

BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in ₹)

Sr. No.	PARTICULARS	NOTE NO.	AMOUNT	As at 31st March, 2012	As at 31st March, 2011
I	EQUITY AND LIABILITIES				
(1)	Shareholder's Funds				
	(a) Share Capital	2	1,009,248,000.00		1,009,248,000.00
	(b) Reserves and Surplus	3	1,739,146,203.90	2,748,394,203.90	1,550,881,939.09
					2,560,129,939.09
(2)	Non-Current Liabilities				
	(a) Deferred Tax Liabilities (Net)	4	1,808,282.00		(343,008.00)
	(b) Other Long Term Liabilities	5	122,723,436.86		122,310,108.36
	(c) Long Term Provisions	6	19,715,937.00		24,919,830.00
(3)	Current Liabilities				
	(a) Short-Term Borrowings	7	875,352,353.62		930,107,332.97
	(b) Trade Payables	8	56,300,663.00		30,827,280.00
	(c) Other Current Liabilities	9	1,568,951,273.10		1,435,822,965.54
	(d) Short-Term Provisions	10	23,498,448.00		23,576,412.00
				2,524,102,737.72	2,420,333,990.51
	Total			5,416,744,597.48	5,127,350,859.96
II	ASSETS				
(1)	Non-Current Assets				
	(a) Fixed Assets				
	(i) Tangible Assets	11	59,405,813.10		59,777,689.41
	(ii) Intangible Assets	12	2,811,428.28		3,737,830.28
				62,217,241.38	63,515,519.69
	(b) Non-Current Investments	13	24,194,445.00		24,194,445.00
	(c) Long Term Loans and Advances	14	1,491,808,903.00		1,835,995,920.79
	(d) Other Non Current Assets	15	385,865.00		373,627.00
				1,516,389,213.00	1,860,563,992.79
(2)	Current Assets				
	(a) Current Investments	16	3,256,862,714.47		2,782,370,131.60
	(b) Cash and Cash Equivalents	17	170,351,442.56		138,665,562.93
	(c) Short-Term Loans and Advances	18	381,281,112.07		286,317,542.95
	(d) Other Current Assets	19	29,642,874.00		15,898,110.00
				3,838,138,143.10	3,203,271,347.48
	Total			5,416,744,597.48	5,127,350,859.96

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As per our report of even date attached

For M/S. R. K. PIKALE & CO

Chartered Accountants

FRN.107919W

For and on behalf of the Board

CA. R. K. PIKALE

Partner

M.No. 30891

216, Govinda Building

M. G. Road

Panaji-Goa

25th September, 2012

P. KRISHNAMURTHY

Chairman

S. P. BHAT

Managing Director

Place: Panaji - Goa

Date : 25th September, 2012



EDC LIMITED
PANAJI - GOA

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

Sr. No.	PARTICULARS	Note No.	AMOUNT	For the year ended on 31st March, 2012	AMOUNT	For the year ended on 31st March, 2011
I.	Revenue from Operations	20		544,483,384.90		397,030,138.04
II.	Other Income	21		15,723,227.82		9,192,213.68
III.	Total Revenue (I + II)			560,206,612.72		406,222,351.72
IV.	Expenses:					
	Employee Benefits Expenses	22	79,946,411.64		76,791,548.31	
	Finance Cost	23	85,614,351.93		45,583,140.92	
	Depreciation and Amortization	11 & 12	4,613,856.78		4,380,916.41	
	Other Expenses	24	119,770,704.56		81,972,502.48	
	Total Expenses			289,945,324.91		210,728,106.12
V.	Profit Before Tax (III - IV)			270,261,287.81		195,494,245.60
VI.	Tax Expense:					
	(1) Current Tax		68,100,000.00		40,000,000.00	
	(2) Deferred Tax		2,151,290.00		4,983,155.00	
	(3) Wealth Tax		16,000.00		15,000.00	
	(4) Short/ (Excess) Provision for Current Tax in respect of earlier year(s)		-		1,290,899.17	
	(5) Short/(Excess) Provision for Wealth Tax in respect of earlier years(s)		-		(14,112.00)	
	(6) Short/(Excess) Provision for Fringe Benefit Tax in respect of earlier years		-	70,267,290.00	120,090.00	46,375,032.17
VII.	Profit for the year (V-VI)			199,993,997.81		149,119,213.43
VIII.	Earning per Equity Share:					
	(1) Basic			₹.19.82		₹.14.78
	(2) Diluted			₹.19.82		₹.14.78

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As per our report of even date attached

For M/S. R. K. PIKALE & CO

Chartered Accountants

FRN.107919W

CA. R. K. PIKALE

Partner

M.No. 30691

216, Govinda Building

M. G. Road,

Panaji-Goa

25th September, 2012

For and on behalf of the Board


P. KRISHNAMURTHY
Chairman


S. P. BHAT
Managing Director

Place: Panaji - Goa

Date: 25th September, 2012



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st, MARCH, 2012

PARTICULARS		₹ in Lakh		₹ in Lakh	
		31/03/2012		31/03/2011	
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit(Loss) Before Tax and Extraordinary Items			2,702.61		2,134.76
<u>Adjustment for:</u>					
Dividend Received		(68.71)		-	
Depreciation		46.14		43.81	
Bad Debts written off		12.55		251.34	
Sundry Balances write back		(8.47)		(26.99)	
Non Performing Assets		214.60		-	
Prior Period Adjustment		-		(0.20)	
Profit on Sale of Fixed Assets		(0.06)		-	
Loss on Sale of Fixed Assets		1.94	197.98	-	267.95
Operating Profit(Loss) before working capital changes			2,900.59		2,402.71
<u>Adjustment for</u>					
(Increase)/Decrease in Advances		2,179.27		1,327.10	
(Increase)/Decrease in Other Assets		0.10		(0.05)	
(Increase)/Decrease in Fixed Deposits & Accrued Interest		(4,882.50)		-	
Increase/(Decrease) in Deposit Placements		1,728.74		5,536.89	
Increase/(Decrease) in Other Liabilities and Provisions		(216.02)	(1,190.40)	215.38	7,079.30
CASH GENERATED FROM OPERATIONS			1,710.19		9,482.01
Direct Taxes Paid			(776.99)		(794.53)
Wealth Tax Paid			15.41		(25.13)
Fringe Benefit Tax Refund Received			-		0.01
NET CASH FLOW FROM OPERATING ACTIVITIES	A		948.60		8,662.36
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets		(36.08)		(22.04)	
Proceeds from Sale of Fixed Assets		1.05		-	
NET CASH FROM INVESTING ACTIVITIES	B		(35.03)		(22.04)
C. CASH FLOW FROM FINANCING ACTIVITIES					
Dividend Received		68.71			
Increase/(Decrease) in Borrowings		(547.55)		9,301.07	
Dividend paid (2009-10)		(100.92)		-	
Dividend Tax paid		(17.15)		-	
NET CASH FROM FINANCING ACTIVITIES	C		(596.91)		9,301.07
NET INCREASE IN CASH AND CASH EQUIVALENTS	[A+B+C]		316.66		17,941.40
CASH AND CASH EQUIVALENTS AS AT 01-04-2011			1,388.88		11,431.88
CASH AND CASH EQUIVALENTS AS AT 31-03-2012			1,703.52		29,373.27

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As per our report of even date attached

For M/S. R. K. PIKALE & CO
Chartered Accountants
FRN 107919W

For and on behalf of the Board

CA. R. K. PIKALE
Partner
M.No. 80591
218 Govinda Building
M. G. Road
Panaji-Goa
25th September, 2012



P. KRISHNAMURTHY
Chairman

S. P. BHAT
Managing Director

Place: Panaji - Goa
Date : 25th September, 2012

EDC LIMITED PANAJI, GOA

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING CONVENTION:

The accounts of the Corporation are prepared under the historical cost convention and in accordance with the relevant Accounting Standards, except where stated otherwise. The Corporation follows accrual basis of accounting for recognition of income and expenses, except as indicated below:

- a) In accordance with the provisions of Section 209 (1) (d), of the Companies Act, 1956 and the exemption granted to financial institutions, under circular No.G.S.R.550 (E) dated 16th May, 1989, the Corporation has as in the previous years followed the Mercantile System of Accounting, except in respect of interest income, as disclosed in para 9 herein below.
- b) In case of appropriation of sale proceeds of disposal of assets, taken under Section 29 of SFC's Act 1951/PMRA, the Corporation has decided first, to adjust the amount debited to other expenses, thereafter towards principal and lastly the balance, if any towards interest.

1.2 FIXED ASSETS:

- a) Fixed Assets are shown at historical cost less accumulated depreciation.
- b) Depreciation on assets has been provided on Straight-Line Method, at the rate prescribed by Schedule XIV to Companies Act, 1956. Depreciation, in respect of additions to and deduction from assets, has been charged on pro-rata basis, with reference to the period of use of such assets. Depreciation, in respect of assets given on lease in respect of lease transactions entered into, prior to 01-04-2001 is depreciated over the primary period of lease.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

- c) Computer Software which is subject to Technical Obsolescence has been classified as Intangible assets and the same is being depreciated on Straight Line Basis at the rate prescribed by Schedule XIV to Companies Act, 1956.

1.3 INVESTMENTS AND DIMINUTION IN VALUE OF INVESTMENTS:

Investments being long-term, are carried in the Financial Statement at cost. However, Provision for diminution is made, to recognize a decline other than temporary, in the value of investments.

1.4 EMPLOYEE BENEFITS:

- (a) The eligible employees of the Corporation are entitled to receive benefits, under the Provident Fund, a defined contribution plan in which, both the employees and the Corporation make monthly contributions, at a specified percentage of the covered employee's salary. The contributions, as specified under the law are accrued on a monthly basis and deposited with the Regional Provident Fund Commissioner and the Central Provident Fund under the Pension Scheme.
- (b) The Corporation has a Superannuation Plan for its employees, with a defined contribution plan. The plan is managed by a Trust and the funds are invested under EDC Employees Group Superannuation Scheme, with the Life Insurance Corporation of India. The contribution paid to the Life Insurance Corporation of India, during the year is charged to the Profit & Loss Account.
- (c) The Corporation has an obligation towards Gratuity, a defined benefit retirement plan and has set up a Gratuity Trust and has taken a Group Gratuity Cash Accumulation Scheme with the Life Insurance Corporation of India, for future payments of gratuities to its retiring employees. The payment/provisions for the premium towards Gratuity are based on the actuarial valuation.
- (d) The liability in respect of compensated absences for employees is determined on the basis of an independent actuarial valuation carried out at the end of the year and differential liability is recognized as an expense/income in the Profit and Loss Account



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

1.5 ASSET CLASSIFICATION:

Income Recognition, Asset Classification and Provisioning for Non Performing Assets is done based on the Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances with reference to the prudential norms issued by the Reserve Bank of India.

1.6 REVENUE RECOGNITION:

- (a) In respect of Interest Income on loans, Revenue is recognized as per Prudential Norms on Income Recognition, Asset Classification and Provisioning for Non Performing Assets. In respect of others, Revenue is recognized on accrual basis as and when the right to receive the revenue is established. Revenue Recognition is postponed, when there is a significant uncertainty as to measurability or collectability.
- (b) The Corporation has extended various types of loans to the employees, as per the schemes from time to time. The interest on such loans was charged to the Profit & Loss account, in the year of actual receipt till 31/03/2011. From the current year interest on such loans is charged on accrual basis.
- (c) The Corporation has given some shops/office premises and plots on lease basis and has individual lease agreements with the allottees. The rent received is recognized as income on accrual basis.

1.7 TAXATION:

Current:

The accounting treatment for income-tax in respect of the Corporation's income is based on the Accounting Standard 22 on 'Accounting for Taxes on Income' as notified by the Companies (Accounting Standards) Rules, 2006. The provision made for income-tax in the accounts comprises both, the current tax and the deferred tax.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

Deferred:

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. In situations where the Company has unabsorbed depreciation or carried forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that the same can be realized against future taxable profits.

1.8 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognized only when there is present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for :

- (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company.
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

1.9 PRIOR PERIOD ITEMS :

Significant items of Income and expenditure which relate to prior period are accounted in the Profit and Loss Account, under the head "Prior Period Adjustments" other than those occasioned during or after the close of the year and which are treated as relatable to the current year.

1.10 BORROWING COST:

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized.



EDC LIMITED
PANAJI - GOA

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

2 - SHARE CAPITAL

(Amount in ₹)

PARTICULARS		As at 31st March 2012		As at 31st March 2011
Authorised: 12,500,000 (Previous period 12,500,000) Equity Shares of ₹100/- each.		1,250,000,000.00		1,250,000,000.00
Issued: 10,092,480 (Previous period 10,092,480) Equity Shares of ₹ 100/- each.		1,009,248,000.00		1,009,248,000.00
		1,009,248,000.00		1,009,248,000.00
Subscribed and Paid up: 10,092,480 (Previous period 10,092,480) Equity Shares of ₹ 100/- each.		1,009,248,000.00		1,009,248,000.00
Total		1,009,248,000.00		1,009,248,000.00
Reconciliation of the no. of shares outstanding at the beginning and at the end of the year:	As at 31st March 2012 No of Shares	As at 31st March 2012 Amount	As at 31st March 2011 No of Shares	As at 31st March 2011 Amount
No of shares outstanding at the beginning of the year	10,092,480	1,009,248,000.00	10,092,480	1,009,248,000.00
Add: Additional shares issued during the year	-	-	-	-
Less: Shares forfeited/Bought back during the year	-	-	-	-
No of shares outstanding at the end of the year	10,092,480	1,009,248,000.00	10,092,480	1,009,248,000.00
Notes:				
i) Number of shares held by each shareholder holding more than 5% shares in the company are as follows:				
Particulars	Percentage of Shareholding on 31st March, 2012	Number of shares as at 31st March, 2012	Percentage of Shareholding on 31st March, 2011	Number of shares as at 31st March, 2011
Equity Shares:				
Government of Goa	85.41%	8,620,260	85.41%	8,620,260
IDBI Bank	11.43%	1,153,220	11.43%	1,153,220



NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

3 - RESERVES AND SURPLUS

(Amount in ₹)

PARTICULARS	AMOUNT	As at 31st March 2012	AMOUNT	As at 31st March 2011
General Reserve				
As per last Balance Sheet	1,400,000.00		1,400,000.00	
Add: Transfer from Profit & Loss Account	-	1,400,000.00	-	1,400,000.00
Special Reserve (under Section 36(1) (viii) of the Income Tax Act, 1961.)				
Balance as per last Balance Sheet	610,102,726.00		570,102,726.00	
Add: Transfer from Profit and Loss Account	67,000,000.00	677,102,726.00	40,000,000.00	610,102,726.00
Capital Reserve		234,465,831.00		234,465,831.00
Surplus:				
As per last Balance Sheet	704,913,382.09		607,562,883.66	
Add: Profit for the period	199,993,997.81		149,119,213.43	
	904,907,379.90		756,682,097.09	
Less: Appropriations				
Proposed Dividend	10,092,480.00		10,092,480.00	
Tax on Proposed Dividend	1,637,253.00		1,676,235.00	
Transfer to Special Reserve Under Section 36(1)(Viii)	67,000,000.00		40,000,000.00	
Transfer to General Reserve	-	826,177,545.90	-	704,913,382.09
Total		1,739,146,203.90		1,550,881,939.09

4 - DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

(i) Break up of deferred tax liability as at year end :

Nature of timing difference	As at 31st March, 2012	As at 31st March, 2011
Provision for Depreciation	(7,791,901.00)	(7,603,756.00)
Total	(7,791,901.00)	(7,603,756.00)

(ii) Break up of deferred tax asset as at year end:

Nature of timing difference	As at 31st March, 2012	As at 31st March, 2011
Leave Encashment Provision	5,796,602.00	7,755,293.00
Ex Gratia	30,141.00	30,859.00
Interest Tax Provision	156,676.00	160,512.00
Total	5,983,619.00	7,946,754.00

(iii) Deferred Tax Asset/(Liability) net:

(1,808,282.00)	343,008.00
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EDC LIMITED
PANAJI - GOA

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

5 - OTHER LONG TERM LIABILITIES

(Amount in ₹)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
CMRY (Bridge Loan-Transport)	1,575,800.00	298,158.00
Conditionally Refundable Security Deposit	3,731,654.50	4,578,968.00
Unclaimed Deposit	10,000.00	27,000.00
Deposit from Borrowers	100,300,233.00	100,300,233.00
Government of Goa	16,575,749.36	16,575,749.36
Security Deposit (Rent)	530,000.00	530,000.00
Total	122,723,436.86	122,310,108.36

6 - LONG TERM PROVISIONS

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
Leave Encashment Payable	17,852,602.00	23,347,011.00
Other Provisions	1,863,335.00	1,572,819.00
Total	19,715,937.00	24,919,830.00

7 - SHORT TERM BORROWINGS

PARTICULARS	As at 31st March 2012	As at 31st March 2011
Bank Overdrafts (Secured against Bank Fixed Deposits)	875,352,353.62	930,107,332.97
Total	875,352,353.62	930,107,332.97

Explanatory Notes:

Short Term Borrowings are secured by lien on the Fixed Deposits Receipts of the Corporation.

8 - TRADE PAYABLES

PARTICULARS	As at 31st March 2012	As at 31st March 2011
Creditors in respect of Capital Goods	90,000.00	-
Interest Payable on Land Acquisition Deposit	52,751,657.00	29,542,529.00
Payable in respect of other Services consumed	3,459,006.00	1,284,751.00
Total	56,300,663.00	30,827,280.00



EDC LIMITED
PANAJI - GOA

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

9 - OTHER CURRENT LIABILITIES

(Amount in ₹)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
Govt. of Goa	897,912.00	897,912.00
D.I.T.C. Share Capital (Govt. of Goa)	-	22,246,760.00
Advance against Sale of Unit/Vehicle	14,000.00	139,004,100.18
Amounts in respect of CMRY Scheme	37,004.00	36,004.00
Deposits from Borrowers in respect of Legal Proceedings	1,500,000.00	2,294,248.00
Earnest Money Deposit	151,800.00	1,024,100.00
Land Acquisition Award (Deposit)	1,449,385,808.23	1,166,339,858.23
One Time Settlement of Dues	72,132,000.38	60,614,235.60
Loan Excess Amount	440,945.10	222,083.10
Other Outstanding Liabilities	17,583,503.01	11,763,320.16
Dues to Contractors	17,505,029.38	28,337,928.38
Audit & Professional Fees Payable	265,251.00	211,043.00
Lease Rent/Ground Rent(Patto) received in advance	583,087.00	583,087.89
Amount pending adjustment against Loan (Cheques in Transit)	7,970,808.00	1,640,072.00
Employees Deductions Payable	-	17,925.00
Service Tax Payable	-	54,426.00
T.D.S. (Contractors) Payable	208,912.00	460,592.00
Royalty Payable	172,952.00	-
Service Tax Payable (Rent)	7,305.00	-
VAT (T.D.S) Payable	240.00	-
TDS Payable (Professional Fees)	94,716.00	75,270.00
Total	1,568,951,273.10	1,435,822,965.54

10 - SHORT-TERM PROVISIONS

PARTICULARS	AMOUNT	As at 31st March, 2012	As at 31st March, 2011
Provision for Proposed Dividend & Dividend Tax			
Proposed Dividend			
Balance as per last Balance Sheet	10,092,480.00		11,807,697.00
Add: Provision for the Current Year	10,092,480.00		10,092,480.00
Dividend Tax			
Balance as per last Balance Sheet	1,676,235.00		
Add: Provision for the Current Year	1,637,253.00		1,676,235.00
		23,498,448.00	23,576,412.00
Total		23,498,448.00	23,576,412.00



EDC LIMITED
PANAJI - GOA.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

11 - TANGIBLE ASSETS

(Amount in ₹)

PARTICULARS	RATE OF DEP	Gross Block				Depreciation / Amortization/ Diminution				Net Block	
		As at 31st March, 2011	Additions during the year	Deductions during the year	As at 31st March, 2012	Upto 31st March, 2011	For the year	On Deductions*	Upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Land (Freehold)		353,000.00	-	-	353,000.00	-	-	-	-	353,000.00	353,000.00
Buildings											
Retained for Own Use	1.63%	40,875,690.66	-	-	40,875,690.66	6,504,030.00	821,124.00	-	7,325,162.06	42,550,628.60	43,371,652.60
Led Out	1.63%	470,434.35	500,000.00	-	970,434.35	169,552.98	7,668.00	-	177,220.98	793,213.37	300,881.37
Shops		353,849.00	-	-	353,849.00	-	-	-	-	353,849.00	353,849.00
Lifts	4.75%	3,309,688.00	-	-	3,309,688.00	1,108,727.00	115,900.00	-	1,222,627.00	2,087,061.00	2,202,961.00
Air Conditioners & Other Plants	4.75%	6,756,184.84	119,330.00	-	6,875,514.84	3,928,372.44	323,872.00	-	4,252,244.44	2,623,270.40	2,827,812.40
Computers	16.21%	4,341,760.00	1,689,088.00	1,004,156.00	5,227,500.00	3,250,426.65	648,655.78	711,510.47	3,967,770.86	2,039,729.14	1,091,342.46
Furniture & Fixtures	6.33%	13,109,854.57	32,764.00	-	13,142,618.57	10,202,572.29	826,041.00	-	11,028,613.29	2,113,845.28	2,506,982.28
Vehicles	9.50%	7,396,816.44	936,560.00	-	8,333,376.44	2,572,951.83	760,335.00	-	3,333,286.83	5,000,479.61	4,823,864.61
Electrical Fittings	4.76%	773,653.00	-	-	773,653.00	43,602.33	36,748.00	-	80,351.33	693,301.67	730,050.67
Office Equipments	4.76%	3,228,213.75	128,352.00	-	3,357,565.75	2,412,920.72	146,910.00	-	2,559,830.72	797,735.03	816,293.03
Total		59,969,252.61	3,608,224.00	1,004,156.00	62,573,320.61	30,191,563.20	3,687,454.78	711,510.47	33,167,507.51	59,405,813.10	59,777,689.41
Previous year		57,765,418.61	2,203,834.00	-	59,969,252.61	26,737,048.79	3,454,514.41	-	30,191,563.20	59,777,689.41	61,028,369.82

12 - INTANGIBLE ASSETS

PARTICULARS	RATE OF DEP	Gross Block				Depreciation / Amortization/ Diminution				Net Block	
		As at 31st March, 2011	Additions during the year	Deductions during the year	As at 31st March, 2012	Upto 31st March, 2011	For the year	On Deductions*	Upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
INTANGIBLE ASSETS											
Computer Software	16.21%	5,715,000.00	-	-	5,715,000.00	1,877,169.72	928,402.00	-	2,803,671.72	2,811,428.28	3,737,830.28
Total		5,715,000.00	-	-	5,715,000.00	1,877,169.72	928,402.00	-	2,803,671.72	2,811,428.28	3,737,830.28
Previous year		5,715,000.00	-	-	5,715,000.00	1,050,767.72	928,402.00	-	1,877,169.72	3,737,830.28	4,664,232.28



NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

13 - NON CURRENT INVESTMENTS (AT COST)

(Amount in ₹)

PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	AMOUNT	AMOUNT
I. Investments in Subsidiary Companies - Unquoted		
A) Non- Trade – Unquoted		
1. Goa Electronics Limited		
180,000 Equity Shares of ₹100/- each fully paid up (180,000 Equity Shares of ₹100/- each fully paid up)	18,000,000.00	18,000,000.00
2. Goa Antibiotics & Pharmaceuticals Limited		
i) 399,000 Equity Shares of ₹100/- each fully paid up (399,000 Equity Shares of ₹100/- each fully paid up)	37,222,017.00	37,222,017.00
ii) 1,503,000 - 8.5% Cumulative Redeemable Preference Shares of ₹100/- each fully paid up. (1,503,000 - 8.5% Cumulative Redeemable Preference Shares of ₹100/- each fully paid up.)	150,300,000.00	150,300,000.00
3. Goa Auto Accessories Limited		
i) 259,000 Equity Shares of ₹100/- each fully paid up (259,000 Equity Shares of ₹100/- each fully paid up)	25,900,000.00	25,900,000.00
ii) 300,000 - 8.5% Cumulative Redeemable Preference Shares of ₹100/- each fully paid up (300,000 - 8.5% Cumulative Redeemable Preference Shares of ₹100/- each fully paid up)	30,000,000.00	30,000,000.00
II. Other investments (Unquoted)		
1. Info Tech Corporation of Goa Limited		
1,589,037 Equity Shares of ₹10/- each fully paid up (1,589,037 Equity Shares of ₹10/- each fully paid up)	15,690,370.00	15,690,370.00
2. Goa State Infrastructure Development Corporation Limited		
60,000 (includes 10,000 as bonus shares issued on 15/04/2010) Equity Shares of ₹10/- each fully paid up (60,000 (includes 10,000 as bonus shares issued on 15/04/2010)Equity Shares of ₹10/- each fully paid up)	500,000.00	500,000.00
3. Goa State Co-operative Bank Limited		
500 Equity Shares of ₹100/- each fully paid up (500 Equity Shares of ₹100/- each fully paid up)	50,000.00	50,000.00
4. Goa Metal Casters Private Limited		
2,500 Equity Shares of ₹100/- each fully paid up (2,500 Equity Shares of ₹100/- each fully paid up)	250,000.00	250,000.00
5. Rodal Circaprint Electronics Limited		
15,000 - 13.5% Redeemable Preference Shares of ₹100/- each fully paid up (15,000 - 13.5% Redeemable Preference Shares of ₹100/- each fully paid up)	1,500,000.00	1,500,000.00
6. MITCON Ltd.		
2,000 (includes 1,200 as bonus shares issued on 28/02/2008) Equity Shares of ₹100/- each fully paid up (2,000 (includes 1,200 as bonus shares issued on 28/02/2008) Equity Shares of ₹100/- each fully paid up)	80,000.00	80,000.00



NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

13 - NON CURRENT INVESTMENTS (AT COST) (CONTD.)

(Amount in ₹)

PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	AMOUNT	AMOUNT
III. Other Investments - (Quoted)		
1. Automobile Corporation of Goa Limited 405,302 Equity Shares of ₹10/- each fully paid up. (405,302 Equity Shares of ₹10/- each fully paid up.)	10,132,445.00	10,132,445.00
2. Nova Dhatu Udyog Limited 750,000 Equity Shares of ₹10/- each fully paid up (750,000 Equity Shares of ₹10/- each fully paid up)	7,500,000.00	7,500,000.00
3. Ravish Infusion Limited 1,500,000 Equity shares of ₹10/- each fully paid up (1,500,000 Equity shares of ₹10/- each fully paid up)	15,000,000.00	15,000,000.00
4. Marmagao Steel Limited 750,000 Equity Shares of ₹1/- each fully paid up (750,000 Equity Shares of ₹1/- each fully paid up)	7,500,000.00	7,500,000.00
5. IDBI Limited 114,240 (includes 42,840 as bonus shares issued on 29/03/2001) Equity Shares of ₹10/- each fully paid up (114,240 (includes 42,840 as bonus shares issued on 29/03/2001) Equity Shares of ₹10/- each fully paid up)	9,282,000.00	9,282,000.00
6. GKB Ophthalmics Limited 50,000 Equity Shares of ₹10/- each fully paid up. (50,000 Equity Shares of ₹10/- each fully paid up.)	1,750,000.00	1,750,000.00
Total	330,656,832.00	330,656,832.00
Quoted Investments	51,164,445.00	51,164,445.00
Unquoted Investments	279,492,387.00	279,492,387.00
Total	330,656,832.00	330,656,832.00
Less: Provision for Diminution in Value of Investments	306,462,387.00	306,462,387.00
Net Investments	24,194,445.00	24,194,445.00
Market value of quoted investments	135,778,313.30	164,653,614.10



EDC LIMITED
PANAJI - GOA

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

14 - LONG TERM LOANS AND ADVANCES

(Amount in ₹)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
<u>Secured Loans</u>		
Loans to Industrial Units	1,683,424,059.84	2,029,596,578.99
Less: Provision for NPA	373,782,815.70	304,959,604.00
	1,309,641,244.14	1,724,636,974.99
<u>Other Loans</u>	5,092,000.00	5,092,000.00
Less: Provision for NPA	4,592,000.00	4,592,000.00
	500,000.00	500,000.00
Loans to Subsidiary Companies	109,032,873.00	116,532,873.00
Less: Provision for NPA	10,903,287.30	58,266,437.00
	98,129,585.70	58,266,436.00
<u>Staff Loans</u>		
i. Secured - Considered Good	12,115,308.00	5,394,621.00
ii. Unsecured - Considered Good	16,806,600.47	656,005.47
<u>Unsecured Considered Good</u>		
Advance recoverable in cash or kind or for value to be received	4,157,478.61	4,115,606.61
<u>Balances with Revenue Authorities (Net of Provisions)</u>		
i) Advance payment of Income Tax and Tax Deducted at Source	49,162,401.08	39,563,091.72
ii) Advance payment of Fringe Benefit Tax	8,840.00	8,840.00
iii) Advance payment of Wealth tax	927,470.00	2,484,070.00
Deposits with Public Bodies & Others	359,975.00	370,275.00
Total	1,491,808,903.00	1,835,995,920.79

15 - OTHER NON CURRENT ASSETS

PARTICULARS	As at 31st March 2012	As at 31st March 2011
Fixed Deposits with Scheduled Banks (With maturities exceeding 1 Year)	360,000.00	360,000.00
Add: Accrued Interest	25,865.00	13,627.00
Total	385,865.00	373,627.00

16 - CURRENT INVESTMENTS

PARTICULARS	As at 31st March 2012	As at 31st March 2011
Fixed Deposits with Scheduled Banks (With maturities exceeding 3 months but not exceeding 1 Year)	3,218,966,695.00	2,720,097,310.00
Add: Accrued Interest	37,896,019.47	62,272,821.60
Total	3,256,862,714.47	2,782,370,131.60



EDC LIMITED
PANAJI - GOA

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

17 - CASH AND CASH EQUIVALENTS

(Amount in ₹)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
(a) Balances with banks (including deposits with less than 3 months maturity)	18,099,585.22	22,648,676.38
(b) Fixed Deposits with Scheduled Banks (With maturities not exceeding 3 months) Add: Accrued Interest	150,000,000.00 1,627,749.00 151,627,749.00	109,000,000.00 6,387,563.84 115,387,563.84
(c) Cash in Hand	624,108.34	649,322.71
Total (a+b+c)	170,351,442.56	138,685,562.93

18 - SHORT TERM LOANS AND ADVANCES

PARTICULARS	As at 31st March 2012	As at 31st March 2011
<u>Secured Loans</u>		
Loans to Industrial Units	346,659,813.35	220,147,685.97
<u>Staff Loans</u>		
Secured	3,790,813.00	2,773,614.00
Unsecured	460,234.00	573,497.00
Interest Subsidy (Govt of Goa) Receivable	12,993,000.00	-
Lease/Ground Rent (Patto) Receivable	9,864,511.00	9,765,096.00
Mobilisation Advance	1,799,768.00	10,977,230.00
Unsecured Considered Good		
Advance recoverable in cash or kind or for value to	2,326,152.05	22,080,419.98
<u>Deposits with Government Authorities</u>		
Amount in respect of CMRY	3,386,820.67	-
Total	381,281,112.07	266,317,542.95

19 - OTHER CURRENT ASSETS

PARTICULARS	As at 31st March 2012	As at 31st March 2011
Accrued Interest on Term Loans	29,642,874.00	15,898,110.00
Total	29,642,874.00	15,898,110.00



EDC LIMITED
PANAJI - GOA

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

20 - REVENUE FROM OPERATIONS

(Amount in ₹)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
Interest on Loans	241,487,765.59	229,435,417.31
Interest on Fixed Deposits (Gross)	255,450,268.92	131,293,251.80
Interest Subsidy from Government of Goa	9,280,125.00	5,450,254.00
Rent (Gross)	5,510,316.00	4,789,780.00
Lease/Ground Rent & Extension Fees (Patto Plaza)	22,857,649.39	21,066,967.08
Recovery of Bad Debts written off	6,022,255.00	4,397,408.85
Interest on Ground Rent	1,924,720.00	-
Interest on Extension Fees	1,255,785.00	89,875.00
Nalanda Rent	694,500.00	505,164.00
Total	544,483,384.90	397,030,138.04

21 - OTHER INCOME

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
Miscellaneous Receipts	2,523,487.32	3,882,349.43
Leave Encashment Provision w/back	5,481,077.00	719,749.00
Dividend (From Non-Trade Investments)	6,871,350.00	1,891,277.00
Sundry Deposits written back	847,313.50	2,698,838.25
Total	15,723,227.82	9,192,213.68



EDC LIMITED
PANAJI - GOA

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

22 - EMPLOYEE BENEFITS EXPENSES

(Amount in ₹)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
Salaries and Allowances	57,867,953.00	56,184,561.00
Contribution to Provident Fund and other Funds	17,742,464.00	19,254,044.00
Staff Welfare	2,612,866.64	3,308,941.31
Staff Training Expenses	89,605.00	44,000.00
Leave Encashment Paid	1,633,521.00	-
Total	79,946,411.64	78,791,546.31

23 - FINANCE COST

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
Interest on Land Acquisition Deposit	52,751,657.00	29,542,529.00
Interest on Cash Credit	32,862,694.93	16,040,611.92
Total	85,614,351.93	45,583,140.92

24 - OTHER EXPENSES

PARTICULARS	For the year ended 31st March, 2012		For the year ended on 31st March, 2011	
Rent		9,895.00		8,208.00
Repairs & Maintenance -				
Buildings	371,237.00		78,814.45	
Vehicles	248,779.00		1,208,069.16	
Others	82,453,481.70	83,073,497.70	26,640,120.00	27,927,023.61
Provision For Non Performing Assets		21,460,062.00		17,361,070.00
Provision For Diminution in Value of Investments		-		600,000.00
<u>Auditor's Remuneration</u>				
Audit Fees	89,888.00		88,240.00	
Tax Audit fees	22,472.00	112,360.00	22,060.00	110,300.00
Bad Debts written off		1,255,132.25		25,133,502.59
Consultancy & Professional Fees		3,401,765.00		3,171,665.00
Postage, Telegram & Telephones		1,038,149.70		1,026,218.79
Travelling & Conveyance Expenses		2,549,461.03		550,615.26
Miscellaneous Expenses		6,870,381.88		6,083,899.23
Total		119,770,704.56		81,972,502.48



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

25 NOTES TO ACCOUNTS:

25.1 EARNINGS FROM INVESTMENTS:

The Corporation has earned dividend from investments of ₹6,871,350.00 (Previous Year ₹1,891,277.00). Dividend on 8.5% Cumulative Redeemable Preference Shares, issued to subsidiaries GAPL and GAAL shall be accounted as and when declared.

25.2 WRITE OFF / PROVISION FOR LOSS ON INVESTMENT:

Provision for Loss on Investment during the year is Nil (Previous Year: ₹600,000.00).

25.3 LOANS AND ADVANCES:

- (a) Loans and advances include loans to employees of the Corporation of ₹16,956,444.47 (Previous year ₹9,397,737.47). Maximum balance during the year is ₹33,499,718.47 (Previous year - ₹12,728,939.47). Accrued interest as at 31/03/2012 not included in the above is ₹16,216,511.00. (Previous Year NIL)
- (b) The Corporation has maintained Special Reserve u/s 36(1) (viii) of the Income Tax Act, 1961, to the extent of ₹677,102,726.00 (Previous Year ₹610,102,726.00).
- (c) The Corporation has made provision in respect of Non Performing Assets as at end of the year to the extent of ₹389,278,103.42 (Previous Year ₹367,818,041.00). During the year additional Provision of ₹21,460,062.00 was made. (Previous Year ₹17,361,070.00).
- (d) The Corporation considered 23 (Previous Year 34) cases under One Time Settlement Scheme during the year. The total amount outstanding from these units was ₹1433.89 Lakh (Previous Year ₹287.09 Lakh) The details of the amounts Outstanding, Recovered and Waived during the period, are as follows:



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

25.4 CONTINGENT LIABILITIES NOT PROVIDED FOR:

1. The Corporation has provided its fixed deposits held with various bankers on lien to various bankers for working capital facilities advanced to its subsidiary companies. Total of such facilities sanctioned amount to ₹400.00 Lakh (Previous year ₹400.00 Lakh).
2. Provision has not been made in the accounts in respect of the following liabilities not acknowledged as debt for the reasons stated below:-
 - a) Corporation had taken over the possession of mortgaged assets in respect of Diyana Holiday Homes(Borrower), under Section 29, of State Financial Corporation Act. Subsequently, one Mr. Baptist D'Souza, had filed a civil suit against the Corporation on 25/02/2003, for a rent back installment claim of ₹600/- per day, by way of damages until the date of removal of the seal by the Corporation. As the entire assets of the Hotel were mortgaged to the Corporation, since February 1995, Corporation does not expect any liability on this account.
 - b) As per the directions of Hon'ble High Court of India, an amount of ₹925.00 Lakh was deposited with the Corporation, by M/s. Falcon Retreat Pvt. Ltd., (Borrower) a unit assisted by EDC. Pending final disposal of the suit and as decided by the Board, Interest earned on the Deposit amounting to an amount of ₹7,800,233.00 is provided for up to 31/03/2008. The Hon'ble Supreme Court of India in its judgment in May 2011 has upheld the decision of the redemption of mortgage in favour of M/s. Falcon Retreat Pvt. Ltd., and the appeals filed by M/s. L. K. Trust (Bidder) has been dismissed. M/s Falcon Retreat Pvt. Ltd., has demanded interest on the amount deposited for the intervening period amounting to ₹408.54 Lakh. EDC expects to contest this claim successfully and no liability is expected on this account.

Simultaneously M/s. L. K. Trust (Bidder) had deposited ₹1385.00 Lakh in 2005-06 towards purchase of said attached hotel unit of M/s. Falcon Retreat Pvt. Ltd. (Borrower). No further provision is made as the matter was sub-judice. In view of the judgment passed by Hon'ble Supreme Court of India, the entire amount of ₹1385.00 Lakh has been refunded to M/s. L. K. Trust in June 2011. M/s. L. K. Trust has filed a claim for interest on the above amount alongwith @18% p.a. amounting to ₹1233.00 Lakh. The



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

Corporation has decided to reject this claim in its Board meeting held 28/07/2011.

- c) The Corporation had awarded a Contract in May, 2010 of ₹920.39 Lakh for Improvement of Infrastructure at Patto Plaza, Panaji to M/s. Kanaka Infratech Ltd., Mumbai. The contract was terminated by the Corporation in view of violation of terms of contract by the contractor. The contractor M/s Kanaka Infratech Ltd., has approached the Additional District Court challenging the termination and claimed compensation of ₹10,000.00 Lakh. The Corporation expects to successfully defend the case and expects no liability on this count.
- d) Income Tax Department has assessed the Wealth Tax from A.Y. 2001-02 up to A.Y.2005-06. The penalty proceedings against the Corporation initiated by the department has been dropped. The Commissioner of Income Tax had issued a notice u/s 25(2) of Wealth Tax Act for the above period, re-opening the matter. The Corporation has replied appropriately to the said notice. A penalty of ₹51.02 Lakh was levied by the IT Department. The Corporation filed an Appeal against this with Income Tax Appellate Tribunal (ITAT). The ITAT, Panaji Bench passed its order in February 2011, allowing the appeal for A.Y..2001-02, 2002-03, 2004-05 and 2005-06 and the appeal for A.Y. 2003-04 was dismissed. The penalty of year 2003-04 is ₹944,633.00 . The Corporation has filed an appeal in the Hon'ble High Court, Panaji against the order dated 25/02/2011 passed by ITAT.

25.5 TAXATION:

(A) CURRENT TAXES:

During the current year the Corporation has made following provisions towards taxation:

(Amt. in ₹)		
Particulars	F.Y. 2011-12	F.Y. 2010-11
Corporate Tax	68,100,000.00	40,000,000.00
Wealth Tax	16,000.00	15,000.00



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

(B) DEFERRED TAX:

(Amt. in ₹)

Particulars	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Timing differences on account of	Deferred Tax Assets	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Liabilities
Depreciation effect		-	7,791,901.00	7,603,756.00
Leave Encashment	5,796,602.00	7,755,293.00		-
Ex-Gratia	30,141.00	30,859.00		-
Interest Tax	156,876.00	160,612.00		-
Gratuity	-	-		-
TOTAL:	5,983,619.00	7,946,764.00	7,791,901.00	7,603,756.00

Net Deferred Tax Assets: ₹(1,808,282.00) (Previous Year ₹343,008.00).

25.6 BAD DEBTS WRITTEN OFF:

During the current year, the Corporation has written off ₹Nil (Previous Year ₹24,193,058.00) excluding OTS & CMRY amount of ₹1,180,494.00 (Previous Year ₹940,445.01).

The sale proceeds of the securities in respect of Bad debts written off/recovery of bad debts will be accounted under the head "Other Income", as and when the amounts are realized in future.

25.7 'D.I.T.C' SHARE CAPITAL:

The Corporation is the implementing agency for the "Share Capital Assistance to Self Employed Scheme of DITC – 2003", a Government of Goa sponsored scheme, which is made applicable to the beneficiaries of Chief Minister's Rozgar Yojana (CMRY). The CMRY scheme, is a Government of Goa (GOG) sponsored Self Employment Scheme, for assisting educated unemployed. Under the said scheme, in addition to the term loan, the applicant is also provided "Interest Free Share Capital" contribution, which is to be repaid over a period of 5 to 10 years by the applicant. This amount is repaid by EDC, to the D.I.T.C. on recovery from the beneficiaries under the scheme, over a period of 10 years. The details of Share Capital funding is as follows:



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

Sr. No.	Particulars	Amount (₹ in Lakh)
1.	Amount received from GOG upto 31/3/2011	2,593.83
2.	Amount received from GOG during 2011-12	350.00
3.	Total (A)	2,943.83
4.	Amount disbursed to units upto 31/03/2011	2,648.41
5.	Amount disbursed to units during 2011-12	760.40
6.	Total (B)	3,408.81
7.	Principal recovered from assisted units upto 31/03/2012	1,294.40
8.	Principal remitted to GOG upto 31/03/2012	863.24
9.	Net receivable from GOG (3+7) – (6+8)	33.87

25.8 LAND ACQUISITION DEPOSIT:

An amount of ₹1,449,385,808.23 (Previous Year ₹1,166,339,858.23) is outstanding against Land Acquisition Deposit with the Corporation. This amount deposited is payable towards Land Acquisition by the Government Departments, as and when instructions are received from the Land Acquisition Officer of the respective projects.

25.9 PATTO PLAZA PROJECT:

The Corporation had developed the land at Patto Plaza admeasuring 177,555.72 sq.mtrs. Comprising of 100,667.40 sq.mtrs. of developed plots and the balance being open space, roads etc. The plots have been allotted on Long Lease and the allottees are liable to pay annual ground rent and other charges, as specified in their lease agreement.

25.10. OTHERS:

1. Deposits & Advances includes ₹10,000.00 (Previous Year ₹27,000.00) being unclaimed Fixed Deposits from Public. No response has been received from the depositors, despite efforts from the Corporation to refund the same.
2. Two shops in EDC Building were on which balance of bid amount of ₹353,849.00 is defaulted is cancelled and the shops are repossessed by the Corporation. The cost is taken to be the amount, which was due from the defaulting allottees. The shops are meant to be re-allotted to fresh bidders, and therefore no depreciation provision is considered necessary.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

3. There are no imports or remittances in foreign currency or earnings in foreign exchange during the current year (Previous Year ₹: Nil). Amount incurred on foreign tour is ₹905,327.00 (Previous Year ₹366,285.00).
4. The expense on account of Gratuity during the year is ₹748,560.00. (Previous Year ₹8,256,709.00). During the year an amount of ₹5,494,409.00 has been written back (Previous Year ₹719,749.00) in respect of excess provision of compensated absence for employees.
5. Expenditure incurred on office of Chairman/Vice Chairman in connection with the business of the Corporation:

(Amt. in ₹)

Particulars	2011-12		2010-11	
	Chairman	Vice Chairman	Chairman	Vice Chairman
Salaries of staff	0.00	354,000.00	192,007.00	210,000.00
Entertainment & telephone	457,859.99	67,594.00	288,526.31	98,921.00
Expenditure on Car	227,092.24	30,465.51	250,626.75	10,932.60
Traveling & Conveyance	111,125.68	0.00	98,207.26	-

6. Remuneration to the Managing Director:

(Amt. in ₹)

Particulars	2011-12	2010-11
Salaries	1,056,401.00	959,951.00
Perquisites	139,066.00	123,400.00
Leave Salary & Pension Contribution	264,693.00	260,951.00

7. An amount of ₹615,901.00 outstanding towards The Goa State Co-operative Bank Ltd. (GSCB) cash credit in the previous years has been written back in 2008-09, in view of the directions for settlement of liabilities to the Corporation and GSCB, by the Finance Department, Government of Goa.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

8. The annual accounts of the subsidiaries are yet to be reviewed by CAG and as such Consolidated Financial Statements as required by Accounting Standard 21, issued by ICAI are not appended herewith. Statement pursuant to Sec.212 of the Companies Act, 1956 relating to subsidiary companies is annexed herewith as Annexure-A. The balance confirmation pertaining to all subsidiary accounts have been confirmed as on 31/3/2012.
9. The Corporation is primarily engaged in carrying on financial activities where the risks and returns are similar and is in the normal course of lending activities. As such, Segmental Reporting as required under Accounting Standard 17 issued by ICAI is not applicable to the Corporation.
10. In the absence of any intimation received from parties regarding the status of their registration under "Micro, Small & Medium Enterprises Development Act 2006 " the company is unable to comply with the disclosures required to be made under the Act.
11. The Corporation has various amounts payable as well as receivable from various State Government departments pertaining to past transactions. The Corporation has approached the State Government to convey their approval for adjustment of all such payables against receivables. Approval in respect of such payments is awaited.
12. The Corporation had extended the Corporate Loan amount to M/s. Vishwas Steel Ltd. against the pledge of shares. On default of repayment of the loan, the pledge has been invoked and the shares of M/s Mega Corporation Ltd., are held by the Corporation in the Demat account. No accounting effect has been given for the same as final decision in respect of such shares is yet to be taken.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

13. Fixed Deposits with Banks includes ₹399,492.00 pledged with IDBI Bank Ltd, Panaji, (Previous Year ₹373,626.00) for furnishing Bank guarantee to Electricity Department of Goa for H.T. Power connection.

14. Earnings per share:

Particulars	2011-12	2010-11
Net Profit as per Profit & Loss Account	199,993,997.81	149,119,213.00
No. of shares	10,092,480	10,092,480
Earning per Share (Basic & Diluted)	19.82	14.78

15. The Revised Schedule VI has become effective from April 1, 2011 for the preparation of Financial Statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with Current Year's classification/disclosure.

Signature to Notes '1' to '25'

As per our report of even date attached

For M/s. R. K. Pikale & Co.

Chartered Accountants

FRN.107919W



CA. R. K. PIKALE
Partner
M. No. 30691

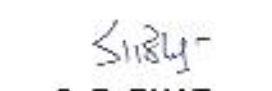
216, Govinda Building,
M. G. Road,
Panaji, Goa.
25th September, 2012



For and on behalf of Board



P. KRISHNAMURTHY
Chairman



S. P. BHAT
Managing Director

Panaji, Goa.
25th September, 2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1. Name of the Subsidiary Company	Goa Antibiotics & Pharmaceuticals Ltd (GAPL)	Goa Electronics Ltd (GEL)	Goa Auto Accessories Ltd. (GAAL)
2. Financial Year of the Subsidiary Company ended on	31-Mar-12	31-Mar-12	31-Mar-12
3. Date from which it became Subsidiary	9-Dec-80	10-Mar-76	24-Sep-76
4. a. Number of shares held by EDC Limited(Holding Company) with its nominees in the Subsidiary Company at the end of the financial year of the Subsidiary Company	3,99,000 Equity shares of ₹.100/- each fully paid up 15,03,000 8.5% Cumulative Redeemable Preference Shares of ₹.100/- each fully paid up	1,80,000 equity shares of ₹.100/- each fully paid up	2,58,000 Equity shares of ₹.100/- each fully paid up 3,00,000 8.5% Cum Redeemable Preference Shares of ₹.100/- each fully paid up
b. Extent of shareholding interest of Holding Company at the end of the Financial Year of the Subsidiary Company	100%	100%	100%
5. The net aggregate amount of the Subsidiary Company's Profit/ (Losses) so far as it concerns the members of the Holding Company not dealt with in the Holding Company's accounts (Fig.in ₹.)			
(i) For the Financial Year ended 31/03/2012	(206,634,275.36)	(199,080,771.00)	(85,304,603)
(ii) For the Previous Financial Year 31/03/2011	(217,387,171.72)	(204,185,381.00)	(85,238,468)
6. The Net aggregate amount of the Profit of the Subsidiary Company which has been dealt with in the accounts of the Holding Company (Fig.in ₹.)			
(i) For the Financial Year ended 31/03/2012	-	-	-
(ii) For the Previous Financial Year 31/03/2011	-	-	-
7. Material changes between the end of the Financial Year of the Subsidiary and the Holding Company's Financial Year	Not Applicable	Not Applicable	Not Applicable

Note: The information stated at clause 5 (i) above is as reported by GAPL, GEL and GAAL is provisional.

For M/S. R. K. PIKALE & CO
Chartered Accountants
FIRN 107919W

For and on behalf of the Board

CA. R. K. PIKALE
Partner
M.No. 30691
218 Goenda Building
M. G. Road
Panaji-Goa
25th September, 2012



P. KRISHNAMURTHY
Chairman

S. P. BHAT
Managing Director

Place: Panaji - Goa
Date: 25th September, 2012

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 37th Annual Report and Audited Statement of Accounts of the Corporation, for the financial year ended 31st March 2012.

FINANCIAL HIGHLIGHTS:

The performance of the Corporation for the financial year ended 31/03/2012 is summarized below:

(₹ in Lakh)

		31.3.2012	31.3.2011
I	Total Revenue	5602.06	4062.22
II	Expenses		
a)	Employee benefit expenses	799.46	787.92
b)	Finance cost	856.14	455.83
c)	Depreciation and amortization expense	46.14	43.81
d)	Other expenses	1197.71	819.72
	Total Expenses	2899.45	2107.28
III	Profit before tax	2702.61	1954.94
	Provision for taxes	702.67	463.75
	Profit for the period	1999.94	1491.19

PERFORMANCE REVIEW :

During the financial year ended 31.03.2012 the Corporation continued to show a steady growth in spite of our cautious approach and reported a turnover of ₹5602.06lakh as against ₹4,062.22 lakh in the previous year. The Profit before Taxation stood at ₹ 2702.61 lakh compared to ₹1,954.94 lakh in the previous financial year. The overall business environment was found to be difficult, due to various uncertainties and varying reasons, resulting in low business confidence. The performance during the year was improved despite overall recession and economic down turn, mainly due to better Treasury operations and business prudence.

The Corporation continued its main activities of term lending with emphasis on qualitative lending backed with adequate security. The amount sanctioned, disbursed and recovered during the year under review as follows:

	(₹. In lakh)	
	2011-12	2010-11
Sanctions	3,639.31	5,303.62
Disbursements	3,718.64	4,601.27
Recovery	7,802.61	7,551.69

The measures taken by the Corporation during the last few years did show results and have helped in maintaining the Market share in spite the depressed market conditions. The Corporation has been able to deliver sustainable performance in spite of difficult situation. The emphasis on recovery continued for overall improvement in asset quality, even though there was overall drop in loan outstanding.

DIVIDEND:

The Corporation has paid dividend during the last couple of years. The payment of dividend to the Shareholder during the current year has been retained by your directors, to ₹1/- per equity share, for the year ended 31.03.2012, subject to the approval of the members at the ensuing Annual General Meeting.

RESOURCES:

1. SHARE CAPITAL:

During the year there has been no addition to the equity share capital of the Corporation. The total paid up equity share capital of the Corporation is ₹10092.48 lakh.

2. REFINANCE/LINE OF CREDIT LOAN:

The Corporation has not availed any Refinance or Line of credit during the year under review and therefore there is no outstanding towards the same.

3. BANK LOAN:

The Corporation has availed overdraft facility from bank of ₹8753.52 lakh against its fixed Deposit Receipts, which has been utilized for treasury operations and working capital management.

ACTIVITIES OF THE CORPORATION FOR 2011-12:

It is said that difficult times test character like nothing else. The overall business environment during the year was very subdued. Our experience of the past held us steady in the face of economic and political situation that was encountered during the course of the year. It was our composed approach to the situation that helped us steer clear and forge ahead.

Your Corporation continued with its Financing activities and the performance in terms of sanction, disbursement and recovery during the period under the review is summarized as under:

(₹ in lakh)

	Term Loan	CMRY/ Microfinance	Infrastructure/Inst. Loan
Sanction	1,822.00	1,817.31	-
Disbursement	2,091.25	1,627.39	-
Recovery	2,913.09	1,001.27	3,888.25

The Corporation achieved a total recovery of ₹7,802.61 lakh of which ₹5,489.08 lakh was on account of principal recovery and ₹1,894.61 lakh on account of interest and balance ₹418.92 lakh towards OTS. From the total recovery of ₹7,802.61 lakh an amount of ₹3,888.25 lakh was recovered from Infrastructure/Institution Term Loan, of which ₹3,040.00 lakh was on account of principal and ₹848.25 lakh on interest account. The emphasis continued on reduction of Non Performing Assets (NPA) and qualitative lending. In spite of the recessionary trend the Corporation performance's has been relatively better in comparison to other institutions in the sector.

The Microfinance department continued its efforts to expand its business and the growth is evident. Personal Loan Scheme along with Housing, Vehicle and Professional Loan schemes for Government employees attracted substantial borrowing. The CMRY Scheme was also promoted to support beneficiaries from all over the State to generate self employment as mandated by the State Government.

The Corporation continued the work of up gradation of the Infrastructure facilities at Patto Plaza Complex, Panaji and a major part of the project was implemented. The balance work is likely to be completed shortly. This upgradation has given a totally improved look to the Patto Plaza.

The State Government has been providing Interest Rebate to entrepreneurs in backward areas as well as support to other categories with special emphasis to Women Entrepreneurship. However, this also did not enthuse investors as expected due to overall recession in the economy.

The Business environment that we operate in today is extremely dynamic and requires constant upgradation of skillsets and knowledge. The employees form the most valuable assets, as they are instrumental in implementing the planned actions and schemes. The Corporation continued its policy of their development and took various steps to improve their capabilities so as to build in house Capacity. Employees were deputed to various Training programs to improve their skills and upgrade their knowledge, so that the benefit could accrue to the Corporation in future.

REPORT OF SUBSIDIARY COMPANIES:

During the period under review the operation of the Subsidiary Companies were closely monitored and there has been improvement in their operations. The support of the State Government was also sought wherever possible to help the Subsidiary Companies.

Various measures undertaken by M/s. Goa Antibiotics & Pharmaceuticals Ltd. (GAPL) to mobilize business have yielded results. GAPL has reported a turnover of ₹2,944.85 lakh in comparison to ₹2,265.79 lakh during the previous year. The profit during the year reported by GAPL is ₹ 107.53 lakh as against ₹125.99 lakh during the previous year.

M/s. Goa Electronics Ltd. (GEL) continued with its operations of providing software related services to the State Government. GEL has also been associated with e-governance initiatives with various departments of the State Government. The

various software developed by GEL, have been implemented in different departments of the State Government. GEL was also instrumental in developing the Poll Maintaining Software (PMS) which was extensively used in the 2012 Assembly Polls in Goa. The Central Election Commissioner has conveyed his recognition to GEL, for implementing successfully the PMS for the first time in the Country. GEL posted a turnover of ₹990.86 lakh as against ₹636.66 lakh in the previous years. The Net profit was ₹51.24 lakh for the current year as per unaudited accounts as against loss of ₹18.14 lakh in the previous year.

M/s. Goa Auto Accessories Ltd. (GAAL) engaged in the manufacture of auto components and fabrication of bus body structures was impacted by the recession in the economy. Various measures were undertaken to augment the business and improve the capacity utilization. However, GAAL has reported a loss of ₹10.66 lakh for the year ended 31.03.2012. The State Government has been approached to indentify a strategic investor in GAAL.

The status on finalization of accounts of Subsidiary Companies is as under:

Sr. No.	Name of the Company	Audited up to
1	M/s. Goa Antibiotics & Pharmaceuticals Ltd.	2011-12
2	M/s. Goa Electronics Ltd.	2011-12
3	M/s. Goa Auto Accessories Ltd.	2011-12

Since the Annual Accounts of the Subsidiary Companies are yet to be adopted by the shareholders, the Directors are not in a position to attach the same with the Annual Accounts of the Corporation for the year 2011-12. The Corporation has made disclosure u/s 212 of Companies Act, with regard to the Subsidiary Companies and annexed the same to the annual accounts.

OUTLOOK FOR THE FUTURE:

The most vital skill of any good Management is to comprehend the business trends and plan ahead. Our continuous communication with our Stakeholders has helped us to charter our course for the future, keeping in mind the interest of all our Stakeholders. The State Government has kickstarted various infrastructure

projects and other development projects and schemes keeping into consideration the aspirations of the people, which is expected to usher in a favorable climate for entrepreneurs to set up their business in the state. This could result in enhanced business opportunities for the Corporation and result in further economic and social development in the State.

The Corporation has an optimistic outlook for the future and proposes to continue with qualitative lending activities to the SME Sector, along with other Micro Finance lending to enhance its portfolio. The Corporation proposes to maintain a well balanced and diversified loan portfolio for sustainable business. The Corporation's look out for new business opportunities mainly in the State Government domain is likely to be fruitful, with enquires pouring in for borrowing for State Government projects. In view of this enhanced business, a new scheme is being formulated to cater to such business, in the coming years.

The Corporation intends to compliment and leverage optimally its present financial strength to benefit other State Government Enterprises, which do not possess strong Balance Sheets and cash flows, to secure low cost finance. This high volume business may not yield high returns or result in commensurate increase in the profitability but is expected to result in substantial savings for the State, which is one of the major stakeholders.

The State Government has also mandated the Corporation to implement some of its schemes in association with other state government agencies. The Corporation in the past has never failed to deliver on such assignments and is considered as one of the excellent delivery channel of the State government. The Corporation based on past experience shall work out a strategy and choose appropriate manpower process and mechanism to execute such schemes, so as to ensure smooth delivery of the state government schemes to the people of the State who are also its Stakeholders. GEL the Subsidiary of the Corporation is also associated in a large way with the State government for implementing its schemes and has also turned out to be an excellent delivery vehicle of the State.

DIRECTORS:

During the year 2011-12, the following were the Directors:

1	Shri Agnielo Fernandes	Chairman
2	Shri Nitin Kunkolienkar	Vice Chairman
3	Shri Anand Sherkhane, Jt. Sec. (Bud)	Director
4	Shri Manoj Caculo	Director
5	Shri Rajesh Amonkar	Director
6	Shri Subhash U. Phaldessai	Director
7	Shri Ramesh Chandra, SIDBI	Director
8	Shri Suresh Bojjappa, IDBI	Director
9	Shri Blaise Fernandes	Director
10	Shri Filipe Dias	Director
11	Shri W.V.R. Murthy	Managing Director

CORPORATE GOVERNANCE:

During the year under review, two Board meetings were held. The attendance of Directors at Board Meeting during the year is as below:

Sr.No.	Name of Director	No. of Board Meetings attended
1	Shri Agnielo Fernandes	2
2	Shri Nitin Kunkolienkar	2
3	Shri Anand Sherkhane, Jt. Sec. (Bud)	1
4	Shri Manoj Caculo	1
5	Shri Rajesh Amonkar	1
6	Shri Subhash U. Phaldessai	-
7	Shri Ramesh Chandra, SIDBI	2
8	Shri Suresh Bojjappa, IDBI	1
9	Shri Blaise Fernandes	2
10	Shri Filipe Dias	-
11	Shri W.V.R. Murthy,	2

AUDITORS:

The Comptroller and Auditor General of India has appointed M/s. R.K. Pikale, Chartered Accountants, Panaji under Section 619 (2) of the Companies Act, 1956, as Statutory Auditors of your Corporation for the financial year ended 31st March 2012. The observations made in the Auditor's Report are dealt with in the notes forming part of the accounts, which are self-explanatory and therefore, do not call for any further comments or explanations.

CORPORATE GOVERNANCE REPORT:

The Corporation is committed to meet the required standards of Corporate Governance. It maintained transparency, accountability and integrity in its functioning with definite procedures and guidelines being followed. Various committees formed by Board in respect of specific areas functioned during the year, facilitating the management in having controls. The good governance practices were directed to ensure the interest of shareholders as well as of those of employees and clients in mind.

AUDIT COMMITTEE:

During the year under review, the Audit Committee consisting of the following members continued to function.

- | | |
|----------------------------|------------|
| 1. Shri Nifin Kunkolienkar | : Chairman |
| 2. Shri Manoj Caculo | : Member |
| 3. Shri Rajesh Amonkar | : Member |

The Audit Committee normally meets on a quarterly basis. However, only three meetings were held during the year.

EMPLOYMENT:

There are no employees in the Corporation who draw the remuneration above that specified in sub section 2 (A) of Section 217 of the Companies Act, 1956 read with the rules framed there under.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm:

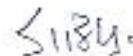
- a) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year ended 31/03/2012 and of the profit of the Corporation for that year;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities; and
- d) that the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT :

Your Directors wish to place on record their appreciation for the co-operation and assistance rendered by the various Departments of the Government of Goa, as well as Central Government, and also all its bankers.

Your Directors also place on record their appreciation for the dedicated services rendered by the officers and the staff of the Corporation, for achieving the improved performance and look forward to the continuous support given by them to the Corporation and their confidence in the management.

For and on behalf of the Board of Directors



(S. P. BHAT)
Managing Director

Place : Panaji - Goa

Date : 25th September, 2012