



Shri Ravindra Nath, CMD, NSIC congratulates **Shri Giriraj Singh** on assuming the office of the Hon'ble Minister of State (Independent Charge) Ministry of Micro, Small & Medium Enterprises.



Dr. Arun Kumar Panda, Secretary, Ministry of MSME, Government of India visited NSIC after assuming the office.



Shri Ravindra Nath, CMD, NSIC highlighted the various initiatives of NSIC for the growth & development of MSME sector in the country during the visit of **Ms. Alka Nangia Arora**, Joint Secretary, Ministry of MSME, Government of India.

CONTENTS

Chairman's Message	05
Board of Directors	08
Directors' Reports	12
Annual Accounts	
• Comments of the Comptroller & Auditor General of India	69
• Independent Auditor's Report	70
• Financial Statement	95
Notice	154

CIN No. : U74140DL1955GOI002481

Chairman-cum-Managing Director

Directors

Shri Ravindra Nath

- Shri S.N. Tripathi, Addl. Secy. & DC, M/o MSME
- Shri Manoj Joshi, Joint Secretary, M/o MSME upto 26/07/2017
- Ms. Alka Nangia Arora, Joint Secretary, M/o MSME w.e.f. 26/07/2017
- Shri P. Udayakumar, Director (Plg. & Mkg.)
- Shri A.K. Mittal, Director (Finance)
- Shri Rajiv Chawla, Independent Director upto 23/09/2016
- Shri Rakesh Rewari, Independent Director upto 21/02/2017
- Prof. A.P. Pandey, Independent Director w.e.f. 25/01/2017
- Ms. Geeta Goti, Independent Director w.e.f. 25/01/2017
- Shri Ramesh Bhat, Independent Director w.e.f. 03/03/2017

Ms. Nishtha Goyal

Company Secretary

Statutory Auditors

M/s. K G Somani & Co., New Delhi

Branch Auditors

M/s. Singhal Matta & Co., New Delhi
M/s. AKAR & Associates, New Delhi
M/s. Pramod K Aggarwal & Co., New Delhi
M/s. DMRN & Associates, New Delhi
M/s. Rakesh K Gupta & Associates, Ambala
M/s. Shatrughan & Associates, Dehradun
M/s. Agrawal Goyal & Co., Agra
M/s. Rajeev Varshney & Associates, Aligarh
M/s. Satya Prakash Garg & Co., Ghaziabad
M/s. Rajiv Mehrotra & Associates, Kanpur
M/s. Agrawal Ajay Kumar & Co., Allahabad
M/s. B.K. Gupta & Co., Lucknow
M/s. Jamuna Shukla & Associates, Varanasi
M/s. SP Babuta & Associates, Chandigarh
M/s. Aggarwal Garg & Co., Ludhiana
M/s. Ashwani Gupta & Associates, Jalandhar
M/s. Chatter & Chatter, Jaipur
M/s. N. Sankaran and Co., Chennai
M/s. S. Kalyanasundaram & Co., Puducherry
M/s. Prasad & Kumar, Bengaluru
M/s. Prema Gopal & Co., Hyderabad
M/s. P. Lakshmana Rao & Co., Vijayawada
M/s. Gadgil and Uppin, Belgaum

M/s. Ramanathan & Krishnakumar, Coimbatore
M/s. SSV Associates, Madurai
M/s. T.K. Abraham & Co., Kochi
M/s. R.P. Boobna & Co., Kolkata
M/s. S.K. Chowdhury & Associates, Durgapur
M/s. H. Naik & Co., Cuttack
M/s. Jagdish Mittal & Co., Rourkela
M/s. DRMS & Associates, Jamshedpur
M/s. S.K. Nayak & Co., Patna
M/s. Gupta Maskara & Associates, Guwahati
M/s. Shah & Modi, Mumbai
M/s. A.S. Kulkarni & Associates, Nagpur
M/s. VH Jajoo & Co., Nasik
M/s. KVMDs and Associates, Pune
M/s. Mahorkar Khandelwal Mantri Nune & Co., Aurangabad
M/s. Ashwani S. Agrawal & Associates, Silvassa
M/s. Spark & Associates, Indore
M/s. R.C. Behati & Co., Bhopal
M/s. Jain Sancheti & Associates, Raipur
M/s. Lakhani Ismaili Tundiya & Co., Ahmedabad
M/s. Kalaria & Sampat, Rajkot
M/s. G.S.V. & Co., Surat
M/s. V.S. Reddy & Associates, Hyderabad

Secretarial Auditors

M/s. Gupta Rajvanshi & Co.
Company Secretaries
3/14, Asaf Ali Road
New Delhi – 110 002

Main Bankers

- State Bank of India
- HSBC Ltd.
- Vijaya Bank
- Punjab National Bank
- HDFC Bank
- China Trust Bank
- Deutsche Bank A.G.
- BNP Paribas

Registered Office

NSIC Bhavan
Okhla Industrial Estate
New Delhi - 110 020



Shri Ravindra Nath
Chairman-cum-Managing Director



Shri S.N. Tripathi
AS & DC, Ministry of MSME



Shri Manoj Joshi
Joint Secretary, Ministry of MSME
(upto 26/7/2017)



Ms. Alka Nangia Arora
Joint Secretary, Ministry of MSME
w.e.f. 26/7/2017



Shri P. Udayakumar
Director (Plg. & Mkg.)



Shri A.K. Mittal
Director (Finance)



Shri Rajiv Chawla
Independent Director
(upto 23/9/2016)



Shri. Rakesh Rewari
Independent Director
(upto 21/2/2017)



Prof. A. P. Pandey
Independent Director
(w.e.f. 25/1/2017)



Ms. Geeta Goti
Independent Director
(w.e.f. 25/1/2017)



Shri Ramesh Bhat
Independent Director
(w.e.f. 03/03/2017)

Chairman's Message



Dear Shareholders,

It's my pleasure to welcome you to this 62nd Annual General Meeting of "The National Small Industries Corporation Ltd. (NSIC)". The Annual Report for the financial year ended 31st March, 2017 has been with you and with your permission, I take them as read.

Overview of Performance for FY 2016-17

Over the years, NSIC has reinforced its core strengths by adding new dimensions to your Company's capability profile. The Corporation has proactively reached out to the MSMEs, while facilitating their requirements in areas of Marketing, Credit and Technology etc.

2016-17 was a year of great opportunities and successes, with stern challenges. It was a period when the company performed exceedingly well in some challenging situations.

Your Company recorded a business turnover of ₹20622/- crore. For the financial year 2016-17, your company's Profit before tax was ₹165.07 crore as against ₹156.95 crore in 2015-16 registering the growth of 5.17%.

I am pleased to inform that your Board of Directors has recommended the highest ever dividend of ₹31.26 crore as against ₹29.05 crore during the previous year, once again surpassing its achievements of previous years.

The significance of NSIC's services and its service delivery to MSMEs in light of Hon'ble Prime Minister's new vision of India as a "Manufacturing Hub" has been acknowledged by various stakeholders. Leading Industry Associations in India who amongst others have always appreciated NSIC for its services and organizational vitality that aims at enhancing the competitiveness of the MSME Sector.

In line with Government's programme of Digital India, NSIC launched Online Finance Facilitation Centers in its offices across India. Online Finance Facilitation portal is NSIC's initiative for digital facilitation of loan proposals of MSMEs with banks. Credit to MSMEs is now being facilitated through web linkages established between NSIC portal and Bank's portal, without any cost to MSMEs.

NSIC, thru, its Incubation Centres all over the country is encouraging youth to become "Job provider instead of Job seeker". Many States Governments have approached NSIC to open up Technology centres / Incubation centres for their youth. In this initiative, a new Technology cum Incubation center is being set up at Neemka, Faridabad in association with Haryana State Government.

Not only in India, many countries have also been approaching NSIC to share our experiences with them in promoting entrepreneurship culture amongst the youth in their countries leading to MSME development. Under India Africa Forum Summit-I, NSIC on behalf of Government of India has been executing establishment of Incubation Centres in various countries. So far, Incubation Centres have been set up in Burkina Faso, Egypt, Ethiopia, Rwanda, Burundi and Gambia. Others are in process of establishment.

Two new schemes of the Ministry of MSME viz. National SC-ST Hub and MSME Data Bank have been launched during the last year and your Corporation has been assigned the task of implementing these schemes.

Corporate Governance

At NSIC, Corporate Governance is all about maintenance of valuable relationship and trust with all the stakeholders. This emanates from our strong belief that sound governance system based on trust is integral to creating value on overall basis. I am of the view that good governance goes beyond good working results and financial propriety and is a pre-requisite to attainment of excellence performance towards long terms goals as well as stakeholders' value creation.

Corporate Social Responsibility (CSR)

NSIC has been undertaking various CSR activities which is a reflection of the Company's commitment towards the well being of society. In this process, several CSR initiatives have been undertaken in sectors like Education, Health, Vocational Training, Safe drinking water and Environment sustainability etc. across the country.

Recognition of Excellence

Your Company continued to earn awards and recognition from different quarters as detailed in Directors' Report. However, I would like to mention a few significant awards conferred upon NSIC.

The Corporation was conferred with India's Top PSUs & Awards, 2016 by Dun & Bradstreet.

ABP News – CSR Leadership Awards in the category of “Best use of CSR Practices in various Sectors”.

In recognition of the Development Impact of NSIC's Model of Rapid Incubation for Creating Self-employment Opportunities for Youth, A “Plaque of Merit” has been presented to NSIC by ADFIAP. This is NSIC's second international award in a row.

Outlook

I am confident that the progress NSIC made in 2016-2017 will continue in future and the Corporation's performance will scale new heights. The Corporation stands committed to work on its mandate of being a premier organization fostering the promotion and growth of MSMEs in the country.

We, at NSIC, have always realized that the Corporation needs to move with the times and engage with the unlimited changes around it – unlimited in terms of spirit, capabilities and opportunities and to create new epicenters of growth.

Acknowledgments

I like to place on record my sincere thanks to Hon'ble Union Minister of Micro, Small & Medium Enterprises for his patronage, valuable guidance and support. I also like to take this opportunity to sincerely thank the Hon'ble Ministers of State for Micro, Small & Medium Enterprises for their continuous guidance.

I am grateful to the Secretary to the Government of India, Ministry of Micro, Small & Medium Enterprises who has always been a source of inspiration and advice.

I am grateful to Additional Secretary-cum-Financial Advisor, Government of India and Economic Advisor (IF Wing) for the faith reposed in the Corporation.

I am also grateful to Additional Secretary & Development Commissioner (MSME), Joint Secretaries, Directors and other officials of the Ministry of MSME for their continuous support and reposing confidence in us.

I also gratefully acknowledge the continuous support extended by Department of Public Enterprises.

I take this opportunity to convey my thanks to my colleagues on the Board of the Corporation for their unanimous support and immense encouragement for continued growth and expansion of the company.

I would like to express my gratitude to all our stake holders for the continuous support extended to NSIC.

I frequently visit our Company's offices across the country, and interact with NSICians at all levels.

I am glad to notice a renewed sense of vigor and energy in the organization. NSICians are at the heart of our successes and I would like to gratefully acknowledge the commitment and contribution of all NSICians.

Place : New Delhi
Date : 29th September, 2017

(**Ravindra Nath**)
Chairman-cum-Managing Director

BOARD OF DIRECTORS



Mr. Ravindra Nath, Chairman-cum-Managing Director is a Chartered Accountant and holds Bachelor's Degree in Commerce (Hons.).

Mr. Nath has over 36 years of experience in various areas of Finance / Accounts and policy formulation and dealing with various issues pertaining to promotion, development and financing of Micro, Small & Medium Enterprises (MSME). He has been involved in developing new programs implemented through NSIC for development of MSMEs in India. While working with NSIC, he has also executed various assignments in foreign countries for formulating strategies and policies for the development of SMEs. He has been conferred as "CMD of the year Award" for his exemplary role in promotion and development of MSMEs and "CEO with HR Orientation Award" by Asia Pacific HRM Congress for having transparent and HR friendly policies in NSIC and maintaining best HR relations with the employees.



Mr. S.N. Tripathi, Government Nominee Director is a post graduate & MBA in Public Policy Management, University of Ljubljana, Slovenia. Mr. Tripathi joined Indian Administrative Service in 1985 and served in Odisha in various capacities like Sub-collector, Deogarh & Jharsuguda, Project Director, DRDA in Cuttack and Collector & District Magistrate Sambapur. He has worked with United Nations Children's Fund (UNICEF) and worked as Managing Director – Orissa State Cooperative Bank, Orissa State Financial Corporation and Orissa State Small Industries Corporation. He has handled various assignments like Land Revenue & Management, Industries, Finance, Communication & Information Technology, Information & Broadcasting, Administrative, Textiles & Handicrafts, Rural Development, and Panchayati Raj etc. He is Director on the Board of Global Innovation & Technology Alliance (GITA) & SIDBI. He works tirelessly for e-office, ISO 9001:2008 certification and Udyog Aadhar as part of ease of doing business initiative of Ministry of MSME.

Presently, he is Additional Secretary & Development Commissioner in the Ministry of Micro, Small & Medium Enterprises, Government of India.



Ms. Alka Nangia Arora, Government Nominee Director is a post graduate from IIT – Roorkee and joined IDAS - 1991 batch. On completion of Foundation course and departmental training joined as a Probationer at Ordinance Factory, Dumdum, Kossipore, Calcutta in January, 1993. Worked at Naval Pay Office, Mumbai as In-charge of implementation of 5th Pay Commission. From 1991 to 2001 worked as In-charge of Area Accounts office, pay and allowances for Eastern Command, Kolkata. From 2002-2005 worked as Financial Adviser Naval Dockyard at Mumbai. In 2006-2009 as Director (Finance) with NTRO, an organization setup post Kargil War for fast track procurement. From 2009-2013 was appointed as Additional Commissioner Handicraft, Ministry of Textiles, a org. In 2011, she was given additional charge of Managing Director, Central Cottage Industries Corporation of India Ltd. The company was in losses and later turned into profit making organization and was given full-fledged Managing Director charge in 2013. From May, 2014 to July, 2017 she worked as Integrated Financial Adviser to the Western Air Command and Army Hospital (R&R). From mid-July, 2017, she has assumed the charge of Joint Secretary in the Ministry of Micro, Small and Medium Enterprises.



Mr. P. Udayakumar, Director (Plg. & Mkg.) holds a degree in B.E. and did his Post-Graduation from Indian Institute of Management, Bangalore. He has close to 28 years of experience in Petroleum, Fertilizer and Small Medium Enterprise Sectors in various capacities.

He has been a key member of various task force teams and Strategic initiatives in different organisations. The National Small Industries Corporation has started a separate business vertical for distribution of Petrochemical products under his guidance. He actively involved in development of Futuristic verticals in Defence Procurement, Logistics, IT and Public Procurement for the Ministry of Micro, Small & Medium Enterprises. He was a member of Delhi Productivity Council in 2012-13. He was a member of IPR Cell of the Federation of Indian Chamber of Commerce & Industry Micro Small & Medium Enterprise Council. He was one of the Member of the Selection Committee Federation of Indian Export Organisations Export Awards for the year 2013-14. He has been regular speaker in panel discussions in IIM Rohtak, IICA, Manesar and other management institutions. He was the Member of the Technology Award Committee of GITA, a CII initiative. He contributed inputs to the One Man Committee formed for revamping the MSME Sector under the Chairmanship of Mr. Prabhat Kumar, Ex-Cabinet Secretary. He also led delegations to various countries and addressed Round Table Conference on the Topic **"Impact of SME Sector on the Global Economy"** in Guangzhou, China in October, 2016.



Mr. A.K. Mittal, Director (Finance) is a Chartered Accountant and holds a Bachelor's degree in Commerce (Hons.).

Mr. Mittal has more than 36 years of working experience in the Private Sector, State Government and in the Central Government Public Sector Undertakings. He has vast experience in dealing with Banks, National / State level Cooperative Federations and various State / Central Govt. authorities for arranging financial assistance to the Private Institutions, Cooperative Societies and the Government owned Enterprises. He joined the Corporation in May, 1996 and headed almost all the Divisions of the Corporation viz. Finance, Business Development, Internal Audit, Human Resource, Exhibition, Technology, Vigilance etc. He is also instrumental in assisting / formulating strategies and policies of the Corporation for development of MSMEs as well as growth of the Corporation.



Professor Adya Prasad Pandey, Independent Director is

an Indian economist and academic. He is M.A. (Economics), M.B.A. and Ph.D. He is appointed as non-official part time Director in the Corporation w.e.f. 25th January, 2017. He serves as Vice Chancellor of Manipur University, Imphal. Prof. Pandey has been Head in Department of Economics in Banaras Hindu University, Varanasi. He has more than 37 years of experience in academics. He is also National Vice President and Life Member of National Social Science Association. Prof. Pandey has specialization in Industrial Economics, Labour Economics, Financial Management, Current Economic Problems and Policies, Agricultural, Micro and Health Economics and MSME. He has published more than 90 research papers in National and International Journals, have completed 3 Major and One Minor Research Projects and have successfully guided 25 PhD Research Scholars. His research works have been cited in various International and National Research Journals and organizations including World Bank and UNDP report. He is also expert in various Academic Institutions and Government organizations.



Ms. Geeta Goti, Independent Director holds Bachelor's degree in Law, Diploma in IRPM, Master in Social Works and M. Phil. in Psychology. Ms. Geeta is a well-known name in HR fraternity. She has an overall 29 years of rich HR experience with exposure to across Government, Manufacturing, Banking, Research, Consulting and IT services organizations. She is appointed as non-official part time Director in the Corporation w.e.f. 21st January, 2017. She is selected as National President by Confederation of Women Entrepreneurs of India (COWE) a not for profit organization promoting women entrepreneurship. Ms. Geeta is sharing her expertise with SME segment guiding women in setting up enterprises. Her extensive work with NGOs and self-help groups has been beneficial for COWE to reach women in districts and villages. Ms. Geeta is presently associated as Executive Director (Human Resources) at Husys Consulting Pvt. Ltd., First HR consulting company to be listed on National Stock Exchange.

She was also in the core committee of Women in Leadership (WIL) initiative of NASSCOM and HR forum lead for its in Andhra Pradesh. She has been recognized as Women Achiever for the year by Indira Group of Institutions organized by Fun at Work organization.



Dr. Ramesh Bhat, Independent Director is an alumnus of Harvard and Delhi University having 38 years of professional and academic experience. He has been on the Boards of Corporation Bank, BEML Limited, ITI Limited, Ahmedabad Stock Exchange, Basic Health Services and Advisor to the Human Resource Development Ministry, Government of India. His professional milestones include being a Professor of Finance at the Indian Institute of Management, Ahmedabad (IIMA) from 1986 to 2009 and later 2014 to 2016, Dean of the School of Business Management, NMIMS University, Mumbai and Assistant Director at the Institute of Chartered Accountants of India, New Delhi. He has taught and researched corporate finance and health finance at IIM Ahmedabad, University of North Carolina at Chapel-Hill USA (Jaipur Programme), IIM Udaipur, International Management Institute, New Delhi, School of Business Management NMIMS Mumbai, Institute of Chartered Accounts of India, Shri Ram College of Commerce.

He has been consultant and advisor to a number of organizations in India and abroad. He has worked with a number of organizations in manufacturing, infrastructure, services, healthcare, and logistics industries and his area of work has focused on corporate finance, business valuation, financial and management control systems, private equity finance and health care financing.

DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors, it gives me great pleasure to present the 62nd Annual Report of the Corporation for the financial year ended 31st March, 2017 alongwith the Audited Financial Statements and Auditors' Report thereon.

1.0 Operating performance

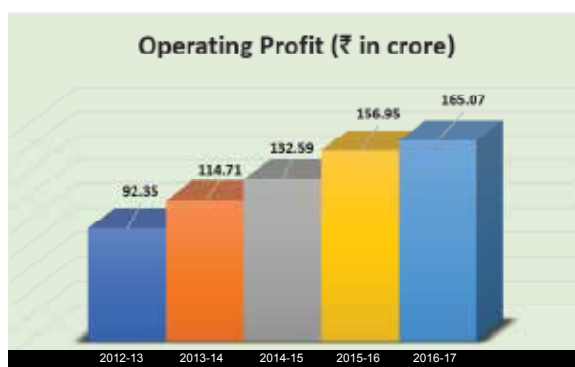
The Indian Economy backed by the Government's pro-growth, pro-business policies, is emerging as the fastest growing economy in the world. In this scenario, the Corporation's pro-active approach in reaching out to MSMEs proved a catalyst in achieving its mandate of facilitating MSMEs' diverse requirements in areas of marketing, finance, technology etc.

NSIC's growth story over the last decade its amply depicted in the financial snapshot 2007-2017 in the table below:

(₹ in Crore)

Financial Snapshot 2007 - 2017			
	2007	2016	2017
Gross Turnover	2,198	21,242	20,622
Gross Income	47.69	561.21	529.44
Profit Before Tax	2.99	156.95	165.07
Net Worth	81.42	733.52	744.38
Earnings per share (₹)	1.31	19.04	19.96
Dividend	0.57	29.05	31.26

As at 31st March

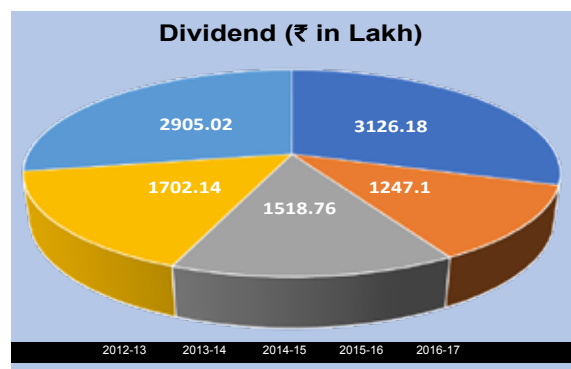


2.0 Dividend

The Board of Directors of the Corporation has recommended a dividend @ 30% of the net profit after tax i.e. ₹31.26 crore. Tax provision for dividend provided for 2016-17, amounting to ₹6.37 crore has been made as per applicable laws and has also been provided for in the books of accounts.

It is pertinent to mention that the dividend provided for the year 2016-17 is ₹2.21 crore higher than the dividend paid for 2015-16.

The provision for dividend for 2016-17 is subject to approval by the shareholders.



3.0 Other major highlights under various activities of the Corporation for the financial year 2016-17

3.1 Raw Material Assistance

Raw Material Assistance Scheme aims at helping MSMEs by way of financing the purchase of Raw Material (both indigenous & imported). This gives an opportunity to MSMEs to focus better on manufacturing quality products. NSIC through its distribution network make arrangements with bulk manufacturers to provide raw materials to MSMEs as per their requirements at concessional rates all over the country.

During the year 2016-17, NSIC serviced the raw material requirements of Micro, Small & Medium Enterprises (MSMEs) through supply of iron & steel specially allocated through Ministry of Steel, Govt. of India, Aluminum from M/s. NALCO, Paraffin Wax from M/s. CPCL, Coal from M/s. Coal India Ltd., Polymer Products i.e. PP, HDPE & LLDPE from M/s. IOCL and Copper from M/s. Sesa Sterlite.

The Corporation has added another main producer i.e. Numaligarh Refinery Limited (NRL) for handling their Paraffin Wax material by opening a godown (Agency) at Guwahati. With this, the Corporation is having total 37 distributing centers.

The total raw material distribution was 11,35,788 MTs as against 10,11,545 MTs during the previous financial year.

3.2 Single Point Registration Scheme (SPRS)

NSIC registers Micro and Small enterprises (MSEs) under Single Point Registration Scheme (SPRS) for participation in Government purchases. The units registered under Single Point Registration Scheme of NSIC are eligible to get the following benefits under Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012 as notified by the Government of India:-

- a. Issue of Tenders free of cost;
- b. Advance intimation of Tenders issued by DGS&D;
- c. Exemption from payment of Earnest Money Deposit (EMD);
- d. Price matching option to the MSEs quoting price band of L-1 plus 15%;
- e. Issue of competency certificate.

The revenue earned from Government Purchase during the year was Rs. 14.07 crore.

During the year 2016-17, 4,964 fresh units were added and 5763 units were renewed. 21,109 live units were registered under SPRS as on 31st March, 2017.

3.3 Consortia & Tender Marketing

Micro & Small Enterprises (MSEs) in their individual capacity face problems to procure and execute large orders, which deny them a level-playing field *vis-à-vis* large enterprises. NSIC, accordingly forms consortia of small units manufacturing the same products, thereby pooling in their capacity which provides comfort level to MSEs as suppliers and also to buyers. The Corporation applies for tenders on behalf of consortia of MSEs and secures orders for bulk quantities. These orders are then distributed amongst MSEs in tune with their production capacity.

Under the Tender Marketing Scheme, NSIC facilitates the MSE(s) in every stage of tender activity right from the participation in tenders till execution of tenders.

During the year, 900 tenders were executed valuing to ₹189.64 crore. Total seven numbers of consortia were formed during the year 2016-17.

3.4 Credit Support to MSMEs

NSIC provides credit support for raw material procurement by making the payment to suppliers. NSIC also facilitates financing for marketing activities such as Tender Marketing, Exports and Bill Discounting to micro, small and medium enterprises.

Further, to meet the credit requirements of MSME units, NSIC has entered into Memorandum of Understanding with Nationalized and Private Sector Banks. Through syndication with these banks, NSIC arranges for credit support (fund or non-fund based limits) from banks without any cost to MSMEs.

Credit facilitation of ₹6,425 crore was made during the year 2016-17.

3.5 Finance Facilitation Centre(s)

NSIC inaugurated its very first Online Finance Facilitation Center at Jalandhar on August 20, 2016. Online Finance Facilitation portal is NSIC's initiative for digital facilitation of loan proposals of MSMEs with banks. Finance Facilitation Centre (FFCs) are dedicated online platform under which credit to MSMEs is facilitated through web linkages established between NSIC portal (www.nsicffonline.in) and Bank's portal, without any cost to MSMEs. Till 31/3/2017, seven Finance Facilitation Centres have been inaugurated at Jalandhar, Peenya, Ludhiana, Guwahati, Hyderabad, Jaipur and Chennai.

4.0 NSIC provides technical support to MSMEs through "NSIC Technical Services Centres" (NTSCs) and a number of TICs & LBIs spread across the country

4.1 NSIC provides the following technology support services to Micro Small & Medium Enterprises through its seven Technical Services Centres (NTSCs) located at Okhla (New Delhi), Hyderabad (Telangana), Howrah (West Bengal), Rajkot (Gujarat), Chennai (Tamil Nadu),

Rajpura (Punjab) & Aligarh (Uttar Pradesh):

- i. Demand Driven –Industries oriented training in:
 - » Hi-Tech areas,
 - » Conventional trades
- ii. Entrepreneurship Orientation Programme (EOP)
- iii. Common Facility Services (Testing facilities) through NABL accredited laboratories

The industry oriented training is offered in fields like Mechanical, Design, Electrical & Electronics, Information Technology & Mechatronics, wherein the training programme inter-alia include Robotics, PLC & SCADA, Embedded Technology, Solar Energy, Turner, Fitter, Machinist, Welder, Electrician, Draughtsman (Mech.), Refrigeration & Air Conditioning, HVAC, Tool Design & Manufacturing, Revit MEP, CAD / CAM-Creo, Unigraphics, CATIA, Solid Works, CNC Programming & Operation, Revit Architecture, Interior Design, O Level Advance Software, Web Technology, Graphics, Multimedia, Computer Hardware & Networking.



NSIC, Coimbatore in association with Tiruppur Exporters Association organized a program to disseminate the benefits of NSIC Schemes with special focus on NSIC - Finance Facilitation Centre. The program was chaired by Shri Ravindra Nath, CMD, NSIC and others present on this occasion were Shri Vidyasagar Singh, Zonal Head, NSIC and Shri Gaurang Dixit, CGM (Finance), NSIC.

These technical centres also conduct testing through NABL Accredited laboratories in the areas like Electrical Cable & Conductor Testing, Engine Testing, Pump Testing, Building materials, Plastics, Electrical appliances, Calibration etc.

During the year, 1,20,358 trainees were successfully completed their training from the centers, which includes Entrepreneurship Orientation Program (EOP) where 88,400 students from various academic institutions / universities participated and were given exposure on entrepreneurship development as well as the training facilities available in the center.

4.2 New initiatives in Technical Centers- Association of industries

In addition to the ongoing activities, the centers had taken initiative to make linkages with industries with an aim to strengthen the ongoing training programs. Some of the linkages made with industries having agreed to share their knowledge on latest technologies to the trainees are as under.

Linkage with Industry	Area of Association	Purpose
ASES Brown Boveri (ABB)	Robotics	To impart training on Robotics and relevance of Mechatronics in automation of processes in the Industries.
Carl Zeiss India	Coordinated Measurement (CMM)	To impart training on Quality Control & Inspection.
Schneider Electric India	Electrician & Solar Training	To impart training on electrician & solar energy for village electrifications.
Adroit Information Systems Pvt. Ltd.	3D Printing for Prototype development	To train students on Auto CAD & 3D Printing to develop Prototype after designing.

4.3 Facilitating trainees in the NSIC- Technical centers for job placement

NSIC assists its trainees in placement by inviting companies to select trainees by organizing Job Fairs. During the year 2016-17, 24 Job Fairs organized to assist trainees for placement in which more than 300 companies participated.

Some of the leading companies having engaged with the center(s) for giving placement to the trainees are Havells, Kelmens Engineering, Munjal Showa, Daikin, LNM Auto Industries, Accurate Engineering, Humidin, Precision Tech, Tacker Technologies, Magna Rico Powertrain, Starwire, Devine Meditech, Den Networks, Alcon Meditech, Konnect Infratech, Material Movell, New Allenberry Works, PCL Sumo Air Technologies and Vikas Group, Quality Austria Asia etc.

4.4 Modernization of NSIC-Technical Centers

During the year 2016-17, it is decided to modernize the two centers at Okhla and Rajkot with proposed investment of ₹800 lakhs for Okhla center and ₹700 lakhs for Rajkot Center. The financial support was provided by ministry under ATI scheme.

The proposed plan for modernization of NSIC- Technical Service Centre, New Delhi inter-alia covers the areas like Designing of Tools/ Moulds / Jigs & Fixtures, Welding, Quality Control & Inspection, Electronics & Electrical Training etc.

In respect of proposed modernization of NSIC- Technical Service Centre, Rajkot, the machines & equipments pertaining to the Designing of Tools / Moulds / Jigs & Fixtures shall be placed.

The procurement of machines and equipment for the above centres are in progress.

4.5 Setting Up of Technology Center in association with State Governments

NSIC associated with Haryana State Government for setting up Technology

cum incubation Center at Neemka, Faridabad. The State Government agreed to provide the building with utility connection to NSIC on a lease of 31 years without any yearly charges. The necessary plant & machinery for running of the centre will be procured by NSIC.

After the discussions with Industry Associations in Faridabad the investment for placing the plant and machines at Neemka were decided. A plan of ₹35 crore is submitted to the Ministry out of which ₹10 crore already given by the Ministry under ATI scheme.

The discussions with other State Governments are undergoing for setting up similar center in their respective States.

4.6 Rapid Incubation Program for Small Enterprise Development

For taking advantage of the demographic dividend in the country and to address the issues of 'job creation' / 'unemployment', NSIC has introduced a new initiative called 'Rapid Incubation Program for Small Enterprise Development'. Through this initiative, NSIC has created opportunities to engage with the youth in the country, to inculcate in them entrepreneurial skills by imparting structured training at its Incubation Centers.

NSIC engaged in imparting entrepreneurship development training through their Incubation Centers at Okhla (New Delhi), Howrah (WB), Guwahati (Assam), Mandi (HP), Kolar (Karnataka).

These Incubation Centers provide facilities of hands-on training on working projects and also covering the theoretical aspects of business such as Marketing, Business Development, Project report preparation etc. At the end of the Training Program, the trainee(s) is ripe enough to set up their own small enterprise. It is, thus, a complete process of transforming a person from

'unemployment' to 'self-employment'- '**Berozgar to Swarozgar**'. Alternatively the trainee can get employed in Industry.

In view to promote the concept of "Rapid Incubation Program for Small Enterprise Development" by setting up Incubation Centers across pan India, Ministry of MSME, Govt. of India launched a scheme called "Scheme for Promotion of Innovation, Entrepreneurship & Agro Industry (ASPIRE)". Under the said scheme, NSIC set up six Livelihood Business Incubators at Deoria (UP), Rajkot (Gujarat), Kashipur (Uttarakhand), Naini (UP), Nawada (Bihar) and Chennai (Tamilnadu).

Realizing the need for gainfully engaging its retired or disabled soldiers, War Widows through empowering them to set up their own enterprises, Indian Army has found NSIC's Incubation Centre to be a very effective tool in providing them an alternative livelihood. One EME Centre (Military), Secundrabad requested NSIC to set up Livelihood Incubation Centre under ASPIRE in their Military premises.

4.7 Setting up Vocational Training Center (VTC) / Incubation Center (IC) in overseas countries

This model of NSIC's Incubation Centre has been well appreciated by various developing countries and is in great demand in developing countries. NSIC has established such Incubation Centres in South Africa and Senegal on commercial terms.

NSIC is engaged with Ministry of External Affairs, Government of India for setting up Incubation Centers in African countries. NSIC has already established Vocational Training Center (VTC) / Incubation Center in Ethiopia, Burundi, Rwanda, Burkina Faso and Egypt. Two centres at Zimbabwe & Gambia are in the final stage of completion and expected to be completed in September - October, 2017. The building to house

the Incubation Centre in Mozambique is under readiness and expected that the centre would be established in the current year i.e. 2017-18.

NSIC by engaging with Senegal Military Department has set up a training-cum-Incubation Centre at Dakar, Senegal for re-deployment of ex-servicemen of Senegalese Military.

5.0 MSME Global Mart

With increase in competition and melting away of international boundaries, the demand for information is reaching new heights. Today more and more B2B (Business to Business) companies are searching the internet for direct deal, instant searching of buyers/supplier, better pricing, increased services and location-specific partners.

Realizing the needs of MSMEs, NSIC facilitates E-Marketing Service effectively to MSMEs across the country. The portal provides an online platform to B2B (Business to Business) marketing activities. The portal hosts vast database of registered members who are looking for business opportunities, in terms of sustainable partnership, sub - contracting and participation in Public Procurements. The major features of www.msmemart.com are interactive database of MSMEs, global and national tender notices and a host of other features.

During the period under review, 6160 units were registered under B2B portal and revenue of ₹3.11 crores was earned.

6.0 Implementation of Government Schemes

The Corporation is implementing following schemes on behalf of the Government of India:

6.1 Marketing Assistance Scheme

Ministry of Micro, Small & Medium Enterprises through NSIC, has been providing marketing support to Micro

& Small Enterprises (MSEs) under Marketing Assistance Scheme.

To showcase the competencies of Indian MSMEs, NSIC facilitates MSMEs' participations in National & International Exhibitions, Fairs, Buyer Seller meets, Intensive campaigns and marketing promotion events etc. on concessional terms under the Marketing Assistance Scheme of the Ministry of MSME. Participation in these exposes MSMEs to international practices and enhances their business prowess. Through participation in these events, MSMEs are also facilitated to capture new markets making them globally competitive.

During the year, the Corporation participated / organised / cosponsored 254 exhibitions in India and participated in 18 international exhibitions, wherein 3683 units participated. Further, 110 Vender Development Programs were organized to facilitate MSEs, wherein 6418 units were participated.

Apart from above, 258 marketing campaigns were conducted to create awareness of various schemes / activities for facilitating MSMEs.

6.2 National SC-ST Hub (NSSH)

In pursuance of the Budget announcement in February, 2016 Ministry of MSME had formulated and issued a guideline for creation of National Schedule Caste and Schedule Tribe Hub in the Ministry of Micro, Small & Medium Enterprises. Hon'ble Prime Minister of India formally launched this Hub on 18th October, 2016 at Ludhiana.

The National SC-ST Hub scheme is aimed at providing professional support to the SC/ST entrepreneurs in fulfilling the obligations under the Public Procurement Policy for Micro and Small Enterprises Order, 2012, adopt applicable business practices and leverage the Stand-up India initiatives with an objective to promote "enterprise culture" amongst the SC / ST population. NSIC has been

designated as implementing agency for this scheme and a special cell has been created at Head Office.

To begin with, special subsidies for SC/ST enterprises have been introduced under National SC-ST Hub Scheme as follows:

- 100% subsidy on processing and inspection fees to obtain/renew Registration under the Single Point Registration Scheme (SPRS) of NSIC for government purchases on a nominal payment of ₹100/-.
- 100 % subsidy for visit / participation in domestic / international trade fairs under Special Marketing Assistance Scheme (SMAS).
- Concession up to 90% of the fee for obtaining Performance and Credit Rating from the empaneled Rating Agencies. There is provision for subsidy upto 50% on the renewal of rating also.
- The subsidy of 15% under Credit Linked Capital Subsidy Scheme (CLCSS) enhanced to 25%. The Office of DC (MSME) is the implementing agency of this scheme.

In order to provide a common platform for SC/ST MSEs and buyer organizations i.e. CPSEs / Central Govt. Departments, 38 Special Vendor Development Programmes were organized. Short-term Training Programmes for capacity building of SC/ST entrepreneurs have also been conducted at premier institutions, on pilot basis.

Since the launch of above Scheme, total 3206 SC/ST units have been benefitted under various interventions.

6.3 MSME Databank

Shri Arun Jaitley, Union Minister of Finance & Corporate Affairs launched

MSME Databank Portal an important initiative of the Ministry of MSME on the sidelines of 14th Meeting of the National Board of MSME at Vigyan Bhawan, on 11.08.2016 in the presence of Shri Kalraj Mishra, Union Minister for MSME, Shri Giriraj Singh, Minister of State for MSME and Shri Haribhai Parthibhai Chaudhary, Minister of State for MSME.

NSIC on behalf of Ministry of MSME is making online Census of the MSMEs in the country for the first time by launching a comprehensive databank which not only saves the efforts and money required for physical Census but also enables the MSME units and various associations to furnish data on click of the button. The MIS dashboard of the databank provides real time information on various types of the MSMEs registered on the databank. The databank eventually be used for public procurement purposes. MSME Development (Furnishing of Information) Rules, 2016 have also been notified making it compulsory for MSMEs to give the required information.

As on 31st March, 2017, more than 88,000 MSMEs units have been registered on this portal.

6.4 Performance & Credit Rating Scheme for Micro & Small Enterprises

On behalf of the Ministry of MSME, NSIC is implementing "Performance & Credit Rating Scheme" for Micro and Small Enterprises (MSEs). The purpose of scheme is to provide a trusted third party opinion on the capabilities and creditworthiness of the Micro and Small Enterprises. It creates awareness amongst Micro and Small Enterprises (MSEs) about the strengths and weakness of their existing operations so as to provide them an opportunity to enhance their organizational strengths and credit worthiness. The rating under the scheme is carried out by the accredited rating agencies. An



Madam (Dr.) Ameenah Gurib Fakim, Hon'ble President of Mauritius visited NSIC Pavilion - International SME Innovation & Technology Fair, 2017 (Mauritius). Shri Ravindra Nath, CMD, NSIC briefed the Hon'ble President about the working Indian Technologies placed at the pavilion displaying affordable technologies capable of gainfully engaging youth in self-employment.

independent rating by the accredited rating agency has a good acceptance from the Banks / Financial Institutions, Customers / Buyers and Vendors. Under this Scheme, rating fees is subsidized to MSME units. During the year, 11,997 units were rated under the scheme.

7.0 International Cooperation

The main objective of International Cooperation is to create awareness amongst the MSMEs of India about the opportunities for developing technical or business alliances with enterprises of other countries. Activities for the year 2016-17 are as follows:

7.1 Delegation from Malaysia

Dr. Hafsah Hashim, CEO, SME Corp, Malaysia alongwith Senior Director of Business Advisory & Support Division, International Cooperation Division visited NSIC to discuss the areas of mutual cooperation for SME development. They were also visited NSIC-Training-cum-Incubation Centre at Okhla, New Delhi and appreciated the working technologies and training facilities installed at the Centre and found lot of utility of the same in Malaysia.

7.2 President of Mauritius visits NSIC-MSME Pavilion in ISIT-2017, Mauritius

NSIC organized "International SME Technology and Innovation Fair" organized by Government of Mauritius held from 12 - 14 May, 2017 at Mauritius. Madam (Dr.) Ameenah Gurib Fakim, Hon'ble President of Mauritius visited MSME NSIC Pavilion in the said Fair. Shri Ravindra Nath, Chairman-cum-Managing Director, NSIC briefed the Hon'ble President about the NSIC's concept of employment generation through Rapid Incubation. She also visited NSIC-MSME Pavilion where 24 Indian MSMEs from different sectors were displaying affordable technologies capable of gainfully engaging youth in self-employment. Hon'ble President appreciated the technologies displayed at Indian Pavilions. President of Mauritius recorded remarks in visitor book **"India will continue to inspire us through their talents and innovations"**.

7.3 Business Delegation to Zimbabwe

NSIC organised a delegation of 16 MSMEs from India to Harare, Zimbabwe from 15-17 February, 2017 under the

international cooperation programme of the Ministry of MSME, Government of India. MSMEs from various sectors like food processing, light engineering, sheet metal industry, printing, fabrication, packaging, etc. were part of the delegation. Indian delegates also displayed their products and catalogues at the India stall set up by Embassy of India in the exhibition organized by Research Council of Zimbabwe. The exhibition was inaugurated by the Hon'ble President of Zimbabwe. Hon'ble Vice President of Zimbabwe Cde E.D. Mnangagwe and Cde P. Mphoko Hon'ble Vice President of Zimbabwe visited the India Stall and appreciated the products and information displayed.

Apart from above, delegations from Nigeria, D.R. Congo and Taiwan were visited NSIC- Technical Services Centre. They were briefed about various schemes of NSIC and the initiatives taken for promotion and development of MSMEs in the country.

8.0 NSIC's services in North Eastern Region (NER)

8.1 NSIC has a network of offices in NER. This includes Branch Office at Guwahati and Sub-Offices at Tinsukia (Assam), Imphal (Manipur); Dimapur (Nagaland); Itanagar (Arunachal Pradesh); Shillong (Meghalaya) and Agartala (Tripura).

8.2 NSIC's Incubation Programme is very successful in training budding entrepreneurs in North Eastern States. Its Incubation Centre, Guwahati trained 1,847 trainees in various trades like Fashion Designing, Food Processing / Bakery; Fancy Bag & School Bag manufacturing, Decorative Candle Making Course and Computer Hardware and Networking Programme.

Government of Manipur has given shed / building to NSIC for setting up Incubation Centre at Lamphelpat, Imphal.

Government of Meghalaya & Tripura

also approached NSIC for setting up Incubation Centre at Tura Industrial Estate, West Garo Hills District, Meghalaya & Tripura respectively.

8.3 A three members team of World Bank lead by Shri Manivannan Pathy, Sr. Agricultural Specialist visited NSIC-TIC, Guwahati on 5th May, 2016. Team highly applauded the initiatives taken up for unemployed youths of North East and interacted with the trainees.

8.4 Shri Prabhat Kumar, Ex-Cabinet Secretary & Ex-Governor of Jharkhand & Chairman of one-man Committee for MSME Policy formulation visited NSIC-Incubation Training Centre, Guwahati on 28th June, 2016 and interacted with trainees and motivated them for becoming industrial entrepreneur.

8.5 During the year, Branch Office Guwahati participated / organized the following exhibitions:

- **4th Imphal Expo, 2017:** Imphal Expo – 2017 was inaugurated on 20th March, 2017, wherein 100 MSME units displayed their product from different segments like Handloom, Textiles, Handicraft, Decorative items, Food Processing, IT, Jewellery and other service related industries.
- **18th International Shillong Trade Fair:** This Fair was inaugurated on 9th March, 2017, wherein 43 SC/ ST MSMEs were facilitated and foreign participants from Thailand, Bangladesh, Pakistan, Afghanistan, Taiwan, Hong Kong, Singapore, Turkey & South Africa.
- **24th International Guwahati Trade Fair 2017:** The fair was inaugurated on 4th February, 2017 wherein 128 MSEs were facilitated.

9.0 Management Discussion & Analysis

In terms of DPE guidelines, a separate report on Management Discussion and Analysis is attached to this report.

10.0 Capital Structure & Borrowings

The Paid-up-Capital of the Corporation is ₹532.99 crore as on 31st March, 2017.

The outstanding Long Term Loans (excluding current maturities of Long Term Debt) from financial institutions as on 31st March, 2017 is ₹49.27 crore.

The short term borrowings of the Corporation as on 31st March, 2017 is ₹2,212.22 crore.

S. No.	Description	As on 31.03.2017	As on 31.03.2016
1.	Managerial	485	533
2.	Supervisory	158	163
3.	Non-Supervisory	187	207
	Total	830	903

11.0 Issue of Commercial Paper

NSIC for the last two years has been raising resources through issue of Commercial Paper, as short-term debt instrument and meeting its short term liabilities. The Commercial paper issued by NSIC were rated by CRISIL as “A One Plus”, which is considered to have “Very Strong Degree of Safety”. During the year 2016-17, the Corporation has raised ₹1,000 crore.

12.0 Investments

As on 31st March, 2017, the Corporation had 1,17,700 equity shares of ₹10/- each in M/s. Singer India Ltd. Dividend @ ₹3.50 per share was received from M/s Singer India Ltd.

13.0 Fixed Deposit

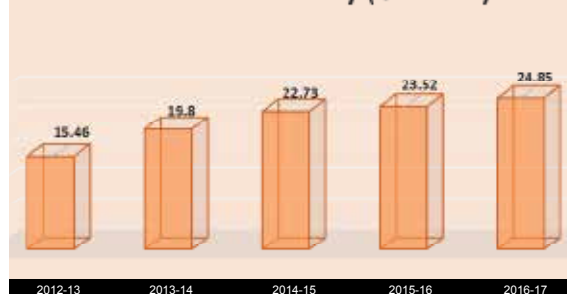
Your Corporation has not accepted any fixed deposits and as such no amount of principal or interest was outstanding as on 31st March, 2017.

14.0 Human Resource Management

14.1 The total manpower of the Corporation as on 31st March, 2017 was 830 as against 903 in the previous year. During the year, cordial relations were maintained with various NSIC Employees Unions of the Corporation.

The break-up of the manpower was as follows:

Per Man Productivity (₹ in lakh)



14.2 Staff Training

NSIC conducted training for all the employees at Head Office and field offices across the country, in alignment with the changing business needs, behavioral and technical skills to the employees.

During the year 2016-17, 12 training programmes were conducted in house for NSIC staffs / officers covering diverse topics such as Team Building, Maintaining & Managing Discipline, Opportunities for MSMEs to raise alternate resources such as through equity participation and building synergy with Institutions engaged in Finance Facilitation, Human Skill Enhancement, Program on Disaster Management, Yoga, An Essence of Transformation, Orientation Program for new employees, Program on E-Tendering, Program on Public Participation in Promoting Integrity and Eradicating Corruption, Program on Constitution Day, Program on Goods and Service Tax, Program on RTI – Online portal, Training of Trainers, Program on Personality Development for women employees.

In addition to the above, 67 employees were nominated for 37 external

training programs organized by various organizations and institutions.

Number of employees trained in different category.

Category	No. of employees trained
A	280
B	52
C	49
D	28
Total	409

In addition to above, three officers were deputed abroad for overseas training programs viz. International Conference on Public Sector Productivity, Kuala Lumpur, Malaysia and Top Management Forum on Knowledge Management for SMEs, Jeju, Republic of Korea.

14.3 Policy for Prevention of Sexual Harassment

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the sexual harassment of women at the workplace (Prevention, Prohibition and Redressal)

Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2016-17, no complaints were received by the Company related to sexual harassment.

14.4 Particulars of Employees

None of the employees of the Corporation were in receipt of remuneration in excess of limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

14.5 Representation of SCs, STs, OBCs, Persons with Disability and Minorities

The directives of the Government issued from time to time with regard to the reserved categories such as Scheduled Caste, Scheduled Tribe, Other Backward Classes, Persons with Disability (PwD) are being followed by the Corporation. The post based Reservation Rosters for



NSIC celebrated the International Women's Day 2017 with the theme "Be Bold for Change" with its women NSICians. Speaking on the occasion, Shri Ravindra Nath, CMD, NSIC appreciated their efforts and said that women are the back bone of our Homes as also NSIC. They are born leaders and have the potential within them to bring prosperity, happiness and joy to this world.



3rd International Yoga Day was celebrated at NSIC Exhibition Centre at Okhla, New Delhi. The International Yoga Day was inaugurated by Shri S.N. Tripathi, AS & DC, MSME in the presence of Shri Ravindra Nath, Chairman-cum-Managing Director, NSIC, Shri P. Udayakumar, Director (P&M) and Shri A.K. Mittal, Director (Finance), NSIC

direct recruitment as well as promotion are being maintained which are duly inspected by the Liaison Officer for SC/ST/OBC of the Corporation and displayed on the NSIC Intranet. Further, the candidates belonging to SC/ST are given relaxation in the marks in the selection against the direct recruitment as per the directives of the Government on the matter.

The number of employees belonging to SC, ST, OBC, PwD & Minorities in the Corporation as on 31st March, 2017 are as under:

Schedule Castes	148
Schedule Tribes	19
Other Backward Classes	138
Persons with Disability	29
Minorities	74
Total	408

15.0 Swachh Bharat Abhiyan

The Corporation celebrated the anniversary of Swachh Bharat Abhiyan throughout the Corporation as 'Swachh Bharat Diwas' on 2nd October, 2016 coinciding with 'Gandhi Jayanti'. Hon'ble

Union Minister along with Ministers of State and various officials of Ministry of MSME and NSIC took part on this occasion at NSIC Okhla Campus, New Delhi.

A Cleanliness drive was also undertaken by NSIC offices across the country at various locations. 'Swachh Bharat Pakhwada' was observed by NSIC offices across the country during the period from 1st - 15th May, 2016 and 16th - 30th June, 2016.

16.0 3rd International Yoga Day

3rd International Yoga Day was celebrated by NSIC on 21st June, 2016 at its campus in New Delhi. Employees from the Ministry of MSME and NSIC enthusiastically participated to make it a grand success.

17.0 World Environment Day

World Environment Day was celebrated with full enthusiasm by NSIC employees. A plantation drive was carried out to make the NSIC Campus surrounding green. Saplings were implanted by the officers as well as the staff. On this occasion



NSIC celebrated 1st International MSME Day, 2017 at NSIC Exhibition Centre, Okhla, New Delhi on 27th June 2017. On this occasion, NSIC organised Training Session on Goods & Service Tax (GST) for NSIC Employees and Member of Industry Association.

Shri Ravindra Nath, CMD, NSIC stated that "The nature should be cared for, it is important to look after our environment in order to make earth a better place to live.

18.0 First International MSME Day, 2017

United Nations General Assembly has designated 27th June as "International Day for MSMEs" by adopting a resolution.



Shri Ravindra Nath, Chairman-cum-Mg. Director, NSIC was the Chief Guest at the "World Environment Day, 2017" organised by International Chairman for Service Industry and NSI Finishing School in collaboration with ITFT College. Shri Ravindra Nath encourage the people to plant trees and also make us realize their importance.



On the occasion of "Vigilance Awareness Week" an oath being administered by Shri Rajan Trehan, Chief Vigilance Officer at Corporate Office, New Delhi

On this occasion, the Corporation organized a Training session on Goods & Service Tax (GST) for NSIC employees and members of Industry Association on 27th June, 2017 at New Delhi to update them on the historic tax reforms being launched w.e.f. 1st July, 2017.

19.0 Vigilance Activities

Vigilance is an integral part of the management function and assist in maintaining integrity, purity and efficiency of the administration. Vigilance department works in cooperation with other divisions / units of the Corporation at all levels. Besides, the vigilance department also works in coordination with the Central Vigilance Commission (CVC). The vigilance implies watchfulness and keeps surveillance, which is most important and vital for growth of any organization. It ensures that there is no wastage, misuse or pilferage of the available resources and optimum use of these resources to fulfill the objective. In-house vigilance is an essential management tool to safeguard the organisation from erosion of the organizational resources and goodwill.

The vigilance department, not only assists the management in punishing the unscrupulous employees for their acts of misconduct, but also helps in saving the honest and efficient officials from harassment by way of false and motivated complaints made out of personal vendetta.

During the year 2016-17, "Vigilance Awareness Week" was observed by the Corporation from 31st October, 2016 to 5th November, 2016 as a campaign against corruption and to create its awareness amongst the employees of the Corporation. The theme of Vigilance Awareness Week was "Public participation in promoting Integrity and Eradicating Corruption". Integrity pledges to adhere integrity and eradicate corruption were administered to all the employees of the Corporation in all its offices at various places of the country.

20.0 Corporate Social Responsibility Initiatives

A separate report on Corporate Social Responsibility Initiatives of the Corporation forms part of the Annual Report is annexed.

21.0 Awards & Recognitions

- Shri Ravindra Nath, Chairman-cum-Managing Director, NSIC conferred the “Best CEO with HR Orientation” award at the Times Ascent World HRD Congress (Silver Jubilee Edition) for building Exemplary HR into the fabric of the Business held on 15th February, 2017 at Mumbai.
- NSIC conferred with India's Top PSUs & Awards, 2016 by Dun & Bradstreet on 22nd August, 2016 during the launch of India's Top PSUs Publication, 2016 at New Delhi. The award was conferred by Shri Anil Swarup (IAS), the then Secretary, Ministry of Coal, Govt. of India.
- NSIC Won the ABP NEWS – CSR LEADERSHIP AWARDS in the category of “Best use of CSR Practices in various Sectors” on 17th February, 2017 at Mumbai.

22.0 Auditors

22.1 Statutory Auditors

The Comptroller & Auditor General of India has appointed M/s. K.G. Somani & Co., Chartered Accountants, New Delhi as the Statutory Auditors for the financial year 2016-17. The Statutory Auditors have given its report on the financial statements of the Corporation for the financial year 2016-17.

The Directors' Replies to the Statutory Auditors' Report are annexed.

22.2 Secretarial Auditors

M/s. Gupta Rajvanshi & Co., Practicing Company Secretaries were appointed to conduct the Secretarial Audit of the Corporation for the financial year 2016-17 in terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the financial year 2016-17 forms part of the



NSIC won the ABP NEWS - CSR LEADERSHIP AWARDS in the category of “Best use of CSR Practices in various sectors” in the country. The award was received by Shri R. A. Bairwa, Zonal Head West, Mumbai.

Directors' Report and annexed to the Directors' Report.

22.3 C&AG Audit

The Comments of the Comptroller & Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the financial statement are annexed to the annual report.

23.0 Extract of Annual Return

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is annexed.

24.0 Internal Financial Controls

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation and reliable financial disclosures. For this regular internal audit of all the field offices is carried out.

In Raw material assistance against bank guarantee, several checks and balances were introduced to further strengthen the system including issuance of additional guidelines for confirmation under SFMS mode and remittance of proceeds to a nominated bank account at head office for effective monitoring of utilization of funds and introduction of new improvised software for accounting of credit support given under RMA against Bank Guarantee.

25.0 Citizens' Charter

NSIC is committed to provide efficient and prompt service on the basis of objectivity, transparency and courtesy in dealing with our citizens for the promotion and growth of MSMEs. To inculcate these values in the employees, NSIC has come out with a Citizens' Charter.

26.0 Signing of Memorandum of Understanding with the Government

NSIC signed a MoU with the Ministry of Micro, Small and Medium Enterprises for the year 2017-18.



A Memorandum of Understanding (MoU) for the year 2017-18 with Ministry of Micro, small & Medium Enterprises, Government of India was signed by Shri K.K. Jalan, Secretary, Ministry of MSME, Government of India with Shri Ravindra Nath, Chairman-cum-Managing Director, NSIC

The Corporation's rating based on the results for the year 2015-16 is "Excellent".

27.0 Rajbhasha

During the year 2016-17, the provisions of Official Language Act, 1963 & rules framed thereunder were continued to be observed. Quarterly meetings were held to review the progress of implementation of official language. In addition, following special activities were carried out during the year so as to ensure the more effective use of Hindi:

- Hindi Pakhwara (Fortnight) was celebrated from 5th Sept., 2016 to 19th Sept., 2016 and various Hindi competitions were organized in the Corporation to encourage the progressive use of Hindi and awards were given to 42 winning candidates.
- "Hindi Diwas" was celebrated on 14th September, 2016 under the Chairmanship of C.M.D. of the Corporation in which HoDs and other employees of various divisions at Head Office/ NCR Branch Offices participated.
- During the year, three new Branches i.e. Ghaziabad, Varanasi and Lucknow were got notified under Rule 10(4) of Official Language Rules, 1976.
- Hindi workshops/ Official Language awareness programs were organized regularly in which the officers / employees were trained to work in Hindi. For the operation of Unicode encoding based bi-lingual Font Mangal, one day full time training programme was organized at NTSC-Okhla, New Delhi. Hindi sessions were also organized to practice on computer to speak to text in Hindi.
- Out of the total purchases amount of books, more than 50% amount was spent on purchase of Hindi books. Annual Official Language inspections were carried out at Corporate Office / Zonal Offices during the year.

28.0 Particulars of Energy Conservation, Technology absorption

As NSIC does not have any manufacturing activities, the declaration of information regarding conservation of energy & technology absorption is not required. However, during the year, NSIC has successfully implemented 459.90 kWp Roof Top Grid connected Solar System on NSIC Building at New Delhi, Hyderabad and Chennai in order to promote energy Conservation through renewable resources.

29.0 Procurement Policy for MSEs

Your Corporation has taken necessary steps for implementation of the Public Procurement Policy of the Government of India for procurement from MSEs. The value of goods and services procured from Micro & Small Enterprises during the year was ₹18.71 crore. As against the target of 20 per cent for procurement from MSEs, this procurement from MSEs was 60.69% (previous year 43.61%) of the total purchases made by the Corporation.

30.0 Foreign Exchange

During the year 2016-17, the Corporation earned foreign exchange valuing ₹36.82 lakh from activities abroad.

31.0 Quality Management System

NSIC is an ISO 9001:2008 certified Corporation and at present, the number of ISO certified offices is 50 including Corporate Office. Now, the new standard of ISO 9001:2015 version has come up and the Corporation is in transition to upgrade its Quality Management System (QMS) as per the new standards.

32.0 Directors

During the year 2016-17, the following changes have been occurred in the Board of the Corporation:-

- Shri A.K. Mittal was appointed as Director (Finance) w.e.f. 15.09.2016.



NSIC successfully installed Roof Top Grid connected Solar System on NSIC buildings in order to promote Energy Conservation through Renewable Resources.

- b. Shri Rajiv Chawla ceased to be non-official part time Director w.e.f. 23.09.2016.
- c. Prof. Adya Prasad Pandey was appointed as non-official part time Director w.e.f. 25.01.2017.
- d. Ms. Geeta Goti was appointed as non-official part time Director w.e.f. 25.01.2017.
- e. Shri Rakesh Rewari ceased to be non-official part time Director w.e.f. 21.02.2017.
- f. Shri Ramesh Bhat was appointed as non-official part time Director w.e.f. 03.03.2017.

During the year, six meetings of the Board of Directors were held. In addition, four Audit Committee Meetings, five meetings of Corporate Social Responsibility Committee and one Nomination & Remuneration Committee Meeting were conveyed. The details of the meetings are given in the Corporate Governance Report which forms part of the report.

33.0 Directors' Responsibility Statement

Pursuant to the requirement under clause (c) of sub-section (3) of section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- the Directors selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year and of the profit or loss of the Corporation for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Corporation and for preventing

and detecting fraud and other irregularities;

- the Directors prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Corporation and that such internal financial controls are adequate and were operating effectively;
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The cases of fake bank guarantees (BGs) amounting to ₹16 crore were noticed during June, 2016 at Branch Office Kolkata (5 cases amounting to ₹12 crore) and Salt Lake (2 cases amounting to ₹4 crore) for which FIRs were lodged with CBI, Kolkata on 30.06.2016. CBI, Kolkata has completed its investigation in respect of 5 cases and submitted its report dated 19.05.2017.

Reconfirmation was called for during July, 2016, in respect of BGs held by all offices of the Corporation, from the BG issuing banks and/or their respective Zonal / Controlling offices. Against this request for reconfirmation, United Bank of India (UBI) branches at Jadvapur Vidyapeeth and Hazra Road had informed that in 61 cases involving total BGs of ₹173.50 crore, the BGs had either been invoked (55 cases worth ₹155.50 crore) or not issued by the bank (6 cases worth ₹18 crore). In all these cases of ₹155.50 crore, the original BGs issued by the banks were lying in the safe custody of NSIC's BO Abdul Hamid Street, BO Salt Lake, BO Durgapur & NTSC Howrah and had not been invoked by them. UBI had informed about having invoked the BGs and issued Pay orders (POs) in favour of NSIC against them due to which any further payment against such BGs did not arise. However, NSIC was holding original Bank Guarantees which had never been invoked by the Corporation

and the said POs were deposited by the units as repayment of their RMA dues.

Immediately on noticing the aforesaid irregularities in respect of NSIC offices at West Bengal, FIR was lodged on 26.07.2016 with the Officer in Charge, Bidhan Nagar North Police Station, Salt Lake, Kolkata. The case was transferred to CID Kolkata, West Bengal and is under investigation covering all cases amounting to ₹173.50 crore. NSIC also submitted its claim with United Bank of India by way of invocation of these BGs valuing ₹173.50 crore in July, 2016, during the validity of these BGs.

CID, West Bengal as a part of their investigation referred the original BGs and related documents, seized from NSIC and UBI offices, to their forensic lab (i.e. QDEB-Questioned Documents Examination Bureau) for examination. The findings in QDEB report dated 09.06.2017 have been informed to the Hon'ble Court by CID, West Bengal on 04.08.2017, which confirms that NSIC was holding original valid Bank Guarantees (BG) valuing ₹173.50 crore issued by UBI (including BGs worth Rs. 18 crore in 6 cases though originally stated by UBI not having been issued by them). The report also mentions that United Bank of India had issued two Bank Guarantees on the same number which is contrary to the rules laid in their management system.

In the meantime, a meeting was taken by Secretary MSME, Government of India on 30.1.2017 wherein on being pointed out to the representative of United Bank of India that if on examination by the investigating agencies it was confirmed that BGs held by NSIC were original whether United Bank of India would release the payments to NSIC, the UBI's representative had informed that the matter would be taken up with their authorities for a decision in the matter. After circulation of minutes, there has been no representation from United Bank of India on this issue. As already

informed above the report of QDEB and forwarding report dated 4.8.2017 of CID, have confirmed that BGs held by NSIC are original.

Further, The BGs issued by United Bank of India “guarantees” that the amount shall be paid by it “....under this guarantee without any demur....” NSIC holds a valid claim with UBI on these BGs as also corroborated by the findings of QDEB report and forwarding report dated 4.8.2017 of CID together with the facts mentioned in the minutes of the meeting taken by Secretary MSME, Government of India.

Apart from these cases of NSIC offices in West Bengal, BO Ghaziabad also reported a case of fake bank guarantee of ₹5 crore for one unit assisted under the scheme of Raw Material Assistance against BG. The Corporation lodged the complaint with CBI, Ghaziabad on 31.10.2016 in respect of fake bank guarantees of ₹5 crore found at BO Ghaziabad. CBI, Ghaziabad registered FIR on 15.05.2017. The case is under investigation.

Disciplinary proceedings against twelve employees (involved in the cases reported at NSIC offices at West Bengal & Ghaziabad), who are suspended, is under progress.

Various steps in strengthening the internal control mechanism have been initiated to further safeguard the interest of the Corporation. These steps inter-alia include introducing obtaining of confirmation of Bank Guarantees (BGs) under Structured Financial Messaging System (SFMS), remittance by bank of the amount on invocation of bank guarantees to a designated bank account of the Corporation, mentioning of Stamp Paper no. (on which BG is issued) while obtaining confirmation from issuing/ controlling office of the bank, duration of BG validity restricted to one year, introduction of more stringent KYC norms, periodic verification norms for

units in RMA guidelines and introduction of improvised software for accounting of credit support under Raw Material Assistance against bank guarantees etc.

To have further review of internal control system, the Corporation engaged an outside agency and necessary actions have been taken in sync with the suggestions made therein.

34.0 Corporate Governance

The Corporation received “Excellent” rating on compliance of Corporate Governance guidelines issued by Department of Public Enterprises for CPSEs for the year 2015-16.

A separate report on Corporate Governance forms part of the Annual Report and is annexed.

35.0 Acknowledgements

The Board of Directors wish to place on record their gratitude to the Hon’ble Union Minister of Micro, Small & Medium Enterprises (MSME) for the help, guidance and support provided. The Board would also like to take this opportunity to sincerely thank Hon’ble Ministers of State for Micro, Small and Medium Enterprises for their continuous guidance.

The Board wishes to place on record its appreciation for the valuable guidance & support provided by the Secretary, Ministry of MSME.

The Board also sincerely acknowledges the support, cooperation and guidance received from Ministry of Micro, Small and Medium Enterprises and from other Ministries and Government of India. The Directors also acknowledge with thanks the support received from AS&FA, Ministry of MSME.

The Directors also like to express their sincere appreciation for the positive co-operation received from Company’s Bankers, Financial Institutions and they

also wish to thank all the stakeholders for reposing their faith, trust and confidence in our Corporation.

The Directors acknowledge the constant support and assistance received from Statutory Auditors, Comptroller and Auditor General of India and Member Audit Board.

The Board of Directors also take this opportunity to place on record their sincere appreciation for the hard work, dedication and efforts put in by all the employees for driving NSIC towards a glorious future.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 29th September, 2017

(Ravindra Nath)
Chairman-cum-Managing Director

Annexure to Directors' Report Point No. 9.0

Management Discussion & Analysis

I. Industry structure and developments

The National Small Industries Corporation Ltd. (NSIC), an ISO 9001: 2008 certified Government of India Enterprise under Ministry of Micro, Small and Medium Enterprises (MSMEs), has been working to fulfil its mission of promoting, aiding and fostering the growth of MSMEs in the country since its establishment in 1955.

The Corporation is classified as Mini Ratna Category - I Public Sector Enterprise w.e.f. 21st September, 2016 under the administrative control of Ministry of Micro, Small and Medium Enterprises, Government of India.

Schemes of the Corporation: Schemes and services provided by the Corporation is detailed in the Directors' Report. The Corporation has registered office in New Delhi. NSIC operates through large network spreads across the country having various offices and seven technical centres located at Chennai, Howrah, Hyderabad, Okhla (New Delhi), Rajkot, Rajpura & Aligarh. The Corporation has set up Incubation Centres at New Delhi, Deoria (Uttar Pradesh), Howrah (West Bengal), Guwahati, Kolar (Karnataka), Jubbal & Kanaid (Himanchal Pradesh). The Corporation has one overseas office at Johannesburg (South Africa).

II. Financial Performance

The Corporation achieved gross revenue of ₹2,389.32 crore as against ₹2,685.44 crore in previous year. The revenue from operations was ₹2,311.87 crore as against ₹2628.63 crore in previous year. The Corporation while playing the role of a 'facilitator' to MSMEs, didn't remain immune to the factors affecting the MSMEs at large. Accordingly, when the

MSME sector suffered due to a sluggish economy, reduction in consumption demand etc. the overall business of the Corporation also got affected and settled at an overall business of ₹20,622 crore during the financial year 2016-17.

The Profit before tax of the Corporation was ₹165.07 crore as against ₹156.95 crore registering the growth of 5.17%. The Profit after tax of the Corporation was ₹106.39 crore as against ₹101.46 crore registering the growth of 4.86%.

The Corporation continued with efforts of facilitating MSMEs with integrated support with special focus on marketing support - raw material distribution (11,35,788 MTs), credit support (₹6,425 crore), technology support-training activities (31,958 trainees).

The Corporation also continued to implement the Government's Schemes namely Performance & Credit Rating Scheme; Marketing Assistance Scheme to support marketing efforts of MSMEs); National SC-ST Hub, Assistance for Training Institutions and ASPIRE Scheme.

The Corporation has recommended dividend of ₹31.26 crore for the year as against ₹29.05 crore in the previous year.

The Earning per Share of the Corporation is ₹19.96 as against ₹19.04 in previous year.

III. Segment-wise Performance

NSIC's activities are broadly classified into 'Promotional' and 'Commercial'. The 'Promotional' activities include the activities for which budgetary support is provided to the Corporation by the Government and / or its agencies. The schemes of 'Marketing Assistance Scheme for MSMEs',

'Performance & Credit Rating Scheme for Micro and Small Enterprises', 'Assistance for Training to Institutions' and 'National Schedule Caste – Schedule tribe Hub' etc., for which budgetary support has been provided to the Corporation get reflected under the 'Promotional' activity. The expenses towards organization / participation in exhibitions (both domestic and international), buyer sellers meet, intensive campaigns, other marketing support services (advertisement, publicity etc.), rating of MSEs and training expenses are met out of the budgetary support provided for the above schemes.

The 'Commercial' activities inter-alia include the activities whereby the Corporation provides 'Marketing', 'Credit', 'Technology' and 'other support' services to cater to

the diverse needs of the MSMEs. The Corporation funds these 'Integrated' support services. In addition, activities not met out of the budgetary support but which are promotional in nature (since carried out with the intent to support the MSMEs) are merged with commercial activities as the expenses of such activities are borne by the Corporation. Accordingly, the activities of the Corporation have been divided into two segments namely "Commercial" & "Promotional".

The following table presents the revenue, profit, assets and liabilities information to the Business segments for the year ended 31st March, 2017 as required by AS-17 on "Segment Reporting" issued by the Institute of Chartered Accountant of India:

(₹ in Lakh)

Description	For the year ended 31/03/2017			For the year ended 31/03/2016		
A. Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial	Total
I. SEGMENT REVENUE						
a. Segment Revenue (including grant)	6677.68	232254.24	238931.92	5507.16	263036.54	268543.70
II. SEGMENT RESULTS						
a. Segment Results @	-	10639.84	10639.84	-	10146.44	10146.44
b. Operating Profit before interest	-	36270.98	36270.98	-	37309.80	37309.80
c. VRS & prior period	-	15.82	15.82		32.84	32.84
d. Interest Paid	-	19748	19748	-	21581.59	21581.59
e. Exceptional items	-	-	-	-	-	-
f. Net Profit before Tax	-	16507.16	16507.16	-	15695.37	15695.37
g. Tax	-	5867.32	5867.32	-	5548.93	5548.93
h. Net Profit after Tax	-	10639.84	10639.84	-	10146.44	10146.44
III. ASSETS & LIABILITIES						
a. Segment Assets	1391.49	311814.77	313206.26	1,414.97	322746.64	324161.61
b. Unallocated Assets	-	-	40061.27	-	-	31157.76

c. Total Assets	1391.49	311814.77	353267.53	1,414.97	322746.64	355319.37
d. Segment Liabilities	6245.88	250096.84	256342.72	3237.65	263237.82	266475.47
e. Unallocated Liabilities	-	-	96924.81	-	-	88843.90
f. Total Liabilities	6245.88	250096.84	353267.53	1,951.97	254738.02	355319.37
IV. OTHER INFORMATION						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	129.91	3692.07	3822.38	301.15	5287.74	5858.89
(b) Depreciation #	151.18	488.39	639.57	130.40	433.54	563.94
(c) Non-cash expenditure other than depreciation	-	457.49	457.49	-	922.67	922.67

The depreciation of promotion segment is charged to capital reserve.

IV. Strength & Challenges Analysis

a. Strengths

- NSIC is a national level organization with the huge knowledge base about working of MSME sector and having presence all over the country by having offices in 165 locations.
- The Corporation offers integrated package of services, ranging from financial support, marketing, technology and information support to Micro, Small & Medium Enterprises.
- The Corporation has linkages with Micro, Small & Medium industry organizations / associations within the country and several partner organizations overseas for development of MSME sector in the country.
- The Corporation has proven track record in the area of international cooperation in MSME sector development and institutional capacity building.
- The considerable asset base of the Corporation gives it an added advantage for expansion of its activities.
- A profit making, dividend paying Company, with "AA+" rating by CARE.

b. Challenges

- A small Resource base as compared to other institutions providing services to MSME Sector.

- Notification and implementation of 'Procurement Preference Policy' for MSEs by the Government to increase participation of Micro & Small Enterprises in Government purchases. In addition to Corporation, some other agencies have also been authorized to register MSEs for Government Purchase.
- Non-availability of the status of "Priority Lending" earlier given by Reserve Bank of India.

c. Opportunities & Threats Analysis

Opportunities:

- There is vast potential for services being offered by NSIC to MSMEs within the country and abroad.
- International Cooperation, Technology Transfer and International Consultancies to developing countries.
- Availability of physical assets for development of new projects.

d. Threats

- Competition from other national and state level institutions in the areas of marketing, technology support and financing pose a threat to the core activities of the Corporation.
- State Governments preference to state agencies over NSIC, for raw material distribution.

- Entry of large players due to globalization poses challenges for MSME sector.
- Inadequate credit flow from commercial banks to MSME sector, especially to new and start-up enterprises.

V. Outlook

NSIC has been working to fulfill its mission of promoting, aiding & fostering the growth of Micro, Small and Medium Enterprises of the Corporation for last six decades.

NSIC carries forward its mission to assist MSME with a set of specially tailored schemes designed to put them in a competitive and advantageous position.

NSIC has signed various MOUs to achieve its targets and to increase the growth and profitability of the Corporation. To achieve the desired growth, NSIC is enhancing its capabilities to access Domestic and International Markets and for this, Project Management and Implementation, Technology, Quality and Customer Satisfaction have been identified as major thrust areas.

The Corporation plans to further explore the new business opportunities in areas of Marketing, set up new Technology and Incubation Centres to provide training to enhance the knowledge level and to increase the employment opportunities for unemployed youth. The Corporation is also in transition phase to upgrade its Quality Management System (QMS) from ISO 9001:2008 to ISO 9001:2015.

VI. Risks & Concerns

The Corporation regularly identifies and reviews the risks which can be the outcome of regular business activities and takes appropriate steps from time to time to mitigate these risks. The management is committed to further strengthen risk management capabilities in order to protect and enhance stakeholders' value. The Corporation has devised the "Risk Management Policy".

Besides business risks, the Corporation can have risks in the form of change in the

Government policies towards MSME sector and from the natural calamities.

VII. Internal Control Systems

The Corporation has put in place adequate internal control measures. The Corporation has various manuals and operating procedures to ensure orderly, ethical and efficient conduct of its business. These manuals and procedures are updated from time to time and are subject to strict compliance. The Internal Audit department checks the adequacy and effectiveness of Internal Control System, reviews and monitors compliance of various policies and procedures. The Audit Committee of the Board regularly reviews significant findings of the Internal Audit department.

In Raw material assistance against bank guarantee, several checks and balances were introduced to further strengthen the system including issuance of additional guidelines for confirmation under SFMS mode and remittance of proceeds to a nominated bank account at head office for effective monitoring of utilization of funds and introduction of new improvised software for accounting of credit support given under RMA against Bank Guarantee. An independent evaluation by an outside agency, of the systems and procedures under RMA against BG in conjunction with scope of internal audit being carried out by CA firms, was also done during the year.

The Statutory Auditors are also required to issue the Independent Auditor's Report on the Internal Financial Controls of the Corporation under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013. The report issued thereupon has been enclosed alongwith the financial statements of the Corporation.

VIII. Developments in Human Resources, Industrial Relations front including number of people employed

Human Resource is the main asset of the Corporation. Success of any organization depends upon the engagement and motivation levels of its employees. The

Human Resource division has played a significant role in achieving the overall objectives of building capability amongst people and more importantly, involve and engage employees in various improvement programs across the functions for achieving improved results.

For this purpose, various training programs were conducted as training is a learning process that involves the acquisition of knowledge, sharpening of skills, concepts, rules and changing of attitudes and behaviors to enhance the performance of employees.

NSIC has an exclusive Training division which conducts and administers training programs for all the employees of NSIC across the country.

IX. **Cautionary Statement**

Statements in Management Discussion and Analysis describing the Corporation's objectives, projections, expectations, estimates are based on current business environment. Actual results could differ from those expressed or implied based on government policy decisions and future economic environment.

Annexure to Directors' Report Point No. 20.0

**Corporate Social Responsibility –
“Commitment for building a better tomorrow for our communities”**

1.0 A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes

NSIC identifies itself strongly as a responsible corporate citizen and as a step towards this direction has tried to strengthen the quality of life of under-privileged sections of the community and helped them to cope well with the new economic and social conditions.

The Corporation's CSR Policy has been designed as per requirements of the Companies Act and guidelines issued by the Department of Public Enterprises and in synchronization with the above objective of the Corporation. The diversified CSR applications are spread across the country in the need specific sectors like Education, Health, Disability, Capacity Building and Expansion of Human Capabilities.

The Company's CSR Policy including CSR initiatives undertaken are available on Corporation's website at www.nsic.co.in.

2.0 Health Care & Medical Assistance to Specially Abled and Other Weaker Sections of Society

- Organized several medical camps for divyangs in Kapurthala, Hoshiarpur, Jalandhar, Gurdaspur, Pathankot, Deoria, Mahabubnagar, Sunderban, North & South 24 Parganas and Midnapore (East & West) and distributed the aids / appliances like Artificial Limbs, Tri-cycles, Wheel Chairs, Hearing Aids, Crutches etc. 55 Divyang children were provided corrective surgery.
- Provided general health care services to weaker sections of the villages in Ajmer (Rajasthan) focusing on awareness building on prevention of common ailments, promotion of



Divyang receiving Vocational Training in Computers at Computer Centre set up by NSIC with Implementing Partner "Handicapped Welfare Federation (HWF)" Delhi under Corporate Social Responsibility Initiatives of the Corporation.



Self-Employment kits were provided to divyngs for livelihood at Ahmedabad under Corporate Social Responsibility Initiatives of NSIC.

hygiene & sanitation etc. total 2595 villagers were benefitted under this programme.

- NSIC organized eye camps to help poor students of various schools in Anekal Taluk of Bengaluru District where 14,558 students from various schools were benefitted. In addition, cataract surgery was performed for 498 persons in Palwal District of Haryana.
- Provided chemotherapy (injection and medicines), radio diagnosis, surgical needs, prosthetics and nutritional and educational aid and other support services to poor children for cancer treatment.

3.0 Education

- Education is the key to the task of nation building as well as to provide requisite knowledge and skills required for sustained growth of the economy and to ensure overall progress.

- The Corporation provided assistance to the education center in the slum of Dakshin Puri, New Delhi to the primary school going children.
- The Corporation provided vehicle to pick-up and drop facility to facilitate education of under privileged children, predominantly of a tribal community, living in villages of District Khorda, Odisha.

4.0 Safe Drinking Water

- Lack of safe drinking water continues to be biggest challenge in our nation. In this perspective, NSIC provided safe drinking water by setting up R.O. water plant of 2000 LPH capacity along with Water Automated Teller Vending Machine for the residents of the village Dahurahra in Kushinagar District of Uttar Pradesh.
- Installed 20 Hand Pumps in the backward district of Basti (Uttar

Pradesh) benefiting around 1000 people.

5.0 Women Empowerment

- Women face economic and social challenges in the society. Many women in weaker sections try to earn income for their families by undertaking work after acquiring certain skills. In this perspective, NSIC provided Vocational Training on Dress Designing & Tailoring (Skill Development Training) for 150 women belonging to weaker sections at Mohapa, Kaniyadol, Kokarda, Ubali and Ghorad in the Nagpur District.

6.0 Skill Development & Computer Training Centres for people with disabilities and other weaker sections of community

- NSIC provided vocational training programmes in Computer Applications, Tailoring, English Speaking, Personality development, Music & Handicrafts in Jodhpur where 225 visually challenged were benefitted. NSIC also provided the cost of various courses under vocational training to hearing impaired students in centres in Puducherry, Thanjavur and Tiruchirappalli in Tamil Nadu.
- Self-employment Kits were provided to 156 divyangs for livelihood and 60 divyangs were provided training on sewing machines at Ahmedabad.

7.0 Environment Sustainability

Five Solar High mast street lights were provided in Kushinagar and Deoria Districts

of Uttar Pradesh benefiting around 2000 people.

8.0 The Composition of the CSR Committee

The Board has constituted the "CSR Committee" of the Board. Consequent to the changes in the Board, the Corporate Social Responsibility Committee was reconstituted by the Board. Presently, the Committee has three members viz. Ms. Geeta Goti, Prof. A.P. Pandey and Shri Ramesh Bhat.

Average net profit of the Company for last three financial years

Average net profit of the Company for last three financial years was	₹13,394.29 lakh
----------------------------------------------------------------------	-----------------

9.0 Prescribed CSR Expenditure (2% of Average Profit)

The Company is required to spend ₹267.89 lakh towards its CSR activities.

10.0 Details of CSR spent during the Financial Year

a)	Total amount spent for the Financial Year 2016-17:	₹273.78 lakh
b)	Amount unspent, if any	NIL
c)	Manner in which the amount spent during the Financial Year is detailed below:	

S. No.	CSR Projects Identified	Sector	State & Districts of Project coverage	Project-wise Outlay (₹)	Amount spent (Direct Expenses) (₹)	Cumulative Expenses (₹)	Direct or through agency
1	Conducted Eye Camps, provided Spectacles for the children and performed Cataract Surgeries Conducted Health Camps and Surgeries for differently abled	Health Care Including Preventive Health Care	(Karnataka) Bengaluru	90,67,741/-	88,68,370/-	88,68,370/-	Narayana Nethralaya Foundation
			(Haryana) Palwal				Association for Blindness & Leprosy Eradication (ABLE)
			(Rajasthan) Ajmer				Women Children Welfare and Rural Development Society (WARDS)
			(Uttar Pradesh) Deoria				Sanjeevani Social Welfare Society
	Medical Assistance to Differently Abled by Organizing Health Camps and providing Artificial Limbs, Wheel Chairs, Tri-Cycles, Hearing aids and Crutches etc.		(Punjab) Jalandhar Hoshiarpur Kapurthala Pathankot Gurdaspur				Bharat Vikas Parishad Charitable Trust, Punjab
			(Telangana) Mahabubh- nagar				Artificial Limbs Manufacturing Corporation of India (ALIMCO)
			(West Bengal) Mednipur (East & West) Sunderban 24 Parganas (South & North)				Bharat Sevashram Sangha
	Provided Chemo-therapy, Radio Diagnosis, Surgical needs, Prosthetics, Nutritional support, Educational support and services of Physiotherapist and counsellor to cancer affected children below poverty line		(Tamil Nadu) Chennai				Mithras Foundation

S. No.	CSR Projects Identified	Sector	State & Districts of Project coverage	Project-wise Outlay (₹)	Amount spent (Direct Expenses) (₹)	Cumulative Expenses (₹)	Direct or through agency
2	Provided Vocational training on English Speaking, Personality Development, Handicraft, Tailoring, Music, Yoga and physical training to Visually Impaired students	Vocational Training	(Rajasthan) Jodhpur	94,42,540/-	76,96,552/-	76,96,552/-	Netraheen Vikas Sansthan
	Provided Computer training to women, students, Physically Challenged and other weaker sections of the society		(Delhi) New Delhi				Handicapped Welfare Federation (HWF)
	Provided running cost of Incubation Centre for the training in Computer & Beautician Courses		(Telangana) Warangal				District Rural Development Agency, Warangal (DRDA)
	Provided Vocational Training in the field of knitting industry		(Punjab) Ludhiana				Bharat Vikas Parishad Charitable Trust, Punjab
	Vocational Training for deaf and dumb students		(Tamil Nadu) Puducherry Thanjavur Tiruchira-ppalli				Deaf Enabled Foundation (DEF)
	Provided Vocational Training in Dress Designing and Tailoring to women		(Maharashtra) Nagpur				Krushimitra Agrotech Bahuddeshiya Sanstha, Kuhi
	Provided Self Employment aids and Vocational Training in Tailoring to specially abled.		(Gujarat) Ahmedabad				Blind People's Association (India)

S. No.	CSR Projects Identified	Sector	State & Districts of Project coverage	Project-wise Outlay (₹)	Amount spent (Direct Expenses) (₹)	Cumulative Expenses (₹)	Direct or through agency
3	Educational Facilities to under Privileged children	Education	(Delhi) New Delhi	32,62,600/-	32,32,600/-	32,32,600/-	Maitreyy Preksha Seva Mission
	Set-up of a modern library with small Computer Lab		(Karnataka) Kolar				Rural Agricultural Development Society (RADS)
	Provided a mini school bus for transporting poor and needy students		(Odisha) Bhubaneswar				National Human Rural Development Institute (NHRDI)
4	Constructed RCC Room, Borewell & Installation of R.O. Water Plant	Safe Drinking Water	(Uttar Pradesh) Deoria Kushinagar	29,77,400/-	22,87,200/-	22,87,200/-	IRA Foundation
	Provided Safe Drinking Water by installation of Hand Pumps		(Uttar Pradesh) Basti				Bhartiya Coop. Gramin Vikas Evem Nirman Limited
5	Provided Solar High Mast Street Lights	Environment Sustainability	(Uttar Pradesh) Kushinagar Deoria	10,11,000/-	8,18,845/-	8,18,845/-	Sustainable Action Towards Human Empowerment (SATHEE)
6	Contribution to Swachh Bharat Kosh & Evaluation expenses	Others	PAN India	44,74,425/-	44,74,425/-	44,74,425/-	Direct
TOTAL				3,02,35,706/-	2,73,77,992/-	2,73,77,992/-	

Annexure to Directors' Report Point No. 22.2
Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members

The National Small Industries Corporation Ltd.

NSIC Bhawan, Okhla Industrial Estate,
New Delhi-110020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. The National Small Industries Corporation Limited** (hereinafter called the **Corporation**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Corporation's books, papers, minute books, forms and returns filed and other records maintained by the Corporation and also the information provided by the Corporation, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Corporation has, during the audit period covering the financial year ended on 31st March, 2017 ("audit period") complied with the statutory provisions listed hereunder and also that the Corporation has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Corporation for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not applicable to the Corporation during the Audit Period)**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there

under; **(Not applicable to the Corporation during the Audit Period)**

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Corporation during the Audit Period)**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992. **(Not applicable to the Corporation during the Audit Period)**
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Corporation during the Audit Period)**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 **(Not applicable to the Corporation during the Audit Period)**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Corporation during the Audit Period)**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Corporation during the Audit Period)**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Corporation during the Audit Period)**
 - f. The Securities and Exchange Board of

India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Corporation during the Audit Period)**

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Corporation during the Audit Period)**
- h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998. **(Not applicable to the Corporation during the Audit Period)**
- vi. Other laws applicable to The National Small Industries Corporation are:-
 - g. Guidelines issued by Department of Public Enterprises
 - h. Right to Information Act, 2005

We have also examined compliance with the applicable clauses of the following:

- ix. Secretarial Standards issued by The Institute of Company Secretaries of India to the extent applicable.
- x. The Listing Agreements entered into by the Company with Stock Exchanges. **(Not applicable to the Corporation during the Audit Period)**

During the period under review the Corporation has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Corporation

is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. However, as per the provisions of Section 149(8) read with Clause VII of Schedule IV of the Act, the Independent Directors of the Corporations are required to hold one separate meeting in a Financial Year which was not called for in the Financial Year 2016-17 due to unavoidable and inevitable reasons as explained by the management in their letter no. SIC/SEC/Sec.Audit/71/2017 dated 18th August, 2017.

We further report that there are adequate systems and processes in the Corporation commensurate with the size and operations of the Corporation to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with our letter of even date which is annexed as **Annexure A** and form an integral part of this report.

FOR GUPTA RAJVANSHI & CO.

Company Secretaries
CS. Pulkita Rajvanshi

Partner
Membership Number – 33298
COP No. - 12442

Date: 30th August, 2017
Place: New Delhi

Annexure-A

The Members

The National Small Industries Corporation Limited

NSIC Bhawan, Okhla Industrial Estate,

New Delhi-110020

Our report of even date is to be read alongwith this letter.

1. Maintenance of Secretarial Records is the responsibility of the management of the Corporation. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Corporation.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Corporation nor of the efficiency or effectiveness with which the management has conducted the affairs of the Corporation.

FOR GUPTA RAJVANSHI & CO.

Company Secretaries

CS. Pulkita Rajvanshi

Partner

Date: 30th August, 2017

Place: - New Delhi

Membership Number - 33298

COP No. – 12442

Annexure to Directors' Report Point No. 23.0

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

CIN	U74140DL1955GOI002481
Registration Date	4 th February, 1955
Name of the Company	The National Small Industries Corporation Limited
Category / Sub-category of the Company	Public Sector Enterprise Mini Ratna Category – I*
Address of the Registered Office & contact details	NSIC Bhavan, Okhla Industrial Estate, New Delhi – 110 020
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

*w.e.f. 21st September, 2016

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Raw Material Support to MSMEs	....	65.41%
2	Credit Support to MSMEs for Raw Material Procurement	....	30.68%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company does not have any holding, subsidiary and associate Company

S. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	-	N.A.	-		

IV. **SHARE HOLDING PATTERN** (Equity Share Capital Breakup as percentage of Total Equity)

e. **Category-Wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]		No. of Shares held at the end of the year [As on 31-March-2017]		% Change during the year
	Total No. of Shares	% of Total Shares	Total No. of Shares	% of Total Shares	
A. Promoters					
(1) Indian					
a) Individual/ HUF	....	....	....	....	....
b) Central Govt.	53298800	100%	53298800	100%	....
c) State Govt.(s)	....	....	....	....	....
d) Bodies Corp.	....	....	....	....	....
e) Banks / FI	....	....	....	....	....
f) Any other	....	....	....	....	....
Sub-Total (A)(1)	53298800	100%	53298800	100%	....
(2) Foreign					
NRIs- Individuals	....	....	....	....	....
Other- Individuals	....	....	....	....	....
Bodies Corp.	....	....	....	....	....
Banks/FI	....	....	....	....	....
Any other	....	....	....	....	....
Sub-Total(A) (2)	....	....	....	....	....
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	53298800	100%	53298800	100%	....
B. Public Shareholding					
1. Institutions	....	...	...	...	...
a) Mutual Funds	...	...	...	...	...
b) Banks / FI	...	...	...	...	...
c) Central Govt.					
d) State Govt.(s)	...	...	...	...	...
e) Venture Capital Funds	...	...	...	...	...
f) Insurance Companies	...	...	...	...	...
g) FIIs	...	...	...	...	...
h) Foreign Venture Capital Funds	...	...	...	...	...
i) Others (specify)	...	...	...	...	...
Sub-total (B)(1):-	...	...	...	...	...
2. Non-Institutions					
a) Bodies Corp.	...	...	...	...	...
i) Indian	...	...	...	...	...
Overseas	...	...	...	...	...
b) Individuals	...	...	...	...	...

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	...	...	....	....	....
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	....	....	.....	.....	....
Other Specify	...	...	...	...	...
Sub-total (B)(2):-	...	...	...	...	...
Total Public Shareholding (B)=(B)(1)+ (B)(2)	...	...	...	...	...
C.Shares held by Custodian for GDRs & ADRs	...	...	...	...	...
Grand Total (A+B+C)	53298800	100%	53298800	100%	

II. SHAREHOLDING OF PROMOTERS

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	President of India	53297500	99.99%	....	53297500	99.99%	...	....
2	Secretary, MSME*	400	Negligible	....	400	Negligible	...	....
3	C.M.D., NSIC*	400	Negligible	....	400	Negligible	...	....
4	AS&DC, MSME*	200	Negligible	....	200	Negligible	...	....
5	Joint Secretary MSME*	100	Negligible	....	100	Negligible	...	....
6	Economic Adviser, MSME*	100	Negligible	....	100	Negligible	...	....
7	Director, MSME *	100	Negligible	....	100	Negligible	...	....
			100%	....		100%		

*As representative/ nominees of President of India

III. Change In Promoters' Shareholding (Please Specify, If There Is No Change)

There is no change in previous year's shareholding between 01/04/2016 to 31/03/2017

S No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	.....	.....	.....	.....
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	.....	.....	.....	.....
	At the end of the year	.....	.....	.....	.....

IV. Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	.....	.....	.....	.....
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	.....	.....	.....	.....
	At the end of the year	.....	.....	.....	.....

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year Shri Ravindra Nath, CMD, NSIC Ltd.	400		400	
	Shri S.N. Tripathi, AS&DC, MSME	200		200	
	Shri Manoj Joshi, Joint Secretary, MSME	100		100	
2.	Change in the shareholding	-	-	-	
	
3.	At the end of the year Shri Ravindra Nath, CMD Shri S.N. Tripathi, AS&DC, MSME Shri Manoj Joshi, Joint Secretary, MSME	400 200 100		400 200 100	

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2357.09	55.66	.....	2412.75
ii) Interest due but not paid	.....	.....	.....	.....
iii) Interest accrued but not due	0.13	0.10	.....	0.23
Total (i+ii+iii)	2357.22	55.76	.....	2412.98
Change in Indebtedness during the financial year				
* Addition	.....	993.60	.....	993.60
* Reduction	1144.87	.....	.....	(1144.87)
Net Change	(1144.87)	993.60	.....	(151.27)
Indebtedness at the end of the financial year				
i) Principal Amount	1212.22	1049.26	.....	2261.48
ii) Interest due but not paid	.....	.....	.....	.....
iii) Interest accrued but not due	0.01	0.09	.....	0.10
Total (i+ii+iii)	1212.23	1049.35	.....	2261.58

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

G. Remuneration to Managing Director, Whole-time Director and Manager

S No	Particulars of Remuneration	Name of Managing Director	Name of Whole Time Director		Total Amount in ₹
		Sh. Ravindra Nath 01/04/2016 to 31/03/2017	Shri P. Udayakumar 1/04/2016 to 31/03/2017	Sh. A.K. Mittal 15/09/2016 to 31/03/2017	in ₹
1	Gross Salary				
	Salary (as per provisions contained in section 17(1) of the Income-tax Act, 1961)	31,54,540	27,69,796	14,07,237	73,31,573
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	92,518	89,363	30,443	2,12,324
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	.....	.....	.....	....
2	Stock Option	.....	.....	.....	....
3	Sweat Equity	.....	.....	.....	....
4	Commission As % of profit; others, specify	.....	.....	.....	....
5	Others, please specify	.....	.....	.....	....
	TOTAL (A)	32,47,058	28,59,159	14,37,680	75,43,897

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
	Independent Directors	Shri Rakesh Rewari	Shri Rajiv Chawla	Prof. A.P. Pandey	Smt. Geeta Goti	Shri Ramesh Bhat	in ₹
1	Fee for attending Board/ Committee Meetings	70,000	45,000	5,000	5,000	....	1,25,000
	Commission	....	....	....	....	....	....
	Others, please specify	....	....	....	....	....	....
	Total (1)	70,000	45,000	5,000	5,000	....	1,25,000
2	Other Non-Executive Directors	....	....	....	....	....	....
	Fee for attending Board/ Committee Meetings	....	....	....	....	....	....
	Commission	....	....	....	....	....	....
	Others, please specify	....	....	....	....	....	....
	Total (2)	....	....	....	....	....	....
	Total (B)=(1+2)	70,000	45,000	5,000	5,000	....	1,25,000

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

S No.	Particulars of Remuneration	Key Managerial Personnel					Total
		CEO	CFO	CFO	CS	CS	Total
1		-	Sh. Gaurang Dixit 1/4/16 To 15/9/16	Sh. A.K. Mittal 15/9/16 To 31/3/17	Ms. Niti Sethi 1/4/16 To 30/6/16	Ms. Nishtha Goyal 7/7/16 To 31/3/17	in ₹
	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	20,17,490	14,07,237	14,41,405	6,59,652	55,25,784
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	30,443	-	-	30,443
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	- others, specify...	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total	-	20,17,490	14,37,680	14,41,405	6,59,652	55,56,227

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

Annexure to Directors' Report Point No. 34.0

Report on Corporate Governance

Corporate Governance is the system by which companies are directed and controlled. NSIC always believes in creating a framework of best policies, practices, structure and ethics in the Corporation. The Corporate Governance adherence have assisted the Corporation in achieving its goals and in maximizing the wealth of its stakeholders. Corporation's governance structure including systems processes and principles enable NSIC to realize its long-term goals.

The Corporation is always committed towards high standards in corporate ethics transparent disclosures, accountability & integrity.

The Corporation's report on Corporate Governance is given below:

1.0 Board of Directors

The Board of Directors of the Corporation has an optimum combination of Functional, Nominee and Independent Directors as stipulated in DPE guidelines. As on 31st March, 2017, the Board of Directors has eight

members comprising of a Chairman-cum-Managing Director, two Functional Directors, two Government nominee Directors and three non-official part-time Directors including a Woman Director.

Board members are professionals from diverse fields having valuable experience in Management, Legal, Human Resources, Research, Economics, Administration and Finance.

2.0 Meetings of the Board

The meetings of Board of Directors were held at periodical intervals. During the year 2016-17, six Board Meetings were held on 5th June, 2016; 7th July, 2016; 19th Sept., 2016; 8th Nov., 2016; 16th Dec., 2016 and 24th March, 2017.

The details of constitution of the Board and the number of Directorships held in other Companies as on 31st March, 2017, and their attendance at the Board Meetings and Annual General Meeting held during the year, are given below:

S. No.	Name of the Director & DIN No.	Category	No. of Board Meetings attended	Attendance at the AGM held on 19 th Sept., 2016	No. of outside Directorships
1.	Shri Ravindra Nath as Chairman-cum-Managing Director DIN No. 02815496	Executive	06	Yes	-
2.	Shri S.N. Tripathi DIN No. 0006386320	Government Nominee	05	Yes	02
3.	Shri Manoj Joshi DIN No. 0002103601	Government Nominee	06	Yes	02
4.	Sh. P. Udayakumar DIN No. 0003353625	Executive	05	Yes	-
5.	Shri A.K. Mittal* DIN No. 0007625711	Executive	03	Yes	-
6.	Shri Rakesh Rewari** DIN No. 0000286853	Non-Executive Independent	05	Yes	04
7.	Shri Rajiv Chawla** DIN No. 0000413234	Non-Executive Independent	03	Yes	03
8.	Prof. A.P. Pandey*** DIN No. 0007781280	Non-Executive Independent	01	x	-

9.	Ms. Geeta Goti*** DIN No. 0006866598	Non-Executive Independent	01	x	01
10.	Shri Ramesh Bhatt*** DIN No. 0001958539	Non-Executive Independent	x	x	03

* Shri A.K. Mittal was appointed on the Board w.e.f. 15th Sept., 2016.

** Shri Rakesh Rewari was on the Board till 21st Feb., 2017.

** Shri Rajiv Chawla was on the Board till 23rd Sept., 2016.

*** Prof. A.P. Pandey & Ms. Geeta Goti were appointed on the Board w.e.f. from 25th Jan., 2017.

*** Shri Ramesh Bhat was appointed on the Board w.e.f. 3rd March, 2017.

3.0 Sub-Committees of the Board

The following Sub-Committee(s) of the Board were constituted as per the statutory requirements consisting of executive and non-executive members. Consequent to the changes in the Board, these sub-committee(s) of the Board were re-constituted by the Board of Directors.

4.0 Audit Committee

The Audit Committee of the Board is constituted as per section 177 of the Companies Act, 2013 read with the DPE guidelines.

The composition of the Audit Committee and details of the Meetings of the Committee are as under:

S. No.	Name	No. of Meetings held	No. of meetings Attended
1.	Sh. Rakesh Rewari	04	03
2.	Shri Rajiv Chawla*	03	02
3.	Shri Manoj Joshi	04	03
4.	Prof. Adya Prasad Pandey	No Audit Committee Meeting was held after their appointment till 31 st March, 2017.	
5.	Ms. Geeta Goti		
6.	Shri Ramesh Bhat		

* No. of meetings held during their tenure.

The Audit Committee invites senior management of the Corporation, as it considers appropriate (particularly the head of the finance function) & representatives of the Auditors at its meetings.

Role of the Audit Committee: The terms of reference of Audit Committee are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the

financial statement is correct, sufficient and credible.

- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Matters which are required to be included in the Directors' Responsibility Statement of Board's report and any change in accounting policies and practices;
 - Major accounting entries based on exercise of judgment by management;
 - Review the Qualifications in draft audit report and also the significant adjustments arising out of audit;
 - The going concern assumption;
 - Compliance with accounting standards and procedures and proper disclosures of related party transaction if any made during the financial year.
- Review with the management, external and internal auditors, adequacy of internal control systems, adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussions with internal auditors regarding any significant findings and review the findings of any internal investigations by the Internal Auditors into the matters where there is fraud or irregularities found and report the same to the Board.
- Discussion with statutory auditors / agencies before the audit commences, nature and scope of audit as well as has post-audit

discussion to ascertain any area of concern.

- VII. Review the Company's financial and risk management policies.
- VIII. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, and
- Review the quarterly and half-yearly financial statement with management.
 - Provide sufficient opportunity for the internal and statutory auditors to meet with the members of audit committee with and / or without the members of management present.
 - Review the quarterly and half-yearly financial statement with management, human resources, succession planning, recovery position and trends, Repayment of fixed deposits and payment of statutory dues.
- IX. To review the follow-up action on the audit observations of the C&AG audit.
- X. To review the follow-up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
- XI. Provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors.
- XII. Review all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.

5.0 Nomination and Remuneration Committee

Our Corporation being a Government Company, the appointment, tenure and remuneration of Directors is decided by the President of India. The remuneration paid to Chairman-cum-Managing Director and Functional Directors during the year 2016-17 was as per terms and conditions of their appointment. Independent Directors are paid only sitting fee as approved by the Board within the ceiling fixed under the Companies Act,

2013 and also in accordance with the Government guidelines for attending the Board Meetings as well as Committee Meetings. The Government Nominee Directors do not draw any remuneration / sitting fee for Board / Committee Meetings from the Corporation.

Consequent to the change in the Board, the Nomination & Remuneration Committee was re-constituted by the Board. Presently, the Committee has four members. All are non-executive directors out of which three are Independent Directors and one is Government Nominee Director. During the year, the Remuneration Committee met on 7th July, 2016.

The main role of the remuneration committee is to decide:

- Performance Related Pay
- Annual Bonus / variable pay and policy for its distribution across the Executives and non-unionized supervisors, within the scribed limits.

6.0 Corporate Social Responsibility Committee

During the year, the Committee met five times on 04/6/16, 19/9/16, 16/12/16, 8/2/17 and 7/3/17. Consequent to the changes in the Board, the Corporate Social Responsibility Committee was re-constituted by the Board. Presently, the Committee has three members viz. Ms. Geeta Goti, Prof. A.P. Pandey and Shri Ramesh Bhat.

The composition of the CSR Committee and details of the Meetings of the Committee are as under:

S. No.	Name	No. of Meetings held*	No. of meetings Attended
1.	Sh. Rakesh Rewari	04	04
2.	Shri Rajiv Chawla	02	02
3.	Shri P. Udayakumar	05	04
4.	Shri A.K. Mittal	04	04

5.	Ms. Geeta Goti	No CSR Committee Meeting was held after their appointment till 31 st March, 2017
6.	Prof. Adya Prasad Pandey	
7.	Shri Ramesh Bhat	

* No. of meetings held during their tenure.

The Corporate Social Responsibility Committee oversees Corporate Social Responsibilities of the Corporation and approve CSR project-wise budget. The Corporation has CSR policy approved by the Board.

7.0 Write Off Committee

At present, the members of the Write off Committee are Shri Ramesh Bhat, Shri Ravindra Nath, Smt. Geeta Goti and Shri A.K. Mittal. No Write off Meeting was held during the year 2016-17.

8.0 Disclosures

As per DPE guidelines on Corporate Governance and Companies Act, 2013 the following disclosures are made:

• Vigil Mechanism / Whistle Blower Policy

The Corporation has implemented a vigil mechanism through adoption of Whistle Blower Policy as per the compliance of section 177 of the Companies Act, 2013 with an objective to enable any employees to raise concerns about any or un-expectable practice and any event of misconduct. We affirm that no employee of the Corporation has been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company.

• Code of Ethics and Business Conduct

As per the Corporate Governance Guidelines, the Corporation has issued "Code of Ethics and Business Conduct" for compliance and also posted the same on the website of the Corporation. Directors of the Corporation have affirmed their adherence to the provisions of the Code.

9.0 Remuneration of Directors

The remuneration details of the Directors are given in MGT-9 is Annexed.

10.0 Key Managerial Personnel (KMPs)

The Board of Directors has appointed the following persons as the "Key Managerial Personnel" of the Corporation pursuant to the provisions of Section 203 of the Companies Act, 2013 and Rule(8) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

S. No.	Name	Designation
1.	Shri Ravindra Nath	Chairman-cum-Managing Director
2.	Shri P. Udayakumar	Whole Time Director
3.	Shri A.K. Mittal	Whole Time Director and CFO
4.	Shri Gaurang Dixit	As Manager (KMP)
5.	Ms. Niti Sethi	Company Secretary & KMP Upto 30 th June, 2016
6.	Ms. Nishtha Goyal	Company Secretary & KMP w.e.f. 07 th July, 2016

11.0 Declaration by Independent Directors

The Independent Directors has submitted necessary declaration as per section 149(7) of the Companies Act, 2013 and confirmed that they satisfy the criteria of independence as laid down in section 149(6) of the Act.

12.0 Familiarization programmes imparted to Independent Directors

All new Independent Directors inducted to the Board are introduced to the Corporation to understand the business in depth and to familiarize them with process, business structure to assist them to role as Independent Directors. Current functional Directors and senior management placed a presentation on an overview of the Corporation, its scheme, financial position and all other relevant informations. During the year,

training programs were attended by the Independent Directors.

13.0 Related Party Transactions

During the year, there were no related party transactions, which was material or significant and which could have potential conflict with the interests of the Corporation.

14.0 Risk Management Policy

Business Risk Evaluation and Management is an on-going process within the organization. The Corporation has risk management framework to identify, monitor and minimize risks.

The Corporation has created a 'Risk Fund' to mitigate any unforeseen loss arising out of business transactions under Raw Material Assistance Scheme against Bank Guarantee.

This fund would be utilized to meet out any financial loss under the Raw Material Assistance Scheme against Bank Guarantee arising due to investment

becoming unsecured as per the laid down guidelines.

15.0 Details of compliance with the requirements of DPE Guidelines on Corporate Governance

The requirements of the DPE Guidelines on Corporate Governance for CPSEs have been duly complied by the Corporation. In this regard, a certificate from M/s. VAPN & Associates, Practicing Company Secretaries, confirming compliance with the conditions as stipulated under DPE Guidelines on Corporate Governance is annexed.

16.0 Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments other than disclosed in the report, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Comments of Statutory Auditors & Management Replies thereto on the Accounts for the Financial Year 2016-17

S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
1.	<p>Report on the Financial Statements</p> <p>We have audited the accompanying financial statements of The National Small Industries Corporation Limited ("the Corporation"), which comprises of the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (Consolidated), the Cash Flow Statement, the Statement of Profit and Loss (Commercial) and the Statement of Income and Expenditure (Promotional) for the year then ended, and a summary of significant accounting policies and other explanatory information of the Corporation, in which are incorporated financial statements of Head Office & one technical center audited by us and remaining 63 branch offices & technical centers audited by other auditors appointed by Comptroller & Auditor General of India.</p>	No Comments Required
2.	<p>Management's Responsibility for the Financial Statements</p> <p>The Corporation's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the preparation of the Act for safeguarding 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.</p>	No Comments Required
3.	<p>Auditor's Responsibility</p> <p>Our responsibility is to express an opinion on these financial statements based on our audit.</p> <p>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.</p> <p>We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.</p> <p>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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Corporation's Directors, as well as evaluating the overall presentation of the financial statements.</p> <p>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.</p>	No Comments Required

4.	<p>Basis for Qualified Opinion</p> <p>Attention is invited to Note 19 and Para No. 5 (b) of Note-35 in respect of the fraud detected during the year related to Bank Guarantees(BGs) at some of the offices of the Corporation in West Bengal and further to it total BGs amounting to ₹ 17,350 lakhs received against advances given to the parties under Raw Material Assistance scheme (RMA) which were invoked, remain unpaid and unresponded by the bank till date. Management has considered the total outstanding balance of ₹ 17,057.38 lakhs as good and fully recoverable against these BGs and no provision has been made as the report of Questioned Documents Examination Bureau (QDEB) and Forwarding Report dated 4th August, 2017 submitted in the court by Crime Investigation Department (CID) confirm that the BGs held by the Corporation were original. The matter is still under investigation by CID. As such we are unable to comment on quantum of provision required if any, against outstanding balance of ₹ 17,057.38 lakhs as at 31st March 2017.</p>	<p>The matter is under investigation. The outstanding dues are backed by the original bank guarantees, as confirmed by the forwarding report of CID. Hence, the provisions has not been made in accordance with the policy of the Corporation.</p>
5.	<p>Qualified Opinion</p> <p>In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by 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 31st March 2017, and its profit and its cash flows for the year ended on that date.</p>	<p>No Comments Required</p>
6.	<p>Emphasis of Matter</p> <p>We draw attention to the following matters in the Note - 35 to the financial statements:</p> <ul style="list-style-type: none"> a) Para-1 which, describes that the balances of Trade Receivables, Loans and advances, Trade payables, Deposits/ Earnest Money, Borrowers etc. are subject to confirmation/reconciliation in few cases and consequential adjustments, if any. b) Para-5 (a) & (d) regarding detection of forged bank guarantees of ₹ 2,100 lakhs received from the parties under Raw Material Assistance (RMA) scheme by the management. Loans and advances outstanding as on 31st March, 2017 of ₹ 1,920.30 lakhs (net of adjusting the amount received in May 2017) against the forged bank guarantees have been considered as doubtful and 100% provision has been made. The matter has been referred to Central Bureau of Investigation (CBI) for further investigation. c) Para -9 regarding ad-hoc provision on account of Performance Related Pay (PRP) for the year 2016-2017 amounting to ₹ 549 lakhs (Previous year ₹ 749 lakhs) d) Para-12 regarding creation of Corpus for medical schemes for the employees retired prior to 1.1.2007 and for the employees retired on or after 1.1.2007 e) Para- 13 regarding pay revision of Board level and below Board level and non-unionized supervisors of CPSEs w.e.f. 01.01.2017 for which proposal to be sent to the Ministry for the approval. <p>Our Opinion is not modified in respect of the above matter.</p>	<p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p>

	<p>Other Matter</p> <p>We did not audit the financial statements/information of 63 (Previous Year 74) Branch Offices and Technical Centers included in the financial statements of the Corporation whose financial statements / financial information reflect total assets of ₹ 3,37,934.90 lakhs as at 31st March, 2017 (₹ 3,45,542.06 lakhs as at 31st March, 2016) and total revenues of ₹ 2,29,676.62 lakhs (Previous Year ₹ 2,60,837.02 lakhs) for the year ended on that date, as considered in the financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.</p> <p>Our opinion is not qualified in respect of this matter.</p>	No Comments Required
7.	<p>Report on Other Legal and Regulatory Requirements</p> <ol style="list-style-type: none"> 1. As required by Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matter specified in paragraph 3 and 4 of the order, to the extent applicable. 2. As required by Section 143(3) of the Act, we report, to the extent applicable, that: <ol style="list-style-type: none"> a. We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches and technical centers not visited by us. c. The reports on the accounts of the branch offices and technical centers of the Corporation audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report. d. The Balance Sheet, the Statement of Profit and Loss (Consolidated), the Statement of Profit and Loss (Commercial) and the statement of Income and Expenditure Account (Promotional) the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the Branches and Technical Centers not visited by us. e. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. f. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Corporation which is linked with outcome of investigation and the management has been in the process of taking suitable action for redressal of the same since last one year. g. In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 164(2) of the Act shall not apply to the Corporation, being a Government of India Enterprise in view of notification [F.No. 1/2/2014-CL-V] dated 5th June, 2015 of Ministry of Corporate Affairs. h. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Corporation and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". 	<p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p>

	<p>i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:</p> <p>ii) The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 and 35 to the financial statements;</p> <p>iii) The Corporation did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.</p> <p>iv) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Corporation.</p> <p>v) The Corporation has provided requisite disclosures in its financial statements as regard to holding and dealing in Specified Bank Notes as defined in the notification S.O. 3407 (E) dated 8th November, 2016 of Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the Head Office & one technical center audited by us and remaining 63 branch offices & technical centers audited by other auditors appointed by Comptroller & Auditor General of India for the purpose of preparation of the financial statements by the Corporation (Refer Para-16 of Note 35).</p> <p>3. With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India u/s 143(5) of Companies Act, 2013 for the year ended 31st March, 2017 on accounts of Head Office and NTSC-Okhla audited by us and remaining 63 branch offices & technical centers audited by other auditors appointed by Comptroller & Auditor General of India, refer to our separate Report in "Annexure C".</p>	<p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p>
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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY															
(i)	<p>a) The Corporation has maintained proper records showing full particulars including quantitative details and situation of the fixed assets</p> <p>b) The management during the year has physically verified all the assets and there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Corporation and the nature of its assets. No material discrepancies were noticed on such verification. As regards fixed assets on lease, we have been informed that there has been a system of physical verification in case of default cases & in respect of others; verification is done, if necessary. We have been informed that no serious discrepancy have been noticed on such physical verification.</p> <p>c) According to the information & explanations given to us and on the basis of our examination of the records of the corporation, the title deeds of the following immovable properties are not held in the name of the corporation:</p> <p style="text-align: right;">(₹ in Lakhs)</p> <table><tr><th>S.No</th><th>Particulars of the property</th><th>Area</th><th>As at 31/03/2017</th><th>As at 31/03/2016</th></tr><tr><td>1</td><td>Land at Technical Centre Howrah</td><td>49.94 acres</td><td>1.60*</td><td>1.60*</td></tr><tr><td>2</td><td>Flats at Branch Office Mumbai</td><td>3660 sqft.</td><td>6.06*</td><td>6.25*</td></tr></table> <p>*Figures are written down value as on date.</p>	S.No	Particulars of the property	Area	As at 31/03/2017	As at 31/03/2016	1	Land at Technical Centre Howrah	49.94 acres	1.60*	1.60*	2	Flats at Branch Office Mumbai	3660 sqft.	6.06*	6.25*	<p>No Comments Required</p> <p>No Comments Required</p>
S.No	Particulars of the property	Area	As at 31/03/2017	As at 31/03/2016													
1	Land at Technical Centre Howrah	49.94 acres	1.60*	1.60*													
2	Flats at Branch Office Mumbai	3660 sqft.	6.06*	6.25*													
(ii)	As informed to us, in respect of finished goods, raw materials, store and spare parts, physical verification has been carried out during the year or at the end of year by management. In our opinion, frequency of verification is reasonable. No material discrepancies are noticed on such verification.	No Comments Required															
(iii)	According to the information and explanations given to us, the Corporation has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. Accordingly, the paragraphs 3(iii) (a) and (b) of the order are not applicable.	No Comments Required															
(iv)	In our opinion and according to the information and explanations given to us during the course of audit, the Corporation has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investment of the corporation. Further, the corporation has not granted any loans and has not given any guarantees and security under the provision of section 185 of the companies Act, 2013; thereby the provision of the said section is not applicable to the corporation.	No Comments Required															
(v)	According to the information and explanations given to us, the corporation has not accepted any deposits from the public during the year within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Therefore, the provision of clause 3 (v) of the Order is not applicable to the Corporation.	No Comments Required															
(vi)	As per the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government, under section 148(I) of the Companies Act, 2013, for any product of the Corporation.	No Comments Required															

(vii)

a)

The Corporation is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of above statutory dues outstanding on 31st March, 2017 for a period of more than 6 months from the date they became payable.

No Comments Required

b)

According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Excise Duty, Service Tax, Value added Tax, Cess, which have not been deposited on account of any dispute in various offices, of the Corporation as a whole as on 31st March, 2017, except the followings:

No Comments Required

S. No.	Name of Statute	Nature of Dues	Amount (₹in Lakhs)	Period to which the amount relates	Forum where the Dispute is Pending
	Sales Tax Act	Central Sales Tax	2.10	1990-91	CTO, Gandhi Nagar Circle, Hyderabad
	Sales Tax Act	Central Sales Tax	4.14	1993-94	CTO, Gandhi Nagar Circle, Hyderabad
	Sales Tax Act	Central Sales Tax	15.62	2000-01	CTO, Gandhi Nagar Circle, Hyderabad
	Sales Tax Act	Central Sales Tax	368.49	2012-13 2013-14	Joint Commissioner, Sales Tax, BBSR.
	Sales Tax Act	Central Sales Tax	2.80	1993-94	CTO, Gandhi Nagar Circle, Hyderabad
	CST Act, 1956	Central Sales Tax	0.49	2009-10	Appellate Deputy Commissioner CT (III), Chennai
	CST Act, 1956	Central Sales Tax	1.24	2010-11	Appellate Deputy Commissioner CT (III), Chennai
	CST Act, 1956	Central Sales Tax	0.56	2011-12	Appellate Deputy Commissioner CT (III), Chennai
	Service Tax	Service Tax	3.29	2009-10	The Commissioner of Service Tax, Chennai
	Service Tax	Service Tax	1.42	2005-06 to 2009-10	Commissioner of Central excise (Appeals) Madurai
	Service Tax	Service Tax	12.26	2011-12	appeal against the order is pending before commissioner of central excise
	Commercial Tax	Commercial Tax	13.96	2012-13 & 2013-14	Joint Commissioner, Commercial Tax, Orissa
	CST Act, 1956	DVAT	147.50	2010-11	The Dept. of Trade and Taxes , Govt. of NCT of Delhi, Delhi
	CST Act, 1956	DVAT	159.29	2013-14	The Dept. of Trade and Taxes , Govt. of NCT of Delhi, Delhi
	Service Tax	Service Tax	9.56	2014-15	The Commissioner of Service Tax, Kanpur
	Income Tax Act	Income Tax regular demand	32.93	2012-13	ITAT, New Delhi
	Income Tax Act	Income Tax regular demand	37.61	2013-14	CIT (Appeals) – IX, New Delhi
	Income Tax Act	Income Tax regular demand	77.26	2014-15	CIT (Appeals) – IX, New Delhi
	Income Tax Act	Income Tax Penalty Demand	27.73	2012-13	CIT (Appeals) – IX, New Delhi
	Income Tax Act	Income Tax Penalty Demand	163.94	2007-08	CIT (Appeals) – IX, New Delhi
	Total		1082.19		

(viii)	Based on our Audit procedures and according to the information and explanations given to us, we are of the opinion that the Corporation has not defaulted in repayment of dues to a financial institutions, banks or Government. Corporation has not issued any debentures.	No Comments Required
(ix)	In our opinion and according to the information and explanations given to us, the corporation has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which the loans were obtained.	No Comments Required
(x)	According to the information and explanations given to us, no fraud by the corporation or any fraud on the corporation by its officers or employees has been noticed or reported during the year <i>(except the case referred in Para-5 of Note 35 regarding detection of fraud during the year related to Bank Guarantees (BGs) amounting to ₹17,350 lakhs (Outstanding advances of ₹17,057.38 lakhs as at 31st March 2017) received from the parties under Raw Material Assistance Scheme which were invoked, remain unpaid and unresponded by the bank till date. Further, fraud related to detection of forged bank guarantees having outstanding balance of ₹1,920.30 lakhs (net of adjusting amount received in May 2017) against BGs value of ₹2,100 lakhs as on 31st March 2017 has been considered as doubtful and 100% provision has been made. The matter has been referred to CBI & CID for further investigation).</i>	No Comments Required
(xi)	In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.	No Comments Required
(xii)	In our opinion and according to the information and explanations given to us, the corporation is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Corporation.	No Comments Required
(xiii)	In terms of the information and explanations sought by us and given by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that there are no transactions with the related parties except remuneration paid to key management personnel. The details of which have been disclosed in the financial statements as required by the applicable accounting standards.	No Comments Required
(xiv)	According to the information and explanations given to us by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the corporation has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.	No Comments Required
(xv)	In our opinion and according to the information and explanations given to us, we state that the Corporation has not entered into non- cash transactions with directors or persons connected with him. Therefore clause 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Corporation.	No Comments Required
(xvi)	The corporation is registered under section 45-IA of the Reserve Bank of India Act 1934, the Corporation has been granted Certificate of Registration no. N.14.03090 dated 29.12.2005 to carry on the business of a non-banking financial company.	No Comments Required

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
	We have audited the internal financial controls over financial reporting of THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED ("the Corporation") as of March 31, 2017 in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.	No Comments Required
(i)	<p>Management's Responsibility for Internal Financial Controls</p> <p>The Corporation's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Corporation's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.</p>	No Comments Required
(ii)	<p>Auditors' Responsibility</p> <p>Our responsibility is to express an opinion on the Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.</p> <p>Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Corporation's internal financial controls system over financial reporting.</p>	No Comments Required
(iii)	<p>Meaning of Internal Financial Controls over Financial Reporting</p> <p>A Corporation's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Corporation's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Corporation are being made only in accordance with authorisations of management and directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Corporation's assets that could have a material effect on the financial statements.</p>	No Comments Required

S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
(iv)	<p>Inherent Limitations of Internal Financial Controls over Financial Reporting</p> <p>Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p>	No Comments Required
(v)	<p>Qualified Opinion</p> <p>According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March, 2017</p> <ol style="list-style-type: none"> 1. Attention is invited to Para No. 5 (b) of Note-35 in respect of the fraud detected during the year related to Bank Guarantees(BGs) at some of the offices of the Corporation in West Bengal and further to it total BGs amounting to ₹17,350 lakhs received against advances given to the parties under Raw Material Assistance scheme (RMA) which were invoked, remain unpaid and unresponded by the bank till date. Management has considered the total outstanding balance of ₹17,057.38 lakhs as good and fully recoverable against these BGs and no provision has been made as the report of Questioned Documents Examination Bureau (QDEB) and Forwarding Report dated 4th August, 2017 submitted in the court by Crime Investigation Department (CID) confirm that the BGs held by the Corporation were original. The matter is still under investigation by CID. As such we are unable to comment on quantum of provision required if any, against outstanding balance of ₹17,057.38 lakhs as at 31st March, 2017. 2. Attention is drawn on Para-5 (a) & (d) of Note-35 regarding detection of forged bank guarantees of ₹ 2100 lakhs received from the parties under Raw Material Assistance (RMA) scheme by the management. Loans and advances outstanding as on 31st March, 2017 of ₹1920.30 lakhs (net of adjusting the amount received in May, 2017) against the forged bank guarantees have been considered as doubtful and 100% provision has been made. The matter has been referred to Central Bureau of Investigation (CBI) for further investigation. 3. The procedure for review of financial statements/accounts of the borrower, inspection of the units, periodical confirmation of balances, renewal of limit sanctioned to the units and review of outstanding balances exceeding 360 days on timely basis under Raw Material Assistance scheme were not effectively implemented/monitored. However, the entire procedure has been reviewed and revised by the management in the light of these weaknesses to ensure that effective steps are in place and the various checks/controls provided, are operating effectively. In our view, the Internal Financial Control are required to be monitored and reviewed periodically. <p>Internal control needs further strengthening in respect of implementation of risk management and systems to ensure continued implementation of Corporation's risk management policy and strategy and documentation thereof, critical review and refresh process on an ongoing basis. Moreover, to avoid any manual intervention in the preparation and reporting of financials, an integrated accounting package needs to be implemented.</p>	<p>The matter is under investigation. The outstanding dues are backed by the original bank guarantees, as confirmed by the forwarding report of CID. Hence, the provisions have not been made in accordance with the policy of the Corporation.</p> <p>No Comments Required</p> <p>Observations noted for necessary compliance during the year 2017-18</p> <p>Observations noted for necessary compliance during the year 2017-18</p>
(vi)	<p>In our opinion, to the best of our information and according to the explanations given to us, <i>except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria</i>, the Corporation has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017, based on "the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".</p>	No Comments Required

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members
The National Small Industries Corporation Limited

We have examined the compliance of conditions of Corporate Governance of **The National Small Industries Corporation Limited**, for the year ended 31st March, 2017 as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said Guidelines.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India. It is neither an audit nor an expression of opinion on the financial statements of the Company

We further state that such compliance is neither an assurance as to the future viability of the Company nor about efficiency or effectiveness with which the management has conducted the affairs of the Company.

For VAPN & Associates
Company Secretaries

CS Prabhakar Kumar
Partner

M. No.: F5781
C.P. No. 10630

Place: New Delhi
Date: 28th June, 2017

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF
INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON
THE FINANCIAL STATEMENTS OF THE NATIONAL SMALL INDUSTRIES
CORPORATION LTD. FOR THE YEAR ENDED 31ST MARCH, 2017**

The preparation of financial statements of THE NATIONAL SMALL INDUSTRIES CORPORATION LTD. for the year ended 31st March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28th August, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of THE NATIONAL SMALL INDUSTRIES CORPORATION LTD. for the year ended 31st March, 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-
(Neelesh Kumar Sah)
Principal Director of Commercial Audit
& Ex-officio Member Audit Board-I
New Delhi

Place : New Delhi
Dated: 29th September, 2017

INDEPENDENT AUDITORS' REPORT

To

The Members of The National Small Industries Corporation Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **The National Small Industries Corporation Limited ("the Corporation")**, which comprises of the Balance Sheet as at **31st March, 2017**, the Statement of Profit and Loss(Consolidated), the Cash Flow Statement, the Statement of Profit and Loss (Commercial) and the Statement of Income and Expenditure (Promotional)for the year then ended, and a summary of significant accounting policies and other explanatory information of the Corporation, in which are incorporated financial statements of Head Office & one technical center audited by us and remaining 63 branch offices & technical centers audited by other auditors appointed by Comptroller & Auditor General of India.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Corporation's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the preparation of the Act for safeguarding 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 specified under Section 143(10) of the Act. 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.

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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Corporation's Directors, as well as evaluating the overall presentation of the financial statements.

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

Attention is invited to Note 19 and Para No. 5 (b) of Note-35 in respect of the fraud detected during the year related to Bank Guarantees(BGs) at some of the offices of the Corporation in West Bengal and further to it total BGs amounting to ₹17,350 lakhs received against advances given to the parties under Raw Material Assistance scheme (RMA) which were invoked, remain unpaid and unresponded by the bank till date. Management has considered the total outstanding balance of ₹17,057.38 lakhs as good and fully recoverable against these BGs and no provision has been made as the report of Questioned Documents Examination Bureau (QDEB) and Forwarding Report dated 4th August, 2017 submitted in the court by Crime Investigation Department (CID) confirm that the BGs held by the Corporation were original. The matter is still under investigation by CID. As such we are unable to comment on quantum of provision required if any, against outstanding balance of ₹17,057.38 lakhs as at 31st March, 2017.

QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph*, the aforesaid financial statements give the information required by 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 31st March, 2017, and its profit and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to the following matters in the Note - 35 to the financial statements:

- a) Para-1 which, describes that the balances of Trade Receivables, Loans and advances, Trade payables, Deposits/ Earnest Money, Borrowers etc. are subject to confirmation/reconciliation in few cases and consequential adjustments, if any.
- b) Para-5 (a) & (d) regarding detection of forged bank guarantees of ₹2,100 lakhs

received from the parties under Raw Material Assistance (RMA) scheme by the management. Loans and advances outstanding as on 31st March, 2017 of ₹1,920.30 lakhs (net of adjusting the amount received in May 2017) against the forged bank guarantees have been considered as doubtful and 100% provision has been made. The matter has been referred to Central Bureau of Investigation (CBI) for further investigation.

- c) Para -9 regarding ad-hoc provision on account of Performance Related Pay (PRP) for the year 2016-2017 amounting to ₹549 lakhs (Previous year ₹749.00 lakh)
- d) Para-12 regarding creation of Corpus for medical schemes for the employees retired prior to 1.1.2007 and for the employees retired on or after 1.1.2007
- e) Para- 13 regarding pay revision of Board level and below Board level and non-unionized supervisors of CPSEs w.e.f. 01.01.2017 for which proposal to be sent to the Ministry for the approval.

Our Opinion is not modified in respect of the above matter.

OTHER MATTER

We did not audit the financial statements/ information of 63 (Previous Year 74) Branch Offices and Technical Centers included in the financial statements of the Corporation whose financial statements / financial information reflect total assets of ₹3,37,934.90 lakhs as at 31st March, 2017 (₹3,45,542.06 lakhs as at 31st March, 2016) and total revenues of ₹2,29,676.62 lakhs (Previous Year ₹2,60,837.02 lakhs) for the year ended on that date, as considered in the financial statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matter specified in paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and, *except for the matters described in the Basis for Qualified Opinion paragraph*, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. *Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above*, in our opinion, proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches and technical centers not visited by us.
 - c. The reports on the accounts of the branch offices and technical centers of the Corporation audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - d. The Balance Sheet, the Statement of Profit and Loss (Consolidated), the Statement of Profit and Loss (Commercial) and the statement of Income and Expenditure Account (Promotional) the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the Branches and Technical Centers not visited by us.
 - e. *Except for the possible effects of the matter described in the Basis for Qualified*

Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- f. *The matter described in the Basis for Qualified Opinion paragraph above*, in our opinion, may have an adverse effect on the functioning of the Corporation which is linked with outcome of investigation and the management has been in the process of taking suitable action for redressal of the same since last one year.
- g. In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 164(2) of the Act shall not apply to the Corporation, being a Government of India Enterprise in view of notification [F.No. 1/2/2014-CL-V] dated 5th June, 2015 of Ministry of Corporate Affairs.
- h. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Corporation and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 and 35 to the financial statements;
 - ii. The Corporation did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the

Investor Education and Protection Fund by the Corporation.

- iv. The Corporation has provided requisite disclosures in its financial statements as regard to holding and dealing in Specified Bank Notes as defined in the notification S.O. 3407 (E) dated 8th November, 2016 of Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the Head Office & one technical center audited by us and remaining 63 branch

offices & technical centers audited by other auditors appointed by Comptroller & Auditor General of India for the purpose of preparation of the financial statements by the Corporation (Refer Para-16 of Note 35).

3. With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India u/s 143(5) of Companies Act, 2013 for the year ended 31st March 2017 on accounts of Head Office and NTSC-Okhla audited by us and remaining 63 branch offices & technical centers audited by other auditors appointed by Comptroller & Auditor General of India, refer to our separate Report in "Annexure C".

For K. G. Somani & Co.
Chartered Accountants
Firm's Regn. No: 006591N

Place: New Delhi
Date :28th August, 2017

(CA.Bhuvnesh Maheshwari)
Partner
M.No: 088155

ANNEXURE - 'A'

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in our Report of even date on the Accounts of The National Small Industries Corporation Limited for the year ended on 31st March 2017.

- i. a. The Corporation has maintained proper records showing full particulars including quantitative details and situation of the fixed assets
- b. The management during the year has physically verified all the assets and there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Corporation and the nature of its assets. No material discrepancies were noticed on such verification. As regards fixed assets on lease, we have been informed that there has been a system of physical verification in case of default cases & in respect of others; verification is done, if necessary. We have been informed that no serious discrepancy have been noticed on such physical verification.
- c. According to the information & explanations given to us and on the basis of our examination of the records of the corporation, the title deeds of the following immovable properties are not held in the name of the corporation:

(₹ in Lakhs)

S. No.	Particulars of the property	Area	As at 31/03/2017	As at 31/03/2016
1	Land at Technical Centre Howrah	49.94 acres	1.60*	1.60*
2	Flats at Branch Office Mumbai	3660 sqft.	6.06*	6.25*

*Figures are written down value as on date.

- (ii) As informed to us, in respect of finished goods, raw materials, store and spare parts, physical verification has been carried out during the year or at the end of year by management. In our opinion, frequency of verification is reasonable. No material discrepancies are noticed on such verification.

- (iii) According to the information and explanations given to us, the Corporation has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. Accordingly, the paragraphs 3(iii) (a) and (b) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us during the course of audit, the Corporation has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investment of the corporation. Further, the corporation has not granted any loans and has not given any guarantees and security under the provision of section 185 of the Companies Act, 2013; thereby the provision of the said section is not applicable to the Corporation.
- (v) According to the information and explanations given to us, the Corporation has not accepted any deposits from the public during the year within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Therefore, the provision of clause 3 (v) of the Order is not applicable to the Corporation.
- (vi) As per the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government, under section 148(I) of the Companies Act, 2013, for any product of the Corporation.
- (vii) (a) The Corporation is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. According to the

information and explanations given to us, there were no undisputed amounts payable in respect of above statutory dues outstanding on 31st March, 2017 for a period of more than 6 months from the date they became payable.

(b) According to the information and

explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Excise Duty, Service Tax, Value added Tax, Cess, which have not been deposited on account of any dispute in various offices, of the Corporation as a whole as on 31st March, 2017, except the followings:

S. No.	Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the Dispute is Pending
1	Sales Tax Act	Central Sales Tax	2.10	1990-91	CTO, Gandhi Nagar Circle, Hyderabad
2	Sales Tax Act	Central Sales Tax	4.14	1993-94	CTO, Gandhi Nagar Circle, Hyderabad
3	Sales Tax Act	Central Sales Tax	15.62	2000-01	CTO, Gandhi Nagar Circle, Hyderabad
4	Sales Tax Act	Central Sales Tax	368.49	2012-13 2013-14	Joint Commissioner, Sales Tax, BBSR.
5	Sales Tax Act	Central Sales Tax	2.80	1993-94	CTO, Gandhi Nagar Circle, Hyderabad
6	CST Act, 1956	Central Sales Tax	0.49	2009-10	Appellate Deputy Commissioner CT (III), Chennai
7	CST Act, 1956	Central Sales Tax	1.24	2010-11	Appellate Deputy Commissioner CT (III), Chennai
8	CST Act, 1956	Central Sales Tax	0.56	2011-12	Appellate Deputy Commissioner CT (III), Chennai
9	Service Tax	Service Tax	3.29	2009-10	The Commissioner of Service Tax, Chennai
10	Service Tax	Service Tax	1.42	2005-06 to 2009-10	Commissioner of Central excise (Appeals) Madurai
11	Service Tax	Service Tax	12.26	2011-12	appeal against the order is pending before commissioner of central excise
12	Commercial Tax	Commercial Tax	13.96	2012-13 & 2013-14	Joint Commissioner, Commercial Tax, Orissa
13	CST Act, 1956	DVAT	147.50	2010-11	The Dept. of Trade and Taxes , Govt. of NCT of Delhi, Delhi
14	CST Act, 1956	DVAT	159.29	2013-14	The Dept. of Trade and Taxes , Govt. of NCT of Delhi, Delhi
15	Service Tax	Service Tax	9.56	2014-15	The Commissioner of Service Tax, Kanpur
16	Income Tax Act	Income Tax regular demand	32.93	2012-13	ITAT, New Delhi

17	Income Tax Act	Income Tax regular demand	37.61	2013-14	CIT (Appeals) – IX, New Delhi
18	Income Tax Act	Income Tax regular demand	77.26	2014-15	CIT (Appeals) – IX, New Delhi
19	Income Tax Act	Income Tax Penalty Demand	27.73	2012-13	CIT (Appeals) – IX, New Delhi
20	Income Tax Act	Income Tax Penalty Demand	163.94	2007-08	CIT (Appeals) – IX, New Delhi
	Total		1082.19		

- (viii) Based on our Audit procedures and according to the information and explanations given to us, we are of the opinion that the Corporation has not defaulted in repayment of dues to a financial institutions, banks or Government. Corporation has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the corporation has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no fraud by the corporation or any fraud on the corporation by its officers or employees has been noticed or reported during the year *(except the case referred in Para-5 of Note 35 regarding detection of fraud during the year related to Bank Guarantees (BGs) amounting to ₹17,350 lakhs (Outstanding advances of ₹17,057.38 lakhs as at 31st March, 2017) received from the parties under Raw Material Assistance Scheme which were invoked, remain unpaid and unresponded by the bank till date. Further, fraud related to detection of forged bank guarantees having outstanding balance of ₹1,920.30 lakhs (net of adjusting amount received in May, 2017) against BGs value of ₹2,100 lakhs as on 31st March, 2017 has been considered as doubtful and 100% provision has been made. The matter has been referred to CBI & CID for further investigation.)*
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the corporation is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Corporation.
- (xiii) In terms of the information and explanations sought by us and given by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that there are no transactions with the related parties except remuneration paid to key management personnel. The details of which have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the Corporation has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, we state that the Corporation has not

entered into non- cash transactions with directors or persons connected with him. Therefore clause 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Corporation.

- (xvi) The Corporation is registered under section 45-IA of the Reserve Bank of India Act 1934, the Corporation has been granted Certificate of Registration no. N.14.03090 dated 29.12.2005 to carry on the business of a non-banking financial Company.

For K. G. Somani & Co.
Chartered Accountants
Firm's Regn.No:006591N

Place: New Delhi
Date : 28th August, 2017

(CA Bhuvnesh Maheshwari)
Partner
M.No: 088155

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of **THE NATIONAL SMALL INDUSTRIES CORPORARTION LIMITED** ("the Corporation") as of March 31st, 2017 in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Corporation's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Corporation's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of

Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Corporation's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Corporation's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Corporation's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and

fairly reflect the transactions and dispositions of the assets of the Corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Corporation are being made only in accordance with authorisations of Management and Directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Corporation's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March, 2017

1. *Attention is invited to Para No. 5 (b) of Note-35 in respect of the fraud detected during the year related to Bank Guarantees (BGs) at some of the offices of the Corporation in West Bengal and further to it total BGs amounting to ₹17,350 lakhs received against advances given to the parties under Raw Material Assistance scheme (RMA) which were invoked, remain unpaid and unresponded by the bank till date. Management has considered the total outstanding balance of ₹17,057.38 lakhs as good and fully recoverable against these BGs and no provision has been made as the report*
- of Questioned Documents Examination Bureau (QDEB) and Forwarding Report dated 4th August, 2017 submitted in the court by Crime Investigation Department (CID) confirm that the BGs held by the Corporation were original. The matter is still under investigation by CID. As such we are unable to comment on quantum of provision required if any, against outstanding balance of ₹17,057.38 lakhs as at 31st March 2017.*
2. *Attention is drawn on Para-5 (a) & (d) of Note-35 regarding detection of forged bank guarantees of ₹2100 lakhs received from the parties under Raw Material Assistance (RMA) scheme by the management. Loans and advances outstanding as on 31st March, 2017 of ₹1920.30 lakhs (net of adjusting the amount received in May, 2017) against the forged bank guarantees have been considered as doubtful and 100% provision has been made. The matter has been referred to Central Bureau of Investigation (CBI) for further investigation.*
3. *The procedure for review of financial statements/accounts of the borrower, inspection of the units, periodical confirmation of balances, renewal of limit sanctioned to the units and review of outstanding balances exceeding 360 days on timely basis under Raw Material Assistance scheme were not effectively implemented/monitored. However, the entire procedure has been reviewed and revised by the management in the light of these weaknesses to ensure that effective steps are in place and the various checks/controls provided, are operating effectively. In our view, the Internal Financial Control are required to be monitored and reviewed periodically.*
4. *Internal control needs further strengthening in respect of implementation of risk management and systems to ensure continued implementation of Corporation's risk management policy and strategy and documentation thereof, critical review*

and refresh process on an ongoing basis. Moreover, to avoid any manual intervention in the preparation and reporting of financials, an integrated accounting package needs to be implemented.

In our opinion, to the best of our information and according to the explanations given to us, *except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control*

criteria, the Corporation has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017, based on “the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For K. G. Somani & Co.
Chartered Accountants
Firm's Regn. No: 006591N

Place: New Delhi
Date : 28th August, 2017

Sd/-
(CA. Bhuvnesh Maheshwari)
Partner
M.No: 088155

Compliance Certificate

We have conducted the audit of accounts of The National Small Industries Corporation Limited for the year ended 31st March, 2017 in accordance with the directions/sub directions issued by C & AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/Sub-directions issued to us.

For K.G. Somani & Co.
Chartered Accountants
Firm's Regn. No:006591N

Place: New Delhi
Date : 28th August,2017

(CA. Bhuvnesh Maheshwari)
Partner
M.No:088155

Annexure 'C'

Report on Directions issued by the Comptroller and Auditor General of India Under Section 143(5) of the Companies Act, 2013 in respect of Accounts of Head office and NTSC Okhla, New Delhi audited by us and remaining 63 branch offices and technical centres audited by other auditors for the year ended 31st March, 2017.

S. No.	Information desired	Status																				
1.	Whether the company has clear title/ lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for the which title/ lease deeds are not available?	<p>According to the information and explanations given to us and on the basis of our examination of the record of the Corporation, freehold and leasehold land as shown in the books of accounts of Corporation has clear title/lease deeds except in respect of the following cases.</p> <p style="text-align: right;">(₹ in Lakh)</p> <table><tr><th>S. No.</th><th>Particulars of the property</th><th>Area</th><th>As at 31.03.2017</th></tr><tr><td>1</td><td>Land at Technical Centre, Howrah</td><td>49.94 acres</td><td>1.60</td></tr><tr><td>2</td><td>Flats at Branch Office Mumbai</td><td>3660.00 sqft.</td><td>*6.06</td></tr></table> <p>*Figures are written down values as on date.</p>	S. No.	Particulars of the property	Area	As at 31.03.2017	1	Land at Technical Centre, Howrah	49.94 acres	1.60	2	Flats at Branch Office Mumbai	3660.00 sqft.	*6.06								
S. No.	Particulars of the property	Area	As at 31.03.2017																			
1	Land at Technical Centre, Howrah	49.94 acres	1.60																			
2	Flats at Branch Office Mumbai	3660.00 sqft.	*6.06																			
2.	Whether there are any cases of waiver/ write off of debts/ loans/interest etc., if yes, the reasons there for and the amount involved.	<p>The details of the waiver/write off of debts/ loans/ interest is given below along with major reasons thereof:</p> <table><tr><th>S No.</th><th>Particulars</th><th>Amount involved (₹ in Lakh)</th><th>Major reasons of waiver/ write off</th></tr><tr><td>1</td><td>Head Office</td><td>-</td><td>-</td></tr><tr><td>2</td><td>NTSC, Okhla</td><td>0.01</td><td>Bad debts written off</td></tr><tr><td>3</td><td>Remaining 63 branches and technical centres audited by other auditors</td><td>601.63</td><td>Non recoverable old outstanding balances.</td></tr><tr><td colspan="2">TOTAL</td><td>601.64</td><td></td></tr></table>	S No.	Particulars	Amount involved (₹ in Lakh)	Major reasons of waiver/ write off	1	Head Office	-	-	2	NTSC, Okhla	0.01	Bad debts written off	3	Remaining 63 branches and technical centres audited by other auditors	601.63	Non recoverable old outstanding balances.	TOTAL		601.64	
S No.	Particulars	Amount involved (₹ in Lakh)	Major reasons of waiver/ write off																			
1	Head Office	-	-																			
2	NTSC, Okhla	0.01	Bad debts written off																			
3	Remaining 63 branches and technical centres audited by other auditors	601.63	Non recoverable old outstanding balances.																			
TOTAL		601.64																				
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift (s) from the Govt. Or other authorities.	As on 31.03.2017, the Corporation has maintained proper records in respect of inventories lying with third parties. Further, there are no inventories lying with third parties pertaining to Head Office and NTSC, Okhla. According to the information and explanations given to us and on the basis of our examination of the record of the Corporation, the Corporation has not received any assets as gift/grant(s) from the Govt. or other authorities. However, the Corporation has acquired assets out of the grants during the year for which proper records have been maintained																				

For K.G. Somani & Co.
Chartered Accountants
Firm's Regn. No. 006591N

Sd/-
(CA. Bhuvnesh Maheshwari)

Partner

M.No. 088155

Place: New Delhi
Date: 28th August, 2017

Statutory Auditors' Certificate (SAC)

We have examined the books of accounts and other records of The National Small Industries Corporation Limited for the Financial Year ending March 31, 2017. On the basis of the information submitted to us, we certify the following:

Sl.	Particulars	Details
1	Name of the Company	The National Small Industries Corporation Limited
2	Certificate of Registration No.	N.14.03090
3	Registered office Address	NSIC Bhawan, Okhla Industrial Estate, New Delhi – 110020.
4	Corporate office Address	- Same as above -
5	The company has been classified by RBI as: (Investment Company / Loan Company / AFC / NBFC-MFI / NBFC- Factor / IFC / IDF- NBFC)	Loan Company
6	Net Owned Fund (in ₹ Crore) (Calculation of the same is given in the Annex)	742.90
7	Total Assets (in ₹ Crore)	Rs. 3532.68
8	Asset-Income pattern: (in terms of RBI Press Release 1998- 99/1269 dated April 8, 1999) a) % of Financial Assets to TotalAssets b) % of Financial Income to GrossIncome (NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below)	85 % 85 %
9	Whether the Company was holding any Public Deposits, as on March31, 2017 ? If Yes, the amount in ₹ Crore	No
10.	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (In terms of Sec 45-IC of the RBI Act, 1934).	NA - As NSIC is a Government of India Enterprise.
11	Has the Company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI?	No
12	If the Company is classified as an NBFC- Factor; a) % of Factoring Assets to TotalAssets b) % of Factoring Income to GrossIncome	NA
13	If the Company is classified as an NBFC- MFI; % of Qualifying Assets to Net Assets (refer to Notification DNBS.PD.No.234 CGM(US) 2011 dated December 02, 2011)	NA

14	If the company is classified as an AFC; a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets b) % of income generated out of these assets to Total Income	NA
15	If the company is classified as an NBFC- IFC % of Infrastructure Loans to Total Assets	NA
16	Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which required prior approval from RBI? (Please refer to per DNBR (PD) CC. No.065/03.10.001/2015-16 dated July 09, 2015 on the subject for details)	No

In terms of Master Direction- Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated September 29, 2016, a separate report to the Board of Directors of the company has been made.

For K. G. Somani & Co.
Chartered Accountants
Firm's Regn.No:006591N

Place: New Delhi
Date: 28th August , 2017

Sd/-
(CA. Bhuvnesh Maheshwari)
Partner
M.No: 088155

Annexure

	Capital Funds - Tier I	(₹ In crore)
1.	Paid up Equity Capital	532.99
2.	Pref. shares to be compulsorily converted into equity	
3.	Free Reserves:	
	a. General Reserve	
	b. Share Premium	
	c. Capital Reserves	
	d. Debenture Redemption Reserve	
	e. Capital Redemption Reserve	
	f. Credit Balance in P&L Account	265.87
	g. Other free reserves (may be specified)	
4.	Special Reserves	
	Total of 1 to 4	798.86
5.	Less: i. Accumulated balance of loss	
	ii. Deferred Revenue Expenditure	
	ii. Deferred Tax Assets (Net)	54.48
	iii. Other intangible Assets	1.48
	Owned Fund	742.90
6.	Investment in shares of	
	(i) Companies in the same group	
	(ii) Subsidiaries	
	(iii) Wholly Owned Subsidiaries	
	(iv) Other NBFCs	
7.	Book value of debentures, bonds outstanding loans and advances, bills purchased and is counted (including H.P. and lease finance) made to, and deposits with	
	(i) Companies in the same group	
	(ii) Subsidiaries	
	(iii) Wholly Owned Subsidiaries/Joint Ventures Abroad	
8.	Total of 6 and 7	0
9.	Amount in item 8 in excess of 10% of Owned Fund	0
10.	Net Owned Fund	742.90

The Board of Director of
The National Small Industries Corporation Ltd.
Okhla Industrial Estate,
New Delhi-110 020

Date:- 28th August, 2017

Dear Sir,

Subject: - Non-Banking Finance Companies Auditor's Report (Reserve Bank) Directions, 2016

In addition to our report made under section 143 of the Companies Act, 2013 on the financial statements of The National Small Industries Corporation Limited (The Corporation) as of and for the year ended 31st March, 2017 and as required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated 29th September, 2016 issued by the Reserve Bank of India (RBI), on the basis of such checks, as we considered appropriate and as per the information and explanations given to us, we report on the matters specified in paragraph 3 and 4 of the said direction to the extent applicable to the Corporation, as follows:

- 1) In pursuance, of section 45-IA of the Reserve Bank of India Act, 1934, the Company has obtained a certificate of registration from the RBI under Registration Number N-14.03090 dated 29.12.2005 granting the Company to carry on the business of a non-banking financial company;
- 2) The Board of Directors have passed a resolution of 9th December 1998 for non-acceptance of public deposit in future without prior permission from Reserve Bank of India; which has been reconfirmed in the Boards resolution passed on 12th December, 2005.
- 3) The Company has not accepted public deposits during year ended 31st March, 2017.
- 4) The Corporation is entitled to continue to hold Certificate of Registration (COR) in terms of its Principal Business Criteria (Financial asset/income pattern) as on 31st March, 2017.
- 5) The Corporation is meeting the required net owned fund requirement as laid down in Master Direction-Non-Banking Financial Company-Systematically Important Non-Deposit taking Company (Reserve Bank) Direction, 2016.
- 6) In our opinion and to the best of our information and according to the explanations given to us, the Corporation, being a Govt. of India Enterprise has been exempted from compliance of RBI prudential norms relating to NBFCs in view of RBI circular No. DNBR (PD) CC.No.043/03.10.119/2015-16 dated 1st July, 2015.
- 7) For the Financial year ended 31st March, 2017, the Corporation has complied with the Accounting Standards, Income Recognition, Provisioning norms for Doubtful Receivables and Loans and Advances which are as per the prudential norms formulated by the Corporation and referred to/as stated in the Significant Accounting Policies.
- 8) In our opinion and to the best of our information and according to the explanations given to us, the Corporation has an internal audit system and has constituted an audit committee in line with the RBI circular No. DNBS (PD) CC.No.12/02.01/99-2000 dated 13th January, 2000.

This report is issued to comply with the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2016 vide Master Direction DNBS. PPD.03/66.15.001/2016-17 dated 29th September, 2016, and may not be used for any other purpose.

For K.G. Somani & Co.
Chartered Accountants
Firm's Registration Number: 006591N

Sd/-
(CA. Bhuvnesh Maheshwari)
Partner
Membership Number: 088155

SIGNIFICANT ACCOUNTING POLICIES OF THE CORPORATION FOR THE FINANCIAL YEAR 2016-17

Attached to and forming an integral part of Financial Statements for the year ended 31st March, 2017

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared on accrual basis of accounting unless otherwise stated, under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including accounting standards notified there under.

2. USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions, which affect the reported amount of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known and/ or materialized.

3. INVESTMENTS

Investments are classified into current and non-current investments. Current Investments are stated at lower of cost or market value on an individual investment basis. Non-current investments are stated at cost and provision for diminution in value is made for each investment individually only if such decline is other than temporary in the opinion of the management.

4. VALUATION OF INVENTORIES

(i) At cost or net realizable value, whichever is lower.

- a) Stores, pattern, moulds, tools, measuring instruments and goods in transit.
- b) Stock of finished goods, finished components, work in progress and stores in NSIC Technical Service Centers.

- c) Stock of finished goods pertaining to commercial activities.
- d) Stock of repossessed / seized / surrendered machines under hire purchase (HP) and composite term loan (CTL).
- e) Stock of repossessed / seized / surrendered machines under equipment leasing where assets given on or after 01.04.2001.
- f) Obsolete and unserviceable assets
- g) Land & Building and Sheds, etc in the nature of stock in trade.

(ii) At Cost

Stock of stationery and miscellaneous items.

5. FIXED ASSETS AND CAPITAL WORK-IN-PROGRESS

- (i) Leased assets and seized leased assets out of leased assets acquired up to 31st March, 2001: are stated at historical cost, net of accumulated balance of depreciation and lease terminal adjustment.
- (ii) Other than leased assets and seized leased assets out of leased assets: are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets less accumulated depreciation.
- (iii) Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.
- (iv) Projects under commissioning / installations and other capital work-in-progress are carried at cost comprising direct cost, related incidental expenses,

interest on borrowings there against and administration & general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use, are identified and allocated on a systematic basis to the cost of related assets.

- (v) Deposit work contracts are accounted for on the basis of statements of account received from the contractors.

6. DEPRECIATION

(i) Leased assets and Seized leased assets out of leased assets acquired up to 31st March, 2001:

Depreciation is provided on prorata basis from the day the assets are put to use at written down value method as per the useful life prescribed in part C to schedule II of the Companies Act, 2013.

(ii) Fixed assets other than leased assets and seized leased assets out of leased assets

- a) Depreciation on fixed assets purchased out of Government grants is charged on straight-line method as per useful lives specified in part C to schedule II of the Companies Act, 2013. It is charged to 'Capital Reserve' by way of reducing net value of fixed assets. The capital reserve is created at the time of purchase of fixed assets out of grants received with the purchase cost.
- b) Lease hold land is amortized over the leased period.
- c) Intangible Assets are amortized over a period of 5 years.
- d) Mobile phone Instruments costing ₹ 0.05 lakh and above, are amortized over a period of 3 years.
- e) Assets which are not covered by Para 6 (ii) (a), (b), (c) & (d) above, are depreciated on prorata basis from the day the assets are put to

use at straight line method as per the useful life prescribed in part C to schedule II of the Companies Act.

7. TRADE RECEIVABLES

- (i) The hirers/lessees are treated as receivables to the extent of hire purchase/ lease installments already fallen due. Unaccrued principal amount of defaulted hire purchase accounts / unaccrued principal amount of defaulted lease installments (in respect of assets leased from 01.04.2001) where machines are repossessed / seized / surrendered are also included in the trade receivables.
- (ii) Trade receivables are treated as 'Secured' to the extent of the securities available by way of any of the following - market value/ WDV/ committed value (in respect of legal/seized cases) of assets financed (identified & lying in possession of the unit/Corporation), any advance received from the unit, EMD, seized machines, consideration money, terms of agreement, advance installment/ rental, advance received from hirer / advance against purchase of machine or any other tangible security/ amount owes by the Corporation to the units including transactions under back-to-back arrangement. It shall also include all securities obtained from the units as per the term of sanction of assistance. The amounts not covered by above are treated as 'Unsecured'.

8. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (i) The provisions for doubtful receivables and loans & advances (net of interest suspense account) of financing schemes and of Technical Centers/STPs have been made as per the norms prescribed by the Board of Directors as annexed herewith.
- (ii) Provisions (if required) on Receivables and Loans & Advances from Central Government / State Governments / Government Institutions / Government

Companies and other Central / State Government departments / bodies, is made wherever considered appropriate by the management.

- (iii) No provision for doubtful receivables in respect of 'Receivables' under Export and Marketing Scheme is made to the extent the amount appears under 'Payable' for supplies pertaining to the same transaction under back-to-back arrangement with suppliers.
- (iv) Contingent liabilities are disclosed based on the judgment of the management/ independent expert. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent Assets are neither recognized nor disclosed in the financial statements.

9. FOREIGN EXCHANGE TRANSACTIONS

- (i) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the transaction date.
- (ii) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the year-end, are translated at exchange rates prevailing at year-end.
- (iii) Any gains or loss arising on account of exchange difference either on settlement or on translation, is adjusted in the Statement of Profit & Loss.

10. REVENUE RECOGNITION

All the items of income (incl. realization from training activities and common facilities) & expenditure are accounted for on accrual basis except as mentioned below which are accounted for in accordance with the provisions contained in AS-9 on Revenue Recognition: -

(i) Hire Purchase and Leasing

Income is accounted for as under: -

- a) Penal interest, which is considered as doubtful of recovery, is treated

as income in the year of its realization.

- b) Excess of sales proceeds of repossessed / seized / surrendered machines over their value as per accounting policy No.4 (d) (in case of hire purchase) and 4 (e) (in case of leasing) as on the date of repossession / seizure / surrender is adjusted against the defaulted hirer's/lessee's account. Any excess over and above the amount due from the hirer/lessee is treated as income in the year of receipt of sale proceeds.
- c) Where the unit's accounts are frozen, no further interest is being debited to the unit's account.

(ii) Marketing, Raw Material Distribution, Bill Financing and Composite Term Loan

Income is accounted for as under: -

- a) Interest/other income due from the units that are considered as doubtful of recovery, is treated as income in the year of its realization.
- b) Application processing fee, wherever applicable, is treated as income on receipt basis
- c) Processing fees is treated as income on time proportionate basis
- d) Where the unit's accounts are frozen, no further interest is being debited to the unit's account.

(iii) Government Purchase Registration Fee

Income received under Govt. Purchase Registration Scheme on account of registration fees, renewal fees, limit enhancement fees and fees for any amendment/ additions in the certificates, is recognized only on date of issuance of certificate for fresh registration/renewal/enhancement

of limit/ any amendment/ additions therein.

(iv) Infomediary Membership Fee

Membership fee received under Infomediary scheme is recognized as income in the year of receipt.

(v) Treatment of Decree Awarded

Where a decree has been awarded in favour of the Corporation, necessary adjustments in the unit's accounts are made at the time of realization of dues.

(vi) Dividend Income

Dividend on investment is account for on the basis when right to receive the same is established.

(vii) Income from Turnkey Projects / Service & Consultancy Contracts

a. Projects under commissioning / installations are carried at cost comprising direct cost and related incidental expenses incurred till they are ready for their intended use. In case of indirect expenses, the same have been account for under the natural head of account of respective expenditure.

b. Service charges/ other revenue from turnkey projects/ Service & Consultancy contracts are recognized based on the stage of completion of the activity, as per contract, reached on the balance sheet date.

11. EXPORT SALES

Sales on account of export of products and projects are accounted for on the basis of invoice value as per the terms of exports.

12. SAMPLES FOR EXHIBITIONS

The cost of samples and other items acquired for various exhibitions and fairs in India or abroad are charged to revenue in the year in which exhibitions and fairs are held.

13. INCOME FROM LEASING

(i) On lease transactions entered up to 31st March, 2001

c. Lease rentals in respect of transactions entered up to 31st March, 2001 is accounted for on accrual basis, net of the lease equalization charges.

d. Cost of capital relating to outstanding net investment in the leased assets is deducted from lease rentals to arrive at recovery of capital. The difference of recovery of capital and statutory depreciation is depicted through lease equalization charge account. The contra effect of such lease equalization account is reflected by operating lease terminal adjustment account in the balance sheet. The short fall of capital recovery, if any, is accounted for in the year of disposal of asset.

(ii) Lease transactions entered on or after 1st April, 2001

The finance income and recovery of net investment included in the lease rentals are work out at the interest rate implicit in the lease. The finance income is recognized as income and credited in Statement of Profit & Loss. The difference of lease rentals and finance income is considered as recovery towards net investment.

14. GOVERNMENT GRANTS

The Corporation utilizes grants received from Government of India under various promotional activities approved by the Government.

Receipt of grants is recognized as advance from the Government of India and is shown as Amounts Payable to Government of India. Thereafter, the grant to the extent of expenditure incurred, is recognized as income in the Statement of Income & Expenditure. In case of capital grant, the expenditure incurred is reduced from the

recognized income by creating capital reserve. In case of approved Promotional activities, expenditure incurred / committed for the year, but grant received in subsequent year, is accounted on accrual basis.

Further, Interest earned, if any, on the surplus grant as per the terms of the sanction of the grant, is recognized as advance from the Government of India and is shown as Amounts Payable to Government of India.

In case, the net result under advance accounts of various promotional activities is "deficit", it is shown as "Amount Receivable from the Government of India for deficit in grants" under the head current assets and if there is "surplus", the same is shown as "Amount Payable to the Government of India for surplus in grants" under the head current liabilities.

15. APPROPRIATION OF RECEIPTS

- (i) Receipt(s) from units having availed assistance under different commercial schemes are appropriated in the manner whereby the adjustments are first made towards the oldest dues and in the following order i.e. towards miscellaneous charges, service charges, penal interest, normal interest and principal.
- (ii) In cases of settlement, the receipts from the defaulting units are appropriated last towards the penal interest, if any.

16. PREPAID AND PRIOR PERIOD ITEMS

Prepaid expenses and prior period expenses/ income of items of ₹ 0.50 lakh and below are charged to natural heads of accounts.

17. ALLOCATION OF EXPENSES

The expenses directly attributable to the commercial and promotional activities have been charged to the respective activities. In case of indirect expenses, the same have been allocated on the basis of business generated in different commercial activities during the year. In case of promotional activities, the indirect expenses are allocated based on management estimates,

however, the overall amount has been restricted to the amount permissible under the respective activities.

18. BORROWING COST

Borrowing cost of the funds specifically borrowed for the purpose of obtaining qualifying assets and eligible for capitalization along with the cost of the assets, is capitalized up to the date when the asset is ready for use after netting off any income earned on temporary investment of such funds.

19. EMPLOYEE BENEFITS

(i) Defined Contribution plan

Corporation's contributions paid/ payable during the year to provident fund and pension fund is recognized in the statement of profit and loss. The contribution to provident fund is paid to a fund administered through a separate trust.

(ii) Defined benefits plan

Corporation's liability towards gratuity, leave encashment and other employees' benefits namely Sick leave, T.A. on Retirement and Leave Travel Concession for CDA employees are accounted for based on actuarial valuation at the year-end. Actuarial gains and losses are recognized in the statement of profit and loss in the year of its occurrence.

20. IMPAIRMENT OF ASSETS

The Carrying amounts of assets are reviewed at each Balance Sheet date. In case, there is any indication of impairment based on internal/external factors, an Impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

21. RISK FUND

Based on the Corporate Governance guidelines on 'Risk Management' for Central Public Sector Enterprises and the possibility of risk of financial loss to the Corporation

due to any reason, a risk fund at 0.35% of the outstanding under the schemes of Raw Material Assistance & Bill Discounting (secured by Bank Guarantee), Trade Receivables-Marketing (from Central & State Government, Government Institutions / Companies / Departments / Bodies) and Term Loan (secured by EMD) is created by making appropriation of the profit to mitigate any unforeseen loss arising out of business transactions. The quantum of said fund at the beginning of the year is increased / decreased to commensurate with the increase / decrease in the outstanding under the scheme at the end of each financial year. Interest and service charges earned on the amount of fund at beginning of the year is plough back. The objective of creating risk fund is to meet out any financial loss under these schemes.

22. ACCOUNTING FOR TAXES ON INCOME

Provision for current tax is made as per

the provisions of the Income Tax Act, 1961. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realize such assets. In other situation deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Annexure to Accounting Policy-Para 8(i)

Provisioning Norms for Doubtful Receivables and Loans & Advances

The norms of making provisions for Doubtful Receivables and Loans & Advances (net of interest suspense account) of Financing Schemes and of Technical Centers/ STPs, as approved by Board of Directors are as follows:

1. TRADE RECEIVABLES

Trade Receivables comprises of receivables in respect of dues under Hire Purchase, Leasing & Marketing activities and includes receivables on account of transactions at Technical Centers & STPs. Provisioning norms for Trade Receivables are depicted hereunder:

S. No	Scheme	% of Provisions
1.	Hire Purchase	100%
2.	Leasing	100%
3.	Trade Receivables	
	a. Where the amount of 'Secured Receivables' due from Government Departments/ Institutions/ Undertakings under Tender Marketing	Nil
	b. Other than (a) above	
	i. less than six months old	Nil
	ii. more than six months old	100%

2. LOANS AND ADVANCES

Loans and advances comprises of receivables in respect of dues under Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan and Advances recoverable in cash or in kind including staff advances

Receivables w.r.t. commercial activities under Loans & Advances are treated as 'Secured' (unless otherwise stated), for which the Corporation holds as 'Security' any of the following -Earnest Money Deposit (EMD), Security Deposit Receipt (SDR), Equitable Mortgage of Immovable Property, Terms of agreement, and Bills for supplies made to the

Government Departments and any other tangible securities. The 'Securities' shall also include all securities obtained from the units as per the term of sanction of assistance. The amounts not covered by above are treated as 'Unsecured'. Receivables and Loans & Advances backed by Bank Guarantee/ Letter of Credits, though treated as unsecured, are considered good.

Provisioning norms for various items of Loans & Advances are depicted below:

(A) Raw Material Assistance and Bill Discounting

S. No.	Classification of Outstanding	% of Provisions
1.	Secured by or Backed by	
	(a) BG / LC/ EMD / SDR	NIL
	(b) Collateral Security -Equitable Mortgage of Immovable Property	10%
	(c) Bills	
2.	Unsecured	100%

(B) Term Loan

S. No.	Classification of Outstanding	% of Provisions
1.	Secured by	
	(a) EMD/SDR/FDR with NSIC	NIL
	(b) Equitable Mortgage of Immovable Property	10%
2.	Unsecured	100%

(C) Composite Term Loans

The provisions required in respect of the default under Composite Term Loan Scheme are to be arrived at as follows: -

- The amount of balance outstanding (principal amount in default) as at 31st March.

- (b) CGTSI cover available i.e. 75% of "a" above or ₹ 18.75 lakh, as applicable in each case, whichever is least.
- (c) Amount not covered under CGTSI cover (a-b).
- (d) On the amount covered under CGTSI as at 'b' above, no provisions have to be made. However, in respect of the amount not covered under CGTSI i.e. at 'c' above and interest receivable on the defaulted amount (net of penal interest suspense account) & other charges, if any, provision @ 100% to be made.

(D) Advances Recoverable in Cash or in Kind including Staff advances

D.1 Advances Recoverable in Cash or in Kind

These amounts primarily consist of advances paid to outside parties including advances paid to bulk suppliers having MOU with the Corporation, pre-paid expenses, security deposits with telephone & other allied departments, etc.

S. No.	Classification of Outstanding Advances	% of Provisions
1.	Secured Advances with outside parties	
	All the following receivables are treated as 'Secured' (unless otherwise stated): a) All receivables against which the Corporation holds tangible security.	NIL

	<ul style="list-style-type: none"> b) Advances paid to bulk suppliers (having MOU arrangement with the Corporation) to the extent of advance have already been received from the MSMEs and / or amount paid out of the sanctioned limit under RMA against BG. c) Security Deposits paid by the Corporation and correspondingly the buyer of supplies also provides security to the Corporation. <p>The amounts not covered by above are treated as 'Unsecured'.</p>	
2.	Unsecured advances with outside parties outstanding over one year & are doubtful of recovery	100%

D.2 Staff Advances

S. No.	Classification of Outstanding Advances	% of Provisions
1	From employees working in the Corporation	Nil
2.	From employees left / resigned from the Corporation and no amount is available to set-off the outstanding	100%
Advances paid for HBA, Vehicle and Computer are treated as secured and all other advances are treated as unsecured		

Financial Statement

The National Small Industries Corporation Limited

CIN No. : U74140DL1955GOI002481

BALANCE SHEET AS ON 31.03.2017

(₹ in Lakh)

Particulars	Note No.	As at 31.03.17	As at 31.03.16
I. EQUITY AND LIABILITIES			
Shareholders Fund			
Share Capital	1	53298.80	53298.80
Reserves and Surplus	2	29612.56	22608.54
Money received against Share Warrants		0.00	0.00
Share Application Money Pending Allotment	2.1	0.00	0.00
Non-Current Liabilities			
Long-Term Borrowings	3	4926.51	5566.42
Deferred Tax Liabilities (Net)	4	0.00	0.00
Other Long Term Liabilities	5	580.61	410.02
Long-Term Provisions	6	5861.90	5546.89
Current Liabilities			
Short-Term Borrowings	7	221221.88	235708.71
Trade Payables	8	13000.82	11796.59
Other Current Liabilities	9	19337.18	15322.00
Short-Term Provisions	10	5427.27	5061.40
Total		353267.53	355319.37
II. ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		7597.56	6964.68
Intangible Assets		148.11	162.99
Capital Work-in-Progress		12606.14	10046.03
Intangible Assets under Development		0.00	0.00
Non-Current Investments	12	7.55	7.78
Deferred Tax Assets (Net)	4	5447.73	5228.48
Long-Term Loans and Advances	13	2457.66	1995.73
Other Non-Current Assets	14	71.08	100.10
Current Assets			
Current Investment	15	0.00	0.00
Inventories	16	689.52	86.38
Trade Receivables	17	12273.42	11886.22
Cash & Other Bank Balances	18	9512.77	4512.40
Short-Term Loans and Advances	19	302284.04	314128.76
Other Current Assets	20	171.95	199.82
Total		353267.53	355319.37
Other Notes on Accounts	35		

**Statement of Accounting Policies and Notes on Accounts
form an integral part of Financial Statements**

As per our report of even date attached.

For K.G.Somani & Co.

Chartered Accountants

Sd/-
Bhuvnesh Maheshwari
Partner

Membership No. : 088155
Firm Reg. No. : 006591N
Place : New Delhi
Date: : 28.08.2017

For and on behalf of Board of Directors

Sd/-
A.K.Mittal
Director (Finance)
[DIN : 07625711]

Sd/-
Ravindra Nath
Chairman-cum-Managing Director
[DIN : 02815496]

Sd/-
Gaurang Dixit
Chief General Manager (Finance)

Sd/-
Nishtha Goyal
Company Secretary
[Membership No. : A 22768]

The National Small Industries Corporation Limited

CIN No. : U74140DL1955GOI002481

STATEMENT OF PROFIT AND LOSS (CONSOLIDATED) FOR THE YEAR ENDED 31.03.2017

(₹ in Lakh)

Particulars	Note No.	For the Year Ending 31.03.17	For the Year Ending 31.03.16
A Revenue			
Revenue from Operations	21	231187.20	262863.00
[Include Processing Fee/Service Charges earned of ₹5493.60 lakh (₹5497.53 lakh) for value of goods handled and services rendered ₹1829719.92 lakh (₹1860829.91 lakh)]			
Other Income	22	1287.15	391.23
Grants and Subsidies	23	6457.57	5289.47
Total Revenue		238931.92	268543.70
B Expenses			
Purchases of Stock-in-Trade	24	179530.25	207253.09
Changes in Inventories	25	(652.15)	2.97
Employee Benefit Expenses	26	9817.89	9703.01
Finance Costs	27	19748.00	21581.59
Depreciation and Amortization Expenses	28	488.39	433.54
Expenses on Corporate Social Responsibility	29	273.79	249.00
Other Expenses	30	13202.77	13592.29
Total Expenses		222408.94	252815.49
Profit before Prior Period Adjustments Exceptional Items, Extraordinary Items and Tax		16522.98	15728.21
Exceptional Items		0	0
Profit before Prior Period Adjustments, Extraordinary Items and Tax		16522.98	15728.21
Extraordinary Items		0	0
Profit before Prior Period Adjustments and Tax		16522.98	15728.21
Prior Period Adjustments	31	15.82	32.84
Profit before Tax		16507.16	15695.37
Tax Expense	32		
(i) Current Tax		6100.00	6000.00
(ii) Deferred Tax		(219.25)	(463.05)
(iii) Earlier Years		(13.43)	11.98
Total Tax Expense		5867.32	5548.93
Profit (Loss) after Tax for the Period		10639.84	10146.44
Earnings per Equity Share			
Basic/Diluted	33	19.96	19.04
Capital Commitments	34	5414.62	8880.97
Contingent Liabilities	34	1634.65	1620.51

Statement of Accounting Policies and Notes on Accounts form an integral part of Financial Statements.

As per our report of even date attached.

For and on behalf of Board of Directors

For K.G.Somani & Co.

Chartered Accountants

Sd/-
Bhuvnesh Maheshwari
Partner

Membership No. : 088155
Firm Reg. No. : 006591N
Place : New Delhi
Date: : 28.08.2017

Sd/-
A.K.Mittal
Director (Finance)
[DIN : 07625711]

Sd/-
Gaurang Dixit
Chief General Manager (Finance)

Sd/-
Ravindra Nath
Chairman-cum-Managing Director
[DIN : 02815496]

Sd/-
Nishtha Goyal
Company Secretary
[Membership No. : A 22768]

NOTE - 1 SHARE CAPITAL

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
AUTHORISED		
5,35,00,000 (Previous Year 5,35,00,000) Equity Shares of ₹ 100 each	53500.00	53500.00
ISSUED, SUBSCRIBED AND PAID UP		
5,32,98,800 (Previous Year 5,32,98,800) Equity Shares of ₹ 100 each fully paid up.	53298.80	53298.80
As per Balance Sheet	53298.80	53298.80

ANNEXURE - 1A RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

Particulars	Equity Shares (No.)	Preference Shares (No.)
Shares outstanding at the beginning of the year	53298800	0.00
Shares issued during the year	0.00	0.00
Shares bought back during the year	0.00	0.00
Shares outstanding at the end of the year	53298800	0.00

ANNEXURE - 1B DETAILS OF SHAREHOLDING OVER 5% SHARE IN CORPORATION

Name of Shareholder	As At 31.03.17 No. of Share Held	As At 31.03.17 % of Holding	As At 31.03.16 No. of Share Held	As At 31.03.16 % of Holding
Government of India	53298800	100	53298800	100

ANNEXURE - 1C DETAILS OF SHARES ALLOTTED PURSUANT TO CONTRACT(S) WITHOUT PAYMENT BEING RECEIVED IN CASH, BONUS SHARES AND SHARES BOUGHT BACK IN RESPECT OF LAST 5 YEARS

Particulars	Aggregate No. of Shares				
	2016-17	2015-16	2014-15	2013-14	2012-13
Equity Shares:					
Fully paid up pursuant to contract(s) without payment being received in cash	0.00	0.00	0.00	0.00	0.00
Fully paid up by way of bonus shares	0.00	0.00	0.00	0.00	0.00
Shares bought back	0.00	0.00	0.00	0.00	0.00
Preference Shares:					
Fully paid up pursuant to contract(s) without payment being received in cash	0.00	0.00	0.00	0.00	0.00
Fully paid up by way of bonus shares	0.00	0.00	0.00	0.00	0.00
Shares bought back	0.00	0.00	0.00	0.00	0.00

ANNEXURE - 1D DETAILS OF CALLS UNPAID

Particulars	As At 31.03.17	As At 31.03.16
Calls Unpaid		
By Directors	0.00	0.00
By Officers	0.00	0.00

NOTE - 2 RESERVES & SURPLUS

(₹ in Lakh)

Particulars	As At 01.04.16	Additions/ Created during the Year	Deduction during the year		As At 31.03.17
			Transfer/Sale/ Adjustment	Depreciation for the Year	
CAPITAL RESERVES					
(Reserve representing value of Assets acquired out of grants received from Govt. of India)					
Technical Centre	508.51	1.44	2.20	51.51	456.24
Government Purchase Plan	3.47	0.00	0.02	0.00	3.45
Appropriate Technology	2.43	0.00	0.00	0.00	2.43
Modernization -Lock Project	73.28	0.00	0.00	11.36	61.92
Development of North East Region	21.29	0.00	0.00	0.59	20.70
Technology Business Incubator	124.30	0.00	0.00	12.22	112.08
Mini Tool Room Centre	0.85	0.00	0.00	0.00	0.85
Minority Welfare Scheme	0.12	0.00	0.00	0.00	0.12
Modernization of Technical Centre	5.34	0.00	0.00	0.53	4.81
Science & Technology Project	1.12	0.00	0.00	0.06	1.06
Product Design Centre (PRIDE)	11.96	0.00	0.00	0.31	11.65
Technology Business Incubator (IT)	1.02	0.00	0.00	0.00	1.02
Laghu Udyog Mart(LUM)	264.12	0.00	0.00	28.36	235.76
Interest Differential Fund on KFW (West Germany) Loans	20.95	0.00	0.00	0.51	20.44
Technology Development of Baking Oven	0.02	0.00	0.00	0.00	0.02
DST -STEP (S & T Project)	50.76	0.00	0.00	5.13	45.63
Testing Fuel Efficient Diesel Engine (TFEDE)	0.36	0.00	0.00	0.00	0.36
Marketing Development Centre	69.09	0.00	0.00	1.50	67.59
Interest Differential Fund on S&T Project	0.65	0.00	0.00	0.00	0.65
Training cum Incubation	255.33	128.47	0.00	39.09	344.71
Sub Total	1414.97	129.91	2.21	151.18	1391.49
OTHER RESERVES					
Capital Replacement Reserve	63.14	9.94	0.00	0.00	73.08
Risk Fund	1077.04	484.08 *	0.00	0.00	1561.12
Surplus as per Statement of Profit and Loss	20053.39	6533.48	0.00	0.00	26586.87
As per Balance Sheet	22608.54	7157.41	2.21	151.18	29612.56

* Includes transfer from Interest Rs 140.40 lakh

ANNEXURE - 2A DETAILS OF APPORTIONMENT OF CURRENT YEAR PROFIT

(₹ in Lakh)

Particulars	As At 31.03.17		As At 31.03.16
Profit for the period	10639.84		10146.44
Less: Proposed Dividend	3126.18		2905.02
Less: Tax on Proposed Dividend	636.50		591.46
Less: Transfer to Risk Fund	343.68	6533.48	213.17
			6436.79

NOTE – 2.1 Share Application Money Pending Allotment

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1.	Terms and conditions	-	-
2.	Number of shares proposed to be issued	-	-
3.	The amount of premium, if any	-	-
4.	The period before which shares are to be allotted	-	-
5.	Whether the company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share applications money	-	-
6.	Interest accrued on amount due for refund	-	-
7.	The period for which the share application money has been pending beyond the period for allotment as mentioned in the share application form along with the reasons for such share application money being pending	-	-

NOTE - 3 LONG TERM BORROWINGS

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Secured		
Bonds/Debentures	0.00	0.00
Term Loans from		
Banks	0.00	0.00
Others from		
Govt. of India	0.00	0.00
State Govt.	0.00	0.00
Financial Institutions	0.00	0.00
Foreign Financial Institutions	0.00	0.00
Others	0.00	0.00
Deferred Payment Liabilities	0.00	0.00
Deposits	0.00	0.00
Loans and Advances from Related Parties	0.00	0.00
Long Term Maturities of Finance Lease Obligations	0.00	0.00
Other Loans and Advances from		
Govt. of India	0.00	0.00
State Govt.	0.00	0.00
Financial Institutions	0.00	0.00
Foreign Financial Institutions	0.00	0.00
Others	0.00	0.00
Sub Total	0.00	0.00
Unsecured		
Bonds/Debentures	0.00	0.00
Term Loans from		
Banks	0.00	0.00
Other Parties from		
Govt. of India	0.00	0.00
State Govt.	0.00	0.00
Financial Institutions	0.00	0.00
Foreign Financial Institutions	4926.51	5566.42
Others	0.00	0.00
Deferred Payment Liabilities	0.00	0.00
Deposits	0.00	0.00
Loans and Advances from Related Parties	0.00	0.00
Long Term Maturities of Finance Lease Obligations	0.00	0.00
Other Loans and Advances from		
Govt. of India	0.00	0.00
State Govt.	0.00	0.00
Financial Institutions	0.00	0.00
Foreign Financial Institutions	0.00	0.00
Others	0.00	0.00
Sub Total	4926.51	5566.42
As per Balance Sheet	4926.51	5566.42

(₹ in Lakh)

ANNEXURE - 3A DETAILS OF LONG TERM BORROWINGS

Particulars	Amount Outstanding as on				Terms of Repayment & Frequency of repayable instalments (Monthly/ Quarterly/ Half Yearly/ Annually)	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.17	
	31.03.17		31.03.16					Period	Amount
	Due after 12 months from 31.03.17	Due within 12 months from 31.03.17	Due after 12 months from 31.03.16	Due within 12 months from 31.03.16					
Secured	0	0	0	0	----	----	----	----	----
Unsecured									
Term Loan from									
Other Parties									
Foreign Financial Institutions									
Xlth Line of Credit	2181.49	88.50	2444.85	95.31	Half Yearly	----	Guaranteed by Government of India	----	0.00
XlIth Line of Credit	2127.53	118.00	2418.51	127.09	Half Yearly	----	Guaranteed by Government of India	----	0.00
Casa Depositi Prestiti, Italy (Previously known as Artigiancassa SPA Italy)	617.49	35.28	703.06	38.00	Half Yearly	----	Guaranteed by Government of India	----	0.00
Sub Total	4926.51	241.78	5566.42	260.40					
Total	4926.51	241.78	5566.42	260.40					

Annexure - 3B - Other Details of Long Term Borrowings

(₹ in Lakh)

Particulars	Currency	KFW XI Line of Credit	KFW XII Line of Credit	Italian Line of Credit
Total Loan Sanctioned	Euro	5112918.81	5036225.03	1053134.47
Due Date of Payment		30/6 and 31/12 every year	30/6 and 31/12 every year	17/7 and 17/1 every year
First installment (Principal Amt.)		30/06/2002	30/06/2006	17/01/2015
Last installment (Principal Amt.)		30/06/2042	30/12/2035	17/07/2035
Total installments (Principal Amt.)		81	60	42
Interest		10.50%	12.50%	0.50%
Loan outstanding as on 31/03/17	Euro	3226251.81	3191483.89	927761.41
Repayment terms		Half yearly	Half yearly	Half yearly
Amount of installments	Euro	62888.90	83851.87	25074.61
Total Interest paid from 30.06.1993 to 30.12.2001	Deutsche Mark	592439.19	405995.68	-
Total Interest paid from 31.12.2001 to 31.03.2017	Euro	472621.10	493938.60	70010.22
Hedging		-	-	-

NOTE - 4 DEFERRED TAX ASSETS/(LIABILITIES) NET *

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Deferred Tax Liabilities	(729.06)	(650.26)
Deferred Tax Assets	6176.79	5878.74
As per Balance Sheet	5447.73	5228.48

* For detail refer SI No. (8) of Note-35

NOTE - 5 OTHER LONG TERM LIABILITIES

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Security Deposit Payable	564.30	397.86
Income Received in Advance	3.54	3.92
Earnest Money Deposits (EMD)	12.77	7.93
Other Payables-Others	0.00	0.31
As per Balance Sheet	580.61	410.02

NOTE - 6 LONG TERM PROVISIONS

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Provisions for Employee Benefits		
For Gratuity	3422.52	3311.46
For Leave Encashment	2074.16	1883.92
For Leave Travel Concession	0.46	0.75
For Half Pay Leave	361.42	347.58
For TA on Retirement	3.34	3.18
	<u>5861.90</u>	<u>5546.89</u>
Others		
For Exchange Variation		
Balance as per last Balance Sheet	0.00	0.00
Add: Provision made during the Year	0.00	0.00
Less: Utilized for Exchange Variation Losses	0.00	0.00
Less: Amount written back	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
For Promotional Activity (KFW)		
Balance as per last Balance Sheet	0.00	0.00
Add: Provision made during the Year	55.86	59.37
Less: Amount written back	55.86	59.37
	<u>0.00</u>	<u>0.00</u>
As per Balance Sheet	<u>5861.90</u>	<u>5546.89</u>

NOTE - 7 SHORT TERM BORROWINGS

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Secured		
Loans Repayable on Demand from Banks		
Working Capital Loan	115612.77	226026.86
Cash Credit	0.84	909.01
Overdraft	5608.27	8772.84
Term Loan	0.00	0.00
	<u>121221.88</u>	<u>235708.71</u>
Other Parties	0.00	0.00
Loans and Advances from Related Parties	0.00	0.00
Deposits	0.00	0.00
Other Loans and Advances	0.00	0.00
Sub Total	<u>121221.88</u>	<u>235708.71</u>
Unsecured		
Loans Repayable on Demand from Banks		
Working Capital Loan	0.00	0.00
Cash Credit	0.00	0.00
Overdraft	0.00	0.00
Term Loan	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Other Parties	0.00	0.00
Loans and Advances from Related Parties	0.00	0.00
Deposits	0.00	0.00
Other Loans and Advances	100000.00	0.00
Sub Total	<u>100000.00</u>	<u>0.00</u>
As per Balance Sheet	<u>221221.88</u>	<u>235708.71</u>

ANNEXURE - 7A DETAILS OF SHORT TERM BORROWINGS

(₹ in Lakh)

Particulars	Amount Outstanding as on 31.03.17	Amount Outstanding as on 31.03.16	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31/03/17	
					Period	Amount
Secured						
Loans Repayable on Demand from Banks						
Working Capital Loans						
The Hongkong & Shanghai Banking Corp. Ltd.	70000.00	45000.00	Secured against exclusive registered mortgage of free hold Land measuring 41920 Sq.Mtr at Okhla Industrial Estate, New Delhi & pari passu charge over receivables under RMA scheme & book debts under marketing activities.	Nil		0.00
State Bank of India	37312.77	161026.86	Secured against equitable mortgage of property measuring 47 bigha & 67 biswa situated at Okhla Indl Estate, New Delhi and pari passu charge on book debts/ current assets.	Nil		0.00
BNP Paribas	0.00	20000.00	Pari passu charge on loan receivables	Nil		0.00
HDFC WCDL	5300.00	0.00	Pari passu charge on book debts	Nil		0.00
China Trust Banking Corporation Ltd STL	3000.00	0.00	Pari passu charge on book debts	Nil		0.00
	115612.77	226026.86				0.00
Cash Credit						
Punjab National Bank	0.00	904.77	Secured against equitable mortgage of land & building at Okhla Indl Estate, New Delhi & pari passu charge over receivables in the form of loans & advances, book debts, bills discounted and all the current assets pertaining to marketing activities	Nil		0.00
Vijaya Bank	0.84	4.24	Secured against registered mortgage of property situated at Okhla Industrial Estate, New Delhi and pari passu charge on book debts/current assets.	Nil		0.00
State Bank of India	0.00	0.00	Secured against equitable mortgage of property measuring 47 bigha & 67 biswa situated at Okhla Indl Estate, New Delhi and pari passu charge on book debts/current assets.	Nil		0.00
	0.84	909.01				0.00
Overdraft						

ANNEXURE - 7A DETAILS OF SHORT TERM BORROWINGS

(₹ in Lakh)

Particulars	Amount Outstanding as on 31.03.17	Amount Outstanding as on 31.03.16	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31/03/17	
					Period	Amount
The Hongkong & Shanghai Banking Corp. Ltd.	5608.27	7281.56	Secured against exclusive registered mortgage of free hold Land measuring 41920 Sq.Mtr at Okhla Industrial Estate, New Delhi & pari passu charge over receivables under RMA scheme & book debts under marketing activities.	Nil		0.00
CTBC Bank-Overdraft	0.00	1491.28	Secured by way of hypothecation of account receivables/book debts pertaining to Chennai, Mumbai, Delhi & Noida.	Nil		0.00
Term Loan	5608.27	8772.84				0.00
Other Parties	0.00	0.00	--	--		0.00
Loans and Advances from Related Parties	0.00	0.00	--	--		0.00
Deposits	0.00	0.00	--	--		0.00
Other Loans and Advances	0.00	0.00	--	--		0.00
Sub Total	121221.88	235708.71		--		0.00
Unsecured				--		
Loans Repayable on Demand from Banks	0.00	0.00	--	--		
Working Capital Loans	0.00	0.00	--	--		
Cash Credit	0.00	0.00	--	--		
Overdraft	0.00	0.00	--	--		0.00
Term Loan	0.00	0.00	--	--		0.00
						0.00

ANNEXURE - 7A DETAILS OF SHORT TERM BORROWINGS

(₹ in Lakh)

Particulars	Amount Outstanding as on 31.03.17	Amount Outstanding as on 31.03.16	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31/03/17	
					Period	Amount
Other Parties	0.00	0.00	--	--		0.00
Loans and Advances from Related Parties	0.00	0.00	--	--		0.00
Deposits	0.00	0.00	--	--		0.00
Other Loans and Advances				--		
Commercial Paper	100000.00	0.00	--			0.00
Sub Total	100000.00	0.00				0.00
Total	221221.88	235708.71				0.00

NOTE - 8 TRADE PAYABLES

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Trade Payables		
Due to MSME Units	0	0
Due to Others	13000.82	11796.59
Due to Related Parties	0	0
Others	0	0
As per Balance Sheet	13000.82	11796.59

NOTE - 9 OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Current Maturities of Long-Term Debt	241.78	260.40
Current Maturities of Long Term Provisions	598.47	684.84
Amounts Payable to Government of India against Surplus in Grants	2738.77	473.85
Interest Accrued But Not Due on Borrowings / CSD	16.02	28.17
Family Pension and Provident Fund Payable	118.40	122.55
Other Payables-Employees	1282.79	1491.75
Other Payables-Taxes	561.30	289.41
Other Payables	2083.35	1566.29
Securities Deposit Payable	625.27	662.43
Income Received in Advance	2319.59	2676.53
Earnest Money Deposit (EMD)	180.35	54.58
Balance Due to Trade Receivables	44.10	129.43
Discount Payable	1442.46	1201.27
Payable to RM Suppliers	99.76	1235.76
Advance from RMA Buyers	3471.34	2013.74
Payable for Projects	1470.89	1145.31
Payable to Rating Agencies	2042.54	1285.69
As per Balance Sheet	19337.18	15322.00

ANNEXURE - 9A AMOUNTS PAYABLE TO GOVERNMENT OF INDIA AGAINST SURPLUS IN GRANTS

(₹ in Lakh)

Particulars	Balance Brought Forward From Previous Year		Grant Received/ Interest Earned During The Year	Reimb/ Refund/ Adjustment	Fixed Assets Acquired / WIP	Net Revenue Expenditure	Total Expenditure	Excess of Expenditure over Income (Trf. From Prom. to Com.)	Reimbursable Expenditure	As at 31/03/17	
	Deficit	Surplus								Deficit	Surplus
Marketing Assistance Scheme											
Marketing Assistance Scheme	36.49	0.00	1374.05	36.49	0.00	1426.61	1426.61	0.00	1426.61	52.55	0.00
Marketing Assistance Scheme- SCSP(Scheduled Caste Sub Plan)	0.00	0.00	49.16	0.00	0.00	24.76	24.76	0.00	24.76	0.00	24.39
Marketing Assistance Scheme- TSP (Tribal Sub Plan)	0.00	0.00	1.44	0.00	0.00	1.44	1.44	0.00	1.44	0.00	0.00
Marketing Assistance Scheme in North East Region(NER)	0.00	0.00	88.13	0.00	0.00	88.13	88.13	0.00	88.13	0.00	0.00
Sub Total	36.49	0.00	1512.78	36.49	0.00	1540.94	1540.94	0.00	1540.94	52.55	24.39
Performance and Credit Rating Scheme											
Performance and Credit Rating Scheme	1513.29	0.00	4461.84	1513.29	0.00	3654.69	3654.69	0.00	3654.69	0.00	807.15
Performance and Credit Rating Scheme- SCSP (Scheduled Caste Sub Plan)	0.00	0.07	140.00	-0.07	0.00	177.58	177.58	0.00	177.58	37.58	0.00
Performance and Credit Rating Scheme - TSP (Tribal Sub Plan)	0.00	31.00	26.95	-31.00	0.00	20.80	20.80	0.00	20.80	0.00	6.15
Performance and Credit Rating Scheme in North East Region(NER)	0.00	76.46	97.34	-56.35	0.00	61.17	61.17	0.00	61.17	0.00	56.28
Sub Total	1513.29	107.53	4726.13	1425.87	0.00	3914.25	3914.25	0.00	3914.25	37.58	869.57
International Co-operation, Modernization & Technology Upgradation	13.83	0.00	6.00	13.83	0.00	51.38	51.38	0.00	51.38	45.38	0.00
North East Expo	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.00	0.00
DST - STEP (S&T Project)	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
Assistance for Training to Institutions	0.00	8.35	2367.05	0.00	0.00	318.42	318.42	0.00	318.42	0.00	2056.98
India Inclusive Innovation Fund (IIIF)	0.00	1758.80	19.31	-1778.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Training cum Incubation	0.00	169.71	69.86	0.00	129.91	0.00	129.91	0.00	129.91	0.00	109.66

ANNEXURE - 9A AMOUNTS PAYABLE TO GOVERNMENT OF INDIA AGAINST SURPLUS IN GRANTS

(₹ in Lakh)

Particulars	Balance Brought Forward From Previous Year		Grant Received/ Interest Earned During The Year	Reimb/ Refund/ Adjustment	Fixed Assets Acquired / WIP	Net Revenue Expenditure	Total Expenditure	Excess of Expenditure over Income (Tfr. From Prom. to Com.)	Reimbursable Expenditure	As at 31/03/17	
	Deficit	Surplus								Deficit	Surplus
NSSH - SCSP											
Special Marketing Assistance Scheme - SCSP (NSSH)	0.00	0.00	277.46	0.00	0.00	569.68	569.68	0.00	569.68	292.22	0.00
Performance Credit Rating Scheme SCSP (NSSH)	0.00	0.00	0.00	0.00	0.00	28.62	28.62	0.00	28.62	28.62	0.00
Single Point Registration Scheme SCSP (NSSH)	0.00	0.00	0.00	0.00	0.00	17.19	17.19	0.00	17.19	17.19	0.00
Sub Total	0.00	0.00	277.46	0.00	0.00	615.48	615.48	0.00	615.48	338.02	0.00
NSSH - TSP											
Special Marketing Assistance Scheme TSP (NSSH)	0.00	0.00	175.73	0.00	0.00	13.89	13.89	0.00	13.89	0.00	161.84
Performance Credit Rating Scheme TSP (NSSH)	0.00	0.00	0.00	0.00	0.00	3.14	3.14	0.00	3.14	3.14	0.00
Single Point Registration Scheme TSP (NSSH)	0.00	0.00	0.00	0.00	0.00	0.08	0.08	0.00	0.08	0.08	0.00
Sub Total	0.00	0.00	175.73	0.00	0.00	17.11	17.11	0.00	17.11	3.22	161.84
Total	0.00	0.00	453.19	0.00	0.00	632.59	632.59	0.00	632.59	341.25	161.84
Grand Total	1570.62	2044.47	9154.32	-301.92	129.91	6457.57	6587.48	0.00	6587.48	483.76	3222.53
Net Surplus / (Deficit)										2738.77	
<i>Previous Year Surplus / (Deficit)</i>										<i>473.85</i>	

NOTE - 10 SHORT TERM PROVISIONS

(₹ in Lakh)

Particulars	As At 31.03.17		As At 31.03.16	
Provisions for Employee Benefits				
For Leave Encashment	0.00		0.00	
For Leave Travel Concession	0.00		0.00	
For Sick Leave	0.00	0.00	0.00	0.00
Others				
For Doubtful Debts & Advances	11386.47		10753.93	
Less: Adjustment as per contra against Trade Receivables, Loans & Advances, etc.	11386.47	0.00	10753.93	0.00
For Income Tax (Net of Payments)	0.00		123.76	
For Proposed Dividend	3126.18		2905.02	
For Tax on Proposed Dividend	636.50	3762.68	591.46	3620.24
For Exchange Variation				
Balance as per last Balance Sheet	1441.16		1457.49	
Add: Provision made during the Year	456.13		481.80	
Less: Utilised for Exchange Variation Losses	0.00		498.13	
Less: Amount written back	232.70	1664.59	0.00	1441.16
As per Balance Sheet		5427.27		5061.40

ANNEXURE - 10A DETAILS OF ADDITIONS, REVERSALS & UTILIZATIONS OF PROVISIONS

(₹ in Lakh)

Particulars	Opening Balance	Additions during the Year	Utilizations/ Reversals/ Adjustments	Closing Balance
For Leave Encashment	0.00	0.00	0.00	0.00
For Leave Travel Concession	0.00	0.00	0.00	0.00
For Sick Leave	0.00	0.00	0.00	0.00
For Doubtful Debts & Advances	0.00	632.54	632.54	0.00
For Income Tax	123.76	0.00	123.76	0.00
For Proposed Dividend	2905.02	3126.18	2905.02	3126.18
For Tax on Proposed Dividend	591.46	636.50	591.46	636.50
For Exchange Variation	1441.16	456.13	232.70	1664.59
Total	5061.40	4851.35	4485.48	5427.27

Note : In compliance with provisions of AS-29.

NOTE - 11 FIXED ASSETS

(₹ in Lakh)

A. TANGIBLE ASSETS																			
1. OWN ASSETS																			
Building	4741.67	1.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3982.17
Furniture & Fittings	428.64	42.62	1.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	196.79
Land	30.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.06
Office Equipments	751.06	79.18	11.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	184.20
Vehicle	96.43	28.13	3.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.36
Plant & Equipment	741.90	173.24	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	306.98
Sub Total	6790.53	324.64	17.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4730.56
2. LEASED ASSETS																			
Plant & Equipments	174.69	0.00	39.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05
3. SEIZED LEASE ASSETS																			
Plant & Equipments	67.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.91
4. ASSETS ACQUIRED OUT OF GOVT. GRANTS																			
Land	23.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.24
Building	879.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	484.96
Furniture & Fittings	82.53	9.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.33
Office Equipments	549.63	30.68	15.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	113.64
Vehicle	11.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.53
Plant & Equipment	1942.00	87.24	24.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	763.26
Sub Total	3488.96	127.48	39.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1405.96
5. ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES																			
Building	216.05	445.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.31
Furniture & Fittings	88.49	24.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.48
Office & Equipments	426.25	78.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	208.12
Plant & Equipments	434.42	200.14	2.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	358.29
Sub Total	1165.21	748.29	2.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	827.20
TOTAL-TANGIBLE ASSETS	11687.02	1200.41	97.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6964.68
PREVIOUS YEAR	10167.65	1626.87	107.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5861.39
B. INTANGIBLE ASSETS																			
01. OWN ASSETS																			
Computer Software	87.29	10.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.25
02. ASSETS ACQUIRED OUT OF GOVT. GRANT																			

NOTE - 11 FIXED ASSETS

(₹ in Lakh)

Particulars	← GROSS BLOCK →					← ACCUMULATED DEPRECIATION →					← LTA →		← NET BLOCK →		
	As At 01/04/16	Additions	Sale	Acquired through Business Combination	Revaluation/ Impairment)	Inter Unit Transfer/ Inter Group Adjustment	Cost As At 31/03/17	As At 01/04/16	Depreciation Charge for the Year	Adjustment Including Impairment	Inter Unit Transfer/ Inter Group Adjustment	As At 31/03/17	As At 31/03/16	As At 31/03/17	As At 31/03/16
Computer Software	9.91	2.43	0.00	0.00	0.00	0.00	12.34	0.90	2.21	0.00	0.00	3.10	0.00	9.24	9.01
03. ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES															
Computer Software	172.30	26.96	0.00	0.00	0.00	0.00	199.26	58.69	34.95	0.00	0.00	93.64	0.00	105.62	113.61
TOTAL-INTANGIBLE ASSETS	269.50	40.04	0.00	0.00	0.00	1.20	308.34	106.51	54.08	0.00	0.35	160.23	0.00	148.11	162.99
PREVIOUS YEAR	168.55	100.95	0.00	0.00	0.00	0.00	269.50	60.21	46.24	-0.07	0.01	106.51	0.00	162.99	108.34
CAPITAL WORK IN PROGRESS															
Capital Work In Progress	10046.03	2581.93	0.00	0.00	0.00	21.82	12606.14	0.00	0.00	0.00	0.00	0.00	0.00	12606.14	10046.03
PREVIOUS YEAR	6184.96	3851.07	0.00	0.00	0.00	0.00	10046.03	0.00	0.00	0.00	0.00	0.00	0.00	10046.03	6184.96
PREVIOUS YEAR	6184.96	3851.07	0.00	0.00	0.00	0.00	10046.03	0.00	0.00	0.00	0.00	0.00	0.00	10046.03	6184.96
TOTAL-CAPITAL WORK IN PROGRESS	10046.03	2581.93	0.00	0.00	0.00	21.82	12606.14	0.00	0.00	0.00	0.00	0.00	0.00	12606.14	10046.03
GRAND TOTAL	22002.55	3822.38	97.74	0.00	0.00	0.00	25727.19	4863.69	639.57	92.64	0.00	5410.62	-35.24	20351.81	17173.70
PREVIOUS YEAR	16521.16	5588.89	107.49	0.00	0.00	0.00	22002.55	4400.83	563.96	101.10	0.01	4863.69	-34.86	17173.10	12154.69

NOTE - 12 NON-CURRENT INVESTMENTS

	(₹ in Lakh)	
Particulars	As At 31.03.17	As At 31.03.16
Trade Investments		
Investments in Properties	0.00	0.00
Investments in Equity Instruments	0.00	0.00
Investments in Preference Shares	0.00	0.00
Investments in Government or Trust Securities	0.00	0.00
Investments in Debentures or Bonds	0.00	0.00
Investments in Mutual Funds	0.00	0.00
Investments in Partnership Firms	0.00	0.00
Other Non-Current Investments	0.00	0.00
Sub Total	0.00	0.00
Other Investments		
Investments in Properties	0.00	0.00
Investments in Equity Instruments	22.55	22.78
Investments in Preference Shares	0.00	0.00
Investments in Government or Trust Securities	0.00	0.00
Investments in Debentures or Bonds	0.00	0.00
Investments in Mutual Funds	0.00	0.00
Investments in Partnership Firms	0.00	0.00
Other Non-Current Investments	0.00	0.00
Sub Total	22.55	22.78
Total	22.55	22.78
Less : Provision for Diminution in the Value of Non Current Investments	15.00	15.00
As per Balance Sheet	7.55	7.78

ANNEXURE - 12A DETAILS OF AGGREGATE QUOTED AND UNQUOTED NON-CURRENT INVESTMENTS

	(₹ in Lakh)	
Particulars	As At 31.03.17	As At 31.03.16
Aggregate amount of Quoted Investments (Market value of ₹235.34 Lakh (Previous Year ₹214.39 Lakh))	7.55	7.78
Aggregate amount of Unquoted Investments	15.00	15.00

ANNEXURE - 12B DETAILS OF NON-CURRENT NON-TRADE INVESTMENTS

	(₹ in Lakh)	
Particulars	As At 31.03.17	As At 31.03.16
1,17,700 (Prev. Year 1,21,400) Equity Shares of M/s Singer India Ltd. of ₹ 10 each fully paid 1.095% holding). (Mkt. value ₹ 235.34 Lakh @ ₹ 199.95 per share (₹ 214.39 Lakh @ ₹176.60 per share)	7.55	7.78
1,00,000 Equity Shares of ₹10 each fully paid-up in M/s Small Industries Product Promoted Organisation Ltd. (SIPPO) (12.06% holding) (Unquoted)	10.00	10.00
50,000 Equity Shares of ₹10 each fully paid-up in M/s Small Industries Products Marketing Organisation Ltd. (SIPMO) (N.A.% holding)(Unquoted)	5.00	5.00
Sub Total	22.55	22.78
Less: Provision for Diminution in the Value of Investments	15.00	15.00
TOTAL	7.55	7.78

NOTE - 13 LONG TERM LOANS & ADVANCES

	(₹ in Lakh)	
Particulars	As At 31.03.17	As At 31.03.16
Capital Advances	1069.01	480.62
Security Deposits	736.81	706.04
Loans and Advances to Employees	17.50	33.96
Other Loans and Advances	221.95	323.14
Loans and Advances to Related Parties	0	0
Deposits/Balances with Excise /Sales Tax Authorities	10.05	3.31
Income Tax Recoverable	402.34	448.66
As per Balance Sheet	2457.66	1995.73

ANNEXURE - 13A DETAILS OF LONG TERM LOANS & ADVANCES

	(₹ in Lakh)			
Capital Advances				
With RITES	362.97		92.09	
Add: Interest Accrued on Capital Advance	0.00	362.97	0.00	92.09
With CPWD	253.65		369.58	
Add: Interest Accrued on Capital Advance	0.00	253.65	0.00	369.58
With NBCC	452.39		18.95	
Add: Interest Accrued on Capital Advance	0.00	452.39	0.00	18.95
Total		1069.01		480.62
Security Deposits				
Secured Considered Good	1.88		17.18	
Unsecured Considered Good	734.93		688.86	
Considered Doubtful	0.05		0.27	
	736.86		706.31	
Less Additional/Normal Interest Suspense	0.00		0.00	
	736.86		706.31	
Less: Provision for Doubtful Deposits as per Contra	0.05		0.27	
Total		736.81		706.04
Loans and Advances to Employees				
Secured Considered Good	17.27		29.99	
Unsecured Considered Good	0.23		3.97	
Considered Doubtful	0.00		0.00	
	17.50		33.96	
Less Additional/Normal Interest Suspense	0.00		0.00	
	17.50		33.96	
Less: Cheques sent for Collection	0.00		0.00	
Less: Provision for Doubtful Loans and Advances as per Contra	0.00		0.00	
Total		17.50		33.96
Other Loans and Advances				
Composite Term Loan				
Secured Considered Good	72.70		65.98	
Unsecured Considered Good	0.00		0.00	
Considered Doubtful (Incl Intt. Suspense Contra)	221.02		270.44	

ANNEXURE - 13A DETAILS OF LONG TERM LOANS & ADVANCES

(₹ in Lakh)

Particulars	As At 31.03.17		As At 31.03.16	
	293.72		336.42	
Less Additional/Normal Interest Suspense	63.28		67.36	
	230.43		269.06	
Less: Cheques sent for Collection	0.00		0.00	
Less: Provision for Doubtful Loans and Advances as per Contra	157.74	72.70	203.08	65.98
Italian Line of Credit				
Secured Considered Good	0.00		0.00	
Unsecured Considered Good	0.00		0.00	
Considered Doubtful	0.00		0.00	
	0.00		0.00	
Less: Additional / Normal Interest Suspense	0.00		0.00	
	0.00		0.00	
Less: Cheques sent for Collection	0.00		0.00	
Less: Provision for Doubtful Loans and Advances as per Contra	0.00	0.00	0.00	0.00
Term Loan				
Secured Considered Good	10.09		10.09	
Unsecured Considered Good	0.00		0.00	
Considered Doubtful (Incl Intt. Suspense Contra)	5.35		5.35	
	15.44		15.44	
Less: Additional / Normal Interest Suspense	4.25		4.25	
	11.19		11.19	
Less: Cheques sent for Collection	0.00		0.00	
Less: Provision for Doubtful Loans and Advances as per Contra	1.10	10.09	1.10	10.09
Advance Recoverable in Cash or in Kind or for value to be received				
Secured Considered Good	20.72		0.97	
Unsecured Considered Good	118.44		246.10	
Considered Doubtful	15.29		0.05	
	154.45		247.12	
Less: Additional / Normal Interest Suspense	0.00		0.00	
	154.45		247.12	
Less: Cheques sent for Collection	0.00		0.00	
Less: Provision for Doubtful Loans and Advances as per Contra	15.29	139.16	0.05	247.07
Total		221.95		323.14
Loans and Advances to Related Parties				
Secured Considered Good	0.00		0.00	
Unsecured Considered Good	0.00		0.00	
Considered Doubtful	0.00		0.00	
	0.00		0.00	
Less: Provision for Doubtful Loans and Advances as per Contra	0.00		0.00	
Total		0.00		0.00

ANNEXURE - 13B DETAILS OF LONG TERM LOANS & ADVANCES (INCLUDED UNDER LOANS AND ADVANCES TO EMPLOYEES) DUE BY DIRECTORS OR OTHER OFFICERS OF THE CORPOROTATION

Particulars	As At 31.03.17	As At 31.03.16
Directors*	0	0
Other Officers of the Company*	0	0
Firm in which Director is a Partner*	0	0
Private company in which Director is a member	0	0
Total	0	0

[*] Either severally or jointly.

NOTE - 14 OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As At 31.03.17		As At 31.03.16	
Long Term Trade Receivables (Including Trade Receivables on Deferred Credit Terms)				
Secured Considered Good	0.00		0.00	
Unsecured Considered Good	0.00		0.00	
Considered Doubtful	0.00		0.00	
	<u>0.00</u>		<u>0.00</u>	
Less: Provision for Doubtful Dues as per Contra	0.00	0.00	0.00	0.00
Others		71.08		100.10
Debts due by Related Parties				
Secured Considered Good	0.00		0.00	
Unsecured Considered Good	0.00		0.00	
Considered Doubtful	0.00		0.00	
	<u>0.00</u>		<u>0.00</u>	
Less: Provision for Doubtful Dues as per Contra	0.00	0.00	0.00	0.00
As per Balance Sheet		71.08		100.10

ANNEXURE - 14A DETAILS OF OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As At 31.03.17		As At 31.03.16	
Interest Accrued but not Due				
On Fixed/Short Term Deposits	0.00		0.79	
On Others	71.08	71.08	99.31	100.10
Total		71.08		100.10

NOTE - 15 CURRENT INVESTMENTS

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Investments in Properties	0.00	0.00
Investments in Equity Instruments	0.00	0.00
Investments in Preference Shares	0.00	0.00
Investments in Government or Trust Securities	0.00	0.00
Investments in Debentures or Bonds	0.00	0.00
Investments in Mutual Funds	0.00	0.00
Investments in Partnership Firms	0.00	0.00
Other Current Investments	0.00	0.00
Total	0.00	0.00
Less: Provision for Diminution in the value of Current Investments	0.00	0.00
As per Balance Sheet	0.00	0.00

ANNEXURE - 15A DETAILS OF AGGREGATE QUOTED AND UNQUOTED CURRENT INVESTMENTS

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Aggregate amount of Quoted Investments (Market value of ₹ N/A (Previous Year ₹ N/A)	0.00	0.00
Aggregate amount of Unquoted Investments (Previous Year ₹ N/A)	0.00	0.00

NOTE - 16 INVENTORIES

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Raw Materials and Components	2.60	2.11
Work-In-Process	0.00	0.00
Finished Goods	13.58	10.88
Stock-In-Trade	0.00	0.00
Stores and Spares	7.55	6.92
Loose Tools and Measuring Instruments	5.41	5.17
Patterns and Moulds	0.00	0.00
Land & Building in Stock, Industrial Estate, Naini	19.65	19.65
Goods-In-Transit	649.27	41.65
Sub Total	698.06	86.38
Less: Provision for Obsolete Stock	8.54	0.00
As per Balance Sheet	689.52	86.38

NOTE - 17 TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Trade Receivables Outstanding for a period exceeding six months from the date they are due for payment		
Secured Considered Good	5661.39	2739.13
Unsecured Considered Good	88.73	0
Considered Doubtful (Incl P.I. Suspense Contra)	1797.94	2520.20
	<u>7548.06</u>	<u>5259.33</u>
Less: Seized Leased Suspense	74.75	74.75
Less: Penal Interest Suspense	544.70	676.74
	<u>6928.61</u>	<u>4507.84</u>
Less: Cheques sent for Collection	0	2.10
Less: Provision for Doubtful Debts as per Contra	1178.49	1766.61
	<u>5750.12</u>	<u>2739.13</u>
Trade Receivables Outstanding for a period less than six months from the date they are due for payment		
Secured considered Good	6468.50	8556.58
Unsecured considered Good	54.95	616.61
Considered Doubtful (Incl P.I. Suspense Contra)	7.32	7.32
	<u>6530.77</u>	<u>9180.51</u>
Less: Seized Leased Suspense	0	0
Less: Penal Interest Suspense	7.32	7.32
	<u>6523.45</u>	<u>9171.09</u>
Less: Cheques sent for Collection	0.15	26.10
Less: Provision for Doubtful Debts as per Contra	0	0
	<u>6523.30</u>	<u>9147.09</u>
As per Balance Sheet	<u>12273.42</u>	<u>11886.22</u>

ANNEXURE - 17A DETAILS OF TRADE RECEIVABLE STATED ABOVE INCLUDE DEBTS DUE BY DIRECTORS OR OFFICERS OF THE CORPORATION

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Directors*	0	0
Other Officers of the Company*	0	0
Firm in which directors is a partner*	0	0
Private Company in which director is a member	0	0
Total	<u>0</u>	<u>0</u>

[*] Either severally or jointly.

ANNEXURE - 17B DETAILS OF TRADE RECEIVABLES

(₹ in Lakh)

TRADE RECEIVABLES -HIRE PURCHASE

Trade Receivables Outstanding for a period exceeding six month from the date they are due for payment

Secured Considered Good	0	0		
Unsecured Considered Good	0	0		
Considered Doubtful (Incl P.I. Suspense Contra)	1044.70	1428.61		
	1044.70	1428.61		
Less: Penal Interest Suspense	322.87	454.23		
	721.83	974.38		
Less: Cheques sent for Collection	0	1.10		
Less: Provision for Doubtful Debts as per Contra	721.83	0	973.28	0

Trade Receivables Outstanding for a period less than six months from the date they are due for payment

Secured Considered Good	0	0		
Unsecured Considered Good	0	0		
Considered Doubtful (Incl P.I. Suspense Contra)	0	0		
	0	0		
Less: Penal Interest Suspense	0	0		
	0	0		
Less: Cheques sent for Collection	0	0		
Less: Provision for Doubtful Debts as per Contra	0	0	0	0
Sub Total		0	0	

TRADE RECEIVABLES -LEASING

Trade Receivables Outstanding for a period exceeding six month from the date they are due for payment

Secured Considered Good	0	0		
Unsecured Considered Good	0	0		
Considered Doubtful (Incl P.I. Suspense & Seized Suspense Contra)	257.57	308.99		
	257.57	308.99		
Less: Seized Lease Suspense	74.75	74.75		
Less: Penal Interest Suspense	72.22	87.75		
	110.60	146.49		
Less: Cheques sent for Collection	0	1.00		
Less: Provision for Doubtful Debts as per Contra	110.60	0	145.49	0

Trade Receivables Outstanding for a period less than six months from the date they are due for payment

Secured Considered Good	0	0		
Unsecured Considered Good	0	0		
Considered Doubtful	0	0		
	0	0		
Less: Seized Lease Suspense	0	0		
Less: Penal Interest Suspense	0	0		
	0	0		
Less: Cheques sent for Collection	0	0		
Less: Provision for Doubtful Debts as per Contra	0	0	0	0
Sub Total		0	0	

TRADE RECEIVABLES - MARKETING

ANNEXURE - 17B DETAILS OF TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As At 31.03.17		As At 31.03.16	
Trade Receivables Outstanding for a period exceeding six month from the date they are due for payment				
Secured Considered Good	5568.80		2727.73	
Unsecured Considered Good	88.73		0	
Considered Doubtful	265.49		341.85	
	5923.02		3069.58	
Less: Penal Interest Suspense	0		0	
	5923.02		3069.58	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Debts as per Contra	265.49	5657.53	341.85	2727.73
Trade Receivables Outstanding for a period less than six months from the date they are due for payment				
Secured Considered Good	6328.63		8515.17	
Unsecured Considered Good	30.94		506.05	
Considered Doubtful	0		0	
	6359.57		9021.22	
Less: Penal Interest Suspense	0		0	
	6359.57		9021.22	
Less: Cheques sent for Collection	0		26.10	
Less: Provision for Doubtful Debts as per Contra	0	6359.57	0	8995.12
Sub Total		12017.10		11722.85
TRADE RECEIVABLES -OTHERS				
Trade Receivables Outstanding for a period exceeding six month from the date they are due for payment				
Secured Considered Good	92.59		11.40	
Unsecured Considered Good	0		0	
Considered Doubtful (Incl P.I. Suspense/Receivable)	230.18		440.75	
	322.77		452.15	
Less: Penal Interest Suspense	149.61		134.76	
	173.16		317.39	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Debts as per Contra	80.57	92.59	305.99	11.40
Trade Receivables Outstanding for a period less than six months from the date they are due for payment				
Secured Considered Good	139.87		41.42	
Unsecured Considered Good	24.01		110.56	
Considered Doubtful (Incl P.I. Suspense/Receivable)	7.32		7.32	
	171.20		159.30	
Less: Penal Interest Suspense	7.32		7.32	
	163.88		151.98	
Less: Cheques sent for Collection	0.15		0	
Less: Provision for Doubtful Debts as per Contra	0	163.73	0	151.98
Sub Total		256.32		163.38
Total		12273.42		11886.22

NOTE - 18 CASH AND OTHER BANK BALANCES

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
(i) Cash & Cash Equivalents		
Balances with Banks		
In Current Accounts	4388.30	2285.82
In Fixed Deposits-Maturing upto 3 Months	4950.88	2179.47
Cheques, Draft-on-hand	0.00	0.06
Cash-on-hand*	0.74	11.26
Imprest with Employees	0.00	0.31
Stamps-on-hand	0.15	0.21
Remittance in Transit	158.09	21.45
Balance in Post Office Saving Bank account kept as Security	0.00	0.00
Sub Total	9498.16	4498.58
(ii) Other Bank Balances		
In Fixed Deposits-Maturing more than 3 Months & upto 12 Months	8.55	8.72
In Fixed Deposits-Maturing over 12 Months	5.51	4.55
In Fixed Deposits-As Security with Govt. Authorities	0.55	0.55
As per Balance Sheet	9512.77	4512.40

* Cash -On-Hand includes Stock of Rupay Card worth Rs. 0.20 Lakh

NOTE - 19 SHORT TERM LOANS & ADVANCES

(₹ in Lakh)

Loan and Advances to Related Parties

Secured Considered Good	0.00		0.00	
Unsecured Considered Good	0.00		0.00	
Considered Doubtful	0.00		0.00	
	<u>0.00</u>		<u>0.00</u>	
Less Additional/Normal Interest Suspense	0.00		0.00	
	<u>0.00</u>		<u>0.00</u>	
Less: Cheques sent for Collection	0.00		0.00	
Less: Provision for Doubtful Loans and Advances as per Contra	0.00	0.00	0.00	0.00

Others

Others Loans and Advances

Secured Considered Good	1334.73		1401.48	
Unsecured Considered Good (Backed by BG)*	296489.82		308321.29	
Considered Doubtful	10136.06		8843.81	
	<u>307960.61</u>		<u>318566.58</u>	
Less Additional/Normal Interest Suspense	400.29		409.11	
	<u>307560.32</u>		<u>318157.47</u>	
Less: Cheques sent for Collection	0.00		1.15	
Less: Provision for Doubtful Loans and Advances as per Contra	9735.76	297824.56	8434.70	309721.62

Advance Recoverable in Cash or in Kind or for value to be received

Secured Considered Good	3661.78		3986.44	
Unsecured Considered Good	540.58		316.33	
Considered Doubtful	29.02		79.33	
	<u>4231.38</u>		<u>4382.10</u>	
Less: Additional / Normal Interest Suspense	0.00		0.00	
	<u>4231.38</u>		<u>4382.10</u>	
Less: Cheques sent for Collection	0.00		0.00	
Less: Provision for Doubtful Loans and Advances as per Contra	29.02	4202.36	79.33	4302.77

Loans and Advance to Employees

Secured Considered Good	9.99		12.89	
Unsecured Considered Good	27.34		28.15	
Considered Doubtful	0.49		0.48	
	<u>37.82</u>		<u>41.52</u>	
Less: Additional / Normal Interest Suspense	0.00		0.00	
	<u>37.82</u>		<u>41.52</u>	
Less: Cheques sent for Collection	0.00		0.00	
Less: Provision for Doubtful Loans and Advances as per Contra	0.49	37.33	0.48	41.04

Others

NOTE - 19 SHORT TERM LOANS & ADVANCES

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Secured Considered Good	0.00	0.00
Unsecured Considered Good	0.00	0.00
Considered Doubtful	0.00	0.00
	0.00	0.00
Less: Additional / Normal Interest Suspense	0.00	0.00
	0.00	0.00
Less: Cheques sent for Collection	0.00	0.00
Less: Provision for Doubtful Loans and Advances as per Contra	0.00	0.00
	0.00	0.00
Deposits/Balances with Excise /Sales Tax Authorities	71.26	63.33
Advance Payment of Income Tax / TDS (Net of Provisions)	148.53	0.00
As per Balance Sheet	302284.04	314128.76

*This Includes Rs 17057.38 lakh backed by BGs valuing Rs 17350.00 lakh of United Bank of India which were invoked in July-Aug, 2016 and is still recoverable from UBI

ANNEXURE - 19A DETAILS OF SHORT TERM LOANS & ADVANCES (INCLUDED UNDER LOANS AND ADVANCES TO EMPLOYEES) DUE BY DIRECTORS OR OTHER OFFICERS OF THE CORPORATION

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Directors	0	0
Other Officers of the Company*	0	0
Firm in which Director is a Partner*	0	0
Private company in which Director is a member	0	0
Total	0	0

[*] Either severally or jointly.

ANNEXURE - 19B DETAILS OF OTHER SHORT TERM LOANS AND ADVANCES

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
OTHER LOANS AND ADVANCES		
Raw Material Distribution (RMD)		
Secured Considered Good	1220.10	1202.83
Unsecured Considered Good (Backed by BG) *	296489.82	308271.85
Considered Doubtful (Incl. Intt. Suspense Contra)	8426.26	7013.71
	306136.18	316488.39
Less Additional/Normal Interest Suspense	325.42	334.24
	305810.76	316154.15
Less: Cheques sent for Collection	0.00	1.15
Less: Provision for Doubtful Loans and Advances as per Contra	8100.84	6679.47
	297709.92	309473.53
Bills of Exchange Discounted (BD)		
Secured Considered Good	114.63	198.65
Unsecured Considered Good (Backed by BG)	0.00	49.44
Considered Doubtful (Incl. Intt. Suspense Contra)	1709.80	1830.10
	1824.43	2078.19
Less: Additional / Normal Interest Suspense	74.87	74.87
	1749.56	2003.32
Less: Cheques sent for Collection	0.00	0.00
Less: Provision for Doubtful Loans and Advances as per Contra	1634.92	1755.23
	114.64	248.09
Total	297824.56	309721.62

*This Includes Rs 17057.38 lakh backed by BGs valuing Rs 17350.00 lakh of United Bank of India which were invoked in July-Aug, 2016 and is still recoverable from UBI.

ANNEXURE - 20 OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Security Deposits		
Secured Considered Good	101.21	114.41
Unsecured Considered Good	41.58	64.56
Considered Doubtful	0.24	0.03
	<u>143.03</u>	<u>179.00</u>
Less Additional/Normal Interest Suspense	0.00	0.00
	<u>143.03</u>	<u>179.00</u>
Less: Provision for Doubtful Dues as per Contra	0.24	0.03
	<u>142.79</u>	<u>178.97</u>
Others	29.16	20.85
As per Balance Sheet	171.95	199.82

ANNEXURE - 20A DETAILS OF OTHER CURRENT ASSETS - OTHERS

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Interest Accrued but not due		
On Fixed/Short Term deposits	3.78	1.87
On Others	25.06	18.98
	<u>28.84</u>	<u>20.85</u>
Interest Receivable		
From Banks	268.62	268.30
Less: Provision for Interest Receivable as per Contra	268.30	0.00
	<u>0.32</u>	<u>268.30</u>
Total	29.16	20.85

NOTE - 21 REVENUE FROM OPERATIONS (CONSOLIDATED)

				(₹ in Lakh)
<i>Sale of Products</i>	179098.05			207715.10
<i>Sale of Services</i>	7113.79			7666.54
<i>Interest Earned</i>	39105.90			41591.45
<i>Processing Fees Earned</i>	5493.60			5497.53
<i>Other Operating Revenues</i>	375.86			392.38
As per statement of Profit and Loss	231187.20			262863.00
<u>Sale of Products</u>				
Marketing	18964.40			21605.71
Export	381.11			764.51
Raw Material Distribution	159752.54			185344.88
Total (A)	179098.05			207715.10
<u>Sale of Services</u>				
<i>Income from Government Purchase Registration</i>	1406.55			1425.05
<i>Income on infomediary Services</i>	310.91			319.66
<i>Discount Earned (Net)</i>	1294.24			1346.35
<i>Application Processing Fees</i>	4.05			66.03
<i>License & House Keeping Fees</i>	815.14			637.61
<i>Rent</i>	741.99			773.56
<i>Realization from Training Activities</i>	1217.13			1290.90
<i>Realization on account of Common Facilities</i>	580.88			701.74
<i>Income from Exhibition Centres</i>	319.77			307.70
<i>Receipts from Exhibitions, Seminars, Meets, Conferences and Marketing Campaigns</i>	221.44			380.36
<i>Project Consultancy Charges</i>	130.55			347.55
<i>Income from Training-cum-Incubation Center (TIC)</i>	48.64			43.98
<i>Other Receipts from Services</i>	22.50			26.05
Total (B)	7113.79			7666.54
<u>Interest Earned</u>				
From Parties				
<i>Normal</i>	39240.09		41559.99	
<i>Less: Interest on Risk Fund</i>	140.40	39099.69	0	41559.99
<i>Penal Interest</i>		6.21		31.46
<i>By Contra Adjustment to Penal Interest Suspense</i>	0.69		0.00	
<i>Less: Losses W/Off on A/C of Penal Interest Suspense A/C by Contra Adjustment</i>	0.69	0	0.00	0
<i>Gain of Interest on Foreign Currency Transactions and Translation (Net)</i>		0		0
Total (C)	39105.90			41591.45
<u>Processing Fees Earned</u>				
Raw Material Distribution	1776115.58	5178.38	1807532.49	5186.44
Miscellaneous Items	53604.34	315.22	53297.42	311.09
Total (D)	1829719.92	5493.60	1860829.91	5497.53
<u>Other Operating Revenues</u>				
<i>Compensation for Use and Occupation of Infrastructure</i>	375.86			392.38
Total (E)	375.86			392.38

NOTE - 22 OTHER INCOME (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.17	For the Year Ending 31.03.16
Interest On:		
Loan to Employees	4.09	5.59
Fixed/Short Term Deposits	3.04	54.15
Income Tax Refunds	192.76	0.00
Others	4.34	6.31
	204.23	66.05
Excess Provision Written Back:		
KFW	288.56	59.37
Government Guarantee Fee	0.00	0.00
Others	231.51	88.78
	520.07	148.15
Sundry Credit Balances Written Back	72.08	56.17
Gain on Sale / Disposal of Assets / Intangibles	5.07	7.15
Gain on Sale of Investments	9.08	0.00
Other Miscellaneous Receipts	71.90	110.67
Gain on Foreign Currency Transactions and Translation (Net)	401.68	0.00
Dividend Income	3.04	3.04
As per Statement of Profit and Loss	1287.15	391.23

NOTE - 23 GRANTS AND SUBSIDIES (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.17	For the Year Ending 31.03.16
For Promotional Activities	6587.48	5590.62
Less: Capital Expenditure (Net)	129.91	301.15
	6457.57	5289.47
Less: Amount appropriated out of Govt. Grants (As per Statement of Profit and Loss- Promotional)	0	0
As per Statement of Profit and Loss	6457.57	5289.47

NOTE - 24 PURCHASES OF STOCK IN TRADE (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.17	For the Year Ending 31.03.16
Marketing Activity		
Marketing	18948.45	21592.62
Export	311.42	530.00
Raw Material Distribution	160270.38	185130.47
As per Statement of Profit and Loss	179530.25	207253.09

NOTE - 25 CHANGES IN INVENTORIES (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.17	For the Year Ending 31.03.16
Finished Goods:		
Closing Stock	13.76	10.88
Less: Opening Stock	10.88	13.85
Adjustment in Stock	0.00	0.00
	2.88	(2.97)
Work in Process:		
Closing Stock	0.00	0.00
Less: Opening Stock	0.00	0.00
Adjustment in Stock	0.00	0.00
	0.00	0.00
Goods-In-Transit	649.27	0.00
As per Statement of Profit and Loss	652.15	(2.97)

NOTE - 26 EMPLOYEES BENEFITS EXPENSE (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.17	For the Year Ending 31.03.16
Salaries and Allowances	6468.11	6556.84
Contributions to -		
Provident Fund	579.65	583.38
Superannuation Scheme/ Pension Scheme	462.71	463.91
Deposit Group Insurance Scheme	11.35	0.00
	1053.71	1047.29
Gratuity	450.84	432.28
Staff Welfare Expenses	228.46	206.59
Other Benefits	1527.87	1392.37
Directors (Including Chairman-Cum-Managing Director)		
Salaries and Allowances	67.19	53.70
Contributions to -		
Provident Fund	6.04	4.65
Superannuation Scheme/ Pension Scheme	5.10	3.87
	11.14	8.52
Gratuity	1.90	1.66
Others	8.67	3.76
As per Statement of Profit and Loss	9817.89	9703.01

NOTE - 27 FINANCE COSTS (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.17	For the Year Ending 31.03.16
Interest on Loan On:		
Kreditanstalt West Germany (KFW Loans)	547.71	579.31
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA, Italy)	3.49	3.71
Banks	12039.56	20952.86
Commercial Paper	7114.10	0.00
Others	0.00	0.00
	19704.86	21535.88
Other Borrowing Costs:		
Government Guarantee Fee	23.14	23.41
Loss of Interest on foreign currency transactions and translation	0.00	0.00
Other Finance Charges	20.00	22.30
	43.14	45.71
As per Statement of Profit and Loss	19748.00	21581.59

NOTE - 28 DEPRECIATION AND AMORTIZATION (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.17	For the Year Ending 31.03.16
Depreciation on Fixed Assets	488.39	433.54
Assets acquired against Grants		
Depreciation as per Contra	151.18	130.41
Less: Replacement Reserve as per Contra	151.18	0.00
	0.00	130.41
As per Statement of Profit and Loss	488.39	433.54

NOTE - 29 CORPORATE SOCIAL RESPONSIBILITY

Expenses required to be incurred Rs 267.89 lacs during 2016-17

(₹ in Lakh)

S. No.	Particulars	For the Year Ending 31.03.2017		
		In cash	Yet to be paid	Total
(i)	Construction/acquisition of any assets	39.49	1.83	41.32
(ii)	On purposes other than (i) above	193.54	38.93	232.47
	Actual Expenses	233.03	40.76	273.79
	Related Parties Transactions	NIL		

NOTE - 30 OTHER EXPENSES (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.17	For the Year Ending 31.03.16
Electricity, Power & Water Charges	596.13	624.88
Printing & Stationery	97.42	97.56
Insurance	10.82	12.78
Travelling, Conveyance & Vehicle Charges	629.83	553.78
Freight and Octroi Expenses	25.72	34.35
Communication Expenses	169.79	167.24
Rent	329.26	311.46
Staff Recruitment Expenses	2.65	13.69
Licences, Rates & Taxes	79.44	74.97
Expense on Security	1076.77	845.99
Repairs & Maintenance Expenses	532.66	525.37
Payments to Statutory Auditors	47.98	43.12
Payment to Internal auditors	38.47	39.25
Legal, Professional and Consultancy Charges	306.56	260.14
Directors' Sitting Fee	1.44	2.74
Directors' Other Expenses	42.12	27.77
Miscellaneous & Contingent Expenses	23.31	23.91
Losses on Sale/Disposal of Assets/Intangibles	0.23	3.16
Bad Debts/Irrecoverable Advances Written Off	457.26	837.51
Loss on Foreign Currency Transactions and Translation (Net)	0.00	82.00
Expenditure on Infomediary Services	1.60	3.09
Project Consultancy Charges	93.35	110.44
Expenses on Godown Operations	1103.16	1209.84
Expenditure on Sustainable Development	0.00	2.86
Provision for Doubtful Debts	632.54	1381.10
Business / Sales Promotion Expenses	124.67	116.51
Advertisement and Publicity	94.06	103.25
Entertainment	31.83	30.56
Expenditure on Exhibitions, Seminars and Conference	60.52	300.34
Training Expenses	613.39	678.01
Common Facility Charges	68.75	68.51
Expenses on International Co-operation	51.38	13.83
Expenses on Marketing Assistance Scheme	2163.84	1009.48
Performance and Credit Rating Fee	3670.70	3982.80
Provision for Obsolete Stock	8.54	0.00
SPRS Fees - NSSH	16.58	0.00
As per Statement of Profit and Loss	13202.77	13592.29

ANNEXURE - 30A DETAILS OF OTHER EXPENSES (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.17	For the Year Ending 31.03.16
Payment to Statutory Auditors for:		
Statutory Audit Fees	34.85	29.14
Tax Audit Fees	10.33	10.94
Other Taxation Matters	0.04	0.00
Company Law Matters	0.00	0.00
Management Services	0.00	0.00
Other Services	0.58	0.21
Reimbursement of Expenses	2.18	2.83
Total	47.98	43.12
Repairs & Maintenance Expenses on:		
Building	320.43	307.35
Machinery	18.29	6.99
Others	193.94	211.03
Total	532.66	525.37
Bad Debts/Irrecoverable Advance Written Off:		
Bad Debts Written Off	457.26	837.51
Irrecoverable Advances Written Off	0.00	0.00
Losses Written Off	144.38	205.93
Less: Contra Adjustment to Losses Written Off	144.38	205.93
Total	457.26	837.51
Expenses on Marketing Assistance Scheme:		
Participation in Domestic Exhibitions	1051.21	468.50
Participation in International Exhibitions	548.76	158.23
Organization of Domestic Exhibitions	104.58	129.20
Organization of Techmart	0.00	71.61
Organization of International Level Exhibitions	78.26	69.79
Co-sponsoring of Exhibitions	133.94	2.00
Buyer-Seller Meets	14.96	16.74
Marketing Campaigns/Workshop	77.56	42.72
Other Marketing Activities	154.57	50.69
Total	2163.84	1009.48
Training Expenses		
Training Expenses Internal	374.21	371.20
Training Expenses - Sponsored	148.35	213.88
Training Expenses - Personal	46.40	59.96
Training Expenses - Others	44.43	32.97
Total	613.39	678.01

NOTE - 31 PRIOR PERIOD ADJUSTMENTS (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.17		For the Year Ending 31.03.16	
Income				
Interest and Service Charges	10.14		0.54	
Other Income	0.00	10.14	(8.18)	(7.64)
Expenditure				
Interest	0.00		16.47	
Other Expenses	25.96	25.96	8.73	25.20
As per Statement of Profit and Loss		(15.82)		(32.84)

NOTE - 32 TAX EXPENSE (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.17		For the Year Ending 31.03.16	
Provisions for Current Tax				
Provision for Current Tax	6100.00		6000.00	
Provision for Deferred Tax	(219.25)	5880.75	(463.05)	5536.95
Adjustment for Previous Year Taxes				
Provision for Tax	(13.43)		11.98	
Provision for Deferred Tax	0.00	(13.43)	0.00	11.98
As per Statement of Profit and Loss		5867.32		5548.93

NOTE - 33 EARNINGS PER EQUITY SHARE (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.17	For the Year Ending 31.03.16
Weighted Average Number of Shares Outstanding (No.)	53298800	53298800
Net Profit / (Loss) after tax as per Statement of Profit & Loss (₹)	10639.84	10146.44
E.P.S (Basic & Diluted) (₹) (Face value of share. ₹100/-)	19.96	19.04

NOTE - 34 CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.17	For the Year Ending 31.03.16
Contingent Liabilities:		
Claims against the Corporation not acknowledged as Debts	165.13	218.47
Disputed Income Tax, Interest Tax, Sales Tax, Trade Tax demand	1082.19	842.87
Other money for which the Corporation is contingently liable	387.33	559.17
As per Statement of Profit and Loss	1634.65	1620.51
Commitments:		
Estimated amount of Contracts remaining to be executed on Capital account and not provided for (net of advances)	5414.62	8880.97
Uncalled Liability on shares and other investments partly paid.	0.00	0.00
Other Commitments	0.00	0.00
As per Statement of Profit and Loss	5414.62	8880.97

NOTE - 35 Additional notes forming an integral part of the financial statements for the year ended 31st March, 2017.

1. Letters seeking confirmation for year-end outstanding balances have been sent to most of the trade receivables, creditors, contractors' advances, deposits, borrowers etc. (except in cases where recovery certificate has been issued and / or under litigation). The year-end outstanding balance reconciliations with the units is carried out as an ongoing process. Confirmations in few cases are awaited. In the opinion of the management, the impact of it is not significant.
2. The title deeds in respect of following properties have not been executed in favour of the Corporation:

(₹ in Lakh)

S. No	Particulars of the Property	Area	As At 31.03.2017	As At 31.03.2016
1	Land at Technical Centre Howrah	49.94 acres	1.60	1.60
2	Flats at Branch Office Mumbai	3660.00 sqft.	*6.06	*6.25

* Figures are written down values as on date.

3. The provision for exchange variation losses for loans under KFW credit lines have been created as per the terms and conditions of the loan agreements:
 - a) The provisions of ₹232.70 lakh (₹244.32 lakh) created during the year under XIth line of credit has been utilized for meeting exchange variation losses of ₹ Nil (₹244.32 lakh) and the balance of ₹232.70 lakh (₹ Nil) has been written back since utilized for the promotional activities.
 - b) The provision for exchange variation losses for loans under KFW credit line XIIth has been created as per the loan agreement. Under KFW XIIth line of credit, out of the provision for exchange variation created during the year, 80% of the provision is to be utilized for meeting

exchange variation losses and the balance left out, if any, is to be retained to meet out the exchange variation losses in future.

Accordingly, total provisions amounting to ₹279.29 lakh (₹ 296.84 lakh) have been made during the year for exchange variation under XIIth line of credit, out of which ₹Nil (₹237.47 lakh) has been utilized against exchange variation loss during the year and balance 20% i.e. ₹55.86 lakh (₹59.37 lakh) has been utilized for promotional purposes as per terms and conditions of the loan agreement.

During the year, the exchange variation loss was ₹ Nil (₹253.80 lakh) which has been adjusted from 80% provision i.e ₹ Nil (₹237.47 lakh) and balance ₹Nil (₹16.33 lakh) has been adjusted from the provision for exchange variation losses made in the past years. The cumulative retained provision on this account as on 31.03.2017 is ₹1664.59 lakh including provision of ₹223.43 lakh for the year (₹1441.16 lakh) to meet out exchange variation losses in future.

4. Trade Receivables and Loans & Advances (relating to Hire Purchase, Equipment Leasing, Marketing, Raw Material Assistance, Bills Discounting, Composite Term Loan, Term Loan, etc.) amounting to ₹321253.99 lakh (₹332116.66 lakh) comprising of receivables and advances (backed with the security of BG and amounts payable to suppliers and / or recoverable from Government Department / PSUs) amounting to ₹308762.88 lakh (₹320255.70 lakh) on which provisions are not required to be made as per provisioning norms duly approved by the Board of Directors. Against the remaining amount of ₹12491.11 lakh (₹11860.96 lakh), provision of ₹11073.08 lakh (₹10405.49 lakh) has been made for doubtful receivables and loans & advances in line with the norms approved by the Board.
5. (a) During the month of June 2016, 7 cases of forged Bank Guarantees (BGs) amounting to ₹1600 lakh was detected at BO Abdul Hamid Street and BO Salt Lake, located in Kolkata.

Immediately, complaints were lodged with CBI, Kolkata. However, 100% provision has been made for the outstanding dues amounting to ₹1473 lakh (including provision of ₹207 lakh made last year).

(b) Thereafter, on obtaining re-confirmation of BGs, held by all offices of the Corporation, from the BG issuing banks and their respective Zonal / Controlling offices, United Bank of India (UBI) branches at Jadvapur Vidyapeeth and Hazra Road had informed that in 61 cases involving total BGs of ₹17350 lakh, the BGs had either been invoked (55 cases worth ₹15550 lakh) or not issued by the Banks (6 cases worth ₹1800 lakh). In all these cases, the original BGs issued by the banks were lying in the safe custody of NSIC's BO Abdul Hamid Street, BO Salt Lake, BO Durgapur & NTSC Howrah and had not been invoked by them.

Immediately on noticing the aforesaid irregularities FIR was lodged on 26.07.2016 with the Officer in Charge, Bidhan Nagar North Police Station, Salt Lake, Kolkata and the case was transferred to CID Kolkata, West Bengal. The case is under investigation covering such cases amounting to ₹17350 lakh in respect of four offices of NSIC viz. Branch Offices at Abdul Hamid Street, Kolkata (₹ 7850 lakh), Salt Lake (₹ 6300 lakh), Durgapur (₹2700 lakh) and NTSC Howrah (₹500 lakh).

NSIC, which was in possession of original BGs, lodged invocation claim in July 2016, in the aforesaid 61 cases valuing ₹17350 lakh with UBI. However, UBI has not responded in any manner on these claims so far.

The CID, as a part of their investigation, also referred the original BGs and related documents, seized from NSIC and UBI offices to their forensic lab (i.e. QDEB-Questioned Documents Examination Bureau) for examination. The findings of QDEB have been informed to the Hon'ble court by CID, which corroborates NSIC's claim of holding original bank guarantees in all cases valuing ₹17350 lakh.

In view of the above, outstanding balance of ₹17057.38 lakh against these BGs has been

considered good. Hence, no provision has been made there against.

(c) In other 16 cases, where UBI had reconfirmed the issuance and validity of BGs valuing ₹ 4800 lakh, the invocation claim thereof was lodged by NSIC in July & August, 2016 and UBI has released payment there against on 10.04.2017.

(d) Further, during the process of obtaining reconfirmation, it has been found in case of one unit at NSIC BO Ghaziabad that the bank guarantees of ₹ 500 lakh reported to have not been issued by the branch of Bank of Baroda. 100% provision of ₹447.30 lakh has been made for the amount receivable from the unit, after adjusting amount received during May, 2017. This case is under investigation of CBI.

6. In compliance of section 45-1A of Reserve Bank of India Act 1934, the Corporation has been granted Certificate of Registration no. N.14.03090 dated 29.12.2005 to commence/ carry on the business of non-banking financial institution. However, in view of RBI circular No. DNBR (PD) CC No.043/03.10.119/2015-16 dated 1st July, 2015, the Corporation, being a Government of India Enterprise, has been exempted from compliance of RBI Prudential Norms relating to NBFCs.
7. During the year, the Corporation has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small and Medium Enterprises (MSME). Consequently, the amount paid / payable including interest, if any, to such units during the year is ₹Nil.
8. Provision for current tax has been made as per the provisions of the Income Tax Act 1961. The Corporation has recorded net deferred tax assets arising on account of timing differences as stipulated in Accounting Standard-22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. The net deferred tax assets comprise of the following:

(₹ in lakh)

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
(i)	Deferred Tax Liabilities		
	<i>Related to timing difference on depreciation of fixed assets</i>	(729.06)	(650.26)
	Sub Total	(729.06)	(650.26)
(ii)	Deferred Tax Assets		
	a. <i>Provision for Doubtful Debts</i>	3940.86	3721.94
	b. <i>Employees Benefits</i>	2235.93	2156.80
	Sub Total	6176.79	5878.74
	Deferred Tax Assets (Net)	5447.73	5228.48

9. In accordance with the guidelines of Department of Public Enterprises, ad-hoc provision on account of Performance Related Pay (PRP) for the year 2016-17 amounting to ₹ 549 lakh (₹ 749 lakh) has been made.
10. During the year, no provision has been made for any loss on account of impairment of assets under Accounting Standard (AS)-28 as there is no indication of any impairment of assets of the Corporation, on the basis of the Corporation as a whole, as a Cash Generating Unit (CGU).
11. Risk fund has been created at 0.35% (0.30%) of the outstanding at the end of financial year under the schemes of Raw Material Assistance & Bill Discounting (secured by Bank Guarantee), Trade Receivables-Marketing (from Central & State Government, Government Institutions /Companies/ Departments/ Bodies) and Term Loan (secured by EMD) by appropriation of the profit of ₹343.69 lakh. In addition, interest and service charges amounting to ₹140.40 lakh on the amount of fund at beginning of the year is plough back by charging from the interest income under Revenue from Operations (Note 21) of Statement of Profit & Loss for the year.
12. As approved by the Ministry vide letter dated 2.12.2016, Corpus for medical schemes have been created of ₹ 235.42 lakh for the employees retired prior to 1.1.2007 and of

₹95.48 lakh for the employees retired on or after 1.1.2007, in accordance to the DPE's guidelines. These corpus have been utilized for the payment of premium to the extent of ₹68.58 lakh and ₹20.48 lakh respectively.

13. Department of Public Enterprise (DPE), Ministry of Heavy Industries and Public Enterprise has circulated guidelines regarding pay revision of Board level and below Board level and non-unionized supervisors of CPSEs w.e.f. 01.01.2017 vide OM W-02/0028/2017-DPE (WC)-GL-XIII/17 dated 03.08.2017. Further action on the matter shall be taken only after approval of the Administrative Ministry and issue of presidential directive, on the proposal to be sent to the Ministry with the recommendation of the Board, in line with the para 18 of DPE's circular.
14. In compliance with the provisions of Accounting Standard 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the required disclosure in respect of details of additions, reversals and utilizations of provisions for Employee Benefits, for the Financial Year ended 31.03.2017 is as given below: -

(₹ in lakh)

Particulars	Opening Balance as on 01.04.2016	Additions (+)/Write Back (-)	Utilization	Closing Balance as on 31.03.2017
<i>For Gratuity</i>	3722.21	442.48	379.93	3784.77
<i>For Leave Encashment</i>	2122.94	527.53	368.77	2281.70
<i>For Leave Travel Concession</i>	0.77	0.07	0.00	0.84
<i>For Half Pay Leave</i>	382.24	29.91	22.79	389.36
<i>For TA on Retirement</i>	3.57	0.46	0.32	3.70
Total	6231.73	1000.45	771.81	6460.37

15. EMPLOYEE BENEFITS:

- a. Provisions and contribution towards Employee Benefits which inter-alia includes Short-Term benefits, post-retirement benefits, Other Long-Term benefits and Termination benefits are made based on actuarial valuation performed by the independent actuary and are charged to Statement of Profit and Loss.

- b. General description of type of plan w.r.t various employee benefit schemes is as under: The Corporation provides for liability on account of provisions for terminal benefits in the form of gratuity, leave encashment, sick leave, TA on retirement and LTC for CDA employees, being payable by the Corporation to its employees as "Post-employment benefit plans" under "Defined Benefit Plan" in terms of disclosure requirement as per para 120 (b) under the provision of Accounting Standard-15 on Employee Benefits (Revised 2005)"
- c. The projected unit credit (PUC) actuarial method is used to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawals (Resignations /

Terminations). Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active member of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

Accordingly, disclosure under the provision of Accounting Standard 15 on "Employee Benefits (Revised 2005)" for the Financial Year ended 31.03.2017 is given below: -

I) Principal actuarial assumption at the Balance Sheet date. (Expressed as weighted average)

Particulars	Current Year	Previous Year
Method Used	Projected Unit Credit Method	Projected Unit Credit Method
Discount Rate	7.50%	8.00%
Expected Rate of Return on Plan Asset	0	0
Future Salary Increase	5.50	5.50
Mortality Rate	IALM (2006-08)	IALM (2006-08)
Ages		
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

II) Changes in the present value of the obligations

(₹ in lakh)

S. No.	Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
a)	Present value of obligation as at the beginning of the period	CY	3722.21	2122.94	382.24	3.56	0.77
		PY	3652.42	2069.05	313.60	3.48	1.58
b)	Acquisition adjustment	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
c)	Interest cost	CY	297.78	169.84	30.58	0.29	0.06
		PY	310.46	175.87	26.66	0.30	0.13
d)	Past service cost	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
e)	Current service cost	CY	182.07	150.23	37.72	0.18	0.02
		PY	174.12	125.55	31.85	0.17	0.02
f)	Curtailment cost/(Credit)	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
g)	Settlement cost/(Credit)	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00

h)	Benefits paid	CY	-373.20	-368.04	-21.70	-0.32	0.00
		PY	-337.87	-345.97	-20.98	-1.08	0.00
i)	Actuarial (gain)/loss on obligation	CY	-44.09	206.73	-39.48	0.00	-0.01
		PY	-76.92	98.44	31.12	0.70	-0.96
j)	Present value of obligation as at the end of period	CY	3784.76	2281.70	389.36	3.70	0.84
		PY	3722.21	2122.94	382.24	3.56	0.77

III) Amount recognized in Balance Sheet

(₹ in lakh)

S.No.	Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
a)	Present value of obligation as at 31.03.2017 - (i)	CY	3784.76	2281.70	389.36	3.70	0.84
		PY	3722.21	2122.94	382.24	3.56	0.77
b)	Fair value of plan assets as at 31.03.2017 - (ii)	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
c)	Difference (ii) - (i)	CY	-3784.76	-2281.70	-389.36	-3.70	-0.84
		PY	-3722.21	-2122.94	-382.24	-3.56	-0.77
d)	Net asset/(liability) recognized in the Balance Sheet	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
e)	Net asset/(liability) recognized in the Balance Sheet	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
f)	Net asset/(liability) recognized in the Balance Sheet	CY	-3784.76	-2281.70	-389.36	-3.70	-0.84
		PY	-3722.21	-2122.94	-382.24	-3.56	-0.77

IV) Expenses recognized in Statement of Profit and Loss

(₹ in lakh)

S.No.	Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
a)	Current service cost	CY	182.07	150.23	37.72	0.18	0.02
		PY	174.12	125.55	31.85	0.17	0.02
b)	Past service cost	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
c)	Interest cost	CY	297.78	169.84	30.58	0.29	0.06
		PY	310.46	175.87	26.66	0.30	0.13
d)	Expected return on plan assets	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
e)	Curtailment cost / (Credit)	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
f)	Settlement cost / (Credit)	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
g)	Net actuarial (gain) / loss recognized in the period	CY	-44.09	206.73	-39.48	0.00	-0.01
		PY	-76.92	98.44	31.12	0.70	-0.96
h)	Expenses recognized in the statement of profit & loss	CY	435.76	526.80	28.82	0.46	0.07
		PY	407.66	399.87	89.62	1.16	-0.81

V) Comparative Data of last five years

(₹ in lakh)

S.No.	Particulars	Gratuity				
		31.03.13	31.03.14	31.03.15	31.03.16	31.03.17
a)	Defined benefit obligation at the end of period	3032.58	3450.28	3652.42	3722.21	3784.76
b)	Plan asset at the end of period	0.00	0.00	0.00	0.00	0.00
c)	Funded Status	-3032.58	-3450.28	-3652.42	-3722.21	-3784.76
d)	Experience adjustment on plan Liabilities (loss) / gain	-71.41	-159.01	51.62	74.11	161.31
e)	Experience adjustment on plan Assets (loss) / gain	0.00	0.00	0.00	0.00	0.00

(₹ in lakh)

S.No.	Particulars	EL				
		31.03.13	31.03.14	31.03.15	31.03.16	31.03.17
a)	Defined benefit obligation at the end of period	1663.98	1906.73	2069.05	2122.94	2281.70
b)	Plan asset at the end of period	0.00	0.00	0.00	0.00	0.00
c)	Funded Status	-1663.98	-1906.73	-2069.05	-2122.94	-2281.70
d)	Experience adjustment on plan Liabilities (loss) / gain	-142.88	-307.70	-46.26	-100.22	-127.57
e)	Experience adjustment on plan Assets (loss) / gain	0.00	0.00	0.00	0.00	0.00

(₹ in lakh)

S.No.	Particulars	Sick Leave				
		31.03.13	31.03.14	31.03.15	31.03.16	31.03.17
a)	Defined benefit obligation at the end of period	425.06	288.56	313.60	382.24	389.36
b)	Plan asset at the end of period	0.00	0.00	0.00	0.00	0.00
c)	Funded Status	-425.06	-288.56	-313.60	-382.24	-389.36
d)	Experience adjustment on plan Liabilities (loss) / gain	-176.35	179.60	12.94	-31.53	57.15
e)	Experience adjustment on plan Assets (loss) / gain	0.00	0.00	0.00	0.00	0.00

(₹ in lakh)

S.No.	Particulars	TA on Retirement				
		31.03.13	31.03.14	31.03.15	31.03.16	31.03.17
a)	Defined benefit obligation at the end of period	3.12	3.34	3.48	3.56	3.70
b)	Plan asset at the end of period	0.00	0.00	0.00	0.00	0.00
c)	Funded Status	-3.12	-3.34	-3.48	-3.56	-3.70
d)	Experience adjustment on plan Liabilities (loss) / gain	0.15	-0.19	0.30	-0.70	0.12
e)	Experience adjustment on plan Assets (loss) / gain	0.00	0.00	0.00	0.00	0.00

(₹ in lakh)

S.No.	Particulars	LTC				
		31.03.13	31.03.14	31.03.15	31.03.16	31.03.17
a)	Defined benefit obligation at the end of period	3.78	1.97	1.58	0.77	0.84
b)	Plan asset at the end of period	0.00	0.00	0.00	0.00	0.00
c)	Funded Status	-3.78	-1.97	-1.58	-0.77	-0.84
d)	Experience adjustment on plan Liabilities (loss) / gain	1.68	-1.77	0.60	0.96	0.02
e)	Experience adjustment on plan Assets (loss) / gain	0.00	0.00	0.00	0.00	0.00

VI) Based on actuarial certificates, the Corporation's best estimate of benefits expected to be paid during the annual period beginning after the balance sheet date.

Particulars	Amt in lakh
Gratuity	463.35
Earned Leave	402.96
Sick Leave	87.42
TA on Retirement	0.61
LTC	0.20

16. DISCLOSURE ON SPECIFIED BANK NOTES (SBNS):-

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amounts in ₹)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	1033500	187928	1221428
(+) Permitted receipts	118500	3119206	3237706
(-) Permitted payments	31000	1456267	1487267
(-) Amount deposited in banks	1121000	1562521	2683521
Closing cash in hand as on 30th December, 2016	0	288346	288346

* For the purpose of this clause 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

17. SEGMENT REPORTING: -

NSIC's activities are broadly classified into 'Promotional' and 'Commercial'. The 'Promotional' activities include the activities for which budgetary support is provided to the Corporation by the Government and / or its agencies. The schemes of 'Marketing Assistance Scheme for MSMEs', 'Performance & Credit Rating Scheme for micro and small enterprises', 'Assistance for Training to Institutions' and

'National Schedule Caste - Schedule Tribe Hub' etc., for which budgetary support has been provided to the Corporation get reflected under the 'Promotional' activity. The expenses towards organization / participation in exhibitions (both domestic and international), buyer sellers meet, intensive campaigns, other marketing support services (advertisement, publicity etc.), rating of MSEs and training expenses are met out of the budgetary support provided for the above schemes.

The 'Commercial' activities interalia include the activities whereby the Corporation provides 'Marketing', 'Credit', 'Technology' and 'other support' services to cater to the diverse needs of the MSMEs. The Corporation funds these 'Integrated' support services. In addition, activities not met out of the budgetary support but which are promotional in nature (since carried out with the intent to support the MSMEs) are merged with commercial activities as the expenses of such activities are borne by the Corporation. Accordingly, the activities of the Corporation have been divided into two segments namely "Commercial" & "Promotional".

The following table presents the revenue, profit/(loss), assets and liabilities information to the Business segments for the year ended 31st March, 2017 as required by AS-17 on "Segment Reporting" issued by the Institute of Chartered Accountant of India.

(₹ in Lakh)

Description	For the year ended 31.03.2017			For the year ended 31.03.2016		
A. Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial	Total
I. SEGMENT REVENUE						
a. Segment Revenue (including grant)	6677.68	232254.24	238931.92	5507.16	263036.54	268543.70
II. RESULTS						
a. Segment Results	0.00	10639.84	10639.84	0.00	10146.44	10146.44
b. Operating Profit before interest		36270.98	36270.98		37309.80	37309.80
c. VRS & prior period		15.82	15.82		32.84	32.84
d. Interest Paid		19748	19748		21581.59	21581.59
e. Exceptional items			0.00			0.00
f. Net Profit before Tax		16507.16	16507.16		15695.37	15695.37
g. Tax		5867.32	5867.32		5548.93	5548.93
h. Net Profit after Tax		10639.84	10639.84		10146.44	10146.44
III. ASSETS & LIABILITIES						
a. Segment Assets	1391.49	311814.77	313206.26	1414.97	322746.64	324161.61
b. Unallocated Assets			40061.27			31157.76
c. Total Assets	1391.49	311814.77	353267.53	1414.97	322746.64	355319.37
d. Segment Liabilities	6245.88	250096.84	256342.72	3237.65	263237.82	266475.47
e. Unallocated Liabilities			96924.81			88843.90
f. Total Liabilities	6245.88	250096.84	353267.53	1951.97	254738.02	355319.37
IV. OTHER INFORMATION						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	129.91	3692.47	3822.38	301.15	5287.74	5858.89
(b) Depreciation #	151.18	488.39	639.57	130.40	433.54	563.94
(c) Non-cash expenditure other than depreciation	0.00	457.49	457.49	0.00	922.67	922.67

The depreciation of promotion segment is charged to capital reserve.

18. RELATED PARTY DISCLOSURE: -

In compliance of Accounting Standard –18 on related party disclosures issued by the Institute of Chartered Accountants of India, the required information is given as under: -

a) Key Management Personnel

Shri Ravindra Nath [#]	Chairman-cum-Managing Director
Shri A K Mitta ^{##}	Director (Finance)
Shri P Udayakumar	Director (P&M)

[#] Acted as Director (Finance) in addition to charges of Chairman-cum-Managing Director during the period 01.04.2016 to 13.04.2016 and 29.08.2016 to 15.09.2016.

^{##} Appointed as Director (Finance) w.e.f 15.09.2016.

b) Transactions during the year with related parties

(₹ in Lakh)

1.	Expenditure	Key Management Personnel		Relative of Key Management Personnel	
		2016-17	2015-16	2016-17	2015-16
a	Salaries	67.19	44.34	--	--
b	Leave/ LTC Encashment	3.48	--	--	--
c	Provident Fund Contribution	6.04	4.65	--	--
d	Contribution to Pension Scheme	5.10	3.87	--	--
e	Others	49.21	42.55	--	--
2.	Loan & interest outstanding	--	--	--	--

19. All amounts are in ₹ lakh, unless otherwise stated.

20. Figures in brackets in the notes to the financial statements represent previous year's figures.

21. Previous year figures have been regrouped, rearranged and recast, wherever necessary.

SCHEDULE - N05 ADDITIONAL INFORMATION

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Expenditure in Foreign Currency		
On account of repayment of principal of loans from Kreditanstalt, West Germany (KFW)	254.00	248.49
On account of Interest		
On loans from Kreditanstalt, West Germany	36.78	37.60
On loans from Casa Depositi E Prestiti, Italy (earlier Artigiancassa SPA Italy)	3.58	3.66
On Account of Foreign Tours	78.01	32.54
Others (On Behalf of MSME Units)	127.20	84.03
Remittance to Foreign Offices for expenses	46.47	45.41
Earning in Foreign Exchange		
Export of Goods (On F.O.B. Basis)	36.82	0.00
Sale of Services	0.00	32.64

The National Small Industries Corporation Limited

(CIN No. : U74140DL1955GOI002481)

CASH FLOW STATEMENT ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.03.2017

(₹ in Lakh)

Particulars	As At 31.03.17	As At 31.03.16
Net Profit/Loss before Tax	16507.16	15695.37
Depreciation	488.39	433.54
Lease Terminal Adjustment	(0.37)	(0.50)
Provisions	1012.54	1612.53
Profit/Gain on Assets Disposed off (Net)	(4.84)	(3.99)
Gain on Sale of Investments	(9.08)	0
Interest On Short/Fixed Term Deposit	(3.04)	(54.15)
Interest Accrued but not due on Borrowings	16.02	28.17
Operating Cash Flows Before Working Capital Changes	18006.78	17710.97
Adjustment for Working Capital Changes:		
Inventories	(603.33)	(23.47)
Trade Advances & Receivables	16754.84	(20203.19)
Current Liabilities & Provisions	(1151.44)	(2335.40)
Unamortized Expenditure	0	0
Cash Flow before Tax & Extra Ordinary Items	33006.85	(4851.09)
Taxes	(5702.17)	(5681.73)
Net Operating Cash Flow (A)	27304.68	(10532.82)
Cash Flow from Investing Activities:		
Sale Proceeds of Assets Disposed off	9.90	10.34
Sale Proceeds of Investments	9.32	0
Increase in Fixed Assets and Capital W.I.P.	(3814.64)	(5588.78)
Fixed Assets (out of Grant)	129.91	301.14
Interest on Short/Fixed Terms Deposits	3.04	54.15
Net Investing Cash Flow (B)	(3662.47)	(5223.15)
Cash Flow from Financing Activities:		
Proceeds from Issuance of Share Capital	0	0
Net Increase/ (Decrease) in Other Borrowings	(15145.36)	(16787.38)
Dividend Paid	(3496.48)	(2048.70)
Interest Paid	0	0
Net Financing Cash Flow (C)	(18641.84)	14738.68
Net Cash Flow From Operating Activities (A)	27304.68	(10532.82)
Net Cash Flow from Investing Activities (B)	(3662.47)	(5223.15)
Net Cash Flow from Financing Activities (C)	(18641.84)	14738.68
Net Changes in Cash & Cash Equivalents (D=A+B+C)	5000.37	(1017.29)
Add.: Cash & Cash Equivalents-Opening Balances	4512.40	5529.69
Cash & Cash Equivalents-Closing Balance (F=D+E)	9512.77	4512.40

Note:

- The above Cash Flow statement has been prepared by using the Indirect Method as per Accounting Standard (AS)-3 Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents consists of cash and other bank balance and deposits with bank.
- Previous year's figures have been regrouped / rearranged wherever necessary
- Cash and Cash Equivalents includes deposits as security with Government Authorities.
- The net profit before tax is after considering expenses on Corporate Social Responsibility of Rs.273.79 lacs (Rs.249 lacs).

Statement of Accounting Policies and Notes on Accounts form an integral part of Financial Statements

As per our report of even date attached.

For K.G.Somani & Co.

Chartered Accountants

Sd/-
Bhuvnesh Maheshwari
Partner

Membership No. : 088155
Firm Reg. No. : 006591N
Place : New Delhi
Date: : 28.08.2017

For and on behalf of Board of Directors

Sd/-
A.K.Mittal
Director (Finance)
[DIN : 07625711]

Sd/-
Gaurang Dixit
Chief General Manager (Finance)

Sd/-
Ravindra Nath
Chairman-cum-Managing Director
[DIN : 02815496]

Sd/-
Nishtha Goyal
Company Secretary
[Membership No. : A 22768]

The National Small Industries Corporation Limited

(CIN No. : U74140DL1955GOI002481)

STATEMENT OF PROFIT AND LOSS ACCOUNT (COMMERCIAL) FOR THE YEAR ENDED 31.03.2017

(₹ in Lakh)

Particulars	Note No.	For the Year Ending 31.03.17	For the Year Ending 31.03.16
A Revenue			
Revenue from Operations	21	230967.09	262696.29
[Include Processing Fee/Service Charges earned of ₹ 5493.60 lakh (₹ 5497.53 lakh) for value of goods handled and services rendered ₹ 1829719.92 lakh (₹ 1860829.91 lakh)]			
Other Income	22	1287.15	340.25
Total Revenue		232254.24	263036.54
B Expenses			
Purchase of Stock-in-Trade	24	179530.25	207253.10
Changes in Inventories	25	(652.15)	2.97
Employee Benefit Expenses	26	9276.02	9298.11
Finance Costs	27	19748.00	21581.59
Depreciation and Amortization Expenses	28	488.39	433.55
Expenses on Corporate Social Responsibility	29	273.78	249.00
Other Expenses	30	7066.96	8490.03
Total Expenses		215731.24	247308.34
Profit before Prior Period Adjustments, Exceptional Items, Extraordinary Items and Tax		16522.98	15728.21
Exceptional Items		0	0
Profit before Prior Period Adjustments, Extraordinary Items and Tax		16522.98	15728.21
Extraordinary Items		0	0
Profit before Prior Period Adjustments and Tax		16522.98	15728.21
Prior Period Adjustments	31	15.82	32.84
Profit before tax		16507.16	15695.37
Tax Expense	32		
(i) Current Tax		6100.00	6000.00
(ii) Deferred Tax		(219.25)	(463.05)
(iii) Earlier Years		(13.43)	11.98
Total Tax Expense		5867.32	5548.93
Profit (Loss) after Tax for the Period		10639.84	10146.44
Earnings per Equity Share			
Basic/Diluted	33	19.96	19.04
Capital Commitments	34	5414.62	8880.97
Contingent Liabilities	34	1634.65	1620.51

Statement of Accounting Policies and Notes on Accounts form an integral part of Financial Statements

As per our report of even date attached.

For K.G.Somani & Co.

Chartered Accountants

For and on behalf of Board of Directors

Sd/-
Bhuvnesh Maheshwari
Partner

Membership No. : 088155
Firm Reg. No. : 006591N
Place : New Delhi
Date: : 28.08.2017

Sd/-
A.K.Mittal
Director (Finance)
[DIN : 07625711]

Sd/-
Gaurang Dixit
Chief General Manager (Finance)

Sd/-
Ravindra Nath
Chairman-cum-Managing Director
[DIN : 02815496]

Sd/-
Nishtha Goyal
Company Secretary
[Membership No. : A 22768]

The National Small Industries Corporation Limited

CIN No. : U74140DL1955GOI002481

STATEMENT OF INCOME AND EXPENDITURE (PROMOTIONAL) FOR THE YEAR ENDED 31.03.2017

(₹ in Lakh)

Particulars	Note No.	For the Year Ending 31.03.17	For the Year Ending 31.03.16
A Revenue			
Revenue from Operations	21	220.11	166.71
Other Income	22	0.00	50.98
Grants and Subsidies	23	6457.57	5289.47
Total Revenue		6677.68	5507.16
B Expenses			
Employee Benefit Expenses	26	541.87	404.90
Depreciation and Amortization Expenses	28	0.00	0.00
Other Expenses	30	6135.81	5102.26
Total Expenses		6677.68	5507.16
Profit before Prior Period Adjustments, Exceptional Items, Extraordinary Items and Tax		0.00	0.00
Exceptional Items		0.00	0.00
Profit before Prior Period Adjustments, Extraordinary Items and Tax		0.00	0.00
Extraordinary Items		0.00	0.00
Profit before Prior Period Adjustments and Tax		0.00	0.00
Prior Period Adjustments		0.00	0.00
Profit before tax		0.00	0.00
Tax Expense		0.00	0.00
Net Income /(Expenditure)		0.00	0.00

Statement of Accounting Policies and Notes on Accounts form an integral part of Financial Statements

As per our report of even date attached.

For K.G.Somani & Co.

Chartered Accountants

Sd/-
Bhuvnesh Maheshwari
Partner

Membership No. : 088155
Firm Reg. No. : 006591N
Place : New Delhi
Date: : 28.08.2017

For and on behalf of Board of Directors

Sd/-
A.K.Mittal
Director (Finance)
[DIN : 07625711]

Sd/-
Gaurang Dixit
Chief General Manager (Finance)

Sd/-
Ravindra Nath
Chairman-cum-Managing Director
[DIN : 02815496]

Sd/-
Nishtha Goyal
Company Secretary
[Membership No. : A 22768]

THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED
(A GOVERNMENT OF INDIA ENTERPRISE)
"NSIC Bhawan", Okhla Industrial Estate, New Delhi-110 020, India

E-mail: info@nsic.co.in, Website: www.nsic.co.in, www.msmemart.com, www.msmeshopping.com

North- I

NSIC Limited,
C-41, Sector - 58, NOIDA (U.P)

Noida

NSIC Limited, Branch Office,
III-B/118, Sector – 18 Shopping
Complex,
Noida - 201301, (Uttar Pradesh)

Sahibabad

NSIC Limited, Branch Office
Office No. 05, 1st Floor,
Mahaluxmi Metro Tower,
C-1, C-2, Sector-4,
Vaishali, Ghaziabad-201002
(U.P.)

Meerut

NSIC Limited, Sub Branch
Meerut

Dehradun

NSIC Limited, Branch Office,
Near Sabji Mandi, Niranjanpur,
Saharanpur Road,
Dehradun-248001

Kashipur

Sub Branch
B-1, B-5, Industrial Estate,
Bazpur Road, Kashipur
(Uttaranchal)

Agra

NSIC Limited, Branch Office,
307/T-6, 3rd Floor,
Maruti Plaza,
(behind Sanjay Talkies)
Sanjay Place,
Agra – 282 002

Varanasi

NSIC Ltd, Branch Office
Mansarovar Complex,
C-30/35-B, 2nd Floor,
Maldhaiya,
Varanasi – 221001,
Uttar Pradesh

Kanpur

NSIC Limited, Branch Office
112 / 1, IInd Floor
Benajhabar Road
Kanpur 208 001

Gorakhpur

Sub Branch
DIC Campus, Gorakhnath
Industrial Estate,
Gorakhpur – 273 015 (Uttar
Pradesh)

Naini (Allahabad)

NSIC Limited, Branch Office
Industrial Estate,
P.O. Udyog Nagar
Naini, Allahabad-211 009 (Uttar
Pradesh)

Lucknow

NSIC Limited, Branch Office.
503, 5th Floor, Shriram Tower,
13, Ashok Marg,
Lucknow-226001

North- II

NSIC Limited, Branch Office
Guru Gobind Singh Tower, Near
Dholewal chowk
G T Road- Ludhiana 141 003
(Punjab)

Ludhiana (Punjab)

NSIC Limited, Branch Office
Guru Gobind Singh Tower, Near
Dholewal chowk
G T road- Ludhiana 141 003
(Punjab)

Mandi Gobindgarh (Punjab)

NSIC Limited Sub Branch
Mandi Gobindgarh (Punjab)
Mandi (Himachal Pradesh)
NSIC Limited
Sub Branch, Mandi,
(Operate from premise of
Training Centre Mandi)

Sangrur (Punjab)

NSIC Ltd., Sub Branch,
Red Cross Building, Near
Ranbir Club,
Sangrur-148001

Chandigarh

NSIC Limited, Branch Office
SCO - 378, 2nd Floor,
Sector-32, D, Chandigarh

Baddi (Himachal Pradesh)

NSIC Limited, Sub Branch,
Baddi, Himachal Pradesh

Ambala (Haryana)

NSIC Limited, Branch Office
IDDC Complex, Staff Road,
Ambala Cantt. 133001
(Haryana)

Panipat (Haryana)

NSIC Limited, Sub Branch
Shop Cum Office (SCO),
11-12, Gaushala Mandi,
G.T. Road, Panipat -132103
(Haryana)

Jalandhar (Punjab)

NSIC Limited, Branch Office
First Floor, SS Arcade
B-1-823/4, Tanda Road,
Opp. KMV College
Jalandhar – 144004
(Punjab)

Jammu

Sub Branch
Jammu (J&K)

Damtal

Sub Branch
Damtal, Teh. Indora, Distt.
Kangra (H.P.)

Sub Branch

Amritsar (Punjab)

NCR Zone

NSIC Limited,
C-60 & 64,
Flatted Factory Complex,
Jhandewalan,
New Delhi - 110055

Delhi

NSIC Limited
NTSC Complex,
Near Chandiwalla Hospital,
Okhla Ind. Estate,
New Delhi-20

Gurgaon

NSIC Limited,
Branch Office,
No.9, 2nd Floor,
Aap Ka City Plaza,
Near Hotel Park Inn,
Civil Lines,
Gurgaon -122 001 (Haryana)

Faridabad

NSIC Limited, Branch Office
Plot No.107, Nissan Hut,
NH-5, Railway Road
Faridabad – 121 001
(Haryana)

Jahangirpuri

NSIC Limited, Branch Office
516-517, 5th Floor,
Laxmi Tower,
Azdapur Commercial Complex,
Azadpur,
Delhi-110 033

Wazirpur

NSIC Limited, Branch Office
478 & 479, Aggarwal Millennium
Tower II,
Netaji Subhash Place,
Near Wazirpur Bus Depot,
Delhi-110034.

Jhandewalan

NSIC Limited, Sub Branch
C-60 & 64,
Flatted Factory Complex,
Jhandewalan,
New Delhi - 110055

Bahadurgarh

NSIC Limited, Branch Office,
Z-99, First Floor, Mama Chowk,
M.I.E. Part-A,
Opp: Frontier Biscuit Factory,
Delhi Rohtak Road,
Bahadurgarh – 124 507
(Haryana)

Naraina, New Delhi

NSIC Limited, Branch Office,
CB-326, 2nd Floor,
Ring Road, Naraina,
New Delhi – 110028

ZGM- South - III

NSIC Limited,
New No 422(Old No 615), Anna
Salai, Chennai – 600006,
(Tamil Nadu)

Chennai

NSIC Limited, Branch Office
New No 422(Old No 615),
Anna Salai,
Chennai – 600006,
(Tamil Nadu)

Chennai

NSIC Ltd
Godown, C/O NAFED
Warehousing Complex,
CMDA Truck Terminal,
Ponnammanmedu,
Madhavaram
Chennai - 600110

Madhavaram (Chennai)

NSIC Limited,
Sub Branch Office
NAFED Warehousing Complex,
CMDA Trusck Terminal,
Ponnammanmedu PO,
Madhavaram, Chennai-600110

Ambattur

NSIC Limited Branch Office
No.309, SIDCO-AIEMA Tower,
3rd Floor, Ist Main Road,
Ambattur Industrial estate,
Ambattur, Chennai 600058

Thirumazhisai

Sub Branch,
Thirumazhisai, Chennai

Perungundi

Sub Branch
Perungundi,
Chennai – 600 096

Guindy

NSIC Limited, Sub Branch
Guindy, Chennai - 600 032.

Pondicherry

NSIC Limited, Branch Office
Administrative Building,
Industrial Estate,
Thattanchavady,
Pondicherry-605009

Coimbatore

NSIC Limited,
Branch Office
1055 / 10 Gowtham Centre
Avinashi Road,
Coimbatore - 641 018
(Tamil Nadu)

Erode (Tamilnadu)

NSIC Limited,
Sub Branch,
C/o Erode District Small
Industries Association
No.5/1, SIDCO Industrial
Estate,
Chennimalai Road,
Erode-638001

Madurai

NSIC Limited, Branch Office
74, ADR Towers 1st Floor,
P.P.Chavadi, Kalavasal,
Theni Main Road,
Madurai - 625 016.

Trichy

NSIC Limited, Branch Office
No.10/1, 2nd Floor,
"Friends Plaza", Birds Road,
Cantonment, Trichy 620 001

ZGM, South- I

NSIC Limited, Branch Office,
No. 25, 1st Main Road, KSSIDC
Industrial Estate,
6th Block Rajajinagar,
Bangalore - 560010.

Bangalore

NSIC Limited, Branch Office,
No. 25, 1st Main Road, KSSIDC
Industrial Estate,
6th Block Rajajinagar,
Bangalore - 560010.

Belgaum

NSIC Ltd.
Plot No. 60, Anujay Building,
5th Cross,
Subhash-Chandra Nagar, Opp
Foundry Cluster Building, Near
Utsav Hotel,
Belgaum -590006.

Bengaluru

NSIC Limited,
Sub Branch
113/2-4, ISICOS Godown,
Rajajinagar Indl. Town
Bangalore - 560 044

Peenya

NSIC Limited, Branch Office
C-424, Peenya, 1st Stage,
Behind Peenya Police Station,
Bangalore-560 058.

Kolar

NSIC Technical Training Centre
Opposite to BSNL Office & Post
Office,
K.G.F-563 112, Kolar Dist,
Karnataka

Ranipet

NSIC Limited
Sub Branch Ranipet
(Tamilnadu)

Kochi (Cochin)

NSIC Limited, Branch Office
S - 67 GDCA Complex,
Marine Drive
Ernakulum, Kochi,
Cochin - 682031 (Kerala)

Trichur

Sub Branch
C/o MSMDI, Kanjani Road,
Trichur (Kerala)

Palakkad

Sub Branch
Palakkad (Kerala)
Sub Branch
Kottayam, Kerala

Trivendrum

Sub Branch
Trivendrum (Kerala)

South- II,

NSIC Limited,
203, Sri Dattasai Complex,
RTC Cross Roads,
Hyderabad-500 20 (Telangana)

Hyderabad

NSIC Limited, Branch Office
203, Sri Dattasai Complex,
RTC Cross Roads,
Hyderabad-500 020

Kompally, Hyderabad

NSIC Limited
Sub Branch,
Shed No.2, Sy.No.61/Part,
Splendid Aparna Meadows,
Quthbullapur (M),
Kompally (V), Medchal (Tq)(
Hyderabad-500 014

Chittoor

NSIC Limited
Sub Branch
Chittoor (Andhra Pradesh)

Balanagar

NSIC Ltd, Branch Office
Door No. 6-3-144 & 144/1,
Jahanara Kareem Complex,
3rd Floor, Balanagar,
Hyderabad - 500 037

Vijayawada

NSIC Limited, Branch Office
Door No.59A-8/8-6B/1,
3rd Floor, Main Road,
Guru Nanak Colony,
Krishna District,
Vijayawada-520 008)

Visakhapatnam

NSIC Limited, Branch Office
D.No.6-67-27/2/3,
Opp. Gajuwaka Police Station
Main Gate, Sramika Nagar,
Gajuwaka,
Visakhapatnam - 530026

East I- Zone

NSIC Limited, Branch Office
20-B, Abdul Hamid Street,
(7th Floor)
Kolkata - 700069,

Kolkata

NSIC Limited, Branch Office
20-B, Abdul Hamid Street,
(7th Floor)
Kolkata - 700069,

NSIC Godown (Agency sale)

Sub Branch
Dhulagarh Truck Terminal,
Godown No.45,
Dhulagarh, P.S. Sankrail,
Howrah (West Bengal)

Liluah (Howrah)

Sub Branch
Howrah (West Bengal)

Mechada

Sub Branch
Mechada (West Bengal)

Barasat

Sub Branch
Barasat (West Bengal)

Tikiapara

NSIC Limited, Sub Branch
35/4, Ichapur Road, Kadamtala,
Howrah – 711 104

Siliguri

NSIC Limited, Branch Office,
Siliguri Industrial Estate
Development Association,
Siliguri Industrial Estate,
Plot No.33,
2nd Mile, Sevoke Road,
Siliguri – 734001
(West Bengal)

Kolkata

NSIC Limited,
Legal & Recovery Cell
Kolkata

Kolkata (Salt Lake)

NSIC Limited, Branch Office
Branch Office,
AA-177, Salt Lake City,
Sector-I, Kolkata-700 064

Durgapur

NSIC Limited, Sub Branch
Chaitanya Complex Plot No.
CA-4, Phase II
Bengal Ambuja, City Centre ,
Durgapur, Pin : 713216

Patna

NSIC Limited, Branch Office
104, 1st Floor, Manna-Surti
Complex,
Doctor's Colony, Kankarbagh,
Patna 800 020 (Bihar)

East-II Zone

NSIC Limited, Branch Office
1st Floor, DIC Campus,
Rasulgarh Industrial Estate,
Bhubaneswar – 751 010
(Orissa)

Bhubaneswar

NSIC Limited, Branch Office
1st Floor, DIC Campus,
Rasulgarh Industrial Estate,
Bhubaneswar – 751 010
(Orissa)

Cuttack

Sub Branch
Link Road, Cuttack, -753012
(Orissa)

Berhampur

Sub Branch
Berhampur (Odisha)

Balasore

Sub Branch
Balasore (Odisha)

IMDC

NSIC Integrated Marketing
Development Centre (IMDC)
IDCO Plot No.6, Block D,
Macheswar Industrial Estate,
Bhubaneswar-751010

Rourkela

NSIC Limited, Branch Office
Plot no.JJJ-16, Civil Township,
Rourkela -769004 Dist
Sundargarh (Orissa)

Bolangir

Sub Branch
Bolangir (Odisha)

Jamshedpur

NSIC Limited, Branch Office
Flat No.A-2/1, 2nd Floor, Nirode
Apartment, L-Road,
P.O. & P.S. Bistupur,
Jamshedpur-831001
(Jharkhand)

Ranchi

NSIC Limited, Branch Office,
Udyog Bhawan,
Kokar Industrial Area,
Ranchi - 834001 (Jharkhand)

Bokaro

Sub Branch,
By-Pass Road Chas,
Bokaro (Jharkhand)

Dhanbad

Sub Branch,
Dhanbad (Jharkhand)

North East Zone

NSIC Limited
Bye Lane No.3,
Industrial Estate
Bamunimaidam,
Guwahati- 781021 (Assam)

Guwahati

NSIC Limited (Branch Office)
Bye Lane No.3, Industrial
Estate, Bamunimaidam,
Guwahati-781021 (Assam)

Tinsukia

Sub Branch
Tinsukia (Assam)

Agartala

Sub Branch
EDI Complex,
SOFED, Opp. I.T.I.,
Indra Nagar,
Agartala –799 006 (Tripura)

Imphal

Sub Branch
Uripok Achom Leikai,
Imphal-795 001 (Manipur)

Shillong

Sub Branch
MIDC Complex,
"Kismat", Upland Road,
Laitumkhrah
Shillong -793 003 (Meghalaya)

Naharlagun

Sub Branch
Naharlagun
(Arunachal Pradesh)

Dimapur

Sub Branch
Dimapur -797112 (Nagaland)

Aizawal

NSIC Limited,
C/o Directorate of Industries,
Khatla, Aizawal - 796 001
(Mizoram)

West Zone

NSIC Limited,
Office No. 505, 5th Floor
"Mittal Commercial Building",
Wing - B,
Village Marol, Off M.V. Road,
Andheri (E), Mumbai-400 059

WEST

NSIC Limited,
Mumbai
Navi Mumbai
NSIC Limited, Branch Office
P-104, MIDC Khairane,
TTC Indl. Area,
Koparkhairane,
Navi Mumbai-400710

Masjid, Mumbai

NSIC Limited, Sub Branch
1st Floor, Prestige Chambers,
Kalyan Street, Masjid (E),
Mumbai - 400009,
(Maharashtra)

Thane

Sub Branch,
Thane (W) Maharashtra

Bhiwandi

Sub Branch (NALCO Product)
Bhiwandi, Dist: Thane
(Maharashtra)

Baroda

Sub Branch (Zinc Product)
C/o Central Warehousing
Corporation, Near Ranoli
Flyover, Bridge, Karachiyya,
Vadodara-391350,

Tarapur

Sub Branch (Zinc Product)
N-14/2, Tarapur Indl. Estate,
MIDC, Taluka Boisar,
Kumbhavali, Tarapur,
Dist. Thane (Maharashtra)

Andheri, Mumbai

NSIC Limited, Branch Office,
3A, 3rd Floor, Gundecha
Onclave, Khairani Road,
Sakinaka, Andheri (E),
Mumbai - 400 072

Boisar

NSIC Limited, Sub Branch,
Survey No.68/1,
Varangade Village,
Boisar Chillar Road,
Boisar (W)

Vasai

NSIC Limited, Sub Branch,
C/o Gowalis Industrial
Association,
101-103, Indira Udyog Bhawan,
Golani Complex,
Waliv, Vasai (E) - 401 208

Nagpur

NSIC Limited, Branch Office
NDTA Complex, Block 9,
2nd Floor, Opp: Liberty Cinema,
Residence Road, Sadar
Nagpur- 440001 (Maharashtra)

Pune

NSIC Limited, Branch Office
C/o MSMEDI, Shankarshet
Road, Swargate, Janki Hall
Compound, Pune - 411037

Kolhapur

NSIC Limited, Sub Branch
C/o District Industries Centre,
Udyog Bhavan,
Near District Collector Office,
Kolhapur-416012

Aurangabad

NSIC Limited, Branch Office
C/o MASSIA, P-15, MIDC,
Waluj, More Chowk,
Aurangabad - 431136
(Maharashtra),

Raipur

NSIC Limited, Branch Office
204, IInd Floor, Block-A, Crystal
Arcade,
Near Lodhipara Chowk,
Shankar Nagar,
Raipur - 492 007 (Chattisgarh),

Jaipur

NSIC Limited, Branch Office
NF / 0 / 2 Nehru Place,
Tonk Road, Jaipur 302015
(Rajasthan)

Viswakarma Indl. Estate

(Jaipur)
NSIC Limited, Branch Office
513, Alankar Plaza,
Central Spine,
Vidyadhar Nagar,
Jaipur -302 023 (Rajasthan)

Pratap Nagar

NSIC Limited, Sub Branch
Pratap Nagar, Jaipur

Kota

NSIC Limited, Sub Branch
C/o The SSI Association,
Purusarath Bhawan,
Road No.5, IPIA, Kota
(Rajasthan)

Bagru

NSIC Limited,
Association Bhawan, Bagru
Industrial Association,
Bagru Extn., Bagru-303007
(Jaipur)

Bhiwadi

NSIC Limited, Branch Office
B-294, 295 (G), 1st Floor,
Manglam House,
RIICO Chowk
Bhiwadi – 301 019,

Silvassa

Sub Branch
Silvassa-396 230,
U.T. of Dadra & Nagar Haveli)

Goa

NSIC Ltd, Sub Branch
Shriji Complex, 4th floor, Near
Manoshanthi Hotel,
Dr. Dada Vaidhya Road,
Panaji – 403 001(Goa)
Telefax : 0832-2220540

Nasik

NSIC Ltd, Branch Office
Galla No 13 , 3rd Floor
Udyog Bhawan , MIDC , Satpur
Nasik -422007

Central Zone

NSIC Limited
202, 203, Samruddh Building
Opp. Gujarat High Court,
Ahmedabad – 380014

Ahmedabad

NSIC Limited, Branch Office
202, 203, Samruddh Building
Opp. Gujarat High Court,
Ahmedabad – 380014

Nadiad

Sub Branch
Nadiad (Gujarat)

Rajkot, NSIC Limited, Sub
Branch, Rajkot

Surat

NSIC Limited, Branch Office
404, Rajhans Building, Opp:
J.K. Tower,
Ring Road, Surat – 395 002
(Gujarat)

Indore

NSIC Limited, Branch Office
10, Pologround, Industrial
Estate,
INDORE (M.P.) - 452015

Gwalior

Sub Branch,
Gwalior, Madhya Pradesh

Bhopal

NSIC Limited, Branch Office
110, Malviya Nagar, Ist Floor,
Bhopal-462003, (Madhya
Pradesh)

Jabalpur

NSIC Limited, Sub Branch
Jabalpur
(Madhya Pradesh)

Silvassa

NSIC Limited, Branch Office
105-106, Hotel Viraj Building,
Opp. Gurudev Commercial
Complex, Off Sayli Road,
Silvassa – 396 230, (UT of
Dadar, Nagar & Haveli)

NTSCs,

Chennai
NSIC Technical Services Centre
Sector B-24, Guindy Industrial
Estate
Ekkaduthangal PO,
Chennai 600032 (Tamilnadu)

Howrah

NSIC Technical Services Centre
P.O. Balitikuri Distt Howrah 711
113 (West Bengal)

Hyderabad

NSIC Technical Services Centre
Kushaiguda, Kamalanagar,
ECIL (P.O.)
Hyderabad-500062 (Telengana)

Okhla, New Delhi

NSIC Technical Services Centre
Okhla Industrial Estate,
New Delhi 110020

Rajkot

NSIC Technical Services Centre
Bhav Nagar Road,
Aji Industrial Area,
Rajkot –360 003 (Gujarat)

Rajpura

NSIC Technical Services Centre
D-82 / 83, Focal Point
Old QME Building, Rajpura 140
401, (Punjab)

Aligarh

NSIC Technical Services Centre
A-1 Industrial Estate
Aligarh 202 001
(Uttar Pradesh)

Neemka, Faridabad

NSIC Technical Services
Centre,
Tigoan Road, Neemka,
Faridabad -121004 (Haryana)

EMDBP, Hyderabad

Exhibition cum Marketing
Development Business Park
Module No.207,
EMDBP Building,
ECIL P.O. Kamalanagar,
Kushaiguda
Hyderabad-500062
(Andhra Pradesh)

CTC Agra

NSIC Computer Training
Centre, C-15, 2nd floor, Above
Ganapati Hospital, Near Tulsi
Petrol Pump, Bhagwan Talkies,
N.H.-2, Bye Pass Road,
Agra-282002 (UP)

Training Centre, Mandi

NSIC Training Centre
1714/663, Village – Halel,
P.O. Kanaid,
Tehsil – Sundernagar,
Distt - Mandi
Himachal Pradesh) – 175 010,
Tel: 09816360071,

STP Chennai

NSIC Limited
STP Building, Sector B-24,
Guindy Industrial Estate,
Ekkaduthangal PO,
Chennai 600032 (Tamilnadu)

TIC Deoria

NSIC Training cum Incubation
Centre
Plot No. 18, Sonda Mauja, Near
Mandi Samiti
Deoria-274001, Uttar Pradesh

TIC, Kashipur

NSIC Training cum Incubation
Centre, B-5, Industrial Area,
Bazpur Road, Kashipur,
District – Udham Singh Nagar,
State – Uttrakhand

LBI- Nawada

Plot No. 1619, Gurudev Nagar
Near Govt. ITI, Gonava Road
Nawada, Bihar-805130

LBI-Naini

Industrial Estate,
Udyog Nagar, Naini
Allahabad, Uttar Pradesh
Ph.No.:0532-2697218, 2697050
Mobile: 9120588755

Overseas Office

Johannesburg (South Africa)
NSIC Limited
Unit W101A, First floor,
Maple Place (North),
Building 8, Western Woods
Office Park,
145 Western Service Road,
Woodmead, Sandton,
South Africa.

The National Small Industries Corporation Limited
(A Government of India Enterprise)
NSIC Bhavan, Okhla Industrial Estate
New Delhi – 110 020

Dated: 20th Sept., 2017

NOTICE

Notice is hereby given that 62nd Annual General Meeting of the Members of The National Small Industries Corporation Limited will be held on Friday the 29th September, 2017 at 3.00 p.m. at the Registered Office of the Corporation to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statement of the Company for the Financial Year ended 31st March, 2017 and Reports of the Board of Directors, Auditors' Report thereon along with Comptroller & Auditor General of India comments / observation, if any.
2. To declare dividend for the Financial Year ending 31st March, 2017.
- 3a) To enhance remuneration of Statutory & Branch Auditors for the financial year 2016-17.
To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-
“**RESOLVED THAT** the audit fee of Statutory and Branch Auditors be enhanced from ₹25,87,000/- to ₹30,92,000/- (excluding taxes as applicable) for the financial year 2016-17.
- 3b) To authorize the Board of Directors of the company in terms of the provisions of Section 142(1) of Companies Act, 2013 to fix remuneration of the Statutory & Branch Auditors of the Company appointed by Comptroller & Auditor General of India u/s 139(5) of the Companies Act, 2013 for the financial year 2017-18 and to pass the following resolution, with or without modification(s) as an **Ordinary Resolution**:
“**RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to decide and fix the remuneration of the Statutory & Branch Auditors of the Company appointed by Comptroller & Auditor General of India u/s 139(5) of the Companies Act, 2013 for the financial year 2017-18, as may be deemed fit by the Board.”

By Order of the Board
The National Small Industries Corporation Limited

Sd/-
(Nishtha Goyal)
Company Secretary

NOTE: -

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not to be a member of the Company.

VISION

To be a premier Organization fostering the growth of Micro, Small and Medium Enterprises (MSMEs) Sector.

MISSION

To promote and support Micro, Small and Medium Enterprises (MSMEs) Sector by providing integrated support services encompassing Marketing, Technology, Finance and other Services.