ANNUAL REPORT 2018-19



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REGISTERED No. D.L.-33002/99

GOVERNMENT OF INDIA



EXTRAORDINARY

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 247]

दिल्ली, शुक्रवार, दिसम्बर 28, 2018/पौष 7, 1940

[रा.रा.रा.क्षे.दि. सं. 695

No. 247]

DELHI, FRIDAY, DECEMBER 28, 2018/PAUSHA 7, 1940

[N.C.T.D. No. 695

भाग—IV

PART-IV राष्ट्रीय राजधानी राज्य क्षेत्र, दिल्ली सरकार

GOVERNMENT OF THE NATIONAL CAPITAL TERRITORY OF DELHI

वित्त (राजस्व -II) विभाग

अधिसूचना

दिल्ली, 27 दिसम्बर, 2018

सं. फा. 40(6)(4) / वित्त / ए / सीएस / राजस्व—II/2013—14 / डीएस-V/2497.—राज्य वित्त निगम अधिनियम, 1951 (1951 का 63) की धारा 4 की उपधारा (II) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए राष्ट्रीय राजधानी क्षेत्र दिल्ली के उपराज्यपाल, दिल्ली वित्त निगम की अधिकृत पूंजी को वर्तमान इक्विटी शेयर के संबंध में समरूप प्रत्येक रैंकिंग, 100/- रू० के इक्विटी शेयर विभाजित 2,50,00,000 / – (दो करोड़ पचास लाख) को तत्काल प्रभाव से रू० 50,00,00,000 (रू० पचास करोड़) से रू0 250,00,00,000 / - (रू0 दो सौ पचास करोड़) बढ़ाते हैं ।

राष्ट्रीय राजधानी क्षेत्र दिल्ली के उपराज्यपाल

के आदेश से और उनके नाम पर,

मनोज कुमार, उप सचिव -V (वित्त)

FINANCE (REVENUE-II) DEPARTMENT NOTIFICATION

Delhi, the 27th December, 2018

No. F. 40(6)/(4)/Fin/A/Cs/Rev-II/2013-14/DS-V/2497.—In exercise of the powers conferred by sub-section(II) of section 4 of the State Financial Corporations Act 1951 (No. 63 of 1951), the Lt. Governor of the National Capital Territory of Delhi, is pleased to enhance, Authorised Capital of the Delhi Financial Corporation (DFC) from ₹ 50,00,00,000/- (Rupees Fifty Crore) to ₹ 250,00,00,000/- (Rupees Two Hundred and Fifty Crore) divided into ₹ 2,50,00,000/- (Two Crore and Fifty Lakh) Equity Shares of ₹ 100/- each ranking pari passu in all respect with the existing equity shares, with immediate effect.

> By Order and in the Name of the Lt. Governor of the National Capital Territory of Delhi,

MANOJ KUMAR, Dy. Secy. -V (Finance)

Uploaded by Dte. of Printing at Government of India Press, Ring Road, Mayapuri, New Delhi-110064 and Published by the Controller of Publications, Delhi-110054.

MANOJ Digitally signed by MANOJ KUMAR VERMA Date: 2019.01.08

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FINANCIAL HIGHLIGHTS

PARTICULARS	2018-19	2017-18
Paid -up-Capital	2647.75	2647.75
Reserves	4222.09	4439.01
Net Worth	6869.84	7086.76
Borrowings	3300.00	3833.33
Sanctions during the year	80.00	2428.35
Gross Sanction (cumulative sanction)	144713.02	144633.02
Effective Sanction (cumulative)	99283.29	99203.44
Disbursement during the year	79.25	2425.21
Disbursement (Cumulative)	93361.39	93282.14
Recovery during the year	4267.91	4024.08
Loans Outstanding (Gross)	6206.07	9254.33
Gross NPA	27.38%	18.38%
Net NPA	12.44%	10.21%
Gross Income	1481.89	1417.2
Gross Profit	(172.10)	(203.02
Profit after tax & Provisions	(216.93)	(420.87





BOARD OF DIRECTORS AS ON 31.03.2019

1.	Ms. Rinku Dhugga, IAS	Chairperson-cum- Managing Director	Nominated by Govt. of NCT of Delhi
2.	Principal Secretary (Finance) Govt. of NCT of Delhi	Director	Nominated by Govt. of NCT of Delhi
3.	Pr. Secretary-cum-commissioner(Industries), Govt. of NCT of Delhi	Director	Nominated by Govt. of NCT of Delhi
4.	Pr. Secretary-cum-commissioner(Transport), Govt. of NCT of Delhi	Director	Co-opted by Board
5.	Sh. Ajoy Kumar Sinha, IAS Secretary (Industries) Chandigarh Administration	Director	Nominated by Chandigarh Administration
6.	Development Commissioner Govt. of NCT of Delhi	Director	Co-opted by Board
7.	Sh. Deepak Kumar Dy. General Manager, SIDBI	Director	Nominated by Small Industries Development Bank of India.
8.	Sh. Ram Kumar Zonal Mgr., PNB	Director	Nominated by Scheduled Bank.
9.	Sh. G.P. Meena Sr. Divisional Manager, LIC	Director	Nominated by Insurance Companies.





LIST OF DIRECTORS OF THE BOARD AND MEMBER OF EXECUTIVE COMMITTEE AS ON 31ST MARCH, 2019

S. No.	NAME OF THE DIRECTOR	OCCUPATION & ADDRESS	BY WHOM	REMARKS NOMINATION
1.	Ms. Rinku Dhugga, IAS**	Chairperson-cum- Managing Director	Delhi Govt.	At the pleasure of Nominating Authority
2.	Principal Secretary (Finance)	Pr. Secy. (Finance), Govt. of NCT of Delhi, A-Wing, IVth Floor, Room No. 4, Level-4, Delhi Secretariat, I.P. Estate, New Delhi.	Delhi Govt.	At the pleasure of Nominating Authority
3.	Pr.Secretary-cum- Commissioner (Industries)*	Pr.Secy-cum-Comm. (Industries.) Govt. of NCT of Delhi, Office of the Commissioner of Inds., Udyog Sadan, Plot No. 419, Patparganj Indl. Estate,Delhi-110 092	Delhi Govt.	At the pleasure of Nominating Authority
4.	Pr.Secretary-cum- Commissioner (Transport)	Pr. Secretary-cum-Commissioner (Transport), Govt. of NCT of Delhi, 5/9, Under Hill Road, Delhi110054.	DFC	Co-opted
5.	Sh. Ajoy Kumar Sinha, IAS* Secretary (Industries) Chandigarh Administration	Secretary (Industries), Chandigarh Administration, U.T. Sectt.,Chandigarh-160 009	Chandigarh Administration	At the pleasure of Nominating Authority
6.	Development Commissioner Govt. of NCT of Delhi	Development Commissioner Deptt. of Development, GNCTD, 5/9, Under Hill Road, Delhi110054.	DFC	Co-opted
7	Sh. Deepak Kumar * Dy. General Manager Small Industries Development Bank of India (SIDBI) Regional		SIDBI	At the pleasure of Nominating Authority
8	Sh. Ram Kumar * Zonal Mgr., PNB	Zonal Manager-Delhi, Punjab National Bank, Zonal Office, 4 th Floor, Rajindra Bhawan, Rajindra Place, New Delhi-110 008.	Scheduled Banks	At the pleasure of scheduled banks
9	Sh. G.P. Meena * Sr. Divisional Manager, LIC	Sr. Divisional Manager, Life Insurance Corporation of India, Delhi Divisional Office-I, Jeevan Pravah Building, 5th Floor, 25, Kasturba Gandhi Marg, Connaught Place, New Delhi -110001.	Insurance Companies	At the pleasure of insurance companies

^{*} Also member of the Executive Committee

^{**} Also Chairperson of the Executive Committee





LIST OF THE MEMBERS OF OTHER COMMITTEES AS ON 31st MARCH '2019

Recovery Committee

S.No.	NAME OF THE MEMBER	
1,	Managing Director	In Chair
2.	Pr. Secycum-Commissioner of Industries	Member
3.	Nominee of Chandigarh Administration	Member
4.	Nominee of State Govt.	Member
5.	Nominee of Scheduled Bank	Member

Internal Committee (IC)

• Loan upto Rs.300 lakh	IC headed by ED/CGM consisting GM/DGM, AGM(PBD), Manager(PBD) and Mgr./DM(A/cs)
	AGM(PBD), Manager(PBD) and Mgr./DM(A/c

- Loan above Rs.300 lakh & upto Rs. 500 lakh

 IC headed by CMD/MD consisting ED/GM/
 DGM/AGM and Manager(PBD)
- All proposals above Rs.500 lakh Executive Committee / Board

Small Loan Committee (SLC)

1.	Asstt. General Manager(PBD)	Chairman
2.	Manager(Tech)	Member
3.	Dy. Manager (A/cs Corp.)	Member
4.	Dy. Manager (PBD)	Member





PRINCIPAL OFFICERS (AS ON 31.03.2019)

Executive Director

Sh. Mukesh Prasad

Deputy General Managers

Smt. Savita Sharma

Sh. Sandeep Kumar

Assistant General Managers

Sh. Suresh Kumar Agarwal (CA)

Sh. Hem Raj

Managers

Sh. Kapil Sharma

Sh. Shobhit Malik

Sh. Balester Kumar Tyagi

Sh. Rajesh Chand Goyal

Sh. Kumud Kishore Dhawan

Sh. Harish Kumar

Sh. Lachhman Singh Rawat

Sh. Chander Mohan

Statutory Auditors

M/s Bubna & Associates, Chartered Accountants

New Delhi







Delhi Financial Corporation

(A Government undertaking) 37-38, D-Block, Janak Puri, Institutional Area,

Pankha Road, New Delhi-110 058

Phone: 28525035,28525036,28525037,28525038

Fax No.28525041

Dated: 05.07.2019

E-mail: dgmdfc.delhi@nic.in Website: http://www.dfcdelhi.nic.in

Ref.No.DFC/BD/AGM/52/2019-20

NOTICE

In pursuance of regulation 47 read with regulation 14 of the General Regulation of Corporation, it is hereby notified that 52th Annual General Meeting of the shareholders of the Delhi Financial Corporation will be held at the head office of the Corporation i.e. 37-38, Institutional Area, Pankha Road, D-Block, Janak Puri New Delhi-110 058 at 11.00 A. M. (standard time) on 27th August '2019 to transact the following business.

- i) To read and consider the balance sheet and the profit and loss account for the year ended on 31st March, 2019 together with the report of the Board of Directors on the working of the Corporation throughout the year and the auditors' report on the said balance sheet and accounts.
- ii) To consider appointment of Statutory Auditors.
- iii) Any other matter in accordance with the provisions of SFC's Act.

It is further notified that the share register of the Corporation will remain closed and the registration of transfers suspended from the 01st August '2019 to 27th August '2019 (both days inclusive) as per General Regulation no.14.

NOTES

- 1. List of shareholders shall be available for purchase from the head office of the Corporation at a price Rs.1/- per copy from 05th August '2019 during office hours.
- 2. The last date for deposit of proxies shall be 23rd August '2019 before 11:00 A.M.
- 3. The last date for deposit of certified copies of resolution appointing duly authorized representatives by the companies including the co-operative banks shall be 23rd August '2019 before 11:00 A.M.
- 4. The last date for depositing orders in writing of the Delhi Government and Chandigarh Administration authorizing any of their officers to act as their respective representatives of the meeting shall be 27th August '2019 by 11.00 A.M.

By order of the Board

(MUKESH PRASAD) EXECUTIVE DIRECTOR





Chairman's Speech

DEAR FRIENDS.

It is a matter of great privilege for me to welcome you to the 52nd Annual General Meeting of the Shareholders of Delhi Financial Corporation (DFC) and to present before you the report of the Board of Directors along with the Annual Financial Statement of Accounts and the Auditor's Report thereon for the year ended 31st March, 2019. I hope that you have gone through the same and with your permission, I take these statements as read.

Review of Business Operations:

The loan portfolio of the Corporation stood at Rs. 5399.36 lakh as on 31.03.2019 against the Rs. 8411.71 lakh as on 31.03.2018. During the year, the Corporation sanctioned loans worth Rs. 80.00 lakh against the loans of Rs. 2428.35 lakh in the previous year. During the year, an amount of Rs.79.25 lakh was disbursed as against the loan of Rs. 2425.21 lakh in the previous year.

The business of the Corporation declined during the current year due to following factors:

- i) Due to highly in-competitive interest rate of 12% p.a.
- ii) Due to slow down of the MSME sector consequential upon implementation of GST.
- iii) Negative growth of credit in banking sector.

Recovery:

I would like to inform you that during the year Corporation recovered an amount of Rs. 4267.92 Lakh under report against Rs.4024.08 lakh in the previous year. The overall recovery has increased during the year under report.

Review of NPA Management:

I would like to mention that during the year, the total outstanding loans and advances (Net) have declined from Rs. 8411.71 lakh in the previous year to Rs. 5399.36 lakh. The percentage of Net NPAs stood at 12.44%. The factors which contributed to the decline of portfolio of loan and advances and increase in NPAs include:

- Non execution of TPAs (tripartite agreement) by Delhi Agriculture Marketing Board in respect of cases already sanctioned by the Corporation.
- b) Slow down in the MSME sector consequent upon demonetization and
- c) Negative growth of credit in banking sector.

The Corporation continuously monitors its stressed assets through regular review meetings and inspections of the financed units to ensure recovery from these assets in the current Financial Year.

Acknowledgement:

I take this opportunity to place on record my deep gratitude to the Government of NCT of Delhi, Chandigarh Administration, SIDBI and RBI for encouragement and support received from time to time.

I also keep on record my appreciation for the sincere and dedicated services rendered by all the staff & officers of the Corporation.

Finally, I also take this opportunity to convey my gratitude to all the entrepreneurs who reposed their trust in the Corporation and contributed to the promotion and development of the industry in the National Capital Territory of Delhi and Union Territory of Chandigarh.

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Director's Report

Friends,

The Board of Directors have pleasure in presenting the 52nd Annual Report on the business and operations of Delhi Financial Corporation (DFC) together with the audited Annual Accounts for the financial year ended 31st March 2019.

Economic and Industrial Scenario:

The Indian economy registered a growth of 6.8% in GDP during the year 2018-19 as compared to the growth of 6.5% in the previous year. The MSME sector contributes about 8% to overall GDP of the country. The SFCs are mandated to finance MSME sector & the growth of this sector provides new business opportunities to SFCs.

The MSME sector has emerged as highly vibrant and dynamic sector of the Indian Economy over the last 5 decades and also helped in industrialization of rural and backward areas thereby reducing regional imbalances and assuring more equitable distribution of national income and wealth.

The Government of India has taken several initiatives in the past to encourage the growth of MSME sector as well as to make it more competitive. The Government has also formulated several schemes viz ASPIRE (A Scheme for Promotion of Innovations, Rural Entrepreneurship), Start Up & Stand Up and Make in India to boost industrial growth of all sectors including MSME sector. The recent initiative taken by Govt. of India for promotion, development and strengthening of MSME sector are expected to bring about radical changes and give impetus to its growth, which would provide enormous business opportunities to SFCs.

Business Operations:

The loan portfolio of the Corporation stood at Rs. 5399.36 lakh as on 31.03.2019 against the Rs. 8411.71 lakh as on 31.03.2018. During the year, the Corporation sanctioned loans worth Rs. 80.00 lakh against the loans of Rs. 2428.35 lakh in the previous year. During the year, an amount of Rs.79.25 lakh was disbursed as against the loan of Rs. 2425.21 lakh in the previous year.

The business of the Corporation declined during the current year due to following factors:

- (i) Due to highly in-competitive interest rate of 12% p.a.
- (ii) Due to slow down of the MSME sector consequential upon implementation of GST.
- (iii) Negative growth of credit in banking sector.

The table below gives the comparative picture of the performance of the Corporation in all the key areas of sanction, disbursement and recoveries over the past five (5) years.

(Rs. in Lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Sanction	6072.26	2319.15	171.89	2428.35	80.00
Disbursement	914.34	4936.52	278.83	2425.21	79.25
Recovery	4370.48	5240.21	4169.80	4024.08	4267.92
Loan Outstanding	10217.54	11291.80	9681.87	9254.33	5399.36

Financial Results:

The total income of the Corporation increased from Rs.1417.22 lakh in the previous year to Rs.1481.89 lakh during the year under report. The Corporation has incurred loss of Rs.216.93 lakh in the current year. The details of the last five years are below:





(Rs. in Lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Total Income	1699.85	1925.84	1908.22	1417.22	1481.89
Profit before tax and provisions	123.66	429.52	426.48	(203.02)	(172.10)
Net Profit after tax	169.78	279.50	81.13	(420.87)	(216.93)

Capital Risk And Asset Ratio (CRAR):

The Capital Risk and Asset Ratio of the Corporation work out to 76.95% (62.44% as on 31.03.18).

Sanction & Disbursement:

During the year, the Corporation sanctioned loans worth Rs. 80.00 lakhs only as against Rs.2428.35 lakh in the previous year. The details of loan sanctioned are as under: -

(Rs. in Lakh)

Particulars	2017	-18	2018-19	
	No.	Amount	No.	Amount
Application pending at the beginning of the year				
a) SRTO	-	-	3	4.50
b) Others	72	-	-	8=
Total	₹	_	3	4.50
Application received during the year				
a) SRTO	261	399.80	58	97.00
b) Others	26	2198.45	-	-
Total	287	2598.25	58	97.00
Loan sanctioned during the year				- 3 - 470
a) SRTO	208	315.90	51	80.00
b) Others	22	2112.45	-	
Total	230	2428.35	51	80.00
Application closed / rejected / reduced / withdrawn while sanctioning				
a) SRTO	50	79.40	10	21.50
b) Others	4	86.00	-	
Total	54	165.40	10	21.50
Application pending at the end of the financial year				
a) SRTO	3	4.50	-	
b) Others		-		
Total	3	4.50	18	





Scheme wise performance during the year 2018-19 is given below:

(Rs. in Lakh)

Particulars	Applications						
	Received		Sanctioned		Disbursed		
	No.	Amt.	No.	Amt.	No.	Amt.	
Land & Building		-	H=	-	-	-	
Loan against Mortgaged Property	-	-	-	-/	-	28	
Micro Finance Institution Financing	-	_	1=	_	-	_	
Business Loan	_	<u>188</u> 7	18	=:	-		
SRTO Scheme	58	97.00	51	80.00	51	79.25	
Grand Total	58	97.00	51	80.00	51	79.25	

Recovery:

The Corporation recovered an amount of Rs. 4267.92 Lakh during the year under report against Rs.4024.08 lakh in the previous year. Recovery against NPA amount of Rs. 743.17 lakh during the current year.

Assets Clasification:

During the year, the total outstanding loans and advances (Net) have declined from Rs. 9254.33 lakh in the previous year to Rs. 5399.36 lakh.

As per the advice and guidelines of the SIDBI to all the SFCs, the Corporation has classified its' assets into four groups namely, standard assets, sub-standard assets, doubtful assets and loss assets and has made necessary provisions during the financial year 2017-18 as per the latest guidelines received from SIDBI. The table below depicts the classification of asset and provisioning made against each category of assets:

(Rs. in Lakh)

Type of Assets	As on 31.03.2019	Provisions during the year	Percentage
Standard	4727.63	11.82	76.18%
Sub-Standard	383.30	57.49	6.17%
Doubtful	521.05	175.12	8.40%
Loss Assets	574.09	574.09	9.25%
Total	6206.07	818.52	100%

Computerisation:

Corporation implemented CCBS software developed by NIC. With the implementation of this software, the Corporation was able to promptly monitor its recovery and also provide efficient services to its customers.

Statutory Audit:

M/s. Bubna & Associates, Chartered Accountants were appointed Statutory Auditors of the Corporation in the Annual General Meeting (AGM) of the shareholders held on 13th September 2018 from out of the panel of auditors sent by the Reserve Bank of India in accordance with the provisions of Section 37(i) of the SFCs Act.





Acknowledgement:

The Board places on record its deep gratitude to the Government of NCT of Delhi, Chandigarh Administration, IDBI, SIDBI and RBI for encouragement and support received from time to time. The Board also acknowledges the co-operation and advice rendered by the COSIDICI.

The Board also places on record its appreciation for the sincere and dedicated services rendered by all the staff & officers of the Corporation.

Finally, the Board takes this opportunity to convey its gratitude to all the entrepreneurs who reposed their trust in the Corporation and contributed to the promotion and development of the industry in the National Capital Territory of Delhi and Union Territory of Chandigarh.

For and on behalf of the Board.

(Arvind Ray)

Chairman and Managing Director

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INDEPENDENT AUDITORS' REPORT

To, The Members of Delhi Financial Corporation New Delhi

Report on the Financial Statements

01. We have audited the accompanying financial statements of DELHI FINANCIAL CORPORATION, which comprise the Balance Sheet as at 31/03/2019, the Statement of Profit and Loss and Cash Flow Statement, for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

O2. The Management and Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of State Financial Corporation Act, 1951 ("the Act"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 04. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Corporation has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Corporation's Management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
- 05. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

- O6. As referred to in Note No. 3 to the financial statements, non payment of loan of Rs. 29 Crores to the Govt. Of NCT of Delhi. Consequently, the current assets and borrowings are overstated to the extent.
- 07. As referred to in Note No. 8 to the financial statements, non adjustment of claims of Rs. 10.89 Lakhs received from CGTSME against loan accounts. Consequently, the Loans & Advances and other Liabilities are overstated to the extent.
- 08. As stated in point 3(b) of the significant accounting policies, items of income/expenditure exceeding Rs, 10000/-





applied on each transaction, are only considered as prior period items. In our opinion the said accounting policy is not in accordance with the generally accepted accounting policy and principles in India as any limit should be considered in aggregate instead of an individual basis for adjustments/disclosure in the financial statements. The consequential impact of the adjustment, if any, on the profit/loss for the year is not ascertainable.

Qualified Opinion

09. In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects of the matters described in the Basis of Qualified Opinion paragraph, the aforesaid financial statements give the information required by the State Financial Act, 1951 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Corporation as at 31/03/2019, and its Loss and Cash Flow for the year ended on that date.

Other Matters

Without qualifying our opinion, we draw attention to the following notes to the financial statements:

- 10. As referred to in Note No. 6 to the financial statements, regarding non confirmation of balance recoverable from the
- 11. As referred to in Note No. 10 to the financial statements regarding non adjustment/reconciliation/provisioning of Income tax demand reflected on the portal of Income tax.
- 12. As referred to in Note No. 21 to the financial statements, no shares have been issued against the share application money of Rs. 30 Lacs received from Union Territory of Chandigarh and pending for allotment since a long time.
- 13. As referred to in Note No. 22 to the financial statements, regarding updating of fixed assets register and physical verification of fixed assets as stated in the note.

Report on Other Legal and Regulatory Requirements

- 14. As required by the State Financial Corporation Act, 1951, we report that :
- (a) Except for the effects of the matters described in the Basis of Qualified Opinion Paragraph, 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 :
- (b) Except for the effects of the matters described in the Basis of Qualified Opinion Paragraph, 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 those books;
- (c) Except for the effects of the matters described in the Basis of Qualified Opinion Paragraph, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
- (d) Except for the effects of the matters described in the Basis of Qualified Opinion Paragraph, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable account standards.

Date: 29.07.2019 Place: Delhi FOR BUBNA & ASSOCIATES (Chartered Accountants)

Reg No.:021138N

(Manish Kumar Bubna) Partner M. No. : 507256





BALANCE SHEET AS AT 31ST MARCH, 2019

(Form 'C' of Regulation 93)

PARTICULARS	SCHEDULE No.	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
CAPITAL & LIABILITIES			
Share Capital	А	26,47,75,000	26,47,75,000
Reserves and Surplus	В	42,22,08,521	44,39,01,145
Borrowings	С	33,00,00,000	38,33,33,300
Provisions	D	9,95,85,494	10,19,00,150
Other Liabilities	E	26,76,25,533	19,67,16,529
Total		1,38,41,94,547	1,39,06,26,124
PROPERTY & ASSETS			
Cash & Bank Balances	F	71,51,56,033	42,48,10,585
Investments	G	86,000	86,000
Loans & Advances	Н	53,99,36,395	84,11,71,015
Fixed Assets	ı	2,33,33,036	2,55,63,634
Other Assets	J	10,56,83,083	9,89,94,890
Significant Accounting Policies	0		
Notes on Accounts forming an integral part of the Financial tatements.	Р		
Total On Behalf of the Board		1,38,41,94,547	1,39,06,26,124

S. K. Agarwal Asstt. General Manager

Rahul Singh Executive Director Arvind Ray
Chairman & Managing Director

As per our Report of even date attached For Bubna & Associates Chartered Accountants Firm Reg. No. 021138N

Manish Kumar Bubna

Partner M. No. 507256

Place: New Delhi Date: 29.07.2019





PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

(Form 'D' of Regulation 93)

PARTICULARS	Schedule		Year Ended 31.03.2019		Year Ended 31.03.2018
	No.		(Rs.)		(Rs.)
INCOME					
Interest on Loans & Advances			10,79,66,847		10,28,60,746
Other Income	К		4,02,22,553		3,88,60,982
Total			14,81,89,399		14,17,21,729
EXPENDITURE					
Interest on Borrowings			7,60,09,684		3,99,79,769
Other financial expenses	L		54,96,340		54,84,216
Salaries & Allowances	M		7,14,49,408		8,44,79,373
Administrative expenses	N		93,74,262		2,82,13,363
Depreciation			30,69,646		38,67,027
			16,53,99,341		16,20,23,748
Profit before Tax, Provisions etc.			(1,72,09,942)		(2,03,02,019)
(Provisions):					
-Standard Asset		-		-	
-Gratuity		44,00,598		1,45,68,768	
-Leave Encashment		43,79,875		32,38,301	
-Income Tax		-		_	
-Non Performing Assets		_		20,62,090	
			87,80,473		1,98,69,159
Profit/(Loss) before prior period adjustments and provisions written back			(2,59,90,415)		(4,01,71,178)
Prior Period Adjustment (Refer Note 12)		-	_	(19,63,467)	
Excess Provision Written Back:	2	!			
-Non Performing Assets		35,91,442	⊕y 1	-	
-Standard Asset		7,06,349	42,97,791	47,152	(19,16,315)
Net Profit/ (Loss) for the year carried to Profit & Loss Appropriation Account			(2,16,92,624)		(4,20,87,493)
Appropriations:					
Amount transferred to Special Reserve for the purpose of section		**			
36(1)(viii) of Income Tax Act, 1961			20		_
Balance (Loss)/ Profit carried over to General Reserve			(2,16,92,624)		(4,20,87,493)





Earning Per Share - In Rs. (Refer Note 17)			18, 8,	
- Basic			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
- Diluted		V 0		
Significant Accounting Policies	0			
Notes on Accounts forming an integral part of the Financial Statements.	Р			

On Behalf of the Board

S. K. Agarwal Asstt. General Manager Rahul Singh Executive Director

Arvind Ray
Chairman & Managing Director

As per our Report of even date attached For Bubna & Associates Chartered Accountants Firm Reg. No. 021138N

Manish Kumar Bubna

Partner M. No. 507256

Place: New Delhi Date: 29.07.2019





Schedules/Notes forming part of financial statements

		As at		As at
PARTICULARS		31.03.2019 (Rs.)		31.03.2018 (Rs.)
AUTHORISED				
2,50,00,000 (Previous Year 50,00,000) equity shares of Rs.100/- each		2,50,00,00,000		50,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP				
a) 24,77,750 (Previous Year 24,77,750) equity shares of Rs.100/- each fully paid up issued under section 4(2) of SFCs Act, 1951	24,77,75,000		24,77,75,000	
b) 1,40,000 (Previous Year 1,40,000) equity shares of Rs.100/- each fully paid up as special class of shares issued under Section 4A(1) of the SFCs Act, 1951	1,40,00,000	26,17,75,000	1,40,00,000	26,17,75,000
Share Application Money Pending for allotment*		30,00,000		30,00,000
TOTAL		26,47,75,000		26,47,75,000

*Received from Union Territory of Chandigarh, pending allotment for want of notification to be issued by Govt of National Capital Territory of Delhi

SCHEDULE 'B' - RESERVES AND SURPLUS

PARTICULARS		As a 31.03.201 (Rs.	9	As a 31.03.201
GENERAL RESERVE				(Rs.
(Section 35 of SFCs Act, 1951)				
Balance as per last Balance Sheet				
Add: Profit/(Loss) transferred from D. St. a.	2,96,67,911		7,17,55,404	
Appropriation Account	(2,16,92,624)	79,75,287		
SPECIAL RESERVE			,	2,30,07,911
(Section 35(A) of SFCs Act, 1951)				
Balance as per last balance sheet				
marioo oncet		2,50,00,000		0.50.00
Special Reserve for the purpose of				2,50,00,000
Section 36(1)(viii) of Income Tax Act, 1961				
Balance as per last Balance Sheet				
Add:Amount transferred from Profit & Loss Appropriation Account	38,92,33,234		38,92,33,234	
TOTAL		29 00 00 0-	-	
TOTAL		38,92,33,234		38,92,33,234
		42,22,08,521		44,39,01,145





SCHEDULE 'C' - BORROWINGS PARTICULARS		As at 31.03.2019		As at 31.03.2018
PARTICULARS		(Rs.)	pr.	(Rs.)
Small Industries Development Bank of India (SIDBI) (Refinance u/s 7(5) of SFC Act, 1951)				
Balance as per last Balance Sheet	5,33,33,300		9,66,66,640	
(Less): Repaid during the year	(5,33,33,300)	_	(4,33,33,340)	5,33,33,300
Government of NCT Delhi (GNCTD) - Unsecured				***************************************
(Repayable in 8 years including moratorium of 18 months; repayment commenced during 2013-14)				
Balance as per last Balance Sheet (Refer Note 3)	33,00,00,000		33,00,00,000	
(Less): Repaid during the year	-	33,00,00,000	-	33,00,00,000
TOTAL		33,00,00,000		38,33,33,300
SCHEDULE 'D' - PROVISIONS				
PARTICULARS		As at 31.03.2019 (Rs.)		As at 31.03.2018 (Rs.)
Income Tax	2,09,50,688		2,09,50,688	
(Less): Adjusted during the year	*		-	
Add: Provided during the year	2 -	2,09,50,688		2,09,50,688
Gratuity	5,06,35,266		4,85,72,161	
Add: Provided during the year	44,00,598		1,45,68,768	
(Less): Adjusted during the year	(65,08,837)	4,85,27,027	(1,25,05,663)	5,06,35,266
Leave Encashment	2,84,25,938		3,12,89,470	
Add: Provided during the year	43,79,875		32,38,301	
(Less): Adjusted during the year	(38,79,944)	2,89,25,869	(61,01,833)	2,84,25,938
Prudential Provision for Standard Assets	18,88,258		19,35,410	<i>p</i>
Add/ (Less): Provided/ (written back) during the year	(7,06,348)	11,81,910	(47,152)	18,88,258