

NOTICE

Notice is hereby given that the 8th Annual General Meeting of NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION will be held on Thursday, the 28th day of September, 2006 at 12.45 P.M. at the Registered Office of the Company at Red Cross Bhawan, Sector-12, Faridabad -121007 to transact the following business: -

ORDINARY BUSINESS:

- 01.** To receive, consider and adopt Directors' Report, Audited Balance Sheet as on 31st March, 2005 and Income and Expenditure Account for the period ended on that date along with the reports of Auditors thereon.

- 02.** To fix the remuneration of M/s Y.K. Joneja & Co. Chartered Accountants, Statutory Auditors appointed by Comptroller & Auditor General of India and in this connection to consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to Section 224(8)(aa) and other applicable provisions (if any) of the Companies Act, 1956 the Corporation hereby approves an amount of Rs. 40,000/- (Rupees Fourty thousand Only) as audit fee to be paid to M/s Y.K. Joneja & Co. Chartered Accountants, Statutory Auditors of the Corporation for the financial year 2005-2006 as appointed by the Comptroller & Auditor General of India”.

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

By Order of the Board of Directors

For NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT
CORPORATION

Place: Faridabad

Date : 22nd September, 2006

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

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

DIRECTORS' REPORT TO MEMBERS OF THE CORPORATION

Gentlemen,

Your Directors are pleased to present the eighth Annual Report on operations of your Corporation together with the audited statement of accounts for the period from 1st April 2004 to 31st March 2005 alongwith Statutory Auditors' report thereon.

01. ABOUT THE CORPORATION

The Corporation was incorporated as a Company 'not for profit' under Section 25 of the Companies Act, 1956, on 24th January 1997 to serve as a catalyst in the economic & social development of persons with disability. As on date of this report, the Authorised share capital of the Corporation is Rs.400.00 Crore with the paid-up share capital of Rs. 74.30 Crores divided into 7,43,010 nos. of equity shares of Rs. 1,000/- each. The entire equity is held by Government of India.

02. GENERAL PERFORMANCE

This Corporation has made good progress in respect of sanctions and disbursements, during the current financial year. An amount of Rs. 2396.86 lac was sanctioned during the current financial year 2004-2005 as against Rs. 2772.93 lac sanctioned during the previous financial year 2003-2004.

An amount of Rs.1763.58 lac was disbursed during the financial year 2004-2005 as against Rs. Rs.2691.55 lac disbursed during the financial year 2003-2004.

03. FINANCIAL HIGHLIGHTS

Financial highlights achieved during the current financial year are as under:

(Amt. in Rs. Lac)

Particulars	2004- 2005	2003- 2004
Total Income	247.39	343.84
Operating and General Expenses	87.55	91.03
Surplus (before Depreciation & Tax)	159.84	252.81
Depreciation	6.84	4.57
Surplus Before Tax	153.00	248.24
Provision for Tax	Nil	Nil
Surplus after Tax	153.00	248.24

04. APPROPRIATIONS

Your Corporation registered a surplus of income over expenditures (after making adjustment for prior period expenses) for an amount of Rs. 151.98 lac during the financial year 2004-05 under report. The Corporation is established with an objective, not oriented towards profit. And in terms of Section 25 of the Companies Act, 1956; the Corporation is prohibited from declaring dividend. Hence, the entire amount of excess of income over expenditure, amounting to Rs. 151.98 lac is transferred to General Reserve to be used for promotion of objectives of the Corporation.

05. APPOINTMENT OF AUDITORS

M/s Y.K. Joneja & Co., Chartered Accountants, have been appointed as Statutory Auditors of the Corporation for the Financial Year 2004-2005 by Comptroller & Auditor General of India vide C.&A.G. letter no CA.V/COY/CENTRAL GOVT. HANDIF (1)/1530 dated 17-05-2006.

06. DIRECTORS' RESPONSIBILITY STATEMENT

Board of Directors state that:

- In the preparation of Annual accounts, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departure except to the extent pointed out in the Auditors' report.
- The Directors had selected such accounting policies and adopted them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year and the income and expenditure account for the period ended on that date.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding assets of the Corporation and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.

07. FIXED DEPOSITS:

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

08. PARTICULARS OF EMPLOYEES:

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

09. EXPLANATIONS TO OBSERVATIONS / QUALIFICATIONS MADE BY STATUTORY AUDITORS

A. With reference to Para 6 (a) of the report of Statutory Auditors:

NHFDC has studied the practice followed in sister Corporations under the administrative Ministry and it was found that none of these corporations have laid down prudential norms for classifying non-performing assets and provisioning against it.

Hence, NHFDC would take up the matter with the Administrative Ministry for decision and instruction so that uniform practice is followed in all the sister corporations under the Administrative Ministry.

B. With reference to Para 6 (b) of the report of Statutory Auditors:

NHFDC has recently introduced a practice of requesting the State Channelising Agencies and Non-Government Organisations to bring to notice discrepancies, if any, pertaining to the demand within 15 days; and that in the absence of any such discrepancies being brought to NHFDC's notice within the stipulated time, it would be considered as confirmation of the demand amount.

C. With reference to Para 6 (c) of the report of Statutory Auditors:

The Corporation has decided to engage an independent outside agency for reconciliation of the ledgers. The process of finding a suitable agency for the work is expected to be completed soon.

D. With reference to Para 6 (d) of the report of Statutory Auditors:

The Corporation is pursuing with these defaulting State Channelising Agencies and Non-Government Organisations for recovery of NHFDC dues.

- E.** With reference to Para 6 (e) of the report of Statutory Auditors:
In respect of assets with the administrative Ministry, assets worth Rs. 76,882/- (Rupees Seventy Six thousand eight hundred and eighty two Only) has already been taken back by NHFDC. In the case of remaining assets, the book value of the same has been reduced to nil and it has been decided that the said assets be written off. The Corporation is pursuing for taking back the physical custody of two Air conditioners and Voltage Stabilisers (Gross value Rs.1,08,914/-) with Ex- Minister for Social Welfare and has taken up the matter with the Administrative Ministry.
- F.** With reference to Para 6 (f) of the report of Statutory Auditors:
Board of Directors at the 27th meeting held on 18th December 2003 accorded approval for waiver of provisions pertaining to penal interest on State Channelising Agencies subject to approval of Government. The matter has been referred to the Government vide NHFDC letter dated 11th February 2004. The matter is yet to be decided by the Government. The observation of Statutory Auditors is self-explanatory and no further comment is required in this regard.
- G.** With reference to Para 6 (g) of the report of Statutory Auditors:
The note is self-explanatory and no further comment is required.
- H.** With reference to Para 6 (h) of the report of Statutory Auditors:
The shortfall of Government Guarantee coverage against loaning to State Channelising Agencies amounting to Rs. 19.90 Crore comprises of Rs. 3.78 Crore pertaining to the State Channelising Agencies in U.T.s. Guarantee from U.T.s is a debatable matter and is yet to be decided upon.
- Against the balance shortfall amount of Government Guarantee of Rs.16.12 Crore, Guarantees had been received later and that the shortfall has been covered to a large extent. Against the said State Channelising Agencies, the shortfall of Rs.16.12 has been reduced to Rs.5.27 Crore, taking into account the release, refund, repayment, and outstanding interest as on 31st march 2006 against the Guarantee/Government Order received till date.
- I.** With reference to Para 6 (i) of the report of Statutory Auditors:
NHFDC shall take into account the net effect on account of the over/under charging of interest and necessary rectifications shall be carried out.

10. ACKNOWLEDGEMENTS

Your Directors are also grateful to the various other Government Departments and Agencies, Company's Auditors and Comptroller and Auditor General of India for their continued guidance and advice.

For and on behalf of Board of Directors

Date: 11th August, 2006
Place: New Delhi

Sd/-
(Rakesh Garg)
Chairman-cum-Managing Director

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION, FARIDABAD FOR THE YEAR ENDED 31ST MARCH 2005.

I have to state that the Comptroller and Auditor General of India has no comments upon or supplement to the Auditors' Report under Section 619(4) of the Companies Act, 1956, on the accounts of National Handicapped Finance and Development Corporation, Faridabad, for the year ended 31st March 2005.

Sd/-

(Meera Swarup)
Principal Director of Commercial Audit and
Ex-officio Member, Audit Board – III,
New Delhi

Place : New Delhi
Dated : 22 September 2006

STATUTORY AUDITORS REPORT

The Members,
National Handicapped Finance and Development Corporation,
Sector-12,
Faridabad – 121 007

We have audited the attached Balance Sheet of **National Handicapped Finance and Development Corporation**, as on 31.3.2005 and also the Income and Expenditure Account for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

This report does not include the statement on the matters specified in the Companies (Auditor's Report) Order, 2003 issued by Central Government of India under Section 227(4A) of the Companies Act, 1956, as the said order is **not applicable** to this Corporation since it is registered under section 25 of the said Act.

We report that:

1. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of accounts as required by law have been kept by the Corporation so far, as appears from our examination of such books;
3. The Balance Sheet and Income & Expenditure account dealt with by this report are in agreement with the books of accounts.
4. In our opinion, the Balance Sheet and Income & Expenditure Account dealt with by this report comply with the accounting standards referred to in sub-section 3(c) of section 211 of the Companies Act, 1956;
5. The provisions of Section 274(1) (g) of Companies Act, 1956, are not applicable to the Corporation
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts **subject to:-**

a) The Corporation has not framed the policy of prudential norms for the purpose of identifying non-performing assets and the creation of provision in the books of accounts for the overdue installments of principal amount of loans and interest overdue thereon.

- b) *The confirmation of loans and interest due thereon from the State Channelizing Agencies and Non-Government Organisations is not available. In absence of the same, the impact on accounts, if any, arising from non-confirmation / reconciliation can not be ascertained.*
- c) *We have observed that the Corporation has maintained a separate loan register for each SCA's / NGO's, but the same is not reconciled with the General Ledger.*
- d) *In the ordinary course loans have been disbursed through the state Channelizing Agencies. In our opinion some of the loans as given below are overdue :-*

Name of the Organisation	Loan Sanctioned (Rs. in Lacs)	Overdue as on 31.3.2005 (Rs. in Lacs)		Overdue as on 31.3.2006 (Rs. in Lacs)	
		Loan	Interest	Loan	Interest
APVCC(ANDHRA PRADESH)	269.44	80.48	9.34	102.53	13.24
MVSN (ORISSA)	935.73	179.82	---	231.60	3.72
SCFDC(CHHATTISGARH)	71.18	19.01	1.48	24.81	0.43
MPAVAVN (M.P.)	85.47	24.88	3.72	24.49	0.39
MPPVAVN (M.P.)	52.45	11.07	0.20	15.59	0.44
MPBCDC (MAHARASHTRA)	50.00	19.76	0.24	23.39	0.23
MICRO FINANCING SCHEME	250.51	62.84	1.25	73.83	1.95

Some concrete steps should be taken to avoid future losses.

- e) *The value of assets of Rs.1,08,914/- are currently used by the Ministry and Ex-Minister for social welfare, on which the Corporation does not have any control or custody.*
- f) *The Corporation has not considered and computed the amount of penal interest chargeable from Channelizing Agencies in consonance with the resolution passed in its Board Meeting dated 18.12.2003 for the waiver of penal interest which is pending before the Government for necessary approval.*
- g) *Note No. B(2) of Schedule M regarding Income tax matters where income tax return has not been filed and liability, if any has not been ascertained and provided for, however, the corporation has filed application for grant of exemption u/s 10 23(c) (iv) which is under consideration by department*
- h) *In some of the loans, the amount are not covered by the State Government guarantee totalling to Rs. 1990 Lacs. To this extent these loans should be treated as Unsecured Loans.*
- i) *During the audit various discrepancies relating to under-charging and over-charging of interest were noted. The net effect is Rs. 32891 should be considered in the interest income of the year.*

and read together with notes on accounts thereon given the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- i) In the case of Balance Sheet, of the State of Affairs of the Corporation as on 31st March 2005; and
- ii) In the case of Income and Expenditure Account of surplus for the year ended on the date.

For Y. K. Joneja & Co.
Chartered Accountants
Sd/-

CA-Sanjay Gupta
Partner
M. No. 95657

Place : Faridabad
Date : 20th, July 2006

NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION
RED CROSS BHAWAN, SECTOR - 12, FARIDABAD (HARYANA)
BALANCE SHEET AS AT 31 ST MARCH 2005

(Amount in Rupees)

PARTICULARS	SCHEDULES	AS AT 31.03.2005	AS AT 31.03.2004
A. SOURCES OF FUNDS:			
SHAREHOLDER'S FUND			
SHARE CAPITAL	A	62,30,10,000	62,30,10,000
SHARE APPLICATION MONEY (PENDING FOR ALLOTMENT)		1,00,00,000	0
RESERVE & SURPLUS	B	20,06,96,959	18,54,97,997
TOTAL		83,37,06,959	80,85,07,997
B. APPLICATION OF FUNDS:			
FIXED ASSETS			
Gross Block	C	62,73,861	49,21,979
Less : Accumulated Depreciation		40,84,107	34,00,598
Net Block		21,89,754	15,21,381
CURRENT ASSETS, LOANS AND ADVANCES			
a)CURRENT ASSETS:			
Cash and Bank Balances	D	18,59,84,695	23,51,74,595
Other Current Assets	E	20,25,404	29,17,149
b) Loans and Advances	F	64,67,96,141	57,13,37,486
		83,48,06,240	80,94,29,230
LESS: CURRENT LIABILITIES & PROVISIONS			
a) Current Liabilities	G	26,70,859	19,97,351
b) Provisions	H	6,18,176	4,45,263
		32,89,035	24,42,614
Net Current Assets		83,15,17,205	80,69,86,616
TOTAL		83,37,06,959	80,85,07,997

Accounting Policies & Notes on Accounts **M**

Schedules "A" to "M" form an integral part of accounts

Certified in terms of our audit report of even date attached.

For and on behalf of
M/s Y.K.Joneja & Co.,
CHARTERED ACCOUNTANTS

Sd/-
(SANJAY GUPTA)
Partner

M. No. 95657
Place : FARIDABAD
Date :20th July, 2006

For and on behalf of
Board of Directors
Sd/-

(Rakesh Garg)
Chairman-cum-Managing Director

Sd/-
(G.N.Pegu)
Director

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

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

NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION
RED CROSS BHAWAN, SECTOR - 12, FARIDABAD (HARYANA)
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2005

(Amount in Rupees)

PARTICULARS	SCHEDULES	FOR THE YEAR ENDED 31.03.05	FOR THE YEAR ENDED 31.03.04
A. INCOME:			
Interest from Loans	I	1,49,34,755	1,20,81,497
Other Receipts	J	98,04,480	2,23,02,795
TOTAL :		2,47,39,235	3,43,84,292
 B. EXPENDITURES :			
Payments to and Provisions for Employees	K	40,74,671	33,29,482
Other Expenses	L	46,80,478	57,73,799
Depreciation	C	6,83,509	4,56,801
Excess of Income over Expenditure		1,53,00,577	2,48,24,210
TOTAL :		2,47,39,235	3,43,84,292
Prior Period Expenses		1,01,615	47,452
Excess of Income over Expenditure (after prior period adjustments) transferred to General Reserve		1,51,98,962	2,47,76,758
Accounting Policies & Notes on Accounts	M		
Schedules "A" to "M" form an integral part of accounts			

Certified in terms of our audit report of even date attached.

For and on behalf of
M/s Y.K.Joneja & Co.,
CHARTERED ACCOUNTANTS

Sd/-
(SANJAY GUPTA)
Partner

M. No. 95657
Place : FARIDABAD
Date :20th July, 2006

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

For and on behalf of
Board of Directors
Sd/-
(Rakesh Garg)
Chairman-cum-Managing Director

Sd/-
(G.N.Pegu)
Director
Sd/-
(R.K.Mishra)
Company Secretary

NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION

SCHEDULE 'A'
(Amount in Rupees)

SHARE CAPITAL	AS AT 31.03.05	AS AT 31.03.04
AUTHORISED:		
40,00,000 Equity Shares of Rs.1,000/- each	400,00,00,000	400,00,00,000
ISSUED, SUBSCRIBED & PAID-UP:		
6,23,010 Equity Shares (Previous year 6,23,010 equity shares) of Rs.1,000/- each fully paid	62,30,10,000	62,30,10,000
SHARE APPLICATION MONEY (PENDING FOR ALLOTMENT)	1,00,00,000	0
Total	63,30,10,000	62,30,10,000

SCHEDULE 'B'
(Amount in Rupees)

RESERVE AND SURPLUS	AS AT 31.03.05	AS AT 31.03.04
GENERAL RESERVE :		
As per last Balance Sheet B/F	18,54,97,997	16,07,21,239
Add: Transferred from Income and Expenditure Account	1,51,98,962	2,47,76,758
Total	20,06,96,959	18,54,97,997

FIXED ASSETS

(Amount in Rupees)

S.NO.	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		Cost as at 31.03.04	Addition dur. the year	Sales/ Adjustme nt	Total cost as at 31.03.05	Depr. as at 31.03.04	Depr. for the year	Total depr.as at 31.03.05	As at 31.03.05	As at 31.03.04
1	Furniture	7,17,827	1,210	0	7,19,037	5,70,039	27,960	5,97,999	1,21,038	1,47,788
2	Fixtures and Fittings	12,73,469	0	0	12,73,469	8,90,614	69,297	9,59,911	3,13,558	3,82,855
3	Office Equipment	8,81,398	5,266	0	8,86,664	5,04,919	57,634	5,62,553	3,24,111	3,76,479
4	Computers	14,71,820	13,45,406	0	28,17,226	12,28,253	5,01,397	17,29,650	10,87,576	2,43,567
5	Air Conditioners & Coolers	4,01,115	0	0	4,01,115	2,05,423	27,221	2,32,644	1,68,471	1,95,692
6	Cycle	1,350	0	0	1,350	1,350	0	1,350	0	0
	TOTAL	47,46,979	13,51,882	0	60,98,861	34,00,598	6,83,509	40,84,107	20,14,754	13,46,381
7	Add: Capital work in progress-computer	1,75,000	0	0	1,75,000	0	0	0	1,75,000	1,75,000
	TOTAL	49,21,979	13,51,882	0	62,73,861	34,00,598	6,83,509	40,84,107	21,89,754	15,21,381
	Previous year	46,00,109	4,64,193	1,42,323	49,21,979	29,43,797	4,56,801	34,00,598	15,21,381	16,56,312

SCHEDULE 'D'
(Amount in Rupees)

CASH AND BANK BALANCES:	AS AT 31.03.05	AS AT 31.03.04
Cash in Hand (Certified by the Management)	29,690	76,598
Bank Balances (with scheduled banks) :		
a) Savings Accounts	13,59,55,005	2,50,97,997
b) In FDR/Deposits Accounts with Banks (Certified by the Management)	5,00,00,000	21,00,00,000
Total	18,59,84,695	23,51,74,595

SCHEDULE 'E'
(Amount in Rupees)

OTHER CURRENT ASSETS	AS AT 31.03.05	AS AT 31.03.04
Interest receivable and not due on Deposits	12,87,326	23,53,302
Interest receivable and not due on Security Deposits	21,000	1,08,744
Interest receivable and not due on Saving Bank Accounts	1,51,233	21,851
Interest receivable and not due on Vehicle Advance	57,649	50,849
Interest receivable and not due on HBA	5,02,866	3,77,583
Interest receivable and not due on Computer Advance	5,330	4,820
Total	20,25,404	29,17,149

SCHEDULE 'F'
(Amount in Rupees)

LOANS AND ADVANCES		AS AT 31.03.05	AS AT 31.03.04
A.	LOANS:		
1	Term Loan(SCA)	92,25,39,033	75,06,01,783
	Less : Refund	16,54,75,578	12,06,59,078
		75,70,63,455	62,99,42,705
	Less : Repayment	12,98,22,581	7,74,49,506
	Total(A)	62,72,40,874	55,24,93,199
2.	TERM LOAN(MFS)	2,50,50,500	2,06,29,500
	Less : Refund	49,350	45,600
		2,50,01,150	2,05,83,900
	Less : Repayment	1,20,49,571	74,46,489
	Total(B)	1,29,51,579	1,31,37,411
3.	INTEREST RECEIVABLE AND DUE ON TERM LOAN :		
	a) State Channelising Agencies (SCAs)	40,06,928	31,59,188
	b) Micro Financing Scheme (MFS)	1,26,618	67,464
	Total (C)	41,33,546	32,26,652
B.	Advances recoverable in cash or value to be received:		
I.	Security Deposit:		
	a) Security deposit against lease with Red Cross Society, Faridabad	4,50,000	4,50,000
	b) Telecom Authority	1,15,000	1,15,000
	c) Bharati Cellular	9,000	9,000
	d) Shri Vineet Gandhi against leased house of C.M.D	75,000	75,000
	e) Sh.Shailendra Garg against leased house of M(F)	7,250	7,250
	f) Smt. Anjali Khullar against leased house of CS	7200	0
II.	Advance to Party	6,10,915	4,54,534
III.	Vehicle Advance	42,000	90,000
IV.	Prepaid Expenses	0	13,090
V.	House Building Advance	10,53,291	12,09,658
VI.	Computer Advance	2,000	14,000
VII.	Advance to Staff	249	18,574
VIII.	Amount Recoverable from NSKFDC	20,000	20,000
IX.	Amount Recoverable from M/s Yadav Cab Company	4,118	4,118
X.	Amount Recoverable from former CMD (Sh.H.C.Mahajan)	2,155	0
XI.	Amount Recoverable from MOSJ&E	71,964	0
	Total (D)	24,70,142	24,80,224
	Grand Total (A+B+C+D)	64,67,96,141	57,13,37,486

SCHEDULE 'G'
(Amount in Rupees)

OTHER LIABILITIES		AS AT 31.03.05	AS AT 31.03.04
1.	Outstanding Expenses:		
a)	Telephone Expenses	11,218	14,417
b)	Vehicle hiring charges	24,683	35,650
c)	Office Maintenance	0	2,738
d)	C.M.D. lease house	2,360	0
	Total (1)	38,261	52,805
2.	Others Payable:		
1	Aadinath Graphics Pvt. Ltd (Publicity campaign, Hyderabad)	2,97,000	2,97,000
2	Amit Kumar, (Sweeping charges)	1,395	0
3	B.R.Builders	13,638	17,195
4	Books & Periodicals	0	3,397
5	Chander Sekhar Yadav (Newspaper Expenses)	602	0
6	CHATTISGARH NISSKHT JAN	50,000	0
7	conveyance staff	5,865	0
8	Credential verification	11,958	0
9	Delhi SC/ST/OBC Corpn., Delhi (SCA)	50,000	0
10	Government of Meghalaya	0	50,000
11	International Womens' Day Celebration Expenses	91,828	0
12	J&K STATE WOMEN DEV. Corpn. (SCA)	15,000	0
13	Kerala State Handicapped Welfare Corporation Ltd. (SCA)	12,875	1,17,682
14	Kohinoor & Excel technology	4,010	0
15	Legal charges	2,825	0
16	M/S BHATIA FURNITURE	1,960	0
17	M/S CHAWLA S.SERVICE & ELECTRICAL WORK	4,506	0
18	M/S LALIT ART STUDIO	1,680	0
19	M/s Red Cross Society (Electricity charges)	3,22,262	2,52,645
20	MAEF (Electricity charges)	26,622	10,442
21	MAEF (Electricity Charges)	21,683	0
22	Meenu enterprises (data entry work)	3,684	0
23	Modi xerox (photocopier)	8,965	0
24	Ms. Shanti Chauhan	6,934	0
25	MSHFDC Ltd (SCA)	1,13,031	0
26	NBCFDC (Kartik Mela 2001)	27,774	27,774
27	NBCFDC (NHFDC's share of Awareness & Publicity Exp.)	2,85,502	2,85,502
28	NBCFDC (For Kartik Mela 2002)	69,126	69,126
29	NBCFDC (Kumbh Mela)	3,78,613	0
30	NBCFDC (Silanyas Ceremony of Information centre)	57,561	57,561
31	NBCFDC (Ujjain exhibition)	91,831	91,831
32	News paper	0	2,535
33	Newspaper reimbursement	0	314
34	NMFDC	2,58,816	0
35	NSCFDC(expenditure on information centre)	10,558	10,558
36	NSFDC	3,660	0

SCHEDULE 'G' cont...

(Amount in Rupees)

<u>OTHER LIABILITIES</u>		<u>AS AT 31.03.05</u>	<u>AS AT 31.03.04</u>
37	NSFDC(Training expenses)	13,820	13,820
38	Office rent to Red Cross Society	0	2,45,548
39	Pest Control Company	1,750	0
40	Pilot Project	7,538	0
41	Pradeep Kumar Rana (Salary)	5,871	0
42	Promotional activities	19,117	1,21,126
43	Shri Rakesh Garg (Lucknow tour)	9,917	0
44	Shri Ram Lal, (Sweeping charges)	150	0
45	Remuneration to Internal Auditors	81,548	81,549
46	Remuneration to Statutory Auditors	94,294	1,03,822
47	Shri Rupes Vyas	6,602	0
48	M/s Shiv Graphic	1,474	0
49	Shri D.S. Rawat	1,181	0
50	Shri Gopal Singh	2,148	0
51	Shri Lekhraj Kapoor, (Hindi translation)	4,263	0
52	Shri N.Sankariaha, AM(Proj)	375	0
53	Shri R.K.Mishra, C.S.	12,235	0
54	Shri S.K.Dua	600	0
55	SIDBI	8,824	0
56	Staff (for conveyance)	40	0
57	Surender Kumar (Medical expenses)	1,296	0
58	Sweeping charges	0	1,440
59	Ultra Beverage Pvt ltd	1,349	0
60	Workshop	19,000	19,000
61	Yadav cab co. (Vehicle hiring)	30,848	0
	Total (2)	25,76,004	18,79,867
3	Salary Payable	55,339	45,126
4	T.D.S. Payable(S)	27	9,000
5	T.D.S. Payable(C)	1,228	0
6	Recovery account of Shri H.C.Mahajan, C.M.D.	0	6,620
7	Recovery account of Shri N.Sankaraiah, AM(Proj.)	0	2,500
8	CPF Payable	0	1,433
	G.Total (1+2+3+4+5+6+7+8)	26,70,859	19,97,351

SCHEDULE 'H'
(Amount in Rupees)

PROVISIONS :	AS AT 31.03.05
Provision for Gratuity	3,27,177
Provision for Foreign Service Contribution	34,044
Provision for Leave Encashment	2,56,955
Total	6,18,176

AS AT 31.03.04
2,09,523
62,035
1,73,705
4,45,263

SCHEDULE 'I'
(Amount in Rupees)

INTEREST FROM LOANS	FOR THE YEAR ENDED 31.03.2005
Interest on Loans	1,47,17,000
Interest on MFS	2,17,755
Total	1,49,34,755

FOR THE YEAR ENDED 31.03.2004
1,19,50,087
1,31,410
1,20,81,497

SCHEDULE 'J'
(Amount in Rupees)

OTHER RECEIPTS :	FOR THE YEAR ENDED 31.03.2005
Interest on Saving Bank Accounts	7,63,489
Interest on Security Deposit with Red Cross Society	15,750
Interest on Fixed Deposits	88,89,906
Interest on Vehicle Advance	6,800
Interest on Computer advance	510
Interest on House Building Advance	1,25,283
Misc. receipts	817
COMPUTER RECOVERY (From CMD)	1,530
RECOVERY FOR VEHICLE USE (FROM C.M.D.)	395
Total	98,04,480

FOR THE YEAR ENDED 31.03.2004
5,37,375
15,750
2,15,93,294
10,099
1,230
1,41,047
1,697
2,303
0
2,23,02,795

SCHEDULE 'K'
(Amount in Rupees)

PAYMENTS TO AND PROVISION FOR EMPLOYEES	FOR THE YEAR ENDED 31.03.2005	FOR THE YEAR ENDED 31.03.2004
<u>PAY AND ALLOWANCE TO CMD</u>		
Salaries and Allowances	2,38,174	4,59,045
Children Education Allowance	1,530	3,600
Medical Reimbursement	18,978	39,487
Reimbursement of Refreshment	3,544	7,200
Reimbursement of Newspaper	2,698	4,486
Foreign Service Contribution	46,759	95,785
Total (1)	3,11,683	6,09,603
<u>PAY AND ALLOWANCE TO STAFF:</u>		
Salaries and Allowances	22,12,795	12,92,237
Daily Wages	2,60,588	5,25,383
Medical Reimbursement	1,81,129	1,45,602
Conveyance Reimbursement	27,852	29,125
Transport Subsidy	1,03,178	47,961
Children Education Allowance	24,929	11,260
Reimbursement of Refreshment	58,464	38,070
Reimbursement of Newspaper	29,402	29,830
Staff Welfare	1,29,362	75,517
Corporation contribution to P.F./Pension	2,67,754	1,53,594
Leave Salary	83,250	52,015
Gratuity	1,17,654	65,294
Total (2)	34,96,357	24,65,888
<u>PAY AND ALLOWANCE TO DEPUTATIONIST</u>		
Salary and Allowances	1,97,892	1,87,744
Medical Reimbursement	13,224	12,348
Transport Subsidy	8,400	8,400
Reimbursement of Refreshment	7,200	7,200
Reimbursement of Newspaper	4,548	4,428
Foreign Service Contribution	28,167	26,671
Children Education Allowance	7,200	7,200
Total (3)	2,66,631	2,53,991
Grand Total (1+2+3)	40,74,671	33,29,482

SCHEDULE 'L'
(Amount in Rupees)

OTHER EXPENSES :	FOR THE YEAR ENDED 31.03.2005	FOR THE YEAR ENDED 31.03.2004
Office rent expenses	7,36,044	7,13,260
Printing and Stationery expenses	1,62,988	1,60,802
Postage & Telegramme expenses	79,101	90,813
Telephone expenses	1,47,580	1,68,406
Traveling expenses (Directors)	2,95,056	3,20,832
Traveling expenses (Staff)	2,10,441	2,92,209
Traveling expenses (Others)	1,02,399	2,13,125
Office maintenance expenses	3,03,299	2,32,278
Vehicle hiring charges	3,20,406	4,54,749
Business promotion expenses	19,373	1,15,987
Advertisement expenses	3,87,413	2,71,617
Awareness creation expenses	5,64,114	13,68,057
Staff Recruitment & Training expenses	6,733	52,063
Newspaper Expenses	3,896	3,894
Books and periodicals	14,640	24,331
Board Meeting Expenses	27,001	26,418
General Expenses	9,108	4,009
Exhibition/Social Devp.exp	1,205	0
Legal and Consultancy Charges	3,825	0
Bank Charges	194	160
Grant-in-aid	1,30,000	2,90,000
Meeting Expenses	8,369	25,557
Insurance Charges	5,060	7,729
Training Expenses (S)	6,000	0
Training Expenses (Beneficiaries)	7,538	0
Corporation Membership Fee	40,000	40,000
Workshop / Conference Exp.	26,505	94,512
Brokerage	3,600	3,915
Lease Rent (S)	2,52,145	134,500
Lease Rent (C)	2,69,242	2,60,244
Electricity Charges	93,379	92,262
Security Charges	14,306	0
Promotional Activities of SCA	1,41,267	2,13,679
Repair & Maintenance for lease accom	22,722	0
Logo Designing Fee	1,00,000	0
Remuneration to Statutory Auditors	33,672	33,672
Remuneration to Internal Auditors	26,999	26,999
Website Designing Expenses	8,030	32,720
International Womens' Day Celeb. Expenses	91,828	0
Membership Fee to Habitat World (for C.M.D.)	5,000	5,000
	46,80,478	57,73,799
Prior period expenses	1,01,615	47,452
Total	47,82,093	58,21,251

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

FORMING PART OF THE BALANCE SHEET AND INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2005

A. ACCOUNTING POLICIES:1. **Basis of Accounting:-**

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

2. **Valuation of Fixed Assets:**

The fixed assets are accounted for at their Historical Cost.

3. **Depreciation of Fixed Assets :**

- a) The Corporation provides depreciation as per the rate provided in Schedule XIV of the Companies Act, 1956 on written down value method.
- b) Depreciation is charged for full month, if the asset is acquired on or before 15th, and no depreciation is charged for the month if the asset has been acquired after 15th. No depreciation is provided for the assets sold/discarded/demolished during the year.
- c) Depreciation on assets costing less than Rs.5,000/- per item is provided @ 100%.

4. **Income**

- a) As per lending policy of the Corporation, if NHFDC's funds are not utilised within 90 days, the unutilised portion with State Channeling Agencies from 91st day onwards attract higher rate of interest @ 18% as against normal interest as per sanction. Also penal interest @ 3% will be charged from the SCA's for default in repayment. The Corporation has decided that higher rate for non-utilisation of funds as well as liquidated damages on installments due but not received shall be accounted for on actual receipt basis. However, Board of Director in its 18th meeting held on 26.03.2002 has approved for discontinuing with immediate effect for charging of higher rate of interest (18%) on unutilised funds.

Since the board has discontinued the practice of charging higher rate of interest w.e.f. 26.03.2002, the provision up-to 26.03.2002 shall be provided/accounted for as and when received.

Further as per new lending policy of the Corporation as approved in 21st meeting of board of director held on 11th November 2002, if NHFDC's funds are not utilised within 90 days, the unutilised portion with State Channeling Agencies from 91st day onwards attract the interest on unutilized amount @ 3% per annum over and above the normal rate of interest on the term loan for next 90 days. Thereafter, the un-disbursed amount will be refunded by SCA to NHFDC and additional penal interest of 2% will be charged till the date of refund.

- b) Interest on loans and investments are accounted for on accrual basis at the applicable rate.
- c) Receipt of interest on telephone security is accounted for at the time of actual receipts.
- d) Interest on Saving Fund Accounts is accounted for on accrual basis.

5. Retirement Benefits :-

- a) The Corporation had not laid down any rules for Gratuity, therefore no provision was made for Gratuity in the earlier years. However, the Board of Directors at the meeting held on 26.06.2003 approved the "NHFDC GRATUITY RULES, 2003". In view of the said rules, provision for gratuity of Rs.1,17,654/- has been made in the books of account in the financial year 2004-2005. The accumulated provision for gratuity as at 31.03.05 is of Rs.3,27,177/-.
- b) The Board of Directors of the Corporation at the meeting held on 11.11.2002 approved the "NHFDC LEAVE ENCASHMENT RULES, 2002". for leave encashment applicable on leave standing credit to the employees of Corporation on that date. In view of the said rules, provision has been made in the books of accounts for the year 2004-2005 of Rs.83,250/-. The accumulated provision for leave encashment as at 31.03.2005 is of Rs.2,56,955/-.

6. The Stationary is shown as an expense during the year and no stock is carried forward.

B. NOTES ON ACCOUNTS :-

- 1. Share application money of Rs. 1,00,00,000/- received from the Central Government vide Ministry of Social Justice and Empowerment letter No.3-13/2003/NI.II dated 31.03.2005 has been allotted by way of 10,000 equity shares of face value of Rs. 1,000/- each as fully ;paid up in the name of President of India through the Additional Secretary, Government of India, Ministry of Social Justice and Empowerment on 27.05.2005.
- 2. No provision for Income Tax has been made in view of provisions of Section 11 of the Income Tax Act, 1961. The Corporation has obtained Registration under Section 12AA of the Income Tax Act.
- 3. In terms of Section 25(3)(b) of the Companies Act, 1956, the Corporation does not declare dividend and ploughs back its surplus to augment 'finance for development schemes' and therefore the surplus for the year amounting to Rs.1,51,98,962/- has been transferred to General Reserve Account.
- 4. Interest on placement of funds is received on actual day basis and accounting of interest is done on accrual basis.

5. An amount of Rs.4,50,000/- is given to M/s Red Cross Society, Faridabad as security deposit for the premises of Red Cross Bhavan taken on lease for the Corporation and the amount shall remain with the lessor and refundable to the Corporation at the time of vacation of the leased premises along with interest payable on saving account by State Bank of India from time to time. The interest amount is accounted on accrual basis.
6. A total amount of Rs. 9225.39 lakhs (P.Y. 7506.02 lakhs) had been released to 33 (P.Y 31) State Channelising Agencies (SCAs) up to 31.03.2005. The loans released by NHFDC to SCA's are secured by way of state government guarantee/orders. However in certain cases, the Government Guarantee are yet to be received. Against the said release of funds there is a shortfall of Rs.1990.00 Lakhs (P.Y 1607.55 lakhs) in Block Government Guarantees/Orders in respect of following cases.

<u>Sl.No.</u>	<u>Name of SCA</u>	<u>Shortfall in BGG</u> (Amount in Lakhs)
1.	CCWDC, CHD	20.00
2.	DSCFDC, DELHI	99.00
3.	GSFC, GUJARAT	117.00
4.	GSSCBCFDC, GOA	14.00
5.	HPMFDC, HP	61.00*
6.	KBCDCL, KARNATAKA	09.00
7.	LKVIB, LAK	11.00
8.	MPPAVENVN, MP	18.00
9.	MPSCFDC, MP	169.00*
10.	MPTFDC, MP	45.00*
11.	MSHFDC, MAHARASHTRA	586.00
10.	MVSN, ORISSA	481.00
11.	PCDWHPL, PONDICHERRY	248.00
12.	SSWCD, PUNJAB	02.00
13.	WBWDC, WB	110.00*
Total:		1990.00 =====

* However, the above shortfall have been covered by Government Order/Guarantee received subsequently.

7. An amount of Rs.69,617/- has been provided during the year as provision of electricity charges on the basis of the amount claimed by M/s. Red Cross Society, Faridabad. A sum of Rs. 3,22,262/- is payable to Red Cross Society as on 31.03.05. The payment of electricity charges is pending for want of clarification from the Red Cross Society. Excess/shortage will be accounted for in the year of payment.
8. An amount of Rs.27,774/- has been provided in the financial year 2001-02 as provision for awareness creation expenses claimed by the NBCFDC towards reimbursement of NHFDC's share against expenditure incurred by them for organizing the Karthik Mela – 2001 as per the directives of the Ministry. The payment of the above bills are still pending for want of clarification from NBCFDC. Excess/shortage against this provision will be accounted for in the year of payment.

9. An amount of Rs.57,561/- has been provided in the financial year 2002-03 as provision towards NHFDC share of Shilanyas ceremony of information centre held at Ujjain on 04.02.2003. The payment of bills are pending for want of clarification from National Backward Classes Finance and Development Corporation, New Delhi. Excess/shortage against the provision will be accounted for in the year of payment.
10. An amount of Rs.19,117/- has been provided in the financial year 2002-03 as provision for promotional activities expenses incurred by MPVAVEN, MP . However, the payment against this claim are pending for want of clarification from MPVAVEN. Excess/shortage against the provision will be accounted for in the year of payment.
11. An amount of Rs.91,831/- has been provided in the financial year 2002-03 as provision for awareness creation expenses claimed by National Backward Classes Finance and Development Corporation, New Delhi towards NHFDC share expenditure incurred by them for organizing the Ujjain exhibition on 19.03.2003 to 24.03.2003. However, the payment of the bills are pending for want of clarification. Excess/shortage against the provision will be accounted for in the year of payment.
12. An amount of Rs.69,126/- has been provided in the financial year 2002-03 as provision for awareness creation expenses claimed by National Backward Classes Finance and Development Corporation, New Delhi towards reimbursement of NHFDC share against expenditure incurred by them for organizing the Kartik Mela 2002. However, the payment of the bills are pending for want of clarification. Excess/shortage against the provision will be accounted for in the year of payment.
13. An amount of Rs. 16,180/- has been provided during the year against sharing of electricity and water charges in respect of Central Hall in Mahila Imdad Committee, opposite New Delhi Railway Station, which has been allotted to the Corporation vide Circular no. D-11020/1(2)/2000-Genl(Pt), dated 19.07.2002. However, the payment of the above are pending for want of clarification. Excess/shortage against the provision will be accounted for in the year of payment.
14. An amount of Rs.2,97,000/- has been provided in the financial year 2003-04 in respect of panels/hoardings made on disability schemes for publicity campaign held at Hyderabad from 10th to 15th January 2004. The payment of Rs.2,63,941/- (after TDS) has been made on 5th May, 2006 as part payment and Rs. 27,000/- as sale tax liability is pending for clarification on sale tax rate. Excess/shortage (if any) against the provision will be accounted for in the year of payment.
15. An amount of Rs.1,23,120/- has been provided in the financial year 2003-04 for awareness creation expenses claimed by the National Backward Classes Finance and Development Corporation, New Delhi (NBCFDC) towards reimbursement of NHFDC's share against expenditure incurred by them for publicity campaign held in Raipur (Chhatisgarh) as per the directives of the Ministry. The payment of the above bills are still pending for want of clarification from NBCFDC. Excess/shortage against this provision will be accounted for in the year of payment.
16. An amount of Rs. 85,723/- has been provided in the financial year 2003-04 for awareness creation expenses claimed by National Backward Classes Finance and Development Corporation, New Delhi (NBCFDC) towards NHFDC share expenditure incurred by them for organizing the Awareness Camp held on 25.01.2004, and 28.02.2004. However, the payment of the bills are pending for want of clarification. Excess/shortage against the provision will be accounted for in the year of payment.

17. An amount of Rs.73,483/- has been provided in the financial year 2003-04 respect of NHFDC share for placing digital panels/hoardings at Raipur (Chhatisgarh) for publicity of Ministry's schemes as per the directives of the Ministry. However, the payment of the bills are still pending. Excess/shortage (if any) against the provision will be accounted for in the year of payment.
18. An amount of Rs. 3,78,613/- has been provided during the year for awareness creation expenses claimed by National Backward Classes Finance and Development Corporation, New Delhi (NBCFDC) towards reimbursement of NHFDC's share against expenditure incurred by them on Ministry's Exhibition at Kumbh Mela, 2004 held at Ujjain (M.P.) for the period from 01.04.2004 to 06.05.2004 as per the directives of the Ministry. The payment of the above bills are still pending for want of clarification from NBCFDC. Excess/shortage against this provision will be accounted for in the year of payment.
19. TDS has not been deducted out of the provision made for statutory auditors remuneration and internal audit fee for the year ending on 31.03.2005 and also no TDS has been deducted on the provision of Rs. 2,97,000/- payable to M/s Aadinath Graphics Pvt Ltd on account awareness creation expenses, however, T.D.S has been deducted at the time of payment.
20. In respect of appointment of Shri H.C. Mahajan, former Chairman-cum-Managing Director of the Corporation a sum of Rs.46,759/- for the period from 01.04.2004 to 03.09.2004 towards leave salary and pension contribution has been debited in the books of accounts under heading "Foreign Service Contribution". The said provision is in conformity with the terms & conditions of their services.
21. Shri H.C. Mahajan, IAS held the Office of Chairman-cum-Managing Director of National Handicapped Finance and Development Corporation till 03.09.2004. Shri Rakesh Garg, IAS (UP:80) was appointed as a Chairman-cum-Managing Director of the Corporation w.e.f. 07.03.2005 (F/N) vide Notification No. 3-35/2003-NI-II, dated 11.03.2005. In respect of above appointees, provision of an amount of Rs. 5,877/- towards leave salary and pension contribution has been provided in the books of accounts under the heading "Foreign Service Contribution. The above provision is in conformity with the terms & conditions of their services. The amount has not been paid during the year and paid subsequently.
22. There is no contingent liability as on the balance sheet date.
23. Estimated amount of contract remaining to be executed on capital account and not provided for is Rs. Nil (net of advances), (previous year nil)
24. Current Assets, Loans and Advances:- All the current assets, loans and advances in the opinion of the Directors have a value on realization, which in the ordinary course of business shall at least be equal to the amount, at which it is shown in the Balance Sheet.

25. Cash and Bank balances (Schedule D) of Rs. 18,59,84,695/- includes Rs.Nil on account of unutilized equity received from the Government of India.

Cash and Bank balances (Schedule D) of Rs. 18,59,84,695/- includes the following:-

Cash in hand	:	Rs.29,690/-
Balances with scheduled bank		
Saving bank	:	Rs.13,59,55,005/-
FDR/deposits account	:	Rs.5,00,00,000/-

26. During the financial year 2002-03, an amount of Rs.20,000/- has been shown as recoverable from National Safai Karamchari Finance and Development Corporation against their share for participation in an exhibition held on 20-02-03 to 21-02-03 at Noida (U.P) for awareness creation purposes. The matter is still pending. The efforts has been made for recovery of this amount from NSKFDC.
27. As per the Administrative Ministry's directions vide letter no. 3-11/2003-NI-II, dated 8.12.2003, the Corporation made contribution of Rs.3,10,000/- as its share to Artificial Limbs Manufacturing Corporation of India (ALMICO) for construction of Ministry's Information Centre at Social Justice Centre, Ujjain which shall be utilized for dissemination of information about the schemes of the corporation, which has been shown as Advance to ALIMCO in the accounts of the corporation. The matter is still pending.
28. An amount of Rs. 1,75,000/- has been paid to National Backward Classes Finance and development Corporation, New Delhi towards reimbursement of NHFDC share against development and installation of common software for loan accounting systems and MIS system which has been shown as Computer Software Work in Progress in the books of accounts, since the software development process has not been completed during the year 2004-05.
29. a. The Chairman-cum-Managing Director was provided furnished accommodation at A1/51, Safdarjung Enclave, New Delhi with a monthly rent of Rs.25,000/- as approved by the Board of Directors. The recovery @ 12.50% on basic pay per month was made from the salary of CMD every month.
- b. The Corporation has also hired one vehicle for CMD on monthly basis.
- c. Computer, accessories and other parts worth of Rs. 1,42,323/- have been installed at the residence of Sh. H.C.Mahajan, then CMD of the NHFDC. The recovery @ Rs.300/-P.M has been made w.e.f 11.08.2003 as per official memorandum no 7(4)/E(Co-ord)/99 dated 01.08.2000 issued by the Government of India, Ministry of Finance, Department of Expenditure E(Co-ord) Branch.

30. During the year, Prior Period Expenses of Rs. 1,01,615/- has been charged to Income & Expenditure account. Detail of which are as under:

	<u>2004-05</u>	<u>2003-04</u>
Electricity Expenses	--	Rs.2,088/-
Training Expenses(beneficiaries)	--	Rs.13,820/-
Membership Fees	--	Rs. 5,000/-
Leave Salary	--	Rs. 17,136/-
Information Centre	--	Rs. 9,408/-
Promotional Expenses	Rs. 2,750/-	--
Repair & Maint. Of lease Accom.	Rs. 29,698/-	--
Office maintenance	Rs. 140/-	--
General Expenses	Rs. 23,273/-	--
Workshop/Conference exps.	Rs. 45,754/-	--
	-----	-----
	Rs.1,01,615/-	Rs.47,452/-
	=====	=====

31. Additional information in pursuance to the provisions of Part II of Schedule VI to the Companies Act, 1956:

Chairman-cum-Managing Director

	<u>2004-05</u>	<u>2003-04</u>
Pay & Allowances :	2,38,174/-	Rs.4,59,045/-
Other benefits :	73,509/-	Rs. 1,46,072/-

32. Earning Per Share

<u>Particulars</u>	<u>2004-05</u>	<u>2003-04</u>
A. Net Profit for the year attributable to Equity Shareholder's(Rs.)	1,51,98,962	2,47,76,758
B. Weighted Average Number of Equity Shares	6,23,010	5,99,448
C. Basic Earning Per Share(A/b)(Rs.)	24.40	41.33
D. Nominal Value Per Share (Rs.)	1000	1000

33. Previous year's figures have been regrouped/rearranged wherever necessary to correspond with current year's figure.

34. Additional information under part IV of Schedule VI of the Companies Act, 1956:-

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details:-

Registration No	:	05-33466	State Code	:	05
Balance Sheet Date	:	31.03.2005			

II. Capital raised during the year (Amount in Rs. in thousand)

Public issues	:	Nil	Right issue	:	Nil
Govt. subscription (Share application money)	:	10,000	Bonus issue:	:	Nil
Private	:	Nil			

III. Position of Mobilization and Deployment of Funds

(Amount in Rs. in thousand)

SOURCES OF FUNDS

Total liabilities	:	833706	Total Assets	:	833706
Paid up Capital	:	623010	Reserves & Surplus	:	20069
Secured loan	:	Nil	Unsecured loan	:	Nil

APPLICATION OF FUNDS

Net Fixed Assets	:	21.90			
Investment	:	Nil			
Net Current Assets:		831517	Misc. Expenses	:	Nil
Accumulated losses:		Nil			

IV. Performance of Company

Turnover/Receipt	:	24739	Total Expenses	:	9540
Profit before tax	:	15199	Profit after tax	:	15199
Earning per share:		24.40	Dividend	:	NA

(In Rs.)

V. Generic Names of Three Principal products/Services of Company (As per monetary terms)

Item Code No. (ITC Code)	:	Nil
Product Description	:	Financing Projects

Schedule 'A' to 'M' form an integral part of the Accounts.

Certified in terms of our audit report of
even date attached.
For and on behalf of

For and on Behalf of Board of Directors
Sd/-
(Rakesh Garg)
Chairman-cum-Managing Director

Y.K.Joneja & Co.
CHARTERED ACCOUNTANTS

Sd/-
(G.N.Pegu)
Director

Sd/-
(Sanjay Gupta)
Partner

Sd/-
(G.S.Panwar)
Manager(Fin)

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

M.No.95657

Place : FARIDABAD

Dated : 20th July,2006

PROXY FORM

NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION

I of at being a member of the NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION, hereby appoint of as my proxy to vote for me and on my behalf at the 8th (eighth) Annual General Meeting of the Company to be held on the ____day and at any adjournment thereof

Signed this Day of