



BOARD OF DIRECTORS

(As on 4th August, 2009)

1. Shri M. Ravi Kanth Chairman & Managing Director, NHFDC
2. Shri P.K. Sinha Additional Secretary & Financial Advisor,
Ministry of Social Justice & Empowerment
3. Dr. Arbind Prasad Joint Secretary (DD),
Ministry of Social Justice & Empowerment
4. Dr. (Smt). Vinita Sharma Scientist "G",
Department of Science & Technology
5. Shri K.S. Ludu Additional Development Commissioner (SSI),
Ministry of Small Scale Industries
6. Shri Anant Charan Padhi Chairman-cum-Managing Director,
National Scheduled Castes Finance &
Development Corporation
7. Shri S.K. Mukherjee Chairman & Managing Director,
Artificial Limbs Manufacturing Corporation
8. Shri Deepak Gupta General Manager,
Industrial Development Bank of India
9. Shri R.N. Yadav Dy. General Manager
Small Industries Development Bank of India

Shri R.K. Mishra Company Secretary

Internal Auditors M/s. Jai Kishan Gupta & Co.,
Chartered Accountants
2/20. Double Storey, Jangpura Extn.,
New Delhi – 110 014

Statutory Auditors M/s. Virmani, Roy & Kutty,
Chartered Accountants,
7-9-710, Ansal Chambers-II,
6, Bhikaji Cama Place, New Delhi – 110066



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NOTICE

Notice is hereby given that the 12th Annual General Meeting of NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION will be held on Wednesday, the 23rd day of September, 2009 at 4.00 P.M. at the Registered Office of the Company at Red Cross Bhavan, Sector -12, Faridabad - 121007 to transact the following business:-

ORDINARY BUSINESS:

01. To receive, consider and adopt Directors' Report, Audited Balance Sheet as at 31st March, 2009 and Income and Expenditure Account for the period ended on that date along with the reports of Auditors thereon.
02. To fix the remuneration of M/s. Virmani, Roy & Kutty, Chartered Accountants, Statutory Auditors appointed by Comptroller & Auditor General of India and in this connection to consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 224(8)(aa) and other applicable provisions (if any) of the Companies Act, 1956 the Corporation hereby approves an amount of Rs. 66,000/- (Rupees sixty six thousand only) plus service tax (at the applicable rate) as audit fee to be paid to M/s. Virmani, Roy & Kutty, Chartered Accountants, Statutory Auditors of the Corporation for the financial year 2008-09 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 : 14/9/2009

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

Dear Members,

Your Directors are pleased to present the Twelveth Annual Report on operations of your Corporation together with the audited statement of accounts for the period from 1st April 2008 to 31st March 2009 alongwith Statutory Auditors' report thereon.

1. 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 empowerment & social development of persons with disability. As on date of this report, the Authorised share capital of the Corporation is Rs. 400.00 Crore. The paid-up share capital of the Corporation as at 31st March, 2009 was Rs. 98.80 Crore divided into 9,88,010 nos. of equity shares of Rs. 1,000/- each. The entire equity is held by Government of India.

2. GENERAL PERFORMANCE

The Corporation has made good progress in respect of sanctions and disbursements during the current financial year 2008-09. An amount of Rs.41.22 Crore was sanctioned during the current financial year 2008-09 as compared to Rs. 33.81 Crore sanctioned during the previous financial year 2007-08. Thus, a growth of 21.89% was achieved in sanction of loan.

An amount of Rs. 30.30 Crore was disbursed during the financial year 2008-09 as compared to Rs. 28.44 Crore disbursed during the financial year 2007-08, an increase of 6.56% over the preceding financial year 2007-08.

3. FINANCIAL HIGHLIGHTS

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

Particulars	<i>(Amt. in Rs. Lac)</i>	
	For F.Y. ended 2008-09	For F.Y. ended 2007-08
Total Income	326.69	332.51
Operating and General Expenses	293.28	154.52
Surplus (before Depreciation, Provision for Bad & Doubtful Debts, Prior period Adj.)	33.41	177.99
Provision for Bad & Doubtful Debts#	285.85	Nil
Depreciation	14.84	10.34
Prior period Adjustment + /(-)	(21.23)	18.97
Surplus/(Deficit)	(288.51)	186.62

Provision for bad & doubtful debts has been made for the first time in the Corporation in the current financial year 2008-09.

4. DEFICIT FOR THE YEAR

The Corporation incurred deficit of income as compared to expenditures (after making adjustment for prior period expenses) for an amount of Rs. 288.51 lakh during the financial year 2008-09 under report. The deficit has been carried forward and adjusted from General Reserves Account of the Corporation.

In previous years, the Corporation had not framed any policy for identification of non-performing assets and providing any provision against the same. Norms for identification of non-performing assets and making provisions against the same was made applicable for the first time in the Annual accounts of current financial year (2008-09) and as a result, Rs. 2.86 Crore (approx.) was charged to income & expenditure account, adversely affecting the financial health of the Corporation.

5. DIRECTORS

During the financial year 2008-09, following changes had taken place in the Board of Directors of the Corporation.

- a) Shri Pradeep Kumar Sinha, Additional Secretary & Financial Advisor, Ministry of Social Justice & Empowerment, Government of India was appointed as Ex-officio Director on the Board of NHFDC with effect from 30th July, 2008 for a period of three years or until further orders, whichever is earlier, in place of Shri Sanjiv Kumar Mittal, former Joint Secretary and Financial Advisor, Ministry of Social Justice & Empowerment.
- b) Shri Karnail Singh Ludu, I.E.S., Additional Development Commissioner (Small Scale Industries), Government of India was appointed as Ex-officio Director on the Board of NHFDC with effect from 16th May, 2008 for a period of three years or until further orders, whichever is earlier, in place of Shri Jawher Sircar, I.A.S., Additional Secretary and Development Commissioner, Small Scale Industries.
- c) Shri Samir Kumar Mukherjee, Chairman-cum-Managing Director, Artificial Limbs Manufacturing Corporation was appointed as Ex-officio Director on the Board of NHFDC with effect from 16th May, 2008 for a period of three years or until further orders, whichever is earlier, in place of Shri A. K. Bhattacharyya, Ex- Chairman-cum-Managing Director, ALIMCO.
- d) Dr. Arbind Prasad, I.A.S., Joint Secretary, (Disability Division), Ministry of Social Justice & Empowerment, Government of India was appointed as Ex-officio Director on the Board of NHFDC with effect from 26th February, 2009 for a period of three years or until further orders, whichever is earlier, in place of Smt. Purnima Singh, Joint Secretary, Ministry of Social Justice & Empowerment.
- e) Shri Ram Niwas Yadav, Deputy General Manager, Small Industries Development Bank of India (SIDBI) was re-appointed as Ex-officio Director on the Board of NHFDC with effect from 26th February, 2009 for a period of three years or until further orders, whichever is earlier after subsequent to expiry of his tenure as Director of the Corporation on 25th December, 2008.

6. STATUTORY AUDITORS FOR THE FINANCIAL YEAR 2008-09

M/s. Virmani, Roy & Kutty, Chartered Accountants, New Delhi, were appointed as the Statutory Auditors of the Company for the Financial Year 2008-09 vide Comptroller & Auditor General of India letter No. CA.V/ COY/CENTRAL GOVT. HANDIF (1)/334 dated 11.8.2008.

The Statutory Auditors have audited the Annual accounts of the Company for the financial year 2008-09. Management's replies on observations/ qualifications in the report of Statutory auditors are annexed to this report at Annexure-I.

7. 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.

8. FIXED DEPOSITS

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

9. ISO CERTIFICATION: ISO 9001: 2000

The Corporation has established Quality Management System and aims at continual improvement of the same focusing on better services and enhanced satisfaction of stakeholders. The Corporation has been granted license under IS/ISO 9001:2000 Certification from Bureau of Indian Standards.

10. LIBERALISATION OF LENDING POLICY

Since the previous report, the Corporation had liberalized certain aspects of the lending policy with intent to ensure smooth flow of required funds, for the benefit of persons with disabilities.

Important changes in the lending policy since the previous report of Board of Directors are as under:

I. ADVANCE FUNDING TO STATE CHANNELISING AGENCIES

The Corporation had brought out amendments in the mechanism of 'advance funding' to State Channelising Agencies/Banks (acting as implementing agency of NHFDC) to make it more effective. As per the revised norms, loan may be released in advance at the request of the implementing agency upto an amount equal to highest of net disbursement (meaning amount released to the agency during a financial year as reduced by refunds received from the agency during the same financial year) in the three preceding financial year. The Corporation has built in conditions to ensure that the funds released under this mechanism are utilized for the benefit of persons with disabilities.

II. ELIGIBILITY CRITERIA- INCOME LIMITS

The income limit prescribed as one of the eligibility criteria was amended to cover more persons with disabilities under welfare schemes of the corporation.

The income limit per annum was earlier Rs. 1.60 lac (for persons with disabilities residing in rural area) and Rs.2.00 lac (for persons with disabilities residing in urban area)

The aforesaid income limits per annum have been upwardly revised to Rs.5.00 lac (for persons with disabilities residing in urban area) and Rs.3.00 lac (for persons with disabilities residing in rural area).

III. ENHANCEMENT OF LOAN AMOUNT (UPPER LIMITS) UNDER NHFDC SCHEMES

In order to ensure that necessary financial assistance is made available for various economic activities to be carried out by persons with disabilities, the corporation revised upper loan limits in respect of various projects/service activities as under:

Sl	Particulars of the loan/ activity	Loan Amount (upper limit in Rs.)	
		EXISTING	REVISED
1.	For setting up small business in Service/ Trading sector	Rs. 1.0 lakh for sales trading activity Rs. 3.0 lakh for service sector activity	Rs. 3.0 lakh for sales trading activity Rs. 5.0 lakh for service sector activity
2.	For agricultural Activities : Agricultural production, irrigation, horticulture, sericulture, purchase of agricultural machinery/ equipment for agricultural service, marketing of agriculture products etc.	Rs. 5.0 lakh.	Rs. 10.00 lakh.
3.	For purchase of vehicle for commercial hiring	Rs. 5.0 lakh	Rs.10.00 lakh
4.	For self-employment amongst persons with mental Retardation, Cerebral Palsy and Autism	Rs. 3.0 lakh	Rs. 5.0 lakh
5.	For setting up small industries unit	Rs. 5.0 lakh.	Rs. 25.0 lakh.

IV. THE SCHEME OF ENTREPRENEURIAL AND SKILL DEVELOPMENT PROGRAMMES (EDP)

The Corporation amended the scheme of entrepreneurial and skill development programmes (EDP) for Persons with Disabilities during the period under report.

Now, as per the revised scheme, the Corporation would provide 100% of expenditure towards EDP training as grant. A stipend of Rs.500/- per month per trainee has also been allowed. Further, maximum duration of training has been enhanced from three months to six months.

The revised scheme for EDP training aims at providing the necessary training to persons with disabilities so as to enable them to engage in gainful employment and / or establish and carry out income generating activities successfully.

During the period under report NHFDC has successfully organized eleven (11) EDP/Skill development trainings in 8 States. The Corporation has been extending the financial assistance for EDP training out of its own resources.

11. CONFERENCES & WORKSHOPS OF STATE CHANNELISING AGENCIES

The Corporation believes in maintaining harmonious relations with its implementing agencies. Hence, workshops/conferences are organized from time to time where the CEOs/representatives of the State Channelising Agencies (SCAs) and NHFDC officials interact and discuss issues concerning implementation of schemes for the benefit of persons with disabilities.

During the year under review, the Corporation organized one National Level Conference on 18th September, 2008 at Delhi and all State Channelising Agencies (SCAs) were invited to this conference.

The Corporation also organized a regional Conference at Chandigarh on 31.10.2008 involving SCAs of Northern states. Another regional conference was organized by the Corporation at Gangtok (Sikkim) on 11.11.2008 involving SCAs of North-East & Eastern States

12. MARKET INTERVENTION MEASURES

The Corporation encourage participation of beneficiaries assisted under its schemes in various trade fairs like, India International Trade Fair (IITF), at Delhi, Shilpotsav at Dilli Haat, Delhi, Surajkund Crafts Mela at Surajkund, Faridabad,.

The Corporation assisted participating beneficiaries by way of availing space (free of cost), TA/DA for the participating beneficiary and his/her escort, re-imburement of freights for carriage of products for exhibition/sale.

NHFDC beneficiaries also participated at Ramnavmi Mela at Bhabua, Bihar, exhibitions at Valluvarkottam auditorium at Chennai, Tamil Nadu, Sasaram and Tilouthu, Bihar, Jawahar Kala Kendra, Jaipur, Rajasthan, awareness camp at Khari Gaon, Bihar, Gauhar Mehal, Bhopal, Madhya Pradesh.

13. ACHIEVEMENT OF EXCELLENT TARGETS OF MOU 2008-09

The Corporation has achieved targets set out in (Memorandum of Understanding) MOU 2008-09 in excellent category. Achievements of the Corporation in respect of MOU targets for the year 2008-09 have been sent to Department of Public Enterprises (DPE) for rating of performances. The rating of DPE for the year 2008-09 is awaited.

14. EXECUTION OF MEMORANDUM OF UNDERSTANDING FOR 2009-10

The Corporation has executed the Memorandum of Understanding (MOU) with Ministry of Social Justice & Empowerment, Government of India, (the Administrative Ministry) setting out targets for the financial year 2009-10.

The targets set out in the MOU for 2009-10 is at Annexure-II to this report.

15. RAJBHASHA IMPLEMENTATION

The Corporation encourages the use of Rajabhasha in office works. Hindi Pakhwara was celebrated in the Corporation in September, 2008. Various competitions were organized during Hindi Pakhwara. During, the year, many documents/letters of your Corporation were translated into Hindi. Quarterly meetings of Official Language Implementation Committee of your Corporation were regularly held in which progress of use of Hindi was reviewed.

All printed materials about the schemes of the Corporation for the benefit of persons with disabilities are published in Hindi. The website of the Corporation (www.nhfdc.org) is maintained both in Hindi and English.

The Corporation is publishing quarterly news-letter containing among other things, important information about the Corporation, lending policies, etc., both in Hindi and English.

The use of Rajbhasha in the Corporation had been subjected to inspection of Committee of Parliamentarians on Rajbhasha on 7.4.2008.

16. HUMAN RESOURCES

The Corporation was short of staff as many of the sanctioned strength were vacant for a long time. In view of the need for required staffs for carrying out responsibilities in order to facilitate smooth operations, officers/staffs have been recruited at various levels during the financial year 2008-09. Total 13 (Thirteen) officers/staffs were recruited at Group 'A', 'B' and 'C' cadre during the financial year 2008-09.

The recruitment process is going on for filling certain other vacancies on the basis of needs of the Corporation.

Five employees at various levels left the Corporation during the financial year 2008-09.

17. INFORMATION ABOUT EMPLOYMENT OF PERSONS WITH DISABILITIES, SCHEDULED CASTES, SCHEDULED TRIBES, OTHER BACKWARD CLASSES

The information pertaining to representation of persons with disabilities in the employment of the Corporation as at 31.3.2009 is provided in tabular form at Annexure-III to this report.

The information pertaining to representation of Scheduled Castes, Scheduled Tribes, Other Backward Classes in the corporation are provided in tabular form at Annexure-IV to this report.

18. 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.

19. EVALUATION STUDY

During the year under review, the Corporation had conducted evaluation study in Maharashtra, Tamil Nadu, Kerala, Karnataka and Andhra Pradesh through professional agencies for evaluating implementation of schemes of the Corporation for benefit of persons with disabilities.

20. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2008-09, there was no foreign exchange earnings. The foreign exchange outgo during the year under review amounted to Rs.5,07,200/- on account of travel of Chairman-cum-Managing Director to Europe, leading persons with disabilities from Maharashtra on study tour.

21. ACKNOWLEDGEMENTS

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

On behalf of Board of Directors

For NATIONAL HANDICAPPED FINANCE AND
DEVELOPMENT CORPORATION

Sd/-

Date : 4th Day of August, 2009
Place: New Delhi

(M. RAVI KANTH)
Chairman-cum- Managing Director

Sl. No.	Observation/Qualification of Statutory Auditors (Para-5 of the report of Statutory Auditors)	Management's reply
1.	<p><u>Para:5.1</u> The Corporation has framed its own policy of prudential norms for the purpose of identifying non-performing assets and creation of provision in the Books of Accounts. However these policies are not as per the Prudential Norms of the Reserve Bank of India. An amount of Rs. 2,85,84,861/- has been provided in the current year as provision for Bad & doubtful debts.</p>	<p>The Corporation has been registered under section 25 of the Companies Act, 1956 under Ministry of Social Justice and Empowerment, Government of India and works for economic empowerment of persons with disabilities, a socially weaker section of the society. There are also four sister corporations under Ministry of Social Justice & Empowerment catering to the needs of their respective target group and have framed their own prudential norms for identification of non-performing assets.</p> <p>Your corporation has also framed the prudential norms for identification of non-performing assets after taking into account relevant factors and policies of the sister Corporations.</p> <p>Your Corporation is not registered with Reserve Bank of India and Prudential Norms of the Reserve Bank of India are not mandatory for this Corporation.</p>
2.	<p><u>Para-5.2</u> The Corporation has recognized Rs. 14,44,324/- as income for the current year, although this pertains to interest on accounts which have been declared Non Performing Assets. This in our opinion is not correct. However out of this Rs. 8,32,302/- has been received during the year and provision has been made for the balance amount of Rs. 6,12,022/-.</p>	<p>The Corporation made provision for doubtful loans in terms of laid down policy (refer Para-6 of the 'Accounting Policy' as contained in Schedule 'O' forming part of Annual accounts).</p> <p>The disclosure at Note-14 of Schedule 'O' may also be referred in this regard.</p> <p>As per Para-4 of Accounting Policies (Schedule-O), 'Interest on loans and investments are accounted for on accrual basis</p> <p>Hence, Rs.14,44,234/- referred by the Statutory Auditors has been recognized and accounted as interest income for the financial year 2008-09 on accrual basis of accounting, irrespective of receipt/non-receipt of the said amount.</p> <p>The aforesaid income recognition is as per accrual basis of accounting and in accordance with Accounting policies followed by the Corporation.</p>
3.	<p><u>Para -5.3</u> Circularization of Loan balances from all the State Channelising Agencies and Non-Government Organisations have been done and is presently under reconciliation.</p>	<p>The observation of Statutory Auditors is self-explanatory.</p>

Sl. No.	Observation / Qualification of Statutory Auditors (Para-5 of the report of Statutory Auditors)	Management's reply
4.	<p><u>Para-5.4</u> The Loan register and the General Ledgers have not been reconciled since long and hence the Interest Income figure in the Income & Expenditure Account as well as the figure of Loans and Advances (only the portion of interest accumulated) in the Balance Sheet may not be correct.</p>	<p>The Corporation had engaged independent Chartered Accountant firm for reconciliation of General Ledgers with loan sub-ledgers for the period from financial year 1997-98 to 2007-08. The said firm has submitted reconciliation statements for the aforesaid period which are being cross-checked by the Corporation with relevant loan records.</p> <p>Necessary rectifications, if any, shall be carried out in the books of accounts accordingly.</p> <p>It is also relevant to mention that the Corporation raises demands on channelizing agencies/ Non-Government Organisations on quarterly basis. Queries, if any, raised by these agencies on interest charged by the Corporation are taken into account and resolved to the satisfaction of the concerned agency.</p> <p>So, the Corporation is taking necessary care to ensure that the interest is correctly booked.</p>
5.	<p><u>Para-5.5</u> There are 14 State Channelizing Agencies to whom Loans have been granted from whom 100 % guarantee has not been obtained which is against the lending policy.</p>	<p>Your Corporation is pursuing with the concerned State Government Authorities for furnishing adequate Government Guarantee.</p> <p>There are 4 State Channelising Agencies (SCAs) which are located in U.Ts. amongst 14 SCAs reported by the Statutory Auditors. Guarantee from Union Territories is a debatable issue.</p>
6.	<p><u>Para-5.6</u> No penal Interest nor liquidated damages is being charged from the defaulting Channelizing agencies. As per information this decision is pending before the Government of India although a Board resolution had been passed way back on 18.12.2003.</p>	<p>The observation of Statutory Auditors is self-explanatory.</p>
7.	<p><u>Para-5.7</u> The Corporation has filed an application for the grant of Exemption of Income Tax under Section 10(23)(c)(iv) of The Income tax Act, 1961, however there has been no further progress and the Exemption Certificate is still awaited.</p>	<p>The Corporation has engaged a professional Chartered Accountant firm for guidance and taking up the matter with Income tax Authorities on behalf of the Corporation for obtaining the exemption certificate at the earliest.</p>

Sl. No.	Observation / Qualification of Statutory Auditors (Para-5 of the report of Statutory Auditors)	Management's reply
8.	Para-5.8 Prior Period adjustments have been showing an increase over the years, the current year being Rs.21,22,779/- (previous year- Rs.18,97,785). This due to the fact that bills/approvals are not being obtained on time.	The Corporation is continuously pursuing with concerned agencies/ parties, to whom advances have been made, for furnishing relevant bill/details at the earliest. Necessary steps are being taken to reduce occurrence and booking of prior period transactions in books of accounts in future.
9.	Para-5.9 Rs.6,58,247/- has been credited to the State Bank of India for which no details have been made available as per note No.16 of B. Notes to Accounts Schedule O.	Rs.6,58,247/- referred in the report, had been received through Real Time Gross Settlement (RTGS) system in the saving bank account of the Corporation maintained with State Bank of India, Faridabad (NIT Branch). The source of these receipts could not be established so far and the matter has been taken up with the Bank.
10.	Para-5.10 The accounts of the Corporation continues to be maintained manually although a parallel run with "TALLY" software is in vogue. This in our opinion is a duplication of work and a lot of time and effort is wasted on this. The calculation of Interest is maintained manually and we suggest to enhance the efficiency suitable customized software should be procured.	The corporation is maintaining the books of accounts manually since inception. Tally software was installed in the Corporation during financial year 2007-08 in order to derive the benefits of computerized accounting. Initial training for operating Tally software was also imparted to employees in Accounts department. However, expertise in use of Tally for maintenance of accounts would take some time and mistakes may creep in due to lack of expertise in using the said software. Hence, it was thought prudent to maintain the accounts in Tally as well as manual system as a matter of abundant caution, to guard against inappropriate handling/use of Tally system. The Corporation would switch over from manual accounting to computerized accounting only after ensuring that the computerized accounting can be maintained in a reliable manner. The advice of Statutory Auditors for customized software for computation of interest is noted. The corporation would take appropriate steps in this regard.

Sl. No.	Observation / Qualification of Statutory Auditors (Para-5 of the report of Statutory Auditors)	Management's reply
11.	Para-5.11 An amount of Rs.34,37,500 was paid on 31th March 2009 to Delhi Tourism & Transport Development Corporation Ltd. for acquiring 3 stalls at the Dilli Haat, Pitam Pura. Till date, no formal agreement with the DTTDC has been made nor the period of lease been finalized	The matter is being taken up with the Administrative Ministry as well as Delhi Tourism & Transport Development Corporation Ltd., New Delhi for execution of the agreement for acquisition of 3 stalls in Dilli Haat, Pitam Pura on lease. Necessary accounting treatment shall be carried out after the signing of the agreement.
12.	Para-5.12 Depreciation is not being strictly charged as per the Schedule XIV of the Companies Act,1956, refer Accounting Policy A.3 (b) of Schedule O.	In respect of 'depreciation of fixed assets' as referred at Para-3(b) of Accounting Policies (Schedule-'O'), the corporation has been consistently following the said principle since inception. The said policy had not been questioned earlier. Observation of Statutory Auditors in this regard is noted. The corporation would address the issue and carry out necessary adjustments, as may be necessary, in future.
13.	Para-5.13 Change in Gratuity and leave encashment policy as per Accounting Policy A.5 (a) and (b) of Schedule O.	The Statutory Auditors of the Corporation for the financial year 2007-08 had interalia observed that 'Gratuity and Leave Encashment had been provided in a flat manner payable on a future date, without computing its present value.' They had also remarked that provisions of these liabilities were not supported by Actuarial valuation. Management had considered the aforesaid observation and engaged Life Insurance Corporation of India (LIC) for actuarial valuation. This has been clarified by way of note given in Accounting Policy at Para 5 (a) and (b) of Schedule O.

Annexure -II

Performance Evaluation Parameters & Targets

PART-IV

Evaluation Criteria			B.E. (09-10) Proj.	Excell- ent	Very Good	Good	Fair	Poor	
1.	<u>Static /Financial Parameters</u>	Unit Weig ht		(1)	(2)	(3)	(4)	(5)	
A)	<u>Financial Indicators - Profit related</u>	28							
i)	Loan Sanctions	Rs. Cr. 8	29.69	33.25	31.26	29.69	28.21	26.52	
ii)	<u>Disbursements for:</u>								
a)	Trading & Sales Activities	Rs. Cr. 2	13.67	15.20	14.35	13.67	13.00	12.20	
b)	Service sector Activities	Rs. Cr. 1	6.00	6.75	6.30	6.00	5.70	5.40	
c)	Agricultural activities	Rs. Cr. 1	4.00	4.50	4.25	4.00	3.80	3.55	
d)	Small Business Activities (Manufacturing/production)	Rs. Cr. 1	0.75	0.85	0.80	0.75	0.70	0.65	
e)	Vehicles for Commercial Hiring	Rs. Cr. 1	1.50	1.65	1.58	1.50	1.43	1.35	
f)	Education Loan	Rs. Cr. 1	0.10	0.15	0.12	0.10	0.09	0.08	
g)	Micro Credit Scheme	Rs. Cr. 1	1.00	1.15	1.05	1.00	0.95	0.90	
	Total (a+b+c+d+e+f+g)	Rs. Cr. 8	27.02	30.25	28.45	27.02	25.67	24.13	
iii)	Overall Recovery % from SCAs and NGOs (Cumulative)	% 7	74	77	75	74	73	72	
iv)	Administrative Expenses (in Rs Cr.)/Gross Disbursements	Ratio 5	0.15729	0.14046	0.14943	0.15729	0.16516	0.17506	
B)	<u>Financial Indicators - Size related</u>								
i)	Gross Margin	Rs. Cr. 8	(2.7153)	(2.3990)	(2.5795)	(2.7153)	(2.8511)	(3.0506)	
ii)	Income from Loans	Rs. Cr. 6	2.63	2.93	2.76	2.63	2.50	2.35	
C)	<u>Financial returns - Productivity related</u>								
i)	PBIDT/Total Employment	Ratio 8	(0.0679)	(0.0606)	(0.0645)	(0.0679)	(0.0713)	(0.0763)	
	Sub total (A+B+C)	50							
2.	<u>Dynamic Parameters</u>								
D)	Field Inspection of NHFDC beneficiaries by NHFDC Officials	Nos. 6	160	180	170	160	150	140	
E)	Training of NHFDC Officials/Employees	Nos. 5	7	10	8	7	6	5	
F)	Implementation /Action to be taken on the basis of Evaluation /Impact Study of NHFDC Schemes carried during 2008-09	Time 5	31.12.09	31.10.09	30.11.09	31.12.09	31.01.10	28.02.10	
G)	Participation of NHFDC Beneficiaries in Exhibitions (No. of Exhibitions)	Nos. 5	10	12	11	10	9	8	
H)	Networking with SCAs through I.T. for data Exchange- No. of State Channelising Agencies to be connected through Networking	Nos. 5	4	6	5	4	3	2	
I)	No. of NGOs to be inspected by NHFDC officials	Nos. 4	20	23	21	20	18	17	
	Sub total (D+E+F+G+H+I)	30							
3.	<u>Sector Specific Parameters</u>								
i)	Awareness Campaign /Workshops	Nos. 5	6	10	8	6	5	4	
ii)	National /Regional level Conference to be organised by NHFDC	Nos. 5	1	3	2	1	---	---	
4.	<u>Enterprise Specific Parameters</u>	10							
i)	Utilisation of NHFDC loan by SCAs against loan released during the year	% 5	--	65.00%	61.00%	58.00%	55.00%	51.00%	
ii)	EDP and Skill Development Training to persons with disabilities	Nos. 5	500	555	525	500	475	450	
	Total (1+2+3+4)	100							
	Note: Figure in bracket indicates (-ve) Negative value								

Annexure - III**REPRESENTATION OF THE PERSONS WITH DIABILITY AS ON 31.03.2009**

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

Note:

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

* Vacancy reserved for VH category, will be filled as and when vacancy arises in this group.

** Person belongs to OH and OBC category has been appointed in OBC category.

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

Annexure -IV

REPRESENTATION OF SCs, STs, AND OBCs AS ON 31.03.2009

Group	Number of Employees				Number of Appointment made during the previous Financial year (01.04.2008- 31.03.2009)										
					By Direct Recruitment				By Promotion			By other Methods			
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	VH	HH	OH	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Group A	11	02	--	03	06	--	--	02	--	--	--	--	--	--	
Group B	02	--	--	--	02	--	--	--	--	--	--	--	--	--	
Group C	12	01	--	01	07	--	--	02	--	--	--	--	--	--	
Group D (Excluding Safai Karamcharis)	05	01	--	01	--	--	--	--	--	--	--	--	--	--	
Group D (Safai Karamcharis)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Total	30	04	--	05	15	--	--	04	--	--	--	--	--	--	

Note:

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

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 31 MARCH 2009

The preparation of financial statements of National Handicapped Finance and Development Corporation, Faridabad, for the year ended 31 March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 04 August 2009.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956, of the financial statements of National Handicapped Finance and Development Corporation, Faridabad, for the year ended 31 March 2009. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under Section 619(4) of the Companies Act, 1956, which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related Report:

General

The Company did not prepare and present the Cash Flow Statement for the year ended 31 March 2009 as per the requirements of Accounting Standard 3. The Statutory Auditor also failed to qualify the non-compliance of Accounting Standard 3 by the Company.

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

Sd/-

(Ghazala Meenai)

Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-III,
New Delhi

Place : New Delhi
Dated : 10th September 2009

Deepak Virmani, F.C.A.
Abhijit Roy, F.C.A., L.L.B.
Arun Kutty, F.C.A.
Nitin Rajput, A.C.A.

VIRMANI, ROY & KUTTY
CHARTERED ACCOUNTANTS
709 - 710, Ansal Chambers- II,
6, Bhikaji Cama Place, New Delhi -110066
Tel : 26195564, 26193870, Fax : 26187790
E-mail : vrkca@vsnl.com, vrkca@airtelmail.in

AUDITOR'S REPORT

TO THE MEMBERS OF NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION.

1. We have audited the attached Balance Sheet of **National Handicapped Finance and Development Corporation** as at 31st March, 2009 and the annexed Income & Expenditure Account for the year ended on that date. These financial statements are the responsibility of the Corporations' management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of materials misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. This report does not include the statement on the matters specified in the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, as the said order is not applicable to this corporation since it is registered under Sector 25 of the said act. We report that :.
4. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit :
5. In our opinion, proper books of account as required by the law have been kept by the Corporation, so far as appears from our examination of the books:
 - i) The Balance Sheet and the Income & Expenditure Account dealt with by this report are agreement with the books of account :
 - ii) In our opinion, the Balance Sheet and the 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;
 - iii) The provisions of Section 274 (1) (g) of the Companies Act, 1956, are not applicable to the Corporation.

iv) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts **subject** to :

- 5.1 The Corporation has framed its own policy of prudential norms for the purpose of identifying non-performing assets and creation of provision in the Books of Accounts. However these policies are not as per the Prudential Norms of the Reserve Bank Of India. An amount of Rs.2,85,84,861 has been provided in the current year as provision for Bad & doubtful debts**
- 5.2 The Corporation has recognized Rs14,44,324 as income for the current year, although this pertains to interest on accounts which have been declared Non Performing Assets. This in our opinion is not correct. However out of this Rs. 8,32,302 has been received during the year and provision has been made for the balance amount of Rs. 6,12,022**
- 5.3 Circularization of Loan balances from all the State Channelizing Agencies and Non-Government Organisations have been done and is presently under reconciliation.**
- 5.4 The Loan register and the General Ledgers have not been reconciled since long and hence the Interest Income figure in the Income & Expenditure Account as well as the figure of Loans and Advances (only the portion of interest accumulated) in the Balance Sheet may not be correct.**
- 5.5 There are 14 State Channelizing Agencies to whom Loans have been granted from whom 100 % guarantee has not been obtained which is against the lending policy.**
- 5.6 No penal Interest nor liquidated damages is being charged from the defaulting Channelizing agencies. As per information this decision is pending before the Government of India although a Board resolution had been passed way back on 18.12.2003.**
- 5.7 The Corporation has filed an application for the grant of Exemption of Income Tax under Section 10 (23)(c) (iv) of The Income tax Act, 1961, however there has been no further progress and the Exemption Certificate is still awaited.**
- 5.8 Prior Period adjustments have been showing an increase over the years, the current year being Rs. 21,22,779 (previous year - Rs.18,97,785) This due to the fact that bills/approvals are not being obtained on time.**
- 5.9 Rs.6,58,247/- has been credited to the State Bank Of India for which no details have been made available as per note No.16 of B. Notes to Accounts Schedule O.**
- 5.10 The accounts of the Corporation continues to be maintained manually although a parallel run with "TALLY" software is in**

vogue. This in our opinion is a duplication of work and a lot of time and effort is wasted on this. The calculation of Interest is maintained manually and we suggest to enhance the efficiency suitable customized software should be procured.

5.11 *An amount of Rs.34,37,500 was paid on 31th March 2009 to Delhi Tourism and Transport Development Corporation Ltd., for acquiring 3 stalls at the Dilli Haat, Pitam Pura. Till date no formal agreement with the DTTDC has been made nor the period of lease been finalized.*

5.12 *Depreciation is not being strictly charged as per the Schedule XIV of the Companies Act, 1956, refer Accounting Policy A.3 (b) of Schedule O.*

5.13 *Change in Gratuity and leave encashment policy as per Accounting Policy A.5 (a) and (b) of Schedule O.*

And read together with the notes on accounts thereon give 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 the Balance Sheet, of the state of affairs of the Corporation as at 31st March, 2009; and
- ii. in the case of the Income and Expenditure Account, of the Deficit of the Corporation for the year ended on that date.

Date : 04/08/09
Place : New Delhi

For Virmani, Roy & Kutty
Chartered Accountants

Sd/-
ARUN S. KUTTY, F.C.A.
(PARTNER)
M. NO. 084560

Net Block

45,71,948

BALANCE SHEET AS AT 31ST MARCH 2009

(Amount in Rupees)

<u>PARTICULARS</u>	SCHEDULES	<u>AS AT</u> <u>31.03.2009</u>	<u>AS AT</u> <u>31.03.2008</u>
A. SOURCES OF FUNDS			
<u>SHAREHOLDER'S FUNDS</u>			
Share Capital	A	98,80,10,000	86,80,10,000
Share application money pending Allotment		9,00,00,000	3,00,00,000
Reserve & Surplus	B	23,28,21,512	26,16,72,476
TOTAL		<u>1,31,08,31,512</u>	<u>1,15,96,82,476</u>
B. APPLICATION OF FUNDS			
<u>FIXED ASSETS</u>			
Gross Block	C	1,23,05,536	1,06,19,149
Less : Accumulated Depreciation		77,33,588	62,49,433
Net Block		<u>45,71,948</u>	<u>43,69,716</u>
CURRENT ASSETS, LOANS AND ADVANCES			
<u>CURRENT ASSETS</u>			
(a) Cash and Bank Balances	D	12,67,19,827	7,87,39,288
(b) Other Current Assets	E	8,26,514	10,04,827
(c) Loans and Advances	F	1,19,94,96,541	1,08,11,55,126
		<u>1,32,70,42,882</u>	<u>1,16,08,99,241</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
a) Current Liabilities	G	1,87,34,988	44,02,051
b) Provisions	H	20,48,330	11,84,430
Net Current Assets		<u>2,07,83,318</u>	<u>55,86,481</u>
		1,30,62,59,564	1,15,53,12,760
TOTAL		<u>1,31,08,31,512</u>	<u>1,15,96,82,476</u>

Accounting Policies and Notes on Accounts **O**

Schedules 'A' to 'O' 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 the Board of Directors

M/s Virmani, Roy and Kutty

Chartered Accountants

Sd/-

(Arun S. Kutty)

Partner

M.No. 84560

Date : 4th August 2009

Place : New Delhi

Sd/-

(A.C. Padhi)

Director

Sd/-

(M.Ravi Kanth)

Chairman-cum-Managing Director

Sd/-

(G.S.Panwar)

Manager (Finance)

Sd/-

R.K.Mishra

Company Secretary

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2009

(Amount in Rupees)

<u>PARTICULARS</u>	<u>SCHEDULES</u>	<u>FOR THE</u> <u>YEAR ENDED</u> <u>31.03.2009</u>	<u>FOR THE</u> <u>YEAR ENDED</u> <u>31.03.2008</u>
A. INCOME			
Interest from Loans	I	2,47,34,979	2,31,65,354
Other Receipts	J	79,34,152	1,00,85,670
TOTAL :		3,26,69,131	3,32,51,024
B. EXPENDITURE			
Payments to and Provisions for Employees	K	1,26,86,235	66,55,133
Administrative & Other Expenses	L	1,66,42,087	87,97,096
Depreciation	C	14,84,155	10,34,326
Provision for Bad & Doubtful Loans	M	2,85,84,861	0
Prior Period Income/(Expenses) Net	N	(21,22,757)	18,97,785
Excess (+)/Deficit (-) of Income over Expenditure (after prior period adjustments) transferred to General Reserve A/c		(-)2,88,50,964	1,86,62,254
TOTAL :		3,26,69,131	3,32,51,024
Accounting Policies and Notes on the Accounts	O		
Basic/Diluted Earning per share		-30.77	23.24
Schedules 'A' to 'O' form an integral part of the Accounts Certified in terms of our audit report of even date attached.			
Schedules 'A' to 'O' 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 the Board of Directors	
M/s Virmani, Roy and Kutty Chartered Accountants			
Sd/-		Sd/- (M.Ravi Kanth)	
(Arun S. Kutty) Partner M.No. 84560	Sd/- (A.C. Padhi) Director	Chairman-cum-Managing Director	
Date : 4th August 2009	Sd/- (G.S.Panwar)		Sd/- R.K.Mishra Company Secretary
Place : New Delhi	Manager (Finance)		

<u>SHARE CAPITAL</u>	<u>AS AT 31.03.2009</u>	<u>SCHEDULE 'A'</u> (Amount in Rupees) <u>AS AT 31.03.2008</u>
<u>AUTHORISED</u>		
40,00,000 Equity Shares of Rs.1,000/- each	<u>4,00,00,00,000</u>	<u>4,00,00,00,000</u>
<u>ISSUED, SUBSCRIBED & PAID-UP</u>		
9,88,010 Equity Shares of (Previous year 8,68,010 Equity Shares) Rs.1,000/- each fully paid - up	98,80,10,000	86,80,10,000
Share Application Money Pending Allotment	9,00,00,000	3,00,00,000
TOTAL	<u><u>1,07,80,10,000</u></u>	<u><u>89,80,10,000</u></u>

SCHEDULE 'B'
(Amount in Rupees)

RESERVE AND SURPLUS

AS AT 31.03.2009

AS AT 31.03.2008

GENERAL RESERVE

As per last year Balance Sheet B/F

26,16,72,476

24,30,10,222

Transferred from Income & Expenditure
Account

-2,88,50,964

1,86,62,254

TOTAL

23,28,21,512

26,16,72,476

FIXED ASSETS**SCHEDULE 'C'**
(Amount in Rupees)

S. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 01.04.08	Addition during the year	Sales/Adj. during the year	Total cost as at 31.03.09	Depr. as at 31.03.08	Depr. For the year	Depr. at sales/adj. during the year	Total depr.as at 31.03.09	As at 31.03.09	As at 31.03.08
1	Furniture	9,61,049	1,62,669	0	11,23,718	7,41,313	1,21,596	0	8,62,909	2,60,809	2,19,736
2	Fixtures and Fittings	13,84,295	7,200	0	13,91,495	11,18,822	55,251	0	11,74,073	2,17,422	2,65,473
3	Office Equipments	1768,724	9,66,077	0	27,34,801	8,55,268	2,73,957	0	11,29,225	16,05,576	9,13,456
4	Computers	46,45,974	7,22,903	0	5368877	30,18,980	7,57,596	0	37,76,576	15,92,301	16,26,994
5	Air Conditioners & coolers	5,51,811	0	0	551811	3,05,972	34,196	0	3,40,168	2,11,643	2,45,839
6	Vehicles (Cycles)	1,350	2,538	0	3,888	1,350	2,538	0	3,888	0	0
7	Vehicles (Cars)	11,30,946	0	0	11,30,946	2,07,728	2,39,021	0	4,46,749	68,4,197	9,23,218
	TOTAL	1,04,44,149	18,61,387	0	1,23,05,536	62,49,433	14,84,155	0	77,33,588	45,71,948	41,94,716
8	Capital work in progress - Software Development for Computerisation	1,75,000	0	1,75,000	0	0	0	0	0	0	1,75,000
	Current Year's Total	1,06,19,149	18,61,387	1,75,000	1,23,05,536	62,49,433	14,84,155	0	77,33,588	45,71,948	43,69,716
	Previous Year's Total	68,29,914	37,89,235	0	1,06,19,149	52,15,107	10,34,326	0	62,49,433	43,69,716	16,14,807

SCHEDULE 'D'
(Amount in Rupees)

CASH AND BANK BALANCES

AS AT 31.03.2009

AS AT 31.03.2008

Cash in Hand
(Certified by the Management)

81,591

1,04,294

Bank Balances (Saving Accounts with
Scheduled Banks)

12,66,38,236

7,86,34,994

TOTAL

12,67,19,827

7,87,39,288

SCHEDULE 'E'
(Amount in Rupees)

<u>OTHER CURRENT ASSETS</u>	<u>AS AT 31.03.2009</u>	<u>AS AT 31.03.2008</u>
Interest receivable & not due on Vehicle Advance to Employees	0	1,583
Interest receivable & not due on Saving Bank Accounts	60,630	2,20,036
Interest receivable & not due on House Building Advance to Employees	7,17,501	7,55,989
Interest receivable & not due on Computer Advance to Employees	11,633	6,219
Interest receivable & not due on Security Deposits	36,750	21,000
TOTAL	<u>8,26,514</u>	<u>10,04,827</u>

		SCHEDULE 'F'	
		(Amount in Rupees)	
<u>LOANS AND ADVANCES</u>	<u>AS AT 31.03.2009</u>	<u>AS AT 31.03.2008</u>	
<u>LOANS</u>			
A. Term Loan to State Channelising Agencies (SCAs)	1,98,52,86,376	1,68,55,03,839	
Less : Refund	32,48,13,046	26,85,12,937	
	1,66,04,73,330	1,41,69,90,902	
Less : Repayment	46,90,62,216	36,77,93,326	
	1,19,14,11,114	1,04,91,97,576	
Less: Provision for Bad & Doubtful Loans (SCAs)	2,54,78,361	0	
TOTAL (A)	1,16,59,32,753	1,04,91,97,576	
B. Term Loan under Micro Credit Scheme (MCS)	4,37,48,996	4,04,48,996	
Less : Refund	20,98,075	18,84,325	
	4,16,50,921	3,85,64,671	
Less : Repayment	2,00,70,265	1,73,82,517	
	2,15,80,656	2,11,82,154	
Less: Provision for Bad & Doubtful Loans (NGOs)	31,06,500	0	
TOTAL (B)	1,84,74,156	2,11,82,154	
C. INTEREST RECEIVABLE AND DUE ON TERM LOAN			
a) State Channelising Agencies (SCAs)	79,82,909	74,05,913	
b) Micro Credit Scheme (MCS)	5,15,432	3,61,785	
TOTAL (C)	84,98,341	77,67,698	
TOTAL (A+B+C)	1,19,29,05,250	1,07,81,47,428	
D. Advances recoverable in cash or for value to be received			
I) Security Deposits:			
a) Security deposit against office premises taken on lease from Indian Red Cross Society, Faridabad	4,50,000	4,50,000	
b) Telecom Authority	1,13,750	1,12,000	
c) Bharati Cellular	9,000	9,000	
d) Sh.Shailendra Garg against leased house of M(F)	7,480	7,480	
e) Smt.Anjali Khullar against leased house of CS	0	7,200	
f) Haryana Backward Classes & Economically Weaker Section Kalyan Nigam (SCA of NHFDC)	12,500	12,500	
g) Batra Car Care Centre, New Delhi	45,000	0	
II) Advance to Parties	20,00,439	17,55,157	
III) Advance for Dilli Haat, Pitampura	34,37,500	0	
IV) House Building Advance to Employees	2,71,691	3,92,091	
V) Computer Advance to Employees	80,890	98,098	
VI) Advance to Staff	42,377	1,51,424	
VII) Amount Recoverable from former CMD (Sh.Rakesh Garg)	5,204	5,204	
VIII) Amount Recoverable from Sh.A.K.Dey, DGM	15	217	
IX) Amount Recoverable from Sh.Arun Kumar, AM(OL)	0	4,459	
X) Amount Recoverable from NSKFDC	22,096	0	
XI) Amount Recoverable from NBCFDC	22,096	0	
XII) Amount Recoverable from NSCFDC	22,096	0	
XIII) Prepaid Expenses	49,157	2,868	
Total (D)	65,91,291	30,07,698	
Grand Total (A+B+C+D)	1,19,94,96,541	1,08,11,55,126	

SCHEDULE 'G'

(Amount in Rupees)

OTHER LIABILITIES**AS AT 31.03.2009****AS AT 31.03.2008****A) Outstanding Expenses**

a) Telephone Expenses	37,790	28,753
b) Vehicle hiring charges	20,900	23,285
TOTAL (A)	58,690	52,038

Other Liabilities

B) T.D.S. Payable (Contractors)	0	6,869
C) Salary Payable	16,23,339	17,392
D) EPF Payable	0	8,888
E) Security Deposit Payable	6,000	7,56,000
F) Pension Payable	0	3,250
G) Employee Deposit Linked Insurance Scheme (EDLIS) Payable	0	253
H) Recovery A/c of Shri M.Ravi Kanth, CMD	5,620	3,560
I) Other Payable (Employees)	37,450	0
J) Other Payable (Parties)	22,51,383	16,77,400
K) Scheme for Rehabilitation of Manual Scavengers (SRMS)	1,38,17,858	16,00,000
L) Advance Receipts	2,76,401	2,76,401
M) Unlinked Receipts (Received through RTGS in SBI)*	6,58,247	0
GROSS TOTAL (A+B+C+D+E+F+G+H+I+J+K+L+M)	1,87,34,988	44,02,051

* Details at Note-16 of Schedule-'O'.

SCHEDULE 'H'
(Amount in Rupees)

<u>PROVISIONS</u>	<u>AS AT 31.03.2009</u>	<u>AS AT 31.03.2008</u>
Provision for Gratuity	11,21,843	5,22,612
Provision for Leave Encashment	9,07,168	5,21,354
Provision for Foreign Service Contribution (CMD)	0	88,639
Provision for Foreign Service Contribution(DM-Projects)	19,319	51,825
TOTAL	<u>20,48,330</u>	<u>11,84,430</u>

<u>INTEREST FROM LOANS</u>	FOR THE YEAR ENDED <u>31.3.2009</u>	<u>SCHEDULE 'I'</u> (Amount in Rupees) FOR THE YEAR ENDED <u>31.3.2008</u>
Interest on Loans (SCAs)	2,44,10,826	2,30,53,124
Interest on Micro Credit Scheme (MCS)	3,24,153	1,12,230
	<hr/>	<hr/>
TOTAL	<u>2,47,34,979</u>	<u>2,31,65,354</u>

<u>OTHER RECEIPTS</u>	FOR THE YEAR ENDED <u>31.3.2009</u>	<u>SCHEDULE 'J'</u> (Amount in Rupees) FOR THE YEAR ENDED <u>31.3.2008</u>
Interest on Fixed Deposits	0	86,82,928
Interest on Saving Bank Accounts	76,33,628	10,73,115
Interest on House Building Advance to Employees	35,512	61,114
Interest on Computer Advance to Employees	5,414	5,158
Interest on Security Deposit with Indian Red Cross Society, Faridabad	15,750	15,750
Excess Provision Written Back	0	1,17,174
Miscellaneous Receipts	56,721	25,745
Penal Interest	1,87,127	1,04,686
TOTAL	<u>79,34,152</u>	<u>1,00,85,670</u>

SCHEDULE 'K'
(Amount in Rupees)

PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

FOR THE YEAR ENDED 31.3.2009

FOR THE YEAR ENDED 31.3.2008

A) PAY AND ALLOWANCES : CMD

Salary and Allowances	9,00,865	4,89,334
Medical Reimbursement	1,32,459	32,919
Foreign Service Contributions	1,81,988	92,939
Reimbursement of News Paper Expenses	14,695	9,488
Professional Membership Fees	2,809	0
Children Education Allowance	7,200	0
LTC Expenses	99,150	0
TOTAL (A)	13,39,166	6,24,680

B) PAY AND ALLOWANCES : EMPLOYEES

Salary and Allowances	74,57,567	34,51,147
Medical Reimbursement	5,48,166	4,81,536
Conveyance Reimbursement	0	15,990
Transport Subsidy	2,26,171	1,57,430
Overtime Allowance	11,797	0
Children Education Allowance	58,433	38,835
Reimbursement of Refreshment Expenses	1,05,413	74,933
Reimbursement of Newspaper Expenses	47,748	31,827
Lease Rent (Net of Recovery)	2,21,183	3,07,230
Leave Salary	4,00,949	1,30,664
LTC Expenses	20,844	16,090
Gratuity	5,99,231	0
Staff Welfare Expenses	6,11,051	3,19,768
Corporation Contribution to Provident Fund/ Pension Funds	8,72,802	5,35,507
TOTAL (B)	1,11,81,355	55,60,957

C) PAY AND ALLOWANCES : DEPUTATIONIST

Salary and Allowances	1,26,839	3,59,591
Medical Reimbursement	10,201	28,080
Conveyance Reimbursement	4,116	13,200
Children Education Allowance	1,123	3,600
Reimbursement of Refreshment Expenses	2,245	7,200
Reimbursement of Newspaper Expenses	1,871	6,000
Foreign Service Contributions	19,319	51,825
TOTAL (C)	1,65,714	4,69,496

GRAND TOTAL (A+B+C)

1,26,86,235

66,55,133

SCHEDULE 'L'**(Amount in Rupees)****ADMINISTRATIVE & OTHER EXPENSES****FOR THE YEAR
ENDED 31.3.2009****FOR THE YEAR
ENDED 31.3.2008**

Office Rent Expenses	7,73,472	7,73,472
Printing and Stationery	6,13,493	4,70,220
Printing & Publishing of News letter Charges	3,31,064	0
Postage & Telegram Expenses	93,497	69,689
Telephone Expenses	4,06,824	2,85,070
Travelling Expenses (Directors)	14,28,521	8,40,834
Credential Verification Expenses	3,00,000	0
Awareness creation/Publicity Expenses	9,95,251	3,79,592
Workshop/Conference /Seminar Expenses	6,99,902	5,19,880
Travelling Expenses (Staff)	4,28,144	1,90,013
Travelling Expenses (Others)	8,079	12,656
Office Maintenance Expenses	2,83,219	2,57,434
Vehicle Hiring Expenses	2,18,592	2,65,805
Business Promotion/Hospitality Expenses	5,40,659	2,12,905
Advertisement Expenses	16,17,011	95,096
Filing Fee	6,000	2,000
Staff Recruitment Expenses	66,421	73,137
Newspaper Expenses	5,246	4,603
Daily Wages	4,35,733	4,33,823
Books and Periodicals	21,028	34,653
General Expenses	6,211	16,979
Exhibition/Social Development Expenses	38,76,162	25,33,170
Legal and Consultancy Charges	18,057	11,300
Bank Charges	4,922	1,847
Web Designing Charges	2,43,000	0
Grant-in-aid to NGOs (MCS)	66,000	2,70,000
Meeting Expenses	43,466	1,61,087
Board Meeting Expenses	43,975	49,247
Implementation of Rajbhasha Expenses	4,500	0
Fees and Subscriptions	11,500	0
Professional Charges	1,27,372	64,310
Insurance Charges	17,943	5,957
Inspection Expenses (Others)	1,94,854	6,556
ISO Certification Expenses	2,63,959	0
Security Hiring Expenses	3,50,547	2,14,640
Entrepreneurial Dev. Programme	6,39,153	0
Evaluation Study Charges	7,19,225	0
Fuel Charges	1,98,008	1,29,236
Repair & Maintenance of vehicles	28,626	2,820
Electricity Charges	1,55,848	1,47,783
Promotional Activities of SCA's	50,000	24,436
Repair & Maintenance for Lease Accommodation	32,893	72,593
Training Expenses (CMD)	11,500	11,500
Training Expenses (Staff)	32,236	5,000
Training Expenses- SCA officials	36,446	0
Remuneration to Statutory Auditors	74,158	56,180
Remuneration to Internal Auditors	50,562	35,955
Corporation Membership Fees	50,000	50,000
Fuel Charges for DG set	13,190	0
Membership Fee to Habitat World	5,618	5,618
TOTAL	1,66,42,087	87,97,096

PROVISION FOR BAD & DOUBTFUL LOANS

SCHEDULE 'M'
(Amount in Rupees)

**FOR THE
YEAR ENDED
31.3.2009**

**FOR THE
YEAR ENDED
31.3.2008**

Bad & Doubtful Loans (SCAs)

2,54,78,361

0

Bad & Doubtful Loans (NGOs)

31,06,500

0

TOTAL

2,85,84,861

0

SCHEDULE 'N'

(Amount in Rupees)

PRIOR PERIOD INCOME/EXPENSES	For the year ended 31.03.09		For the year ended 31.03.08	
	Income	Expenses	Income	Expenses
ADMINISTRATIVE & OTHER EXPENSES				
Filling Fee	0	0	0	30,000
Workshop Expenses(Punjab SCs Land Devp.)	0	50000	0	0
Advertisement Expenses for various posts	0	80000	0	0
Training Expenses (SCA officials)	0	65000	0	0
Security Hiring Charges	0	5296	0	0
Inspection Charges	0	10696	0	0
Workshop Expenses (Maharashtra State Handicapped Corporation)	0	75000	0	0
Publicity Expenses	0	50000	0	23,775
Repair & Maintenance of Lease Accommodation	0	26247	0	9,600
Statutory Audit Fee	0	0	0	11,236
Bank Charges	0	0	0	2,284
Books and Periodicals	0	0	0	520
Legal and Professional Charges	0	0	0	10,500
Evaluation Study Charges	0	9,22,290	0	0
Inspection Charges	0	7152	0	0
Awareness Camp	0	10210	0	0
Advertisement Expenses	0	80000	0	4,000
Photocopy Expenses	0	0	0	187
Evaluation Study Charges (Agricultural Finance Corporation)	0	0	0	0
TA/DA Expenditure (Sh.R.K.Mishra, CS)	0	8,455	0	0
EDP (MPSCFDC)	0	45,978	0	0
Computerisation of Loan Accounting Software Expenses	0	1,75,000	0	0
Office Maintenance Expenses	0	3,438	0	0
Business Promotion Expenditure	0	1,712	0	0
Exhibition Expenditure	0	38,982	0	0
PAYMENTS TO AND PROVISION FOR EMPLOYEES:-				
Salaries & Allowances (CMD)	0	3,500	0	70,142
Salaries & Allowances (Staff)	0	5,07,823	0	17,692
Children Education Allowances (CMD)	0	360	0	0
50% DA Merger	0	25,817	0	0
PREVIOUS YEAR INCOME				
Interest on Saving Bank Account (Corporation Bank)	0	0	6,01,725	0
Interest on FDRs	0	0	13,53,596	0
EDP Schemes	0	0	1,22,400	0
Printing & Stationery	330	0	0	0
Misc. income	22	0	0	0
Interest receivable and not due on Vehicle Advance	151	0	0	0
Grant -in-Aid to NGOs (MCS)	10,000	0	0	0
Lease Rent Recovery	59,696	0	0	0
TOTAL	70,199	21,92,956	20,77,721	1,79,936
NET BALANCE	-----	21,22,757	18,97,785	-----

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AND INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**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 rates 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

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

5. Retirement Benefits

- a. There is a change in the method of estimation of gratuity. In the previous years, no actuarial valuation was done for estimation of gratuity. However, in the current year (2008-09) actuarial valuation has been conducted by Life Insurance Corporation of India (LIC) and the liability for gratuity has been booked accordingly.

Till 31.3.2008, the provision for gratuity was made on completion of 5 years' of service on the basis of last drawn salary (Basic+DA). As per the 'NHFDC Gratuity Rules 2003', the gratuity is calculated on the last pay drawn divided by 26 and multiplied by 15 days for each completed year of service.

- b. There is a change in the method of estimation of leave encashment. In the previous years, no actuarial valuation was done for estimation of leave encashment. However, in the current year (2008-09) actuarial valuation has been conducted by LIC and the liability for leave encashment has been booked accordingly.

Till 31.3.2008, the provision was made for en-cashable leaves due at the end of the financial year. As per the 'NHFDC Leave Encashment Rules 2002', the leave encashment is calculated on the last pay drawn (Basic + DA) x 50% of the balance of accumulated earned leaves of the employees as on 31st March of every year.

- c. The Corporation contributes @ 12% as defined contribution to the Employees Provident Fund maintained by the Employees Provident Fund Organization, Faridabad (Haryana) under Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the same is charged to the Income & Expenditure Account.
6. The Corporation has framed a policy of prudential norms for identification of non-performing assets and creation of provision against bad and doubtful loans at the 53rd Board meeting held on 29.8.2008. The said policy is implemented w.e.f. financial year 2008-2009.

As per the policy approved by the board, the following norms for identification of non-performing assets and creation of provision in the books of accounts for bad and doubtful loans is implemented w.e.f. accounting year 2008-09:-

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

B. NOTES ON ACCOUNTS

1. During the Financial year 2008-09, the Corporation allotted equity shares worth Rs.12.00 Crore (being 1,20,000 nos. of Equity shares of Rs.1,000/- each fully paid up) in the equity share capital of the Corporation against Share application money of Rs.3.00 Crore sanctioned vide letter no.1-8/2007-DD-IV, dated 14.3.08, Rs.4.50 Crore sanctioned vide letter no.1-8/2007-DD-IV dated 2.6.08 and Rs.4.50 Crore sanctioned vide letter no.1-8/2007-DD-IV, dated 16.9.08 respectively from the Government of India. The aforesaid shares were allotted in the name of President of India through the Additional Secretary, Ministry of Social Justice and Empowerment, Government of India.

In addition to above, Rs.9.00 Crore has also sanctioned by the Administrative Ministry vide letter no. 1-8/2007-DD-IV, dated 6th March 2009 against which 90,000 equity shares of Rs.1,000/- each (fully paid up) have been allotted by the company in the name of President of India through the Additional Secretary, Ministry of Social Justice and Empowerment, Government of India at the board meeting held on 15.5.09.

2. The Corporation incurred deficit for the year amounting to Rs. 2,88,50,964/- and the said amount has been adjusted from General Reserve Account.

3. An amount of Rs.4,50,000/- is given to M/s Indian Red Cross Society, Faridabad as Security Deposit for the premises of Red Cross Bhawan, Faridabad taken on lease by the corporation and interest amount is accounted on accrual basis.
4. A total amount of Rs.198.53 crore (Previous Year Rs.168.55 Crore) has been released to the State Channelising Agencies (SCAs) up to 31.03.2009.
5. In respect of appointment of Shri M. Ravi Kanth, I.A.S., Chairman-cum-Managing Director of the Corporation, for the period from 01.4.2008 to 31.3.2009, a sum of Rs.1,81,988/- towards leave salary and pension contribution has been debited in the books of accounts under heading "Foreign Service Contribution". The said provisions are in conformity with the terms & conditions of his service.
6. The matter of fixation of salary Shri Rakesh Garg, I.A.S., former C.M.D. NHFDC is still pending with the Administrative Ministry and final amount of his remuneration shall be booked upon receipt of the salary fixation from the Administrative Ministry. Consequently his arrears of pay & allowances will also be booked in the year of payment.
7. No provision for Income Tax has been made in view of provisions of Section 11 of the Income Tax Act, 1961. The Corporation has obtained registration under Section 12AA of the Income Tax Act. The Corporation has also filed an application for grant of exemption under Section 10(23)(C)(iv) of the Income-tax Act, 1961, which is under consideration of the Income Tax authorities.
8. Estimated amount of contract remaining to be executed on capital account and not provided for is Rs. Nil (net of advances), (previous year nil)
9. 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.
10. Cash and Bank balances (Schedule D) of Rs. 12,67,19,827/- includes Rs. 5,06,58,631/- on account of unutilized equity received from the Government of India, which were kept with saving bank account.

Cash and Bank balances (Schedule D) of Rs. 12,67,19,827/- includes the following:-

Cash in hand	: Rs. 81,591/-
Balances with scheduled Saving Banks A/c	:Rs. 12,66,38,236/-

11. The pay and allowances in respect of Shri M. Ravi Kanth, I.A.S., CMD has been revised w.e.f. 1.1.2006 on Central DA pattern (CDA) and in respect of Officers and Staff of the corporation has also been revised w.e.f. 1.1.2007 on Industrial DA pattern (IDA).
12. The accumulated provision for gratuity as at 31.03.2009 is Rs.11,21,843/- as per actuarial valuation done through Life Insurance Corporation of India (LIC). An amount of Rs.5,99,231/- has been provided towards provision for gratuity for the financial year 2008-2009.
13. The accumulated provision for leave encashment as at 31.03.2009 is Rs.9,07,168/- as per actuarial valuation done through Life Insurance Corporation of India (LIC). An amount of Rs.4,00,949/- has been provided towards provision for leave encashment for the financial year 2008-2009.

14. As per the policy approved by the board in its 53rd meeting on 29th August 2008, the total provision for bad & doubtful loans for SCAs & NGOs is made Rs.2,85,84,861/- (Rs.2,54,78,361/- for Mahila Vikas Samabaya Nigam + Rs.31,06,500/- for 19 NGOs) in the books of accounts of NHFDC for the financial year 2008-2009. Bad & doubtful loans (Schedule-M) includes Rs.2,87,893/- which has been received during financial year 2009-10 and will be adjusted in the next year's accounts (2009-10).
15. The Corporation has taken office premises from Indian Red Cross Society, Faridabad on lease basis @ Rs.64,456/- per month w.e.f 01.12.06 to 30.11.09.

Some officials of the corporation were provided company lease accommodation during the year 2008-09 in terms of NHFDC Company Lease Accommodation Rules as per details given here under:-

S.No.	Designation	Period of lease	Monthly lease rent (Rs.)
01.	Deputy General Manager	from 1.7.06 to 30.6.09	Rs.8,320/- upto 30.11.08 Rs.8,920/- w.e.f. 1.12.08
02.	Manager (Fin)	from 1.9.06 to 31.8.09	Rs.7,480/-
03.	Manager (P&A)	from 1.7.06 to 30.6.09	Rs.5,840/- upto 25.6.08 Rs.7,300/- w.e.f. 26.6.08
04.	Company Secretary	From 1.7.05 to 30.6.08	Rs.7,200/-

16. UNLINKED RECEIPTS

Other liabilities (**Schedule-G**) includes unlinked receipts (at serial no. M) of Rs.6,58,247/- received through Real Time Gross Settlement System (R.T.G.S.) in the savings bank account maintained with State Bank of India, Faridabad. The source of these receipts could not be established till date. After tracing the source of these receipts, necessary accounting treatment shall be effected in the books of accounts.

Particulars of these receipts are as` under:

<u>Date of Receipt</u>		<u>Amount Received (in Rs.)</u>
26.03.2009	:	43,247/-
30.03.2009	:	1,40,000/-
31.03.2009	:	75,000/-
31.03.2009	:	<u>4,00,000/-</u>
Total	:	6,58,247/-

17. CONTINGENT LIABILITY

Compensation & litigation expenses amounting to Rs.2.01 lakh had been awarded by the District Consumer Disputes Redressal Forum, Yamuna Nagar, Jagadhri (Haryana) against the Corporation and its State Channlising Agency (SCA), Haryana Backward Classes and Economically Weaker Sections Kalyan Nigam.

The Corporation as well as the SCA concerned have preferred appeal before the Appellate Authority against the order of the District Consumer Disputes Redressal Forum, Yamuna Nagar, Jagadhri (Haryana), which is yet to be decided. Therefore, no provision has been made in the books of accounts for the financial year 2008-09.

However, if the matter is decided against the corporation in future, then corporation might pay the liability of Rs.1.005 lakh (being 50% share of the amount of damage awarded by the District Consumer Disputes Redressal Forum, Yamuna Nagar, Jagadhari (Haryana) as rest amount will be borne by SCA concerned).

18. Additional information in pursuance to the provisions of paragraph 4, part II of Schedule (VI) to the Companies Act, 1956:

Remuneration to Chairman-cum-Managing Director

Particulars	2008-09	2007-08
Pay & Allowances	Rs.9,00,865 /-	Rs.4,89,334 /-
Other benefits	Rs. 4,38,301/-	Rs.1,35,346 /-

In addition to above, office car has been provided to CMD as per the terms and conditions of his appointment. Accordingly, Rs.5,880/- has been received from CMD during the year 2008-09.

19. **Expenditure in Foreign Currency:-**

Rs.5,07,200/- spent on travel to Europe for CMD's study tour of disabled persons.

20. **Earning Per Share**

Sl.No	Particulars	2008-09	2007-08
a)	Excess of Income over Expenditure for the year attributable to Equity Shareholders (Rs.)	(-) 2,88,50,964	18662254
b)	Weighted Average number of Equity Shares		
	Basic	937585	803174
	Diluted	937585	803174
c)	Basic Earning per share (a/b) (Rs.)	-30.77	23.24
d)	Diluted Earning per share (Rs.)	-30.77	23.24
e)	Nominal value per share (Rs.)	1000	1000

21. During the year, prior period adjustments of Rs. 21,22,757/- has been debited (previous year Rs. 18,97,785/- credited) to Income & Expenditure Account, details of which are given in Schedule 'N'.
22. Previous year's figures have been regrouped / rearranged wherever necessary to correspond with current year's figure.
23. 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 : 31.03.2009

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

Public issues	:	Nil	Right issue	:	Nil
Govt. subscription	:	1,80,000*	Bonus issue	:	Nil
Private	:	Nil			

(*excluding 90,000 shares for which share application money pending allotment was received vide letter dated 6.3.2009 from Ministry of Social Justice & Empowerment, Government of India, allotted on 15.5.09)

III. Position of Mobilization and Deployment of Funds

		(Amount in Rs. in Thousand)			
Total Liabilities	:	1331615	Total Assets	:	1331615

Sources of Funds

	:	988010	Reserve & Surplus	:	232822
Paid up Capital			Unsecured loan	:	Nil
Secured loan	:	Nil			

APPLICATION OF FUNDS

Net Fixed Assets	:	4572	Investment	:	Nil
Net Current Assets	:	1306260	Misc. Expenses	:	Nil
Accumulated losses	:	Nil			

IV. Performance of Company

Receipt	:	32669	Total Expenses	:	61520
Profit before tax	:	(-) 28851	Profit after tax	:	(-) 28851
(Excess of income over expenditure)			(Excess of income over expenditure)		
Earning per share in Rs. :	:	(-) 30.77	Dividend	:	NA

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 'O' form an integral part of the Accounts

For and on behalf of Board of Directors

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

For and on behalf of

Sd/-
(M.Ravi Kanth)
Chairman -cum-Managing Director

M/s Virmani, Roy and Kutty
Chartered Accountants

Sd/-

(Arun S. Kutty)
Partner

Sd/-
(A.C.Padhi)

M.No. 84560
Date : 4th August 2009
Place : New Delhi

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

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

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 12th (Twelveth) Annual General Meeting of the Company to be held on the 23rd day of September, 2009 and at any adjournment thereof.

Signed this day of