



66th Annual Report

2020 - 2021



Ms. Alka Nangia Arora and Ms. Mercy Epao being welcomed by the Board of Directors, NSIC

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The National Small Industries Corporation Limited

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CIN NO.: U74140DL1955GOI002481

Chairman-cum-Managing Director

Shri Vijayendra (upto 14th September, 2021)
Ms. Alka Nangia Arora (w.e.f. 14th September, 2021)

Directors

- Shri Rajib Kumar Sen, Government Nominee Director w.e.f. 22nd May, 2020
- Smt. Mercy Epao, Government Nominee Director w.e.f. 22nd Sept. 2021
- Shri P. Udayakumar, Director (Plg. & Mkg.)
- Shri Gaurang Dixit, Director (Finance)

Company Secretary

Ms. Nishtha Goyal

Statutory Auditors

M/s. Goyal Parul & Co., Chartered Accountants

Branch Auditors

S. No. Name of Auditors

1	M/s. Surender Kumar Jain & Associates, New Delhi
2	M/s. HS Ahuja & Co., New Delhi
3	M/s. Sushil Jeetpuria & Co. New Delhi
4	M/s. Vipin Om & Associates, Dehradun
5	M/s. Ved Mittal & Co., Agra
6	M/s. Atul K Agarwal & Co., Aligarh
7	M/s. Tandon Seth & Co., Kanpur
8	M/s. Goel Vinay & Associates, Allahabad
9	M/s. Rajnish Rajesh & Co., Chandigarh
10	M/s. Rajesh Mahajan & Co., Ludhiana
11	M/s. Ravi Puneet & Co., Jalandhar
12	M/s. BL Dusad & Co., Jaipur
13	M/s. Ramaswamy & Murali Associates, Chennai
14	M/s. C Jagatheesh & Co., Puducherry
15	M/s. VN Purohit & Co., Kolkata
16	M/s. HK Chandak & Co., Cuttack
17	M/s. Kadamwala & Co., Rourkela
18	M/s. KKM & Co., Jamshedpur
19	M/s. A Dewan & Co., Ranchi
20	M/s. JAG & Associates, Patna
21	M/s. Ashok Budhia & Co., Guwahati

S. No. Name of Auditors

22	M/s. PHD & Associates, Mumbai
23	M/s. SSK & Co., Nasik
24	M/s. Hemant Shah & Associates, Pune
25	M/s. Patni & Patni, Aurangabad
26	M/s. Sunil Johri & Associates, Raipur
27	M/s. KV Mehta & Co., Ahmedabad
28	M/s. RK Doshi & Co., Rajkot
29	M/s. Lakshmipathi & Co., Hyderabad
30	M/s. BV Swami & Co., Bengaluru
31	M/s. Subbchar & Srinivasan, Coimbatore
32	M/s. HMPS & Associates, Madurai
33	M/s. Alex & Co., Kochi
34	M/s. Gandhi & Gandhi, Hyderabad
35	M/s. Narendra Jain & Co., Indore
36	M/s. Parihar & Sonpar, Bhopal
37	M/s. Vinod Vishal & Associates, Nagpur
38	M/s. Upendra Kumar & Associates, Vijayawada
39	M/s. SG Balekundri & Co., Belagavi

Secretarial Auditors

M/s. Sapna G & Associates
395/396, 3rd Floor,
Pocket 11-B, Rohini,
Sector 23,
Delhi – 110 085

Main Bankers

- State Bank of India
- HSBC Ltd
- HDFC Bank
- China Trust Banking Corporation Ltd.
- Punjab National Bank
- Vijaya Bank
- IndusInd Bank Ltd.
- ICICI Bank

Registered Office

NSIC Bhawan
Okhla Industrial Estate
New Delhi- 110 020

Board of Directors



Shri Vijayendra
Chairman-cum-Managing Director
(upto 14th September, 2021)



Smt. Alka Nangia Arora
Chairman-cum-Managing Director
(w.e.f 14th September, 2021)



Shri Rajib Kumar Sen
Government Nominee Director



Smt. Mercy Epao
Government Nominee Director
(w.e.f 22nd September, 2021)



Shri P. Udayakumar
Director (P&M)



Shri Gaurang Dixit
Director (Finance)

Chairperson's Message



Dear Shareholders,

On behalf of Board of Directors, I am pleased to welcome you in this 66th Annual General Meeting of "The National Small Industries Corporation Ltd. (NSIC)". On this occasion, I would like to mention that despite of the challenges posed due to COVID-19 during the financial year 2020-2021, your company performed very well and implemented various initiatives being taken up by the Government of India to relief MSMEs.

The Board's Report of your Company and its Audited Annual Accounts along with Auditor's Report, thereon for the financial year ended on 31st March, 2021 have been with you. I seek your permission to take them as read.

Performance Overview

During the year, your Company has achieved revenue from operations of Rs. 2,101.29 crore. Your Company's Profit before tax is Rs. 139.65 crore for the said period. The Board of Directors has also recommended the dividend of Rs. 31.78 crore to the Government of India.

In accordance with RBI guidelines, NSIC had offered moratorium on payment for the period between 01/03/2020 and 31/08/2020 to eligible borrowers and also refunded / adjusted 'interest on interest' charged to all borrowers including those who had availed of credit facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed.

To provide the credit facilities to MSME units, NSIC entered into Memorandum of Understanding with various Nationalized and Private sector banks. The web linkages has been established between NSIC portal and Bank's portal, without any cost to MSMEs. During the year 2020-2021, NSIC has signed MoU with Canara Bank and Karnataka Bank also under credit facilitation scheme.

The registration of MSMEs under SPRS with virtual inspection has been made online. Further, due to outbreak of Covid -19 pandemic, the registration process to the NSIC's B2B MSME Mart Portal has also been made completely online and paperless. MSME Global Mart is the first service in India from MSME segment to be on boarded on the UMANG platform. NSIC also entered into MoU with four major Hospital Groups Apollo, Max, Fortis & Metro for providing attractive discounts to MSME Global Mart registered members & their dependants on various medical services.

During the year, NSIC's Technical Service Centre at Aligarh has signed MoU with GLA University, Mathura and Sharda Group of University for imparting skills to students through training programs and Internship.

In order to promote the concept of "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 this scheme, NSIC set up six Livelihood Business Incubators at Deoria (UP) Rajkot (Gujarat), Kashipur (Uttarakhand), Naini (UP), Nawada (Bihar), Chennai (Tamilnadu) and Neemka (Haryana).

Through this initiative, NSIC engages youth including unemployed with an aim to inculcate entrepreneurial skills in them by imparting hand-on training on working projects i.e. Bakery, Soya Milk making, Socks Knitting, Book Binding, Paper Cup Making, Colour Printing etc.

National SC-ST Hub (NSSH), an initiative of the Ministry of MSME, Govt. of India is being implemented by National Small Industries Corporation (NSIC). Since launch of National SC-ST Hub in the year

2016, various interventions / sub-schemes have been introduced under NSSH in consultation with various stakeholders for capacity building and market linkage of the SC-ST entrepreneurs. Total 16692 SC-ST entrepreneurs were provided assistance and handholding support under NSSH scheme during the financial year 2020-21.

Corporate Governance

NSIC ensures its commitment in managing the company in transparent manner, maintenance of valuable relationship and trust with all the stakeholders. The Company is in compliance with Companies Act, 2013, Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises and Secretarial Standards issued by the Institute of Company Secretaries of India except the requisite number of Independent Directors in the Board. The Company is following up the issue with administrative Ministry, Government of India and it is expected that Independent Directors will be appointed soon in the Board of the Company. Further, NSIC submits "Report on Corporate Governance" as required, on quarterly and annual basis and as per Clause 8.2 of Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by DPE, the Certificate confirming the compliance of provisions of Corporate Governance for the financial year ended March 31, 2021, has been obtained from, Practicing Company Secretaries and forms part of the annual report.

Corporate Social Responsibility (CSR)

During the year, an amount of Rs. one crore was contributed to PM cares fund. In addition, NSIC provided PPEs kits such as gloves, masks, sanitizers etc., in different COVID-19 affected locations and also made contribution to Armed Forces Flag Day Fund, Clean Ganga Fund and Swatch Bharat Kosh.

NSIC conferred with the National Award for Excellence in PSU (CSR Initiatives- Social Development) on 14th October, 2020. This prestigious award has been

given by World CSR Congress to recognize the contribution of NSIC under CSR initiative in unitedly fighting COVID 19 pandemic and facilitate the MSME Sector in all possible manners during on-going pandemic.

During the year 2020-2021, NSIC has incorporated NSIC Venture Capital Fund Limited (a wholly owned subsidiary) towards fulfilling the mission of 'Atam Nirbhar Bharat' Government of India. Self-Reliant India is the first scheme of NSIC Venture Capital Fund Limited (NVCFL). The objective of this scheme is to provide funding support to the MSMEs through the Daughter Funds, as growth capital in the form of equity or quasi-equity, for enhancing equity / equity like financing to MSMEs, listing of MSMEs on Stock Exchanges and supporting faster growth of MSME Businesses and thereby ignite the economy and create employment opportunities.

Acknowledgments

I like to place on record my sincere thanks to Hon'ble Union Minister of Micro, Small & Medium Enterprises, Hon'ble Minister of State for Micro, Small & Medium Enterprises, Secretary, Ministry of Micro, Small & Medium Enterprises, Additional Secretary-cum-Financial Advisor, Additional Secretary and Development Commissioner, Joint Secretaries, Directors and other officials of the Ministry of MSME, Government of India for their reposing confidence in us and giving continuous guidance and support.

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

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

In the end, I cannot forget to acknowledge the commitment and contribution of all NSICians and thank them for their support and cooperation all along.

Place : New Delhi
Date : 29th November, 2021

Sd/-
(Alka Nangia Arora)
Chairman-cum-Managing Director

Board of Directors



Ms. Alka Nangia Arora assumed the additional charge to the post of **Chairman-cum-Managing Director** of NSIC Ltd. w.e.f. 14th September, 2021. She is Joint Secretary (ARI Division) in Ministry of Micro, Small and Medium Enterprises, Government of India. Prior to her joining as Chairman-cum-Managing Director in the company, she was appointed as Government Nominee Director on the Board of NSIC Ltd. Since July 2017, she was functioning as Joint Secretary (SME) in the Ministry of MSME and has been looking after Khadi & Village Industries Commission, Coir Board, NiMSME, MGIRI, NSIC, International, Media, SC/ST Hub.

She has been at the helm of policy making and connecting MSMEs at various domestic and International platforms. She has been a supporter of Women Entrepreneurs and is working with many organisations and associations on the above. She is a post graduate from IIT, Roorkee and joined Indian Defence Accounts Service (IDAS) – 1991 batch.

On completion of probation and departmental training, she joined the Ordnance Factory Board at Kolkata and did stints at Ordnance Factory, Dum Dum and Cossipore.

She was a member of 5th Pay Commission team for implementing the same for Navy. She has worked as Financial Advisor to Naval Dockyard, Eastern Command, Kolkata with Army & in recent past as Integrated Financial Advisor to Western Air Command and R&R (Army) Hospital. She has rich experience in Defence procurement policy, pay matters having worked in all wings of Armed Forces.

From 2006-2009, she was appointed Director (Finance), NTRO, an organisation set up post Kargil War, for fast track procurement under the office of NSA. From 2009-2014, she served as Additional Commissioner Handicrafts and subsequently Managing Director, Cottage Emporium, Ministry of Textile. She was responsible in turning around Cottage Emporium. During her tenure, she worked closely with artisans and weaver connecting them at various domestic and international exhibitions.

Ms. Arora is also on the Board of ITPO and Ex-Officio Chairman on the Board of NSIC Venture Capital Fund Limited (a wholly owned subsidiary of NSIC Ltd.).



Ms. Mercy Epao, Government Nominee Director is Joint Secretary in Ministry of MSME. Prior to her joining the Ministry of MSME, she has worked in Ministry of DoNER, Ministry of Finance and Ministry of Housing & Urban Affairs in various capacities for the past 25 years. She has worked as Director in M/o DoNER handling Agri and Allied Sector, externally aided projects for the NER, Publicity & Advocacy scheme which highlights the comparable strengths of NER, NEHHDC and NEDFi which are attached organizations. She has dealt with the Pay Commission, cadre reviews of AIS and other coordinating subject in D/o Expenditure. In M/o Urban Affairs, she has dealt with matter of Estates and Administration of DG, CPWD Office. She is a Post Graduate from Delhi University and has passion to promote Women/SC/ST marginalized entrepreneurs. As JS, she is handling International Corporations, Media, National SC/ST Hub scheme which is a dedicated scheme to support the SC/ST entrepreneurs (existing & Aspiring), Assistance to Training Institutes for skilling and infrastructure development, Women cell and Coordination section. She also looks after the NSIC and NIMSME which are organizations under the M/o MSME.

Ms. Epao is appointed as Government Nominee Director in the Board of NSIC w.e.f. 22nd September, 2021.



Mr. Rajib Kumar Sen, Government Nominee Director, Indian Economic Service Officer 1993 Batch, currently has a charge as Economic Adviser of Ministry of Micro, Small & Medium Enterprises. He holds a Masters in Science degree from Calcutta.

He has served in various capacities in Government of India and Government of Goa. He has handled issues relating to Public Finance, Budget, Defence and Industries. While working in DIPAM, which deals with divestment of Government PSUs, he had experience in advising and managing pools of capital and in the business of buying, selling and dealing with securities of these companies.

Mr. Sen is appointed as Government Nominee Director in the Board of NSIC w.e.f. 22nd May, 2020. He is also Director in NSIC Venture Capital Fund Ltd (a wholly owned subsidiary of NSIC Ltd.).



Mr. P. Udayakumar, Director (Planning & Marketing) is a Post graduate from IIM - Bangalore and holds a degree in B.E. (Mech.). He has over 32 years of experience in MSME Sector, Petroleum & Fertilizer Sectors and is a member in the Board since 2010.

He is instrumental in starting separate business verticals for distribution of Petrochemical products developing contours for futuristic verticals in Defence Procurement, Machine Selling, Insurance, Software Selling and e-commerce. He played a key role in launching NSIC Loyalty Card for the first time in NSIC and new Corporate Logo with the consensus of all stakeholders. He was also involved in the creation of SPV i.e. NVCFL in NSIC for SRI Fund.

He contributed inputs to the One Man Committee formed for revamping the MSME Sector under the Chairmanship of Dr. Prabhat Kumar, Ex-Cabinet Secretary. He led delegations to various countries and addressed Round Table Conference on the topic "Impact of SME Section on the Global Economy" in Guangzhou, China in October, 2016. He marshalled the Training-

cum-Incubation Project in Mozambique funded by Ministry of External Affairs and commissioned the project during 2019-20. He has been instrumental in signing MoU with various National / International Organisations for expanding NSIC's business and training areas.

He has been conferred with **RASHTRIYA ICON AWARD** in recognition of his contribution towards the growth of MSME Sector and **LEADERSHIP AWARD** for use of ICT in MSME by CMAI.



Mr. Gaurang Dixit, Director (Finance) is an Associate Member of the Institute of Cost Accountants of India and also a Post Graduate in Business Administration. He has more than 35 years of experience in the area of Finance & Accounts, Internal Audit, Corporate Planning, Vigilance and Commercial Department of Public and Private Sector Companies. He joined NSIC as Manager at Regional Office, Hyderabad in the year 2000 and since then, worked in different capacities at field offices as well as at Corporate Office. He functioned as Head of Finance & Accounts, Corporate Planning, Internal Audit and Administration Division. He is also involved in formulation of policies / guidelines for new schemes and strengthening the existing schemes. He also handled the work related to raising funds / resources from the Banks, FIs for meeting the funds requirement of the Company.

Mr. Dixit was appointed as Director (Finance) of the Company with effect from 10th July, 2019.

He was actively involved in the creation of a Special Purpose Vehicle i.e. NSIC Venture Capital Fund Ltd. (a wholly owned subsidiary of NSIC Ltd.) to implement SRI Fund (a fund of Funds Scheme of Govt. of India for MSMEs). He is also Director in NSIC Venture Capital Fund Ltd.

Board's Report

Dear Shareholders,

Your Directors are pleased to present the 66th Board's Report of the Company along with the audited standalone and consolidated financial statement of the Company for the financial year 2020-2021.

1) Financial Performance

The Revenue from operations of the company for the year 2020-2021 was Rs. 2,101.29 crore as compared to Rs. 1,904.11 crore for the financial year 2019-2020.

The Company has earned Profit before tax amounting to Rs. 139.65 crore for the year 2020-21 as compared to Rs. 132.33 crore in the previous year. The profit after tax is Rs. 101.59 crore during the year 2020-21 as

against Rs. 99.19 crore in the previous year.

The financial performance based on 'Standalone Financial Statements of NSIC' for the year 2020-2021 is given in the table below with its corresponding year are as under:

(Rs. in Crore)

As at 31 st March	2021	2020
Revenue from operations	2,101.29	1,904.11
Gross Income	428.69	469.20
Profit Before Tax	139.65	132.33
Net Worth	928.34	876.26*
Borrowings	1,432.20	1,618.42
Earnings per share (Rs.)	19.06	18.61
Dividend	31.78	34.09

* excluding of impairment reserve & statutory reserve.



NSICians administered COVID -19 pledge on the occasion of campaign for COVID-19 appropriate behaviour on 08th October, 2020. The pledge shows commitment to be vigilant and follow the key message of the campaign - Wear Mask and Follow Social Distancing.

2) Impact of Covid-19 Pandemic on the Company

- i) Covid-19 pandemic has posed an unprecedented challenge to various sectors of economy world-wide including India. The Company believes that with a robust pickup in global vaccination Programme, the business and commercial activity is poised for resurgence. The IT infrastructure and digital communication technology enables its workforce to work securely through remote technology ensuring business continuity.
- ii) In accordance with RBI guidelines relating to Covid-19 Regulatory package, NSIC offered moratorium on payment of instalments falling due between 1st March, 2020 and 31st August, 2020 to eligible borrowers. Further, as per RBI circular on 'Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package', the NSIC has also refunded / adjusted 'interest on interest' charged to all borrowers including those who had availed of credit facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Total amount of ₹116.68 lakh was refunded / adjusted to 1368 nos. of MSMEs towards 'Interest on Interest'.
- iii) The Government of India had also announced, "Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrower's specified loan accounts (1st March, 2020 and 31st August, 2020)". Total benefit of ₹2.83 lakh to 153 nos. of MSMEs was granted under this scheme by the NSIC.
- iv) Despite the challenges being faced by the MSME sector due to Covid-19 Pandemic and other various factors, the total business of the Company was ₹14,976 crore for the year 2020-2021.
- v) The Company believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in its ability to continue as a going concern.

However, the impact of this pandemic on the Company will inter-alia continue to be dependent on future developments relating to duration of Covid-19 and any further actions by the Government and Regulatory bodies to contain its impact on the NBFCs.



NSIC facilitated MSMEs in the Health Care Sector to meet COVID 19 challenges

3) Dividend

The Board of Directors of the Company has recommended a final dividend of Rs. 31.78 crore for the financial year 2020-21. The dividend recommended is subject to the approval of the shareholders at the Annual General Meeting.

4) Operating Performance

a) Raw Material Distribution

To facilitate MSMEs in procurement of raw materials at competitive price and in the quantities as per their requirement, NSIC enters into arrangements with bulk manufacturers of industrial raw materials. It also facilitates them by opening raw materials Distribution Centres in industrial areas to enable Micro, Small and Medium Enterprises to get the raw materials at ease, bring down their inventory cost and arranging to provide them closer to their works.

During the year 2020-21, NSIC serviced the raw material requirements of MSMEs through supply of Iron & Steel, Aluminum from M/s. National Aluminum Company Limited (NALCO), Paraffin Wax from M/s. Chennai Petroleum Company Limited (CPCL), Coal from M/s. Coal India Ltd., (CIL), Polymer Products i.e. PP, HDPE & LLDPE from M/s. Indian Oil Company Limited (IOCL).

As on 31st March, 2021 the quantity of RMD is 2,33,199 MT and value of RMD is Rs. 1543.17 crore under sale purchase for the year 2020-21 as compare to quantity of RMD 2,43,422 MTs and value of RMD 1235.49 crore in the previous year i.e. 31st March, 2020.

• **NSIC signs MoU with Dun & Bradstreet**

NSIC signed an MoU with Dun & Bradstreet on 4th November, 2020. This MoU will facilitate MSMEs in India to increase their credibility, expand access to global markets through export opportunities, find potential customers, uncover new suppliers & channel partners, manage risk and identify growth opportunities through the network of D&B.

NSIC exploring new business opportunities with Salem Steel Plant

A MoU was signed on 21st September 2020 between NSIC and Salem Steel Plant, Steel authority of India Limited (SSP-SAIL) for supply of "All Stainless Steel from Salem Steel Plant" Raw Material to MSMEs through NSIC on PAN India basis.

b) 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, Ministry of Micro Small & Medium Enterprises, New Delhi vide Gazette Notification dated 23.03.2012 and amendment vide order no. S.O. 5670 (E) dated 9th November, 2018.

- i) Issue of the Tender Set, free of cost;
- ii) Exemption from payment of Earnest Money ;

- iii) In tender participating MSEs quoting price within price band of L1+15% shall also be allowed to supply a portion upto 25% of requirement by bringing down their price to L1 Price where L1 is non-MSEs;

The revenue earned from Single Point Registration Scheme (SPRS) in the year 2020-21 was Rs. 13.67 crore as against Rs. 14.40 crore in previous year. During the year 2020-21, 2,677 new units were added and 6,353 units were renewed.

Activities & Initiatives taken under SPRS for the benefit of MSEs due to COVID-19 pandemic:

1. Keeping in view of COVID -19 pandemic scenario registration under SPRS has been made completely online.
2. Virtual inspection of the applicant MSEs were carried out by the empaneled inspection agencies.
3. MSE units, who were unable to apply registration under Single Point Registration Scheme from March, 2020 to June 2020 due to pandemic were is allowed to apply for renewal of their registration without any late fee.

c) Consortia & Tender Marketing

NSIC forms consortia of small units (MSEs) manufacturing the same/similar products, thereby pooling their capacity to bid for bigger orders and to overcome the problem faced by MSEs to execute large Government orders which deny them a level-playing field vis-à-vis large Industries. NSIC applies for tenders on behalf of consortia of MSEs and secures orders for bulk quantities. These orders are then distributed amongst MSEs in line with their production capacity.

The Public Procurement Policy, which is mandatory from 2015-16, requires PSUs/ Government Agencies to procure minimum of 20% purchases of purchases to be made from MSEs. This policy intervention of the

Government, which is a boon for the Micro & Small Enterprises, would require building up of their capacities so as to be accepted as vendors of Government Departments/ PSUs. The formation of consortia of MSEs by NSIC is acting as a major steps in building capacity of such vendors. NSIC also participates in tenders on behalf of MSEs and facilitates MSEs in disseminating the tender information and also helping in procurement of orders.

During the year 2020-21, the company has participated in 580 no. of tenders valuing Rs. 304.74 crore and executed tenders amounting to Rs. 141.14 crore.

d) Credit Support to MSMEs

- **Credit support for Procurement of Raw Materials:**

To support MSMEs in procurement of raw materials on credit, NSIC provide option to MSMEs to avail short term credit support at most competitive rates. This financial assistance is being provided against the security of bank guarantee.

In this arrangement payment is released directly to the suppliers towards supply of raw material to the applicant MSMEs.

During the financial year 2020-21, credit support worth Rs. 4300 crore under RMA were given by NSIC to more than 2700 MSMEs.

- **Credit facilitation through Bank Tie up**

To facilitate meeting credit needs of MSMEs through various banks, NSIC enters into tie-up arrangements with banks/ FIs. NSIC facilitate MSMEs for applying online for their credit requirement from various banks. NSIC does not charge any fee from the MSMEs for facilitating them. NSIC has also initiated Online Finance Facilitation Center under which credit to MSMEs will be facilitated through web linkages between NSIC portal and Bank's portal.

During the financial year 2020-21, loans worth Rs 236 crores were sanctioned to MSMEs through Bank tie ups.



NSIC facilitated MSMEs during covid pandemic lockdown also to ensure supplies for covid needs.

e) NSIC Technical Services Centres (NTSCs)

NSIC provides the following technology support services to Micro, Small & Medium Enterprises through its eight “NSIC Technical Services Centres” (NTSCs) located at Okhla (New Delhi), Hyderabad (Telangana), Howrah (West Bengal), Rajkot (Gujarat), Chennai (Tamil Nadu), Rajpura (Punjab) & Aligarh (Uttar Pradesh) & Neemka (Haryana).

I. Major Activities under Technology Division:

NSIC provides the following technology support services to Micro Small & Medium Enterprises through its Technical Services Centres:

- i. Demand Driven –Industries Centric Trainings in following areas:
 - Hi-Skills
 - Conventional trades
- ii. Common Facility Services for Technical Consultancy and Job works on conventional to Hi-Tech Machines and Testing facilities through NABL accredited and BIS recognized laboratories.

II. Skill development (Capacity Development)

The NSIC Technical Services Centres are presently offering Job oriented Skill development trainings in various disciplines as per requirement of industries. The centres are equipped with the conventional to Hi-Tech machinery and equipment such as Advance tool room, CNC Milling & Turning Machines, EDMs, Robotics Lab, Solar Energy Application Labs, SCADA and Process Control Labs, Software Labs in various fields such as SAP, Multimedia, Mechanical & Electrical Design software, AR/ VR, etc.

The details of training courses running in

the centre are as under:

- a) **Design:** CAD/CAM, Computer Aided Engineering (CAE), CNC Programming and operations, Computational Fluid Dynamics (CFD), Mould Design, Solid Works, 3 D Printing, Interior Design and Training through STAAD Pro and Revit.
- b) **Mechanical:** Tool Design and Advance Manufacturing, Quality Control & Inspection, HVAC Design, Machinist & Welding etc.
- c) **Electrical & Electronics:** Industrial Robotics, Automation with PLC-SCADA, Embedded System, Solar Energy, Electrical circuit and Substation maintenance, Motor Winding & Repair, Mechatronics etc.
- d) **Information Technology:** Advance Software Technology, Computer Hardware & Networking, ‘O’ Level, Computer Programming languages, Website Design & Development, Big Data & Hadoop, Python, SQL Server, Core Java, MCP-CCNA, Android Application, Advanced Java, Cloud Computing, C++ & OOPS, Computerized Accounting & Tally ERP etc.
- e) **AICTE approved Polytechnic Diploma Engineering and NCVT courses:** AICTE approved diploma engineering courses in six different disciplines are conducted in NTSC, Neemka. Whereas NCVT affiliated ITI level courses are conducted at NTSC, Okhla, Rajpura and Howrah to offer professional/ academic courses to students for employable opportunities.
- f) **Livelihood Business Incubation:** Through this initiative, NSIC engages youth including unemployed with an aim to inculcate entrepreneurial skills in them by imparting hands-



Hon' ble Shri Narayan Tatu Rane, Cabinet Minister of MSME and Shri Bhanu Pratab Singh Verma Minister of State, MSME visited NSIC-Technical Centre at Okhla, New Delhi. He was apprised about the various services being provided by the Centre.

on training on working projects i.e. Bakery, Soya Milk making, Socks Knitting, Book Binding, Paper Cup Making, Colour Printing etc.

During Financial Year 2020-21, total of 33,527 trainees passed out through different technical centres.

III. Modernisation & upgradation of NSIC Technical Services Centres: During the year 2020-21, upgradation of Technical Services Centres at Rajpura, Chennai and Okhla were successfully concluded.

IV. Placement Assistance to trainees

NSIC assists its trainees in placement by inviting companies to select trainees by organizing Job Fairs. NSIC organizes a number of Job Fairs to assist trainees for placement in which more than 300 companies have participated so far. Some of the leading companies having engaged with the NSIC Technical

Service Centre(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, Konnect Infratech, Material Movell, New Allenberry Works etc.

V. Association with Academic Institutions and CPSEs for Trainings

In view to develop linkage of NSIC-Technical Service Centers with Academic Institutes so as to facilitate the students for practical training on the technologies placed in NSIC- Technical Service Centers. MoU was signed with institutes like Amity University, Thapar University, Veltech University, YMCA Science and Technology University, GLA University, NTPC, NHAI, etc.

With the outbreak of COVID-19, all the

NTSCs have taken due precautions by duly following the protocol and guidelines issued by authorities from time to time. Centres have also put in efforts with Business continuity plans during lockdown period by switching to Online/ virtual trainings offered to the students.

- **Common Facility Services**

The Technical Centre offer testing services through NABL accredited

laboratories set up in the Centre. The services of testing of products like Ferrous and Non-Ferrous materials, Pipes, Steel wires, Building materials, Wood & Soil and Bitumen testing, Diesel Engine Testing, Pump Testing, Plastics testing, Material Testing, Electrical Conductor, Wires and Cables, Insulators, Electrical Appliances Testing, Calibration lab etc. offered to the Industry.



NSIC established India-Africa Vocational Training Centre cum Business Incubation Centre (VTC/IC) in Mozambique. This was inaugurated on 23rd April 2020 by His Excellency Mr. Edson Macuacua, Secretary of State for the Manica Province of Mozambique in the presence of Mr. Claire Zimba, Director General, Institute for Promotion of Small & Medium Enterprises

In order to address the need of PPE Kits manufacturing by MSME with the outbreak of COVID-19, NSIC created PPE Kit testing facility at NTSC-Rajpura & Okhla (New Delhi). The testing facilities are approved by NABL.

During the year total no. of 8906 units have been facilitated under common facilities services.

- **Incubation Centres**

In order to promote the concept of “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 this scheme, NSIC set up six Livelihood Business Incubators at Deoria (UP) Rajkot (Gujarat), Kashipur (Uttarakhand), Naini (UP), Nawada (Bihar), Chennai (Tamilnadu) and Neemka (Haryana).

Through this initiative, NSIC engages youth including unemployed with an aim to inculcate entrepreneurial skills in them by imparting hand-on training on working projects i.e. Bakery, Soya Milk making, Socks Knitting, Book Binding, Paper Cup Making, Colour Printing etc.

- **Signing of MOU**

1. **NTSC (Aligarh) signed MoU with GLA University (Mathura)**

A MoU was signed between

NTSC, Aligarh and GLA University, Mathura for working together for imparting skills to students through training programs and Internship. The training has imparted to a batch of 25 students of GLA Polytechnic, Mathura. The students after undergoing training are able to complete job work on CNC Lathe machine installed at NTSC, Aligarh in October 2020.

2. **NTSC (Aligarh) signs MoU with Sharda Group of Institution**

NSIC has signed MoU with Anand Engineering Collage, Agra, Sharda Group of Institutions on 31st December, 2020 for skill up-gradation of youth through imparting practical training. The MoU expands the range of training programmes offered by NSIC Technical Service Centre, Aligarh, LBI Naini (Prayagraj) and LBI, Deoria to SGI.

f) **MSME Global Mart**

The Company is offering Infomediary Services through its B2B portal <http://www.msmemart.com> which is a one-stop, one-window bouquet of aids that provides

information on business, technology and finance and also exhibit the core competence of Indian SMEs by way of enabling their digital presence for sustenance & growth. The portal has a member base of more than 1,78,000 MSMEs from India and is featuring more than 77,000 products. The key features and services of the portal include unlimited tender information, trade leads, member's homepage, featured product catalogue, Request for Quotation etc. The services can also be availed through MSME Global Mart App which can be downloaded from Google Play store. The services of MSME Global Mart are also available on the UMANG Mobile App, a digital initiative of NeGD, MeitY, intending to make government services available to the general public online. MSME Global Mart is the first service in India from MSME segment to be on boarded on the UMANG platform. Thus by enlisting our app on UMANG, we aim to increase awareness of MGM portal and to help more and more MSMEs to avail the online marketing services of the portal.

During the Covid-19 pandemic, the registration process to the portal has been made completely online and paperless. A special offer drive of 50% discounted on Membership fee of NSIC B2B portal MSME



NSIC launched a mobile application MSME Global Mart on 12th November, 2020 for facilitating MSMEs and to popularize the M-Commerce.

Global Mart was launched in order to increase beneficiaries and provided online marketing support to more and more MSMEs. Grace period was also extended from 30 to 90 days for renewal, enabling Free & Expired units to upgrade & renew their membership during that period.

During the period 2020-2021, 46043 units were registered under B2B portal as compared to 25,156 units in the financial year 2019-2020. The total revenue of Rs. 8.81 crore was earned during the financial year 2020-2021.

• **Signing of MOU**

- i) NSIC signs a MoU with TRIFED to promote TRIBAL Artisans / Entrepreneurs for providing them much needed Marketing Support by providing them online platform for wider access and visibility in Domestic & International market. Looking at the Pandemic situation, the MoU was signed virtually in the presence of Shri Vijayendra, IAS, CMD, NSIC and Sh. Pravir Krishna, IAS, MD, TRIFED.
- ii) During the Covid-19 pandemic scenario, apart from their business needs and to cater them, NSIC entered into MoU with four major Hospital Groups Apollo, Max, Fortis & Metro for providing attractive discounts to MSME Global Mart registered members & their dependants on various medical services like Investigation, In-patient services, preventive health check-ups etc.

iii) **NSIC launches MSMEs Aggregation Services**

NSIC has launched MSME Aggregation Services for facilitating MSMEs in ICT enabled Digital Services. In this connection, NSIC signed MoU with M/s. Adaequare Info Private Limited (AIPL) on 30th June,

2020 to facilitate MSMEs in terms of ICT adoption at affordable prices.

5) Implementation of Government Schemes

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

a) Procurement & Marketing Support Scheme (PMSS)

Marketing, a strategic tool for business development, is critical for the growth and survival of MSMEs. Due to the lack of information, scarcity of resources and unorganized ways of selling / marketing, MSME sector often faces problems in exploring new markets and retaining the existing ones. Keeping in view this objective, the Procurement and Marketing Support Scheme has been introduced to enhance the marketability of products and services in the MSME sector.

The scheme aims at the following:

- 1) Promoting new market access initiatives like organising / participation in National / International Trade Fairs / Exhibitions/ MSME Expo etc.
- 2) To create awareness and educate the MSMEs about importance / methods / process of packaging in marketing, latest packaging technology, import-export policy and procedure, GeM portal, MSME Conclave, latest developments in international / national trade and other subjects & topics relevant for market access developments.
- 3) To create more awareness about trade fairs, bar code, digital advertising, e-marketing, GST, GeM portal, public procurement policy and other related topics etc.

Manufacturing/ service sector MSEs registered at Udyog Aadhar Memorandum (UAM) portal are eligible to apply under the scheme.

b) National SC/ST Hub (NSSH)

The National SC/ST Hub (NSSH) has been set up to provide professional support to Scheduled Caste and Scheduled Tribe Entrepreneurs to fulfil the obligations under the Public Procurement Policy for Micro and Small Enterprises Order 2012, to adopt applicable business practices and leverage the Stand Up India initiative so as to increase the participation of SC/ST entrepreneurs in the Govt. Purchases. The Hub was launched by the Hon'ble Prime Minister in 2016. The NSSH scheme is being implemented by The National Small Industries Corporation (NSIC), a public sector undertaking under the administrative control of the Ministry of MSME. Various interventions have been introduced under NSSH by the Ministry of MSME in consultation with stakeholders.

Even during the challenges being faced due to COVID -19 pandemic, the brief activities undertaken by NSSH during the financial year 2020-21 are as under:

- Subsidy of Rs.51.53 crore was provided under Special Credit Linked Capital Subsidy Scheme (SCLCSS) of NSSH to 537 SC/ST MSEs as per approval of the Ministry of MSME.
- Capacity building training for skill and entrepreneurship development was provided to 5235 SC/ST candidates

through various autonomous institutions across India.

- To enhance the capability of SC/ST entrepreneurs for participation in Government procurement process total 65 e-tendering training workshops have been organized by National SC-ST Hub Offices (NSSHOs) with participation of 1365 nos. of SC/ST candidates.
- Total 91 numbers of Special Vendor Development Programs (SVDPs) have been organized wherein total nos. of 2743 SC/ST candidates have participated.
- In order to outreach to the target beneficiaries 76 Awareness Campaigns were organized with participation of 2087 nos. SC/ST candidates.
- Handholding support was provided to the SC/ST entrepreneurs through 15 NSSH offices set-up across the country. Through these NSSHOs, the participation in Govt. tenders was facilitated amounting to Rs. 584.52 crore against which orders amounting to Rs.135.57 crore were awarded.

Further, credit facilitation proposals valuing Rs.166.37 crore were submitted to various financial institutions and proposals amounting to Rs.26.05 crore were sanctioned.



Visit of H.E Madam ToureFatoumataBalde, Ambassador of the Republic of Guinea to NSIC Ltd.

- Subsidy was provided for registration under Single Point Registration Scheme (SPRS) to 819 nos. of SC/ ST MSEs.
- Subsidy was provided under NSSH for enrolment fee at 'MSME Global Mart Portal' to 7246 nos. of SC/ST candidates.
- Subsidy were provided under NSSH to total 75 SC/ST MSEs in terms of reimbursement of testing fee, bank charges on PBG, processing fee on bank loans, membership fee of EPCs and short term training at top 50 NIFF rates Management Institutions.
- Due to Covid-19 pandemic, limited events were held during the financial year 2020-21. Total 34 SC/ST MSMEs were facilitated through participation in domestic exhibitions.

c) **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. Due to Covid-19 Pandemic most of the activities under International Cooperation took place virtually but still number of International delegations visited NSIC during the year 2020-21 for exploring the possibilities of cooperation with NSIC for the development of MSMEs in their respective countries. Some of them are mentioned as below:

i) **Delegation from Iran:-**

A five member delegation from Iran visited NSIC on 2nd Feb. 2021 to discuss opportunities of cooperation in the field of MSMEs especially knowledge-based companies and startups. The delegation was led by His Excellency Dr. Sirous Vatankhah Moghaddam, President of Center for Progress and Development of Iran (CPDI) - Presidency of Iran. The delegates also visited NSIC-Technical service center and Rapid Incubation Centre to see NSIC's facilities for skill

development and various opportunities for creation of self-employment opportunities for unemployed. His Excellency Dr. Sirous Vatankhah Moghaddam appreciated the model of NSIC Incubation centre and looking for the cooperation in this field.

ii) **Visit of H.E Ambassador of Republic of Guinea in India to NSIC:**

H.E. Madam Toure Fatoumata Balde, Ambassador of the Republic of Guinea in India visited NSIC on 24th March, 2021 to discuss opportunities of cooperation in the field of MSME. She also visited NSIC-Technical Service Center and Rapid Incubation Centre at New Delhi and apprised about the skill development program & various opportunities for creation of self-employment opportunities for unemployed. She appreciated the model of NSIC Incubation centre and shown keen interest to work with NSIC for promoting Micro and Small enterprises.

iii) **Expert Session with South Korea:**

NSIC in cooperation with its counterpart agency in South Korea i.e. KOSME, has organized two virtual lectures by Korean expert Mr. YoungBae Moon on Block Chain and Big Data in December 2020. Around 120 trainees from all the NTSCs and concerned officials joined the sessions.

6) **NSIC's services in North Eastern Region (NER)**

NSIC has a Branch Office at Guwahati and sub-office in Imphal (Manipur) in NER. During the financial year 2020-2021, the following activities are undertaken by NSIC-North- East Zone:

- To boost in the growth of MSEs in North East region, NSIC Branch office-Guwahati is very much focused on imparting Skill Development training to the youths and women from various locations of all over North Eastern region. Total 866 trainees

were trained in various trades under Technical Incubation Centre.

- b) NSIC North-East organized workshop on sanitary workers & corona-warriors at Guwahati, workshop on Rapid Antigen Test for Covid-19.
- c) Special Vendor Development Programs of SC/ST Hub with POSOCO, IOCL, BCPL and Special Awareness Programs for SC/ST units at Majuli, Kamrup, and Kamrup Metro Districts of Assam were held.
- d) GEM Registration Training for SC/ST units of Lower & Upper Assam, Mizoram, and Manipur were done.
- e) A Record number of MSMEs i.e. approx. 1000 were registered at NSIC -B2B portal i.e. www.msmemart.com.

7) **NSIC conferred with National Award for Excellence in PSU**

NSIC conferred with the National Award for Excellence in PSU (CSR Initiatives- Social Development) on 14th October, 2020. This prestigious award has been given by World CSR Congress to recognize the contribution of NSIC under CSR initiative in unitedly

fighting COVID 19 pandemic and facilitate the MSME Sector in all possible manners during on-going pandemic.

8) **Incorporation of a wholly owned subsidiary company of NSIC – NSIC Venture Capital Fund Limited**

Ministry of MSME, Government of India has approved the guidelines on Self-Reliant India (SRI) Fund for MSMEs. As per approved guidelines, the Mother fund will be anchored by a SPV having 100% equity from NSIC.

Accordingly, a wholly owned subsidiary company viz. NSIC Venture Capital Fund Limited was incorporated as a Special Purpose Vehicle (SPV) company as per the guidelines issued by the Ministry of Micro, Small and Medium Enterprises on 28th August, 2020 to anchor the SRI Fund. Self-Reliant India (SRI) Fund is the first scheme of the NVCFL. NVCFL applied to the Securities Exchange Board of India (SEBI) for registration as a Category-II Alternative Investment Fund under SEBI (Alternative Investment Fund) Regulations, 2012 which has been approved subsequent to the close of the financial year 2020-21 vide certificate dated 1st September 2021. The Government



1st Board Meeting of NSIC Venture Capital Fund Ltd. (NVCFL)

of India is the sole anchor investor and with the initial budgetary support of Rs. 10,000 crore to the mother fund in phased manner.

This shall leverage to the extent of Rs. 50,000 crores through Daughter Funds. The objective of SRI Fund to provide funding support to the MSMEs through the Daughter Funds, as growth capital in the form of equity or quasi-equity, for enhancing equity / equity like financing to MSMEs and listing of MSMEs on Stock Exchanges and supporting faster growth of MSME Businesses and thereby ignite the economy and create employment opportunities.

9) Management Discussion & Analysis

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

10) Investments

As on 31st March, 2021, the Company had 4,70,230 equity shares of Rs. 2/- each in M/s. Singer India Ltd.

11) Public Deposit

The Company has not accepted any public deposits during the financial year 2020-21. Further, in compliance of RBI guidelines, the Board of Directors of the company has passed the relevant resolution.

12) Human Resource Management

a) The total manpower of the Company as on 31st March, 2021 was 686. The break-up of the manpower was as follows:

S. No.	Description	As on 31.03.2021	As on 31.03.2020
1.	Managerial	502	518
2.	Supervisory	87	110
3.	Non-Supervisory	97	110
	Total	686	738

NSIC extends a wide range of welfare activities for its employees. These include House Building advance, Vehicle advance, Computer advance, Festival advance to unionized employees, medical facilities for

serving and retired employees, Employee Provident Fund, Benevolent fund scheme, NSIC scholarship scheme for wards of serving employees, NSIC family Pension Scheme in case of death in harness of the serving employees, free training to the eligible dependents on the deceased employees in NSIC Technical Service Center as per the choice exercised, gift on completing 25 years of service in the Company, gift on retirement on attaining the age of superannuation, Earned Leave Encashment while in service and also at the time of retirement etc. Besides, the NSIC Employees Superannuation Pension Scheme for IDA employees is also in place.

During the year 2020-2021, very good and cordial relations were maintained with the various NSIC employees Unions. There were no gate meeting and strike. Meetings were held with unions from time to time to discuss various issues and to resolve them amicably, if any. As a result thereof, harmonious relations were maintained.

During the year, total 139 employees including 116 from Group A were trained.

b) 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 Tribes and Other Backward Classes are being followed by the Company. The post-based Reservation Roster for the direct recruitment as well as promotion are being maintained which are duly inspected by the Liaison Officer for SC/ST/OBC of the Company and displayed on the NSIC Intranet. SC/ST employees in Group C & D posts are given one year relaxation in terms of eligibility period in the times scale promotion. The candidates belonging to SC/ST/PwD are given relaxation in the marks in the selection against direct requirement. The employees belonging to SC/ST category are given endless chances to apply for outside employment through

proper channel, whereas the employees of unreserved category can apply only twice for outside employment. Age relaxation for SC / ST/ OBC category in direct recruitment is given as per reservation policy of the Government.

The representation of SC,ST,OBC,PwD and Minorities in the Company as on 31st March, 2021 are as under:-

S. No.	Description	As on 31.03.2021
1.	Scheduled Caste	109
2.	Scheduled Tribes	14
3.	Other Backward Classes	126
4.	PwD	22
5.	Minority	68
	Total	339

13) NSIC administers “Rashtriya Ekta Diwas”

NSIC administered the “Rashtriya Ekta Diwas” pledge on 31st October 2020 on the occasion of the birth anniversary of Sardar Vallabh bhai Patel.

14) NSIC observes “Samvidhan Diwas”

On 26th Nov.2020 to commemorate the “Samvidhan Diwas” Shri Vijayendra (IAS), CMD, NSIC read the Preamble to the Constitution with all the NSIC employees. Also present on the occasion were Shri P.Udayakumar, Director (P&M) and Shri

Gaurang Dixit, Director (Finance), NSIC. The Constitution Day is observed in the country as “Samvidhan Divas” to promote constitutional values amongst the Citizens of the country.

15) Policy for Prevention of Sexual Harassment

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year 2020-21, the Company did not receive any complaint of sexual harassment.

16) Particulars of Employees

None of the employees of the Company 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.

17) Vigilance Activities

Vigilance is an inalienable and integral part of the management function and assist in maintaining integrity, purity and efficiency



NSIC organised a Training Program on Awareness on Prevention of Sexual Harassment (POSH)

of the administration. Vigilance Department works in cooperation with other Divisions / Units of the Company at all levels. Besides, the Vigilance Department also works in coordination with the CVC, the administrative Ministry and the CBI. The vigilance denotes watchfulness and alertness, 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 organization 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 help in protecting the honest and efficient officials from harassment by way of false and motivated complaints made out of personal vendetta. The departmental disciplinary proceedings were conducted against the erring officials involved in the cases and major penalty has been awarded

in most of the cases after completion of the inquiry proceedings.

During the year 2020-21, "Vigilance Awareness Week" was observed from 27th October, 2020 to 2nd November, 2020 as a campaign against corruption and to create its awareness amongst the employees, clients and other stakeholders of the Company. The theme of Vigilance Awareness Week was "Satark Bharat, Samriddh Bharat (Vigilant India, Prosperous India)". A pledge to bring integrity and eradicate corruption was administered to all the employees of the Company in all its offices at various places across the country. Online Integrity Pledge have also been undertaken by the employees of the Company.

The immovable property return of all the employees of the Company were obtained and examined.

18) Corporate Social Responsibility Initiatives

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



In continuation of Nation's fight against COVID19, NSIC distributed Face Masks and Hand Gloves.

19) Consolidated Financial Statements

Pursuant to Section 129 of the Companies Act, 2013 and Rules made thereunder, the Company has prepared the consolidated financial statements for the financial year 2020-21, that include its wholly owned subsidiary company i.e. NSIC Venture Capital Fund Limited. The consolidated financial statements shall also be placed before the shareholders in the 66th Annual General Meeting along with the Standalone Financial Statements of the Company.

20) Auditors

a) Statutory Auditors

The Comptroller & Auditor General of India has appointed M/s. Goyal Parul & Co., Chartered Accountants as the Statutory Auditors for the financial year 2020-21. The Statutory Auditors have given its report on the financial statements of the Company for the financial year 2020-21 and have given their reports without any qualification, reservation, adverse remark or disclaimer. The Auditors' Report(s) are forming part of this Annual Report.

b) Secretarial Auditors

M/s. Sapna G & Associates, Practicing Company Secretaries were appointed to conduct the Secretarial Audit of the Company for the financial year 2020-21 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 2020-21 forms part of the Board's Report.

c) C&AG Audit

Comments of the Comptroller & Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the financial statement forms part of the Board's Report.

21) Extract of Annual Return

Pursuant to Section 92(3) of Companies Act, 2013 read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in **Form MGT-9** for the financial year 2020-2021 forms part of this report.

22) 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.

23) Rajbhasha

With a view to ensure progressive use of Hindi in the Company, implementation of the provisions of Official Language Act 1963, rules framed thereunder and the compliance of the directives of the Rajbhasha Vibhag, Ministry of Home affairs & Ministry of MSME issued from time to time were continued to be observed. During the year 2020-21, the following activities were carried out to ensure the progressive use of Hindi.

- Hindi Pakhwada was celebrated during 07 Sept. 2020 to 20 Sept. 2020. Four various Hindi Competitions were organized in the Company. The focus of these competitions was to motivate the employees to increase the use of Hindi in their day to day official work.
- "Hindi Diwas" was organized on 14 Sept., 2020 in the Company under the chairmanship of Director (Finance) in which Departmental Heads participated. On this day Hindi Diwas message of Hon'ble Minister MSME and CMD, NSIC was read out.
- An annual inspection programme for Official Language was conducted for the various departments at Head office and field offices of the Company.
- Hindi workshops were organized

regularly for impartation of training to the officers / employees to increase the use of Hindi in their day to day official work. Besides, Official Language awareness programs, Hindi workshops were also conducted in offices. Hindi sessions were also incorporated in the training programs conducted by the company in which practice session for Official Language Policy and Hindi noting / drafting along with practical training on Hindi tools such as Unicode speech to text in Hindi were conducted.

- Employees were nominated on behalf of the company in the Hindi competitions organized under the guidance of the Nagar Rajbhasha Karyanvyan Smiti (Upkram-2) Delhi, In which two officers were declared winners.
- Out of the total amount earmarked for purchase of books more than 50% amount was incurred on purchase of Hindi books.
- Practice of Hindi tools on computer such as speech to text in Hindi and other regional language conducted for senior level officers and non-Hindi speaking officials of the field offices.

24) Particulars of Energy Conservation, Technology absorption

Your Company does not own any manufacturing facility, hence there are no significant particulars relating to conservation of energy and technology absorption. However, in order to promote energy conservation through renewable resources, NSIC successfully implemented the Grid Connected rooftop solar photovoltaic (PV) system at NTSC-Rajkot, Howrah, Okhla, Hyderabad and Chennai. NSIC Technical Services Centre at Hyderabad, Howrah and Okhla installed fully automatic waste to compost making machines in the premises. The machine is an eco friendly as the vegetable waste is converted to manure by this machine which can be used to cultivate

vegetable without using inorganic fertilizers. . This manure is very safe for health and has no side effects as that of inorganic chemical fertilisers.

25) Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012

The Company has successfully implemented 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 2020-21 was Rs. 23.14 crore, as against the target of 25% for procurement from MSEs, this procurement from MSEs was 64.96% of the total purchases made by the Company. The percentage of procurement in respect of SC/ST owned MSEs was 2.52% and in respect of women owned MSE was 0.65%.

The Company is registered on the Trade Receivables Discounting System (TReDS) portal, set up as per the notification of the Reserve Bank of India.

26) Foreign Exchange

During the year 2020-21, the total expenditure in foreign currency was Rs. 3.44 crore as compared to Rs. 3.66 crore in the year 2019-20.

27) Quality Management System

NSIC has constantly reviewed and upgraded its systems to deliver higher quality of services to its customers and satisfy all its stakeholders through establishing the Quality Management System which was revised and updated periodically with the latest version ISO 9001:2015.

To ensure the necessary compliance and continuity of Quality Management System ISO 9001:2015 in NSIC, the job of ISO re-certification of 53 offices (including corporate office) across India has been done. Re-certification audit of QMS ISO 9001:2015 was successfully conducted at some of field offices. The Audit were carried out through

online and offline modes in view of the COVID-19 Protocols and were coordinated effectively.

28) Directors

During the year 2020-21 and till date, the following changes have taken place in the Board of the Company:-

- a) Shri Rajib Kumar Sen, Economic Advisor, Ministry of Micro, Small & Medium Enterprises was appointed as official part-time Director in the Board of NSIC vide its letter No. 11(8)/2001-SME dated 22nd May, 2020 in place of Shri D.P.S. Negi, Ex-Economic Advisor (MSME).
- b) Shri Vijayendra, has been relieved from the charge of the post of Chairman-cum-Managing Director, NSIC on 14th Sept. 2021 vide Ministry of MSME letter No. K-01/11/2021-SME dated 14th Sept., 2021 and the additional charge of Chairman & Managing Director, NSIC has been assigned to Ms. Alka Nangia Arora, Joint Secretary, M/o of MSME.
- c) Smt. Mercy Epao, Joint Secretary (SME), Ministry of Micro, Small & Medium Enterprises was appointed as official part-time Director in the Board of NSIC vide its letter No.K-01/15/2021-SME dated 22nd Sept. 2021 in place of Smt. Alka Arora, Joint Secretary (ARI), M/o of MSME.

During the year 2020-21, four meetings of the Board of Directors were held. In addition, Audit Committee Meeting, Corporate Social Responsibility Committee meeting and other Sub-Committee meetings of the Board were held. The details of the meetings are given in the Corporate Governance Report which forms part of this report.

29) Directors' Responsibility Statement

Pursuant to the requirement of section 134(3) (c) of the Companies Act 2013, the Directors confirms that:

- In the preparation of the annual accounts for the year 2020-2021, the applicable

accounting standards had been followed alongwith proper explanation relating to material departures;

- Such accounting policies have been selected and applied 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 Company at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors have 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 Company and for preventing and detecting fraud and other irregularities;
- The financial statement have been prepared on a going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

30) Corporate Governance

The Company received "Excellent" rating on compliance of Corporate Governance guidelines issued by Department of Public Enterprises for CPSEs for the year 2019-20.

A separate report on Corporate Governance forms part of this report.

31) Acknowledgements

The Board of Directors wish to place on record their gratitude to the Hon'ble Ministers of Micro, Small & Medium Enterprises (MSMEs) for the help, guidance and support provided.

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 & Medium Enterprises and from other Ministries and Government of India. The Directors also acknowledge with thanks the support received from AS&DC, Ministry of MSME, AS&FA, Ministry of MSME, Joint Secretary and Economic Advisor, Ministry of MSME.

The Directors also like to express their sincere appreciation for the co-operation received from company's bankers, financial institutions and to thank all the stakeholders

for reposing their faith, trust and confidence in the Company.

The Directors acknowledge the constant support and assistance received from Statutory Auditors, Comptroller & 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 taking NSIC towards a bright future.

For and on behalf of the Board of Directors

Place: New Delhi

Date: 29th November, 2021

Sd/-

(Alka Nangia Arora)

Chairman-cum-Managing Director

Annexure-I to Board's Report

Management Discussion & Analysis

i. Industry structure and developments

The Micro, Small & Medium Enterprises (“MSME”) sector is very important for the Indian economy in terms of contribution to India's GDP and employment generation. India has over 6 (six) crore MSMEs across manufacturing and service sectors which employ over 11 (eleven) crore people. MSMEs also contribute immensely in exports from the country. The MSMEs are spread in every nook and corner of the country. There are various challenges are being faced by MSME i.e. inadequate funding, delayed working capital management, statutory policies, lack of awareness of govt. schemes, unavailability of skilled workers etc. However, one of the biggest challenges faced by MSMEs in India is the inadequate availability of capital.

MSMEs have been inordinately affected by the COVID induced lockdown, transport disruptions, severance of supply chains, social distancing measures owing to their dominant presence in economic sectors like retail, trading and services. This disruptive effect has been compounded due to their limited financial resources and borrowing capacity. The Government of India has introduced a slew of legislative, regulatory and financial measures to support the MSME sector amidst this unprecedented crisis unleashed by the pandemic.

A major structural reform, in this direction, has been undertaken by the Government of India by adopting a new composite formula of classification for manufacturing and service units in MSME sector with effect from 1st July 2020. Additionally, the Government has undertaken various initiatives in many sectors, for the growth of MSMEs.

ii. Operational and Financial Performance

NSIC has continued its efforts of facilitating MSMEs, during the financial year 2020-

2021 also, through integrated support services encompassing Marketing, Credit, Technology and other Services.

Despite the challenges being faced by the MSME sector due to Covid-19 Pandemic and other various factors. The total business of the company was ₹14,976 crore for the year 2020-2021.

The revenue from operations was Rs. 2,101.29 crore as against Rs. 1,904.11 crore in previous year. During the year 2020-21, the Company has earned Profit before Tax amounting to Rs. 139.65 crore.

The Company continued to play its role of facilitator to the MSMEs by facilitating them with integrated support with special focus on marketing support - raw material distribution (Rs. 1543.17 crore), credit support (Rs.4300 crore), technology support-training activities (33527 trainees).

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 'Assistance for Training to Institutions', 'National Schedule Caste - Schedule Tribe Hub', 'Entrepreneurship and Skill Development Programmes', 'Procurement and Marketing Support Scheme', 'National Entrepreneurship Award Scheme', etc., for which budgetary support has been provided to the Corporation along with administrative expenditure, wherever applicable in terms of approved guidelines for implementation of such schemes, 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.) and training expenses are met out of the budgetary support provided for the above schemes.

The 'Commercial' activities inter-alia includes the activities whereby the Corporation provides 'Marketing (including tender marketing and Raw Material Assistance/ Distribution)', '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, 2021 as required by (IndAS - 108) on "Segment Reporting" issued by the Institute of Chartered Accountant of India.

(₹ in Lakh)

Description	For the year ended 31 st March 2021			For the year ended 31 st March 2020		
Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial	Total
I. SEGMENT REVENUE (including grant)						
-Government Grant Recognized during the year	7,915.96	-	7,915.96	10259.98	-	10259.98
-Sale of Product	-	1,68,430.76	1,68,430.76	-	144412.97	144412.97
-Sale of Services	2.58	8,826.69	8,829.27	-	8648.19	8648.19
-Others	-	32,964.63	32,964.63	-	37606.55	37606.55
-Total	7,918.54	2,10,222.08	2,18,140.62	10259.98	190667.71	200927.69
II. SEGMENT EXPENDITURE (including expenses against grant)						
-Expenditure incurred against Government Grant recognized during the year	7,915.96	-	7,915.96	10259.98	-	10259.98
-Others	2.58	2,00,062.78	2,00,065.36	-	180748.49	180748.49
-Total	7,918.54	2,00,062.78	2,07,981.32	10259.98	180748.49	191008.47
III. RESULTS						
a. Segment Results	-	10,159.30	10,159.30	-	9919.22	9919.22
b. Operating Profit before interest	-	21,741.29	21,741.29	-	25847.45	25847.45
c. Interest Paid	-	7,772.34	7,772.34	-	12616.01	12616.01
d. Exceptional items	-	4.22	4.22	-	(1.30)	(1.30)
e. Profit before Tax	-	13,964.73	13,964.73	-	13232.74	13232.74
f. Tax Expense	-	3,805.43	3,805.43	-	3313.52	3313.52
g. Net Profit after Tax	-	10,159.30	10,159.30	-	9919.22	9919.22
h. Other Comprehensive Income	-	170.37	170.37	-	(393.90)	(393.90)
i. Total Comprehensive Income {Comprising Profit/(Loss) and Other Comprehensive Income}	-	10,329.67	10,329.67	-	9525.32	9525.32
IV. ASSETS & LIABILITIES						
a. Segment Assets	3,831.32	2,70,606.38	2,74,437.70	4956.28	285942.40	290898.68
b. Unallocated Assets	-	-	26,826.16	-	-	25829.92
c. Total Assets	3,831.32	2,70,606.38	3,01,263.86	4956.28	285942.40	316728.60

(₹ in Lakh)

Description	For the year ended 31 st March 2021			For the year ended 31 st March 2020		
Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial	Total
d. Segment Liabilities	5,435.31	1,73,347.69	1,78,783.00	3587.47	195800.28	199387.75
e. Unallocated Liabilities	-	-	1,22,480.86	-	-	117340.85
f. Total Liabilities	5,435.31	1,73,347.69	3,01,263.86	3587.47	195800.28	316728.60
V. OTHER INFORMATION						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	614.97	1,389.27	2,004.24	689.78	387.50	1077.28
(b) Depreciation #	347.70	841.51	1,189.21	386.83	732.86	1119.69
(c) Non-cash expenditure other than depreciation	-	682.87	682.87	-	123.65	123.65

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.
- The Company offers integrated package of services, ranging from financial support, marketing, technology and information support to Micro, Small & Medium Enterprises.
- The Company 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 Company has proven track record in the area of international cooperation in MSME sector development and institutional capacity building.
- The considerable asset base of the Company gives it an added advantage for expansion of its activities.

(b) Challenges:

- Disruption due to Covid-19 pandemic.
- 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 Company, some other agencies have also been authorized to register MSEs for Government Purchase.

(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.

(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 Company.
- 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 Company for last six decades.

NSIC has signed various MOUs to achieve its targets and to increase the growth and profitability of the Company. The Company is committed to further explore the new business opportunities in areas of marketing, set up new verticals and centres to provide training to enhance the knowledge level and to increase the employment opportunities for unemployed youth. The company is also strengthening its operational systems through the intervention of digitalization.

vi. Risks & Concerns

The Company 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 Company has a Board level Risk Management Committee to review and assess the risks of the Company.

vii. Internal Control Systems

The Company has adopted & adhered the policies and procedures of all its schemes as per ISO manual for monitoring and ensuring the efficient conduct of its business. The internal guidelines are regularly reviewed for better implementation of schemes and to widespread the benefits of the schemes amongst larger number of MSMEs.

The Company has separate division at HO level to examine the tenders received from different divisions of Head office including field offices of the Company. In order to ensure that adequate checks and balances

are in place and internal control systems are in order, regular and exhaustive Internal Audit of various Branch offices are conducted by in-house Internal Audit Division / External RBI empaneled Chartered Accountant firms. Further, review of internal audit reports are done by in-house internal audit division on periodic basis as defined which is commensurate with the size and operations of the field offices. The Audit Committee reviews the observations / comments of the internal audit report submitted by the Internal Auditors. The Committee also meet Statutory Auditors as and when required to ascertain robust internal control system.

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

As on March 31, 2021, total manpower of the Company was 686 employees, which included 502 at managerial level. various training programs were conducted as training is a learning process. NSIC has an exclusive Training division which conducts and administers training programs for all the employees of NSIC across the country. For the financial year 2020-21, even during the challenging time due to COVID-19 pandemic, 139 employees of the Company attended various training programmes, seminars, webinars, workshops, National meet etc.

ix. Corporate Social Responsibility (CSR)

Initiatives taken by your Company towards CSR are detailed in the CSR report, a part of the Directors' Report.

x. Cautionary Statement

Statements in Management Discussion and Analysis describing the Company'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- II to Board's Report

Corporate Social Responsibility Report for the Financial Year 2020-21

1.0 Brief outline on CSR Policy of the Company

The Corporation always strives to integrate its business values and operations in an ethical manner to demonstrate its commitment to sustainable development of the various constituents of our Society. The CSR commitment of NSIC positions its social and environmental consciousness as an integral part of its business plan and as a step towards this direction has committed to strengthen the quality of life of under-privileged sections of the community.

2.0 Composition of CSR Committee

Sl. No.	Name of Director	Designation/ Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1	Shri Vijayendra	Chairman	2	2
2	Shri P. Udayakumar	Director	2	2
3	Shri Gaurang Dixit	Director	2	2

3.0 Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

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

4.0 Provide the details of Impact assessment of CSR projects carried out in pursuance

of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):
Not Applicable.

5.0 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2020-21	NIL	NIL

6.0 Average net profit of the Company as per section 135(5): Rs. 11,544.49 lakh

7.0 (a) Two percent of average net profit of the company as per section 135(5):

The Company is required to spend Rs. 231 lakh towards its CSR activities.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

(c) Amount required to be set off for the financial year, if any: **NIL**

(d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 231 lakh**

8.0 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
2,24,58,220	6,30,770	N.A.	Swachh Bharat Kosh	6,50,000	25 th Nov. 2021

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 35 (6) (in Rs.).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Reg-istration No.
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
1	Not Applicable											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item no. from the list of activities in schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount spent for the project (in Rs.)	Mode of implementation Direct (Yes / No)	Mode of implementation through implementing agency	
				State	District			Name	CSR Reg. No.
1	2	3	4	5		6	7	8	
1	Contribution to “PM CARES Fund”	(viii)	No	PAN India		1,00,00,000/-	Yes	-	-
2	Provided PPEs kits (Personal Protective Equipment's) such as gloves, masks, sanitizers etc., in different COVID-19 affected locations, where there was an acute need of such PPEs.	(i)	Yes	All India		5,24,220/-	Yes	-	-
3	Contribution to “Swachh Bharat Kosh”	(i)	No	PAN India		40,00,000/-	Yes	-	-
4	Contribution to “Clean Ganga Fund”	(iv)	No	PAN India		50,00,000/-	Yes	-	-
5	Contribution to “Armed Forces Flag Day Fund (AFFDF)”	(vi)	No	PAN India		29,34,000/-	Yes	-	-
	Total					2,24,58,220/-			

(d) Amount spent in Administrative Overheads: **NIL**

(e) Amount spent on Impact Assessment, If applicable: **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 231 lakh

(g) Excess amount for set off, if any:

SI No.	Particular	Amount (Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	NIL

9.0 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR	Account under section 135 (6) (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding Financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer.	
Not Applicable							

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project Completed / Ongoing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
NIL								

10.0 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset: **Not Applicable**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

11.0 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

FORM No. MR-3

Secretarial Audit Report

For The Financial Year ended on 31st March, 2021

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

To,

The Members,

The National Small Industries Corporation Limited
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 The National Small Industries Corporation Limited having Corporate Identity Number U74140DL1955GOI002481 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the company 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 company for the financial year ended on 31st March, 2021, 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 thereunder; **(Not applicable to company during audit period);**

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the company during audit period);**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the company during audit period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the company during audit period);**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable to the company during audit period);**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during 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 company during audit period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company 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 company during audit period);**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the company during the audit period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the company during audit period);**
- (vi) Compliances/Processes/systems including other applicable laws to the company are being certified on the basis of periodic certificates submitted to the board of Directors of the company.
- (vii) Other laws applicable to company are:-
 - (i) Guidelines issued by Department of public Enterprises;
 - (ii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

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

- (i) Secretarial standards issued by the Institute of company secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange/SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015 ; **(Not applicable to the company during audit period);**

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

We further report that :

- The Board of Directors consist one Chairman cum Managing Director (CMD), two functional Director(s) and two nominee Director(s). The Company has written letters to Ministry of Micro, Small and Medium Industries to take a view on the appointment of 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.
- Resolutions were passed at all the meetings by the requisite majority and there was no instances of the dissent which were required to be captured and recorded as part of the minutes.

We further report that there are adequate Systems and processes in the company Commensurate With the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Sapna G & Associates

Company Secretary

Sd/-

(Sapna Gupta)

ACS NO. 43389

C.P. NO. 15943

UDIN: A043389C001063716

Place: New Delhi
Date: 16th November, 2021

Note: This Report is to be read With Our Letter of even date Which is annexure A" and forms as an integral part of this report.

**“ANNEXURE A” to the Secretarial Audit Report”
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021**

To,

The Members,
The National Small Industries Corporation Limited
NSIC Bhawan, Okhla Industrial Estate,
New Delhi-110020

Our Report of Even date is be read along with this lotter.

1. Maintenance of Secretarial record is the responsibility of the Management of the company. 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 verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company. We have relied upon the report of Statutory Auditors regarding compliance of companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts papers and Financial Statements of the relevant Financial Year, which gives a true and fair view of the state of the affairs of the Company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961, Finance Acts and Goods & Service Tax (GST)
5. Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events.
6. The compliances of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. our examination is limited to the verification of procedures on test basis.
7. The secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the company.

For Sapna G & Associates
Company Secretary

Sd/-
(Sapna Gupta)
ACS NO. 43389
C.P. NO. 15943
UDIN: A043389C001063716

Place: New Delhi
Date: 16th November, 2021

Annexure-IV to Board's Report

FORM NO. MGT-9

Extract of Annual Return As on financial year ended on 31.03.2021

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:

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

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	....	66.07%
2	Credit Support to MSMEs for Raw Material Procurement	....	28.60%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	NSIC Venture Capital Fund Limited, NSIC Bhawan, Okhla Industrial Estate, New Delhi- 110020	U65990DL2020GOI368828	Subsidiary	100%	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April, 2020]		No. of Shares held at the end of the year [As on 31-March-2021]		% 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					
a) NRIs- Individuals	....	....	....	....	....
b) Other- Individuals	....	....	....	....	....
c) Bodies Corp.	....	....	....	....	....
d) Banks/FI	....	....	....	....	....
e) 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) FIs	...	...	...	...	...
h) Foreign Venture Capital Funds	...	...	...	...	...
i) Others (specify)	...	...	...	...	...
Sub-total (B)(1):-	...	...	...	...	...
2. Non-Institutions					
a) Bodies Corp.	...	...	...	...	...

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April, 2020]		No. of Shares held at the end of the year [As on 31-March-2021]		% Change during the year
	Total No. of Shares	% of Total Shares	Total No. of Shares	% of Total Shares	
i) Indian	...	...	...	...	...
ii) 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					
a) 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 shareholding 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 Advisor, MSME*	100	Negligible	....	100	Negligible	...	....
7	Director, SME*	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 01/04/2020 to 31/03/2021

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
1	At the beginning of the year	.....	.....	.....	.....
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	.....	.....	.....	.....
3	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
1	At the beginning of the year	.....	.....	.....	.....
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	.....	.....	.....	.....
3	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 Vijayendra, CMD, NSIC Ltd.	400		400	
	Smt. Alka Arora Govt. Nominee Director	100		100	
	Shri D.P.S. Negi Govt. Nominee Director	100		--	

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
2.	Change in the shareholding				
	a) Transfer of 100 shares from Shri D.P.S. Negi to Shri Rajib Kumar Sen, Govt. Nominee Director	--		100	
3.	At the end of the year				
	a) Shri Vijayendra, CMD	400		400	
	b) Smt. Alka Arora, Govt. Nominee Director	100		100	
	c) Shri Rajib Kumar Sen, Govt. Nominee Director	100		100	

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

(Rs. in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1565.00	53.42	-	1618.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1565.00	53.42	-	1618.42
Change in Indebtedness during the financial year				
* Addition	-	--	-	-
* Reduction	185.00	1.22	-	186.22
Net Change	(185.00)	(1.22)	-	(186.22)
Indebtedness at the end of the financial year				
i) Principal Amount	1380.00	52.20	-	1432.20
ii) Interest due but not paid	-	--	-	-
iii) Interest accrued but not due	4.13	0.10	-	4.23
Total (i+ii+iii)	1384.13	52.3	-	1436.43

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

S No	Particulars of Remuneration	Name of Managing Director	Name of Whole Time Director		
		Sh. Vijayendra 01/04/2020 to 31/03/2021	Shri P. Udayakumar 01/04/2020 to 31/03/2021	Sh. Gaurang Dixit 01/04/2020 to 31/03/2021	Total Amount
1	Gross Salary				
	(a) Salary (as per provisions contained in section 17(1) of the Income-tax Act, 1961)	3791772	5920741	3965053	13677566
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	....	32400	32400	64800
	(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 (Employer cont. to PF & Pension)	....	695125	511690	1206815
	TOTAL (A)	3791772	6648266	4509143	14949181

B. Remuneration to other Directors : Nil

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

S No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total Amount
		Sh. Gaurang Dixit 01/04/2020 To 31/03/2021	Ms. Nishtha Goyal 01/04/2020 To 31/03/2021	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3965053	1631786	5596839
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32400	....	32400
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	....	....	....
2	Stock Option	....	....	....
3	Sweat Equity	....	....	....

S No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total Amount
		Sh. Gaurang Dixit 01/04/2020 To 31/03/2021	Ms. Nishtha Goyal 01/04/2020 To 31/03/2021	
4	Commission	....	....	....
	- as % of profit	....	....	....
	- others, specify...	....	....	....
5	Others, please specify (Employer cont. to PF & Pension)	511690	227608	739298
	Total	4509143	1859394	6368534

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	NSIC has filed a compounding application to Regional Director, Northern Region, Ministry of Corporate Affairs to condone the delay in conducting 65 th Annual General Meeting as per the provisions of Section 96 of the Companies Act, 2013 for the year 2019-2020 due to COVID-19 pandemic. Awaiting for the decision from Regional Director, Northern Region, MCA.				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

Report on Corporate Governance

NSIC is always committed towards high standards in corporate ethics, transparency, disclosures, accountability & integrity. The Corporate Governance adherence of the Company assisted in achieving its goals and in maximizing the wealth of its stakeholders. The Company is committed to adopt best practices of Corporate Governance.

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

1. Board of Directors

The Board of Directors of the NSIC consists of one Chairman-cum-Managing Director, two functional Directors, two Government nominee Directors and three independent Directors. During the year 2020-2021, there were no independent Director in the Board of the Company. As being a Government

Company, the power to appoint Directors in the Board of company vests with the President of India acting through administrative ministry. The follow-up is being made for the appointment of independent Directors.

2. Meetings of the Board

The meetings of Board of Directors were held at periodical intervals. During the year 2020-21, total four Board Meetings were held viz. 21st July, 2020, 14th August, 2020, 20th November, 2020 and 19th February, 2021.

The details of constitution of the Board and the number of Directorships held in other Companies as on 31st March, 2021, 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 February, 2021	No. of outside Directorships
1.	Shri Vijayendra DIN No. 03625565	Executive	04	Yes	1*
2.	Smt. Alka Arora DIN No.03165567	Government Nominee	04	Yes	2
3.	Shri D.P.S. Negi DIN No. 08006217 (upto 22 nd May, 2020)	Government Nominee	-	-	-
4.	Shri Rajib Kumar Sen DIN No.07669981 (w.e.f. 22 nd May, 2020)	Government Nominee	04	Yes	1*
5.	Sh. P. Udayakumar DIN No. 03353625	Executive	03	Yes	-
6.	Shri Gaurang Dixit DIN No. 08535482	Executive	04	Yes	1*

* Holding directorship in NSIC Venture Capital Fund Limited (a wholly owned subsidiary company of NSIC)

3. 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.

3.1 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.	Shri Rajib Kumar Sen	04	04
2.	Smt. Alka Arora	04	03
3.	Shri P. Udayakumar	04	03
4.	Shri Gaurang Dixit	04	04

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

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.
- To take note for the appointment and terms of appointment of the auditors of the Company.
- Recommending to the Board the fixation of audit fees.
- Approval for payment to statutory auditors for any other services rendered by the statutory auditors.
- 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 judgement by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with legal requirements relating to financial statements;
 - Disclosures of any related party transaction
 - Qualifications in draft audit report
- Review the following with the management:
 - Review the quarterly and half-yearly financial statement;
 - Company's financial and risk management policies;
 - Follow-up action on the audit observations of the C&AG audit;
 - Follow-up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament;
 - 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.
 - Reviewing with the management performance of the external and internal auditors, and the adequacy of internal control systems.
 - Discussion with statutory auditors / agencies before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.

- ix. Review with the independent auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- x. Consider and review the following with the independent auditor and the management:
 - The adequacy of internal controls including computerized information system controls and security; and
 - Related findings and recommendations of the independent audit or internal auditor, together with the management responses.
- xi. Reviewing the adequacy of internal audit functions, 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.
- xii. Discussions with internal auditors regarding any significant findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature & reporting the matter to the Board and follow up thereon.
- xiii. 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.
- xiv. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
- xv. Consider and review the following with the management, internal auditor and the independent auditor:
 - Significant findings during the year, including the status of previous audit recommendations;
 - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
- xvi. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
- xvii. Review and monitor the auditor's independence & performance and effectiveness of audit process;
- xviii. Examination of the financial statement and the auditor's report thereon;
- xix. Approval or any subsequent modification of transactions of the Company with related parties;
- xx. Scrutiny of inter-corporate loans and investments;
- xxi. Valuation of undertaking or assets of the company, wherever it is necessary;
- xxii. Evaluation of internal financial controls and risk management systems;
- xxiii. Monitoring the end use of funds raised through public offers and related matters.
- xxiv. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

3.2 Nomination & Remuneration Committee

NSIC 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 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 and its Sub- Committees Meetings. The Government Nominee Directors do not draw any remuneration / sitting fee for Board / Committee Meetings from the Company.

Consequent to the changes in the Board, the Nomination & Remuneration Committee was re-constituted by the Board time to time. As on 31st March 2021, government nominee directors were the members of the committee. One meeting of Nomination & Remuneration Committee was held during the year. The committee shall be reconstituted after the appointment of Independent directors.

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 prescribed limits (if applicable).

3.3 Corporate Social Responsibility Committee

During the year, the Committee met on 14th July, 2020 and 26th March 2021. As on 31st March 2021, 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.	Shri Vijayendra, Chairman	02	02
2.	Shri P. Udayakumar Member	02	02
3.	Shri Gaurang Dixit Member	02	02

The Corporate Social Responsibility Committee oversees Corporate Social Responsibilities of the Company and approve CSR projects. The Company has CSR policy approved by the Board.

3.4 Asset Liability Management Committee Meeting (ALMCO)

During the year 2020-2021, three meetings were held i.e. on 15th May, 2020, 15th October, 2020 and 15th January, 2021. Shri Vijayendra, CMD is the Chairman of the Committee. The head of Finance Deptt. and information technology department are the permanent invitee for the meeting.

4. Disclosures

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

• Vigil Mechanism / Whistle Blower Policy

The Company 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 Company 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 Company has issued "Code of Ethics and Business Conduct" for compliance and also posted the same on the website of the Company.

5. Remuneration of Directors

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

6. Key Managerial Personnel (KMPs)

As on 31st March, 2021 the Company has following persons as the “Key Managerial Personnel”.

#	Name	Designation
1.	Shri Vijayendra	Chairman-cum- Managing Director
2.	Shri P. Udayakumar	Whole Time Director
3.	Shri Gaurang Dixit	Whole Time Director and CFO
4.	Ms. Nishtha Goyal	Company Secretary

7. Related Party Transactions

The particulars of Related Party Transactions required to be disclosed in Form AOC-2 for the financial year 2020-21 is enclosed with the report.

8. 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 Company. In this regard, a certificate from M/s. Kumar Wadhwa & Company, Practicing Company Secretaries, confirming compliance with the conditions as stipulated under DPE Guidelines on Corporate Governance is annexed.

9. 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.

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, 2021 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 by 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 Kumar Wadhwa & Company
Company Secretaries

Sd/-
PCS Sanjay Kumar
Managing Partner
M. No.: 9211
C.P. No.: 7027
UDIN: F009211C000936852

Place: New Delhi

Date: 13th September, 2021

Annexure-VI to Board's Report

Annual Compliance – Related Party Transactions

1. Details of contracts or arrangements or transactions not at arm's length basis: No Material contracts or arrangements or transactions were entered by the Company with any Related Party, during financial year 2020-21.
2. Details of material contracts or arrangement or transactions at arm's length basis, during financial year 2020-21.

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	NSIC Venture Capital Fund Limited (100% Subsidiary Company)	Payment of Manpower Support Cost, Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment expenses on behalf of NVCFL. (Exclusive of Taxes)	On-going transaction	Manpower Support Cost – Rs. 15.94 Lakhs Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment – Rs. 0.82 Lakhs (all amounts on actual basis)	-	-
2.	NSIC Venture Capital Fund Limited (100% Subsidiary Company)	Rent received from NVCFL (Exclusive of Taxes)	Agreement(s) for 11 months	Rent Rs. 0.07 Lakhs (i.e. Rs. 1000/- per month plus taxes)	-	-
3.	NSIC Venture Capital Fund Limited (100% Subsidiary Company)	Payment of Advertisement & Publicity and Duties & Taxes paid on Company Incorporation (Exclusive of Taxes)	One time transaction	Advertisement & Publicity – Rs. 13.67 Lakhs Duties & Taxes paid on Company Incorporation – Rs. 10.83 Lakhs (all amounts on actual basis)	-	-

FORM NO. AOC.1

Statement containing salient features of the financial statement of Subsidiaries/ associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of
Companies (Accounts) Rules, 2014)

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. Sl. No. - 1
2. Name of the subsidiary: NSIC Venture Capital Fund (NVCFL)
3. Reporting period for the subsidiary concerned: if different from the holding company's reporting period: The subsidiary was incorporated on 28th August, 2020, therefore the reporting period of the subsidiary is 28th August, 2020 to 31st March, 2021.
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. N.A.
5. Share capital: Authorized Share Capital – Rs. 10 crore; Paid up share capital- Rs. 6 crore
6. Reserves & surplus: (- Rs. 61.10 lakh)
7. Total assets: Rs. 543.02 lakh
8. Total Liabilities: Rs. 4.12 lakh
9. Investments: Nil
10. Turnover: Nil
11. Profit before taxation: Rs. – 58.32 lakh
12. Provision for taxation: Rs. 2.78 lakh
13. Profit after taxation: Rs. -61.10 lakh
14. Proposed Dividend: Nil
15. % of shareholding: NVCFL is a wholly owned subsidiary of NSIC Ltd.

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: NVCFL applied to SEBI for registration as category –II AIF which has been subsequently approved after the close of the financial year ended on 31st March, 2021 vide certificate dated 1st September, 2021.
2. Names of subsidiaries which have been liquidated or sold during the year. N.A

Part “B”: Associates and Joint Ventures- N.A.

INDEPENDENT AUDITORS' REPORT

To,

The Members of

The National Small Industries Corporation Limited

Revised Report on the Audit of the Standalone Financial Statements

This Audit Report is in supersession of our earlier Audit Report dated 23th September 2021 on the standalone financial statements of **The National Small Industries Corporation Limited** as at 31st March 2021 has been revised to give effect to the observations made by Office of the Principal Director of Audit Industry and Corporate Affairs, New Delhi vide letter No. AMG-III/4(21)/Annual Accounts/NSIC/(2020-21)/63 dated 29/10/2021.

Opinion

We have audited the accompanying standalone financial statements of **The National Small Industries Corporation Limited** ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, which are included in the financial statements of Head Office audited by us and 54 branch offices including Technical Centres audited by other independent auditors appointed by Comptroller & Auditor General of India. (here in after referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Emphasis of Matters

1. We draw attention to the following matters in the Note – 34(2) to the financial statements:
 - a) Para-1 of which, describes that the balances of Trade Receivables, Loans and advances, Trade payables, Deposits/ Earnest Money, Borrowers etc. are subject to confirmation/ reconciliation in the following cases and consequential adjustments, if any.
- Debit Balances

(₹ in Lakh)

S. N.	Particulars	Total	Confirmation not received
1	Trade receivables (Marketing & Others) (net of PIS)	19675.53	7744.67

2	Loans & Advances (net of PIS)	242251.73	8212.16
3	Other Financial Assets	1833.28	706.09
	Total	263760.54	16662.92

- Credit Balances

(₹ in Lakh)

S. N.	Particulars	Total	Confirmation not received
1	Trade Payables	19408.08	11118.99
2	Other Financial Liabilities	14247.49	5554.27
3	Other Long-term Liabilities (Security Deposit Payable, EMD)	36.21	15.82
	Total	33691.78	16689.08

2. We also draw attention to the following matters in the Note 34 to the financial statement:

- (a) Para 12 regarding ad-hoc provision on account of Performance Related Pay (PRP) for the year 2020-21 amounting to ₹729.05 lakhs (Previous year ₹690.18 lakhs).
- (b) Para 8(III)– “As approved by the Ministry vide letter dated 2.12.2016, Corpus for medical schemes have been created of ₹198.50 lakh (₹122. Lakh) for the employees retired prior to 1.1.2007 and of ₹ 121.454 lakh (₹122.54 Lakh) for the employees retired on or after 1.1.2007, in accordance to the DPE’s guidelines. These corpuses have been utilized for the payment of premium to Insurance Company to the extent of ₹ 154.02 lakh (₹53.67 lakh) and ₹ 64.98 lakh (₹33.66 Lakh) respectively during the year”.

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

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report and Chairman’s statement but does not include the financial statements and our auditor’s report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Standalone Financial Statements

The Company’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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as

a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements.

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As Part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on

whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements representing the underlying transactions and events in a manner that achieves fair representation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe

these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements/information of 54 (Previous Year 60) Branch Offices & Technical Centres included in the standalone financial statements of the Company, whose financial statements / financial information reflect total assets of ₹ 2,83,500.59 lakhs as at 31st March, 2021 (₹ 3,00,559.78 lakhs as at 31st March, 2020) and total revenues of ₹2,07,565.06 lakhs (Previous Year ₹ 1,86,187.50 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 independent auditors appointed by Comptroller & Auditor General of India, 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 independent branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the 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 Companies Act, 2013, we give in the Annexure – "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. **(A)** As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company 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 not visited by us.
- (c) The reports on the accounts of the branch offices of the Company 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 (including other comprehensive income), (the Statement of Changes in Equity) and 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 not visited by us.
- (e) 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) In terms of notification No. GSR 463 (E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section 2 of Section 164 of the Act, are not applicable to the Company, being a Government Company.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "B"**.

(B) 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 company has disclosed the impact of pending litigations on its financial position in its financial statements – **Refer Note 33** to the financial statements.
- ii. The company 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 company.

(C) With respect to the matter to be included in the Auditors Report under 197(16) of the Act:

In our opinion and according to the information and explanations given to us, Government Companies vide MCA's notification published in Gazette Dt. 5th June 2015, are exempts from the applicability of provisions of section 197 read with Schedule V to the Companies Act regarding managerial remuneration.

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 2021 on accounts of Branch / Head Office audited by us and 54 branch offices including technical centres audited by other independent auditors appointed by Comptroller & Auditor General of India, refer to our separate Report in **Annexure "C"**.

for **Goyal Parul & Co**
Chartered Accountants
Firm's Reg. No. : 016750N

Sd/-
(Parul Goyal)
Partner

Membership No.: 099172
UDIN: 21099172AAAACH6485

Place: New Delhi
Date: 02.11.2021

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Annexure referred to in Paragraph “1” under our ‘Report on Other Legal Regulatory Requirements’ section of our report of even date to the members of The National Small Industries Corporation Limited on the Standalone Financial Statements for the year ended 31st March 2021.

- (i) (a) The Company 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 program of verification of these assets, which, in our opinion, is reasonable having regard to the size of the Company 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 Company, the title deeds of the following immovable properties are not held in the name of the Company:

(₹ In Lakhs)

S. No.	Particulars of the property	Area	Gross Block As At 31/03/2021	Net Block As At 31/03/2021
1	Land at Technical Centre Howrah	49.94 acres	1.60	1.60
2	Flats at Branch Office Mumbai	3660.00 sqft	11.52	5.30

- (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 Company 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 Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investment of the Company. Further, the Company 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 Company.
- (v) According to the information and explanations given to us, the Company 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 Company.
- (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 Company.
- (vii) (a) The Company 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, 2021 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 Company as a whole as on 31st March 2021, 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	2.80	1993-94	CTO, Gandhi Nagar Circle, Hyderabad
5	Sales Tax Act	Central Sales Tax	6.77	2016-17	CTO, Secundrabad
6	CST Act, 1956	Central Sales Tax	0.49	2009-10	Appellate Deputy Commissioner CT (III), Chennai
7	CST Act, 1956	Central Sales Tax	0.56	2011-12	Appellate Deputy Commissioner CT (III), Chennai
8	Service Tax	Service Tax	3.29	2009-10	The Commissioner of Service Tax, Chennai
9	Commercial Tax	Commercial Tax	13.97	2012-13 & 2013-14	Joint Commissioner, Sales Tax, Orissa
10	Service Tax	Service Tax	9.56	October 2007 to June 2012	Appellate Tribunal, Allahabad
11	Sales Tax Act	Differential Tax, Interest & Penalty	15.88	2005-06	Dy. Comm. Of Sales Tax - Appeals
12	Sales Tax Act	Differential Tax, Interest & Penalty	23.92	2009-10	Dy. Comm. Of Sales Tax - Appeals
13	Sales Tax Act	Differential Tax, Interest & Penalty	231.24	2012-13	Jt. Comm. Of Sales Tax - Appeals
14	Sales Tax Act	Differential Tax, Interest & Penalty	18.92	2013-14	Dy. Comm. Of Sales Tax - Appeals
15	Sales Tax Act	Differential Tax, Interest & Penalty	46.97	2014-15	Jt. Comm. Of Sales Tax - Appeals
16	Sales Tax Act	Differential Tax, Interest & Penalty	82.43	2015-16	Jt. Comm. Of Sales Tax - Appeals
17	Orissa VAT Act	Sales Tax	15.67	2012-13 to 2013-14	Joint Commissioner of Sales Tax, Cuttack
18	Orissa VAT Act	Sales Tax	18.15	2014-15	Joint Commissioner of Sales Tax, Cuttack
19	West Bengal VAT Act	Value Added tax	1.39	2014-15	Senior Joint Commissioner of Sales Tax, West Bengal
20	Sales Tax Act	Central Sales Tax	332.95	2016-17	Department of Trade & Taxes, Delhi
21	Income Tax Act	Income Tax Regular Demand	18.39	2016-17	CIT (Appeals)-IX, New Delhi
22	Income Tax Act	Income Tax Regular Demand	1.73	2017-18	DCIT, Circle -25(1), New Delhi
	Total		866.94		

- (viii) Based on our Audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institutions, banks or Government. Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company 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 Company or any fraud on the Company by its officers or employees has been noticed or reported during the year
- (xi) In our opinion and according to the information and explanations given to us, Government Companies vide MCA's notification published in Gazette Dt. 5th June 2015, are exempts from the applicability of provisions of section 197 read with Schedule V to the Companies Act regarding managerial remuneration.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (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, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details 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 Company 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 Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act 1934, the Company 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 **Goyal Parul & Co**
Chartered Accountants
Firm's Reg. No. : 016750N

Sd/-
(Parul Goyal)
Partner

Membership No.: 099172
UDIN: 21099172AAAACH6485

Place: New Delhi
Date: 02.11.2021

ANNEXURE- “B”

ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED.

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 CORPORATION LIMITED** (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 Company’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 Company’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 Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’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 Company'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 Company; (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 Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company'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 2021:

1. The procedure for review of financial statements/accounts of the borrower, periodical confirmation of balances in few cases and renewal of limit sanctioned to the units were not effectively implemented/

monitored. Management informed that entire procedure has been reviewed and revised regularly 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.

2. Internal control needs further strengthening in respect of implementation of risk management and systems to ensure continued implementation of Company'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.
3. Budgeting needs further improvement. No budget was prepared by H.R. Division for recruitments through open market based on the cadre / post wise vacancies available, which should be prepared by the top management at the commencement of Financial Year.

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 Company 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, 2021, based on "the internal control over financial reporting criteria established by the Company 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".

Other Matter

Our aforesaid report u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial

statements insofar relates to financial statements/
information of 54 branches / offices have been
audited by the independent auditors appointed by

Comptroller & Auditor General of India, is based on
the corresponding reports of the auditors of such
Branches / Offices.

for **Goyal Parul & Co**
Chartered Accountants
Firm's Reg. No. : 016750N

Sd/-
(Parul Goyal)

Partner
Membership No.: 099172
UDIN: 21099172AAAACH6485

Place: New Delhi
Date: 02.11.2021

Compliance Certificate

We have conducted the audit of accounts maintained at Head Office of The National Small Industries Corporation Limited for the year ended 31st March 2021 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 **Goyal Parul & Co.**
Chartered Accountants
Firm's Reg. No: 016750N

Sd/-
(Parul Gupta)
Partner

Membership No.: 099172
UDIN: 21099172AAAACH6485

Place: New Delhi
Date: 02.11.2021

ANNEXURE “C” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED.

Annexure referred to in Paragraph “3” under our ‘Report on Other Legal Regulatory Requirements’ section of our report of even date to the members of The National Small Industries Corporation Limited on the Standalone Ind AS Financial Statements for the year ended 31st March 2021.

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 **The National Small Industries Corporation Limited**, New Delhi audited by us and 54 branch offices including technical centres audited by other independent auditors for the year ended 31st March 2021.

S No.	Directions	Reply
I	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Corporation has system in place to process all the accounting transactions through IT System. The Corporation is using Tally (ERP9) and Stowe software for Accounting. RMA software is using for RMA financing. However, Tally is not integrated now. Based on Audited Branch reports, audit procedures carried out and as per the information and explanations have been given to us, no accounting transactions have been processed / carried outside the IT System.
II	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts /loans/interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for ? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company)	As per information and explanations given to us and based on our examination of records no restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the corporation.
III	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on Audited Branch reports, audit procedures carried out and as per the information and explanations given to us and based on our examination of records funds received/receivable for specific schemes from central/ state agencies utilized as per the respective terms and conditions.

for **Goyal Parul & Co.**
Chartered Accountants
Firm’s Reg. No: 016750N

Sd/-
(Parul Gupta)
Partner

Membership No.: 099172
UDIN: 21099172AAAACH6485

Place: New Delhi
Date: 02.11.2021

Non-Banking Financial Companies Auditor's Report for the Year Ended 31st March 2021

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

Dear Sir,

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016" issued by the Reserve Bank of India (RBI), on the matters specified in Chapter-II of the said Directions to the extent applicable to the Corporation and according to the information and explanation is given to us for the purpose of Audit, we report that:-

- 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 on 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 2021.
- 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 2021.
- 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) Based on RBI notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13.03.2020, Non-Banking Financial Companies (NBFCs) covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 are required to comply with Indian Accounting Standards (IndAS) for the preparation of their financial statements for the year 2019-20 and onwards. Therefore, w.e.f. financial year 2019-20, ECLs in terms of IndAS-109 has been recognized as loss allowances on the financial instruments.
- 7) As per information and explanation given to us, the statement of capital funds, risk assets/ exposures and risk asset ratio (DNBS03 return) has been filed by Corporation for all the quarters of FY 2020-21 based on provisional financial results of respective quarters, drawn on the date of filing within the stipulated period including CRAR, in compliance with RBI norms. Further, CRAR based on audited financial statements for the year ended 31.03.2021 has been correctly arrived at and it is in compliance with minimum prescribed CRAR by RBI.

for **Goyal Parul & Co.**
 Chartered Accountants
 Firm's Reg. No: 016750N

Sd/-
(Parul Gupta)
 Partner

Place: New Delhi
 Date: 02.11.2021

Membership No.: 099172
 UDIN: 21099172AAAAACH6485

Statutory Auditors' Certificate (SAC)

We have examined the books of accounts and other records maintained at Head Office of the National Small Industries Corporation Ltd for the Financial Year ending March 31st, 2021. On the basis of the information submitted to us, we certify the following:-

Sl. No.	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 Rs Crore) (Calculation of the same is given in the Annex)	914.80
7.	Total Assets (in Rs Crore)	3012.64
8.	Asset-Income pattern: (in terms of RBI Press Release 1998- 99/1269 dated April 8, 1999) (a) % of Financial Assets to Total Assets (b) % of Financial Income to Gross Income (NBFC-Factor /NBFC-MFI / AFC / IFC may also report separately below)	88.50% 69.20%
9.	Whether the company was holding any Public Deposits, as on March 31, 2019? If Yes, the amount in NIL Crore	No
10.	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (In term of sec 45-IC of the RBI Act, 1934).	Yes
11.	Has the company received any FDI? If yes, did the company comply with the minimum capitalization norms of the FDI?	No
12.	If the Company is classified as an NBFC-Factor; (a) % of factoring assets to Total Assets (b) % of Factoring Income to Gross Income	NA
13.	The Corporation is classified as an NBFC-MFI; % Qualifying Assets to Net Assets (refer to Notification DNBS.PD.No.234CGM(US)2011 dated December 02, 2011)	NA

Sl. No.	Particulars	Details
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 No 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)	NA

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 **Goyal Parul & Co.**
Chartered Accountants
Firm's Reg. No: 016750N

Sd/-
(Parul Gupta)
Partner

Membership No.: 099172
UDIN: 21099172AAAAACH6485

Place: New Delhi
Date: 02.11.2021

Sl. No.	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:	
	General reserves	
	Share premium	
	Capital reserves	
	Debenture redemption reserve	
	Capital redemption reserve	
	Credit balance in P&L account	436.06
	Other free reserves (may be specified)	
4	Special reserves	40.16
	Total of 1 to 4	1009.21
5	Less: (i) accumulated balance of loss	
	(ii) deferred revenue expenditure	
	(iii) deferred tax assets (Net)	40.71
	(iv) other intangible assets	53.70
	Owned Fund	914.80
6	Investment in shares of	
	(i) Companies in the same group	
	(ii) Subsidiaries	600.00
	(iii) Wholly Owned Subsidiaries	
	(iv) Other NBFCs	
7	Book value of debentures, bonds outstanding loans and advances, bills purchased and discounted (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	600.00
9	Amount in item 8 in excess of 10% of Owned Fund	-
10	Net Owned Fund	914.80

NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

NOTE-1: CORPORATE INFORMATION & BASIS OF ACCOUNTING

1. CORPORATE INFORMATION

The National Small Industries Corporation Limited (referred to as “NSIC” or “The Corporation”) was incorporated in the year 1955. NSIC is domiciled and incorporated in India [CIN No. U74140DL1955GOI002481], governed under the Companies Act and is a Systemically Important Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India vide certificate no. N.14.03090 dated 29/12/2005. The Legal Entity Identifier (LEI) Code registered with Global Legal Entity Identifier Foundation (GLEIF) is 335800935QD3LJGOLZ39. It is an ISO 9001-2015 certified Government of India ‘Mini Ratna Category-1’ Enterprise under Ministry of Micro, Small and Medium Enterprises (MSME).

NSIC has been working to promote aid and foster the growth of micro, small and medium enterprises in the country through its various Offices / Technical Centre. NSIC facilitates Micro, Small and Medium Enterprises with a set of specially tailored scheme to enhance their competitiveness. NSIC provides integrated support services under Marketing, Technology, Finance and other Support service.

2. BASIS OF ACCOUNTING

i. Statement of Compliance

The financial statements of the Corporation comply with IndAS notified under the Companies (Indian Accounting Standard) Rules 2015 (as amended), applicable provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 and other applicable regulatory norms/ guidelines.

The financial statements of the Corporation have been prepared on going concern basis under the historical cost convention following accrual system of accounting (unless otherwise stated) in accordance with the Generally Accepted Accounting Principles and are in accordance with the Indian Accounting Standard (referred to as “IndAS”) notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended, applicable provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 and other applicable regulatory norms/ guidelines.

ii. Basis of Preparation and Presentation

The IndAS financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets (equity instruments classified as Fair Value through Other comprehensive income etc.) and financial liabilities (security deposits, etc.) that are measured at fair value at the end of each reporting date as required under relevant IndAS. These policies have been applied consistently for all the periods presented in the financial statements.

iii. Use of estimates, assumptions and management judgements

In preparing the financial statements in conformity with the Corporation’s accounting policies, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the

financial statements, the amount of revenue and expenses during the reported period and notes to financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized in the period in which the results are crystallized.

iv. **Critical Accounting Estimates and Management Judgements**

In application of the accounting policies, the management of the Corporation is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is stated here under:

a. **Property, Plant and Equipment (PPE)**

The residual values and estimated useful life of PPEs and Intangible Assets are assessed at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operational condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortization.

b. **Assets held for sale**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105, 'Non-current assets held for sale and discontinued operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

c. **Income Taxes**

Estimates are involved in determining the provisions for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Judgements are made in respect of expected future profitability to assess deferred tax asset.

d. **Impairment of financial instruments**

The impairment assessment of financial instruments comprising of trade receivables and Loans & Advances is carried out based on assumptions about risk of default and expected loss. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward-looking estimates at the end of each reporting date.

e. **Impairment of Non-financial assets (PPE)**

The impairment assessment of non-financial assets is

determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement.

f. Defined Benefit Plans and Other long-term employee benefits

The cost of the defined benefit plan and other long-term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long-term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

g. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses other valuation techniques to determine its fair value. The inputs to apply these techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such

as liquidity risk, credit risk and volatility.

h. Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

v. Functional and presentation currency

These IndAS financial Statements are prepared in Indian rupees, the national currency of India and the functional currency of the Corporation. All financial information presented in Rupees has been rounded off to the nearest lakh with two decimals unless otherwise indicated.

NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation and presentation of the financial statements as given below have been applied consistently to all periods presented in the financial statements.

I. Property, Plant and Equipment (PPE) – Tangible PPEs

a) Initial recognition and measurement

- i. Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation, lease terminal adjustment and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use.

- ii. **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, lease terminal adjustment and accumulated impairment losses, if any.
- iii. **Items of property, plant and equipment 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 and accumulated impairment losses, if any.
- iv. When parts of an item of PPE have different useful lives, they are recognized separately by identifying such components.
- v. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use. Borrowing costs (after deducting income on temporary investment of borrowed funds, if any) directly attributable to the specified item of property, plant and equipment, are capitalized to such items.
- vi. In case of assets available for use /put to use, where final statement of accounts /settlement of bills with contractors/ implementing agency is yet to be affected, capitalization is done on estimated basis, subject to necessary adjustments, including those arising out

of settlement of arbitration/ court cases, in the year of final settlement.

b) Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the property, plant and equipment when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the property, plant and equipment can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in Statement of profit & loss.

c) Derecognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

II. **Capital Work in Progress**

- a) Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.
- b) The Assets under construction are carried at cost comprising direct cost (cost of materials, labour & other incidental expenditure) & related indirect expenses (including overheads) attributable to bring the

assets to the location and working condition necessary for its intended use.

- c) Income pertaining to the construction period such as interest income, liquidated damages recovered, etc. is adjusted against the expenditure during construction period.
- d) Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors, until the assets is recognized as PPE.
- e) Advances paid for the acquisition/ construction of PPE which are outstanding at the balance sheet date are classified under 'Capital Advances'.

III. Intangible Assets

a) Initial recognition and measurement

Intangible assets that are acquired by the Corporation have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

b) Subsequent Costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

c) Intangible Assets under Development

In terms of IndAS-38, any expenditure incurred, specifically attributable to development of an intangible asset and is likely to satisfy the recognition & measurement criteria- upon completion of development, are capitalized as "intangible assets under

development" till they are ready for their intended use,

d) Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

IV. Impairment of Property, Plant & Equipment and Intangible Assets

Property, Plant & Equipment and Intangible Assets are treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is recognized immediately to Statement of Profit and Loss in the year in which an asset is identified as impaired and the carrying amount of the asset is reduced to its recoverable amount, unless the relevant asset is carried at a revalue amount, where the impairment loss is treated as a revaluation decrease. If there is any indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

V. Assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale transaction (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell except for assets such as deferred tax, assets arising from employee benefit, financial assets and

contractual rights under insurance contracts, which are specifically exempted from this requirement. The determination of fair value less costs to sell includes use of management estimates and assumptions.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the balance sheet.

VI. Depreciation on Tangible Assets and Amortization and Intangible PPEs

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

Depreciation is provided on pro-rata 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.

b) Items of Property, Plant & Equipment other than leased assets and seized leased assets out of leased assets

- i) Depreciation on PPE is charged on straight-line method as per useful lives specified in part C to schedule II of the Companies Act, 2013 except Mobile phone Instruments.

S. No	Nature of Assets	Useful Life	Rate (SLM)	Residual Value
i.	Building RCC frame structure	60 Years	1.58%	5% of original cost
ii.	Building other than RCC frame structure	30 Years	3.17%	5% of original cost
iii.	Building Temporary Structure	3 Years	31.67%	5% of original cost
iv.	Roads-Carpeted-RCC	10 Years	9.50%	5% of original cost
v	Roads-Carpeted-other than RCC	5 Years	19.00%	5% of original cost
vi.	Roads-Non-Carpeted	3 Years	31.67%	5% of original cost
vii.	Plant and Machinery	15 Years	6.33%	5% of original cost
viii.	Furniture and Fittings	10 Years	9.50%	5% of original cost
ix.	Vehicles-2 wheeler	10 Years	9.50%	5% of original cost

x.	Vehicles-4 wheeler	8 Years	11.88%	5% of original cost
xi.	Office Equipment	5 Years	19.00%	5% of original cost
xii.	Computers and Processing Units	3 Years	31.67%	5% of original cost
xiii.	Servers and Networks	6 Years	15.83%	5% of original cost
xiv.	Electric Distribution Plant	35 Years	2.71%	5% of original cost
xv.	Electrical Installations and Equipment's	10 Years	9.50%	5% of original cost
xvi.	Intangible Assets-Software	5 Years	20.00%	₹ 1/-
xvii.	Mobile Phone Instruments	3 Years	33.33%	₹ 1/-

- ii) Depreciation on additions to / deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposal.
- iii) Assets costing up to ₹ 0.10 Lakh are depreciated fully in the year of purchase, after retaining 5% of original cost as residual value except Mobile phone Instruments where ₹1/- is retained as residual value.
- iv) Mobile phone Instruments costing over ₹ 0.10 lakh, are depreciated over a period of 3 years, starting from the year in which it is acquired, after retaining ₹1/- as residual value.
- v) Depreciation in case of PPE purchased out of Government grants, is charged to 'Capital Reserve' (which is in the nature of 'Deferred Income') in proportion to depreciation charged on such assets. The capital reserve is created at the time of purchase of fixed assets out of grants received with the purchase cost.
- vi) Lease hold land is amortized over the lease period.

- vii) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of five years, starting from the year in which it is acquired, after retaining ₹1/- as residual value. However, where the life of software is less than five years, the cost is amortized over the useful life of such Assets, after retaining ₹1/- as residual value.

VII. Borrowing Costs

Borrowing costs consist of interest and other costs that the Corporation incurs in connection with the borrowing of funds.

Borrowing costs incurred for qualifying assets are capitalized up to the date, the asset is ready for intended use, after netting off any income earned on temporary investment of such funds, based on borrowing incurred specifically for financing the asset. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are recognized in the statement of profit & loss in the reporting period in which they accrue.

VIII. Inventories

- a) The inventory mainly comprises of the following-
 - i. Stock of stationery and miscellaneous items.
 - ii. Stores, pattern, moulds, tools, measuring instruments and goods in transit.
 - iii. Stock of finished goods, finished components, work in progress and stores in NSIC Technical Service Centers.
 - iv. Stock of finished goods pertaining to commercial activities.
 - v. Stock of repossessed / seized / surrendered machines under hire purchase (HP) and composite term loan (CTL).

- vi. Stock of repossessed / seized / surrendered machines under equipment leasing where assets given on or after 01.04.2001.
- vii. Obsolete and unserviceable assets.
- viii. Land & Building and Sheds, etc. in the nature of stock in trade.
- b) Cost is determined on First in First Out (FIFO) basis.
- c) Inventories are valued at the lower of cost and net realizable value.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. In case of stock of Finished goods, finished components and work-in-progress in NSIC Technical Service Centers, apart from direct costs, overheads are charged in the ratio of total overheads for the year as reduced by the overheads charged to outside job orders at pre-determined standard rates to direct labour cost.

- d) Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

IX. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. All the items of income/ revenue (incl. revenue from training activities and common facilities) & expenditure are accounted for on accrual basis where there is certainty as to realization as described hereunder:

- a) **Income from Financial Activities under Hire Purchase, Marketing, Raw Material Distribution / Assistance, Bill Financing and Composite Term Loan**
 - i. Interest Income in respect

- of loans and advances, are recognized on accrual (time proportion) basis with reference to contractual terms considering outstanding amount, applicable rate, etc.
- ii. No Interest income is recognized from the date, loans and advances become NPA, in terms of, the Master Direction - Non- Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
 - iii. Interest accrued but not realized in case of NPA accounts, is reversed on reporting date from interest income as 'Additional/ Normal Interest Suspense (PIS)' and correspondingly reduced from total outstanding dues except cases where proceeds of invoked BG's are not received by reporting date [refer IX(a)(ix) below].
 - iv. Penal interest/additional/normal interest under different activities/ schemes of the Corporation where ever considered as doubtful of recovery is treated as the income in the year of its realization.
 - v. Processing fees/ service charges is treated as income on time proportionate basis under RMA/BD against BG and in other cases, on accrual basis.
 - vi. Where the unit's accounts are frozen, no further interest is charged to the unit's account.
 - vii. Excess of sales proceeds of repossessed / seized / surrendered machines over their value in case of hire purchase and equipment 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.
 - viii. Application processing fee, wherever applicable, is treated as income on receipt basis.
 - ix. On invocation of Bank Guarantee (BG), unit's account is frozen from the date of submitting its claim letter with the BG issuing bank and interest accrued but not realized included in total dues, if any, is not reversed from interest income as 'Additional/ Normal Interest Suspense (PIS)'. At the year end, in case, proceeds of invoked BGs are not received in designated bank account of the Corporation, such amount is treated as **"Receivables from Bank"**. However, where the bank delays in releasing the proceeds of invoked Bank Guarantees, interest for delayed period from the date of claim lodged till the date proceeds received in the designated bank account of the Corporation, if any, is recognized as income in the year of its realization.
- b) **Registration Fee under Single Point Registration Scheme**
Registration fees under Single Point Registration Scheme, is recognized as income only on date of issuance of certificate for fresh registration/ renewal/ amendment therein.
 - c) **Membership fee of B2B portal (MSME Mart) -(B2B Scheme)**
Membership fees of B2B portal (MSME Mart) under B2B Scheme, is recognized as income only on activation of unit's membership.

d) Revenue from training activities and common facilities

Revenue from training activities is recognized on accrual (time proportion) basis till the completion of training programme.

Revenue from common facilities (which inter-alia includes testing fees, job work charges, etc.) is recognized on completion of testing and job work.

e) Income from Turnkey Projects / Service Contracts

i. Revenue from consultancy, project management and supervision charges, is recognized in Statement of profit & loss, in proportion to the stage of completion of the transaction / handing over of the project, at the reporting date as per the terms of the contract.

ii. Direct Expenditure incurred on project are accounted for under the project and Indirect expenses are accounted for under the natural head of account of respective head.

f) Income from Leasing

Leases are classified as Operating lease and Finance Lease. Leases in which the Corporation does not transfer substantially all the risks and rewards/ benefits of ownership of the asset to the lessee are classified as Operating Lease. Leases other than operating lease are classified as Finance Lease.

Corporation was providing assistance under its Equipment Leasing business which was discontinued since 2003. Income recognition in respect of such leased assets and seized leased assets out of leased assets is as under:

I. On lease transactions entered up to 31st March 2001

- i. Lease rentals in respect of transactions entered up to 31st March 2001 are accounted for on accrual basis, net of the lease equalization charges.
- ii. 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 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 worked 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.

III. The Ministry of Corporate Affairs (MCA) notified Indian Accounting Standard (IndAS) 116, Leases on 30th March 2019. The effective date of IndAS-116 is for annual reporting periods beginning on or after 1st April 2019. IndAS-17- Leases has

been replaced by the above standard.

Accordingly, the Corporation has adopted IndAS-116-Leases with effect from 1st April 2019, and applied to all lease contracts existing on 1st April 2019, using the modified retrospective transition method. Accordingly, the comparatives as at and for the year ended 31st March 2019 have not been restated.

On the date of initial application, the Corporation has recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate at the date of initial application and a corresponding right-of-use asset has been recognized at an amount equal to lease liability. Comparatives as at and for the year ended 31st March 2019 have not been adjusted and therefore will continue to be reported as per IndAS-17. However, Corporation has applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

The important provisions of IndAS-116-Leases are briefly explained as under:

i. Corporation as a Lessor

It inter-alia includes space, godown, etc. owned by the Corporation and given on lease for which rental income is received. The Assets subject to operating lease are included in Property, Plant & Equipment and depreciated over its useful life. Lease income

in respect of 'Operating Lease' is recognized in the statement of profit and loss on a straight-line basis over the lease term. The Finance Lease is not undertaken by the Corporation as lessor.

ii. Corporation as a Lessee

It inter-alia includes space, godown, accommodations for staff, etc taken by the Corporation on lease for which lease rent payments are made. These lease arrangements are usually renewable on mutually agreed terms.

➤ The accounting by Lessee under the new standard IndAS-116 is as under:

Corporation recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases), leases with no written agreement and leases for low value underlying assets.

A short-term lease would cover lease agreement for less than 12 months or lease agreements

more than 12 months but lessor having a right to cancel at any time by giving some notice period. Lease agreements executed by the Corporation for duration of more than twelve months but containing a clause of giving an option to terminate the same by giving notice of defined period, are also treated as short term lease.

The Standard does not specify the threshold for low value assets. However, it includes low value assets viz tablets, personal computers/Laptop and small items of PPE, etc.

For short-term and leases for low value underlying assets, the Corporation recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease

payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation / amortization and impairment losses. Right-to-use asset shall be depreciated in accordance with IndAS-16-Property, Plant and Equipment (PPE)'

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

The Finance Lease is not undertaken by the Corporation as lessee.

➤ In the comparative period, as lessee, the leases were accounted as per IndAS-17 as under:

❖ **Accounting for finance leases:**

In the comparative period, there was no Finance Lease undertaken by the Corporation.

❖ **Accounting for operating leases:**

Payments made under operating lease (net of recoveries) were recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless scheduled increase in rent was to compensate the lessor for expected inflationary cost increase.

g) 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.

h) Dividend Income

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

i) Scrap Sale

Income from sale of scrap is accounted on realization basis.

X. Interest Subvention Benefit

The interest subvention benefits under Interest Subvention Scheme of the Government (on reimbursement basis) are accounted for on receipt of claimed amount from SIDBI by the Corporation.

XI. Foreign Currency transactions and translations

a) Transactions in foreign currencies are initially recorded at the functional

currency spot rates at the date the transaction first qualifies for recognition.

b) Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises.

c) Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

XII. Government Grants

a) The approved grants from Government of India under various promotional activities are recognized on accrual basis where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. In case of approved Promotional activities, expenditure incurred / committed for the year, but grant received in subsequent year, is accounted on accrual basis.

b) 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 amount, to the extent of expenditure incurred, is recognized as income in the Statement of Profit and Loss.

c) In case of capital grant, the expenditure incurred is reduced from the recognized grant income by creating capital reserve which is in the nature of 'Deferred Income'. The capital reserve is recognized as income each year over the life of the relevant assets in proportion to depreciation on those assets.

d) Government grants relating to Revenue are recognized in the Statement of Profit and Loss on a

systematic basis over the periods in which the Corporation recognizes the incurred related costs as expenses for which such grants relates / are intended to cover.

- e) Government grants towards reimbursement of amount of fees towards 'Membership Fees under SPRS scheme (NSSH)', 'Inspection Charges under SPRS scheme (NSSH)' (applicable where the inspection is carried out by NSIC officials only and not by empanelled Inspection Agencies), '**Membership Fees under B2B scheme (NSSH)**', 'Training Fees for Capacity Building (NSSH)', 'Rent of Office Premises-NSSHO' (applicable where the property is owned by NSIC and where the rent is not paid to outsider are charged as grant utilized under the group head "Membership/ Inspection fees, rent, etc under NSSH" and are reduced from the recognized grant income. Similarly, government grants towards reimbursement of training fees under Assistance to Training Institutions (ATI) scheme, etc are also charged as grant utilized under the group head "**Training Fees under ATI**" and is reduced from the recognized grant income.

As the Corporation is already rendering all the services as mentioned above on commercial basis, however, in case of SC/ST units, Corporation's commercial fees are being paid by the Government of India in lieu of SC/ST MSE units. Therefore, all the reimbursements as referred above are also treated as **commercial revenue** of respective heads under 'Sale of Services'.

- f) Administrative expenses, if any, allowed to the Corporation for Implementation of any Government promotional schemes, on amount spent/ utilized (except amount spent/utilized on Mentoring & hand holding support, Corporation's

commercial revenue, etc), in terms of approved guidelines, are charged as grant utilized under the group head "**Administrative Charges for Implementation of Govt. Schemes (Grants and Subsidies)**" and correspondingly reduced from the recognized grant revenue. Since, it's a Corporation's commercial revenue, therefore, the same are also depicted as commercial revenue under the group head "**Administrative Charges for Implementation of Govt. Schemes (Grants and Subsidies)**" under 'Sale of Services'.

- g) The Corporation is also carrying out promotional schemes namely Procurement & Marketing Support Scheme (PMSS), International Co-operation (IC), etc which are **reimbursement-based scheme** in terms of guidelines issued by Ministry wherein only on receipt of funds from o/o DC-MSME/ Ministry by the Corporation, reimbursed claimed expenses and corresponding grants are recognized in the year of funds received.
- h) The direct actual expenditure incurred on account of training under ATI and NSSH scheme, if any, are accounted for as commercial expenditure under the natural head of account of respective head.
- i) Interest earned, if any, on the Government grant received 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.
- j) 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 Financial 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 Financial Liabilities.

XIII. Allocation of Expenses

The expenses directly attributable to the commercial activities are charged to the respective activities. In case of indirect expenses, the same are allocated on the basis of business generated (Revenue from the Operation) under different commercial activities during the year.

XIV. Employee Benefits

Employee Benefits include Salaries and Wages, Provident Fund, Pension, Gratuity, leave encashment and other terminal benefits.

a) Short Term Employee Benefits

Short term employee benefits comprise of employee costs such as salaries, allowances, annual leave and sick leave which are accrued during the year in which the associated services are rendered by employees of the Corporation.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

b) Post-Employment Benefits and Other Long-Term Employee Benefits

(i) Defined Contribution Plan

A defined contribution is a post-employment benefit plan where Corporation pays fixed contributions into different organizations and will have no legal or constructive obligation to pay further amounts. Contributions to Provident Fund, Pension Fund & Post-retirement medical benefits (PRMB) made by the Corporation are considered as defined contribution plan. Such

contributions paid/ payable during the year are recognized as an employee benefit expense in the statement of profit and loss for the year in which the related services are rendered.

The contribution to provident fund is paid to a fund administered through a separate trust and contribution to pension fund is paid to Life Insurance Corporation of India through trust. Regarding PRMB, medical corpus is created as per guidelines of Department of Public Enterprises which is utilized for the payment of premium to the Insurance Company.

(ii) Defined Benefits Plan

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. Corporation's Liability towards gratuity, leave encashment and other employees' benefits namely Sick leave and T.A. on Retirement, made by the Corporation, are considered under Defined Benefit Plan.

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation at the year-end using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, are recognized in the period in which they occur, directly in other comprehensive income. Remeasurement recognized in Other Comprehensive Income (OCI) is reflected immediately in retained earnings and is not reclassified to the Statement of Profit & Loss.

XV. Prior Period Expenses and Income

Income/Expenditure relating to a prior period, which does not exceed 0.25 % of the Corporation's Revenue from Operations of previous year in each case, are treated as income/expenditure of current year.

XVI. Prepaid Items

Expenses pertaining to subsequent financial year(s) are treated as prepaid only where the payment exceeds ₹ 1.00 lakh in each case.

XVII. Taxation

Tax expense for the period comprises of current tax and deferred tax. Tax recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity where the tax is also recognized in other comprehensive income or equity.

a) Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provision of the Income Tax Act, 1961 and the other applicable tax laws.

b) Deferred Tax

- i. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose.
- ii. Deferred tax liabilities are generally recognized for all taxable temporary differences.
- iii. Deferred tax assets are generally recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.
- iv. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that

it is no longer probable that the related tax benefit will be realized.

- c) Additional income taxes that arise from the distribution of dividends are recognized at the time when the liability to pay the related dividend is recognized.

XVIII. Cash and cash equivalents

Cash comprises of cash on hand, demand deposits with banks, etc. The Corporation considers cash equivalents as all short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

XIX. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

XX. Dividends

Dividends payable to a Corporation's shareholders are recognized as changes in equity in the period in which they are approved/ recommended by the shareholders' meeting and the Board of Directors respectively.

XXI. Cash Flow Statement

Cash flows are reported using indirect method as prescribed in IndAS-7 "Statement of Cash Flows".

XXII. Provisions, Contingent Liabilities and Contingent Assets

a) Provisions

- (i) Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of a past event, provided there is possibility of that the Corporation will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

- (ii) The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- (iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset provided it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.
- (iv) Provisions, if required, on Receivables and Loans & Advances from Central Government / State Governments / Government Institutions / Government Companies and other Central / State Government departments / bodies, are made wherever considered appropriate by the management.
- (v) No provision for receivables in respect of 'Receivables' under Export and Marketing Scheme is made to the extent the amount appears under 'Payable' and to the extent of service charges adjusted against amount payable to supplier, for supplies pertaining to the same transaction under back-to-back arrangement with suppliers.
- (vi) Based on RBI notification no RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13.03.2020, ECLs in terms of IndAS-109 are recognized as loss allowances in financial instruments w.e.f.

financial year 2019-20.

- (vii) The classification and norms of making provisions for Receivables and Loans & Advances (net of interest suspense account) in terms of IndAS and IRAC prudential norms issued by RBI, are annexed herewith.

b) **Contingent Liabilities**

Contingent Liabilities is a possible obligation arising from past events and the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

The Corporation discloses the existence of contingent liabilities in Notes to Financial Statements. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts and are reviewed/ assessed continuously at each balance sheet date to determine whether outflow of economic resources have become probable. If the outflow becomes probable, then relative provision is recognized in the financial statements to reflect the current management's estimates.

c) **Contingent Assets**

Contingent Assets are not recognized but disclosed in Notes which usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits.

Contingent assets are assessed

continuously to determine whether inflow of economic benefits becomes virtually certain, then such assets and the relative income will be recognized in the financial statements.

XXIII. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value except in case of Trade Receivables which are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset at fair value through profit & loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset at FVTPL are recognized immediately in the statement of profit & loss.

A. Financial assets

I. Subsequent Measurement

Financial assets include Investments, Loans, Trade Receivables, Security Deposits, Cash and Cash Equivalents etc. Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired.

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- at amortized cost using effective interest rates (EIR)
- at fair value through profit or loss (FVTPL)

- at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

- i. Financial Assets at Amortized Cost - A financial asset shall be measured at Amortized cost, if both of the following conditions are met:
 - a) Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
 - b) Contractual terms of the financial assets give rise on specified dates to cash flows that are **solely** payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using Effective Interest Rate (EIR) method. The EIR method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discount estimated future cash receipts (including all fees paid or received that forms an integral part of the effective interest rate, transaction costs and other premiums and discounts) through the expected life of the financial asset, or where appropriate, a shorter period to the net carrying amount on initial recognition.

The Corporation's cash and cash equivalents, trade receivables and other loans & advances falls into this category of financial instruments.

- ii. Fair value through other comprehensive income (FVTOCI) - A financial asset shall be measured at Fair value through other comprehensive income, if both of the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding
- Fair value movements are recognized in the OCI and accumulated in reserve

Equity instrument have been classified as at FVTOCI wherein all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity shares listed on stock exchanges are valued at weighted average price of last trading day of financial year at Bombay Stock Exchange (BSE).

- iii. Fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortized cost or FVTOCI, with all changes in the fair value recognized in Statement of P&L.

II. Impairment in Financial Assets

The Corporation at the end of each reporting year, tests a financial asset or a group of financial assets (other than financial assets held at fair value through profit or loss) for impairment based on evidence or information that is available without undue cost or effort. Expected credit loss (ECL) is assessed and impairment loss recognized, if the credit risk of the financial asset is significantly increased.

The impairment losses and reversals are recognized in the statement of profit and loss.

Impairment model under IndAS-109 applies to financial instruments as listed below:

- ❖ Financial assets that are debt instruments measured at Amortized Cost e.g. loans, debt securities, deposits and bank balance.
- ❖ Equity investments are measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- ❖ Loan commitments not measured at FVTPL (Fair Value Through Profit and Loss)
- ❖ Lease Receivables under IndAS-116
- ❖ Trade and other receivables

Based on RBI notification no RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/ 2019-20 dated 13.03.2020, ECLs in terms of

IndAS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20, which comprises of:

- a) Loans & advances to customers under schemes of Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan and receivables from banks.
- b) Trade Receivables in respect of dues under schemes of Hire Purchase, Leasing, Marketing and Others (incl. receivables on account of transactions comprising of Sale of Services).

In terms of above mentioned RBI notification dated 13.03.2020, Receivables and Loans & Advances under financing scheme comprising of receivables in respect of dues under Hire Purchase, Leasing, Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, receivables from banks etc., where impairment allowance under IndAS-109 is lower than provisioning required under IRACP (including standard assets provisioning), the Corporation appropriates the difference from its net profit or loss after tax to a separate '**Impairment Reserve**'. Such transfer will not be a charge against profit; instead, appropriated against the profit or loss after taxes .

III. Derecognition of Financial Assets

Financial assets are derecognized when the contractual right to receive cash flows from the financial assets expires or transfers the contractual rights to receive the cash flows from the asset.

On de-recognition of a financial asset in its entirety,

the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognized in Other Comprehensive Income and accumulated in Equity, is recognized in Statement of Profit and Loss if such gain or loss would have otherwise been recognized in Statement of Profit and Loss on disposal of that financial asset.

B. Financial Liability

The Corporation's financial liabilities include Trade and other payables, Loans and Borrowings including Bank Overdrafts, Earnest Money Deposit and Retention Money.

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable transaction cost.

I. Subsequent measurement

- i. **Financial liabilities at Amortized costs** – After initial measurement, such financial liabilities are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement

of Profit and Loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

- ii. **Financial liabilities at Fair value through statement of Profit and loss** include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. The carrying value of those financial liabilities which are to be discharged within twelve months is considered to be its fair value.

II. **Derecognition of Financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Annexure to Accounting Policy-XXII (a)(vii)

Classification and Provisioning Norms for Receivables and Loans & Advances

The classification and norms of making provisions for Receivables and Loans & Advances (net of interest suspense account) in terms of IndAS and IRAC prudential norms issued by RBI are as follows:

1. Secured Receivables and Loans & Advances

Trade receivables and Loans & Advances are treated as '**Secured**' (unless otherwise stated), to the extent of the liquid realizable securities available with the Corporation which inter-alia includes - 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, Earnest Money Deposit (EMD), seized machines, consideration money, advance installment/rental, advance received from hirer / advance against purchase of machine, realizable Collateral Security-Equitable Mortgage of Immovable Property, Bills for supplies made to the Government Departments, valid Bank Guarantee (BG)/ Letter of Credit (LC) or any other tangible security/ Security Deposits paid by the Corporation under contractual valid agreement/ contract / rights / any amount owned by the Corporation to the units including transactions under back-to-back arrangement, Advances paid to bulk suppliers (having MOU arrangement with the Corporation) to the extent of advance have already been received from the MSMEs & / or amount paid out of the sanctioned limit under RMA against BG, Security Deposits paid by the Corporation & correspondingly the buyer of supplies also provides security to the Corporation (including Security Deposits under contractual rights), sponsored training dues outstanding equal to or less than 180 days, employee advances of existing employees and interest accrued thereon. It shall also include all securities obtained from the units as per the terms of sanction of assistance.

The amounts not covered by above are treated as '**Unsecured**'.

2. Classification of Financial Instruments

The financial instruments comprising of Receivables and Loans & Advances in terms of IndAS-109 and further classification of Financial Instruments among Financing Schemes in terms of IRAC prudential norms issued by RBI, inter-alia includes following:

- (i) **Trade Receivables:** Trade Receivables under financing schemes comprises of receivables in respect of dues under Hire Purchase and Leasing whereas under non-financing schemes comprises of receivables in respect of dues under Marketing activities and Others (incl. receivables on account of transactions comprising of Sale of Services).
- (ii) **Loans & Advances:** Loans and advances under financing schemes comprises of receivables in respect of dues under Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, receivables from banks etc.
- (iii) **Others:** These instruments under non-financing schemes comprise of Receivables and Loans & Advances which inter-alia includes advances recoverable in cash or in-kind (primarily consist of advances paid to outside parties including advances paid to bulk suppliers having MOU with the Corporation), security deposits, staff advances (including interest accrued but not due thereon) and other assets, etc.

3. Provisioning Norms for Receivables and Loans & Advances:

Recognition of impairment allowance in terms of IndAS-109 on the financial instruments

and IRAC prudential norms issued by RBI, are explained below:

a) **Provisioning norms in terms of IndAS-109** for various items of Trade Receivables, Loans & Advances are depicted below:

(i) **Loans and Advances under Raw Material Assistance, Bill Discounting, recoverable from Banks and Trade & other receivables:**

Stages	Classification of Outstanding Receivables and Loans & Advances
Stage-1 (Performing)	This would inter-alia includes financial assets where there is no material increase in credit risk since initial recognition or those which have low credit risk at the reporting date. It covers financial assets which inter-alia includes: - RMA and Bill discounting against BG to the extent covered by value of valid BG -Impairment allowance @ 0.40% of Net Outstanding. - Where low risk to the Corporation is substantiated which inter-alia includes: - Where receivables are treated as secured in terms of liquid/ tangible security as EMD/ advance installment/ rental/ advance received from the unit, realizable Collateral Security, etc. - Sponsored training dues outstanding equal to or less than 180 days - Receivables under Export and Marketing scheme to the extent the amount payable to supplier, for supplies pertaining to the same transaction under back-to-back arrangement with suppliers. In such cases, as there will be no ECL, therefore, no impairment allowance be provided.
Stage-2 (Under Performing)	Stage-2 covers those financial assets where there is significant increase in credit risk since initial recognition but which do not have objective evidence of impairment. This would inter-alia includes following cases: - RMA and Bill discounting against collateral: This would include financial assets pertaining to the schemes that have been closed since long or not intended to be carry along in future by the Corporation but are backed up with any sort of realizable security to the extent covered by such value of realizable security. - Impairment allowance @ 100% of Net Outstanding. - RMA against BG: This would include cases where bank guarantees are invoked by the Corporation but claims are deferred or not admitted by the BG issuing bank on any ground and such cases are further taken up by the Corporation with the AMRCD, higher authorities of BG issuing bank, other authority, etc for intervention to resolve the issue & decision of final authority is in favour of the Corporation. Moreover, cases wherein no refusal/ denial from bank/authority for payment is received, payment is deferred/ stayed by NCLT/ court, other authorities, etc.- Impairment allowance @ 0.40% of Net Outstanding. However, where any amount against aforesaid cases is received before signing of balance sheet- no impairment allowance be provided.

(ii) **Receivables and Loans & advances under Hire Purchase, Leasing, Term Loan, Composite Term Loans, etc:**

Stages	Classification of Outstanding Receivables and Loans & Advances
Stage-3 (Non-Performing)	Stage 3 assets will include those financial assets for whom there is objective evidence of impairment at the reporting date. It covers financial assets which are not covered under Stage-1 & 2 and inter-alia includes the following: - schemes that have been closed since long or not intended to be carry along in future by the Corporation and are not backed up with any sort of realizable security - schemes viz. Hire Purchase (HP), Leasing (ELS), Composite Term Loans (CTL) and Term Loans (TL). - where there is a fraud involved - where there is dispute with the BG issuing bank in admitting the claim and decision of final authority (like Administrative Mechanism for Resolution of CPSEs Disputes-AMRCD) is against the Corporation

Stages	Classification of Outstanding Receivables and Loans & Advances
	e) amount/ advances with outside parties & are doubtful of recovery. f) amount receivable from employees left / resigned from the Corporation and no amount is available to set-off the outstanding g) sponsored training dues outstanding over 180 days h) all un-secured Receivables and Loans & Advances In such cases, impairment allowance @ 100% of Net Outstanding.

b) **Provisioning norms based on IRAC prudential norms issued by RBI** for various items of Trade Receivables, Loans & Advances are depicted below:

(i) **Receivables under Hire Purchase, Leasing, Term Loan and Composite Term Loans:**

S. No.	Scheme	Provision % of Net Outstanding
1.	Hire Purchase	100%
2.	Leasing	
3.	Composite Term Loans	
4.	Term Loan	

(ii) **Receivables under Raw Material Assistance and Bill Discounting:**

S. No.	Classification of Outstanding Receivables and Loans & Advances	Provision % of Net Outstanding
1	Standard Assets -Up to 270 days	0.40%
2	Sub-Standard Assets (NPA for not exceeding 1 year)	10%
3	Doubtful Assets	
	Secured Portion of Doubtful assets:	
	Doubtful up to 1 year (i.e. NPA for 2 years)	20%
	Doubtful over 1 year and up to 3 year (i.e. NPA for 2 to 4 years)	30%
	Doubtful over 3 years (i.e. NPA for more than 4 years)	50%
	Doubtful assets not covered by the realizable value of security to which the Corporation has a valid recourse.	100%
4	Loss Assets, if not written off	100%

(iii) **Receivables from Banks:**

This would include cases where bank guarantees are invoked by the Corporation but claims are deferred or not admitted by the BG issuing bank on any ground and such cases are further taken up by the Corporation with the AMRCD, higher authorities of BG issuing bank, other authority, etc for intervention to resolve the issue & decision of final authority is in favour of the Corporation. Moreover, cases wherein no refusal/ denial from bank/authority for payment is received, payment is deferred/ stayed by NCLT/ court, other authorities, etc.- Impairment allowance @ 0.40% of Net Outstanding.

However, where any amount against aforesaid cases is received before signing of balance sheet- no impairment allowance be provided.

c) Provisioning Norms in respect of Other Receivables and Loans & Advances

- (i) Provisions, if required, on Receivables and Loans & Advances from Central Government / State Governments / Government Institutions / Government Companies and other Central / State Government departments / bodies, are made wherever considered appropriate by the management.
- (ii) Classification and Provisioning norms in respect of such Receivables, Loans & Advances, are depicted below:

S. No.	Classification of Outstanding Receivables and Loans & Advances	Provision % of Net Outstanding
1	Receivables and Loans & Advances, treated as 'Secured' which inter-alia includes: a) Receivables and Loans & Advances due from Government Departments/ Institutions/ Undertakings b) All receivables and Loans & Advances against which the Corporation holds tangible realizable security c) 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. d) Security Deposits paid by the Corporation and correspondingly the buyer of supplies also provides security to the Corporation (including Security Deposits under contractual rights). e) All receivables and Loans & Advances / Security Deposits paid by the Corporation under contractual valid agreement/ contract f) From employees working in the Corporation.	NIL
2	Receivables and Loans & Advances, treated as 'Impaired' (unless otherwise stated) which inter-alia includes: a) Amount/ advances with outside parties & are doubtful of recovery. b) Amount receivable from employees left / resigned from the Corporation and no amount is available to set-off the outstanding.	100%

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE BALANCE SHEET AS AT 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
ASSETS			
1 Financial Assets			
(a) Cash and Cash Equivalents	3	12357.75	10888.14
(b) Bank Balances other than Cash and Cash Equivalents	4	2801.66	1919.51
(c) Trade Receivables	5	18719.09	21497.46
(d) Loans & Advances	6	230674.52	225619.61
(e) Investments	7	774.36	81.63
(f) Assets Classified as Held for Sale	12	0.07	0.00
(g) Other Financial Assets	8	1279.45	20967.57
2 Non-Financial Assets			
(a) Inventories	9	40.59	91.95
(b) Current Tax Assets (Net)	10	47.80	1015.34
(c) Deferred Tax Assets (Net)	11	4071.07	4561.29
(d) Property, Plant and Equipment	12	28634.44	27935.60
(e) Capital Work-in-Progress	12	423.44	291.59
(f) Intangible Assets Under Development	12	23.39	44.45
(g) Other Intangible Assets	12	118.80	140.19
(h) Right to Use of Assets	12	55.83	67.76
(i) Other Non-Financial Assets	13	1241.60	34656.96
Total Assets		301263.86	316728.60
LIABILITIES AND EQUITY			
1 Financial Liabilities			
(a) Payables			
(i) Trade Payables			
Outstanding Dues of MSEs	14	19251.54	22992.73
Outstanding Dues of Non-MSEs	14	156.54	436.82
(ii) Other Payables			
Outstanding Dues of MSEs	14	0.00	0.00
Outstanding Dues of Non-MSEs	14	0.00	0.00
(b) Borrowings	15	143219.83	161841.53
(c) Liabilities associated with Assets Held for Sale	16	0.00	0.00
(d) Other Financial Liabilities	16	14247.49	176875.40
2 Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)	10	0.00	0.00
(b) Provisions	17	10242.17	10565.40
(c) Deferred Tax Liabilities (Net)	11	0.00	0.00
(d) Other Non-Financial Liabilities	18	4681.85	14924.02
3 Equity			
(a) Equity Share Capital	19	53298.80	53298.80
(b) Other Equity	20	56165.64	109464.44
Total Liabilities and Equity		301263.86	316728.60
Other Notes on Accounts	34		

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 34 referred to above form an integral part of Financial Statements.

Changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

In terms of our report of even date attached

For Goyal Parul & Co.

Chartered Accountants

Firm Registration No.: 016750N

Sd/-

Parul Goyal

Partner

Membership No. : 099172

Place : New Delhi

Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-

Gaurang Dixit
Director (Finance)
[DIN : 08535482]

Sd/-

Alka Nangia Arora
Chairman-cum-Managing Director
[DIN : 03165567]

Sd/-

Ajay Sharma
DGM (F&A)

Sd/-

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
I REVENUE			
A Revenue from Operations	21		
Sale of Products		168430.76	144412.97
Sale of Services		8829.27	8648.19
Interest Income		27165.71	26744.03
Processing Fees		4580.06	4863.66
[Includes Processing Fees/Service Charges earned of ₹ 4580.06 lakhs (₹ 4863.66 lakhs) for value of goods handled and services rendered ₹ 1287396.77 lakhs (₹ 1401344.08 lakhs)]			
Net Gain on Fair Value Changes		0.00	0.00
Net Gain on Derecognition of Financial Instruments under Amortised Cost Category		0.00	0.00
Other Operating Income		1123.39	5742.13
Total Revenue from Operations		210129.19	190410.98
B Other Income	22	95.47	256.73
C Grants and Subsidies	23	7915.96	10259.98
Total Revenue (A + B + C)		218140.62	200927.69
II EXPENSES			
Purchases of Stock-in-Trade	24	167355.66	143747.81
Changes in Inventories	25	54.96	-54.96
Employee Benefit Expenses	26	13301.27	13774.45
Finance Costs	27	7772.34	12616.01
Depreciation and Amortization Expenses	28	841.51	732.86
Corporate Social Responsibility	29	224.58	255.00
Other Expenses	30	14621.35	16625.08
Total Expenses		204171.67	187696.25
III Profit before Exceptional Items, Extraordinary Items and Tax		13968.95	13231.44
Exceptional Items		4.22	-1.30
IV Profit before Extraordinary Items and Tax		13964.73	13232.74
Extraordinary Items		0.00	0.00
V Profit before Tax		13964.73	13232.74
VI Tax Expense	31		
Current Tax		3400.00	1900.00
Deferred Tax		432.91	1445.21
Earlier Years		-27.48	-31.69
Total Tax Expense		3805.43	3313.52
VII Profit after Tax for the period from Continuing Operations		10159.30	9919.22
VIII Profit from Discontinued Operations		0.00	0.00
IX Tax Expenses from Discontinued Operations		0.00	0.00
X Profit from Discontinued Operations (After Tax)		0.00	0.00
XI Profit for the Period		10159.30	9919.22

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
XII Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment		92.73	-153.06
Items that will not be reclassified to Profit or Loss - Actuarial Gain/Loss on Defined Benefit Plans		134.95	-373.34
Income Tax relating to Items that will not be reclassified to Profit or Loss		-57.31	132.50
Sub Total (A)		170.37	-393.90
B Items that will be reclassified to Profit or Loss		0.00	0.00
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Sub Total (B)		0.00	0.00
Other Comprehensive Income (A + B)		170.37	-393.90
XIII Total Comprehensive Income for the period (XI + XII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		10329.67	9525.32
XIV Earnings per Equity Share (for Continuing Operations)	32		
Basic (₹)		19.06	18.61
Diluted (₹)		19.06	18.61
XV Contingent Liabilities	33 (i)	1323.36	1869.68
XVI Capital Commitments	33 (ii)	1758.45	742.21
Other Notes on Accounts	34		

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 34 referred to above form an integral part of Financial Statements.

Changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

In terms of our report of even date attached
For Goyal Parul & Co.
Chartered Accountants
Firm Registration No.: 016750N

Sd/-
Parul Goyal
Partner
Membership No. : 099172
Place : New Delhi
Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-
Gaurang Dixit
Director (Finance)
[DIN : 08535482]

Sd/-
Ajay Sharma
DGM (F&A)

Sd/-
Alka Nangia Arora
Chairman-cum-Managing Director
[DIN : 03165567]

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

Standalone Cash Flow Statement attached to and forming part of the Accounts for the Year Ended 31.03.2021

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Net Profit/Loss before Tax	13,964.73	13,232.75
Adjustment for:		
Profit / Loss on Sale of Fixed Assets	4.22	(1.30)
Inter Unit Adjustments	32.15	0
Depreciation and Amortisation Expenses	841.51	732.86
Bad Debts Written Off	18.17	14.38
Lease Terminal Adjustment	(0.59)	0
Provisions and Contingencies	1,693.06	871.37
Profit / Loss on Sale of Investments	0	0
Loss / Gain on Exchange Rate Fluctuation	22.59	42.56
Discounting on Financial Assests	(14.68)	(87.53)
Dividend from Investments	(2.35)	(1.88)
Provision for Obsolete Stock	0	0
Interest Accrued but not due on Borrowings	423.23	50.92
Excess Provision Written Back (Others)	(1,123.39)	(5,742.13)
Interest on Income Tax Refund	0	(54.67)
Interest on Short / Fixed Term Deposit	(13.05)	(3.23)
Operating Profit Before Working Capital Changes	15,845.61	9,054.10
Adjustment for Working Capital Changes:		
Inventories	51.36	(54.20)
Trade Advances & Recievables	17,578.09	13,181.17
Current Liabilities and Provisions	(5,527.56)	5,516.82
Cash Flow before Tax & Extra Ordinary items:	27,947.50	27,697.89
Taxes	(1,469.11)	(2,163.76)
Net Operating Cash Flow (A)	26,478.39	25,534.13
Cash Flow from Investing Activities:		
Sale Proceeds of Assets Disposed off	2.85	2.85
Sale Proceeds of Investments	0	0
Investment in NVCFL	(600.00)	0
Investment in Term Deposits	(83.66)	(80.32)
Increase in Fixed Assets and Capital W.I.P.	(2,004.24)	(7,346.11)
Fixed Assets (out of Grant)	722.37	689.78
Dividend from Investments	2.35	1.88
Interest on Short / Fixed Terms Deposits	13.05	4.40
Net Investing Cash Flow (B)	(1947.28)	(6727.52)
Cash Flow from Financing Activities:		
Increase in Other Borrowings	0	0
Decrease in Other Borrowings	(18,853.68)	(14,777.10)
Dividend Paid (including Dividend Distribution Tax)	(3,409.33)	(766.12)
Net Financing Cash Flow (C)	(22,263.01)	(15,543.22)
Net Cash Flow From Operating Activities (D)	26,478.39	25,534.13
Net Cash Flow From Investing Activities (E)	(1,947.28)	(6,647.20)
Net Cash Flow From Financing Activities (F)	(22,263.01)	(15,543.22)
Net Changes in Cash & Cash Equivalents (D+E+F)	2,268.10	3,343.71
Add Cash & Cash Equivalents-Opening Balances	12,807.65	9,463.93
Balance as per Note 3 & 4 Cash & Cash Equivalents and Bank Balances	15,075.75	12,807.64

Note :

- The above Cash Flow statement has been prepared by using the indirect Method as per IndAS-7 Statement of Cash Flow.
- Cash and Cash Equivalent (including bank balances) consist of cash and other bank balances and deposits with bank.
- Previous year's figures have been regrouped / rearranged whenever necessary.
- We are a NBFC and Interest Paid has been considered as operating expenditure

In terms of our report of even date attached

For Goyal Parul & Co.

Chartered Accountants

Firm Registration No.: 016750N

Sd/-

Parul Goyal

Partner

Membership No. : 099172

Place : New Delhi

Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-

Gaurang Dixit

Director (Finance)

[DIN : 08535482]

Sd/-

Alka Nangia Arora

Chairman-cum-Managing Director

[DIN : 03165567]

Sd/-

Ajay Sharma

DGM (F&A)

Sd/-

Nishtha Goyal

Company Secretary

[Membership No. : A 22768]

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STATEMENT OF CHANGES IN EQUITY

A: EQUITY SHARE CAPITAL

Particulars	Balance as at 31 st March 2019	Changes in equity share capital during the year	Balance as at 31 st March 2020	Changes in equity share capital during the year	Balance as at 31 st March 2021
Equity Share Capital	53298.80	0	53298.80	0	53298.80

(₹ in lakh)

B : OTHER EQUITY

(₹ in lakh)

Particulars	Other Equity							Total	
	Capital Reserves	Capital Replacement Reserve	Retained Earnings				Sub Total		
			Retained Earnings	Equity Instruments through Other Comprehensive Income	Defined Benefits Plans through Other Comprehensive Income	Impairment Reserve			Statutory Reserve-u/s 45IC of RBI Act 1934
Balance as at 31 st March 2019	3147.74	73.09	36585.66	233.09	-237.05	0.00	0.00	36581.70	39802.53
Add: Additions / Credited during the year	695.80	0.00	9919.22	0.00	0.00	4866.65	1983.84	16769.71	17465.51
Add: Transfer from Risk fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Dividend for the year 2018-19	0.00	0.00	766.12	0.00	0.00	0.00	0.00	766.12	766.12
Less: Transfer / Adjustment during the year	0.07	0.00	6850.50	0.00	0.00	0.00	0.00	6850.50	6850.57
Less: Depreciation for the year	386.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	386.83
Less: Remeasurement on Defined Benefit Plans	0.00	0.00	0.00	0.00	373.34	0.00	0.00	373.34	373.34
Add: Income tax relating to defined benefit plans	0.00	0.00	0.00	0.00	93.97	0.00	0.00	93.97	93.97
Less: Loss on Equity Investments through Fair value Change	0.00	0.00	0.00	153.05	0.00	0.00	0.00	153.05	153.05
Add: Income tax relating to Equity Investments	0.00	0.00	0.00	38.53	0.00	0.00	0.00	38.53	38.53
Balance as at 31 st March 2020	3456.64	73.09	38888.26	118.57	-516.42	4866.65	1983.84	45340.90	48870.63
Add: Additions / Credited during the year	722.75	0.00	10329.67	0.00	0.00	0.00	2031.86	12361.53	13084.28
Add: Transfer from Risk fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Dividend for the year 2019-20	0.00	0.00	3409.33	0.00	0.00	0.00	0.00	3409.33	3409.33
Less: Transfer / Adjustment during the year	0.38	-2.56	2202.23	0.00	0.00	0.00	0.00	2202.23	2200.05
Less: Depreciation for the year	347.70	2.56	0.00	0.00	0.00	0.00	0.00	0.00	350.26
Add: Remeasurement on Defined Benefit Plans	0.00	0.00	0.00	0.00	134.95	0.00	0.00	134.95	134.95
Less: Income tax relating to defined benefit plans	0.00	0.00	0.00	0.00	33.97	0.00	0.00	33.97	33.97
Add: Gain on Equity Investments through Fair value Change	0.00	0.00	0.00	92.73	0.00	0.00	0.00	92.73	92.73
Less: Income tax relating to Equity Investments	0.00	0.00	0.00	23.34	0.00	0.00	0.00	23.34	23.34
Balance as at 31 st March 2021	3831.31	73.09	43606.37	187.96	-415.44	4866.65	4015.70	52261.24	56165.64

Sd/-
Ajay Sharma
DGM (Finance)

Sd/-
Nishtha Goyal
Company Secretary

NOTE-3 : CASH & CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Cash & Cash Equivalents		
Cash on Hand	0.35	0.66
Cheques, Drafts on Hand	21.06	0.00
Remittance in Transit	4.21	40.46
Balance with Banks:		
Current Account	12332.10	10846.99
Others	0.00	10846.99
Stamps on Hand	0.03	0.03
As per Balance Sheet	12357.75	10888.14

Note :- There is no repatriation restriction w.r.t. cash and cash equivalents as at the end of the reporting periods presented above.

NOTE-4 : BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Deposits		
Flexi Deposits	2718.00	1839.19
Term Deposits	83.66	80.32
As per Balance Sheet	2801.66	1919.51

Note :- 1) FDR amounting to ₹ 48.70 lakh is lien marked during 2020-21 for issuance of BG issued by SBI for the equivalent amount.
2) Term Deposits amounting to ₹ 83.66 lakh are for more than 3 months.

NOTE-5 : TRADE RECEIVABLES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Trade Receivables		
Secured Considered Good	18720.13	21497.46
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	1516.86	1629.73
Credit Impaired	0.00	0.00
	20236.99	23127.19
Less: Seized Leased Suspense	50.72	68.29
Less: Penal Interest Suspense	509.70	511.39
	19676.57	22547.51
Less: Cheques sent for Collection	1.04	0.00
Less: Impairment Loss Allowance	956.44	1050.05
As per Balance Sheet	18719.09	21497.46
Geographical Classification of Trade Receivables :		
In India	18719.09	21497.46
Outside India	0.00	0.00
Total	18719.09	21497.46

ANNEXURE-5A : DETAILS OF TRADE RECEIVABLES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
TRADE RECEIVABLES - HIRE PURCHASE		
Secured Considered Good	0.00	0.00
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	780.30	791.10
Credit Impaired	0.00	0.00
	780.30	791.10
Less: Penal Interest Suspense	246.62	249.04
	533.68	542.06
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	533.68	542.06
Sub Total	0.00	0.00
TRADE RECEIVABLES - LEASING		
Secured Considered Good	0.00	0.00
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	189.89	218.17
Credit Impaired	0.00	0.00
	189.89	218.17
Less: Seized Lease Suspense	50.72	68.29
Less: Penal Interest Suspense	50.26	63.33
	88.91	86.55
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	88.91	86.55
Sub Total	0.00	0.00
TRADE RECEIVABLES - MARKETING		
Secured Considered Good	18187.32	20876.93
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	260.69	237.01
Credit Impaired	0.00	0.00
	18448.01	21113.94
Less: Penal Interest Suspense	0.00	0.00
	18448.01	21113.94
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	260.69	237.01
Sub Total	18187.32	20876.93
TRADE RECEIVABLES - OTHERS		
Secured Considered Good	532.81	620.53
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	285.98	383.45
Credit Impaired	0.00	0.00
	818.79	1003.98
Less: Penal Interest Suspense	212.82	199.02
	605.97	804.96
Less: Cheques sent for Collection	1.04	0.00
Less: Impairment Loss Allowance	73.16	184.43
Sub Total	531.77	620.53
Total	18719.09	21497.46

NOTE-6 : LOANS & ADVANCES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Loans & Advances		
Secured by Tangible Assets	6111.08	6183.54
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	228025.54	224459.89
Unsecured	9913.11	9980.05
	244049.73	240623.48
Less: Additional/Normal Interest Suspense	1798.00	3988.75
	242251.73	236634.73
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	11577.21	11015.12
As per Balance Sheet	230674.52	225619.61
Geographical Classification of Loans and Advances :		
In India	230674.52	225619.61
Outside India	0.00	0.00
Total	230674.52	225619.61

ANNEXURE-6A : DETAILS OF LOANS & ADVANCES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21		As At 31.03.20	
Loans & Advances to Employees				
Secured by Tangible Assets	29.73		48.51	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	15.63		49.98	
	45.36		98.49	
Less Additional/Normal Interest Suspense	0.00		0.00	
	45.36		98.49	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	0.13	45.23	0.59	97.90
Advance Recoverable in Cash or in Kind or for value to be received				
Secured by Tangible Assets	4950.28		5003.96	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	46.65		38.65	
	4996.93		5042.61	
Less: Additional/Normal Interest Suspense	0.00		0.00	
	4996.93		5042.61	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	43.98	4952.95	38.65	5003.96
Other Loans and Advances				
Secured by Tangible Assets	1131.07		1131.07	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	228025.54		224459.89	
Unsecured	9850.83		9677.78	
	239007.44		235268.74	
Less Additional/Normal Interest Suspense	1798.00		3942.27	
	237209.44		231326.47	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	11533.10	225676.34	10810.04	220516.43
Loans and Advances to Related Parties				
Secured by Tangible Assets	0.00		0.00	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	0.00		1.32	
	0.00		1.32	
Less Additional/Normal Interest Suspense	0.00		0.00	
	0.00		1.32	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	0.00	0.00	0.00	1.32
Total		230674.52		225619.61

ANNEXURE-6B : DETAILS OF OTHER LOANS & ADVANCES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21		As At 31.03.20	
Raw Material Distribution				
Secured by Tangible Assets	1003.70		1003.70	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	227508.00		224459.89	
Unsecured	8150.41		8168.49	
	236662.11		233632.08	
Less: Additional/Normal Interest Suspense	1679.97		3867.40	
	234982.14		229764.68	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	9821.27	225160.87	9311.94	220452.74
Bills of Exchange Discounted				
Secured by Tangible Assets	127.37		127.37	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	517.54		0.00	
Unsecured	1509.29		1509.29	
	2154.20		1636.66	
Less: Additional/Normal Interest Suspense	74.87		74.87	
	2079.33		1561.79	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	1563.86	515.47	1498.10	63.69
Composite Term Loan				
Secured by Tangible Assets	0.00		0.00	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	175.69		196.88	
	175.69		196.88	
Less: Additional/Normal Interest Suspense	38.91		42.23	
	136.78		154.65	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	136.78	0.00	154.65	0.00
Term Loan				
Secured by Tangible Assets	0.00		0.00	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	15.44		15.44	
	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: Impairment Loss Allowance	11.19	0.00	11.19	0.00
Total	225676.34		220516.43	

ANNEXURE-6C : LOANS & ADVANCES (INCLUDED UNDER LOANS & ADVANCES TO EMPLOYEES) DUE BY DIRECTORS OR OTHER OFFICERS OF THE CORPORATION

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Directors	0.00	1.32
Other Officers of the Company	45.23	97.90
Firm in which Director is a Partner	0.00	0.00
Private Company in which Director is a Member	0.00	0.00
Total	45.23	99.22

NOTE-7 : INVESTMENTS

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Amortised cost		
Equity Instruments		
Investment in Subsidiary		
- NSIC Venture Capital Fund Limited [NVCFL - A wholly owned subsidiary of NSIC (6,00,000 Equity Shares @ Rs 100/- each)]	600.00	0.00
Less: Allowance for Impairment Loss	0.00	0.00
Others		
At Fair Value (Through Other Comprehensive Income)		
Equity Instruments	189.36	96.63
Less: Allowance for Impairment Loss	15.00	15.00
As per Balance Sheet	774.36	81.63

Investments (Through Other Comprehensive Income at Fair Value)	As At 31.03.21	As At 31.03.20
Equity Shares of M/s Singer India Ltd. (470230 Shares of ₹ 2/- each fully paid after sub division as on 31.03.2021, Fair Value ₹ 37.08 per share) (470230 Shares of ₹ 2/- each fully paid after sub division as on 31.03.2020, Fair Value ₹ 17.36 per share)	174.36	81.63
Equity Shares of M/s Small Industries Products Promoted Organization Ltd. (SIPPO) (100000 Shares of ₹ 10/- each fully paid up - Unquoted)	10.00	10.00
Equity Shares of M/s SSI Products Marketing Organization Ltd. (SIPMO) (50000 Shares of ₹ 10/- each fully paid up - Unquoted)	5.00	5.00
Sub Total	189.36	96.63
Less : Allowance of Impairment Loss for Equity Shares of SIPPO & SIPMO	15.00	15.00
As per Balance Sheet	174.36	81.63

Geographical Classification of Investment :	As At 31.03.21	As At 31.03.20
In India	774.36	81.63
Outside India	0.00	0.00
Total	774.36	81.63

NOTE-8 : OTHER FINANCIAL ASSETS (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21		As At 31.03.20	
Security Deposits				
Secured by Tangible Assets	0.00		0.00	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	213.74		348.21	
	213.74		348.21	
Less: Additional/Normal Interest Suspense	0.00		0.00	
	213.74		348.21	
Less: Impairment Loss Allowance	1.71	212.03	0.12	348.09
Other Financial Assets				
Receivables from Banks				
Interest	268.30		268.30	
Less: Impairment Loss Allowance	268.30	0.00	268.30	0.00
Others	885.32		18843.75	
Less: Impairment Loss Allowance	283.82	601.50	283.45	18560.30
Interest Accrued but not Due on Fixed/Short Term Deposits		10.79		1.17
Amounts Receivable from Government of India against Deficit in Grants (Net)		0.00		1499.64
Earnest Money Deposit Receivables		2.95		89.95
Retention Money Receivables		265.31		296.10
Discounting Impact of Security Deposit Payable		173.20		172.32
Discounting Impact of EMD Payable		0.00		0.00
Discounting Impact of Retention Money Payable		13.67		0.00
Sub Total	1067.42		20619.48	
As per Balance Sheet	1279.45		20967.57	

NOTE-9 : INVENTORIES

(₹ in Lakh)

Particulars	As At 31.03.21		As At 31.03.20	
Raw Materials and Components		0.00		0.11
Finished Goods		1.91		2.10
Stock-In-Trade		0.00		0.00
Stores and Spares		8.56		8.20
Loose Tools and Measuring Instruments		10.47		6.93
Land & Building in Stock, Industrial Estate, Naini		19.65		19.65
Goods-In-Transit		0.00		54.96
Sub Total		40.59		91.95
Less: Impairment Loss Allowance		0.00		0.00
As per Balance Sheet		40.59		91.95

Note : Refer Sl. No. 5 of Note-34 for disclosure on Ind AS-2 on inventory

NOTE-10 : CURRENT TAX (NET)

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
TDS/TCS Deducted at Source	1534.47	1439.31
Advance Tax	8063.33	11466.03
Less: Provision for Income Tax	9550.00	11890.00
As per Balance Sheet	47.80	1015.34

NOTE-11 : DEFERRED TAX ASSETS/LIABILITIES (NET)

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Deferred Tax Assets	5601.10	5567.21
Less : Deferred Tax Liabilities	1530.03	1005.92
As per Balance Sheet	4071.07	4561.29

Note : Refer Sl. No. 6 of Note-34

NOTE-12 : PROPERTY, PLANT & EQUIPMENT

(₹ in Lakh)

Particulars	Net Carrying Amount as at 31.03.2021	Net Carrying Amount as at 31.03.2020
Land	44.65	44.98
Building	22746.19	22063.32
Furniture & Fittings	376.71	427.90
Office Equipments	368.25	468.69
Vehicle	20.96	27.40
Plant & Equipment	5077.68	4903.31
Total Property, Plant and Equipment	28634.44	27935.60
Assets Classified as Held for Sale	0.07	0.00
Software and Software under Development	142.19	184.64
Right to Use of Assets	55.83	67.76
Capital Work in Progress	423.44	291.59

(₹ in Lakh)

Particulars	GROSS BLOCK						ACCUMULATED DEPRECIATION						LTA		NET BLOCK	
	As At 01/04/20	Additions	Sale	Acquired through Business Combination	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	Cost As At 31/03/21	As At 01/04/20	Depreciation Charge for the Year	Sales	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	As At 31/03/21	As At 31/03/20	As At 31/03/21	As At 31/03/20
TANGIBLE ASSETS																
OWN ASSETS																
Building	21983.03	1157.18	0.00	0.00	0.00	0.00	23140.21	1365.30	362.06	0.00	122.43	0.00	1849.79	0.00	21290.42	20617.73
Furniture & Fittings	613.33	10.80	13.16	0.00	0.00	0.00	606.44	365.72	38.91	8.25	0.60	4.22	392.76	0.00	213.68	247.61
Land	31.08	0.00	0.00	0.00	0.00	0.00	31.08	3.88	0.20	0.00	0.00	0.00	4.08	0.00	27.00	27.20
Office Equipments	920.78	32.15	12.26	0.00	0.00	0.00	931.81	767.57	56.12	11.54	0.75	7.91	804.99	0.00	126.82	153.21
Vehicle	115.62	0.00	4.10	0.00	0.00	0.00	111.51	88.71	6.24	3.90	0.00	0.01	91.04	0.00	20.47	26.91
Plant & Equipment	2472.49	87.85	0.01	0.00	0.00	0.00	2560.33	849.41	84.20	0.01	0.00	0.00	933.60	0.00	1626.73	1623.08
Total	26136.33	1287.98	29.53	0.00	0.00	0.00	27381.38	3440.59	547.73	23.70	123.78	12.14	4076.26	0.00	23305.12	22695.74
LEASED ASSETS																
Plant & Equipments	108.62	0.00	60.22	0.00	0.00	0.00	48.40	95.22	0.00	59.63	0.00	0.00	35.59	12.77	13.35	0.04
SEIZED LEASE ASSETS																
Plant & Equipments	59.35	0.00	0.00	0.00	0.00	0.00	59.35	9.67	0.00	0.00	0.00	0.00	9.67	48.80	0.88	0.88
ASSETS ACQUIRED OUT OF GOVT. GRANTS																
Land	23.04	0.00	0.00	0.00	0.00	0.00	23.04	5.26	0.13	0.00	0.00	0.00	5.39	0.00	17.65	17.78
Building	879.85	0.00	0.00	0.00	0.00	0.00	879.85	452.99	8.76	0.00	0.00	0.00	461.75	0.00	418.10	426.86
Furniture & Fittings	177.51	0.55	3.99	0.00	0.00	0.00	174.07	86.12	13.25	3.79	0.00	0.00	95.58	0.00	78.49	91.39
Office Equipments	928.64	22.21	1.72	0.00	0.00	0.00	949.13	701.39	81.06	1.63	0.00	0.00	780.82	0.00	168.31	227.25
Vehicle	11.16	0.00	0.00	0.00	0.00	0.00	11.16	10.67	0.00	0.00	0.00	0.00	10.67	0.00	0.49	0.49
Plant & Equipment	4479.56	413.76	3.03	0.00	0.00	-5.07	4895.36	1855.22	232.59	2.93	0.00	0.00	2084.88	0.00	2810.48	2624.33
Total	6499.76	436.52	8.74	0.00	0.00	-5.07	6932.61	3111.65	335.79	8.35	0.00	0.00	3439.09	0.00	3493.52	3388.10
ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES																
Building	1182.21	2.83	0.00	0.00	0.00	-49.47	1234.51	163.48	33.36	0.00	0.00	0.00	196.84	0.00	1037.67	1018.73
Furniture & Fittings	159.70	6.49	0.30	0.00	0.00	-0.35	166.24	70.80	11.15	0.29	0.00	-0.04	81.70	0.00	84.54	88.90
Office Equipments	639.09	5.94	0.00	0.00	0.00	-1.75	646.78	550.87	21.97	0.00	0.00	-0.82	573.66	0.00	73.12	88.23
Plant & Equipment	929.86	40.74	0.70	0.00	0.00	-7.95	977.85	274.89	63.94	0.53	0.00	0.00	338.30	0.00	639.55	654.97
TOTAL	2910.86	56.00	1.00	0.00	0.00	-59.52	3025.38	1060.04	130.42	0.82	0.00	-0.86	1190.50	0.00	1834.88	1850.83
SUB TOTAL-TANGIBLE ASSETS	35714.92	1780.50	99.49	0.00	0.00	-51.19	37447.12	7717.17	1013.94	92.50	123.78	11.28	8751.11	61.57	28634.44	27935.60
PREVIOUS YEAR	24299.51	965.57	44.77	0.00	0.00	-10494.61	35714.92	6705.98	1054.43	43.22	0.00	0.00	7717.17	62.15	27935.60	17531.39

(₹ in Lakh)

Particulars		GROSS BLOCK					ACCUMULATED DEPRECIATION					LTA		NET BLOCK			
		As At 01/04/20	Additions	Sale	Acquired through Business Combination	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	Cost As At 31/03/21	As At 01/04/20	Depreciation Charge for the Year	Sales	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	As At 31/03/21	As At 31/03/20	As At 31/03/20	
INTANGIBLE ASSETS																	
OWN ASSETS																	
Computer Software																	
		156.11	23.24	0.16	0.00	0.00	2.20	176.99	116.30	19.14	0.07	0.63	2.15	133.85	0.00	43.14	39.81
ASSETS ACQUIRED OUT OF GOVT. GRANT																	
		106.88	2.77	0.00	0.00	0.00	0.00	109.65	44.36	11.90	0.00	0.00	0.00	56.26	0.00	53.39	62.52
ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES																	
		244.36	3.39	0.00	0.00	0.00	0.00	247.75	206.50	18.98	0.00	0.00	0.00	225.48	0.00	22.27	37.86
RIGHT TO USE OF ASSETS																	
Right to Use of Assets		68.75	0.00	0.00	0.00	0.00	11.08	57.67	1.00	0.84	0.00	0.00	0.00	1.84	0.00	55.83	67.76
SUB TOTAL-INTANGIBLE ASSETS		576.10	29.40	0.16	0.00	0.00	13.28	592.06	368.16	50.86	0.07	0.63	2.15	417.43	0.00	174.63	207.95
PREVIOUS YEAR		464.45	111.71	0.07	0.00	0.00	0.00	576.10	302.95	65.26	0.06	0.00	0.00	368.16	0.00	207.95	161.50
CAPITAL WORK IN PROGRESS																	
Capital Work in Progress		285.57	18.66	0.00	0.00	0.00	57.42	246.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	246.81	285.57
PREVIOUS YEAR		8246.27	2516.88	0.00	0.00	0.00	10477.58	285.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	285.57	8246.27
CWIP Acquired out of Govt. Grant		6.02	175.68	0.00	0.00	0.00	5.07	176.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	176.63	6.02
PREVIOUS YEAR		17.03	6.02	0.00	0.00	0.00	17.03	6.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.02	17.03
SUB TOTAL-CAPITAL WORK IN PROGRESS		291.59	194.34	0.00	0.00	0.00	62.49	423.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	423.44	291.59
PREVIOUS YEAR		8263.31	2522.90	0.00	0.00	0.00	10494.61	291.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	291.59	8263.30
INTANGIBLE ASSETS UNDER DEVELOPMENT																	
OWN ASSETS																	
Computer Software		44.45	0.00	0.00	0.00	0.00	21.06	23.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.39	44.45
PREVIOUS YEAR		0.00	44.45	0.00	0.00	0.00	0.00	44.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44.45	0.00
ASSETS CLASSIFIED AS HELD FOR SALE																	
Assets Classified as Held for Sale		0.00	0.00	0.00	0.00	0.00	-13.50	13.50	0.00	0.00	0.00	0.00	-13.43	13.43	0.00	0.07	0.00
Assets Classified as Held for Sale (Govt. Grant)		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
Total		0.00	0.00	0.00	0.00	0.00	-13.50	13.50	0.00	0.00	0.00	0.00	-13.43	13.43	0.00	0.07	0.00
GRAND TOTAL		36627.06	2004.24	99.65	0.00	0.00	32.14	38499.51	8085.33	1064.80	92.57	124.41	0.00	9181.97	61.57	29255.97	28479.59
PREVIOUS YEAR		33027.27	3644.63	44.84	0.00	0.00	0.00	36627.06	7008.93	1120.69	43.28	0.00	0.00	8085.33	62.15	28479.59	25956.19

NOTE-13 : OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As At 31.03.21		As At 31.03.20	
Capital Advances				
With RITES	0.00		209.91	
Add: Interest Accrued on Capital Advance	0.00	0.00	0.00	209.91
With CPWD & Others	25.63		42.22	
Add: Interest Accrued on Capital Advance	0.00	25.63	0.00	42.22
With Contractors (Against Govt. Grant)	107.78		0.00	
Add: Interest Accrued on Capital Advance	0.00	107.78	0.00	0.00
Sub Total		133.41		252.13
Other Deposits with Tax Authorities		861.48		1071.60
Other Non Financial Assets	264.25		294.33	
Less: Additional/Normal Interest Suspense	0.00		0.00	
Less: Impairment Loss Allowance	17.54	246.71	11.55	282.78
As per Balance Sheet		1241.60		1606.51

NOTE-14 : TRADE PAYABLES

(₹ in Lakh)

Particulars	As At 31.03.21		As At 31.03.20	
Trade Payables				
Outstanding Dues of MSEs	19251.54		22992.73	
Outstanding Dues of Non-MSEs	156.54	19408.08	436.82	23429.55
Due to Related Parties		0.00		0.00
As per Balance Sheet		19408.08		23429.55

Note : Refer Sl. No. 1 of Note-34

NOTE-15 : BORROWINGS (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21		As At 31.03.20	
Secured Borrowings				
Bonds/Debentures		0.00		0.00
Term Loans from:				
Banks		0.00		0.00
Others from:				
Government of India	0.00		0.00	
State Governments	0.00		0.00	
Financial Institutions	0.00		0.00	
Foreign Financial Institutions	0.00		0.00	
Others	0.00	0.00	0.00	0.00
Loans Repayable on Demand from:				
Banks				
Working Capital Loan	138000.00		156500.00	
Cash Credit	0.00		0.00	
Overdraft	0.00		0.00	

Particulars	As At 31.03.21		As At 31.03.20	
Term Loan	0.00	138000.00	0.00	156500.00
Other Parties		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				
Government of India	0.00		0.00	
State Governments	0.00		0.00	
Financial Institutions	0.00		0.00	
Foreign Financial Institutions	0.00		0.00	
Others	0.00	0.00	0.00	0.00
Sub Total		138000.00		156500.00
Unsecured Borrowings				
Bonds/Debentures		0.00		0.00
Term Loans from:				
Banks		0.00		0.00
Other Parties from:				
Government of India	0.00		0.00	
State Governments	0.00		0.00	
Financial Institutions	0.00		0.00	
Foreign Financial Institutions	5219.83		5341.53	
Others	0.00	5219.83	0.00	5341.53
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	0.00	0.00
Other Parties		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				
Government of India	0.00		0.00	
State Governments	0.00		0.00	
Financial Institutions	0.00		0.00	
Foreign Financial Institutions	0.00		0.00	
Others	0.00	0.00	0.00	0.00
Sub Total		5219.83		5341.53
As per Balance Sheet		143219.83		161841.53
Geographical Classification of Borrowings :				
In India		138000.00		156500.00
Outside India		5219.83		5341.53
Total		143219.83		161841.53

ANNEXURE-15A : DETAILS OF BORROWINGS (AT AMORTIZED COST)

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 31.03.2021	
	As At 31.03.21	As At 31.03.20				Period	Amount
Secured Borrowings							
Bonds/Debentures							
Term Loans from:							
Banks							
Vijaya Bank	0	0	Half Yearly		Nil	0	
Others from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							
Others							
Loans Repayable on Demand from:							
Banks							
Working Capital Loans							
The Hongkong & Shanghai Banking Corp. Ltd.	0.00	36500.00		Secured against exclusive registered mortgage of free hold 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	
Indus Ind Bank	0.00	0.00		Pari passu charge over the book debts including loans and advances of the company	Nil	0	
State Bank of India	64500.00	100000.00		Secured against equitable mortgage of property measuring 47 bigha and 67 biswa situated at Okhla Industrial Estate, New Delhi and pari passu charge on book debts/ current assets	Nil	0	
HDFC WCDL	73500.00	20000.00		Pari passu charge on book debts by the way hypothecation	Nil	0	
China Trust Banking Corporation Ltd STL	0.00	0.00		Pari passu charge on book debts/receivables of raw material and other Current Assets	Nil	0	
	138000.00	156500.00					
Cash Credit							
Punjab National Bank	0	0		Secured against equitable mortgage of property situated in Okhla Industrial Estate, New Delhi and pari passu charge over receivables in the form of loans and advances, book debts, bill discounted and all the current assets pertaining to marketing activities	Nil	0	
Vijaya Bank	0	0		Secured against registered mortgage of property situated at Okhla Industrial estate, New Delhi and pari passu charge on book debts / current assets	Nil	0	
State Bank of India	0	0		Secured against registered mortgage of property measuring 47 bigha and 67 biswa situated at Okhla Industrial Estate, New Delhi and pari passu charge on book debts / current assets	Nil	0	

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 31.03.2021	
	As At 31.03.21	As At 31.03.20				Period	Amount
Overdraft							
The Hongkong & Shanghai Banking Corp. Ltd.	0	0		Secured against exclusive registered mortgage of free hold 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	
CTBC Bank - Overdraft	0	0		Secured by way of hypothecation of account receivables / book debts of raw material assistance and other current assets	Nil	0	
Term Loan	0	0					
Other Parties							
Deferred Payment Liabilities							
Deposits							
Loans and Advances from Related Parties							
Long Term Maturities of Finance Lease Obligations							
Other Loans and Advances from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							
Others							
Sub Total	138000.00	156500.00					
Unsecured Borrowings							
Bonds/Deventures							
Term Loans from:							
Banks							
Other Parties from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							
Xlth LINE OF CREDIT	2380.57	2409.90	Half-Yearly		Guaranteed by Government of India		

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 31.03.2021	
	As At 31.03.21	As At 31.03.20				Period	Amount
XIIth LINE OF CREDIT	2203.57	2274.10	Half-Yearly		Guaranteed by Government of India		
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	635.69	657.53	Half-Yearly		Guaranteed by Government of India		
	5219.83	5341.53					
Others							
Loans Repayable on Demand from:							
Banks							
Working Capital Loans							
Cash Credit							
Overdraft							
Term Loan							
Other Parties							
Deferred Payment Liabilities							
Deposits							
Loans and Advances from Related Parties							
Long Term Maturities of Finance Lease Obligations							
Other Loans and Advances from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							
Others							
Sub Total	5219.83	5341.53			-		
Total	143219.83	161841.53			-		

ANNEXURE-15B : Detail of Borrowings from Foreign Financial Institutions

Particulars	KFW XI Line of Credit	KFW XII Line of Credit	Italian Line of Credit
Total Loan Sanctioned (in 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	30/06/2002	30/06/2006	17/01/2015
Last installment	30/06/2042	30/12/2035	17/07/2035
Total installments	81	60	42
Interest	10.50%	12.50%	0.50%
Loan o/s 31.03.21 (in Euro)	2723140.61	2520668.93	727164.54
Repayment term	Half yearly	Half yearly	Half yearly
Amount of installments (in Euro)	62888.90	83851.87	25074.61
Total Interest paid from 30.06.1993 to 30.12.2001 in Deuseh Mark	592439.19	405995.68	-
Total Interest paid from 30.06.2002 to 31.03.2021 in Euro	562805.32	580878.67	86810.25
Hedging	-	-	-

ANNEXURE-15C : Detail of Borrowings through Commercial Paper

Particulars	As At 31.03.2021	As At 31.03.2020
Amount Borrowed	-	-
Coupon Rate	-	-
Date of Issue	-	-
Date of Redemption	-	-
Terms of Redemption	-	-

NOTE-16 : OTHER FINANCIAL LIABILITIES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.2021	As At 31.03.2020
Advance from RMA Buyers - Units	2944.41	2907.92
Discount Payable	1636.47	525.55
A/c Payable for Bulk Supplies	1026.92	2743.42
Payable to Rating/Credit Information Agencies	5.59	56.11
Security Deposit Payable	1955.73	1845.07
Earnest Money Deposits (EMD)	59.81	149.43
Retention Money	948.95	489.85
Payable for Projects	1354.05	468.01
Credit Balance in Trade Receivables	138.62	13.70
Interest Accrued But Not Due on Borrowings/CSD	423.23	50.92
Amount Payable for Training	64.51	64.86
Other Payables - Employees	257.53	318.52
Current Liability for Expenses	768.17	3047.49
Other Payables - Taxes	848.66	945.47
Other Payables	253.61	242.71
Commitment Advance Received - Exhibitions	1.20	1.63
Amount Payable to Government of India against Surplus in Grants (Net)	1529.71	0
Discounting Impact of Security Deposit Receivables	16.65	5.51
Discounting Impact of Earnest Money Deposit Receivables	0.00	0.00
Discounting Impact of Retention Money Receivables	13.67	19.32
As per Balance Sheet	14247.49	13895.49

ANNEXURE-16A : 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/ Transfer to State Agency	Fixed Assets Acquired / WIP	Net Revenue Expenditure	Total Expenditure	Excess of Expenditure over Income (Tfr. From Prom. to Com.)	Reimbursable Expenditure	As At 31/03/21	
	Deficit	Surplus								Deficit	Surplus
Marketing Assistance Scheme											
Marketing Assistance Scheme	10.60	0.00	0.16	10.61	0.00	0.00	0.00	0.00	0.00	0.00	0.17
Sub Total	10.60	0.00	0.16	10.61	0.00	0.00	0.00	0.00	0.00	0.00	0.17
Performance and Credit Rating Scheme											
Performance and Credit Rating Scheme	0.00	2.73	1.49	-2.73	0.00	0.00	0.00	0.00	0.00	0.00	1.49
Sub Total	0.00	2.73	1.49	-2.73	0.00	0.00	0.00	0.00	0.00	0.00	1.49
International Co-operation, Modernization & Technology Upgradation											
Assistance for Training to Institutions											
Assistance for Training to Institutions	0.00	647.46	1092.38	-22.10	720.41	251.78	972.19	0.00	972.19	0.00	745.55
Assistance for Training to Institutions in North East Region	0.00	0.00	30.28	0.00	0.00	30.53	30.53	0.00	30.53	0.25	0.00
Sub Total	0.00	647.46	1122.66	-22.10	720.41	282.31	1002.72	0.00	1002.72	0.00	745.55
National Entrepreneurship Award Scheme											
National Entrepreneurship Award Scheme	0.00	5.50	0.00	-5.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Entrepreneurship and Skill Development Programmes (ESDP)											
Entrepreneurship and Skill Development Programmes (ESDP)	0.00	32.80	0.65	-32.80	0.00	0.00	0.00	0.00	0.00	0.00	0.65
Training cum Incubation											
Training cum Incubation	0.00	76.71	1.86	-3.15	0.00	0.00	0.00	0.00	0.00	0.00	75.42
National SC-ST Hub (NSSH)											
NSSH - SCSP	2567.18	0.00	6714.07	2338.73	0.00	6320.66	6320.66	0.00	6320.66	0.00	164.96
NSSH - TSP	869.93	0.00	1140.48	852.77	0.00	644.75	644.75	0.00	644.75	0.00	478.57
NSSH - NER (SCSP)	0.00	92.18	2.36	-2.65	0.00	135.68	135.68	0.00	135.68	43.79	0.00
NSSH - General	0.00	770.96	795.87	-33.07	2.34	1466.85	1469.19	0.00	1469.19	0.00	64.57
NSSH - NER (TSP)	0.00	312.19	5.00	-200.00	0.00	198.67	198.67	0.00	198.67	81.48	0.00
Sub Total	2261.78	0.00	8657.78	2955.78	2.34	8766.61	8768.95	0.00	8768.95	0.00	582.83
Procurement and Marketing Support Scheme (PMSS)											
Procurement and Marketing Support Scheme (PMSS)	0.00	7.54	263.34	0.00	0.00	147.03	147.03	0.00	147.03	0.00	123.85
International Co-operation (IC) Scheme											
International Co-operation (IC) Scheme	0.00	0.00	15.73	0.00	0.00	15.73	15.73	0.00	15.73	0.00	0.00
Total	1499.64	0.00	10063.67	2900.11	722.75	9211.68	9934.43	0.00	9934.43	0.00	1529.71
										Net Surplus / (Deficit)	
										1529.71	
										Previous Year Surplus / (Deficit)	
										-1499.64	

NOTE-17 : PROVISIONS

(₹ in Lakh)

Particulars	As At 31.03.21		As At 31.03.20	
Provisions for Employee Benefits				
For Gratuity	4926.49		5183.44	
For Leave Encashment	2842.72		2969.06	
For Half Pay Leave	491.42		570.79	
For TA on Retirement	3.84		3.91	
For Leave Travel Concession	0.00	8264.47	0.15	8727.35
Others				
For Doubtful Debts & Advances	13105.01		12628.60	
Less: Adjustment as per contra against Trade Receivables, Loans & Advances, etc.	13105.01	0.00	12628.60	0.00
For Exchange Variation				
Balance as per last Balance Sheet	1838.05		1774.99	
Add: Provision made during the Year	459.14		442.54	
Less: Utilised for Exchange Variation Losses	160.05		305.81	
Less: Amount Written Back	159.44	1977.70	73.67	1838.05
For Promotional Activity (KFW)				
Balance as per last Balance Sheet	0.00		0.00	
Add: Provision made during the Year	54.41		52.95	
Less: Amount Utilized/Written Back	54.41	0.00	52.95	0.00
As per Balance Sheet		10242.17		10565.40

Note : Refer Sl. No. 8, 9 & 11 of Note-34

NOTE-17A : DETAILS OF ADDITIONS, REVERSALS & UTILIZATIONS OF PROVISIONS

(₹ in Lakh)

Particulars	Opening Balance as on 01.04.2020	Additions during the year	Utilizations/ Reversals/ Adjustments	Amount Written Back during the year	Closing Balance as on 31.03.2021
For Gratuity	5183.44	499.82	740.60	16.17	4926.49
For Leave Encashment	2969.06	552.72	618.20	60.86	2842.72
For Half Pay Leave	570.79	45.96	34.35	90.98	491.42
For TA on Retirement	3.91	0.46	0.09	0.44	3.84
For Leave Travel Concession	0.15	0.00	0.00	0.15	0.00
For Doubtful Debts	0.00	614.41	476.42	137.99	0.00
For Exchange Variation	1838.05	459.14	160.05	159.44	1977.70
For Promotional Activity	0.00	54.41	54.41	0.00	0.00
Total	10565.40	2226.92	2084.12	466.03	10242.17

NOTE-18 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As At 31.03.2021	As At 31.03.2020
Income Received in Advance	1148.28	1916.77
Other Payables - Employees	2565.34	2221.83
Other Payables	960.99	676.61
Impact of Discounting on Employee Advance	7.24	11.99
As per Balance Sheet	4681.85	4827.20

NOTE-19 : SHARE CAPITAL

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
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-19A : RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

Particulars	Equity Shares (No.)	Preference Shares (No.)
Shares Outstanding at the beginning of the Year	53298800	0
Shares Issued during the Year	0	0
Shares Bought Back during the Year	0	0
Shares Outstanding at the end of the Year	53298800	0

ANNEXURE-19B : DETAILS OF SHAREHOLDING OVER 5% SHARE IN CORPORATION

Name of Shareholder	As At 31.03.21 No. of Share Held	As At 31.03.21 % of Holding	As At 31.03.20 No. of Share Held	As At 31.03.20 % of Holding
Government of India	53298800	100	53298800	100

ANNEXURE-19C: DETAILS OF SHARES ALLOTTED PURSUANT TO CONTRACT(S) WITHOUT PAYMENT BEING RECEIVED IN CASH, BONUS SHARES & SHARES BOUGHT BACK IN RESPECT OF LAST 5 YEARS

Particulars	Aggregate No. of Shares				
	2020-21	2019-20	2018-19	2017-18	2016-17
Equity Shares:					
Fully paid up pursuant to Contract(s) without Payment being received in Cash	0	0	0	0	0
Fully paid up by way of Bonus Shares	0	0	0	0	0
Shares bought back	0	0	0	0	0
Preference Shares:					
Fully paid up pursuant to Contract(s) without Payment being received in Cash	0	0	0	0	0
Fully paid up by way of Bonus Shares	0	0	0	0	0
Shares bought back	0	0	0	0	0

ANNEXURE-19D : DETAILS OF CALLS UNPAID

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Calls Unpaid		
By Directors	0	0
By Officers	0	0

ANNEXURE-19E : RIGHT, PREFERENCE AND RESTRICTIONS ATTACHED TO SHARES

The equity share is the only class of Share capital having par value of ₹100 per share. Every holder of equity share present at a meeting in person or by a proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Equity share carry voting right proportionate to the paid-up value per share. In the event of liquidation of the company, holders of the equity share are entitled to be repaid the amounts credited as paid up on those equity share. All surplus assets after settlement of liabilities as at the commencement of winding up shall be paid to the holders of equity share in proportion of their shareholding.

ANNEXURE-20 : DETAILS OF OTHER EQUITY

(₹ in Lakh)

Particulars	At At 01.04.2020	Additions / Created During the Year	Deductions during the Year		As At 31.03.2021
			Transfer / Sales / Adjustment	Depreciation for the Year	
CAPITAL RESERVES/DEFERRED INCOME (Reserve representing value of Assets acquired out of Grants received from Government of India)					
Technical Centre	318.57	0.00	-71.06	98.25	291.38
Government Purchase Plan	3.45	0.00	0.00	0.00	3.45
Appropriate Technology	2.40	0.00	0.00	-0.06	2.46
Modernization - Lock Project	27.82	0.00	0.00	11.34	16.48
Development of North East Region	19.01	0.00	0.00	0.55	18.46
Technology Business Incubator	73.29	0.00	0.00	4.70	68.59
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	4.32	0.00	0.00	0.00	4.32
Science & Technology Project	0.94	0.00	0.00	-0.38	1.32
Product Design Centre (PRIDE)	10.70	0.00	0.00	0.24	10.46
Technology Business Incubator (IT)	1.02	0.00	0.00	0.00	1.02
Laghu Udyog Mart(LUM)	207.18	0.00	0.00	9.52	197.66
Interest Differential Fund on KFW (West Germany) Loans	18.91	0.00	0.00	0.51	18.40
Technology Development of Baking Oven	0.02	0.00	0.00	0.00	0.02
DST-STEP (S&T Project)	30.30	0.00	0.00	5.14	25.16
Testing Fuel Efficient Diesel Engine (TFEDE)	0.36	0.00	0.00	0.00	0.36
Marketing Development Centre	62.99	0.00	0.00	1.53	61.46
Interest Differential Fund on S&T Project	0.65	0.00	0.00	0.00	0.65
Training cum Incubation	276.76	0.00	71.44	20.66	184.66
Assistance for Training to Institutions	2396.98	720.41	0.00	195.16	2922.23
NSSH - General	0.00	2.34	0.00	0.54	1.80
Sub Total	3456.64	722.75	0.38	347.70	3831.31
OTHER RESERVES					
Capital Replacement Reserve	73.09	0.00	-2.56	2.56	73.09
Impairment Reserve	4866.65	0.00	0.00	0.00	4866.65
Retained Earning	38888.26	10329.67	5611.56	0.00	43606.37
Equity Instruments through Other Comprehensive Income (OCI)	118.57	69.39	0.00	0.00	187.96
Actuarial Gain/Loss on Defined Benefit Plans through OCI	-516.42	100.98	0.00	0.00	-415.44
Statutory Reserve - u/s 45 IC of RBI Act 1934	1983.84	2031.86	0.00	0.00	4015.70
As per Balance Sheet	48870.63	13254.65	5609.38	350.26	56165.64
Reserve against Assets Held for Sale	0	0	0	0	0

Note : Refer Sl. No. 22 of Note-34

NOTE -21 : REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21		For the Year Ended 31.03.20	
REVENUE FROM OPERATIONS				
A Sales of Products				
Marketing Activity				
Marketing	14114.14		20863.93	
Export	0.00		0.00	
Raw Material Distribution	154316.62		123549.04	
As per Statement of Profit & Loss	168430.76		144412.97	
B Sale of Services				
Income from Single Point Registration Scheme (SPRS)	1366.91		1440.45	
Income from Infomediary Services (B2B)	880.99		962.49	
Application Processing Fees	5.14		2.13	
Rent Received	3438.37		2354.04	
House Keeping & Other Charges	670.53		686.14	
Revenue from Training Activities	1000.95		1647.57	
Revenue on account of Common Facilities	827.92		862.07	
Project Consultancy Charges	54.20		80.64	
Income from Training cum Incubation Center (TIC)	21.29		84.66	
Receipts from Exhibitions, Seminars, Meets, Conferences and Marketing Campaigns	2.58		0.00	
Other Receipts from Services	22.68		2.70	
Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)	537.71		525.30	
As per Statement of Profit & Loss	8829.27		8648.19	
C Interest Income				
From Parties				
Normal	27145.60		26651.21	
Penal Interest	2.42		78.15	
From Deposits with Banks	13.05		4.40	
From Employee Advance	0.75		1.09	
From Others	3.89		8.71	
Gain of Interest on Foreign Currency Transactions and Translation (Net)	0.00		0.00	
Interest Income Employee/Amortised Cost	0.00		0.47	
As per Statement of Profit & Loss	27165.71		26744.03	
D Processing Fees/Service Charges Earned				
Raw Material Distribution	1263405.25	4278.30	1379793.79	4555.03
Miscellaneous Items	23991.52	301.76	21550.29	308.63
As per Statement of Profit & Loss	1287396.77	4580.06	1401344.08	4863.66
E Other Operating Revenues				
Excess Provision Written Back:				
KFW	213.85		126.62	
Government Guarantee Fee	0.00		0.00	
Terminal Benefits	168.59		0.00	
Others	139.80	522.24	5491.94	5618.56
Sundry Credit Balances Written Back		601.15		123.57
Gain on Foreign Currency Transactions and Translation (Net)		0.00		0.00
As per Statement of Profit & Loss	1123.39		5742.13	

ANNEXURE-21A : DETAILS OF RAW MATERIAL DISTRIBUTION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Aluminium	84737.07	53047.90
Iron & Steel	64788.64	62961.43
Others	4790.91	7539.71
Total	154316.62	123549.04

NOTE-22 : OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Interest on Income Tax Refunds	0.00	54.67
Miscellaneous Income	50.74	45.95
Dividend Income	2.35	1.88
Impact of Discounting on Financial Assets	42.38	154.23
As per Statement of Profit & Loss	95.47	256.73

NOTE-23 : GRANTS AND SUBSIDIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
For Promotional Activities	9934.43	12365.07
Less: Capital Expenditure (Net)	722.75	695.80
Less: Membership/ Inspection Fees, Training, Rent etc. under NSSH	475.71	586.49
Less: Training Fee - ATI	282.30	297.50
Less: Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)	537.71	525.30
Less: Amount Appropriated out of Govt Grants (As per Statement of Profit and Loss - Promotional)	0.00	0.00
As per Statement of Profit & Loss	7915.96	10259.98

NOTE-24 : PURCHASES OF STOCK-IN-TRADE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
PURCHASES OF STOCK IN TRADE FOR MARKETING		
Marketing	14114.13	20852.45
Export	0.00	0.00
Raw Material Distribution	153241.53	122895.36
As per Statement of Profit & Loss	167355.66	143747.81

ANNEXURE-24A : DETAILS OF RAW MATERIAL DISTRIBUTION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Aluminium	83843.92	52480.83
Iron & Steel	64724.29	63000.36
Others	4673.32	7414.17
Total	153241.53	122895.36

NOTE-25 : CHANGES IN INVENTORIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21		For the Year Ended 31.03.20	
Finished Goods:				
Closing Stock	1.91		2.10	
Less: Opening Stock	2.10		2.16	
Adjustment in Stock	0.19	0.00	0.06	0.00
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:				
Closing Stock	0.00		54.96	
Less: Opening Stock	54.96		0.00	
Adjustment in Stock	0.00	54.96	0.00	-54.96
As per Statement of Profit & Loss		54.96		-54.96

NOTE-26 : EMPLOYEES BENEFIT EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21		For the Year Ended 31.03.20	
Salaries and Allowances		9062.60		9194.93
Contributions to:				
Provident Fund	742.38		736.09	
Superannuation Scheme/Pension Scheme	618.78		635.31	
Employees State Insurance Corporation	0.00	1361.16	0.00	1371.40
Gratuity		689.28		630.03
Staff Welfare Expenses		127.93		120.60
Other Benefits		1923.76		2329.86
Directors (Including Chairman-Cum-Managing Director)				
Salaries and Allowances		120.09		92.80
Contributions to:				
Provident Fund	6.58		5.93	
Superannuation Scheme/Pension Scheme	5.49	12.07	5.16	11.09
Gratuity		2.53		8.68
Other Benefits		1.85		15.06
As per Statement of Profit & Loss		13301.27		13774.45

NOTE-27 : FINANCE COST

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21		For the Year Ended 31.03.20	
Interest on Borrowings:				
Kreditanstalt West Germany (KFW Loans)	549.64		530.22	
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	3.36		3.23	
Banks	7154.60		4730.19	
Commercial Paper	0.00		7197.54	
Collateral Security Deposits	0.00		0.00	
Others	0.00	7707.60	0.00	12461.18
Other Cost on Borrowing:				
Government Guarantee Fee	21.31		21.49	
Loss of Interest on Foreign Currency Transactions and Translation	0.00	21.31	0.00	21.49
Other Finance Charges		43.04		112.84
Interest Expenses on Employee Advance/Amortised Cost		0.39		20.50
As per Statement of Profit & Loss		7772.34		12616.01

NOTE-28 : DEPRECIATION & AMORTIZATION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21		For the Year Ended 31.03.20	
Depreciation on:				
Property, Plant & Equipments	678.98		684.82	
Leased Assets	0.00		0.00	
Property, Plant & Equipments acquired Against Grants				
Depreciation as per Contra	347.70		386.83	
Less: Replacement Reserve as per Contra	347.70	0.00	386.83	0.00
Amortization of Expenses		38.12		48.04
Impairment Loss on Property, Plant & Equipments		124.41		0.00
As per Statement of Profit & Loss		841.51		732.86

Note : Refer Note No. 12 and Sl. No. 7 of Note-34

NOTE-29 : CORPORATE SOCIAL RESPONSIBILITY

(₹ in Lakh)

Particulars	In Cash 31.03.2021	Yet to be Paid 31.03.2021	Total 31.03.2021	In Cash 31.03.2020	Yet to be Paid 31.03.2020	Total 31.03.2020
Construction/Acquisition of any Assets	0.00	0.00	0.00	0.00	0.00	0.00
On Purchase Other than above	224.58	0.00	224.58	255.00	0.00	255.00
As per Statement of Profit & Loss	224.58	0.00	224.58	255.00	0.00	255.00
Related Parties Transaction	0.00	0.00	0.00	0.00	0.00	0.00

NOTE-30 : OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Electricity, Power & Water Charges	662.70	687.93
Printing & Stationery	63.63	89.94
Insurance	27.45	13.58
Travelling, Conveyance & Vehicle Charges	356.35	531.61
Freight and Octroi Expenses	30.56	30.90
Communication Expenses	101.96	117.13
Rent Paid	448.67	479.56
Recruitment Expenses	0.20	0.06
Licences, Rates & Taxes	396.83	155.08
Expense on Security & Other Allied Services	1877.64	1752.50
Repairs & Maintenance Expenses	411.42	398.75
Computer Maintenance Charges	40.85	42.24
Web Portal and Software Maintenance Charges	78.22	66.07
Payments to Statutory Auditors	47.33	49.14
Payment to Internal auditors	35.55	38.67
Legal, Professional and Consultancy Charges	277.59	328.57
Directors' Sitting Fee	0.00	3.84
Directors' Other Expenses	12.66	33.48
Training Expenses	530.15	683.72
Common Facilities Charges	65.35	94.20
Project Consultancy Charges	0.00	86.68
Expenses on Godown Operations	942.56	967.22
Infomediary Services Expenses	2.50	3.43
Business/Sales Promotion Expenses	37.06	95.55
Entertainment	12.26	20.92
Advertisement and Publicity	40.04	170.26
Duties and Charges Paid for Company Incorporation	0.00	0.00
Loss on Foreign Currency Transactions and Translation (Net)	22.59	42.56
Miscellaneous Expenses	18.39	29.60
Bad Debts/Irrecoverable Advances Written Off	18.17	14.38
Expenditure on Exhibitions, Seminars and Conference	2.73	14.15
Expenses on Credit Information Report / PCRS	6.05	0.00
Expenses on Special Marketing Assistance Scheme (SMAS)	37.47	2560.96
Expenses on Others - NSSH	7141.24	6742.94
Expenses on Procurement & Marketing Support Scheme (PMSS)	147.03	103.04
Expenses on International Co-operation (IC) Scheme	18.31	0.00
Impact of Discounting on Financial Assets	27.31	46.21
Provision for Doubtful Debts	614.41	0.00
Expenses on SPRS	39.56	70.51
Expenses on ESDP	0.00	59.70
Interest/Fees/Penalty for Statutory Dues	28.56	0.00
As per Statement of Profit & Loss	14621.35	16625.08

ANNEXURE-30A : DETAILS OF OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Payment to Statutory Auditors for:		
Statutory Audit Fees	34.80	35.65
Tax Audit Fees	10.28	10.58
Other Taxation Matters	0.00	0.26
Company Law Matters	0.00	0.00
Management Services	0.00	0.00
Other Services	2.01	1.05
Reimbursement of Expenses	0.24	1.60
Total	47.33	49.14
Repairs & Maintenance Expenses on:		
Building	312.70	262.39
Machinery	14.95	18.75
Others	83.77	117.61
Total	411.22	398.75
Bad Debts/Irrecoverable Advance Written Off:		
Bad Debts Written Off	18.17	14.38
Irrecoverable Advances Written Off	0.00	0.00
Losses Written Off	16.48	1.93
Less: Contra Adjustment to Losses Written Off	16.48	1.93
Total	18.17	14.38
Training Expenses on:		
Internal	371.73	438.75
Sponsored	48.36	62.83
Personal	0.18	57.42
ATI	64.82	56.30
Capacity Building (NSSH)	0.00	1.06
Others	45.06	67.36
Total	530.15	683.72
Expenses on Special Marketing Assistance Scheme:		
Participation in Domestic Exhibitions, Trade Fairs	23.69	1956.04
Participation in International Exhibitions, Trade Fairs	0.00	306.74
Organization Visit to Domestic Exhibitions, Trade Fairs	0.00	138.16
Organization Visit to International Exhibitions, Trade Fairs, Seminars Abroad	0.00	0.40
Vendor Development Programmes	1.91	136.80
Organizing Workshops, Seminars, Awareness Campaigns	11.87	22.82
Total	37.47	2560.96
Expenses on Others - NSSH:		
Collection, Collation & Dissemination of Information	3.04	48.31
Capacity Building, Skill Training, EDPs	1057.38	3948.86
Marketing Assistance	0.45	0.33
Mentoring & Hand Holding Support	0.00	3.13
Awareness Generation and Publicity	525.99	102.01
Technical & Managerial Support to SC/ST Hub	401.52	317.51
Special Credit Linked Capital Subsidy Scheme	5152.86	2322.79
Funds to States to Implement the SC/ST Hub Scheme	0.00	0.00
Vendor Development, National Manufacturing Competitiveness Programme	0.00	0.00
Total	7141.24	6742.94

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Expenses on Procurement and Marketing Support Scheme (PMSS):		
Participation of individual MSEs in Domestic Trade Fairs/ Exhibitions	138.98	103.04
Organising in Trade Fairs/Exhibitions by the Ministry, etc.	0.00	0.00
Participation in Trade Fairs/Exhibitions by the Ministry, etc.	0.00	0.00
Capacity Building of MSMEs in Modern Packaging Techniques	0.00	0.00
Development of Marketing Haats	0.00	0.00
Vendor Development Program (VDP)	1.60	0.00
International Workshops, Seminars	0.00	0.00
National Workshops, Seminars	4.00	0.00
Awareness Program	2.45	0.00
Total	147.03	103.04
Expenses on International Co-operation (IC) Scheme:		
Visit of MSME Delegation in International Exhibitions, etc.	0.00	0.00
Participation of MSME Delegation in International Exhibitions, etc.	18.31	0.00
Holding/Organising International Conferences, etc.	0.00	0.00
Holding/Organising Mega International Exhibitions, etc.	0.00	0.00
Sending MSME Delegation to International Exhibitions, etc.	0.00	0.00
Total	18.31	0.00
Interest/Fees/Penalty for Statutory Dues		
Interest Paid for Late Deposit of TDS	18.00	0.00
Interest Paid for Late Deposit of GST	10.56	0.00
Total	28.56	0.00

NOTE-31 : TAX EXPENSE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Provisions for Current Tax		
Provision for Current Tax	3400.00	1900.00
Provision for Deferred Tax	432.91	1445.21
Provision for Wealth Tax	0.00	3345.21
Adjustment for Previous Year Taxes		
Provision for Tax	-27.48	-31.69
Provision for Deferred Tax	0.00	-31.69
As per Statement of Profit & Loss	3805.43	3313.52

NOTE-32 : EARNINGS PER EQUITY SHARE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Numerator	10159.30	9919.22
Profit after tax as per Statement of Profit and Loss (₹ in lakh)		
Denominator		
Number of Equity Shares (Face value of ₹ 100/- each)	53298800	53298800
Number of Shares allotted during the year	0	0
Weighted Average number of equity shares for calculating Basic Earnings Per Share	53298800	53298800
Weighted Average number of equity shares for calculating Diluted Earnings Per Share	53298800	53298800
Basic Earnings Per Share (₹ per share) (Face value of ₹ 100/- each)	19.06	18.61
Diluted Earnings Per Share (₹ per share) (Face value of ₹ 100/- each)	19.06	18.61

NOTE-33 : CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
(i) Contingent Liabilities:		
Claims against the Coporation not acknowledged as Debts	113.18	419.38
Guarantees	0.00	0.00
Disputed Income Tax, Interest Tax, Sales Tax, Trade Tax Demand	866.94	1107.06
Other money for which the Corporation is Contingently Liable	343.24	343.24
As per Statement of Profit & Loss	1323.36	1869.68
(ii) Commitments:		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	1758.45	742.21
Uncalled Liability on Shares and Other Investments Partly Paid	0.00	0.00
Other Commitments	0.00	0.00
As per Statement of Profit & Loss	1758.45	742.21

NOTE-34
Notes to Standalone Financial Statements for the year ended March 31, 2021

- The following information as required to be disclosed under the Micro, Small and

Medium Enterprises Development Act, 2006, has been determined to the extent the status of such parties identified on the basis of information/documents available with the Corporation

(₹ in Lakh)

S. No.	Particulars	2020-21	2019-20
1	Amount remaining unpaid to any supplier:		
	a) Principal Amount	19251.54	22992.73
	b) Interest due thereon	Nil	Nil
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

The Corporation facilitates MSEs in marketing their product through tender participation on behalf of MSEs under Consortia and Tender Marketing Scheme. As per the terms of agreement between NSIC and MSEs, MSEs are executing tenders awarded by the various government departments through NSIC and the amount becomes due to MSEs only on receipt of payment from the respective buyer departments. The amount payable to such units have been shown as "Trade Payables-Outstanding Dues of MSEs", in the financial statements, based on Udyog Aadhaar Memorandum (UAM) / Udyam Registration number and registration with the Corporation (NSIC) of the suppliers.

As per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, NSIC has been defined as a 'Supplier' under its Section 2(n) sub clause (i). Further, Ministry of MSME vide Circular dated 31.08.2016 has clarified that NSIC acts a 'Facilitator' in bringing together the MSEs (the supplying units) and the various 'buyers'. As NSIC at

no stage becomes the beneficiary 'buyer' for the goods being supplied by the MSEs to the PSUs and other government departments through NSIC's facilitation, NSIC is not classified as 'buyer' in terms of Section 15 & 16 of the MSMED Act 2006 for the purpose of interest on delayed payment. The PSUs or other Government Departments, being beneficiary 'buyer' of the goods, are responsible for making the payment of the goods supplied by the 'supplier' and also for the interest on delayed payment in terms of the Section 15 & 16 of MSMED Act 2006. Accordingly, the provision relating to interest payable to such units, is not applicable to the NSIC.

In respect of Other Trade Payables, 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 payable

to such units has been shown as "Trade Payables-Dues to others".

2. The Corporation has a system of obtaining periodic confirmation of balances of banks and other parties. Letters seeking confirmation for year-end outstanding balances have been sent to trade receivables, creditors, contractors' advances, deposits, borrowers etc. with a request to confirm or send comment within the stipulated period failing which balance as indicated in the letter would be taken as confirmed. In case

of Government/Local Authorities dues, and the cases where 100% Provisions are made, RC is issued and / or under litigation/ legal proceedings, customer balances are normally not subject to confirmation. No adverse communication has been received from any party. Moreover, reconciliations of the accounts with the parties are carried out as an ongoing process.

However, confirmations in some cases as detailed below are awaited, the impact of which in the opinion of the management is not significant:

Balance Confirmation Statement-

(₹ In Lakh)

S. No.	Nature of Account	Total Outstanding	PIS/ Additional/ Normal Interest/ Seized Leased Suspense/ Cheques sent for Collection	Amount Net of PIS / Additional/ Normal Interest/ Seized Leased Suspense/ Cheques sent for Collection *	Govt Dues, Amount where 100% Provisions made, RC is issued and / or under litigation/ legal proceedings	Balance Outstanding	Confirmation Received	Confirmation not Received
a	b	c	d	e=c-d	f	g=e-f	h	i=g-h
1	Cash & Bank Balance	15159.41	-	15159.41	-	15159.41	15159.41	-
2	Receivables	20236.99	561.46	19675.53	10849.09	8826.44	1081.77	7744.67
3	Loan and Advances	244049.73	1798.00	242251.73	10917.98	231333.75	223121.59	8212.16
4	Other Financial Assets	1833.28	-	1833.28	723.70	1109.58	403.49	706.09
5	Trade Payable	19408.08	-	19408.08	157.60	19250.48	8131.49	11118.99
6	Other Financial Liabilities	14247.49	-	14247.49	852.10	13395.39	7841.12	5554.27
7	Others -Other Non-Financial Liabilities	36.21	-	36.21	-	36.21	20.39	15.82
	Total	314971.19	2359.46	312611.73	23500.47	289111.26	255759.26	33352.00

*Amount is net of PIS but before impairment allowance.

3. In the opinion of Management, all Financial and Non-Financial Assets, including Loans & Advances, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and necessary provision has been made, wherever required, in terms of provisioning norms as per Annexure to Accounting Policy XXII(a)(vi).

Para-wise disclosure of Applicable Indian Accounting Standards (Ind AS) are as below:

4. **Disclosure as per Ind AS 1: Presentation of financial statements**

Changes in significant accounting policies

- a) The corporation was hitherto recognizing impairment allowance in

respect of RMA and Bill discounting against collateral @ 50% which has now been increased to 100%.

Due to change in accounting policy, an amount of ₹565.54 lakh which hitherto shown as dues of loans & advances (net) now has been charged to expenses as 'Provision for Doubtful Debts' and correspondingly reducing the dues of loans & advances (net).

- b) Ind-AS 105 relating to non-current assets held for sale and discontinued operations has been adopted whereby assets available for immediate sale in its present condition and its disposal/sale is highly probable within one year from the date of classification the assets have been shown under the separate block of assets namely "Non-Current Assets Held for Sale" from different block of assets under Property, Plant and Equipment.

Due to adoption of IndAS-105, assets having net carrying value of ₹0.07 lakh (Gross carrying value of ₹13.50 lakh)

were transferred from different block of assets under Property, Plant and Equipment to separate block of assets namely "Non-Current Assets Held for Sale".

- c) Accounting policies have been reframed/ added, (wherever required) being already in existence, for better depiction and understanding for reader of accounts.

5. Disclosure as per Ind AS 2: Inventories

- a) The total carrying amounts of inventories as at 31.3.2021 is ₹40.59 lakh (PY ₹91.95 lakh) as shown in Note no. 9 of Balance Sheet.
- b) There is no reversal or any write-down that is recognized as a reduction in the amounts of inventories recognized as expense in the period.
- c) Inventories are stated at lower of Cost and net realisable value and there is no inventory of which carrying cost is stated at fair value as at 31st March 2021.

6. Disclosure as per Ind AS 12 – Income Taxes

- a) **FY 2020-21**

(₹ in Lakh)

Description	Net Balance at 01.04.2020	Recognized in Statement of Profit & Loss	Recognized in OCI	Net Balance at 31.03.2021
Deferred Tax Liabilities				
Related to timing difference on depreciation of fixed assets	951.62	497.08	-	1448.70
Discounting of Financial asset/ financial liabilities	35.28	3.69	-	38.97
Fair Value of Investments	19.02	-	23.34	42.36
Sub-Total	1005.92	500.77	23.34	1530.03
Deferred Tax Assets				
Provision for Receivables & Advances	3178.62	119.91	-	3298.53
Employee Benefits	2388.59	(52.05)	(33.97)	2302.57
Sub-Total	5567.21	67.86	(33.97)	5601.10
Deferred Tax Assets (Net)	4561.29	(432.91)	(57.31)	4071.07

b) FY 2019-2020

(₹ in Lakh)

Description	Net Balance at 01.04.2019	Recognized in Statement of Profit & Loss A/c	Recognized in OCI	Net Balance at 31.03.2020
Deferred Tax Liabilities				
Related to timing difference on depreciation of fixed assets	802.70	148.92	-	951.62
Discounting of Financial asset/ financial liabilities	11.73	23.55	-	35.28
Fair Value of Investments	57.55	-	(38.53)	19.02
Sub-Total	871.98	172.47	(38.53)	1005.92
Deferred Tax Assets				
Provision for Receivables & Advances	4558.24	(1379.62)		3178.62
Employee Benefits	2187.75	106.87	93.97	2388.59
Sub-Total	6745.99	(1272.75)	93.97	5567.21
Deferred Tax Assets (Net)	5874.01	(1445.22)	132.50	4561.29

Reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to Profit before Taxes

(₹ In Lakh)

Particulars	31 st March 2021	31 st March 2020
Profit before Tax	13964.73	13232.74
Tax Rate Applicable to a Domestic Company	25.17%	25.17%
Computed Tax Expense	3514.92	3330.68
Tax Effect of		
Expenses that are not deductible in determining taxable profit	619.13	622.28
Incomes that are not taxable in determining taxable profit	(734.05)	(2052.96)
Current Tax Provision	3400.00	1900.00
Income Taxes relating to earlier periods	(27.48)	(31.69)
Incremental Deferred Tax Liability / (Asset)	432.91	1445.21
Tax Expense Recognized in Statement of Profit & Loss	3805.43	3313.52
Effective Tax Rate	27.25	25.04

7. **Disclosure as per IndAS 16 – Property, Plant & Equipment & IndAS 38 – Intangible Assets**

- a) 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 st March 2021		As At 31 st March 2020	
			Gross value	Net value	Gross value	Net value
1	Land at Technical Centre Howrah	49.94 acres	1.60	1.60	1.60	1.60
2	Flats at Branch Office Mumbai	3660.00 sqft	11.52	5.30	11.52	5.49

- b) Corporation is having land situated at various locations across the country whose ownership is in its favour and possessed by it except the title deed in respect of land at NTSC-Howrah which has not been executed in favour of the Corporation, as already mentioned above. Further, land measuring 3.28 Acres of NTSC-Rajkot is under encroachment by few Industrial Units as well as unauthorized dwelling units. It's apt to mention that necessary action for removal of such encroachment is under process.
- c) During the year, the Corporation assessed the impairment loss of Assets and is of the opinion that since the Corporation is a going concern and there is no indication for the impairment of any Asset of the Corporation, therefore, no provision for impairment loss is required except ₹124.41 lakh provided on account of STBP building, New Delhi & other assets.
- d) The Corporation has continued with the carrying value of Property, Plant & Equipment & Intangible asset at the date of transition to Ind-AS measured as per Indian GAAP .
- e) The Corporation has not borrowed any amount for any qualifying asset, the interest of which is required to be capitalized as per IndAS 23, "Borrowing Cost". Hence, no interest has been capitalized during the year.
- f) During the current FY, assets having net carrying value of ₹7.08 Lakh (Gross carrying Value ₹99.65 Lakh) has been retired with sale proceeds of ₹2.86 Lakh and loss of ₹4.22 Lakh has been accounted for. During the FY 2019-20, assets having net carrying value of ₹1.56 Lakh (Gross carrying Value ₹44.84 Lakh) has been retired with sale proceeds of ₹2.86 Lakh and profit of ₹1.30 Lakh has been accounted for.

8. Disclosure as per IndAS 19 – Employee Benefits

- I. General descriptions of various defined employee's benefits schemes are as under:

i. Defined Contribution Plan

Provident Fund:

The Corporation's Provident Fund is managed by separate trust registered under the Employees Provident Fund & Misc. Provisions Act 1952 which invests the funds in permitted securities. The trust fixes the rate of interest based on the notification issued by the Government of India. The liability is recognized on accrual basis.

Post-Retirement Medical Facility:

The Corporation has Post-retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facility for indoor treatment through Mediclaim policy of ₹5 Lakh.

The liability on this account is recognized on accrual basis i.e.2% contribution on Basic Pay plus dearness allowance in case of employees retired after 1.1.2007 under IDA pattern employees and 1.5% of PBT of previous financial year in case of employees retired prior to 1.1.2007, based on the affordability of the Corporation.

With respect to Employee Pension Scheme, the same is managed through Regional Provident Fund Trust.

ii. Defined Benefit Plans

(a) Gratuity:

The Corporation has a defined benefit gratuity plan. Every

employee who has rendered continues service of five years or more is entitled to get gratuity @ 15 days salary (15/26 x last drawn basic pay plus dearness allowance) for each completed year of service on superannuation, resignation, termination and on death.

(b) Leave:

The Corporation provides for earned leave benefits and half-pay leave to the employees of the Corporation, which accrue annually at 30 days & 20 days respectively. Only the leave encashment is encashable once in a calendar year while in service in case of IDA pattern employees and a maximum of 300 days (including half pay leaves without commutation) on superannuation.

The liability on this account is recognized on the basis of actuarial valuation.

(c) TA on Retirement

TA on retirement refers to settlement at home-town or to the place where family of the retired employee intends to settle in India and includes Baggage

Allowance also.

The liability on this account is recognized on the basis of actuarial valuation.

(d) Superannuation Pension Scheme:

Employee's Group Superannuation Pension Scheme is managed by LIC of India. The Corporation's obligation is limited to pay 10% of Basic Pay plus dearness allowance of the enrolled employee.

The contribution to the scheme for the period is grouped under Employee Cost on accrual basis, based on the affordability of the Corporation.

(e) Medical Facility During Service:

The Corporation provides the medical facility for indoor treatment for the serving employees for self and his/her dependent family members. If the treatment is as per CGHS rates, all the expenditure on this account is born by the Corporation and if the treatment is as per hospital rates, employee has to bear 15% of the expenditure (excluding medicine and implant and defined special disease).

II. The prescribed disclosure as per the Actuarial Valuation in respect of the above matters is given hereunder-

Plan Liability

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present value of obligation as at the end of the period	CY	4926.49	2842.72	491.42	3.84	-
	PY	5183.44	2969.06	570.79	3.91	0.15

Service Cost

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Current Service Cost	CY	317.99	231.75	53.61	7.46	-
	PY	257.35	182.90	53.60	0.20	-
Past Service Cost including curtailment Gains/Losses	CY	-	-	-	-	-
	PY	-	-	-	-	-

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Gains or Losses on Non-routine settlements	CY	-	-	-	-	-
	PY	-	-	-	-	-
Total Service Cost	CY	317.99	231.75	53.61	7.46	-
	PY	257.35	182.90	53.60	0.20	-

Net interest Cost

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Interest Cost on Defined Benefit Obligation	CY	357.66	204.87	39.38	0.27	-
	PY	372.04	209.20	32.19	0.28	0.02
Interest Income on Plan Assets	CY	-	-	-	-	-
	PY	-	-	-	-	-
Net Interest Cost (Income)	CY	357.66	204.87	39.38	0.27	-
	PY	372.04	209.20	32.19	0.28	0.02

Change in benefit Obligation

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present value of obligation as at the beginning of the period	CY	5183.44	2969.06	570.79	3.91	0.15
	PY	4800.47	2699.33	415.30	3.67	0.27
Acquisition adjustment	CY	-	-	-	-	-
	PY	-	-	-	-	-
Interest Cost	CY	357.66	204.87	39.38	0.27	-
	PY	372.04	209.20	32.19	0.28	0.02
Service Cost	CY	317.99	231.75	53.61	7.46	-
	PY	266.67	182.90	53.60	0.20	-
Past Service Cost including curtailment Gains/Losses	CY	-	-	-	-	-
	PY	-	-	-	-	-
Benefits Paid	CY	-798.12	-667.82	-45.55	-7.32	-
	PY	-625.80	-603.36	-32.06	-0.61	-
Total Actuarial (Gain)/Loss on Obligation	CY	-134.47	104.86	-126.82	-0.48	-
	PY	370.06	481.00	101.77	0.36	-0.15
Present value of obligation as at the end of the period	CY	4926.49	2842.72	491.42	3.84	-
	PY	5183.44	2969.06	570.79	3.91	0.15

Bifurcation of Actuarial Gain/Loss on Obligation

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	CY	-	-	-	-	-
	PY	-2.59	-1.48	-0.29	-	-

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	CY	26.36	17.31	3.89	-	-
	PY	269.00	175.90	119.75	0.21	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	CY	-160.83	87.55	-130.71	-0.48	-
	PY	103.65	306.59	-17.70	0.15	-0.15

Balance Sheet and related analysis

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present Value of the obligation at end	CY	4926.49	2842.72	491.42	3.84	-
	PY	5183.44	2969.06	570.79	3.91	0.15
Fair value of plan assets	CY	-	-	-	-	-
	PY	-	-	-	-	-
Unfunded Liability/provision in Balance Sheet	CY	-4926.49	-2842.72	-491.42	-3.84	-
	PY	-5183.44	-2,969.06	-570.79	-3.91	-0.15

The amounts recognized in the income statement

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Total Service Cost	CY	317.99	231.75	53.61	7.46	-
	PY	257.35	182.90	53.60	0.20	-
Net Interest Cost	CY	357.66	204.87	39.38	0.27	-
	PY	372.04	209.20	32.19	0.28	0.02
Net Actuarial (gain)/loss recognized in the period	CY	-	104.86	-126.82	-	-
	PY	-	481.00	101.77	-	-
Expense recognized in the Income Statement	CY	675.64	541.48	-33.82	7.73	
	PY	629.38	873.10	187.55	0.49	0.02

Other Comprehensive Income (OCI)

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Net cumulative unrecognized actuarial gain/(loss) opening	CY	-	-	-	-	-
	PY	-	-	-	-	-
Actuarial gain / (loss) for the year on PBO	CY	134.47	-	-	0.48	-
	PY	-370.06	-	-	-0.36	0.15
Actuarial gain /(loss) for the year on Asset	CY	-	-	-	-	-
	PY	-	-	-	-	-
Unrecognized actuarial gain/ (loss) for the period.	CY	134.47	-	-	0.48	-
	PY	-370.06	-	-	-0.36	0.15

Change in Net Defined Benefit Obligation

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Net defined benefit liability at the start of the period	CY	5183.44	2969.06	570.79	3.91	0.15
	PY	4800.47	2699.33	415.30	3.67	0.27
Acquisition adjustment	CY	-	-	-	-	-
	PY	-	-	-	-	-
Total Service Cost	CY	317.99	231.75	53.61	7.46	-
	PY	266.67	182.90	53.60	0.20	-
Net Interest cost (Income)	CY	357.66	204.87	39.38	0.27	
	PY	372.04	209.20	32.19	0.28	0.02
Re-measurements	CY	-134.47	104.86	-126.82	-0.48	-
	PY	370.06	481.00	101.77	0.36	-0.15
Contribution paid to the Fund	CY	-	-	-	-	-
	PY	-	-	-	-	-
Benefit paid directly by the enterprise	CY	-798.12	-667.82	-45.55	-7.32	-
	PY	-625.80	-603.36	-32.06	-0.61	-
Net defined benefit liability at the end of the period	CY	4926.49	2842.72	491.42	3.84	-
	PY	5183.44	2969.06	570.79	3.91	0.15

Expected contribution for the next Annual reporting period.

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Service Cost	CY	262.61	184.44	44.92	0.22	-
	PY	266.36	196.53	59.03	0.21	-
Net Interest Cost	CY	335.99	193.87	33.51	0.26	-
	PY	357.66	204.87	39.38	0.27	-
Expected Expense for the next annual reporting period	CY	598.59	378.31	78.43	0.48	-
	PY	624.02	401.40	98.42	0.48	

Principal assumptions used for actuarial valuation are:

Particulars	2020-21	2019-20
Method used	Projected Unit Credit Method	Projected Unit Credit Method
Discount Rate	6.82%	6.90%
Expected Rate of Return on Plan Asset	0	0
Future Salary Increase	5.50	5.50
Mortality Rate	100% IALM (2012-14)	100% IALM (2012-14)
Ages (withdrawal Rate (%))		
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

Sensitivity of the defined benefit obligation

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Impact of change in discount rate					
Present value of obligation at the end of the period	4926.49	2842.72	491.42	3.84	-
Impact due to increase of 0.50%	-160.80	-105.27	-23.55	-0.12	-
Impact due to decrease of 0.50%	170.55	112.43	25.45	0.11	-
Impact of change in salary increase					
Present value of obligation at the end of the period	4926.49	2842.72	491.42	3.84	-
Impact due to increase of 0.50%	171.91	113.33	25.66	-	-
Impact due to decrease of 0.50%	-163.50	-107.03	-23.94	-	-

Maturity Profile of Defined Benefit Obligation

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
0 to 1 year	414.68	269.19	34.02	0.28	-
1 to 2 years	468.65	245.56	39.00	0.32	-
2 to 3 years	471.47	220.44	26.85	0.33	-
3 to 4 years	367.68	204.00	23.34	0.24	-
4 to 5 years	413.19	202.69	23.85	0.29	-
5 to 6 years	392.07	198.97	22.74	0.27	-
6 year onwards	2398.75	1501.88	321.61	2.11	-

III. As approved by the Ministry vide letter dated 2.12.2016, Corpus for medical schemes have been created of ₹198.50 lakh (₹122 lakh) for the employees retired prior to 1.1.2007 and of ₹121.45 lakh (₹122.54 lakh) for the employees retired on or after 1.1.2007, in accordance to the DPE's guidelines. These corpuses have been utilized for the payment of premium to Insurance Company to the extent of ₹154.02 lakh (₹53.67 lakh) and ₹64.98 lakh (₹33.66 lakh) respectively during the year.

9. Disclosure as per Ind AS- 21: Effects of change in foreign exchange rates

I. The provision for exchange variation losses for loans under Kreditanstalt

West Germany (KFW) credit lines have been created as per the terms and conditions of the loan agreements:

a) Under XIth line of credit, provision of ₹241.49 lakh (₹230.76 lakh) created during the year for meeting the exchange variation losses. During the year, the exchange variation loss was ₹82.05 lakh (₹157.09 lakh) and the balance of ₹159.44 lakh (₹73.67 lakh) has been written back since utilized for the promotional activities as per the terms and conditions of the loan agreement.

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 the exchange variation losses and the balance left out from the 80%, if any, is to be retained to meet out the exchange variation losses in future.

Accordingly, total provisions amounting to ₹272.06 lakh (₹264.73 lakh) have been made during the year for exchange variation under XIIth line of credit, out of which 80% i.e. ₹217.65 lakh (₹211.78 lakh) has been utilized against exchange

variation loss during the year and balance 20% i.e. ₹54.41 lakh (₹52.95 lakh) has been utilized for promotional purposes as per terms and conditions of the loan agreement.

During the year, the exchange variation loss was ₹78.00 lakh (₹148.73 lakh) which has been adjusted from 80% provision i.e. ₹217.65 lakh (₹211.78 lakh) and balance of ₹139.65 lakh (₹63.06 lakh) of provisions has been retained to meet future exchange variation losses. The cumulative retained provision on this account as on 31.03.2021 is ₹1977.70 lakh including balance provision of ₹139.65 lakh for the year (₹1838.05 lakh) to meet out exchange variation losses in future.

II. Exchange Difference

(₹ In Lakh)

S. No.	Particulars	2020-21	2019-20
1	The amount of exchange differences recognised in statement of profit or loss except for those arising on financial instruments measured at fair value through statement of profit or loss in accordance with IndAS 109.	(22.59)	(42.56)
2	Net exchange differences recognised in other comprehensive income and accumulated in a separate component of equity,	-	-
3	Reconciliation of the amount of such exchange differences at the beginning and end of the period.	-	-

10. Disclosure as per Ind AS – 24: Related party disclosures

In compliance of Ind AS 24 on related party disclosures, the required information is given as under:

A) Key Management Personnel

Key Management Personnel	Designation
Shri Vijayendra	Chairman-cum-Managing Director
Shri Gaurang Dixit	Director (Finance)
Shri P. Udayakumar	Director (P&M)
Ms. Nishtha Goyal	Company Secretary

B) Subsidiary-NSIC Venture Capital Fund Limited (NVCFL)

a) Transactions during the year with Key Management Personnel-NSIC

(₹ In Lakh)

S.No.	Nature of Transactions	Key Management Personnel		Relative of Key Management Personnel	
		2020-21	2019-20	2020-21	2019-20
1.	Expenditure:				
	Salary and Allowances	135.59	88.44	--	--
	Leave/ LTC Encashment	6.34	1.84	--	--
	Provident Fund Contribution	7.82	6.93	--	--
	Contribution to Pension Scheme	6.52	6.12		
	Others	23.87	54.22	--	--
	Lease Rent Paid	-	-	--	--
	Provision for Terminal Benefits as per Actuarial Valuation	5.97	22.62		
2.	Balance Outstanding:				
a)	Loan & interest outstanding	-	-	--	--
b)	Travelling Advance	-	-	--	--
c)	Provision for Terminal Benefits as per Actuarial Valuation *	87.09	81.19	--	--

* Provision for Terminal Benefits of Chairman-cum-Managing Director are NIL.

b) Transactions during the year with NVCFL

(₹ In Lakh)

S. No.	Nature of Transactions	FY 2020-21
1.	Expenditure incurred on behalf of NVCFL:	
a)	-Manpower Support Cost	15.94
b)	-Advertisement & Publicity	13.67
c)	-Duties & Taxes paid on NVCFL Incorporation	10.83
d)	-Other Expenses	0.82
2.	Revenue:	
	-Rent	0.07
3.	Investment:	
	Equity contribution	600.00

c) Major terms & conditions of transactions with related parties

equivalent to those that prevailing in arm's length transactions.

- (i) The remuneration to Key management personnel are in line with the service rules of the corporation.
- (ii) Transactions with NVCFL are made on terms

11. Disclosure as per Ind AS 109 -Financial Instrument

Disclosure of provisions made

- i. Based on RBI notification no RBI/2019-20/170 DOR (NBFC).

- CC.PD.No.109/22.10.106/ 2019-20 dated 13.03.2020, ECLs in terms of IndAS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20.
- ii. In respect of financial assets, comprising of receivables in respect of dues under Hire Purchase, Leasing, Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, banks, etc., amounting to ₹238985.65 lakh (₹251232.97 lakh), provision of ₹12707.80 lakh (₹12156.24 lakh) has been made towards impairment loss during the FY 2020-21.
 - iii. In respect of non-financial assets, comprising of receivables in respect of dues under Marketing activities, receivables on account of transactions at Technical Centers & STBPs, receivables on account of Sale of Services (i.e. receivables for License & Housekeeping fees, rent, training fees, EMC, TIC, events etc), advances recoverable in cash or in-kind (primarily consist of advances paid to outside parties including advances paid to bulk suppliers having MOU with the Corporation), security deposits, staff advances including interest accrued but not due and other assets amounting to ₹24574.25 lakh (₹28262.24 lakh), provision of ₹397.21 lakh (₹472.36 lakh) has been made towards impairment loss during the FY 2020-21.
 - iv. Trade Receivables and Loans & Advances under financial/ non-financial assets and of Technical Centers/ STBPs comprising of receivables and advances amounting to ₹263559.90 lakh (₹279495.21 lakh), provisions amounting to ₹13105.01 lakh (₹12628.60 lakh) have been made in line with the provisioning norms approved by the Board for receivables and loans & advances (net of interest suspense account and cash collateral available with the Corporation) of Financial/ Non-Financial assets as per IndAS.
12. **Disclosure as per Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets**
In accordance with the guidelines of Department of Public Enterprises, ad-hoc provision on account of Performance Related Pay (PRP) for the year 2020-21 amounting to ₹729.05 lakh (₹690.18 lakh) has been made.
 13. **Disclosure as per Ind AS 105- Non-Current Asset Held for Sale and discontinued Operations**
Assets available for immediate sale in its present condition and its disposal/sale is highly probable within one year from the date of classification, are classified as "Non-Current Assets Held for Sale". As required under Ind-AS 105, during current FY 2020-21 such assets having net carrying value of ₹0.07 lakh (Gross carrying value of ₹13.50 lakh) were transferred from different block of assets under Property, Plant and Equipment to separate block of assets namely "Non-Current Assets Held for Sale".
 14. **Disclosure as per Ind AS 108 – Operating Segments**
 - a) **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 'Assistance for Training to Institutions', 'National Schedule Caste - Schedule Tribe Hub', 'Entrepreneurship and Skill Development Programmes', 'Procurement and Marketing Support Scheme', 'National Entrepreneurship Award Scheme', etc., for which budgetary support has been provided to the Corporation along with administrative expenditure, wherever applicable in terms of approved guidelines for implementation of such schemes, 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.) and training expenses are met out of the budgetary support provided for the above schemes.

The 'Commercial' activities inter-alia includes the activities whereby the Corporation provides 'Marketing (including tender marketing and Raw Material Assistance/ Distribution)', '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, 2021 as required by (IndAS - 108) on "Segment Reporting" issued by the Institute of Chartered Accountant of India.

(₹ in Lakh)

Description	For the year ended 31 st March 2021			For the year ended 31 st March 2020		
Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial	Total
I. SEGMENT REVENUE (including grant)						
-Government Grant Recognized during the year	7,915.96	-	7,915.96	10259.98	-	10259.98
-Sale of Product	-	1,68,430.76	1,68,430.76	-	144412.97	144412.97
-Sale of Services	2.58	8,826.69	8,829.27	-	8648.19	8648.19
-Others	-	32,964.63	32,964.63	-	37606.55	37606.55
-Total	7,918.54	2,10,222.08	2,18,140.62	10259.98	190667.71	200927.69
II. SEGMENT EXPENDITURE (including expenses against grant)						
-Expenditure incurred against Government Grant recognized during the year	7,915.96	-	7,915.96	10259.98	-	10259.98
-Others	2.58	2,00,062.78	2,00,065.36	-	180748.49	180748.49
-Total	7,918.54	2,00,062.78	2,07,981.32	10259.98	180748.49	191008.47
III. RESULTS						
a. Segment Results	-	10,159.30	10,159.30	-	9919.22	9919.22
b. Operating Profit before interest	-	21,741.29	21,741.29	-	25847.45	25847.45
c. Interest Paid	-	7,772.34	7,772.34	-	12616.01	12616.01
d. Exceptional items	-	4.22	4.22	-	(1.30)	(1.30)
e. Profit before Tax	-	13,964.73	13,964.73	-	13232.74	13232.74
f. Tax Expense	-	3,805.43	3,805.43	-	3313.52	3313.52
g. Net Profit after Tax	-	10,159.30	10,159.30	-	9919.22	9919.22
h. Other Comprehensive Income	-	170.37	170.37	-	(393.90)	(393.90)
i. Total Comprehensive Income {Comprising Profit/(Loss) and Other Comprehensive Income}	-	10,329.67	10,329.67	-	9525.32	9525.32

Description	For the year ended 31 st March 2021			For the year ended 31 st March 2020		
Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial	Total
III. ASSETS & LIABILITIES						
a. Segment Assets	3,831.32	2,70,606.38	2,74,437.70	4956.28	285942.40	290898.68
b. Unallocated Assets	-	-	26,826.16	-	-	25829.92
c. Total Assets	3,831.32	2,70,606.38	3,01,263.86	4956.28	285942.40	316728.60
d. Segment Liabilities	5,435.31	1,73,347.69	1,78,783.00	3587.47	195800.28	199387.75
e. Unallocated Liabilities	-	-	1,22,480.86	-	-	117340.85
f. Total Liabilities	5,435.31	1,73,347.69	3,01,263.86	3587.47	195800.28	316728.60
IV. OTHER INFORMATION						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	614.97	1,389.27	2,004.24	689.78	387.50	1077.28
(b) Depreciation #	347.70	841.51	1,189.21	386.83	732.86	1119.69
(c) Non-cash expenditure other than depreciation	-	682.87	682.87	-	123.65	123.65

The depreciation of promotion segment is charged to capital reserve.

- b) Information about Revenue from major products and services

(₹ in lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Sale of Product	168430.76	144412.97
Interest Income	27165.71	26744.03

- c) The Corporation does not have any reportable geographical segment as the lending operations of the Corporation are carried out within the country.
- d) No single borrower has contributed 10% or more to the Corporation's revenue during the financial year 2020-21.

15. Disclosure as per Ind AS 115 – Revenue from Contracts with Customers

Component wise revenue of Corporation (₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Sale of products	168430.76	144412.97
Sale of services	8829.27	8648.19
Interest Income	27165.71	26744.03
Processing fee	4580.06	4863.66
Other operating Income	1123.39	5742.13
TOTAL	210129.19	190410.98

16. Disclosure as per Ind AS-116 – Leases:

In terms of Ind AS 116, the Corporation to recognize each lease on the Balance Sheet as a Right-of-Use asset with corresponding lease liability in respect of the amounts payable towards such leases in future periods. However, the Corporation has exercised the recognition exemption in respect of short-term leases and leases of low-value underlying assets. Short term leases include leases with termination options, where there are no material economic disincentives to terminate such leases. Such agreements to provide flexibility in managing the leased-asset portfolio and align with the Corporation's business needs.

During the year 2020-21 the expenses relating to short-term leases are ₹448.67 Lakh (₹479.56 Lakh). The total cash outflow towards all leases, including Right-of-Use Assets is ₹453.06 Lakh (₹484.86 Lakh).

(A) Leases as lessee:

- i. The following are the carrying amounts of lease liabilities recognized and the movements during the year:

ii. (₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Opening Balance	68.29	-
- Additions in lease liabilities	(10.69)	68.75
- Interest cost during the year	4.39	4.84
- Payment of lease liabilities	4.39	5.30
Closing Balance	57.60	68.29

iii. The following are the amounts recognized in Statement of profit and loss:

iv. (₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Depreciation and amortization expense for right-of-use assets	0.84	1.00
Interest expense on lease liabilities	4.39	4.84

v. Other disclosures:

(₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Cash Outflow from leases	4.39	5.30

(₹ in Lakh)

Particulars	As At 31 st March 2021	Year ended 31 st March 2020
Carrying amount of right-of-use assets at the end of the reporting period	55.83	67.76

(B) Leases as lessor:

- These arrangements continue to be classified as operating lease after transition to Ind AS 116 'Leases'.
- An amount of ₹3438.37 lakh has been accounted as lease income in Statement of profit and loss for the year ended 31st March 2021 (₹2354.04 lakh for FY 2019-2020)

iii. Undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and for the remaining years:

(₹ in Lakh)

Particulars	As At 31 st March 2021	As At 31 st March 2020
Less than one year	2983.56	1856.05
Between one and two years	2677.01	2062.77
Between two and three years	2054.30	1763.04
Between three and four years	1622.33	1770.82
Between four and five years	1515.10	1708.27
More than five years	4505.25	1772.13

17. Impact of Covid-19 Pandemic on the Corporation

India has witnessed the second wave of COVID-19 pandemic with significant increase in the number of infected cases. The resultant lockdowns are less restrictive for economic activity and are concentrated in the most-hit states.

The IT infrastructure and digital communication technology enables the workforce to work securely through remote technology ensuring business continuity.

The Corporation in accordance with RBI guidelines relating to Covid-19 Regulatory package dated 27.03.2020 and 23.05.2020, has offered moratorium on payment of instalments falling due between 01.03.2020 and 31.08.2020 to eligible borrowers.

The Corporation believes that with the pickup in global vaccination programme, the business and commercial activity is poised for resurgence.

In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in its ability to continue as a going concern. However, the impact of this pandemic on the Corporation will, inter alia, continue to be dependent on future developments relating to duration of Covid-19 and any further actions by the Government

and Regulatory bodies to contain its impact on the NBFCs. The Corporation shall also continue to closely monitor any material changes arising of future economic conditions and potential impact on its business.

18. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package vide Notification no. RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20 on 27.03.2020, The Corporation had granted a moratorium of three months on payment of all installments falling due between March 1, 2020 and May 31, 2020, to its borrowers who have availed the facilities under the scheme of “Raw Material Assistance against BG” prior to 01.03.2020. 483 no. of units having outstanding amount of ₹70382.86 lakh as on 29.02.2020 had opted moratorium under the scheme.

Thereafter, in terms of RBI guidelines relating to COVID-19 Regulatory Package vide Notification no. RBI/2019-20/244 DOR.No.BP. BC.71/21.04.048/2019-20 dated 23.05.2020, Corporation allowed moratorium of further three months ending on 31.08.2020 to those units, whose accounts were standard as on 29.02.2020 (as per RBI guidelines) and had availed moratorium of first three months, provided total outstanding (principal along with interest for the extended period) is covered with the available security (i.e. Bank Guarantee).

No unit had opted moratorium in the second phase of moratorium scheme

19. Government had announced, “**Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrower’s specified loan accounts (01.03.2020 to 31.08.2020)**” being conveyed by Ministry of Finance vide notification No.2/12/2020-BOA.I dated 23rd October 2020 along with Operational Guidelines. The benefits under the scheme would be routed through lending institutions and claim would be reimbursed by the Government. However, it does not have any impact on the financial statement for the year ending 31.03.2021 as the benefit to be credited / accounted for shall be reimbursed from the Government. Total benefit of ₹2.83 lakh was granted under this scheme to 153 nos. of MSMEs and benefit of ₹2.83 lakh has also been reimbursed from the Government within FY 2020-21 itself.

20. In accordance with the instructions in RBI circular No. RBI/2021-22/17 DOR.STR. REC.4/21.04.048/2021-22 dated April 7, 2021 on ‘Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package’, the Corporation has refunded / adjusted ‘interest on interest’ charged to all borrowers including those who had availed of credit facilities during the moratorium period i.e. March 1, 2020 to August 31, 2020, irrespective of whether moratorium had been fully or partially availed, or not availed. Total amount of ₹116.68 Lakh was refunded/adjusted to 1368 nos. of MSMEs towards ‘Interest on Interest’.

21. Asset Liability Management-Maturity pattern of certain items of Assets and Liabilities

As At 31 st March 2021	Net Advances	Invest- ments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	46086.71	-	138000	-		
Over 1-month upto 2 months	15686.09	-	-	-	-	-
Over 2 months upto 3 months	20879.55	-	-	128.28	-	-
Over 3 months upto 6 months	143625.49	-	-	21.92	-	-
Over 6 months & upto 1 year	-	-	-	150.20	-	-
Over 1 year & upto 3 years	-	-	-	600.80	-	-
Over 3 year & upto 5 years	-	-	-	600.80	-	-
Over 5 years	-	774.36	-	3717.83	-	-

(₹ in Lakh)

As At 31 st March 2020	Net Advances	Invest- ments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	72681.55	-	156500			
Over 1-month upto 2 months	17420.92	-	-	-	-	-
Over 2 months upto 3 months	22086.24	-	-	124.13	-	-
Over 3 months upto 6 months	126888.01	-	-	21.21	-	-
Over 6 months & upto 1 year	-	-	-	145.34	-	-
Over 1 year & upto 3 years	-	-	-	581.35	-	-
Over 3 year & upto 5 years	-	-	-	581.35	-	-
Over 5 years	-	81.63	-	3888.15	-	-

(Advances refer to receivables under Hire Purchase, Leasing, Raw Material Assistance, Bills Discounting, Composite Term Loan, Term Loan, Banks, etc).

22. Financial Instruments

A. Capital Management

For the purpose of the Corporation's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Corporation. The primary objectives of the Corporation's capital management are safety and security of share capital and maximize the shareholder wealth.

Management assesses the Corporation's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Corporation manages the capital structure and raises funds through the suitable instruments, in light of the dynamic business environment and liquidity position within the sector. Further, with regard to capital restructuring, the Corporation is also guided, inter alia, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc. The Corporation has complied with all externally imposed capital requirements.

Regulatory capital-related information is presented as part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels.

The Corporation has complied with all the capital requirements over the reported period.

B. Financial Risk Management

The Corporation is exposed to several risks which are inherent to the environment that it operates in. The Corporation is into business of extending financial assistance to MSME sector -

a) Credit risk

- (i) The Corporation is exposed to credit risk primarily through its lending operations. Credit risk on cash and cash equivalent is limited as these are held with Scheduled commercial public sector banks and private sector banks. As regards investments, the Corporation has very minimal investments in equity instruments which is of strategic in nature. Part of which, the Corporation has already made provision towards impairment allowance and balance has been fair valued and gain thereon has been accounted for in the books.

For management of credit risks in an effective manner, Corporation has established an appraisal mechanism containing guidelines in order to ensure timely repayments of principal & interest amount. The Corporation manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and concentration thereof and by monitoring exposures in relation to such limits, by obtaining conduct of account from the banks.

The Corporation has a credit risk in terms of the credit support provided for raw material procurement by making the payment to supplier in Raw Material Assistance scheme against Bank Guarantee

(ii) **Significant estimates and judgements**

Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Corporation uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Corporation's past history and conduct of account with other bank, existing market conditions as well as forward looking estimates at the end of each reporting period.

At the date of transition to Ind AS, an entity shall use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare that to the credit risk at the date of transition to Ind AS.

Corporation has adopted policy to recognize impairment loss (ECL) in

books as higher of provision as per Ind AS 109 or as per RBI guidelines.

Corporation has categorized all loans in three stages:

Stage-1 – Performing (not deteriorated significantly since its initial recognition)

Stage-2 – Under Performing (deteriorated significantly since its initial recognition)

Stage-3 – Non performing (Objective evidence of impaired)

ECL is calculated based on past ten year's data as follows:

$ECL = \text{Probability of Default (PD)} \times \text{Loss given default (LGD)}$

Probability of Default (PD) is calculated as NPA accretion over last 10 years to total loan accretion over last 10 years in percentage terms.

Loss given Default is calculated as loss of principal during last 10 years to total NPAs during the last 10 years in percentage terms.

The Corporation considers an exposure to have significantly increased in credit risk when the borrower crosses 30 days past due (DPD) but is within 90 DPD.

Provision for expected credit losses

Level	Category	Description of category	Basis for recognition of expected credit loss provision Loans
Stage 1	Standard Assets, High quality assets, negligible credit risk	Assets where counter party has strong capacity to meet the obligations and where risk of default is nil or negligible/ regularly paying assets	12-month ECL
Stage 2	Increased Risk Assets or Assets having significant risk	Assets where there has been a significant increase in credit risk since initial recognition.	Life time ECL
Stage 3	Impaired Assets		Life time ECL

b) Liquidity risk

Liquidity is the risk that suitable sources of funding for Corporation's business activities may not be available. The Corporation's objective is to maintain optimum level of liquidity to meet its cash requirements. The Corporation closely monitors its liquidity position and maintains adequate sources to finance its short term and long-term fund requirements, whenever required.

(i) Financing arrangements

The Corporation had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakh)

Particulars	As At 31 st March 2021	As At 31 st March 2020
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	NIL	NIL

Corporation has cash credit facility from banks at floating rate of interest which is renewed every year.

(ii) Maturity profile of financial liabilities

The tables below analyse the Corporation's financial liabilities into relevant maturity based on their contractual maturities for: all non-derivative financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows: -

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant: -

(₹ in lakh)

Particulars	Contractual maturities of financial liabilities			Contractual maturities of financial liabilities		
	31 st March 2021			31 st March 2020		
	Bank Borrowings	Market Borrowings	Total	Bank Borrowings	Market Borrowings	Total
1 day to 30/31 days (one month)	138000	-	138000	156500	-	156500
Over one month to 2 months	-	-	-	-	-	-
Over 2 months upto 3 months	-	128.28	128.28	-	124.13	124.13
Over 3 months to 6 months	-	21.92	21.92	-	21.21	21.21
Over 6 months to 1 year	-	150.20	150.20	-	145.34	145.34
Over 1 year to 3 years	-	600.80	600.80	-	581.35	581.35
Over 3 years to 5 years	-	600.80	600.80	-	581.35	581.35
Over 5 years	-	3717.83	3717.83	-	3888.15	3888.15

c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: - interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument, denominated in foreign currency other than the functional currency, will fluctuate because of changes in foreign exchange rates.

The Corporation is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the Corporation's foreign currency denominated borrowings is as follows-

(₹ in lakh)

Description	As At 31 st March 2021		As At 31 st March 2020	
	In foreign Currency (Euro)	In functional Currency (₹ in lakh)	In foreign Currency (Euro)	In functional Currency (₹ in lakh)
Kfw-XI	2723140.61	2380.57	2848918.41	2409.90
Kfw-XII	2520668.93	2203.57	2688372.67	2274.10
ILC	727164.54	635.69	777313.76	657.53

Foreign currency risk monitoring and management-

The loan agreements entered into by the Corporation takes care of the exchange fluctuation risk and the entire amount of exchange fluctuation loss if any gets adjusted by way of relief in the coupon payment. Further, it also secures the future losses on account of exchange fluctuation.

Foreign Currency Sensitivity Analysis

The loan agreements entered into by the Corporation takes care of the exchange fluctuation risk and the entire amount of exchange fluctuation loss if any gets adjusted by way of relief in the coupon payment. Further, it also secures the future losses on account of exchange fluctuation. Hence,

no sensitivity analysis has been carried out.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to the risk of changes in market interest rates relates primarily to the short-term borrowings. Market interest rate risk is mitigated by proper review of market conditions, factors etc. The Corporation's borrowings are carried at amortized cost.

(a) Interest rate risk exposure

The exposure of the Corporation's short-term borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in lakh)

Particulars	31 st March 2021	31 st March 2020
Variable rate borrowings	-	-
Fixed rate borrowings	138000.00	156500.00
Total borrowings	138000.00	156500.00

(b) Sensitivity

As the maximum short-term borrowings of the Corporation are fixed costs, so they are not subject to interest rate risk as defined in IndAS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(iii) Price risk

(a) Exposure

The Corporation's exposure to equity securities price risk arises from investments held by the Corporation and classified in the balance sheet as fair value through OCI. Though, diversification of

the portfolio is done in accordance with the limits set by the Corporation. However, the Corporation has only made certain strategic investment in the past, part of which has been fully impaired on which provisions have already been made and remaining has been fair valued on which gains thereof has been properly accounted for.

(b) Sensitivity

The Corporation has a very minimal amount of investment in equity and there is no movement in the past two years. As aforesaid, the Corporation has already fair valued its quoted investment in equity and gains thereof has been properly accounted for and for the remaining part of investment, provisions have been made fully. Hence, sensitivity not required to be disclosed.

Equity would increase/decrease as a result of gains/losses on equity instrument classified as fair value through other comprehensive income.

C. Fair Value Measurements

Some of the Corporation's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following tables gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used)

Fair value hierarchy

Financial Instruments Measured and Recognized at Fair Value (FVTOCI & FVTPL).

(₹ in Lakh)

Particulars	Amount at Fair Value		Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	As At 31 st March 2021	As At 31 st March 2020		
I. FINANCIAL ASSETS				
Financial Investments at FVTOCI				
-Investment in Equity Instruments	774.36	81.63	Level 1	Quoted market price
Financial Investments at FVTPL				
TOTAL	774.36	81.63		
II. FINANCIAL LIABILITIES	-	-		
TOTAL	-	-		

Financial Assets and Liabilities Measured at Amortized Cost.

(₹ in Lakh)

Particulars	As At 31 st March 2021		As At 31 st March 2020		Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	Amortized Cost	Fair Value	Amortized Cost	Fair Value		
I. FINANCIAL ASSETS						
Loan to Companies/LLP	230629.29	230629.29	225520.39	225520.39	Level 3	Effective Interest Rate
Loan to Employees	45.23	45.23	99.22	99.22	Level 2	NPV at SBI Rate for Perquisites
TOTAL	230674.52	230674.52	225619.61	225619.61		
II. FINANCIAL LIABILITIES						
Borrowings	143219.83	143219.83	161841.53	161841.53	Level 3	Effective Interest rate
TOTAL	143219.83	143219.83	161841.53	161841.53		

Fair value measurements under IndAS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value are observable and significance to the inputs to the fair value measurement in its entirety, which are described as follows

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation can access at measurement date.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Corporation can access at measurement date.

Table showing Carrying Value and Fair Value of all Financial Assets and Liabilities.

(₹ in Lakh)

Particulars	As At 31 st March 2021		As At 31 st March 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
I. FINANCIAL ASSETS				
- Cash & Cash Equivalent	12357.75	12357.75	10888.14	10888.14
- Bank Balance	2801.66	2801.66	1919.51	1919.51
- Receivables	18719.09	18719.09	21497.46	21497.46
- Loans & Advances	230674.52	230674.52	225619.61	225619.61
- Investments	774.36	774.36	81.63	81.63
- Assets Classified as Held for Sale	0.07	0.07	0	0
- Other Financial Assets	1279.45	1279.45	20967.57	20967.57
TOTAL	266606.90	266606.90	280973.92	280973.92
II. FINANCIAL LIABILITIES				
- Payables	19408.08	19408.08	23429.55	23429.56
- Borrowings	143219.83	143219.83	161841.53	161841.53
- Other financial liabilities	14247.49	14247.49	13895.49	13895.49
TOTAL	176875.40	176875.40	199166.57	199166.57

The carrying amount of the cash & cash equivalent, receivables, payables, other financial assets & other financial liabilities are considered as their fair values due to their short-term nature.

23. Proposed Dividend: The dividend proposed for the year is as follows:

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
On Equity shares of ₹100 each		
- Amount of Dividend Proposed (₹ In lakh)	3177.66	3409.33
- Rate of Dividend (%)	30% of PAT	30% of PAT
- Dividend per equity share (₹)	5.96	6.40

Dividends proposed by the Corporation are based on Profits after Tax as reported in the financial statements of the Corporation and guidelines issued by Department of Investment & Public Asset Management (DIPAM). The Board of Directors of the Corporation proposed a final dividend of ₹3177.66 lakh (₹5.96 per share) in respect of the year ending 31st March 2021 subject to approval of shareholders in the Annual General Meeting. If approved, the dividend would result in cash outflow of ₹3177.66 Lakh.

Further, Corporate dividend pertaining to financial year ended 31st March 2021, shall be accounted for in the ensuing financial year after approval of Shareholders at Annual General Meeting in accordance with IndAS 10 'Contingencies and Events occurring after Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016.

24. The additional information required to be disclosed vide RBI norms

A. Impairment Reserve

Based on RBI notification no RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/ 2019-20 dated 13.03.2020, ECLs in terms of IndAS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20. Further, where the impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) Norms (including standard asset provisioning) issued by RBI, the Corporation has appropriated the difference from their net profit after tax to "**Impairment Reserve**" pertaining to current year as well as out of retained earnings existed as on 01.04.2019. No withdrawals are permitted from this reserve without

prior permission from the Department of Supervision, RBI.

During FY 2019-20, impairment reserve amounting to ₹4866.65 lakh was appropriated, as the impairment allowance under Ind AS 109 was lower than the provisioning required under IRACP Norms to such extent.

On similar lines, impairment reserve as on 31/03/2021 amounts to ₹3390.96 lakh, as the impairment allowance under Ind AS 109 amounting to ₹12707.81 lakh is lower than the provisioning required under IRACP Norms amounting to ₹16098.77 lakh, to such extent.

Since the impairment reserve as on 31/03/2021 amounting to ₹3390.96 lakh is less than the already appropriated impairment reserve as on 31/03/2020 amounting to ₹4866.65 lakh, therefore, the impairment reserve has not been reversed to the extent of ₹1475.69 lakh as withdrawals/reductions are not permitted from the reserve that has already been appropriated. Thus, impairment reserve as on 31/03/2021 has been maintained at ₹4866.65 lakh.

Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109:

FY 2020-21

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	227185.97	908.13	226277.84	776.65	131.48
	Stage 2	-	-	-	-	-
Subtotal		227185.97	908.13	226277.84	776.65	131.48

Non-Performing Assets (NPA)						
Substandard	Stage 3	1131.07	1131.07	-	2486.00	-1354.93
Doubtful - up to 1 year	Stage 3				1601.98	-1601.98
1 to 3 years	Stage 3				-	-
More than 3 years	Stage 3	9898.05	9898.05	-	10463.59	-565.54
Sub-total for doubtful		9898.05	9898.05	-	12065.57	-2167.52
Loss	Stage 3	770.56	770.56	-	770.56	-
Subtotal for NPA		11799.68	11799.68	-	15322.13	-3522.45
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
		-	-	-	-	-
	Stage 3					
Subtotal		-	-	-	-	-
Total	Stage 1	227185.97	908.13	226277.84	776.65	131.48
	Stage 2	-	-	-	-	-
	Stage 3	11799.68	11799.68	-	15322.13	-3522.45
	Total	238985.65	12707.81	226277.84	16098.78	-3390.97

FY 2019-20

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	220834.22	883.34	219950.88	776.69	106.65
	Stage 2	-	-	-	-	-
Subtotal		220834.22	883.34	219950.88	776.69	106.65
Non-Performing Assets (NPA)						

Substandard	Stage 3	21677.55	2551.7	19125.85	4814.87	-2263.17
Doubtful - up to 1 year	Stage 3	-	-	-	108.43	-108.43
1 to 3 years	Stage 3	-	-	-	6.66	-6.66
More than 3 years	Stage 3	7926.75	7926.75	-	10521.79	-2595.04
Sub-total for doubtful		7926.75	7926.75	-	10636.88	-2710.13
Loss	Stage 3	794.45	794.45	-	794.45	-
Subtotal for NPA						
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	220834.22	883.34	219950.88	776.69	106.65
	Stage 2	-	-	-	-	-
	Stage 3	30398.75	11272.90	19125.85	16246.20	-4973.30
	Total	251232.97	12156.24	239076.73	17022.89	-4866.65

B. Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934

The Corporation is creating the Reserve Fund as required u/s 45IC of Reserve Bank of India Act, 1934, wherein at least 20% of net profit is required to be transferred before the declaration of dividend. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Reserve Bank of India from time to time and further, any such appropriation is also required to be reported to the Reserve Bank of India within 21 days from the date of such withdrawal.

During the year, further reserve fund u/s 45IC amounting to ₹2031.86 lakh (₹1983.84 lakh) has been created, thus making total reserve fund as on 31/03/2021 amounting to ₹4015.70 lakh.

C. Rating Assigned by Credit Rating Agencies for the Borrowings of NSIC

The Commercial paper issued by NSIC was rated by CRISIL and ACUITE as “A1+” which is considered to have “Very Strong Degree of Safety”. In addition, Bank Facilities of the Corporation has been rated by CARE and the rating is “AA+” which is considered to have high degree of safety regarding timely servicing of financial obligations. There has been no migration of ratings during the year.

D. Penalties levied by the Regulator - NIL

E. Capital Adequacy

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
i) CRAR (%)	33.75	30.57
ii) CRAR - Tier I Capital (%)	33.42	30.27
iii) CRAR - Tier II Capital (%)	0.33	0.30
iv) Amount of Subordinate debt raised as Tier-II Capital	Nil	Nil
v) Amount raised by issue of perpetual debt instruments	Nil	Nil

a) **Investments:** NSIC does not hold any investment outside India.

b) Break up of Investments

(₹ in Lakh)

	Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
1	Value of investments		
(i)	Gross Value of Investments		
(a)	In India		
	at fair value through OCI	789.36	96.63
(b)	Outside India		
(ii)	Provision for Depreciation		
(a)	In India	15.00	15.00
(b)	Outside India		
(iii)	Net value of investments		
(a)	In India	774.36	81.63
(b)	Outside India		
(2)	Movement of provisions held towards on investments		
(i)	Opening Balance	15.00	15.00
(ii)	Add: Provisions made during the year		
(iii)	Less: write-off/ write-back of excess provisions during the year		
(iv)	Closing balance	15.00	15.00
(3)	Aggregate amount of quoted investments	174.36	81.63
	Market value of quoted investments	174.36	81.63
(4)	Aggregate amount of Unquoted investments	15.00	15.00
(5)	Aggregate provision for diminution in value of investments	15.00	15.00

c) Valuation of Investments

(₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
i) Gross Value of Investments	696.63	249.69
ii) Allowance for Impairment Loss	15.00	15.00
iii) Fair Value Change (Net)	92.73	(153.06)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
iv) Net Value of Investments	774.36	81.63
Movement in Fair Value changes of investment (Net)		
Opening Balance	81.63	234.69
Add: Increase in Value	92.73	
Less: Decrease in Value		153.06
Closing Balance	174.36	81.63

F. Derivatives

(₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Exposure to Derivative Instruments / products	NIL	NIL

G. Securitization

a) Details of SPVs sponsored for Securitization of Assets

(₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
SPVs Sponsored	NIL	NIL

b) Details of Financial Assets sold to Securitization / Reconstruction Company for Assets Reconstruction

(₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Financial Assets Sold	NIL	NIL

c) Details of Assignment transaction undertaken

(₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Assignment Transaction undertaken	NIL	NIL

d) Details of Non-performing financial assets purchased/sold

(₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Non-performing Financial assets Purchased	NIL	NIL
Non-Performing Financial Assets Sold		
i) Number of accounts sold		
ii) Aggregate outstanding		
iii) Aggregate Consideration Received		
iv) Gain/Loss over net book value		

e) Exposures to Real Estate / Capital Market Sector

(₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
I. Exposure to Real Estate Sector undertaken (Direct)	NIL	NIL
i) Residential Mortgage		
ii) Commercial Real Estate		
• Lending Secured by Mortgage on commercial real estate		
• Lending in mortgage backed securities and other exposures		
II. Exposure to Capital Market (Gross)		
(a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	189.36	96.63
(b) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	NIL	NIL
(c) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
(d) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	NIL	NIL
(e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(f) loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(g) bridge loans to companies against expected equity flows / issues;	NIL	NIL
(h) all exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL

H. Breakup of Provision & Contingencies shown under the head expenditure in statement of profit & loss

(₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
a. Provision for Fair Value Changes on Investments	NIL	NIL
b. Provision for NPAs/Doubtful Debts	NIL	NIL
c. Provision for Diminution in NPV of Loans	NIL	NIL
d. Provision for Diminution in value of investments	NIL	NIL
e. Provision for Standard Assets	NIL	NIL
f. Provision Made towards Income Tax	3400	1900
g. Other Provision and Contingencies (Deferred Tax Liability)	432.91	1445.21

I. Concentration of Advances and Non-Performing Assets (NPA)

(₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
I. Concentration of Advances		
Total advances to Twenty Large Borrowers	9822.32	10127.36
% of advances to Twenty Large Borrowers	4.11	4.03
II. Concentration of NPA		
Total Exposure to Top Four NPAs	1136.07	1995.69

J. Sector-wise NPA (Gross)

(₹ in Lakh)

S No.	Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
1	Agriculture & allied activities	NIL	NIL
2	MSME	11799.68	30398.75
3	Corporate borrowers	NIL	NIL
4	Services	NIL	NIL
5	Unsecured personal loans	NIL	NIL
6	Auto loans	NIL	NIL
7	Other personal loans	NIL	NIL

K. Movement of NPAs

(₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
1) Net NPAs to Net Advances (%)	-	7.97
2) Movement of Gross NPAs/Doubtful Debts		
(a) Opening Balance	30398.75	32436.89
(b) Add: Addition During Year	-	-

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
(c) Less: Reduction/Write-off During Year	18599.07	2038.14
(d) Closing Balance	11799.68	30398.75
3) Movement of Net NPAs/Doubtful Debts		
(a) Opening Balance	19125.85	15727.27
(b) Add: Addition During Year	-	3398.58
(c) Less: Reduction/Write-off During Year	19125.85	-
(d) Closing Balance	-	19125.85
4) Movement in Provision for NPA/Doubtful Debts		
(a) Opening Balance	11272.90	16709.61
(b) Add: Provision made during the year	526.78	-
(c) Less: Loans Written off during the year	-	-
(d) Less: Provision Written Back	-	5436.71
(e) Closing Balance	11799.68	11272.90

L. Other Information

(₹ in Lakh)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
i) Gross Non-Performing Assets		
- Related parties	-	-
- Other than related parties	11799.68	30398.75
ii) Net Non-Performing Assets		
- Related parties	-	-
- Other than related parties	-	19125.85

M. Customer & Investor Complaints

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
a. No. of complaints pending at the beginning of the year	2	2
b. No. of complaints received during the year	212	22
c. No. of complaints redressed during the year	214	22
d. No. of complaints pending at the end of the year	NIL	2

25. Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended)

Liabilities Side

1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

(₹ in Lakh)

Particulars		As At 31 st March 2021		As At 31 st March 2020	
		Amount O/s	Amount Overdue	Amount O/s	Amount
(a)	Debentures	-	-	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	5229.07	-	5350.98	-
(d)	Inter-Corporate Loans and borrowings	-	-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans				
	Bank Overdraft, Cash credit & Working Capital Demand Loan	138413.99	-	156541.47	-

2. Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :

-Not Applicable-

Asset Side

3. Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]

(₹ in Lakh)

Particulars	Amount Outstanding	
	As At 31 st March 2021	As At 31 st March 2020
(a) Secured (net of provision)	-	-
(b) Covered by Bank/Government Guarantees (net of provision)	226277.84	239076.73
(c) Unsecured (net of provision)	-	-

4. Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities

-Not Applicable-

5. Break-up of Investments (net off diminution):

(₹ in Lakh)

Particulars		Amount Outstanding	
		As At 31 st March 2021	As At 31 st March 2020
Current Investments			
1	Quoted		
(i)	Shares	NIL	NIL
(a)	Equity		
(b)	Preference		
(ii)	Debentures and Bonds		
(iii)	Units of Mutual Funds		
(iv)	Government Securities		
(v)	Others		
2	Unquoted		
(i)	Shares	600.00	NIL
(a)	Equity		
(b)	Preference		
(ii)	Debentures and Bonds		
(iii)	Units of Mutual Funds		
(iv)	Government Securities		
(v)	Others		
Long Term Investments			
1	Quoted		
(i)	Shares:		
(a)	Equity (Fair Value)	174.36	81.63
(b)	Preference	NIL	NIL
(ii)	Debentures and Bonds	NIL	NIL
(iii)	Units of Mutual Funds	NIL	NIL
(iv)	Government Securities	NIL	NIL
(v)	Others	NIL	NIL
2	Unquoted		
(i)	Shares:	NIL	NIL
(a)	Equity (Net of Impairment)	NIL	NIL
(b)	Preference	NIL	NIL
(ii)	Debentures and Bonds	NIL	NIL
(iii)	Units of Mutual Funds	NIL	NIL
(iv)	Government Securities	NIL	NIL
(v)	Others	NIL	NIL

6. Borrower group-wise classification of assets financed as in (3) and (4) above

(₹ in Lakh)

Category		As At 31 st March 2021			As At 31 st March 2020		
		Secured (Net of Provision)	Covered by Bank/ Government Guarantees (net of provision)	Unsecured (Net of Provision)	Secured (Net of Provision)	Covered by Bank/ Government Guarantees (net of provision)	Unsecured (Net of Provision)
1	Related Parties						
(a)	Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Companies in the same group	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
2	Other than related parties	Nil	226277.84	Nil	Nil	239076.73	Nil

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in Lakh)

Category		As At 31 st March 2021		As At 31 st March 2020	
		Fair Value	Book Value	Fair Value	Book Value
1	Related Parties				
(a)	Subsidiaries	600.00	600.00		
(b)	Companies in the same group	NIL	NIL		
		NIL	NIL		
(c)	Other related parties	NIL	NIL		
2	Other than related parties	174.36	174.36	81.63	81.63

26. Recent Accounting Pronouncement: -

New Standards / Amendments to Existing Standard/new pronouncement issued but not yet effective upto the date of issuance of the NSIC's Financial Statement are disclosed below:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division III which relate to companies whose financial

statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Additional Disclosure in Notes to Balance Sheet:

- Property plant and equipment and Intangible assets: Specific disclosure, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment and other adjustments and the related depreciation and impairment losses/ reversals.
- Certain additional disclosures in the

statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- Shareholding of Promoter: The note on Share Capital in the Financial Statements shall mention details of the Shareholding of the Promotes along with changes, if any, during the Financial Year.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading Short Term Borrowing.
- If NBFC has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure for title deeds of Immovable Property not held in name of the NBFC and disclosure on revaluation of Assets.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of NBFC, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

- Ratios-Following Ratios to be disclosed: - (a) Capital to risk-weighted assets ratio (CRAR), (b) Tier I CRAR, (c) Tier II CRAR, (d) Liquidity Coverage Ratio.
- Specific Disclosure Borrowing & Wilful Defaulter.

Additional Disclosure in Notes to Profit & Loss Account:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.
- The amendments are extensive, and the Corporation will evaluate the same to give effect to them as required by law.
27. No penalties have been levied on the Corporation by any regulator during the year ended 31st March, 2021 (Previous year Nil).
 28. No complaints have been received by the Corporation from the borrowers under the Fair Practices Code during the year ended 31st March, 2021 (Previous year Nil).
 29. All amounts are in ₹ lakh, unless otherwise stated.
 30. Figures in brackets in the notes to the financial statements represent previous year's figures.
 31. Previous year figures have been regrouped, rearranged and recast, wherever necessary.

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS (COMMERCIAL) FOR THE YEAR ENDED 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
I REVENUE			
A Revenue from Operations	21		
Sale of Products		168430.76	144412.97
Sale of Services		8826.69	8648.19
Interest Income		27165.71	26744.03
Processing Fees		4580.06	4863.66
[Includes Processing Fees/Service Charges earned of ₹ 4580.06 lakhs (₹ 4863.66 lakhs) for value of goods handled and services rendered ₹ 1287396.77 lakhs (₹ 1401344.08 lakhs)]			
Net Gain on Fair Value Changes		0.00	0.00
Net Gain on Derecognition of Financial Instruments under Amortised Cost Category		0.00	0.00
Other Operating Income		1123.39	5742.13
Total Revenue from Operations		210126.61	190410.98
B Other Income	22	95.47	256.73
C Grants and Subsidies	23	0.00	0.00
Total Revenue (A + B + C)		210222.08	190667.71
II EXPENSES			
Purchases of Stock-in-Trade	24	167355.66	143747.81
Changes in Inventories	25	54.96	-54.96
Employee Benefit Expenses	26	12924.12	13250.79
Finance Costs	27	7772.34	12616.01
Depreciation and Amortization Expenses	28	841.51	732.86
Corporate Social Responsibility	29	224.58	255.00
Other Expenses	30	7079.96	6888.76
Total Expenses		196253.13	177436.27
III Profit before Exceptional Items, Extraordinary Items and Tax		13968.95	13231.44
Exceptional Items		4.22	-1.30
IV Profit before Extraordinary Items and Tax		13964.73	13232.74
Extraordinary Items		0.00	0.00
V Profit before Tax		13964.73	13232.74
Tax Expense	31		
Current Tax		3400.00	1900.00
Deferred Tax		432.91	1445.21
Earlier Years		-27.48	-31.69
VI Total Tax Expense		3805.43	3313.52
VII Profit after Tax for the period from Continuing Operations		10159.30	9919.22
VIII Profit from Discontinued Operations		0.00	0.00
IX Tax Expenses from Discontinued Operations		0.00	0.00
X Profit from Discontinued Operations (After Tax)		0.00	0.00
XI Profit for the Period		10159.30	9919.22

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS (COMMERCIAL) FOR THE YEAR ENDED 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
XII Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment		92.73	-153.06
Items that will not be reclassified to Profit or Loss - Actuarial Gain/ Loss on Defined Benefit Plans		134.95	-373.34
Income Tax relating to Items that will not be reclassified to Profit or Loss		-57.31	132.50
Sub Total (A)		170.37	-393.90
B Items that will be reclassified to Profit or Loss		0.00	0.00
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Sub Total (B)		0.00	0.00
Other Comprehensive Income (A + B)		170.37	-393.90
XIII Total Comprehensive Income for the period (XI + XII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		10329.67	9525.32
XIV Earnings per Equity Share (for Continuing Operations)	32		
Basic (₹)		19.06	18.61
Diluted (₹)		19.06	18.61
XV Contingent Liabilities	33 (i)	1323.36	1869.68
XVI Capital Commitments	33 (ii)	493.15	742.21
Other Notes on Accounts	34		

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 34 referred to above form an integral part of Financial Statements.

Changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

In terms of our report of even date attached
For Goyal Parul & Co.
Chartered Accountants
Firm Registration No.: 016750N

Sd/-
Parul Goyal
Partner
Membership No. : 099172
Place : New Delhi
Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-
Gaurang Dixit
Director (Finance)
[DIN : 08535482]

Sd/-
Ajay Sharma
DGM (F&A)

Sd/-
Alka Nangia Arora
Chairman-cum-Managing Director
[DIN : 03165567]

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS (PROMOTIONAL) FOR THE YEAR ENDED 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
I REVENUE			
A Revenue from Operations	21		
Sale of Products		0.00	0.00
Sale of Services		2.58	0.00
Interest Income		0.00	0.00
Processing Fees		0.00	0.00
Net Gain on Fair Value Changes		0.00	0.00
Net Gain on Derecognition of Financial Instruments under Amortised Cost Category		0.00	0.00
Other Operating Income		0.00	0.00
Total Revenue from Operations		2.58	0.00
B Other Income	22	0.00	0.00
C Grants and Subsidies	23	7915.96	10259.98
Total Revenue (A + B + C)		7918.54	10259.98
II EXPENSES			
Purchases of Stock-in-Trade	24	0.00	0.00
Changes in Inventories	25	0.00	0.00
Employee Benefit Expenses	26	377.15	523.66
Finance Costs	27	0.00	0.00
Depreciation and Amortization Expenses	28	0.00	0.00
Corporate Social Responsibility	29	0.00	0.00
Other Expenses	30	7541.39	9736.32
Total Expenses		7918.54	10259.98
III Profit before Exceptional Items, Extraordinary Items and Tax		0.00	0.00
Exceptional Items		0.00	0.00
IV Profit before Extraordinary Items and Tax		0.00	0.00
Extraordinary Items		0.00	0.00
V Profit before Tax		0.00	0.00
Tax Expense	31		
Current Tax		0.00	0.00
Deferred Tax		0.00	0.00
Earlier Years		0.00	0.00
VI Total Tax Expense		0.00	0.00
VII Profit after Tax for the period from Continuing Operations		0.00	0.00
VIII Profit from Discontinued Operations		0.00	0.00
IX Tax Expenses from Discontinued Operations		0.00	0.00
X Profit from Discontinued Operations (After Tax)		0.00	0.00
XI Profit for the Period		0.00	0.00

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS (PROMOTIONAL) FOR THE YEAR ENDED 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
XII Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment/Actuarial Gain/Loss on Defined Benefit Plans		0.00	0.00
Income Tax relating to Items that will not be reclassified to Profit or Loss		0.00	0.00
Sub Total (A)		0.00	0.00
B Items that will be reclassified to Profit or Loss		0.00	0.00
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Sub Total (B)		0.00	0.00
Other Comprehensive Income (A + B)		0.00	0.00
XIII Total Comprehensive Income for the period (XI + XII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		0.00	0.00
XIV Earnings per Equity Share (for Continuing Operations)	32		
Basic (₹)		0.00	0.00
Diluted (₹)		0.00	0.00
XV Contingent Liabilities	33 (i)	0.00	0.00
XVI Capital Commitments	33 (ii)	1265.30	0.00
Other Notes on Accounts	34		

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 34 referred to above form an integral part of Financial Statements.

Changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

In terms of our report of even date attached
For Goyal Parul & Co.
Chartered Accountants
Firm Registration No.: 016750N

Sd/-
Parul Goyal
Partner
Membership No. : 099172
Place : New Delhi
Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-
Gaurang Dixit
Director (Finance)
[DIN : 08535482]

Sd/-
Ajay Sharma
DGM (F&A)

Sd/-
Alka Nangia Arora
Chairman-cum-Managing Director
[DIN : 03165567]

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

CHAIRMAN-CUM-MANAGING DIRECTOR (CHIEF EXECUTIVE OFFICER) AND DIRECTOR FINANCE (CHIEF FINANCIAL OFFICER) CERTIFICATION

To

The Board of Directors

The National Small Industries Corporation Limited

New Delhi

- i. We have reviewed financial statements and the cash flow statement of The National Small Industries Corporation Limited for the year ended 31st March, 2021 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- ii. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2020-21 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- iii. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- iv. We have indicated to the auditors and the Audit Committee that :
 - a. There have been no significant changes in internal control over financial reporting during the year 2020-21.
 - b. The Company had adopted Indian Accounting Standards (Ind AS) from financial year 2018-19 and hence Significant Accounting policies have been re-drafted in accordance with requirements of IndAS.
 - c. We are not aware of any instance during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
(Gaurang Dixit)
Director (Finance)

Sd/-
(Alka Nangia Arora)
Chairman-cum-Managing Director

Place: New Delhi

Dated: 23rd September, 2021

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 LIMITED FOR THE YEAR ENDED 31ST MARCH, 2021.

The preparation of financial statements of The National Small Industries Corporation Limited for the year ended 31st March, 2021 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 Revised Audit Report dated 02nd November, 2021 which supersedes their earlier Audit Report dated 23rd September, 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of The National Small Industries Corporation Limited for the year ended 31st March, 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the statutory auditor's report, to give effect to one of my audit observation raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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

Sd/-
(Vidhu Sood)

Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi

Place : New Delhi
Dated: 29th November, 2021

INDEPENDENT AUDITORS' REPORT

To,

The Members of

The National Small Industries Corporation Limited

Revised Report on the Audit of the Consolidated Financial Statements

This Audit Report is in supersession of our earlier Audit Report dated 23th September 2021 on the consolidated financial statements of **The National Small Industries Corporation Limited** as at 31st March 2021 has been revised to give effect to the observations made by Office of the Principal Director of Audit Industry and Corporate Affairs, New Delhi vide letter No. AMG-III/4(21)/Annual Accounts/NSIC/(2020-21)/65 dated 29/10/2021.

Opinion

We have audited the **accompanying Consolidated** Financial Statements of **The National Small Industries Corporation Limited** (hereinafter referred to as "Holding Company") and its subsidiary- NSIC Venture Capital Fund Limited (Holding Company and its subsidiary together referred to as "Group") which comprise the Consolidated Balance Sheet as at 31st March 2021, the Consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary the

aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, consolidated profit (including total comprehensive income) consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

1. *We draw attention to the following matters in the Note – 34(2) to the financial statements:*
 - a) *Para-1 of which, describes that the balances of Trade Receivables, Loans and Advances, Trade Payables, Deposits/ Earnest Money, Borrowers etc. are subject to confirmation/ reconciliation in the following cases and consequential adjustments, if any.*

1) Debit Balances

(₹ in Lakh)

S. N.	Particulars	Total	Confirmation not received
1	Trade receivables (Marketing & Others) (net of PIS)	19675.53	7744.67
2	Loans & Advances (net of PIS)	242251.73	8212.16
3	Other Financial Assets	1842.97	706.09
	Total	263770.23	16662.92

2) Credit Balances

(₹ in Lakh)

S. N.	Particulars	Total	Confirmation not received
1	Trade Payables	19408.08	11118.99
2	Other Financial Liabilities	14249.10	5554.27
3	Other Long-term Liabilities (Security Deposit Payable, EMD)	36.21	15.82
	Total	33693.39	16689.08

2. We also draw attention to the following matters in the Note 34 to the financial statement:

- Para 12 regarding ad-hoc provision on account of Performance Related Pay (PRP) for the year 2020-21 amounting to ₹729.05 lakhs (Previous year ₹690.18 lakhs).
- Para 8(IV)– “As approved by the Ministry vide letter dated 2.12.2016, Corpus for medical schemes have

been created of ₹198.50 lakh (₹122 Lakh) for the employees retired prior to 1.1.2007 and of ₹ 121.454 lakh (₹122.54 Lakh) for the employees retired on or after 1.1.2007, in accordance to the DPE's guidelines. These corpuses have been utilized for the payment of premium to Insurance Company to the extent of ₹ 154.02 lakh (₹53.67 lakh) and ₹ 64.98 lakh (₹33.66 Lakh) respectively during the year”.

3. We draw attention to Note 34 (26) of consolidated financial statement which explain the reasons why the financial statements have been prepared using the format prescribed in Division III of Schedule III to the Act rather than Division II of Schedule III to the Act.

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

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Group's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report and Chairman's statement but does not include the financial statements and our auditor's report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Group'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 Consolidated Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements.

Our objectives are to obtain reasonable assurance about whether the **Consolidated Financial Statements** as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As Part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Corporation has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue

as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements representing the underlying transactions and events in a manner that achieves fair representation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of its subsidiary - NVCFL for the year ended on

that date, whose financial statements/financial information reflect total assets of ₹ 543.02 lakh and total revenue of ₹ 11.06 lakh for the year ended on that date as considered in the consolidated financial statements. The financial statements/information of NVCFL have been audited by the independent auditors appointed by Comptroller & Auditor General of India, 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 Subsidiary, is based solely on the report of such independent branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the by Section 143(3) of the Act, we report to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Financial Statements have been kept so far as it appears from our examination of those books and the report of other auditors.
 - (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statement.
 - (d) In our opinion, the aforesaid consolidated 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) In terms of notification No. GSR 463 (E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section 2 of Section 164 of the Act, are not applicable to the Group, being a Government Company.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in **Annexure "A"**.
- (B) 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 consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the group.
- ii. The Group 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 Group

for **Goyal Parul & Co**
Chartered Accountants
Firm's Reg. No. : 016750N

Sd/-
(Parul Goyal)
Partner

Membership No.: 099172
UDIN: 21099172AAAACI3435

Place: New Delhi
Date: 02.11.2021

ANNEXURE- “A”

ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED.

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

In conjunction with our audit of the consolidated financial statements of the company as of the year ended March 31, 2021, We have audited the internal financial controls over financial reporting of **THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary company, incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 (ICAI).] 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 the respective company’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

Company’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 Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company'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 Company'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 Company; (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 Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company'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 2021:

1. *The procedure for review of financial*

statements/accounts of the borrower, periodical confirmation of balances in few cases and renewal of limit sanctioned to the units were not effectively implemented/monitored. Management informed that entire procedure has been reviewed and revised regularly 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.

2. *Internal control needs further strengthening in respect of implementation of risk management and systems to ensure continued implementation of Company'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.*
3. *Budgeting needs further improvement. No budget was prepared by H.R. Division for recruitments through open market based on the cadre / post wise vacancies available, which should be prepared by the top management at the commencement of Financial Year.*

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 Holding Company and its subsidiary, which are companies incorporated in India, have, 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, 2021, based on the internal control over financial reporting criteria established by the Company 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.

Other Matter

Our aforesaid report u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar relates to financial statements/

information of 1 (one) subsidiary have been audited by the independent auditors appointed by Comptroller & Auditor General of India, is based on the corresponding reports of the auditors of such subsidiary company incorporated in India.

for Goyal Parul & Co

Chartered Accountants

Firm's Reg. No. : 016750N

Sd/-

(Parul Goyal)

Partner

Membership No.: 099172

UDIN: 21099172AAAACI3435

Place: New Delhi

Date: 02.11.2021

NOTES FORMING AN INTEGRAL PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

NOTE-1: GROUP INFORMATION & BASIS OF ACCOUNTING

1. CORPORATE INFORMATION

The National Small Industries Corporation Limited (referred to as “NSIC” or “The Parent Corporation”) was incorporated in the year 1955. NSIC is domiciled and incorporated in India [CIN No. U74140DL1955GOI002481], governed under the Companies Act and is a Systemically Important Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India vide certificate no. N.14.03090 dated 29/12/2005. The Legal Entity Identifier (LEI) Code registered with Global Legal Entity Identifier Foundation (GLEIF) is 335800935QD3LJGOLZ39. It is an ISO 9001-2015 certified Government of India ‘Mini Ratna Category-1’ Enterprise under Ministry of Micro, Small and Medium Enterprises (MSME).

NSIC has been working to promote aid and foster the growth of micro, small and medium enterprises in the country through its various Offices / Technical Centre. NSIC facilitates Micro, Small and Medium Enterprises with a set of specially tailored scheme to enhance their competitiveness. NSIC provides integrated support services under Marketing, Technology, Finance and other Support service.

NSIC Venture Capital Fund Limited (referred to as ‘NVCFL’ or ‘the subsidiary Company’), a public limited company domiciled in India was incorporated on 28 August 2020 under the provisions of the Companies Act, 2013. The Company is a wholly owned subsidiary of The National Small Industries Corporation Limited (‘NSIC’ or ‘the Parent Corporation’), a Government of India enterprise, and registered as a Category-II Alternative Investment Fund under SEBI (Alternative

Investment Fund) Regulations, 2012 vide Registration No IN/AIF2/21-22/0924 dated 01/09/2021.

The registered office of both the NSIC and the subsidiary Company are located in NSIC Bhawan, Okhla Industrial Estate, Phase-III, New Delhi-110020.

These Consolidated Financial Statements comprises of the financial statements of NSIC and its subsidiary – NSIC Venture Capital Fund Limited (referred to collectively as the ‘Group’).

2. BASIS OF ACCOUNTING

i. Statement of Compliance

The Consolidated financial statements of the Group comply with Ind AS notified under the Companies (Indian Accounting Standard) Rules 2015 (as amended), applicable provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 and other applicable regulatory norms/ guidelines.

The Consolidated financial statements of the Group have been prepared on going concern basis under the historical cost convention following accrual system of accounting (unless otherwise stated) in accordance with the Generally Accepted Accounting Principles and are in accordance with the Indian Accounting Standard (referred to as “IndAS”) notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended, applicable provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 and other applicable regulatory norms/ guidelines.

ii. Basis of Preparation and Presentation

The IndAS consolidated financial

statements have been prepared on accrual basis as a going concern and under the historical cost convention, except for certain financial assets (equity instruments classified as Fair Value through Other comprehensive income etc.) and financial liabilities (security deposits, etc.) that are measured at fair value at the end of each reporting date as required under relevant IndAS. These policies have been applied consistently for all the periods presented in the consolidated financial statements.

iii. **Principles of Consolidation**

In the preparation of these consolidated Financial Statements, the Investment in Subsidiaries have been accounted for in accordance with Indian Accounting Standard (Ind AS) 110, Consolidated Financial Statements. The Consolidated Financial Statements have been prepared on the following basis:

Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances/ transactions along with unrealized profits or losses, except where cost cannot be recovered.

As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Parent Company's standalone financial statements. Differences in accounting policies have been disclosed separately (if any).

iv. **Use of estimates, assumptions and management judgements**

In preparing the consolidated financial statements in conformity

with the group's accounting policies, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the consolidated financial statements, the amount of revenue and expenses during the reported period and notes to consolidated financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized in the period in which the results are crystallized.

v. **Critical Accounting Estimates and Management Judgements**

In application of the accounting policies, the management of the group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is stated here under:

a. **Property, Plant and Equipment (PPE)**

The residual values and estimated useful life of PPEs and Intangible Assets are assessed at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operational condition of the asset, past history of

replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortization.

b. Assets held for sale

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105, 'Non-current assets held for sale and discontinued operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

c. Income Taxes

Estimates are involved in determining the provisions for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Judgements are made in respect of expected future profitability to assess deferred tax asset.

d. Impairment of financial instruments

The impairment assessment of financial instruments comprising of trade receivables and Loans & Advances is carried out based on assumptions about risk of default and expected loss. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward-looking estimates at the

end of each reporting date.

e. Impairment of Non-financial assets (PPE)

The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement.

f. Defined Benefit Plans and Other long-term employee benefits

The cost of the defined benefit plan and other long-term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long-term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

g. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses other valuation techniques to determine its fair value. The inputs to apply these techniques are taken from

observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

h. Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

vi. Functional and presentation currency

These IndAS consolidated financial Statements are prepared in Indian rupees, the national currency of India and the functional currency of the group. All financial information presented in Rupees has been rounded off to the nearest lakh with two decimals unless otherwise indicated.

NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation and presentation of the consolidated financial statements as given below have been applied consistently to all periods presented in the consolidated financial statements.

I. Property, Plant and Equipment (PPE) – Tangible PPEs

a) Initial recognition and measurement

- i. Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation, lease terminal adjustment and accumulated impairment

losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use.

- ii. **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, lease terminal adjustment and accumulated impairment losses, if any.
- iii. **Items of property, plant and equipment 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 and accumulated impairment losses, if any.**
- iv. When parts of an item of PPE have different useful lives, they are recognized separately by identifying such components.
- v. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use. Borrowing costs (after deducting income on temporary investment of borrowed funds, if any) directly attributable to the specified item of property, plant and equipment, are capitalized to such items.
- vi. In case of assets available for use /put to use, where final statement of accounts /settlement of bills with

contractors/ implementing agency is yet to be affected, capitalization is done on estimated basis, subject to necessary adjustments, including those arising out of settlement of arbitration/ court cases, in the year of final settlement.

b) Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the property, plant and equipment when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the property, plant and equipment can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in consolidated Statement of profit & loss.

c) Derecognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the consolidated statement of profit and loss.

II. Capital Work in Progress

- a) Capital work-in-progress comprises cost of PPE that are not yet ready for their intended use at the balance sheet date.

- b) The Assets under construction are carried at cost comprising direct cost (cost of materials, labour & other incidental expenditure) & related indirect expenses (including overheads) attributable to bring the assets to the location and working condition necessary for its intended use.
- c) Income pertaining to the construction period such as interest income, liquidated damages recovered, etc. is adjusted against the expenditure during construction period.
- d) Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors, until the assets is recognized as PPE.
- e) Advances paid for the acquisition/ construction of PPE which are outstanding at the balance sheet date are classified under 'Capital Advances'.

III. Intangible Assets

a) Initial recognition and measurement

Intangible assets that are acquired by the group have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

b) Subsequent Costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

c) Intangible Assets under Development

In terms of IndAS-38, any expenditure incurred by the Group, specifically

attributable to development of an intangible asset and is likely to satisfy the recognition & measurement criteria upon completion of development, are capitalized as “intangible assets under development” till they are ready for their intended use,

d) **Derecognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the consolidated statement of profit and loss.

IV. Impairment of Property, Plant & Equipment and Intangible Assets

Property, Plant & Equipment and Intangible Assets are treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is recognized immediately to consolidated statement of Profit and Loss in the year in which an asset is identified as impaired and the carrying amount of the asset is reduced to its recoverable amount, unless the relevant asset is carried at a revalue amount, where the impairment loss is treated as a revaluation decrease. If there is any indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

V. Assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale transaction (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell except for assets such as deferred tax, assets arising from employee benefit, financial assets and contractual rights under insurance contracts, which are specifically exempted from this requirement. The determination of fair value less costs to sell includes use of management estimates and assumptions.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the balance sheet.

VI. Depreciation on Tangible Assets and Amortization and Intangible PPEs

a) **Leased assets and Seized leased assets out of leased assets acquired up to 31st March 2001:**

Depreciation is provided on pro-rata 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.

b) **Items of Property, Plant & Equipment other than leased assets and seized leased assets out of leased assets**

i) Depreciation on PPE is charged on straight-line method as per useful lives specified in part C to schedule II of the Companies Act, 2013 except Mobile phone Instruments.

S. No	Nature of Assets	Useful Life	Rate (SLM)	Residual Value
i.	Building RCC frame structure	60 Years	1.58%	5% of original cost
ii.	Building other than RCC frame structure	30 Years	3.17%	5% of original cost
iii.	Building Temporary Structure	3 Years	31.67%	5% of original cost
iv.	Roads-Carpeted-RCC	10 Years	9.50%	5% of original cost
v	Roads-Carpeted-other than RCC	5 Years	19.00%	5% of original cost
vi.	Roads-Non-Carpeted	3 Years	31.67%	5% of original cost

vii.	Plant and Machinery	15 Years	6.33%	5% of original cost
viii.	Furniture and Fittings	10 Years	9.50%	5% of original cost
ix.	Vehicles-2 wheeler	10 Years	9.50%	5% of original cost
x.	Vehicles-4 wheeler	8 Years	11.88%	5% of original cost
xi.	Office Equipment	5 Years	19.00%	5% of original cost
xii.	Computers and Processing Units	3 Years	31.67%	5% of original cost
xiii.	Servers and Networks	6 Years	15.83%	5% of original cost
xiv.	Electric Distribution Plant	35 Years	2.71%	5% of original cost
xv.	Electrical Installations and Equipment's	10 Years	9.50%	5% of original cost
xvi.	Intangible Assets-Software	5 Years	20.00%	₹ 1/-
xvii.	Mobile Phone Instruments	3 Years	33.33%	₹ 1/-

- ii) Depreciation on additions to / deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposal.
- iii) Assets costing up to ₹ 0.10 Lakh are depreciated fully in the year of purchase, after retaining 5% of original cost as residual value except Mobile phone Instruments where ₹1/- is retained as residual value.
- iv) Mobile phone Instruments costing over ₹ 0.10 lakh, are depreciated over a period of 3 years, starting from the year in which it is acquired, after retaining ₹1/- as residual value.
- v) Depreciation in case of PPE purchased out of Government grants, is charged to 'Capital Reserve' (which is in the nature of 'Deferred Income') in proportion to depreciation charged on such assets. The capital reserve is created at the time of purchase of fixed assets

out of grants received with the purchase cost.

- vi) Lease hold land is amortized over the lease period.
- vii) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of five years, starting from the year in which it is acquired, after retaining ₹1/- as residual value. However, where the life of software is less than five years, the cost is amortized over the useful life of such Assets after retaining ₹1/- as residual value.

VII. Borrowing Costs

Borrowing costs consist of interest and other costs that the NSIC incurs in connection with the borrowing of funds.

Borrowing costs incurred for qualifying assets are capitalized up to the date, the asset is ready for intended use, after netting off any income earned on temporary investment of such funds, based on borrowing incurred specifically for financing the asset. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are recognized in the consolidated statement of profit & loss in the reporting period in which they accrue.

VIII. Inventories

- a) The inventory mainly comprises of the following-
 - i. Stock of stationery and miscellaneous items.
 - ii. Stores, pattern, moulds, tools, measuring instruments and goods in transit.
 - iii. Stock of finished goods, finished components, work in progress and stores in NSIC's Technical Service Centers.
 - iv. Stock of finished goods pertaining to commercial activities.

- v. Stock of repossessed / seized /surrendered machines under hire purchase (HP) and composite term loan (CTL).
- vi. Stock of repossessed / seized / surrendered machines under equipment leasing where assets given on or after 01.04.2001.
- vii. Obsolete and unserviceable assets.
- viii. Land & Building and Sheds, etc. in the nature of stock in trade.
- b) Cost is determined on First in First Out (FIFO) basis.
- c) Inventories are valued at the lower of cost and net realizable value.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. In case of stock of Finished goods, finished components and work-in-progress in NSIC's Technical Service Centers, apart from direct costs, overheads are charged in the ratio of total overheads for the year as reduced by the overheads charged to outside job orders at pre-determined standard rates to direct labour cost.
- d) Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

IX. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. All the items of income/ revenue (incl. revenue from training activities and common facilities) & expenditure are accounted for on accrual basis where there is certainty as to realization as described hereunder:

- a) **Income from Financial Activities under Hire Purchase, Marketing,**

Raw Material Distribution / Assistance, Bill Financing and Composite Term Loan

- i. Interest Income in respect of loans and advances, are recognized on accrual (time proportion) basis with reference to contractual terms considering outstanding amount, applicable rate, etc.
- ii. No Interest income is recognized from the date, loans and advances become NPA, in terms of, the Master Direction - Non- Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- iii. Interest accrued but not realized in case of NPA accounts, is reversed on reporting date from interest income as 'Additional/ Normal Interest Suspense (PIS)' and correspondingly reduced from total outstanding dues except cases where proceeds of invoked BG's are not received by reporting date [refer IX(a)(ix) below].
- iv. Penal interest /additional / normal interest under different activities/ schemes of the NSIC where ever considered as doubtful of recovery is treated as the income in the year of its realization.
- v. Processing fees/ service charges is treated as income on time proportionate basis under RMA/BD against BG and in other cases, on accrual basis.
- vi. Where the unit's accounts are frozen, no further interest is charged to the unit's account.
- vii. Excess of sales proceeds

of repossessed / seized / surrendered machines over their value in case of hire purchase and equipment 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.

viii. Application processing fee, wherever applicable, is treated as income on receipt basis.

ix. On invocation of Bank Guarantee (BG), unit's account is frozen from the date of submitting its claim letter with the BG issuing bank and interest accrued but not realized included in total dues, if any, is not reversed from interest income as 'Additional/ Normal Interest Suspense (PIS)'. At the year end, in case, proceeds of invoked BGs are not received in designated bank account of the NSIC, such amount is treated as **"Receivables from Bank"**. However, where the bank delays in releasing the proceeds of invoked Bank Guarantees, interest for delayed period from the date of claim lodged till the date proceeds received in the designated bank account of the NSIC, if any, is recognized as income in the year of its realization.

b) Registration Fee under Single Point Registration Scheme

Registration fees under Single Point Registration Scheme, is recognized as income only on date of issuance of certificate for fresh registration/ renewal/ amendment therein.

c) Membership fee of B2B portal

(MSME Mart) -(B2B Scheme)

Membership fees of B2B portal (MSME Mart) under B2B Scheme, is recognized as income only on activation of unit's membership.

d) Revenue from training activities and common facilities

Revenue from training activities is recognized on accrual (time proportion) basis till the completion of training programme.

Revenue from common facilities (which inter-alia includes testing fees, job work charges, etc.) is recognized on completion of testing and job work.

e) Income from Turnkey Projects / Service Contracts

i. Revenue from consultancy, project management and supervision charges, is recognized in consolidated Statement of profit & loss, in proportion to the stage of completion of the transaction / handing over of the project, at the reporting date as per the terms of the contract.

ii. Direct Expenditure incurred on project are accounted for under the project and Indirect expenses are accounted for under the natural head of account of respective head.

f) Income from Leasing

Leases are classified as Operating lease and Finance Lease. Leases in which the NSIC does not transfer substantially all the risks and rewards/ benefits of ownership of the asset to the lessee are classified as Operating Lease. Leases other than operating lease are classified as Finance Lease.

NSIC was providing assistance under its Equipment Leasing business which was discontinued since 2003. Income recognition in respect of such leased

assets and seized leased assets out of leased assets is as under:

I. On lease transactions entered up to 31st March 2001

- i. Lease rentals in respect of transactions entered up to 31st March 2001 are accounted for on accrual basis, net of the lease equalization charges.
- ii. 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 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 Consolidated statement of Profit & Loss. The difference of lease rentals and finance income is considered as recovery towards net investment.

III. The Ministry of Corporate Affairs (MCA) notified Indian Accounting Standard (IndAS)

116, Leases on 30th March 2019. The effective date of IndAS-116 is for annual reporting periods beginning on or after 1st April 2019. IndAS-17- Leases has been replaced by the above standard.

Accordingly, the NSIC has adopted IndAS-116-Leases with effect from 1st April 2019, and applied to all lease contracts existing on 1st April 2019, using the modified retrospective transition method. Accordingly, the comparatives as at and for the year ended 31st March 2019 have not been restated.

On the date of initial application, the NSIC has recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate at the date of initial application and a corresponding right-of-use asset has been recognized at an amount equal to lease liability. Comparatives as at and for the year ended 31st March 2019 have not been adjusted and therefore will continue to be reported as per IndAS-17.

Group has applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

The important provisions of IndAS-116-Leases are briefly explained as under:

i. As a Lessor

It inter-alia includes space, godown, etc. owned by the NSIC and given on lease for which rental income is received. The Assets subject to

operating lease are included in Property, Plant & Equipment and depreciated over its useful life. Lease income in respect of 'Operating Lease' is recognized in the consolidated statement of profit and loss on a straight-line basis over the lease term. The Finance Lease is not undertaken by the NSIC as lessor.

ii. As a Lessee

It inter-alia includes space, godown, accommodations for staff, etc taken by the group on lease for which lease rent payments are made. These lease arrangements are usually renewable on mutually agreed terms.

The accounting by Lessee under the new standard IndAS-116 is as under:

Group recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases), leases with no written agreement and leases for low value underlying assets.

A short-term lease

would cover lease agreement for less than 12 months or lease agreements more than 12 months but lessor having a right to cancel at any time by giving some notice period. Lease agreements executed by the group for duration of more than twelve months but containing a clause of giving an option to terminate the same by giving notice of defined period, are also treated as short term lease.

The Standard does not specify the threshold for low value assets. However, it includes low value assets viz tablets, personal computers/Laptop and small items of PPE, etc.

For short-term and leases for low value underlying assets, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises

the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/ amortization and impairment losses. Right-to-use asset shall be depreciated in accordance with IndAS-16-Property, Plant and Equipment (PPE)'

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

The Finance Lease is not undertaken by the group as lessee.

In the comparative period, as lessee, the leases were accounted as per IndAS-17 as under:

Accounting for finance leases:

In the comparative period, there was no Finance Lease undertaken by the Corporation.

Accounting for operating leases:

Payments made under operating lease (net of recoveries) were recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless scheduled increase in rent was to compensate the lessor for expected inflationary cost increase.

g) Treatment of Decree Awarded

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

h) Dividend Income

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

i) Scrap Sale

Income from sale of scrap is accounted on realization basis.

X. Interest Subvention Benefit

The interest subvention benefits under Interest Subvention Scheme of the Government (on reimbursement basis) are accounted for on receipt of claimed amount from SIDBI by the NSIC.

XI. Foreign Currency transactions and translations

- a) Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.
- b) Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises.
- c) Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

XII. Government Grants

- a) The approved grants from Government of India under various promotional activities are recognized on accrual basis where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. In case of approved Promotional activities, expenditure incurred / committed for the year, but grant received in subsequent year, is accounted on accrual basis.
- b) 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 amount, to the extent of expenditure incurred, is recognized as income in the consolidated Statement of Profit and Loss.
- c) In case of capital grant, the expenditure incurred is reduced from the recognized grant income by creating capital reserve which is in the nature of 'Deferred Income'. The capital reserve is recognized as income each year over the life of the relevant assets in proportion to depreciation on those assets.

- d) Government grants relating to Revenue are recognized in the consolidated Statement of Profit and Loss on a systematic basis over the periods in which the NSIC recognizes the incurred related costs as expenses for which such grants relates / are intended to cover.

- e) Government grants towards reimbursement of amount of fees towards 'Membership Fees under SPRS scheme (NSSH)', 'Inspection Charges under SPRS scheme (NSSH)' (applicable where the inspection is carried out by NSIC officials only and not by empanelled Inspection Agencies), 'Membership Fees under B2B scheme (NSSH)', 'Training Fees for Capacity Building (NSSH)', 'Rent of Office Premises-NSSHO' (applicable where the property is owned by NSIC and where the rent is not paid to outsider are charged as grant utilized under the group head **"Membership/ Inspection fees, rent, etc under NSSH"** and are reduced from the recognized grant income. Similarly, government grants towards reimbursement of training fees under Assistance to Training Institutions (ATI) scheme, etc are also charged as grant utilized under the group head **"Training Fees under ATI"** and is reduced from the recognized grant income.

As the NSIC is already rendering all the services as mentioned above on commercial basis, however, in case of SC/ST units, NSIC's commercial fees are being paid by the Government of India in lieu of SC/ST MSE units. Therefore, all the reimbursements as referred above are also treated as **commercial revenue** of respective heads under 'Sale of Services'.

- f) Administrative expenses, if any, allowed to the NSIC for Implementation of any Government promotional schemes, on amount spent/ utilized

(except amount spent/utilized on Mentoring & hand holding support, NSIC's commercial revenue, etc), in terms of approved guidelines, are charged as grant utilized under the group head **"Administrative Charges for Implementation of Govt. Schemes (Grants and Subsidies)"** and correspondingly reduced from the recognized grant revenue. Since, it's a NSIC's commercial revenue, therefore, the same are also depicted as commercial revenue under the group head **"Administrative Charges for Implementation of Govt. Schemes (Grants and Subsidies)"** under 'Sale of Services'.

- g) The NSIC is also carrying out promotional schemes namely Procurement & Marketing Support Scheme (PMSS), International Co-operation (IC), etc which are **reimbursement-based scheme** in terms of guidelines issued by Ministry wherein only on receipt of funds from o/o DC-MSME/ Ministry by the NSIC, reimbursed claimed expenses and corresponding grants are recognized in the year of funds received.
- h) The direct actual expenditure incurred on account of training under ATI and NSSH scheme, if any, are accounted for as commercial expenditure under the natural head of account of respective head.
- i) Interest earned, if any, on the Government grant received 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.
- j) 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 Financial

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 Financial Liabilities.

XIII. Allocation of Expenses

The expenses directly attributable to the commercial activities are charged to the respective activities. In case of indirect expenses, the same are allocated on the basis of business generated (Revenue from the Operation) under different commercial activities during the year.

XIV. Employee Benefits

Employee Benefits include Salaries and Wages, Provident Fund, Pension, Gratuity, leave encashment and other terminal benefits.

a) Short Term Employee Benefits

Short term employee benefits comprise of employee costs such as salaries, allowances, annual leave and sick leave which are accrued during the year in which the associated services are rendered by employees of the NSIC.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

b) Post-Employment Benefits and Other Long-Term Employee Benefits

(i) Defined Contribution Plan

A defined contribution is a post-employment benefit plan where NSIC pays fixed contributions into different organizations and will have no legal or constructive obligation to pay further amounts. Contributions to Provident Fund, Pension Fund & Post-retirement medical benefits (PRMB) made by the NSIC are considered as

defined contribution plan. Such contributions paid/ payable during the year are recognized as an employee benefit expense in the consolidated statement of profit and loss for the year in which the related services are rendered.

The contribution to provident fund is paid to a fund administered through a separate trust and contribution to pension fund is paid to Life Insurance Corporation of India through trust. Regarding PRMB, medical corpus is created as per guidelines of Department of Public Enterprises which is utilized for the payment of premium to the Insurance Company.

(ii) Defined Benefits Plan

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. NSIC's Liability towards gratuity, leave encashment and other employees' benefits namely Sick leave, T.A. on Retirement and Leave Travel Concession for CDA employees, made by the NSIC, are considered under Defined Benefit Plan.

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation at the year-end using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, are recognized in the period in which they occur, directly in other comprehensive income. Remeasurement recognized in Other Comprehensive Income (OCI) is reflected immediately in retained earnings and is not

reclassified to the consolidated Statement of Profit & Loss.

XV. Prior Period Expenses and Income

Income/Expenditure relating to a prior period, which does not exceed 0.25 % of the NSIC's Revenue from Operations of previous year in each case, are treated as income/ expenditure of current year.

XVI. Prepaid Items

Expenses pertaining to subsequent financial year(s) are treated as prepaid only where the payment exceeds ₹ 1.00 lakh in each case.

XVII. Taxation

Tax expense for the period comprises of current tax and deferred tax. Tax recognized in consolidated statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity where the tax is also recognized in other comprehensive income or equity.

a) Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provision of the Income Tax Act, 1961 and the other applicable tax laws.

b) Deferred Tax

- i. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose.
- ii. Deferred tax liabilities are generally recognized for all taxable temporary differences.
- iii. Deferred tax assets are generally recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

- iv. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.
- c) Additional income taxes that arise from the distribution of dividends are recognized at the time when the liability to pay the related dividend is recognized.

XVIII. Cash and cash equivalents

Cash comprises of cash on hand, demand deposits with banks, etc. The group considers cash equivalents as all short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

XIX. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

XX. Dividends

Dividends payable to a group's shareholders are recognized as changes in equity in the period in which they are approved/recommended by the shareholders' meeting and the Board of Directors respectively.

XXI. Cash Flow Statement

Cash flows are reported using indirect method as prescribed in IndAS-7 "Statement of Cash Flows".

XXII. Provisions, Contingent Liabilities and Contingent Assets

a) Provisions

- (i) Provisions are recognized when the group has a present legal or constructive obligation as a result of a past event, provided there is possibility of that the

group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

- (ii) The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- (iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset provided it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.
- (iv) Provisions, if required, on Receivables and Loans & Advances from Central Government / State Governments / Government Institutions / Government Companies and other Central / State Government departments / bodies, are made wherever considered appropriate by the management.
- (v) No provision for receivables in respect of 'Receivables' under Export and Marketing Scheme is made to the extent the amount appears under 'Payable' and to the extent of service charges adjusted against amount payable to supplier, for supplies pertaining to the same transaction under back-to-back arrangement with suppliers.
- (vi) Based on RBI notification no RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/

2019-20 dated 13.03.2020, ECLs in terms of IndAS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20.

- (vii) The classification and norms of making provisions for Receivables and Loans & Advances (net of interest suspense account) in terms of IndAS and IRAC prudential norms issued by RBI, are annexed herewith.

b) Contingent Liabilities

Contingent Liabilities is a possible obligation arising from past events and the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

The group discloses the existence of contingent liabilities in Notes to consolidated Financial Statements. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts and are reviewed/ assessed continuously at each balance sheet date to determine whether outflow of economic resources have become probable. If the outflow becomes probable, then relative provision is recognized in the consolidated financial statements to reflect the current management's estimates.

c) Contingent Assets

Contingent Assets are not recognized but disclosed in Notes which usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits.

Contingent assets are assessed continuously to determine whether inflow of economic benefits becomes virtually certain, then such assets and the relative income will be recognized in the consolidated financial statements.

XXIII. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value except in case of Trade Receivables which are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset at fair value through profit & loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset at FVTPL are recognized immediately in the consolidated statement of profit & loss.

A. Financial assets

I. Subsequent Measurement

Financial assets include Investments, Loans, Trade Receivables, Security Deposits, Cash and Cash Equivalents etc. Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired.

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- at amortized cost using effective interest rates (EIR)

- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

i. Financial Assets at Amortized Cost - A financial asset shall be measured at Amortized cost, if both of the following conditions are met:

- a) Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- b) Contractual terms of the financial assets give rise on specified dates to cash flows that are **solely** payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using Effective Interest Rate (EIR) method. The EIR method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discount estimated future cash receipts (including all fees paid or received that forms an integral part of the effective interest rate, transaction costs and other premiums and discounts) through the expected life of the financial asset, or where appropriate, a shorter period

to the net carrying amount on initial recognition.

The Group's cash and cash equivalents, trade receivables and other loans & advances falls into this category of financial instruments.

ii. Fair value through other comprehensive income (FVTOCI) - A financial asset shall be measured at Fair value through other comprehensive income, if both of the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding
- Fair value movements are recognized in the OCI and accumulated in reserve

Equity instrument have been classified as at FVTOCI wherein all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity shares listed on stock exchanges are valued at weighted average price of last trading day of financial year

at Bombay Stock Exchange (BSE).

iii. Fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortized cost or FVTOCI, with all changes in the fair value recognized in consolidated Statement of Profit & Loss.

II. Impairment in Financial Assets

The Group at the end of each reporting year, tests a financial asset or a group of financial assets (other than financial assets held at fair value through profit or loss) for impairment based on evidence or information that is available without undue cost or effort. Expected credit loss (ECL) is assessed and impairment loss recognized, if the credit risk of the financial asset is significantly increased.

The impairment losses and reversals are recognized in the consolidated statement of profit and loss.

Impairment model under IndAS-109 applies to financial instruments as listed below:

- ❖ Financial assets that are debt instruments measured at Amortized Cost e.g. loans, debt securities, deposits and bank balance.
- ❖ Equity investments are measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- ❖ Loan commitments not measured at FVTPL (Fair Value Through Profit and Loss)
- ❖ Lease Receivables under IndAS-116
- ❖ Trade and other receivables

Based on RBI notification no RBI/2019-20/170 DOR (NBFC).

CC.PD.No.109/22.10.106/ 2019-20 dated 13.03.2020, ECLs in terms of IndAS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20, which comprises of:

- a) Loans & advances to customers under schemes of Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan and receivables from banks.
- b) Trade Receivables in respect of dues under schemes of Hire Purchase, Leasing, Marketing and Others (incl. receivables on account of transactions comprising of Sale of Services).

In terms of above mentioned RBI notification dated 13.03.2020, Receivables and Loans & Advances under financing scheme comprising of receivables in respect of dues under Hire Purchase, Leasing, Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, receivables from banks etc., where impairment allowance under IndAS-109 is lower than provisioning required under IRACP (including standard assets provisioning), the NSIC appropriates the difference from its net profit or loss after tax to a separate '**Impairment Reserve**'. Such transfer will not be a charge against profit; instead, appropriated against the profit or loss after taxes .

III. Derecognition of Financial Assets

Financial assets are derecognized when the contractual right to receive cash flows from the financial assets expires or transfers the contractual rights to receive the cash flows from the asset.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognized in Consolidated Other Comprehensive Income and accumulated in Equity, is recognized in Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognized in Consolidated Statement of Profit and Loss on disposal of that financial asset.

B. Financial Liability

The Group's financial liabilities include Trade and other payables, Loans and Borrowings including Bank Overdrafts, Earnest Money Deposit and Retention Money.

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable transaction cost.

I. Subsequent measurement

- i. **Financial liabilities at Amortized costs** – After initial measurement, such financial liabilities are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in consolidated statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition

and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated Statement of Profit and Loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

- ii. **Financial liabilities at Fair value through statement of Profit and loss** include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through consolidated statement of Profit and Loss. The carrying value of those financial liabilities which are to be discharged within twelve months is considered to be its fair value.

II. Derecognition of Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit and loss.

Classification and Provisioning Norms for Receivables and Loans & Advances

The classification and norms of making provisions for Receivables and Loans & Advances (net of interest suspense account) in terms of IndAS and IRAC prudential norms issued by RBI are as follows:

1. Secured Receivables and Loans & Advances

Trade receivables and Loans & Advances are treated as 'Secured' (unless otherwise stated), to the extent of the liquid realizable securities available with the NSIC which inter-alia includes - market value/ WDV/ committed value (in respect of legal/seized cases) of assets financed (identified & lying in possession of the unit/NSIC), any advance received from the unit, Earnest Money Deposit (EMD), seized machines, consideration money, advance installment/ rental, advance received from hirer / advance against purchase of machine, realizable Collateral Security-Equitable Mortgage of Immovable Property, Bills for supplies made to the Government Departments, valid Bank Guarantee (BG)/ Letter of Credit (LC) or any other tangible security/ Security Deposits paid by the NSIC under contractual valid agreement/ contract / rights / any amount owned by the NSIC to the units including transactions under back-to-back arrangement, Advances paid to bulk suppliers (having MOU arrangement with the NSIC) to the extent of advance have already been received from the MSMEs & / or amount paid out of the sanctioned limit under RMA against BG, Security Deposits paid by the NSIC & correspondingly the buyer of supplies also provides security to the NSIC (including Security Deposits under contractual rights), sponsored training dues outstanding equal to or less than 180 days, employee advances of existing employees and interest accrued thereon. It shall also include all securities obtained from the units as per the terms of sanction of assistance.

The amounts not covered by above are treated as 'Unsecured'.

2. Classification of Financial Instruments

The financial instruments comprising of Receivables and Loans & Advances in terms of IndAS-109 and further classification of Financial Instruments among Financing Schemes in terms of IRAC prudential norms issued by RBI, inter-alia includes following:

- (i) **Trade Receivables:** Trade Receivables under financing schemes comprises of receivables in respect of dues under Hire Purchase and Leasing whereas under non-financing schemes comprises of receivables in respect of dues under Marketing activities and Others (incl. receivables on account of transactions comprising of Sale of Services).
- (ii) **Loans & Advances:** Loans and advances under financing schemes comprises of receivables in respect of dues under Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, receivables from banks etc.
- (iii) **Others:** These instruments under non-financing schemes comprise of Receivables and Loans & Advances which inter-alia includes advances recoverable in cash or in-kind (primarily consist of advances paid to outside parties including advances paid to bulk suppliers having MOU with the NSIC), security deposits, staff advances (including interest accrued but not due thereon) and other assets, etc.

3. Provisioning Norms for Receivables and Loans & Advances:

Recognition of impairment allowance in terms of IndAS-109 on the financial instruments

and IRAC prudential norms issued by RBI, are explained below:

a) **Provisioning norms in terms of IndAS 109** - for various items of Trade Receivables, Loans & Advances are depicted below:

(i) **Loans and Advances under Raw Material Assistance, Bill Discounting, recoverable from Banks and Trade & other receivables:**

Stages	Classification of Outstanding Receivables and Loans & Advances
Stage-1 (Performing)	This would inter-alia includes financial assets where there is no material increase in credit risk since initial recognition or those which have low credit risk at the reporting date. It covers financial assets which inter-alia includes: - RMA and Bill discounting against BG to the extent covered by value of valid BG -Impairment allowance @ 0.40% of Net Outstanding. - Where low risk to the NSIC is substantiated which inter-alia includes: - Where receivables are treated as secured in terms of liquid/ tangible security as EMD/ advance installment/ rental/ advance received from the unit, realizable Collateral Security, etc. - Sponsored training dues outstanding equal to or less than 180 days - Receivables under Export and Marketing scheme to the extent the amount payable to supplier, for supplies pertaining to the same transaction under back-to-back arrangement with suppliers. In such cases, as there will be no ECL, therefore, no impairment allowance be provided.
Stage-2 (Under Performing)	Stage-2 covers those financial assets where there is significant increase in credit risk since initial recognition but which do not have objective evidence of impairment. This would inter-alia includes following cases: RMA and Bill Discounting against Collateral: This would include financial assets pertaining to the schemes that have been closed since long or not intended to be carry along in future by the NSIC but are backed up with any sort of realizable security to the extent covered by such value of realizable security. - Impairment allowance @ 100% of Net Outstanding. RMA against BG: This would include cases where bank guarantees are invoked by the NSIC but claims are deferred or not admitted by the BG issuing bank on any ground and such cases are further taken up by the NSIC with the AMRCD, higher authorities of BG issuing bank, other authority, etc for intervention to resolve the issue & decision of final authority is in favour of the NSIC. Moreover, cases wherein no refusal/ denial from bank/ authority for payment is received, payment is deferred/ stayed by NCLT/ court, other authorities, etc.- Impairment allowance @ 0.40% of Net Outstanding. However, where any amount against aforesaid cases is received before signing of balance sheet- no impairment allowance be provided.

(ii) **Receivables and Loans & advances under Hire Purchase, Leasing, Term Loan, Composite Term Loans, etc:**

Stages	Classification of Outstanding Receivables and Loans & Advances
Stage-3 (Non-Performing)	Stage 3 assets will include those financial assets for whom there is objective evidence of impairment at the reporting date. It covers financial assets which are not covered under Stage-1 & 2 and inter-alia includes the following: - schemes that have been closed since long or not intended to be carry along in future by the NSIC and are not backed up with any sort of realizable security - schemes viz. Hire Purchase (HP), Leasing (ELS), Composite Term Loans (CTL) and Term Loans (TL). - where there is a fraud involved - where there is dispute with the BG issuing bank in admitting the claim and decision of final authority (like Administrative Mechanism for Resolution of CPSEs Disputes-AMRCD) is against the NSIC

Stages	Classification of Outstanding Receivables and Loans & Advances
	e) amount/ advances with outside parties & are doubtful of recovery. f) amount receivable from employees left / resigned from the NSIC and no amount is available to set-off the outstanding g) sponsored training dues outstanding over 180 days h) all un-secured Receivables and Loans & Advances In such cases, impairment allowance @ 100% of Net Outstanding.

b) **Provisioning norms based on IRAC prudential norms issued by RBI** for various items of Trade Receivables, Loans & Advances are depicted below:

(i) **Receivables under Hire Purchase, Leasing, Term Loan and Composite Term Loans:**

S. No.	Scheme	Provision % of Net Outstanding
1.	Hire Purchase	100%
2.	Leasing	
3.	Composite Term Loans	
4.	Term Loan	

(ii) **Receivables under Raw Material Assistance and Bill Discounting:**

S. No.	Classification of Outstanding Receivables and Loans & Advances	Provision % of Net Outstanding
1.	Standard Assets -Up to 270 days	0.40%
2.	Sub-Standard Assets (NPA for not exceeding 1 year)	10%
3.	Doubtful Assets	
	Secured Portion of Doubtful assets:	
	Doubtful up to 1 year (i.e. NPA for 2 years)	20%
	Doubtful over 1 year and up to 3 year (i.e. NPA for 2 to 4 years)	30%
	Doubtful over 3 years (i.e. NPA for more than 4 years)	50%
	Doubtful assets not covered by the realizable value of security to which the NSIC has a valid recourse.	100%
4.	Loss Assets, if not written off	100%

(iii) **Receivables from Banks:**

This would include cases where bank guarantees are invoked by the NSIC, but claims are deferred or not admitted by the BG issuing bank on any ground and such cases are further taken up by the NSIC with the AMRCD, higher authorities of BG issuing bank, other authority, etc for intervention to resolve the issue & decision of final authority is in favour of the NSIC. Moreover, cases wherein no refusal/ denial from bank/authority for payment is received, payment is deferred/ stayed by NCLT/ court, other authorities, etc.- Impairment allowance @ 0.40% of Net Outstanding.

However, where any amount against aforesaid cases is received before signing of balance sheet- no impairment allowance be provided.

c) **Provisioning Norms in respect of Other Receivables and Loans & Advances**

(i) Provisions, if required, on Receivables and Loans & Advances from Central Government

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

- (ii) Classification and Provisioning norms in respect of such Receivables, Loans & Advances, are depicted below:

S. No.	Classification of Outstanding Receivables and Loans & Advances	Provision % of Net Outstanding
1	Receivables and Loans & Advances, treated as ' Secured ' which inter-alia includes: a) Receivables and Loans & Advances due from Government Departments/ Institutions/ Undertakings b) All receivables and Loans & Advances against which the NSIC holds tangible realizable security c) Advances paid to bulk suppliers (having MOU arrangement with the NSIC) 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. d) Security Deposits paid by the NSIC and correspondingly the buyer of supplies also provides security to the NSIC (including Security Deposits under contractual rights). e) All receivables and Loans & Advances / Security Deposits paid by the NSIC under contractual valid agreement/ contract f) From employees working in the NSIC.	NIL
2	Receivables and Loans & Advances, treated as ' Impaired ' (unless otherwise stated) which inter-alia includes: a) Amount/ advances with outside parties & are doubtful of recovery. b) Amount receivable from employees left / resigned from the NSIC and no amount is available to set-off the outstanding.	100%

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED BALANCE SHEET AS AT 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
ASSETS			
1 Financial Assets			
(a) Cash and Cash Equivalents	3	12347.19	0.00
(b) Bank Balances other than Cash and Cash Equivalents	4	3322.72	0.00
(c) Trade Receivables	5	18719.09	0.00
(d) Loans & Advances	6	230674.52	0.00
(e) Investments	7	174.36	0.00
(f) Assets Classified as Held for Sale	12	0.07	0.00
(g) Other Financial Assets	8	1289.14	0.00
2 Non-Financial Assets			
(a) Inventories	9	40.59	0.00
(b) Current Tax Assets (Net)	10	45.85	0.00
(c) Deferred Tax Assets (Net)	11	4071.07	0.00
(d) Property, Plant and Equipment	12	28635.44	0.00
(e) Capital Work-in-Progress	12	423.44	0.00
(f) Intangible Assets Under Development	12	40.32	0.00
(g) Other Intangible Assets	12	118.80	0.00
(h) Right to Use of Assets	12	55.83	0.00
(i) Other Non-Financial Assets	13	1246.50	0.00
Total Assets		301204.93	0.00
LIABILITIES AND EQUITY			
1 Financial Liabilities			
(a) Payables			
(i) Trade Payables			
Outstanding Dues of MSEs	14	19252.10	0.00
Outstanding Dues of Non-MSEs	14	156.54	0.00
(ii) Other Payables			
Outstanding Dues of MSEs	14	0.00	0.00
Outstanding Dues of Non-MSEs	14	0.00	0.00
(b) Borrowings	15	143219.83	0.00
(c) Liabilities associated with Assets Held for Sale	16	0.00	0.00
(d) Other Financial Liabilities	16	14249.10	0.00
2 Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)	10	0.00	0.00
(b) Provisions	17	10242.17	0.00
(c) Deferred Tax Liabilities (Net)	11	0.00	0.00
(d) Other Non-Financial Liabilities	18	4681.85	0.00
3 Equity			
(a) Equity Share Capital	19	53298.80	0.00
(b) Other Equity	20	56104.54	0.00
Total Liabilities and Equity		301204.93	0.00
Other Notes on Accounts	34		

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 34 referred to above form an integral part of financial statements

Changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

Being 1st year of consolidation, previous year figures are not applicable

In terms of our report of even date attached

For Goyal Parul & Co.

Chartered Accountants

Firm Registration No.: 016750N

Sd/-

Parul Goyal

Partner

Membership No. : 099172

Place : New Delhi

Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-

Gaurang Dixit
Director (Finance)
[DIN : 08535482]

Sd/-

Ajay Sharma
DGM (F&A)

Sd/-

Alka Nangia Arora
Chairman-cum-Managing Director
[DIN : 03165567]

Sd/-

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
I REVENUE			
A Revenue from Operations	21		
Sale of Products		168430.76	0.00
Sale of Services		8829.20	0.00
Interest Income		27176.77	0.00
Processing Fees		4580.06	0.00
[Includes Processing Fees/Service Charges earned of ₹ 4580.06 lakhs (₹ 4863.66 lakhs) for value of goods handled and services rendered ₹ 1287396.77 lakhs (₹ 1401344.08 lakhs)]			
Net Gain on Fair Value Changes		0.00	0.00
Net Gain on Derecognition of Financial Instruments under Amortised Cost Category		0.00	0.00
Other Operating Income		1123.39	0.00
Total Revenue from Operations		210140.18	0.00
B Other Income	22	95.47	0.00
C Grants and Subsidies	23	7915.96	0.00
Total Revenue (A + B + C)		218151.61	0.00
II EXPENSES			
Purchases of Stock-in-Trade	24	167355.66	0.00
Changes in Inventories	25	54.96	0.00
Employee Benefit Expenses	26	13301.27	0.00
Finance Costs	27	7772.34	0.00
Depreciation and Amortization Expenses	28	841.52	0.00
Corporate Social Responsibility	29	224.58	0.00
Other Expenses	30	14690.65	0.00
Total Expenses		204240.98	0.00
III Profit before Exceptional Items, Extraordinary Items and Tax		13910.63	0.00
Exceptional Items		4.22	0.00
IV Profit before Extraordinary Items and Tax		13906.41	0.00
Extraordinary Items		0.00	0.00
V Profit before Tax		13906.41	0.00
Tax Expense	31		
Current Tax		3402.78	0.00
Deferred Tax		432.91	0.00
Earlier Years		-27.48	0.00
VI Total Tax Expense		3808.21	0.00
VII Profit after Tax for the period from Continuing Operations		10098.20	0.00
VIII Profit from Discontinued Operations		0.00	0.00
IX Tax Expenses from Discontinued Operations		0.00	0.00
X Profit from Discontinued Operations (After Tax)		0.00	0.00
XI Profit for the Period		10098.20	0.00

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
XII Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment		92.73	0.00
Items that will not be reclassified to Profit or Loss - Actuarial Gain/ Loss on Defined Benefit Plans		134.95	0.00
Income Tax relating to Items that will not be reclassified to Profit or Loss		-57.31	0.00
Sub Total (A)		170.37	0.00
B Items that will be reclassified to Profit or Loss		0.00	0.00
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Sub Total (B)		0.00	0.00
Other Comprehensive Income (A + B)		170.37	0.00
XIII Total Comprehensive Income for the period (XI + XII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		10268.57	0.00
XIV Earnings per Equity Share (for Continuing Operations)	32		
Basic (₹)		18.95	0.00
Diluted (₹)		18.95	0.00
XV Contingent Liabilities	33 (i)	1323.36	0.00
XVI Capital Commitments	33 (ii)	1758.45	0.00
Other Notes on Accounts	34		

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 34 referred to above form an integral part of financial statements

Changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

Being 1st year of consolidation, previous year figures are not applicable

In terms of our report of even date attached

For Goyal Parul & Co.

Chartered Accountants

Firm Registration No.: 016750N

Sd/-

Parul Goyal

Partner

Membership No. : 099172

Place : New Delhi

Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-

Gaurang Dixit

Director (Finance)

[DIN : 08535482]

Sd/-

Ajay Sharma

DGM (F&A)

Sd/-

Alka Nangia Arora

Chairman-cum-Managing Director

[DIN : 03165567]

Sd/-

Nishtha Goyal

Company Secretary

[Membership No. : A 22768]

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

Consolidated Cash Flow Statement attached to and forming part of the Accounts for the Year Ended 31.03.2021

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Net Profit/Loss before Tax	13,906.41	0.00
Adjustment for:		
Profit / Loss on Sale of Fixed Assets	4.22	0.00
Inter Unit Adjustments	32.15	0.00
Depreciation and Amortisation Expenses	841.52	0.00
Bad Debts Written Off	18.17	0.00
Lease Terminal Adjustment	(0.59)	0.00
Provisions and Contingencies	1,693.06	0.00
Profit / Loss on Sale of Investments	0.00	0.00
Loss / Gain on Exchange Rate Fluctuation	22.59	0.00
Discounting on Financial Assests	(14.68)	0.00
Dividend from Investments	(2.35)	0.00
Provision for Obsolete Stock	0.00	0.00
Interest Accrued but not due on Borrowings	423.23	0.00
Excess Provision Written Back (Others)	(1,123.39)	0.00
Interest on Income Tax Refund	0.00	0.00
Interest on Short / Fixed Term Deposit	(24.11)	0.00
Operating Profit Before Working Capital Changes	15,776.24	0.00
Adjustment for Working Capital Changes:		
Inventories	51.36	0.00
Trade Advances & Recievables	17,573.19	0.00
Current Liabilities and Provisions	(5,525.40)	0.00
Cash Flow before Tax & Extra Ordinary items:	27,875.39	0.00
Taxes	(1,469.94)	0.00
Net Operating Cash Flow (A)	26,405.45	0.00
Cash Flow from Investing Activities:		
Sale Proceeds of Assets Disposed off	2.85	0.00
Sale Proceeds of Investments	0.00	0.00
Investment in NVCFL	0.00	0.00
Investment in Term Deposits	(583.66)	0.00
Increase in Fixed Assets and Capital W.I.P.	(2,005.26)	0.00
Fixed Assets (out of Grant)	722.37	0.00
Dividend from Investments	2.35	0.00
Interest on Short / Fixed Terms Deposits	14.42	0.00
Expenditure on Intangible Assets under Development	(16.93)	0.00
Net Investing Cash Flow (B)	(1,863.84)	0.00
Cash Flow from Financing Activities:		
Proceeds from Issuance of Share Capital	0.00	0.00
Increase in Other Borrowings	0.00	0.00
Decrease in Other Borrowings	(18,853.68)	0.00
Dividend Paid (including Dividend Distribution Tax)	(3,409.33)	0.00
Net Financing Cash Flow (C)	(22,263.01)	0.00
Net Cash Flow From Operating Activities (A)	26,405.45	0.00
Net Cash Flow From Investing Activities (B)	(1,863.84)	0.00
Net Cash Flow From Financing Activities (C)	(22,263.01)	0.00
Net Changes in Cash & Cash Equivalents (A+B+C)	2,278.60	0.00
Add Cash & Cash Equivalents-Opening Balances	12,807.65	0.00
Balance as per Note 3 & 4 Cash & Cash Equivalents and Bank Balances	15,086.25	0.00

Note : 1 The above Cash Flow statement has been prepared by using the indirect Method as per IndAS-7 Statement of Cash Flow.
2 Cash and Cash Equivalent (including bank balances) consist of cash and other bank balances and deposits with bank.
3 Previous year's figures have been regrouped / rearranged whenever necessary.
4 Being 1st year of consolidation, previous year figures are not applicable

In terms of our report of even date attached

For Goyal Parul & Co.

Chartered Accountants

Firm Registration No.: 016750N

Sd/-

Parul Goyal
Partner

Membership No. : 099172

Place : New Delhi

Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-

Gaurang Dixit
Director (Finance)
[DIN : 08535482]

Sd/-

Ajay Sharma
DGM (F&A)

Sd/-

Alka Nangia Arora
Chairman-cum-Managing Director
[DIN : 03165567]

Sd/-

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STATEMENT OF CHANGES IN EQUITY



A: EQUITY SHARE CAPITAL

Particulars	Balance as at 31 st March 2019	Changes in equity share capital during the year	Balance as at 31 st March 2020	Changes in equity share capital during the year	Balance as at 31 st March 2021
Equity Share Capital	53298.80	0	53298.80	0	53298.80

(₹ in lakh)

B : OTHER EQUITY

Particulars	Other Equity							Total	
	Capital Reserves	Capital Replacement Reserve	Retained Earnings				Sub Total		
			Retained Earnings	Equity Instruments through Other Comprehensive Income	Defined Benefits Plans through Other Comprehensive Income	Impairment Reserve			Statutory Reserve-u/s 45IC of RBI Act 1934
Balance as at 31 st March 2019	3147.74	73.09	36585.66	233.09	-237.05	0.00	0.00	36581.70	39802.53
Add: Additions / Credited during the year	695.80	0.00	9919.22	0.00	0.00	4866.65	1983.84	16769.71	17465.51
Add: Transfer from Risk fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Dividend for the year 2018-19	0.00	0.00	766.12	0.00	0.00	0.00	0.00	766.12	766.12
Less: Transfer / Adjustment during the year	0.07	0.00	6850.50	0.00	0.00	0.00	0.00	6850.50	6850.57
Less: Depreciation for the year	386.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	386.83
Less: Remeasurement on Defined Benefit Plans	0.00	0.00	0.00	0.00	373.34	0.00	0.00	373.34	373.34
Add: Income tax relating to defined benefit plans	0.00	0.00	0.00	0.00	93.97	0.00	0.00	93.97	93.97
Less: Loss on Equity Investments through Fair value Change	0.00	0.00	0.00	153.05	0.00	0.00	0.00	153.05	153.05
Add: Income tax relating to Equity Investments	0.00	0.00	0.00	38.53	0.00	0.00	0.00	38.53	38.53
Balance as at 31 st March 2020	3456.64	73.09	38888.26	118.57	-516.42	4866.65	1983.84	45340.90	48870.63
Add: Additions / Credited during the year	722.75	0.00	10268.57	0.00	0.00	0.00	2031.86	12300.43	13023.18
Add: Transfer from Risk fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Dividend for the year 2019-20	0.00	0.00	3409.33	0.00	0.00	0.00	0.00	3409.33	3409.33
Less: Transfer / Adjustment during the year	0.38	-2.56	2202.23	0.00	0.00	0.00	0.00	2202.23	2200.05
Less: Depreciation for the year	347.70	2.56	0.00	0.00	0.00	0.00	0.00	0.00	350.26
Add: Remeasurement on Defined Benefit Plans	0.00	0.00	0.00	0.00	134.95	0.00	0.00	134.95	134.95
Less: Income tax relating to defined benefit plans	0.00	0.00	0.00	0.00	33.97	0.00	0.00	33.97	33.97
Add: Gain on Equity Investments through Fair value Change	0.00	0.00	0.00	92.73	0.00	0.00	0.00	92.73	92.73
Less: Income tax relating to Equity Investments	0.00	0.00	0.00	23.34	0.00	0.00	0.00	23.34	23.34
Balance as at 31 st March 2021	3831.31	73.09	43545.27	187.96	-415.44	4866.65	4015.70	52200.14	56104.54

(₹ in lakh)

Sd/-
Ajay Sharma
DGM (Finance)

Sd/-
Nishtha Goyal
Company Secretary

NOTE-3 : CASH & CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Cash & Cash Equivalents		
Cash on Hand	0.35	0.00
Cheques, Drafts on Hand	0.00	0.00
Remittance in Transit	4.21	0.00
Balance with Banks:		
Current Account	12342.60	0.00
Others	0.00	0.00
Stamps on Hand	0.03	0.00
As per Balance Sheet	12347.19	0.00

Note :- There is no repatriation restriction w.r.t. cash and cash equivalents as at the end of the reporting periods presented above.

NOTE-4 : BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Deposits		
Flexi Deposits	2739.06	0.00
Term Deposits	583.66	0.00
As per Balance Sheet	3322.72	0.00

Note :- 1) FDR amounting to ₹ 48.70 lakh is lien marked during 2020-21 for issuance of BG issued by SBI for the equivalent amount.
2) Term Deposits amounting to ₹ 83.66 lakh are for more than 3 months

NOTE-5 : TRADE RECEIVABLES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Trade Receivables		
Secured Considered Good	18720.13	0.00
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	1516.86	0.00
Credit Impaired	0.00	0.00
	20236.99	0.00
Less: Seized Leased Suspense	50.72	0.00
Less: Penal Interest Suspense	509.70	0.00
	19676.57	0.00
Less: Cheques sent for Collection	1.04	0.00
Less: Impairment Loss Allowance	956.44	0.00
As per Balance Sheet	18719.09	0.00
Geographical Classification of Trade Receivables :		
In India	18719.09	0.00
Outside India	0.00	0.00
Total	18719.09	0.00

ANNEXURE-5A : DETAILS OF TRADE RECEIVABLES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
TRADE RECEIVABLES - HIRE PURCHASE		
Secured Considered Good	0.00	0.00
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	780.30	0.00
Credit Impaired	0.00	0.00
	780.30	0.00
Less: Penal Interest Suspense	246.62	0.00
	533.68	0.00
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	533.68	0.00
Sub Total	0.00	0.00
TRADE RECEIVABLES - LEASING		
Secured Considered Good	0.00	0.00
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	189.89	0.00
Credit Impaired	0.00	0.00
	189.89	0.00
Less: Seized Lease Suspense	50.72	0.00
Less: Penal Interest Suspense	50.26	0.00
	88.91	0.00
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	88.91	0.00
Sub Total	0.00	0.00
TRADE RECEIVABLES - MARKETING		
Secured Considered Good	18187.32	0.00
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	260.69	0.00
Credit Impaired	0.00	0.00
	18448.01	0.00
Less: Penal Interest Suspense	0.00	0.00
	18448.01	0.00
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	260.69	0.00
Sub Total	18187.32	0.00
TRADE RECEIVABLES - OTHERS		
Secured Considered Good	532.81	0.00
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	285.98	0.00
Credit Impaired	0.00	0.00
	818.79	0.00
Less: Penal Interest Suspense	212.82	0.00
	605.97	0.00
Less: Cheques sent for Collection	1.04	0.00
Less: Impairment Loss Allowance	73.16	0.00
Sub Total	531.77	0.00
Total	18719.09	0.00

NOTE-6 : LOANS & ADVANCES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Loans & Advances		
Secured by Tangible Assets	6111.08	0.00
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	228025.54	0.00
Unsecured	9913.11	0.00
	244049.73	0.00
Less: Additional/Normal Interest Suspense	1798.00	0.00
	242251.73	0.00
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	11577.21	0.00
As per Balance Sheet	230674.52	0.00
Geographical Classification of Loans and Advances :		
In India	230674.52	0.00
Outside India	0.00	0.00
Total	230674.52	0.00

ANNEXURE-6A : DETAILS OF LOANS & ADVANCES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Loans & Advances to Employees		
Secured by Tangible Assets	29.73	0.00
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00
Unsecured	15.63	0.00
	45.36	0.00
Less Additional/Normal Interest Suspense	0.00	0.00
	45.36	0.00
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	0.13	0.00
	45.23	0.00
Advance Recoverable in Cash or in Kind or for value to be received		
Secured by Tangible Assets	4950.28	0.00
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00
Unsecured	46.65	0.00
	4996.93	0.00
Less: Additional/Normal Interest Suspense	0.00	0.00
	4996.93	0.00
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	43.98	0.00
	4952.95	0.00
Other Loans and Advances		
Secured by Tangible Assets	1131.07	0.00
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	228025.54	0.00
Unsecured	9850.83	0.00
	239007.44	0.00
Less Additional/Normal Interest Suspense	1798.00	0.00
	237209.44	0.00
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	11533.10	0.00
	225676.34	0.00
Loans and Advances to Related Parties		
Secured by Tangible Assets	0.00	0.00
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00
Unsecured	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: Impairment Loss Allowance	0.00	0.00
	0.00	0.00
Total	230674.52	0.00

ANNEXURE-6B : DETAILS OF OTHER LOANS & ADVANCES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20		
Raw Material Distribution				
Secured by Tangible Assets	1003.70	0.00		
Secured by Intangible Assets	0.00	0.00		
Covered by Bank/Government Guarantees	227508.00	0.00		
Unsecured	8150.41	0.00		
	236662.11	0.00		
Less: Additional/Normal Interest Suspense	1679.97	0.00		
	234982.14	0.00		
Less: Cheques sent for Collection	0.00	0.00		
Less: Impairment Loss Allowance	9821.27	225160.87	0.00	0.00
Bills of Exchange Discounted				
Secured by Tangible Assets	127.37	0.00		
Secured by Intangible Assets	0.00	0.00		
Covered by Bank/Government Guarantees	517.54	0.00		
Unsecured	1509.29	0.00		
	2154.20	0.00		
Less: Additional/Normal Interest Suspense	74.87	0.00		
	2079.33	0.00		
Less: Cheques sent for Collection	0.00	0.00		
Less: Impairment Loss Allowance	1563.86	515.47	0.00	0.00
Composite Term Loan				
Secured by Tangible Assets	0.00	0.00		
Secured by Intangible Assets	0.00	0.00		
Covered by Bank/Government Guarantees	0.00	0.00		
Unsecured	175.69	0.00		
	175.69	0.00		
Less: Additional/Normal Interest Suspense	38.91	0.00		
	136.78	0.00		
Less: Cheques sent for Collection	0.00	0.00		
Less: Impairment Loss Allowance	136.78	0.00	0.00	0.00
Term Loan				
Secured by Tangible Assets	0.00	0.00		
Secured by Intangible Assets	0.00	0.00		
Covered by Bank/Government Guarantees	0.00	0.00		
Unsecured	15.44	0.00		
	15.44	0.00		
Less: Additional/Normal Interest Suspense	4.25	0.00		
	11.19	0.00		
Less: Cheques sent for Collection	0.00	0.00		
Less: Impairment Loss Allowance	11.19	0.00	0.00	0.00
Total	225676.34	0.00		

ANNEXURE-6C : LOANS & ADVANCES (INCLUDED UNDER LOANS & ADVANCES TO EMPLOYEES) DUE BY DIRECTORS OR OTHER OFFICERS OF THE CORPORATION

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Directors	0.00	0.00
Other Officers of the Company	45.23	0.00
Firm in which Director is a Partner	0.00	0.00
Private Company in which Director is a Member	0.00	0.00
Total	45.23	0.00

NOTE-7 : INVESTMENTS

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
At Fair Value (Through Other Comprehensive Income)		
Equity Instruments	189.36	0.00
Less: Allowance for Impairment Loss	15.00	0.00
As per Balance Sheet	174.36	0.00

Investments (Through Other Comprehensive Income at Fair Value)	As At 31.03.21	As At 31.03.20
Equity Shares of M/s Singer India Ltd.		
(470230 Shares of ₹ 2/- each fully paid after sub division as on 31.03.2021, Fair Value ₹ 37.08 per share)	174.36	0.00
(470230 Shares of ₹ 2/- each fully paid after sub division as on 31.03.2020, Fair Value ₹ 17.36 per share)		
Equity Shares of M/s Small Industries Products Promoted Organization Ltd. (SIPPO)	10.00	0.00
(100000 Shares of ₹ 10/- each fully paid up - Unquoted)		
Equity Shares of M/s Small Industries Products Marketing Organization Ltd. (SIPMO)	5.00	0.00
(50000 Shares of ₹ 10/- each fully paid up - Unquoted)		
Sub Total	189.36	0.00
Less : Allowance of Impairment Loss for Equity Shares of SIPPO & SIPMO	15.00	0.00
As per Balance Sheet	174.36	0.00

Geographical Classification of Investment :	As At 31.03.21	As At 31.03.20
In India	174.36	0.00
Outside India	0.00	0.00
Total	174.36	0.00

NOTE-8 : OTHER FINANCIAL ASSETS (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21		As At 31.03.20	
Security Deposits				
Secured by Tangible Assets	0.00		0.00	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	213.74		0.00	
	213.74		0.00	
Less: Additional/Normal Interest Suspense	0.00		0.00	
	213.74		0.00	
Less: Impairment Loss Allowance	1.71	212.03	0.00	0.00
Other Financial Assets				
Receivables from Banks				
Interest	268.30		0.00	
Less: Impairment Loss Allowance	268.30	0.00	0.00	0.00
Others	885.32		0.00	
Less: Impairment Loss Allowance	283.82	601.50	0.00	0.00
Interest Accrued but not Due on Fixed/Short Term Deposits		20.48		0.00
Amounts Receivable from Government of India against Deficit in Grants (Net)		0.00		0.00
Earnest Money Deposit Receivables		2.95		0.00
Retention Money Receivables		265.31		0.00
Discounting Impact of Security Deposit Payable		173.20		0.00
Discounting Impact of EMD Payable		0.00		0.00
Discounting Impact of Retention Money Payable		13.67		0.00
As per Balance Sheet		1289.14		0.00

NOTE-9 : INVENTORIES

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Raw Materials and Components	0.00	0.00
Finished Goods	1.91	0.00
Stock-In-Trade	0.00	0.00
Stores and Spares	8.56	0.00
Loose Tools and Measuring Instruments	10.47	0.00
Land & Building in Stock, Industrial Estate, Naini	19.65	0.00
Goods-In-Transit	0.00	0.00
Sub Total	40.59	0.00
Less: Impairment Loss Allowance	0.00	0.00
As per Balance Sheet	40.59	0.00

Note : Refer Sl. No. 5 of Note-34 for disclosure on Ind AS-2 on inventory

NOTE-10 : CURRENT TAX (NET)

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
TDS/TCS Deducted at Source	1535.30	0.00
Advance Tax	8063.33	0.00
Less: Provision for Income Tax	9552.78	0.00
As per Balance Sheet	45.85	0.00

NOTE-11 : DEFERRED TAX ASSETS/LIABILITIES (NET)

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Deferred Tax Assets	5601.10	0.00
Less : Deferred Tax Liabilities	1530.03	0.00
As per Balance Sheet	4071.07	0.00

Note : Refer Sl. No. 6 of Note-34

NOTE-12 : PROPERTY, PLANT & EQUIPMENT

(₹ in Lakh)

Particulars	Net Carrying Amount as at 31.03.2021	Net Carrying Amount as at 31.03.2020
Land	44.65	44.98
Building	22746.19	22063.32
Furniture & Fittings	376.71	427.90
Office Equipments	369.25	468.69
Vehicle	20.96	27.40
Plant & Equipment	5077.68	4903.31
Total Property, Plant and Equipment	28635.44	27935.60
Assets Classified as Held for Sale	0.07	0.00
Software and Software under Development	159.12	184.64
Right to Use of Assets	55.83	67.76
Capital Work in Progress	423.44	291.59

(₹ in Lakh)

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION					LTA		NET BLOCK	
	As At 01/04/20	Additions	Sale	Acquired through Business Combination	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	Cost As At 31/03/21	As At 01/04/20	Depreciation Charge for the Year	Sales Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	As At 31/03/21	As At 31/03/20	As At 31/03/20
TANGIBLE ASSETS														
OWN ASSETS														
Building	21983.03	1157.18	0.00	0.00	0.00	0.00	23140.21	1365.30	362.06	0.00	122.43	0.00	1849.79	21290.42
Furniture & Fittings	613.33	10.80	13.16	0.00	0.00	0.00	606.44	365.72	38.91	8.25	0.60	4.22	392.76	213.68
Land	31.08	0.00	0.00	0.00	0.00	0.00	31.08	3.88	0.20	0.00	0.00	0.00	4.08	27.00
Office Equipments	920.78	33.16	12.26	0.00	0.00	0.00	932.82	767.57	56.13	11.54	0.75	7.91	805.00	127.82
Vehicle	115.62	0.00	4.10	0.00	0.00	0.00	111.51	88.71	6.24	3.90	0.00	0.01	91.04	20.47
Plant & Equipment	2472.49	87.85	0.01	0.00	0.00	0.00	2560.33	849.41	84.20	0.01	0.00	0.00	933.60	1626.73
Total	26136.33	1288.99	29.53	0.00	0.00	0.00	27382.39	3440.59	547.74	23.70	123.78	12.14	4076.27	22695.74
LEASED ASSETS														
Plant & Equipments	108.62	0.00	60.22	0.00	0.00	0.00	48.40	95.22	0.00	59.63	0.00	0.00	35.59	12.77
SEIZED LEASE ASSETS														
Plant & Equipments	59.35	0.00	0.00	0.00	0.00	0.00	59.35	9.67	0.00	0.00	0.00	0.00	9.67	48.80
ASSETS ACQUIRED OUT OF GOVT. GRANTS														
Land	23.04	0.00	0.00	0.00	0.00	0.00	23.04	5.26	0.13	0.00	0.00	0.00	5.39	0.00
Building	879.85	0.00	0.00	0.00	0.00	0.00	879.85	452.99	8.76	0.00	0.00	0.00	461.75	0.00
Furniture & Fittings	177.51	0.55	3.99	0.00	0.00	0.00	174.07	86.12	13.25	3.79	0.00	0.00	95.58	0.00
Office Equipments	928.64	22.21	1.72	0.00	0.00	0.00	949.13	701.39	81.06	1.63	0.00	0.00	780.82	0.00
Vehicle	11.16	0.00	0.00	0.00	0.00	0.00	11.16	10.67	0.00	0.00	0.00	0.00	10.67	0.00
Plant & Equipment	4479.56	413.76	3.03	0.00	0.00	0.00	4895.36	1855.22	232.59	2.93	0.00	0.00	2084.88	0.00
Total	6499.76	438.52	8.74	0.00	0.00	0.00	6932.61	3111.65	335.79	8.35	0.00	0.00	3439.09	3388.10
ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES														
Building	1182.21	2.83	0.00	0.00	0.00	0.00	1234.51	163.48	33.36	0.00	0.00	0.00	196.84	0.00
Furniture & Fittings	159.70	6.49	0.30	0.00	0.00	0.00	166.24	70.80	11.15	0.29	0.00	-0.04	81.70	0.00
Office Equipments	639.09	5.94	0.00	0.00	0.00	0.00	646.78	550.87	21.97	0.00	0.00	-0.82	573.66	0.00
Plant & Equipment	929.86	40.74	0.70	0.00	0.00	0.00	977.85	274.89	63.94	0.53	0.00	0.00	338.30	0.00
TOTAL	2910.86	56.00	1.00	0.00	0.00	0.00	3025.38	1060.04	130.42	0.82	0.00	-0.86	1190.50	0.00
SUB TOTAL-TANGIBLE ASSETS	35714.92	1781.51	99.49	0.00	0.00	0.00	37448.13	7717.17	1013.95	92.50	123.78	11.28	8751.12	28635.44
PREVIOUS YEAR	24299.51	965.57	44.77	0.00	0.00	0.00	35714.92	6705.98	1054.43	43.22	0.00	0.00	7717.17	27935.60

(₹ in Lakh)

Particulars		GROSS BLOCK				ACCUMULATED DEPRECIATION					LTA		NET BLOCK				
		As At 01/04/20	Additions	Sale	Acquired through Business Combination	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	Cost As At 31/03/21	As At 01/04/20	Depreciation Charge for the Year	Sales	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	As At 31/03/21	As At 31/03/20	As At 31/03/21	As At 31/03/20
INTANGIBLE ASSETS																	
OWN ASSETS																	
Computer Software	156.11	23.24	0.16	0.00	0.00	0.00	2.20	176.99	116.30	19.14	0.07	0.63	2.15	133.85	0.00	43.14	39.81
ASSETS ACQUIRED OUT OF GOVT. GRANT																	
Computer Software	106.88	2.77	0.00	0.00	0.00	0.00	0.00	109.65	44.36	11.90	0.00	0.00	0.00	56.26	0.00	53.39	62.52
ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES																	
Computer Software	244.36	3.39	0.00	0.00	0.00	0.00	0.00	247.75	206.50	18.98	0.00	0.00	0.00	225.48	0.00	22.27	37.86
RIGHT TO USE OF ASSETS																	
Right to Use of Assets	68.75	0.00	0.00	0.00	0.00	0.00	11.08	57.67	1.00	0.84	0.00	0.00	0.00	1.84	0.00	55.83	67.76
SUB TOTAL-INTANGIBLE ASSETS	576.10	29.40	0.16	0.00	0.00	0.00	13.28	592.06	368.16	50.86	0.07	0.63	2.15	417.43	0.00	174.63	207.95
PREVIOUS YEAR	464.45	111.71	0.07	0.00	0.00	0.00	0.00	576.10	302.95	65.26	0.06	0.00	0.00	368.16	0.00	207.95	161.50
CAPITAL WORK IN PROGRESS																	
Capital Work in Progress	285.57	18.66	0.00	0.00	0.00	0.00	57.42	246.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	246.81	285.57
PREVIOUS YEAR	8246.27	2516.88	0.00	0.00	0.00	0.00	10477.58	285.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	285.57	8246.27
CWIP Acquired out of Govt. Grant	6.02	175.68	0.00	0.00	0.00	0.00	5.07	176.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	176.63	6.02
PREVIOUS YEAR	17.03	6.02	0.00	0.00	0.00	0.00	17.03	6.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.02	17.03
SUB TOTAL-CAPITAL WORK IN PROGRESS	291.59	194.34	0.00	0.00	0.00	0.00	62.49	423.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	423.44	291.59
PREVIOUS YEAR	8263.31	2522.90	0.00	0.00	0.00	0.00	10494.61	291.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	291.59	8263.30
INTANGIBLE ASSETS UNDER DEVELOPMENT																	
OWN ASSETS																	
Computer Software	44.45	0.00	0.00	0.00	0.00	0.00	21.06	23.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.39	44.45
SEBI Registration Fees	0.00	16.93	0.00	0.00	0.00	0.00	0.00	16.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.93	0.00
PREVIOUS YEAR	0.00	44.45	0.00	0.00	0.00	0.00	0.00	44.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44.45	0.00
ASSETS CLASSIFIED AS HELD FOR SALE																	
Assets Classified as Held for Sale (Owned Assets)	0.00	0.00	0.00	0.00	0.00	0.00	-13.50	13.50	0.00	0.00	0.00	0.00	-13.43	13.43	0.00	0.07	0.00
Assets Classified as Held for Sale (Govt. Grant)	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
Total	0.00	0.00	0.00	0.00	0.00	0.00	-13.50	13.50	0.00	0.00	0.00	0.00	-13.43	13.43	0.00	0.07	0.00
GRAND TOTAL	36627.06	2022.18	99.65	0.00	0.00	0.00	32.14	38517.45	8085.33	1064.81	92.57	124.41	0.00	9181.98	61.57	29273.90	28479.59
PREVIOUS YEAR	33027.27	3644.63	44.84	0.00	0.00	0.00	0.00	36627.06	7008.93	1120.69	43.28	0.00	0.00	8085.33	62.15	28479.59	25956.19

NOTE-13 : OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As At 31.03.21		As At 31.03.20	
Capital Advances				
With RITES	0.00		0.00	
Add: Interest Accrued on Capital Advance	0.00	0.00	0.00	0.00
With CPWD & Others	25.63		0.00	
Add: Interest Accrued on Capital Advance	0.00	25.63	0.00	0.00
With Contractors (Against Govt. Grant)	107.78		0.00	
Add: Interest Accrued on Capital Advance	0.00	107.78	0.00	0.00
Sub Total		133.41		0.00
Other Deposits with Tax Authorities		866.38		0.00
Other Non Financial Assets	264.25		0.00	
Less: Additional/Normal Interest Suspense	0.00		0.00	
Less: Impairment Loss Allowance	17.54	246.71	0.00	0.00
As per Balance Sheet		1246.50		0.00

NOTE-14 : TRADE PAYABLES

(₹ in Lakh)

Particulars	As At 31.03.21		As At 31.03.20	
Trade Payables				
Outstanding Dues of MSEs	19252.10		0.00	
Outstanding Dues of Non-MSEs	156.54	19408.64	0.00	0.00
Due to Related Parties		0.00		0.00
As per Balance Sheet		19408.64		0.00

Note : Refer Sl. No. 1 of Note-34

NOTE-15 : BORROWINGS (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.21		As At 31.03.20	
Secured Borrowings				
Bonds/Debentures		0.00		0.00
Term Loans from:				
Banks		0.00		0.00
Others from:				
Government of India	0.00		0.00	
State Governments	0.00		0.00	
Financial Institutions	0.00		0.00	
Foreign Financial Institutions	0.00		0.00	
Others	0.00	0.00	0.00	0.00
Loans Repayable on Demand from:				
Banks				
Working Capital Loan	138000.00		0.00	
Cash Credit	0.00		0.00	
Overdraft	0.00		0.00	
Term Loan	0.00	138000.00	0.00	0.00

Particulars	As At 31.03.21		As At 31.03.20	
Other Parties		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				
Government of India	0.00		0.00	
State Governments	0.00		0.00	
Financial Institutions	0.00		0.00	
Foreign Financial Institutions	0.00		0.00	
Others	0.00	0.00	0.00	0.00
Sub Total		138000.00		0.00
Unsecured Borrowings				
Bonds/Debentures		0.00		0.00
Term Loans from:				
Banks		0.00		0.00
Other Parties from:				
Government of India	0.00		0.00	
State Governments	0.00		0.00	
Financial Institutions	0.00		0.00	
Foreign Financial Institutions	5219.83		0.00	
Others	0.00	5219.83	0.00	0.00
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	0.00	0.00
Other Parties		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				
Government of India	0.00		0.00	
State Governments	0.00		0.00	
Financial Institutions	0.00		0.00	
Foreign Financial Institutions	0.00		0.00	
Others	0.00	0.00	0.00	0.00
Sub Total		5219.83		0.00
As per Balance Sheet		143219.83		0.00
Geographical Classification of Borrowings :				
In India		138000.00		0.00
Outside India		5219.83		0.00
Total		143219.83		0.00

ANNEXURE-15A : DETAILS OF BORROWINGS (AT AMORTIZED COST)

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 31.03.2021	
	As At 31.03.21	As At 31.03.20				Period	Amount
Secured Borrowings							
Bonds/Debentures							
Term Loans from:							
Banks							
Vijaya Bank	0	0	Half Yearly		Nil	0	
Others from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							
Others							
Loans Repayable on Demand from:							
Banks							
Working Capital Loans							
The Hongkong & Shanghai Banking Corp. Ltd.	0.00	0.00		Secured against exclusive registered mortgage of free hold 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	
Indus Ind Bank	0.00	0.00		Pari passu charge over the book debts including loans and advances of the company	Nil	0	
State Bank of India	64500.00	0.00		Secured against equitable mortgage of property measuring 47 bigha and 67 biswa situated at Okhla Industrial Estate, New Delhi and pari passu charge on book debts/ current assets	Nil	0	
HDFC WCDL	73500.00	0.00		Pari passu charge on book debts by the way hypothecation	Nil	0	
China Trust Banking Corporation Ltd STL	0.00	0.00		Pari passu charge on book debts/receivables of raw material and other Current Assets	Nil	0	
	138000.00	0.00					
Cash Credit							
Punjab National Bank	0	0		Secured against equitable mortgage of property situated in Okhla Industrial Estate, New Delhi and pari passu charge over receivables in the form of loans and advances, book debts, bill discounted and all the current assets pertaining to marketing activities	Nil	0	
Vijaya Bank	0	0		Secured against registered mortgage of property situated at Okhla Industrial estate, New Delhi and pari passu charge on book debts / current assets	Nil	0	
State Bank of India	0	0		Secured against registered mortgage of property measuring 47 bigha and 67 biswa situated at Okhla Industrial Estate, New Delhi and pari passu charge on book debts / current assets	Nil	0	

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 31.03.2021	
	As At 31.03.21	As At 31.03.20				Period	Amount
Overdraft							
The Hongkong & Shanghai Banking Corp. Ltd.	0	0		Secured against exclusive registered mortgage of free hold 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	0
CTBC Bank - Overdraft	0	0		Secured by way of hypothication of account receivables / book debts of raw material assistance and other current assets	Nil	0	0
Term Loan	0	0					
Other Parties							
Deferred Payment Liabilities							
Deposits							
Loans and Advances from Related Parties							
Long Term Maturities of Finance Lease Obligations							
Other Loans and Advances from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							
Others							
Sub Total	138000.00	0.00					
Unsecured Borrowings							
Bonds/Deventures							
Term Loans from:							
Banks							
Other Parties from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							
Xth LINE OF CREDIT	2380.57	0.00	Half-Yearly		Guaranteed by Government of India		

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 31.03.2021	
	As At 31.03.21	As At 31.03.20				Period	Amount
XIth LINE OF CREDIT	2203.57	0.00	Half-Yearly		Guaranteed by Government of India		
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	635.69	0.00	Half-Yearly		Guaranteed by Government of India		
	5219.83	0.00					
Others							
Loans Repayable on Demand from:							
Banks							
Working Capital Loans							
Cash Credit							
Overdraft							
Term Loan							
Other Parties							
Deferred Payment Liabilities							
Deposits							
Loans and Advances from Related Parties							
Long Term Maturities of Finance Lease Obligations							
Other Loans and Advances from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							
Others							
Sub Total	5219.83	0.00					
Total	143219.83	0.00					

Annexure-15B : Detail of Borrowings from Foreign Financial Institutions

Particulars	KFW XI Line of Credit	KFW XII Line of Credit	Italian Line of Credit
Total Loan Sanctioned (in 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	30/06/2002	30/06/2006	17/01/2015
Last installment	30/06/2042	30/12/2035	17/07/2035
Total installments	81	60	42
Interest	10.50%	12.50%	0.50%
Loan o/s 31.03.21 (in Euro)	2723140.61	2520668.93	727164.54
Repayment term	Half yearly	Half yearly	Half yearly
Amount of installments (in Euro)	62888.90	83851.87	25074.61
Total Interest paid from 30.06.1993 to 30.12.2001 in Deuseh Mark	592439.19	405995.68	-
Total Interest paid from 30.06.2002 to 31.03.2021 in Euro	562805.32	580878.67	86810.25
Hedging	-	-	-

Annexure-15C : Detail of Borrowings through Commercial Paper

Particulars	As At 31.03.2021	As At 31.03.2020
Amount Borrowed	-	-
Coupon Rate	-	-
Date of Issue	-	-
Date of Redemption	-	-
Terms of Redemption	-	-

NOTE-16 : OTHER FINANCIAL LIABILITIES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.2021	As At 31.03.2020
Advance from RMA Buyers - Units	2944.41	0.00
Discount Payable	1636.47	0.00
A/c Payable for Bulk Supplies	1026.92	0.00
Payable to Rating/Credit Information Agencies	5.59	0.00
Security Deposit Payable	1955.73	0.00
Earnest Money Deposits (EMD)	59.81	0.00
Retention Money	948.95	0.00
Payable for Projects	1354.05	0.00
Credit Balance in Trade Receivables	138.62	0.00
Interest Accrued But Not Due on Borrowings/CSD	423.23	0.00
Amount Payable for Training	64.51	0.00
Other Payables - Employees	257.53	0.00
Current Liability for Expenses	768.17	0.00
Other Payables - Taxes	850.27	0.00
Other Payables	253.61	0.00
Commitment Advance Received - Exhibitions	1.20	0.00
Amount Payable to Government of India against Surplus in Grants (Net)	1529.71	0.00
Discounting Impact of Security Deposit Receivables	16.65	0.00
Discounting Impact of Earnest Money Deposit Receivables	0.00	0.00
Discounting Impact of Retention Money Receivables	13.67	0.00
As per Balance Sheet	14249.10	0.00

ANNEXURE-16A : 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/ Transfer to State Agency	Fixed Assets Acquired / WIP	Net Revenue Expenditure	Total Expenditure	Excess of Expenditure over Income (Tfr. From Prom. to Com.)	Reimbursable Expenditure	As At 31/03/21	
	Deficit	Surplus								Deficit	Surplus
Marketing Assistance Scheme											
Marketing Assistance Scheme	10.60	0.00	0.16	10.61	0.00	0.00	0.00	0.00	0.00	0.00	0.17
Sub Total	10.60	0.00	0.16	10.61	0.00	0.00	0.00	0.00	0.00	0.00	0.17
Performance and Credit Rating Scheme											
Performance and Credit Rating Scheme	0.00	2.73	1.49	-2.73	0.00	0.00	0.00	0.00	0.00	0.00	1.49
Sub Total	0.00	2.73	1.49	-2.73	0.00	0.00	0.00	0.00	0.00	0.00	1.49
International Co-operation, Modernization & Technology Upgradation											
Assistance for Training to Institutions											
Assistance for Training to Institutions	0.00	647.46	1092.38	-22.10	720.41	251.78	972.19	0.00	972.19	0.00	745.55
Assistance for Training to Institutions in North East Region	0.00	0.00	30.28	0.00	0.00	30.53	30.53	0.00	30.53	0.25	0.00
Sub Total	0.00	647.46	1122.66	-22.10	720.41	282.31	1002.72	0.00	1002.72	0.00	745.30
National Entrepreneurship Award Scheme											
National Entrepreneurship Award Scheme	0.00	5.50	0.00	-5.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Entrepreneurship and Skill Development Programmes (ESDP)											
Entrepreneurship and Skill Development Programmes (ESDP)	0.00	32.80	0.65	-32.80	0.00	0.00	0.00	0.00	0.00	0.00	0.65
Training cum Incubation											
Training cum Incubation	0.00	76.71	1.86	-3.15	0.00	0.00	0.00	0.00	0.00	0.00	75.42
National SC-ST Hub (NSSH)											
NSSH - SCSP	2567.18	0.00	6714.07	2338.73	0.00	6320.66	6320.66	0.00	6320.66	0.00	164.96
NSSH - TSP	869.93	0.00	1140.48	852.77	0.00	644.75	644.75	0.00	644.75	0.00	478.57
NSSH - NER (SCSP)	0.00	92.18	2.36	-2.65	0.00	135.68	135.68	0.00	135.68	43.79	0.00
NSSH - General	0.00	770.96	795.87	-33.07	2.34	1466.85	1469.19	0.00	1469.19	0.00	64.57
NSSH - NER (TSP)	0.00	312.19	5.00	-200.00	0.00	198.67	198.67	0.00	198.67	81.48	0.00
Sub Total	2261.78	0.00	8657.78	2955.78	2.34	8766.61	8768.95	0.00	8768.95	0.00	582.83
Procurement and Marketing Support Scheme (PMSS)											
Procurement and Marketing Support Scheme (PMSS)	0.00	7.54	263.34	0.00	0.00	147.03	147.03	0.00	147.03	0.00	123.85
International Co-operation (IC) Scheme											
International Co-operation (IC) Scheme	0.00	0.00	15.73	0.00	0.00	15.73	15.73	0.00	15.73	0.00	0.00
Total	1499.64	0.00	10063.67	2900.11	722.75	9211.68	9934.43	0.00	9934.43	0.00	1529.71
										Net Surplus / (Deficit)	
										1529.71	
										Previous Year Surplus / (Deficit)	
										-1499.64	

NOTE-17 : PROVISIONS

(₹ in Lakh)

Particulars	As At 31.03.21		As At 31.03.20	
Provisions for Employee Benefits				
For Gratuity	4926.49		0.00	
For Leave Encashment	2842.72		0.00	
For Half Pay Leave	491.42		0.00	
For TA on Retirement	3.84		0.00	
For Leave Travel Concession	0.00	8264.47	0.00	0.00
Others				
For Doubtful Debts & Advances	13105.01		0.00	
Less: Adjustment as per contra against Trade Receivables, Loans & Advances, etc.	13105.01	0.00	0.00	0.00
For Exchange Variation				
Balance as per last Balance Sheet	1838.05		0.00	
Add: Provision made during the Year	459.14		0.00	
Less: Utilised for Exchange Variation Losses	160.05		0.00	
Less: Amount Written Back	159.44	1977.70	0.00	0.00
For Promotional Activity (KFW)				
Balance as per last Balance Sheet	0.00		0.00	
Add: Provision made during the Year	54.41		0.00	
Less: Amount Utilized/Written Back	54.41	0.00	0.00	0.00
As per Balance Sheet		10242.17		0.00

Note : Refer Sl. No. 8, 9 & 11 of Note-34

NOTE-17A : DETAILS OF ADDITIONS, REVERSALS & UTILIZATIONS OF PROVISIONS

(₹ in Lakh)

Particulars	Opening Balance as on 01.04.2020	Additions during the year	Utilizations/ Reversals/ Adjustments	Amount Written Back during the year	Closing Balance as on 31.03.2021
For Gratuity	5183.44	499.82	740.60	16.17	4926.49
For Leave Encashment	2969.06	552.72	618.20	60.86	2842.72
For Half Pay Leave	570.79	45.96	34.35	90.98	491.42
For TA on Retirement	3.91	0.46	0.09	0.44	3.84
For Leave Travel Concession	0.15	0.00	0.00	0.15	0.00
For Doubtful Debts	0.00	614.41	476.42	137.99	0.00
For Exchange Variation	1838.05	459.14	160.05	159.44	1977.70
For Promotional Activity	0.00	54.41	54.41	0.00	0.00
Total	10565.40	2226.92	2084.12	466.03	10242.17

NOTE-18 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As At 31.03.2021	As At 31.03.2020
Income Received in Advance	1148.28	0.00
Other Payables - Employees	2565.34	0.00
Other Payables	960.99	0.00
Impact of Discounting on Employee Advance	7.24	0.00
As per Balance Sheet	4681.85	0.00

NOTE-19 : SHARE CAPITAL

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
AUTHORISED		
5,35,00,000 (Previous Year 5,35,00,000) Equity Shares of ₹ 100/- each	53500.00	0.00
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	0.00
As per Balance Sheet	53298.80	0.00

ANNEXURE-19A : RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

Particulars	Equity Shares (No.)	Preference Shares (No.)
Shares Outstanding at the beginning of the Year	53298800	0
Shares Issued during the Year	0	0
Shares Bought Back during the Year	0	0
Shares Outstanding at the end of the Year	53298800	0

ANNEXURE-19B : DETAILS OF SHAREHOLDING OVER 5% SHARE IN CORPORATION

Name of Shareholder	As At 31.03.21 No. of Share Held	As At 31.03.21 % of Holding	As At 31.03.20 No. of Share Held	As At 31.03.20 % of Holding
Government of India	53298800	100	0	0

ANNEXURE-19C : DETAILS OF SHARES ALLOTTED PURSUANT TO CONTRACT(S) WITHOUT PAYMENT BEING RECEIVED IN CASH, BONUS SHARES & SHARES BOUGHT BACK IN RESPECT OF LAST 5 YEARS

Particulars	Aggregate No. of Shares				
	2020-21	2019-20	2018-19	2017-18	2016-17
Equity Shares:					
Fully paid up pursuant to Contract(s) without Payment being received in Cash	0	0	0	0	0
Fully paid up by way of Bonus Shares	0	0	0	0	0
Shares bought back	0	0	0	0	0
Preference Shares:					
Fully paid up pursuant to Contract(s) without Payment being received in Cash	0	0	0	0	0
Fully paid up by way of Bonus Shares	0	0	0	0	0
Shares bought back	0	0	0	0	0

ANNEXURE-19D : DETAILS OF CALLS UNPAID

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Calls Unpaid		
By Directors	0	0
By Officers	0	0

ANNEXURE-19E : RIGHT, PREFERENCE AND RESTRICTIONS ATTACHED TO SHARES

The equity share is the only class of Share capital having par value of ₹100 per share. Every holder of equity share present at a meeting in person or by a proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Equity share carry voting right proportionate to the paid-up value per share. In the event of liquidation of the company, holders of the equity share are entitled to be repaid the amounts credited as paid up on those equity share. All surplus assets after settlement of liabilities as at the commencement of winding up shall be paid to the holders of equity share in proportion of their shareholding.

ANNEXURE-20 : DETAILS OF OTHER EQUITY

(₹ in Lakh)

Particulars	At At 01.04.2020	Additions / Created During the Year	Deductions during the Year		As At 31.03.2021
			Transfer / Sales / Adjustment	Depreciation for the Year	
CAPITAL RESERVES/DEFERRED INCOME (Reserve representing value of Assets acquired out of Grants received from Government of India)					
Technical Centre	318.57	0.00	-71.06	98.25	291.38
Government Purchase Plan	3.45	0.00	0.00	0.00	3.45
Appropriate Technology	2.40	0.00	0.00	-0.06	2.46
Modernization - Lock Project	27.82	0.00	0.00	11.34	16.48
Development of North East Region	19.01	0.00	0.00	0.55	18.46
Technology Business Incubator	73.29	0.00	0.00	4.70	68.59
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	4.32	0.00	0.00	0.00	4.32
Science & Technology Project	0.94	0.00	0.00	-0.38	1.32
Product Design Centre (PRIDE)	10.70	0.00	0.00	0.24	10.46
Technology Business Incubator (IT)	1.02	0.00	0.00	0.00	1.02
Laghu Udyog Mart (LUM)	207.18	0.00	0.00	9.52	197.66
Interest Differential Fund on KFW (West Germany) Loans	18.91	0.00	0.00	0.51	18.40
Technology Development of Baking Oven	0.02	0.00	0.00	0.00	0.02
DST-STEP (S&T Project)	30.30	0.00	0.00	5.14	25.16
Testing Fuel Efficient Diesel Engine (TFEDE)	0.36	0.00	0.00	0.00	0.36
Marketing Development Centre	62.99	0.00	0.00	1.53	61.46
Interest Differential Fund on S&T Project	0.65	0.00	0.00	0.00	0.65
Training cum Incubation	276.76	0.00	71.44	20.66	184.66
Assistance for Training to Institutions	2396.98	720.41	0.00	195.16	2922.23
NSSH - General	0.00	2.34	0.00	0.54	1.80
Sub Total	3456.64	722.75	0.38	347.70	3831.31
OTHER RESERVES					
Capital Replacement Reserve	73.09	0.00	-2.56	2.56	73.09
Impairment Reserve	4866.65	0.00	0.00	0.00	4866.65
Retained Earning	38888.26	10268.57	5611.56	0.00	43545.27
Equity Instruments through Other Comprehensive Income (OCI)	118.57	69.39	0.00	0.00	187.96
Actuarial Gain/Loss on Defined Benefit Plans through OCI	-516.42	100.98	0.00	0.00	-415.44
Statutory Reserve - u/s 45 IC of RBI Act 1934	1983.84	2031.86	0.00	0.00	4015.70
As per Balance Sheet	48870.63	13193.55	5609.38	350.26	56104.54
Reserve against Assets Held for Sale	0	0	0	0	0

Note : Refer Sl. No. 22 of Note-34

NOTE -21 : REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21		For the Year Ended 31.03.20	
REVENUE FROM OPERATIONS				
A Sales of Products				
Marketing Activity				
Marketing		14114.14		0.00
Export		0.00		0.00
Raw Material Distribution		154316.62		0.00
As per Statement of Profit & Loss		168430.76		0.00
B Sale of Services				
Income from Single Point Registration Scheme (SPRS)		1366.91		0.00
Income from Infomediary Services (B2B)		880.99		0.00
Application Processing Fees		5.14		0.00
Rent Received		3438.30		0.00
House Keeping & Other Charges		670.53		0.00
Revenue from Training Activities		1000.95		0.00
Revenue on account of Common Facilities		827.92		0.00
Project Consultancy Charges		54.20		0.00
Income from Training cum Incubation Center (TIC)		21.29		0.00
Receipts from Exhibitions, Seminars, Meets, Conferences and Marketing Campaigns		2.58		0.00
Other Receipts from Services		22.68		0.00
Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)		537.71		0.00
As per Statement of Profit & Loss		8829.20		0.00
C Interest Income				
From Parties				
Normal		27145.60		0.00
Penal Interest		2.42		0.00
From Deposits with Banks		24.11		0.00
From Employee Advance		0.75		0.00
From Others		3.89		0.00
Gain of Interest on Foreign Currency Transactions and Translation (Net)		0.00		0.00
Interest Income Employee/Amortised Cost		0.00		0.00
As per Statement of Profit & Loss		27176.77		0.00
D Processing Fees/Service Charges Earned				
Raw Material Distribution	1263405.25	4278.30	0.00	0.00
Miscellaneous Items	23991.52	301.76	0.00	0.00
As per Statement of Profit & Loss	1287396.77	4580.06	0.00	0.00
E Other Operating Revenues				
Excess Provision Written Back:				
KFW	213.85		0.00	
Government Guarantee Fee	0.00		0.00	
Terminal Benefits	168.59		0.00	
Others	139.80	522.24	0.00	0.00
Sundry Credit Balances Written Back		601.15		0.00
Gain on Foreign Currency Transactions and Translation (Net)		0.00		0.00
As per Statement of Profit & Loss		1123.39		0.00

ANNEXURE-21A : DETAILS OF RAW MATERIAL DISTRIBUTION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Aluminium	84737.07	0.00
Iron & Steel	64788.64	0.00
Others	4790.91	0.00
Total	154316.62	0.00

NOTE-22 : OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Interest on Income Tax Refunds	0.00	0.00
Miscellaneous Income	50.74	0.00
Dividend Income	2.35	0.00
Impact of Discounting on Financial Assets	42.38	0.00
As per Statement of Profit & Loss	95.47	0.00

NOTE-23 : GRANTS AND SUBSIDIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
For Promotional Activities	9934.43	0.00
Less: Capital Expenditure (Net)	722.75	0.00
Less: Membership/ Inspection Fees, Training, Rent etc. under NSSH	475.71	0.00
Less: Training Fee - ATI	282.30	0.00
Less: Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)	537.71	0.00
Less: Amount Appropriated out of Govt Grants (As per Statement of Profit and Loss - Promotional)	0.00	0.00
As per Statement of Profit & Loss	7915.96	0.00

NOTE-24 : PURCHASES OF STOCK-IN-TRADE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
PURCHASES OF STOCK IN TRADE FOR MARKETING		
Marketing	14114.13	0.00
Export	0.00	0.00
Raw Material Distribution	153241.53	0.00
As per Statement of Profit & Loss	167355.66	0.00

ANNEXURE-24A : DETAILS OF RAW MATERIAL DISTRIBUTION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Aluminium	83843.92	0.00
Iron & Steel	64724.29	0.00
Others	4673.32	0.00
Total	153241.53	0.00

NOTE-25 : CHANGES IN INVENTORIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21		For the Year Ended 31.03.20	
Finished Goods:				
Closing Stock	1.91		0.00	
Less: Opening Stock	2.10		0.00	
Adjustment in Stock	0.19	0.00	0.00	0.00
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:				
Closing Stock	0.00		0.00	
Less: Opening Stock	54.96		0.00	
Adjustment in Stock	0.00	54.96	0.00	0.00
As per Statement of Profit & Loss		54.96		0.00

NOTE-26 : EMPLOYEES BENEFIT EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21		For the Year Ended 31.03.20	
Salaries and Allowances		9062.60		0.00
Contributions to:				
Provident Fund	742.38		0.00	
Superannuation Scheme/Pension Scheme	618.78		0.00	
Employees State Insurance Corporation	0.00	1361.16	0.00	0.00
Gratuity		689.28		0.00
Staff Welfare Expenses		127.93		0.00
Other Benefits		1923.76		0.00
Directors (Including Chairman-Cum-Managing Director)				
Salaries and Allowances		120.09		0.00
Contributions to:				
Provident Fund	6.58		0.00	
Superannuation Scheme/Pension Scheme	5.49	12.07	0.00	0.00
Gratuity		2.53		0.00
Other Benefits		1.85		0.00
As per Statement of Profit & Loss		13301.27		0.00

NOTE-27 : FINANCE COST

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21		For the Year Ended 31.03.20	
Interest on Borrowings:				
Kreditanstalt West Germany (KFW Loans)	549.64		0.00	
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	3.36		0.00	
Banks	7154.60		0.00	
Commercial Paper	0.00		0.00	
Collateral Security Deposits	0.00		0.00	
Others	0.00	7707.60	0.00	0.00
Other Cost on Borrowing:				
Government Guarantee Fee	21.31		0.00	
Loss of Interest on Foreign Currency Transactions and Translation	0.00	21.31	0.00	0.00
Other Finance Charges		43.04		0.00
Interest Expenses on Employee Advance/Amortised Cost		0.39		0.00
As per Statement of Profit & Loss		7772.34		0.00

NOTE-28 : DEPRECIATION & AMORTIZATION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21		For the Year Ended 31.03.20	
Depreciation on:				
Property, Plant & Equipments	678.99		0.00	
Leased Assets	0.00		0.00	
Property, Plant & Equipments acquired against Grants				
Depreciation as per Contra	347.70		0.00	
Less: Replacement Reserve as per Contra	347.70	0.00	0.00	0.00
Amortization of Expenses		38.12		0.00
Impairment Loss on Property, Plant & Equipments		124.41		0.00
As per Statement of Profit & Loss		841.52		0.00

Note : Refer Note No. 12 and Sl. No. 7 of Note-34

NOTE-29 : CORPORATE SOCIAL RESPONSIBILITY

(₹ in Lakh)

Particulars	In Cash 31.03.2021	Yet to be Paid 31.03.2021	Total 31.03.2021	In Cash 31.03.2020	Yet to be Paid 31.03.2020	Total 31.03.2020
Construction/Acquisition of any Assets	0.00	0.00	0.00	0.00	0.00	0.00
On Purchase Other than above	224.58	0.00	224.58	0.00	0.00	0.00
As per Statement of Profit & Loss	224.58	0.00	224.58	0.00	0.00	0.00
Related Parties Transaction	0.00	0.00	0.00	0.00	0.00	0.00

NOTE-30 : OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Electricity, Power & Water Charges	662.70	0.00
Printing & Stationery	63.92	0.00
Insurance	27.45	0.00
Travelling, Conveyance & Vehicle Charges	356.92	0.00
Freight and Octroi Expenses	30.56	0.00
Communication Expenses	101.96	0.00
Rent Paid	448.67	0.00
Recruitment Expenses	15.04	0.00
Licences, Rates & Taxes	396.83	0.00
Expense on Security & Other Allied Services	1877.64	0.00
Repairs & Maintenance Expenses	411.42	0.00
Computer Maintenance Charges	40.85	0.00
Web Portal and Software Maintenance Charges	78.34	0.00
Payments to Statutory Auditors	47.83	0.00
Payment to Internal auditors	35.55	0.00
Legal, Professional and Consultancy Charges	293.59	0.00
Directors' Sitting Fee	0.00	0.00
Directors' Other Expenses	12.66	0.00
Training Expenses	530.15	0.00
Common Facilities Charges	65.35	0.00
Project Consultancy Charges	0.00	0.00
Expenses on Godown Operations	942.56	0.00
Infomediary Services Expenses	2.50	0.00
Business/Sales Promotion Expenses	37.06	0.00
Entertainment	12.36	0.00
Advertisement and Publicity	66.07	0.00
Duties and Charges Paid for Company Incorporation	10.83	0.00
Loss on Foreign Currency Transactions and Translation (Net)	22.59	0.00
Miscellaneous Expenses	18.41	0.00
Bad Debts/Irrecoverable Advances Written Off	18.17	0.00
Expenditure on Exhibitions, Seminars and Conference	2.73	0.00
Expenses on Credit Information Report / PCRS	6.05	0.00
Expenses on Special Marketing Assistance Scheme (SMAS)	37.47	0.00
Expenses on Others - NSSH	7141.24	0.00
Expenses on Procurement & Marketing Support Scheme (PMSS)	147.03	0.00
Expenses on International Co-operation (IC) Scheme	18.31	0.00
Impact of Discounting on Financial Assets	27.31	0.00
Provision for Doubtful Debts	614.41	0.00
Expenses on SPRS	39.56	0.00
Expenses on ESDP	0.00	0.00
Interest/Fees/Penalty for Statutory Dues	28.56	0.00
As per Statement of Profit & Loss	14690.65	0.00

ANNEXURE-30A : DETAILS OF OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Payment to Statutory Auditors for:		
Statutory Audit Fees	35.30	0.00
Tax Audit Fees	10.28	0.00
Other Taxation Matters	0.00	0.00
Company Law Matters	0.00	0.00
Management Services	0.00	0.00
Other Services	2.01	0.00
Reimbursement of Expenses	0.24	0.00
Total	47.83	0.00
Repairs & Maintenance Expenses on:		
Building	312.70	0.00
Machinery	14.95	0.00
Others	83.77	0.00
Total	411.42	0.00
Bad Debts/Irrecoverable Advance Written Off:		
Bad Debts Written Off	18.17	0.00
Irrecoverable Advances Written Off	0.00	0.00
Losses Written Off	16.48	0.00
Less: Contra Adjustment to Losses Written Off	16.48	0.00
Total	18.17	0.00
Training Expenses on:		
Internal	371.73	0.00
Sponsored	48.36	0.00
Personal	0.18	0.00
ATI	64.82	0.00
Capacity Building (NSSH)	0.00	0.00
Others	45.06	0.00
Total	530.15	0.00
Expenses on Special Marketing Assistance Scheme:		
Participation in Domestic Exhibitions, Trade Fairs	23.69	0.00
Participation in International Exhibitions, Trade Fairs	0.00	0.00
Organization Visit to Domestic Exhibitions, Trade Fairs	0.00	0.00
Organization Visit to International Exhibitions, Trade Fairs, Seminars Abroad	0.00	0.00
Vendor Development Programmes	1.91	0.00
Organizing Workshops, Seminars, Awareness Campaigns	11.87	0.00
Total	37.47	0.00
Expenses on Others - NSSH:		
Collection, Collation & Dissemination of Information	3.04	0.00
Capacity Building, Skill Training, EDPs	1057.38	0.00
Marketing Assistance	0.45	0.00
Mentoring & Hand Holding Support	0.00	0.00

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Awareness Generation and Publicity	525.99	0.00
Technical & Managerial Support to SC/ST Hub	401.52	0.00
Special Credit Linked Capital Subsidy Scheme	5152.86	0.00
Funds to States to Implement the SC/ST Hub Scheme	0.00	0.00
Vendor Development, National Manufacturing Competitiveness Programme	0.00	0.00
Total	7141.24	0.00
Expenses on Procurement and Marketing Support Scheme (PMSS):		
Participation of individual MSEs in Domestic Trade Fairs/ Exhibitions	138.98	0.00
Organising in Trade Fairs/Exhibitions by the Ministry, etc.	0.00	0.00
Participation in Trade Fairs/Exhibitions by the Ministry, etc.	0.00	0.00
Capacity Building of MSMEs in Modern Packaging Techniques	0.00	0.00
Development of Marketing Haats	0.00	0.00
Vendor Development Program (VDP)	1.60	0.00
International Workshops, Seminars	0.00	0.00
National Workshops, Seminars	4.00	0.00
Awareness Program	2.45	0.00
Total	147.03	0.00
Expenses on International Co-operation (IC) Scheme:		
Visit of MSME Delegation in International Exhibitions, etc.	0.00	0.00
Participation of MSME Delegation in International Exhibitions, etc.	18.31	0.00
Holding/Organising International Conferences, etc.	0.00	0.00
Holding/Organising Mega International Exhibitions, etc.	0.00	0.00
Sending MSME Delegation to International Exhibitions, etc.	0.00	0.00
Total	18.31	0.00
Interest/Fees/Penalty for Statutory Dues		
Interest Paid for Late Deposit of TDS	18.00	0.00
Interest Paid for Late Deposit of GST	10.56	0.00
Total	28.56	0.00

NOTE-31 : TAX EXPENSE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Provisions for Current Tax		
Provision for Current Tax	3402.78	0.00
Provision for Deferred Tax	432.91	0.00
Provision for Wealth Tax	0.00	3835.69
Adjustment for Previous Year Taxes		
Provision for Tax	-27.48	0.00
Provision for Deferred Tax	0.00	-27.48
As per Statement of Profit & Loss	3808.21	0.00

NOTE-32 : EARNINGS PER EQUITY SHARE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
Numerator		
Profit after tax as per Statement of Profit and Loss (₹ in lakhs)	10098.20	0.00
Denominator		
Number of Equity Shares (Face value of ₹ 100/- each)	53298800	0.00
Number of Shares allotted during the year	0.00	0.00
Weighted Average number of equity shares for calculating Basic Earnings Per Share	53298800	0.00
Weighted Average number of equity shares for calculating Diluted Earnings Per Share	53298800	0.00
Basic Earnings Per Share (₹ per share) (Face value of ₹ 100/- each)	18.95	0.00
Diluted Earnings Per Share (₹ per share) (Face value of ₹ 100/- each)	18.95	0.00

NOTE-33 : CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakh)

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
(i) Contingent Liabilities:		
Claims against the Coporation not acknowledged as Debts	113.18	0.00
Guarantees	0.00	0.00
Disputed Income Tax, Interest Tax, Sales Tax, Trade Tax Demand	866.94	0.00
Other money for which the Corporation is Contingently Liable	343.24	0.00
As per Statement of Profit & Loss	1323.36	0.00
(ii) Commitments:		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	1758.45	0.00
Uncalled Liability on Shares and Other Investments Partly Paid	0.00	0.00
Other Commitments	0.00	0.00
As per Statement of Profit & Loss	1758.45	0.00

NOTE-34

Notes to the Consolidated Financial Statements for the year ended March 31, 2021.

During the year, NSIC Venture Capital Fund Limited ('NVCFL' or 'the subsidiary Company'), a public limited company domiciled in India was incorporated on 28 August 2020 under the provisions of the Companies Act, 2013. The Company is a wholly owned subsidiary of The National Small Industries Corporation Limited ('NSIC' or 'the Parent Corporation'), a Government of India enterprise, and registered as a Category-II Alternative Investment Fund under SEBI (Alternative Investment Fund)

Regulations, 2012 vide Registration No IN/AIF2/21-22/0924 dated 01.09.2021.

These Consolidated Financial Statements comprises of the financial statements of NSIC and its subsidiary – NSIC Venture Capital Fund (referred to collectively as the 'Group').

1. The following information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent the status of such parties identified on the basis of information/documents available with the Group.

(₹ in Lakh)

S. No.	Particulars	2020-21
1	Amount remaining unpaid to any supplier:	
	a) Principal Amount	19252.10
	b) Interest due thereon	Nil
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil
4	Amount of interest accrued and remaining unpaid	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil

The NSIC facilitates MSEs in marketing their product through tender participation on behalf of MSEs under Consortia and Tender Marketing Scheme. As per the terms of agreement between NSIC and MSEs, MSEs are executing tenders awarded by the various government departments through NSIC and the amount becomes due to MSEs only on receipt of payment from the respective buyer departments. The amount payable to such units have been shown as "Trade Payables-Outstanding Dues of MSEs", in the financial statements, based on Udyog Aadhaar Memorandum (UAM) / Udyam Registration number and registration with the Corporation (NSIC) of the suppliers.

As per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, NSIC has

been defined as a 'Supplier' under its Section 2(n) sub clause (i). Further, Ministry of MSME vide Circular dated 31.08.2016 has clarified that NSIC acts a 'Facilitator' in bringing together the MSEs (the supplying units) and the various 'buyers'. As NSIC at no stage becomes the beneficiary 'buyer' for the goods being supplied by the MSEs to the PSUs and other government departments through NSIC's facilitation, NSIC is not classified as 'buyer' in terms of Section 15 & 16 of the MSMED Act 2006 for the purpose of interest on delayed payment. The PSUs or other Government Departments, being beneficiary 'buyer' of the goods, are responsible for making the payment of the goods supplied by the 'supplier' and also for the interest on delayed payment in terms of the Section 15

& 16 of MSMED Act 2006. Accordingly, the provision relating to interest payable to such units is not applicable to the NSIC.

In respect of Other Trade Payables, the NSIC 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 payable to such units has been shown as "Trade Payables-Dues to others".

2. The Group has a system of obtaining periodic confirmation of balances of banks and other parties. Letters seeking confirmation for year-end outstanding balances have been sent

to trade receivables, creditors, contractors' advances, deposits, borrowers etc. with a request to confirm or send comment within the stipulated period failing which balance as indicated in the letter would be taken as confirmed. In case of Government/Local Authorities dues, and the cases where 100% Provisions are made, RC is issued and / or under litigation/ legal proceedings, customer balances are normally not subject to confirmation. No adverse communication has been received from any party. Moreover, reconciliations of the accounts with the parties are carried out as an ongoing process.

However, confirmations in some cases as detailed below are awaited, the impact of which in the opinion of the management is not significant:

Balance Confirmation Statement-

(₹ In Lakh)

S. No.	Nature of Account	Total Outstanding	PIS/ Additional/ Normal Interest/ Seized Leased Suspense/ Cheques sent for Collection	Amount Net of PIS / Additional/ Normal Interest/ Seized Leased Suspense/ Cheques sent for Collection *	Govt Dues, Amount where 100% Provisions made, RC is issued and / or under litigation/ legal proceedings	Balance Outstanding	Confirmation Received	Confirmation not Received
a	b	c	d	e=c-d	f	g=e-f	h	i=g-h
1	Cash & Bank Balance	15669.91	-	15669.91	-	15669.91	15669.91	-
2	Receivables	20236.99	561.46	19675.53	10849.09	8826.44	1081.77	7744.67
3	Loan and Advances	244049.73	1798.00	242251.73	10917.98	231333.75	223121.59	8212.16
4	Other Financial Assets	1842.97	-	1842.97	723.70	1119.27	413.18	706.09
5	Trade Payable	19408.64	-	19408.64	157.60	19251.04	8132.05	11118.99
6	Other Financial Liabilities	14249.10	-	14249.10	852.10	13397.00	7842.73	5554.27
7	Others -Other Non-Financial Liabilities	36.21	-	36.21	-	36.21	20.39	15.82
	Total	315493.55	2359.46	313134.09	23500.47	289633.62	256281.62	33352.00

*Amount is net of PIS but before impairment allowance.

3. In the opinion of Management, all Financial and Non-Financial Assets, including Loans & Advances, have a value on realization in the ordinary course of business at least equal to

the amount at which they are stated in the Balance Sheet and necessary provision has been made, wherever required, in terms of provisioning norms as per Annexure to Accounting Policy XXII(a)(vii).

Para-wise disclosure of Applicable Indian Accounting Standards (Ind AS) are as below:

4. Disclosure as per Ind AS 1: Presentation of financial statements

Changes in significant accounting policies

- a) The NSIC was hitherto recognizing impairment allowance in respect of RMA and Bill discounting against collateral @ 50% which has now been increased to 100%.

Due to change in accounting policy, an amount of ₹565.54 lakh which hitherto shown as dues of loans & advances (net) now has been charged to expenses as 'Provision for Doubtful Debts' and correspondingly reducing the dues of loans & advances (net).

- b) Ind-AS 105 relating to non-current assets held for sale and discontinued operations has been adopted whereby assets available for immediate sale in its present condition and its disposal/sale is highly probable within one year from the date of classification the assets have been shown under the separate block of assets namely "Non-Current Assets Held for Sale" from different block of assets under Property, Plant and Equipment.

Due to adoption of IndAS-105, assets having net carrying value of ₹0.07 lakh (Gross carrying value of ₹13.50 lakh) were transferred from different block of assets under Property, Plant and Equipment to separate block of assets namely "Non-Current Assets Held for Sale".

- c) Accounting policies have been reframed / added (wherever required) being already in existence, for better depiction and understanding for reader of accounts.

5. Disclosure as per Ind AS 2: Inventories

- a) The total carrying amounts of inventories as at 31.3.2021 is ₹40.59 lakh as shown in Note no. 9 of Balance Sheet.
- b) There is no reversal or any write-down that is recognized as a reduction in the amounts of inventories recognized as expense in the period.
- c) Inventories are stated at lower of Cost and net realisable value and there is no inventory of which carrying cost is stated at fair value as at 31st March 2021.

6. Disclosure as per Ind AS 12 "Income Taxes"

(₹ in Lakh)

FY 2020-21				
Description	Net Balance at 01.04.2020	Recognized in Statement of Profit & Loss	Recognized in OCI	Net Balance at 31.03.2021
Deferred Tax Liabilities				
Related to timing difference on depreciation of fixed assets	951.62	497.08	0	1448.70
Discounting of Financial asset/ financial liabilities	35.28	3.69	0	38.97
Fair Value of Investments	19.02	0	23.34	42.36
Sub-Total	1005.92	500.77	23.34	1530.03
Deferred Tax Assets				
Provision for Receivables & Advances	3178.62	119.91	0	3298.53
Employee Benefits	2388.59	(52.05)	(33.97)	2302.57
Sub-Total	5567.21	67.86	(33.97)	5601.10
Deferred Tax Assets (Net)	4561.29	(432.91)	(57.31)	4071.07

Reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to Profit before Taxes

(₹ In Lakh)

Particulars	Mar-21
Profit before Tax	13906.41
Tax Rate Applicable to a Domestic Company	25.17%
Computed Tax Expense	3500.24
Tax Effect of	
Expenses that are not deductible in determining taxable profit	636.59
Incomes that are not taxable in determining taxable profit	(734.05)
Current Tax Provision	3402.78
Income Taxes relating to earlier periods	(27.48)
Incremental Deferred Tax Liability / (Asset)	432.91
Tax Expense Recognized in Statement of Profit & Loss	3808.21
Effective Tax Rate	27.38%

7. Disclosure as per IndAS 16 – Property, Plant & Equipment & IndAS 38 – Intangible Assets

- a) The title deeds in respect of following properties have not been executed in favour of the NSIC
(₹ In Lakh)

S. No	Particulars of the Property	Area	As At 31 st March 2021	
			Gross value	Net value
1	Land at Technical Centre Howrah	49.94 acres	1.60	1.60
2	Flats at Branch Office Mumbai	3660.00 sqft	11.52	5.30

- b) NSIC is having land situated at various locations across the country whose ownership is in its favour and possessed by it except the title deed in respect of land at NTSC-Howrah which has not been executed in favour of the Parent Corporation, as already mentioned above. Further, land measuring 3.28 Acres of NTSC-Rajkot is under encroachment by few Industrial Units as well as unauthorized dwelling units. It's apt to mention that necessary action for removal of such encroachment is under process.
- c) During the year, the Parent Corporation assessed the impairment loss of Assets and is of the opinion that since the Corporation is a going concern and there is no indication for the impairment of any Asset of the Corporation, therefore, no provision for impairment loss is required except ₹124.41 lakh provided on account of STBP building, New Delhi & other assets.
- d) The Group has continued with the carrying value of Property, Plant & Equipment & Intangible asset at the date of transition to Ind-AS measured as per Indian GAAP.
- e) The Group has not borrowed any amount for any qualifying asset, the interest of which is required to be capitalized as per IndAS 23, "Borrowing Cost". Hence, no interest has been capitalized during the year.
- f) During the current FY, assets having net carrying value of ₹7.08 Lakh (Gross carrying Value ₹99.65 Lakh) has been retired with sale proceeds of ₹2.86 Lakh and loss of ₹4.22 Lakh has been accounted for.

8. Disclosure as per IndAS 19 – Employee Benefits

I. General descriptions of various defined employee's benefits schemes are as under:

i. Defined Contribution Plan

Provident Fund:

The Group's Provident Fund is managed by separate trust registered under the Employees Provident Fund & Misc. Provisions Act 1952 which invests the funds in permitted securities. The trust fixes the rate of interest based on the notification issued by the Government of India. The liability is recognized on accrual basis.

Post-Retirement Medical Facility:

The Group has Post-retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facility for indoor treatment through Medclaim policy of ₹5 Lakh.

The liability on this account is recognized on accrual basis i.e. 2% contribution on Basic Pay plus dearness allowance in case of employees retired after 1.1.2007 under IDA pattern employees and 1.5% of PBT of previous financial year in case of employees retired prior to 1.1.2007, based on the affordability of the NSIC.

With respect to Employee Pension Scheme, the same is managed through Regional Provident Fund Trust.

ii. Defined Benefit Plans

(a) **Gratuity:**

The Group has a defined benefit gratuity plan. Every employee who has

rendered continuous service of five years or more is entitled to get gratuity @ 15 days salary (15/26 x last drawn basic pay plus dearness allowance) for each completed year of service on superannuation, resignation, termination and on death.

(b) **Leave:**

The Group provides for earned leave benefits and half-pay leave to the employees of the Group, which accrue annually at 30 days & 20 days respectively. Only the leave encashment is encashable once in a calendar year while in service in case of IDA pattern employees and a maximum of 300 days (including half pay leaves without commutation) on superannuation.

The liability on this account is recognized on the basis of actuarial valuation.

(c) **TA on Retirement**

TA on retirement refers to settlement at home-town or to the place where family of the retired employee intends to settle in India and includes Baggage Allowance also.

The liability on this account is recognized on the basis of actuarial valuation in Group.

(d) **Superannuation Pension Scheme:**

Employee's Group Superannuation Pension Scheme is managed by LIC of India. The Group's obligation is limited to pay 10% of Basic Pay plus dearness allowance of the enrolled employee.

The contribution to the scheme

for the period is grouped under Employee Cost on accrual basis, based on the affordability of the Group.

(e) Medical Facility During Service:

The Group provides the medical facility for indoor treatment for the serving employees for self and his/her dependent family members. If the treatment is

as per CGHS rates, all the expenditure on this account is born by the Group and if the treatment is as per hospital rates, employee has to bear 15% of the expenditure (excluding medicine and implant and defined special disease).

II. The prescribed disclosure as per the Actuarial Valuation in respect of the above matters is given hereunder-

Plan Liability

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present value of obligation as at the end of the period	4926.49	2842.72	491.42	3.84	-

Service Cost

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Current Service Cost	317.99	231.75	53.61	7.46	-
Past Service Cost including curtailment Gains/Losses	-	-	-	-	-
Gains or Losses on Non-routine settlements	-	-	-	-	-
Total Service Cost	317.99	231.75	53.61	7.46	-

Net interest Cost

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Interest Cost on Defined Benefit Obligation	357.66	204.87	39.38	0.27	-
Interest Income on Plan Assets	-	-	-	-	-
Net Interest Cost (Income)	357.66	204.87	39.38	0.27	-

Change in benefit Obligation

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present value of obligation as at the beginning of the period	5183.44	2969.06	570.79	3.91	0.15
Acquisition adjustment	-	-	-	-	-
Interest Cost	357.66	204.87	39.38	0.27	-
Service Cost	317.99	231.75	53.61	7.46	-
Past Service Cost including curtailment Gains/Losses	-	-	-	-	-

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Benefits Paid	-798.12	-667.82	-45.55	-7.32	-
Total Actuarial (Gain)/Loss on Obligation	-134.47	104.86	-126.82	-0.48	-
Present value of obligation as at the end of the period	4926.49	2842.72	491.42	3.84	-

Bifurcation of Actuarial Gain/Loss on Obligation

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-	-	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	26.36	17.31	3.89	-	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	-160.83	87.55	-130.71	-0.48	-

Balance Sheet and related analysis

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present Value of the obligation at end	4926.49	2842.72	491.42	3.84	-
Fair value of plan assets	-	-	-	-	-
Unfunded Liability/provision in Balance Sheet	-4926.49	-2842.72	-491.42	-3.84	-

The amounts recognized in the income statement

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Total Service Cost	317.99	231.75	53.61	7.46	-
Net Interest Cost	357.66	204.87	39.38	0.27	-
Net Actuarial (gain)/loss recognized in the period	-	104.86	-126.82	-	-
Expense recognized in the Income Statement	675.64	541.48	-33.82	7.73	

Other Comprehensive Income (OCI)

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Net cumulative unrecognized actuarial gain/(loss) opening	-	-	-	-	-
Actuarial gain / (loss) for the year on PBO	134.47	-	-	0.48	-
Actuarial gain /(loss) for the year on Asset	-	-	-	-	-
Unrecognized actuarial gain/(loss) for the period.	134.47	-	-	0.48	-

Change in Net Defined Benefit Obligation

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Net defined benefit liability at the start of the period	5183.44	2969.06	570.79	3.91	0.15
Acquisition adjustment	-	-	-	-	-
Total Service Cost	317.99	231.75	53.61	7.46	-
Net Interest cost (Income)	357.66	204.87	39.38	0.27	-
Re-measurements	-134.47	104.86	-126.82	-0.48	-
Contribution paid to the Fund	-	-	-	-	-
Benefit paid directly by the enterprise	-798.12	-667.82	-45.55	-7.32	-
Net defined benefit liability at the end of the period	4926.49	2842.72	491.42	3.84	-

Expected contribution for the next Annual reporting period.

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Service Cost	262.61	184.44	44.92	0.22	-
Net Interest Cost	335.99	193.87	33.51	0.26	-
Expected Expense for the next annual reporting period	598.59	378.31	78.43	0.48	-

Principal assumptions used for actuarial valuation are:

Particulars	2020-21
Method used	Projected Unit Credit Method
Discount Rate	6.82%
Expected Rate of Return on Plan Asset	0
Future Salary Increase	5.50
Mortality Rate	100% IALM (2012-14)
Ages (withdrawal Rate (%))	
Upto 30 years	3
From 31 to 44 years	2
Above 44 years	1

Sensitivity of the defined benefit obligation

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Impact of change in discount rate					
Present value of obligation at the end of the period	4926.49	2842.72	491.42	3.84	-
Impact due to increase of 0.50%	-160.80	-105.27	-23.55	-0.12	-
Impact due to decrease of 0.50%	170.55	112.43	25.45	0.11	-
Impact of change in salary increase					

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present value of obligation at the end of the period	4926.49	2842.72	491.42	3.84	-
Impact due to increase of 0.50%	171.91	113.33	25.66	-	-
Impact due to decrease of 0.50%	-163.50	-107.03	-23.94	-	-

Maturity Profile of Defined Benefit Obligation

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
0 to 1 year	414.68	269.19	34.02	0.28	-
1 to 2 years	468.65	245.56	39.00	0.32	-
2 to 3 years	471.47	220.44	26.85	0.33	-
3 to 4 years	367.68	204.00	23.34	0.24	-
4 to 5 years	413.19	202.69	23.85	0.29	-
5 to 6 years	392.07	198.97	22.74	0.27	-
6 year onwards	2398.75	1501.88	321.61	2.11	-

III. In respect of NVCFL, presently, no manpower is employed and personnel requirements are met through staff deputed by NSIC. The salaries, allowance, gratuity, long term retirement benefits and other benefits in respect of employees deputed to the subsidiary Company are taken care by NSIC and the attributable costs are reimbursed by the Company to NSIC.

IV. As approved by the Ministry vide letter dated 2.12.2016, Corpus for medical schemes have been created of ₹198.50 lakh for the employees retired prior to 1.1.2007 and of ₹121.45 lakh for the employees retired on or after 1.1.2007, in accordance to the DPE's guidelines. These corpuses have been utilized for the payment of premium to Insurance Company to the extent of ₹154.02 lakh and ₹64.98 lakh respectively during the year.

9. Disclosure as per Ind AS- 21: Effects of change in foreign exchange rates

I. The provision for exchange variation losses for loans under Kreditanstalt West Germany (KFW) credit lines have been created in NSIC, as per

the terms and conditions of the loan agreements:

- Under XIth line of credit, provision of ₹ 241.49 lakh created during the year for meeting the exchange variation losses. During the year, the exchange variation loss was ₹82.05 lakh and the balance of ₹159.44 lakh has been written back since utilized for the promotional activities as per the terms and conditions of the loan agreement.
- 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 the exchange variation losses and the balance left out from the 80%, if any, is to be retained to meet out the exchange variation losses in future.

Accordingly, total provisions amounting to ₹272.06 lakh have been made during the year for exchange variation under XIIth line of credit, out of which 80% i.e. ₹217.65 Lakh has been utilized against exchange variation loss during the year and balance 20% i.e. ₹54.41 lakh has been utilized for promotional purposes as per terms and conditions of the loan agreement.

During the year, the exchange variation loss was ₹78.00 lakh which has been adjusted from 80% provision i.e. ₹217.65 lakh and balance of ₹139.65 lakh of provisions has been retained to meet future exchange variation losses. The cumulative retained provision on this account as on 31.03.2021 is ₹1977.70 lakh including balance provision of ₹139.65 lakh for the year to meet out exchange variation losses in future.

II. Exchange Difference

(₹ In Lakh)

S. No.	Particulars	2020-21
1	The amount of exchange differences recognised in statement of profit or loss except for those arising on financial instruments measured at fair value through statement of profit or loss in accordance with IndAS 109.	(22.59)
2	Net exchange differences recognised in other comprehensive income and accumulated in a separate component of equity,	-
3	Reconciliation of the amount of such exchange differences at the beginning and end of the period.	-

10. Disclosure as per Ind AS – 24: Related party disclosures

In compliance of Ind AS 24 on related party disclosures, the required information is given as under:

A) Key Management Personnel

Key Management Personnel	Designation
Shri Vijayendra	Chairman-cum-Managing Director
Shri Gaurang Dixit	Director (Finance)
Shri P. Udayakumar	Director (P&M)
Ms. Nishtha Goyal	Company Secretary

B) NSIC Venture Capital Fund Limited-NVCFL (Incorporated on 28 August 2020)

Shareholding of NSIC: 100%

a) Transactions during the year with Key Management Personnel-NSIC

(₹ In Lakh)

S.No.	Nature of Transactions	Key Management Personnel	Relative of Key Management Personnel
		2020-21	2020-21
1.	Expenditure:		
a)	Salary and Allowances	135.59	--
b)	Leave/ LTC Encashment	6.34	--
c)	Provident Fund Contribution	7.82	--

S.No.	Nature of Transactions	Key Management Personnel	Relative of Key Management Personnel
		2020-21	2020-21
d)	Contribution to Pension Scheme	6.52	
e)	Others	23.87	--
f)	Lease Rent Paid	-	--
g)	Provision for Terminal Benefits as per Actuarial Valuation	5.97	
2.	Balance Outstanding:		
a)	Loan & interest outstanding	-	--
b)	Travelling Advance	-	--
c)	Provision for Terminal Benefits as per Actuarial Valuation*	87.09	--

* Provision for Terminal Benefits of Chairman-cum-Managing Director are NIL.

b) Major terms & conditions of transactions with related parties

The remuneration to Key management personnel are in line with the service rules of the NSIC.

& Housekeeping fees, rent, training fees, EMC, TIC, events etc), advances recoverable in cash or in-kind (primarily consist of advances paid to outside parties including advances paid to bulk suppliers having MOU with the Corporation), security deposits, staff advances including interest accrued but not due and other assets amounting to ₹24574.25 lakh, provision of ₹397.21 lakh has been made towards impairment loss during the FY 2020-21.

11. Disclosure as per Ind AS 109 -Financial Instrument

Disclosure of provisions made in NSIC

- Based on RBI notification no RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/ 2019-20 dated 13.03.2020, ECLs in terms of IndAS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20.
- In respect of financial assets, comprising of receivables in respect of dues under Hire Purchase, Leasing, Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, banks, etc., amounting to ₹ 238985.65 lakh, provision of ₹12707.80 lakh has been made towards impairment loss during the FY 2020-21.
- In respect of non-financial assets, comprising of receivables in respect of dues under Marketing activities, receivables on account of transactions at Technical Centers & STBPs, receivables on account of Sale of Services (i.e. receivables for License

- Trade Receivables and Loans & Advances under financial/ non-financial assets and of Technical Centers/ STBPs comprising of receivables and advances amounting to ₹263559.90 lakh provisions amounting to ₹13105.01 lakh have been made in line with the provisioning norms approved by the Board for receivables and loans & advances (net of interest suspense account and cash collateral available with the Corporation) of Financial/ Non-Financial assets as per IndAS.

12. Disclosure as per Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets:-

In accordance with the guidelines of Department of Public Enterprises, ad-hoc provision on account of Performance Related Pay (PRP) for the year 2020-21 amounting to ₹729.05 lakh has been made in NSIC.

13. Disclosure as per Ind AS 105- Non-Current Asset Held for Sale and discontinued Operations

Assets available for immediate sale in its present condition and its disposal/sale is highly probable within one year from the date of classification, are classified as “Non-Current Assets Held for Sale”. As required under Ind-AS 105, during current FY 2020-21 such assets having net carrying value of ₹0.07 lakh (Gross carrying value of ₹13.50 lakh) were transferred from different block of assets under Property, Plant and Equipment to separate block of assets namely “Non-Current Assets Held for Sale” in NSIC

14. Disclosure as per Ind AS 108 – Operating Segments

a) Segment Reporting: -

Group’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 ‘Assistance for Training to Institutions’, ‘National Schedule Caste – Schedule Tribe Hub’, ‘Entrepreneurship and Skill Development Programmes’, ‘Procurement and Marketing Support Scheme’, ‘National Entrepreneurship Award Scheme’, etc., for which budgetary support has been provided to the Corporation along with administrative expenditure, wherever applicable in terms of approved guidelines for implementation of such

schemes, 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.) and training expenses are met out of the budgetary support provided for the above schemes.

The ‘Commercial’ activities inter-alia includes the activities whereby the Corporation provides ‘Marketing (including tender marketing and Raw Material Assistance/ Distribution)’, ‘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, 2021 as required by (IndAS – 108) on “Segment Reporting” issued by the Institute of Chartered Accountant of India.

(₹ in Lakh)

Description	For the year ended 31 st March 2021		
Primary Segment – Business Segment	Promotional	Commercial	Total
I. SEGMENT REVENUE (including grant)			
-Government Grant Recognized during the year	7,915.96	-	7,915.96
-Sale of Product	-	1,68,430.76	1,68,430.76
-Sale of Services	2.58	8,826.62	8,829.20
-Others	-	32,975.69	32,975.69
-Total	7,918.54	2,10,233.07	2,18,151.61
II. SEGMENT EXPENDITURE (including expenses against grant)			

Description	For the year ended 31 st March 2021		
Primary Segment – Business Segment	Promotional	Commercial	Total
-Expenditure incurred against Government Grant recognized during the year	7,915.96	-	7,915.96
-Others	2.58	2,00,134.87	2,00,137.45
-Total	7,918.54	2,00,134.87	2,08,053.41
III. RESULTS			
a. Segment Results	-	10,098.20	10,098.20
b. Operating Profit before interest	-	21,682.97	21,682.97
c. Interest Paid	-	7,772.34	7,772.34
d. Exceptional items	-	4.22	4.22
e. Profit before Tax	-	13,906.41	13,906.41
f. Tax Expense	-	3,808.21	3,808.21
g. Net Profit after Tax	-	10,098.20	10,098.20
h. Other Comprehensive Income	-	170.37	170.37
i. Total Comprehensive Income {Comprising Profit /(Loss) and Other Comprehensive Income}	-	10,268.57	10,268.57
III. ASSETS & LIABILITIES			
a. Segment Assets	3,831.32	2,71,147.45	2,74,978.77
b. Unallocated Assets	-	-	26,226.16
c. Total Assets	3,831.32	2,71,147.45	3,01,204.93
d. Segment Liabilities	5,435.31	1,73,888.76	1,79,324.07
e. Unallocated Liabilities	-	-	1,21,880.86
f. Total Liabilities	5,435.31	1,73,888.76	3,01,204.93
IV. OTHER INFORMATION			
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	614.97	1,389.27	2,004.24
(b) Depreciation #	347.70	841.52	1,189.22
© Non-cash expenditure other than depreciation	-	682.87	682.87

The depreciation of promotion segment is charged to capital reserve.

- b) Information about Revenue from major products and services

(₹ in lakh)

Particulars	Year ended 31 st March 2021
Sale of Product	168430.76
Interest Income	27176.77

- c) The Group does not have any reportable geographical segment as the lending operations of the Corporation are carried out within the country.
- d) No single borrower has contributed 10% or more to the Corporation's revenue during the financial year 2020-21.
- e) The Revenue from Operations of the subsidiary company 'NSIC Venture Capital Fund Limited' is NIL. Hence, no separate segment has been identified for the subsidiary company. The Subsidiary

Revenue, Expenses, assets and Liabilities for the year end March 31, 2021 has been added under the 'commercial' segment.

15. Disclosure as per Ind AS 115 – Revenue from Contracts with Customers

Component wise revenue of Corporation

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
Sale of products	168430.76
Sale of services	8829.20
Interest Income	27176.77
Processing fee	4580.06
Other operating Income	1123.39
TOTAL	210140.18

16. Disclosure as per Ind AS-116 – Leases:

In terms of Ind AS 116, the Group recognize each lease on the Balance Sheet as a Right-of-Use asset with corresponding

lease liability in respect of the amounts payable towards such leases in future periods. However, the Group has exercised the recognition exemption in respect of short-term leases and leases of low-value underlying assets. Short term leases include leases with termination options, where there are no material economic disincentives to terminate such leases. Such agreements to provide flexibility in managing the leased-asset portfolio and align with the Group business needs.

During the year 2020-21 the expenses relating to short-term leases are ₹448.67 Lakh. The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 453.06 Lakh.

(A) Leases as lessee:

- The following are the carrying amounts of lease liabilities recognized and the movements during the year:

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
Opening Balance	68.29
- Additions in lease liabilities	(10.69)
- Interest cost during the year	4.39
- Payment of lease liabilities	4.39
Closing Balance	57.60

- The following are the amounts recognized in Statement of profit and loss:

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
Depreciation and amortization expense for right-of-use assets	0.84
Interest expense on lease liabilities	4.39

- Other disclosures:

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
Cash Outflow from leases	4.39

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
Carrying amount of right-of-use assets at the end of the reporting period	55.83

(B) Leases as lessor:

- These arrangements continue to be classified as operating lease after transition to Ind AS 116 'Leases'.
- An amount of ₹3438.30 lakh has been accounted as lease income in Statement of profit and loss for the year ended 31st March 2021.
- Undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and for the remaining years:

(₹ in Lakh)

Particulars	As At 31 st March 2021
Less than one year	2983.56
Between one and two years	2677.01
Between two and three years	2054.30
Between three and four years	1622.33
Between four and five years	1515.10
More than five years	4505.25

17. Impact of Covid-19 Pandemic on the Corporation

India has witnessed the second wave of COVID-19 pandemic with significant increase in the number of infected cases. The resultant lockdowns are less restrictive for economic activity and are concentrated in the most-hit states.

The IT infrastructure and digital communication technology enables the workforce to work securely through remote technology ensuring business continuity.

The NSIC in accordance with RBI guidelines relating to Covid-19 Regulatory package dated 27.03.2020 and 23.05.2020, has offered moratorium on payment of instalments falling due between 01.03.2020 and 31.08.2020 to eligible borrowers.

The Group believes that with the pickup in global vaccination programme, the business and commercial activity is poised for resurgence.

In view of the above, the Group Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its

financial position and in its ability to continue as a going concern. However, the impact of this pandemic on the Group will, inter alia, continue to be dependent on future developments relating to duration of Covid-19 and any further actions by the Government and Regulatory bodies to contain its impact on the NBFCs. The Group shall also continue to closely monitor any material changes arising of future economic conditions and potential impact on its business.

18. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package vide Notification no. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 on 27.03.2020, NSIC had granted a moratorium of three months on payment of all installments falling due between March 1, 2020 and May 31, 2020, to its borrowers who have availed the facilities under the scheme of "Raw Material Assistance against BG" prior to 01.03.2020. 483 no. of units having outstanding amount of ₹ 70382.86 Lakh as on 29.02.2020 had opted moratorium under the scheme.

Thereafter, in terms of RBI guidelines relating to COVID-19 Regulatory Package vide Notification no. RBI/2019-20/244 DOR. No.BP.BC.71/21.04.048/2019-20 dated 23.05.2020, NSIC allowed moratorium of further three months ending on 31.08.2020 to those units, whose accounts were standard as on 29.02.2020 (as per RBI guidelines) and had availed moratorium of first three months, provided total outstanding (principal along with interest for the extended period) is covered with the available security (i.e. Bank Guarantee).

No unit had opted moratorium in the second phase of moratorium scheme

19. Government had announced, "**Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrower's specified loan accounts (01.03.2020 to 31.08.2020)**" being conveyed by Ministry of Finance vide notification No.2/12/2020-BOA.I dated 23rd October 2020 along with Operational Guidelines. The benefits under the scheme would be routed through lending institutions and claim would be reimbursed by the Government. However, it does not have any impact on the financial statement for the year ending 31.03.2021 as the benefit to be credited / accounted for shall be reimbursed from the Government. Total benefit of ₹2.83 lakh was granted under this scheme by the NSIC to 153 nos. of MSMEs and benefit of ₹2.83 lakh has also been reimbursed from the Government within FY 2020-21 itself.
20. In accordance with the instructions in RBI circular No. RBI/2021-22/17 DOR.STR. REC.4/21.04.048/2021-22 dated April 7, 2021 on 'Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package', the NSIC has refunded / adjusted 'interest on interest' charged to all borrowers including those who had availed of credit facilities during the moratorium period i.e. March 1, 2020 to August 31, 2020, irrespective of whether moratorium had been fully or partially availed, or not availed. Total amount of ₹116.68 Lakh was refunded/ adjusted to 1368 nos. of MSMEs towards 'Interest on Interest'.

21. **Asset Liability Management-Maturity pattern of certain items of Assets and Liabilities**

(₹ in Lakh)

As At 31 st March 2021	Net Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	46086.71	-	138000	-	-	-
Over 1-month upto 2 months	15686.09	-	-	-	-	-
Over 2 months upto 3 months	20879.55	-	-	128.28	-	-
Over 3 months upto 6 months	143625.49	-	-	21.92	-	-
Over 6 months & upto 1 year	-	-	-	150.20	-	-

As At 31 st March 2021	Net Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Over 1 year & upto 3 years	-	-	-	600.80	-	-
Over 3 year & upto 5 years	-	-	-	600.80	-	-
Over 5 years	-	174.36	-	3717.83	-	-

(Advances refer to receivables under Hire Purchase, Leasing, Raw Material Assistance, Bills Discounting, Composite Term Loan, Term Loan, Banks, etc).

22. Financial Instruments

A. Capital Management

For the purpose of the Group capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Corporation. The primary objectives of the Corporation's capital management are safety and security of share capital and maximize the shareholder wealth.

Management assesses the Group capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Corporation manages the capital structure and raises funds through the suitable instruments, in light of the dynamic business environment and liquidity position within the sector. Further, with regard to capital restructuring, the Group is also guided, inter alia, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc. The Group has complied with all externally imposed capital requirements.

Regulatory capital-related information is presented as part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels.

The Group has complied with all the capital requirements over the reported period.

B. Financial Risk Management

NVCFL has not started its business operation during the FY2020-21.

The NSIC is exposed to several risks which are inherent to the environment that it operates in. The Group is into business of extending financial assistance to MSME sector-

a) Credit risk

- (i) The Corporation is exposed to credit risk primarily through its lending operations. Credit risk on cash and cash equivalent is limited as these are held with Scheduled commercial public sector banks and private sector banks. As regards investments, the Corporation has very minimal investments in equity instruments which is of strategic in nature. Part of which, the Corporation has already made provision towards impairment allowance and balance has been fair valued and gain thereon has been accounted for in the books.

For management of credit risks in an effective manner, Corporation has established an appraisal mechanism containing guidelines in order to ensure timely repayments of principal & interest amount. The Corporation manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and concentration thereof and by monitoring exposures in relation to such limits, by obtaining conduct of account from the banks.

The Corporation has a credit risk in terms of the credit support provided for raw material procurement by making the payment to supplier in Raw Material Assistance scheme against Bank Guarantee

(ii) Significant estimates and judgements

Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Corporation uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Corporation's past history and conduct of account with other bank, existing market conditions as well as forward looking estimates at the end of each reporting period.

At the date of transition to Ind AS, an entity shall use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare that to the credit risk at the date of transition to Ind AS.

Corporation has adopted policy to recognize impairment loss (ECL) in books as higher of provision as per Ind AS 109 or as per RBI guidelines.

Corporation has categorized all loans in three stages:

Stage-1 – Performing (not deteriorated significantly since its initial recognition)

Stage-2 – Under Performing (deteriorated significantly since its initial recognition)

Stage-3 – Non performing (Objective evidence of impaired)

ECL is calculated based on past ten year's data as follows:

$ECL = \text{Probability of Default (PD)} \times \text{Loss given default (LGD)}$

Probability of Default (PD) is calculated as NPA accretion over last 10 years to total loan accretion over last 10 years in percentage terms.

Loss given Default is calculated as loss of principal during last 10 years to total NPAs during the last 10 years in percentage terms.

The Corporation considers an exposure to have significantly increased in credit risk when the borrower crosses 30 days past due (DPD) but is within 90 DPD.

Provision for expected credit losses

Level	Category	Description of category	Basis for recognition of expected credit loss provision Loans
Stage 1	Standard Assets, High quality assets, negligible credit risk	Assets where counter party has strong capacity to meet the obligations and where risk of default is nil or negligible/ regularly paying assets	12-month ECL
Stage 2	Increased Risk Assets or Assets having significant risk	Assets where there has been a significant increase in credit risk since initial recognition.	Life time ECL
Stage 3	Impaired Assets		Life time ECL

b) Liquidity risk

Liquidity is the risk that suitable sources of funding for Corporation's business activities may not be available. The Corporation's objective is to maintain

optimum level of liquidity to meet its cash requirements. The Corporation closely monitors its liquidity position and maintains adequate sources to finance its short term and long-term fund requirements, whenever required.

(i) Financing arrangements

The Corporation had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakh)

Particulars	As At 31 st March 2021
Floating rate	
- Expiring within one year (bank overdraft and other facilities)	NIL

Corporation has cash credit facility from banks at floating rate of interest which is renewed every year.

(ii) Maturity profile of financial liabilities

The tables below analyse the Corporation's financial liabilities into relevant maturity based on their contractual maturities for: all non-derivative financial liabilities for which

the contractual maturities are essential for an understanding of the timing of the cash flows:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant: -

(₹ in lakh)

Particulars	Contractual maturities of financial liabilities		
	31 st March 2021		
	Bank Borrowings	Market Borrowings	Total
1 day to 30/31 days (one month)	138000	-	138000
Over one month to 2 months	-	-	-
Over 2 months upto 3 months	-	128.28	128.28
Over 3 months to 6 months	-	21.92	21.92
Over 6 months to 1 year	-	150.20	150.20
Over 1 year to 3 years	-	600.80	600.80
Over 3 years to 5 years	-	600.80	600.80
Over 5 years	-	3717.83	3717.83

c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: - interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument, denominated in foreign currency other than the functional currency, will fluctuate because of changes in foreign exchange rates.

The Corporation is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the Corporation's foreign currency denominated borrowings is as follows-

(₹ in lakh)

Description	As At 31 st March 2021	
	In foreign Currency (Euro)	In functional Currency (₹ in lakh)
Kfw-XI	2723140.61	2380.57
Kfw-XII	2520668.93	2203.57
ILC	727164.54	635.69

Foreign currency risk monitoring and management-

The loan agreements entered into by the Corporation takes care of the exchange fluctuation risk and the entire amount of exchange fluctuation loss if any gets adjusted by way of relief in the coupon payment. Further, it also secures the future losses on account of exchange fluctuation.

Foreign Currency Sensitivity Analysis

The loan agreements entered into by the Corporation takes care of the exchange fluctuation risk and the entire amount of exchange fluctuation loss if any gets adjusted by way of relief in the coupon payment. Further, it also secures the future losses on account of exchange fluctuation. Hence, no sensitivity analysis has been carried out.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to the risk of changes in market interest rates relates primarily to the short-term borrowings. Market interest rate risk is mitigated by proper review of market conditions, factors etc. The Corporation's borrowings are carried at amortized cost.

(a) Interest rate risk exposure

The exposure of the Corporation's short-term borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in lakh)

Particulars	31 st March 2021
Variable rate borrowings	-
Fixed rate borrowings	138000.00
Total borrowings	138000.00

(b) Sensitivity

As the maximum short-term borrowings of the

Corporation are fixed costs, so they are not subject to interest rate risk as defined in IndAS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(iii) Price risk

(a) Exposure

The Corporation's exposure to equity securities price risk arises from investments held by the Corporation and classified in the balance sheet as fair value through OCI. Though, diversification of the portfolio is done in accordance with the limits set by the Corporation. However, the Corporation has only made certain strategic investment in the past, part of which has been fully impaired on which provisions have already been made and remaining has been fair valued on which gains thereof has been properly accounted for.

(b) Sensitivity

The Corporation has a very minimal amount of investment in equity and there is no movement in the past two years. As aforesaid, the Corporation has already fair valued its quoted investment in equity and gains thereof has been properly accounted for and for the remaining part of investment, provisions have been made fully. Hence, sensitivity not required to be disclosed.

Equity would increase/decrease as a result of gains/losses on equity instrument classified as fair value through other comprehensive income.

C. Fair Value Measurements

Some of the Group financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following tables gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used)

Fair value hierarchy

Financial Instruments Measured and Recognized at Fair Value (FVTOCI & FVTPL).

(₹ in Lakh)

Particulars	Amount at Fair Value	Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	As At 31 st March 2021		
I. FINANCIAL ASSETS			
Financial Investments at FVTOCI			
-Investment in Equity Instruments	174.36	Level 1	Quoted market price
Financial Investments at FVTPL			
TOTAL	174.36		
II. FINANCIAL LIABILITIES	-		
TOTAL	-		

Financial Assets and Liabilities Measured at Amortized Cost.

(₹ in Lakh)

Particulars	As At 31 st March 2021		Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	Amortized Cost	Fair Value		
I. FINANCIAL ASSETS				
Loan to Companies/LLP	230629.29	230629.29	Level 3	Effective Interest Rate
Loan to Employees	45.23	45.23	Level 2	NPV at SBI Rate for Perquisites
TOTAL	230674.52	230674.52		
II. FINANCIAL LIABILITIES				
Borrowings	143219.83	143219.83	Level 3	Effective Interest rate
TOTAL	143219.83	143219.83		

Fair value measurements under IndAS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value are observable and significance to the inputs to the fair value measurement in its entirety, which are described as follows

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation can access at measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Corporation can access at measurement date.

Table showing Carrying Value and Fair Value of all Financial Assets and Liabilities.

(₹ in Lakh)

Particulars	As At 31 st March 2021	
	Carrying Value	Fair Value
I. FINANCIAL ASSETS		
- Cash & Cash Equivalent	12347.19	12347.19
- Bank Balance	3322.72	3322.72
- Receivables	18719.09	18719.09
- Loans & Advances	230674.52	230674.52
- Investments	174.36	174.36
- Assets Classified as held for sale	0.07	0.07
- Other Financial Assets	1289.14	1289.14
TOTAL	266527.09	266527.09

Particulars	As At 31 st March 2021	
	Carrying Value	Fair Value
II. FINANCIAL LIABILITIES		
- Payables	19408.64	19408.64
- Borrowings	143219.83	143219.83
- Other financial liabilities	14249.10	14249.10
TOTAL	176877.57	176877.57

The carrying amount of the cash & cash equivalent, receivables, payables, other financial assets & other financial liabilities are considered as their fair values due to their short-term nature.

23. Proposed Dividend: The dividend proposed by NSIC for the year is as follows:

Particulars	Year ended 31 st March 2021
On Equity shares of ₹100 each	
-Amount of Dividend Proposed (₹ In lakh)	3177.66
-Rate of Dividend (%)	30% of PAT
-Dividend per equity share (₹)	5.96

Dividends proposed by the Corporation are based on Profits after Tax as reported in the financial statements of the Corporation and guidelines issued by Department of Investment & Public Asset Management (DIPAM). The Board of Directors of the Corporation proposed a final dividend of ₹ 3177.66 lakh (₹5.96 per share) in respect of the year ending 31st March 2021 subject to approval of shareholders in the Annual General Meeting. If approved, the dividend would result in cash outflow of ₹ 3177.66 Lakh.

Further, Corporate dividend pertaining to financial year ended 31st March 2021, shall be accounted for in the ensuing financial year after approval of Shareholders at Annual General Meeting in accordance with IndAS 10 'Contingencies and Events occurring after Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016.

24. The additional information required to be disclosed vide RBI norms for NSIC

A. Impairment Reserve

Based on RBI notification no RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/ 2019-20 dated 13.03.2020, ECLs in terms of IndAS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20.

Further, where the impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) Norms (including standard asset provisioning) issued by RBI, the Corporation has appropriated the difference from their net profit after tax to "Impairment Reserve" pertaining to current year as well as out of retained earnings existed as on 01.04.2019. No withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI.

During FY 2019-20, impairment reserve amounting to ₹4866.65 lakh was appropriated, as the impairment allowance under Ind AS 109 was lower than the provisioning required under IRACP Norms to such extent.

On similar lines, impairment reserve as on 31/03/2021 amounts to ₹3390.96 lakh, as the impairment allowance under Ind AS 109 amounting to ₹12707.81 lakh is lower than the provisioning required under IRACP Norms amounting to ₹16098.77 lakh to such extent.

Since the impairment reserve as on 31/03/2021 amounting to ₹3390.96 lakh is less than the already appropriated impairment reserve as on 31/03/2020 amounting to ₹4866.65 lakh, therefore, the impairment reserve has not been reversed to the extent of ₹1475.69 lakh as withdrawals/reductions are

not permitted from the reserve that has already been appropriated. Thus, impairment reserve as on 31/03/2021 has been maintained at ₹4866.65 lakh.

Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109:

FY 2020-21

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	227185.97	908.13	226277.84	776.65	131.48
	Stage 2	-	-	-	-	-
Subtotal		227185.97	908.13	226277.84	776.65	131.48
Non-Performing Assets (NPA)						
Substandard	Stage 3	1131.07	1131.07	-	2486.00	-1354.93
Doubtful - up to 1 year	Stage 3				1601.98	-1601.98
1 to 3 years	Stage 3				-	-
More than 3 years	Stage 3	9898.05	9898.05	-	10463.59	-565.54
Sub-total for doubtful		9898.05	9898.05	-	12065.57	-2167.52
Loss	Stage 3	770.56	770.56	-	770.56	-
Subtotal for NPA		11799.68	11799.68	-	15322.13	-3522.45
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	227185.97	908.13	226277.84	776.65	131.48
	Stage 2	-	-	-	-	-
	Stage 3	11799.68	11799.68	-	15322.13	-3522.45
	Total	238985.65	12707.81	226277.84	16098.78	-3390.97

B. Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934

The Parent Corporation is creating the Reserve Fund as required u/s 45IC of Reserve Bank of India Act, 1934, wherein at least 20% of net profit is required to be transferred before the declaration of dividend. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Reserve Bank of India from time to time and further, any such appropriation is also required to be reported to the Reserve Bank of India within 21 days from the date of such withdrawal.

During the year, further reserve fund u/s 45IC amounting to ₹2031.86 lakh has been created, thus making total reserve fund as on 31/03/2021 amounting to ₹4015.70 Lakh.

C. Rating Assigned by Credit Rating Agencies for the Borrowings of NSIC

The Commercial paper issued by NSIC was rated by CRISIL and ACUITE as “A1+” which is considered to have “Very Strong Degree of Safety”. In addition, Bank Facilities of the Corporation has been rated by CARE and the rating is “AA+” which is considered to have high degree of safety regarding timely servicing of financial obligations. There has been no migration of ratings during the year.

D. Penalties levied by the Regulator - NIL

E. Capital Adequacy

Particulars	Year ended 31 st March 2021
i) CRAR (%)	33.72
ii) CRAR - Tier I Capital (%)	33.39
iii) CRAR - Tier II Capital (%)	0.33
iv) Amount of Subordinate debt raised as Tier-II Capital	Nil
v) Amount raised by issue of perpetual debt instruments	Nil

a) **Investments:** NSIC does not hold any investment outside India.

b) **Break up of Investments**

(₹ in Lakh)

	Particulars	Year ended 31 st March 2021
1	Value of investments	
(i)	Gross Value of Investments	
(a)	In India	
	at fair value through OCI	189.36
(b)	Outside India	
(ii)	Provision for Depreciation	
(a)	In India	15.00
(b)	Outside India	
(iii)	Net value of investments	
(a)	In India	174.36
(b)	Outside India	
(2)	Movement of provisions held towards on investments	
(i)	Opening Balance	15.00
(ii)	Add: Provisions made during the year	
(iii)	Less: write-off/ write-back of excess provisions during the year	

	Particulars	Year ended 31 st March 2021
(iv)	Closing balance	15.00
(3)	Aggregate amount of quoted investments	174.36
	Market value of quoted investments	174.36
(4)	Aggregate amount of Unquoted investments	15.00
(5)	Aggregate provision for diminution in value of investments	15.00

a) Valuation of Investments

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
i) Gross Value of Investments	96.63
ii) Allowance for Impairment Loss	15.00
iii) Fair Value Change (Net)	92.73
iv) Net Value of Investments	174.36
Movement in Fair Value changes of investment (Net)	
Opening Balance	81.63
Add: Increase in Value	92.73
Less: Decrease in Value	
Closing Balance	174.36

F. Derivatives

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
Exposure to Derivative Instruments / products	NIL

G. Securitization

a) Details of SPVs sponsored for Securitization of Assets

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
SPVs Sponsored	NIL

b) Details of Financial Assets sold to Securitization / Reconstruction Company for Assets Reconstruction

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
Financial Assets Sold	NIL

c) Details of Assignment transaction undertaken

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
Assignment Transaction undertaken	NIL

d) Details of Non-performing financial assets purchased/sold

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
Non-performing Financial assets Purchased	NIL
Non-Performing Financial Assets Sold	
i) Number of accounts sold	
ii) Aggregate outstanding	
iii) Aggregate Consideration Received	
iv) Gain/Loss over net book value	

e) Exposures to Real Estate / Capital Market Sector

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
I. Exposure to Real Estate Sector undertaken (Direct)	NIL
i) Residential Mortgage	
ii) Commercial Real Estate	
• Lending Secured by Mortgage on commercial real estate	
• Lending in mortgage backed securities and other exposures	
II. Exposure to Capital Market (Gross)	
(a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	189.36
(b) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	NIL
(c) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL
(d) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	NIL
(e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL

Particulars	Year ended 31 st March 2021
(f) loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL
(g) bridge loans to companies against expected equity flows / issues;	NIL
(h) all exposures to Venture Capital Funds (both registered and unregistered)	NIL

H. Breakup of Provision & Contingencies shown under the head expenditure in statement of profit & loss

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
a. Provision for Fair Value Changes on Investments	NIL
b. Provision for NPAs/Doubtful Debts	NIL
c. Provision for Diminution in NPV of Loans	NIL
d. Provision for Diminution in value of investments	NIL
e. Provision for Standard Assets	NIL
f. Provision Made towards Income Tax	3402.78
g. Other Provision and Contingencies (Deferred Tax Liability)	432.91

I. Concentration of Advances and Non-Performing Assets (NPA)

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
I. Concentration of Advances	
Total advances to Twenty Large Borrowers	9822.32
% of advances to Twenty Large Borrowers	4.11
II. Concentration of NPA	
Total Exposure to Top Four NPAs	1136.07

J. Sector-wise NPA (Gross)

(₹ in Lakh)

S No.	Particulars	Year ended 31 st March 2021
1	Agriculture & allied activities	NIL
2	MSME	11799.68
3	Corporate borrowers	NIL
4	Services	NIL
5	Unsecured personal loans	NIL
6	Auto loans	NIL
7	Other personal loans	NIL

K. Movement of NPAs

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
1) Net NPAs to Net Advances (%)	-
2) Movement of Gross NPAs/Doubtful Debts	
(a) Opening Balance	30398.75
(b) Add: Addition During Year	-
(c) Less: Reduction/Write-off During Year	18599.07
(d) Closing Balance	11799.68
3) Movement of Net NPAs/Doubtful Debts	
(a) Opening Balance	19125.85
(b) Add: Addition During Year	-
(c) Less: Reduction/Write-off During Year	19125.85
(d) Closing Balance	-
4) Movement in Provision for NPA/Doubtful Debts	
(a) Opening Balance	11272.90
(b) Add: Provision made during the year	526.78
(c) Less: Loans Written off during the year	-
(d) Less: Provision Written Back	-
(e) Closing Balance	11799.68

L. Other Information

(₹ in Lakh)

Particulars	Year ended 31 st March 2021
i) Gross Non-Performing Assets	
- Related parties	-
- Other than related parties	11799.68
ii) Net Non-Performing Assets	
- Related parties	-
- Other than related parties	-

M. Customer & Investor Complaints

Particulars	Year ended 31 st March 2021
a. No. of complaints pending at the beginning of the year	2
b. No. of complaints received during the year	212
c. No. of complaints redressed during the year	214
d. No. of complaints pending at the end of the year	NIL

25. Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended)

Liabilities Side

- Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

(₹ in Lakh)

Particulars		As At 31 st March 2021	
		Amount O/s	Amount Overdue
(a)	Debentures	-	-
(b)	Deferred Credits	-	-
(c)	Term Loans	5229.07	-
(d)	Inter-Corporate Loans and borrowings	-	-
(e)	Commercial Paper	-	-
(f)	Public Deposits	-	-
(g)	Other Loans	-	-
	Bank Overdraft, Cash credit & Working Capital Demand Loan	138413.99	-

- Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :

-Not Applicable-

Asset Side

- Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]

(₹ in Lakh)

Particulars	Amount Outstanding
	As At 31 st March 2021
(a) Secured (net of provision)	-
(b) Covered by Bank/Government Guarantees (Net of provision)	226277.84
(c) Unsecured (net of provision)	-

- Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities

-Not Applicable-

5. Break-up of Investments (net off diminution):

(₹ in Lakh)

Particulars		Amount Outstanding
		As At 31 st March 2021
Current Investments		
1	Quoted	
(i)	Shares	NIL
(a)	Equity	
(b)	Preference	
(ii)	Debentures and Bonds	
(iii)	Units of Mutual Funds	
(iv)	Government Securities	
(v)	Others	
2	Unquoted	
(i)	Shares	
(a)	Equity	600.00
(b)	Preference	NIL
(ii)	Debentures and Bonds	NIL
(iii)	Units of Mutual Funds	NIL
(iv)	Government Securities	NIL
(v)	Others	NIL
Long Term Investments		
1	Quoted	
(i)	Shares:	
(a)	Equity (Fair Value)	174.36
(b)	Preference	NIL
(ii)	Debentures and Bonds	NIL
(iii)	Units of Mutual Funds	NIL
(iv)	Government Securities	NIL
(v)	Others	NIL
2	Unquoted	
(i)	Shares:	NIL
(a)	Equity (Net of Impairment)	NIL
(b)	Preference	NIL
(ii)	Debentures and Bonds	NIL
(iii)	Units of Mutual Funds	NIL
(iv)	Government Securities	NIL
(v)	Others	NIL

6. Borrower group-wise classification of assets financed as in (3) and (4) above

(₹ in Lakh)

Category		As At 31 st March 2021		
		Secured (Net of Provision)	Covered by Bank/ Government Guarantees (net of provision)	Unsecured (Net of Provision)
1	Related Parties			
(a)	Subsidiaries	Nil	Nil	Nil
(b)	Companies in the same group	Nil	Nil	Nil
(c)	Other related parties	Nil	Nil	Nil
2	Other than related parties	Nil	226277.84	Nil

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in Lakh)

Category		As At 31 st March 2021	
		Fair Value	Book Value
1	Related Parties		
(a)	Subsidiaries	600.00	600.00
(b)	Companies in the same group	NIL	NIL
(c)	Other related parties	NIL	NIL
2	Other than related parties	174.36	174.36

26. The subsidiary has been exempted from registration with the Reserve Bank of India as an Non-Banking Finance Companies (NBFC) vide Master Direction – Exemption from provisions of RBI Act, 1934, as updated from time to time, the Company has followed Division III of Schedule III to the Companies Act, 2013 while preparing its financial statements which are applicable to NBFCs as defined in Companies (Indian Accounting Standards Rules), 2015 which includes venture capital fund companies.

27. Recent Accounting Pronouncement: -

New Standards / Amendments to Existing Standard/new pronouncement issued but not yet effective upto the date of issuance of the NSIC's Financial Statement are disclosed below:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Additional Disclosure in Notes to Balance Sheet:

- Property plant and equipment and Intangible assets: Specific disclosure, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment and other adjustments

and the related depreciation and impairment losses/reversals.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- Shareholding of Promoter: The note on Share Capital in the Financial Statements shall mention details of the Shareholding of the Promotes along with changes, if any, during the Financial Year.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading Short Term Borrowing.
- If NBFC has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure for title deeds of Immovable Property not held in name of the NBFC and disclosure on revaluation of Assets.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of NBFC, loans and advances to promoters, directors, key managerial

personnel (KMP) and related parties, details of benami property held etc.

- Ratios-Following Ratios to be disclosed: - (a) Capital to risk-weighted assets ratio (CRAR), (b) Tier I CRAR, (c) Tier II CRAR, (d) Liquidity Coverage Ratio.
- Specific Disclosure Borrowing & Wilful Defaulter.

Additional Disclosure in Notes to Profit & Loss Account:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive, and the Corporation will evaluate the same to give effect to them as required by law.

28. No penalties have been levied on the Corporation by any regulator during the year ended 31st March, 2021 (Previous year Nil).
29. No complaints have been received by the Corporation from the borrowers under the Fair Practices Code during the year ended 31st March, 2021 (Previous year Nil).
30. All amounts are in ₹ lakh, unless otherwise stated.
31. Figures in brackets in the notes to the financial statements represent previous year's figures.
32. It is being the first year of the consolidated accounts, therefore, corresponding figures of previous year 2019-20 are not applicable.

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (COMMERCIAL) FOR THE YEAR ENDED 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
I REVENUE			
A Revenue from Operations	21		
Sale of Products		168430.76	0.00
Sale of Services		8826.62	0.00
Interest Income		27176.77	0.00
Processing Fees		4580.06	0.00
[Includes Processing Fees/Service Charges earned of ₹ 4580.06 lakhs (₹ 4863.66 lakhs) for value of goods handled and services rendered ₹ 1287396.77 lakhs (₹ 1401344.08 lakhs)]			
Net Gain on Fair Value Changes		0.00	0.00
Net Gain on Derecognition of Financial Instruments under Amortised Cost Category		0.00	0.00
Other Operating Income		1123.39	0.00
Total Revenue from Operations		210137.60	0.00
B Other Income	22	95.47	0.00
C Grants and Subsidies	23	0.00	0.00
Total Revenue (A + B + C)		210233.07	0.00
II EXPENSES			
Purchases of Stock-in-Trade	24	167355.66	0.00
Changes in Inventories	25	54.96	0.00
Employee Benefit Expenses	26	12924.12	0.00
Finance Costs	27	7772.34	0.00
Depreciation and Amortization Expenses	28	841.52	0.00
Corporate Social Responsibility	29	224.58	0.00
Other Expenses	30	7149.26	0.00
Total Expenses		196322.44	0.00
III Profit before Exceptional Items, Extraordinary Items and Tax		13910.63	0.00
Exceptional Items		4.22	0.00
IV Profit before Extraordinary Items and Tax		13906.41	0.00
Extraordinary Items		0.00	0.00
V Profit before Tax		13906.41	0.00
Tax Expense	31		
Current Tax		3402.78	0.00
Deferred Tax		432.91	0.00
Earlier Years		-27.48	0.00
VI Total Tax Expense		3808.21	0.00
VII Profit after Tax for the period from Continuing Operations		10098.20	0.00
VIII Profit from Discontinued Operations		0.00	0.00
IX Tax Expenses from Discontinued Operations		0.00	0.00
X Profit from Discontinued Operations (After Tax)		0.00	0.00
XI Profit for the Period		10098.20	0.00

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (COMMERCIAL) FOR THE YEAR ENDED 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
XII Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment		92.73	0.00
Items that will not be reclassified to Profit or Loss - Actuarial Gain/ Loss on Defined Benefit Plans		134.95	0.00
Income Tax relating to Items that will not be reclassified to Profit or Loss		-57.31	0.00
Sub Total (A)		170.37	0.00
B Items that will be reclassified to Profit or Loss		0.00	0.00
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Sub Total (B)		0.00	0.00
Other Comprehensive Income (A + B)		170.37	0.00
XIII Total Comprehensive Income for the period (XI + XII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		10268.57	0.00
XIV Earnings per Equity Share (for Continuing Operations)	32		
Basic (₹)		18.95	0.00
Diluted (₹)		18.95	0.00
XV Contingent Liabilities	33 (i)	1323.36	0.00
XVI Capital Commitments	33 (ii)	493.15	0.00
Other Notes on Accounts	34		

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 34 referred to above form an integral part of Financial Statements.

Changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

Being 1st year of consolidation, previous year figures are not applicable

In terms of our report of even date attached
For Goyal Parul & Co.
Chartered Accountants
Firm Registration No.: 016750N

Sd/-
Parul Goyal
Partner
Membership No. : 099172
Place : New Delhi
Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-
Gaurang Dixit
Director (Finance)
[DIN : 08535482]

Sd/-
Ajay Sharma
DGM (F&A)

Sd/-
Alka Nangia Arora
Chairman-cum-Managing Director
[DIN : 03165567]

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (PROMOTIONAL) FOR THE YEAR ENDED 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
I REVENUE			
A Revenue from Operations	21		
Sale of Products		0.00	0.00
Sale of Services		2.58	0.00
Interest Income		0.00	0.00
Processing Fees		0.00	0.00
Net Gain on Fair Value Changes		0.00	0.00
Net Gain on Derecognition of Financial Instruments under Amortised Cost Category		0.00	0.00
Other Operating Income		0.00	0.00
Total Revenue from Operations		2.58	0.00
B Other Income	22	0.00	0.00
C Grants and Subsidies	23	7915.96	0.00
Total Revenue (A + B + C)		7918.54	0.00
II EXPENSES			
Purchases of Stock-in-Trade	24	0.00	0.00
Changes in Inventories	25	0.00	0.00
Employee Benefit Expenses	26	377.15	0.00
Finance Costs	27	0.00	0.00
Depreciation and Amortization Expenses	28	0.00	0.00
Corporate Social Responsibility	29	0.00	0.00
Other Expenses	30	7541.39	0.00
Total Expenses		7918.54	0.00
III Profit before Exceptional Items, Extraordinary Items and Tax		0.00	0.00
Exceptional Items		0.00	0.00
IV Profit before Extraordinary Items and Tax		0.00	0.00
Extraordinary Items		0.00	0.00
V Profit before Tax		0.00	0.00
Tax Expense	31		
Current Tax		0.00	0.00
Deferred Tax		0.00	0.00
Earlier Years		0.00	0.00
VI Total Tax Expense		0.00	0.00
VII Profit after Tax for the period from Continuing Operations		0.00	0.00
VIII Profit from Discontinued Operations		0.00	0.00
IX Tax Expenses from Discontinued Operations		0.00	0.00
X Profit from Discontinued Operations (After Tax)		0.00	0.00
XI Profit for the Period		0.00	0.00

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (PROMOTIONAL) FOR THE YEAR ENDED 31.03.2021

(₹ in Lakh)

Particulars	Note No.	As At 31.03.21	As At 31.03.20
XII Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment/Actuarial Gain/Loss on Defined Benefit Plans		0.00	0.00
Income Tax relating to Items that will not be reclassified to Profit or Loss		0.00	0.00
Sub Total (A)		0.00	0.00
B Items that will be reclassified to Profit or Loss		0.00	0.00
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Sub Total (B)		0.00	0.00
Other Comprehensive Income (A + B)		0.00	0.00
XIII Total Comprehensive Income for the period (XI + XII) (Comprising Profit/ (Loss) and other Comprehensive Income for the period)		0.00	0.00
XIV Earnings per Equity Share (for Continuing Operations)	32		
Basic (₹)		0.00	0.00
Diluted (₹)		0.00	0.00
XV Contingent Liabilities	33 (i)	0.00	0.00
XVI Capital Commitments	33 (ii)	1265.30	0.00
Other Notes on Accounts	34		

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 34 referred to above form an integral part of Financial Statements.

Changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

Being 1st year of consolidation, previous year figures are not applicable

In terms of our report of even date attached
For Goyal Parul & Co.
Chartered Accountants
Firm Registration No.: 016750N

Sd/-
Parul Goyal
Partner
Membership No. : 099172
Place : New Delhi
Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-
Gaurang Dixit
Director (Finance)
[DIN : 08535482]

Sd/-
Ajay Sharma
DGM (F&A)

Sd/-
Alka Nangia Arora
Chairman-cum-Managing Director
[DIN : 03165567]

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

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 2021

The preparation of consolidated financial statements of The National Small Industries Corporation Limited for the year ended 31st March, 2021 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) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) 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 Revised Audit Report dated 2nd November, 2021 which supersedes their earlier Audit Report dated 23rd September, 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of The National Small Industries Corporation Limited for the year ended 31st March, 2021 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of The National Small Industries Corporation Limited (the Company) but did not conduct supplementary audit of the financial statements of NSIC Venture Capital Fund Limited (subsidiary) for the period 28th August, 2020 to 31st March, 2021. 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.

In view of the revision made in the statutory auditor's report, to give effect to one of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6) (b) read with section 129(4) of the Act.

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

Sd/-
(Vidhu Sood)

Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi

Place : New Delhi
Dated: 29th November, 2021

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

(A Government of India Enterprise)
NSIC Bhavan, Okhla Industrial Estate
New Delhi – 110 020

NOTICE

Notice is hereby given that 66th Annual General Meeting of the Members of The National Small Industries Corporation Limited will be held on 29th November, 2021 at 12.00 noon at the Registered Office of the Company at NSIC Bhawan, Okhla Industrial Estate, New Delhi-110 020 to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Financial Statement of the Company for the Financial Year ended 31st March, 2021 and Reports of the Board of Directors, Auditors' Report thereon alongwith Comptroller & Auditor General of India comments / observation, if any.
- 2) To declare dividend for the Financial Year ending 31st March, 2021.

- 3) 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 2021-22 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 2021-22, as may be deemed fit by the Board."

By Order of the Board of Directors
The National Small Industries Corporation Limited

Sd/-
(Nishtha Goyal)
Company Secretary

Place: New Delhi
Date: 23rd November, 2021

NOTES:

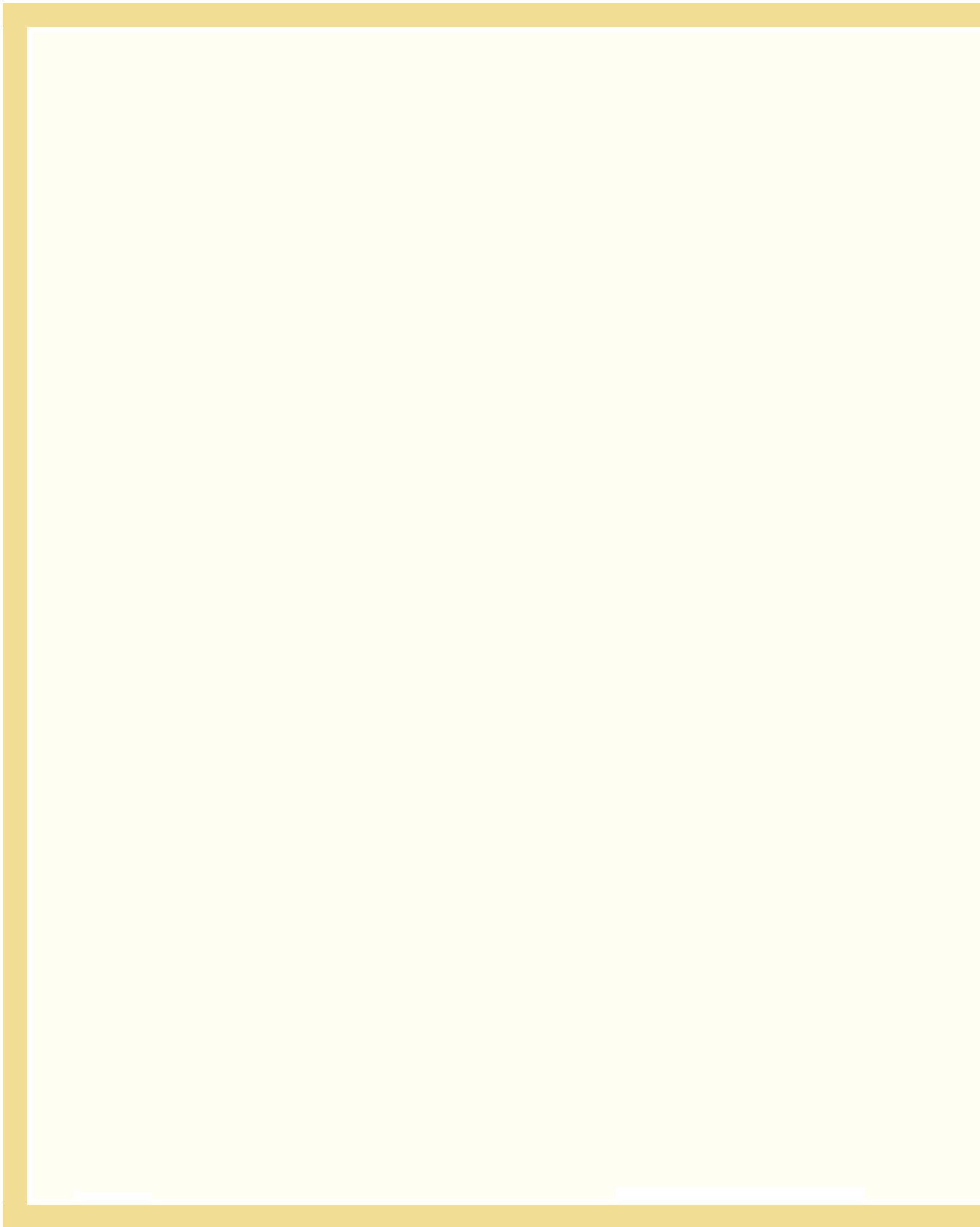
1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and such proxy need not be a member of the Company.
2. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to Company Secretary at the Registered Office of the Company prior to the date of the Annual General Meeting, so that the information required can be made available at the time of the meeting.
3. The Statutory Register maintained as per Companies Act, 2013, will be available for inspection by the Members at the Registered Office of the Company at the time of AGM of the Company at the venue of the Meeting.
4. Blank proxy form is sent herewith.
5. The instrument appointing proxy, duly stamped completed and signed, should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.



**1st ANNUAL REPORT
OF
NSIC VENTURE CAPITAL
FUND LIMITED**

(A Wholly Owned Subsidiary of NSIC)

2020-2021





CIN NO.: U65990DL2020GOI1368828

Chairman

Shri Vijayendra (upto 23rd September, 2021)
Ms. Alka Nangia Arora (w.e.f. 23rd September, 2021)

Directors

- Shri Rajib Kumar Sen, Government Nominee Director
- Shri Ateesh Kumar Singh, Government Nominee Director
- Shri Gaurang Dixit, Director

Company Secretary

Ms. Nishtha Goyal

Statutory Auditors

M/s. Devinder K Jain & Associates

Main Bankers

State Bank of India

Registered Office

NSIC Bhawan
Okhla Industrial Estate
New Delhi-110 020



Board of Directors



Shri Vijayendra
Chairman
(upto 23rd September, 2021)



Smt. Alka Nangia Arora
Chairman
(w.e.f 23rd September, 2021)



Shri Rajib Kumar Sen
Government Nominee Director



Shri Ateesh Kumar Singh
Government Nominee Director



Shri Gaurang Dixit
Director

Board's Report

Dear Shareholders,

Your Directors are pleased to present the 1st Board's Report along with the audited financial statement of the Company for the financial year 2020-2021.

1. Corporate Information

Ministry of MSME, Government of India has approved the guidelines on Self-Reliant India (SRI) Fund for MSMEs. As per approved guidelines, the Mother fund will be anchored by a SPV having 100% equity from NSIC.

Accordingly, a wholly owned subsidiary company viz. NSIC Venture Capital Fund Limited was incorporated as a Special Purpose Vehicle (SPV) company as per the guidelines issued by the Ministry of Micro, Small and Medium Enterprises on 28th August, 2020 to anchor the SRI

Fund. Self-Reliant India (SRI) Fund is the first scheme of the NVCFL.

SRI Fund is a Category-II Alternative Investment Fund registered with SEBI and with Mother Fund / Daughter Fund structure. The Government of India is the sole anchor investor and with the initial budgetary support of Rs. 10,000 crore to the mother fund in phased manner. This shall stand leverage to the extent of Rs. 50,000 crores through Daughter Funds. The objective of SRI Fund to provide funding support to the MSMEs through the Daughter Funds, as growth capital in the form of equity or quasi-equity, for enhancing equity / equity like financing to MSMEs, listing of MSMEs on Stock Exchanges and supporting faster growth of MSME Businesses and thereby ignite the economy and create employment opportunities.



In the gracious presence of Shri B.B. Swain, Secretary, Ministry of MSME, a copy of the Private Placement Memorandum (PPM) of SRI Fund, the first scheme of NSIC Venture Capital Fund Limited handed over to Ms. Ishita G. Tripathi, Additional Development Commissioner (MSME) by Ms. Alka Arora, Chairperson NVCFL. Also present are Shri Gaurang Dixit, Director, NVCFL and Shri K.M. Trivedi.



2. Financials/ Overview of Operations

NSIC Venture Capital Fund Limited (NVCFL) is a wholly owned subsidiary of The National Small Industries Corporation Limited (NSIC Ltd.) and incorporated on 28th August, 2020 under the provisions of the Companies Act, 2013.

NVCFL applied to the Securities Exchange Board of India (SEBI) for registration as a Category-II Alternative Investment Fund under SEBI (Alternative Investment Fund) Regulations, 2012 which has been approved subsequent to the close of the financial year 2020-21 vide certificate dated 1st September 2021.

Therefore, the business activities of the company could not commence by 31st March, 2021. The company is in its initial stage where the expenses form the major part of the Profit & Loss account. Accordingly, there is loss after tax is Rs. 61.10 lakh. Since this is the first year of existence of the company, no previous period comparative figures have been stated in the financial statements.

Snapshot of the financial result is given in the table below:

(Rs. in Lakh)

S. No.	Particulars	2020-21
1.	Revenue from Operations	0.00
2.	Other Income	11.06
3.	Expenses	69.38
4.	Profit / (Loss) before Tax	(58.32)
5.	Tax Expenses	2.78
6.	Profit / (Loss) after Tax	(61.10)
7.	Net worth	538.90
8.	Earning per Share (Rs.)	(10.18)

3. DIVIDEND

Due to losses, the company does not propose any dividend during the current year.

4. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

Since, the Company has incurred a loss of Rs. 61.10 lakh, there are no amount transferred to reserves.

5. MATERIAL CHANGES AND COMMITMENTS OCCURRED BETWEEN THE DATE OF BALANCE SHEET AND THE DATE OF AUDIT REPORT

There were no significant material changes and commitments that have occurred between the date of the balance sheet and the date of the audit report.

6. DEPOSITS

The Company has not accepted any deposit falling within the purview of Section 73 of the Companies Act, 2013 read with rules made thereunder.

7. LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, there were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 and hence the said provision is not applicable. Also, there were no guarantees and investments made by the Company.

8. SHARE CAPITAL

The Authorized Share Capital of the company is Rs. 10 crore and Paid-up Share Capital of the Company is Rs. 6 crore divided into 6,00,000 equity shares of Rs. 100/- each and the entire paid-up share capital is held by The National Small Industries Corporation Limited (holding company) and its nominees.

9. MANAGEMENT DISCUSSION & ANALYSIS

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



10. HUMAN RESOURCE MANAGEMENT

Your Company has not appointed any permanent employee during the financial year 2020-2021. However, holding company i.e. NSIC Ltd. has deployed some of its employees on part-time/full time basis for operational convenience and managing day to day affairs of the company, who are professionals and having financial expertise.

The Company has not entered into any material, financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms etc. in which they are either directly or through their relatives interested as Directors and/or Partners. However, your Company is executing the assignment received from its holding company, where Directors/officers of your Company are working as Directors/Senior Officials. The provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder are not applicable to Government Companies.

11. PARTICULARS OF EMPLOYEES

None of the employees of the Company 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.

12. MANAGERIAL REMUNERATION

No Managerial Remuneration has been paid to the directors of the company as per the provision of Companies Act, 2013. There is no employee who is withdrawing remuneration more than Rs. 60 Lakh per annum or more than Rs. 5 Lakh per month.

13. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your company does not have any manufacturing activity, hence there is no outgo on the conservation of energy, technology and absorption. Further, the Company has no foreign exchange earnings and no outgo transactions of during the period under review.

14. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The arrangements/transactions during the financial year with related parties were in the ordinary course of business and on arm's length basis.

Disclosures of related party transactions and particulars of contracts or arrangements referred to in Section 188(1) of Companies Act, 2013, in prescribed Form AOC-2, as per Rule 8(2) of Companies (Accounts) Rules, 2014, is enclosed with this report.

15. AUDITORS

a) Statutory Auditors

The Comptroller & Auditor General of India has appointed M/s. Devinder K. Jain & Associates, Chartered Accountants as the Statutory Auditors for the financial year 2020-21. The Statutory Auditors have given its report on the financial statements of the Company for the financial year 2020-21. The Audited Financial Statements, Cash Flow Statement and the required annexure together with the Auditors' Report thereto are annexed to this Report. There are no adverse comments, observation or reservations in the Statutory Auditors' Report on the Financial Statements of the Company.

b) C&AG Audit

The Comptroller & Auditor General (C&AG) of India has decided not to conduct the supplementary audit of the financial statements of NSIC Venture



Capital Fund Limited for the year ended 31st March, 2021 under section 143(6) (a) of the Act. A copy of the comments forms part of this Annual Report.

16. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of Companies Act, 2013 read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 for the financial year 2020-2021 forms part of this report.

18. BOARD OF DIRECTORS

As per Article 81 of the Articles of Association of Company, the number of Directors of the Company shall not be less than 3 and not more than 15. NVCFL was incorporated on 28th August, 2020 with the following as first Directors of the company:

As on March 31, 2021, the Board comprised of the following directors:



Under the guidance of Shri Narayan Rane, Hon'ble Minister of MSME, Shri Bhanu Pratap Singh Verma, Hon'ble MOS (MSME) and in the presence of Shri B.B.Swain, Secretary, MSME and Ms. Alka Arora, Chairperson NVCFL, the Contribution Agreement of Self Reliant India (SRI) Fund was signed on 12th Oct 2021 between Ministry of MSME, Government of India, The National Small Industries Corporation Ltd., NSIC Venture Capital Fund Ltd., and SBI Cap Ventures Limited, the Investment Manager.

17. SIGNING OF CONSOLIDATED CONTRIBUTION AGREEMENT

The Consolidated Contribution Agreement was signed on 12th October, 2021 between Ministry of MSME, Government of India, The National Small Industries Corporation Ltd., NVCFL and SBICAP Ventures Limited, the Investment Manager.

Sl. No	Director Identification Number (DIN)	Name of the Director*	Designation
1	03625565	Shri Vijayendra,*	Chairman
2	07669981	Shri Rajib Kumar Sen**	Director
3	06789077	Shri Ateesh Kumar Singh**	Director
4	08535482	Shri Gaurang Dixit***	Director



* In terms of Self Reliant India Fund guidelines approved by the Ministry of MSME, NVCFL will have an independent Board with CMD NSIC as its Chairman, two government nominee Directors, one NSIC nominated Director and a professional CEO. Accordingly, Shri Vijayendra was appointed as Chairman of the Company. Further, Shri Vijayendra, has been relieved from the charge of the post of Chairman-cum-Managing Director, NSIC on 14th September, 2021 (AN) vide Ministry of MSME letter No. K-01/11/2021-SME dated 14th September, 2021 and the additional charge of Chairman & Managing Director of the NSIC has been assigned to Ms. Alka Nangia Arora, Joint Secretary, M/o of MSME, for a period of three months with effect from 14th Sept. 2021 or until further orders, whichever is earlier. Therefore, at present as per SRI fund guidelines, Ms. Alka Nangia Arora is the ex-officio Chairperson of the Company.

** Shri Rajib Kumar Sen and Shri Ateesh Kumar Singh have been appointed by Ministry of MSME as Government Nominee Directors in the Board of the Company.

*** Shri Gaurang Dixit, Director (Finance), NSIC Ltd has been

nominated as one of the Director in the Company.

Further, NSIC Ltd. (holding company of NVCFL) vide its order dated 7th October, 2021 has decided that Shri Gaurang Dixit, Director (Finance), NSIC shall hold the additional charge of CEO, NVCFL in addition to his existing duties and responsibilities, till the regular incumbent reports to the duty.

All the directors are not entitled to any remuneration from the Company, as they are holding the directorship as per their ex-officio positions in the holding company and/or nominated by the Ministry of MSME.

19. NUMBER OF MEETINGS OF BOARD, DIRECTORS' ATTENDANCE AT BOARD MEETINGS

The Company was incorporated on 28th August, 2021, therefore, during the financial year 2020-2021, Two (2) meetings of the Board of Directors of the Company were held viz. (i) 4th September, 2020 and (ii) 31st December, 2020.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. During the Financial Year 2020-21, the details of Directors' attendance at the Board Meetings and number of other Directorship held by Directors are tabled below:

Sl. No.	Name of Director	Board Meetings			No. of other Directorships as on March 31, 2021 (other than NVCFL)
		Held during the tenure	Attended	% of Attendance	
1.	Shri Vijayendra, Chairman	2	2	100	1
2.	Shri Rajib Kumar Sen, Govt. Nominee Director	2	2	100	1
3.	Shri Ateesh Kumar Singh, Govt. Nominee Director	2	2	100	0
4.	Shri Gaurang Dixit, Director	2	2	100	1

During the year under review, there were no changes in the composition of Board of Directors of the Company.



20. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL DURING THE YEAR

During the year under review, there were no changes in the composition of Board of Directors of the Company.

21. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of section 134(3)(c) of the Companies Act 2013, the Directors confirms that:

- in the preparation of the annual accounts for the year 2020-2021, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- such accounting policies have been selected and applied 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 Company at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors have 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 Company and for preventing and detecting fraud and other irregularities;
- The financial statement have been prepared on a going concern basis;
- The Directors have devised proper

systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

22. RIGHT TO INFORMATION ACT, 2005

During the financial year 2020-21, no application was received under "Right to Information Act, 2005 (RTI).

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS /COURTS/ TRIBUNALS

There are no significant and material orders passed by Regulators/Court/ Tribunals against the company.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Since the Company do not fall under any criteria specified in sub-section (1) of section 135 of the Companies Act, 2013, it is not required to constitute a Corporate Social Responsibility ("CSR") Committee.

25. ACKNOWLEDGEMENTS

Your Directors are grateful to the Ministry of MSME, Government of India, for posing their confidence to incorporate a subsidiary company and to launch the SRI Fund as first scheme of NVCFL. The Directors also thank NSIC Limited (holding company), C&AG, M/s Devinder K. Jain & Associates, Chartered Accountants, Statutory Auditors for their valued contribution. The Directors also sincerely appreciate and thank all the stakeholders of the Company for their valuable contribution and efforts in ensuring sustainable performance of the Company.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 22nd November, 2021

Sd/-
(Alka Nangia Arora)
Chairperson
DIN No. 03165567



Management Discussion & Analysis Report

A report on the "Management Discussion & Analysis" including on the Company's performance during the financial year 2020-21 is as follows:

i. Industry structure and developments

As per International Monetary Fund, over the last 3 years (2017 – 2019), India has achieved an average pace of gross domestic product ("GDP") growth of 6.7% p.a., which is amongst the fastest for large economies. Before the COVID-19 pandemic, it was expected that India's growth will continue in the long run thereby making India a favoured investment destination. However, the pandemic has disrupted the overall growth across economies, including India. As per the KPMG report titled "Potential impact of Covid-19 on the Indian economy" published in April 2020, the sectors which are likely to be severely impacted in the short to medium term include aviation & tourism, oil and gas, MSME (Micro, Small and Medium Enterprises), building & construction and transportation & logistics, while the sectors that are likely to be moderately impacted include metals and mining, financial services, auto & auto components, education & skilling.

In order to limit the spread of COVID-19, Government of India and various state governments had imposed phased lockdown/restrictions. These lockdowns had impacted businesses adversely reducing their revenues, delayed supply chain, lack of manpower, etc. According to a McKinsey study, 25% of MSME loans, 6% of corporate loans (primarily in aviation, textiles, power and construction) and 3% of retail loans (personal loans for self-employed and small businesses) could slip into default if adequate support measures are not announced by the Indian Government. To avoid solvency risk and support the businesses, India's central bank – the Reserve Bank of India (RBI)

announced an INR 12.7 trillion package which includes rate cuts, reduction in Cash Reserve Ratio, 3 (three) month (extended to 6 (six) months subsequently) moratorium for all outstanding term loans and easier working capital financing norms. In addition to this, the Indian Government also announced an additional INR 17.2 trillion package targeted towards economically weaker sections, farming community, MSME companies etc.

The Covid-19 situation is expected to significantly impact India's growth in the short term, the outlook for India's growth over the medium and long term is expected to be upbeat and positive due to favourable demographics, high savings and investment rates, healthy domestic consumption supported by strong inflows through foreign direct investment and growth of Micro, Small and Medium Enterprises.

ii. Significance of Micro, Small and Medium Enterprises ("MSME") sector

The MSME sector form the backbone of the Indian economy and have been instrumental in the growth of the nation, leveraging exports, creating huge employment opportunities and encouraging inclusive growth. The MSME sector have been the growth engine of the economy with a vast network of about 63.38 million enterprises. To achieve USD 5 trillion economy by 2025, the MSME sector has to play a vital role. The sector contributes to about 45% of the manufacturing output, more than 40% of the exports, over 28% of the GDP while creating employment for about 111 million people, which in terms of volume stands next agricultural sector. The MSME sector in India is exceedingly heterogeneous in terms of size of the enterprises and variety of products and services, and levels of technology employed. However, the sector has the potential to grow at a faster pace. To provide impetus to the manufacturing sector,



the recent National Manufacturing Policy envisaged raising the share of manufacturing sector in GDP from 16% at present to 25% by the end of 2022. Taking cognizance of the wider set of benefits that the sector offers to the rest of the economy, the Government has envisioned increasing its contribution to 50% of GDP, 60% of exports and employing 50 million more people .

iii. **Operational and Financial Performance**

NVCFL applied to the Securities Exchange Board of India (SEBI) for registration as a Category-II Alternative Investment Fund under SEBI (Alternative Investment Fund) Regulations, 2012 which has been approved subsequent to the close of the financial year 2020-21 vide certificate dated 1st September 2021.

Therefore, the business activities of the company could not commence by 31st March, 2021. The company is in its initial stage where the expenses forms the major part of the Profit & Loss a/c. Accordingly, the loss after tax is Rs. 61.10 lakh. Since this is the first year of existence of the company, no previous period comparative figures have been stated in the financial statements.

iv. **RISKS, CONCERNS and THREATS**

The Fund shall invest in Daughter Funds which shall invest only in MSME sector. The venture capital segment is fraught with a variety of risks, both financial and operational. In particular, it may be pertinent to mention that the investments of the Daughter Funds may lack diversification which may expose such Daughter Funds to the risks relating to their focus sector. This is to mention that there may not be a readily available market for the Fund's investments i.e. investments in the Daughter Funds, or for the Daughter Fund's investments in Portfolio Companies. The lack of an established, liquid secondary market for the Daughter Fund's investments and for the Fund's investments may have an adverse effect on their market value and on the Fund's ability to dispose of them.

The MSME sector is largely dependent on industry parameters like overall demand-supply scenario, level of entry barriers and competition, availability of substitutes and technological trends, government support to the sector and cyclical and seasonality of industry. Further, the Fund has no operating history for making private equity investment in securities in India. It has recently been organized to make Portfolio Investments approved by the Investment Manager.

The Fund will compete with other investors (including Fund of Funds) for investments in Daughter Funds. This may result in fewer attractive investment opportunities.

Recent events in global financial markets (especially due to Covid-19) have caused significant dislocations, illiquidity and volatility in the structured credit, leveraged loan and high-yield bond markets.

v. **OPPORTUNITIES**

The MSME sector in India is essential to achieving the targeted growth rate. The growth and development of MSME is linked to access to capital at the right time. MSMEs have been inordinately affected by the COVID-19 pandemic. This disruptive effect has been compounded due to their limited financial resources and borrowing capacity. The Government of India has introduced a slew of legislative, regulatory and financial measures to support the MSME sector amidst this unprecedented crisis unleashed by the pandemic. With the Government initiative, SRI Fund scheme would be the first scheme of the company. The Government of India is the sole anchor investor with the initial budgetary support of Rs. 10,000 crore to the mother fund in phased manner. This shall stand leverage to the extent of Rs. 50,000 crores through Daughter Funds. This would benefit a large sector of MSMEs that would support faster growth of MSME businesses and thereby ignite the economy and create employment opportunities.



vi. Outlook

NVCFL has been incorporated as a special purpose vehicle (SPV) and registered with SEBI. Self-Reliant India (SRI) Fund is the first scheme of NVCFL wherein it shall provide funds to the empanelled Daughter Funds who shall, in turn, support the MSMEs which have the potential to graduate beyond the MSME bracket and become National / International champions and supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services.

vii. Human Resources and Industrial Relations

Your Company has not appointed any permanent employee during the financial

year 2020-2021. However, holding company i.e. NSIC Ltd. has deployed some of its employees on part-time/full time basis for operational convenience and managing day to day affairs of the company, who are professionals and having financial expertise. The Company has also engaged leading consultancy and professional firms. The Industrial Relations in the company is cordial.

viii. Cautionary Statement

Statements in the report of “Management Discussion and Analysis” are based on current business environment. Actual results could differ from the details as mentioned in the report that may also be affected by government policy decisions and future economic environment.



Annexure II to Board's Report

FORM – AOC-2

Annual Compliance – Related Party Transactions

1. Details of contracts or arrangements or transactions not at arm's length basis: No Material contracts or arrangements or transactions were entered by the Company with any Related Party, during financial year 2020-21
2. Details of material contracts or arrangements or transactions at arm's length basis; during financial year 2020-21:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	The National Small Industries Corporation Limited (Holding Company)	Reimbursement of Manpower Support Cost, Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment expenses incurred by the holding company on behalf of NVCFL. (Exclusive of Taxes)	On-going transaction	Manpower Support Cost – Rs. 15.94 Lakh Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment – Rs. 0.82 Lakhs (all amounts on actual basis)	-	-
2.	The National Small Industries Corporation Limited (Holding Company)	Rent paid to NSIC (Exclusive of Taxes)	Agreement(s) for 11 months	Rent Rs. 0.07 Lakh (i.e. Rs.1000/- per month plus taxes)	-	-
3.	The National Small Industries Corporation Limited (Holding Company)	Reimbursement of Advertisement & Publicity and Duties & Taxes paid on Company Incorporation (Exclusive of Taxes)	One time transaction	Advertisement & Publicity – Rs. 13.67 Lakh Duties & Taxes paid on Company incorporation – Rs. 10.83 Lakh (all amounts on actual basis)	-	-



Annexure III to Board's Report

FORM NO. MGT-9

Extract of Annual Return

As on financial year ended on 31.03.21

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:

1.	CIN	U65990DL2020GOI368828
2.	Registration Date	28 th August, 2020
3.	Name of the Company	NSIC Venture Capital Fund Limited
4.	Category / Sub-category of the Company	Company Limited by shares/ Union Government Company
5.	Address of the Registered Office & contact details	NSIC Bhavan, Okhla Industrial Estate, New Delhi – 110020 Phone No. 011-26926275, 26926370
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

NSIC Venture Capital Fund Limited was incorporated on 28th August, 2020 and has applied for registration as a Category-II Alternative Investment Fund under SEBI (Alternative Investment Fund) Regulations, 2012, which was awaited as on 31st March, 2021, therefore, the business activities of the company couldn't commenced by 31st March, 2021. However, the Company got its registration certificate from SEBI on 1st Sept. 2021.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON 31ST MARCH 2021:

S. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	The National Small Industries Corporation Limited, NSIC Bhawan, Okhla Industrial Estate, New Delhi- 110020	U74140DL1955GOI002481	Holding Company	100%	2(46)



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

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the time of incorporation of the Company [As on 28 th August, 2020]		No. of Shares held at the end of the year [As on 31 st March, 2021]		% 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.	.....	....	....	....	....
c) State Govt.(s)	....	....	....	....	....
d) Bodies Corp.	600000	100%	600000	100%	....
e) Banks / FI	....	....	....	....	....
f) Any other	....	....	....	....	....
Sub-Total (A)(1)	600000	100%	600000	100%	....
(2) Foreign					
a) NRIs- Individuals	....	....	....	....	....
b) Other- Individuals	....	....	....	....	....
c) Bodies Corp.	....	....	....	....	....
d) Banks/FI	....	....	....	....	....
e) Any other	....	....	....	....	....
Sub-Total(A) (2)	....	....	....	....	....
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	600000	100%	600000	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) FIs	...	...	...	...	...
h) Foreign Venture Capital Funds	...	...	...	...	...
i) Others (specify)	...	...	...	...	...
Sub-total (B)(1):-	...	...	...	...	...



Category of Shareholders	No. of Shares held at the time of incorporation of the Company [As on 28 th August, 2020]		No. of Shares held at the end of the year [As on 31 st March, 2021]		% Change during the year
	Total No. of Shares	% of Total Shares	Total No. of Shares	% of Total Shares	
2. Non-Institutions					
a) Bodies Corp.	...	...	...	...	...
i) Indian	...	...	...	...	...
ii) 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					
a) 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)	600000	100%	600000	100%	

Note: The entire Paid-up Share Capital of NSIC Venture Capital Fund Limited is held by The National Small Industries Corporation Limited (holding company) and its six Nominees.

ii) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the time of incorporation of the Company [As on 28 th August, 2020]			Shareholding at the end of the year [As on 31 st March, 2021]			% change in shareholding 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	The National Small Industries Corporation Limited	599994	99.99%	...	599994	99.99%	...	...
2	Shri Vijayendra *	1	Negligible	...	1	Negligible	...	...
3	Shri P. Udayakumar*	1	Negligible	...	1	Negligible	...	...
4	Shri Gaurang Dixit*	1	Negligible	...	1	Negligible	...	...



S No.	Shareholder's Name	Shareholding at the time of incorporation of the Company [As on 28 th August, 2020]			Shareholding at the end of the year [As on 31 st March, 2021]			% change in shareholding 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	
5	Shri Navin Chopra *	1	Negligible	...	1	Negligible	...	...
6	Shri P. Dey, CGM(IT) *	1	Negligible	...	1	Negligible	...	...
7	Shri M.P. Singh *	1	Negligible	...	1	Negligible	...	...
	Total	600000	100		600000	100	...	...

* As nominee of The National Small Industries Corporation Limited i.e. holding Company.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the time of incorporation of the company i.e. 28 th August, 2021		Cumulative Shareholding at the end of year i.e. 31 st March, 2021	
		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	There is no change during the period under review.			
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
3	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 time of incorporation of the company i.e. 28 th August, 2021		Cumulative Shareholding at the end of year i.e. 31 st March, 2021	
		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	Nil, The company is wholly owned subsidiary company of The National Small Industries Corporation Limited.			
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
3	At the end of the year				



v) Shareholding of Directors and Key Managerial Personnel (KMP):

S No.	Name of the Director/KMP	Shareholding at the time of incorporation of the company i.e. 28 th August, 2021		Cumulative Shareholding at the end of year i.e. 31 st March, 2021	
		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 Vijayendra	1	Negligible	1	Negligible
	Shri Gaurang Dixit	1	Negligible	1	Negligible
2.	Change in the shareholding	Nil			
3.	At the end of the year				
	Shri Vijayendra	1	Negligible	1	Negligible
	Shri Gaurang Dixit	1	Negligible	1	Negligible

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

(Rs. in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				



VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

S No	Particulars of Remuneration	Name of MD/WT/Manager		Total Amount
		Sh. Vijayendra (Non-Executive Director)	Sh. Gaurang Dixit (Non-Executive Director)	
1	Gross Salary	.....	.....	.....
	(a) Salary (as per provisions contained in section 17(1) of the Income-tax Act, 1961)	.....	.....	.....
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	.....	.....	.....
	(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 (Employer cont. to PF & Pension)	.....	.....	.....
	TOTAL (A)	.....	.....	.....

B. Remuneration to other Directors

S No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors				
	Fee for attending Board / Committee Meetings	.....	.....	.....	.....
	Commission	.....	.....	.....	.....
	Others, please specify	.....	.....	.....	.....
	Total (1)	.....	.....	.....	.....
2	Other Executive Directors	.....	.....	.....	.....
	Fee for attending Board / Committee Meetings	.....	.....	.....	.....
	Commission	.....	.....	.....	.....
	Others, please specify	.....	.....	.....	.....
	Total (2)	.....	.....	.....	.....
	Total (B)=(1+2)	.....	.....	.....	.....



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

S No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO	CFO	CS	Total
1	Gross salary	....	....	....	....
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	....	....	....	....
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	....	....	....	....
	(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 (Employer cont. to PF & Pension	....	....	....	....
	Total	....	....	....	....

Note: The Directors of NVCFL are the non-executive directors on its Board and they are not drawing any remuneration either on monthly or annual basis from the Company.

VIII. 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					



INDEPENDENT AUDITORS' REPORT

To

The Members of NSIC Venture Capital Fund Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **NSIC Venture Capital Fund Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flows and for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. ('financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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 Company as at 31 March 2021 and its losses including other comprehensive income, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1(B)(II) of the financial statements which explain the reasons why the financial statements have been prepared using the format prescribed in Division III of Schedule III to the Act rather than Division II of Schedule III to the Act.

We also draw your attention to Note 24 of the financial statements which explain the uncertainties and the management's assessment of the financial impact due to the conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of the above matters

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the



financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant



audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of changes in equity and Statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the financial statements comply with the Ind AS specified under section 133 of the Act, as applicable.
 - (e) In terms of notification no. GSR 463(E) dated 5 June 2015 issued by the Ministry

of Corporate Affairs, Government of India, provisions of Section 164(2) of the Act are not applicable to the Company being a government company.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B;
- (g) In terms of notification no. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act are not applicable to the Company being a government company;
- (h) With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Act, refer to our separate report in Annexure C;
- (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 Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company 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 Company.

for Devinder K Jain & Associates

Chartered Accountants
Firm Registration No.: 007799N

Sd/-

CA D.K. Jain

Partner

Membership No.: 083417

UDIN: 21083417AAAADH8998

Place: New Delhi
Date: 23/09/2021



ANNEXURE A REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL FUND LIMITED FOR THE PERIOD ENDED 31 MARCH 2021

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|---|---|
| <p>(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) As explained to us, fixed assets have been physically verified by the management during the period in accordance with the annual programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.</p> <p>(c) According to the information and explanations given to us, the Company does not own any immovable property.</p> <p>(ii) According to the information and explanations given to us, the Company's business does not involve any inventories and accordingly the requirements of Para 3(ii) of the Order are not applicable to the Company.</p> <p>(iii) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.</p> <p>(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Companies Act, 2013 to the extent applicable in respect of loans, investments, guarantees and security.</p> <p>(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies</p> | <p>Act, 2013 and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable to the Company.</p> <p>(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities carried out rendered by the Company. Accordingly, para 3(vi) of the Order is not applicable.</p> <p>(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax and other material statutory dues have been generally regularly deposited by the Company with the appropriate authorities.</p> <p>According to the information and explanations given to us, no undisputed amounts payable were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.</p> <p>(b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, goods and services tax and cess, duty of customs, excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute.</p> <p>(viii) According to the information and explanations given to us, the Company does not have loans or borrowings from financial institutions, banks, government or debenture holders during the period. Accordingly, para 3 (viii) of the Order is not applicable to the Company.</p> |
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- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period. Accordingly, para 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officer or employees has been noticed or reported during the period.
- (xi) According to the information and explanations given to us, the Company has not paid / provided any managerial remuneration during the period and is in compliance with section 197 read with Schedule V to the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, para 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, to the extent applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, para 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him covered by Section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as it was already in the process of obtaining necessary regulatory approvals from Securities & Exchange Board of India (SEBI) for setting up an Alternative Investment Funds (AIF) and the Reserve Bank of India has specifically exempted (AIFs) from registration with the Reserve Bank of India vide Master Direction – Exemption from provisions of RBI Act, 1934, as updated from time to time. Subsequent to the close of the financial year 2020-21, the Company has also received the SEBI approval vide certificate dated 1 September 2021.

for **Devinder K Jain & Associates**

Chartered Accountants
Firm Registration No.: 007799N

Sd/-

CA D.K. Jain

Partner

Membership No.: 083417
UDIN: 21083417AAAADH8998

Place: New Delhi
Date: 23/09/2021



ANNEXURE B REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL FUND LIMITED FOR THE PERIOD ENDED 31 MARCH 2021

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 with reference to the financial statements of NSIC Venture Capital Fund Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company 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 ('ICAI'). 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 company'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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to the financial statements 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 issued by the ICAI. 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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 judgment, 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 audit opinion on the Company's internal financial controls system with reference to the financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to the financial statements 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 company's internal financial control with reference to the financial statements 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 company; (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 company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to the financial statements criteria established by the Company 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 **Devinder K Jain & Associates**

Chartered Accountants
Firm Registration No.: 007799N

Sd/-

CA D.K. Jain

Partner

Membership No.: 083417
UDIN: 21083417AAAADH8998

Place: New Delhi
Date: 23/09/2021



Compliance Certificate

We have conducted the audit of accounts of NSIC Venture Capital Fund Limited for the period ended 31st March, 2021 in accordance with the Directions / Sub-Directions issued by the 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 **Devinder K Jain & Associates**

Chartered Accountants

ICAI Firm Registration No.: 007799N

Sd/-

CA D.K. Jain

Partner

Membership No.: 083417

UDIN: 21083417AAAADH8998

Place: New Delhi

Date: 23/09/2021



ANNEXURE C REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL FUND LIMITED FOR THE PERIOD ENDED 31 MARCH 2021

Report on Directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 ("the Act") with respect to the financial statements of NSIC Venture Capital Fund Limited for the period ended 31 March 2021.

S No.	Directions	Reply
I	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has a system in place to process all the accounting transactions through IT System. The Company is using Tally software for accounting. Based on audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed / carried outside the IT System.
II	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As per information and explanations given to us and based on our examination of records, the Company has not accepted any loan from any lender during the period.
III	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per information and explanations given to us and based on our examination of records, the Company has not yet been allotted any funds for any specific schemes from central / state agencies for utilization.

for **Devinder K Jain & Associates**

Chartered Accountants

Firm Registration No.: 007799N

Sd/-

CA D.K. Jain

Partner

Membership No.: 083417

UDIN: 21083417AAAADH8998

Place: New Delhi

Date: 23/09/2021



NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2021

Note – 1: CORPORATE INFORMATION & BASIS OF ACCOUNTING

A. CORPORATE INFORMATION

NSIC Venture Capital Fund Limited ('NVCFL' or 'the Company'), is a public limited company domiciled in India and incorporated on 28 August 2020 under the provisions of the Companies Act, 2013. The Company is a wholly owned subsidiary of The National Small Industries Corporation Limited ('NSIC'), a Government of India enterprise, and has applied for registration as a Category-II Alternative Investment Fund under SEBI (Alternative Investment Fund) Regulations, 2012 which has been approved subsequent to the close of the financial year 2020-21 vide certificate dated 1 September 2021. The registered office is located at NSIC Bhawan, Okhla Industrial Estate, Phase –III, New Delhi - 110020 (India).

Self-Reliant India (SRI) Fund ("the Scheme") is the first scheme of the Company. The objective of the Scheme is to provide funding support to the daughter funds for onward provision of support to MSMEs as growth capital, through equity, quasi-equity and debt.

B. BASIS OF ACCOUNTING

I. Statement of compliance

The financial statement will be prepared in accordance with Indian Accounting Standards under the provisions of the Companies Act, 2013 ("Act"). The Ind AS is prescribed under Section 133 of the Act with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

II. Basis of Preparation and Presentation

The Ind AS financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and liability that may be measured at fair value at the end of each reporting date as required under relevant Ind AS. These policies have been applied consistently for all the periods presented in the financial statements. Since this is the first year of existence of the company, no previous period comparative figures have been stated in the financial statements.

Though, the Company has been exempted from registration with the Reserve Bank of India as an Non-Banking Finance Companies (NBFC) vide Master Direction – Exemption from provisions of RBI Act, 1934, as updated from time to time, the Company has followed Division III of Schedule III to the Companies Act, 2013 while preparing its financial statements which are applicable to NBFCs as defined in Companies (Indian Accounting Standards Rules), 2015 which includes venture capital fund companies. Since the Company has been setup as a venture capital fund company with the specific purpose of establishing an AIF and was already in the process of obtaining an approval from Securities and Exchange Board of India (SEBI) as at the financial reporting date of 31 March 2021, the Company has determined that Division III of Schedule III of the Act is a more appropriate form of presentation of financial statements than Division II of Schedule III of the Act. The Company has subsequently received the SEBI approval vide certificate dated 1 September 2021.

III. Use of Judgement and Estimates



In preparing the financial statements in conformity with the Company's accounting policies, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements, the amount of revenue and expenses during the reported period and notes to financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized in the period in which the results are crystallized.

IV. Critical Accounting Estimates and Management Judgements

In application of the accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is stated hereunder:

- **Property, Plant and Equipment (PPE) and Intangible Assets:** The residual values and estimated useful life of PPEs and intangible assets are assessed at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operational condition of the asset, past history of replacement and maintenance support. Upon review, the

management accepts the assigned useful life and residual value for computation of depreciation/amortization.

- **Income Taxes:** Estimates are involved in determining the provisions for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Judgements are made in respect of expected future profitability to assess deferred tax asset.
- **Impairment of Financial assets:** The impairment assessment of financial instruments comprising of trade receivables and Loans & Advances is carried out based on assumptions about risk of default and expected loss. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward-looking estimates at the end of each reporting date.
- **Impairment of Non-financial assets (PPE):** The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement.
- **Defined Benefit Plans and Other long-term employee benefits:** Currently, there are no employees which are on payroll of the company except two employee which are on deputation basis from holding company NSIC and all Retirement benefits are provided by NSIC and charged



to revenue account on a reimbursement basis.

- **Fair value measurement of financial instruments:** When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses other valuation techniques to determine its fair value. The inputs to apply these techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Provisions and contingencies:** The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

V. Functional and presentation currency

These Ind AS financial Statements are prepared in Indian rupees, the national currency of India and the functional currency of the company.

NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation and presentation of the financial statements as given below have been applied consistently to all periods presented in the financial statements.

2.1 Property, Plant and Equipment (PPE) – Tangible PPEs

2.1.1 Initial recognition and measurement

- I. Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation, lease terminal adjustment and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use.
- II. When parts of an item of PPE have different useful lives, they are recognized separately by identifying such components.
- III. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use. Borrowing costs (after deducting income on temporary investment of borrowed funds, if any) directly attributable to the specified item of property, plant and equipment, are capitalized to such items.

2.1.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the property, plant and equipment when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the property, plant and equipment can be measured reliably. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and



its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

2.1.3 Derecognition

Property, plant and equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

2.1.4 Impairment of Property, Plant & Equipment

Property, Plant & Equipment are treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is recognized immediately to Statement of Profit and Loss in the year in which an asset is identified as impaired and the carrying amount of the asset is reduced to its recoverable amount, unless the relevant asset is carried at a revalue amount, where the impairment loss is treated as a revaluation decrease. If there is any indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

2.1.5 Depreciation on Tangible Assets

- I) Depreciation is charged on straight-line method as per useful lives specified in part C to schedule II of the Companies Act, 2013 except Mobile phone Instruments.

S. No	Nature of Assets	Useful Life	Rate	Residual Value
1	Computers, Laptops & Processing Units	3 Years	31.67%	5% of original cost
2	Mobile Phone Instruments	3 Years	33.33%	Rs. 1/-

- II) Depreciation on additions to / deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposal.
- III) Assets costing up to INR 0.10 Lakh are depreciated fully in the year of purchase, after retaining 5% of original cost as residual value except Mobile phone Instruments where INR 1/- is retained as residual value.
- IV) Mobile phone Instruments costing over INR 0.10 lakh, are depreciated over a period of 3 years considering the estimate of their useful life as per the management, starting from the year in which it is acquired, after retaining Rs. 1/- as residual value.

2.1.6 Intangible Assets Under Development

Expenditure incurred by the Company which are specifically attributable to development of an intangible asset is capitalised as “intangible assets under development” if it is in compliance with Ind AS 38 and is likely to satisfy the recognition and measurement criteria upon completion of development. The Company has incurred expenses on the process of obtaining a regulatory approval from SEBI for operating an AIF and all directly attributable expenses which are likely to result into inflow of economic benefits from have been capitalised and disclosed as intangible assets under development and such asset shall be amortised from the date of receipt of SEBI approval.

2.2 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. All the items of income/ revenue & expenditure are accounted for on accrual basis where there is certainty as to realization as described hereunder:

2.2.1 Interest Income

Interest income on Fixed Deposit is accrued on time basis, by reference to the principal outstanding and the effective interest rate applicable which is the rate which exactly discounts estimated future cash receipt through the expected life of financial assets to that asset's net carrying amount on initial recognition.

2.2.2 Allocation of Expenses

The direct and indirect expenses are charged to the statement of profit and loss on accrual basis.

2.3 Employee Benefits

2.3.1 The Company currently does not employ any employee and personnel, requirements are met through staff deputed by NSIC, its holding company. The salaries, allowance, gratuity, long term retirement benefits and other benefits in respect of employees deputed to the Company are taken care by NSIC and the attributable costs are reimbursed by the Company to NSIC.

2.4 Taxation

Tax expense for the period comprises of current tax and deferred tax. Tax recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity where the tax is also recognized in other comprehensive income or equity.

2.4.1 Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provision of the Income Tax Act, 1961 and any the other applicable tax laws.

2.4.2 Deferred Tax

- I) Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose.
- II) Deferred tax liabilities are generally recognized for all taxable temporary differences.
- III) Deferred tax assets are generally recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.
- IV) The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.5 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equities shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Parent Company.



2.6 Cash and Cash Equivalents

Cash comprises of cash on hand, demand deposits with banks, etc. The Company considers cash equivalents as all short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.7 Cash Flow Statement

Cash flows are reported using indirect method as prescribed in Ind AS-7 "Statement of Cash Flows".

2.8 Provisions and Contingencies

2.8.1 Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.8.2 Contingent Liabilities & Contingent Assets

- I) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot

be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

- II) Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.
- III) Provisions, Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.9.1 Initial Recognition and Measurement

Financial assets and financial liabilities are initially measured at fair value except in case of Trade Receivables which are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset at fair value through profit & loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset at FVTPL are recognized immediately in the statement of profit & loss.

2.9.2 Financial Assets

I. Subsequent Measurement

Financial assets include Cash



and Cash Equivalents, Bank Balance other than cash & cash equivalents & interest accrued but not due etc. Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired.

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- at amortized cost using effective interest rates (EIR)
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

A. Financial Assets at Amortized Cost – A financial asset shall be measured at Amortized cost, if both of the following conditions are met:

- a) Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- b) Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using Effective Interest Rate (EIR) method. The EIR method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discount estimated future cash receipts (including all fees paid or received that forms an integral part of the effective interest rate, transaction costs and other premiums and discounts) through the expected life of the financial asset, or where appropriate, a shorter period to the net carrying amount on initial recognition.

The Company cash and cash equivalents & Bank Balance other than cash & cash equivalents falls into this category of financial instruments.

B. Fair value through other comprehensive income (FVTOCI) - A financial asset shall be measured at Fair value through other comprehensive income, if both of the following conditions are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- b) The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.
- c) Fair value movements are recognized in the OCI and accumulated in



reserve

Currently, there are no instruments to classify to FVTOCI.

- C. Fair value through profit or loss (FVTPL) - A financial asset is measured at FVTPL unless it is measured at amortized cost or FVTOCI, with all changes in the fair value recognized in Statement of P&L.

II. Impairment in Financial Assets

The Company at the end of each reporting year, tests a financial asset or a group of financial assets (other than financial assets held at fair value through profit or loss) for impairment based on evidence or information that is available without undue cost or effort. Expected credit loss (ECL) is assessed and impairment loss recognized, if the credit risk of the financial asset is significantly increased.

The impairment losses and reversals are recognized in the statement of profit and loss.

Impairment model under IndAS-109 applies to financial instruments as listed below:

- Financial assets that are debt instruments measured at Amortized Cost e.g. bank balance

III. Derecognition of Financial Assets

Financial assets are derecognized when the contractual right to receive cash flows from the financial assets expires or transfers the contractual rights to receive the cash flows from the asset.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognized in Other Comprehensive Income and accumulated in Equity, is recognized in Statement of Profit and Loss if such gain or loss would have otherwise been recognized in Statement of Profit and Loss on disposal of that financial asset.

2.9.3 Financial Liabilities and Equity Instruments

2.9.3.1 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Entity are recognised at the proceeds received, net of direct issue costs.

2.9.3.2 Financial Liabilities

The Company's financial liabilities include Trade payable and statutory dues payable. All financial liabilities are recognized initially at fair value.

I. Subsequent Measurement

- A. Financial liabilities at Amortized costs – After initial measurement, such financial liabilities are subsequently measured at amortized cost using the Effective Interest Rate (EIR)



method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

- B. Financial liabilities at Fair value through statement of Profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. The carrying value of those financial liabilities which are to be discharged within twelve months is considered to be its fair value.

II. Derecognition of Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such

an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

2.10 Leases

Company as a Lessor

Currently, there is no lease (Operating or Finance Lease) agreement with the company as lessor.

Company as a Lessee

The company has taken office space on lease for which lease rental payments are made. These lease arrangements are usually renewable on mutually agreed terms. The accounting by Lessee as prescribed by Ind AS-116 is as under:

The company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases), leases with no written agreement and leases for low value underlying assets.

A short-term lease would cover lease agreement for less than 12 months or lease agreements more than 12 months but lessor having a right to cancel at any time by giving some notice period.

The Standard does not specify the threshold for low value assets. However, it includes low value assets viz tablets, personal computers/Laptop and small items of PPE, etc.

For short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/amortization



and impairment losses. Right-to-use asset shall be depreciated in accordance with Ind AS-16-Property, Plant and Equipment (PPE).

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020

(CIN No.: U65990DL2020GOI368828)

BALANCE SHEET AS AT 31.03.2021

(₹ in Lakh)

S No.	Particulars	Note No.	As at 31 March 2021
ASSETS			
1	Financial Assets		
	(a) Cash and Cash Equivalents	3	10.50
	(b) Bank Balances Other Than Cash and Cash Equivalents	4	500.00
	(c) Other Financial Assets	5	9.69
			520.19
2	Non-Financial Assets		
	(a) Property, Plant and Equipment	6	1.00
	(b) Intangible Assets under Development	-	16.93
	(c) Other Non-Financial Assets	7	4.90
			22.83
	Total Assets		543.02
LIABILITIES AND EQUITY			
LIABILITIES			
1	Financial Liabilities		
	(a) Payables	8	
	(I) Trade Payables		
	(i) Total outstanding dues of micro & small enterprises		0.56
	(ii) Total outstanding dues of creditors other than micro & small enterprises		0.00
	(b) Other Financial Liabilities	9	1.61
			2.17
2	Non-Financial Liabilities		
	(a) Current Tax Liabilities (Net)	10	1.95
	Total Liabilities		4.12
3	Equity		
	(a) Equity Share Capital	11	600.00
	(b) Other Equity	12	-61.10
			538.90
	Total Equity		538.90
	Total Liabilities and Equity		543.02
See accompanying Notes forming part of the Financial Statements		1 to 26	

In terms of our report attached of even date
For Devinder K Jain & Associates
Chartered Accountants
ICAI Firm Registration No.: 007799N

Sd/-
D.K. Jain
Partner
Membership No. : 083417

Place : New Delhi
Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-
Alka Nangia Arora
Chairperson
[Din No.: 03165567]

Sd/-
Rajesh Madan
OSD

Sd/-
Gaurang Dixit
Director
[Din No.: 08535482]

Sd/-
Nishtha Goyal
Company Secretary
[Membership No.: A22768]



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020

(CIN No.: U65990DL2020GOI368828)

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD COMMENCING FROM 28.08.2020 TO 31.03.2021

(₹ in Lakh)

S No.	Particulars	Note No.	For the Period ended 31 March 2021
I.	Revenue from operations	-	-
	Total Revenue from operations		-
II.	Other Income	13	11.06
III.	Total Income (I+II)		11.06
IV.	Expenses		
	Depreciation and Amortisation Expenses	14	0.01
	Other Expenses	15	69.37
	Total Expenses (IV)		69.38
V	Profit / (Loss) before Tax (III-IV)		-58.32
VI	Tax Expense	16	
	Current Tax		2.78
	Deferred Tax		-
	Total Tax Expense (VI)		2.78
VII	Profit /(Loss) for the Year (V-VI)		-61.10
VIII	Other Comprehensive Income		
	A) Item that will not be reclassified to profit or Loss		-
	B) Item that will be reclassified to profit or Loss		-
	Total Other Comprehensive Income (A + B)		-
IX	Total Comprehensive Income for the period (VII+VIII) (Comprising Profit/ (Loss) and other Comprehensive Income for the period)		-61.10
X	Earning / (Loss) Per Equity Share	17	
	Basic (Rs.)		-10.18
	Diluted (Rs.)		-10.18

The accompanying notes form an integral part of the financial statements.

In terms of our report attached of even date
For Devinder K Jain & Associates
 Chartered Accountants
 ICAI Firm Registration No.: 007799N

Sd/-
D.K. Jain
Partner
Membership No. : 083417

Place : New Delhi
 Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-
Alka Nangia Arora
Chairperson
[Din No.: 03165567]

Sd/-
Rajesh Madan
OSD

Sd/-
Gaurang Dixit
Director
[Din No.: 08535482]

Sd/-
Nishtha Goyal
Company Secretary
[Membership No.: A22768]



NOTE-3 CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31 March 2021
Balance with Banks:	
Current Account	10.50
Total	10.50

Note :- There are no repatriation restriction w.r.t. cash and cash equivalents as at the end of the reporting periods presented above.

NOTE-4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31 March 2021
Term Deposits (Maturity more than 90 days but not exceeding 370 days)	500.00
Total	500.00

Note :- Term deposit earns interest at a fixed interest rate.

NOTE-5 OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2021
Interest Accrued but not Due on Fixed/Short Term Deposits	9.69
Total	9.69

NOTE-6 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Computers, Laptops & Processing Units	Mobile	Total
For the year ended 31 March 2021			
Gross Carrying Amount			
Opening Balance	-	-	-
Additions during the year	0.87	0.14	1.01
Disposals during the year	-	-	-
Gross carrying value as at 31 March 2021	0.87	0.14	1.01
Accumulated Depreciation and impairment			
Opening Balance	-	-	-
Depreciation Expenses for the year	-	0.01	0.01
Disposals during the year	-	-	-
Accumulated depreciation and impairment as of March 31, 2021	-	0.01	0.01
Net carrying amount as at 31 March 2021	0.87	0.13	1.00

**NOTE - 7 OTHER NON - FINANCIAL ASSETS**

(₹ in Lakh)

Particulars	As at 31 March 2021
Balance with Government Authorities	4.90
Total	4.90

NOTE - 8 PAYABLES

(₹ in Lakh)

Particulars	As at 31 March 2021
Trade Payables	
(i) Total outstanding dues of micro & small enterprises	0.56
(ii) Total outstanding dues of creditors other than micro & small enterprises	—
Total	0.56

Note : There are no Micro, Small and Medium Enterprises, to whom the company owe amount which are outstanding for more than 45 days during the year. The information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the company regarding the status of the supplier. Further, no interest is outstanding to be paid to any such parties. Provision for statutory audit fee has been classified as dues to micro and small enterprise as the audit firm is a micro enterprise, however no dues are overdue since the actual payment shall become payable upon issuance of invoice on completion of audit.

NOTE - 9 OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31 March 2021
Statutory Dues Payable	1.61
Total	1.61

NOTE - 10 CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31 March 2021
Provision for Income Tax	2.78
Less : Income Tax Paid	-0.83
Total	1.95

NOTE - 11 EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31 March 2021
(a) Authorised Share Capital	
10,00,000 Equity Shares of Rs. 100 each	1000.00
Total	1000.00
(b) Issued, Subscribed & Paid-up-Share Capital	
6,00,000 Equity Shares of Rs. 100 each	600.00
Total	600.00

**(c) Reconciliation of number of shares outstanding at the beginning and at the end of the year :**

(₹ in Lakh)

Particulars	As at 31 March 2021	
	No of Shares	Amount
Balance at the beginning of the year	-	-
Add/(less) : Issued during the year	600000	600.00
Balance at the end of the year	600000	600.00

(d) Equity Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of equity shares held are as under :

(₹ in Lakh)

Particulars	As at 31 March 2021	
	No of Shares	% of Total Paid up Equity Share Capital
The National Small Industries Corporation Limited (NSIC)	600000*	100
Total	600000	100

* Includes 6 shares held by others as nominees of the company.

(e) Details of shares held by holding company

Particulars	As at 31 March 2021
The National Small Industries Corporation Limited (NSIC)	600000*
Total	600000*

* Includes 6 shares held by others as nominees of the company.

(f) Terms and rights attached to equity shares :

The Company has only one class of equity shares having par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Bonus Shares :

There are no bonus shares issued since inception.

NOTE - 12 OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31 March 2021
Accumulated loss	-61.10
Total	-61.10



Accumulated loss

Accumulated loss represents the accumulated loss of the Company for the reporting period.

(₹ in Lakh)

Particulars	As at 31 March 2021
Opening Balance	-
Loss for the year	-61.10
Closing Balance	-61.10

Note - 13 OTHER INCOME

(₹ in Lakh)

Particulars	Period ended 31 March 2021
Interest earned on term deposits kept with bank	11.06
Total	11.06

Note - 14 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakh)

Particulars	Period ended 31 March 2021
Depreciation on:	
Mobile	0.01
Computers/Laptops and Processing Units	0.00
Total	0.01

Note - 15 OTHER EXPENSES

(₹ in Lakh)

Particulars	Period ended 31 March 2021
Advertisement and Publicity #	26.03
Manpower Support Cost #	15.94
Recruitment Expenses	14.84
Duties & Taxes paid on Company Incorporation #	10.83
Travelling, Conveyance & Vehicle Charges #	0.57
Payment to auditors - statutory audit fees*	0.50
Printing & Stationery Expenses #	0.29
Website and Webportal expenses	0.12
Entertainment #	0.10
Rent Paid #	0.07
Legal & Professional Fees	0.06
Miscellaneous Expenses	0.02
Total	69.37

* No other payment made to statutory auditor other than statutory audit fees.

Refer Note No. 21



NOTE - 16 TAX EXPENSES

(₹ in Lakh)

Particulars	Period ended 31 March 2021
Current Tax	
Current Tax on taxable income for the period	2.78
Total Current Tax	2.78
Deferred Tax Expense	
Origination and reversal of temporary differences	-
Total Deferred Tax Expense	-
Total Tax Expense	2.78

The Income Tax expense comprises of Current Tax and Deferred Tax. Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with Income Tax Act, 1961 and Excess or Shortfall if any, is adjusted on finalization of assessments. Section 115BAA has been inserted in the Income Tax Act, 1961 to give the benefit of a reduced corporate tax rate for the domestic companies. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% from the FY 2019-20 (AY 2020-21) onwards if such domestic companies adhere to certain conditions specified. The Company has availed the benefit of the same in the current period and Tax Provision has been made accordingly in the books of accounts.

NOTE - 16.1 RECONCILIATION OF EFFECTIVE TAX RATE:

(₹ in Lakh)

Particulars	Period ended 31 March 2021
Loss Before Tax	-58.32
Enacted Income Tax Rate in India applicable to the Company	25.168%
Computed Tax Expenses	2.78
Tax effect of:	
Expenses that are deductible in determining taxable profit	0.00
Expenses that are not deductible in determining taxable profit	69.38
Current Tax Provision	2.78
Incremental Deferred Tax Assets / (Liability)	0.00
Tax Expense recognised in Statement of Profit & Loss	2.78
Effective Tax Rate	25.168%

NOTE - 17 EARNING PER SHARE

(₹ in Lakh)

Particulars	Period ended 31 March 2021
A. Net Profit / (Loss) attributable to equity shareholders	-61.10
B. Weighted average number of equity share for basic earning per share	600000
Effect of dilution	
C. Weighted average number of equity share for diluted earning per share	600000
Earning per share (Basic) (Rs.) (A/B)	-10.18
Earning per share (Diluted) (Rs.) (A/C)	-10.18



NOTE – 18 SEGMENT REPORTING

The Company has been setup for financial & investing activities and presently operates in a single business and geographical segment.

NOTE – 19 CONTINGENT LIABILITIES & COMMITMENTS

- (A) The company does not have any Contingent liability as on 31 March 2021.
 (B) Commitments towards legal advisor expense for future period is INR 229.07 Lakh.

NOTE – 20 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

NOTE – 21 RELATED PARTY DISCLOSURES

A. Names of related parties and nature of relationship:

Description of relationship	Name of the related party
Holding Company	The National Small Industries Corporation Limited
Key Management Personnel (KMP)	Shri Vijayendra (Chairman)
	Shri Gaurang Dixit (Director)
	Smt. Nishtha Goyal (Company Secretary)

B. Names of related parties and nature of transaction during the year:

(₹ in Lakh)		
Name of the Related Party	Nature of Transactions	Period ended March 31, 2021
Holding Company	Equity Proceeds Received	600.00
	Reimbursement made for expenses incurred by related party on behalf of the Company	
	– Manpower Support Cost	15.94
	– Rent Paid	0.07
	– Advertisement and Publicity	13.67
	– Duties & Taxes paid on Company Incorporation	10.83
	– Other Exp. (i.e. Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment)	0.82
	Advance availed	1.00
	Advance repaid	1.00



C. Details of balances outstanding for related party transactions:

(₹ in Lakh)

Name of the Related Party	Nature of Transactions	Period ended March 31, 2021
Holding Company	Contribution to equity	600.00

D. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. All values above (Note No. 21 [B]) are without GST where applicable.

NOTE – 22 LEASES

As per Ind - AS 116 Leases, it is optional to apply the recognition principles as laid down in the standard in the case of short term leases and low value assets. Since the only lease contract of the Company is for a period less than 12 months and is of immaterial value, company has opted to not apply the recognition principles as stated in Ind AS 116.

Amount recognised in the Statement of Profit & Loss

During the period ended 31st March 2021, lease rent in the nature of operating lease of Rs. 0.07 lakh has been recognised in the statement of profit & loss. There is no contractual lease payment commitment beyond the tenure of 11 months.

NOTE – 23 FINANCIAL INSTRUMENTS – FAIR VALUE

I. Capital Management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The primary objectives of the company's capital management are safety and security of share capital and maximize the shareholder wealth. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the company reviews the capital structure for return on capital to shareholders. The company does not have any debts as on 31.03.2021.

II. Financial Risk Management

The company's principal financial liabilities comprise trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The company's principal financial assets include cash and cash equivalents, other bank balance and other financial assets that derive directly from its operations.

The company exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the manage these risks. The company's financial risk activities are continue monitor by the management and that financial risk are identified, measured and managed in accordance with the higher management decisions and policies.

a) Market Risk

Market risk is the risk that fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk currency risk, interest rate risk and equity price risk. The impact of equity price risk is not material. The company does not have any borrowings and foreign currency transaction, therefore not exposed to interest risk & currency risk as well.

b) Credit Risk Management

Credit risk is the risk that counter party will not meet its obligations under the financial instruments and customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) at present there is no trade receivables in the company. The company also not acquired any credit impaired assets. There is no modification in any financial assets.

c) Liquidity Risk Management

The company manages liquidity risk by maintaining banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets and liabilities. The company has access to a sufficient variety of sources of funding.



The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted payments.

(₹ in Lakh)

Contractual maturities of financial liabilities 31.03.2021	1 Year or Less	1 – 3 years	More than 3 Years	Total
Borrowings	0.00	0.00	0.00	0.00
Trade Payables	0.56	0.00	0.00	0.56
Other Financial Liabilities	1.61	0.00	0.00	1.61

Note : This being the first year of operation, there are no figures in respect of previous year.

A. Classification of Financial Assets and Financial Liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lakh)

Financial Assets and Liabilities as at March 31, 2021	Note No.	Carrying Amount			Total
		Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	
Financial Assets					
Cash and cash equivalents	3	-	-	10.50	10.50
Bank balances other than cash and cash equivalents	4	-	-	500.00	500.00
Other Financials Assets	5	-	-	9.69	9.69
Financial Liabilities					
Payables					
Trade Payables	8	-	-	0.56	0.56
Other Financials Liabilities	9	-	-	1.61	1.61

(₹ in Lakh)

Financial Assets and Liabilities as at March 31, 2021	Note No.	Fair Value			Total
		Level - 1	Level - 2	Level - 3	
Financial Assets					
Cash and cash equivalents	3	-	-	10.50	10.50
Bank balances other than cash and cash equivalents	4	-	-	500.00	500.00
Other Financials Assets	5	-	-	9.69	9.69
Financial Liabilities					
Payables					
Trade Payables	8	-	-	0.56	0.56
Other Financials Liabilities	9	-	-	1.61	1.61

B. Fair Value Hierarchy

The company measure fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level – 1 : Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level – 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial



instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level – 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

C. Financial instruments valued at carrying value

The carrying amounts of cash equivalent including other current bank balances, other receivables and other financial liabilities including trade and other payables, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

NOTE – 24 IMPACT OF COVID-19 PANDEMIC

The novel corona virus COVID-19 pandemic continues to spread rapidly across the globe including India. The COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. Various Governments have introduced a variety of measures to contain the spread of the virus.

Due to uncertainty around the course of the COVID-19 pandemic, we do not have visibility into the extent to which it will impact the Company's business and its results and it will depend upon on future developments. The impact of global health pandemic may be different from that estimated as at the date of approval Company's Financial Statements and the Company will continue to closely monitor any material changes to future economic conditions that may have any financial impact on the company.

NOTE – 25 NON-CURRENT ASSETS HELD FOR SALE

No assets have been classified as held for sale in accordance with Ind AS-105.

NOTE – 26 RECENT ACCOUNTING PRONOUNCEMENT

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments to revise Division I, II and III of Schedule III and are applicable from reporting periods beginning from April 1, 2021 and hence have not been considered while preparing these financial statements.

For Devinder K Jain & Associates

Chartered Accountants

ICAI Firm Registration No.: 007799N

Sd/-

D.K. Jain

Partner

Membership No. : 083417

UDIN : 21083417AAAADH8998

Place : New Delhi

Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-

Alka Nangia Arora

Chairperson

[Din No.: 03165567]

Sd/-

Rajesh Madan

OSD

Sd/-

Gaurang Dixit

Director

[Din No.: 08535482]

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020

(CIN No.: U65990DL2020GOI368828)

STATEMENT OF CASH FLOW FOR THE PERIOD COMMENCING FROM 28.08.2020 TO 31.03.2021

(₹ in Lakh)

Particulars	For the Period ended 31 March 2021
Cash Flow From Operating Activities:	
Loss before Tax	-58.32
Net loss Before Tax Adjustments:	
Depreciation	0.01
Interest earned on term deposits	-11.06
Operating loss before working capital changes	-69.37
Movement in working capital	
(Increase)/Decrease in other non - financial assets	-4.90
Increase/(Decrease) in Trade payables	0.56
Increase/(Decrease) in Other financial Liabilities	1.61
Cash generated from Operations	-72.10
Income Tax Paid	-0.83
Net cash utilised in operating activities (A)	-72.93
Cash Flow From Investment Activities:	
Purchase of property, plant and equipment	-1.01
Expenditure on intangible assets under development	-16.93
Investment in term deposits - (Maturity more than 90 days but not exceeding 370 days)	-500.00
Interest received on term deposits	1.37
Net cash utilised in investing activities (B)	-516.57
Cash Flow From Financing Activities:	
Proceeds from Issue of shares	600.00
Net Cash from financing activities (C)	600.00
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)	10.50
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at end of the period	10.50

- The above statement has been prepared using the 'indirect method' as prescribed in Ind AS 7 - Statement of Cash flow.
- Components of cash and cash equivalents are disclosed in Note 3.

See accompanying Notes forming part of the Financial Statements.

In terms of our report attached of even date

For Devinder K Jain & Associates

Chartered Accountants

ICAI Firm Registration No.: 007799N

Sd/-

D.K. Jain

Partner

Membership No. : 083417

Place : New Delhi

Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-

Alka Nangia Arora

Chairperson

[Din No.: 03165567]

Sd/-

Rajesh Madan

OSD

Sd/-

Gaurang Dixit

Director

[Din No.: 08535482]

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020

(CIN No.: U65990DL2020GOI368828)

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD COMMENCING FROM 28.08.2020 TO 31.03.2021

A. Equity Share Capital

(₹ in Lakh)

Particulars	As at 31 March 2021
Shares having face value of Rs. 100/-	
Balance at the beginning of the period	-
Changes in equity share capital during the year	600.00
Balance at the end of the period	600.00

B. Other Equity

(₹ in Lakh)

Particulars	Retained Earnings	Other Comprehensive Income	Total
Balance at beginning of period	-	-	-
Profit / (Loss) for the period	-61.10	-	-61.10
Comprehensive Income for the period	-	-	-
As at March 31, 2021	-61.10	-	-61.10

In terms of our report attached of even date

For Devinder K Jain & Associates

Chartered Accountants

ICAI Firm Registration No.: 007799N

Sd/-

D.K. Jain

Partner

Membership No. : 083417

Place : New Delhi

Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-

Alka Nangia Arora

Chairperson

[Din No.: 03165567]

Sd/-

Rajesh Madan

OSD

Sd/-

Gaurang Dixit

Director

[Din No.: 08535482]

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NSIC VENTURE CAPITAL FUND LIMITED FOR THE PERIOD 28th AUGUST, 2020 TO 31st MARCH, 2021

The preparation of financial statements of **NSIC Venture Capital Fund Limited** for the period of 28th August, 2020 to 31st March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 23th September, 2021.

I, on behalf of the Comptroller and Auditor General of India have decided not to conduct the supplementary audit of the financial statements of **NSIC Venture Capital Fund Limited** for the period 28th August 2020 to 31st March 2021 under section 143(6)(a) of the Act.

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

Sd/-
(Vidhu Sood)

Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi

Place : New Delhi
Dated: 13/10/2021



NSIC VENTURE CAPITAL FUND LIMITED

(A Wholly Owned Subsidiary of NSIC)

NSIC Bhavan, Okhla Industrial Estate

New Delhi – 110 020

NOTICE

Notice is hereby given that the first Annual General Meeting (AGM) of **NSIC Venture Capital Fund Limited** (NVCFL or “the Company”) will be held on 26th November, 2021 at 11.00 a.m. at the registered office of the company at NSIC Bhavan, Okhla Industrial Estate New Delhi – 110 020 to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider, approve and adopt the audited financial statement of the Company for the financial year ended March 31, 2021 along with the Reports of the Board of Directors and Auditors thereon and also the comments of the Comptroller & Auditor General of India.
- 2) To authorize the Board of Directors of the Company in terms of the provisions of Section 142 of Companies Act, 2013 to fix remuneration of the Statutory Auditors of the Company for the financial year 2021-22 and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company appointed by Comptroller & Auditor General of India for the financial year 2021-22.”

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions as an Ordinary Resolution(s):

- 3) Regularization of Additional Director, Ms. Alka Nangia Arora (DIN– 03165567) as Director of the Company

“RESOLVED THAT in accordance with the provisions of section 161 and other applicable provisions, if any, of the Companies Act, 2013, Ms. Alka Nangia Arora (DIN– 03165567) who was appointed as an Additional Director w.e.f. 23rd September, 2021, be and is hereby appointed as Director of the Company.”

By Order of the Board of Directors

Place: New Delhi

Date: 23rd November, 2021

Sd/-

(Nishtha Goyal)

Company Secretary

NOTES:

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the business under Item Nos. 3 of the accompanying Notice, is annexed hereto.

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and such proxy need not be a member of the Company.



2. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to Company Secretary at the Registered Office of the Company prior to the date of the Annual General Meeting, so that the information required can be made available at the time of the meeting.
3. The Statutory Register maintained as per Companies Act, 2013, will be available for inspection by the Members at the Registered Office of the Company at the time of AGM of the Company at the venue of the Meeting.
4. Blank proxy form is sent herewith.
5. The instrument appointing proxy, duly stamped completed and signed, should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 Read with the Secretarial Standard (SS-2) on General Meetings

ITEM NO.3

This is to inform that in terms of the guidelines of Self Reliant India (SRI) Fund (i.e. First scheme of NVCFL) approved by the Ministry of MSME, the company shall have an independent Board with CMD NSIC as its Chairman. Accordingly, Ms. Alka Nangia Arora, Chairman-cum-Managing Director of NSIC Ltd. (a holding company of NVCFL) was appointed as an Additional Director w.e.f. 23rd September, 2021 of NVCFL as per the provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company up to the date of this Annual General Meeting. Accordingly, appointment of Ms. Alka Nangia Arora as Director may be considered by the shareholders at this AGM.

She holds 1 equity Share of Rs. 100/- of the Company as nominee of NSIC Limited (holding company). The Board of Directors of your company

recommends her appointment as a Director for approval by the shareholders of the Company.

Ms. Alka Nangia Arora is interested in this resolution to the extent of her appointment as a Director.

None of the Directors, Key Managerial Personnel and/or their relatives, except Ms. Alka Nangia Arora is any way, interested or concerned, financial or otherwise in passing of the said resolution as set out at item no. 3 of the Notice.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days/ time up to the date of the Meeting.

In view of the above, you are requested to grant your consent to the Ordinary Resolution as set out at item no. 3 of this Notice.

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

(A Government of India Enterprise)

NSIC Bhawan, Okhla Industrial Estate, New Delhi – 110 020, India

Website: www.nsic.co.in

S.NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
1	REGISTERED OFFICE	NSIC Bhawan Okhla Industrial Estate New Delhi-110020	011-26926275, 26926370	info@nsic.co.in, dpu@nsic.co.in
2	NORTH-1 ZONAL OFFICE	NSIC Limited C-41, Sector-58, NOIDA-201301 (U.P)	0120-4546198, 4546197	zgmnorth1@nsic.co.in
3	NOIDA	NSIC Limited, Branch Office III-B/118, Sector-18 Shopping Complex, Noida-201301 (U.P)	0120-4595000 to 4595045, 2511798 Fax-0120-4556450, 4556453	bonoida@nsic.co.in
4	DEHRADUN	NSIC Limited, Branch Office Near Sabji Mandi, Niranjapur, Saharanpur Road, Dehradun-248001	0135-2520501 Fax-2520501	bodehradun@nsic.co.in
5	AGRA	NSIC Limited, Branch Office 307/T-6, 3 rd Floor, Maruti Plaza, (behind Sanjay Talkies) Sanjay Place, Agra-282002	0562-2527862, 2525567 Fax-0562-2524842	boagra@nsic.co.in
6	KANPUR	NSIC Limited, Branch Office 112/1, Benajhabar Road, Kanpur-208002	0512-2535049, 2556379 Fax-0512-2543217	bokan@nsic.co.in
7	NAINI	NSIC Limited, Branch Office Industrial Estate, Udyog Nagar, Naini, Allahabad-211009	0532-2697218, 2697050, 2695847 Fax-0532-2697218	boallahabad@nsic.co.in
8	GORAKHPUR	NSIC Limited, Sub Branch Office DIC Campus, Gorakhnath Industrial Estate, Gorakhpur-273015	09451442414	rishishukla@nsic.co.in
9	VARANASI	NSIC Limited, Sub-Branch Office Mansarovar Complex, C-30/35-B, 2 nd Floor, Maldhaiya, Varanasi-221001	542-2370223 Fax-0542-2370223	bovaranasi@nsic.co.in
10	NORTH -II ZONAL OFFICE	NSIC Limited, Guru Gobind Singh Tower, Near Dholewal Chowk, GT Road, Ludhiana-141003	0161-2541946, 2530940, 2546523 Fax-0161-2531946	zgmnorth2@nsic.co.in
11	LUDHIANA	NSIC Limited, Branch Office Guru Gobind Singh Tower, Near Dholewal Chowk, GT Road, Ludhiana-141003	0161-2541946, 2530940, 2546523 Fax-0161-2531946	boludh@nsic.co.in
12	CHANDIGARH	NSIC Limited, Branch Office Ground Floor, BSNL Admin Building Sector-34-A, Chandigarh-160022	0172-2620538/39, 2610537 Fax-0172-2600858	bochd@nsic.co.in
13	JALANDHAR	NSIC Limited, Branch Office First Floor, 55 Arcade B-1-823/4, Tanda Road, Opp. KMV College Jalandhar-144004	0181-2292242, 2295533, 6570257 Fax-0181-2299242	bojal@nsic.co.in

S.NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
14	NCR ZONE ZONAL OFFICE	NSIC Limited, NTSC Complex Okhla Industrial Estate, Near Govindpuri Metro Station, New Delhi-110020	011-40584930 Fax-011-26382350	zgmncr@nsic.co.in
15	DELHI	NSIC Limited, Branch Office NTSC Complex, Okhla Industrial Estate, Near Govindpuri Metro Station, New Delhi-110020	011-26382568-69, 41002319 Fax-011-26382568, 41002319-20	delhinsic@nsic.co.in
16	GURGAON	NSIC Limited, Branch Office Plot No 69, 1 st Floor, IDC, Sector-16, MG Road, Gurugram-122001	0124-2308913	bogur@nsic.co.in
17	FARIDABAD	NSIC Limited, Branch Office 107 Nissan Hut NH-5 Railway Road, Faridabad-121001	0129-4311249/52/ 92/93 Fax-0129-4311293	bofaridabad@nsic.co.in
18	NARAINA	NSIC Limited, Branch Office CB-326, Second Floor, Ring Road, Naraina, New Delhi-110028	011-64611484, 25775787 Fax-011-25775166	bonaraina@nsic.co.in
19	<u>SOUTH-I</u> ZONAL OFFICE	NSIC Limited, No. 6 & 7, ISICOS Building, West of Chord Road, Rajajinagar Indl. Estate, Bangalore, Karnataka-560010	080-23109059, 23307791, 23147858 Fax-080-23300070	zgmsouth1@nsic.co.in
20	BENGALURU	NSIC Limited, Branch Office No. 25, 1st Main Road, KSSIDC Industrial Estate, 6 th Block Rajajinagar, Bangalore-560010	080-23109059, 23307791, 23147858	boban@nsic.co.in
21	BELGAUM	NSIC Limited, Branch Office Plot No. 60, Anujay Building, 5 th Cross, Subhash-Chandra Nagar, Opp. Belgaum Foundry Cluster, Near Utsav Hotel, Udyambag, Belagavi, Karnataka-590006	0831-2449922	belgaum@nsic.co.in
22	PEENYA	NSIC Limited, Branch Office C-424, Peenya Industrial Estate, 1 st Stage, Behind Peenya Police Station, Bangalore-560058	080-28374676, 28394576, 28372977 Fax-080-28374676	bopeenya@nsic.co.in
23	KOCHI	NSIC Limited, Branch Office S-67, GCDA Commercial Complex, Marine Drive, Shanmugham Road, Kochi-682031	0484- 2381850/2368149 Fax-0484-2380155	bococh@nsic.co.in
24	<u>SOUTH -II</u> ZONAL OFFICE	NSIC Limited, 203, Sri Dattasai Complex, RTC Cross Roads, Hyderabad-500020	040-27615761, 27622097 Fax-040-27617777	zgmsouth2@nsic.co.in
25	HYDERABAD	NSIC Limited, Branch Office 203, Sri Dattasai Complex, RTC Cross Roads, Hyderabad-500020	040-27615764, 27615761, 27622097 Fax-040-27617777	bohyd@nsic.co.in
26	BALANAGAR	NSIC Limited, Branch Office 6-3-144, 144/1, 3 rd Floor, Jahanara Kareem Complex, Balanagar, Hyderabad-500037	040-23324769, 23344769	bobalanagar@nsic.co.in

S.NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
27	VIJAYWADA	NSIC Limited, Branch Office D.No.59A-8/8-6B/1, 3 rd Floor, Main Road, Gurunanak Colony, Vijayawada-520008	0866-2541055 Fax-0866-2545055	bovijayawada@nsic.co.in
28	VISAKHAPATNAM	NSIC Limited, Branch Office 6-67-27/2/3, Opp. Police Station, Gajuwaka, Visakhapatnam-530026	0891-2768554, 2758554	visakhapatnam@nsic.co.in
29	SOUTH -III ZONAL OFFICE	NSIC Limited, New No 422 (Old No 615), Anna Salai, Chennai-600006	044-2829 1943, 2829 4541 Fax-044-2829 5791	zgmsouth3@nsic.co.in
30	CHENNAI	NSIC Limited, Branch Office 422, Anna Salai, Chennai-600006	044-28293347, 28294541 Fax-044-28295791, 28293347	bochen@nsic.co.in
31	AMBATTUR	NSIC Limited, Branch Office 309 SIDCO-Aiema Towers, 1 st Main Road, Ambattur Industrial Estate, Chennai-600058	044-26243984, 28291292 Fax-044-26246826	boambattur@nsic.co.in
32	PUDUCHERRY	Administrative Building Industrial Estate, Thattanchavady, Puducherry-605009	0413-2248970, 2248940 Fax-0413-2248970	boapon@nsic.co.in
33	COIMBATORE	NSIC Limited, Branch Office 1055/10, Gowtham centre, Avanashi Road, Coimbatore-641018	0422-2244618, 2247757 Fax-0422-2247764	bocomb@nsic.co.in
34	MADURAI	NSIC Limited, Branch Office 74, ADR Tower 1 st Floor, Kalavasal, Theni Main Road, Madurai-625016	0452-2609992, 2609993, 2604322 Fax-0452-2380323	bomadu@nsic.co.in
35	EAST-I ZONAL OFFICE	NSIC Limited, 20-B, Abdul Hamid Street, (7 th Floor), Kolkata-700069	033-22480015 Fax-033-22487359	zgmeast@nsic.co.in
36	KOLKATA	NSIC Limited, Branch Office 20-B, Abdul Hamid Street, (7 th Floor), Kolkata-700069	033-2213-7084 033-2248-8288 Fax-033-2248-7359	bocal@nsic.co.in
37	KOLKATA (SALT LAKE)	NSIC Limited, Branch Office Plot No. 7/7 & 7/8, Block -CP, Salt Lake, Sector -V, Kolkata-700091 (West Bengal)	033-23671471, 23670155, 23672416	bosaltlak@nsic.co.in
38	PATNA	NSIC Limited, Branch Office 104, 1 st Floor, Manna-Surti Complex, Doctors Colony, Kankarbagh-800020	0612-2354222, 3212403 Fax-0612-2354222	bopatna@nsic.co.in
39	KOLKATA L&R	NSIC Limited Legal & Recovery Cell, Room No.2/1, 2 nd Floor, HUDCO Tower, New Market, 15N, Nelli Sengupta Serini, Lindsay Street, Kolkata-7000087	033-22522232	lrcellkol@nsic.co.in

S.NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
40	EAST-II ZONE ZONAL OFFICE	NSIC Limited 1 st Floor, DIC Campus, Rasulgarh Industrial Estate, Bhubaneswar-751010	0674-2548875, 6510189 Fax-0674-2549780	zgmeast2@nsic.co.in
41	BHUBANESWAR (BO)	NSIC Limited, Branch Office 1 st Floor, DIC Campus, Rasulgarh Industrial Estate, Bhubaneswar-751010	0674-2548875, 2549781	bobhubaneswar@nsic.co.in
42	ROURKELA	NSIC Limited, Branch Office Plot No. JJJ-16, Civil Township, Rourkela-769004	0661-2665059 Fax-0661-2664559	rourkela@nsic.co.in
43	JAMSHEDPUR	NSIC Limited, Branch Office Flat No. A-2/1, 2 nd Floor, Nirode Apartment, L-Road, P.O. & P.S. Bistupur, Jamshedpur-831001	0657-6004051, 6999000	bojms@nsic.co.in
44	RANCHI	NSIC Limited, Branch Office Udyog Bhawan, Industrial Area Kokar, Ranchi-834001	0651-2543921	nsshoranchi@nsic.co.in
45	BOKARO	NSIC Limited, Sub-Branch Office Plot No.7018, Khata No.566, Near: Vaibhav Hotel, Bye Pass Road, Chas, Bokaro.	827012-9431923065	bojam@nsic.co.in
46	IMDC BHUBANESWAR	IDCO Plot No.6, Block D, Macheswar Industrial Estate, Bhubaneswar-751010	0674-2548875	imdcbbbsr@nsic.co.in
47	NORTH EAST ZONAL OFFICE	NSIC Limited, Bye Lane No.3, Industrial Estate Bamunimaidam, Guwahati-781021	0361-2657952, 2730219 Fax-0361-2558948	zgmne@nsic.co.in
48	GUWAHATI	NSIC Limited, Branch Office (Including Training Center) Bye Lane No.3, Industrial Estate Bamunimaidam, Guwahati-781021	0361-2657947 Fax-0361-2657948	bogwh@nsic.co.in
49	IMPHAL	Sub Branch Uripok Achom Leikai, Imphal-795001 (Manipur)	0385-2414270 08794362325	libetombidevi@nsic.co.in
50	WEST ZONE ZONAL OFFICE	NSIC Limited, 505, Fifth Floor, Mittal Commercial Building, Wing-B, Village Marol, Off M.V. Road, Andheri (E), Mumbai-400059	022-28500377 Fax-022-2850 0375	zgmwest@nsic.co.in
51	NAVI MUMBAI	NSIC Limited, Branch Office P/104, Khairane MIDC, TTC Industrial Area, Koparkhairane, Navi Mumbai-400710	022-23740268 23740272, 23740116 Fax-022-23741989	bomum@nsic.co.in
52	ANDHERI, MUMBAI	NSIC Limited, Branch Office 3 A, 3 rd Floor A-Wing, Gundecha Onclave, Kherani Road, Sakinaka, Andheri(East), Mumbai-400072	022-2850 9915 / 16 Fax-022-28509917	boandheri@nsic.co.in
53	NAGPUR	NSIC Limited, Branch Office New Secretariat Building, 1 st Floor, East Wing, Opp. VCA Stadium, Beside St. Ursula School, Civil Lines, Nagpur-440001	0712-2543254, 2552023 Fax-0712-2543255	bonagpur@nsic.co.in

S.NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
54	PUNE	NSIC Limited, Branch Office 211/212, 2 nd Floor, Times Square Building,, Pune-Satara Road, Near Saibaba Mandir Pune-411037	020-24497303 Fax-020-24440546	bopune@nsic.co.n
55	AURANGABAD	NSIC Limited, Branch Office P/15, Massia, More Chowk, MIDC Waluj, Aurangabad-431136	0240-2552300 Fax-0240-2563799	boaurangabad@nsic.co.in
56	RAIPUR	NSIC Limited, Branch Office 204, IInd Floor, Block-A, Crystal Arcade, Near Lodhipara Chowk, Shankar Nagar, Raipur-492007	0771-4035388, 4006070	boraipur@nsic.co.in
57	NASHIK	NSIC Limited, Branch Office Galla No 13, 3 rd Floor Udyog Bhawan, MIDC, Satpur, Nasik-422007	0253-2365059 Fax-253-2365061	bonasik@nsic.co.in
58	GOA	NSIC Limited, Sub-Branch Office Shriji Complex, 4 th Floor, Near Manoshanthi Hotel, Dr. Dada, Vaidhya Road, Panaji-403001	0832-2220540	bogoa@nsic.co.in
59	CENTRAL ZONE ZONAL OFFICE	NSIC Limited, 202, 203, Samruddhi Building Opp. Gujarat High Court, Ahmedabad-380014	079-27543228, 27544893, 27544254 Fax-079-27540159	zgmcentral@nsic.co.in
60	AHMEDABAD	NSIC Limited, Branch Office 202, 203, Samruddhi Building Opp. Gujarat High Court, Ahmedabad-380014	079-27543228, 27544893, 27544254 Fax-079-27540159	boamd@nsic.co.in
61	INDORE	NSIC Limited, Branch Office 10, Polo Ground Industrial Estate, Indore-452015	0731-2424408, 2424409, 2422248 Fax-0731-2421566	boindore@nsic.co.in
62	BHOPAL	NSIC Limited, Branch Office 110, Malviya Nagar, 1 st Floor, Bhopal-462003	0755-2766205, 4295152, 2766205 Fax-0755-2553183	bobpl@nsic.co.in
63	JAIPUR	NSIC Limited, Branch Office NF/0/2, Nehru Place, Tonk Road, Jaipur-302015	0141-2740191, 2742991, 2742372, 2744899 Fax-0141-2741277, 2740334	bojai@nsic.co.in
64	VKI JAIPUR	NSIC Limited, Branch Office 513, Alankar Plaza, Central Spine, Sector-02, Vidhyadhar Nagar, Jaipur-302039	0141-2231594, 2231573 Fax-0141-2231572	bovkijaipur@nsic.co.in
65	KOTA	NSIC Limited, Sub-Branch Office SSI Association, Purushartha Bhawan, IPIA, Road No. 5, Kota-324005	0744-2426104	sokota@nsic.co.in
66	VADODARA	NSIC Limited, Sub-Branch Office (Zinc Product) C/o Central Warehousing Corporation, Near Ranoli Flyover, Bridge, Karachiyya, Vadodara-391350	0265-2241430	intikafalam@nsic.co.in

NTSCs

S. NO	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
67	CHENNAI	NSIC Technical Services Centre (Including LBI) Sector B-24, Guindy Industrial Estate Ekkaduthangal PO, Chennai-600032	044-22252335/6/7 Fax-044-22254500	ntscche@nsic.co.in
68	HOWRAH	NSIC Technical Service Centre Japanigate, Balitikuri, Howrah-711113	033-26530304, 26532962, 26534280 Fax-033-26531314	ntschow@nsic.co.in
69	OKHLA	NSIC Technical Services Centre Okhla Industrial Estate, New Delhi-110020	011-26826801, 26826847, 26826846 Fax-011-26826783	ntscok@nsic.co.in
70	HYDERABAD	NSIC Technical Services Centre Kamalanagar, ECIL Post, Hyderabad-500062	040-27121422, 27126646, 27134025, 27124597 Fax-040-27122303	ntschy@nsic.co.in
71	RAJKOT	NSIC Technical Services Centre (Including LBI) Bhav Nagar Road, Aji Industrial Area, Rajkot-360003	0281-2387396/97/98 Fax-0281-2387729	ntscraj@nsic.co.in
72	RAJPURA	NSIC Technical Services Centre (Including LBI) D-82/83, Focal Point, Rajpura-140401	01762-232669 Fax-01762-232669	ntsec.rjp@nsic.co.in
73	ALIGARH	NSIC Technical Services Centre A-1 Industrial Estate Aligarh-202001	0571-2403552	ntsecalig@nsic.co.in
74	NEEMKA	NSIC Technical Services Centre (Including LBI) Tigoan Road, Neemka, Faridabad-121004	0129-2401101	ntscneemka@nsic.co.in
75	MANDI (TC)	# 210/12, Ramnagar (Palgharat) Mandi-175001	01905-226471	nsic.mandi@gmail.com
76	DEORIA (LBI)	Plot No. 18, Sonda Mauja, Near Mandi Samiti, Deoria-274001	05568-651120	ticdeoria@nsic.co.in
77	KASHIPUR (LBI)	NSIC Training cum Incubation Centre B-5, Industrial Area, Bazpur Road, District-Udham Singh Nagar Kashipur-244713	05947-262453	punitkumar@nsic.co.in
78	NAWADA (LBI)	Plot No. 1619, Gurudev Nagar, Near Govt. ITI, Gonava Road Nawada, Bihar-805130	06324-8539038073	lbinawada@nsic.co.in
79	NAINI-LBI	LBI-Naini, Industrial Estate Udyog Nagar, Naini Allahabad	0532-2697218, 2697050	bonaini@nsic.co.in

NATIONAL SC-ST HUB OFFICES (NSSHOS)

S. NO	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
80	SURAT	National SC ST Hub, Branch Office 306, 3 rd Floor, Rajhans Building, Opposite J.K Tower, Ring Road, Surat-395002	0261-2345733, 4029735	nsshosurat@nsic.co.in
81	AGRA	Unit No-202, Second Floor, Sector-12 A, Padam Business Park, Awas Vikas, Sikandra Yojana, Agra-282007	0562-2603131	nsshogra@nsic.co.in
82	BHUBANESWAR	Integrated Marketing Development Centre (IMDC) Building, Dharmapada Bhawan, 3 rd Floor, IDCO Plot No.-6, Block-D, Mancheswar Industrial Estate, Bhubaneswar, Khurda, Odisha-751010	0674-2586780, 2580630	nsshobhub@nsic.co.in
83	BENGALURU	No.6&7, ISICOS Building West of Chord Road Rajaji Nagar, Industrial Town, Bangalore-560044	080-23147791, 29777790	nsshoban@nsic.co.in
84	CHENNAI	MSME-DI Campus, No.65/1, GST Road, Guindy, Chennai, Tamilnadu-600032	044-48631200	nsshochen@nsic.co.in
85	GUWAHATI	Industrial Estate, Bye Lane No. 3, Bamunimaidam, Guwahati-781021	0361-2558947	nsshogwh@nsic.co.in
86	HYDERABAD	NSIC Technical Services Centre Electronic Complex Kamalanagar, Hyderabad-50062	040-29559801	nsshohyd@nsic.co.in
87	KOLKATA	Plot No. 7/7 & 7/8, Block –CP Salt Lake, Sector –V, Kolkata-700091 (West Bengal)	033-23672001, 29861253	nsshokol@nsic.co.in
88	LUCKNOW	503, Sri Ram Tower 5 th Floor, 13, Ashok Marg, Lucknow-226001	0522-2288589, 2288803	nssholucknow@nsic.co.in
89	LUDHIANA	1 st Floor, Frontier Tower G.T. Road, Miller Ganj (Near Fire Brigade Office), Ludhiana-141003	0161-4100939	nssholudh@nsic.co.in
90	MUMBAI	Office No. 505, 5 th Floor B-Wing, Mittal Commercial Building, Village Marol, M.V. Road, Marol Naka, Andheri (East), Mumbai-400 059	022-49710065, 23728902	nsshomum@nsic.co.in
91	PUNE	213, 2 nd Floor, Pune-Satara Road Near Sai Baba Temple, Swargate, Pune-411037	020-48620209	nsshopune@nsic.co.in
92	SHILLONG	DIC Complex, Short Round Road Industrial Estate, Shilong-793001	0364-8100799171 09859486048	bhupendas@nsic.co.in
93	HYDERABAD (EMDBP)	Module No. 207, Kamalanagar ECIL Post, Hyderabad-500062	040-27141422, 27125802	emdbphyd@nsic.co.in
94	STBP CHENNAI	B-24, Guindy Industrial Estate Ekkaduthangal, Chennai-600032	044-22250444, 22250445 Fax-044-22250343	stpchennai@nsic.co.in

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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.*



The National Small Industries Corporation Ltd.

NSIC Bhawan, Okhla Industrial Estate, New Delhi - 110 020

Tel. : 011-26926275, Website : www.nsic.co.in