



**NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION**  
**MEMORANDUM OF UNDERSTANDING FOR THE FINANCIAL YEAR 2013-14**

**MEMORANDUM OF UNDERSTANDING (MOU)**

**FOR THE YEAR**

**2013-2014**

**BETWEEN**

**NATIONAL HANDICAPPED FINANCE**

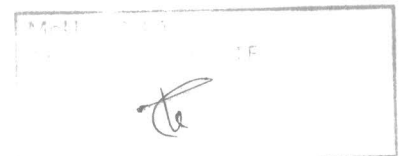
**AND DEVELOPMENT CORPORATION**

**(NHFC)**

**AND**

**DEPARTMENT OF DISABILITY AFFAIRS,  
MINISTRY OF SOCIAL JUSTICE & EMPOWERMENT**

**GOVERNMENT OF INDIA**





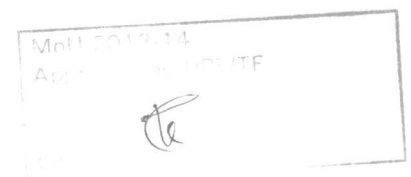
**NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION**  
**MEMORANDUM OF UNDERSTANDING FOR THE FINANCIAL YEAR 2013-14**

**PART-I**

**BACKGROUND**

National Handicapped Finance and Development Corporation (NHFD) was set-up by the Government of India under Section 25 of the Companies Act, 1956 on 24<sup>th</sup> January, 1997 as Company 'not for profit' to serve as a catalyst in the economic and social development of Persons with Disability by helping them in setting up self-employment projects. It is wholly owned by Government of India and has an authorised share capital of Rs.400.00 Crores. However, so far, Government of India has released Rs.211.80 Crore only (as on 30.11.2012) towards Equity capital. The Company is managed by Board of Directors nominated by Government of India. The Company has its Registered Office at Faridabad (Haryana) in Red Cross Bhavan, Sector-12, Faridabad-121007.

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## **PART-II**

### **MISSION /VISION AND OBJECTIVES**

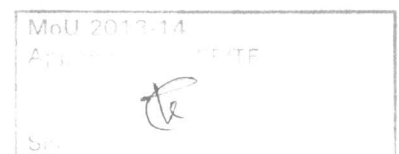
#### **1.0 MISSION**

The mission of NHFDC is to empower persons with Disabilities to break away from the dependence on others and depressed economic and social conditions by engaging themselves in productive work and move up the social and economic ladder with dignity and pride.

#### **2.0 OBJECTIVES**

Major objectives of NHFDC are:

- 2.1** Promotion of economic development activities and self-employment ventures.
- 2.2** Extending loan to persons with disability for setting up self-employment ventures.
- 2.3** Providing grants for training of persons with disability for up-gradation of their entrepreneurial skill for proper and efficient management of self-employment ventures.
- 2.4** Extend loan to persons with disability for pursuing professional/ technical education leading to vocational rehabilitation/self-employment.
- 2.5** To assist self-employed individual with disability in marketing their finished goods.





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**PART-III**

**EXERCISE OF ENHANCED AUTONOMY AND DELEGATION OF FINANCIAL POWERS**

All powers delegated to the MOU-signing PSEs (vide DPE O.M. number BPE1(18)/88-Fin.(PPU) dated 19.10.88 and subsequent amendments (from time to time), will be available to the NHFDC.

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**NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION  
MEMORANDUM OF UNDERSTANDING FOR THE FINANCIAL YEAR 2013-14**

**PART-IV**

Evaluation Criteria	MoU Targets							Documentary evidence and source/origin of documents
	Unit	Weight	Excellent (1)	V. Good (2)	Good (3)	Fair (4)	Poor (5)	
<b>1. Static / Financial Parameters (40%)</b>								
1.1 Gross margin	Rs. Cr.	8	1.20	1.12	1.07	1.02	0.95	Audited Annual Accounts
1.2 Disbursements	Rs. Cr.	13	70.00	66.00	63.00	60.00	56.00	Audited Annual Accounts
1.3 % of total resources mobilized from sources other than grant in aid of Government	%age	3	64%	62%	60%	58%	55%	Audited Annual Accounts
1.4 Gross Margin / Total employment of the CPSE at the yearend as per Audited Accounts	Ratio	2	0.0344	0.0321	0.0306	0.0291	0.0272	Audited Annual Accounts
1.5 Recoveries as a % of amount due	%age	5	75.27	70.35	66.75	63.57	59.41	Audited Annual Accounts alongwith MIS
1.6 Recoveries as a % of amount overdue for varying years	%age	6	20.22%	18.90%	18.00%	17.14%	16.02%	Audited Annual Accounts alongwith MIS
1.7 %age Reduction in Non- performing assets –year wise break up	%age	3	9.55%	8.93%	8.50%	8.10%	7.57%	Audited Annual Accounts
<b>Sub-total 1 (1.1+1.2+1.3+1.4+1.5+1.6+1.7)</b>		<b>40</b>						
<b>2 Non-financial Parameters (60%)</b>								
2.1 No. of Beneficiaries assisted during the year	No.	12	12840	12000	11430	10885	10175	Annual Report
2.2 % age of beneficiaries inspected during the year	%age	9	1.10%	1.00%	0.95%	0.91%	0.85%	Annual Report (Atleast 50% of the inspection shall be carried out by external agency)
2.3 % age of beneficiaries found during inspection to have utilised the assistance for the intended purpose	%age	6	75.27%	70.35%	67.00%	63.81%	59.64%	Annual Report
2.4 Participation in Regional /State Fairs/Camps/Exhibitions	No.	5	18	17	16	15	14	Annual Report

MoU 2013-14  
Approved by CPSE/TF  
*dr*

**NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION  
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Sl.	Evaluation Criteria	Unit	Weight	MoU Targets					Documentary evidence and source/origin of documents
				Excellent (1)	V. Good (2)	Good (3)	Fair (4)	Poor (5)	
3	Non-financial Parameters (60%) continues... No of target group provided Entrepreneurship Development / skill development programme that help them to secure employment	No.	6	860	800	760	725	680	Annual Report
4	Partnership with New (in addition to existing) Government departments/other Institutions to leverage existing schemes to enhance NHFDC Objectives	No.	3	4	3	2	1	0	Certified copy of relevant Board meeting minutes/ Annual Report
5	Partnership with EDP institutes/Vocational Institutes to train beneficiaries	No.	3	4	3	2	1	0	Certified copy of relevant Board meeting minutes/ Annual Report
6	Net working with various institutions to achieve NHFDC mission/Adoption of Innovative Practices{Not included in 4 and 5 above}	No.	3	3	2	1	0	0	Certified copy of relevant Board meeting minutes/ Annual Report
7	<b>HUMAN RESOURCES MANAGEMENT</b>		5	<b>(AS PER APPENDIX-I)</b>					Internal records/Annual Report
8	<b>Corporate Social Responsibility &amp; Sustainability</b>		8	<b>(AS PER APPENDIX-II)</b>					Internal records/Annual Report
	<b>Sub-total (2.1+2.2+2.3+2.4+3+4+5+6)</b>		60						
	<b>Total (1+2+3+4+5+6+7+8)</b>		100						

**Note:(i) :** Non-compliance of Corporate Governance would be penalised by way of negative marking and the MoU score would be increased in the following manner in accordance with DPE OM 18(8)/2005-GM dated 22nd June,2011.

Sl. No.	Annual Score	Grading	Penalty Marks	Difference in Score from "Excellent" Grade
1	85% and Above	Excellent	0	0.00
2	75%-84%	Very Good	0	0.00
3	60% -74%	Good	0.5	0.02
4	50% -59%	Fair	0.5	0.02
5	Below 50%	Poor	1	0.04

If the Corporation failed to submit the self-evaluation report in the format enclosed with the OM, it's Grading would be treated as 'Poor' and Score would be inflated accordingly.

**(ii)** The corporation would have to give a Certificate regarding Implementation of Guidelines issued by DPE as per OM No. DPE/14(38)/10-Fin dated 28th June, 2011 and also a certificate from its auditors/ Chartered Accountant in Practice. Non-compliance of DPE Guidelines determined on the basis of certificate submitted would be penalized upto 1 mark at the discretion of Task Force at the time of MoU Evaluation. (In other words, the MoU Ratings can be increased by 0.04).


**NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION**  
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**APPENDIX-I**

Evaluation Criteria		MoU Target for Financial Year 2013-14						
Sl.	HRM - PERFORMANCE INDICATORS	Measurement Unit	Weight-age	Excellent (1)	V. Good (2)	Good (3)	Fair (4)	Poor (5)
1	Formal risk management training courses to senior management personnel (All employees at Executive level)	Coverage in (%)	1	100	75	50	25	NIL
2	Training to Employees	Man days	1	30	26	20	15	10
3	Training for multi-skilling /Skill Upgradation of Non-executives	Man days	1	10	8	6	4	2
4	No. of suggestions generated per employee per year	Nos.per employee	1	0.6	0.5	0.4	0.3	0.2
5	Effectiveness of Grievance Redressal System - % of Grievance settled vis-à-vis received during the year	% settlement	1	55	50	45	40	35

**APPENDIX-II**

Evaluation Criteria	MoU Target for Financial Year 2013-14						
	Unit	Weight	Excellent (1)	V. Good (2)	Good (3)	Fair (4)	Poor (5)
Corporate Social Responsibility and Sustainability							
Events undertaken for involvement of employees and the top management in internalizing the CSR and sustainability Agenda within the Organisation	Nos	2	4	3	2	1	0
Incurring expenditure for providing material support to organizations having exemplary contribution for welfare of PwDs	Rs.in Lac	3	8	6	4	3	0
No. of Workshops/Awareness Camps undertaken for engagement of Key stakeholders such as PwDs and State Channelising Agencies (SCAs)\	Nos.	3	18	17	16	15	14

MoU 2013-14  
 Approved by DCE/TF  





**NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION**  
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**PART-V**

**COMMITMENT/ ASSISTANCE FROM THE GOVERNMENT**

- 1.1** Adequate fund required to achieve the target in MOU and to meet the administrative/establishment/promotional expenditure will be made available as far as possible in first quarter of the financial year 2013-14. Government will provide Rs.25.00 Crore as Equity support to the Corporation during financial year 2013-14.
  - 1.2** The Government of India will help NHFDC in securing State Government /UT Guarantee.
  - 1.3** The Government of India will extend co-operation in realization of outstanding dues from the defaulting States and NGOs.
  - 1.4** The Government of India will persuade the State Governments to strengthen the State Channelising Agencies with adequate resources & Staff.
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MoU 2013-14  
Approved by NHFC  
Signature: 





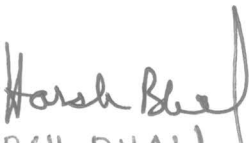
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**PART-VI**


**ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF THE MOU**

The implementation of tripartite (DPE – MSJE - NHFDC) MOU shall be reviewed in the months of October, January, and April by the Department of Disability Affairs, Ministry of Social Justice & Empowerment, and evaluated by the Department of Public Enterprises (DPE) at the end of the year.

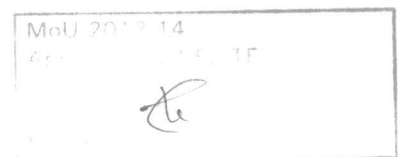
Signed at New Delhi on 26th April, 2013

  
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(HARSH BHAL)

Chairman-cum-Managing Director  
National Handicapped Finance and  
Development Corporation  
Red Cross Bhavan, Sector-12,  
Faridabad, Haryana -121007

  
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(STUTI KACKER)

Secretary,  
Department of Disability Affairs,  
Ministry of Social Justice & Empowerment  
Government of India,  
Shastri Bhawan, New Delhi





**NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION  
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**ANNEXURE-IX**

**TREND OF CPSE's PERFORMANCE OF FINANCIAL PARAMETERS FOR LAST 5 YEARS**

(Amount in Rs. Crores)

Particulars	2008-09		2009-10		2010-2011		2011-2012		2012-13		2013-14
	MoU	ACTUAL	MoU	ACTUAL	MOU	ACTUAL	MOU	ACTUAL	MOU	Projected as on 31.03.2013	Projected
<u>Production</u>											
Gross Sales	27.91	30.31	27.02	30.8	65	31.89	44.4	50.88	53.4	60	66
Gross Margin	0.23	-2.52	-3.06	0.61	-0.25	1.75	1.16	4.27	1.72	4.3028	1.1238
Profit before tax	0.114	-2.67	-3.19	0.48	-0.11	1.65	1.01	4.2	1.6	4.2028	1.0138
Gross Block	1.14	1.23	1.31	1.27	1.47	1.28	2.24	1.18	1.42	1.28	10.39
Less depreciation	0.74	0.77	0.91	0.87	1.04	0.97	1.16	0.92	1.18	1.02	1.13
Net block	0.4	0.46	0.4	0.4	0.43	0.31	1.08	0.26	0.24	0.26	9.26
Share capital of CPSE	107.8	107.8	116.8	116.8	166.8	166.8	186.8	191.8	221.8	211.8	236.8
Reserves & surplus of CPSE	26.28	23.28	20.08	26.03	22.06	27.58	28.59	31.3	33.16	35.39	36.4
Less deferred revenue exp / pre-acquisition loss	0	0	0	0	0	0	0	0	0	0	0
Less Profit & Loss A/c	0	0	0	0	0	0	0	0	0	0	0
Net worth of CPSE	133.1	131.08	136.88	142.83	188.86	194.38	215.39	223.1	254.96	247.19	273.20
Investment	-	0	-	0	-	0	-	0	0	0	0
Sundry debtors/sales	-	0	-	0	-	0	-	0	0	0	0
Inventory	-	0	-	0	-	0	-	0	0	0	0
Total Current assets	135.6	132.7	136.99	145.47	191.33	200.53	217.31	227.25	257.17	248.19	264.75
Total current liabilities & provision	1.9	2.08	0.5	3.04	2.9	6.46	3	4.4	2.45	1.25	0.81
Net current assets	133.7	130.62	136.49	142.43	188.43	194.07	214.31	222.85	254.72	246.94	263.94
Capital employed ( Net block + net current assets)	133.1	131.08	136.88	142.83	188.86	194.38	215.39	223.1	254.96	247.19	273.20
Total debt (loan funds)	0	0	0	0	0	0	0	0	0	0	0
Total assets	136	133.16	137.38	145.87	191.76	200.84	218.39	227.51	257.41	248.45	274.01
No of employees of CPSE	31	34	40	32	35	32	34	30	35	35	35
Dividend paid	0	0	0	0	0	0	0	0	0	0	0
Add value ( gross margin less capital recovery)	(5.13)	(7.76)	(8.53)	(5.10)	(7.31)	(6.03)	(7.46)	(4.65)	(8.48)	(5.58)	(9.80)



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Particulars	2008-09		2009-10		2010-2011		2011-2012		2012-13		2013-14
	MoU	ACTUAL	MoU	ACTUAL	MOU	ACTUAL	MOU	ACTUAL	MOU	Projected as on 31.03.2013	Projected
Ratio											
Debt/equity	0	0	0	0	0	0	0	0	0	0	0
Return on Net worth (% age)	0.09	-2.0369	-2.33	0.3361	-0.06	0.8489	-0.47	1.882564	0.6315	1.7002306	0.371083
PBDIT/ Total employment of CPSE (Rs.)	0.008	-0.0741	-	0.0191	-	0.0547	-	0.142333	0.0492	0.1229371	0.032109
Gross Profit/Capital employed (% age)	0.09	-2.04	-2.33	0.34	-0.06	0.85	0.47	1.869117	0.63	1.7002306	0.374744
Net Profit / Net Worth (% age)	0.09	-2.2	-2.33	1.93	-0.06	0.8	0.47	1.882564	0.63	1.7002306	0.371083
<b>Working of gross margin</b>											
Net profit	0.11	-2.89	-3.19	2.75	-0.11	1.55	1.01	3.72	1.6	4.0928	1.0038
Tax	0	0	0	0	0	0	0	0	0	0	0
Net profit before tax	0.11	-2.89	-3.19	2.75	-0.11	1.55	1.01	3.72	1.6	4.0928	1.0038
add Prior period	0	0.21	0	0.31	0	0.11	0	0.55	0.01	0.11	0.01
add extra ordinary items	0	0	0	-2.58	0	-0.02	0	-0.07	0	0	0
Profit before prior period	0.11	-2.68	-3.19	0.48	-0.11	1.64	1.01	4.2	1.61	4.2028	1.0138
add Interest	0	0	0	0	0	0	0	0	0	0	0
Gross profit	0.11	-2.67	-3.19	0.48	-0.11	1.64	1.01	4.2	1.61	4.2028	1.0138
add depreciation	0.12	0.15	0.14	0.13	0.14	0.1	0.15	0.07	0.11	0.1	0.11
Misc. expenditure written off	0	0	0	0	0	0	0		0	0	0
Gross Margin before Interest, depreciation	0.23	-2.52	-3.05	0.61	-0.25	1.75	1.16	4.27	1.72	4.3028	1.1238



**ANNEXURE-X**

**Self Declaration/Certification by CPSE**

It is hereby certified that the targets and actual achievements in respect of financial parameters have been worked out as per MoU Guidelines by adopting the norms and definitions laid down in MoU Guidelines for the year 2013-14. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per audited accounts as per MoU Guidelines. CPSE has no right of claim in this regard.

.....  
(Harsh Bhal)

Chairman-cum-Managing Director  
National Handicapped Finance and  
Development Corporation  
Red Cross Bhavan, Sector-12  
Faridabad-121007

**National Handicapped Finance and Development Corporation**

**MoU for the Financial Year 2013-14**

**Computation sheet : Some important targets**

**1. Gross Margin**

Particulars	Amt. In Rs.Cr.	
Gross Margin	1.12	As stated in MoU
Surplus/Net Profit	1.0038	A
Add		
Prior period Exp	0.01	B
Depreciation	0.11	C
Gross Margin	1.1238	D=A+B+C

**2. % of total resources mobilized from sources other than grant in aid of Government**

Government Equity Support:	25	Crores	A			
Disbursement	65.45	Crores	B	r/off to	66 Crores	As per Minutes of MoU neg. Mtg.
% of total resources mobilized from sources other than grant in aid of Government	61.80%	C= (B-A)/B		r/off to	62%	

**3. Gross Margin /Total employment of the CPSE at the year-end as per Audited Accounts**

Particulars	Amt. In Rs.Cr.	
Gross Margin	1.1238	A
Total Employee (Estimated)	35	B
Gross Margin / Total employment of the CPSE at the yearend as per Audited Accounts	0.0321	C=A/B

**4. No. of Beneficiaries during the year**

Total Loan during the year (Rs.Cr)	66.00	Very Good col as base target	A
Loan per Beneficiary (Rs.)	55000	Based on Avg. Lending at present (also factoring the inflation)	B
No. of Beneficiaries during the year (Nos)	12000	Good Target	C=A/B

For National Handicapped Finance and  
Development Corporation

  
 (R.K.Mishra)  
 Company Secretary