Minority Affairs, Government of India. The Corporation provided latest version of computers to few schools in order to keep the students abreast with computer literacy and Information Technology. These schools are having the



real needy lots. The efforts of your Corporation have not only been applauded by the students and administration of schools but have also been befittingly covered by media too.

Your Corporation has taken the task of organizing Hunar Haat to a new peak. These events organized at Mumbai and Baba Kharak Singh Marg, New Delhi have been acclaimed as eminent in terms of ambience creation and decoration. The efforts and endeavors put in by few colleagues of Corporation deserve pat on the back.

***Bedrock of Governance:***

The philosophy of Corporate Governance of your Corporation stems from its belief that spirit of good governance lies in adherence to the highest standards of transparency and compliance of laws. Accountability and meeting Stakeholders' aspiration as well as societal expectation is also part of philosophy of Corporate Governance. NMDFC stands committed to these and compliant to stipulated requirements.

***Growing Team:***

The pillars and backbones have been bolstered and strengthened. I am talking about the employees of the NMDFC. A series of steps and measures have been taken to motivate the workforce – to mention a few 'PRP' has been paid, much awaited promotions have been effected for the employees, etc.

***Acknowledgements:***

I am completely indebted to revered Shareholders for reposing faith, providing support and patronage to NMDFC. I extend heartfelt thanks to them. My sincere gratitude to my mentor and guide, Hon'ble Minister whose invaluable constant support and encouragement has been helping the Corporation in achieving newer heights. I feel privileged to express gratefulness to Secretary, Minority Affairs, for his ever-ready support, unflinching faith and expert guidance and vision. My colleagues on the Board have been my strength and I stand obligated to them for their indefatigable support and excellent contributions. I take this opportunity to place on record my sincere thanks and gratitude for cooperation and help extended by Government of India, Ministry of Minority Affairs, State Channelizing Agencies, State Govts. /UT Administrations, C&AG, DPE, Statutory & Internal Auditors as well Bankers of the Corporation.

At the end, on behalf of Board and also on my personal behalf, I thank and appreciate services rendered by employees of NMDFC during the year 2017-2018.

sd/-

**Md. Shahbaz Ali**  
**Chairman-Cum-Managing Director**

\*\*\*\*\*



### NAME OF THE DIRECTORS\*

- |  |                                |
|--|--------------------------------|
| 1. Shri Md. Shahbaz Ali<br>National Minorities Development & Finance Corporation   | Chairman-cum-Managing Director |
| 2. Shri. Siddharth Kishore Dev Verman<br>Addl. Secretary<br>Ministry of Minority Affairs   | Director                       |
| 3. Shri Lalit Kishore Meena*<br><b>(*w.e.f. 03.08.2017)</b><br>Executive Director<br>Rashtriya Mahila Kosh   | Director                       |
| 4. Shri Javed Ahmad Siddiqui<br>Deputy General Manager<br>Small Industries Development Bank of India   | Director                       |
| 5. Dr. Naheed Soz*<br><b>(*upto 22.03.2018)</b><br>Managing Director,<br>J&K State Women Development Corporation                                   | Director                       |
| 6. Shri Kanakkil Thotton Balabhaskaran*<br><b>(*upto 22.03.2018)</b><br>Managing Director<br>Kerala State Backward Classes Development Corporation | Director                       |
| 7. Shri Sunil Namdeo Rankhambe*<br><b>(*upto 22.03.2018)</b><br>Managing Director<br>Maulana Azad Alpsankhyak Aarthik Vikas Nigam                  | Director                       |
| 8. Ms. Pekruzeu Daisy Mezhur*<br><b>(*upto 22.03.2018)</b><br>Secretary, Nagaland State Social Welfare Board                                       | Director                       |
| 9. Sh. M.S. Jaggi<br><b>(w.e.f. 13.01.2018 upto 22.3.2018)</b><br>Executive Director-BACKFINCO   | Director                       |

\* **During the Financial Year 2017-2018**

Shri Anantha Venkata Krishnan  
(upto 31.01.2018)

Smt. Ritu Bhatia  
(w.e.f. 1.2.2018)

Company Secretary

**Auditors & Bankers**

M/s. Vijay Sehgal & Co.  
Chartered Accountants

**Statutory Auditors**

M/s. K.K. Chanani & Associates  
Chartered Accountants

**Internal Auditors****Punjab National Bank****Bankers****Registered Office NMDFC**

Core-1, 1st Floor, Scope Minar, Laxmi Nagar, Delhi-110092

Telephones

: 22441436

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: 2441441

Website

: [www.nmdfc.org](http://www.nmdfc.org)

E-mail

: [nmdfc123@gmail.com](mailto:nmdfc123@gmail.com)

**CIN**

: **U74899DL1994NPL061852**

**NOTICE**

NOTICE is hereby given that the ***Twenty Fourth Annual General Meeting*** of the Members of **National Minorities Development & Finance Corporation** will be held on **Wednesday, the 19<sup>th</sup> September, 2018 at 12:15 PM**, at the Board Room of National Minorities Development & Finance Corporation (NMDFC), 1<sup>st</sup> Floor, Core-1, SCOPE Minar, Laxmi Nagar, Delhi-110092, to transact the following business:

**AS ORDINARY BUSINESS:**

1. **To receive, consider and adopt the Audited Balance Sheet & Income and Expenditure Account for the year ended 31<sup>st</sup> March 2018 alongwith the Directors' Reports, Statutory Auditor's Report alongwith the Management Reply thereon and comments of the Comptroller & Auditors General of India (C&AG).**

The members/shareholders are requested to pass the following resolution with or without modification: -

**"RESOLVED THAT** the Audited Balance Sheet as on 31<sup>st</sup> March 2018, Income and Expenditure Account for the year ended 31<sup>st</sup> March 2018, Directors Report, Statutory Auditor's Report alongwith the Management Reply thereon and comments of the Comptroller & Auditors General of India (C&AG) on the same, be and are hereby received, considered and adopted."

2. **To consider fixation of remuneration of Statutory Auditor's of the Corporation for the financial year 2018-19.**

The members/shareholders are requested to pass the following resolution with or without Modification as an Ordinary Resolution:

**"RESOLVED THAT** the Board of Directors/Committee of Board be and are hereby authorized to fix the remuneration, out of pocket expenses and other ancillary expenses of Statutory Auditors to be appointed by the Comptroller and Auditor General of India for the Financial Year 2018-19."

**(By Order of the Board of Directors)  
For National Minorities Development and Finance Corporation**

**Place: Delhi  
Date: 04.09.2018**

**Sd/-  
(CS Ritu Bhatia)  
Company Secretary**

**NOTE**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED TO BE A MEMBER OF THE COMPANY.
2. An explanatory statement pursuant to section 102 of Companies Act, 2013 is annexed here to and forms part of this notice.
3. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
4. Members / proxies should bring their Attendance slip duly filled in for attending the meeting.
5. All documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all working days during business hours upto the date of the Annual General Meeting.

**EXPLANATORY STATEMENT**

**Explanatory statement pursuant to Section 102 of the Companies Act, 2013.**

**Item No.2**

Pursuant to section 142 of the Companies Act, 2013 the remuneration to Auditors shall be fixed at the Annual General Meeting (AGM) or in such manner as the Company in General Meeting may determine.

The Members may authorize the Board of Directors/Committee of Board to fix the Remuneration of Auditors for the year 2018-19. Hence, this resolution for the consideration of the Annual General Meeting (AGM).

None of the Directors is concerned or interested in the resolution.



## Form No. MGT-11

### Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the company

**NATIONAL MINORITIES DEVELOPMENT & FINANCE CORPORATION**

Registered Office

SCOPE MINAR, CORE-1, 1st FLOOR, LAXMI NAGAR, NEW DELHI-110092

Name of the Member(s)	
Registered Office	
E-mail Id	
Folio No /Client ID	
DP ID	

I/We, being the member(s) of \_\_\_\_\_ shares of the NATIONAL MINORITIES DEVELOPMENT & FINANCE CORPORATION, hereby appoint

Name :	
Address:	
E-mail Id:	
Signature , or failing him	

Name :	
Address:	
E-mail Id:	
Signature , or failing him	

Name :	
Address:	
E-mail Id:	
Signature , or failing him	

as my/ our proxy to attend and vote( on a poll) for me/us and on my/our behalf at the **Twenty Fourth Annual General Meeting** of the company, to be held on Wednesday, the 19<sup>th</sup> Day of September, 2018 at 12:15 PM at the Board Room of National Minorities Development & Finance Corporation (NMDFC), 1<sup>st</sup> Floor, Core-1, SCOPE Minar, Laxmi Nagar, Delhi-110092 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution number	Resolution	For	Against
<b>Ordinary Resolution :</b>			
1.	To Receive, Consider, and Adopt Financial Statements		
2.	To fix remuneration of Auditors for Financial Year 2018-19		



Signed this \_\_\_\_ day of \_\_\_\_ 2018

Signature of Shareholder.....

Signature of Proxy Holder(s).....

<b>Affix Revenue Stamps</b>
-------------------------------------

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need to be a member of the Company.
3. This is only optional. Please put an 'X' in the appropriate column against the resolution indicated in the Box. If you leave the 'For or against' column blank against the resolution your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. Please complete all details including details of member(s) in above box before submission.

**ATTENDANCE SLIP****NATIONAL MINORITIES DEVELOPMENT & FINANCE CORPORATION**

CIN: U74899DL1994NPL061852

Registered Office: SCOPE Minar, Core-1, 1<sup>st</sup> Floor, Laxmi Nagar, Delhi 110092E-mail: [nmdfc@nmdfc.org](mailto:nmdfc@nmdfc.org) Website: [www.nmdfc.org](http://www.nmdfc.org)

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional attendance slip at the venue.

Name of shareholder/proxy	:	
Address of the registered Shareholder	:	
Client Id / Regd. Folio	:	
Email Id.	:	
No. of Share(s) held	:	

I/ We hereby record my/our presence at the **24<sup>th</sup> Annual General Meeting** of the Company, to be held on Wednesday, the 19<sup>th</sup> Day of September, 2018 at 12:15 PM at the Board Room of National Minorities Development & Finance Corporation (NMDFC), 1<sup>st</sup> Floor, Core-1, SCOPE Minar, Laxmi Nagar, Delhi-110092.

Signature of the shareholders / proxy.....

(To be signed at the Time of handing the slip)

**NATIONAL MINORITIES DEVELOPMENT & FINANCE CORPORATION**



## DIRECTORS' REPORT

### Dear Shareholders & Members

Your Directors take the pleasure in presenting Twenty Fourth Annual Report on business and operations of your Corporation. The report, apart from other details, contains the Audited Financial Results and Auditors' Report thereon for the financial year ended on 31<sup>st</sup> March, 2018.

### 1.1 CORPORATE PROFILE

You are aware that NMDFC is a Government of India Undertaking which is functioning under the aegis of Ministry of Minority Affairs. The Corporation was incorporated on 30<sup>th</sup> September, 1994 as a Company not for profit under Section 25 of the Companies Act, 1956, (now under Section 8 as per Companies Act, 2013) with an objective to promote economic and developmental activities for the benefit of the members belonging to the "backward sections" amongst the National Minority Communities.

### 1.2 MISSION

Economic empowerment of weaker sections amongst notified National Minorities.

### 1.3 VISION

Promote economic activities through provision of Concessional Credit amongst Minorities, with preference to occupational groups and women.

### 1.4 OBJECTIVES

- (i) Concessional credit for self-employment income generating ventures and activities.
- (ii) Expansion of channels for credit disbursement for improving access and diversification of loan instruments for meeting the different credit needs of the target groups.
- (iii) To enlarge the delivery system through Governmental and Non-Governmental channels.
- (iv) Furthering Govt. policies/programs.

### 1.5 AUTHORISED AND PAID-UP SHARE CAPITAL

During the Year, the Authorised Share Capital of your Corporation is Rs. 3000.00 crores. At the beginning of this year, the paid-up Share capital was Rs. 1539.82 Crores. During the year financial year 2017-18, the Ministry of Minority Affairs and other states have released Rs. 170.00 crores & Rs. 85.00 crores as equity capital contribution in the Share capital of the Corporation respectively thereby, enhancing the paid-up share capital to Rs.1795.82 crores as on 31<sup>st</sup> March, 2018.

## 2. THE STATE OF COMPANY AFFAIRS

The prime mandate of NMDFC is to provide concessional finance to the Minorities for self-employment/ income generation activities.

Your Corporation is a National level Apex financing body and has two channels to reach the ultimate beneficiaries:

- (i) State Channelizing Agencies (SCAs) nominated by respective State/UT Governments; and



- (ii) Network of SHGs and NGOs identified by SCAs for implementation of micro-credit Schemes. As on date, a total of 45 SCAs in 28 States and 7 UTs have been nominated by the respective State Governments/UTs. The Government of Telangana has so far not nominated any agency as its SCA & the SCAs, nominated in the States / UTs, of Arunachal Pradesh, Meghalaya, Goa, Sikkim, A&N Islands, Daman & Diu, Lakshadweep, D&N Haveli are yet to become operational. Your Corporation has been continuously taking up with respective Govts./Administrations in order to make them operational.

## **SCHEMES OF NMDFC**

### **A. Eligibility**

NMDFC operates two Credit Lines for providing financial assistance to its targeted group both in urban areas and rural pockets.

For availing assistance under its schemes, the annual family income eligibility criterion under ***Credit Line-1*** is Rs 98,000/- for rural areas and Rs 1,20,000/- for urban areas. Higher annual family income eligibility criterion of upto Rs 6.00 lacs has also been introduced as ***Credit Line-2***, for increasing coverage of beneficiaries under NMDFC schemes.

### **B. CONCESSIONAL CREDIT SCHEMES**

#### **i) Term Loan**

Under Credit Line – 1, loan for a maximum amount of Rs 20.00 lakhs per beneficiary is available at an interest rate of 6% p.a.

Higher Loan of maximum upto Rs 30.00 lacs per beneficiary is available under Credit Line-2 at an interest rate of 8% p.a. for male beneficiaries & 6% p.a. for female beneficiaries. In both the credit lines, rate of interest has been prescribed same keeping in view the vision of women empowerment.

#### **ii) Education Loan Schemes**

In order to take care of the financial needs of the minority communities pursuing education, NMDFC has Education Loan Scheme which is again at a very concessional rate of interest. The Education Loan of upto Rs 20.00 lacs for courses in India & Rs 30.00 lacs for courses abroad is available at an interest rate of 3% p.a. under Credit Line-1 and at interest rate of 8% p.a. for Male students under Credit Line-2. Rebate of 3% p.a. is offered to female students under Credit Line-2. Education Loan is part of Term Loan scheme for pursuing technical and professional courses with maximum course duration of 5 Years.

#### **iii) Micro Financing Scheme**

For the women belonging to minority communities living in urban slums and rural areas, the scheme of micro financing is an initiative of your Corporation towards empowering them, especially. Loan upto a maximum of Rs 1.00 lakh per member of SHG is available under Credit Line-1 at an interest rate of 7% p.a. both for male & female beneficiaries. Higher size of loan for an amount upto Rs 1.50 lakh per member of SHG is available under Credit Line-2 at an interest rate of 10% p.a. for male beneficiaries & 8% p.a. for female beneficiaries.

The scheme is implemented through SCAs as well as through established NGOs. This scheme has rural bias with 93.18% of financing in rural areas and women bias with nearly 97.86% women financed.



#### iv) Mahila Samridhi Yojana (MSY)

The scheme has been specifically designed for group of women to impart Skill development training in women friendly trades. This is grant based scheme in which training is given for a maximum period of 6 months with training & raw material cost of upto Rs 1500/- per women. Monthly stipend @ Rs 1,000/- per women is provided to attract and motivate them. During the period of training, the women are formed into Self Help Group, followed by infusion of micro-credit of maximum upto Rs 1.00 lakh per member for the purpose of using the skill developed during the training, for income generation activities. Thus the scheme has been striving to empower the women belonging to Minority communities economically.

### C. PROMOTIONAL SCHEMES

#### i) Vocational Training Scheme

During 2017-2018, the erstwhile Vocational Training Scheme was implemented by NMDFC for imparting skills to the targeted individual beneficiaries and linking them with credit financing leading to wage/self employment. As per that scheme, the cost of training upto Rs 2000.00 per month for a course duration of 6 months and a stipend of Rs 1000.00 per month per trainee was being disbursed by NMDFC through its SCAs. Your Corporation has disbursed an amount of Rs 42.24 lakhs to train over 600 beneficiaries during 2017-2018.

In view of the Directives of Govt. of India that any Skilling Programme is required to be aligned with the common norms prescribed by Ministry of Skill Development and Entrepreneurship. Your Corporation accordingly took the requisite action in this regard to align its Vocational Training Scheme with prescribed common norms. Accordingly, Guidelines were framed which were vetted by National Skill Development Council. The Board Agenda to this effect was placed before the Board in its 106<sup>th</sup> meeting and the aligned Guidelines for conducting skill training programme has been approved by the Board. The revised scheme has been named as "**Kaushal se Kushalta**"(KSK) which has salient features like the duration of the course would be to the tune of 200 to 250 hours and can be organized on hourly basis and for that hourly cost has been prescribed. The Scheme also envisages placement guarantee of minimum 70% candidates trained under KSK. NMDFC would also provide stipend of Rs 1000.00 per month per candidate and the entire cost of the training would be borne by NMDFC.

#### ii) Marketing Assistance Scheme

The Marketing Assistance Scheme, another promotional scheme, implemented through SCAs, aims at providing opportunity and market to individual crafts persons, beneficiaries of NMDFC as well as SHGs. The scheme envisages to promote sale and marketing of products handcrafted by the Artisans/SHGs at remunerative prices through participation/organising exhibitions at State/ District level.

During the year under consideration, exhibitions were organised by the SCAs located in the States of Jammu & Kashmir, Chandigarh, Kerala, West Bengal and Nagaland. An amount of Rs. 45.25 lakhs with NMDFC Share of Rs. 40.72 lakhs was sanctioned involving 360 artisans.

#### iii) Grant in Aid Assistance Scheme (GIA)

The objective of this Scheme is to strengthen the infrastructure of SCAs in order to improve their operations including recovery of loans. Financial assistance under this scheme in the form of 100%



grant is provided by Ministry of Minority Affairs. Funds are allocated to only performing SCAs, with a cap of Rs. 25.00 lakhs per SCA during a Financial Year. The SCAs can incur expenditure on Awareness Campaigns, improving credit delivery system, loan recovery, etc. However, TA&DA for staff and officers of SCAs is limited to 5% of total sanctioned amount.

During the Financial Year 2017-18, your Corporation has disbursed Rs. 149.44 lakhs to 21 SCAs, under the GIA Scheme.

### **3. EXEMPLARY INITIATIVES**

#### **3.1 Interaction with beneficiaries and SCAs**

In order to interact with beneficiaries and understand the feelings as well as to obtain the feedback from them on real time basis, Your Corporation, as a new initiative, deputed its officials for field visits during 2017-2018. These officials visited such beneficiaries physically who were provided assistance during the year 2013-14, 2014-15 & 2015-16 in the States of Gujarat, Maharashtra, Rajasthan & West Bengal. These visits turned out to be very meaningful because it not only provided first hand informations about implementation of schemes of your Corporation but also success stories emerging out of these schemes implementation. Simultaneously these visits also helped in understanding the functioning of SCAs of GMFDC, MAAAVN, RMFDC & WBMDFC which in turn brought on fore their strengths and weaknesses.

#### **3.2 Launch of 'Virasat' – A Credit Scheme for craft persons**

Your Corporation formulated a scheme to meet the capital requirements of artisans with a view to augment the resource base of them for expanding business activities. This scheme as a component of the Term Loan Scheme, aptly christened as "Virasat" – A Credit Scheme craft person, launched by Hon'ble Minister during Annual Conference held on 8<sup>th</sup> July, 2017 at Hyderabad, would definitely help in nurturing and propagating the traditional heritage of the country. Virasat provides for loan at the concessional rate of interest of 5% p.a. for a maximum amount of Rs.10.00 lakhs. Women artisans can avail additional concession of one percent in the prescribed rate of interest.

#### **3.3 Signing of MoU**

Marking a departure from the practice in vogue, the Corporation for the first time signed Memorandum of Understanding (MoU) with Administrative Ministry in respect of targets for financial year 2017-18 in the Annual Conference itself. Not only that, the Apex Corporation also signed MoUs with its State Channelising Agencies for the same period for implementation of schemes of NMDFC.

#### **3.4 Talks and Interactive Sessions**

The Corporation as a new initiative organized talks and interactive sessions during the Annual Conference held on 8<sup>th</sup> July, 2017 at Hyderabad. Talk on the topic – "Your Attitude will decide Your Altitude" was appreciated by participants as suitable topic to motivate them to have right kind of attitude in handling the sphere of works apart from whole perspective towards life.

The presentation and interaction on Credit Guarantee Trust for Micro & Small Enterprises (CGTMSE) & Mudra Bank with possible linkages with schemes being implemented, was described as fruitful initiative undertaken during Annual Conference. This Session was taken by Shri Javed Siddiqui, DGM, SIDBI who is Director on the Board of your Corporation.



An interactive session with Resource Person from National Skill Development Council gave a deeper insight into training of youths for gainful employment and linking with credit schemes of NMDFC. The concept of cluster development for artisans shared with audience was found a real way forward.

### 3.5 Documentary

The Annual Conference also witnessed screening of documentary film on the schemes and activities of NMDFC. This unique endeavour of NMDFC drawn the attentions of participants who expressed this as commendable initiative.

### 3.6 CSR Projects

Your Corporation framed its CSR policy in line with mandate, vision and guidelines on the subject. Altogether eight projects were taken up during the period under report. In fact one such project viz construction of 25 seated toilets at Dargah-e-Aliya, Bijnor has already been completed. The foundation stone was unveiled by Sh. Mukhtar Abbas Naqvi, Hon'ble Minister of Minority Affairs on 12.02.2018. The devotees visiting this shrine have expressed exultation for this effort of the Corporation. Another project of construction of 3.0 Lakh litre overhead water tank at Kayad Vishram Sthali, has been rolled out through the office of Nazim, Dargah, Khwaja Shaib, Ajmer. The project is expected to be completed in the month of October, 2018. Considering that schools being the temple of future building and students being future of nation, NMDFC has selected few schools in Delhi for carrying out CSR activities. Providing of books, computers etc. would definitely go a long way in helping poor students to be technically sound and educationally empowered. Carrying out developmental activities in far-flung areas of N.E. States has also engaged the attention of your Corporation. NMDFC will be setting up production cum training centre for women practising traditional handloom weaving work in Ukhrul District of Manipur. Other details are also available in the Annual Report on CSR enclosed herewith as **Appendix-A**.

### 3.7 Welfare measures

Your Corporation realizing that human resources are the assets and in order to take care of their well being adopted several measures which have hitherto been left unattended. These include framing and finalizing of Recruitment Rules & Promotion Policy, 2017, implementation and disbursement of Performance Related Pay, Pension Trust creation to mention a few. The detailed delineations have been incorporated under heading of Human Resource Development.

### 3.8 New Year Celebrations

As a unique initiative, the Company on the eve of 2018, organized a family get together of staffs and employees on 30<sup>th</sup> December, 2017. In the annals of NMDFC this was the first time when such a function was organized. The presence of family members in the celebration not only added colour and vibrancy to the evening but evinced remarkable enthusiasm and bon-homie. The event also brought out the hidden jewels through the performances rendered by wards and staffs equally.

### 3.9 'Nukkad Natak'

As a new initiative the Corporation organized 'Nukkad Natak' on hygiene and cleanliness. The audience not only included staff members of NMDFC but also people working in different offices of Scope Minar Complex in which office of NMDFC is housed. The entire audience was enthralled by this performance. Thus this initiative attained its mission in successfully conveying importance of hygiene and cleanliness.



### **3.10 Carom tournament**

In order to motivate as well as to have leisure moments from routine works, the Corporation also started carom tournament for the fellow colleagues. This initiative manifested huge camaraderie.

## **4. EVENTS CONDUCTED**

### **4.1 Awareness Camps**

Your Corporation has put emphasis on organizing of Awareness Camps-cum-loan melas in order to educate prospective beneficiaries and increase the outreach of schemes. These Awareness Camps have not only helped in disseminating the informations about Schemes of your Corporation but also resulted in receipt of large number of applications for availing benefit under these schemes. Another important aspect of such camps are that these help in financing needy beneficiaries from distant places. During the Fiscal year 2017-18, altogether 74 awareness camps cum-loan melas have been organized by 13 SCAs.

### **4.2 Organizing of “Hunar Haats “ by NMDFC**

You are aware that Hunar Haat, a platform to showcase and sell the artefacts produced by artisans belonging to minority communities, are organized by your Corporation, two such Hunar Haats were organised by NMDFC during 2016-17. Hunar Haat is a component of USTTAD Scheme of Ministry of Minority Affairs. In view of grand success, Ministry again directed NMDFC to shoulder this responsibility and your Corporation has organized Four Hunar Haat Exhibitions during this Financial Year. The details are as follow :-

#### **i) Hunar Haat at Puducherry**

The first event held outside Delhi, Hunar Haat at Puducherry was a combination of crafts & cuisines, organized from 24<sup>th</sup> September to 30<sup>th</sup> September, 2017 at Gandhi Thidal Beach, Goubert Avenue, Puducherry. It was jointly inaugurated by Sh. Mukhtar Abbas Naqvi, Hon’ble Minister of Minority Affairs, Govt. of India and Sh. V. Narayanasamy, Hon’ble Chief Minister of Puducherry on 24<sup>th</sup> September, 2017. Sh. R. Radha Krishnan, Hon’ble Member of Parliament, Puducherry was also present during the inauguration.

In the Hunar Haat Exhibition at Puducherry 54 artisans from 21 States and 14 culinary experts from 7 States got the opportunity to participate in order to exhibit their exquisite handmade products and serve finest traditional cuisines. The artisans were able to register direct sale of products worth Rs. 49.52 lakhs (Rs. 38.32 lakhs by Artisans & Rs. 11.20 lakhs by Culinary Experts). Performances by different local cultural troupes were organised in the evenings and were source of attraction for locals as well as domestic and foreign tourists.

#### **ii) Hunar Haat at IITF-2017**

The second Hunar Haat was organized during the India International Trade Fair-2017, at Pragati Maidan, from 14<sup>th</sup> to 27<sup>th</sup> November, 2017. The Exhibition was jointly inaugurated by Sh. Mukhtar Abbas Naqvi, Hon’ble Minister of Minority Affairs, Govt. of India and Dr. Virendra Kumar, Hon’ble Minister of State for Minority Affairs on 15<sup>th</sup> November, 2017. Ms. Ritu Beri, an eminent fashion designer, had also graced the occasion. Over 132 artisans were provided opportunity to showcase & sell their finest handloom & handicrafts products in the exhibition. During the exhibition, the artisans were able to register direct sale of products worth Rs. 1.57 Cr. Artisans have also confirmed about the receipt of order booking to the tune of Rs.62 lakhs during Hunar Haat, IITF-2017.

**iii) Hunar Haat at Mumbai**

Your Corporation accomplished the stupendous task of setting up stalls, stage and ambience in a record time of 36 hours at the venue, that is, Islam Gymkhana, Mumbai where Hunar Haat was organized from 4<sup>th</sup> January to 10<sup>th</sup> January, 2018. It was inaugurated by Sh. Vinod Tawde, Minister for Education & Minority Welfare, Govt. of Maharashtra, Sh. Ameising Luikham, Secretary, Ministry of Minority Affairs, Govt. of India & Sh. Ashish Selar, MLA, Bandra (W) on 5<sup>th</sup> January 2018. Later Sh. Mukhtar Abbas Naqvi, Hon'ble Minister of Minority Affairs, Govt. of India also visited the exhibition and appreciated the Hunar Haat. He rated this exhibition as the best decorated event with innovative theme pavilions. Over 92 Artisans and 18 culinary experts from 21 States/UTs participated in the exhibition. During the exhibition, the artisans & culinary experts were able to register direct sale of worth Rs. 1.20 cr. Artisans have received advance order to the tune of Rs. 0.24 cr. during the Hunar Haat. Cultural evenings of stars and groups of repute were considered appreciable thought.

**iv) Hunar Haat at Baba Kharak Singh Marg, New Delhi:**

The fourth Hunar Haat, organised from 10<sup>th</sup> to 18<sup>th</sup> February, 2018 at Baba Kharak Singh Marg, New Delhi was inaugurated by none other than Sh. Rajnath Singh, Hon'ble Union Home Minister, Govt. of India in the august presence of Sh. Mukhtar Abbas Naqvi, Hon'ble Minister of Minority Affairs, Govt. of India on 11<sup>th</sup> February, 2018. In terms of its decoration, theme pavilions and ambience creation, the visitors & exhibitors applauded the efforts of your Corporation. The cultural evenings organized had been an added attraction. Over 98 Artisans and 29 culinary experts got opportunities to participate in the Exhibition. During Hunar Haat, the artisans & culinary experts registered sale worth Rs. 1.38 crores. During the course of event the craft persons fetched future orders to the tune of Rs.0.12 crores.

**5. FINANCIAL AND OPERATIONAL PERFORMANCE****5.1 Income & Expenditure Account**

The income of the Corporation has increased to Rs. 54.77 Crore, during the financial year 2017-18 as compared to Rs. 48.38 crore in the previous year.

**5.2 Transfer to Reserve**

During the period under review, a sum of Rs. 54.77 Crore, being 100% of excess of income over expenditure has been transferred to General Reserve of the Corporation.

**5.3 Management of Surplus Funds /Treasury & Investment Operations**

Your Corporation invested its surplus funds (i.e., the funds which are not immediately required for carrying-out the disbursements to the SCAs for the purpose of implementing its Schemes & programs) as short term deposits with Banks, as per the guidelines issued by the Department of Public Enterprises. During the year, your Corporation could generate an income of Rs.11.48 Crores, out of surplus funds prudently invested by it.

**5.4 Net worth**

The net worth of the Corporation has increased by 13.35.% to Rs. 2233.90 Crores as on March 31, 2018 as compared to Rs.1970.49 Crores on March 31, 2017.



### 5.5 Earning per share

Earning per Equity Share during 2017-18 is Rs. 31.92 & Rs. 31.15 (Basic & Diluted) as against Rs. 32.90 & Rs. 31.95 (Basic & Diluted) for 2016-17.

### 5.6 Repayments

As on 31.3.2018, the cumulative repayment from SCAs of your Corporation is 91.89% under Term Loan and Micro-Credit Scheme is 95.01%.

### 5.7 Recoveries from Beneficiaries

As on 31.3.2018, only 8 SCAs are maintaining recovery of over 90% from beneficiaries; 11 SCAs are recovering in the range of 70% - 90%; 3 SCAs have recovery ranging between 50% - 70%, while other SCAs are not reporting their grass root level recovery status.

## 6. FINANCIAL RESULTS

Your Corporation generated surplus of Rs. 54.77 Crores during the year, which has been transferred to reserve. Important highlights of the financial performance are tabulated below:

(Rs. in Crore)

Particulars	2017-2018	2016-2017
Revenue from operations	55.20	48.33
Other Income	14.90	13.61
<b>Total Income</b>	<b>70.10</b>	<b>61.94</b>
Employees benefit expenses	6.67	4.91
Depreciation	0.34	0.43
Other Expenses	8.54	8.21
<b>Total Expenses</b>	<b>15.55</b>	<b>13.55</b>
Excess of Income over Expenditure before Exceptional Items and Tax	54.55	48.39
<b>Excess of Income over Expenditure for the period from continuing operations</b>	<b>54.55</b>	<b>48.39</b>
<b>Other Comprehensive Income</b> - Items that will not be reclassified to Income & Expenditure Statement	0.22	(0.01)
<b>Excess of Income over Expenditure and other Comprehensive Income for the period</b>	<b>54.77</b>	<b>48.38</b>
Earnings Per Equity Share		
<b>Basic (in Rs.)</b>	<b>31.92</b>	<b>32.90</b>
<b>Diluted (in Rs.)</b>	<b>31.15</b>	<b>31.95</b>



### 7. MEMORANDUM OF UNDERSTANDING (MoU)

A Memorandum of Understanding is signed every year between your Corporation and Administrative Ministry i.e. Ministry of Minority Affairs through which annual targets are fixed. MoU for the year 2017-18 was signed on 8<sup>th</sup> July, 2017.

The target and achievements of MoU parameters are given below:-

#### MoU 2017-18 : Targets and Achievements

Parameter No.	Financial Performance Criteria	Unit	Marks	MoU Target for 2017-18		Achievement as on 31/03/2018
				Excellent 100%	V.G. 80%	
1	Turnover : Revenue from Operations (Net)	Rs. crore	10	45.50	45.00	50.72

#### Working :

<b>A</b>	Revenue from Operation (Gross) as per Income & Expenditure A/c	55.20
<b>B</b>	less : Rebate on interest on loans as per Income & Expenditure A/c	4.48
<b>C</b>	Turnover : Revenue from Operations (Net) (A-B)	<b>50.72</b>

Parameter No.	Financial Performance Criteria	Unit	Marks	MoU Target for 2017-18		Achievement as on 31/03/2018
				Excellent 100%	V.G. 80%	
2	Operating profit or Surplus/ Revenue from operations	%	20	61.00	60.00	78.61

#### Working :

<b>A</b>	Operating profit/Surplus :	
i	Surplus as per Income & Expenditure A/c	54.77
ii	Other Income	14.90
iii	Operating profit/Surplus (i-ii)	39.87
<b>B</b>	Revenue from Operation (net)	50.72
<b>C</b>	Operating profit or Surplus/ Revenue from operations (net) (%) (A(iii)/B*100)	78.61



Parameter No.	Financial Performance Criteria	Unit	Marks	MoU Target for 2017-18		Achievement as on 31/03/2018
				Excellent 100%	V.G. 80%	
3	Revenue on investment: PAT or Surplus/ Average Net Worth	%	20.00	1.60	1.50	2.61

**Working :**

<b>A</b>	Surplus as per Income & Expenditure A/c	54.77
<b>B</b>	Average Net Worth	
	i Net worth for 2016-17 as per Balance Sheet	1970.49
	ii Net worth for 2017-18 as Balance Sheet	2233.91
	iii Average Net worth (i+ii)/2	2102.20
<b>C</b>	Return on investment : PAT or Surplus/Average Net (%) $A/B(iii)/A*100$	2.61

Parameter No.	Financial Performance Criteria	Unit	Marks	MoU Target for 2017-18		Achievement as on 31/03/2018
				Excellent 100%	V.G. 80%	
4	Loans disbursed/ Total Funds Available	%	15.00	92.15	92.11	94.29

**Working :**

		Rs. In Crores
<b>A</b>	Disbursement by NMDFC (Cr)	570.83
<b>B</b>	<i>Total Funds Available during 2017-18 for disbursements</i>	
	i Opening Balance of Funds	65.69
	ii Share Capital from GOI and State Govt. available for Disbursement	178.64
	iii Repayment of Loan/Refunds during 2017-18	361.10
	<b>iv Total (i+ii+iii)</b>	<b>605.43</b>
<b>C</b>	Loans disbursed/ Total Funds Available (%) $B(iv)/A*100$	94.29



Parameter No.	Financial Performance Criteria	Unit	Marks	MoU Target for 2017-18		Achievement as on 31/03/2018
				Excellent 100%	V.G. 80%	
5	Loans disbursed to Micro Finance Beneficiaries as a % Total Disbursement	%	10.00	47.00	46.00	48.05

**Working :**

<b>A</b>	Disbursement by NMDFC (Cr)	570.83
<b>B</b>	Micro Finance Disbursed (Cr.)	274.30
<b>C</b>	Loans disbursed to Micro Finance Beneficiaries as a % Total Disbursement (B/A*100)	48.05

Parameter No.	Financial Performance Criteria	Unit	Marks	MoU Target for 2017-18		Achievement as on 31/03/2018
				Excellent 100%	V.G. 80%	
6	Overdue loans/Total Loans (Net)	%	10.00	6.00	6.49	8.17

**Working :**

<b>A</b>	Over Loans - Cr (as per note no. 35 of Accounts)	167.85
<b>B</b>	Total Loans - Cr (As per note no 5.2 and 6.3 - excluding employees advances)	2054.75
<b>C</b>	Overdue loans/Total loans (Net) - % (A/B*100)	8.17

Parameter No.	Financial Performance Criteria	Unit	Marks	MoU Target for 2017-18		Achievement as on 31/03/2018
				Excellent 100%	V.G. 80%	
7	NPA/Total Loans (Net)	%	10.00	3.70	3.72	2.96

**Working :**

<b>A</b>	NPA (Crores)	60.86
<b>B</b>	Total Loans - Cr (As per note no 5.2 and 6.3 - excluding employees advances)	2054.75
<b>C</b>	NPA/Total loans (Net) - % (A/B*100)	2.96



**HR Parameters proposed by DPE**

Parameter No.	Performance Criteria	Unit	Marks	MoU Target for 2017-18		Achievement as on 31/03/2018
				Excellent 100%	V.G. 80%	
i	On-line submission of ACR/APAR in respect of all executives ( <b>E0 and above</b> ) along with compliance of prescribed timelines w.r.t. writing of ACR/APAR (% of number of executives)	%	1	100	95	NMDFC uploaded the ACRs for the period of 2016-18 online, in respect of 100% executives (E0 and above) within the prescribed timeline
ii	Online Quarterly Vigilance clearance updation for Senior Executives ( <b>AGM (E-5) and above</b> ) %age of number of senior executives.	%	1	100	95	NMDFC updated the Vigilance Clearances for E5 and above for 100% employees
iii	Preparation of succession plan and its approval by Board of Directors	Date	1	30/09/2017	15/10/2017	Board of NMDFC approved the succession plan in its 103rd Board Meeting held on 03/08/2017
iv	Holding of DPC without delay for executive ( <b>E0 and above level</b> ) (%)	%	1	100	95	NMDFC conducted DPC for all executives (E0 and above) without delay
v	Talent Management and carrier progression by imparting at least one week training in Centre of excellence within India e.g. IITs, IIMs, NIITs, ICAI, etc.	No. of Executives	1	3	2	Three officers of NMDFC were imparted training of one week duration from MDI, Gurgaon and NIFM, Faridabad.



## 8 . HUMAN RESOURCE DEVELOPMENT

**8.1 Human Capital:** The manpower of your Corporation as on 31.03.2018 was 32, out of which 11(34.38%) belong to SCs, 1(1.13%) belongs to ST, 6(18.75%) belong to OBC and 3(9.38%) belong to Minority Communities. The representation of women employees in the Corporation was 4 (12.5%).

### 8.2. Pay Revision in respect of below Board Level Employees of NMDFC w.e.f. 01.01.2017.

In pursuance of approval of the Board of Directors of NMDFC in 105<sup>th</sup> Board Meeting held on 13.01.2018 and issuance of Presidential Directive by The Administrative Ministry (MOMA) vide letter dated 19.04.2018, the existing IDA pay scales in respect of Board Level & below Board Level Executives, Non- unionized Supervisory Staff and Non Executives Staff of the Corporation have been revised w.e.f. 01/01/2017.

**8.3 Recruitment Rules and Promotion Policy:** In your corporation, last promotion had been effected in the year 2001 to all employees. After that, several efforts were made to consider promotions of deserving employees but the same could not fructify.

With a sincere effort, the Recruitment Rules and Promotion Policy of NMDFC was redrafted and placed before the Board in its 105<sup>th</sup> meeting held on 13/01/2018. The Board constituted a Committee for examining the Recruitment Rules and Promotion Policy in depth. Subsequently Recruitment Rules and Promotion Policy as recommended by the Committee was approved by the Board through Circular Resolution. The same has been duly notified to all the employees of NMDFC. The newly adopted Rules and Policy have been implemented and promotions have also been effected.

**8.4 Performance Related Pay (PRP):** Guidelines for implementation of PRP in NMDFC was approved by the Board in its meeting held on 03/08/2017 and a committee of the two directors consisting DGM-SIDBI and MD-KSBCDC was constituted to examine the Proposal of PRP as per approved guidelines.

Recommendation of the Committee was again placed before the Board for its approval in its meeting held on 13.01.2018. Disbursements after due approval to all employees of NMDFC upto the financial year 2016-17 has been done. This step has boosted the morale of employees.

**8.5 Training Programmes during the year:** The Corporation regards training and development as a function concerned with organizational activity aimed at buttressing the job performance of individuals and groups in organizational settings. During the year under review, executives attended four trainings.

**8.6 International Woman's Day Celebration:** The International Women's day has been celebrated on 8<sup>th</sup> March, 2018, where Ms. S.P Bhatt, Delhi had delivered a lecture on "Family & Career-A Balancing Act for Successful Women". All the regular employees and contractual staff had attended the said lecture which inter alia covered gender equality as a tool to empower women. With examples, she apprised the gathering as to how daily chores of family can be balanced in order to achieve success.



**8.7 International Yoga Day Celebration:** Dr. K.K. Jha of World Health Initiative for Peace organised Yoga Training Session for employees of NMDFC at its registered office on the occasion of International Yoga Day on 21.06.2018. All the employees of NMDFC participated in the Yoga session enthusiastically. They found this session so useful that in the feedbacks/recommendations have been received by management to conduct such more sessions so as to have healthy working lot.

## **9 OTHER ACTIVITIES DURING THE YEAR**

**9.1 Swachh Bharat Abhiyan :** In compliance of instructions received from Ministry of Minority Affairs from time to time, your Corporation undertook various activities for achieving the mission “**Swachh Bharat Abhiyan**” including printing of logo in the letter heads and envelopes. The Swachh Bharat Abhiyan was celebrated in your corporation from 28<sup>th</sup> September 2017 to 11<sup>th</sup> October 2017. On 11<sup>th</sup> October 2017, a special guest Smt. Ginni Walla, Vice President of Antheen Welfare Society has delivered a lecture on the importance of Cleanliness with the theme “**A Clean work area is safe work Area**” and all the employee of the Corporation participated actively.

**9.2 Progressive use of Official Language during 2017-2018. :** In compliance with Official Language Policy, your Corporation carried out the following activities during the year 2017-18:

- a. Meetings of the Official Language Implementation Committee have been organised regularly under the Chairmanship of CMD of your Corporation;
- b. The Quarterly Progress Reports and Half Yearly Reports about progressive use of Official Language submitted to the Ministry of Minority Affairs and Town Official Language Implementation Committee, Delhi respectively;
- c. Many documents of the Corporation and standard forms were translated into Hindi to ensure the compliance of Section 3(3) of the Official Language Act, 1963;
- d. Implemented Hindi Incentive Allowance Scheme for Stenographers and Typist to motivate them in doing their official work in Hindi, in addition to English.
- e. “**Hindi Pakhwada**” was celebrated successfully from 01.09.2017 to 15.09.2017 in your Corporation. During this period, the employees of the Corporation enthusiastically participated in Noting/Drafting, Essay Writing, Quiz Competitions and did their maximum official work in Hindi. Hindi Diwas was celebrated on 17<sup>th</sup> October, 2017 and cash prizes were distributed among the participants who performed well in these competitions.

**9.3 Vigilance Awareness Week:** As per the instructions received from the Ministry of Minority Affairs Vigilance Awareness Week 2017 was organized from 30.10.2017 to 04.11.2017. The prescribed pledge was taken on the first day of the Vigilance Awareness Week i.e. on 30.10.2017. In order to inculcate the awareness about vigilance approach towards corruption amongst the people, the Company organized ‘Nukkad Natak’ on 03.11.2017 on the ground floor of Scope Minar Complex. This was witnessed by the employees as well as visitors and the awareness was spread through this mode of performance.

**9.4 Digitization Workshop:** A workshop on digitization was organised in NMDFC on 1<sup>st</sup> August, 2017. The Officials of National Informatics Centre (NIC) gave the presentation on e-office



software under digitization programme. Audio/visual presentation of e-office software including explanation of the different applications of the software was found useful. They further explained to utilize the software to minimize the paper work, physical movements of the files/ documents and maintenance of records in physical formats.

## 10. DISCLOSURE

- 10.1 Extract of Annual Return :** In compliance to provisions of Section 134(3)(a) read with provisions of sub-section (3) of Section 92 of the Companies Act, 2013, extract of annual return is placed at the website of Corporation i.e. [www.nmdfc.org](http://www.nmdfc.org)
- 10.2 Subsidiary Companies, Joint Ventures & Associate Companies :** As required under the proviso to sub-section (3) of Section 129 of the Companies Act, 2013, a separate statement containing the salient features of the financial statements of the Association form AOC-1 is annexed to the Financial Statements and forms part of the Annual Report, which covers the performance and financial position of the Associate Company.
- 10.3 Consolidated Financial Statement :** The Audited Consolidated Financial Statement for the financial year ended March 31, 2018, based on the financial statement received from Associate Company, as approved by their Board of Directors have been prepared in accordance with Indian Accounting Standards (Ind-AS).
- 10.4 Present Status with Defaulting SCAs :** Your Corporation is making all-out efforts to recover the overdues of Rs. 75.11 crores (approx.) as on 31.03.2018 from five (05) defaulting SCAs namely AMDFC, BSMFC, ZIDCO, NIDC & NHDC as per OTS scheme approved by your Board of Directors. It is expected that overdues of Rs. 75.11crores will extinguish gradually with serious efforts of your Corporation.
- 10.5 Statement on Declaration of Independent Directors :** Provision of Section 134 (3)(d) read with sub-section (6) of Section 149 of the Companies Act, 2013 (requiring a statement on declaration given by independent Directors), is not applicable to Section 8 Companies by virtue of notification dated 05.06.2015 issued by the Ministry of Corporate Affairs.
- 10.6 Disclosure on Company's policy on Directors' appointment and remuneration:** It is to report that the requirements of disclosing Company's policy on Directors' appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013 are not applicable.
- 10.7. Explanations or comments by the Board on every qualification etc. :** The auditors' report does not contain any qualification which warrants any explanation, comments by your Board of Directors.

By virtue of provisions of Section 204 of the Companies Act, 2013 read with Rule 9(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2013, your Corporation is not required to obtain Secretarial Audit Report for the period under review.



- 10.8 Particulars of loans, guarantee or investments :** Pursuant to provisions of Section 186 of Companies Act, 2013, the details of investment made by your Corporation are provided in Standalone Financial Statements under Notes 5.1 and 5.2.
- 10.9 Particulars of contracts or arrangements with related parties:** : The Company has entered into related party transaction. The particulars of contract or arrangements entered into by the Company with Related Parties referred in Section 188(1) of the Companies Act, 2013, in the prescribed Form No. AOC-2 as **Appendix-B**.
- 10.10 Dividend :** Your Corporation is a Company registered under Section 25 of the Companies Act, 1956 now covered under Section 8 of the Companies Act, 2013 and in terms of Section 8(1)(b) & Section 8(1)(c) ploughs back its excess of income over expenditure to its business and prohibited from declaring dividend.
- 10.11 Material Changes and Commitments :** No material changes and commitments affecting the financial position of your Corporation have occurred after the end of the financial year 2017-2018 and till the date of this report.
- 10.12 Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :** The activities undertaken by your Corporation do not fall under the purview of disclosures of particulars under Section 134(3)(m) of the Companies Act, 2013, in so far as it relates to the conservation of energy, technology absorption, foreign earnings and outgo.
- 10.13 Risk Management Policy :** The Company has formulated a Risk Management Policy, which was duly approved by the Board in its 85<sup>th</sup> meeting held on 10<sup>th</sup> May, 2013. In the opinion of the Board, in your Corporation, the purpose of Enterprise Risk management is to create, protect and enhance member value and the Corporation's viability by managing the uncertainties that could influence achieving its objectives.
- 10.14 Performance Evaluation of Board, Committees & Individual Directors :** In pursuance to Notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, provisions of Section 134(3)(p), formal annual evaluation made by the Board of its own performance and that of its committees and individual Directors, are not applicable to your Corporation.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with sub - section 5 of Section 134 of the Companies Act, 2013, your Directors state that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from same;
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;



- d. The directors had prepared the annual accounts on a going concern basis;
- e. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f. The directors had devised proper systems to ensure proper compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

## 12. BOARD COMMITTEES

- a. **CSR Committee** : In pursuance to the provisions of Section 135 of the Companies Act, 2013 read with rule 5 of Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors vide Resolution by circulation dated 31<sup>st</sup> March, 2016 constituted CSR Committee comprising of four directors, namely, Shri Javed Ahmed Siddiqui, Dr. Naheed Soz, Shri K.T. Balabhaskaran and Shri S.N. Rankhambe. Two meeting of CSR Committee were held during the year.
- b. **Audit Committee** : The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 specifying the classes of Companies to constitute Audit Committee are not applicable on your Corporation. However, the Board of Directors of your Corporation has constituted an Audit Committee in its Board Meeting held on 3/08/2017 for seeing the Annual Accounts. One meeting of Audit Committee was held during the year.
- c. **Nomination & Remuneration Committee and Stakeholders Relationship Committee** : Provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, your Corporation is not required to constitute a Nomination and Remuneration Committee of the Board. However, the Board of Directors of your Corporation has constituted a Committee in its Board Meeting held on 03/08/2017 to examine the proposal of PRP as per guidelines approved by the Board and put up their recommendations to the Board of Directors, for payment of PRP as per the approval. Accordingly, the PRP Committee recommended for payment of PRP, to the Board and thus, PRP was disbursed to the employees.
- d. **Vigil Mechanism** : As per provisions of sub-section (9) of Section 177 of the Companies Act, 2013 read with Rule 7(1) of Companies (Meetings of Board and its Powers) Rules, 2014, your Corporation is outside the purview of formation of Vigil Mechanism. However, the employees are encouraged to report unethical behaviour, actual or suspected fraud, if any, to the higher authorities.

## 13. BOARD OF DIRECTORS

- 13.1 **Composition** : The sanctioned strength of the Board of directors of NMDFC is 13, which comprises of three full time directors i.e. One Managing Director and two functional Directors, two post for non-official directors, two post for representative of SIDBI/NABARAD and one post of Government Nominee director and five directors from state channelizing Agency on rotation basis for every three years.



The Composition of Board of Directors during the financial year 2017-2018 is as under:

S. No.	Director's Name	Category	Date of Appointment	Date of Cessation
1.	Sh. Md. Shahbaz Ali	Executive	12.06.2015	—
2.	Sh. S.K.D. Verman	Non-Executive	14.03.2017	—
3.	Sh. L.K. Meena	Non-Executive	3.08.2017	—
4.	Sh. J.A. Siddiqui	Non-Executive	21.09.2015	—
5.	Ms. P.D. Mezhur	Non-Executive	24.03.2015	22.03.2018
6.	Dr. Naheed Soz	Non-Executive	24.03.2015	22.03.2018
7.	Sh. K.T. Balabhaskaran	Non-Executive	04.08.2016	22.03.2018
8.	Sh. S.N. Rankhame	Non-Executive	14.03.2017	22.03.2018
9.	M.S. Jaggi	Non-Executive	13.01.2018	22.03.2018

### 13.2 Appointment/Retirement/Resignation/Superannuation of the KMP during the Financial Year

S.NO	Name	Designation	Date of Appointment	Date of Cessation /Superannuation
1.	Sh. A. V. Krishnan	KMP	03/09/1997	31/01/2018
2.	Smt. Ritu Bhatia	KMP	01/02/2018	Continuing

### 13.3 Board Meetings

During the financial year under review, three meetings of the Board were held. The details are given below:-

S.No	No. of Board Meeting	Date of Meeting
1.	103 <sup>rd</sup>	03/08/2017
2.	104 <sup>th</sup>	18/09/2017
3.	105 <sup>th</sup>	13/01/2018

## 14. CORPORATE GOVERNANCE

Your Corporation is committed to maintain highest standards of Corporate Governance Guidelines for CPSEs issued by DPE vide its order dated 14.05.2010. A detailed report on Corporate Governance as stipulated under DPE Guidelines is enclosed with the Annual Report given at **Appendix-C**. The requisite certificate from the practicing Chartered Accountant confirming the compliance of applicable provisions of DPE Guidelines on Corporate Governance will forms the part of Annual Report.

## 15. AUDIT & AUDITORS

### 15.1 Appointment of Auditors for the financial year-2018-19

M/s Vijay Sehgal & Co. Chartered Accountants, Delhi, was appointed as Statutory Auditors under Section 129(4) of the Companies Act, 2013 by C&AG for the financial year 2018-19.



## 15.2 AUDITOR'S REPORT

Auditor's Report on the financial statements for the year 2017-18 together with the notes thereon is attached. A perusal of the statement reflects that it certifies true and fair view of the state of affairs of the Company and is self-explanatory.

## 15.3 OBSERVATION OF C&AG

The Company has submitted the financial statement for the year 2017-18 together with the report of the Auditors to the office of C&AG for their review and comment, if any. The Company will circulate to the members, the comments, if any, given by C&AG and also to place before the AGM in the same manner as the Audit Report in conformity with the Proviso to Section 142 (6)(b) of the Companies Act, 2013.

## 16. STATUTORY DISCLOSURE

### 16.1 Disclosure under Companies Act, 2013

The details of other disclosure or reporting with regard to following matters are not required, as there were no transactions on these items during the year:-

- a. Details relating to deposits as stipulated in Chapter V of the Companies Act, 2013.
- b. Issue of equity shares with differential rights to dividend, voting or otherwise.
- c. Issue of shares (including sweat equity shares) to the employees of the Corporation under any scheme.
- d. No significant material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and operations of the Corporation.

### 16.2 Disclosure under Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012

With reference to Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012, mandate that 20% of the total annual procurement made by all Central Ministries/ Public Sector Undertakings is to be made from Micro and Small Enterprises (MSEs). Government has further earmarked a sub-total of 4% procurement of goods and services, out of the 20%, from MSEs owned by SC/ST entrepreneur. During the year, your Corporation procured Rs. 41.90 lakhs from MSEs out of total procurement of Rs. 73.81 Lakhs which constitute 56.77 % of total procurement. The procurement of SC/ST enterprises is 8 % of MSEs procurement.

### 16.3 Disclosure under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In compliance to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, citing out the requirements by every Corporation regarding disclosure in its Annual Report of any instance or case received under the Act, during the year under review, there were no cases received under this Act. The guidelines have also been forwarded to women employees of the Corporation

### 16.4 Information Placed on Website

As per statutory requirements, Company is required to place various policies/ documents/ information on its website i.e. [www.nmdfc.org](http://www.nmdfc.org). Corporation has a functional website and all the requisite information is uploaded thereat.

### 16.5 Representation of Minority Communities in Committees

In the constituted committees, your Corporation has ensured Minority representation by way of nominating one of the officers, namely, Sh. Javedul Hasan, Deputy Manager (Skill Development).

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

As per the Right to Information Act, 2005, the Corporation has nominated one Public Information Officer, one Asstt. Public Information Officer and also an Appellate Authority. The information required to be disclosed under clause 4(1) (b) of RTI Act has already been placed on the website, along with the Annual status of receipt and disposal of the RTI Applications and Appeals. The quarterly and Annual Reports on implementation of RTI Act are also being submitted online to the Central Information Commission.

During the year, a total number of 95 applications (out of which 80 online and 15 offline) under RTI were received and all have been disposed off.

**16.7 Particulars of Employees U/S 134(3) of the Companies Act, 2013**

None of the employees of the Corporation, was drawing a remuneration in excess of Rs.2,00,000/- p.m. if employed for a part of the year or in excess of Rs. 24,00,000/- p.a. if employee for whole of the year 2017-18.

**17. WAY FORWARD****17.1 Targets for Financial Year 2018-2019**

The Corporation has signed Memorandum of Understanding (MoU) with Ministry of Minority Affairs for the year 2018-2019. It is expected that an amount of Rs.575.00 crores would be disbursed for upliftment of over 1.27 lakh beneficiaries during the financial year 2018-2019. This includes disbursement of Rs.307.62 crores under Term Loan and Rs.267.37 crores under Micro Finance Scheme.

**17.2 Allocation for Financial Year 2018-2019**

At the beginning of each year, your Corporation allocates funds to channelizing Agencies based on past performance and drawl capacity of respective SCAs. The channelizing Agencies are, in turn, required to further make district-wise allocation. NMDFC has made Allocation of Funds of Rs.772.86 Crores for disbursement to 1,70,407 beneficiaries for the Channelizing Agencies during the year 2018-19.

**18. Acknowledgements**

Your Directors feel privileged in acknowledging gratefully the help, guidance, support provided and trust reposed in the Company by esteemed Shareholders and Administrative Ministry – Ministry of Minority Affairs. The same acknowledgements are also expressed for Ministry of Corporate Affairs, Ministry of Finance, Comptroller & Auditor General of India, Department of Public Enterprises. The cooperation extended by the State Level Corporations and Channelizing Agencies of NMDFC are recognized by your Directors. The Directors are also grateful to various Government Departments and other Agencies, Auditors for continued guidance, advice and assistance rendered by them. Your Directors express gratitude to SIDBI, Public Sector Banks, Sister Corporations and other undertakings for their support. Your Directors would like to place on record the appreciation for the committed services of the employees of the Corporation during the year.

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

Sd/-

(Md. Shahbaz Ali)

Chairman-cum-Managing Director

(DIN-03282551)

Place: Delhi

Date: 23-7-2018



## Appendix - A

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR 2017-18

(Pursuant to Section 135 of the Companies Act, 2013 and the format prescribed thereof)

### I. Brief outline of the Corporate Social Responsibility (CSR) Policy

The Corporate Social responsibility Policy (CSR Policy) of the Corporation was formulated in line with the Provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 thereunder and DPE Guidelines on Corporate Social Responsibility. The CSR Policy has been duly approved by the Board of Directors of NMDFC.

### 1(A) Salient features /Objectives of “NMDFC CSR Policy” is as under:

#### CSR Objectives:

- a. The Company will lay focus on CSR activities especially on communities in and around areas where notified minorities districts are located or where minority clusters are located. NMDFC is committed to allocate significant part of its CSR Budget for these local Communities.
- b. The Company will implement CSR activities to empower weaker, less privileged and marginalized sections of the society to create Social Capital.

#### Salient features:

- i. The Company recognizes that a good CSR policy embraces all aspects of sustainable development and the way the Company affects people through its business operations.
- ii. The Company recognizes that CSR is not all about spending – it is orientation of the Company and its people to larger social causes. The Company encourages its stakeholders to contribute to its CSR efforts in every possible way.
- iii. The Company realizes that one of the most important parameters for a socially responsible corporate citizen is to carry on business in accordance with principles of sustainability, balance and equity. The Company will always strive to align its business interests with those of the society in general, ecology and environment. The Company further encourages any stakeholder or any member of the public to make thoughtful suggestions, addressed to Chairperson of the CSR Committee, for sustainable business practices.
- iv. The Company shall strive to enhance corporate value by achieving a stable and long term growth for the benefit of stakeholders.
- v. The Company respects and honours the human right of people involved in its business and, in particular, does not use or tolerate any form or force or child labour.

### 1(B) Overview of NMDFC CSR Projects/Activities:

All the CSR activities/projects of NMDFC fall under the activities defined in the Schedule VII of the Companies Act, 2013 focusing on issues which are of foremost concern in the CSR Policy of the Government. The list of activities is as given below:-

- I) Promoting healthcare including preventive health care, sanitation and access to drinking water;
- II) Promotion of education, employment/livelihood enhancing vocation skills;
- III) Promotion of gender equality, empowering women, facilities for senior citizens; and
- IV) Persons with special abilities and socially-economically backward groups;



- V) Ensuring environmental sustainability, animal welfare and agro-forestry;  
VI) Protection of national heritage, art and culture;  
VII) Training to promote rural sports;  
VIII) Rural development;

1(C) Web-link for NMDFC CSR Policy and Projects: [www.nmdfc.org](http://www.nmdfc.org)

**II. (1) Composition of CSR Committee of the Board:-**

S. No.	Name of Member	Member/Chairman	Designation
1.	Sh. Javed Ahmad Siddiqui	Chairman	DGM-SIDBI
2.	Sh. K.T. Balabhaskaran (up to 22.03.2018)	Member	MD, KSBCDC
3.	Sh. S.N. Rankhambe (up to 22.03.2018)	Member	MD, MAVAAAN
4.	Dr. Naheed Soz (up to 22.03.2018)	Member	MD, JKWDC

**II. (2) Composition of CSR Internal Level Committee:-**

S. No.	Designation	Member/Chairman
1.	AGM(Projects)	Chairman
2.	Company Secretary	Member
3.	Manager (Projects)	Member-Nodal Officer
4.	Manager(Finance)	Member

**III. Financial Details/Particulars**

Sr. No.	Particulars	Amount in Rs. Crore
1.	<b>Average surplus</b> (excess of income over expenditure) of the Company for the last 3 financial years (for the F.Y. 2014-2015,2015-2016 & 2016-2017)	35.27
2.	<b>Prescribed CSR Expenditure</b> (2% of the average net profits/surplus)	0.71
3.	<b>Total Accumulated CSR Reserve*</b> *Sanctions of Rs. 1.79 Cr. already issued during 2017-18. Thus 0.79 available during 2018-19.	2.75 2.04 till 2016-2017 0.71 for F.Y.2017-2018
4.	<b>Details of CSR Expenditure during the financial year-2017-18:</b>	
5.	<b>Total amount to be spent for the financial year</b>	2.75
6.	<b>Amount spent</b>	1.02
7.	<b>Amount unspent (committed &amp; under process 0.86 + Rs. 0.16 available from 2016-17+ 0.71 available for 2017-18)</b>	1.73

**IV. Manner in which amount spent during the financial year 2017-18:-**

A statement showing the details of projects / activities on which the funds have been sanctioned / spent during the financial year 2017-18 & 2018-19 till date is enclosed as **annexure – I**, to this report.

**V. In case the company has failed to spend the 2% of average net profit of the last three FYs or any part thereof, Directors' Report to disclose reasons for such non-compliance.**

The Corporation has initiated implementation of CSR Policy only from the financial year 2016-2017, after the receipt of clarification from DPE on applicability of Section 135 to NMDFC, which is section 8 Company.

The Corporation is receiving proposals and has already sanctioned proposals worth Rs. 1.88 Cr. The work has also commenced on almost all the sanctioned projects and so far an amount of Rs. 1.02 Cr. has been released. NMDFC is in the process of sanctioning further meaningful CSR initiatives. The unspent funds under CSR shall be carried forward and spent in 2018-19.

**VI. Responsibility Statement**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

Sd/-  
**Javed Ahmad Siddiqui**  
Chairman,  
CSR Committee  
DIN: 07288484

Sd/-  
**Nixon Mathur**  
Nodal Officer,  
CSR Programme, NMDFC



ANNEXURE- I TO THE CSR ANNUAL REPORT							
(Amount in Rs. In crore)							
Manner in which the amount spent during the financial year is detailed below.							
1	2	3	4	5	6	7	8
Sl. No	CSR Project or activity identified	Sector in which the project is covered	Location of project ( District & State)	Amount outlay	Amount Spent on the projects or programs	Cumulative expenditure till the reporting period	Amount spent through director through implementing agency
1	Provision of Safe Drinking Water, Sanitation & Computers to the students of <b>Anglo Arabic Sr. Sec. School, Ajmeri Gate, New Delhi</b>	Drinking Water, Computer Education & construction of toilets	Delhi	0.20	0.1916	0.1916	0.1916
2	Provision of Safe Drinking Water & Computers to the students of <b>Delhi United Christian Sr. Sec. School, Raj Niwas Marg, New Delhi</b>	Drinking Water & Computer Education	Delhi	0.10	0.1014	0.1014	0.1014
3	Refurbishing Library, Providing Computers & Sanitation for the girls students of <b>BM Gange Girls School, Rajniwas Marg New Delhi and St. Stephen Thomas Girls Hostel, Rajniwas Marg, New Delhi.</b>	Education (Library & Computers) and Construction of toilets	Delhi	0.20	0.0827	0.0827	0.0827
4	Construction of 25 seated Toilet Complex at the Dargah-e-Aliya Najaf-e-Hind, Bijnor	Sanitation (Construction of toilets)	UP	0.32	0.2571	0.2571	0.2571
5	Setting up of Overhead Water Tank (1.5 lakh liters capacity) at Kayad Vishram Sthali, Dargah Khwaza Saheb, Ajmer (Rajasthan)	Drinking Water	Ajmer	0.50	0.2500	0.2500	0.2500



1	2	3	4	5	6	7	8
Sl. No	CSR Project or activity identified	Sector in which the project is covered	Location of project ( District & State)	Amount outlay	Amount Spent on the projects or programs	Cumulative expenditure till the reporting period	Amount spent through director through implementing agency
6	Setting up of training cum production center for Manipur traditional handlooms Weavers	Livelihood enhancement projects	Manipur	0.20	Nil	Nil	Nil
7	Setting-up of toilets at two Girl Schools in Kupwara District, J&K	Sanitation (construction of toilets)	J&K	0.13	0.0520	0.0520	0.0520
8	Distribution of Sewing Machines to widows in Kasargod District	Livelihood enhancement projects	Kerala	0.14	Nil	Nil	Nil
9.	Refurbishing of computer centre and distribution of school bags in Guru Harkrishan Public School, Tilak Nagar, New Delhi	Education (Computers & School bag kits)	Delhi	0.09	0.0884	0.0884	0.0884
	<b>Total</b>			<b>1.88</b>	<b>1.0234</b>	<b>1.0234</b>	<b>1.0234</b>



## Appendix-B

## FORM NO. AOC.2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis: Nil**
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts/arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. **Details of material contracts or arrangement or transactions at arm's length basis**

(a)	<b>Name(s) of the related party and nature of relationship:</b>	National Waqf Development Corporation Limited
(b)	<b>Nature of contracts/arrangements/ transactions</b>	Investment in fully Convertible Debentures
(c)	<b>Duration of the contracts/arrangements/ transactions</b>	Five years
(d)	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Rs 15 Cr.
(e)	<b>Date(s) of approval by the Board, if any</b>	13/01/2018
(f)	<b>Amount paid as advances, if any</b>	Nil



## **CORPORATE GOVERNANCE REPORT**

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

Over the years, your Corporation has shown strong commitment towards efficient Corporate Governance practices as envisaged in the Memorandum of Association, Articles of Association of the Corporation and DPE guidelines on Corporate Governance. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, auditors and the senior management. Board is responsible to the Shareholders for the Corporation's performance. A Corporation cannot prosper without the involvement and support of its Shareholders.

### **2. MISSION STATEMENT**

The main objective of the Corporation is to promote economic and development activities for the benefit of "backward sections" amongst the minorities, preference being given to the occupational groups and women. Since inception, your Corporation has been practicing the principles of good Corporate Governance. An effective Corporate Governance established a core set of values of fairness, kindness, efficiency and effectiveness. The values determine the principles of organisation which in turn determine the course of action of each employee in every sphere of activity. For your Corporation, Corporate Governance has always been a self-discipline code.

### **3. BOARD OF DIRECTORS:**

The Board of directors provide leadership & guidance to the Company's management and also direct supervise and control the performance of the company. The powers drawn upon the board are within the framework set out in the Companies Act, 2013, Articles of Association of the Corporation and Guidelines on Corporate Governance issued by Department of Public Enterprises(DPE) etc. The Appointment/nomination of all directors is done by the President of India, through Ministry of Minority Affairs. During the financial year 2017-2018, your Board was comprised of nine Directors. These directors include one whole time Director i.e. Chairman – Cum- Managing Director, Shri. Md. Shahbaz Ali and other Part Time/Non-Executive/Government Directors who bring in a wide range of skills, experience and expertise on the Board. Further, the tenure of five nominee Directors from State Channelizing Agencies appointed as Directors on the Board of NMDFC on part time basis by rotation for a period of three years, ceased on March 22, 2018. Subsequently, your Board comprises of four directors, as on March 31, 2018. Ministry of Minority Affairs, Government of India, vide their notification no: 9-14/2013-NMDFC(Pt.) dated 28<sup>th</sup> May,2018 have appointed five nominees of State Channelizing Agencies(SCAs) as Directors on the Board of NMDFC. The appointment is on rotational basis for a period of three years or until further orders, whichever is earlier



### 3.1 COMPOSITION AND CATEGORY OF THE BOARD OF DIRECTORS

The composition of the NMDFC's Board in the financial year 2017-18 was as follows

DIN	Name of Director	In the Capacity of	Category	Attendance at Board Meeting/ Total Meetings after as director	AGM of 2016-17 attended (Yes/No)	No. of Directorship in other entries
03282551	Sh. Md. Shahbaz Ali	CMD-NMDFC	Executive	3/3	Yes	6
07731312	Sh. S.K.D. Verman*	AS-MOMA	Non-Executive	3/3	Yes	-
02233459	Sh. L.K. Meena (w.e.f. 03.08.2017)	ED-RMK	Non-Executive	2/3	No	-
07288484	Sh. J.A. Siddiqui	DGM-SIDBI	Non-Executive	2/3	No	2
03619950	Sh. M.S. Jaggi (w.e.f. 13.01.2018) (upto 22.03.2018)	ED-BACKFINCO	Non-Executive	0/3	NA	-
07593504	Sh. K.T. Balabhaskaran (upto 22.03.2018)	MD-KSBCDC	Non-Executive	3/3	Yes	1
07653434	Sh. S.N. Rankhambe (upto 22.03.2018)	MD-MAVAAN	Non-Executive	0/3	No	1
07214004	Ms. P.D. Mezbur (upto 22.03.2018)	Secretary-NSSWB	Non-Executive	0/3	No	-
02462500	Dr. Naheed Soz (upto 22.03.2018)	MD-JKWDC	Non-Executive	3/3	Yes	1

*\*Nominees of Govt of India.*

### 3.2 BOARD'S RESPONSIBILITIES

Detailed Agenda notes with the necessary information circulated in the advance to the Board of Directors. The Board of Directors along with its Committees provide leadership and guidance to the Company's management and, also, direct supervise and control the performance of the company. The Board has a formal schedule of matters reserved for its consideration, action and decision which includes reviewing Corporate Performance, ensuring adequate accountability of financial resources and reporting to Shareholders.

The information under the following heads is usually presented to the Board of Directors of NMDFC either as part of the agenda papers or as tabled/presented during the course of the Board Meetings.



- Annual capital Budgets and any updates;
- Annual Financial Results of the Company;
- MoU Parameters and Annual Reports;
- Minutes of the Meeting of the Committee of the Board and also Resolutions passed by Circulations;
- Recruitment of Key Managerial Personnel;
- Action Taken Report(ATR) on decisions of the Board;
- Periodic reports to the Board on Compliance of Laws;
- Information relating to any significant development in Human Resources and legal disputes;
- Details of Investments of Surplus Funds ;
- Any significant amendments in accounting policies and practices and reasons thereof;
- Report of Internal Auditors/ Statutory Auditors/CAG;
- Any other information requisite to be presented before the Board either for information and approval.

### 3.3 BOARD MEETINGS AND PROCEDURES

The meeting of the Board of Directors are generally held in the Board Room of the Corporation at the registered office address i.e. Core-1, First Floor, Scope Minar, Laxmi Nagar, Delhi-110092. Three Board Meetings were held during the financial year ending on 31.03.2018. Number of Board Meetings held and Attendance of Directors at Board Meetings are tabulated as under:

Board Meeting No.	Date of Board Meeting	Directors Present at the Board Meeting	Directors Absent at the Board Meeting
103 <sup>rd</sup>	03/08/2017	<ul style="list-style-type: none"><li>· Sh. Md. Shahbaz Ali,</li><li>· Sh. S.K.D. Verman,</li><li>· Sh. L.K. Meena,</li><li>· Sh. J.A. Siddiqui,</li><li>· Sh. K.T. Balabhaskaran,</li><li>· Dr. Naheed Soz,</li></ul>	<ul style="list-style-type: none"><li>· Sh. S.N. Rankhambe,</li><li>· Ms. P.D. Mezhur</li></ul>
104 <sup>th</sup>	18/09/2017	<ul style="list-style-type: none"><li>· Sh. Md. Shahbaz Ali</li><li>· Sh. S.K.D. Verman,</li><li>· Sh. K.T. Balabhaskaran,</li><li>· Dr. Naheed Soz,</li></ul>	<ul style="list-style-type: none"><li>· Sh. S.N. Rankhambe,</li><li>· Ms. P.D. Mezhur,</li><li>· Sh. L.K. Meena,</li><li>· Sh. J.A. Siddiqui.</li></ul>
105 <sup>th</sup>	13/01/2018	<ul style="list-style-type: none"><li>· Sh. Md. Shahbaz Ali,</li><li>· Sh. S.K.D. Verman,</li><li>· Sh. L.K. Meena,</li><li>· Sh. J.A. Siddiqui,</li><li>· Sh. K.T. Balabhaskaran,</li><li>· Dr. Naheed SoZ</li></ul>	<ul style="list-style-type: none"><li>· Sh. S.N. Rankhambe,</li><li>· Ms. P.D. Mezhur,</li><li>· Sh. M.S. Jaggi,</li></ul>



#### 4. REMUNERATION COMMITTEE

The Corporation has a Remuneration Committee of Board of Directors to decide the annual bonus, variable pay pool and policy of its distribution across the executives and non-unionised supervisors and non-executives within the prescribed limit, headed by an Independent Director. The Board of Directors in its 105<sup>th</sup> Board Meeting held on January 13, 2018, approved the recommendation of the remuneration Committee for implementation of the PRP. Accordingly, the management disbursed the amount of PRP to the respective employees.

#### 5. AUDIT COMMITTEE

As per guidelines of Department of Public Enterprises, CPSEs are to constitute an Audit Committee headed by an Independent Director to oversee the Company's financial reporting process, disclosures of financial information, Payment to Statutory Auditors, review of annual financial statements etc.

The Board in its 100th meeting held on August 4, 2016, has formed an Audit Committee comprising the four members for the examining the financial statements before placing in the board for its approval. During the financial year-2017-18, one meeting was held on August 3, 2017 in which financial statements has been examined.

#### 6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In line with section 135 and scheduled VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 the Company has constituted CSR Committee and the role of the committee should inter-alia include the following;

- Formulation & recommendation of CSR Policy to the Board.
- Recommendation of CSR Expenditure.
- Monitoring & implementation of CSR Projects.

The Committee met twice during the year under review on August 3, 2017 and December 19, 2017.

#### 7. ANNUAL GENERAL MEETINGS

Annual General Meetings are held at the State in which registered office of the Corporation is situated. The details regarding location, date & time for the last three AGMs and the special resolution(s) passed thereat are as follows:-

No. of AGM	Financial Year	Location	Date	Time	Whether special resolution passed(yes/No)
21 <sup>st</sup>	2014-15	New Delhi	23.09.2015	03.30 P.M.	No
22 <sup>nd</sup>	2015-16	New Delhi	02.09.2016	03.30 P.M.	Yes
23 <sup>rd</sup>	2016-17	New Delhi	18.09.2017	04.00 P.M.	Yes

- No agenda has been passed through Postal Ballot.



## 8. DISCLOSURES

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

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

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

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

## 9. COMPLIANCE

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

## 10. SHAREHOLDINGS

The Paid up Capital of the Corporation was Rs.1795.60 crore as on March 31,2018. The Corporation has received budgetary support of Rs.170 crores from the Central Government during the year 2017-18. The States in turn provided a contribution of Rs. 85 crores as on March 31,2018. Against the paid-up capital received from the Central Govt and State Govt. 25,57,800 Equity shares were allotted and share certificates have since been issued.

## 11. CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE

The compliance certificate from the Statutory Auditors of the company confirming compliance with the conditions as stipulated under guidelines of Corporate Governance issued by DPE is **Appendix** to the Annual Report.

## 12. CODE OF CONDUCT

The Code of Business Conduct and Ethics for the Board Members and Senior Management is a comprehensive code applicable to all Directors and Members of Senior management of the Company. It contains moral values and Principles which all those working in the organisation are expected to follow in the course of their duties as well as daily activities. A copy of the Code of Conduct duly approved by the Board has been posted on the Company's website [www.nmdfc.org](http://www.nmdfc.org).

All the members of the Board and senior Management Personnel have affirmed compliance with the Code during the year ended March 31, 2018.

## 13. MEANS OF COMMUNICATION

Tender in respect of various department i.e. H&A, Accounts, Finance and Project etc. were uploaded on the website of company from time to time. The Administrative Ministry on the



basis of monthly reports reviews Monthly/quarterly progress of the Corporation, from time to time. Annual Reports containing inter-alia, Audited Accounts, financial statements, Director's report, Annual Report and other important information are circulated to the members and others entitled thereto and uploaded on the website of the company i.e. [www.nmdfc.org](http://www.nmdfc.org).

#### **14. ADDRESS FOR COMMUNICATION**

**CS Ritu Bhatia,**

**Company Secretary,**

**First Floor, Core-1, Scope Minar, Laxmi Nagar, Delhi - 110092**

**Phone: 22441442 / 44 / 52 / 53 / 55**

**Fax: 2441637/22441452/38/41**

**E-mail: [nmdfc.companysecretary@gmail.com](mailto:nmdfc.companysecretary@gmail.com)**

**Website: [www.nmdfc.org](http://www.nmdfc.org)**

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

**Place: Delhi**

**Dated : 23-7-2018**

**Sd/-**

**(Md. Shahbaz Ali)**

**Chairman-cum-Managing Director**

**(DIN: 03282551)**



**VIJAY SEHGAL & Co.**  
CHARTERED ACCOUNTANTS

H.O : New Rajdhani Enclave, Delhi-110092  
B.O : B-5, Nizamuddin East, New Delhi-110013

Ph. : 2202-5054  
e-mail : allied@vasandco.com

e-mail : vasandco@asandco.com  
website : www.vasandco .com

**Independent Auditor's Certificate on Compliance with the conditions of  
The Corporate Governance**

**TO THE MEMBERS  
NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION  
NEW DELHI**

1. This Certificate is issued in accordance with terms of our engagement, with National Minorities Development And Finance Corporation ('the Company').
2. We, Vijay Sehgal & Co, Chartered Accountants, the Statutory Auditors of the Company, have examined the compliance of conditions of the Corporate Governance by the Company, for the year ended on March, 31, 2018.

**Management's Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in guidelines on Corporate Governance, issued by Department of Public Enterprises (DPEs) for Central Public Sector Enterprises (CPSEs).

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance, issued by DPEs for CPSEs. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the conditions of the Corporate Governance, as stipulated in guidelines issued by DPEs for CPSEs.
6. We have carried out an examination of the relevant records of the Company in accordance with the "Guidance Note on Certification of Corporate Governance", issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the "Guidance Note on Reports or Certificates for Special Purposes", issued by the ICAI, which requires, *inter-alia*, that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

**NATIONAL MINORITIES DEVELOPMENT & FINANCE CORPORATION**

**VIJAY SEHGAL & Co.**  
CHARTERED ACCOUNTANTS

H.O : New Rajdhani Enclave, Delhi-110092

Ph. : 2202-5054

e-mail : vasandco@asandco.com

B.O : B-5, Nizamuddin East, New Delhi-110013

e-mail : allied@vasandco.com

website : www.vasandco .com

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements", issued by the ICAI.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of the Corporate Governance, as stipulated in guidelines on Corporate Governance, issued by Department of Public Enterprises (DPEs) for Central Public Sector Enterprises (CPSEs) except the following:
- \* Compliance of Laws is not reviewed by the Board in the year under review. However, Certificates on compliance of Laws as on 31<sup>st</sup> March, 2018 were duly taken from the different Departmental Heads of the Company.
  - \* Risk Management Policy is not reviewed by the Board.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company

For **VIJAY SEHGAL & CO.**,  
Chartered Accountants  
Firm's Registration No.000374N

Sd/-  
(CA. Archana Gaur)  
Partner

Membership No. 095750

Place: New Delhi

Dated: 10<sup>th</sup> July, 2018

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NATIONAL MINORITIES DEVELOPMENT & FINANCE CORPORATION FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of National Minorities Development & Finance Corporation for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10<sup>th</sup> July 2018

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of National Minorities Development & Finance Corporation for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

sd/-

**(Manish Kumar)**

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

**Place: New Delhi**

**Dated: 28.08.2018**





**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL MINORITIES DEVELOPMENT & FINANCE CORPORATION FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of consolidated financial statements of National Minorities Development & Finance Corporation for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129 (4) of the Act is/are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10<sup>th</sup> July 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of National Minorities Development & Finance Corporation for the year ended 31 March 2018 under section 143(6)(a) read with section 129 (4) of the Act. We conducted a supplementary audit of the financial statements of National Minorities Development & Finance Corporation and National Waqf Development Corporation for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

sd/-

**(Manish Kumar)**

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

**Place: New Delhi  
Dated: 28.08.2018**



## INDEPENDENT AUDITOR'S REPORT

To the Members of

### **NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

#### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION** ("the company"), which comprises of the Balance Sheet as at 31<sup>st</sup> March, 2018, Income and Expenditure account (including other Comprehensive Income), the Cash flow statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the Indian Accounting standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate

**NATIONAL MINORITIES DEVELOPMENT & FINANCE CORPORATION**



in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2018 and its surplus, total other comprehensive income and its cash flows and the changes in equity for the year ended on that date.

### **Emphasis of Matter**

We draw attention to the following matters in Notes to Financial statements:

- a) Note No. 37.10, which states that NMDFC has released Rs. 4321.28 lakhs to and on behalf of 'Maulana Azad National Academy for Skill' (MANAS) in the past years and the same has been shown as Receivable from MANAS in the books of Accounts.
- b) Note No. 37.4, which states that the balances of loans to State Channelizing Agencies (SCAs)/NGOs and interest/compound interest receivable from them as on 31<sup>st</sup> March, 2018 are subject to confirmation and reconciliation.
- c) Note No. 37.14, which states that loan outstanding balances in respect of State Channelizing Agencies (SCAs) appearing in working files used for preparing the demand notices are subject to reconciliation with the books of accounts.
- d) Note No. 37.23 & 37.24, which states that there are some prior period expenses amounting Rs. 52.16 lakhs, incurred for various expenditure which relates to previous financial year 2016-2017 and Rs. 18.32 lakhs which relates to financial year 2015-2016. These expenses have been adjusted in the current financial year, due to immateriality.
- e) Note No. 37.26 which states that the Management of the Company had detected that Assistant General Manager (System) had committed gross misconduct of misusing his official position by using the Debit Card for purposes other than the specified usage of the Debit Card without approval of the Competent Authority and a recovery notice of Rs. 7.27 lakhs and Rs. 7.57 lakhs has been issued to Assistant General Manager (System).
- f) Note No. 37.22, which states that the company has been utilizing the funds for implementing the respective schemes of Ministry and does not get any additional fund to meet administrative expenses in this regard. Therefore, the interest earned on the funds is treated as Income of the corporation and is utilized for meeting administrative costs.
- g) Note No. 37.28, which states that Investment in Fully Compulsorily Convertible Debentures (FCCDs) have been classified as Equity Instrument and are valued at cost as per Ind AS. This satisfies the criteria of Substance Over Legal Form.

Our opinion is not modified in respect of these matters.



### Report on other Legal and Regulatory Requirements

- 1.) The Company is registered under section 25 of the Companies Act, 1956 (now section 8 of Companies Act, 2013); the Companies (Auditor's Report) Order, 2016 ('the order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, the said order is not applicable to the Company.
- 2.) As required by section 143(3) of the Act, based on our audit, we report that:
  - a.) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b.) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c.) The Balance Sheet, Income & Expenditure Account including other comprehensive Income, Cash Flow Statement and the statement of changes in equity dealt with by this report are in agreement with the books of account.
  - d.) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e.) Being a Government Company, pursuant to the notification No.GSR.463 (E) dated 05.06.2015, issued by the Ministry of Company Affairs, Government of India, provisions of section 164(2) of the Companies Act, 2013, are not applicable to the Company.
  - f.) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure-A**'; and
  - g.) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:-
    - i.) The Company has disclosed the list of pending litigations. However, they do not have any financial impact as the required provisions have been made in the relevant years, Refer Note No. 37.20.
    - ii.) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii.) There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
- 3.) In terms of directions issued u/s 143(5) of the Companies Act, 2013 refer to our separate report in **Annexure – 'B'**.

For **VIJAY SEHGAL & CO.**,  
Chartered Accountants  
Firm's Regn. No.: 000374N

Sd/-  
**(CA. Archana Gaur)**  
Partner  
Membership No. 095750

Date : 10<sup>th</sup> July, 2018  
Place: New Delhi

**VIJAY SEHGAL & Co.**  
CHARTERED ACCOUNTANTS

H.O : New Rajdhani Enclave, Delhi-110092

Ph. : 2202-5054

e-mail : vasandco@asandco.com

B.O : B-5, Nizamuddin East, New Delhi-110013

e-mail : allied@vasandco.com

website : www.vasandco .com

**ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" Section of our report to the members of NMDFC ("the Company") of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We were engaged to audit the internal financial controls over financial reporting of National Minorities Development and Finance Corporation ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS

financial statements for external purposes in accordance with Ind AS and other accounting principles generally accepted in India. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with Ind AS and other accounting principles generally accepted in India and that receipts and expenditures of the company are being made only in accordance with authorizations of Management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

According to the information and explanation given to us, the company is generally operating as per norms provided under GFR (General Financial Rules 2017) for expenses/tendering purposes etc. The Company works under the guidance of its Board and for day to day affairs; it has full time functional Director.i.e. Managing Director. Company follows guidelines issued by the Department of Public Enterprises of ministry of industry, being applicable to all PSUs. The Company has framed its own rules which are approved by its board as service rules, leave rules, House Building Advance rules, General Purpose Advance rules, Festival Advance rules etc. Further the company has established delegation of administrative and financial powers at various levels. The Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2018.

We have considered this as reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone Ind AS financial statements of the Company, and this does not affect our opinion on the standalone Ind AS financial statements of the Company.

For **VIJAY SEHGAL & CO.**,  
Chartered Accountants  
Firm's Regn. No.: 000374N

Sd/-

(**CA. Archna Gaur**)  
Partner

Membership No. 095750

Date : 10<sup>th</sup> July, 2018

Place : New Delhi



**ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 3 under "Report on Other Legal and Regulatory Requirements" Section of our report to the members of NMDFC ("the Company") of even date)

**REPORT U/S 143(5) THE COMPANIES ACT, 2013 FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

Directions	Replies
(1) Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state, the area of freehold and leasehold land for which title/lease deeds not available?	The Company does not own any land either Leasehold or Freehold. The title deed of Leasehold building, situated at Core 1, first floor, Scope Minar, having an area of 1400 Sq. Mtrs, purchased on sub lease, is pending for transfer of title/sublease in the name of the Company.
(2) Whether there are any cases of waiver /write off of debts/loan/ interest etc. if yes, the reason there for and amount involved?	During the year, the company had written off loan in respect of Rubina Women's Welfare Association (NGO) amounting Rs. 5,152/- under one-time settlement Scheme.
(3) Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant from the govt. or other authorities?	No inventory is lying with third party as on 31 <sup>st</sup> March, 2018 and no assets have been received as gift/grant from the government or other authority.

For **VIJAY SEHGAL & CO.**,  
Chartered Accountants  
Firm's Registration No.000374N

Sd/-  
(CA. Archana Gaur)  
Partner  
Membership No. 095750

Place: New Delhi  
Dated: 10<sup>th</sup> July, 2018



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

(CIN No. U74899DL1994NPL061852)

**Balance Sheet as at 31st March, 2018**

(Rs. in Lakhs)

Sl. No.	Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
<b>I.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	3	505.10	533.69
	(b) Other Intangible Assets	4	0.72	1.14
	(c) Financial Assets			
	(i) Investments	5.1	3,260.06	1,760.07
	(ii) Loans	5.2	1,53,271.88	1,47,449.68
	(iii) Other Financial Assets	5.3	95.85	66.34
	<b>Total Non-Current Assets</b>		<b>1,57,133.61</b>	<b>1,49,810.92</b>
<b>2</b>	<b>Current assets</b>			
	(a) Financial Assets			
	(i) Cash and cash equivalents	6.1	640.22	3,489.91
	(ii) Bank Balances other than (i) above	6.2	6,550.34	26,797.36
	(iii) Loans	6.3	52,308.55	33,491.02
	(iv) Other Financial Assets	6.4	8,533.17	7,891.34
	(b) Current Tax Asset (Net)	7	0.56	0.56
	(c) Other Current Assets	8	221.79	293.32
	<b>Total Current Assets</b>		<b>68,254.63</b>	<b>71,963.51</b>
	<b>TOTAL ASSETS</b>		<b>2,25,388.24</b>	<b>2,21,774.43</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share Capital	9	1,79,560.27	1,53,982.27
	(b) Other Equity	10	43,830.28	43,067.11
	<b>Total Equity</b>		<b>2,23,390.55</b>	<b>1,97,049.38</b>
<b>2</b>	<b>Liabilities</b>			
	<b>(i) Non-current Liabilities</b>			
	(a) Provisions	11	563.56	539.80
	<b>Total Non-Current Liabilities</b>		<b>563.56</b>	<b>539.80</b>
	<b>(ii) Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Others	12	280.61	2,299.85
	(b) Other current Liabilities	13	1,037.94	21,665.84
	(c) Provisions	14	115.58	219.56
	<b>Total Current Liabilities</b>		<b>1,434.13</b>	<b>24,185.25</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>2,25,388.24</b>	<b>2,21,774.43</b>

The accompanying notes from Sl. No. 1 to 39 form an integral part of Standalone Financial Statements

For and on behalf of the Board of Directors

Manoj Punia  
Manager (Accounts)

J.S. Chauhan  
AGM (Finance)

Ritu Bhatia  
Company Secretary  
ACS 18344

Md. Shahbaz Ali  
Chairman - Cum - Managing Director  
DIN No. 03282551

This is the Balance Sheet referred to in  
our Report of even date attached

Place: New Delhi  
Date: 10th Jul, 2018

For Vijay Sehgal & Co.  
Chartered Accountants  
FRN: 000374N

CA. Archana Gaur  
Partner  
M. No.: 095750



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**  
(CIN No. U74899DL1994NPL061852)  
**Income & Expenditure Account for the Year ended 31st March, 2018**

(Rs. in Lakhs)

Sl. No.	Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
I	Revenue from operations	15	5,519.97	4,832.81
II	Other Income			
1	Others	16	1,161.24	1,312.07
2	Excess Allowance for Bad & Doubtful Loans & Advance written back	17	328.95	49.04
	<b>Total II</b>		<b>1,490.19</b>	<b>1,361.11</b>
III	<b>Total Revenue (I+II)</b>		<b>7,010.16</b>	<b>6,193.92</b>
IV	<b>Expenses</b>			
1	Employee Benefit Expense	18	667.25	490.90
2	Finance Costs		0.15	0.14
3	Depreciation and Amortization Expense	19	33.90	43.29
4	Rebate on interest on loans		448.38	427.31
5	Vocational training/EDP/skill development Expense		49.36	167.41
6	Other Expenses	20	356.15	225.85
	<b>Total Expenses (IV)</b>		<b>1,555.19</b>	<b>1,354.90</b>
V	<b>Surplus of Income over expenditure before Exceptional Items and Tax (III-IV)</b>		<b>5,454.97</b>	<b>4,839.02</b>
VI	Exceptional Items			
VII	<b>Surplus of Income over expenditure before Tax (V - VI)</b>		<b>5,454.97</b>	<b>4,839.02</b>
VIII	Tax expense		-	-
IX	<b>Surplus of Income over expenditure for the period from continuing operations (VII-VIII)</b>		<b>5,454.97</b>	<b>4,839.02</b>
X	Surplus of Income over expenditure from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Surplus of Income over expenditure discontinued operations (after tax) (X - XI)	-	-	-
XIII	<b>Surplus of Income over expenditure for the period (IX + XII)</b>		<b>5,454.97</b>	<b>4,839.02</b>
XIV	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to Income & Expenditure Account -Re-measurement of net defined benefit liability/asset	21	22.20	(0.93)
	(ii) Income tax relating to items that will not be reclassified to Income & Expenditure Account	-	-	-
XV	<b>Total Comprehensive Income for the period (XIII+XIV)</b>		<b>5,477.17</b>	<b>4,838.09</b>
XVI	<b>Earning per equity share:</b>			
	(1) Basic (in Rs.)	22	31.92	32.90
	(2) Diluted (in Rs.)		31.15	31.95

The accompanying notes from Sl. No. 1 to 39 form an integral part of Standalone Financial Statements

For and on behalf of the Board of Directors

**Manoj Punia**  
Manager (Accounts)

**J.S. Chauhan**  
AGM (Finance)

**Ritu Bhatia**  
Company Secretary  
ACS 18344

**Md. Shahbaz Ali**  
Chairman - Cum - Managing Director  
DIN No. 03282551

This is the Income & Expenditure A/c referred to in our Report of even date attached

Place: New Delhi  
Date: 10th Jul, 2018

For Vijay Sehgal & Co.  
Chartered Accountants  
FRN: 000374N

CA. Archana Gaur  
Partner  
M. No.: 095750



## NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION

(CIN No. U74899DL1994NPL061852)

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

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>A. Cash Flow from Operating Activities</b>		
Income before exceptional items and tax	5,454.97	4,839.02
<b>Adjustments for</b>		
Depreciation	33.90	43.29
Loss on Sale of Fixed Assets	0.10	-
Excess Allowance for Bad & Doubtful Loans & Advance written back	(328.95)	(49.04)
Other comprehensive income (re-measurement of defined benefit plans)	22.20	(0.93)
Sundry Debit Balances written off	0.17	-
Sundry Credit Balances written off	(2.25)	-
<b>Operating Income before changes in Operating Assets &amp; Liabilities</b>	(1) 5,180.14	4,832.34
<b>Adjustments for:</b>		
Decrease / (Increase) in Non-Current Loans	(5,493.26)	(29,083.21)
Decrease / (Increase) in Non-Current Financial Assets-Others	(29.51)	135.59
Decrease / (Increase) in Current Loans	(18,817.53)	6,171.16
Decrease / (Increase) in Current Financial Assets-Others	(641.83)	311.46
Decrease / (Increase) in Current Tax Assets	-	0.12
Decrease / (Increase) in Other Current Assets	73.79	175.70
(Decrease) / Increase in Current Financial Liability-Others	(2,019.41)	2,177.24
(Decrease) / Increase in Other Current Liability	(20,627.90)	(73,259.46)
(Decrease)/ Increase in Long Term Provisions	23.76	41.61
(Decrease)/ Increase in Short Term Provisions	(103.98)	32.72
Decrease / (Increase) in Other Bank Balances	20,247.02	(24,997.36)
<b>Cash generated from operation</b>	(1+2) (27,388.85)	(1,18,294.44)
Income Tax Paid	(22,208.71)	(1,13,462.09)
<b>Net Cash Outflow from Operating Activities</b>	-	-
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Debenture in NAWADCO	(22,208.71)	(1,13,462.09)
Purchase of Property, Plant and Equipments	(1,500.00)	-
Purchase of Intangible Assets	(5.02)	(4.07)
Sale/Disposal of Property, Plant and Equipments	(0.09)	-
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	0.13	-
<b>C. Cash Flow From Financing Activities</b>		
Increase in Paid-up Share Capital including Share Application Money Pending Allotment	(1,504.98)	(4.07)
<b>Net Cash Inflow from Financing Activities</b>	20,864.00	22,076.17
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	20,864.00	22,076.17
Cash & Cash Equivalents at the beginning of the year	(2,849.69)	(91,389.99)
<b>Closing Cash &amp; Cash Equivalents</b>	3,489.91	94,879.90
<b>Reconciliation of Cash &amp; Cash Equivalents</b>		
Cash and Cash Equivalents as at the end of the year	640.22	3,489.91

1. The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS-7 on Cash Flow Statement issued by the Institute of Chartered Accountants of India **Amendment to Ind-AS 7 as notified in Companies act, 2013.**

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

The accompanying notes from Sl. No. 1 to 39 form an integral part of Standalone Financial Statements

**Manoj Punia**  
Manager (Accounts)

**J.S. Chauhan**  
AGM (Finance)

**Ritu Bhatia**  
Company Secretary  
ACS 18344

For and on behalf of the Board of Directors

**Md. Shahbaz Ali**  
Chairman - Cum - Managing Director  
DIN No. 03282551

This is the Cash Flow Statement referred to in our Report of even date attached

Place: New Delhi  
Date: 10th Jul, 2018

For Vijay Sehgal & Co.  
Chartered Accountants  
FRN: 000374N

CA. Archna Gaur  
Partner  
M. No.: 095750



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**  
(CIN No. U74899DL1994NPL061852)

**Statement of Changes in Equity (SOCE) for the year ended 31st March, 2018**

<b>A. Equity Share Capital</b>		<b>(Rs. in Lakhs)</b>		
<b>Particulars</b>	<b>No. of Shares</b>	<b>Amount</b>		
Balance as at April 1, 2017	1,53,98,227	1,53,982.27		
Changes in equity share capital during the year				
- Issue of equity shares capital during the year		25,57,800	25,578.00	
<b>Balance as at March 31, 2018</b>		<b>1,79,56,027.00</b>	<b>1,79,560.27</b>	
<b>B. Other Equity</b>				
<b>Particulars</b>	<b>Share application money pending allotment</b>	<b>Reserve &amp; Surplus</b>		<b>Total</b>
		<b>General Reserve</b>	<b>Retained Earnings</b>	
Balance at the beginning of the year	4,814.00	38,253.11	-	43,067.11
<b>Restated balance at the beginning of the year</b>	<b>4,814.00</b>	<b>38,253.11</b>	<b>-</b>	<b>43,067.11</b>
Income for the year			5,454.97	5,454.97
Other Comprehensive Income for the year (net of income tax)			22.20	22.20
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>5,477.17</b>	<b>5,477.17</b>
Transfer to General Reserve			(5,477.17)	(5,477.17)
Addition during the year	20,864.00	5,477.17		26,341.17
Shares capital issued during the year	(25,578.00)			(25,578.00)
<b>Balance at the end of the year</b>	<b>100.00</b>	<b>43,730.28</b>	<b>-</b>	<b>43,830.28</b>

**Statement of Changes in Equity (SOCE) for the year ended 31st March 2017**

<b>A. Equity share capital</b>		<b>(Rs. in Lakhs)</b>		
<b>Particulars</b>	<b>No. of Shares</b>	<b>Amount</b>		
Balance as at April 1, 2016	1,36,54,560	1,36,545.60		
Changes in equity share capital during the year				
- Issue of equity shares capital during the year		17,43,667	17,436.67	
<b>Balance as at March 31, 2017</b>		<b>1,53,98,227.00</b>	<b>1,53,982.27</b>	
<b>B. Other Equity</b>				
<b>Particulars</b>	<b>Share application money pending allotment</b>	<b>Reserve &amp; Surplus</b>		<b>Total</b>
		<b>General Reserve</b>	<b>Retained Earnings</b>	
Balance at the beginning of the year	174.50	33,792.52	-	33,967.02
Prior period items	-	(377.50)	-	(377.50)
<b>Restated balance at the beginning of the year</b>	<b>174.50</b>	<b>33,415.02</b>	<b>-</b>	<b>33,589.52</b>
Income for the year			4,839.02	4,839.02
Other Comprehensive Income for the year (net of income tax)			(0.93)	(0.93)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>4,838.09</b>	<b>4,838.09</b>
Transfer to General Reserve			(4,838.09)	(4,838.09)
Addition during the year	22,076.17	4,838.09		26,914.26
Shares capital issued during the year	(17,436.67)			(17,436.67)
<b>Balance at the end of the year</b>	<b>4,814.00</b>	<b>38,253.11</b>	<b>-</b>	<b>43,067.11</b>

The accompanying notes from Sl. No. 1 to 39 form an integral part of Standalone Financial Statements

Manoj Punia  
Manager (Accounts)

J.S. Chauhan  
AGM (Finance)

Ritu Bhatia  
Company Secretary  
ACS 18344

For and on behalf of the Board of Directors

Md. Shahbaz Ali  
Chairman - Cum - Managing Director  
DIN No. 03282551

This is the Statement of changes in Equity referred to in our Report of even date attached

Place: New Delhi  
Date: 10th Jul, 2018

For Vijay Sehgal & Co.  
Chartered Accountants  
FRN: 000374N

CA. Archana Gaur  
Partner  
M. No.: 095750



## NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION

(CIN No. U74899DL1994NPL061852)

Notes forming part of Standalone Financial Statements for the year Ended 31<sup>st</sup> March, 2018

### Note :- 1 Corporate Information

National Minorities Development & Finance Corporation is not for profit company domiciled in India and was incorporated on 30<sup>th</sup> September 1994 under Section 8 of the Companies Act, 2013. The Company is functioning as Apex Corporation under the administrative control of Ministry of Minority Affairs, Govt of India. The mandate of the corporation is to promote economic and developmental activities for benefit of "Backward Section" amongst the notified minorities. Artisans and women find special focus under the scheme of NMDFC. Notified minorities originally comprised of Muslims, Christians, Sikhs, Buddhists and Parsis as per the National Minorities Commission Act 1992. Latest entrant is the Jain community amongst the group of notified minorities. The registered office of the company is located at 1st floor, Core-I, Scope Minar, Laxmi Nagar, Delhi-110092.

### Note :- 2 Significant Accounting Policies

**a) Statement of Compliance :** The financial statements as at and for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act 2013 as companies (Indian Accounting Standards) Rules, 2015, 2016 and Companies (Indian accounting standards) Amendment Rules 2017.

**b) Basis of Measurement :** The financial statements have been prepared under the historical cost convention and on an accrual basis, except for the following Items that have been measured at fair value as required by relevant Ind-AS.(i) Defined benefit Plan and other long term employee benefits.(ii) Certain financial assets and liabilities measured at fair value.

**c) Use of estimates :** The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Examples of such estimates include estimated useful life of property, plant and equipment, intangible assets and future obligation under employee benefit plan. Actual results may differ from these estimates.

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

**d)** All financial information presented in Indian rupees and all values are rounded to the nearest lakhs upto two decimals except where otherwise stated.

**e) Statement of Cash flow :** Cash flows are reported using the indirect method, whereby Income / (Expenditure) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. For the purposes of statement of cash flow, cash and cash equivalents include cash in hand, cash at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand are considered part of the Company's cash management system.



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

**f) Foreign Currency Transactions :** Items Included in the Financial Statements are measured using the currency of primary economic environment in which the Company operates (Functional Currency) The financial statements are presented in Indian Rupee (INR), which is functional as well as presentation currency of company.

- Transactions in foreign currency are recorded at the rate of exchange prevailing at the time of the transactions are affected. Exchange differences arising on settlement of foreign currency transactions are recognized in Income and Expenditure Account.

- Monetary items denominated in foreign currency are restated and converted into Indian rupees using the exchange rate prevailing at the date of the Balance Sheet and the resulting exchange difference is recognized in the Income and Expenditure Account.

**g) Revenue Recognition:-**

**On Loan Disbursed After 01-04-2014**

Interest income on loans given and short term deposits made is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable, using Effective Interest Rate method.

- (i) Compound interest on delay in repayments: -At the normal rate of interest on outstanding dues for the delay period.
- (ii) Liquidated damage charges on default in repayments:-At the rate of 5% p.a. less normal rate of interest on defaulted amount on quarterly basis.
- (iii) For utilised part of loan: -Interest on loans is calculated at effective rate of interest on reducing balance method right from the time of utilization/disbursement of loans respectively.
- (iv) For unutilized part of loan: -On quarterly instalment basis till it is utilised at effective rate of interest.
- (v) Penal interest on delay in utilization of funds :- At the rate of 8% p.a. on unutilized part till it is refunded or utilised.

**On Term Loan Disbursed Before 01-04-2014**

- (i) For the disbursements made before 01.04.1998:-  
On equated quarterly instalment basis from the date of disbursement at the prescribed rate of interest.
- (ii) For the disbursements made after 01.04.1998:-
  - For utilized part of loan: -On equated quarterly instalment basis from the date of utilization at prescribed rate of interest.
  - For unutilized part of loan : -On quarterly instalment basis till it is utilised at prescribed rate of interest.
- (iii) Compound interest on delay in repayments: -At the normal rate of interest on outstanding dues for the delay period.



- (iv) Liquidated damage charges on default in repayments: -At the rate of 5% p.a. less normal rate of interest on defaulted amount on quarterly basis.
- (v) Penal interest on delay in utilization of funds : - At the rate of 8% p.a. on unutilized part till it is refunded or utilised on micro credit.

**On Micro Credit:**

- (i) For Micro Credit to NGOs/SCAs - for funds disbursed before 31/12/2014:-On equated quarterly instalment basis from the date of disbursement at the prescribed rate of interest.
- (ii) For funds disbursed under Micro Finance after 01/01/2015:-On equated quarterly installment basis from the date of utilization at prescribed rate of interest.
- (iii) For Interest Free Loan to NGOs:- No Interest is charged as the loan is interest free and adjusted as grant subject to satisfaction of conditions.
- (iv) Penal Interest on delay in utilisation of funds:- At the rate of 8% per annum on un-utilised part till it is refunded or utilised.
- (v) Compound interest on delay in repayments:- At the normal rate of interest on outstanding dues for the delay period.

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

As per the policy, the utilization report is accounted for the previous month as against the month in which it is received and irrespective of the month to which it pertains .i.e. If a report has been received in the month of October it will be considered for the month of September even if it states that the utilization report is for the month of June.

This policy has since been revised in its 94th BoD meeting held on 13/03/2015 and as per the revised policy, whenever information about any quantum of funds utilised by the SCAs, reaches NMDFC, the actual utilisation of funds shall be considered to have taken place on 1st day of the month in which utilisation information is received in NMDFC.

**h) Income taxes**

**In view of the exemption available to the Corporation under section 10 (26BB) of the Income Tax Act, 1961, the provision for income tax liability is not considered necessary. Consequently the provisions of the Indian Accounting Standard 12 (Ind AS-12) on Income tax, issued by the Institute of Chartered Accountant of India, about deferred taxes and income tax computation and disclosures standards issued by CBDT are not applicable to the Corporation.**

**i) Property, plant and equipment**

- (a) Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost of asset includes the following:
  - i. Cost directly attributable to the acquisition of the assets
  - ii. Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.
- (b) Cost of replacement, major inspection, repair of significant parts is capitalized if the recognition criteria are met.



- (c) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from continued use of assets. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Income and Expenditure Account.

### **(j) Depreciation**

#### **For Tangible Assets**

Depreciation on Property, plant and Equipment is provided on written down value method over the useful life of the assets as specified in Schedule II of the Companies Act, 2013, however 100% depreciation on library/briefcase items is provided.

Depreciation methods, useful life and residual values are reviewed at each reporting date, with the effect of change in estimate accounted for on a prospective basis

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

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Income & Expenditure Account.

Intangible assets are amortised over their estimated useful life on WDV method as determined by management which are provided below:-

#### **Computer Software:-3 Years**

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly

### **(k) Impairment**

**(i) Impairment of Financial Assets :** The company assesses at each date of balance sheet whether a financial asset is impaired. Ind AS-109 requires expected credit losses (ECL) to be measured through a loss allowance.

For all Financial Assets other than contract assets/ Trade receivables, expected credit losses are to be measured at an amount equal to 12 months expected credit losses or at an amount equal to the life time ECL's if credit risk on the financial asset has incurred significantly since its initial recognition.

ECL's impairment loss allowance (or reversal) recognised during the period as income/ expense in income & expenditure Account.

**(ii) Impairment of Non-Financial Assets :** The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its



carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in Income and Expenditure Account

**Reversal of Impairment Loss :** If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### **l) Employee Benefits**

- i) Provision for Leave Encashment and Gratuity is made on the basis of actuarial valuation and accounted for on accrual basis on the assumption that benefit is payable to the employees at the end of the accounting year. The expenses are recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains or losses are recognized in other comprehensive income.
- (ii) Contribution made by the Corporation towards employees' provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 is charged to the Income & Expenditure Account.
- (iii) Leave Travel Concession to Staff is accounted for as and when it is claimed. No provision of expenditure is made in anticipation of future claims.

### **m) Earnings per Share**

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

### **n) Grants from Government**

Company received various grants/funds from administrative ministry for implementing various schemes of the ministry as well as for specific purpose, Company has maintained separate account for such funds/grants and it has been shown as liability (payable to MOMA) till the fund is utilised for the purpose it was received. After receiving of Utilization certificate the same has been adjusted from the PIA (Project Implementing Agencies) balances.

### **o) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized in respect of liabilities which can be measured only by using a substantial degree of estimates when:

- (i) The Company has a present obligation as a result of a past event.
- (ii) Probable outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) The amount of the obligation can be reliably estimated. Provisions are reviewed at each Balance Sheet date.



**Discounting of Provisions :** Where the effect of the time value of money is material the amount of a provision shall be the present value of the expenditure expected to be required to settle the obligation.

**p) Contingent Liabilities and Contingent Assets**

- (i). A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
  - (ii). A reliable estimate of the present obligation cannot be made; or
  - (iii). A possible obligation, unless the probability of outflow of resource is remote.
- Contingent assets are disclosed where an inflow of economic benefits is probable.

**q) Financial instruments:-**

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

**Subsequent Recognition**

**(i) Financial Asset at Amortized Cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortised cost using effective interest rate method less impairment, if any. The EIR amortisation is included in finance income in the income & expenditure account.

**(ii) Financial Assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Income & Expenditure account. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Income & Expenditure Account. Interest earned is recognised using the EIR method.

**(iii) Financial Assets at Fair value through Profit & Loss (FVTPL)**

FVTPL is a residual category for financial Assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the company may elect to designate financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition



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

#### **(iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. The company has not designated any financial liabilities at FVTPL

#### **(v) Investment in Associate:-**

Investment in Associate is carried at cost in the separate financial statements. Any gain or losses on disposal of these investments are recognised in the Income & Expenditure Account.

#### **De-recognition**

##### **Financial Asset**

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

##### **Financial Liability**

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

#### **r) Fair Value Measurement:-**

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

- Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observables market data (unobservable inputs)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. At the reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair



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

**s) Standard issued but not yet effective for the Financial Year 2017-18**

**Ind-AS 115 Revenue from Contracts with Customers**

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

The effective date of IND AS 115 is annual periods beginning on or after 1st April 2018. The Company is required to adopt the standard by the Financial Year commencing 1st April 2018. The Company is currently evaluating the requirements of IND AS 115 and has not yet determined the impact on the financial statements.



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

(CIN No. U74899DL1994NPL061852)

**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018**

Note :- 3 Non Current Assets  
Property, Plant & Equipment (PPE)

(Rs. in Lakhs)

	Lease hold Building	Computers	Furniture & Fixture	Office Equipment	Library	Briefcase	Total
<b>Gross carrying Value</b>							
<b>At 1 April 2016</b>	<b>803.66</b>	<b>76.81</b>	<b>73.01</b>	<b>29.49</b>	<b>2.80</b>	<b>0.44</b>	<b>986.21</b>
Additions	-	0.09	0.10	3.52	0.29	0.07	4.07
Disposals/Adjustments	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>803.66</b>	<b>76.90</b>	<b>73.11</b>	<b>33.01</b>	<b>3.09</b>	<b>0.51</b>	<b>990.28</b>
Additions	-	0.12	2.25	2.15	0.47	0.03	5.02
Disposals/Adjustments	-	-	-	0.74	-	-	0.74
<b>At 31 March 2018</b>	<b>803.66</b>	<b>77.02</b>	<b>75.36</b>	<b>34.42</b>	<b>3.56</b>	<b>0.54</b>	<b>994.56</b>
<b>Depreciation and Impairment</b>							
<b>At 1 April 2016</b>	<b>273.78</b>	<b>68.20</b>	<b>46.97</b>	<b>23.20</b>	<b>2.80</b>	<b>0.44</b>	<b>415.39</b>
Depreciation charge for the year	25.70	5.25	6.74	3.15	0.29	0.07	41.20
Disposals/Adjustments	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>299.48</b>	<b>73.45</b>	<b>53.71</b>	<b>26.35</b>	<b>3.09</b>	<b>0.51</b>	<b>456.59</b>
Depreciation charge for the year	24.39	1.58	5.00	1.91	0.47	0.03	33.38
Disposals/Adjustments	-	-	-	0.51	-	-	0.51
<b>At 31 March 2018</b>	<b>323.87</b>	<b>75.03</b>	<b>58.71</b>	<b>27.75</b>	<b>3.56</b>	<b>0.54</b>	<b>489.46</b>
<b>Net Carrying Value</b>							
<b>At 31 March 2018</b>	<b>479.79</b>	<b>1.99</b>	<b>16.65</b>	<b>6.67</b>	<b>-</b>	<b>-</b>	<b>505.10</b>
<b>At 31 March 2017</b>	<b>504.18</b>	<b>3.45</b>	<b>19.40</b>	<b>6.66</b>	<b>-</b>	<b>-</b>	<b>533.69</b>

**Note No :-3.1:-**The company had purchased 1400 sq. mt. area at Core 1, 1st Floor, SCOPE Minar on 15/02/2007. The SCOPE Minar has been constructed on the land purchased by SCOPE from the Delhi Development Authority (DDA) on perpetual lease. The title deed of lease hold building is still pending for transfer of title/sublease in the name of the company.



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Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018

**Note :- 4****Other Intangible Assets**

(Rs. in Lakhs)  
Amount

<b>Particulars</b>	<b>Computer Software</b>
<b>Opening balance at 1st April 2016</b>	<b>15.45</b>
Addition during the year	-
Deletion during the year	-
<b>Closing balance at 31st March 2017</b>	<b>15.45</b>
Addition during the year	0.10
Deletion during the year	-
<b>Closing balance at 31st March 2018</b>	<b>15.55</b>
 <b><u>Amortization and Impairment</u></b>	
<b>Opening balance at 1st April 2016</b>	<b>12.22</b>
Amortization during the year	2.09
Deletion during the year	-
<b>Closing balance at 31st March 2017</b>	<b>14.31</b>
Amortization during the year	0.52
Deletion during the year	-
<b>Closing balance at 31st March 2018</b>	<b>14.83</b>
 <b><u>Net Carrying Value</u></b>	
<b>As at 31 March 2018</b>	<b>0.72</b>
<b>As at 31 March 2017</b>	<b>1.14</b>



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018**

Note :- 5 Non Current Financial Assets

Note :- 5.1

**Investments**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
<b>National Waqf Dev Corporation (NAWADCO) (Associate)</b>		
a) Investments in Equity instruments - Unquoted (90,00,000 Shares @ Rs.10 Share (Previous year 90,00,000 Shares @ Rs.10 Share)	900.00	900.00
b) Fully Compulsorily Convertible Debentures (FCCDs) in Associate* (Unsecured, Fully Compulsorily Convertible Debentures issued at par with 0% interest for a maximum period of 5 Years with debenture holder's right to convert its FCCDs into equity shares) 2,36,00,621 FCCDs at Rs. 10 each fully Paid Up (Previous year 86,00,621 FCCDs at Rs. 10 each fully Paid Up)	2,360.06	860.07
<b>Total</b>	<b>3,260.06</b>	<b>1,760.07</b>

\*During the year debenture amounting to Rs. Nil (Previous Year Rs.696.29 Lakhs) were converted into Equity Shares.

Note :- 5.2

**Loans**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
<b>Secured, Considered Good</b>		
Loans		
- State Channelizing Agencies*	1,53,815.93	1,48,234.39
- Employees	73.38	80.33
Allowance for bad & doubtful loans #	(617.43)	(865.04)
<b>Total</b>	<b>1,53,271.88</b>	<b>1,47,449.68</b>

\* NMDFC provides concessional finance to the eligible members of the Minorities through SCAs for income generating activities. Long Term Loans and Advances are secured against Govt. Guarantee provided by the State Govt. of the respective State Channelizing Agencies.

# Allowances on loan and advances to respective State Channelizing Agencies and Non-Govt. Organizations is made as per the Company's policy.

**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018****Note:- 5.3****Other Financial Assets (Rs. in Lakhs)**

<b>Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
Interest accrued but not due (Secured considered good)*	219.55	270.78
Allowance for bad & doubtful loans #	(123.70)	(204.44)
<b>Total</b>	<b>95.85</b>	<b>66.34</b>

\*Interest accrued but not due includes interest from employees loans of Rs. 58.99 lakhs as at 31.03.2018 (Rs. 64.41 lakhs as at 31.03.2017 ) and interest accrued on education loan of Rs. 160.56 Lakhs as at 31.03.18 (Rs. 206.37 lakhs as at 31.03.2017 )

# Allowances on loan and advances to respective State Channelizing Agencies and Non-Govt. Organizations is made as per the Company's policy.

**Note: - 6 Current Financial Assets****Note: - 6.1****Cash and cash equivalents (Rs. in Lakhs)**

<b>Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
<b>Balance with banks</b>		
- In savings accounts	640.00	3,489.67
<b>Cash</b>		
- On hand	0.12	0.07
- Imprest	0.10	0.17
<b>Total</b>	<b>640.22</b>	<b>3,489.91</b>

**Note: - 6.2****Bank Balances other than Cash and Cash equivalent (Rs. in Lakhs)**

<b>Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
<b>Other Bank Balances</b>		
- Earmarked balances with MOMA	950.34	23,717.36
- Deposits with original maturity more than 3 Months but less than 12 months	5,600.00	3,080.00
<b>Total</b>	<b>6,550.34</b>	<b>26,797.36</b>



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018**

**Note:- 6.3**

**Loans**

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
<b>A. Current portion of Long Term Loans</b>		
(i) Secured, considered good		
- State Channelizing Agencies (SCA's)	52,276.17	33,480.45
(ii) Unsecured, Considered Doubtful		
- Non Government Organizations	308.67	309.86
	52,584.84	33,790.31
Allowance for bad & doubtful loans#	(308.67)	(309.86)
<b>Net (A)</b>	<b>52,276.17</b>	<b>33,480.45</b>
<b>B. Dues from Employees (secured , considered good)</b>		
Staff Loans	32.38	10.57
<b>Total (A+B)</b>	<b>52,308.55</b>	<b>33,491.02</b>

# Allowances on loan and advances to respective State Channelizing Agencies and Non-Govt. Organizations is made as per the Company's policy.

**Note:- 6.4**

**Other Financial Assets**

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
<b>A. Interest Accrued and due on loans under various schemes</b>		
- State Channelizing Agencies (SCA's)	3,471.85	2,798.95
- Non Government Organizations	85.14	84.60
	3,556.99	2,883.55
Allowance for bad & doubtful loans #	(85.14)	(84.60)
<b>Total A</b>	<b>3,471.85</b>	<b>2,798.95</b>
<b>B. Secured, considered good</b>		
Interest Accrued but not Due on Deposits with Banks	259.54	195.02
Interest accrued but not due on Education loan	55.61	21.36
Interest Accrued but not Due on Loans to SCAs/NGOs	61.39	21.35
Interest Accrued but not Due on staff Loans	13.00	9.98
<b>Total B</b>	<b>389.54</b>	<b>247.71</b>
<b>C. Unsecured , considered good</b>		
Receivable from NAWADCO	-	5.35
Receivable from MANAS	4,321.28	4,321.28
Receivable from Ministry of Minority Affairs	350.50	518.05
<b>Total C</b>	<b>4,671.78</b>	<b>4,844.68</b>
<b>Total A+B+C</b>	<b>8,533.17</b>	<b>7,891.34</b>

# Allowances on loan and advances to respective State Channelizing Agencies and Non-Govt. Organizations is made as per the Company's policy.



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**  
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Note: - 7

**Current Tax Asset (Net)** (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Refund of Income Tax	0.56	0.56
<b>Total</b>	<b>0.56</b>	<b>0.56</b>

Note: - 8

**Other Current Assets**

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Advances other than Capital Advances</b>		
Advance for Development and Expenses	89.81	69.55
Advance for MOMA Schemes	49.90	101.58
Other Advances	64.17	112.24
<b>Others</b>		
Prepaid Expenses	0.28	0.12
Dues From Employees	17.63	9.83
<b>Total</b>	<b>221.79</b>	<b>293.32</b>

Note 8.1 Advance for Development and Expenses - Advances to SCAs & NGOs have been given for the purpose of organizing Exhibitions, skill development, loan mela and workshop for the benefit of the Minorities.

Note 8.2 : Advances for MOMA Schemes relates to Advances given to PIAs for implementing Seekho aur Kamao Scheme of Ministry.



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018**

Note: - 9

Equity Share Capital

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Authorised share capital</b>		
3,00,00,000 Equity shares of Rs 1000 each	3,00,000.00	3,00,000.00
(As at 31st March 2017 - 3,00,00,000 Equity shares of Rs 1000 each)	3,00,000.00	3,00,000.00
<b>Issued/Subscribed and Paid up Capital</b>		
1,79,56,027 Equity shares of Rs 1000 each	1,79,560.27	1,53,982.27
(As at 31st March 2017 - 1,53,98,227 Equity shares of Rs 1000 each)	1,79,560.27	1,53,982.27

Note :- 9.1

The Authorized Share Capital of NMDFC is Rs. 3,000 crore. As the Corporation is a joint venture of the Central Government and the State Governments, out of Rs. 3,000 crores the share of the Central Government is 73% i.e. Rs. 2,190 Crores, share of State Governments/UTs is 26% i.e. Rs. 780 Crores and share under others category is 1% i.e. Rs. 30 Crores. The share of State Governments/UTs is earmarked on the basis of their Minority population. As on 31.03.2018, the paid up share capital of NMDFC is Rs. 1795.60 Crores (as at 31.3.2017 of Rs. 1539.82 Crores) of which the President of India has provided 1435.00 Crores (79.92 %) whereas 360.60 Crores (20.08 %) has been contributed by the State Governments/UTs. There has been nominal contribution of Rs. 0.55 Lakhs from Others interested in development of Minorities.

Note :- 9.2 Reconciliation of the number of equity shares and share capital

Particulars	As at 31st March 2018		As at 31st March 2017	
	(No. of Shares)	(Amount in Lakhs)	(No. of Shares)	(Amount in Lakhs)
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	1,53,98,227	1,53,982.27	1,36,54,560	1,36,545.60
Add: Shares Issued during the year	25,57,800	25,578.00	17,43,667	17,436.67
Less: Buy Back / Forfeited during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	1,79,56,027	1,79,560.27	1,53,98,227	1,53,982.27

Note :- 9.3 List of Allottees during the year

Particulars	As at 31st March 2018		As at 31st March 2017	
	(No. of Shares)	(Amount in Lakhs)	(No. of Shares)	(Amount in Lakhs)
Gujarat	12,500	125.00	10,000	100.00
Haryana	4,200	42.00	4,150	41.50
Maharashtra	-	-	7,450	74.50
Rajasthan	-	-	1,17,067	1,170.67
West Bengal	2,13,700	2,137.00	1,50,000	1,500.00
Karnataka	1,62,200	1,622.00	-	-
Jammu & Kashmir	1,10,500	1,105.00	50,000	500.00
Punjab	20,000	200.00	-	-
Kerala	2,86,700	2,867.00	-	-
Jharkhand	-	-	5,000	50.00
LT Governor of Delhi	48,000	480.00	-	-
President of India (GOI)	17,00,000	17,000.00	14,00,000	14,000.00
<b>Total</b>	<b>25,57,800</b>	<b>25,578.00</b>	<b>17,43,667</b>	<b>17,436.67</b>

Note :- 9.4 25,57,800 Equity Shares were allotted at the face value of Rs. 1000 each to 8 States/UT & President of India (GOI) during the year. (Previous year 17,43,667 Equity Shares were allotted at the face value of Rs. 1000 each to 7 States and President of India).

Note No :9.5 Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of the shareholder	As at 31st March 2018		As at 31st March 2017	
	(No. of Shares)	% of holding	(No. of Shares)	% of holding
<b>Equity shares</b>				
President of India (GOI)	1,43,50,000	79.92	1,26,50,000	82.15
<b>Total</b>	<b>1,43,50,000</b>	<b>79.92</b>	<b>1,26,50,000</b>	<b>82.15</b>



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**  
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**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018**

**Note: - 10**  
**Other Equity**

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
General Reserve	43,730.28	38,253.11
Retained earnings	-	-
Share application money pending allotment	100.00	4,814.00
<b>Total</b>	<b>43,830.28</b>	<b>43,067.11</b>

**Note 10.1 General Reserve**

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balance as at the beginning of the year	38,253.11	33,415.02
Add : Transferred from retained earnings	5,477.17	4,838.09
<b>Closing Balance</b>	<b>43,730.28</b>	<b>38,253.11</b>

**Note 10.2 Retained earnings**

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balance as at the beginning of the year	-	-
Surplus for the period	5,454.97	4,839.02
Other comprehensive income arising from re-measurement of defined benefit obligation	22.20	(0.93)
Less : Transferred to General Reserve	(5,477.17)	(4,838.09)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

**Note 10.3 Share application money pending allotment**

(Rs. in Lakhs)

Particulars	As at 31st March 2018*	As at 31st March 2017
Gujarat	-	125.00
Karnataka	-	1,622.00
Punjab	-	200.00
Kerala	-	2,867.00
Mizoram	100.00	-
<b>Closing Balance</b>	<b>100.00</b>	<b>4,814.00</b>

\* The above shares have been allotted in the Board Meeting held on 10-07-2018

**Note :- 10.4**

In terms of section 8 (1a, 1b, 1c) of the Companies Act, 2013 the Corporation does not declare dividend but ploughs back its surplus of income over expenditure. As such the surplus of income over expenditure of Rs. 5477.17 Lakhs for the year has been transferred to General Reserve (previous year Rs. 4,838.09 Lakhs).

**Note :- 10.5**

Main purpose of General reserve is to meet the main objects as per Articles of Association.

**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018****Note: - 11****Provisions - Non Current Liabilities**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Provision for Employee Benefits:		
- Gratuity	196.50	184.96
- Leave Encashment	110.98	112.22
- Commuted Leave	97.31	100.49
- Post Retirement Pension	158.77	142.13
<b>Total</b>	<b>563.56</b>	<b>539.80</b>

**Note: - 12****Others Financial Liabilities- Current**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Security deposits (a)	5.65	7.76
Interest payable (b)	1.42	2,143.27
Other Payables		
- Creditors for Expenses (c)	78.91	19.17
- Payable to Employees	67.08	1.28
- Advance Instalments	17.19	25.68
- Training Expenses Payable	-	0.53
- Other Expenses Payable	110.36	102.16
<b>Total</b>	<b>280.61</b>	<b>2,299.85</b>

**Additional Information:**

- a) Security Deposits include deposits received from various vendors/ supplier for services
- b) This Includes Rs. 2141.85 Lakhs which pertains to Interest credited by Bank on the funds received from MOMA (Scholarship) during FY 2016-17
- c) This includes Rs. 2.73 Lakhs (Previous year Rs. 2.15 Lakhs) relates to enterprises registered under Micro, Small and Medium Enterprises Development Act, 2006.

**Note: - 13****Other Current Liabilities**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
<b>Other</b>		
- Statutory Dues	46.81	11.39
- Funds From Ministry	991.13	21,654.45
<b>Total</b>	<b>1,037.94</b>	<b>21,665.84</b>



## NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION

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### Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018

**Note: - 14**

**Provisions - Current**

	(Rs. in Lakhs)	
Particulars	As at 31st March 2018	As at 31st March 2017
Provision for employee benefits:		
- Gratuity	3.56	12.96
- Leave Encashment	2.84	6.06
- Commuted Leave	2.33	7.51
- Performance Related Pay	96.36	193.03
- Post Retirement Pension	10.49	-
<b>Total</b>	<b>115.58</b>	<b>219.56</b>

**Note: - 15**

**Revenue From Operations**

	(Rs. in Lakhs)	
Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Rendering of Services</b>		
(i) Interest on loans to SCA's	4,996.05	4,412.92
(ii) Compound Interest		
on loans to SCAs	416.43	337.35
on loans to NGOs	3.48	3.52
(iii) Liquidated Damages Recovered	104.01	79.02
<b>Total (a+b)</b>	<b>5,519.97</b>	<b>4,832.81</b>

15.1 For the funds disbursed before 31/03/2014, the interest on loans to State Channelizing Agencies / Non-Government Organizations for the entire term of loan has been calculated on reducing balance right from the time of utilization/ disbursement of loans respectively and converted into equated quarterly instalments. The income recognition of interest has been done on equated basis over the term of loan rather than on the basis of actual balance due at the end of the quarter or year. The implementation of the effective interest rate method for the funds disbursed prior to 31/03/2014 is impracticable. Also, the cost for implementing this method is more than the benefits received For the funds disbursed after 01/04/2014, the interest on loan has been calculated by using effective interest rate method.

**Note: - 16**

**Other Income\***

	(Rs. in Lakhs)	
Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>a) Interest Income</b>		
On Short Term Deposits	1,072.57	1,217.32
On Savings Bank/ Flexi Deposits	75.91	78.37
On Advances to Employees	9.56	7.53
<b>b) Other Non-Operating Income</b>		
Rent Receipts	-	3.98
Other Receipts	0.95	4.87
Income written back	2.25	-
<b>Total</b>	<b>1,161.24</b>	<b>1,312.07</b>

\* Other Income includes Rs. 1072.57 lakhs (Previous Year Rs. 1217.32 Lakhs) as interest earned on short term deposits, Rs. 75.91 lakhs (Previous Year Rs. 78.37 Lakhs) on saving bank/flexi deposits that has been disclosed as separate line item under other income as it exceeds one percent of revenue from operations. Apart from these two interest income, other income does not include any income which exceeds one percent of revenue from operations.



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018**

**Note: - 17**

**Allowance for Bad and doubtful Loans & Advances/Excess Allowance for Bad & Doubtful Loans & Advance written back** (Rs. in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Opening Balance	1,463.94	4,279.63
Less: Written off during the year	(0.05)	(2,766.65)
Balance after write off	1,463.89	1,512.98
Closing Balance	1,134.94	1,463.94
<b>Provision During the year</b>	<b>(328.95)</b>	<b>(49.04)</b>

**Note :- 18**

**Employee Benefits Expense** (Rs. in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
<b>a) Salary, Wages &amp; Benefits</b>		
- Salaries and Wages	452.76	351.82
- Medical Reimbursement	18.97	15.41
- Conveyance	1.49	1.64
- Others	7.05	10.05
<b>b) Contribution to Provident Fund &amp; Other Funds</b>		
- Contribution to Provident and Other Funds	36.23	30.38
<b>c) Provision for Retirement Benefits</b>		
- Contribution to Gratuity	34.34	23.73
- Contribution to Leave/Commuted leaves	6.09	26.08
- Post Retirement Pension Contribution	27.13	17.45
- Performance Related Pay	83.19	14.34
<b>Total</b>	<b>667.25</b>	<b>490.90</b>

**Note :- 19**

**Depreciation & Amortization Expense** (Rs. in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Depreciation on Tangible Assets	33.38	41.20
Amortisation on Intangible Assets	0.52	2.09
<b>Total</b>	<b>33.90</b>	<b>43.29</b>



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018**

**Note :- 20**

**Other Expenses\***

(Rs. in Lakhs)

Particulars	For the Year	For the Year
	Ended 31st March 2018	Ended 31st March 2017
Advertisement	5.19	1.44
Electricity & Water Expenses	31.26	33.83
Exhibition Expenses	26.99	12.72
Audit fees	2.36	2.30
Payment to Contractual Employees	31.45	30.89
Postage, Telegram & Telephone	10.20	11.60
Printing & Stationary	15.16	6.88
Professional, Consultancy & Legal Charges	33.93	18.45
Repair and Maintenance		
- Building	54.40	36.72
- Others	9.68	2.71
Security Hiring Charges	19.64	18.72
Travelling & Vehicle Expenses	26.46	29.88
Training and Skill Development Expenses		
- Employees	1.50	3.15
Meeting/Conference Expenses	3.33	4.43
Misc. Expenses	8.42	12.13
Loss on sale of Fixed Assets	0.10	-
Restructuring Business Model	74.67	-
CSR Activities	1.41	-
<b>Total</b>	<b>356.15</b>	<b>225.85</b>

\* All the major items has been disclosed as separate line item under other expenses. Apart from this Misc. Expense does not include any item that exceeds one percent of revenue from operations.

**Note No 20.1:- Audit Fees (Figures are inclusive of applicable taxes)**

(Rs. in Lakhs)

Particulars	For the Year	For the Year
	Ended 31st March 2018	Ended 31st March 2017
Audit Fees	2.01	1.95
For Taxation Matter	0.35	0.35
For Company Law Matter	0.09	0.17
<b>Total</b>	<b>2.45</b>	<b>2.47</b>

**Note: - 21**

**Other Comprehensive Income (OCI)**

(Rs. in Lakhs)

Particulars	For the Year	For the Year
	Ended 31st March 2018	Ended 31st March 2017
Re-measurement of Defined benefit plans		
- Gratuity	22.20	(0.93)
<b>Total</b>	<b>22.20</b>	<b>(0.93)</b>



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**Note: - 22**  
**Earnings Per Share (EPS) as per Ind AS-33**

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
<b>Basic EPS (In Rs.)</b>		
From continuing operation	31.92	32.90
<b>Diluted EPS (In Rs.)</b>		
From continuing operation	31.15	31.95

**22.1 Basic Earnings Per Share**

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

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
		(Rs. In Lakhs)
Profit attributable to equity holders of the company: Continuing operations	5,454.97	4,839.02
Earnings used in calculation of Basic Earning Per Share	5,454.97	4,839.02
Weighted average number of shares for the purpose of basic earnings per share	1,70,87,076	1,47,10,314

**22.2 Diluted Earnings Per Share**

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

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
		(Rs. In Lakhs)
Profit attributable to equity holders of the company from continuing operations	5,454.97	4,839.02
Earnings used in calculation of diluted Earning Per Share from continuing operations	5,454.97	4,839.02
<b>Particulars</b>	<b>For the Year Ended 31st March 2018</b>	<b>For the Year Ended 31st March 2017</b>
Weighted average number of shares for the purpose of basic earnings per share	1,70,87,076	1,47,10,314
Share Application money pending allotment	4,24,707	4,34,786
Weighted average number of shares for the purpose of Diluted earnings per share	1,75,11,783	1,51,45,100



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**Notes :- 23 Capital Management**

The company's objective is to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern and to promote economic and developmental activities for benefit of Backward Section.

Further, company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants. As on 31st March 2018 company does not have any liability towards borrowings. Company manages its working capital requirement through internal accruals.

No changes were made in the objectives, policies or processes for managing capital during the year 31st March, 2018. During F.Y. 2017-18 Company has issued Equity Shares amounting Rs. 25578.00 Lakhs (Previous Year Rs. 17436.67 Lakhs).

**Note :- 24 Fair Value measurements**

(i) The Carrying Value of Financial Instruments by categories are as follow: (Rs. in Lakhs)

Particulars	As at 31st March 2018			As at 31st March 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
(i) Investments	-	-	3,260.06	-	-	1,760.07
(ii) Cash & cash equivalents	-	-	640.22	-	-	3,489.91
(iii) Other bank balances	-	-	6,550.34	-	-	26,797.36
(iv) Other financial assets	-	-	8,629.02	-	-	7,957.68
(v) Loans	-	-	2,05,580.43	-	-	1,80,940.70
<b>Total Financial Assets</b>	-	-	<b>2,24,660.07</b>	-	-	<b>2,20,945.72</b>
<b>Financial Liabilities</b>						
(i) Other financial liabilities	-	-	280.61	-	-	2,299.85
<b>Total Financial Liabilities</b>	-	-	<b>280.61</b>	-	-	<b>2,299.85</b>

FVTPL:- Fair Value Through Profit and Loss

FVTOCI:- Fair Value Through Other Comprehensive Income



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**(ii) Fair value of Financial Assets and Liabilities:-**

Particulars	As at 31st March 2018		As at 31st March 2017		
	Carrying Value	Fair value	Carrying Value	Fair value	
<b>Financial Assets</b>					
Loans	2,05,580.43	2,05,580.43	1,80,940.70	1,80,940.70	
<b>Total Financial Assets</b>	<b>2,05,580.43</b>	<b>2,05,580.43</b>	<b>1,80,940.70</b>	<b>1,80,940.70</b>	
<p>i) The carrying amounts of cash and cash equivalents, other Bank Balances and other financial assets are considered to the same as their fair values, due to short term nature.</p> <p>ii) Loans to Employees are carrying at previous GAAP values due to immateriality, the recovery of monthly instalment of interest accrued on loans to staff towards House Building Advance, Computer Advance and Vehicle Advance starts only after the complete recovery of principal. Till the time principal is recovered in monthly instalment, interest is accumulated/ shown as accrued but not due and no further interest is charged on such accrued interest.</p> <p>iii) The fair value of "Financial Assets" were calculated based on cash flows discounted using recovery pattern of Loan. They are classified as level 3 fair values in fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.</p> <p><b>Fair Value hierarchy</b>  Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities  Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)  Level 3- Inputs for the assets or liabilities that are not based on observables market data (unobservable inputs)</p>					
<b>(Rs. in Lakhs)</b>					
<b>Particulars</b>	<b>Date of valuation</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at Amortised Cost					
Loans	31st March 2018	-	-	2,05,580.43	2,05,580.43
		-	-	2,05,580.43	2,05,580.43
<b>Fair Value hierarchy as on 31-03-2017</b>					
<b>Particulars</b>	<b>Date of valuation</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at Amortised Cost					
Loans	31st March 2017	-	-	1,80,940.70	1,80,940.70
		-	-	1,80,940.70	1,80,940.70



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**  
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**(iii) Financial Risk Management**

The Company's principal financial liabilities comprise other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operation. The Company's principal financial assets include Loans to SCA's, NGO and staff that derive directly from its equity. The loans to SCA's are disbursed against State Govt. Guarantee. The Company is required to expose market risk, credit risk and liquidity risk. The company's financial risk activities are governed by appropriate policies and procedures and those financial risks are identified, measured and managed in accordance with the companies policies and risk objectives. The board of directors review and agree on policies for managing each of these risk, which are summarised below:-

**a) Market Risk**

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

**b) Interest Rate Risk**

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

**c) Credit risk**

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

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

- Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees.



- Significant changes in the expected performance and behaviours of the borrower (SCA's), including changes in the payments status of the borrowers ( SCA's) in the group and changes in the operating results of the borrower (SCA's).

**Financial Instruments and Cash Deposits**

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

**d) Liquidity Risk**

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



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Note :- 25  
Provision for Expected Credit Losses for the year ended 31st March, 2018

Particulars	Asset Group	Estimated Carrying Amount of Default	Expected Probability of Default	Expected Losses Before Guarantee	Covered By Guarantee	Net Expected Credit Losses	Carrying Amount of Net Impairment Provision
Financial Asset for which credit risk has increased significantly and not creditly impaired	Less than one year	-	0%	-	-	-	-
	Above 1 year but <2 year	223.08	25%	55.77	55.77	-	223.08
	Above 2 year but <3 year	176.04	50%	88.02	88.02	-	176.04
	Above 3 years	2,313.51	100%	2,313.51	1,958.03	355.48	1,958.03
	<b>(a)</b>	<b>2,712.63</b>		<b>2,457.30</b>	<b>2,101.82</b>	<b>355.48</b>	<b>2,357.15</b>
Loss Allowance measured at life-time expected credit losses	More than 6 Months Less than 1 Year	-	25%	-	-	-	-
	More than 1 Year	359.29	100%	359.29	-	359.29	-
	<b>(b)</b>	<b>359.29</b>		<b>359.29</b>	<b>-</b>	<b>359.29</b>	<b>-</b>
Financial Asset for which credit risk has increased significantly and creditly impaired	Above 3 years	34.52	100%	34.52	-	34.52	-
	<b>(c)</b>	<b>34.52</b>		<b>34.52</b>	<b>-</b>	<b>34.52</b>	<b>-</b>
	<b>(d)=(a)+(b)+(c)</b>	<b>3,106.44</b>		<b>2,851.11</b>	<b>2,101.82</b>	<b>749.29</b>	<b>2,357.15</b>
Loss Allowance measured at 12 Month ECL expected credit losses	Financial Asset for which credit risk has not increased significantly and not creditly impaired	1,54,108.86	0.25%	385.27	-	385.27	1,53,723.59
	Long term Loans to SCA and Employee	371.46	0.10%	0.37	-	0.37	371.09
<b>Grand Total</b>	<b>(e)</b>	<b>1,54,480.32</b>		<b>385.64</b>	<b>2,101.82</b>	<b>385.64</b>	<b>1,54,094.68</b>
	<b>(d)+(e)</b>	<b>1,57,586.76</b>		<b>3,236.75</b>	<b>2,101.82</b>	<b>1,134.93</b>	<b>1,56,451.83</b>



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**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018**

**Provision for Expected Credit Losses of Loans for the year ended 31st March, 2017**

Particulars	Asset Group	Estimated Carrying Amount of Default	Expected Probability of Default	Expected Losses Before Guarantee	Covered By Guarantee	Net Expected Credit Losses	Carrying Amount of Net Impairment Provision
Financial Asset for which credit risk has increased significantly and not creditly impaired	Less than one year	-	0%	-	-	-	-
	Above 1 year but <2 year	200.63	25%	50.16	50.16	-	200.63
	Above 2 year but <3 year	253.30	50%	126.65	126.65	-	253.30
	Above 3 years	2,554.12	100%	2,554.12	1,847.78	706.34	1,847.78
	<b>(a)</b>	<b>3,008.05</b>		<b>2,730.93</b>	<b>2,024.59</b>	<b>706.34</b>	<b>2,301.71</b>
Loss Allowance measured at life-time expected credit losses	More than 6 Months Less than 1 Year	1.65	25%	0.41	-	0.41	1.24
	More than 1 Year	350.91	100%	350.91	-	350.91	-
	<b>(b)</b>	<b>352.56</b>		<b>351.32</b>	<b>-</b>	<b>351.32</b>	<b>1.24</b>
Financial Asset for which credit risk has increased significantly and creditly impaired	Above 3 years	34.52	100%	34.52	-	34.52	-
	<b>(c)</b>	<b>34.52</b>		<b>34.52</b>	<b>-</b>	<b>34.52</b>	<b>-</b>
	<b>(d)=(a)+(b)+(c)</b>	<b>3,395.13</b>		<b>3,116.77</b>	<b>2,024.59</b>	<b>1,092.18</b>	<b>2,302.95</b>
Loss Allowance measured at 12 Month ECL expected credit losses	Financial Asset for which credit risk has not increased significantly and not creditly impaired	1,48,595.50	0.25%	371.46	-	371.46	1,48,214.04
	Long term Loans to SCA and Employee	296.92	0.10%	0.30	-	0.30	296.62
<b>Grand Total</b>	<b>(e)</b>	<b>1,48,882.42</b>		<b>371.76</b>	<b>-</b>	<b>371.76</b>	<b>1,48,510.66</b>
	<b>(d)+(e)</b>	<b>1,52,277.55</b>		<b>3,488.53</b>	<b>2,024.59</b>	<b>1,463.94</b>	<b>1,50,813.61</b>

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In respect to loans/dues payable by the SCA's which are adequately covered by the state government guarantee, no provisions is made

**(1) For SCAs (Where State Government Guarantee is not available)**

- 100% provision on the amount due for payment but outstanding for the period of 3 years and above.
- 50% provision on the amount due for payment but outstanding for the period of 2 years and above but less the 3 years.
- 25% provision on the amount due for payment but outstanding for the period of 1 year and above but less the 2 years.
- No provision on the amount due for payment but outstanding for the period less than 1 year.

**(2) For NGO**

- 100% provision on the amount due for payment but outstanding for the period of 1 year and above.
- 25% provision on the amount due for payment but outstanding for the period of 6 months and above but less the 1 year.
- No provision on the amount due for payment but outstanding for the period less than 6 months.

**(3) For Interest Free Loan**

100% provision on the amount of interest free loan outstanding for the period above 3 years and not adjusted as grant.

- In addition a general provision @ 0.25% on the Non-Current Assets (Except Property, Plant and Equipment – Tangible/Non-Tangible and Investment) is made in the accounts.
- This amount of General Provision shall further be increased by an amount equal to 0.10% of the previous year's General Provision on yearly basis.

**Note :- 26 Prior Period Items****Impact on Income & Expenditure Account (increase/(decrease) in income)**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Post Retirement Contribution	-	124.68
Training Expenses	-	248.55
Depreciation on Building	-	1.23
Other Expenses	-	3.04
	-	377.50
Attributable to Equity Holders	-	377.50

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

Particulars	(In Rs.)	
	As at 31st March 2018	As at 31st March 2017
<b>Earnings per share for continuing operation (In Rs.)</b>		
Basic, profit from continuing operations attributable to equity holders	-	2.57
Diluted, profit from continuing operations attributable to equity holders	-	2.49



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**Note :- 27 Board meeting expenses** (Rs. in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Travelling expenses of Directors	1.28	2.07
Other expenses	1.44	0.80
<b>Total</b>	<b>2.72</b>	<b>2.87</b>

**Note :- 28: Remuneration and other expenses paid to/ for Managing Director**

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
<b>Md. Shahbaz Ali</b>		
Gross Salary	28.31	23.87
Contribution for Pension	6.06	5.01
Contribution for Leave Salary	2.95	2.39
Medical Expenses	-	0.03
Telephone Expenses	0.91	0.79
Travel Expenses (Official)	1.54	2.38
Taxi Hiring	6.78	7.00
Entertainment (Official)	0.10	0.42
Club Membership Fee	-	0.95
<b>Total</b>	<b>46.65</b>	<b>42.84</b>

**Note no. 29: Remuneration and other expenses paid to/ for Company Secretary**

(Rs. in Lakhs)

Particulars	*For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Gross Salary	18.34	20.18
Medical Expenses	0.03	0.02
Telephone Expenses	0.15	0.21
Travel Expenses (Official)	-	0.01
Entertainment (Official)	-	0.06
Compensation Expenses	0.08	0.02
Retirement Benefits	17.59	-
Arrear salary	5.52	-
Performance related pay	5.58	-
Post Retirement Pension	1.46	-
<b>Total</b>	<b>48.75</b>	<b>20.50</b>



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**\*Details of Remuneration paid to Company Secretary**

Particulars	Ritu Bhatia	Mr. A. V. Krishnan
	(01-02-2018 to 31-03-2018)	(01-04-2017 to 31-01-2018)
Gross Salary	1.00	17.34
Medical Expenses	-	0.03
Telephone Expenses	-	0.15
Compensation Expenses	-	0.08
Retirement Benefits	-	17.59
Arrear salary	-	5.52
Performance related pay	-	5.58
Post Retirement Pension	-	1.46
	<b>1.00</b>	<b>47.75</b>

**Note No-30: During the year, the Company has received funds from Ministry of Minority Affairs for implementing various schemes. Status of the funds received and its utilisation is given below:**

(Rs in Lakhs)

Sr No.	Publication of Compendium of Schemes & Programmes	2017-18	2016-17
1	Opening Balance	7.33	7.33
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	-	-
	<b>Closing Balance (1+2-3)</b>	<b>7.33</b>	<b>7.33</b>

Sr No.	Development of Web-based Software	2017-18	2016-17
1	Opening Balance	18.62	18.62
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	10.13	-
	<b>Closing Balance (1+2-3)</b>	<b>8.49</b>	<b>18.62</b>

Sr No.	Ministry of MOMA (Grant in Aid for SCAs)	2017-18	2016-17
1	Opening Balance	255.25	398.25
2	Received from MOMA during the Year	30.00	127.00
3	Utilised/expenditure during the year	106.92	270.00
	<b>Closing Balance (1+2-3)</b>	<b>178.33</b>	<b>255.25</b>

Sr No.	Scholarship Schemes of MOMA (Pre-Matric, Post Matric and Merit-cum-Means)	2017-18	2016-17
1	Opening Balance	20707.09	93691.62
2	Received from MOMA during the Year	-	-
3	Refunded to MOMA	20703.02	-
4	Utilised/expenditure during the year	4.07	72984.53
	<b>Closing Balance (1+2-3-4)</b>	<b>-</b>	<b>20707.09</b>



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**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018**

Sr No.	Ministry of MOMA (Hunar Haat Exhibition Mumbai-2018)	2017-18	2016-17
1	Opening Balance	-	-
2	Received from MOMA during the Year	149.64	-
3	Utilised/expenditure during the year	122.63	-
	<b>Closing Balance (1+2-3)</b>	<b>27.01</b>	-

Sr No.	Awareness Camps - Loan melas	2017-18	2016-17
1	Opening Balance	21.78	54.57
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	9.03	32.78
	<b>Closing Balance (1+2-3)</b>	<b>12.76</b>	21.78

Sr No.	Ministry of MOMA (Support to Minority Student)	2017-18	2016-17
1	Opening Balance	12.25	55.25
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	-	43.00
	<b>Closing Balance (1+2-3)</b>	<b>12.25</b>	12.25

Sr No.	Grant in Aid (Hamari Dharohar)	2017-18	2016-17
1	Opening Balance	2.11	104.33
2	Received from MOMA during the Year	-	593.34
3	Utilised/expenditure during the year	0.76	695.56
	<b>Closing Balance (1+2-3)</b>	<b>1.35</b>	2.11

Sr No.	Ministry of MOMA (IITF Exhibition-2017)	2017-18	2016-17
1	Opening Balance	-	-
2	Received from MOMA during the Year	177.48	-
3	Utilised/expenditure during the year	166.18	-
	<b>Closing Balance (1+2-3)</b>	<b>11.30</b>	-

Sr No.	Ministry of MOMA (Workshop-Chennai)	2017-18	2016-17
1	Opening Balance	(2.53)	-
2	Received from MOMA during the Year	-	7.00
3	Utilised/expenditure during the year	-	9.53
	<b>Closing Balance (1+2-3)</b>	<b>(2.53)</b>	(2.53)

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**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018**

Sr No.	Grant in Aid (Nai Roshni)	2017-18	2016-17
1	Opening Balance	34.11	34.11
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	34.11	-
	<b>Closing Balance (1+2-3)</b>	-	34.11

Sr No.	Ministry of MOMA (Ustad Scheme)	2017-18	2016-17
1	Opening Balance	173.75	87.54
2	Received from MOMA during the Year	173.76	160.27
3	Utilised/expenditure during the year	35.68	74.07
	<b>Closing Balance (1+2-3)</b>	311.82	173.75

Sr No.	Ministry of MOMA (Hunar Haat-Baba Kharag Singh Marg-2018)	2017-18	2016-17
1	Opening Balance	-	-
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	160.03	-
	<b>Closing Balance (1+2-3)</b>	(160.03)	-

Sr No.	Ministry of MOMA (Impact Study of Schemes)	2017-18	2016-17
1	Opening Balance	-	-
2	Received from MOMA during the Year	48.21	-
3	Utilised/expenditure during the year	-	-
	<b>Closing Balance (1+2-3)</b>	48.21	-

Sr No.	Ministry of MOMA (Hunar Haat-Puduchery)	2017-18	2016-17
1	Opening Balance	-	-
2	Received from MOMA during the Year	36.92	-
3	Utilised/expenditure during the year	45.00	-
	<b>Closing Balance (1+2-3)</b>	(8.08)	-

Sr No.	Ministry of MOMA (Hunar Haat-Pune)	2017-18	2016-17
1	Opening Balance	-	-
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	0.72	-
	<b>Closing Balance (1+2-3)</b>	(0.72)	-



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Sr No.	Regional Workshop on Entrepreneurship Development among minorities and lending programmes of NMDFC	2017-18	2016-17
1	Opening Balance	422.16	437.45
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	49.87	15.29
	<b>Closing Balance (1+2-3)</b>	<b>372.29</b>	422.16

Sr No.	Skill Development Programmes	2017-18	2016-17
1	Opening Balance	<b>(166.86)</b>	(166.86)
2	Received from MOMA during the Year	152.70	-
3	Utilised/expenditure during the year	68.36	-
	<b>Closing Balance (1+2-3)</b>	<b>(82.52)</b>	(166.86)

*Under the Skill Development Programme, the Company has utilised excess funds which has been claimed from the Ministry of Minority Affairs*



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**Note no. 31 : Employee Benefits as per Ind-AS 19**

**Table Showing Changes in Present Value of Obligations:**

(Rs. in Lakhs)

Sr No.	Particulars	As at 31st March 2018			As at 31st March 2017		
		Gratuity	Leave encashment	Commuted Leave	Gratuity	Leave encashment	Commuted Leave
1	Present value of the obligation at the beginning of the period	197.92	118.28	108.00	173.26	111.01	97.42
2	Interest cost	14.47	8.65	7.89	13.86	8.88	7.79
3	Past service cost	10.42	-	-			
4	Current service cost	9.45	5.31	4.67	9.87	5.78	5.31
5	Benefits paid (if any)	(10.00)	(15.28)	(3.64)	-	(8.23)	-
6	Actuarial (gain)/loss	(22.20)	(3.15)	(17.28)	0.93	0.84	(2.52)
7	Present value of the obligation at the end of the period	200.06	113.81	99.64	197.92	118.28	108.00

**Expense recognized in the Income & Expenditure Account:**

(Rs. in Lakhs)

Sr No.	Particulars	For the Year Ended As at 31st March 2018			For the Year Ended As at 31st March 2017		
		Gratuity	Leave encashment	Commuted Leave	Gratuity	Leave encashment	Commuted Leave
1	Interest cost	14.47	8.65	7.89	13.86	8.88	7.79
2	Current service cost	9.45	5.31	4.67	9.87	5.78	5.31
3	Past Service cost	10.42	-	-			
4	Expected return on plan asset	-	-	-	-	-	-
5	Actuarial gain / (loss) for the year on Asset	-	3.15	17.28	-	(0.84)	2.52
6	Expenses to be recognized in the Income & Expenditure Account	34.33	10.81	(4.72)	23.73	15.50	10.58

**Income recognized in the other comprehensive income:**

(Rs. in Lakhs)

Sr No.	Particulars	For the Year Ended As at 31st March 2018			For the Year Ended As at 31st March 2017		
		Gratuity	Leave encashment	Commuted Leave	Gratuity	Leave encashment	Commuted Leave
1	Net cumulative unrecognized actuarial gain/(loss) opening	-	-	-	-	-	-
2	Actuarial gain / (loss) for the year on PBO	22.20	-	-	(0.93)	-	-
3	Actuarial gain / (loss) for the year on Asset	-	-	-	-	-	-
4	Unrecognized actuarial gain/(loss) at the end of the year	22.20	-	-	(0.93)	-	-



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**Status of Gratuity, Leave Encashment and Commuted Leave**

(Rs. in Lakhs)

Sr No.	Particulars	For the Year Ended As at 31st March 2018			For the Year Ended As at 31st March 2017		
		Gratuity	Leave encashment	Commuted Leave	Gratuity	Leave encashment	Commuted Leave
1	Current Liability	3.56	2.84	2.33	12.96	6.06	7.51
2	Non Current Liability	196.50	110.98	97.31	184.96	112.22	100.49
	<b>Total Liability</b>	<b>200.06</b>	<b>113.82</b>	<b>99.64</b>	<b>197.92</b>	<b>118.28</b>	<b>108.00</b>

**Sensitivity Analysis of the defined benefit obligation.**

Sr No.	Particulars	As at 31st March 2018		
		Gratuity	Leave encashment	Commuted Leave
<b>a) Impact of the change in discount rate</b>				
(i)	Present Value of Obligation at the end of the period	200.06	113.81	99.64
(ii)	Impact due to increase of 0.50 %	(8.37)	(4.65)	(4.34)
(iii)	Impact due to decrease of 0.50 %	8.87	4.92	4.60
<b>b) Impact of the change in salary increase</b>				
(i)	Present Value of Obligation at the end of the period	200.06	113.81	99.64
(ii)	Impact due to increase of 0.50 %	6.51	4.92	4.60
(iii)	Impact due to decrease of 0.50 %	(6.20)	(4.70)	-4.38

**Actuarial Assumptions****a) Economic Assumptions**

Particulars	As at 31st March 2018	As at 31st March 2017
i) Discounting Rate	7.52	7.31
ii) Future salary Increase	7.00	7.00

**Note no. 32: Related Party Disclosures as per Ind As 24****32.1 List of Related Parties**

- (i) **Associate** : National Waqf Development Corporation Ltd (NAWADCO)
- (ii) **Key Management Personnel** : CMD Mr. Shahbaz Ali , Company Secretary ( Mr. A.V. Krishnan upto 31-01-2018 and Ms. Ritu Bhatia w.e.f. 01-02-2018)
- (iii) **Enterprise in which the persons referred in (ii) exercise significant influence** : MANAS (Till 14/07/2016)



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**32.2** The Company has entered into transactions with the parties listed above during the year under consideration. Details of these transactions are as follow:

(Rs. in Lakhs)

Transactions	Associate	Key Management Personal	Enterprise as referred to in 32.1 (iii) above	Total
Remuneration and other Expenses	-	<b>95.40</b> <i>63.34</i>	-	<b>95.4</b> <i>63.34</i>
Advances Given	-	<b>0.05</b> <i>0.54</i>	-	<b>0.05</b> <i>0.54</i>
Advances Received	-	<b>2.09</b> <i>0.14</i>	-	<b>2.09</b> <i>0.14</i>
Rent Received	-	-	-	-
	<i>3.98</i>	-	-	<i>3.98</i>
Electricity Income	-	-	-	-
	<i>1.18</i>	-	-	<i>1.18</i>
Repair & Maintenance (Building)	-	-	-	-
	<i>1.37</i>	-	-	<i>1.37</i>
Advances for Administrative Expenses	-	-	-	-
	-	-	<i>8.59</i>	<i>8.59</i>
Advances for skill Development Program	-	-	-	-
	-	-	<i>9.73</i>	<i>9.73</i>
Interest on advances	-	-	-	-
	-	<i>0.01</i>	-	<i>0.01</i>
Investment in Fully Convertible Debentures (FCD)	<b>1,500.00</b>	-	-	<b>1,500.00</b>
	-	-	-	-
<b>Total</b>	<b>1,500.00</b> <i>6.53</i>	<b>97.54</b> <i>64.03</i>	-	<b>1,597.54</b> <i>88.88</i>
<b>Balance as on 31.03.2018</b>				
<b>Debit</b>	-	-	-	-
<b>Credit</b>	-	<b>18.34</b>	-	<b>18.34</b>
<b>Balance as on 31.03.2017</b>				
<b>Debit</b>	<i>5.35</i>	<i>2.11</i>	<i>4321.82*</i>	<i>4,329.28</i>
<b>Credit</b>	-	-	-	-

\*Balance as on 14th July, 2016

*Previous year figures have been given in italics*



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**32.3 Compensation of Key Managerial Personnel:**

The remuneration of Directors and other members of Key Managerial Personnel during the year was as follows:

Particulars	(Rs. in Lakhs)	
	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Short Term Benefits	86.39	55.94
Post employment Benefits	9.01	7.40
	<b>95.40</b>	<b>63.34</b>

**32.4 Transactions with the Government Related entities**

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

**Name of Government:** Government of India, through Ministry of Minority Affairs (Significant Influence over company)

**Certain significant Transactions:-**

Party	Nature of Transactions	(Rs. in Lakhs)	
		Year ended 31st March 2018	Year ended 31st March 2017
Ministry of Minority Affairs	Capital Contribution	17,000.00	14,000.00
Ministry of Minority Affairs	Grant for SCA Scheme	127.00	30.00
Ministry of Minority Affairs	Other Schemes	1,104.94	899.51
		<b>18,231.94</b>	<b>14,929.51</b>

**Note no. 33 : Disclosure under Ind AS-37 (Provisions, Contingent Liabilities and Contingent Assets)**

(Rs. in Lakhs)					
Sr No.	Provision for	Opening Balance as on 01/04/2017	Addition during the 2017-18 year 2017-18	Amount paid during the year	Closing Balance
1	Gratuity	197.92	12.14	10.00	200.06
2	Commuted Leave	108.00	-	8.36	99.64
3	Leave Encashment	118.28	10.81	15.28	113.81
4	Post Retirement Pension	142.13	27.13	-	169.26
5	Performance Related Pay (PRP)	193.03	83.59	180.26	96.36

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**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018****Note no. 34 : Overdue position of NGOs as on 31/03/2018**

The Corporation has not taken any security against the loans disbursed to the NGOs except for post-dated cheques. Legal actions by way of criminal complaints under section 138 of the Negotiable Instrument Act and civil suits have been initiated against the defaulting NGOs for recovery of dues. Statement showing over dues as on 31.03.2018 in respect of NGOs is as given below:

(Rs. in Lakhs)

Sl.No	Non Government Organisations	Over dues as on 31/03/2018	Over dues as on 31/03/2017
1	A.P. MAHILA WELFARE SOCIETY, HYDERABAD, ANDHRA PRADESH	3.95	3.91
2	SHRI ABHINAV CREDIT CO-OPERATIVE SOCIETY, BHAVNAGAR, GUJARAT	15.21	15.10
3	ABHYUDAYA MAHILA SEVA SANGHAM, PRAKASAM, ANDHRA PRADESH	8.95	8.86
4	ADARSHA EDUCATIONAL SOCIETY, KURNOOL, ANDHRA PRADESH	1.68	1.66
5	AL AMAN MAHILA MANDAL, SANGLI, MAHARASHTRA	7.07	7.00
6	AL AMIN CO-OPERATIVE CREDIT SOCIETY, RAIGAD, MAHARASHTRA	49.43	48.94
7	AMBEDKAR MISSION, PRAKASAM, ANDHRA PRADESH	2.29	2.27
8	ANNAI SATHYA VOLUNTARY SERVICE SOCIETY, THANJAVUR, TAMILNADU	16.95	16.78
9	ASIAN INSTITUTE FOR RURAL REGENERATION, CUTTACK, ORISSA	12.36	12.24
10	BADE KHANTURA BAHUMUKHI SEVA KENDRA, 24 PGNS (N), WEST BENGAL	6.51	6.45
11	BASIRHAT FAMILY PLANNING WELFARE CENTRE, 24 PGNS (N), WEST BENGAL	4.01	3.97
12	BHAGAT SINGH ORGANISATION FOR AWAKENING AND RURAL DEV., R.R. DIST., ANDHRA PRADESH	7.12	7.05
13	BONGO DEVELOPMENT CENTRE, 24 PGNS (S), WEST BENGAL	5.22	6.16
14	CENTRE FOR HUMAN RESOURCE AND RURAL DEVELOPMENTAL PROGRAMMES (CHARDEP), KANYAKUMARI, TAMILNADU	7.83	8.01
15	CHAITANYA YUVAJANA SANGAM, R.R. DIST., ANDHRA PRADESH	5.84	5.79
16	CHAPEL RURAL DEV. SOCIETY, KRISHNA, ANDHRA PRADESH	4.60	4.55
17	CREATION WELFARE SOCIETY, MUZAFFARPUR, BIHAR	0.74	1.04
18	EDUCATED UNEMPLOYED WELFARE ASSN. (EDUWA), IMPHAL, MANIPUR	10.40	10.30
19	GRAMIN (AGENCY FOR RURAL INCOME GENERATION AND MANAGEMENT), SONITPUR, ASSAM	4.01	3.97
20	HOLY SOUL'S EDUCATIONAL SOCIETY, KURNOOL, ANDHRA PRADESH	1.06	1.05
21	INSTITUTE OF SUSTAINABLE DEVELOPMENT, THOUBAL, MANIPUR	1.39	1.37
22	KALYACHAK NETAJI SUBHAS SANGHA, PURBA MEDINIPUR, WEST BENGAL	5.09	5.04
23	KOLORA YOUTH WELFARE ORGANISATION, HOWRAH, WEST BENGAL	2.40	2.37
24	LOVELY MULTIPURPOSE CO-OP. SOCIETY LTD., DIMAPUR, NAGALAND	11.92	11.80
25	MAHILA KALYAN SAMITI, DHORI, BOKARO, BOKARO, JHARKHAND	27.01	26.74
26	MANAV GRAMODYOG SEWA SAMITI, RAE BARELI, UTTAR PRADESH	3.09	3.06
27	MUKHERJEEPARA SANMILITA PALLIBASHI SAMITY, HOWRAH, WEST BENGAL	8.68	8.59
28	NAVA BHARATH SOCIO ECONOMIC DEV. SOCIETY (NBSSEDS), ANANTAPUR, ANDHRA PRADESH	4.90	4.85
29	OM SEVA SANSTHAN (OSS), MORADABAD, UTTAR PRADESH	8.91	10.41
30	ORG.FOR SOCIAL ACTION AND IMPROV (OSAI), PERAMBALUR, TAMILNADU	0.05	-
31	PALAKURTHY EDUCATIONAL SOCIETY, HYDERABAD, ANDHRA PRADESH	2.55	2.53
32	PIKEPARA KAMALA SEVA SAMITY, 24 PGNS (S), WEST BENGAL	5.80	5.74
33	PRRIYA (PEOPLE RURAL RECONSTRUCTION INSTITUTE FOR YOUTH ACTION, BALASORE, ORISSA	1.86	1.84



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Sl.No	Non Government Organisations	Over dues as on 31/03/2018	Over dues as on 31/03/2017
34	RAGHAVENDRA RURAL DEV. SOCIETY, ANANTAPUR, ANDHRA PRADESH	7.30	7.23
35	RESHAM BUNKAR KHADI GRAMODYOG SANGH, BHAGALPUR, BIHAR	4.76	4.76
36	RISE-INDIA, GUNTUR, ANDHRA PRADESH	10.89	10.78
37	RUBINA WOMEN WELFARE ASSOCIATION, KURNOOL, ANDHRA PRADESH	-	0.73
38	THE SEHYOG CREDIT CO-OPERATIVE SOCIETY, BHAVNAGAR, GUJARAT	15.24	15.09
39	SOCIAL & LITERACY DEV. ASSN. (SLDA), LUCKNOW, UTTAR PRADESH	2.47	2.44
40	SOCIETY FOR OVERALL RURAL DEVELOPMENT	20.52	
41	SOCIETY FOR OVERALL RURAL DEVELOPMENT (SORD), KRISHNA, ANDHRA PRADESH	14.42	34.59
42	SOCIETY FOR RURAL EMPOWERMENT & YOUTH ACTION (SREYA), PRAKASAM, ANDHRA PRADESH	1.92	1.90
43	SRI GAYATRI MAHILA MANDALI, GUNTUR, ANDHRA PRADESH	3.51	3.47
44	SRI VENKATESWARA ANADHA SEVA SADAN, CHITTOOR, ANDHRA PRADESH	1.19	1.28
45	VISWA SANTHI BALANANDA KENDRAM, PRAKASAM, ANDHRA PRADESH	1.47	1.45
46	WOMEN AND CHILD DEVELOPMENT SOCIETY, TIRUNELVELI, TAMILNADU	5.55	5.80
47	WOMEN EMPOWERMENT SOCIETY, KHAMMAM, ANDHRA PRADESH	5.28	5.21
	<b>Total</b>	<b>353.40</b>	<b>354.17</b>

**Note no. 35 : Age wise Classification of over dues from SCAs under Term Loan and Education Loan (Rs. in Lakhs)**

Sl.No	STATE	SCA	Over dues as on 31/03/2018	Less than one year	Above 1 year but < 2 year	Above 2 year but < 3 year	Above 3 years
1	Assam	AMDFC	1,002.78	56.17	59.78	61.95	824.88
2	Bihar	BSMFC	1,780.29	334.31	374.32	430.40	641.26
3	Chandigarh	CHCFDCL	2.09	2.09	-	-	-
4	Chhattisgarh	CHSACFDC	239.51	92.93	90.64	55.94	-
5	Delhi	DSCSTDFC	1.83	1.83	-	-	-
6	Gujarat	GBCDC	558.44	22.85	25.86	24.58	485.15
7	Gujarat	GMDFC	39.56	39.56	-	-	-
8	Haryana	HBCKN	59.59	59.59	-	-	-
9	Haryana	MDA	13.26	13.26	-	-	-
10	Himachal Pradesh	HPMDFC	87.58	87.58	-	-	-
11	Jammu & Kashmir	JKSCSTFDCC	2.97	2.97	-	-	-
12	Jammu & Kashmir	JKWDC	252.13	252.13	-	-	-
13	Jammu & Kashmir	JKEDI	320.01	320.01	-	-	-
14	Jammu & Kashmir	JKSFC	17.59	17.59	-	-	-
15	Jharkhand	JHSCSTDC	4.95	4.95	-	-	-
16	Karnataka	KMDC	210.02	210.02	-	-	-
17	Kerala	KSMDC	91.02	91.02	-	-	-



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Sl.No	STATE	SCA	Over dues as on 31/03/2018	Less than one year	Above 1 year but < 2 year	Above 2 year but < 3 year	Above 3 years
18	Kerala	KBCDC	898.56	898.56	-	-	-
19	Kerala	KSCFFDC	77.14	77.14	-	-	-
20	Kerala	KSWDC	478.91	478.91	-	-	-
21	Maharashtra	MAAVM	125.20	125.20	-	-	-
22	Mizoram	MCAB	44.11	44.11	-	-	-
23	Mizoram	ZIDCO	1,546.78	68.91	71.35	67.83	1,338.69
24	Nagaland	NIDC	2,310.75	598.42	615.45	683.60	413.28
25	Nagaland	NHDC	870.52	120.68	137.22	137.23	475.39
26	Orissa	ORSCSTFDC	58.77	-	54.04	2.08	2.65
27	Orissa	OSBCDC	0.30	-	0.30	-	-
28	Punjab	BACKFINCO	1,707.01	819.09	823.23	64.69	-
29	Pondicherry	PMDFC	159.70	127.32	32.38	-	-
30	Rajasthan	RJMDFC	668.75	668.75	-	-	-
31	Tamilnadu	TAMCO	145.01	145.01	-	-	-
32	Tripura	TSCDC	368.91	368.91	-	-	-
33	Uttar Pradesh	UPMDFC	1,072.87	106.48	105.26	636.53	224.60
34	Uttaranchal	UMFDC	7.50	7.50	-	-	-
35	West Bengal	WBMDFC	1,561.20	1,561.20	-	-	-
	<b>Total</b>		<b>16,785.61</b>	<b>7,825.04</b>	<b>2,389.82</b>	<b>2,164.82</b>	<b>4,405.88</b>

**Note no. 36 : Age wise Classification of over dues from SCAs under Micro Credit**

(Rs. in Lakhs)

Sl.No	STATE	SCA	Over dues as on 31/03/2018	Less than one year	Above 1 year but < 2 year	Above 2 year but < 3 year	Above 3 years
1	ASSAM	AMDFC	208.27	2.05	10.01	46.27	149.94
2	CHHATISGARH	CHSACFDC	7.19	4.12	3.07	-	-
3	JAMMU & KASHMIR	JKWDC	7.84	7.84	-	-	-
4	KERALA	KBCDC	180.46	180.46	-	-	-
5	KERALA	KSWDC	6.38	6.38	-	-	-
6	KERALA	MATSYAFED	590.22	590.22	-	-	-
7	MAHARASHTRA	MAAVM	11.88	11.88	-	-	-
8	HARYANA	MDA	134.66	45.92	88.74	-	-
9	NAGALAND	NHDC	38.72	0.38	38.34	-	-
10	NAGALAND	NSWB	66.97	-	42.56	24.41	-
11	PUDUCHERRY	PMDFC	247.27	197.71	49.56	-	-
12	RAJASTHAN	RJMDFC	28.96	28.96	-	-	-
13	TAMILNADU	TAMCO	481.58	481.58	-	-	-
14	WEST BENGAL	WBMDFC	2,866.69	2,866.69	-	-	-
	<b>Total</b>		<b>4,877.09</b>	<b>4,424.19</b>	<b>232.28</b>	<b>70.68</b>	<b>149.94</b>



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**Note No. 37: Additional Information**

- 37.1 In view of the exemption available to the Corporation under section 10 (26BB) of the Income Tax Act, 1961, the provision for income tax liability is not considered necessary. Consequently the provisions of the Indian Accounting Standard 12 (Ind-AS 12) on Accounting for Taxes on Income, issued by the Institute of Chartered Accountant of India, about deferred taxes and income tax computation and disclosures standards issued by CBDT are not applicable.
- 37.2 Provision of "Non Banking Financial Companies Acceptances of Public Deposit (Reserve Bank) Directions 1998" are not applicable to the Corporation since the Department of Company Affairs has categorized the Corporation under the Community Services vide their letter dated 28.07.1997. Reserve Bank of India has also confirmed the same vide their letter no. 3654/98-99 dated 21.05.1999.
- 37.3 On the basis of annual sanctions, SCAs can draw required amount of funds as advance which is converted into loan, in full or in part, on the basis of utilization details submitted by the SCAs. The advance is required to be converted into loan by the SCAs by way of loaning to the eligible beneficiaries under the Scheme of Term Loan, Educational Loan and Micro Financing. The advance is provided to the SCAs at interest rate of 3.5% (rebate of 0.5% on timely repayments) for Term Loan and 1.00% (without rebate) for Micro Finance and from the date of its utilization, the interest rate of the respective scheme in which funds have been utilized become applicable.
- 37.4 Balances of loans to SCAs/ NGOs and interest / compound interest receivable due from them as on 31.03.2018 are subject to confirmation, reconciliation and consequential adjustments, if any. It may be clarified that 93.63% of the loan amount has been confirmed by the SCAs for loan outstanding as on 31/03/2018.
- 37.5 Consequent upon constitutional amendment, there are bifurcation of states of Bihar & Uttar Pradesh and new states have been formed namely; Jharkhand & Uttaranchal respectively, out of these States. Pending the apportionment of Assets and Liabilities between SCAs of successor States, the Corporation has shown the loan outstanding against the SCA's of erstwhile states, which is subject to confirmation.
- 37.6 Income/Expenditure in Foreign Currency for the Current Year & previous year is Nil.
- 37.7 In pursuance to DPE order no. 1/10/08-DPE(WC)-GL XVI/08 dated 26.11.2008 and subsequent letter no. 9-12/2008 MC dated 4.12.2008 recorded for administrative ministry i.e. MoMA, the BOD in its 102nd Meeting has approved the post retirement scheme for implementation in r/o regular employees of the corporation from 1.1.2007. In view of transferring the fund through the trust the proposal has been forwarded to the administrative ministry i.e. Ministry of Minority Affairs for approval vide NMDFC's letter No. NMDFC/H&A/Post Retirement Pension /2016-17 (722) dated 2.6.2017. However provision has been made with respect to the liabilities as per the DPE order no. 2 (70)/08-DPE (WC)IGL-VII/09.
- 37.8 At the time of division of State of Madhya Pradesh in to State of Chhattisgarh, assets and



- liabilities were bifurcated on the basis of Balance sheet as on 31.03.2001. On the basis of division, MP Backward Classes and Minorities Finance Dev. Corporation (MPBCMFDC) paid Rs. 59.84 lakh to Chhattisgarh State Antyavasyee Coop. Finance and Dev. Corpn. Ltd. (CSACFDC), out of its loan liability of NMDFC, which pertains to the beneficiaries of Chhattisgarh. Accordingly, The Company has transferred the Loan outstanding from MPBCMFDC to CSACFDC which is yet to be confirmed by the CSAFDC.
- 37.9 The Company releases the funds to the Project Implementing Agencies, for implementing Skill Development Programmes, as an advance which are booked as expenditure only after receiving the proper UCs/bills/vouchers. Till such time the amount has been shown as an advance in the name of the agency. The company has the right to recall the funds, if the agency fails to utilize the funds for the given purpose.
- 37.10 NMDFC has released Rs. 43,21,28,144/- to and on behalf of 'Maulana Azad National Academy for Skill' (MANAS) and the same has been shown as Receivable from MANAS in the books of Accounts. The matter has been taken up with the Administrative Ministry for reimbursement of the amount released to MANAS. The matter is under active consideration with the Administrative Ministry.
- 37.11 As per the lending policy, the un-utilised funds with SCAs after six months of disbursement are required to be refunded by the SCAs to the Company. Usually SCAs do not keep the funds ideal for a long time with them and utilise it as early as possible. It is observed that the SCAs are generally in the process of utilisation the funds and recall of funds may hamper the process of utilisation which will not be in the interest of the target groups. As per the books of accounts of NMDFC, Rs. 28160 Lakhs is lying as advance to SCAs as on 31.03.2018, out of the total, Rs. 23.08 Lakhs pertains to FY 2015-16, Rs. 1177.96 Lakhs pertains to FY 2016-17 and Rs. 602.54 Lakhs pertains to FY 2017-18 disbursed before 01.10.2017. Remaining outstanding advance relates to disbursement made after 01.10.2017 (i.e. within the utilisation period). Unutilised amount of Rs. 1803.58 Lakhs is attracting higher rate of interest. As the SCAs have not provided the status of funds utilisation, the company had issued Red card to State Government/SCAs to either utilise the funds or to refund the same to the company, if un-utilised.
- 37.12 In the following cases, there is short fall of Guarantee cover:

STATES	SCAs	Shortfall of Guarantee cover (Rs. in Lakh)
Assam	AMDFC	210.48
Chandigarh	CHCFDCL	40.53
Delhi	DSCSTDFC	33.67
Jammu & Kashmir (J&K)	JKSFC	6.87
Pondicherry	PMDFC	101.40
Tripura	TSCDC	191.62
Mizoram	ZIDCO	124.52
<b>Total</b>		<b>709.09</b>



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**  
(CIN No. U74899DL1994NPL061852)

**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018**

In case of Assam (AMDFC), ZIDCO (Mizoram), Pondicherry, Tripura and J&K Initially the funds were released against and within the sovereign Govt. Guarantee, however over a period of time, due to non-repayment of dues, the overdues has attracted penal interest and the cumulative dues have crossed the Guarantee limit. In case of Chandigarh and Delhi, being UTs, are not providing Govt. Guarantee (GG) however letter of comfort are being issued by the concerned UTs. NMDFC does not have any policy to write off of loan which are not backed by Govt. Guarantee, as the shortfall in GG is temporary. State Govt. takes its own time in processing and approving the GG for the SCAs, however GG is provided by the State Governments.

- 37.13 Interest Free Loans (IFL) were provided by the company to various NGOs which could have been converted into grant, had they utilized it as per the conditions of the scheme. The amount has been shown as receivable in the books of accounts as the same are pending for conversion of the IFL into grant as per the requirement of the scheme. IFL scheme has already been closed way back in 2005-06 and Rs. 34.52 lakh is still pending for conversion into grants. NMDFC has already made the provisions for the same in the books of accounts. Policy is being framed by the Management to settle the IFL on case to case basis.
- 37.14 Loan outstanding balances in respect of SCAs appearing in working files used for preparing the Demand Notice for SCAs are subject to reconciliation with the Books of Accounts.
- 37.15 During the year, the company has written off penal interest of Rs. 5,152/- in respect of Rubina Women's Welfare Association, an NGO as per the One Time Settlement Scheme (OTS) of NMDFC.
- 37.16 NMDFC has approved rescheduling of overdues of Rs. 248 lakhs in respect of Nagaland State Social Welfare Board. SCA shall be required to pay the overdue with applicable interest in 16 quarterly equated installments.
- 37.17 NMDFC receives various grants/funds from the Administrative Ministry for implementing various schemes of the ministry as well as for specific purposes. As per the accounting policy, separate account is maintained for such funds/grants and the amount of fund/grants is shown as liability (payable to MOMA) till the fund is utilized for the purpose it was received by NMDFC. UC is submitted to MOMA after utilization as per the requirement.
- 37.18 The Company does not own any land – either Leasehold or Free hold. The Title deed of leasehold building situated at Core 1, first floor, scope minar, having an area of 1400 sq. mtrs, purchased on sub lease, is pending for transfer of title/sublease in the name of the Company. NMDFC has written letter to SCOPE for taking necessary action to have clear title deed in the name of NMDFC.
- 37.19 Company has evaluated the assets for impairment as per IND AS 36 "Impairment of Assets" but there has not been any material impairment, which needs to be incorporated in the books of accounts.
- 37.20 The Company has initiated legal actions against the defaulting NGOs u/s 138 as well as for civil suits and there is no case where the company has any obligation of payment. The Status of legal cases is given below:



Particulars	Criminal Cases	Civil Suits	Civil Suits filed on NMDFC	Total
Cases under Process	18	6	1*	25
Decree Execution in favour of NMDFC	0	6	0	6
Decree Execution in process	0	1	0	1
Cases dismissed	2	3	0	5
Sine Die	0	1	0	1
Time barred case	0	5	0	5
Cases yet to be filed	0	4	0	4

\* President of one NGO has filed Civil case against NMDFC for excluding his name from the case and there is no obligation on NMDFC for any payment.

- 37.21 Contingent Liability and Capital Commitment as at 31st March, 2018 is NIL (Previous Year NIL).
- 37.22 The company has been utilizing the funds for implementing the respective schemes of Ministry and does not get any additional fund to meet administrative expenses in this regard. Therefore, the interest earned on the funds is treated as Income of the corporation and is utilised for meeting administrative costs. NMDFC has informed the ministry about the treatment done by NMDFC on the interest earned on Ministry Funds.
- 37.23 There are some Prior Period Expenses relating to Exhibition - Rs.9,29,520/-, Restructuring Business Model - Rs.41,03,125/- and Electricity and Power - Rs.1,83,148/- which belongs to P/Y 2016-17. These expenses have been adjusted in current F/Y 2017-18 due to immateriality.
- 37.24 Exhibition Expenses includes Rs.4,64,000/- being the amount of expenditure incurred by SCA towards exhibition of Pondicherry Backward Classes Minority Development Corporation. Further Further, Training Expenses includes Rs.13,68,000/- being the amount of expenditure incurred by SCA towards training. All these expenses which belong to P/Y 2015-16 which have been adjusted in current year expenses due to immateriality.
- 37.25 The company has mistakenly filed wrong GSTR 3B return for the period Jul 2017 to Dec 2017 due to this reason company is having Balances in Electronic Cash Ledger and Electronic Credit Ledger amounting Rs. 1,22,890 and Rs. 7,25,776 respectively. The company is not allowed to take GST credit as per ITC rules. The company has made the necessary adjustment in next year GSTR 3B return for reversal of balance in Electronic Credit Ledger. Furthermore, the balance in Electronic cash Ledger will be rectified in annual return.
- 37.26 The Management of the Corporation had detected that Assistant General Manager (System) had committed gross misconduct of misusing his official position by using the Debit Card for purposes other than the specified usage of the Debit Card without approval of the Competent Authority and violated Rule 4(1)(i)(ii)(iii) of Conduct, Discipline and Appeal Rules, 1999 of the Corporation. Accordingly Memo dated 2.6.2017, was issued by competent Disciplinary Authority (CMD) to enquire into the charges levied against AGM (S), alleged to be incurred during period 1.7.2015 to 31.10.2015. Inquiring Authority concluded that allegations made vide charged Memo were proved and appropriate disciplinary action may be taken by Disciplinary Authority . Accordingly, AGM(S) was removed from his services vide order dated 29.09.2017, issued by Disciplinary Authority. AGM(S) filed appeal before the Appellate Authority i.e. Board of NMDFC. The Appellate Authority after detailed deliberations decided to reject the appeal filed. AGM (S) has approached Central Administrative Tribunal (CAT)



against the orders of Appellate Authority and the matter stands subjudiced.

Against unauthorised withdrawal of cash by AGM (S) by using official debit card, recovery notice of Rs. 7.27 lakhs was raised against him. Further, AGM(S) had issued several assets such as laptop, Hard disk, Micro SD Cards, iPod, iPhone, Digital Camera, Printer, Power Bank etc. to the ex-MD of NMDFC, which were amounting to Rs. 7.57 lakh. AGM(S) was given sufficient time to take back all the assets issued to Ex-MD from his department through him, but he failed to deposit the same. Hence, a recovery notice of Rs. 7.57 lakhs has also been issued to AGM(S). AGM(S) approached Hon'ble High Court for quashing these recovery orders. Hon'ble High Court disposed of the petition and directed NMDFC to issue speaking orders to AGM(S) on the recoveries raised by NMDFC which was complied by the NMDFC.

- 37.27 Previous year figures have been regrouped and reclassified wherever necessary to make them comparable to those of current year.
- 37.28 Investment in Fully Compulsorily Convertible Debentures (FCCDs) issued at par with 0% interest for a maximum period of 5 Years with debenture holder's right to convert its FCCDs into equity shares are valued at cost. As per Ind As FCCDs satisfies the criteria of Substance Over Legal Form. Therefore, these FCCDs have been classified as Equity Instrument.

### 38 Operating Segment (Ind As 108)

Operating segments are reported in the manner consistent with the internal reporting provided by the Chief Operating Decision Maker (CODM). CODM of the company has identified only one reportable segment. Hence, no disclosure is required.

### 39 Information in respect of Corporate Social Responsibility Expenditure required to be spent by the company:

(Rs.in lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
a. Gross Amount required to be spent by the Company during the Year	70.21	57.68
b. Amount spent during the year *	1.41	-
c. Un-spent Amount as at Year End	68.80	57.68

\*This amount has been incurred on general expenses in relation to CSR activities. The balancing amount will be spent in next years. However the company has already given the advances for CSR activities (as specified in schedule VII of Companies act, 2013 ) to various agencies.

#### Signatories to Notes 1 to 39

**Manoj Punia**  
Manager (Accounts)

**J.S. Chauhan**  
AGM (Finance)

**Ritu Bhatia**  
Company Secretary  
ACS 18344

For and on behalf of the Board of Directors

**Md. Shahbaz Ali**  
Chairman - Cum - Managing Director  
DIN No. 03282551

Place: New Delhi  
Date: 10th Jul, 2018

For Vijay Sehgal & Co.  
Chartered Accountants  
FRN: 000374N

**CA. Archana Gaur**  
Partner  
M. No.: 095750



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### INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

To the Member of

#### NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION

#### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of **NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION** (hereinafter referred to as "the Holding Company") and its associate, National Waqf Development Corporation Limited (NAWADCO), comprising of the Consolidated Balance sheet as at 31st March, 2018, the Consolidated Income and Expenditure Account (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

#### Management's responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance including other comprehensive income, Consolidated Cash Flows and Consolidated Statement of changes in equity of the Holding Company, and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the Holding Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

#### Auditors Responsibility

Our responsibility is to express an opinion on the Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder:.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind As Financial Statements are free from material misstatement.

**NATIONAL MINORITIES DEVELOPMENT & FINANCE CORPORATION**

## VIJAY SEHGAL & CO.

### CHARTERED ACCOUNTANTS

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor of the associate company (National Waqf Development Corporation Limited) the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the consolidated state of affairs of the Holding Company and its associate as at 31st March, 2018, and their consolidated surplus including other comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to the following matters in Notes to Ind AS Consolidated Financial statements:

##### In Respect of Holding Company:

- a) Note No. 37.10, which states that NMDFC has released Rs. 4321.28 lakhs to and on behalf of 'Maulana Azad National Academy for Skill' (MANAS) in the past years and the same has been shown as Receivable from MANAS in the books of Accounts.
- b) Note No. 37.4, which states that the balances of loans to State Channelizing Agencies (SCAs)/ NGOs and interest/compound interest receivable from them as on 31<sup>st</sup> March, 2018 are subject to confirmation and reconciliation.
- c) Note No. 37.14, which states that loan outstanding balances in respect of State Channelizing Agencies (SCAs) appearing in working files used for preparing the demand notices are subject to reconciliation with the books of accounts.
- d) Note No. 37.23 & 37.24, which states that there are some prior period expenses amounting Rs. 52.16 lakhs, incurred for various expenditure which relates to previous financial year 2016-2017 and Rs. 18.32 lakhs which relates to financial year 2015-2016. These expenses have been adjusted in the current financial year, due to immateriality.
- e) Note No. 37.26 which states that the Management of the Company had detected that Assistant General Manager (System) had committed gross misconduct of misusing his official position by using the Debit Card for purposes other than the specified usage of the Debit Card without



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approval of the Competent Authority and a recovery notice of Rs. 7.27 lakhs and Rs. 7.57 lakhs has been issued to Assistant General Manager (System).

- f) Note No. 37.22, which states that the company has been utilizing the funds for implementing the respective schemes of Ministry and does not get any additional fund to meet administrative expenses in this regard. Therefore, the interest earned on the funds is treated as Income of the corporation and is utilized for meeting administrative costs.
- g) Note No. 37.28, which states that Investment in Fully Compulsorily Convertible Debentures (FCCDs) have been classified as Equity Instrument and are valued at cost as per Ind AS, This satisfies the criteria of Substance Over Legal Form.

### **In Respect of Associate Company**

The matters stated under paragraph “Basis for qualified opinion” in Independent Auditor’s report dated 6<sup>th</sup> July 2018 issued by the Associate Company’s Auditor, does not affect its profit for the year ended 31<sup>st</sup> March 2018.

**Our opinion is not modified in respect of these matters.**

### **Other Matters**

The Consolidated Ind AS Financial Statements includes the Holding Company’s share of net profit of Rs. 24.98 Lakhs for the year ended 31st March 2018, as considered in the Consolidated Ind AS Financial Statements, in respect of above referred associate (National Waqf Development Corporation Limited), whose Financial Statements / financial information have not been audited by us. This Financial Statements / financial information has been audited by other auditor whose report have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the report of the other auditor.

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

### **Report on other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on respective financial statements and the other financial information of the associate company (National Waqf Development Corporation Limited), we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
- (c) The Consolidated Balance Sheet, the Consolidated Income and Expenditure Account including other comprehensive income, the Consolidated Cash Flow Statement and consolidated

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statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

- (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) Being a government company, pursuant to notification No. GSR.463 (E) dated 05.06.2015, issued by the Ministry of Company Affairs, Government of India, provisions of Section 164(2) of the Companies Act, 2013 are not applicable to the Holding Company and on the basis of report of the statutory auditor of its associate none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company and its associate, which is a company incorporated in India and the operating effectiveness of such controls, refer to our separate report in '**Annexure A**'; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Holding Company has disclosed the list of pending litigations. However, they do not have any financial impact as the required provisions have been made in the relevant years, refer note 37.20. The associate company does not have any pending litigations which would impact its financial position.
  - ii. The Holding Company and its associate did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate.

For **VIJAY SEHGAL & CO.**,  
Chartered Accountants  
Firm's Registration No.000374N

Sd/-  
**(CA. Archana Gaur)**  
Partner

Membership No. 095750

Place: New Delhi

Dated: 10<sup>th</sup> July, 2018



## VIJAY SEHGAL & CO.

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### ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENT

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" Section of our report to the members of NMDFC ("the Company") of even date)

#### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of National Minorities Development and Finance Corporation (hereinafter referred to as "the Holding Company"), and its associate as of 31<sup>st</sup> March 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Holding Company, and its associate, (the Holding Company and its associate are together referred to as "Indian Enterprise") for the year ended on that date.

#### **Management's Responsibility for Internal Financial Control**

The Respective Board of Directors of the Indian Enterprise, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Indian Enterprise considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Indian Enterprise's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Indian Enterprise's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to

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provide a basis for our audit opinion on the Indian Enterprise's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

The Indian Enterprise's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles including the Indian Accounting standards (Ind AS) prescribed under section 133 of the Act. The Indian Enterprise's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Indian Enterprise; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles including the Indian Accounting standards (Ind AS) prescribed under section 133 of the Act, and that receipts and expenditures of the Indian Enterprise are being made only in accordance with authorizations of management and directors of the Indian Enterprise; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Indian Enterprise's assets that could have a material effect on the Consolidated Ind AS Financial Statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

According to the information and explanation given to us, the Holding company is generally operating as per norms provided under GFR (General Financial Rules 2017) for expenses/tendering purposes etc. The Holding Company works under the guidance of its Board and for day to day affairs, it has full time functional Director.i.e. Managing Director. Holding Company follows guidelines issued by the Department of Public Enterprises of ministry of industry, being applicable to all PSUs. The Holding Company has framed its own rules which are approved by its board as service rules, leave rules, House Building Advance rules, General Purpose Advance rules, Festival Advance rules etc. Further the Holding company has established delegation of administrative and financial powers at various levels. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our Opinion whether the Holding company had adequate financial control over financial reporting and whether such financial controls were operating effectively as at 31<sup>st</sup> March, 2018.

Based on the report of Associate's Auditor, the associate company has, except for the effects/possible effects of material weaknesses described in "basis of qualified opinion" paragraph as mentioned in associate company's auditor report, the associate has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on



**VIJAY SEHGAL & CO.**  
CHARTERED ACCOUNTANTS

H.O.: 100, New Rajdhani Enclave, Delhi-110 092  
B.O. : B-5, Nizamuddin East, New Delhi-110 013

Ph. : 2202-5054  
e-mail : allied@vasandco.com

e-mail : vasandco@vasandco.com  
Website : www.vasandco.com

Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

We have considered this as reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated Ind AS Financial Statements of the Holding Company, and this does not affect our opinion on the consolidated Ind AS Financial Statements of the Holding Company.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate company which is a company incorporated in India, is based on the corresponding report of the auditor of such company.

For **VIJAY SEHGAL & CO.**,  
Chartered Accountants  
Firm's Registration No.000374N

Sd/-  
(CA. Archana Gaur)  
Partner

Membership No. 095750

Place: New Delhi

Dated: 10<sup>th</sup> July, 2018

## NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION

(CIN No. U74899DL1994NPL061852)

## Consolidated Balance Sheet as at 31st March, 2018

(Rs. in Lakhs)

Sl. No.	Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
<b>I.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	3	505.10	533.69
	(b) Other Intangible Assets	4	0.72	1.14
	(c) Financial Assets			
	(i) Investments	5.1	3,355.12	1,830.15
	(ii) Loans	5.2	1,53,271.88	1,47,449.68
	(iii) Other Financial Assets	5.3	95.85	66.34
	<b>Total Non-Current Assets</b>		<b>1,57,228.67</b>	<b>1,49,881.00</b>
<b>2</b>	<b>Current assets</b>			
	(a) Financial Assets			
	(i) Cash and cash equivalents	6.1	640.22	3,489.91
	(ii) Bank Balances other than (i) above	6.2	6,550.34	26,797.36
	(iii) Loans	6.3	52,308.55	33,491.02
	(iv) Other Financial Assets	6.4	8,533.17	7,891.34
	(b) Current Tax Asset (Net)	7	0.56	0.56
	(c) Other Current Assets	8	221.79	293.32
	<b>Total Current Assets</b>		<b>68,254.63</b>	<b>71,963.51</b>
	<b>TOTAL ASSETS</b>		<b>2,25,483.30</b>	<b>2,21,844.51</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share Capital	9	1,79,560.27	1,53,982.27
	(b) Other Equity	10	43,925.34	43,137.19
	<b>Total Equity</b>		<b>2,23,485.61</b>	<b>1,97,119.46</b>
<b>2</b>	<b>Liabilities</b>			
<b>(i)</b>	<b>Non-current Liabilities</b>			
	(a) Provisions	11	563.56	539.80
	<b>Total Non-Current Liabilities</b>		<b>563.56</b>	<b>539.80</b>
<b>(ii)</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Others	12	280.61	2,299.85
	(b) Other current Liabilities	13	1,037.94	21,665.84
	(c) Provisions	14	115.58	219.56
	<b>Total Current Liabilities</b>		<b>1,434.13</b>	<b>24,185.25</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>2,25,483.30</b>	<b>2,21,844.51</b>

The accompanying notes from Sl. No. 1 to 40 form an integral part of Consolidated Financial Statements

For and on behalf of the Board of Directors

Manoj Punia  
Manager (Accounts)J.S. Chauhan  
AGM (Finance)Ritu Bhatia  
Company Secretary  
ACS 18344Md. Shahbaz Ali  
Chairman - Cum - Managing Director  
DIN No. 03282551This is the Consolidated Balance Sheet referred to in  
our Report of even date attachedPlace: New Delhi  
Date: 10th Jul, 2018For Vijay Sehgal & Co.  
Chartered Accountants  
FRN: 000374NCA. Archana Gaur  
Partner  
M. No.: 095750

NATIONAL MINORITIES DEVELOPMENT &amp; FINANCE CORPORATION



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**  
(CIN No. U74899DL1994NPL061852)  
**Consolidated Income & Expenditure Account for the Year ended 31st March, 2018**

(Rs. in Lakhs)

Sl. No.	Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
I	Revenue from operations	15	5,519.97	4,832.81
II	Other Income			
1	Others	16	1,161.24	1,312.07
2	Excess Allowance for Bad & Doubtful Loans & Advance written back	17	328.95	49.04
	<b>Total II</b>		<b>1,490.19</b>	<b>1,361.11</b>
III	<b>Total Revenue (I+II)</b>		<b>7,010.16</b>	<b>6,193.92</b>
IV	<b>Expenses</b>			
1	Employee Benefit Expense	18	667.25	490.90
2	Finance Costs		0.15	0.14
3	Depreciation and Amortization Expense	19	33.90	43.29
4	Rebate on interest on loans		448.38	427.31
5	Vocational training/EDP/skill development Expense		49.36	167.41
6	Other Expenses	20	356.15	225.85
	<b>Total Expenses (IV)</b>		<b>1,555.19</b>	<b>1,354.90</b>
V	Share of profits in associate		24.98	28.52
VI	Surplus of Income over expenditure before Exceptional Items and Tax (III-IV)		5,479.95	4,867.54
VII	Exceptional Items			
VIII	Surplus of Income over expenditure before Tax (V - VI)		5,479.95	4,867.54
IX	Tax expense		-	-
X	Surplus of Income over expenditure for the period from continuing operations (VII-VIII)		5,479.95	4,867.54
XI	Surplus of Income over expenditure from discontinued operations		-	-
XII	Tax expense of discontinued operations		-	-
XIII	Surplus of Income over expenditure discontinued operations (after tax) (X - XI)		-	-
XIV	Surplus of Income over expenditure for the period (IX + XII)		5,479.95	4,867.54
XV	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to Income & Expenditure Account	21	22.20	(0.93)
	-Re-measurement of net defined benefit liability/asset			
	(ii) Income tax relating to items that will not be reclassified to Income & Expenditure Account		-	-
XVI	<b>Total Comprehensive Income for the period (XIII+XIV)</b>		<b>5,502.15</b>	<b>4,866.61</b>
XVI	<b>Earning per equity share:</b>			
	(1) Basic (in Rs.)	22	32.07	33.09
	(2) Diluted (in Rs.)		31.29	32.14

The accompanying notes from Sl. No. 1 to 40 form an integral part of Consolidated Financial Statements

For and on behalf of the Board of Directors

Manoj Punia  
Manager (Accounts)

J.S. Chauhan  
AGM (Finance)

Ritu Bhatia  
Company Secretary  
ACS 18344

Md. Shahbaz Ali  
Chairman - Cum - Managing Director  
DIN No. 03282551

This is the Consolidated Income & Expenditure A/c referred to in our Report of even date attached

Place: New Delhi  
Date: 10th Jul, 2018

For Vijay Sehgal & Co.  
Chartered Accountants  
FRN: 000374N

CA. Archana Gaur  
Partner  
M. No.: 095750



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**  
(CIN No. U74899DL1994NPL061852)  
**Consolidated Statement of Cash Flow for the year ended 31st March, 2018**

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>A. Cash Flow from Operating Activities</b>		
Income before exceptional items and tax	5,479.95	4,867.54
<b>Adjustments for</b>		
Depreciation	33.90	43.29
Loss on Sale of Fixed Assets	0.10	-
Exceptional Items	(328.95)	(49.04)
Other comprehensive income (re-measurement of defined benefit plans)	22.20	(0.93)
Sundry Debit Balance written off	0.17	-
Sundry Credit Balance written off	(2.25)	-
<b>Operating Income before changes in Operating Assets &amp; Liabilities</b>	(1) 5,205.12	4,860.86
<b>Adjustments for:</b>		
Decrease / (Increase) in Non-Current Loans	(5,493.26)	(29,083.21)
Decrease / (Increase) in Non-Current Financial Assets-Others	(29.51)	135.59
Decrease / (Increase) in Current Loans	(18,817.53)	6,171.16
Decrease / (Increase) in Current Financial Assets-Others	(641.83)	311.46
Decrease / (Increase) in Current Tax Assets	-	0.12
Decrease / (Increase) in Other Current Assets	73.79	175.70
(Decrease) / Increase in Current Financial Liability-Others	(2,019.41)	2,177.24
(Decrease) / Increase in Other Current Liability	(20,627.90)	(73,259.46)
(Decrease)/ Increase in Long Term Provisions	23.76	41.61
(Decrease)/ Increase in Short Term Provisions	(103.98)	32.72
Decrease / (Increase) in Other Bank Balances	20,247.02	(24,997.36)
<b>Cash generated from operation</b>	(2) (27,388.85)	(1,18,294.44)
Income Tax Paid	(1+2) (22,183.73)	(1,13,433.57)
<b>Net Cash Outflow from Operating Activities</b>	(22,183.73)	(1,13,433.57)
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Debenture in NAWADCO	(1,500.00)	-
Purchase of Property, Plant and Equipments	(5.02)	(4.07)
Purchase of Intangible Assets	(0.09)	-
Sale/Disposal of Property, Plant and Equipments	0.13	-
Investments	(24.98)	(28.52)
<b>Net Cash Inflow/ (Outflow) from Investing Activities</b>	(1,529.96)	(32.59)
<b>C. Cash Flow From Financing Activities</b>		
Increase in Paid-up Share Capital including Share Application Money Pending Allotment	20,864.00	22,076.17
<b>Net Cash Inflow from Financing Activities</b>	20,864.00	22,076.17
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	(2,849.69)	(91,389.99)
Cash & Cash Equivalents at the beginning of the year	3,489.91	94,879.90
<b>Closing Cash &amp; Cash Equivalents</b>	640.22	3,489.91
<b>Reconciliation of Cash &amp; Cash Equivalents</b>		
<b>Cash and Cash Equivalents as at the end of the year</b>	640.22	3,489.91

- The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS-7 on Cash Flow Statement issued by the Institute of Chartered Accountants of India. **Amendment to Ind-AS 7 as notified in companies act, 2013**
- Effective April 1, 2017, the company adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the financial statements.

The accompanying notes from Sl. No. 1 to 40 form an integral part of Consolidated Financial Statements

Manoj Punia  
Manager (Accounts)

J.S. Chauhan  
AGM (Finance)

Ritu Bhatia  
Company Secretary  
ACS 18344

For and on behalf of the Board of Directors

Md. Shahbaz Ali  
Chairman - Cum - Managing Director  
DIN No. 03282551

This is the Consolidated Cash Flow Statement referred to in our Report of even date attached

Place: New Delhi  
Date: 10th Jul, 2018

For Vijay Sehgal & Co.  
Chartered Accountants  
FRN: 000374N

CA. Archana Gaur  
Partner  
M. No.: 095750



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

(CIN No. U74899DL1994NPL061852)

**Consolidated Statement of Changes in Equity (SOCE) for the year ended 31st March, 2018**

<b>A. Equity share capital</b>		<b>(Rs. in Lakhs)</b>		
<b>Particulars</b>	<b>No. of Shares</b>	<b>Amount</b>		
<b>Balance as at April 1, 2017</b>	1,53,98,227	1,53,982.27		
Changes in equity share capital during the year				
-Issue of equity shares capital during the year	25,57,800	25,578.00		
<b>Balance as at March 31, 2018</b>	<b>1,79,56,027</b>	<b>1,79,560.27</b>		
<b>B. Other Equity</b>		<b>Reserve &amp; Surplus</b>		
<b>Particulars</b>	<b>Share application money pending allotment</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance at the beginning of the year	4,814.00	38,323.19	-	43,137.19
<b>Restated balance at the beginning of the year</b>	<b>4,814.00</b>	<b>38,323.19</b>	<b>-</b>	<b>43,137.19</b>
Income for the year			5,479.95	5,479.95
Other Comprehensive Income for the year (net of income tax)			22.20	22.20
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>5,502.15</b>	<b>5,502.15</b>
Transfer to General Reserve			(5,502.15)	(5,502.15)
Addition during the year	20,864.00	5,502.15		26,366.15
Shares capital issued during the year	(25,578.00)			(25,578.00)
<b>Balance at the end of the year</b>	<b>100.00</b>	<b>43,825.34</b>	<b>-</b>	<b>43,925.34</b>

**Consolidated Statement of Changes in Equity (SOCE) for the year ended 31st March 2017**

<b>A. Equity share capital</b>		<b>(Rs. in Lakhs)</b>		
<b>Particulars</b>	<b>No. of Shares</b>	<b>Amount</b>		
<b>Balance as at April 1, 2016</b>	1,36,54,560.00	1,36,545.60		
Changes in equity share capital during the year				
-Issue of equity shares capital during the year	17,43,667.00	17,436.67		
<b>Balance as at March 31, 2017</b>	<b>1,53,98,227.00</b>	<b>1,53,982.27</b>		
<b>B. Other Equity</b>		<b>Reserve &amp; Surplus</b>		
<b>Particulars</b>	<b>Share application money pending allotment</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance at the beginning of the year	174.50	33,834.08	-	34,008.58
Prior period items		(377.50)		(377.50)
<b>Restated balance at the beginning of the year</b>	<b>174.50</b>	<b>33,456.58</b>	<b>-</b>	<b>33,631.08</b>
Income for the year			4,867.54	4,867.54
Other Comprehensive Income for the year (net of income tax)			(0.93)	(0.93)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>4,866.61</b>	<b>4,866.61</b>
Transfer to General Reserve			(4,866.61)	(4,866.61)
Addition during the year	22,076.17	4,866.61		26,942.78
Shares capital issued during the year	(17,436.67)			(17,436.67)
<b>Balance at the end of the year</b>	<b>4,814.00</b>	<b>38,323.19</b>	<b>-</b>	<b>43,137.19</b>

The accompanying notes from Sl. No. 1 to 40 form an integral part of Consolidated Financial Statements

For and on behalf of the Board of Directors

**Manoj Punia**  
Manager (Accounts)

**J.S. Chauhan**  
AGM (Finance)

**Ritu Bhatia**  
Company Secretary  
ACS 18344

**Md. Shahbaz Ali**  
Chairman - Cum - Managing Director  
DIN No. 03282551

This is the Consolidated Statement of Changes in Equity referred to in our Report of even date attached

Place: New Delhi  
Date: 10th Jul, 2018

For Vijay Sehgal & Co.  
Chartered Accountants  
FRN: 000374N

**CA. Archana Gaur**  
Partner  
M. No.: 095750



## NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION

(CIN No. U74899DL1994NPL061852)

Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018

### Note :- 1 Significant Accounting Policies of consolidated Accounts

#### a) Statement of Compliance

The Consolidated Financial Statements (CFS) have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act 2013 as The Companies (Indian Accounting Standards) Rules, 2015, 2016 and The Companies (Indian Accounting Standards) Amendment Rules, 2017.

The CFS have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value
- Defined benefit plans

The CFS are reported in Indian rupees and all values are rounded to the nearest lakhs with two decimal points except where otherwise stated.

#### b) Basis of Consolidation

Associate is the entity over which NMDFC does not have control but have significant influence. Investments in the associate company have been accounted under the equity method of accounting. The investment is initially recognised at cost and the carrying amount is increased or reduced by the amount of share in Income & Expenditure of Investee after the date of acquisition. Investment in associate includes Goodwill identified at the time of acquisition.

Name of the Associate: National Waqf Development Corporation (NAWADCO)

Ownership Interest : 45.58% (Previous year 45.58%)

Country of Incorporation : India

#### c) Use of estimates

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

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

#### Note :- 2 Other Significant Policies

These are set out in the separate financial statements of National Minorities Development and Finance Corporation and its associate.



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**  
(CIN No. U74899DL1994NPL061852)

**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

Note :- 3 Non Current Assets

Property, Plant & Equipment (PPE) (Rs. in Lakhs)

	Lease hold Building	Computers	Furniture & Fixture	Office Equipment	Library	Briefcase	Total
<b>Gross carrying Value</b>							
<b>At 1 April 2016</b>	<b>803.66</b>	<b>76.81</b>	<b>73.01</b>	<b>29.49</b>	<b>2.80</b>	<b>0.44</b>	<b>986.21</b>
Additions	-	0.09	0.10	3.52	0.29	0.07	4.07
Disposals/Adjustments	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>803.66</b>	<b>76.90</b>	<b>73.11</b>	<b>33.01</b>	<b>3.09</b>	<b>0.51</b>	<b>990.28</b>
Additions	-	0.12	2.25	2.15	0.47	0.03	5.02
Disposals/Adjustments	-	-	-	0.74	-	-	0.74
<b>At 31 March 2018</b>	<b>803.66</b>	<b>77.02</b>	<b>75.36</b>	<b>34.42</b>	<b>3.56</b>	<b>0.54</b>	<b>994.56</b>
<b>Depreciation and Impairment</b>							
<b>At 1 April 2016</b>	<b>273.78</b>	<b>68.20</b>	<b>46.97</b>	<b>23.20</b>	<b>2.80</b>	<b>0.44</b>	<b>415.39</b>
Depreciation charge for the year	25.70	5.25	6.74	3.15	0.29	0.07	41.20
Disposals/Adjustments	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>299.48</b>	<b>73.45</b>	<b>53.71</b>	<b>26.35</b>	<b>3.09</b>	<b>0.51</b>	<b>456.59</b>
Depreciation charge for the year	24.39	1.58	5.00	1.91	0.47	0.03	33.38
Disposals/Adjustments	-	-	-	0.51	-	-	0.51
<b>At 31 March 2018</b>	<b>323.87</b>	<b>75.03</b>	<b>58.71</b>	<b>27.75</b>	<b>3.56</b>	<b>0.54</b>	<b>489.46</b>
<b>Net Carrying Value</b>							
<b>At 31 March 2018</b>	<b>479.79</b>	<b>1.99</b>	<b>16.65</b>	<b>6.67</b>	<b>-</b>	<b>-</b>	<b>505.10</b>
<b>At 31 March 2017</b>	<b>504.18</b>	<b>3.45</b>	<b>19.40</b>	<b>6.66</b>	<b>-</b>	<b>-</b>	<b>533.69</b>

**Note No :-3.1:-**The company had purchased 1400 sq. mt. area at Core 1, 1st Floor, SCOPE Minar on 15/02/2007. The SCOPE Minar has been constructed on the land purchased by SCOPE from the Delhi Development Authority (DDA) on perpetual lease. The title deed of lease hold building is still pending for transfer of title/sublease in the name of the company.



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

(CIN No. U74899DL1994NPL061852)

**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

**Note :- 4**

**Other Intangible Assets**

(Rs. in Lakhs)  
Amount

<b>Particulars</b>	<b>Computer Software</b>
<b>Opening balance at 1st April 2016</b>	<b>15.45</b>
Addition during the year	-
Deletion during the year	-
<b>Closing balance at 31st March 2017</b>	<b>15.45</b>
Addition during the year	0.10
Deletion during the year	-
<b>Closing balance at 31st March 2018</b>	<b>15.55</b>
 <b><u>Amortization and Impairment</u></b>	
<b>Opening balance at 1st April 2016</b>	<b>12.22</b>
Amortization during the year	2.09
Deletion during the year	-
<b>Closing balance at 31st March 2017</b>	<b>14.31</b>
Amortization during the year	0.52
Deletion during the year	-
<b>Closing balance at 31st March 2018</b>	<b>14.83</b>
 <b><u>Net Carrying Value</u></b>	
<b>As at 31 March 2018</b>	<b>0.72</b>
<b>As at 31 March 2017</b>	<b>1.14</b>



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

(CIN No. U74899DL1994NPL061852)

**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

**Note :- 5 Non Current Financial Assets**

**Note :- 5.1**

**Investments**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
<b>Investment in Associate</b>		
<b>a) Equity instruments - Unquoted (Fully Paid Up)</b>		
Cost of Investment	900.00	203.71
[Including Goodwill of Rs. 75.11 Lakhs (Previous Years same) arising on acquisition]		
Add: Share in post acquisition Profit/(losses) of associate for earlier years	70.08	41.56
Addition During the year	0	696.29
Add: Share in Post Aquisition Profit for the year	24.98	28.52
Carrying Value of Investment	<u>995.06</u>	<u>970.08</u>
<b>b) Fully Compulsorily Convertible Debentures (FCCDs)*</b>	<b>2,360.06</b>	<b>860.07</b>
(Unsecured, Fully Compulsorily Convertible Debentures issued at par with 0% interest for a maximum period of 5 Years with debenture holder's right to convert its FCCDs into equity shares) 2,36,00,621 FCCDs at Rs. 10 each fully Paid Up (Previous year 86,00,621 FCCDs at Rs. 10 each fully Paid Up)		
<b>Total</b>	<b><u>3,355.12</u></b>	<b><u>1,830.15</u></b>

\*During the year debenture amounting to Rs. Nil (Previous Year Rs.696.29 Lakhs) were converted into Equity Shares.

**Note :- 5.2**

**Loans**

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
<b>Secured, Considered Good</b>		
Loans		
- State Channelizing Agencies*	1,53,815.93	1,48,234.39
- Employees	73.38	80.33
Allowance for bad & doubtful loans #	(617.43)	(865.04)
<b>Total</b>	<b><u>1,53,271.88</u></b>	<b><u>1,47,449.68</u></b>

\* NMDFC provides concessional finance to the eligible members of the Minorities through SCAs for income generating activities. Long Term Loans and Advances are secured against Govt. Guarantee provided by the State Govt. of the respective State Channelizing Agencies.

# Allowances on loan and advances to respective State Channelizing Agencies and Non-Govt. Organizations is made as per the Company's policy.



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

(CIN No. U74899DL1994NPL061852)

**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

Note:- 5.3

<b>Other Financial Assets</b>		<b>(Rs. in Lakhs)</b>
<b>Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
Interest accrued but not due (Secured considered good)*	219.55	270.78
Allowance for bad & doubtful loans #	(123.70)	(204.44)
<b>Total</b>	<b>95.85</b>	<b>66.34</b>

\*Interest accrued but not due includes interest from employees loans of Rs. 58.99 lakhs as at 31.03.2018 ( Rs. 64.41 lakhs as at 31.03.2017 ) and interest accrued on education loan of Rs. 160.56 Lakhs as at 31.03.18 (Rs. 206.37 lakhs as at 31.03.2017 )

# Allowances on loan and advances to respective State Channelizing Agencies and Non-Govt. Organizations is made as per the Company's policy.

Note: - 6.1

<b>Cash and cash equivalents</b>		<b>(Rs. in Lakhs)</b>
<b>Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
<b>Balance with banks</b>		
- In savings accounts	640.00	3,489.67
<b>Cash</b>		
- On hand	0.12	0.07
- Imprest	0.10	0.17
<b>Total</b>	<b>640.22</b>	<b>3,489.91</b>

Note: - 6.2

<b>Bank Balances other than Cash and Cash equivalent</b>		<b>(Rs. in Lakhs)</b>
<b>Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
<b>Other Bank Balances</b>		
- Earmarked balances with MOMA	950.34	23,717.36
- Deposits with original maturity more than 3 Months but less than 12 months	5,600.00	3,080.00
<b>Total</b>	<b>6,550.34</b>	<b>26,797.36</b>



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

(CIN No. U74899DL1994NPL061852)

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**Note:- 6.3**

Loans Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
<b>A. Current portion of Long Term Loans</b>		
(i) Secured, considered good - State Channelizing Agencies (SCA's)	52,276.17	33,480.45
(ii) Unsecured, Considered Doubtful - Non Government Organizations	308.67	309.86
	<u>52,584.84</u>	<u>33,790.31</u>
Allowance for bad & doubtful loans#	(308.67)	(309.86)
<b>Net (A)</b>	<u>52,276.17</u>	<u>33,480.45</u>
<b>B. Dues from Employees (secured , considered good)</b>		
Staff Loans	32.38	10.57
<b>Total (A+B)</b>	<u>52,308.55</u>	<u>33,491.02</u>

# Allowances on loan and advances to respective State Channelizing Agencies and Non-Govt. Organizations is made as per the Company's policy.

**Note:- 6.4**

Other Financial Assets Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
<b>A. Interest Accrued and due on loans under various schemes</b>		
- State Channelizing Agencies (SCA's)	3,471.85	2,798.95
- Non Government Organizations	85.14	84.60
	<u>3,556.99</u>	<u>2,883.55</u>
Allowance for bad & doubtful loans #	(85.14)	(84.60)
<b>Total A</b>	<u>3,471.85</u>	<u>2,798.95</u>
<b>B. Secured, considered good</b>		
Interest Accrued but not Due on Deposits with Banks	259.54	195.02
Interest accrued but not due on Education loan	55.61	21.36
Interest Accrued but not Due on Loans to SCAs/NGOs	61.39	21.35
Interest Accrued but not Due on staff Loans	13.00	9.98
<b>Total B</b>	<u>389.54</u>	<u>247.71</u>
<b>C. Unsecured , considered good</b>		
Receivable from NAWADCO	-	5.35
Receivable from MANAS	4,321.28	4,321.28
Receivable from Ministry of Minority Affairs	350.50	518.05
<b>Total C</b>	<u>4,671.78</u>	<u>4,844.68</u>
<b>Total A+B+C</b>	<u>8,533.17</u>	<u>7,891.34</u>

# Allowances on loan and advances to respective State Channelizing Agencies and Non-Govt. Organizations is made as per the Company's policy.



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

Note: - 7

**Current Tax Asset (Net)** (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Refund of Income Tax	0.56	0.56
<b>Total</b>	<b>0.56</b>	<b>0.56</b>

Note: - 8

**Other Current Assets** (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Advances other than Capital Advances</b>		
Advance for Development and Expenses	89.81	69.55
Advance for MOMA Schemes	49.90	101.58
Other Advances	64.17	112.24
<b>Others</b>		
Prepaid Expenses	0.28	0.12
Dues From Employees	17.63	9.83
<b>Total</b>	<b>221.79</b>	<b>293.32</b>

Note 8.1 Advance for Development and Expenses - Advances to SCAs & NGOs have been given for the purpose of organizing Exhibitions, skill development, loan mela and workshop for the benefit of the Minorities.

Note 8.2 : Advances for MOMA Schemes relates to Advances given to PIAs for implementing Seekho aur Kamao Scheme of Ministry.



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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

Note: - 9

Equity Share Capital

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Authorised share capital</b>		
3,00,00,000 Equity shares of Rs 1000 each	3,00,000.00	3,00,000.00
(As at 31st March 2017 - 3,00,00,000 Equity shares of Rs 1000 each)	3,00,000.00	3,00,000.00
<b>Issued/Subscribed and Paid up Capital</b>		
1,79,56,027 Equity shares of Rs 1000 each	1,79,560.27	1,53,982.27
(As at 31st March 2017 - 1,53,98,227 Equity shares of Rs 1000 each)	1,79,560.27	1,53,982.27

Note :- 9.1

The Authorized Share Capital of NMDFC is Rs. 3,000 crore. As the Corporation is a joint venture of the Central Government and the State Governments, out of Rs. 3,000 crores the share of the Central Government is 73% i.e. Rs. 2,190 Crores, share of State Governments/UTs is 26% i.e. Rs. 780 Crores and share under others category is 1% i.e. Rs. 30 Crores. The share of State Governments/UTs is earmarked on the basis of their Minority population. As on 31.03.2018, the paid up share capital of NMDFC is Rs. 1795.60 Crores (as at 31.3.2017 of Rs. 1539.82 Crores) of which the President of India has provided 1435.00 Crores (79.92%) whereas 360.60 Crores (20.08%) has been contributed by the State Governments/UTs. There has been nominal contribution of Rs. 0.55 Lakhs from Others interested in development of Minorities.

Note :- 9.2 Reconciliation of the number of equity shares and share capital

Particulars	As at 31st March 2018		As at 31st March 2017	
	(No. of Shares)	(Amount in Lakhs)	(No. of Shares)	(Amount in Lakhs)
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	1,53,98,227	1,53,982.27	1,36,54,560	1,36,545.60
Add: Shares Issued during the year	25,57,800	25,578.00	17,43,667	17,436.67
Less: Buy Back / Forfeited during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	1,79,56,027	1,79,560.27	1,53,98,227	1,53,982.27

Note :- 9.3 List of Allottees during the year

Particulars	As at 31st March 2018		As at 31st March 2017	
	(No. of Shares)	(Amount in Lakhs)	(No. of Shares)	(Amount in Lakhs)
Gujarat	12,500	125.00	10,000	100.00
Haryana	4,200	42.00	4,150	41.50
Maharashtra	-	-	7,450	74.50
Rajasthan	-	-	1,17,067	1,170.67
West Bengal	2,13,700	2,137.00	1,50,000	1,500.00
Karnataka	1,62,200	1,622.00	-	-
Jammu & Kashmir	1,10,500	1,105.00	50,000	500.00
Punjab	20,000	200.00	-	-
Kerala	2,86,700	2,867.00	-	-
Jharkhand	-	-	5,000	50.00
LT Governor of Delhi	48,000	480.00	-	-
President of India (GOI)	17,00,000	17,000.00	14,00,000	14,000.00
<b>Total</b>	<b>25,57,800</b>	<b>25,578.00</b>	<b>17,43,667</b>	<b>17,436.67</b>

Note :- 9.4 25,57,800 Equity Shares were allotted at the face value of Rs. 1000 each to 8 States/UT & President of India (GOI) during the year. (Previous year 17,43,667 Equity Shares were allotted at the face value of Rs. 1000 each to 7 States and President of India).

Note No :9.5 Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of the shareholder	As at 31st March 2018		As at 31st March 2017	
	(No. of Shares)	% of holding	(No. of Shares)	% of holding
<b>Equity shares</b>				
President of India (GOI)	1,43,50,000	79.92	1,26,50,000	82.15
<b>Total</b>	<b>1,43,50,000</b>	<b>79.92</b>	<b>1,26,50,000</b>	<b>82.15</b>



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

**Note: - 10**  
**Other Equity**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
General Reserve	43,825.34	38,323.19
Retained earnings	-	-
Share application money pending allotment	100.00	4,814.00
<b>Total</b>	<b>43,925.34</b>	<b>43,137.19</b>

**Note 10.1 General Reserve**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Balance as at the beginning of the year	38,323.19	33,456.58
Add : Transferred from retained earnings	5,502.15	4,866.61
<b>Closing Balance</b>	<b>43,825.34</b>	<b>38,323.19</b>

**Note 10.2 Retained earnings**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Balance as at the beginning of the year	-	-
Surplus for the period	5,479.95	4,867.54
Other comprehensive income arising from re-measurement of defined benefit obligation	22.20	(0.93)
Less : Transferred to General Reserve	(5,502.15)	(4,866.61)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

**Note 10.3 Share application money pending allotment**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018*	As at 31st March 2017
Gujarat	-	125.00
Karnataka	-	1,622.00
Punjab	-	200.00
Kerala	-	2,867.00
Mizoram	100.00	-
<b>Closing Balance</b>	<b>100.00</b>	<b>4,814.00</b>

\* The above shares have been allotted in the Board Meeting held on 10-07-2018

**Note :- 10.4**

In terms of section 8 (1a, 1b, 1c) of the Companies Act, 2013 the Corporation does not declare dividend but ploughs back its surplus of income over expenditure . As such the surplus of income over expenditure of Rs. 5502.15 Lakhs for the year has been transferred to General Reserve (previous year Rs. 4,866.61 Lakhs ).

**Note :- 10.5**

Main purpose of General reserve is to meet the main objects as per Articles of Association.

**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

(CIN No. U74899DL1994NPL061852)

**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018****Note: - 11****Provisions - Non Current Liabilities**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Provision for Employee Benefits:		
- Gratuity	196.50	184.96
- Leave Encashment	110.98	112.22
- Commuted Leave	97.31	100.49
- Post Retirement Pension	158.77	142.13
<b>Total</b>	<b>563.56</b>	<b>539.80</b>

**Note: - 12****Others Financial Liabilities- Current**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Security deposits (a)	5.65	7.76
Interest payable (b)	1.42	2,143.27
Other Payables		
- Creditors for Expenses (c)	78.91	19.17
- Payable to Employees	67.08	1.28
- Advance Instalments	17.19	25.68
- Training Expenses Payable	-	0.53
- Other Expenses Payable	110.36	102.16
<b>Total</b>	<b>280.61</b>	<b>2,299.85</b>

**Additional Information:**

- a) Security Deposits include deposits received from various vendors/ supplier for services
- b) This Includes Rs. 2141.85 Lakhs which pertains to Interest credited by Bank on the funds received from MOMA (Scholarship) during FY 2016-17
- c) This includes Rs. 2.73 Lakhs (Previous year Rs. 2.15) Lakhs relates to enterprises registered under Micro, Small and Medium Enterprises Development Act, 2006.

**Note: - 13****Other Current Liabilities**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
<b>Other</b>		
- Statutory Dues	46.81	11.39
- Funds From Ministry	991.13	21,654.45
<b>Total</b>	<b>1,037.94</b>	<b>21,665.84</b>



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**  
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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

**Note: - 14****Provisions - Current**

Particulars	(Rs. in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Provision for employee benefits:		
- Gratuity	3.56	12.96
- Leave Encashment	2.84	6.06
- Commuted Leave	2.33	7.51
- Performance Related Pay	96.36	193.03
- Post Retirement Pension	10.49	-
<b>Total</b>	<b>115.58</b>	<b>219.56</b>

**Note: - 15****Revenue From Operations**

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Rendering of Services</b>		
(i) Interest on loans to SCA's	4,996.05	4,412.92
(ii) Compound Interest		
on loans to SCAs	416.43	337.35
on loans to NGOs	3.48	3.52
(iii) Liquidated Damages Recovered	104.01	79.02
<b>Total (a+b)</b>	<b>5,519.97</b>	<b>4,832.81</b>

15.1 For the funds disbursed before 31/03/2014, the interest on loans to State Channelizing Agencies / Non-Government Organizations for the entire term of loan has been calculated on reducing balance right from the time of utilization/ disbursement of loans respectively and converted into equated quarterly instalments. The income recognition of interest has been done on equated basis over the term of loan rather than on the basis of actual balance due at the end of the quarter or year. The implementation of the effective interest rate method for the funds disbursed prior to 31/03/2014 is impracticable. Also, the cost for implementing this method is more than the benefits received For the funds disbursed after 01/04/2014, the interest on loan has been calculated by using effective interest rate method.

**Note: - 16****Other Income\***

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>a) Interest Income</b>		
On Short Term Deposits	1,072.57	1,217.32
On Savings Bank/ Flexi Deposits	75.91	78.37
On Advances to Employees	9.56	7.53
<b>b) Other Non-Operating Income</b>		
Rent Receipts	-	3.98
Other Receipts	0.95	4.87
Income written back	2.25	-
<b>Total</b>	<b>1,161.24</b>	<b>1,312.07</b>

\* Other Income includes Rs. 1072.57 lakhs (Previous Year Rs. 1217.32 Lakhs) as interest earned on short term deposits, Rs. 75.91 lakhs (Previous Year Rs. 78.37 Lakhs) on saving bank/flexi deposits that has been disclosed as separate line item under other income as it exceeds one percent of revenue from operations. Apart from these two interest income, other income does not include any income which exceeds one percent of revenue from operations.

**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018****Note: - 17****Allowance for Bad and doubtful Loans & Advances/Excess Allowance for Bad & Doubtful Loans & Advance written back (Rs. in Lakhs)**

<b>Particulars</b>	<b>For the Year Ended 31st March 2018</b>	<b>For the Year Ended 31st March 2017</b>
Opening Balance	1,463.94	4,279.63
Less: Written off during the year	(0.05)	(2,766.65)
Balance after write off	1,463.89	1,512.98
Closing Balance	1,134.94	1,463.94
<b>Provision During the year</b>	<b>(328.95)</b>	<b>(49.04)</b>

**Note :- 18****Employee Benefits Expense (Rs. in Lakhs)**

<b>Particulars</b>	<b>For the Year Ended 31st March 2018</b>	<b>For the Year Ended 31st March 2017</b>
<b>a) Salary, Wages &amp; Benefits</b>		
- Salaries and Wages	452.76	351.82
- Medical Reimbursement	18.97	15.41
- Conveyance	1.49	1.64
- Others	7.05	10.05
<b>b) Contribution to Provident Fund &amp; Other Funds</b>		
- Contribution to Provident and Other Funds	36.23	30.38
<b>c) Provision for Retirement Benefits</b>		
- Contribution to Gratuity	34.34	23.73
- Contribution to Leave/Commuted leaves	6.09	26.08
- Post Retirement Pension Contribution	27.13	17.45
- Performance Related Pay	83.19	14.34
<b>Total</b>	<b>667.25</b>	<b>490.90</b>

**Note :- 19****Depreciation & Amortization Expense (Rs. in Lakhs)**

<b>Particulars</b>	<b>For the Year Ended 31st March 2018</b>	<b>For the Year Ended 31st March 2017</b>
Depreciation on Tangible Assets	33.38	41.20
Amortisation on Intangible Assets	0.52	2.09
<b>Total</b>	<b>33.90</b>	<b>43.29</b>



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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

**Note :- 20**

**Other Expenses\***

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Advertisement	5.19	1.44
Electricity & Water Expenses	31.26	33.83
Exhibition Expenses	26.99	12.72
Audit fees	2.36	2.30
Payment to Contractual Employees	31.45	30.89
Postage, Telegram & Telephone	10.20	11.60
Printing & Stationary	15.16	6.88
Professional, Consultancy & Legal Charges	33.93	18.45
Repair and Maintenance		
- Building	54.40	36.72
- Others	9.68	2.71
Security Hiring Charges	19.64	18.72
Travelling & Vehicle Expenses	26.46	29.88
Training and Skill Development Expenses		
- Employees	1.50	3.15
Meeting/Conference Expenses	3.33	4.43
Misc. Expenses	8.42	12.13
Loss on sale of Fixed Assets	0.10	-
Restructuring Business Model	74.67	-
CSR Activities	1.41	-
<b>Total</b>	<b>356.15</b>	<b>225.85</b>

\* All the major items has been disclosed as separate line item under other expenses. Apart from this Misc. Expense does not include any item that exceeds one percent of revenue from operations.

**Note No 20.1:- Audit Fees (Figures are inclusive of applicable taxes)**

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Audit Fees	2.01	1.95
For Taxation Matter	0.35	0.35
For Company Law Matter	0.09	0.17
<b>Total</b>	<b>2.45</b>	<b>2.47</b>

**Note: - 21**

**Other Comprehensive Income (OCI)**

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Re-measurement of Defined benefit plans		
- Gratuity	22.20	(0.93)
<b>Total</b>	<b>22.20</b>	<b>(0.93)</b>



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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

Note: - 22

Earnings Per Share (EPS) as per Ind AS-33

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
<b>Basic EPS (In Rs.)</b>		
From continuing operation	32.07	33.09
<b>Diluted EPS (In Rs.)</b>		
From continuing operation	31.29	32.14

**22.1 Basic Earnings per Share**

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

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
		(Rs. In Lakhs)
Profit attributable to equity holders of the company:		
Continuing operations	5,479.95	4,867.54
Earnings used in calculation of Basic Earning Per Share	<u>5,479.95</u>	<u>4,867.54</u>
Weighted average number of shares for the purpose of basic earnings per share	1,70,87,076	1,47,10,314

**22.2 Diluted Earnings per Share**

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

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
		(Rs. In Lakhs)
Profit attributable to equity holders of the company from continuing operations	5,479.95	4,867.54
Earnings used in calculation of diluted Earning Per Share from continuing operations	<u>5,479.95</u>	<u>4,867.54</u>

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Weighted average number of shares for the purpose of basic earnings per share	1,70,87,076	1,47,10,314
Effect of Dilution :		
Share Application money pending allotment	4,24,707	4,34,786
Weighted average number of shares for the purpose of Diluted earnings per share	<u>1,75,11,783</u>	<u>1,51,45,100</u>



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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

**Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018**

**Notes :- 23 Capital Management**

The company's objective is to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern and to promote economic and developmental activities for benefit of Backward Section.

Further, company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants. As on 31st March 2018 company does not have any liability towards borrowings. Company manages its working capital requirement through internal accruals.

No changes were made in the objectives, policies or processes for managing capital during the year 31st March, 2018. During F.Y. 2017-18 Company has issued Equity Shares amounting Rs. 25578.00 Lakhs (Previous Year Rs. 17436.67 Lakhs).

**Note :- 24 Fair Value measurements**

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

(Rs. in Lakhs)

Particulars	As at 31st March 2018			As at 31st March 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
(i) Investments	-	-	3,355.12	-	-	1,830.15
(ii) Cash & cash equivalents	-	-	640.22	-	-	3,489.91
(iii) Other bank balances	-	-	6,550.34	-	-	26,797.36
(iv) Other financial assets	-	-	8,629.02	-	-	7,957.68
(v) Loans	-	-	2,05,580.43	-	-	1,80,940.70
<b>Total Financial Assets</b>	-	-	<b>2,24,755.13</b>	-	-	<b>2,21,015.80</b>
<b>Financial Liabilities</b>						
(i) Other financial liabilities	-	-	280.61	-	-	2,299.85
<b>Total Financial Liabilities</b>	-	-	<b>280.61</b>	-	-	<b>2,299.85</b>

FVTPL:- Fair Value Through Profit and Loss

FVTOCI:- Fair Value Through Other Comprehensive Income



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

**(ii) Fair value of Financial Assets and Liabilities:-**

Particulars	As at 31st March 2018		As at 31st March 2017		
	Carrying Value	Fair value	Carrying Value	Fair value	
<b>Financial Assets</b>					
Loans	2,05,580.43	2,05,580.43	1,80,940.70	1,80,940.70	
<b>Total Financial Assets</b>	<b>2,05,580.43</b>	<b>2,05,580.43</b>	<b>1,80,940.70</b>	<b>1,80,940.70</b>	
<p>i) The carrying amounts of cash and cash equivalents, other Bank Balances and other financial assets are considered to the same as their fair values, due to short term nature.</p> <p>ii) Loans to Employees are carrying at previous GAAP values due to immateriality, the recovery of monthly instalment of interest accrued on loans to staff towards House Building Advance, Computer Advance and Vehicle Advance starts only after the complete recovery of principal. Till the time principal is recovered in monthly instalment, interest is accumulated/ shown as accrued but not due and no further interest is charged on such accrued interest.</p> <p>iii) The fair value of "Financial Assets" were calculated based on cash flows discounted using recovery pattern of Loan. They are classified as level 3 fair values in fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.</p> <p><b>Fair Value hierarchy</b></p> <p>Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities</p> <p>Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)</p> <p>Level 3- Inputs for the assets or liabilities that are not based on observables market data (unobservable inputs)</p> <p><b>Fair Value hierarchy as on 31-03-2018</b></p>					
<b>Particulars</b>	<b>Date of valuation</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at Amortised Cost					
Loans	31st March 2018	-	-	2,05,580.43	2,05,580.43
		-	-	2,05,580.43	2,05,580.43
<b>Fair Value hierarchy as on 31-03-2017</b>					
<b>Particulars</b>	<b>Date of valuation</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at Amortised Cost					
Loans	31st March 2017	-	-	1,80,940.70	1,80,940.70
		-	-	1,80,940.70	1,80,940.70



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**  
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**(iii) Financial Risk Management**

The Company's principal financial liabilities comprise other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operation. The Company's principal financial assets include Loans to SCA's, NGO and staff that derive directly from its equity. The loans to SCA's are disbursed against State Govt. Guarantee.

The Company is required to expose market risk, credit risk and liquidity risk. The company's financial risk activities are governed by appropriate policies and procedures and those financial risks are identified, measured and managed in accordance with the companies policies and risk objectives. The board of directors review and agree on policies for managing each of these risk, which are summarised below:-

**a) Market Risk**

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

**b) Interest Rate Risk**

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

**c) Credit risk**

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

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

- Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees.



- Significant changes in the expected performance and behaviours of the borrower (SCA's), including changes in the payments status of the borrowers ( SCA's) in the group and changes in the operating results of the borrower (SCA's).

**Financial Instruments and Cash Deposits**

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

**d) Liquidity Risk**

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



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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

Note :- 25  
Provision for Expected Credit Losses of Loans for the year ended 31st March, 2018

Particulars	Asset Group	Estimated Carrying Amount of Default	Expected Probability of Default	Expected Losses Before Guarantee	Covered By Guarantee	Net Expected Credit Losses	Carrying Amount of Net Impairment Provision
Loss Allowance measured at life-time expected credit losses	Financial Asset for which credit risk has increased significantly and not creditly impaired	Less than one year	0%	-	-	-	-
		Above 1 year but <2 year	25%	223.08	55.77	55.77	223.08
		Above 2 year but <3 year	50%	176.04	88.02	88.02	176.04
		Above 3 years	100%	2,313.51	2,313.51	1,958.03	1,958.03
	(a)	2,712.63	2,457.30	2,101.82	355.48	2,357.15	
Loss Allowance measured at 12 Month ECL expected credit losses	Financial Asset for which credit risk has increased significantly and creditly impaired	More than 6 Months Less than 1 Year	25%	-	-	-	-
		More than 1 Year	100%	359.29	359.29	359.29	359.29
	(b)	359.29	359.29	359.29	-	359.29	-
Loss Allowance measured at 12 Month ECL expected credit losses	Financial Asset for which credit risk has increased significantly and creditly impaired	Above 3 years	100%	34.52	-	34.52	-
		(c)	34.52	34.52	-	34.52	-
	(d)=(a)+(b)+(c)	3,106.44		2,851.11	2,101.82	749.29	2,357.15
Loss Allowance measured at 12 Month ECL expected credit losses	Financial Asset for which credit risk has not increased significantly and not creditly impaired	1,54,108.86	0.25%	385.27	-	385.27	1,53,723.59
		371.46	0.10%	0.37	-	0.37	371.09
	(e)	1,54,480.32		385.64		385.64	1,54,094.68
Grand Total	(d)+(e)	1,57,586.76		3,236.75	2,101.82	1,134.94	1,56,451.83



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

Provision for Expected Credit Losses for the year ended 31st March, 2017

Particulars	Asset Group	Estimated Carrying Amount of Default	Expected Probability of Default	Expected Losses Before Guarantee	Covered By Guarantee	Net Expected Credit Losses	Carrying Amount of Net Impairment Provision
Financial Asset for which credit risk has increased significantly and not creditly impaired	Less than one year	-	0%	-	-	-	-
	Above 1 year but <2 year	200.63	25%	50.16	50.16	-	200.63
	Above 2 year but <3 year	253.30	50%	126.65	126.65	-	253.30
	Above 3 years	2,554.12	100%	2,554.12	1,847.78	706.34	1,847.78
	<b>(a)</b>	<b>3,008.05</b>		<b>2,730.93</b>	<b>2,024.59</b>	<b>706.34</b>	<b>2,301.71</b>
Loss Allowance measured at life-time expected credit losses	More than 6 Months Less than 1 Year	1.65	25%	0.41	-	0.41	1.24
	More than 1 Year	350.91	100%	350.91	-	350.91	-
	<b>(b)</b>	<b>352.56</b>		<b>351.32</b>	<b>-</b>	<b>351.32</b>	<b>1.24</b>
Financial Asset for which credit risk has increased significantly and creditly impaired	Above 3 years	34.52	100%	34.52	-	34.52	-
	<b>(c)</b>	<b>34.52</b>		<b>34.52</b>	<b>-</b>	<b>34.52</b>	<b>-</b>
	<b>(d)=(a)+(b)+(c)</b>	<b>3,395.13</b>		<b>3,116.77</b>	<b>2,024.59</b>	<b>1,092.18</b>	<b>2,302.95</b>
Financial Asset for which credit risk has not increased significantly and not creditly impaired	Long term Loans to SCA and Employee	1,48,585.50	0.25%	371.46	-	371.46	1,48,214.04
		296.92	0.10%	0.30	-	0.30	296.62
<b>Loss Allowance measured at 12 Month ECL expected credit losses</b>							
<b>Grand Total</b>	<b>(e)</b>	<b>1,48,882.42</b>		<b>371.76</b>	<b>2,024.59</b>	<b>371.76</b>	<b>1,48,510.66</b>
	<b>(d)+(e)</b>	<b>1,52,277.55</b>		<b>3,488.53</b>	<b>2,024.59</b>	<b>1,463.94</b>	<b>1,50,813.61</b>



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In respect to loans/dues payable by the SCA's which are adequately covered by the state government guarantee, no provisions is made

**(1) For SCAs (Where State Government Guarantee is not available)**

- (a) 100% provision on the amount due for payment but outstanding for the period of 3 years and above.
- (b) 50% provision on the amount due for payment but outstanding for the period of 2 years and above but less the 3 years.
- (c) 25% provision on the amount due for payment but outstanding for the period of 1 year and above but less the 2 years.
- (d) No provision on the amount due for payment but outstanding for the period less than 1 year.

**(2) For NGO**

- (a) 100% provision on the amount due for payment but outstanding for the period of 1 year and above.
- (b) 25% provision on the amount due for payment but outstanding for the period of 6 months and above but less the 1 year.
- (c) No provision on the amount due for payment but outstanding for the period less than 6 months.

**(3) For Interest Free Loan**

100% provision on the amount of interest free loan outstanding for the period above 3 years and not adjusted as grant.

- (4) In addition a general provision @ 0.25% on the Non-Current Assets (Except Property, Plant and Equipment – Tangible/Non-Tangible and Investment) is made in the accounts.

- (5) This amount of General Provision shall further be increased by an amount equal to 0.10% of the previous year's General Provision on yearly basis.

**Note :- 26 Prior Period Items**

**Impact on Income & Expenditure Account (increase/(decrease) in income)**

**(Rs. in Lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017
Post Retirement Contribution	-	124.68
Training Expenses	-	248.55
Depreciation on Building	-	1.23
Other Expenses	-	3.04
	-	<u>377.50</u>
Attributable to Equity Holders	-	377.50

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

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Earnings per share for continuing operation (In Rs.)</b>		
Basic, profit from continuing operations attributable to equity holders	-	2.57
Diluted, profit from continuing operations attributable to equity holders	-	2.49



**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

**Note :- 27 Board meeting expenses (Rs. in Lakhs)**

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Travelling expenses of Directors	1.28	2.07
Other expenses	1.44	0.80
<b>Total</b>	<b>2.72</b>	<b>2.87</b>

**Note :- 28: Remuneration and other expenses paid to/ for Managing Director (Rs. in Lakhs)**

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
<b>Md. Shahbaz Ali</b>		
Gross Salary	28.31	23.87
Contribution for Pension	6.06	5.01
Contribution for Leave Salary	2.95	2.39
Medical Expenses	-	0.03
Telephone Expenses	0.91	0.79
Travel Expenses (Official)	1.54	2.38
Taxi Hiring	6.78	7.00
Entertainment (Official)	0.10	0.42
Club Membership Fee	-	0.95
<b>Total</b>	<b>46.65</b>	<b>42.84</b>

**Note no. 29: Remuneration and other expenses paid to/ for Company Secretary (Rs. in Lakhs)**

Particulars	*For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Gross Salary	18.34	20.18
Medical Expenses	0.03	0.02
Telephone Expenses	0.15	0.21
Travel Expenses (Official)	-	0.01
Entertainment (Official)	-	0.06
Compensation Expenses	0.08	0.02
Retirement Benefits	17.59	-
Arrear salary	5.52	-
Performance related pay	5.58	-
Post Retirement Pension	1.46	-
<b>Total</b>	<b>48.75</b>	<b>20.50</b>



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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

**\*Details of Remuneration paid to Company Secretary**

Particulars	Ritu Bhatia	Mr. A. V. Krishnan
	(01-02-2018 to 31-03-2018)	(01-04-2017 to 31-01-2018)
Gross Salary	1.00	17.34
Medical Expenses	-	0.03
Telephone Expenses	-	0.15
Compensation Expenses	-	0.08
Retirement Benefits	-	17.59
Arrear salary	-	5.52
Performance related pay	-	5.58
Post Retirement Pension	-	1.46
	<b>1.00</b>	<b>47.75</b>

**Note No-30: During the year, the Company has received funds from Ministry of Minority Affairs for implementing various schemes. Status of the funds received and its utilisation is given below:**

(Rs in Lakhs)

Sr No.	Publication of Compendium of Schemes & Programmes	2017-18	2016-17
1	Opening Balance	7.33	7.33
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	-	-
	<b>Closing Balance (1+2-3)</b>	<b>7.33</b>	<b>7.33</b>

Sr No.	Development of Web-based Software	2017-18	2016-17
1	Opening Balance	18.62	18.62
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	10.13	-
	<b>Closing Balance (1+2-3)</b>	<b>8.49</b>	<b>18.62</b>

Sr No.	Ministry of MOMA (Grant in Aid for SCAs)	2017-18	2016-17
1	Opening Balance	255.25	398.25
2	Received from MOMA during the Year	30.00	127.00
3	Utilised/expenditure during the year	106.92	270.00
	<b>Closing Balance (1+2-3)</b>	<b>178.33</b>	<b>255.25</b>

Sr No.	Scholarship Schemes of MOMA (Pre-Matric, Post Matric and Merit-cum-Means)	2017-18	2016-17
1	Opening Balance	20707.09	93691.62
2	Received from MOMA during the Year	-	-
3	Refunded to MOMA	20703.02	-
4	Utilised/expenditure during the year	4.07	72984.53
	<b>Closing Balance (1+2-3-4)</b>	<b>-</b>	<b>20707.09</b>

**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

Sr No.	Ministry of MOMA (Hunar Haat Exhibition Mumbai-2018)	2017-18	2016-17
1	Opening Balance	-	-
2	Received from MOMA during the Year	149.64	-
3	Utilised/expenditure during the year	122.63	-
	<b>Closing Balance (1+2-3)</b>	<b>27.01</b>	<b>-</b>

Sr No.	Awareness Camps - Loan melas	2017-18	2016-17
1	Opening Balance	21.78	54.57
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	9.03	32.78
	<b>Closing Balance (1+2-3)</b>	<b>12.76</b>	<b>21.78</b>

Sr No.	Ministry of MOMA (Support to Minority Student)	2017-18	2016-17
1	Opening Balance	12.25	55.25
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	-	43.00
	<b>Closing Balance (1+2-3)</b>	<b>12.25</b>	<b>12.25</b>

Sr No.	Grant in Aid (Hamari Dharohar)	2017-18	2016-17
1	Opening Balance	2.11	104.33
2	Received from MOMA during the Year	-	593.34
3	Utilised/expenditure during the year	0.76	695.56
	<b>Closing Balance (1+2-3)</b>	<b>1.35</b>	<b>2.11</b>

Sr No.	Ministry of MOMA (IITF Exhibition-2017)	2017-18	2016-17
1	Opening Balance	-	-
2	Received from MOMA during the Year	177.48	-
3	Utilised/expenditure during the year	166.18	-
	<b>Closing Balance (1+2-3)</b>	<b>11.30</b>	<b>-</b>

Sr No.	Ministry of MOMA (Workshop-Chennai)	2017-18	2016-17
1	Opening Balance	(2.53)	-
2	Received from MOMA during the Year	-	7.00
3	Utilised/expenditure during the year	-	9.53
	<b>Closing Balance (1+2-3)</b>	<b>(2.53)</b>	<b>(2.53)</b>

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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

Sr No.	Grant in Aid (Nai Roshni)	2017-18	2016-17
1	Opening Balance	34.11	34.11
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	34.11	-
	<b>Closing Balance (1+2-3)</b>	-	34.11

Sr No.	Ministry of MOMA (Ustad Scheme)	2017-18	2016-17
1	Opening Balance	173.75	87.54
2	Received from MOMA during the Year	173.76	160.27
3	Utilised/expenditure during the year	35.68	74.07
	<b>Closing Balance (1+2-3)</b>	311.82	173.75

Sr No.	Ministry of MOMA (Hunar Haat-Baba Kharag Singh Marg-2018)	2017-18	2016-17
1	Opening Balance	-	-
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	160.03	-
	<b>Closing Balance (1+2-3)</b>	(160.03)	-

Sr No.	Ministry of MOMA (Impact Study of Schemes)	2017-18	2016-17
1	Opening Balance	-	-
2	Received from MOMA during the Year	48.21	-
3	Utilised/expenditure during the year	-	-
	<b>Closing Balance (1+2-3)</b>	48.21	-

Sr No.	Ministry of MOMA (Hunar Haat-Puduchery)	2017-18	2016-17
1	Opening Balance	-	-
2	Received from MOMA during the Year	36.92	-
3	Utilised/expenditure during the year	45.00	-
	<b>Closing Balance (1+2-3)</b>	(8.08)	-

Sr No.	Ministry of MOMA (Hunar Haat-Pune)	2017-18	2016-17
1	Opening Balance	-	-
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	0.72	-
	<b>Closing Balance (1+2-3)</b>	(0.72)	-

**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

Sr No.	Regional Workshop on Entrepreneurship Development among minorities and lending programmes of NMDFC	2017-18	2016-17
1	Opening Balance	422.16	437.45
2	Received from MOMA during the Year	-	-
3	Utilised/expenditure during the year	49.87	15.29
	<b>Closing Balance (1+2-3)</b>	<b>372.29</b>	<b>422.16</b>

Sr No.	Skill Development Programmes	2017-18	2016-17
1	Opening Balance	(166.86)	(166.86)
2	Received from MOMA during the Year	152.70	-
3	Utilised/expenditure during the year	68.36	-
	<b>Closing Balance (1+2-3)</b>	<b>(82.52)</b>	<b>(166.86)</b>

*Under the Skill Development Programme, the Company has utilised excess funds which has been claimed from the Ministry of Minority Affairs.*



## NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION

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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

### Note no. 31 : Employee Benefits as per Ind-AS 19

#### Table Showing Changes in Present Value of Obligations:

(Rs. in Lakhs)

Sr No.	Particulars	As at 31st March 2018			As at 31st March 2017		
		Gratuity	Leave encashment	Commuted Leave	Gratuity	Leave encashment	Commuted Leave
1	Present value of the obligation at the beginning of the period	197.92	118.28	108.00	173.26	111.01	97.42
2	Interest cost	14.47	8.65	7.89	13.86	8.88	7.79
3	Past service cost	10.42	-	-	-	-	-
4	Current service cost	9.45	5.31	4.67	9.87	5.78	5.31
5	Benefits paid (if any)	(10.00)	(15.28)	(3.64)	-	(8.23)	-
6	Actuarial (gain)/loss	(22.20)	(3.15)	(17.28)	0.93	0.84	(2.52)
7	Present value of the obligation at the end of the period	200.06	113.81	99.64	197.92	118.28	108.00

#### Expense recognized in the Income & Expenditure Account:

(Rs. in Lakhs)

Sr No.	Particulars	For the Year Ended As at 31st March 2018			For the Year Ended As at 31st March 2017		
		Gratuity	Leave encashment	Commuted Leave	Gratuity	Leave encashment	Commuted Leave
1	Interest cost	14.47	8.65	7.89	13.86	8.88	7.79
2	Current service cost	9.45	5.31	4.67	9.87	5.78	5.31
3	Past Service cost	10.42	-	-	-	-	-
4	Expected return on plan asset	-	-	-	-	-	-
5	Actuarial gain / (loss) for the year on Asset	-	3.15	17.28	-	(0.84)	2.52
6	Expenses to be recognized in the Income & Expenditure Account	34.33	10.81	(4.72)	23.73	15.50	10.58

#### Income recognized in the other comprehensive income:

(Rs. in Lakhs)

Sr No.	Particulars	For the Year Ended As at 31st March 2018			For the Year Ended As at 31st March 2017		
		Gratuity	Leave encashment	Commuted Leave	Gratuity	Leave encashment	Commuted Leave
1	Net cumulative unrecognized actuarial gain/(loss) opening	-	-	-	-	-	-
2	Actuarial gain / (loss) for the year on PBO	22.20	-	-	(0.93)	-	-
3	Actuarial gain / (loss) for the year on Asset	-	-	-	-	-	-
4	Unrecognized actuarial gain/(loss) at the end of the year	22.20	-	-	(0.93)	-	-



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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

**Status of Gratuity, Leave Encashment and Commuted Leave**

(Rs. in Lakhs)

Sr No.	Particulars	For the Year Ended As at 31st March 2018			For the Year Ended As at 31st March 2017		
		Gratuity	Leave encashment	Commuted Leave	Gratuity	Leave encashment	Commuted Leave
1	Current Liability	3.56	2.84	2.33	12.96	6.06	7.51
2	Non Current Liability	196.50	110.98	97.31	184.96	112.22	100.49
	<b>Total Liability</b>	<b>200.06</b>	<b>113.82</b>	<b>99.64</b>	<b>197.92</b>	<b>118.28</b>	<b>108.00</b>

**Sensitivity Analysis of the defined benefit obligation.**

Sr No.	Particulars	As at 31st March 2018		
		Gratuity	Leave encashment	Commuted Leave
<b>a) Impact of the change in discount rate</b>				
(i)	Present Value of Obligation at the end of the period	200.06	113.81	99.64
(ii)	Impact due to increase of 0.50 %	(8.37)	(4.65)	(4.34)
(iii)	Impact due to decrease of 0.50 %	8.87	4.92	4.60
<b>b) Impact of the change in salary increase</b>				
(i)	Present Value of Obligation at the end of the period	200.06	113.81	99.64
(ii)	Impact due to increase of 0.50 %	6.51	4.92	4.60
(iii)	Impact due to decrease of 0.50 %	(6.20)	(4.70)	-4.38

**Actuarial Assumptions**

**a) Economic Assumptions**

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
i) Discounting Rate	7.52	7.31
ii) Future salary Increase	7.00	7.00

**Note no. 32: Related Party Disclosures as per Ind As 24**

**32.1 List of Related Parties**

- (i) **Associate** : National Waqf Development Corporation Ltd (NAWADCO)
- (ii) **Key Management Personnel** : CMD Mr. Shahbaz Ali , Company Secretary ( Mr. A.V. Krishnan upto 31-01-2018 and Ms. Ritu Bhatia w.e.f. 01-02-2018)
- (iii) **Enterprise in which the persons referred in (ii) exercise significant influence** : MANAS (Till 14/07/2016)



## NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION

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### Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018

32.2 The Company has entered into transactions with the parties listed above during the year under consideration. Details of these transactions are as follow:

(Rs. in Lakhs)

Transactions	Associate	Key Management Personal	Enterprise as referred to in 32.1 (iii) above	Total
Remuneration and other Expenses	-	95.40 <i>63.34</i>	-	95.4 <i>63.34</i>
Advances Given	-	0.05 <i>0.54</i>	-	0.05 <i>0.54</i>
Advances Received	-	2.09 <i>0.14</i>	-	2.09 <i>0.14</i>
Rent Received	-	-	-	-
	<i>3.98</i>	-	-	<i>3.98</i>
Electricity Income	-	-	-	-
	<i>1.18</i>	-	-	<i>1.18</i>
Repair & Maintenance (Building)	-	-	-	-
	<i>1.37</i>	-	-	<i>1.37</i>
Advances for Administrative Expenses	-	-	-	-
	-	-	<i>8.59</i>	<i>8.59</i>
Advances for skill Development Program	-	-	-	-
	-	-	<i>9.73</i>	<i>9.73</i>
Interest on advances	-	-	-	-
	-	<i>0.01</i>	-	<i>0.01</i>
Investment in Fully Convertible Debentures (FCD)	1,500.00	-	-	1,500.00
	-	-	-	-
<b>Total</b>	<b>1,500.00</b> <i>6.53</i>	<b>97.54</b> <i>64.03</i>	-	<b>1,597.54</b> <i>88.88</i>
<b>Balance as on 31.03.2018</b>				
<b>Debit</b>	-	-	-	-
<b>Credit</b>	-	<b>18.34</b>	-	<b>18.34</b>
<b>Balance as on 31.03.2017</b>				
<b>Debit</b>	<i>5.35</i>	<i>2.11</i>	<i>4321.82*</i>	<i>4,329.28</i>
<b>Credit</b>	-	-	-	-

\*Balance as on 14th July, 2016

*Previous year figures have been given in italics*



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**32.3 Compensation of Key Managerial Personnel:**

The remuneration of Directors and other members of Key Managerial Personnel during the year was as follows:

Particulars	(Rs. in Lakhs)	
	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Short Term Benefits	86.39	55.94
Post employment Benefits	9.01	7.40
	<b>95.40</b>	<b>63.34</b>

**32.4 Transactions with the Government Related entities**

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

**Name of Government:** Government of India, through Ministry of Minority Affairs (Significant Influence over company)

**Certain significant Transactions:-**

Party	Nature of Transactions	(Rs. in Lakhs)	
		Year ended 31st March 2018	Year ended 31st March 2017
Ministry of Minority Affairs	Capital Contribution	17,000.00	14,000.00
Ministry of Minority Affairs	Grant for SCA Scheme	127.00	30.00
Ministry of Minority Affairs	Other Schemes	1,104.94	899.51
		<b>18,231.94</b>	<b>14,929.51</b>

**Note no. 33 : Disclosure under Ind AS-37 (Provisions, Contingent Liabilities and Contingent Assets)**

(Rs. in Lakhs)

Sr No.	Provision for	Opening Balance as on 01/04/2017	Addition during the 2017-18 year 2017-18	Amount paid during the year	Closing Balance
1	Gratuity	197.92	12.14	10.00	200.06
2	Commutated Leave	108.00	-	8.36	99.64
3	Leave Encashment	118.28	10.81	15.28	113.81
4	Post Retirement Pension	142.13	27.13	-	169.26
5	Performance Related Pay (PRP)	193.03	83.59	180.26	96.36



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**Note no. 34 : Overdue position of NGOs as on 31/03/2018**

The Corporation has not taken any security against the loans disbursed to the NGOs except for post-dated cheques. Legal actions by way of criminal complaints under section 138 of the Negotiable Instrument Act and civil suits have been initiated against the defaulting NGOs for recovery of dues. Statement showing over dues as on 31.03.2018 in respect of NGOs is as given below:

(Rs. in Lakhs)

Sl.No	Non Government Organisations	Over dues as on 31/03/2018	Over dues as on 31/03/2017
1	A.P. MAHILA WELFARE SOCIETY, HYDERABAD, ANDHRA PRADESH	3.95	3.91
2	SHRI ABHINAV CREDIT CO-OPERATIVE SOCIETY, BHAVNAGAR, GUJARAT	15.21	15.10
3	ABHYUDAYA MAHILA SEVA SANGHAM, PRAKASAM, ANDHRA PRADESH	8.95	8.86
4	ADARSHA EDUCATIONAL SOCIETY, KURNOOL, ANDHRA PRADESH	1.68	1.66
5	AL AMAN MAHILA MANDAL, SANGLI, MAHARASHTRA	7.07	7.00
6	AL AMIN CO-OPERATIVE CREDIT SOCIETY, RAIGAD, MAHARASHTRA	49.43	48.94
7	AMBEDKAR MISSION, PRAKASAM, ANDHRA PRADESH	2.29	2.27
8	ANNAI SATHYA VOLUNTARY SERVICE SOCIETY, THANJAVUR, TAMILNADU	16.95	16.78
9	ASIAN INSTITUTE FOR RURAL REGENERATION, CUTTACK, ORISSA	12.36	12.24
10	BADE KHANTURA BAHUMUKHI SEVA KENDRA, 24 PGNS (N), WEST BENGAL	6.51	6.45
11	BASIRHAT FAMILY PLANNING WELFARE CENTRE, 24 PGNS (N), WEST BENGAL	4.01	3.97
12	BHAGAT SINGH ORGANISATION FOR AWAKENING AND RURAL DEV., R.R. DIST., ANDHRA PRADESH	7.12	7.05
13	BONGO DEVELOPMENT CENTRE, 24 PGNS (S), WEST BENGAL	5.22	6.16
14	CENTRE FOR HUMAN RESOURCE AND RURAL DEVELOPMENTAL PROGRAMMES (CHARDEP), KANYAKUMARI, TAMILNADU	7.83	8.01
15	CHAITANYA YUVAJANA SANGAM, R.R. DIST., ANDHRA PRADESH	5.84	5.79
16	CHAPEL RURAL DEV. SOCIETY, KRISHNA, ANDHRA PRADESH	4.60	4.55
17	CREATION WELFARE SOCIETY, MUZAFFARPUR, BIHAR	0.74	1.04
18	EDUCATED UNEMPLOYED WELFARE ASSN. (EDUWA), IMPHAL, MANIPUR	10.40	10.30
19	GRAMIN (AGENCY FOR RURAL INCOME GENERATION AND MANAGEMENT), SONITPUR, ASSAM	4.01	3.97
20	HOLY SOUL'S EDUCATIONAL SOCIETY, KURNOOL, ANDHRA PRADESH	1.06	1.05
21	INSTITUTE OF SUSTAINABLE DEVELOPMENT, THOUBAL, MANIPUR	1.39	1.37
22	KALYACHAK NETAJI SUBHAS SANGHA, PURBA MEDINIPUR, WEST BENGAL	5.09	5.04
23	KOLORA YOUTH WELFARE ORGANISATION, HOWRAH, WEST BENGAL	2.40	2.37
24	LOVELY MULTIPURPOSE CO-OP. SOCIETY LTD., DIMAPUR, NAGALAND	11.92	11.80
25	MAHILA KALYAN SAMITI, DHORI, BOKARO, BOKARO, JHARKHAND	27.01	26.74
26	MANAV GRAMODYOG SEWA SAMITI, RAE BARELI, UTTAR PRADESH	3.09	3.06
27	MUKHERJEEPARA SANMILITA PALLIBASHI SAMITY, HOWRAH, WEST BENGAL	8.68	8.59
28	NAVA BHARATH SOCIO ECONOMIC DEV. SOCIETY (NBSEDS), ANANTAPUR, ANDHRA PRADESH	4.90	4.85
29	OM SEVA SANSTHAN (OSS), MORADABAD, UTTAR PRADESH	8.91	10.41
30	ORG.FOR SOCIAL ACTION AND IMPROV ( OSAI) PERAMBALUR, TAMILNADU	0.05	-
31	PALAKURTHY EDUCATIONAL SOCIETY, HYDERABAD, ANDHRA PRADESH	2.55	2.53
32	PIKEPARA KAMALA SEVA SAMITY, 24 PGNS (S), WEST BENGAL	5.80	5.74
33	PRRIYA (PEOPLE RURAL RECONSTRUCTION INSTITUTE FOR YOUTH ACTION, BALASORE, ORISSA	1.86	1.84



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Sl.No	Non Government Organisations	Over dues as on 31/03/2018	Over dues as on 31/03/2017
34	RAGHAVENDRA RURAL DEV. SOCIETY, ANANTAPUR, ANDHRA PRADESH	7.30	7.23
35	RESHAM BUNKAR KHADI GRAMODYOG SANGH, BHAGALPUR, BIHAR	4.76	4.76
36	RISE-INDIA, GUNTUR, ANDHRA PRADESH	10.89	10.78
37	RUBINA WOMEN WELFARE ASSOCIATION, KURNOOL, ANDHRA PRADESH	-	0.73
38	THE SEHYOG CREDIT CO-OPERATIVE SOCIETY, BHAVNAGAR, GUJARAT	15.24	15.09
39	SOCIAL & LITERACY DEV. ASSN. (SLDA), LUCKNOW, UTTAR PRADESH	2.47	2.44
40	SOCIETY FOR OVERALL RURAL DEVELOPMENT	20.52	-
41	SOCIETY FOR OVERALL RURAL DEVELOPMENT (SORD), KRISHNA, ANDHRA PRADESH	14.42	34.59
42	SOCIETY FOR RURAL EMPOWERMENT & YOUTH ACTION (SREYA), PRAKASAM, ANDHRA PRADESH	1.92	1.90
43	SRI GAYATRI MAHILA MANDALI, GUNTUR, ANDHRA PRADESH	3.51	3.47
44	SRI VENKATESWARA ANADHA SEVA SADAN, CHITTOOR, ANDHRA PRADESH	1.19	1.28
45	VISWA SANTHI BALANANDA KENDRAM, PRAKASAM, ANDHRA PRADESH	1.47	1.45
46	WOMEN AND CHILD DEVELOPMENT SOCIETY, TIRUNELVELI, TAMILNADU	5.55	5.80
47	WOMEN EMPOWERMENT SOCIETY, KHAMMAM, ANDHRA PRADESH	5.28	5.21
	<b>Total</b>	<b>353.40</b>	<b>354.17</b>

Note no. 35 : Age wise Classification of over dues from SCAs under Term Loan and Education Loan

(Rs. in Lakhs)

Sl.No	STATE	SCA	Over dues as on 31/03/2018	Less than one year	Above 1 year but < 2 year	Above 2 year but < 3 year	Above 3 years
1	Assam	AMDFC	1,002.78	56.17	59.78	61.95	824.88
2	Bihar	BSMFC	1,780.29	334.31	374.32	430.40	641.26
3	Chandigarh	CHCFDCL	2.09	2.09	-	-	-
4	Chhattisgarh	CHSACFDC	239.51	92.93	90.64	55.94	-
5	Delhi	DSCSTDFC	1.83	1.83	-	-	-
6	Gujarat	GBCDC	558.44	22.85	25.86	24.58	485.15
7	Gujarat	GMDFC	39.56	39.56	-	-	-
8	Haryana	HBCKN	59.59	59.59	-	-	-
9	Haryana	MDA	13.26	13.26	-	-	-
10	Himachal Pradesh	HPMDFC	87.58	87.58	-	-	-
11	Jammu & Kashmir	JKSCSTFDCC	2.97	2.97	-	-	-
12	Jammu & Kashmir	JKWDC	252.13	252.13	-	-	-
13	Jammu & Kashmir	JKEDI	320.01	320.01	-	-	-
14	Jammu & Kashmir	JKSFC	17.59	17.59	-	-	-
15	Jharkhand	JHSCSTDC	4.95	4.95	-	-	-
16	Karnataka	KMDC	210.02	210.02	-	-	-
17	Kerala	KSMDC	91.02	91.02	-	-	-



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Sl.No	STATE	SCA	Over dues as on 31/03/2018	Less than one year	Above 1 year but < 2 year	Above 2 year but < 3 year	Above 3 years
18	Kerala	KBCDC	898.56	898.56	-	-	-
19	Kerala	KSCFFDC	77.14	77.14	-	-	-
20	Kerala	KSWDC	478.91	478.91	-	-	-
21	Maharashtra	MAAVM	125.20	125.20	-	-	-
22	Mizoram	MCAB	44.11	44.11	-	-	-
23	Mizoram	ZIDCO	1,546.78	68.91	71.35	67.83	1,338.69
24	Nagaland	NIDC	2,310.75	598.42	615.45	683.60	413.28
25	Nagaland	NHDC	870.52	120.68	137.22	137.23	475.39
26	Orissa	ORSCSTFDC	58.77	-	54.04	2.08	2.65
27	Orissa	OSBCDC	0.30	-	0.30	-	-
28	Punjab	BACKFINCO	1,707.01	819.09	823.23	64.69	-
29	Pondicherry	PMDFC	159.70	127.32	32.38	-	-
30	Rajasthan	RJMDFC	668.75	668.75	-	-	-
31	Tamilnadu	TAMCO	145.01	145.01	-	-	-
32	Tripura	TSCDC	368.91	368.91	-	-	-
33	Uttar Pradesh	UPMDFC	1,072.87	106.48	105.26	636.53	224.60
34	Uttaranchal	UMFDC	7.50	7.50	-	-	-
35	West Bengal	WBMDFC	1,561.20	1,561.20	-	-	-
<b>Total</b>			<b>16,785.61</b>	<b>7,825.04</b>	<b>2,389.82</b>	<b>2,164.82</b>	<b>4,405.88</b>

Note no. 36 : Age wise Classification of over dues from SCAs under Micro Credit

(Rs. in Lakhs)

Sl.No	STATE	SCA	Over dues as on 31/03/2018	Less than one year	Above 1 year but < 2 year	Above 2 year but < 3 year	Above 3 years
1	ASSAM	AMDFC	208.27	2.05	10.01	46.27	149.94
2	CHHATISGARH	CHSACFDC	7.19	4.12	3.07	-	-
3	JAMMU & KASHMIR	JKWDC	7.84	7.84	-	-	-
4	KERALA	KBCDC	180.46	180.46	-	-	-
5	KERALA	KSWDC	6.38	6.38	-	-	-
6	KERALA	MATSYAFED	590.22	590.22	-	-	-
7	MAHARASHTRA	MAAVM	11.88	11.88	-	-	-
8	HARYANA	MDA	134.66	45.92	88.74	-	-
9	NAGALAND	NHDC	38.72	0.38	38.34	-	-
10	NAGALAND	NSWB	66.97	-	42.56	24.41	-
11	PUDUCHERRY	PMDFC	247.27	197.71	49.56	-	-
12	RAJASTHAN	RJMDFC	28.96	28.96	-	-	-
13	TAMILNADU	TAMCO	481.58	481.58	-	-	-
14	WEST BENGAL	WBMDFC	2,866.69	2,866.69	-	-	-
<b>Total</b>			<b>4,877.09</b>	<b>4,424.19</b>	<b>232.28</b>	<b>70.68</b>	<b>149.94</b>

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**Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018****Note No. 37: Additional Information**

- 37.1 In view of the exemption available to the Corporation under section 10 (26BB) of the Income Tax Act, 1961, the provision for income tax liability is not considered necessary. Consequently the provisions of the Indian Accounting Standard 12 (Ind-AS 12) on Accounting for Taxes on Income, issued by the Institute of Chartered Accountant of India, about deferred taxes and income tax computation and disclosures standards issued by CBDT are not applicable.
- 37.2 Provision of "Non Banking Financial Companies Acceptances of Public Deposit (Reserve Bank) Directions 1998" are not applicable to the Corporation since the Department of Company Affairs has categorized the Corporation under the Community Services vide their letter dated 28.07.1997. Reserve Bank of India has also confirmed the same vide their letter no. 3654/98-99 dated 21.05.1999.
- 37.3 On the basis of annual sanctions, SCAs can draw required amount of funds as advance which is converted into loan, in full or in part, on the basis of utilization details submitted by the SCAs. The advance is required to be converted into loan by the SCAs by way of loaning to the eligible beneficiaries under the Scheme of Term Loan, Educational Loan and Micro Financing. The advance is provided to the SCAs at interest rate of 3.5% (rebate of 0.5% on timely repayments) for Term Loan and 1.00% (without rebate) for Micro Finance and from the date of its utilization, the interest rate of the respective scheme in which funds have been utilized become applicable.
- 37.4 Balances of loans to SCAs/ NGOs and interest / compound interest receivable due from them as on 31.03.2018 are subject to confirmation, reconciliation and consequential adjustments, if any. It may be clarified that 93.63% of the loan amount has been confirmed by the SCAs for loan outstanding as on 31/03/2018.
- 37.5 Consequent upon constitutional amendment, there are bifurcation of states of Bihar & Uttar Pradesh and new states have been formed namely; Jharkhand & Uttaranchal respectively, out of these States. Pending the apportionment of Assets and Liabilities between SCAs of successor States, the Corporation has shown the loan outstanding against the SCA's of erstwhile states, which is subject to confirmation.
- 37.6 Income/Expenditure in Foreign Currency for the Current Year & previous year is Nil.
- 37.7 In pursuance to DPE order no. 1/10/08-DPE(WC)-GL XVI/08 dated 26.11.2008 and subsequent letter no. 9-12/2008 MC dated 4.12.2008 recorded for administrative ministry i.e. MoMA, the BOD in its 102nd Meeting has approved the post retirement scheme for implementation in r/o regular employees of the corporation from 1.1.2007. In view of transferring the fund through the trust the proposal has been forwarded to the administrative ministry i.e. Ministry of Minority Affairs for approval vide NMDFC's letter No. NMDFC/H&A/Post Retirement Pension /2016-17 (722) dated 2.6.2017. However provision has been made with respect to the liabilities as per the DPE order no. 2 (70)/08-DPE (WC)IGL-VII/09.
- 37.8 At the time of division of State of Madhya Pradesh in to State of Chhattisgarh, assets and



liabilities were bifurcated on the basis of Balance sheet as on 31.03.2001. On the basis of division, MP Backward Classes and Minorities Finance Dev. Corporation (MPBCMFDC) paid Rs. 59.84 lakh to Chhattisgarh State Antyavasayee Coop. Finance and Dev. Corpn. Ltd. (CSACFDC), out of its loan liability of NMDFC, which pertains to the beneficiaries of Chhattisgarh. Accordingly, The Company has transferred the Loan outstanding from MPBCMFDC to CSACFDC which is yet to be confirmed by the CSAFDC.

- 37.9 The Company releases the funds to the Project Implementing Agencies, for implementing Skill Development Programmes, as an advance which are booked as expenditure only after receiving the proper UCs/bills/vouchers. Till such time the amount has been shown as an advance in the name of the agency. The company has the right to recall the funds, if the agency fails to utilize the funds for the given purpose.
- 37.10 NMDFC has released Rs. 43,21,28,144/- to and on behalf of 'Maulana Azad National Academy for Skill' (MANAS) and the same has been shown as Receivable from MANAS in the books of Accounts. The matter has been taken up with the Administrative Ministry for reimbursement of the amount released to MANAS. The matter is under active consideration with the Administrative Ministry.
- 37.11 As per the lending policy, the un-utilised funds with SCAs after six months of disbursement are required to be refunded by the SCAs to the Company. Usually SCAs do not keep the funds ideal for a long time with them and utilise it as early as possible. It is observed that the SCAs are generally in the process of utilisation the funds and recall of funds may hamper the process of utilisation which will not be in the interest of the target groups. As per the books of accounts of NMDFC, Rs. 28160 Lakhs is lying as advance to SCAs as on 31.03.2018, out of the total, Rs. 23.08 Lakhs pertains to FY 2015-16, Rs. 1177.96 Lakhs pertains to FY 2016-17 and Rs. 602.54 Lakhs pertains to FY 2017-18 disbursed before 01.10.2017. Remaining outstanding advance relates to disbursement made after 01.10.2017 (i.e. within the utilisation period). Unutilised amount of Rs. 1803.58 Lakhs is attracting higher rate of interest. As the SCAs have not provided the status of funds utilisation, the company had issued Red card to State Government/SCAs to either utilise the funds or to refund the same to the company, if un-utilised.
- 37.12 In the following cases, there is short fall of Guarantee cover:

STATES	SCAs	Shortfall of Guarantee cover (Rs. in Lakh)
Assam	AMDFC	210.48
Chandigarh	CHCFDCL	40.53
Delhi	DSCSTDFC	33.67
Jammu & Kashmir (J&K)	JKSFC	6.87
Pondicherry	PMDFC	101.40
Tripura	TSCDC	191.62
Mizoram	ZIDCO	124.52
<b>Total</b>		<b>709.09</b>

**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION****(CIN No. U74899DL1994NPL061852)****Notes forming part of Consolidated Financial Statements for the year Ended 31st March, 2018**

In case of Assam (AMDFC), ZIDCO (Mizoram), Pondicherry, Tripura and J&K Initially the funds were released against and within the sovereign Govt. Guarantee, however over a period of time, due to non-repayment of dues, the overdues has attracted penal interest and the cumulative dues have crossed the Guarantee limit. In case of Chandigarh and Delhi, being UTs, are not providing Govt. Guarantee (GG) however letter of comfort are being issued by the concerned UTs. NMDFC does not have any policy to write off of loan which are not backed by Govt. Guarantee, as the shortfall in GG is temporary. State Govt. takes its own time in processing and approving the GG for the SCAs, however GG is provided by the State Governments.

- 37.13 Interest Free Loans (IFL) were provided by the company to various NGOs which could have been converted into grant, had they utilized it as per the conditions of the scheme. The amount has been shown as receivable in the books of accounts as the same are pending for conversion of the IFL into grant as per the requirement of the scheme. IFL scheme has already been closed way back in 2005-06 and Rs. 34.52 lakh is still pending for conversion into grants. NMDFC has already made the provisions for the same in the books of accounts. Policy is being framed by the Management to settle the IFL on case to case basis.
- 37.14 Loan outstanding balances in respect of SCAs appearing in working files used for preparing the Demand Notice for SCAs are subject to reconciliation with the Books of Accounts.
- 37.15 During the year, the company has written off penal interest of Rs. 5,152/- in respect of Rubina Women's Welfare Association, an NGO as per the One Time Settlement Scheme (OTS) of NMDFC.
- 37.16 NMDFC has approved rescheduling of overdues of Rs. 248 lakhs in respect of Nagaland State Social Welfare Board. SCA shall be required to pay the overdue with applicable interest in 16 quarterly equated installments.
- 37.17 NMDFC receives various grants/funds from the Administrative Ministry for implementing various schemes of the ministry as well as for specific purposes. As per the accounting policy, separate account is maintained for such funds/grants and the amount of fund/grants is shown as liability (payable to MOMA) till the fund is utilized for the purpose it was received by NMDFC. UC is submitted to MOMA after utilization as per the requirement.
- 37.18 The Company does not own any land – either Leasehold or Free hold. The Title deed of leasehold building situated at Core 1, first floor, scope minar, having an area of 1400 sq. mtrs, purchased on sub lease, is pending for transfer of title/sublease in the name of the Company. NMDFC has written letter to SCOPE for taking necessary action to have clear title deed in the name of NMDFC.
- 37.19 Company has evaluated the assets for impairment as per IND AS 36 "Impairment of Assets" but there has not been any material impairment, which needs to be incorporated in the books of accounts.
- 37.20 The Company has initiated legal actions against the defaulting NGOs u/s 138 as well as for civil suits and there is no case where the company has any obligation of payment. The Status of legal cases is given below:



Particulars	Criminal Cases	Civil Suits	Civil Suits filed on NMDFC	Total
Cases under Process	18	6	1*	25
Decree Execution in favour of NMDFC	0	6	0	6
Decree Execution in process	0	1	0	1
Cases dismissed	2	3	0	5
Sine Die	0	1	0	1
Time barred case	0	5	0	5
Cases yet to be filed	0	4	0	4

\* President of one NGO has filed Civil case against NMDFC for excluding his name from the case and there is no obligation on NMDFC for any payment.

- 37.21 Contingent Liability and Capital Commitment as at 31st March, 2018 is NIL (Previous Year NIL).
- 37.22 The company has been utilizing the funds for implementing the respective schemes of Ministry and does not get any additional fund to meet administrative expenses in this regard. Therefore, the interest earned on the funds is treated as Income of the corporation and is utilised for meeting administrative costs. NMDFC has informed the ministry about the treatment done by NMDFC on the interest earned on Ministry Funds.
- 37.23 There are some Prior Period Expenses relating to Exhibition - Rs.9,29,520/-, Restructuring Business Model - Rs.41,03,125/- and Electricity and Power - Rs.1,83,148/- which belongs to P/Y 2016-17. These expenses have been adjusted in current F/Y 2017-18 due to immateriality.
- 37.24 Exhibition Expenses includes Rs.4,64,000/- being the amount of expenditure incurred by SCA towards exhibition of Pondicherry Backward Classes Minority Development Corporation. Further Further, Training Expenses includes Rs.13,68,000/- being the amount of expenditure incurred by SCA towards training. All these expenses which belong to P/Y 2015-16 which have been adjusted in current year expenses due to immateriality.
- 37.25 The company has mistakenly filed wrong GSTR 3B return for the period Jul 2017 to Dec 2017 due to this reason company is having Balances in Electronic Cash Ledger and Electronic Credit Ledger amounting Rs. 1,22,890 and Rs. 7,25,776 respectively. The company is not allowed to take GST credit as per ITC rules. The company has made the necessary adjustment in next year GSTR 3B return for reversal of balance in Electronic Credit Ledger. Furthermore, the balance in Electronic cash Ledger will be rectified in annual return.
- 37.26 The Management of the Corporation had detected that Assistant General Manager (System) had committed gross misconduct of misusing his official position by using the Debit Card for purposes other than the specified usage of the Debit Card without approval of the Competent Authority and violated Rule 4(1)(i)(ii)(iii) of Conduct, Discipline and Appeal Rules, 1999 of the Corporation. Accordingly Memo dated 2.6.2017, was issued by competent Disciplinary Authority (CMD) to enquire into the charges levied against AGM (S), alleged to be incurred during period 1.7.2015 to 31.10.2015. Inquiring Authority concluded that allegations made vide charged Memo were proved and appropriate disciplinary action may be taken by Disciplinary Authority . Accordingly, AGM(S) was removed from his services vide order dated 29.09.2017, issued by Disciplinary Authority. AGM(S) filed appeal before the Appellate Authority i.e. Board of NMDFC. The Appellate Authority after detailed deliberations decided to reject the appeal filed. AGM (S) has approached Central Administrative Tribunal (CAT)



against the orders of Appellate Authority and the matter stands subjudiced.

Against unauthorised withdrawal of cash by AGM (S) by using official debit card, recovery notice of Rs. 7.27 lakhs was raised against him. Further, AGM(S) had issued several assets such as laptop, Hard disk, Micro SD Cards, iPod, iPhone, Digital Camera, Printer, Power Bank etc. to the ex-MD of NMDFC, which were amounting to Rs. 7.57 lakh. AGM(S) was given sufficient time to take back all the assets issued to Ex-MD from his department through him, but he failed to deposit the same. Hence, a recovery notice of Rs. 7.57 lakhs has also been issued to AGM(S). AGM(S) approached Hon'ble High Court for quashing these recovery orders. Hon'ble High Court disposed of the petition and directed NMDFC to issue speaking orders to AGM(S) on the recoveries raised by NMDFC which was complied by the NMDFC.

37.27 Previous year figures have been regrouped and reclassified wherever necessary to make them comparable to those of current year.

37.28 Investment in Fully Compulsorily Convertible Debentures (FCCDs) issued at par with 0% interest for a maximum period of 5 Years with debenture holder's right to convert its FCCDs into equity shares are valued at cost. As per Ind As FCCDs satisfies the criteria of Substance Over Legal Form. Therefore, these FCCDs have been classified as Equity Instrument.

### 38 Operating Segment (Ind As 108)

Operating segments are reported in the manner consistent with the internal reporting provided by the Chief Operating Decision Maker (CODM). CODM of the company has identified only one reportable segment. Hence, no disclosure is required.

### 39 Information in respect of Corporate Social Responsibility Expenditure required to be spent by the company:

(Rs.in lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
a. Gross Amount required to be spent by the Company during the Year	70.21	57.68
b. Amount spent during the year *	1.41	-
c. Un-spent Amount as at Year End	68.80	57.68

\*This amount has been incurred on general expenses in relation to CSR activities. The balancing amount will be spent in next years. However the company has already given the advances for CSR activities (as specified in schedule VII of Companies act, 2013 ) to various agencies.


**NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**
**(CIN No. U74899DL1994NPL061852)**

Notes forming part of Standalone Financial Statements for the year Ended 31st March, 2018

**Note 40**

a) Following are the details of Associate as per Schedule III of Companies Act, 2013

National WAQF Development Corporation Limited	Net Assets		Share in Profit & Loss		Share in OCI		Share in Total Comprehensive Income	
	% of Consolidated Net assets	Amt. (Rs. In Lakhs)	% of Consolidated Profit & Loss	Amt. (Rs. In Lakhs)	% of Consolidated OCI	Amt. (Rs. In Lakhs)	% of Consolidated Total Comprehensive Income	Amt. (Rs. In Lakhs)
As at 31st March, 2018	0.41%	919.96	0.46%	24.98	-	-	0.46%	24.98
As at 31st March, 2017	0.45%	894.98	0.59%	28.52	-	-	0.59%	28.52

 b) Additional Information required pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company  
(Rs in lakhs)

Name of the Associate	M/s National Waqf Development Corporation Ltd (NAWADCO)	
1. Latest Audited Balance sheet Date	31st March 2018	31st March 2017
2. Share of Associate held by the company on the year end		
No. of Shares	90,00,000	90,00,000
Amount of Investment in Associate	900	900.00
Extend of holding %	45.58%	45.58%
3. Description of how there is significant influence	By Virtue of % of Holding	By Virtue of % of Holding
4. Reason why the associate is not consolidated	NA	NA
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	919.96	894.98
6. Profit / Loss for the year	54.80	61.76
(i) Considered in Consolidation	24.98	28.52
(ii) Not Considered in Consolidation	-	-

- Names of associate which are yet to commence operations - NIL.
- Names of associate which have been liquidated or sold during the year - NIL.

Signatories to Note 1 to 40

**Manoj Punia**  
Manager (Accounts)

**J.S. Chauhan**  
AGM (Finance)

**Ritu Bhatia**  
Company Secretary  
ACS 18344

For and on behalf of the Board of Directors

**Md. Shahbaz Ali**  
Chairman - Cum - Managing Director  
DIN No. 03282551

 Place: New Delhi  
Date: 10th Jul, 2018

**For Vijay Sehgal & Co.**  
Chartered Accountants  
FRN: 000374N

**CA. Archana Gaur**  
Partner  
M. No.: 095750



**Statement containing salient features of the financial statement of  
subsidiaries/associate companies/joint ventures**  
*(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of  
Companies (Accounts) Rules, 2014 - AOC-1)*

**Part “B”: Associates**

Name of Associate	M/s National Waqf Development Corporation Ltd. (NAWADCO)
1. Latest audited Balance Sheet Date	31 <sup>ST</sup> March, 2018
<b>2. Shares of Associate held by the company on the year end</b>	
No. of Shares (nos.)	90,00,000
Amount of Investment in Associates (in Rs.)	9,00,00,000
Extent of Holding %	45.58%
3. Description of how there is significant influence	By Virtue of % age of Holding
4. Reason why the associate/joint venture is not consolidated	N/A
5. Net worth attributable to Shareholding as per (in Rs.) latest audited Balance Sheet	9,20,02,687/-
6. Profit / Loss for the year (in Rs.)	54,80,496/-
(i). Considered in Consolidation (in Rs.)	24,98,010/-
(ii). Not Considered in Consolidation (in Rs.)	Nil



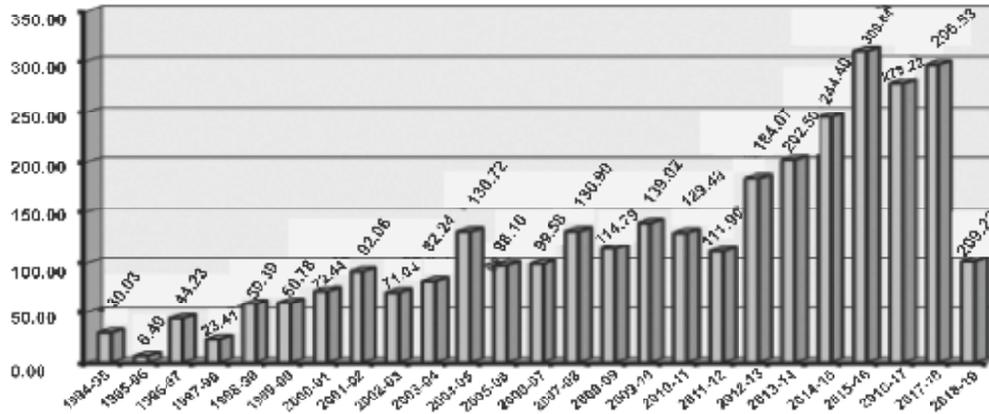
### वित्तीय उपलब्धियाँ / Financial Achievements

#### संवितरण-दर्मा लोन / DISBURSEMENT – Term Loan

कुल संवितरण (30.09.2018 तक) : 3221.27 करोड़ रु.

(राशि करोड़ रु. में)  
(Amt. in Rs. Crs.)

Total Disbursement (till 30.09.2018) : Rs. 3221.27 Crs.

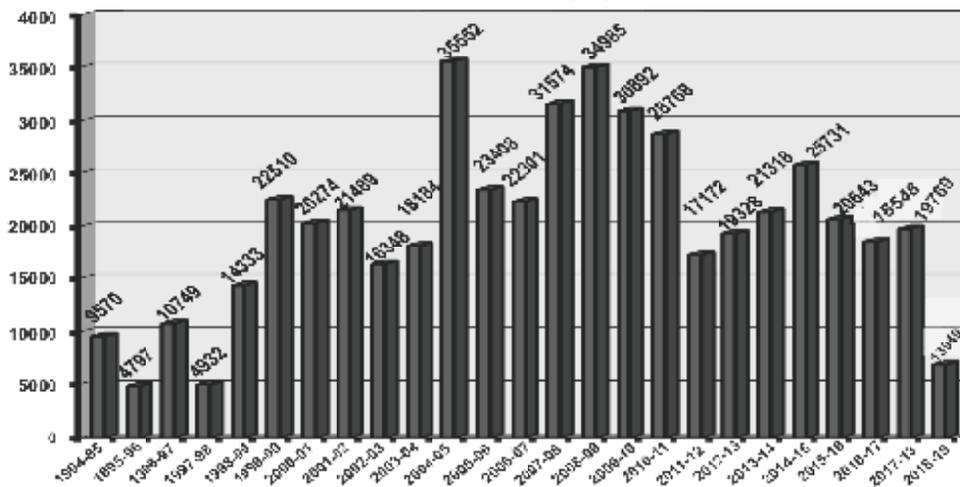


### वास्तविक उपलब्धियाँ / Physical Achievements

#### लाभार्थी दर्मा लोन / BENEFICIARIES – Term Loan

कुल संवितरण (30.09.2018 तक) : 5,07,124 लाभार्थी

Total Disbursement (till 30.09.2018) : 5,07,124 Beneficiaries



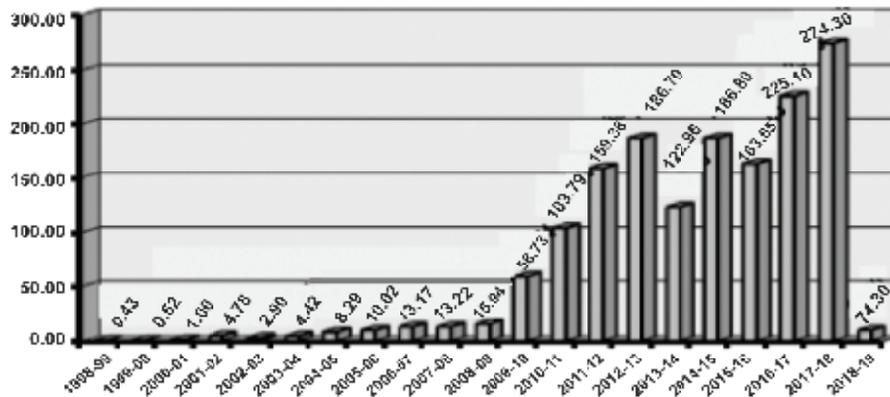
### वित्तीय उपलब्धियाँ / Financial Achievements

संवितरण-जपु ऋण / DISBURSEMENT – Micro Credit

कुल संवितरण (30.09.2018 तक) 1630.41 करोड रु.

(राशि करोड रु. में)  
(Amt. in Rs. Crs.)

Total Disbursement (till 30.09.2018) : Rs. 1630.41 Crs.



### वास्तविक उपलब्धियाँ / Physical Achievements

लाभार्थी – जपु ऋण / BENEFICIARIES – Micro Credit

कुल संवितरण (30.09.2018 तक) : 9,51,053 लाभार्थी

Total Disbursement (till 30.09.2018) : 9,51,053 Beneficiaries

