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**65<sup>th</sup> Annual Report**  
**2019-2020**



NSIC Business Park in Okhla, New Delhi decorated in a festive manner and lighted on the occasion of Deepavali

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## CIN NO.: U74140DL1955GOI002481

### Chairman-cum-Managing Director

Shri Vijayendra (IAS)

### Directors

- Smt. Alka Arora, Joint Secretary, Ministry of MSME
- Shri D.P.S. Negi, Economic Advisor, Ministry of MSME upto 22<sup>nd</sup> May, 2020
- Shri Rajib Kumar Sen, Economic Advisor, Ministry of MSME w.e.f 22<sup>nd</sup> May, 2020
- Shri P. Udayakumar, Director (Plg. & Mkg.)
- Shri Gaurang Dixit, Director (Finance)
- Prof. A.P. Pandey, Independent Director, Upto 24<sup>th</sup> January, 2020
- Smt. Geeta Goti, Independent Director, Upto 24<sup>th</sup> January, 2020
- Dr. Ramesh Bhat, Independent Director, Upto 2<sup>nd</sup> March, 2020

### Company Secretary

Ms. Nishtha Goyal

### Statutory Auditors

M/s. KPMC & Associates, Ghaziabad

### Branch Auditors

#### S. No. Name of Auditors

1	M/s. Ellahi Goel & Co., New Delhi
2	M/s. Pramod K Aggarwal & Co., New Delhi
3	M/s. DMRN & Associates, New Delhi
4	M/s. D.C. Garg & Co., New Delhi
5	M/s. Vipin Om & Associates, Dehradun
6	M/s. Ved Mittal & Co., Agra
7	M/s. Rajeev Varshney & Associates, Aligarh
8	M/s. Tandon & Mahendra, Kanpur
9	M/s. Agrawal Ajay Kumar & Co., Allahabad
10	M/s. Ajay Goel & Co. Lucknow
11	M/s. BASK & Associates, Varanasi
12	M/s. Rajnish Rajesh & Co, Chandigarh
13	M/s. Aggarwal Garg & Co., Ludhiana
14	M/s. Ashwani Gupta & Associates, Jalandhar
15	M/s. BL Dusad & Co, Jaipur
16	M/s. Ramaswamy & Murali Associates, Chennai
17	M/s. S. Kalyanasundaram & Co., Puducherry

#### S. No. Name of Auditors

24	M/s. R.P. Boobna & Co., Kolkata
25	M/s. H.K. Chandak & Co., Cuttack
26	M/s. Kadamwala & Co., Rourkela
27	M/s. KKM & Co., Jamshedpur
28	M/s. A Dewan & Co., Ranchi
29	M/s. JAG & Associates, Patna
30	M/s. Debashis Mitra & Associates, Guwahati
31	M/s. KPCM & Co., Mumbai
32	M/s. MAPSV & Associates, Nasik
33	M/s. Hemant Shah & Associates, Pune
34	M/s. Patni & Patni, Aurangabad
35	M/s. Balram Chandra & Associates, Silvassa
36	M/s. Sunil Johri & Associates, Raipur
37	M/s. K V Mehta & Co., Ahmedabad
38	M/s. R.K. Doshi & Co., Rajkot
39	M/s. K Sharda & Co., Surat
40	M/s. Lakshmpathi & Co., Hyderabad

**S. No. Name of Auditors**

18	M/s. BV Swami & Co., Bengaluru
19	M/s. Subbchar & Srinivasan, Coimbatore
20	M/s. S G Balekundri & Co, Karnataka
21	M/s. P Lakshmana Rao & Co., Andhra Pradesh
22	M/s. HMPS & Associates, Madurai
23	M/s. T.K. Abraham & Co., Kochi

**S. No. Name of Auditors**

41	M/s. Gandhi & Gandhi, Hyderabad
42	M/s. KNMA & Associates, Trichy
43	M/s. Narendra Jain & Co, Indore
44	M/s. R C Baheti & Co., Bhopal
45	M/s. Vinod Vishal & Associates, Nagpur

**Secretarial Auditors**

M/s. Sanjay Chugh,  
Practicing Company Secretary  
317, Vardhaman Plaza-I  
J Block, Commercial Complex  
Rajouri Garden  
New Delhi – 110 027

**Main Bankers**

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

**Registered Office**

NSIC Bhavan  
Okhla Industrial Estate  
New Delhi - 110 020

## Board of Directors



**Shri Vijayendra (IAS)**  
Chairman-cum-Managing Director



**Smt. Alka Arora**  
Joint Secretary,  
Ministry of MSME



**Shri D.P.S. Negi**  
Economic Advisor  
Ministry of MSME  
upto 22<sup>nd</sup> May, 2020



**Shri Rajib Kumar Sen**  
Economic Advisor  
Ministry of MSME  
w.e.f. 22<sup>nd</sup> May, 2020



**Shri P. Udayakumar**  
Director (P&M)



**Shri Gaurang Dixit**  
Director (Finance)



**Prof. A.P. Pandey**  
Independent Director  
Upto 24<sup>th</sup> Jan.,2020



**Smt. Geeta Goti**  
Independent Director  
Upto 24<sup>th</sup> Jan.,2020



**Dr. Ramesh Bhat**  
Independent  
Director  
Upto 2<sup>nd</sup> March.,2020

## Chairman's Message



### Dear Shareholders,

On behalf of Board of Directors, I extend a very warm welcome to you in this 65<sup>th</sup> Annual General Meeting of "The National Small Industries Corporation Ltd. (NSIC)". I take this opportunity to thank all the stakeholders for their persistent support and confidence in the Company and the cooperation and guidance which they have given to the Company.

Board's Report of your Company and its Audited Annual Accounts along with Auditor's Report, thereon for the financial year ended on 31<sup>st</sup> March, 2020 have been with you. I seek your permission to take them as read.

### Overview of Performance for FY 2019-20

During the year, NSIC has proactively reached out to the MSMEs by facilitating their requirements in areas of Marketing, Credit, Technology and information. Despite varying managerial and operational challenges during the year, we have been continuously re-evaluating, benchmarking and evolving ourselves to provide value added products to MSMEs.

You will be pleased to know that your Company has achieved revenue from operations of Rs.1904.11 crore for the financial year 2019-20. Your Company's Profit before tax is Rs.132.33 crore for the said period. I am pleased to inform that your Board of Directors has recommended the dividend of Rs. 34.09 crore to Government.

These results are creditable in the context of MSME dynamics influenced by various factors especially when the last few crucial months of the year for business were impacted by Covid-19. It proves the inherent strength of the Company to withstand challenging environment. The significance of NSIC's support and service delivery to MSMEs has been acknowledged by various stakeholders. NSIC's services and organizational vivacity aiming at enhancing the competitiveness of the MSME Sector, have always been appreciated by the MSME fraternity.

Credit to MSMEs is now being facilitated through web linkages established between NSIC portal and Bank's portal, without any cost to MSMEs. NSIC has signed MoU with State Bank of India and renewed its MoU with Bank of Baroda and Bank of Maharashtra to facilitate credit to MSMEs in the country. NSIC also signed MoU with Common Service Centres (CSC) e-Governance Services to reach to last mile village enterprises.

Online registration of MSMEs under SPRS with Virtual inspection has also been started to facilitate MSMEs. NSIC's B2B MSMEMart Portal has been enhanced to provide e-marketing linkages to MSMEs. NSIC's Technical Service Centre at Hyderabad has signed MoU with ITI, Bengaluru to provide E2E telecom solutions to MSMEs in the country. More IT tools are being used to enhance Company's efficiency and business reach and work on these is on. All the above initiatives are aligned to digital India objective.

NSIC, through its Incubation Centres and Technical Service Centres (TSCs) all over the country is encouraging youth to become "Job provider instead of job seeker". It is being linked to Academic Universities also in order to encourage students towards self-employment. NSIC is promoting this initiative in different States as well and number of them have shown interest. NSIC's Technical Centre at Hyderabad signed a MoU with Osmania University, Hyderabad.

Many countries have also approached NSIC to share our experiences with them in promoting

entrepreneurship culture amongst the youth in their countries. Papua New Guinea has awarded NSIC to conduct feasibility study on commercial basis to establish such incubation centre in the country. India-Africa Vocational Centre cum Business Incubator Centre established by NSIC at Chimoio, Mozambique under IAFS-I was handed over to Institute for Promotion of Small & Medium Enterprises, recipient organization of Government of Mozambique. This was the last in the series of eight Centre established by NSIC under IAFS-I.

National SC-ST Hub (NSSH), a prominent scheme of the Ministry of MSME is being implemented by NSIC and many SC/ST units are availing the benefits under NSSH. These units are also now being exposed to various national and international markets by encouraging their participation in various domestic and international exhibitions. During the year, 25,061 SC/ST enterprises were assisted under the scheme.

I am also happy to inform that our field offices were committed not only to achieve business goals but did a commendable job by supporting MSMEs under the environment marred by COVID-19 and relentlessly undertaking social responsibilities, as well, with great dedication and distributed PPE kits to the Corona warriors throughout the country during the intense Covid period.

### **Corporate Governance**

The good Corporate Governance in today's progressive and aggressive business environment is crucial to the achievement of competitive advantage and profitability. NSIC ensures its commitment in managing the Company in transparent manner, maintenance of valuable relationship and trust with all the stakeholders. The Company's philosophy of Corporate Governance is based on the principles of honesty, integrity, accountability, legal and statutory compliances, to protect, promote and safeguard the interest of all Stakeholders. This emanates from our strong belief that sound governance system based on trust and ethics is integral to creating healthy industrial ecosystem.

### **Corporate Social Responsibility (CSR)**

Corporate Social Responsibility emphasizes in incorporating environmental and social concerns into a company's planning & operations. NSIC has

been undertaking various CSR activities which is a reflection of the Company's commitment towards wellbeing of society and environment. During the year, NSIC contributed altogether Rs. 255 lakh to Armed Forces Flag Day Fund, Clean Ganga Fund and Swatch Bharat Kosh.

### **Recognition of Service Excellence**

Your Company continued to earn awards and recognition from different quarters as detailed in Board's Report. Some of the prominent Awards presented to NSIC are as follows:

- Rajbhasha Sammaan Award at the "International Conference-2019" organized by Vishwa Hindi Parishad.
- Rashtriya ICON Award to Director (P&M) for contribution towards the growth of MSME sector in the country.
- Best MSME Facilitation Partner Award by Indian Achievers Forum for Outstanding Professional Achievement and Inspiring Social Contributions.
- Best Innovative Practices in Marketing and Operations by World Innovative Congress.

### **Outlook**

Hon'ble Prime Minister of India has called for Self-Reliant India and has announced various packages under the 'Atma Nirbhar Bharat Abhiyaan'. The launching of "NSIC Venture Capital Fund Limited" – NSIC's subsidiary is a big initiative to support and boost MSMEs. It is a step towards fulfilling the mission of Atma Nirbhar Bharat.

We, at NSIC, have always realized that the Company needs to move with the times. The Company needs to face profound transformations to stay ahead in the market. We continue to re-evaluate the internal process/strengths to adapt to the new norms of digital and cognitive environment. It is not only about technology: it is about impacting every single dimension of the organization.

Now, it is important for us to stay focused, foster creativity & innovation, honour commitments with passion and professionalism and consolidate variety of emerging opportunities to serve MSMEs. We shall continue to deepen our commitment to being a sustainable organization, conscious about generating positive impact for all our stakeholders

and maintaining the organization's culture of bringing out the best in terms of serving MSMEs by providing much needed value added products to MSMEs.

### **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 to the Government of India, 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.

Place : New Delhi

Date : 19<sup>th</sup> February, 2021

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

I take this opportunity to convey my thanks to my colleagues on the Board of the 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.

Sd/-

**(Vijayendra)**

Chairman-cum-Managing Director

## Board of Directors



**Shri Vijayendra** is a senior officer of Indian Administrative Service(AM:91) and has joined as **Chairman-cum-Managing Director** of the National Small Industries Corporation (NSIC), a Public Sector Organisation under Ministry of MSME, Government of India on 14.11.2019.

Prior to the present posting, he served in the Ministry of Defence on deputation for three years as Joint Secretary, in the Department of Defence Production. Before coming to Government of India on deputation in 2016, he was serving in his cadre i.e. the State of Assam as Chief Electoral Officer, Assam. In his long administrative career, he has served State Government at many levels in various Departments – General Administration, Finance, Home, Mining, Election etc.

### **Ms. Alka Arora, Government Nominee Director**

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





**Shri D.P.S. Negi, Government Nominee Director,** Indian Economic Service Officer 1985 Batch, has had a long and distinguished career, having held various significant positions and roles within the Government of India. His longest tenure has been with the Ministry of Housing & Urban Development, where he has been the architect of flagship programme JuNURM & Rajiv Awas Yojna {Street Vendors Act & Real Estate Regulation Act (RERA)} and spearheaded many for reaching housing and poverty alleviation schemes, benefitting several urban poor families in the country.

He has also made his presence in the international arena and has the honor of having been the sole Indian representative of the United Nations forum. The International Council for Research & Innovation in Building and Construction (CIB), where he could express and voice the strengths and concerns of the Indian Building Industry to the international community at large.

Shri Negi, Government Nominee Director was in the Board of NSIC till 22<sup>nd</sup> May, 2020.

**Shri 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.

Shri Rajib Kumar Sen was appointed as Government Nominee Director in the Board of NSIC with effect from 22<sup>nd</sup> May, 2020.





**Mr. P. Udayakumar, Director (Plg. & Mkg.)** 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 a separate business vertical for distribution of Petrochemical products & developing contours for futuristic verticals in Defence Procurement, Machine Selling, Insurance, Waste to Energy, 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 for NSIC.

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 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 34 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 Corporation.

Mr. Dixit was appointed as Director (Finance) of the Corporation with effect from 10<sup>th</sup> July, 2019.





**Professor Adya Prasad Pandey** is an Indian economist and academic. He is M.A. (Economics), M.B.A. and Ph.D. He was appointed as non-official part time Director in the Corporation w.e.f. 25<sup>th</sup> January, 2017. He served as Vice Chancellor of Manipur University, Imphal. Prof. Pandey has been Head in Department of Economics in Banaras Hindu University, Varanasi. He has more than 38 years of experience in academics. Prof. Pandey has specialization in Industrial Economics, Labour Economics, Financial Management, Current Economic Problems and Policies, Agricultural, Micro and Health Economics and MSME. He has published 3 Books more than 90 research papers in National and International Journals, have completed 3 Major and One Minor Research Projects and have successfully guided 26 PhD Research Scholars. His research works have been cited in various International and National Research Journals and organizations including World Bank and UNDP report. He is also expert in various Academic Institutions and Government organizations.

The term of Prof. Pandey, Independent Director was completed in the Board of NSIC w.e.f. 24<sup>th</sup> January, 2020.

**Ms. Geeta Goti** is a well-known name in HR Consulting, Corporate Governance & Labour Compliance. She has an overall 31 years of experience working with Government, Private Sector and NGOs. Her consulting experience is across various companies dealing with Agriculture, Airlines, FMCG, Banking, IT services & NGOs in countries like US, UAE, Sri Lanka apart from India.

She is M. Phil in Psychology, MSW (Masters in Social Work) & Law Graduate. Ms. Geeta has worked in the development sectors like health care, women welfare, youth development etc. She functioned as National President by Confederation of Women Entrepreneurs of India (COWE) for 2016-17, an NGO working on Women Empowerment.

The term of Ms. Geeta Goti, Independent Director was completed in the Board of NSIC w.e.f. 24<sup>th</sup> January, 2020.





**Dr. Ramesh Bhat** is an alumnus of Harvard and Delhi University having 39 years of professional and academic experience. He is currently working as Provost, Management Education and Dean, School of Business Management, NMIMS University Mumbai. He has been on the Boards of Corporation Bank, BEML Limited, ITI Limited, Ahmedabad Stock Exchange, Basic Health Services and Advisor to the Human Resource Development Ministry, Government of India. His professional milestones include being a Professor of Finance at the Indian Institute of Management, Ahmedabad (IIMA) from 1986 to 2009 and later 2014 to 2016, Dean of the School of Business Management, NMIMS University, Mumbai and Assistant Director at the Institute of Chartered Accountants of India, New Delhi. He has taught and researched corporate finance and health finance at IIM Ahmedabad, ISB Hyderabad, University of North Carolina at Chapel-Hill USA (Jaipur Programme), IIM Udaipur, International Management Institute, New Delhi, School of Business Management NMIMS Mumbai, Institute of Chartered Accounts of India, Shri Ram College of Commerce. He has been consultant and advisor to a number of organizations in India and abroad. He has worked with a number of organizations in manufacturing, infrastructure, services, healthcare, and logistics industries and his area of work has focused on corporate finance, business valuation, financial and management control systems, private equity finance and health care financing.

The term of Dr. Bhat, Independent Director was completed in the Board of NSIC w.e.f. 2<sup>nd</sup> March, 2020.

## Board's Report

### To the Members,

Your Directors are pleased to present the 65<sup>th</sup> Board's Report of the Company alongwith the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2020.

### 1.0 Financials

During the year 2019-20, the Company has achieved gross revenue of Rs. 2,009.28 crore as against Rs. 2,605.02 crore in the previous year. The revenue from operations was Rs. 1,904.11 crore as against Rs. 2,547.07 crore in the previous year.

The Company has earned Profit before tax amounting to Rs. 132.33 crore [after taking into account of the provision written back amounting to Rs. 51.17 crore related to the case of the amount recoverable from UBI (now merged with PNB) under AMRCD] during the year 2019-20 as against Rs. 63.42 crore in the previous year. The profit after tax is Rs. 99.19 crore during the year 2019-20 as against Rs. 20.63 crore in the previous year.

The financial highlights for the year 2019-20 with its corresponding year are as under:

(Rs. in Crore)

Financial Highlights		
	2018-19	2019-20
Revenue from operations	2,547.07	<b>1,904.11</b>
Gross Income	489.60	<b>469.20</b>
Profit Before Tax	63.42	<b>132.33*</b>
Net Worth	840.80	<b>941.52#</b>
Borrowings	1,766.52	<b>1,618.42</b>
Earnings per share (Rs.)	3.87	<b>18.61</b>
Dividend	6.35	<b>34.09</b>

\* After taking into account the provision written back of Rs. 51.17 crore related to the case of amount recoverable from UBI (now merged with PNB) under AMRCD. Rs. 173.50 crore received from PNB on 29<sup>th</sup> Sept., 2020 as per the decision of the AMRCD.

# Including Impairment Reserve and Statutory Reserve created u/s 451C of the RBI Act.

### 1.1 Dividend

The Board of Directors of the Company has recommended a final dividend of Rs. 34.09 crore for the financial year 2019-20. The dividend recommended is subject to the approval of the shareholders at the Annual General Meeting.

### 2.0 Operating Performance

#### a) Raw Material Distribution

NSIC plays the role of a catalyst in the growth of Micro, Small & Medium Enterprises (MSMEs), by fulfilling their requirement of steady and timely delivery of their raw materials in requisite quantities at competitive prices. This not only enhances the competence of MSMEs but also contribute in increase their business volumes.

During the year 2019-20, NSIC has serviced the Raw Material requirements of MSMEs through supply of Steel from M/s. Steel Authority of India (SAIL) & (RINL), 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), Cement from M/s. Cement Company of India Ltd. (CCI) and M/s. ACC Cement. To further facilitate MSMEs and ease their Raw material constraints, NSIC has the arrangements / MoUs with Regional Producers' Local supplier's for supply of raw materials to MSMEs.

The Company is handling Bitumen & Emulsion material of main Producer i.e. M/s. Hindustan Petroleum Company Ltd. (HPCL) at Guwahati and Vijayawada under its "Agency Sales Scheme".

During 2019-20, ONGC Petro Addition Limited (OPaL) has appointed NSIC- BO Madurai as DCA-cum-CS to distribute their polymer products. The Company has also

entered into an arrangement / MoU with MMTC for supply of “Import and distribution of Non-Ferrous Metal (NFM) to Micro, Small & Medium Enterprises” PAN India.

During the year 2019-20, the value of Raw Material Distribution under RMD is Rs. 1,235.49 crore under sale purchase.

- **NSIC signs MoU with JSW Cement**

NSIC has signed a MoU with JSW Cement to distribute the cement on discounted price to MSMEs of Jharkhand.

- **NSIC enter into MoU with MRPL**

NSIC signed an MoU with MRPL for supply of Bitumen to MSMEs through NSIC.

- **NSIC signs MoU with UPEIDA**

During the Defence Expo held on 6<sup>th</sup> & 7<sup>th</sup> Feb., 2020 in Lucknow (UP), NSIC signed MoU with Uttar Pradesh Expressways Industrial Development Authority (UPEIDA) to create eco-system for MSMEs under upcoming Defence Corridor in the State of Uttar Pradesh and Mishra Dhatu Nigam Ltd. (MIDHANI) for supply of Special Raw Materials to DEFENCE MSMEs.

- **NSIC signs MoU with MMTC**

NSIC signed MoU with MMTC on 19<sup>th</sup> Feb., 2020 for supply of Imported Non-Ferrous Metals to MSMEs through NSIC.

**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 9<sup>th</sup> 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;

Now, the Single Point Registration Scheme (SPRS) is completely online. The MSEs can register themselves under SPRS scheme at [www.nsicspronline.com](http://www.nsicspronline.com).

The revenue earned from Single Point Registration Scheme (SPRS) in the year 2019-20 was Rs. 14.40 crore as against Rs. 14.14 crore in previous year. During the year 2019-20, 4,234 new units were added and 7,641 units were renewed.

**c) Consortia & Tender Marketing**

Micro & Small Enterprises (MSEs) are facing constraints in procuring the large orders when they bid for tender on their own capacity vis-à-vis large enterprises. In order to alleviate this hurdle, NSIC forms consortia of small units manufacturing the same products, thereby pooling in their capacity which provides comfort level to MSEs as suppliers and also to buyers. The Company 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.

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

During the year 2019-20, the Company has participated in 869 tenders valuing Rs.454.20 crore and executed tenders worth Rs. 208.64 crore.

**d) Credit Support to MSMEs**

NSIC provides credit support for raw material procurement by making the payment to suppliers under Raw Material Assistance scheme against Bank Guarantee. NSIC also facilitates financing by providing assistance

to MSMEs under its Tender Marketing Scheme.

Further, to meet the credit requirements of MSME units, NSIC has entered into MoU with Nationalized & Private Sector Banks. Through syndication with these banks, NSIC arranges for credit support (fund or non-fund based limits) from banks. 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 year 2019-20, credit facilitation of Rs. 5,276.78 crore was provided to the units.

**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).

• **Skill development (Capacity Development)**

NSIC Technical Services Centres are presently offering Job oriented skill development trainings in various disciplines as per the requirement of industries. The centres are equipped with the conventional to Hi-Tech machinery & 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.



*Shri Vijayendra, Chairman-cum-Managing Director, NSIC alongwith Shri P. Udayakumar, Director (P&M) and Shri Gaurang Dixit, Director (Finance) being briefed about the training on development of Drones at NSIC-Technical Centre at Okhla, New Delhi.*

During the Year 2019-20, total no. of 54,624 trainees passed out through these technical centres.

The details of training courses conducted 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) **Polytechnic Diploma Engineering and NCVT courses:** AICTE approved diploma engineering courses in five 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.

With the outbreak of COVID-19 pandemic in February- March, 2020, 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 Plan 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. During the year total no. of 9427 units have been facilitated under common facilities services.

During the year, NTSC Chennai has set up a new testing facility for small spark ignition and constant speed engines as per IS:7347 and 11170. This testing would be useful to the manufacturers of automobile industries and agricultural purposes for lifting of water in remote areas. This testing facility is the first of this type in South India.

- **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.

- **Placement Facilitation initiatives**

NSIC facilitates placement to its successful trainees by arranging Job Fairs in its campus. During the Financial Year 2019-20, 30 Job Melas were organised for our students in which more than 300 companies participated e.g. Havells, Kelmens Engineering, Munjal Showa, Daikin, LNM Auto Industries, Accurate Engineering, Sunrise Industries, Mphasis, Sidhi Vinayak Pumps, etc. are some of the major companies which have offered placements to our trainees during our on-campus Job Fairs.

- **Setting up Vocational Training Center (VTC) / Incubation Center (IC) in foreign countries**

VTC/IC in Ethiopia, Burundi, Rwanda, Burkina Faso, Egypt, Gambia, Zimbabwe under India Africa forum summit (IAFS-I) of Ministry of External Affairs, Government of India were successfully established and handed over to the respective recipient organisation of host Government(s) by NSIC.

During the year, NSIC has established India-Africa Vocational Training Centre-cum-Business Incubation Centre (VTC/IC) at Chimoio in Manica province of Mozambique under India-Africa Forum Summit (IAFS) Grant from Government of India. India – Africa VTC/IC is a training institute for imparting training in entrepreneurship building and skill development to Mozambique youth, who intend to set up their small enterprises or seek employment opportunities. The Incubators envisage transformation of an unemployed youth into budding entrepreneur in just 6 months' time.

The Centre is equipped with SME manufacturing technologies viz. Tomato processing & Fruit juice, Bakery, Edible oil extraction, Peanut paste making, Potato chips making, Wheat flour milling, Paper napkin & Toilet paper roll making, Wire nail & U nail making.

- **Signing of MoU**

1. **NTSC, Hyderabad signs MoU with India telephone Industries Ltd. (ITI Ltd.)**

A MoU was signed between NTSC, Hyderabad and ITI Ltd., Bengaluru on 30<sup>th</sup> Sept., 2019 to provide e2e telecom solution and to provide excellence in technology, product & services in the area of switching, transmission access, encryption and defense communication products, SMT Lines, scada system, encryption, maintenance, installation and repair, CFS works etc.

2. **NTSC (Howrah) signs MoU with Indian Electrical & Electronics Manufacturers' Association (IEEMA)**

NTSC-Howrah signed MoU with Indian Electrical & Electronics Manufacturers' Association (IEEMA) on 1<sup>st</sup> November, 2019 with an aim to create training facilitation jointly to address the skill requirements by the industries.

3. **NTSC, Neemka signs MoU with NTPC**

A MoU was signed between NTSC, Neemka and NTPC Gas Power Station, Faridabad on 19<sup>th</sup> November, 2019 to impart various trainings to underprivileged women beneficiaries largely hailing from neighboring areas of Faridabad.

4. **NSIC signs MoU with Mitutoyo South Asia (Japan)**

NSIC and M/s Mitutoyo South Asia Pvt. Ltd. have joined hands in the area of industrial metrology so as



*The MoU was signed by Shri O.P. Singh, Centre Head, NSTC, Okhla, New Delhi and Shri Harrish Bajaj, Director, Mitutoyo South Asia (Japan) in the presence of Shri Vijayendra, CMD and Shri P. Udayakumar, Director (P&M). NSIC is committed to bring the latest technology with world class service to the MSME sector.*

to provide skill manpower to MSME units and create employment by way of providing training on latest technological machines of Coordinate Measuring Machine (CMM). The MoU was signed on 13<sup>th</sup> January, 2020 at the NSIC – Technical Services Centre, NSIC Campus, New Delhi.

**5. NTSC (Neemka) signs MoU with Mumbai- JNPT Port Co. Ltd.**

NTSC-Neemka has signed MoU with Mumbai-JNPT Port Company Limited (SPV of NHAI) on 19<sup>th</sup> Jan 2020 at NHAI, New Delhi. The MoU would facilitate training to be imparted to underprivileged category beneficiaries under financial support from NHAI. The signing of MoU would open up further avenues for the Centre to scale up the training activity for further development of Centre.

**6. NSIC signs MoU with ONGC**

NSIC and Oil & Natural Gas Company Ltd (ONGC) have signed MoU to

provide skill training for SC / ST / OBC / Min / PwDs on 19<sup>th</sup> Feb., 2020. Apart from skill training to make them self-employed, tool kits would be distributed to successful trainees.

**f) MSME Global Mart**

With an objective of facilitating further growth of MSMEs and providing a broader market to serve, The National Small Industries Corporation Limited (NSIC) launched MSME Global Mart ([www.msmemart.com](http://www.msmemart.com)), a global business to business (B2B) portal facilitating Marketing Support to Micro, Small and Medium Enterprises (MSMEs) by way of Increased visibility, Connecting buyers & suppliers, Trade leads, Keyword based tender alerts etc. to accelerate their business online. MSME Global Mart is a one stop digital solution to all business needs of MSMEs and aims towards providing next generation services to MSMEs to make them competitive in a global market.

The Portal can be browsed on a web browser by using the URL / Web address [www.msmemart.com](http://www.msmemart.com)

### Benefits and Services of MSME Global Mart:

MSME Global Mart provides an online platform to MSME's for B2B marketing and connecting with the buyers and suppliers all over the world. This offers a bouquet of services infused with technology to provide an enhanced experience to the members. Services of this portal not only focus towards increasing the visibility of products globally but also focus on providing value added services and relevant information to support MSMEs throughout the business cycle.

Services of MSME Global Mart are available at a very nominal fee through annual membership. For **SC/ST entrepreneurs, services of MSME Global Mart are 100% subsidized for first year and 80% subsidized for subsequent years** under National SC/ST Hub, Ministry of MSME, Govt. of India.

### Key Features of MSME Global Mart:

- Product specific database search
- Create your company webpage within minutes
- Showcasing Products & Services 24\*7
- Virtual Exhibition (Platform to Display Product and Services of MSMEs)
- Connect with the Buyers and Suppliers globally
- Sector-specific Global & National Tender information
- Business Trade Leads (Buy/Sell)
- Facilitates Joint Venture, Sub-contracting, Franchise & Distributorship Opportunities
- Request for quotation Tools
- Information on Events and Exhibitions
- Assistance in finance facilitation
- Service Available in Multiple Language at very nominal fee
- Free membership for SC / ST entrepreneurs
- Trust seal of NSIC

During the period 2019-20, 25,157 units were registered under B2B portal as compared to 19,019 units in the financial year 2018-19, registering the growth of 32% approx. and revenue of Rs. 9.62 crore was earned.

### 3.0 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.

#### Objective:

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.

During the year 2019-20, the Company facilitated participation of 669 MSMEs in 32 domestic exhibitions held across the country under PMSS. Various vendor development programs and international / national workshops, seminars /

awareness programs were organized wherein 2300 units were participated. The Company facilitated participation of 6 MSMEs under the International Cooperation Scheme in India Show at Lima, Peru held during 11-15 March, 2020.

**b) National SC-ST Hub (NSSH)**

NSIC has been implementing National SC/ST Hub (NSSH), an initiative of Ministry of MSME, Govt. of India since its launch in 2016. The objective of this scheme is to provide professional support to the SC/ST Entrepreneurs to fulfil the mandate of 4% procurement from CPSEs as per Public Procurement Policy. Various new interventions have been introduced under NSSH by the Ministry of MSME during the financial year 2019-20. The brief on activities undertaken are as under:

- Total no. of 94 e-tendering workshops have been organized by National SC/ST Hub Offices (NSSHOs) with participation of more than 3,126 SC/ST candidates. In addition, 78 Special Vendor Development Programs (SVDPs) have been organized wherein total 4,115 SC/ST candidates

have been participated. Awareness campaigns were organized and as a result, total 616 SC/ST owned units have participated in government tenders and received orders amounting to Rs. 5,021.41 lakh.

Besides the above, hand-holding support was provided to the SC/ST entrepreneurs for bank loan and tender participation.

- **Capacity building and Skill Development**

Total 13,362 SC/ST candidates have been trained in various areas through 36 autonomous training institutes across India during the year 2019-20. There is over two-fold increase in trained candidates in the financial year 2019-20 as compared to year 2018-19.

- **Implementation of various schemes:**

- **Special Marketing Assistance Scheme (SMAS):** A total of 2344 SC/ST MSMEs were



NSIC signs the MoU with Oil & Natural Gas Corporation Ltd. (ONGC) to provide Skill training for target group of SC/ST/OBC/Min/PwDs. The MoU was signed by Shri P. Udayakumar, Director (P&M), NSIC and Shri H.P. Kumar, Group General Manager (ONGC).

facilitated to participate in 209 domestic / international exhibitions.

- **Special Credit Linked Capital Subsidy Scheme (SCLCSS):** SCLCSS subsidy of Rs.23 crores was transferred to the nodal banks in respect of year 2017-18 & 2018-19 (Part).
- **Single Point Registration Scheme (SPRS) :** 1,099 SC/ST MSEs have been registered for fresh/renewal registrations under Single Point Registration Scheme (SPRS) during year 2019-20 by availing subsidy under NSSH.
- **Scheme for reimbursement of membership fee of B2B portal (MSME Mart) :** During the year, total 8024 SC/ST candidates availed subsidy on membership fee of B2B Portal ([www.msmemart.com](http://www.msmemart.com)).

#### 4.0 International Cooperation

a) 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. During the year 2019-20, the activities undertaken are as follows:

- **Business Delegation to Iran:**  
NSIC organized business delegation of seven MSMEs from Odisha to visit 24<sup>th</sup> Iran Agrofood Fair organized at Tehran from 18<sup>th</sup> to 21<sup>st</sup> June, 2019. The delegation was organized at the invitation of NSIC's partner Institute ISIPO. Indian MSMEs were introduced to food processing technologies of Iran.
- NSIC facilitated participation of 6 MSEs in India Show organized at Lima, Peru during March 11-15, 2020 under the International Cooperation Scheme of the Ministry of MSME. The multi-product fair was organized by ITPO.

b) During the year 2019-20, a number of International delegation visited NSIC to explore the possibilities of cooperation with NSIC for the development of MSMEs in their respective countries. Some of them are mentioned as below:

- **Delegation from Uganda:**  
High Level delegation led by Hon'ble Amos Lugoloobi alongwith Members of the Parliament of Uganda visited NSIC Technical Incubation Centre for creating self-employment opportunities and Advanced Training Centre for upgrading the skills of Youth on 3<sup>rd</sup> July, 2019. The Members from the Parliament of Uganda expressed that NSIC's model is the apt model for engaging youth in productive activities in Uganda.
- **Delegation from Republic of Zimbabwe:**  
A delegation led by Ms. Sithembiso G. Nyoni, Hon'ble Minister of Women Affairs, Community, Small & Medium Enterprise Development of the Republic of Zimbabwe visited NSIC Technical Service Centre on 24<sup>th</sup> August, 2019 to understand NSIC's initiatives in developing MSEs in the country and cooperation in this field.
- **Delegation from South Africa:**  
An Eight Member Official Delegation from Department of Trade & Industry, Government of South Africa visited NSIC on 15<sup>th</sup> October, 2019 with objective to understand NSIC's activities and initiatives taken for developing MSMEs especially for rural youths.
- **Delegation from Papua New Guinea:**  
The delegation led by Mr. Petrus Ralda, Managing Director, SME Company (SMEF), Papua New Guinea (PNG) visited NSIC. The various activities of NSIC for the promotion of MSMEs in the country and abroad was appraised. The delegation from PNG also

visited NSIC's Technical Incubation Centre for creating self-employment opportunities and Advanced Training Centre for upgrading the skills of Youth. PNG SME Company has also placed on order on NSIC for conducting feasibility study for the establishment of Rapid Incubation Centre at Papua New Guinea.

#### 5.0 NSIC's services in North Eastern Region (NER)

NSIC has a Branch Office at Guwahati and Sub-Office in Imphal (Manipur) in NER. Activities undertaken by NSIC in NER are as under:

- a) 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. Branch office- Guwahati trained 200 trainees under internal training, 114 trainees under sponsored training and 340 trainees under ATI various trades like Fashion Design, Beautician, Food Processing, Shoe and Leather Bag Making & Decorative Candle Making.
- b) Other activities for the year 2019-20 in North Eastern Region are as follows:-
  - i) NSIC in association with Social Welfare Dept. organized an awareness program in Guwahati on 3<sup>rd</sup> May, 2019. A presentation was placed about all the schemes of NSIC along with training programs.
  - ii) As on 30<sup>th</sup> May, 2019, Branch office-Guwahati has organized an awareness campaign on GeM portal. On spot registration was done for some units in Government Electronic Portal.
  - iii) On 12<sup>th</sup> September, 2019, an awareness program was organized at NKC Handloom, Koite Churachandpur, Manipur wherein 44 MSEs were benefited to know about the schemes of NSIC.
  - iv) Branch Office- Guwahati organized an IMPCC (Inter Media Publicity

Coordination Committee) meeting on 1<sup>st</sup> April, 2019 where various state and central government officials were present.

- v) Branch Office- Guwahati signed a MoU with M/s. Shyam Steel Ltd. for distribution of TMT Rebar to different MSMEs in North East Region.
- c) **Vendor Development Programs-cum-Seminar**
- i) NSIC organized a vendor development programs-cum-seminar in association with M/s Assam Bio-Refinery Pvt. Ltd. (ABRPL) on 16<sup>th</sup> May, 2019 in Guwahati for Bio Fuel Project in North East Region. A presentation was placed on Bamboo processing machines and its future scope on production of Bio-Fuel from raw bamboo as an alternative to the fuel industry.
  - ii) National SC/ST Hub Office (NSSHO) Guwahati had conducted 3 Nos. of Special Vendor Development Program with the reputed CPSEs such as IOCL, Powergrid Corporation of India and POSOCO.
  - iii) Buyer Seller Meet :
    - On 1<sup>st</sup> August, 2019, Branch Office - Guwahati conducted one Buyer Seller Meet at Group Centre, CRPF Langjing, Imphal where Seventy Seven (77) enterprises from different field of activities (both buying and selling) joined the event.
    - On 4<sup>th</sup> September, 2019, a buyer seller meet was organized by Branch Office- Guwahati in Guwahati where 28 numbers of enterprises were present (both from buying and selling establishments).
- d) **Participation in Domestic Exhibition:**
- NSSHO Guwahati had participated in 12 domestic exhibitions at different places of the country namely at Shillong, Meghalaya, Imphal, Manipur, Itanagar, Arunachal Pradesh, Guwahati, Assam, Mumbai,



*The MoU was signed by Shri P. Udayakumar, Director (P&M), NSIC and Dr. Thomas Chandy, Additional Chief Secretary, Government of Sikkim for the promotion and development of MSME Sector in the State of Sikkim.*

Maharashtra and New Delhi. A total of 250 SC/ST units had participated and promote their products & services through 12 events.

**e) Participation in International Exhibition:**

Two units had participated in an International event at India Show Peru from the 11<sup>th</sup> - 15<sup>th</sup> March, 2020.

**6.0 NSIC conferred with Best Innovative Practices in Marketing and Operations Award**

NSIC has been conferred with award for Best Innovative Practices in Marketing and Operations being implemented by NSIC for the growth of MSME sector at the World Innovative Congress held on 17<sup>th</sup> February, 2020 in Mumbai. Various heads of International organisations, eminent professionals and head of PSUs were present on the occasion.

**7.0 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 on 28<sup>th</sup> August, 2020 to anchor the SRI Fund. SRI Fund will be a Category-II Alternative Investment Fund registered with SEBI and will have a Mother Fund / Daughter Fund structure. The Government of India will be the sole anchor investor and provide an 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. SRI Fund will be oriented towards providing 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.

## 8.0 Management Discussion & Analysis

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

## 9.0 Issue of Commercial Paper

NSIC has been raising resources through issue of Commercial Paper as short-term debt instrument and meeting its short term liabilities. The Commercial paper issued by NSIC were rated as CRISIL A1+ (pronounced as CRISIL A One Plus) rating and ACUITE A1 + (Formerly known as SMERA) rating by CRISIL and Acuite rating agencies respectively. Debt Instruments with these rating are considered to have “Very Strong Degree of Safety” regarding timely payment of financial obligations. During the year 2019-20, the Company at different times has raised Rs. 1,200 crore through Commercial Paper.

## 10.0 Investments

As on 31<sup>st</sup> March, 2020, the Company had 4,70,230 equity shares of Rs. 2/- each in M/s. Singer India Ltd.

## 11.0 Fixed Deposit

The Company has not accepted any fixed deposits and as such no amount of principal or interest was outstanding as on 31<sup>st</sup> March, 2020.

## 12.0 Human Resource Management

The total manpower of the Company as on 31<sup>st</sup> March, 2020 was 738 as against 794 in the previous year.

The break-up of the manpower was as follows:

S. No.	Description	As on 31.03.2020	As on 31.03.2019
1.	Managerial	518	555
2.	Supervisory	110	100
3.	Non-Supervisory	110	139
	<b>Total</b>	<b>738</b>	<b>794</b>

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 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, scholarship to the meritorious wards of serving employees etc. Besides, the NSIC Employees Superannuation Pension Scheme for IDA employees is also in place.

During the year, cordial relations were maintained with various NSIC Employees Unions of the Company. 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.

### b) Staff Training

Training is a learning process that involved acquisition of knowledge, sharpening of skills, concepts, rules and changing of attitude and behaviour to enhance the performance of employees. With this vision Human Resource Department and Learning & Development division, NSIC jointly conducted various in-house training programs for its employees on different topics such as self-enhancement, transformational leadership, basic management program, orientation program for NSSHO Heads, orientation program (Business Development & Tech. and Finance), training of trainers on SAP Business One, Program on People Capability Maturity model, International Women’s Day, 2019 – First Love Yourself (FLY), High Impact Sales and Customer-Centric Management, Workshop on Sexual harassment of Women at Workplace.

During the year, total 281 employees including 255 from Group A were trained. 114 employees have been sponsored for outside training.

c) **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 and Scheduled Tribes 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.

d) **NSIC runs Cleanliness Drive & Swatchhata Pledge**

To celebrate 150<sup>th</sup> Birth Anniversary of Mahatma Gandhi, NSIC undertook a cleanliness drive and Swatchhata Pledge on 2<sup>nd</sup> Oct.2019 to highlight the need to liberate Indian from single use plastic.

e) **NSIC observes “Rashtriya Ekta Diwas”**

NSIC observed the Birth Anniversary of Sardar Vallabhbhai Patel as “Rashtriya Ekta Diwas” (National Unity Day) on 31<sup>st</sup> October, 2019. NSICians administered Rashtriya Ekta Diwas pledge on this occasion.



*Shri Vijayendra, Chairman-cum-Managing Director, NSIC administered the “Rashtriya Ekta Diwas Pledge” on the occasion of the birth anniversary of Sardar Vallabhbhai Patel. Shri P. Udayakumar, Director (P&M) alongwith officials from Head Office were present on the occasion.*

**f) National Voters Day**

NSICians took Voters Pledge on the occasion of “National Voters Day” on 25<sup>th</sup> January, 2020 (the eve of Republic Day). India celebrates its National Voters’ Day to commemorate the founding day of the Election Commission (EC) of India. The day holds significance in India as it is dedicated to raise awareness among the citizens of India on voter rights and duties.

**13.0 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 year 2019-20, ICC-NSIC received one complaint which stands disposed off.

**14.0 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.

**15.0 Vigilance Activities**

Vigilance is an inalienable and integral part of the management function and assist in maintaining integrity, purity and efficiency of the administration. Vigilance department works in cooperation with other Divisions / Units of the 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 organisation. It ensures that there is no wastage, misuse or pilferage of the available

resources and optimum use of these resources to fulfil the objective. In-house vigilance is an essential management tool to safeguard the organisation from erosion of the organizational resources and goodwill.

The vigilance department not only assist 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. Preventive vigilance inspections were also carried out by vigilance division in the various offices / centers of the Company for curbing any wrong doing / corruption. The departmental disciplinary proceedings were conducted against the erring officials involved in the cases and major penalty has been awarded in some of the cases after completion of the proceedings.

During the year 2019-20, “Vigilance Awareness Week” was observed from 28<sup>th</sup> Oct. 2019 to 2<sup>nd</sup> Nov., 2019 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 “**Integrity – A Way of Life**”. 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 officers of “A” & “B” category of the Company were obtained and examined.

**16.0 Corporate Social Responsibility Initiatives**

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

**17.0 Auditors**

**a) Statutory Auditors**

The Comptroller & Auditor General of India has appointed M/s. K P M C & Associates, Chartered Accountants as



*On the occasion of “Vigilance Awareness Week” oath being administered by Shri Rajan Trehan, Chief Vigilance Officer at Corporate Office, New Delhi.*

the Statutory Auditors for the financial year 2019-20. The Statutory Auditors have given its report on the financial statements of the Company for the financial year 2019-20.

The management replies to the Statutory Auditors’ Report are annexed.

b) **Secretarial Auditors**

M/s. Sanjay Chugh, Practicing Company Secretaries were appointed to conduct the Secretarial Audit of the Company for the financial year 2019-20 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 2019-20 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 is annexed to the Board’s Report.

**18.0 Extract of Annual Return**

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

**19.0 Internal Financial Controls**

The Board has adopted the policies and procedures for ensuring the orderly an efficient conduct of its business, including adherence to the Company’s policies, safeguarding of its assets, the accuracy and completeness of the accounting records.

**20.0 Citizens’ Charter**

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

## 21.0 Signing of Memorandum of Understanding with the Government

NSIC signed a MoU with the Ministry of Micro, Small and Medium Enterprises for the year 2020-21.

## 22.0 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 Official Language Department & Ministry of MSME issued from time to time were continued to be observed during the year 2019-20. In addition, following activities were carried out during the year to ensure the progressive use of Hindi.

- Hindi Pakhwada (Fortnight) was celebrated during 16<sup>th</sup> Sept. 2019 to 30 Sept. 2019. Six various Hindi competitions were organized in the company. The focus of these competitions was to motivate the employees to increase use of Hindi in their day to day official work.
- “Hindi Diwas” was celebrated on 16<sup>th</sup> Sept., 2019 (being 14<sup>th</sup> Sept. 2019 was Saturday) in the Company under the Chairmanship of Director (Finance) in which Departmental Heads along with their Heads of subordinate offices situated in NCR have participated. On this day Hindi Diwas message of Hon’ble Minister of State (Independent charge) for MSME and C.M.D., NSIC was read out. A special training programme of Google input tool i.e. speech to text in Hindi and regional languages was conducted for senior officers of the Company.
- An annual inspection program for Official Language was conducted for the various departments at Head office and some 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.

- 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 & non-Hindi speaking officials of the field offices.
- Officers / employees were nominated on behalf of the company in the Hindi contests organized under the guidance of the Nagar Rajbhasha Karyanvyan Samiti (Upkram-2) Delhi. In which two officers / employees were declared winners and given prize money and award.
- **“Rajbhasha Sammaan”** was awarded to NSIC in September, 2019 in International Conference Delhi organized by the Vishwa Hindi Parishad for the excellent work in the field of Official Language Implementation. This Award was given by Her Excellency Smt. Mridula Sinha, Governor of Goa.
- **“Rajbhasha Mukutmani Shield”** was awarded to NSIC for the promotion and development of Rajbhasha Hindi and for excellent implementation of Rajbhasha at the All India Official Language Training Camp and Conference organized by the Bhartiya Sanskriti Sansthan at Goa in October, 2019.

- **“Rajbhasha Hindi Karyanvan Ratna Sammaan”** was awarded to NSIC in November, 2019 in the conference organized by “Parivartan Jan Kalyan at Tamilnadu.
- **“Rajbhasha Hindi Karyanvan Ratna Sammaan”** was awarded to NSIC in January 2020 in the conference organized by Jagdambi Parsad Yadav Smirti Parthistan at Bhubneswar.

### 23.0 Particulars of Energy Conservation, Technology absorption

As NSIC does not have any manufacturing activities, the declaration of information regarding conservation of energy & technology absorption is not required. However, 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.

The Company has also completed the installation of LED based lighting system at Hyderabad, Chennai, Rajpura, Okhla & Neemka.

NSIC Technical Services Centre at Hyderabad and Okhla installed fully automatic waste to compost making machines in the premises. It is yet another initiative taken by NSIC towards Swachh Bharat Mission.

### 24.0 Procurement Policy for MSEs

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 was Rs. 23.74 crore. As against the target of 20% for procurement from MSEs, this procurement from MSEs was 80.50% of the total purchases made by the Company.



*The MoU was signed by Shri P. Udayakumar, Director (P&M), NSIC and Mr. Mohammed Al Mughirah, President, Aramco in the presence of H.E. Dr. Said Bin Mohammed Al Sati, Ambassador of Saudi Arabia.*

## 25.0 Foreign Exchange

During the year 2019-20, the total expenditure in foreign currency was Rs. 3.66 crore as compared to Rs. 3.93 crore in the year 2018-19.

## 26.0 Quality Management System

NSIC has constantly reviewed, refined and upgraded its systems to deliver higher quality of services to its customers and satisfy all its stakeholders through establishing the Quality Management System standard.

Quality Management System ISO 9001:2000 version was awarded and implemented in NSIC since 2003, which was revised and updated in the year 2008 for ISO 9001:2008 version and updated in the year 2018 for present version ISO 9001:2015. Since then NSIC is continuously implementing the revised version of the Standard of QMS 9001:2015.

With the upgradation of the latest ISO version QMS 9001:2015, NSIC has also extended the scope of QMS by augmenting the number of ISO certified offices. At present Corporate Office, 49 Branch offices and 8 NTSCs has been certified for ISO 9001:2015 by an independent certification agency M/s. TUV India Pvt. Ltd.

To ensure the necessary compliance of Quality Management System ISO 9001:2015, three cycles of Internal Audits have been carried out in all certified offices of NSIC i.e. 50 Branch Offices including Corporate Office and 8 NTSCs in the financial year 2019-20.

2<sup>nd</sup> Annual Surveillance Audit was also conducted by M/s. TUV India Pvt. Ltd. in the month of February/March 2020 at randomly selected Branch Offices / NTSCs. M/s TUV India Pvt. Ltd. confirms in its audit reports that NSIC meets all quality system management requirements as per ISO 9001:2015 standard without any non-conformities.

During the year 2019-20, new manuals / procedures for high risk areas / schemes have also been designed i.e. Consortia & Tender

Marketing Schemes (CTMS), Raw Material Distribution (RMD) and Event Management Cell (EMC) and uploaded on Intranet.

Two manuals have been updated with latest modification / amendments i.e. Quality System Manual & NTSCs Manual and also uploaded on Intranet. Manuals related to other areas / activities have also discussed for updation. Finalization of draft with the consultation of respective HoDs is in process.

With the implementation new ISO 9001:2015 standards, the approach has also been changed from document based approach to process approach through Risk Based Thinking i.e. "Risk Identification, Assessment & Mitigation" for the improvements in the context of the organization's external and internal stakeholders expectations and delivery high quality of services to its customers with established effective management system. CMR department has tried to sensitize the officers for identification of significant risks, analyses, assessment rating and formulation of a mitigation plan. Scheme-wise risk assessment and quantitative ratings of the risk at HO level / Zonal / BOs / NTSCs level are discussed and analyzed.

CMR Office ensures effective implementation of QMS ISO 9001-2015, compliance of designed system, facilitating corrective action on identified gaps and closing them before and after the audits at all levels in all certified offices of NSIC, scheduling the audits, reviewing, training and capacity building of the staff to encourage them to contribute to the QMS Audit / Manual upgradation and enhance their engagement to the process of QMS in their respective departments / divisions and reinforced the culture of continuous improvement to ensure that they are meeting the highest possible standard which is imperative for large organisations.

## 27.0 Directors

During the year 2019-20 and till date, the following changes have taken place in the Board of the Company:-

- a) Shri R.M. Mishra, Additional Secretary & Development Commissioner (AS&DC), Ministry of MSME was appointed to hold additional charge of the post of Chairman-cum-Managing Director in the Company w.e.f. 12<sup>th</sup> March, 2019 to 13<sup>th</sup> November, 2019.
- b) Shri Vijayendra, IAS (AM:91) was appointed as Chairman-cum-Managing Director in the Company w.e.f. 14<sup>th</sup> November, 2019.
- c) Shri A.K. Mittal, Director (Finance) superannuated from the services w.e.f. 30<sup>th</sup> June, 2019 and Shri Gaurang Dixit was appointed as Director (Finance) w.e.f. 10<sup>th</sup> July, 2019.
- d) Prof. Adya Prasad Pandey, Ex-Head of Department of Economics, BHU, Varanasi and Smt. Geeta Goti, Ex-Vice President, Confederation of Women Entrepreneurs of India, were appointed as non-official part-time Directors on the Board of the Company by Government of India, Ministry of Micro, Small & Medium Enterprises for a period of three years. The term of these Directors has completed on 24<sup>th</sup> January, 2020.
- e) Dr. Ramesh Bhat, Ex-Professor, IIM, Ahmedabad was appointed as non-official part-time Director on the Board of the Company by Government of India, Ministry of Micro, Small & Medium Enterprises for a period of three years. The term of Dr. Ramesh Bhat has completed on 2<sup>nd</sup> March, 2020.
- f) 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. 9 / 61/2004-SME dated 09<sup>th</sup> July, 2020 in place of Shri D.P.S. Negi, Ex-Economic Advisor (MSME).

During the year 2019-20, seven meetings of the Board of Directors were held. In addition,

Audit Committee Meeting(s), Corporate Social Responsibility committee meeting(s) and Independent Directors' meeting were held. The details of the meetings are given in the Corporate Governance Report which forms part of this report.

## 28.0 Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- the Directors selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 29.0 Corporate Governance

The Company received “Excellent” rating on compliance of Corporate Governance guidelines issued by Department of Public Enterprises for CPSEs for the year 2018-19.

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

### 30.0 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: 19<sup>th</sup> February, 2021

Sd/-  
**(Vijayendra)**  
Chairman-cum-Managing Director

## Management Discussion & Analysis

### i. Industry structure and developments

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. It has been contributing significantly to the expansion of entrepreneurial endeavours through business innovations. The MSMEs are widening their domain across sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets.

The MSME sector have been the growth engine of the economy with a vast network of about 63.38 million enterprises. The Micro, Small and Medium Enterprises (MSMEs) Sector contributes significantly to the Indian Economy in terms of Gross Domestic Product (GDP), Exports and Employment generation. 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.

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. 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.

Recognizing the potential of this sector for the nation's development, the Government of India has taken various steps to strengthen the MSME sector. Among various initiatives, the definition of MSME has been revised and the notification has been issued changing the classification to composite criteria i.e. investment in plant and machinery or equipment and annual turnover.

### ii. Operational and Financial Performance

NSIC has continued its efforts of facilitating MSMEs, during the financial year 2019-20 also, through integrated support services encompassing Marketing, Credit, Technology and other Services. Despite the challenges being faced by the MSME sector due to various factors, applicability of RBI prudential norms and their stringent provisions along with effect thereof on the schemes / business of the Company, MSMEs have been facilitated by the Company to the extent of Rs. 15,920 crore for the year 2019-2020 with the value of goods handled and services rendered.

The Company achieved gross revenue of Rs. 2,009.28 crore as against Rs. 2,605.02 crore in previous year. The revenue from operations was Rs. 1,904.11 crore as against Rs. 2,547.07 crore in previous year. During the year 2019-20, the Company has earned Profit Before Tax amounting to Rs. 132.33 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. 1,235.49 crore), credit support (Rs. 5,276.78 crore), technology support-training activities (54,624 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 Company by the Government and / or its agencies. The schemes of 'Procurement & Marketing Support Scheme', 'Assistance for Training to Institutions' and 'National Schedule Caste/Schedule Tribe Hub' (NSSH) etc., for which budgetary support has been provided to the Company alongwith administrative expenditure restricted to the tune of 7.5% of the total expenditure under NSSH Scheme for implementation of such schemes, get reflected under the 'Promotional' activity.

The 'Commercial' activities inter-alia include the activities whereby the Company provides 'Marketing' (including tender marketing and Raw Material Distribution), 'Credit', 'Technology' and 'other support' services to

cater to the diverse needs of the MSMEs. The Company 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 Company. Accordingly, the activities of the Company 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 31<sup>st</sup> March, 2020 as required by IndAS-108 on "Segment Reporting" issued by the Institute of Chartered Accountant of India:

(₹ in Lakh)

Description	For the year ended 31.03.2020			For the year ended 31.03.2019		
	Promotional	Commercial	Total	Promotional	Commercial	Total
<b>Primary Segment – Business Segment</b>						
<b>I. SEGMENT REVENUE</b>						
a. Segment Revenue (including grant)						
-Sale of Product	-	144412.97	144412.97	-	207,452.92	207,452.92
-Sale of Services	-	8648.19	8648.19	72.32	7,179.85	7,252.17
-Others	10259.98	37606.55	47866.53	5,649.56	40,147.00	45,796.56
<b>-Total</b>	<b>10259.98</b>	<b>190667.71</b>	<b>200927.69</b>	<b>5,721.88</b>	<b>254,779.77</b>	<b>260,501.65</b>
<b>II. RESULTS</b>						
a. Segment Results		9919.22	9919.22		2062.06	2062.06
b. Operating Profit before interest		25847.45	25847.45		22179.69	22179.69
c. Interest Paid		12616.01	12616.01		15,837.34	15,837.34
d. Exceptional items		(1.30)	(1.30)		0.00	0.00
e. Profit before Tax		13232.74	13232.74		6342.35	6342.35
f. Tax Expense		3313.52	3313.52		4280.29	4280.29
g. Profit after Tax		9919.22	9919.22		2062.06	2062.06
h. Other Comprehensive Income		(393.90)	(393.90)		(171.79)	(171.79)
i. Total Comprehensive Income {Comprising Profit / (Loss) and Other Comprehensive Income}		9525.32	9525.32		1890.27	1890.27
<b>III. ASSETS &amp; LIABILITIES</b>						
a. Segment Assets	4956.28	285942.40	290898.68	3,147.74	291265.35	294413.09
b. Unallocated Assets	-	-	25829.92	-	-	21793.03
<b>c. Total Assets</b>	<b>4956.28</b>	<b>285942.40</b>	<b>316728.60</b>	<b>3,147.74</b>	<b>291265.35</b>	<b>316206.12</b>

Description	For the year ended 31.03.2020			For the year ended 31.03.2019		
	Promotional	Commercial	Total	Promotional	Commercial	Total
<b>Primary Segment – Business Segment</b>						
d. Segment Liabilities	3587.47	195800.28	199387.75	4,900.47	206,726.46	211,626.93
e. Unallocated Liabilities	-	-	117340.85	-	-	104579.16
<b>f. Total Liabilities</b>	<b>3587.47</b>	<b>195800.28</b>	<b>316728.60</b>	<b>4,900.47</b>	<b>206,726.46</b>	<b>316206.12</b>
<b>IV. OTHER INFORMATION</b>						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	689.78	387.50	1077.28	335.34	598.38	933.72
(b) Depreciation #	386.83	732.86	1119.69	361.30	665.09	1,026.39
(c) Non-cash expenditure other than depreciation	-	123.65	123.65	-	7055.81	7055.81

# 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:

- 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. The training activities at NTSC centers are controlled as per approval of respective regulatory bodies such as NCVT, AICTE & State Board of technical education as applicable. All details are uploaded in SMS portal.

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 Branch offices and NTSC 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

Human Resource is the main asset of the Company. Success of any organization depends upon the engagement and motivation levels of its employees. The Human Resource division has played a significant role in achieving the overall objectives of building capability amongst people and more importantly, involve and engage employees in various improvement programs across the functions for achieving improved results.

For this purpose, various training programs

were conducted as training is a learning process. NSIC has an exclusive Training division which conducts and administers training programs for all the employees of NSIC across the country.

**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 to Board's Report Point No. 16.0

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

#### 1.0 A brief outline of the Company's CSR Policy and a reference to the web-link to the CSR Policy and projects or programmes:

The Company 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.

The Company's CSR Policy including CSR initiatives undertaken are available on Company's website at [www.nsic.co.in](http://www.nsic.co.in).

#### 2.0 CSR Initiatives for the financial year 2019-20

- **Armed Forces Flag Day Fund**

NSIC has contributed an amount of Rs. 85 lakh to “Armed Forces Flag Day Fund (AFFDF)” for the welfare and rehabilitation of Ex-servicemen and these funds are utilized for the benefits of Armed Forces Veterans, War Widows and their dependents for their identified personal needs such as penury grant, children's education grant, funeral grant, medical grant and orphan / disabled grant etc.

- **Clean Ganga Fund**

NSIC has contributed an amount of Rs. 85 lakh to “Clean Ganga Fund”. These funds are utilized for various Ganga Rejuvenation activities including control of non-point pollution, setting up of waste treatment & disposal plants, conservation of biotic diversity,

community based activities to reduced pollution through human interface, river front development, Research & innovation, real time monitoring etc.

- **Swachh Bharat Kosh**

Swachh Bharat Kosh (SBK) has been set up to attract Corporate Social Responsibility (CSR) funds from Corporate Sector and contributions from individuals and philanthropists in response to the call given by Hon'ble Prime Minister on 15<sup>th</sup> August, 2014 to achieve the objective of Clean India (Swachh Bharat) by the year 2019, the 150<sup>th</sup> year of the birth anniversary of Mahatma Gandhi through Swachh Bharat Mission.

NSIC has contributed an amount of Rs. 85 lakh to “Swachh Bharat Kosh”. These funds are utilized to achieve the objective of improving sanitation facilities in the rural and urban areas, particularly, school premises.

#### 3.0 The Composition of the CSR Committee

The Board has constituted the “CSR Committee of the Board”. Presently, the Committee has three members as follows. The committee shall be reconstituted upon appointment of Independent directors by the administrative ministry.

- Shri Vijayendra , Chairman
- Shri P. Udayakumar, Member
- Shri Gaurang Dixit, Member

Average net profit of the Company for last three financial years:

Average net profit of the Company for last three financial years	Rs. 12,631.14 lakh
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**4.0 Prescribed CSR Expenditure (2% of Average Profit)**

The Company is required to spend Rs. 252.62 lakh towards its CSR activities.

**5.0 Details of CSR spent during the Financial Year:**

a.	Total amount spent for the Financial Year 2019-20:	Rs. 255.00 lakh
b.	Amount unspent, if any	NIL

FORM No. MR-3

**Secretarial Audit Report**

**For The Financial Year ended on 31<sup>st</sup> March, 2020**

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

To,

**The Members,**

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

I 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** (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 our opinion thereon.

Based on my 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 financial year ended on March 31, 2020 ("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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there

under; **(Not applicable to the Company during the audit period);**

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **(Not applicable to the Company during the audit period);**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the 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 the audit period) ;**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 **(Not applicable to the Company during the audit period);**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the audit period);**
  - (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt

- Securities) Regulations, 2008 **(Not Applicable as the Company has not issued any debt securities);**
- (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 the audit period);**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(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 the audit period);**
- (i) Compliances / Processes / systems including other applicable laws to the Company are being verified on the basis of periodic certificate submitted to the Board of Directors of the Company.
- (j) Other laws applicable to Company are:-
- (i) Guidelines issued by Department of Public Enterprises;

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreement entered into by the Company with the Stock Exchange/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not**

#### **applicable to the Company during the audit period)**

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

#### **We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. However, all the three independent directors have completed their term by 2<sup>nd</sup> March, 2020 and 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 were no instances of the dissent which were required to be captured and recorded as part of the minutes.

I 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 Sanjay Chugh**  
 Company Secretary

Date: 18<sup>th</sup> November, 2020  
 Place: New Delhi

FCS No: 3754  
 C.P. NO. 3073  
 UDIN: F003754B001250771

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

To,

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

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

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

**For Sanjay Chugh**  
Company Secretary

Date: 18<sup>th</sup> November, 2020  
Place: New Delhi

FCS No: 3754  
C.P. NO. 3073  
UDIN: F003754B001250771

**Annexure to Board's Report Point No. 18.0**
**FORM NO. MGT-9**
**Extract of Annual Return**  
**As on financial year ended on 31.03.2020**

 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 <sup>th</sup> February, 1955
3.	Name of the Company	The National Small Industries Corporation Limited
4.	Category / Sub-category of the Company	Public Sector Enterprise 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	....	62.64
2	Credit Support to MSMEs for Raw Material Procurement	....	31.79

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

 As on finance year ended 31<sup>st</sup> March, 2020, the Company does not have any holding, subsidiary and associate Company

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

#### IV. 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 31-March-2019]		No. of Shares held at the end of the year [As on 31-March-2020]		% Change during the year
	Total No. of Shares	% of Total Shares	Total No. of Shares	% of Total Shares	
<b>A. Promoters</b>					
<b>(1) Indian</b>					
a) Individual/ HUF	....	....	....	....	....
b) Central Govt.	53298800	100%	53298800	100%	....
c) State Govt.(s)	....	....	....	....	....
d) Bodies Corp.	....	....	....	....	....
e) Banks / FI	....	....	....	....	....
f) Any other	....	....	....	....	....
<b>Sub-Total (A)(1)</b>	<b>53298800</b>	<b>100%</b>	<b>53298800</b>	<b>100%</b>	<b>....</b>
<b>(2) Foreign</b>					
a) NRIs- Individuals	....	....	....	....	....
b) Other- Individuals	....	....	....	....	....
c) Bodies Corp.	....	....	....	....	....
d) Banks/FI	....	....	....	....	....
e) Any other	....	....	....	....	....
<b>Sub-Total(A) (2)</b>	<b>....</b>	<b>....</b>	<b>....</b>	<b>....</b>	<b>....</b>
<b>Total shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>53298800</b>	<b>100%</b>	<b>53298800</b>	<b>100%</b>	<b>....</b>
<b>B. Public Shareholding</b>					
<b>1. Institutions</b>	....	...	...	...	...
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)	...	...	...	...	...
<b>Sub-total (B)(1):-</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]		No. of Shares held at the end of the year [As on 31-March-2020]		% Change during the year
	Total No. of Shares	% of Total Shares	Total No. of Shares	% of Total Shares	
<b>2. Non-Institutions</b>					
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	...	...	...	...	...
<b>Sub-total (B)(2):-</b>	...	...	...	...	...
Total Public Shareholding (B)=(B)(1)+ (B)(2)	...	...	...	...	...
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	...	...	...	...	...
<b>Grand Total (A+B+C)</b>	<b>53298800</b>	<b>100%</b>	<b>53298800</b>	<b>100%</b>	

## 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 01/04/2019 to 31/03/2020

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

iv) **Shareholding Pattern of top ten Shareholders:**

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

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

v) **Shareholding of Directors and Key Managerial Personnel:**

S No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>At the beginning of the year</b>				
	Shri Ram Mohan Mishra, CMD (Addl. Charge), NSIC Ltd.	400		400	
	Smt. Alka Arora Govt. Nominee Director	100		100	
	Shri D.P.S. Negi Govt. Nominee Director	100		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.	<b>Change in the shareholding</b> a) Transfer of 400 shares from Shri Ram Mohan Mishra to Shri Vijayendra CMD NSIC	400		400	
3.	<b>At the end of the year</b>				
	a) Shri Vijayendra, CMD	400		400	
	b) Smt. Alka Arora, Govt. Nominee Director	100		100	
	c) Shri DPS Negi, 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1713.84	52.68	.....	1766.52
ii) Interest due but not paid	.....	.....	.....	.....
iii) Interest accrued but not due	3.98	0.10	.....	4.08
Total (i+ii+iii)	1717.82	52.70	.....	1770.60
<b>Change in Indebtedness during the financial year</b>				
* Addition	.....	.....	.....	.....
* Reduction	152.41	0.74	.....	153.15
Net Change	(152.41)	(0.74)	.....	(153.15)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1565.00	53.42	.....	1618.42
ii) Interest due but not paid	.....	.....	.....	.....
iii) Interest accrued but not due	0.41	0.09	.....	0.05
Total (i+ii+iii)	1565.41	53.51	.....	1618.92

## 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				Total Amount
			Sh. Vijayendra 14/11/2019 to 31/03/2020	Sh. P. Udayakumar 1/04/2019 to 31/03/2020	Sh. A.K. Mittal 1/04/2019 to 30/06/2019	Sh. Gaurang Dixit 10/07/2019 to 31/03/2020	
1	Gross Salary	11,97,366	46,46,419	47,23,440	26,88,716	1,32,55,941	
	(a) Salary (as per provisions contained in section 17(1) of the Income-tax Act, 1961)	11,97,366	44,69,803	47,15,340	26,06,782	1,29,89,291	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	.....	1,76,616	8,100	81,934	2,66,650	
	(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)	.....	6,32,275	1,26,390	3,45,235	11,03,900	
	<b>TOTAL (A)</b>	<b>11,97,366</b>	<b>52,78,694</b>	<b>48,49,830</b>	<b>30,33,951</b>	<b>1,43,59,841</b>	

### B. Remuneration to other Directors

S No.	Particulars of Remuneration	Name of Directors			Total Amount
		Prof. A.P. Pandey	Smt. Geeta Goti	Shri Ramesh Bhat	
1	Independent Directors				
	Fee for attending Board / Committee Meetings	1,10,000	1,20,000	1,20,000	3,50,000
	Commission	....	.....	....	....
	Others, please specify	....	.....	....	....
	<b>Total (1)</b>	<b>1,10,000</b>	<b>1,20,000</b>	<b>1,20,000</b>	<b>3,50,000</b>
2	Other Non-Executive Directors	....	....	.....	....
	Fee for attending Board / Committee Meetings	....	....	.....	....
	Commission	....	....	.....	....
	Others, please specify	....	....	.....	....
	<b>Total (2)</b>	<b>....</b>	<b>....</b>	<b>.....</b>	<b>....</b>
	<b>Total (B)=(1+2)</b>	<b>1,10,000</b>	<b>1,20,000</b>	<b>1,20,000</b>	<b>3,50,000</b>

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

S No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO	CFO	CS	Total
		Shri A.K. Mittal 01/04/2019 to 30/06/2019	Sh. Gaurang Dixit 10/07/2019 to 31/03/2020	Ms. Nishtha Goyal 01/04/19 to 31/03/20	
1	Gross salary	47,23,440	26,88,716	14,34,663	88,46,819
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	47,15,340	26,06,782	14,34,663	87,56,785
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,100	81,934		90,034
	(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)	1,26,390	3,45,235	195,259	6,66,884
	<b>Total</b>	<b>48,49,830</b>	<b>30,33,951</b>	<b>16,29,922</b>	<b>95,13,703</b>

**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)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

## Report on Corporate Governance

Corporate governance is the system of rules, practices and processes by which a company is directed and controlled. The Company 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

During the year, the Board of Directors of the Company has an optimum combination of Functional, Nominee and Independent Directors as stipulated in DPE guidelines comprising of a Chairman-cum-Managing Director, two Functional Directors, two Government nominee Directors and three

non-official part-time Directors. However, the terms of two Independent Directors got completed on 24<sup>th</sup> January, 2020 and the other one on 2<sup>nd</sup> March, 2020. Therefore the post of independent directors were vacant on 31<sup>st</sup> March, 2020.

### 2. Meetings of the Board

The meetings of Board of Directors were held at periodical intervals. During the year 2019-20, total seven Board Meetings were held viz. 04<sup>th</sup> June, 2019, 1<sup>st</sup> August, 2019, 28<sup>th</sup> August, 2019, 30<sup>th</sup> Sept., 2019, 16<sup>th</sup> December, 2019, 27<sup>th</sup> December, 2019 and 18<sup>th</sup> March, 2020.

The details of constitution of the Board and the number of Directorships held in other Companies as on 31<sup>st</sup> March, 2020, 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 27 <sup>th</sup> Dec., 2019	No. of outside Directorships
1.	Shri R.M. Mishra (w.e.f. 12/03/2019 to 13/11/2019) DIN No. 01758892	Executive	04	N. A	-
2.	Shri Vijayendra (Appointed as CMD w.e.f. 13/11/2019) DIN No. 03625565	Executive	03	Yes	-
3.	Smt. Alka Arora DIN No.03165567	Government Nominee	06	Yes	02
4.	Shri D.P.S. Negi DIN No. 08006217	Government Nominee	05	No	-
5.	Sh. P. Udayakumar DIN No. 03353625	Executive	07	Yes	-

S. No.	Name of the Director & DIN No.	Category	No. of Board Meetings attended	Attendance at the AGM held on 27 <sup>th</sup> Dec., 2019	No. of outside Directorships
6.	Shri Gaurang Dixit DIN No. 08535482	Executive	06	Yes	-
7.	Prof. A.P. Pandey DIN No. 07781280	Non-Executive Independent	06	Yes	-
8.	Ms. Geeta Goti DIN No. 06866598	Non-Executive Independent	06	Yes	01
9.	Dr. Ramesh Bhatt DIN No. 01958539	Non-Executive Independent	06	Yes	Nil

### 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.	Prof. Adya Prasad Pandey	03	03
2.	Dr. Ramesh Bhat	03	03
3.	Smt. Alka Arora	03	03
4.	Smt. Geeta Goti	03	03

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
- vi. Review the following with the management:
- a) Review the quarterly and half-yearly financial statement;
  - b) Company's financial and risk management policies;
  - c) Follow-up action on the audit observations of the C&AG audit;
  - d) Follow-up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament;
  - e) 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.
- vii. Reviewing with the management performance of the external and internal auditors, and the adequacy of internal control systems.
- viii. 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 31<sup>st</sup> March 2020, government nominee

directors were the members of the committee. 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 one time on 12<sup>th</sup> March, 2020. As on 31<sup>st</sup> March 2020, the Committee has two members viz. Shri P. Udayakumar and Shri Gaurang Dixit.

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 P. Udayakumar	01	01
2.	Director (P&M)	01	01

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

### 3.4 Write Off Committee

As on 31<sup>st</sup> March 2020, the members of the Write off Committee are two functional directors and one government nominee director.

No Write off Meeting was held during the year 2019-20.

## 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 31<sup>st</sup> March, 2020 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. Declaration by Independent Directors

For the period 2019-20, the Independent Directors has submitted necessary

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

#### 8. Related Party Transactions

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

#### 9. Risk Management Policy

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

#### 10. 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.

#### 11. Material changes and commitments affecting the financial position of the Company

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

**Comments of Statutory Auditors & Management Replies  
thereto on the Accounts for the Financial Year 2019-20**

S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
1.	<p><b>Report on the Financial Statements</b></p> <p>We have audited the Ind AS financial statements of <b>The National Small Industries Corporation Limited</b> ("the Corporation"), which comprise the balance sheet as at 31<sup>st</sup> March, 2020, 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 notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information, which are included the financial statements of Head Office audited by us and 60 branch offices including Technical Centres audited by other independent auditors appointed by Comptroller &amp; Auditor General of India.</p>	No Comments Required
2.	<p><b>Emphasis of Matter</b></p> <p>1. <i>We draw Attention to the following matter in the Notes to the financial statements:</i></p> <p>In Note 34 in Para No.4 relating to the matter of outstanding dues of ₹ 17350 Lakh together with interest from the date of invocation i.e. July 2016 recoverable from Punjab National bank (as United Bank of India merged with it), Kolkata towards rightful invocation of bank guarantees by the Corporation (NSIC) in June/July 2016.</p> <p>The matter was referred to Administrative Mechanism for Resolution of CPSE Disputes (AMRCD) as per DPE Guidelines.</p> <p>As per clause no. 4(A)(ii) of OM no. F.No.4(1)/2013-DPE/FTS-1835 dated 22.05.2018 issued by the Department of Public Enterprises the decision of the Cabinet Secretary will be final and binding on all concerned.</p> <p>In final decision, in meeting held on 21.10.2019 of Second Tier of AMRCD chaired by Cabinet Secretary, it was decided that UBI shall make good the loss caused to NSIC on account of dishonouring the bank Guarantee issued by the Hazara Road Branch and the Jadavpur Vidyapith Branch of UBI amounting to ₹ 17350 Lakh.</p> <p>In this regard, after persuasion by Ministry of MSME with the Department of Financial Services-Ministry of Finance for release of ₹ 17350 Lakhs in compliance of the decision of Second Tier of AMRCD chaired by Cabinet Secretary on 21.10.2019, the Corporation ₹ 17350 Lakhs from Punjab National bank (as United Bank of India merged with it) towards rightful invocation of bank guarantees by NSIC. The amount of got credited in corporation's Bank Account of NSIC on 29.09.2020.</p>	No Comments Required

S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY																																								
	<p>The decision of the Cabinet Secretary is final and binding on all concerned in terms of DPE guidelines and hence it has been complied with.</p> <p>Depending upon the age of the outstanding dues of ₹ 17057.39 lakh, in line with the applicable RBI Prudential Norms to depict true and fair view of the financial results in the audited annual accounts of the Corporation for the year 2018-19, a provision to the tune of ₹ 5117.22 lakh (30% of ₹ 17057.39 lakh) was made. However, considering the receipt of ₹ 17350 lakhs on 29.09.20, no loss allowances on these financial instruments have been made for the year 2019-20 on account of ECLs in terms of IndAS-109, IndAS-10 (Events after reporting period) and RBI provisioning norms. Further, the provision/ loss allowance of ₹ 5117.22 lakh already recognized in the books of accounts for the period ending 31.03.2019 have been written back.</p>																																									
2.	<p><i>We draw attention to the following matters in the Note – 34(2) to the financial statements:</i></p> <p>a) Para-1 which, describes that the balances of Trade Receivables, Loans advances, Trade payables, Deposits/ Earnest Money, Borrowers etc. are subject to confirmation/ reconciliation in the following cases and consequential adjustments, if any.</p> <p><b>1) Debit Balances (₹ in Lakh)</b></p> <table border="1" data-bbox="337 1178 1076 1461"> <thead> <tr> <th>S. No.</th> <th>Particular</th> <th>Total Outstanding</th> <th>Confirmation not received</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Trade receivables (Marketing &amp; Others)</td> <td>22547.51</td> <td>6924.25</td> </tr> <tr> <td>2</td> <td>Loans &amp; Advances</td> <td>237193.11</td> <td>20788.81</td> </tr> <tr> <td>3</td> <td>Other Financial Assets</td> <td>19460.25</td> <td>776.58</td> </tr> <tr> <td></td> <td><b>Total</b></td> <td><b>279200.87</b></td> <td><b>28489.64</b></td> </tr> </tbody> </table> <p><b>2) Credit Balances (₹ in Lakh)</b></p> <table border="1" data-bbox="337 1562 1076 1845"> <thead> <tr> <th>S. No.</th> <th>Particular</th> <th>Total Outstanding</th> <th>Confirmation not received</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Trade Payables</td> <td>23429.55</td> <td>18003.91</td> </tr> <tr> <td>2</td> <td>Other Financial Liabilities</td> <td>13895.49</td> <td>5695.62</td> </tr> <tr> <td>3</td> <td>Other Long-term Liabilities (Security Deposit Payable, EMD)</td> <td>2649.21</td> <td>325.43</td> </tr> <tr> <td></td> <td><b>Total</b></td> <td><b>39974.25</b></td> <td><b>24024.96</b></td> </tr> </tbody> </table>	S. No.	Particular	Total Outstanding	Confirmation not received	1	Trade receivables (Marketing & Others)	22547.51	6924.25	2	Loans & Advances	237193.11	20788.81	3	Other Financial Assets	19460.25	776.58		<b>Total</b>	<b>279200.87</b>	<b>28489.64</b>	S. No.	Particular	Total Outstanding	Confirmation not received	1	Trade Payables	23429.55	18003.91	2	Other Financial Liabilities	13895.49	5695.62	3	Other Long-term Liabilities (Security Deposit Payable, EMD)	2649.21	325.43		<b>Total</b>	<b>39974.25</b>	<b>24024.96</b>	<p>Trade Receivable pertain to Tender Marketing Scheme of the Corporation wherein NSIC participate in the tender on behalf of consortia of Micro &amp; Small Enterprises in respect of supplies made to Govt. Depts. / PSUs. Thus there exists a back-to-back arrangement of trade receivables with trade payables in respect of the same transaction.</p> <p>The Corporation has a system of obtaining periodic conformation from the parties. Letters seeking confirmation of outstanding balances have been sent to creditors, contractors, units under loan and advances, etc. with a request to confirm or send comment within the stipulated period failing which balances as indicated in the letter are taken as confirmed. In this process confirmations obtained with respect to debit is approx. 90% of outstanding amount.</p>
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S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
3.	<p><i>We draw attention to the following matters in the Note 34 to the financial statements:</i></p> <p><i>Para – 12(i) of Note 34 regarding ad-hoc provision on account of Performance Related Pay (PRP) for the year 2019-2020 amounting to ₹690.18 lakhs (Previous year ₹ 207.97 lakhs).</i></p> <p><b>Para 9(III) of Note 34</b> - As approved by the Ministry vide letter dated 2.12.2016, Corpus for medical schemes have been created of ₹ 122 lakh (₹NIL) for the employees retired prior to 1.1.2007 and of ₹ 122.54 lakh (₹ 117.30 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 ₹ 53.67 lakh ( 53.11 lakh) and ₹ 33.66 lakh (₹ 20.18 lakh) respectively during the year. The non-creation of corpus for medical schemes for the employees retired prior to 1.1.2007 is on account of availability of sufficient corpus.</p> <p>Our Opinion is not modified in respect of the above matter.</p>	No Comments Required
3.	<p><b>Information Other than the Ind AS Financial Statements and Auditor's Report Thereon</b></p> <p>The Corporation's management and Board of Directors are 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 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 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.</p>	No comments required

S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
4.	<p><b>Management's Responsibility for the Financial Statements</b></p> <p>The Corporation's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (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 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 Corporation'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. The Board of Directors is also responsible for overseeing the Company's financial reporting process.</p>	No Comments Required
5.	<p><b>Auditor's Responsibilities for the Audit of the Ind AS Financial Statements</b></p> <p>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.</p> <p>As Part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit.</p>	No Comments Required

S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
	<p>We also:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>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.</p> <p>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.</p>	

S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
	<p>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.</p>	
6.	<p><b>Other Matter</b></p> <p>We did not audit the Ind AS financial statements/information of 60 (Previous Year 64) Branch Offices &amp; Technical Centres included in the financial statements of the Corporation, whose financial statements / financial information reflect total assets of ₹ 300,559.78 lakhs as at 31<sup>st</sup> March, 2020 (₹ 307,780.91 lakhs as at 31<sup>st</sup> March, 2019) and total revenues of ₹ 186,187.50 lakhs (Previous Year ₹ 255,422.11 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 &amp; 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.</p> <p>Our opinion is not modified in respect of this matter.</p>	No Comments Required
7.	<p><b>Report on Other Legal and Regulatory Requirements</b></p> <p>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.</p> <p>2. (A) As required by Section 143(3) of the Act, we report that:</p> <p>(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.</p> <p>(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.</p>	<p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p>

S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
	<p>(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.</p> <p>(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.</p> <p>(e) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.</p> <p>(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.</p> <p>(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".</p> <p>(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:</p> <p>i. The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements – <b>Refer Note 33</b> to the financial statements.</p> <p>ii. The Corporation did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.</p> <p>iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Corporation.</p>	<p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p>

S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
	<p>(C) With respect to the matter to be included in the Auditors Report under 197(16) of the Act:</p> <p>In our opinion and according to the information and explanations given to us, Government Companies vide MCA's notification published in Gazette Dt. 5<sup>th</sup> June, 2015, are exempts from the applicability of provisions of section 197 read with Schedule V to the Companies Act regarding managerial remuneration.</p> <p>3. With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India u/s 143(5) of Companies Act, 2013 for the year ended 31<sup>st</sup> March, 2020 on accounts of Branch / Head Office audited by us and 60 branch offices including technical centres audited by other independent auditors appointed by Comptroller &amp; Auditor General of India, refer to our separate Report in "Annexure C".</p>	<p>No Comments Required</p> <p>No Comments Required</p>

## ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

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 Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2020.

S. No	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY															
(i)	<p>(a) The Corporation has maintained proper records showing full particulars including quantitative details and situation of the fixed assets</p> <p>(b) The management during the year has physically verified all the assets and there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Corporation and the nature of its assets. No material discrepancies were noticed on such verification. As regards fixed assets on lease, we have been informed that there has been a system of physical verification in case of default cases &amp; in respect of others; verification is done, if necessary. We have been informed that no serious discrepancy have been noticed on such physical verification.</p> <p>(c) According to the information &amp; explanations given to us and on the basis of our examination of the records of the Corporation, the title deeds of the following immovable properties are not held in the name of the Corporation:</p> <p style="text-align: right;">(₹ In Lakhs)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">S. No</th> <th style="text-align: center;">Particulars of the property</th> <th style="text-align: center;">Area</th> <th style="text-align: center;">Gross Block As at 31/03/2020</th> <th style="text-align: center;">Net Block As at 31/03/2020</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Land at Technical Centre Howrah</td> <td style="text-align: center;">49.94 acres</td> <td style="text-align: center;">1.60</td> <td style="text-align: center;">1.60</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Flats at Branch Office Mumbai</td> <td style="text-align: center;">3660.00 sqft</td> <td style="text-align: center;">11.52</td> <td style="text-align: center;">5.49</td> </tr> </tbody> </table>	S. No	Particulars of the property	Area	Gross Block As at 31/03/2020	Net Block As at 31/03/2020	1	Land at Technical Centre Howrah	49.94 acres	1.60	1.60	2	Flats at Branch Office Mumbai	3660.00 sqft	11.52	5.49	<p>No Comments Required</p> <p>No Comments Required</p> <p>The necessary action for getting the title deeds in the name of the Corporation is under process in respect of flats at BO Mumbai.</p>
S. No	Particulars of the property	Area	Gross Block As at 31/03/2020	Net Block As at 31/03/2020													
1	Land at Technical Centre Howrah	49.94 acres	1.60	1.60													
2	Flats at Branch Office Mumbai	3660.00 sqft	11.52	5.49													
(ii)	As informed to us, in respect of finished goods, raw materials, store and spare parts, physical verification has been carried out during the year or at the end of year by management. In our opinion, frequency of verification is reasonable. No material discrepancies are noticed on such verification.	No Comments Required															
(iii)	According to the information and explanations given to us, the Corporation has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. Accordingly, the paragraphs 3(iii) (a) and (b) of the order are not applicable.	No Comments Required															

S. No	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
(iv)	In our opinion and according to the information and explanations given to us during the course of audit, the Corporation has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investment of the Corporation. Further, the Corporation has not granted any loans and has not given any guarantees and security under the provision of section 185 of the Companies Act, 2013; thereby the provision of the said section is not applicable to the Corporation.	No Comments Required
(v)	According to the information and explanations given to us, the Corporation has not accepted any deposits from the public during the year within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Therefore, the provision of clause 3 (v) of the Order is not applicable to the Corporation.	No Comments Required
(vi)	As per the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government, under section 148(l) of the Companies Act, 2013, for any product of the Corporation.	No Comments Required
(vii)	<p>(a) The Corporation is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of above statutory dues outstanding on 31<sup>st</sup> March, 2020 for a period of more than 6 months from the date they became payable.</p> <p>(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Excise Duty, Service Tax, Value added Tax, Cess, which have not been deposited on account of any dispute in various offices, of the Corporation as a whole as on 31<sup>st</sup> March, 2020, except the followings:</p>	<p>No Comments Required</p> <p>No Comments Required</p>

S. No	COMMENTS OF STATUTORY AUDITORS					MANAGEMENT'S REPLY
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.	CST Act, 1956	Central Sales Tax	0.49	2009-10	Appellate Deputy Commissioner CT (III), Chennai	
6.	CST Act, 1956	Central Sales Tax	0.56	2011-12	Appellate Deputy Commissioner CT (III), Chennai	
7.	Service Tax	Service Tax	3.29	2009-10	The Commissioner of Service Tax, Chennai	
8.	Commercial Tax	Commercial Tax	13.97	2012-13 & 2013-14	Joint Commissioner, Commercial Tax, Orissa	
9.	Service Tax	Service Tax	9.56	2014-15	The Commissioner of Service Tax, Kanpur	
10.	Income Tax Act	Income Tax regular demand	38.74	2013-14	CIT (Appeals) – IX, New Delhi	
11.	Income Tax Act	Income Tax regular demand	88.08	2014-15	CIT (Appeals) – IX, New Delhi	
12.	Income Tax Act	Income Tax regular demand	18.39	2016-17	CIT (Appeals) – IX, New Delhi	
13.	Sales Tax	Sales Tax	15.66	2012-13 to 2013-14	Joint Commissioner of Sales Tax, Cuttack.	
14.	Sales Tax	Sales Tax	18.15	2014-15	Joint Commissioner of Sales Tax, Cuttack.	
15.	West Bengal Vat Act	Sales Tax	157.64	2016-17	Joint Commissioner of Sales Tax, West Bengal	
16.	West Bengal VAT Act	Sales Tax	1.80	2014-15	Joint Commissioner of Sales Tax, West Bengal	
17.	Goods & Service Tax	GST	0.15	2017-18	Dy. Commissioner of Sales Tax, Dehradun	
18.	Sales Tax Act	Central Sales Tax	715.92	2015-16	Department of Trade & Taxes, Delhi	
	<b>Total</b>		<b>1107.06</b>			
(viii)	Based on our Audit procedures and according to the information and explanations given to us, we are of the opinion that the Corporation has not defaulted in repayment of dues to a financial institutions, banks or Government. Corporation has not issued any debentures.					No Comments Required

S. No	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
(ix)	In our opinion and according to the information and explanations given to us, the Corporation has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which the loans were obtained.	No Comments Required
(x)	According to the information and explanations given to us, no fraud by the corporation or any fraud on the Corporation by its officers or employees has been noticed or reported during the year.	No Comments Required
(xi)	In our opinion and according to the information and explanations given to us, Government Companies vide MCA's notification published in Gazette Dt. 5 <sup>th</sup> June, 2015, are exempts from the applicability of provisions of section 197 read with Schedule V to the Companies Act regarding managerial remuneration.	No Comments Required
(xii)	In our opinion and according to the information and explanations given to us, the Corporation is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Corporation.	No Comments Required
(xiii)	In terms of the information and explanations sought by us and given by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that there are no transactions with the related parties except remuneration paid to key management personnel. The details of which have been disclosed in the financial statements as required by the applicable accounting standards.	No Comments Required
(xiv)	According to the information and explanations given to us by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the Corporation has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.	No Comments Required
(xv)	In our opinion and according to the information and explanations given to us, we state that the Corporation has not entered into non- cash transactions with Directors or persons connected with him. Therefore clause 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Corporation.	No Comments Required
(xvi)	The Corporation is registered under section 45-IA of the Reserve Bank of India Act 1934, the Corporation has been granted Certificate of Registration no. N.14.03090 dated 29.12.2005 to carry on the business of a non-banking financial company.	No Comments Required

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

Annexure referred to in Paragraph "2(g)" under our 'Report on Other Legal Regulatory Requirements' section of our report of even date to the members of The National Small Industries Limited on the Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2020.

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

S. No	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
	We have audited the internal financial controls over financial reporting of <b>THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED</b> ("the Corporation") as of March 31, 2020 in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.	No Comments Required
(i)	<p><b>Management's Responsibility for Internal Financial Controls</b></p> <p>The Corporation's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Corporation's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.</p>	No Comments Required
(ii)	<p><b>Auditors' Responsibility</b></p> <p>Our responsibility is to express an opinion on the Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.</p>	No Comments Required

S. No	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
	<p>Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Corporation's internal financial controls system over financial reporting.</p>	
(iii)	<p><b>Meaning of Internal Financial Controls over Financial Reporting</b></p> <p>A Corporation's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Corporation's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Corporation are being made only in accordance with authorisations of management and Directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Corporation's assets that could have a material effect on the financial statements.</p>	No Comments Required
(iv)	<p><b>Inherent Limitations of Internal Financial Controls over Financial Reporting</b></p> <p>Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p>	No Comments Required

S. No	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
(v)	<p><b>Qualified Opinion</b></p> <p>According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March, 2020:</p> <p>The procedure for review of financial statements/accounts of the borrower to check their status as MSME (Micro, Small, Medium or MSME as such), inspection of the units, CIBIL Verification, periodical confirmation of balances, renewal of limit sanctioned to the units and review of outstanding balances exceeding 360 days on timely basis under Raw Material Assistance scheme were not effectively implemented/monitored. 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.</p> <p>Internal control needs further strengthening in respect of implementation of risk management and systems to ensure continued implementation of Corporation's risk management policy and strategy and documentation thereof, critical review and refresh process on an ongoing basis. Moreover, to avoid any manual intervention in the preparation and reporting of financials, an integrated accounting package needs to be implemented.</p> <p>Accounting Software, Tally implemented during the year in all offices of NSIC as standalone one. Process to integratis still under process.</p> <p>System audit has conducted at Head Office and 3 offices in NCR out of total 60 offices in India.</p> <p>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.</p>	<p>Observation noted for necessary compliance</p> <p>Observation noted for necessary compliance</p> <p>No comments required.</p> <p>No comments required.</p> <p>Observation noted for necessary compliance</p>

S. No	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
(vi)	<p>In our opinion, to the best of our information and according to the explanations given to us, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Corporation has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020 based on “the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.</p>	No Comments Required
(vii)	<p><b>Other Matter</b></p> <p>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 60 branches / offices have been audited by the independent auditors appointed by Comptroller &amp; Auditor General of India, is based on the corresponding reports of the auditors of such Branches / Offices.</p>	No Comments Required

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members

**The National Small Industries Corporation Limited**

We have examined the compliance of conditions of Corporate Governance of **The National Small Industries Company Limited**, for the year ended 31<sup>st</sup> March, 2020 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

Place: New Delhi

Date: 17<sup>th</sup> August, 2020

## 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 31<sup>st</sup> March, 2020 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 2019-20 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 2019-20.
  - b. The Company had adopted Indian Accounting Standards (Ind AS) from FY 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/-  
**(Vijayendra)**  
Chairman-cum-Managing Director

Place: New Delhi

Dated: 20<sup>th</sup> November, 2020

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE NATIONAL SMALL INDUSTRIES CORPORATION LTD. FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

The preparation of financial statements of **THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.** for the year ended 31<sup>st</sup> March, 2020 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 29<sup>th</sup> January, 2021 which supersedes their earlier Audit Reports dated 20<sup>th</sup> November, 2020 and 1<sup>st</sup> December, 2020.

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 LTD.** for the year ended 31<sup>st</sup> March, 2020 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 auditor 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 three of my audit observations raised during supplementary audit. I have no further comments to offer upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Sd/-  
(C. Nedunchezian)  
Director General  
(Industry & Corporate Affairs)  
New Delhi

Place : New Delhi  
Dated: 16<sup>th</sup> February, 2021

## INDEPENDENT AUDITORS' REPORT

To

**The Members of The National Small Industries Corporation Limited**

**Revised Report on the Audit of the Ind AS Financial Statements**

This Audit Report is in supersession of our earlier Audit Report dated 1<sup>st</sup> December, 2020 on the accounts as at 31<sup>st</sup> March, 2020 of The National Small Industries Corporation Limited has been revised to give effect to the observations made by Office of the Director General of Audit Industry and Corporate Affairs, New Delhi vide letter no. AMG-III/2(36)/A.A/Cs/NSIC/2019-20/568 dt. 27/01/2021.

### Opinion

We have audited the Ind AS financial statements of **The National Small Industries Corporation Limited** ("the Corporation"), which comprise the balance sheet as at 31<sup>st</sup> March, 2020, 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 notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information, which are included the financial statements of Head Office audited by us and 60 branch offices including Technical Centres audited by other independent auditors appointed by Comptroller & Auditor General of India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 state of affairs of the Company as at March 31, 2020, 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 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 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 Ind AS 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 matter in the Notes to the financial statements:*

*In Note 34 in Para No.4 relating to the matter of outstanding dues of Rs 17350 lakh together with interest from the date of invocation i.e. July, 2016 recoverable from Punjab National Bank (as United Bank of India merged with it), Kolkata towards rightful invocation of bank guarantees by the Corporation (NSIC) in June/July, 2016.*

*The matter was referred to Administrative Mechanism for Resolution of CPSE Disputes (AMRCD) as per DPE Guidelines.*

*As per clause no. 4(A)(ii) of OM no. F.No.4(1)/2013-DPE/FTS-1835 dated 22.05.2018 issued by the Department of Public Enterprises the decision of the Cabinet Secretary will be final and binding on all concerned.*

*In final decision, in meeting held on 21.10.2019 of Second Tier of AMRCD chaired by Cabinet Secretary, it was decided that UBI shall make good the loss caused to NSIC on account of dishonouring the bank guarantee issued by the Hazara Road Branch and the Jadavpur Vidyapith Branch of UBI amounting to ₹ 17350 lakh.*

*In this regard, after persuasion by Ministry of MSME with the Department of Financial Services-Ministry of Finance for release of*

Rs 17350 lakhs in compliance of the decision of Second Tier of AMRCD chaired by Cabinet Secretary on 21.10.2019, the Corporation received Rs 17350 lakhs from Punjab National Bank (as United Bank of India merged with it) towards rightful invocation of bank guarantees by NSIC. The amount of got credited in corporation's Bank Account of NSIC on 29.09.2020.

The decision of the Cabinet Secretary is final and binding on all concerned in terms of DPE guidelines and hence it has been complied with.

Depending upon the age of the outstanding dues of ₹ 17057.39 lakh, in line with the applicable RBI Prudential Norms to depict true and fair view of the financial results in the audited annual accounts of the Corporation for the year 2018-19, a provision to the tune of ₹5117.22 lakh (30% of ₹ 17057.39 lakh) was made. However, considering the receipt of ₹ 17350 lakhs on 29.09.20, no loss allowances on these financial instruments have been made for the year 2019-20 on account of ECLs in terms of IndAS-109, IndAS-10 (Events after reporting period) and RBI provisioning norms. Further, the provision/ loss allowance of ₹5117.22 lakh already recognized in the books of accounts for the period ending 31.03.2019 have been written back.

2. We draw attention to the following matters in the Note – 34(2) to the financial statements:

a) Para-1 which, describes that the balances of Trade Receivables, Loans and advances, Trade payables, Deposits/ Earnest Money, Borrowers etc. are subject to confirmation/ reconciliation in the following cases and consequential adjustments, if any.

### 1) Debit Balances

(₹ in Lakh)

S. N.	Particular	Total	Confirmation not received
1	Trade receivables (Marketing & Others)	22547.51	6924.25
2	Loans & Advances	237193.11	20788.81
3	Other Financial Assets	19460.25	776.58
	<b>Total</b>	<b>279200.87</b>	<b>28489.64</b>

### 2) Credit Balances

(₹ in Lakh)

S. N.	Particular	Total	Confirmation not received
1	Trade Payables	23429.55	18003.91
2	Other Financial Liabilities	13895.49	5695.62
3	Other Long-term Liabilities (Security Deposit Payable, EMD)	2649.21	325.43
	<b>Total</b>	<b>39974.25</b>	<b>24024.96</b>

3. We draw attention to the following matters in the Note 34 to the financial statements:

Para – 12(i) of Note 34 regarding ad-hoc provision on account of Performance Related Pay (PRP) for the year 2019-2020 amounting to ₹690.18 lakhs (Previous year ₹207.97 lakhs).

**Para 9(III) of Note 34** - As approved by the Ministry vide letter dated 2.12.2016, Corpus for medical schemes have been created of ₹122 lakh (₹ NIL) for the employees retired prior to 1.1.2007 and of ₹ 122.54 lakh (₹117.30 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 ₹ 53.67 lakh (₹53.11 lakh) and ₹ 33.66 lakh (₹20.18 lakh) respectively during the year. The non-creation of corpus for medical schemes for the employees retired prior to 1.1.2007 is on account of availability of sufficient corpus.

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

### Information Other than the Ind AS 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 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 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 Ind AS 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 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 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 Ind AS 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 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 Ind AS financial statements/information of 60 (Previous Year 64) Branch Offices & Technical Centres included in the financial statements of the Corporation, whose financial statements / financial information reflect total assets of ₹ 300,559.78 lakhs as at 31<sup>st</sup> March, 2020 (₹ 307,780.91 lakhs as at 31<sup>st</sup> March, 2019) and total revenues of ₹ 186,187.50 lakhs (Previous Year ₹ 255,422.11 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 Ind AS 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 Corporation has disclosed the impact of pending litigations on its financial position in its financial statements – **Refer Note 33** to the financial statements.
- ii. The Corporation did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Corporation.

(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. 5<sup>th</sup> June, 2015, are exempted 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 31<sup>st</sup> March, 2020 on

accounts of Branch / Head Office audited by us and 60 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 **K P M C & Associates**  
Chartered Accountants  
FRN: 005359C

**CA. Rakesh Kumar Jain**  
Partner  
Membership No.: 075604  
UDIN: 21075604AAAAAR1656

Place: New Delhi  
Date: 29/01/2021

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

**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 Ind AS Financial Statements for the year ended 31<sup>st</sup> March, 2020.**

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

(₹ In Lakhs)

S. No.	Particulars of the property	Area	Gross Block As at 31/03/2020	Net Block As at 31/03/2020
1	Land at Technical Centre Howrah	49.94 acres	1.60	1.60
2	Flats at Branch Office Mumbai	3660.00 sqft	11.52	5.49

- (ii) As informed to us, in respect of finished goods, raw materials, store and spare parts, physical verification has been carried out during the year or at the end of year by management.

In our opinion, frequency of verification is reasonable. No material discrepancies are noticed on such verification.

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

the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of above statutory dues outstanding on 31<sup>st</sup> March, 2020 for a period of more than 6 months from the date they became payable.

(b) According to the information and

explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Excise Duty, Service Tax, Value added Tax, Cess, which have not been deposited on account of any dispute in various offices, of the Corporation as a whole as on 31<sup>st</sup> March, 2020, 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.	CST Act, 1956	Central Sales Tax	0.49	2009-10	Appellate Deputy Comm. CT (III), Chennai
6.	CST Act, 1956	Central Sales Tax	0.56	2011-12	Appellate Deputy Commissioner CT (III), Chennai
7.	Service Tax	Service Tax	3.29	2009-10	The Commissioner of Service Tax, Chennai
8.	Commercial Tax	Commercial Tax	13.97	2012-13 & 2013-14	Joint Commissioner, Commercial Tax, Orissa
9.	Service Tax	Service Tax	9.56	2014-15	The Commissioner of Service Tax, Kanpur
10.	Income Tax Act	Income Tax regular demand	38.74	2013-14	CIT (Appeals) – IX, New Delhi
11.	Income Tax Act	Income Tax regular demand	88.08	2014-15	CIT (Appeals) – IX, New Delhi
12.	Income Tax Act	Income Tax regular demand	18.39	2016-17	CIT (Appeals) – IX, New Delhi
13.	Sales Tax	Sales Tax	15.66	2012-13 to 2013-14	Joint Commissioner of Sales Tax, Cuttack.
14.	Sales Tax	Sales Tax	18.15	2014-15	Joint Commissioner of Sales Tax, Cuttack.
15.	West Bengal Vat Act	Sales Tax	157.64	2016-17	Joint Commissioner of Sales Tax, West Bengal
16.	West Bengal VAT Act	Sales Tax	1.80	2014-15	Joint Commissioner of Sales Tax, West Bengal
17.	Goods & Service Tax	GST	0.15	2017-18	Dy. Commissioner of Sales Tax, Dehradun
18.	Sales Tax Act	Central Sales Tax	715.92	2015-16	Department of Trade & Taxes, Delhi
	<b>Total</b>		<b>1107.06</b>		

- (viii) Based on our Audit procedures and according to the information and explanations given to us, we are of the opinion that the Corporation has not defaulted in repayment of dues to a financial institutions, banks or Government. Corporation has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the corporation has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no fraud by the corporation or any fraud on the Corporation by its officers or employees has been noticed or reported during the year
- (xi) In our opinion and according to the information and explanations given to us, Government Companies vide MCA's notification published in Gazette Dt. 5<sup>th</sup> 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 corporation is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Corporation.
- (xiii) In terms of the information and explanations sought by us and given by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that there are no transactions with the related parties except remuneration paid to key management personnel. The details of which have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the corporation has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, we state that the Corporation has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Corporation.
- (xvi) The corporation is registered under section 45-IA of the Reserve Bank of India Act 1934, the Corporation has been granted Certificate of Registration no. N.14.03090 dated 29.12.2005 to carry on the business of a Non-Banking Financial Company.

for **K P M C & Associates**  
Chartered Accountants  
FRN: 005359C

**CA. Rakesh Kumar Jain**  
Partner  
Membership No.: 075604  
UDIN: 21075604AAAAAR1656

Place: New Delhi  
Date: 29/01/2021

## ANNEXURE-B TO THE INDEPENDENT AUDITOR'S

### Report of Even Date on the Ind As Financial Statements of the National Small Industries Corporation Limited.

**Annexure referred to in Paragraph "2(g)" 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 Ind AS Financial Statements for the year ended 31<sup>st</sup> March, 2020**

#### **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 Corporation") as of March 31<sup>st</sup>, 2020 in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Corporation's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting

principles. A Corporation's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Corporation are being made only in accordance with authorisations of management and directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Corporation's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March 2020:

1. The procedure for review of financial statements/accounts of the borrower to check their status as MSME (Micro, Small, Medium or MSME as such), inspection of the units, CIBIL Verification, periodical confirmation of balances, renewal of limit sanctioned to the units and review of outstanding balances exceeding 360 days on timely basis under Raw Material

Assistance scheme were not effectively implemented/monitored. 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 Corporation's risk management policy and strategy and documentation thereof, critical review and refresh process on an ongoing basis. Moreover, to avoid any manual intervention in the preparation and reporting of financials, an integrated accounting package needs to be implemented.
3. Accounting Software, Tally implemented during the year in all offices of NSIC as standalone one. Process to integrated is still under process.
4. System audit has conducted at Head Office and 3 offices in NCR out of total 60 offices in India.
5. 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 Corporation has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31<sup>st</sup>, 2020, based on "the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial

Reporting issued by the Institute of Chartered Accountants of India”.

**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 60 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 **K P M C & Associates**  
Chartered Accountants  
FRN: 005359C

**CA. Rakesh Kumar Jain**  
Partner  
Membership No.: 075604  
UDIN: 21075604AAAAAR1656

Place: New Delhi  
Date: 29/01/2021

## Compliance Certificate

We have conducted the audit of accounts maintained at Head Office of The National Small Industries Corporation Limited for the year ended 31<sup>st</sup> March, 2020 in accordance with the directions/sub directions issued by C & AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions / Sub-Directions issued to us.

**for K P M C & Associates**

Chartered Accountants

FRN: 005359C

**CA. Rakesh Kumar Jain**

Partner

Membership No.: 075604

UDIN: 21075604AAAAAR1656

Place: New Delhi

Date: 29/01/2021

**Annexure C**

**Report on Directions issued by the Comptroller and Auditor General of India Under Section 143(5) of the Companies Act, 2013 in respect of Accounts of Head office of The National Small Industries Corporation Limited, New Delhi audited by us and 60 branch offices including technical centres audited by other independent auditors for the year ended 31<sup>st</sup> March, 2020.**

<b>S No.</b>	<b>Directions</b>	<b>Reply</b>
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.	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 As per 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 K P M C & Associates**

Chartered Accountants

FRN: 005359C

**CA. Rakesh Kumar Jain**

Partner

Membership No.: 075604

UDIN: 21075604AAAAAR1656

Place: New Delhi

Date: 29/01/2021

## Non-Banking Financial Companies Auditor's Report for the Year Ended 31<sup>st</sup> March, 2020

Date: 20<sup>th</sup> November, 2020

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 9<sup>th</sup> 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 12<sup>th</sup> December, 2005.
- 3) The Company has not accepted public deposits during year ended 31<sup>st</sup> March, 2020.
- 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 31<sup>st</sup> March, 2020.
- 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) During financial year 2018-19, impairment provisions / loss was recognized in the books of accounts as higher of Expected Credit Loss (ECL) assessment or RBI norms in respect of Loans & Advances and receivables under financing schemes of Corporation. However, 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 / exposure and risk asset ratio (NBS-7 return) has been filed by Corporation for the quarter ended 31.03.2020 on the basis of the provisional financial results.
- 8) The Capital Adequacy as disclosed in the Return submitted to RBI in Form NBS-7 has been correctly arrived on the basis of provisional financial statements and such ratio is in compliance with minimum CRAR prescribed by RBI.

for **K P M C & Associates**  
Chartered Accountants  
Firm's Reg. No: 005359C

**(Rakesh Kumar Jain)**  
Partner  
Membership No.: 075604  
UDIN: 20075604AAACF8053

## 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 31<sup>st</sup>, 2020. 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)	878.62
7.	Total Assets (in Rs Crore)	3167.29
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)	88.71% 62.69%
9.	Whether the company was holding any Public Deposits, as on March 31 <sup>st</sup> , 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 <sup>nd</sup> , 2011)	NA

SI. 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 <sup>th</sup> , 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<sup>th</sup>, 2016, a separate report to the Board of Directors of the company has been made.

for **K P M C & Associates**  
Chartered Accountants  
Firm's Registration Number: 005359C

**(Rakesh Kumar Jain)**  
Partner  
Membership Number: 075604  
UDIN: 20075604AAACF8053

Place: New Delhi  
Date: 20<sup>th</sup> November, 2020

Sl. No.	Capital Funds – Tier I	(Rs in crore)
1	Paid up equity capital	532.99
2	Pref. shares to be compulsorily converted into equity	
3	Free reserved:	
	General reserves	
	Share premium	
	Capital reserves	
	Debenture redemption reserve	
	Capital redemption reserve	
	Credit balance in P&L account	384.90
	Other free reserves (may be specified)	0.73
4	Special reserves	68.51
	Total of 1 to 4	987.13
5	<b>Less:</b> (i) accumulated balance of loss	
	(ii) deferred revenue expenditure	
	(iii) deferred tax assets (Net)	45.61
	(iv) other intangible assets	62.90
	<b>Owned Fund</b>	<b>878.62</b>
6	Investment in shares of	
	(i) Companies in the same group	
	(ii) Subsidiaries	
	(iii) Wholly Owned Subsidiaries	
	(iv) Other NBFCs	
7	Book value of debentures, bonds outstanding loans and advances, bills purchased and 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	
9	Amount in item 8 in excess of 10% of Owned Fund	
10	<b>Net Owned Fund</b>	<b>878.62</b>

## NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 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. 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.

**c. 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.

**d. 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.

**e. 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.

**f. 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.

**g. 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 31<sup>st</sup> 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 profit or loss as incurred.

**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.
- 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**

Expenditure incurred which are eligible for capitalization under intangible assets is carried 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. Depreciation on Tangible Assets and Amortization and Intangible PPEs

### a) Leased assets and Seized leased assets out of leased assets acquired up to 31<sup>st</sup> 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.	Electrical Installations and Equipment's	10 Years	9.50%	5% of original cost
xv.	Intangible Assets-Software	5 Years	20.00%	₹ 1/-
xvi.	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.

## VI. 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.

## VII. 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.
- e) The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained by management's best estimates of net realizable value of such inventories and provided for.

## VIII. 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 realised 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 VIII(a)(ix) below].
  - iv. Penal 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 profit or 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 31<sup>st</sup> March, 2001**

- i. Lease rentals in respect of transactions entered up to 31<sup>st</sup> 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 1<sup>st</sup> April, 2001**

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

- III. The Ministry of Corporate Affairs (MCA) notified Indian Accounting Standard (IndAS) 116, Leases on 30<sup>th</sup> March 2019. The effective date of IndAS-116 is for annual reporting periods beginning on or after 1<sup>st</sup> April, 2019. IndAS-17- Leases has been replaced by the above standard.

Accordingly, the Corporation has adopted IndAS-116-Leases with effect from 1<sup>st</sup> April, 2019, and applied to all lease contracts existing on 1<sup>st</sup> April, 2019, using the modified retrospective transition method. Accordingly, the comparatives as at and for the year ended 31<sup>st</sup> 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 31<sup>st</sup> 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.

**IX. 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.

**X. 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.

**XI. 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, etc 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 normal Head of Accounts.
- 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.

## XII. 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 generation under different commercial activities during the year.

## XIII. 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 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.

**(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, T.A. on Retirement, Leave Travel Concession for CDA employees and Post-retirement medical benefits (PRMB), made by the Corporation, are considered under Defined Benefit Plan.

The present value of the obligation under such defined benefit plans except PRMB 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.

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.

**XIV. Prior Period Expenses and Income**

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

**XV. Prepaid Items**

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

**XVI. 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 form that arise from the distribution of dividends are recognized at the time when the liability to pay the related dividend is recognized.

#### **XVII. 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.

#### **XVIII. 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.

#### **XIX. 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.

#### **XX. Cash Flow Statement**

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

### **XXI. 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) 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 statement.

**XXII. 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.

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

For the financial year 2018-19, impairment provisions/loss was recognized in the

books of accounts as higher of Expected Credit Loss (ECL) assessment or RBI norms in respect of Loans & Advances and receivables under financing schemes of Corporation.

Reserve Bank of India issued a notification no RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 on 13.03.2020 on the subject of 'Implementation of Indian Accounting Standards', wherein it is stated that 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. However, in order to promote a high quality and consistent implementation as well as facilitate comparison and better supervision, the Reserve Bank has framed regulatory guidance by Non-Banking Financial Companies (NBFCs) for preparation of their financial statements (FS) from financial year (FY) 2019-20 and onwards.

Accordingly, from financial year 2019-20, ECLs in terms of IndAS-109 would be recognized as loss allowances on the financial instruments 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.

**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 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)	<p>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:</p> <p>a) RMA and Bill discounting against BG to the extent covered by value of valid BG -Impairment allowance @ 0.40% of Net Outstanding.</p> <p>b) Where low risk to the Corporation is substantiated which inter-alia includes:</p> <ul style="list-style-type: none"> <li>❖ 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.</li> <li>❖ sponsored training dues outstanding equal to or less than 180 days</li> <li>❖ 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.</li> </ul> <p>In such cases, as there will be no ECL, therefore, no impairment allowance be provided.</p>
Stage-2 (Under Performing)	<p>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.</p> <p>This would inter-alia includes following cases:</p> <p>a) <b>RMA and Bill discounting against collateral:</b> 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 @ 50% of Net Outstanding.</p> <p>b) <b>RMA against BG:</b> 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 &amp; decision of final authority is in favour of 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.</p> <p>However, where any amount against aforesaid cases is received before signing of balance sheet- no impairment allowance be provided.</p>

(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)	<p>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 &amp; 2 and inter-alia includes the following:</p> <p>a) 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</p> <p>b) Schemes viz. Hire Purchase (HP), Leasing (ELS), Composite Term Loans (CTL) and Term Loans (TL).</p> <p>c) where there is a fraud involved</p> <p>d) 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</p>

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 180 days (in respect of transactions prior to 15.06.19)	0.40%
	Up to 270 days (in respect of transactions on or after 15.06.19)	0.40%*
2	Sub-Standard Assets (NPA for not exceeding 1 year)	10%
3	Doubtful Assets	
	Secured Portion of Doubtful assets:	
	Doubtful for 1 year (i.e. NPA for 2 years)	20%
	Doubtful for 1 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%

\* In respect of Assets/accounts which were standard as on 29.02.20 and availed moratorium, becomes NPA on 31.03.20, a provision of 5% shall be made and shall be treated as standard, in terms of RBI circular no. RBI/2019-20/20 DOR. NO. BP.BC.63/21.04.048/2019-20 dated 17.04.20.

(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 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 ' <b>Secured</b> ' which inter-alia includes: <ul style="list-style-type: none"> <li>a) Receivables and Loans &amp; Advances due from Government Departments/ Institutions/ Undertakings</li> <li>b) All receivables and Loans &amp; Advances against which the Corporation holds tangible realizable security</li> <li>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.</li> <li>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).</li> <li>e) All receivables and Loans &amp; Advances / Security Deposits paid by the Corporation under contractual valid agreement/ contract</li> <li>f) From employees working in the Corporation.</li> </ul>	NIL
2	Receivables and Loans & Advances, treated as ' <b>Impaired</b> ' (unless otherwise stated) which inter-alia includes: <ul style="list-style-type: none"> <li>a) Amount/ advances with outside parties &amp; are doubtful of recovery.</li> <li>b) Amount receivable from employees left / resigned from the Corporation and no amount is available to set-off the outstanding.</li> </ul>	100%

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## THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

### BALANCE SHEET AS AT 31.03.2020

(₹ in Lakh)

Particulars	Note No.	As at 31.03.20		As at 31.03.19	
<b>ASSETS</b>					
<b>1 Financial Assets</b>					
(a) Cash and Cash Equivalents	3	10888.14		6650.92	
(b) Bank Balance other than (a) above	4	1919.51		2813.02	
(c) Trade Receivables	5	21497.46		19256.64	
(d) Loans & Advances	6	226177.98		239637.24	
(e) Investments	7	81.63		234.69	
(f) Other Financial Assets	8	20409.20	280973.92	12496.82	281089.33
<b>2 Non-Financial Assets</b>					
(a) Inventories	9	91.95		37.75	
(b) Current Tax Assets (Net)	10	1015.34		244.27	
(c) Deferred Tax Assets (Net)	11	4561.29		5874.02	
(d) Property, Plant and Equipment	12	27935.60		17531.39	
(e) Capital Work-in-Progress	12	291.59		8263.30	
(f) Intangible Assets Under Development	12	44.45		0.00	
(g) Other Intangible Assets	12	207.95		161.50	
(h) Other Non-Financial Assets	13	1606.51	35754.68	3004.56	35116.79
<b>Total Assets</b>			<b>316728.60</b>		<b>316206.12</b>
<b>EQUITY AND LIABILITIES</b>					
<b>1 Financial Liabilities</b>					
(a) Trade Payables	14	23429.55		20486.74	
(b) Borrowings	15	161841.53		176651.76	
(c) Other Financial Liabilities	16	13895.49	199166.57	11670.12	208808.62
<b>2 Non-Financial Liabilities</b>					
(a) Current Tax Liabilities (Net)	10	0.00		0.00	
(b) Provisions	17	10565.40		9694.02	
(c) Deferred Tax Liabilities (Net)	11	0.00		0.00	
(d) Other Non-Financial Liabilities	18	4827.20	15392.60	4602.15	14296.17
<b>3 Equity</b>					
(a) Equity Share Capital	19	53298.80		53298.80	
(b) Other Equity	20	48870.63	102169.43	39802.53	93101.33
<b>Total Equity and Liabilities</b>			<b>316728.60</b>		<b>316206.12</b>
<b>Other Notes on Accounts</b>	<b>34</b>				

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 (Note-20A) is integral part of Balance Sheet and placed after Statement of Profit & Loss Accounts

As per our report of even date attached.

**For KPMC & Associates**

Chartered Accountants

**Sd/-  
Rakesh Kumar Jain  
Partner**

Membership No. : 075604  
Firm Reg. No. : 005359C  
Place : New Delhi  
Date: : 20.11.2020

**For and on behalf of Board of Directors**

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

**Sd/-  
M.P. Singh  
General Manager-SG (F&A)**

**Sd/-  
Vijayendra  
Chairman-cum-Managing Director  
[DIN : 03625565]**

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

## THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.20	For the year Ended 31.03.19
<b>I REVENUE</b>			
A Revenue from Operations	21		
Sale of Products		144412.97	207452.92
Sale of Services		8648.19	7252.17
Interest Income		26744.03	33734.15
Processing Fees		4863.66	5275.91
[ Includes Processing Fees/Service Charges Earned of Rs 4863.66 lakh (Rs 5275.91 lakh) for value of goods handled and rendered Rs 1401344.08 lakh (Rs 1569542.47 lakh) ]			
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		5742.13 *	992.27
<b>Total Revenue from Operations</b>		<b>190410.98</b>	<b>254707.42</b>
B Other Income	22	256.73	144.67
C Grants and Subsidies	23	10259.98	5649.56
<b>Total Revenue (A + B + C)</b>		<b>200927.69</b>	<b>260501.65</b>
<b>II EXPENSES</b>			
Purchases of Stock-in-Trade	24	143747.81	205892.25
Changes in Inventories	25	(54.96)	509.42
Employee Benefit Expenses	26	13774.45	12109.25
Finance Costs	27	12616.01	15837.34
Depreciation and Amortization Expenses	28	732.86	665.09
Corporate Social Responsibility	29	255.00	318.55
Other Expenses	30	16625.08	18827.40
<b>Total Expenses</b>		<b>187696.25</b>	<b>254159.30</b>
<b>III Profit before Exceptional Items, Extraordinary Items and Tax</b>		<b>13231.44</b>	<b>6342.35</b>
Exceptional Items		(1.30)	0.00
<b>IV Profit before Extraordinary Items and Tax</b>		<b>13232.74</b>	<b>6342.35</b>
Extraordinary Items		0.00	0.00
<b>V Profit before Tax</b>		<b>13232.74</b>	<b>6342.35</b>
<b>VI Tax Expense</b>	31		
Current Tax		1900.00	4250.00
Deferred Tax		1445.21	56.15
Earlier Years		(31.69)	(25.86)
<b>Total Tax Expense</b>		<b>3313.52</b>	<b>4280.29</b>
<b>VII Profit after Tax for the period from Continuing Operations</b>		<b>9919.22</b>	<b>2062.06</b>
<b>VIII Profit from Discontinued Operations</b>		<b>0.00</b>	<b>0.00</b>
<b>IX Tax Expenses from Discontinued Operations</b>		<b>0.00</b>	<b>0.00</b>
<b>X Profit from Discontinued Operations (After Tax)</b>		<b>0.00</b>	<b>0.00</b>
<b>XI Profit for the Period</b>		<b>9919.22</b>	<b>2062.06</b>

## THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.20	For the year Ended 31.03.19
<b>XII Other Comprehensive Income</b>			
A Items that will not be reclassified to Profit or Loss -			
Investment		(153.06)	(257.56)
Actuarial Gain/Loss on Defined Benefit Plans		(373.34)	(0.99)
Income Tax relating to Items that will not be reclassified to Profit or Loss		132.50	86.76
<b>Sub Total (A)</b>		<b>(393.90)</b>	<b>(171.79)</b>
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
<b>Sub Total (B)</b>		<b>0.00</b>	<b>0.00</b>
<b>Other Comprehensive Income (A + B)</b>		<b>(393.90)</b>	<b>(171.79)</b>
<b>XIII Total Comprehensive Income for the period (XI + XII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)</b>		<b>9525.32</b>	<b>1890.27</b>
<b>XIV Earnings per Equity Share (for Continuing Operations)</b>	<b>32</b>		
Basic (Rs.)		18.61	3.87
Diluted (Rs.)		18.61	3.87
<b>XV Contingent Liabilities</b>	<b>33 (i)</b>	<b>1869.68</b>	<b>1069.91</b>
<b>XVI Capital Commitments</b>	<b>33 (ii)</b>	<b>742.21</b>	<b>2371.13</b>
<b>Other Notes on Accounts</b>	<b>34</b>		

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 (Note-20A) is integral part of Balance Sheet and placed after Statement of Profit & Loss Accounts

\* It includes provision written back of Rs 5117.22 lakh related to the case of amount recoverable from UBI (now merged with PNB) under AMRCD. Rs 17350 lakh received from PNB on 29.09.2020 as per decision of the AMRCD

As per our report of even date attached.

**For KPMC & Associates**

Chartered Accountants

**Sd/-  
Rakesh Kumar Jain  
Partner**

Membership No. : 075604  
Firm Reg. No. : 005359C  
Place : New Delhi  
Date: : 20.11.2020

**For and on behalf of Board of Directors**

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

**Sd/-  
M.P. Singh  
General Manager-SG (F&A)**

**Sd/-  
Vijayendra  
Chairman-cum-Managing Director  
[DIN : 03625565]**

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

### NOTE-3 CASH & CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
<b>Cash &amp; Cash Equivalents</b>		
Cash on Hand	0.66	1.08
Cheques, Drafts on Hand	40.46	643.28
<b>Balance with Banks:</b>		
Current Account	10846.99	6006.52
Others	0.00	0.00
Stamps on Hand	0.03	0.04
<b>As per Balance Sheet</b>	<b>10888.14</b>	<b>6650.92</b>

**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 OTHER BANK BALANCE

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
<b>Deposits</b>		
Flexi Deposits	1839.19	2716.42
Term Deposits	80.32	96.60
<b>As per Balance Sheet</b>	<b>1919.51</b>	<b>2813.02</b>

**Note :-** FDR amounting to Rs 48.70 lakh is lien marked during 2019-20 for issuance of BG issued by SBI for the equivalent amount.

### NOTE-5 TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
<b>Trade Receivables</b>		
Secured Considered Good	21497.46	19256.64
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	1629.73	1586.97
Credit Impaired	0.00	0.00
	23127.19	20843.61
Less: Seized Leased Suspense	68.29	74.75
Less: Penal Interest Suspense	511.39	524.24
	22547.51	20244.62
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	1050.05	987.98
<b>As per Balance Sheet</b>	<b>21497.46</b>	<b>19256.64</b>

## ANNEXURE-5A DETAILS OF TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
<b>TRADE RECEIVABLES - HIRE PURCHASE</b>		
Secured Considered Good	0.00	0.00
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	791.10	861.46
Credit Impaired	0.00	0.00
	<u>791.10</u>	<u>861.46</u>
Less: Penal Interest Suspense	249.04	273.71
	<u>542.06</u>	<u>587.75</u>
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	542.06	587.75
<b>Sub Total</b>	<b>0.00</b>	<b>0.00</b>
<b>TRADE RECEIVABLES - LEASING</b>		
Secured Considered Good	0.00	0.00
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	218.17	228.71
Credit Impaired	0.00	0.00
	<u>218.17</u>	<u>228.71</u>
Less: Seized Lease Suspense	68.29	74.75
Less: Penal Interest Suspense	63.33	65.31
	<u>86.55</u>	<u>88.65</u>
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	86.55	88.65
<b>Sub Total</b>	<b>0.00</b>	<b>0.00</b>
<b>TRADE RECEIVABLES - MARKETING</b>		
Secured Considered Good	20876.93	18717.39
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	237.01	236.47
Credit Impaired	0.00	0.00
	<u>21113.94</u>	<u>18953.86</u>
Less: Penal Interest Suspense	0.00	0.00
	<u>21113.94</u>	<u>18953.86</u>
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	237.01	236.47
<b>Sub Total</b>	<b>20876.93</b>	<b>18717.39</b>
<b>TRADE RECEIVABLES - OTHERS</b>		
Secured Considered Good	620.53	539.25
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	383.45	260.32
Credit Impaired	0.00	0.00
	<u>1003.98</u>	<u>799.57</u>
Less: Penal Interest Suspense	199.02	185.22
	<u>804.96</u>	<u>614.35</u>
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	184.43	75.10
<b>Sub Total</b>	<b>620.53</b>	<b>539.25</b>
<b>Total</b>	<b>21497.46</b>	<b>19256.64</b>

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

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
<b>Loans &amp; Advances</b>		
Secured by Tangible Assets	6792.62	4564.14
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	224459.88	236499.39
Unsecured	9929.35	10728.99
	241181.85	251792.52
Less: Additional/Normal Interest Suspense	3988.75	708.86
	237193.10	251083.66
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	11015.12	11446.42
<b>As per Balance Sheet</b>	<b>226177.98</b>	<b>239637.24</b>
<b>Geographical Classification of Loans and Advances :</b>		
In India	226177.98	239637.24
Outside India	0.00	0.00
<b>Total</b>	<b>226177.98</b>	<b>239637.24</b>

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

(₹ in Lakh)

Particulars	As At 31.03.20		As At 31.03.19	
<b>Loans &amp; Advances to Employees</b>				
Secured by Tangible Assets	97.90		71.10	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	0.59		0.61	
	98.49		71.71	
Less Additional/Normal Interest Suspense	0.00		0.00	
	98.49		71.71	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	0.59	97.90	0.61	71.10
<b>Advance Recoverable in Cash or in Kind or for value to be received</b>				
Secured by Tangible Assets	5562.33		3757.44	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	38.65		38.44	
	5600.98		3795.88	
Less: Additional/Normal Interest Suspense	0.00		0.00	
	5600.98		3795.88	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	38.65	5562.33	38.44	3757.44
<b>Other Loans and Advances</b>				
Secured by Tangible Assets	1131.07		731.24	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	224459.88		236499.39	
Unsecured	9890.11		10689.94	
	235481.06		247920.57	
Less Additional/Normal Interest Suspense	3988.75		708.86	
	231492.31		247211.71	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	10975.88	220516.43	11407.37	235804.34
<b>Loans and Advances to Related Parties</b>				
Secured by Tangible Assets	1.32		4.36	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	0.00		0.00	
	1.32		4.36	
Less Additional/Normal Interest Suspense	0.00		0.00	
	1.32		4.36	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	0.00	1.32	0.00	4.36
<b>Total</b>		<b>226177.98</b>		<b>239637.24</b>

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

(₹ in Lakh)

Particulars	As At 31.03.20		As At 31.03.19	
<b>Raw Material Distribution</b>				
Secured by Tangible Assets	1003.70		667.56	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	224459.88		236499.39	
Unsecured	8168.49		8880.76	
	<u>233632.07</u>		<u>246047.71</u>	
Less: Additional/Normal Interest Suspense	3867.40		587.51	
	<u>229764.67</u>		<u>245460.20</u>	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	9311.94	220452.73	9720.64	235739.56
<b>Bills of Exchange Discounted</b>				
Secured by Tangible Assets	127.37		63.68	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	1509.30		1596.86	
	<u>1636.67</u>		<u>1660.54</u>	
Less: Additional/Normal Interest Suspense	74.87		74.87	
	<u>1561.80</u>		<u>1585.67</u>	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	1498.10	63.70	1521.99	63.68
<b>Composite Term Loan</b>				
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	196.88		196.88	
	<u>196.88</u>		<u>196.88</u>	
Less: Additional/Normal Interest Suspense	42.23		42.23	
	<u>154.65</u>		<u>154.65</u>	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	154.65	0.00	154.65	0.00
<b>Term Loan</b>				
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	
	<u>15.44</u>		<u>15.44</u>	
Less: Additional/Normal Interest Suspense	4.25		4.25	
	<u>11.19</u>		<u>11.19</u>	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	11.19	0.00	10.09	1.10
<b>Total</b>		<b>220516.43</b>		<b>235804.34</b>

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

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
Directors	1.32	4.36
Other Officers of the Company	97.90	71.10
Firm in which Director is a Partner	0.00	0.00
Private Company in which Director is a Member	0.00	0.00
<b>Total</b>	<b>99.22</b>	<b>75.46</b>

## NOTE-7 INVESTMENTS

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
<b>At Fair Value (Through Other Comprehensive Income)</b>		
Equity Instruments	96.63	249.69
Less: Allowance for Impairment Loss	15.00	15.00
<b>At Amortised Cost</b>		
Equity Instruments	0.00	0.00
Through Profit or Loss		
Less: Allowance for Impairment Loss	0.00	0.00
<b>As per Balance Sheet</b>	<b>81.63</b>	<b>234.69</b>

Investments (Through Other Comprehensive Income at Fair Value)	As at 31.03.20	As at 31.03.19
<b>Equity Shares of M/s Singer India Ltd.</b> (470230 Shares of Rs 2/- each fully paid after sub division as on 31.03.2020, Fair Value Rs 17.36 per share)  (470230 Shares of Rs 2/- each fully paid after sub division as on 31.03.2019, Fair Value Rs 49.91 per share)	81.63	234.69
<b>Equity Shares of M/s Small Industries Products Promoted Organization Ltd. (SIPPO)</b> (100000 Shares of Rs 10/- each fully paid up - Unquoted)	10.00	10.00
<b>Equity Shares of M/s Small Industries Products Marketing Organization Ltd. (SIPMO)</b> (50000 Shares of Rs 10/- each fully paid up - Unquoted)	5.00	5.00
<b>Sub Total</b>	<b>96.63</b>	<b>249.69</b>
Less : Allowance of Impairment Loss for Equity Shares of SIPPO & SIPMO	15.00	15.00
<b>As per Balance Sheet</b>	<b>81.63</b>	<b>234.69</b>

### Geographical Classification of Investment :

In India	81.63	234.69
Outside India	0.00	0.00
<b>Total</b>	<b>81.63</b>	<b>234.69</b>

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

(₹ in Lakh)

Particulars	As At 31.03.20		As At 31.03.19	
<b>Security Deposits</b>				
Secured by Tangible Assets	190.30		120.35	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	157.91		161.99	
	348.21		282.34	
Less: Additional/Normal Interest Suspense	0.00		0.00	
	348.21		282.34	
Less: Impairment Loss Allowance	0.12	348.09	0.52	281.82
<b>Other Financial Assets</b>				
Receivables from Banks				
Interest	268.30		268.30	
Less: Impairment Loss Allowance	268.30	0.00	268.30	0.00
Others	18843.75		17606.80	
Less: Impairment Loss Allowance	283.45	18560.30	5393.39	12213.41
Interest Accrued but not Due on Fixed/Short Term Deposits		1.17		1.59
Amounts Receivable from Government of India against Deficit in Grants (Net)		1499.64		0.00
<b>Sub Total</b>		<b>20061.11</b>		<b>12215.00</b>
<b>As per Balance Sheet</b>		<b>20409.20</b>		<b>12496.82</b>

**NOTE-9 INVENTORIES**

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
Raw Materials and Components	0.11	0.92
Work-In-Process	0.00	0.00
Finished Goods	2.10	2.10
Stock-In-Trade	0.00	0.00
Stationary/Stores and Spares	8.20	8.06
Loose Tools and Measuring Instruments	6.93	7.02
Patterns and Moulds	0.00	0.00
Land & Building in Stock, Industrial Estate, Naini	19.65	19.65
Goods-In-Transit	54.96	0.00
<b>Sub Total</b>	<b>91.95</b>	<b>37.75</b>
Less: Impairment Loss Allowance	0.00	0.00
<b>As per Balance Sheet</b>	<b>91.95</b>	<b>37.75</b>

Note : Refer sl no. 6 of note-34 for disclosure on Ind AS-2 on inventory

## NOTE-10 CURRENT TAX (NET)

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
TDS/TCS Deducted at Source	1439.31	1380.81
Advance Tax	11466.03	14953.46
Less: Provision for Income Tax	11890.00	16090.00
<b>As per Balance Sheet</b>	<b>1015.34</b>	<b>244.27</b>

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

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
Deferred Tax Liabilities	0.00	(871.98)
Deferred Tax Assets	4561.29	6746.00
<b>As per Balance Sheet</b>	<b>4561.29</b>	<b>5874.02</b>

Note : Refer sl.no. 7 of Note-34

## NOTE - 12 PROPERTY, PLANT & EQUIPMENT (PPE) AND INTANGIBLE ASSETS

(₹ in Lakh)

Net Carrying Amount	As at 31.03.20	As at 31.03.19
Land	44.98	45.31
Building	22063.32	11819.42
Furniture & Fittings	427.90	447.09
Office Equipments	468.69	499.90
Vehicle	27.40	35.54
Plant & Equipment	4903.31	4684.13
<b>Total Property, Plant and Equipment</b>	<b>27935.60</b>	<b>17531.39</b>
Computer Software	252.40	161.50
Capital Work in Progress	291.59	8263.30

(₹ in Lakh)

Particulars	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION					LTA		NET CARRYING AMOUNT		
	As At 01/04/19	Additions	Sale	Acquired through Business Combination	Inter Unit Transfer/ Inter Group Adjustment	Cost As At 31/03/20	As At 01/04/19	Depreciation Charge for the Year	Sales	Adjustment including Impairment	Inter Unit Transfer/ Inter Group Adjustment	As At 31/03/20	As At 31/03/19	As At 31/03/20	As At 31/03/19
<b>TANGIBLE ASSETS</b>															
<b>1. OWN ASSETS</b>															
Building	11430.24	75.21	0.00	0.00	-10477.58	21983.03	1114.17	251.13	0.00	0.00	0.00	1365.30	0.00	20617.73	10316.07
Furniture & Fittings	585.88	31.83	3.47	0.00	0.91	613.33	327.91	41.51	3.18	0.00	0.52	365.72	0.00	247.61	257.96
Land	31.08	0.00	0.00	0.00	0.00	31.08	3.68	0.20	0.00	0.00	0.00	3.88	0.00	27.20	27.40
Office Equipments	898.00	37.23	14.18	0.00	0.27	920.78	711.31	69.84	13.34	0.24	767.57	0.00	0.00	153.21	186.69
Vehicle	115.62	0.00	0.00	0.00	0.00	115.62	80.57	8.14	0.00	0.00	88.71	0.00	0.00	26.91	35.05
Plant & Equipment	2464.82	13.95	6.28	0.00	0.00	2472.49	723.13	132.24	5.96	0.00	849.41	0.00	0.00	1623.08	1741.69
<b>Total</b>	<b>15525.64</b>	<b>158.22</b>	<b>23.93</b>	<b>0.00</b>	<b>-10476.40</b>	<b>26136.33</b>	<b>2960.77</b>	<b>503.06</b>	<b>22.48</b>	<b>0.76</b>	<b>3440.59</b>	<b>0.00</b>	<b>0.00</b>	<b>22695.74</b>	<b>12564.86</b>
<b>2. LEASED ASSETS</b>															
Plant & Equipments	118.29	0.00	9.67	0.00	0.00	108.62	104.89	0.00	9.67	0.00	95.22	13.35	13.35	0.05	0.05
<b>3. SEIZED LEASE ASSETS</b>															
Plant & Equipments	67.63	0.00	8.28	0.00	0.00	59.35	17.92	0.00	8.25	0.00	9.67	48.80	48.80	0.88	0.91
<b>4. ASSETS ACQUIRED OUT OF GOVT. GRANTS</b>															
Land	23.04	0.00	0.00	0.00	0.00	23.04	5.13	0.13	0.00	0.00	5.26	0.00	0.00	17.78	17.91
Building	879.85	0.00	0.00	0.00	0.00	879.85	440.32	12.67	0.00	0.00	452.99	0.00	0.00	426.86	439.53
Furniture & Fittings	168.33	9.18	0.00	0.00	0.00	177.51	73.62	12.50	0.00	0.00	86.12	0.00	0.00	91.39	94.70
Office Equipments	803.02	128.51	2.89	0.00	0.00	928.64	620.20	84.01	2.82	0.00	701.39	0.00	0.00	227.25	182.82
Vehicle	11.16	0.00	0.00	0.00	0.00	11.16	10.67	0.00	0.00	0.00	10.67	0.00	0.00	0.49	0.49
Plant & Equipment	3945.85	516.68	0.00	0.00	-17.03	4479.56	1593.93	261.29	0.00	0.00	1855.22	0.00	0.00	2624.33	2351.92
<b>Total</b>	<b>5831.24</b>	<b>654.37</b>	<b>2.89</b>	<b>0.00</b>	<b>-17.03</b>	<b>6499.76</b>	<b>2743.87</b>	<b>370.60</b>	<b>2.82</b>	<b>0.00</b>	<b>3111.65</b>	<b>0.00</b>	<b>0.00</b>	<b>3388.10</b>	<b>3087.37</b>
<b>5. ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES</b>															
Building	1179.25	2.96	0.00	0.00	0.00	1182.21	115.42	48.06	0.00	0.00	163.48	0.00	0.00	1018.73	1063.83
Furniture & Fittings	151.11	7.68	0.00	0.00	-0.91	159.70	56.69	13.59	0.00	-0.52	70.80	0.00	0.00	88.90	94.42
Office Equipments	622.93	15.89	0.00	0.00	-0.27	639.09	492.54	58.09	0.00	-0.24	550.87	0.00	0.00	88.23	130.39
Plant & Equipments	803.41	126.45	0.00	0.00	0.00	929.86	213.86	61.03	0.00	0.00	274.89	0.00	0.00	654.97	589.56
<b>TOTAL</b>	<b>2756.71</b>	<b>152.98</b>	<b>0.00</b>	<b>0.00</b>	<b>-1.18</b>	<b>2910.86</b>	<b>878.52</b>	<b>180.77</b>	<b>0.00</b>	<b>-0.76</b>	<b>1060.04</b>	<b>0.00</b>	<b>0.00</b>	<b>1850.83</b>	<b>1878.19</b>
<b>SUB TOTAL-TANGIBLE ASSETS</b>	<b>24299.51</b>	<b>965.57</b>	<b>44.77</b>	<b>0.00</b>	<b>-10494.61</b>	<b>35714.92</b>	<b>6705.98</b>	<b>1054.43</b>	<b>43.22</b>	<b>0.00</b>	<b>7717.17</b>	<b>62.15</b>	<b>62.15</b>	<b>27935.60</b>	<b>17531.39</b>
<b>PREVIOUS YEAR</b>	<b>16501.18</b>	<b>898.42</b>	<b>45.44</b>	<b>0.00</b>	<b>-6945.35</b>	<b>24299.51</b>	<b>5841.05</b>	<b>950.36</b>	<b>36.64</b>	<b>0.00</b>	<b>6705.98</b>	<b>62.15</b>	<b>14.15</b>	<b>17531.39</b>	<b>10645.98</b>

(₹ in Lakh)

Particulars	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION					LTA		NET CARRYING AMOUNT		
	As At 01/04/19	Additions	Sale	Acquired through Business Combination	Inter Unit Transfer/ Inter Group Adjustment	Cost As At 31/03/20	As At 01/04/19	Depreciation Charge for the Year	Sales	Adjustment including Impairment	Inter Unit Transfer/ Inter Group Adjustment	As At 31/03/20	As At 31/03/19	As At 31/03/20	As At 31/03/19
<b>INTANGIBLE ASSETS</b>															
<b>01. OWN ASSETS</b>															
Computer Software	148.88	7.30	0.07	0.00	0.00	156.11	98.33	18.03	0.06	0.00	0.00	116.30	0.00	39.81	50.55
<b>02. ASSETS ACQUIRED OUT OF GOVT. GRANT</b>															
Computer Software	71.47	35.41	0.00	0.00	0.00	106.88	28.13	16.23	0.00	0.00	0.00	44.36	0.00	62.52	43.34
<b>03. ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES</b>															
Computer Software	244.11	0.25	0.00	0.00	0.00	244.36	176.50	30.00	0.00	0.00	0.00	206.50	0.00	37.86	67.61
<b>04. RIGHT TO USE ASSETS</b>															
Right to Use of Assets	0.00	68.75	0.00	0.00	0.00	68.75	0.00	1.00	0.00	0.00	0.00	1.00	0.00	67.76	0.00
<b>SUB TOTAL- INTANGIBLE ASSETS</b>	<b>464.45</b>	<b>111.71</b>	<b>0.07</b>	<b>0.00</b>	<b>0.00</b>	<b>576.10</b>	<b>302.95</b>	<b>65.26</b>	<b>0.06</b>	<b>0.00</b>	<b>0.00</b>	<b>368.16</b>	<b>0.00</b>	<b>207.95</b>	<b>161.50</b>
<b>PREVIOUS YEAR</b>	<b>429.16</b>	<b>35.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>464.45</b>	<b>226.92</b>	<b>76.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>302.95</b>	<b>0.00</b>	<b>161.50</b>	<b>202.24</b>
<b>01. CAPITAL WORK IN PROGRESS</b>															
Capital Work in Progress	8246.27	2516.88	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
<b>PREVIOUS YEAR</b>	<b>12650.24</b>	<b>2435.15</b>	<b>0.00</b>	<b>0.00</b>	<b>6639.12</b>	<b>8246.27</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8246.27</b>	<b>12650.24</b>
CWIP ACQUIRED OUT OF GOVT. GRANTS	17.03	6.02	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
<b>PREVIOUS YEAR</b>	<b>106.23</b>	<b>17.03</b>	<b>0.00</b>	<b>0.00</b>	<b>106.23</b>	<b>17.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17.03</b>	<b>106.23</b>
<b>SUB TOTAL-CAPITAL WORK IN PROGRESS</b>	<b>8263.31</b>	<b>2522.90</b>	<b>0.00</b>	<b>0.00</b>	<b>10494.61</b>	<b>291.59</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>291.59</b>	<b>8263.30</b>
<b>PREVIOUS YEAR</b>	<b>12756.47</b>	<b>2452.18</b>	<b>0.00</b>	<b>0.00</b>	<b>6945.35</b>	<b>8263.31</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8263.30</b>	<b>12756.46</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>															
<b>OWN ASSETS</b>															
Computer Software	0.00	44.45	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
<b>PREVIOUS YEAR</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>33027.27</b>	<b>3644.63</b>	<b>44.84</b>	<b>0.00</b>	<b>1120.69</b>	<b>7008.93</b>	<b>6067.97</b>	<b>1120.69</b>	<b>43.28</b>	<b>0.00</b>	<b>0.00</b>	<b>8085.33</b>	<b>62.15</b>	<b>28479.59</b>	<b>25956.19</b>
<b>PREVIOUS YEAR</b>	<b>29686.81</b>	<b>3395.90</b>	<b>45.44</b>	<b>0.00</b>	<b>1026.39</b>	<b>6067.97</b>	<b>6067.97</b>	<b>1026.39</b>	<b>36.64</b>	<b>0.00</b>	<b>0.00</b>	<b>7008.93</b>	<b>62.15</b>	<b>25956.19</b>	<b>23604.68</b>

Note : Refer sl. No. 8 of Note-34

**NOTE-13 OTHER NON-FINANCIAL ASSETS**

(₹ in Lakh)

Particulars	As At 31.03.20		As At 31.03.19	
<b>Capital Advances</b>				
With RITES	209.91		1037.48	
Add: Interest Accrued on Capital Advance	0.00	209.91	0.00	1037.48
With CPWD	42.23		105.67	
Add: Interest Accrued on Capital Advance	0.00	42.23	0.00	105.67
With NBCC	0.00		0.00	
Add: Interest Accrued on Capital Advance	0.00	0.00	0.00	0.00
<b>Sub Total</b>		<b>252.14</b>		<b>1143.15</b>
Other Deposits with Tax Authorities		1071.60		902.31
Other Non Financial Assets	294.32		972.32	
Less: Additional/Normal Interest Suspense	0.00		0.00	
Less: Impairment Loss Allowance	11.55	282.77	13.22	959.10
<b>As per Balance Sheet</b>		<b>1606.51</b>		<b>3004.56</b>

**NOTE-14 TRADE PAYABLES**

(₹ in Lakh)

Particulars	As At 31.03.20		As At 31.03.19	
<b>Trade Payables</b>				
Due to MSME Units	22992.73		18757.74	
Due to Others	436.82	23429.55	1729.00	20486.74
Due to Related Parties		0.00		0.00
<b>As per Balance Sheet</b>		<b>23429.55</b>		<b>20486.74</b>

Note : Refer sl. no. 1 of Note-34

**NOTE-15 BORROWINGS (AT AMORTIZED COST)**

(₹ in Lakh)

Particulars	As At 31.03.20		As At 31.03.19	
<b>Secured Borrowings</b>				
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	156500.00		171300.00	
Cash Credit	0.00		83.76	
Overdraft	0.00		0.00	
Term Loan	0.00	156500.00	0.00	171383.76

Particulars	As At 31.03.20		As At 31.03.19	
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
<b>Sub Total</b>		<b>156500.00</b>		<b>171383.76</b>
<b>Unsecured Borrowings</b>				
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	5341.53		5268.00	
Others	0.00	5341.53	0.00	5268.00
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
<b>Sub Total</b>		<b>5341.53</b>		<b>5268.00</b>
<b>As per Balance Sheet</b>		<b>161841.53</b>		<b>176651.76</b>
<b>Geographical Classification of Borrowings :</b>				
In India		156500.00		171383.76
Outside India		5341.53		5268.00
<b>Total</b>		<b>161841.53</b>		<b>176651.76</b>

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

(₹ in Lakh)

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 31.03.20
	31/03/20	31/03/19				
<b>Secured Borrowings</b>						
Bonds/Debentures	0.00	0.00				
Term Loans from:						
Banks						
Vijaya Bank	0.00	0.00	Half-Yearly		Nil	0
Others from:	0.00	0.00			--	
Government of India						
State Governments	0.00	0.00			--	
Financial Institutions						
Foreign Financial Institutions	0.00	0.00			--	
Others	0.00	0.00			--	
Loans Repayable on Demand from:						
Banks						
Working Capital Loans						
The Hongkong & Shanghai Banking Corp. Ltd.	36500.00	51000.00		Secured against exclusive registered mortgage of free hold land measuring 41920 Sq Mtr. at Okhla Industrial Estate, New Delhi & pari passu charge over receivables under RMA scheme & book debts under marketing securities.	Nil	0
State Bank of India	100000.00	120300.00		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 debt current assets.	Nil	0
BNP Paribas	0.00	0.00		Pari passu charge on loan receivables.	Nil	0
HDFC WCDL	20000.00	0.00		Pari passu charge on book debts.	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 31.03.20	
	31/03/20	31/03/19				Period	Amount
China Trust Banking Corporation Ltd STL	0.00	0.00		Pari passu charge on book debts/Receivable of Raw Material and other Current Assets	Nil	0	0
Cash Credit	1565000.00	1713000.00			--		
Punjab National Bank	0.00	69.13		Secured against equitable mortgage of property situated in Okhla Indl Estate, New Delhi & pari passu charge over receivables in the form of loans & advances, book debts, bills discounted & all the current assets pertaining to marketing activities.	Nil	0	0
Vijaya Bank	0.00	0.00		Secured against registered mortgage of property situated at Okhla Industrial Estate, New Delhi and pari passu charge on book debts/current assets.	Nil	0	0
State Bank of India	0.00	0.00		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	0
BNP Paribas	0.00	14.63		Pari passu charge on Loan Receivables of the Borrower			
United Bank of India	0.00	0.00			Nil	0	0
Deutsche Bank AG	0.00	0.00			Nil	0	0
Overdraft	0.00	83.76			--		
The Hongkong & Shanghai Banking Corp. Ltd.	0.00	0.00		Secured against exclusive registered mortgage of free hold land measuring 41920 Sq. Mtr. at Okhla Industrial Estate, New Delhi & pari passu charge over receivables under RMA Scheme & book debts under marketing activities.	Nil	0	0
CTBC Bank - Overdraft	0.00	0.00		Secured by way of hypothecation of account receivables/book debts of Raw Material Assistance and Other Current Assets.	Nil	0	0
Term Loan	0.00	0.00					
Corporation Bank - Short Term Loan	0.00	0.00			Nil	0	0
Bank of Tokyo - Short Term Loan	0.00	0.00			Nil	0	0
Other Parties	0.00	0.00					
Deferred Payment Liabilities	0.00	0.00			--		
Deposits	0.00	0.00			--		

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 31.03.20	
	31/03/20	31/03/19				Period	Amount
Loans and Advances from Related Parties	0.00	0.00			:-		
Long Term Maturities of Finance Lease					:-		
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			:-		
<b>Sub Total</b>	<b>156500.00</b>	<b>171383.76</b>			:-		
<b>Unsecured Borrowings</b>							
Bonds/Debentures							
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			:-		

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 31.03.20	
	31/03/20	31/03/19				Period	Amount
Foreign Financial Institutions							
XIth LINE OF CREDIT	2409.90	2353.58	Half-Yearly		Guaranteed by Government of India	0	
XIth LINE OF CREDIT	2274.10	2259.73	Half-Yearly		Guaranteed by Government of India	0	
Casa Depositi E Prestiti, Italy (Previously known as Artificiancassa SPA)	657.53	654.69	Half Yearly		Guaranteed by Government of India	0	
<b>Others</b>	<b>5341.53</b>	<b>5268.00</b>					
Loans Repayable on Demand from:	0.00	0.00			--		
Banks							
Working Capital Loans							
ICICI Bank Short Term Loan	0.00	0.00			Nil	0	
Cash Credit	0.00	0.00			--		
Overdraft							
The Hongkong & Shanghai Banking Corp. Ltd.	0.00	0.00					
Term Loan							
Union Bank of India	0.00	0.00			Nil	0	
Other Parties	0.00	0.00			Nil	0	
Deferred Payment Liabilities	0.00	0.00			--		
	0.00	0.00			--		

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 31.03.20	
	31/03/20	31/03/19				Period	Amount
Deposits	0.00	0.00			:-		
Loans and Advances from Related Parties	0.00	0.00			:-		
Long Term Maturities of Finance Lease	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							
Commercial Paper	0.00	0.00					
<b>Sub Total</b>	<b>5341.53</b>	<b>5268.00</b>			:-		
<b>Total</b>	<b>161841.53</b>	<b>176651.76</b>			:-		

### 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 31/03/20 (in Euro)	2848918.41	2688372.67	777313.76
Repayment term	Half yearly	Half yearly	Half yearly
Amount of installments (in Euro)	62888.9	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 31.03.2020 in Euro	541674.27	561030.32	82986.37
Hedging	-	-	-

### Annexure - 15C - Detail of Borrowings through Commercial Paper

Particulars	As At 31.03.2020	As At 31.03.2019
Amount Borrowed	-	-
Coupan Rate	-	-
Date of Issue	-	-
Date of Redemption	-	-
Terms of Redemption	-	-

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

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
Advance from RMA Buyers - Units	2907.92	2152.55
Discount Payable	525.55	801.31
A/c Payable for Bulk Supplies	2743.42	1697.26
Payable to Rating Agencies	56.11	337.41
Security Deposit Payable	1850.58	1148.56
Earnest Money Deposits (EMD)	149.43	57.84
Retention Money Payable	509.17	327.06
Payable for Projects	468.01	453.14
Balance Due to Trade Receivables	13.70	42.49
Interest Accrued But Not Due on Borrowings	50.92	407.09
Amount Payable for Training	64.86	105.97
Other Payables - Employees	318.52	220.89
Current Liability for Expenses	3047.49	1619.91
Other Payables - Taxes	945.47	794.91
Other Payables	242.71	161.50
Commitment Advance Received - Exhibitions	1.63	1.33
Amount Payable to Government of India against Surplus in Grants (Net)	0.00	1340.90
<b>As per Balance Sheet</b>	<b>13895.49</b>	<b>11670.12</b>

## 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 (Trf. From Prom. to Com.)	As at 31/03/20		
	Deficit	Surplus							Reimbursable Expenditure	Deficit	Surplus
<b>Marketing Assistance Scheme</b>											
Marketing Assistance Scheme	0.00	26.92	0.45	(37.97)	0.00	0.00	0.00	0.00	0.00	10.60	0.00
Marketing Assistance Scheme-SCSP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Marketing Assistance Scheme in NER	0.00	1.01	0.00	(1.01)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Total</b>		<b>27.93</b>	<b>0.45</b>	<b>(38.98)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10.60</b>	<b>0.00</b>
<b>Performance and Credit Rating Scheme</b>											
Performance and Credit Rating Scheme	0.00	3.58	2.73	(3.58)	0.00	0.00	0.00	0.00	0.00	0.00	2.73
Performance and Credit Rating Scheme-SCSP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Performance and Credit Rating Scheme - TSP	0.00	1.53	0.00	(1.53)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Performance and Credit Rating Scheme in NER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Total</b>		<b>5.11</b>	<b>2.73</b>	<b>(5.11)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.73</b>
International Co-operation, Modernization & Technology Upgradation	7.66	0.00	0.00	7.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Assistance for Training to Institutions</b>											
Assistance for Training to Institutions	0.00	54.29	1607.45	(24.03)	695.80	294.45	990.25	0.00	990.25	0.00	647.46
Assistance for Training to Institutions in NER	0.00	0.00	25.95	0.00	0.00	25.95	25.95	0.00	25.95	0.00	0.00
<b>Sub Total</b>		<b>54.29</b>	<b>1633.40</b>	<b>(24.03)</b>	<b>695.80</b>	<b>320.40</b>	<b>1016.20</b>	<b>0.00</b>	<b>1016.20</b>	<b>0.00</b>	<b>647.46</b>
National Entrepreneurship Award Scheme	0.00	0.00	10.91	0.00	0.00	5.41	5.41	0.00	5.41	0.00	5.50
Entrepreneurship and Skill Development Programmes (ESDP)	0.00	0.00	92.50	0.00	0.00	59.70	59.70	0.00	59.70	0.00	32.80
Procurement and Marketing Support Scheme (PMSS)	0.00	0.00	110.58	0.00	0.00	103.04	103.04	0.00	103.04	0.00	7.54
Training cum Incubation	0.00	83.67	3.15	(10.11)	0.00	0.00	0.00	0.00	0.00	0.00	76.71
<b>National SC-ST Hub (NSSH)</b>											
NSSH - SCSP	235.99	0.00	5804.48	202.70	0.00	8338.37	8338.37	0.00	8338.37	2567.18	0.00
NSSH - TSP	0.00	870.04	305.16	(13.80)	0.00	2031.33	2031.33	0.00	2031.33	869.93	0.00
NSSH - NER (SCSP)	37.06	0.00	194.60	12.59	0.00	77.95	77.95	0.00	77.95	0.00	92.18
NSSH - General	0.00	679.79	567.54	(15.38)	0.00	460.99	460.99	0.00	460.99	0.00	770.96
NSSH - NER (TSP)	99.22	0.00	671.77	11.73	0.00	272.09	272.09	0.00	272.09	0.00	312.19
<b>Sub Total</b>	<b>1177.56</b>	<b>7543.55</b>	<b>197.84</b>	<b>197.84</b>	<b>0.00</b>	<b>11180.73</b>	<b>11180.73</b>	<b>0.00</b>	<b>11180.73</b>	<b>2261.78</b>	<b>0.00</b>
<b>Total</b>	<b>1340.90</b>	<b>9397.27</b>	<b>127.27</b>	<b>127.27</b>	<b>695.80</b>	<b>11669.28</b>	<b>12365.08</b>	<b>0.00</b>	<b>12365.08</b>	<b>1499.64</b>	<b>(1499.64)</b>
<b>Net Surplus / (Deficit)</b>										<b>Net Surplus / (Deficit)</b>	<b>1340.90</b>
<b>Previous Year Surplus / (Deficit)</b>										<b>Previous Year Surplus / (Deficit)</b>	<b>1340.90</b>

## NOTE-17 PROVISIONS

(₹ in Lakh)

Particulars	As At 31.03.20		As At 31.03.19	
<b>Provisions for Employee Benefits</b>				
For Gratuity	5183.44		4800.47	
For Leave Encashment	2969.06		2699.33	
For Half Pay Leave	570.79		415.30	
For TA on Retirement	3.91		3.67	
For Leave Travel Concession	0.15		0.27	
For Pension	0.00		0.00	
For Pay Revision	0.00	8727.35	0.00	7919.04
<b>Others</b>				
For Doubtful Debts & Advances	12628.60		18109.82	
Less: Adjustment as per contra against Trade Receivables, Loans & Advances, etc.	12628.60	0.00	18109.82	0.00
<b>For Exchange Variation</b>				
Balance as per last Balance Sheet	1774.99		1552.35	
Add: Provision made during the Year	211.78		222.63	
Less: Utilised for Exchange Variation Losses	148.72		0.00	
Less: Amount Written Back	0.00	1838.05	0.00	1774.98
<b>For Promotional Activity (KFW)</b>				
Balance as per last Balance Sheet	0.00		0.00	
Add: Provision made during the Year	52.95		55.66	
Less: Amount Written Back	52.95	0.00	55.66	0.00
<b>As per Balance Sheet</b>		<b>10565.40</b>		<b>9694.02</b>

Note : Refer sl. no. 9, 10 & 12 of Note - 34

## NOTE-17A DETAILS OF ADDITIONS, REVERSAL & UTILIZATION OF PROVISIONS

(₹ in Lakh)

Particulars	Opening Balance as on 01.04.2019	Additions (+) / Write Back (-)	Utilization	Closing Balance as on 31.03.2020
For Doubtful Debts	0	-5481.22	-5481.22	0
For Exchange Variation	1774.99	211.78	148.72	1838.05
For Promotional Activity	0	52.95	52.95	0
<b>Total</b>	<b>1774.99</b>	<b>-5216.49</b>	<b>-5279.55</b>	<b>1838.05</b>

## NOTE-18 OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
Income Received in Advance	1916.77	2153.20
Other Payables - Employees	2221.83	1283.94
Other Payables	676.61	1165.01
Impact of Discounting on Employee Advance	11.99	0.00
<b>As per Balance Sheet</b>	<b>4827.20</b>	<b>4602.15</b>

## NOTE-19 SHARE CAPITAL

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
<b>AUTHORISED</b>		
5,35,00,000 (Previous Year 5,35,00,000) Equity Shares of Rs. 100/- each	53500.00	53500.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
5,32,98,800 (Previous Year 5,32,98,800) Equity Shares of Rs. 100/- each fully paid up	53298.80	53298.80
<b>As per Balance Sheet</b>	<b>53298.80</b>	<b>53298.80</b>

## 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 31.03.20 No. of Share Held	As At 31.03.20 % of Holding	As At 31.03.19 No. of Share Held	As At 31.03.19 % 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				
	2019-20	2018-19	2017-18	2016-17	2015-16
<b>Equity Shares:</b>					
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
<b>Preference Shares:</b>					
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

Particulars	(₹ in Lakh)	
	As At 31.03.20	As At 31.03.19
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	Deductions during the Year				As At 31.03.2020
	At At 01.04.2019	Additions / Created During the Year	Transfer / Sales / Adjustment	Depreciation for the Year	
<b>CAPITAL RESERVES/DEFERRED INCOME</b> (Reserve representing value of Assets acquired out of Grants received from Government of India)					
Technical Centre	352.74	0.00	0.00	34.17	318.57
Government Purchase Plan	3.52	0.00	0.07	0.00	3.45
Appropriate Technology	2.40	0.00	0.00	0.00	2.40
Modernization - Lock Project	39.20	0.00	0.00	11.38	27.82
Development of North East Region	19.57	0.00	0.00	0.56	19.01
Technology Business Incubator	84.46	0.00	0.00	11.17	73.29
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	0.00	0.94
Product Design Centre (PRIDE)	11.02	0.00	0.00	0.32	10.70
Technology Business Incubator (IT)	1.02	0.00	0.00	0.00	1.02
Laghu Udyog Mart(LUM)	216.72	0.00	0.00	9.54	207.18
Interest Differential Fund on KFW (West Germany) Loans	19.42	0.00	0.00	0.51	18.91
Technology Development of Baking Oven	0.02	0.00	0.00	0.00	0.02
DST-STEP (S&T Project)	35.44	0.00	0.00	5.14	30.30
Testing Fuel Efficient Diesel Engine (TFEDE)	0.36	0.00	0.00	0.00	0.36
Marketing Development Centre	64.53	0.00	0.00	1.54	62.99
Interest Differential Fund on S&T Project	0.65	0.00	0.00	0.00	0.65
Training cum Incubation	324.58	0.00	0.00	47.82	276.76
Assistance for Training to Institutions	1965.86	695.80	0.00	264.68	2396.98
<b>Sub Total</b>	<b>3147.74</b>	<b>695.80</b>	<b>0.07</b>	<b>386.83</b>	<b>3456.64</b>
<b>OTHER RESERVES</b>					
Capital Replacement Reserve	73.09	0.00	0.00	0.00	73.09
Impairment Reserve	0.00	4866.65	0.00	0.00	4866.65
Retained Earning	36581.70	9525.32	7616.61	0.00	38490.41
Statutory Reserve - u/s 45 IC of RBI Act 1934	0.00	1983.84	0.00	0.00	1983.84
<b>As per Balance Sheet</b>	<b>39802.53</b>	<b>17071.61</b>	<b>7616.68</b>	<b>386.83</b>	<b>48870.63</b>

Note : Refer sl. no. 22 of Note-34

(₹ in Lakh)

**NOTE-20A STATEMENT OF CHANGES IN EQUITY**

Particulars	Equity					Other Equity				Total	
	Equity Share Capital	Capital Reserves	Capital Replacement Reserve	Risk Fund	Retained Earnings	Retained Earnings	Retained Earnings		Statutory Reserve-u/s 451C of RBI Act 1934		Sub Total
							Equity Instruments through Other Comprehensive Income	Impairment Reserve			
<b>Balance as at 31<sup>st</sup> March 2018</b>	<b>53298.80</b>	<b>3162.41</b>	<b>73.09</b>	<b>1878.65</b>	<b>36344.52</b>	<b>212.15</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>36556.67</b>	<b>41670.82</b>
Add: Additions / Credited during the year	0.00	352.37	0.00	0.00	1869.34	0.00	0.00	0.00	0.00	1869.34	2221.71
Add: Transfer from Risk fund	0.00	0.00	0.00	0.00	1555.32	0.00	0.00	0.00	0.00	1555.32	1555.32
Less: Dividend for the year 2017-18 (including CDT)	0.00	0.00	0.00	0.00	3420.57	0.00	0.00	0.00	0.00	3420.57	3420.57
Less: Transfer / Adjustment during the year	0.00	5.74	0.00	1878.65	0.00	0.00	0.00	0.00	0.00	0.00	1884.39
Less: Depreciation for the year	0.00	361.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	361.30
Less: Loss on Equity Investments through Fair value Change	0.00	0.00	0.00	0.00	0.00	0.99	0.00	0.00	0.00	0.99	0.99
Add: Income tax relating to Equity Investments	0.00	0.00	0.00	0.00	0.00	21.93	0.00	0.00	0.00	21.93	21.93
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>53298.80</b>	<b>3147.74</b>	<b>73.09</b>	<b>0.00</b>	<b>36348.61</b>	<b>233.09</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>36581.70</b>	<b>39802.53</b>
Add: Additions / Credited during the year	0.00	695.80	0.00	0.00	9639.85	0.00	4866.65	1983.84	0.00	16490.34	17186.14
Add: Transfer from Risk fund	0.00	0.00	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	0.00	0.00	766.12	0.00	0.00	0.00	0.00	766.12	766.12
Less: Transfer / Adjustment during the year	0.00	0.07	0.00	0.00	6850.50	0.00	0.00	0.00	0.00	6850.50	6850.57
Less: Depreciation for the year	0.00	386.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	386.83
Less: Loss on Equity Investments through Fair value Change	0.00	0.00	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	0.00	0.00	38.53	0.00	0.00	0.00	38.53	38.53
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>53298.80</b>	<b>3456.64</b>	<b>73.09</b>	<b>0.00</b>	<b>38371.84</b>	<b>118.57</b>	<b>4866.65</b>	<b>1983.84</b>	<b>0.00</b>	<b>45340.90</b>	<b>48870.63</b>

**NOTE -21 REVENUE FROM OPERATIONS**

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20		For the Year Ended 31.03.19	
<b>Sale of Products</b>				
Marketing		20863.93		28048.45
Export		0.00		348.00
Raw Material Distribution		123549.04		179056.47
<b>As per Statement of Profit &amp; Loss</b>		<b>144412.97</b>		<b>207452.92</b>
<b>Sale of Services</b>				
Income from Single Point Registration Scheme (SPRS)		1440.45		1413.74
Income from Infomediary Services (B2B)		962.49		728.13
Application Processing Fees		2.13		3.02
Rent Received		2354.04		1927.88
House Keeping & Other Charges		686.14		499.25
Revenue from Training Activities		1647.57		1732.26
Revenue on account of Common Facilities		862.07		759.55
Project Consultancy Charges		80.64		0.00
Income from Training cum Incubation Center (TIC)		84.66		60.50
Receipts from Exhibitions, Seminars, Meets, Conferences and Marketing Campaigns		0.00		126.32
Other Receipts from Services		2.70		1.52
Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)		525.30		0.00
<b>As per Statement of Profit &amp; Loss</b>		<b>8648.19</b>		<b>7252.17</b>
<b>Interest Income</b>				
<b>From Parties</b>				
Normal		26651.21		33557.46
Penal Interest		78.15		1.19
By Contra Adjustment to Penal Interest Suspense A/c	0.00		0.00	
Less: Losses W/Off on A/c of Penal Interest Suspense A/c by Contra Adjustment	0.00	0.00	0.00	0.00
From Deposits with Banks		4.40		4.59
From Employee Advance		1.09		1.58
From Others		8.71		0.32
Gain of Interest on Foreign Currency Transactions and Translation (Net)		0.00		142.81
Interest Income Employee/Amortised Cost		0.47		26.20
<b>As per Statement of Profit &amp; Loss</b>		<b>26744.03</b>		<b>33734.15</b>
<b>Processing Fees/Service Charges Earned</b>				
Raw Material Distribution	1379793.79	4555.03	1517917.94	4876.12
Miscellaneous Items	21550.29	308.63	51624.53	399.79
<b>As per Statement of Profit &amp; Loss</b>	<b>1401344.08</b>	<b>4863.66</b>	<b>1569542.47</b>	<b>5275.91</b>
<b>Other Operating Revenues</b>				
<b>Excess Provision Written Back:</b>				
KFW	126.62		238.59	
Others	5491.94 *	5618.56	662.24	900.83
Sundry Credit Balances Written Back		123.57		91.44
Net Gain/Loss of Fair Value Changes		0.00		0.00
<b>As per Statement of Profit &amp; Loss</b>		<b>5742.13</b>		<b>992.27</b>

\* It includes provision written back of Rs 5117.22 lakh related to the case of amount recoverable from UBI (now merged with PNB) under AMRCD. Rs 17350 lakh received from PNB on 29.09.2020 as per decision of the AMRCD

## ANNEXURE - 21A DETAILS OF RAW MATERIAL DISTRIBUTION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20	For the Year Ended 31.03.19
Aluminium	53047.90	83913.76
Iron & Steel	62961.43	84364.05
Others	7539.71	10778.66
<b>Total</b>	<b>123549.04</b>	<b>179056.47</b>

## NOTE - 22 OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20	For the Year Ended 31.03.19
Interest on Income Tax Refunds	54.67	42.46
Miscellaneous Income	45.95	96.79
Dividend Income	1.88	5.42
Impact of Discounting on Financial Assets	154.23	0.00
<b>As per Statement of Profit &amp; Loss</b>	<b>256.73</b>	<b>144.67</b>

## NOTE - 23 GRANTS AND SUBSIDIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20	For the Year Ended 31.03.19
<b>For Promotional Activities</b>	<b>12365.07</b>	<b>6675.67</b>
Less: Capital Expenditure (Net)	695.80	352.37
Less: Membership/ Inspection Fees, Training, Rent etc. under NSSH	586.49	433.02
Less: Training Fee - ATI	297.50	240.72
Less: Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)	525.30	0.00
Less: Amount Appropriated out of Government Grants (As per Statement of Profit and Loss - Promotional)	0.00	0.00
<b>As per Statement of Profit &amp; Loss</b>	<b>10259.98</b>	<b>5649.56</b>

## NOTE - 24 PURCHASE OF STOCK-IN-TRADE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20	For the Year Ended 31.03.19
<b>Marketing Activity</b>		
Marketing	20852.45	28042.59
Export	0.00	247.22
Raw Material Distribution	122895.36	177602.44
<b>As per Statement of Profit &amp; Loss</b>	<b>143747.81</b>	<b>205892.25</b>

## ANNEXURE - 24A DETAILS OF RAW MATERIAL DISTRIBUTION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20	For the Year Ended 31.03.19
Aluminium	52480.83	83040.15
Iron & Steel	63000.36	83885.02
Others	7414.17	10677.27
<b>Total</b>	<b>122895.36</b>	<b>177602.44</b>

## NOTE - 25 CHANGES IN INVENTORIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20		For the Year Ended 31.03.19	
<b>Finished Goods:</b>				
Closing Stock	2.10		2.16	
Less: Opening Stock	2.16		2.16	
Adjustment in Stock	0.06	0.00	0.00	0.00
<b>Work-In-Process:</b>				
Closing Stock	0.00		0.00	
Less: Opening Stock	0.00		0.00	
Adjustment in Stock	0.00	0.00	0.00	0.00
<b>Goods-In-Transit:</b>				
Closing Stock	54.96		0.00	
Less: Opening Stock	0.00		509.42	
Adjustment in Stock	0.00	54.96	0.00	(509.42)
<b>As per Statement of Profit &amp; Loss</b>		<b>54.96</b>		<b>(509.42)</b>

## NOTE - 26 EMPLOYEES BENEFIT EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20		For the Year Ended 31.03.19	
Salaries and Allowances		9194.93		8898.63
<b>Contributions to:</b>				
Provident Fund	736.09		710.22	
Superannuation Scheme/Pension Scheme	635.31		582.75	
Deposit Group Insurance Scheme	0.00	1371.40	0.00	1292.97
Gratuity Fund Contributions		630.03		526.77
Staff Welfare Expenses		120.60		117.17
Other Benefits		2329.86		1143.15
<b>Directors (Including Chairman-Cum-Managing Director)</b>				
Salaries and Allowances		92.80		94.85
<b>Contributions to:</b>				
Provident Fund	5.93		7.22	
Superannuation Scheme/Pension Scheme	5.16	11.09	6.19	13.41
Gratuity Fund Contributions		8.68		2.76
Other Benefits		15.06		19.54
<b>As per Statement of Profit &amp; Loss</b>		<b>13774.45</b>		<b>12109.25</b>

## NOTE - 27 FINANCE COST

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20		For the Year Ended 31.03.19	
<b>Interest on Borrowings:</b>				
Kreditanstalt West Germany (KFW Loans)	530.22		552.95	
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	3.23		3.47	
Banks	4730.19		10081.47	
Commercial Paper	7197.54		5152.28	
Others	0.00	12461.18	0.00	15790.17
<b>Other Cost on Borrowing:</b>				
Government Guarantee Fee	21.49		22.64	

Particulars	For the Year Ended 31.03.20		For the Year Ended 31.03.19	
Loss of Interest on Foreign Currency Transactions and Translation	0.00	21.49	0.00	22.64
Other Finance Charges		112.84		21.66
Interest Expenses on Employee Advance/Amortised Cost		20.50		2.87
<b>As per Statement of Profit &amp; Loss</b>		<b>12616.01</b>		<b>15837.34</b>

## NOTE - 28 DEPRECIATION & AMORTIZATION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20		For the Year Ended 31.03.19	
<b>Depreciation on:</b>				
Property, Plant & Equipments		684.82		605.24
Leased Assets		0.00		0.00
<b>Property, Plant &amp; Equipments, Intangible Assets acquired against Grants</b>				
Depreciation as per Contra		386.83		361.30
Less: Replacement Reserve as per Contra		386.83	0.00	361.30
Amortization of Expenses		48.04		59.85
<b>As per Statement of Profit &amp; Loss</b>		<b>732.86</b>		<b>665.09</b>

Note : Refer Note-12 and sl. no.8 of Note-34

## NOTE - 29 CORPORATE SOCIAL RESPONSIBILITY

(₹ in Lakh)

Particulars	In Cash	Yet to be Paid	Total	In Cash	Yet to be Paid	Total
	31.03.2020	31.03.2020	31.03.2020	31.03.2019	31.03.2019	31.03.2019
Construction/Acquisition of any Assets	0.00	0.00	0.00	0.00	0.36	0.36
On Purposes Other than above	255.00	0.00	255.00	318.19	0.00	318.19
<b>As per Statement of Profit &amp; Loss</b>	<b>255.00</b>	<b>0.00</b>	<b>255.00</b>	<b>318.19</b>	<b>0.36</b>	<b>318.55</b>
Related Parties Transactions	0.00	0.00	0.00	0.00	0.00	0.00

## NOTE - 30 OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20	For the Year Ended 31.03.19
Electricity, Power & Water Charges	687.93	632.99
Printing & Stationery	89.94	96.57
Insurance	13.58	5.47
Travelling, Conveyance & Vehicle Charges	531.61	622.67
Freight and Octroi Expenses	30.90	25.10
Communication Expenses	117.13	130.12
Rent Paid	479.56	586.82
Staff Recruitment Expenses	0.06	0.18
Licences, Rates & Taxes	155.08	108.95
Expense on Security & Other Allied Services	1752.50	1613.68
Repairs & Maintenance Expenses	507.06	498.45
Payments to Statutory Auditors	49.14	46.42
Payment to Internal auditors	38.67	40.41
Legal, Professional and Consultancy Charges	328.57	290.01

Particulars	For the Year Ended 31.03.20	For the Year Ended 31.03.19
Directors' Sitting Fee	3.84	3.08
Directors' Other Expenses	33.48	50.69
Training Expenses	683.72	732.10
Common Facilities Charges	94.20	92.60
Project Consultancy Charges	86.68	26.87
Expenses on Godown Operations	967.22	798.04
Infomediary Services Expenses	3.43	3.63
Business/Sales Promotion Expenses	95.55	121.20
Entertainment	20.92	28.01
Advertisement and Publicity	170.26	145.02
Expenses on increase in Authorised Capital	0.00	0.00
Loss on Foreign Currency Transactions and Translation (Net)	42.56	0.00
Charity and Donations	0.00	0.00
Miscellaneous Expenses	29.60	21.87
Bad Debts/Irrecoverable Advances Written Off	14.38	109.03
Expenditure on Exhibitions, Seminars and Conference	14.15	63.06
Expenses on ESDP	59.70	0.00
Expenses on Special Marketing Assistance Scheme (SMAS)	2560.96	1555.90
Expenses on Others - NSSH	6742.94	2743.44
Expenses on Procurement & Marketing Support Scheme (PMSS)	103.04	0.00
Expenses on International Co-operation	0.00	7.65
Expenses on Marketing Assistance Scheme (MAS)	0.00	604.90
Impact of Discounting on Financial Assets	46.21	0.00
Provision for Doubtful Debts	0.00	6943.91
Expenses on SPRS	70.51	78.56
<b>As per Statement of Profit &amp; Loss</b>	<b>16625.08</b>	<b>18827.40</b>

Note : For grant utilization of Rs 10259.98 lakh, please refer Profit & Loss Accounts (Promotional)

## ANNEXURE - 30A DETAILS OF OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20	For the Year Ended 31.03.19
<b>Payment to Statutory Auditors for:</b>		
Statutory Audit Fees	35.65	34.49
Tax Audit Fees	10.58	10.61
Other Taxation Matters	0.26	0.50
Other Services	1.05	0.00
Reimbursement of Expenses	1.60	0.82
<b>Total</b>	<b>49.14</b>	<b>46.42</b>
<b>Repairs &amp; Maintenance Expenses on:</b>		
Building	262.39	278.41
Machinery	18.75	8.42
Others	225.92	211.62
<b>Total</b>	<b>507.06</b>	<b>498.45</b>
<b>Bad Debts/Irrecoverable Advance Written Off:</b>		
Bad Debts Written Off	14.38	108.44
Irrecoverable Advances Written Off	0.00	0.59
Losses Written Off	1.93	43.92
Less: Contra Adjustment to Losses Written Off	1.93	43.92
<b>Total</b>	<b>14.38</b>	<b>109.03</b>

Particulars	For the Year Ended 31.03.20	For the Year Ended 31.03.19
<b>Training Expenses on:</b>		
Internal	438.75	390.74
Sponsored	62.83	130.16
Personal	57.42	70.62
ATI	56.30	48.72
Capacity Building (NSSH)	1.06	34.09
Others	67.36	57.77
<b>Total</b>	<b>683.72</b>	<b>732.10</b>
<b>Expenses on Special Marketing Assistance Scheme:</b>		
Participation in Domestic Exhibitions, Trade Fairs	1956.04	1127.85
Participation in International Exhibitions, Trade Fairs	306.74	268.15
Organization Visit to Domestic Exhibitions, Trade Fairs	138.16	0.00
Organization Visit to International Exhibitions, Trade Fairs, Seminars Abroad	0.40	0.00
Vendor Development Programmes	136.80	48.86
Organizing Workshops, Seminars, Awareness Campaigns	22.82	111.04
<b>Total</b>	<b>2560.96</b>	<b>1555.90</b>
<b>Expenses on Others - NSSH:</b>		
Collection, Collation & Dissemination of Information	48.31	473.72
Capacity Building, Skill Training, EDPs	3948.86	850.27
Marketing Assistance	0.33	0.01
Mentoring & Hand Holding Support	3.13	61.76
Awareness Generation and Publicity	102.01	1130.15
Technical & Managerial Support to SC/ST Hub	317.51	227.53
Special Credit Linked Capital Subsidy Scheme	2322.79	0.00
Funds to States to Implement the SC/ST Hub Scheme	0.00	0.00
<b>Total</b>	<b>6742.94</b>	<b>2743.44</b>
<b>Expenses on Procurement and Marketing Support Scheme (PMSS):</b>		
Participation of individual MSEs in Domestic Trade Fairs/ Exhibitions	103.04	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)	0.00	0.00
International Workshops, Seminars	0.00	0.00
National Workshops, Seminars	0.00	0.00
Awareness Program	0.00	0.00
<b>Total</b>	<b>103.04</b>	<b>0.00</b>
<b>Expenses on Marketing Assistance Scheme:</b>		
Participation in Domestic Exhibitions, Trade Fairs	0.00	509.47
Participation in International Exhibitions, Trade Fairs	0.00	0.00
Organization of Domestic Exhibitions	0.00	65.96
Organization of Techmart	0.00	0.00
Organization of International Level Exhibitions	0.00	0.00
Co-Sponsorship of Exhibitions	0.00	6.30
Buyer-Seller Meets, Vendor Development Programmes	0.00	6.06
Marketing Campaigns, Workshop	0.00	12.59
Other Marketing Activities	0.00	4.52
<b>Total</b>	<b>0.00</b>	<b>604.90</b>

**NOTE - 31 TAX EXPENSES**

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20		For the Year Ended 31.03.19	
<b>Provisions for Current Tax</b>				
Provision for Current Tax	1900.00		4250.00	
Provision for Deferred Tax	1445.21		56.15	
Provision for Wealth Tax	0.00	3345.21	0.00	4306.15
<b>Adjustment for Previous Year Taxes</b>				
Provision for Tax	(31.69)		(25.86)	
Provision for Deferred Tax	0.00	(31.69)	0.00	(25.86)
<b>As per Statement of Profit &amp; Loss</b>		<b>3313.52</b>		<b>4280.29</b>

**NOTE - 32 EARNINGS PER EQUITY SHARE (FOR CONTINUING OPERATIONS)**

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20	For the Year Ended 31.03.19
<b>Numerator</b>	9919.22	2062.06
Profit after tax as per Profit and Loss Account (₹ in Lakh)		
<b>Denominator</b>	53298800	53298800
Number of Equity Shares (Face value of ₹ 100/- each)		
Number of Shares allotted during the year	-	-
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)	18.61	3.87
Diluted Earnings Per Share (₹ per share) (Face value of ₹ 100/- each)	18.61	3.87

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

(₹ in Lakh)

Particulars	For the Year Ended 31.03.20	For the Year Ended 31.03.19
<b>Contingent Liabilities:</b>		
Claims against the Corporation not acknowledged as Debts	419.38	419.03
Guarantees	0.00	0.00
Disputed Income Tax, Interest Tax, Sales Tax, Trade Tax Demand	1107.06	216.39
Other money for which the Corporation is Contingently Liable	343.24	434.49
<b>As per Statement of Profit &amp; Loss</b>	<b>1869.68</b>	<b>1069.91</b>
<b>Commitments:</b>		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	742.21	2371.13
Uncalled Liability on Shares and Other Investments Partly Paid	0.00	0.00
Other Commitments	0.00	0.00
<b>As per Statement of Profit &amp; Loss</b>	<b>742.21</b>	<b>2371.13</b>

### NOTE-34: OTHER NOTES ON ACCOUNTS

- 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 Lakhs)

S. No.	Particulars	2019-20	2018-19
1	Amount remaining unpaid to any supplier:		
	a) Principal Amount	22992.73	18757.74
	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. Till last year, the amount payable under Consortia and Tender Marketing Scheme to MSEs was shown as "Trade Payables-Dues to others". In current financial year, based on Udyog Aadhaar Memorandum (UAM) number and registration with the Corporation (NSIC) of the suppliers, the amount payable to such units have been shown as "Trade Payables-Dues to MSMEs", in the financial statements.

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".

- 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 Lakhs)

S. No.	Nature of Account	Total Outstanding	Govt Dues, Amount where 100% Provisions made, RC is issued and / or under litigation/ legal proceedings	Balance Outstanding	Confirmation Received	Confirmation not Received
1	Cash & Bank Balance	12807.65	-	12807.65	12807.65	-
2	Receivables	22547.51	14592.13	7955.38	1031.13	6924.25
3	Loan and Advances	237193.11	10386.52	226806.59	206017.79	20788.80
4	Other Financial Assets	20959.90	19177.98	1781.92	1004.60	777.32
5	Trade Payable	23429.55	708.22	22721.33	4717.42	18003.91
6	Other Financial Liabilities	13895.49	780.87	13114.62	7419.00	5695.62
7	Others (Please specify)	2649.21	7.88	2641.33	2315.90	325.43
	<b>Total</b>	<b>333482.42</b>	<b>45653.60</b>	<b>287828.82</b>	<b>235313.49</b>	<b>52515.33</b>

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 XXI(a)(vi).

4. The aspect relating to the matter of outstanding dues of ₹ 17350 lakh recoverable from PNB (as United Bank of India merged with it), Kolkata towards rightful invocation of bank guarantees by NSIC in June/July 2016 has been reported in detail in the Annual Reports / Director's Report from 2015-16 to 2018-19.

a) The Corporate Annual Account for the year 2018-19 is already having mention of detailed note on this aspect which inter-alia includes final decision of meeting held on 21.10.19 wherein it was decided that UBI shall make good the loss caused to NSIC on account of dishonouring the bank Guarantee issued by the Hazara Road Branch

and the Jadavpur Vidyapith Branch of UBI amounting to ₹ 17350 lakh.

b) After repeated persuasion by the Ministry of MSME with the Department of Financial Services-Ministry of Finance for release of ₹ 17350 lakh in compliance of the decision of Second Tier of AMRCD chaired by Cabinet Secretary on 21.10.2019, the Corporation received ₹ 17350 lakh from PNB (as United Bank of India merged with it). The amount got credited in Corporation's bank account on 29.09.2020.

c) Depending upon the age of the outstanding dues of ₹ 17057.39 lakh, in line with the applicable RBI Prudential Norms to depict true and fair view of the financial results in the audited annual accounts of the Corporation for the year 2018-19, a provision to the tune of ₹ 5117.22 lakh (30% of ₹ 17057.39 lakh) was made. However, considering the receipt of ₹ 17057.39 lakh on 29.09.20, no loss allowances on these financial instruments have

been made for the year 2019-20 on account of ECLs in terms of IndAS-109, IndAS-10 (Events after reporting period) and RBI provisioning norms. Further, the provision/ loss allowance of ₹ 5117.22 lakh already recognized in the books of accounts for the period ending 31.03.2019 have been written back.

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

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

**Changes in significant accounting policies**

- a) Consequent to applicability of Ind AS 116- "Leases" w.e.f. 1<sup>st</sup> April 2019, the accounting policies relating to leases have been modified, which inter-alia includes space, godown, etc. owned/ taken by the Corporation and given/ taken on lease for which rental income is received/ lease rent payments made.
- b) Few accounting policies have been reframed/ added, being already in existence, for better depiction and understanding for reader of accounts.

**6. Disclosure as per Ind AS 2: Inventories**

- a) The total carrying amounts of inventories as at 31.3.2020 is ₹ 91.95 lakhs (PY ₹ 37.75 lakhs) 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) Nothing out of carrying amounts of inventories has been pledged as security for liabilities except those disclosed under Note No.15.
- d) Inventories are stated to be at lower of Cost or market price and there is no inventory of which carrying cost is stated at fair value as at 31<sup>st</sup> March 2020.

**7. Disclosure as per Ind AS 12 – Income Taxes**

**a) FY 2019-20**

(₹ In Lakhs)

Description	Net Balance at 01.04.2019	Recognized in Statement of Profit & Loss A/c	Recognized in OCI	Net Balance at 31.03.2020
<b>Deferred Tax Liabilities</b>				
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
<b>Sub-Total</b>	<b>871.98</b>	<b>172.47</b>	<b>(38.53)</b>	<b>1005.92</b>
<b>Deferred Tax Assets</b>				
Provision for Receivables & Advances	4558.24	(1379.62)		3178.62
Employee Benefits	2187.75	106.87	93.97	2388.59
<b>Sub-Total</b>	<b>6745.99</b>	<b>(1272.75)</b>	<b>93.97</b>	<b>5567.21</b>
<b>Deferred Tax Assets (Net)</b>	<b>5874.01</b>	<b>(1445.22)</b>	<b>132.50</b>	<b>4561.29</b>

**b) FY 2018-19**

(₹ In Lakhs)

Description	Net Balance at 01.04.2018	Recognized in Statement of Profit & Loss A/c	Recognized in OCI	Net Balance at 31.03.2019
<b>Deferred Tax Liabilities</b>				
Related to timing difference on depreciation of fixed assets	828.50	(25.80)	-	802.70
Discounting of Financial asset/financial liabilities	8.05	3.67	-	11.73
Fair Value of Investments	79.49	-	(21.93)	57.55
<b>Sub-Total</b>	<b>916.04</b>	<b>(22.13)</b>	<b>(21.93)</b>	<b>871.98</b>
<b>Deferred Tax Assets</b>				
Provision for Receivables & Advances	3901.37	656.88	-	4558.25
Employee Benefits	2858.07	(735.15)	64.83	2187.75
<b>Sub-Total</b>	<b>6759.44</b>	<b>(78.27)</b>	<b>64.83</b>	<b>6746.00</b>
<b>Deferred Tax Assets (Net)</b>	<b>5843.40</b>	<b>(56.14)</b>	<b>86.76</b>	<b>5874.02</b>

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

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Profit before Tax	13232.75	6342.35
Tax Rate Applicable to a Domestic Company	25.17%	34.94%
Computed Tax Expense	3330.68	2216.02
<b>Tax Effect of</b>		
Expenses that are not deductible in determining taxable profit	622.28	3091.00
Incomes that are not taxable in determining taxable profit	(2052.96)	(1057.02)
<b>Current Tax Provision</b>	<b>1900.00</b>	<b>4250.00</b>
Income Taxes relating to earlier periods	(31.69)	(25.86)
Incremental Deferred Tax Liability / (Asset)	1445.21	56.15
Tax Expense Recognized in Statement of Profit & Loss	<b>3313.52</b>	<b>4280.29</b>
<b>Effective Tax Rate</b>	<b>25.04</b>	<b>67.49</b>

**8. 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 Lakhs)

S. No	Particulars of the Property	Area	As at 31 <sup>st</sup> March 2020	
			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	5.49

- 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 the Asset, therefore, no provision for impairment loss is required.
- 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 ₹ 1.56 lakh (Gross carrying Value ₹ 44.84 lakhs) has been retired with sale proceeds of ₹ 2.86 lakh and profit of ₹1.30 lakh has been accounted for. During the FY 2018-19, assets having net carrying value of ₹ 8.80 lakh (Gross carrying Value 45.44 lakhs) has been retired with sale proceeds of ₹ 11.44 lakh and profit of ₹ 2.64 lakh has been accounted for.

**9. 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.

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 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 Corporation provides forearned 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) **Leave Travel Concession (LTC):**

The Corporation provides LTC facility to the employee under CDA pattern employee as per Central Government and for IDA pattern employee the facility is part of bouquet of perks and allowances and paid along with salary.

The liability on this account for CDA pattern employee (1 no.) is recognized on the basis of actuarial provision.

(d) **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.

(e) **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.

**(f) 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).

**(g) 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 Medclaim policy of ₹ 2 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 in case of employees retired prior to 1.1.2007, based on the affordability of the Corporation.

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

**Plan Liability**

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present value of obligation as at the end of the period	CY	5,183.43	2,969.06	570.79	3.90	0.15
	PY	4,800.47	2,699.33	415.30	3.67	0.27

**Service Cost**

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	TC
Current Service Cost	CY	257.35	182.90	53.60	0.20	-
	PY	232.33	169.00	39.02	0.18	0.01
Past Service Cost including curtailment Gains/Losses	CY	-	-	-	-	-
	PY	-	-	-	-	-
Gains or Losses on Non-routine settlements	CY	-	-	-	-	-
	PY	-	-	-	-	-
Total Service Cost	CY	257.35	182.90	53.60	0.20	-
	PY	232.33	169.00	39.02	0.18	0.01

**Net interest Cost**

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Interest Cost on Defined Benefit Obligation	CY	372.04	209.20	32.19	0.28	0.02
	PY	374.43	200.98	32.81	0.29	0.02
Interest Income on Plan Assets	CY	-	-	-	-	-
	PY	-	-	-	-	-
Net Interest Cost (Income)	CY	372.04	209.20	32.19	0.28	0.02
	PY	374.43	200.98	32.81	0.29	0.02

## Change in benefit Obligation

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present value of obligation as at the	CY	4,800.47	2699.33	415.30	3.67	0.27
	PY	4,800.40	2,576.61	420.65	3.70	0.25
Acquisition adjustment	CY	-	-	-	-	-
	PY	-	-	-	-	-
Interest Cost	CY	372.04	209.20	32.19	0.28	0.02
	PY	374.43	200.98	32.81	0.29	0.02
Service Cost	CY	257.35	182.90	53.60	0.20	-
	PY	232.33	169.00	39.02	0.18	0.01
Past Service Cost including curtailment Gains/Losses	CY	-	-	-	-	-
	PY	-	-	-	-	-
Benefits Paid	CY	-616.48	-494.93	-30.57	-3.68	-
	PY	-863.64	-585.15	-31.93	-1.13	-
Total Actuarial (Gain)/Loss on Obligation	CY	370.06	372.56	100.28	3.43	-0.15
	PY	256.95	337.90	-45.25	0.62	-0.01
Present value of obligation as at the	CY	5,183.43	2,969.06	570.79	3.90	0.15
	PY	4,800.47	2,699.33	415.30	3.67	0.27

## Bifurcation of Actuarial Gain/Loss on Obligation

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	CY	-2.59	-1.48	-0.29	-	-
	PY	-	-	-	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	CY	269.00	175.90	119.75	0.21	-
	PY	14.50	9.46	1.95	-0.01	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	CY	103.65	198.15	-19.19	3.22	-0.15
	PY	242.45	328.44	-47.20	0.61	-0.01

## Balance Sheet and related analysis

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	TC
Present Value of the obligation at end	CY	5183.43	2969.06	570.79	3.90	0.29
	PY	4,800.47	2,699.33	415.30	3.67	0.27
Fair value of plan assets	CY	-	-	-	-	-
	PY	-	-	-	-	-
Unfunded Liability/provision in Balance Sheet	CY	-5183.43	-2,969.06	-570.79	-3.90	-0.29
	PY	-4,800.47	-2,699.33	-415.30	-3.67	-0.27

## The amounts recognized in the income statement.

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Total Service Cost	CY	257.35	182.90	53.60	0.20	-
	PY	232.33	169.00	39.02	0.18	0.01
Net Interest Cost	CY	372.04	209.20	53.60	0.28	0.02
	PY	374.43	200.98	39.02	0.29	0.02
Net Actuarial (gain)/loss recognized in the period	CY	-	372.56	100.28	-	-
	PY	-	337.90	-45.25	-	-
Expense recognized in the Income Statement	CY	629.38	764.66	186.07	0.49	0.02
	PY	606.76	707.87	26.58	0.47	0.03

## Other Comprehensive Income (OCI)

(₹ In Lakhs)

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	-370.06	-	-	-3.43	0.15
	PY	-256.95	-	-	-0.62	0.01
Actuarial gain/(loss) for the year on Asset	CY	-	-	-	-	-
	PY	-	-	-	-	-
Unrecognized actuarial gain/(loss) for the period.	CY	-370.06	-	-	-3.43	0.15
	PY	-256.95	-	-	-0.62	0.01

## Change in Net Defined Benefit Obligation

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Net defined benefit liability at the start of the period	CY	4,800.47	2699.33	415.30	3.67	0.27
	PY	4,800.40	2,576.61	420.65	3.70	0.25
Acquisition adjustment	CY	-	-	-	-	-
	PY	-	-	-	-	-
Total Service Cost	CY	257.35	182.90	53.60	0.20	-
	PY	232.33	169.00	39.02	0.18	0.01
Net Interest cost (Income)	CY	372.04	209.20	32.19	0.28	0.02
	PY	374.43	200.98	32.81	0.29	0.02
Re-measurements	CY	370.06	372.56	100.28	3.43	-0.15
	PY	256.95	337.90	-45.25	0.62	-0.01
Contribution paid to the Fund	CY	-	-	-	-	-
	PY	-	-	-	-	-
Benefit paid directly by the enterprise	CY	-616.48	-494.93	-30.57	-3.68	-
	PY	-863.64	-585.15	-31.93	-1.13	-
Net defined benefit liability at the end of the period	CY	5,183.43	2969.06	570.79	3.90	0.15
	PY	4,800.47	2,699.33	415.30	3.67	0.27

## Expected contribution for the next Annual reporting period.

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Service Cost	CY	266.36	196.53	59.03	0.21	-
	PY	245.97	181.19	42.40	0.20	0.01
Net Interest Cost	CY	357.66	204.87	39.38	0.27	-
	PY	372.04	209.20	32.19	0.28	0.02
Expected Expense for the next annual reporting period	CY	624.02	401.40	98.42	0.48	-
	PY	618.01	390.39	74.58	0.48	0.03

## Principal assumptions used for actuarial valuation are:

Particulars	2019-20	2018-19
Method used	Projected Unit Credit Method	Projected Unit Credit Method
Discount Rate	6.90%	7.75%
Expected Rate of Return on Plan Asset	0	0
Future Salary Increase	5.50	5.50
Mortality Rate	100% IALM (2006-08)	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 Lakhs)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Impact of change in discount rate	5183.43	2969.06	570.79	3.90	0.15
Impact due to increase of 0.50%	-161.43	-105.77	-29.00	-0.11	-
Impact due to decrease of 0.50%	171.22	112.88	31.46	0.10	-
Impact of change in salary increase	5183.43	2969.06	570.79	-	-
Impact due to increase of 0.50%	172.72	113.87	31.28	-	-
Impact due to decrease of 0.50%	-164.27	-107.62	-29.10	-	-

### Maturity Profile of Defined Benefit Obligation

(₹ In Lakhs)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
0 to 1 year	760.17	381.54	54.62	0.52	0.15
1 to 2 years	394.62	233.75	22.78	0.28	-
2 to 3 years	428.08	235.70	34.03	0.29	-
3 to 4 years	434.22	200.90	28.98	0.32	-
4 to 5 years	333.43	185.60	24.50	0.22	-
5 to 6 years	378.52	194.67	23.30	0.27	-
6 year onwards	2454.39	1536.91	382.58	2.01	-

- III. As approved by the Ministry vide letter dated 2.12.2016, Corpus for medical schemes have been created of 122 lakh (₹ NIL) for the employees retired prior to 1.1.2007 and of ₹ 122.54 lakh (₹ 117.30 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 ₹ 53.67 lakh (₹ 53.11 lakh) and ₹ 33.66 lakh (₹ 20.18 lakh) respectively during the year. The non-creation of corpus for medical schemes for the employees retired prior to 1.1.2007 is on account of availability of sufficient corpus.

#### 10. 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 XI<sup>th</sup> line of credit, provision of ₹ 230.76 lakh

(₹ 238.59 lakh) created during the year for meeting the exchange variation losses. During the year, the exchange variation loss was ₹ 157.09 lakh (₹ NIL) and the balance of ₹ 73.67 lakh (₹ 238.59 lakh) has been written back since utilized for the promotional activities as per the terms and conditions of the loan agreement.

- b) The provision for exchange variation losses for loans under KFW credit line XII<sup>th</sup> has been created as per the loan agreement. Under KFW XII<sup>th</sup> 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 ₹ 264.73 lakh (₹ 278.29 lakh) have been made during the year for exchange variation under XII<sup>th</sup> line of credit, out of which 80% i.e. ₹ 211.78 (₹ NIL) has been utilized against exchange variation loss during the year and balance 20% i.e. ₹ 52.95 lakh (₹ 55.66 lakh) has been utilized for promotional purposes as per

terms and conditions of the loan agreement.

During the year, the exchange variation loss was ₹ 148.72 lakh (₹ NIL) which has been adjusted from 80% provision i.e. ₹ 211.78 (₹ NIL) and balance of ₹ 63.07 lakh (₹ NIL) of provisions has been retained to meet future exchange variation losses. The cumulative retained provision on this account as on 31.03.2020 is ₹ 1838.05 lakh including provision of ₹ 63.06 lakh for the year (₹ 1774.99 lakh) to meet out exchange variation losses in future.

## II. Exchange Difference

(₹ In Lakhs)

S. No	Particulars	2019-20	2018-19
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.	(42.56)	142.81
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.	-	-

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

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

#### a) Key Management Personnel

Key Management Personnel	Designation	Period	
		From	To
Shri Ram Mohan Mishra	Chairman-cum- Managing Director	01.04.2019	13.11.2019
Shri Vijayendra		14.11.2019	Till date
Shri A.K. Mittal	Director (Finance)	01.04.2019	30.06.2019
Shri P Udayakumar (Add.I Charge)		01.07.2019	09.07.2019
Shri Gaurang Dixit		10.07.2019	Till date
Shri P Udayakumar		01.04.2019	Till date
Ms. Nishtha Goyal	Company Secretary	01.04.2019	Till date

### b) Transactions during the year with related parties

(₹ In Lakhs)

1.	Expenditure	Key Management Personnel		Relative of Key Management Personnel	
		2019-20	2018-19	2019-20	2018-19
a)	Salary and Allowances	88.44	111.08	--	--
b)	Leave/ LTC Encashment	1.84	4.42	--	--
c)	Provident Fund Contribution	6.93	8.11	--	--
d)	Contribution to Pension Scheme	6.12	7.06		
e)	Others	54.22	69.63	--	--
f)	Lease Rent Paid	-	--	--	--
2.	<b>Balance outstanding:</b>				
a.	Loan & interest outstanding	-	--	--	--
b.	Travelling Advance	-	4.36	--	--
c.	Provision for Terminal Benefits as per Actuarial Valuation	22.62	71.67	--	--

### 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 2019-20 amounting to ₹ 690.18 lakh (₹ 207.97 lakh) has been made.
- During financial year 2018-19, impairment provisions/ loss was recognized in the books of accounts as higher of Expected Credit Loss (ECL) assessment or RBI norms in respect of Loans & Advances and receivables under financing schemes of Corporation. However, 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 would be recognized as loss allowances on the financial instruments.

- iii. 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 ₹251232.97 lakh (₹265763.21 lakh), provision of ₹12156.24 lakh (₹17745.46 lakh) has been made towards impairment loss during the FY 2019-20.
- iv. In respect of non-financial assets, comprising of receivables in respect of dues under Marketing activities, receivables on account of transactions at Technical Centers & STPs, 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 ₹ 28262.22 lakh (₹ 24694.81 lakh), provision of ₹ 472.35 lakh (₹364.36 lakh) has been made towards impairment loss during the FY 2019-20.
- v. Trade Receivables and Loans & Advances under financial/ non-financial assets and of Technical Centers/ STPs comprising of receivables and advances amounting to ₹ 279495.19 lakh (₹ 290458.02 lakh), provisions amounting to ₹12628.59 lakh (₹ 18109.82 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.

**13. Disclosure as per Ind AS 105- Non-Current Asset Held for Sale and discontinued Operations**

No assets have been classified as held for sale in accordance with Ind AS 105.

**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 31<sup>st</sup> March, 2020 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 <sup>st</sup> March 2020			For the year ended 31 <sup>st</sup> March 2019		
	Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial
<b>I. SEGMENT REVENUE</b>						
a. Segment Revenue (including grant)						
-Sale of Product		144412.97	144412.97	-	207,452.92	207,452.92
-Sale of Services		8648.19	8648.19	72.32	7,179.85	7,252.17
-Others	10259.98	37606.55	47866.53	5,649.56	40,147.00	45,796.56
<b>-Total</b>	<b>10259.98</b>	<b>190667.71</b>	<b>200927.69</b>	<b>5,721.88</b>	<b>254,779.77</b>	<b>260,501.65</b>
<b>II. RESULTS</b>						
a. Segment Results		9919.22	9919.22		2062.06	2062.06
b. Operating Profit before interest		25847.45	25847.45		22179.69	22179.69
c. Interest Paid		12616.01	12616.01		15,837.34	15,837.34
d. Exceptional items		(1.30)	(1.30)		0.00	0.00
e. Profit before Tax		13232.74	13232.74		6342.35	6342.35
f. Tax Expense		3313.52	3313.52		4280.29	4280.29
g. Profit after Tax		9919.22	9919.22		2062.06	2062.06
h. Other Comprehensive Income		(393.90)	(393.90)		(171.79)	(171.79)
i. Total Comprehensive Income {Comprising Profit/(Loss) and Other Comprehensive Income}		9525.32	9525.32		1890.27	1890.27
<b>III. ASSETS &amp; LIABILITIES</b>						
a. Segment Assets	4956.28	285942.40	290898.68	3,147.74	291265.35	294413.09
b. Unallocated Assets	-	-	25829.92	-	-	21793.03
<b>c. Total Assets</b>	<b>4956.28</b>	<b>285942.40</b>	<b>316728.60</b>	<b>3,147.74</b>	<b>291265.35</b>	<b>316206.12</b>
d. Segment Liabilities	3587.47	195800.28	199387.75	4,900.47	206,726.46	211,626.93
e. Unallocated Liabilities	-	-	117340.85	-	-	104579.16
<b>f. Total Liabilities</b>	<b>3587.47</b>	<b>195800.28</b>	<b>316728.60</b>	<b>4,900.47</b>	<b>206,726.46</b>	<b>316206.12</b>
<b>IV. OTHER INFORMATION</b>						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	689.78	387.50	1077.28	335.34	598.38	933.72
(b) Depreciation #	386.83	732.86	1119.69	361.30	665.09	1,026.39
(c) Non-cash expenditure other than depreciation	-	123.65	123.65	-	7055.81	7055.81

# The depreciation of promotion segment is charged to capital reserve.

- b) Information about Revenue from major products and services

(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
Sale of Product	144412.97	207452.92
Interest Income	26744.03	33734.15

- 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 2019-20.

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

(₹ in Lakh)

**Component wise revenue of Corporation**

(₹ in Lakh)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
Sale of products	144412.97	207452.92
Sale of services	8648.19	7252.17
Interest Income	26744.03	33734.15
Processing fee	4863.66	5275.91
Other operating Income	5742.13*	992.27
<b>TOTAL</b>	<b>190410.98</b>	<b>254707.42</b>

\* It includes provision written back of ₹5117.22 lakh related to the case of amount recoverable from UBI (now merged with PNB) under AMRCD. ₹17350 lakh received from PNB on 20.09.20 as per decision of the AMRCD.

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

The Corporation had adopted Ind AS 116 - 'Leases' using modified retrospective approach w.e.f. 01.04.2019 as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standards) Second Amendment Rules, 2019 dated 30.03.2019. The Standard requires 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 Company 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 Company's business needs.

During the year 2019-20, the expenses relating to short-term leases are ₹ 479.56 lakh. The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 484.86 lakhs.

**(A) Leases as lessee:**

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

Particulars	Year ended 31 <sup>st</sup> March 2020
Opening Balance	-
- Additions in lease liabilities	68.75
- Interest cost during the year	0.00
- Payment of lease liabilities	0.46
Closing Balance	68.29

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

(₹ in Lakh)

Particulars	Year ended 31 <sup>st</sup> March 2020
Depreciation and amortization expense for right-of-use assets	1.00
Interest expense on lease liabilities	4.83

- Other disclosures:

(₹ in Lakh)

Particulars	Year ended 31 <sup>st</sup> March 2020
Cash Outflow from leases	5.30

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020
Carrying amount of right-of-use assets at the end of the reporting period	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 ₹ 2354.04 lakh has been accounted as lease income in Statement of profit and loss for the year ended 31<sup>st</sup> March 2020 (₹1927.88 lakh for FY 2018-19)

- 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 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Less than one year	1856.05	2354.04
Between one and two years	2062.77	1010.34
Between two and three years	1763.04	72.96
Between three and four years	1770.82	-
Between four and five years	1708.27	-
More than five years	1772.13	-

#### 17. Implementation of New/ Modified Standards

##### a) **IndAS 12**

##### IndAS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified IndAS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IndAS 12. The effective date for adoption of IndAS 12 Appendix C is annual periods beginning on or after April 1, 2019.

According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax

loss), tax bases, unused tax losses, unused tax credits and tax rates.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Corporation determined, based on its tax compliance that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the financial statements of the Corporation.

##### Amendment to IndAS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in IndAS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1<sup>st</sup>, 2019. Since, the Corporation's current practice is in line with these amendments, therefore, bears no impact on the financial statements of the Corporation.

##### b) **IndAS 19- Plan Amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to IndAS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognize in statement of profit or loss as part of past service cost, or a gain

or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The amendments had no impact on the financial statements of the Corporation as it did not have any plan amendments, curtailment or settlement during the year.

**c) Ind AS-116 – Leases:**

Ind AS 116 supersedes Ind AS 17 and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

The Company adopted Ind AS 116 using modified retrospective method of adoption, with the date of initial application being 01.04.2019. The adoption did not have any material impact on the financial statements of the Company.

**18. Impact of Covid-19 Pandemic on the Corporation**

The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. The Indian government announced lockdown for total 54 days since 24<sup>th</sup> March, 2020, to contain the spread of virus. There is a high level of uncertainty about the time required for life and business to get normal.

The Corporation's management has made initial assessment of likely adverse impact on business and financial risks and believes that the impact is likely to be short term. The management does not see any medium to

long term risk in the Corporation's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Corporation's management made the assessment of all the receivables and loans & advances and is of the opinion that these are fully recoverable.

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 27.3.2020, Corporation grants a moratorium of three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020, to its customers who have availed the facilities under the scheme of "Raw Material Assistance against BG" (working capital credit facility) prior to 01.03.2020. It is not out of place to mention that in terms of said notifications there were 861 units having their outstanding dues as on 29.02.2020 amounting to ₹ 106476.41 lakh.

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).

Further, in terms of notifications issued by RBI on account of COVID-19 – Regulatory Package, there are 15 units who have availed moratorium under RMA against BG and bears the financial impact on the financial statement for the period ending 31.03.2020. The said impact is on account of different rate of provision required to be provided on the outstanding balance of the unit as on 31.03.2020 who were standard as on 29.02.2020 but becomes NPA as on 31.03.2020. The total amount of provision required to be made was ₹ 192.50 lakh (10% of the outstanding dues of ₹ 1924.97 lakh)

that has been reduced to ₹96.25 lakh (5% of the outstanding dues of ₹ 1924.97 lakh) thereby increasing the profit for the period by ₹ 96.25 lakh.

19. Government has 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 23<sup>rd</sup> 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 period ending 31.03.2020 as the benefit to be credited / accounted for shall be reimbursed from the Government.

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

(₹ in Lakh)

As at 31 <sup>st</sup> March 2020	Net Advances	Investments	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		3888.14		

(₹ in Lakh)

As at 31 <sup>st</sup> March 2020	Net Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	114621.90	-	171383.76	-	-	-
Over 1-month upto 2 months	48561.93	-	-	-	-	-
Over 2 months upto 3 months	84833.92	-	-	116.10	-	-
Over 3 months upto 6 months	-	-	-	19.84	-	-
Over 6 months & upto 1 year	-	-	-	135.94	-	-
Over 1 year & upto 3 years	-	-	-	543.76	-	-
Over 3 year & upto 5 years	-	-	-	543.76	-	-
Over 5 years	-	234.69	-	3908.60	-	-

(Advances refer to receivables under Hire Purchase, Leasing, Raw Material Assistance, Bills Discounting, Composite Term Loan, Term Loan, banks, etc).

## 21. 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 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Floating rate</b>		
- Expiring within one year (bank overdraft and other facilities)	Nil	83.76

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 analyses 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 <sup>st</sup> March 2020			31 <sup>st</sup> March 2019		
	Bank Borrowings	Market Borrowings	Total	Bank Borrowings	Market Borrowings	Total
1 day to 30/31 days (one month)	156500		156500	171383.76		171383.76
Over one month to 2 months						
Over 2 months upto 3 months		124.13	124.13		116.10	116.10
Over 3 months to 6 months		21.21	21.21		19.84	19.84
Over 6 months to 1 year		145.34	145.34		135.94	135.94
Over 1 year to 3 years		581.35	581.35		543.76	543.76
Over 3 years to 5 years		581.35	581.35		543.76	543.76
Over 5 years		3888.14	3888.14		3908.60	3908.60

**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 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	In foreign Currency (Euro)	In functional Currency (₹ in Lakh)	In foreign Currency (Euro)	In functional Currency (₹ in Lakh)
Kfw-XI	2848918.41	2409.90	2974696.21	2353.58
Kfw-XII	2688372.67	2274.09	2856076.41	2259.73
ILC	777313.76	657.53	827462.98	654.69

**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 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Variable rate borrowings	-	83.76
Fixed rate borrowings	156500.00	171300.00
<b>Total borrowings</b>	<b>156500.00</b>	<b>171383.76</b>

**(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 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019		
<b>I. FINANCIAL ASSETS</b>				
<b>Financial Investments at FVTOCI</b>				
-Investment in Equity Instruments	81.63	234.69	Level 1	Quoted market price

Particulars	Amount at Fair Value		Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019		
Financial Investments at FVTPL				
<b>TOTAL</b>	81.63	234.69		
<b>II. FINANCIAL LIABILITIES</b>	-	-		
<b>TOTAL</b>	-	-		

### Financial Assets and Liabilities Measured at Amortized Cost.

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019		Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	Amortized Cost	Fair Value	Amortized Cost	Fair Value		
<b>I. FINANCIAL ASSETS</b>						
Loan to Companies/ LLP	226078.76	226078.76	239561.78	239561.78	Level 3	Effective Interest Rate
Loan to Employees	99.22	99.22	75.46	75.46	Level 2	NPV at SBI Rate for Perquisites
<b>TOTAL</b>	<b>226177.98</b>	<b>226177.98</b>	<b>239637.24</b>	<b>239637.24</b>		
<b>II. FINANCIAL LIABILITIES</b>						
Borrowings	161841.53	161841.53	176651.76	176651.76	Level 3	Effective Interest rate
<b>TOTAL</b>	<b>161841.53</b>	<b>161841.53</b>	<b>176651.76</b>	<b>176651.76</b>		

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 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>I. FINANCIAL ASSETS</b>				
- Cash & Cash Equivalent	10888.14	10888.14	6650.92	6650.92
- Bank Balance	1919.51	1919.51	2813.02	2813.02
- Receivables	21497.46	21497.46	19256.64	19256.64
- Loans & Advances	226177.98	226177.98	239637.24	239637.24
- Investments	81.63	81.63	234.69	234.69
- Other Financial Assets	20409.20	20409.20	12496.82	12496.82
<b>TOTAL</b>	<b>280973.92</b>	<b>280973.92</b>	<b>281089.33</b>	<b>281089.33</b>
<b>II. FINANCIAL LIABILITIES</b>				
- Payables	23429.55	23429.56	20486.74	20486.74
- Borrowings	161841.53	161841.53	176651.76	176651.76

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
- Other financial liabilities	13895.49	13895.49	11670.12	11670.12
<b>TOTAL</b>	<b>199166.57</b>	<b>199166.58</b>	<b>208808.62</b>	<b>208808.62</b>

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.

**22. Proposed Dividend:** The dividend proposed for the year is as follows:

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
On Equity shares of ₹100 each		
-Amount of Dividend Proposed (₹ In lakh)	3409.33	635.47
-Rate of Dividend (%)	30% of PAT	30% of PAT
-Dividend per equity share (₹)	6.40	1.19

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 ₹3409.33 lakh (₹6.40 per share) in respect of the year ending 31<sup>st</sup> March 2020 subject to approval of shareholders in the Annual General Meeting. If approved, the dividend would result in cash outflow of ₹ 3409.33 lakh.

Further, Corporate dividend pertaining to financial year ended 31<sup>st</sup> March 2020, 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.

**23 The additional information required to be disclosed vide RBI norms**

**A. Impairment Reserve**

During financial year 2018-19, impairment provisions/ loss was recognized in the books of accounts as higher of Expected Credit Loss (ECL) assessment or RBI norms in respect of Loans & Advances and receivables under financing schemes of Corporation. However, 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 would be recognized as loss allowances on the financial instruments. 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 Company 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.

Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109:

(₹ 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)
<b>Performing Assets</b>						
Standard	Stage 1	220834.22	883.34	219950.88	776.69	106.65
	Stage 2	-	-	-	-	-
Subtotal		<b>220834.22</b>	<b>883.34</b>	<b>219950.88</b>	<b>776.69</b>	<b>106.65</b>
<b>Non-Performing Assets (NPA)</b>						
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		<b>7926.75</b>	<b>7926.75</b>	-	<b>10636.88</b>	<b>-2710.13</b>
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		-	-	-	-	-
<b>Total</b>	<b>Stage 1</b>	220834.22	883.34	219950.88	776.69	106.65
	<b>Stage 2</b>	-	-	-	-	-
	<b>Stage 3</b>	30398.75	11272.90	19125.85	16246.20	-4973.30
	<b>Total</b>	<b>251232.97</b>	<b>12156.24</b>	<b>239076.73</b>	<b>17022.89</b>	<b>-4866.65</b>

**B. Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934**

The Company 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.

**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 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
i) CRAR (%)	30.57	25.14
ii) CRAR - Tier I Capital (%)	30.27	24.78
iii) CRAR - Tier II Capital (%)	0.30	0.36
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 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
<b>1</b>	Value of investments		
<b>(i)</b>	Gross Value of Investments		
<b>(a)</b>	In India		
	at fair value through OCI	96.63	249.69
<b>(b)</b>	Outside India		
<b>(ii)</b>	Provision for Depreciation		
<b>(a)</b>	In India	15.00	15.00
<b>(b)</b>	Outside India		
<b>(iii)</b>	Net value of investments		
<b>(a)</b>	In India	81.63	234.69
<b>(b)</b>	Outside India		
<b>(2)</b>	Movement of provisions held towards on investments		
<b>(i)</b>	Opening Balance	15.00	15.00
<b>(ii)</b>	Add: Provisions made during the year		
<b>(iii)</b>	Less: write-off/ write-back of excess provisions during the year		
<b>(iv)</b>	Closing balance	15.00	15.00
<b>(3)</b>	Aggregate amount of quoted investments	81.63	234.69
	Market value of quoted investments	81.63	234.69
<b>(4)</b>	Aggregate amount of Unquoted investments	15.00	15.00
<b>(5)</b>	Aggregate provision for diminution in value of investments	15.00	15.00

c) **Valuation of Investments**

(₹ in Lakh)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
i) Gross Value of Investments	249.69	250.68
ii) Allowance for Impairment Loss	15.00	15.00
iii) Fair Value Change (Net)	(153.06)	(0.99)
iv) Net Value of Investments	81.63	234.69
<b>Movement in Fair Value changes of investment (Net)</b>		
Opening Balance	234.69	235.68
Add: Increase in Value		
Less: Decrease in Value	153.06	0.99
Closing Balance	81.63	234.69

F. **Derivatives**

(₹ in Lakh)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
Exposure to Derivative Instruments / products	NIL	NIL

G. **Securitization**

a) **Details of SPVs sponsored for Securitization of Assets**

(₹ in Lakh)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
SPVs Sponsored	NIL	NIL

b) **Details of Financial Assets sold to Securitization / Reconstruction Company for Assets Reconstruction**

(₹ in Lakh)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
Financial Assets Sold	NIL	NIL

c) **Details of Assignment transaction undertaken**

(₹ in Lakh)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
Assignment Transaction undertaken	NIL	NIL

**d) Details of Non-performing financial assets purchased/sold**

(₹ in Lakh)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
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 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
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;	96.63	249.69
(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

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
(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 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
a. Provision for Fair Value Changes on Investments	NIL	NIL
b. Provision for NPAs/Doubtful Debts	NIL	5908.06
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	1035.85
f. Provision Made towards Income Tax	1900	4250
g. Other Provision and Contingencies (Deferred Tax Liability)	1445.21	56.15

**I. Concentration of Advances and Non-Performing Assets (NPA)**

(₹ in Lakh)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
I. Concentration of Advances		
Total advances to Twenty Large Borrowers	10127.36	10401.91
% of advances to Twenty Large Borrowers	4.03	3.91
II. Concentration of NPA		
Total Exposure to Top Four NPAs	1995.69	1725.80

**J. Sector-wise NPA (Gross)**

(₹ in Lakh)

S No.	Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
1	Agriculture & allied activities	NIL	NIL

S No.	Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
2	MSME	30398.75	32436.89
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 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
1) Net NPAs to Net Advances (%)	7.97	6.34
<b>2) Movement of Gross NPAs/Doubtful Debts</b>		
(a) Opening Balance	32436.89	11794.77
(b) Add: Addition During Year	-	20642.12
(c) Less: Reduction/Write-off During Year	2038.14	-
(d) Closing Balance	30398.75	32436.89
<b>3) Movement of Net NPAs/Doubtful Debts</b>		
(a) Opening Balance	15727.27	193.85
(b) Add: Addition During Year	3398.58	15533.42
(c) Less: Reduction/Write-off During Year	-	-
(d) Closing Balance	19125.85	15727.27
<b>4) Movement in Provision for NPA/Doubtful Debts</b>		
(a) Opening Balance	16709.61	10380.82
(b) Add: Provision made during the year	-	6328.79
(c) Less: Loans Written off during the year	-	-
(d) Less: Provision Written Back	5436.71	-
(e) Closing Balance	11272.90	16709.61

**L. Other Information**

(₹ in Lakh)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
i) Gross Non-Performing Assets		
- Related parties	-	-
- Other than related parties	30398.75	32436.89

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
ii) Net Non-Performing Assets		
- Related parties	-	-
- Other than related parties	19125.85	15727.27

#### M. Customer & Investor Complaints

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
a. No. of complaints pending at the beginning of the year	2	1
b. No. of complaints received during the year	22	113
c. No. of complaints redressed during the year	22	112
d. No. of complaints pending at the end of the year	2	2

24. 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 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Amount O/s	Amount Overdue	Amount O/s	Amount
(a) Debentures	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	5341.53		5268.00	
(d) Inter-Corporate Loans and borrowings	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans				
Bank Overdraft, Cash credit & Working Capital Demand Loan	156500.00	-	171383.76	-

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 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
(a) Secured (net of provision) (includes amount backed by BGs)	239076.73	248016.65
(b) Unsecured (net of provision)	-	1.10

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 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Current Investments</b>			
<b>1</b>	<b>Quoted</b>		
(i)	Shares	NIL	NIL
(a)	Equity		
(b)	Preference		
(ii)	Debentures and Bonds		
(iii)	Units of Mutual Funds		
(iv)	Government Securities		
(v)	Others		
<b>2</b>	<b>Unquoted</b>		
(i)	Shares	NIL	NIL
(a)	Equity		
(b)	Preference		
(ii)	Debentures and Bonds		
(iii)	Units of Mutual Funds		
(iv)	Government Securities		
(v)	Others		
<b>Long Term Investments</b>			
<b>1</b>	<b>Quoted</b>		
(i)	Shares:		
(a)	Equity (Fair Value)	81.63	234.69

Particulars		Amount Outstanding	
		As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
(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
<b>2</b>	<b>Unquoted</b>		
(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 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
		Secured (Net of Provision)	Unsecured (Net of Provision)	Secured (Net of Provision)	Unsecured (Net of Provision)
1	Related Parties				
(a)	Subsidiaries	Nil	Nil	Nil	Nil
(b)	Companies in the same group	Nil	Nil	Nil	Nil
(c)	Other related parties	Nil	Nil	Nil	Nil
2	Other than related parties	239076.73	Nil	248016.65	1.10

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 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
		Fair Value	Book Value	Fair Value	Book Value
1	Related Parties				
(a)	Subsidiaries				
(b)	Companies in the same group	NIL0	NIL	NIL	NIL
(c)	Other related parties				
2	Other than related parties	81.63	6.03	234.69	6.03

## 8. Other Information

(₹ in Lakh)

Particulars		As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
(i)	Gross Non-Performing Assets		
(a)	Related parties		
(b)	Other than related parties	30398.75	32436.89
(ii)	Net Non-Performing Assets		
(a)	Related parties		
(b)	Other than related parties	19125.85	15727.27
(iii)	Assets acquired in satisfaction of debt (Gross)		

**25.** No penalties have been levied on the Corporation by any regulator during the year ended 31<sup>st</sup> March, 2020 (Previous year Nil).

**26.** No complaints have been received by the Corporation from the borrowers under the Fair Practices Code during the year ended 31<sup>st</sup> March, 2020 (Previous year Nil).

**27.** All amounts are in ₹ lakh, unless otherwise stated.

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

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

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## THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

### Cash Flow Statement attached to and forming part of the Accounts for the Year Ended 31.03.2020

(₹ in Lakh)

Particulars	As At 31.03.20	As At 31.03.19
<b>Net Profit (Loss) Before Tax</b>	<b>13232.75</b>	<b>6342.35</b>
<b>Adjustments for:</b>		
Profit (-) / Loss on Sale of Fixed Assets	(1.30)	(0.09)
Depreciation & Amortization Expenses	732.86	665.09
Lease Terminal Adjustment	0.00	48.00
Provisions and Contingencies	871.37	4864.42
Profit (-) / Loss on Sale of Investments	-	-
Loss / (-) Gain on Exchange Rate Fluctuation	42.56	(142.81)
Discounting of Financial Assets	(87.53)	(23.33)
Bad Debts Written off	14.38	109.03
Dividend from Investments	(1.88)	(5.41)
Provision for Obsolete Stock	-	-
Interest Accrued but not due on Borrowings	50.92	407.09
Excess Provision Written Back (Others)	(5742.13)	(662.25)
Interest on Income Tax Refunds	(54.67)	42.46
Interest on Short /Fixed Term Deposit	(3.23)	(7.59)
<b>Operating Profit Before Working Capital Changes</b>	<b>9054.10</b>	<b>11636.96</b>
<b>Adjustment for Working Capital Changes :</b>		
Inventories	(54.20)	510.39
Trade Advances & Receivables	13181.17	43368.71
Current Liabilities & Provisions	5516.82	(7920.89)
<b>Cash Flows before Tax &amp; Extra Ordinary Items</b>	<b>27697.89</b>	<b>47595.17</b>
Taxes	(2163.76)	(3941.86)
<b>Net Operating Cash Flow (A)</b>	<b>25534.13</b>	<b>43653.31</b>
<b>Cash Flow From Investing Activities</b>		
Sale Proceeds of Assets Disposed off	2.85	74.59
Sale Proceeds of Investments	-	-
Increase in Fixed Assets and Capital W.I.P.	(7346.11)	(3474.43)
Fixed Assets (out of Grant)	689.78	335.34
Dividend from Investments	1.88	5.41
Interest On Short /Fixed Terms Deposits	4.40	7.59
<b>Net Investing Cash Flow (B)</b>	<b>(6647.20)</b>	<b>(3051.50)</b>
<b>Cash Flow from Financing Activities</b>		
Net Increase/ (Decrease) in Other Borrowings	(14777.10)	(34294.29)
Dividend Paid (Including Dividend Distribution Tax)	(766.12)	(2895.57)
<b>Net Financing Cash Flow (C)</b>	<b>(15543.22)</b>	<b>(37189.86)</b>
<b>Net Cash Flow From Operating Activities (A)</b>	<b>25534.13</b>	<b>43653.31</b>
<b>Net Cash Flow From investing Activities (B)</b>	<b>(6647.20)</b>	<b>(3051.50)</b>
<b>Net Cash Flow From Financing Activities (C)</b>	<b>(15543.22)</b>	<b>(37189.86)</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>3343.71</b>	<b>3411.96</b>
<b>Add Cash &amp; Cash Equivalents-Opening Balances</b>	<b>9463.93</b>	<b>6051.97</b>
<b>Balance as per Note -3 &amp; 4 Cash &amp; Cash Equivalents and Bank Balances</b>	<b>12807.64</b>	<b>9463.93</b>

Note :

1. The above Cash Flow statement has been prepared by using the Indirect Method as per IndAS-7 Statement of Cash Flows
2. Cash and Cash Equivalents (including bank balances) consists of cash and other bank balances and deposits with bank.
3. Previous year's figures have been regrouped / rearranged whenever necessary

Statement of Corporate Information (Note-1) and Accounting Policies (Note-2)  
The Notes 1 to 34 referred to above form an integral part of Financial Statements

As per our report of even date attached.  
**For KPMC & Associates**  
Chartered Accountants

**Sd/-**  
**Rakesh Kumar Jain**  
Partner

Membership No. : 075604  
Firm Reg. No. : 005359C  
Place : New Delhi  
Date : 20.11.2020

**For and on behalf of Board of Directors**

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

**Sd/-**  
**M.P. Singh**  
General Manager-SG (F&A)

**Sd/-**  
**Vijayendra**  
Chairman-cum-Managing Director  
[DIN : 03625565]

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

## THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

### STATEMENT OF PROFIT AND LOSS (COMMERCIAL) FOR THE YEAR ENDED 31.03.2020

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.20	For the year Ended 31.03.19
<b>I REVENUE</b>			
A Revenue from Operations	21		
Sale of Products		144412.97	207452.92
Sale of Services		8648.19	7179.85
Interest Income		26744.03	33734.15
Processing Fees		4863.66	5275.91
[ Includes Processing Fees/Service Charges Earned of Rs 4863.66 lakh (Rs 5275.91 lakh) for value of goods handled and rendered Rs 1401344.08 lakh (Rs 1569542.47 lakh) ]			
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		5742.13 *	992.27
<b>Total Revenue from Operations</b>		<b>190410.98</b>	<b>254635.10</b>
B Other Income	22	256.73	144.67
C Grants and Subsidies	23	0.00	0.00
<b>Total Revenue (A + B + C)</b>		<b>190667.71</b>	<b>254779.77</b>
<b>II EXPENSES</b>			
Purchases of Stock-in-Trade	24	143747.81	205892.25
Changes in Inventories	25	(54.96)	509.42
Employee Benefit Expenses	26	13250.79	11516.11
Finance Costs	27	12616.01	15837.34
Depreciation and Amortization Expenses	28	732.86	665.09
Corporate Social Responsibility	29	255.00	318.55
Other Expenses	30	6888.76	13698.66
<b>Total Expenses</b>		<b>177436.27</b>	<b>248437.42</b>
<b>III Profit before Exceptional Items, Extraordinary Items and Tax</b>		<b>13231.44</b>	<b>6342.35</b>
Exceptional Items		(1.30)	0.00
<b>IV Profit before Extraordinary Items and Tax</b>		<b>13232.74</b>	<b>6342.35</b>
Extraordinary Items		0.00	0.00
<b>V Profit before Tax</b>		<b>13232.74</b>	<b>6342.35</b>
<b>VI Tax Expense</b>	31		
Current Tax		1900.00	4250.00
Deferred Tax		1445.21	56.15
Earlier Years		(31.69)	(25.86)
<b>Total Tax Expense</b>		<b>3313.52</b>	<b>4280.29</b>
<b>VII Profit after Tax for the period from Continuing Operations</b>		<b>9919.22</b>	<b>2062.06</b>
<b>VIII Profit from Discontinued Operations</b>		<b>0.00</b>	<b>0.00</b>
<b>IX Tax Expenses from Discontinued Operations</b>		<b>0.00</b>	<b>0.00</b>
<b>X Profit from Discontinued Operations (After Tax)</b>		<b>0.00</b>	<b>0.00</b>
<b>XI Profit for the Period</b>		<b>9919.22</b>	<b>2062.06</b>

## THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

### STATEMENT OF PROFIT AND LOSS (COMMERCIAL) FOR THE YEAR ENDED 31.03.2020

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.20	For the year Ended 31.03.19
<b>XII Other Comprehensive Income</b>			
A Items that will not be reclassified to Profit or Loss -			
Investment		(153.06)	(257.56)
Actuarial Gain/Loss on Defined Benefit Plans		(373.34)	(0.99)
Income Tax relating to Items that will not be reclassified to Profit or Loss		132.50	86.76
<b>Sub Total (A)</b>		<b>(393.90)</b>	<b>(171.79)</b>
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
<b>Sub Total (B)</b>		<b>0.00</b>	<b>0.00</b>
<b>Other Comprehensive Income (A + B)</b>		<b>393.90</b>	<b>(171.79)</b>
<b>XIII Total Comprehensive Income for the period (XI + XII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)</b>		<b>9525.32</b>	<b>1890.27</b>
<b>XIV Earnings per Equity Share (for Continuing Operations)</b>	<b>32</b>		
Basic (Rs.)		18.61	3.87
Diluted (Rs.)		18.61	3.87
<b>XV Contingent Liabilities</b>	<b>33 (i)</b>	<b>1869.68</b>	<b>1069.91</b>
<b>XVI Capital Commitments</b>	<b>33 (ii)</b>	<b>742.21</b>	<b>2371.13</b>
<b>Other Notes on Accounts</b>	<b>34</b>		

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 (Note-20A) is integral part of Balance Sheet and placed after Statement of Profit & Loss Accounts

\* It includes provision written back of Rs 5117.22 lakh related to the case of amount recoverable from UBI (now merged with PNB) under AMRCD. Rs 17350 lakh received from PNB on 29.09.2020 as per decision of the AMRCD

As per our report of even date attached.

**For KPMC & Associates**

Chartered Accountants

**Sd/-  
Rakesh Kumar Jain  
Partner**

Membership No. : 075604  
Firm Reg. No. : 005359C  
Place : New Delhi  
Date: : 20.11.2020

**For and on behalf of Board of Directors**

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

**Sd/-  
M.P. Singh  
General Manager-SG (F&A)**

**Sd/-  
Vijayendra  
Chairman-cum-Managing Director  
[DIN : 03625565]**

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

## THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

### STATEMENT OF PROFIT AND LOSS (PROMOTIONAL) FOR THE YEAR ENDED 31.03.2020

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.20	For the year Ended 31.03.19
<b>I REVENUE</b>			
A Revenue from Operations	21		
Sale of Products		0.00	0.00
Sale of Services		0.00	72.32
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
<b>Total Revenue from Operations</b>		<b>0.00</b>	<b>72.32</b>
B Other Income	22	0.00	0.00
C Grants and Subsidies	23	10259.98	5649.56
<b>Total Revenue (A + B + C)</b>		<b>10259.98</b>	<b>5721.88</b>
<b>II EXPENSES</b>			
Purchases of Stock-in-Trade	24	0.00	0.00
Changes in Inventories	25	0.00	0.00
Employee Benefit Expenses	26	523.66	593.14
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	9736.32	5128.74
<b>Total Expenses</b>		<b>10259.98</b>	<b>5721.88</b>
<b>III Profit before Exceptional Items, Extraordinary Items and Tax</b>		<b>0.00</b>	<b>0.00</b>
Exceptional Items		0.00	0.00
<b>IV Profit before Extraordinary Items and Tax</b>		<b>0.00</b>	<b>0.00</b>
Extraordinary Items		0.00	0.00
<b>V Profit before Tax</b>		<b>0.00</b>	<b>0.00</b>
<b>VI Tax Expense</b>	31		
Current Tax		0.00	0.00
Deferred Tax		0.00	0.00
Earlier Years		0.00	0.00
<b>Total Tax Expense</b>		<b>0.00</b>	<b>0.00</b>
<b>VII Profit after Tax for the period from Continuing Operations</b>		<b>0.00</b>	<b>0.00</b>
<b>VIII Profit from Discontinued Operations</b>		<b>0.00</b>	<b>0.00</b>
<b>IX Tax Expenses from Discontinued Operations</b>		<b>0.00</b>	<b>0.00</b>
<b>X Profit from Discontinued Operations (After Tax)</b>		<b>0.00</b>	<b>0.00</b>
<b>XI Profit for the Period</b>		<b>0.00</b>	<b>0.00</b>

**THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.**

[CIN No. : U74140DL1955GOI002481]

**STATEMENT OF PROFIT AND LOSS (PROMOTIONAL) FOR THE YEAR ENDED 31.03.2020**

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.20	For the year Ended 31.03.19
<b>XII Other Comprehensive Income</b>			
A Items that will not be reclassified to Profit or Loss -			
Investment		0.00	0.00
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
<b>Sub Total (A)</b>		<b>0.00</b>	<b>0.00</b>
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
<b>Sub Total (B)</b>		<b>0.00</b>	<b>0.00</b>
<b>Other Comprehensive Income (A + B)</b>		<b>0.00</b>	<b>0.00</b>
<b>XIII Total Comprehensive Income for the Period (XI + XII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)</b>		<b>0.00</b>	<b>0.00</b>
<b>XIV Earnings per Equity Share (for Continuing Operations)</b>	<b>32</b>		
Basic (Rs.)		0.00	0.00
<b>XV Contingent Liabilities</b>	<b>33 (i)</b>	<b>0.00</b>	<b>0.00</b>
<b>XVI Capital Commitments</b>	<b>33 (ii)</b>	<b>0.00</b>	<b>0.00</b>
<b>Other Notes on Accounts</b>	<b>34</b>		

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 (Note-20A) is integral part of Balance Sheet and placed after Statement of Profit &amp; Loss Accounts

As per our report of even date attached.

**For KPMC & Associates**

Chartered Accountants

**Sd/-  
Rakesh Kumar Jain  
Partner**

Membership No. : 075604  
Firm Reg. No. : 005359C  
Place : New Delhi  
Date: : 20.11.2020

**For and on behalf of Board of Directors**
**Sd/-  
Gaurang Dixit  
Director (Finance)  
[DIN : 08535482]**
**Sd/-  
M.P. Singh  
General Manager-SG (F&A)**
**Sd/-  
Vijayendra  
Chairman-cum-Managing Director  
[DIN : 03625565]**
**Sd/-  
Nishtha Goyal  
Company Secretary  
[Membership No. : A 22768]**

## THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

(A Government of India Enterprise)

NSIC Bhawan, Okhla Industrial Estate, New Delhi – 110 020, India

Email: info@nsic.co.in, dpu@nsic.co.in • Website: www.nsic.co.in

### North – I

NSIC Limited,  
Zonal Office North-I, C-41,  
Sector - 58, NOIDA - 201301  
(Uttar Pradesh)

### Noida

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

### Dehradun

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

### Agra

NSIC Limited, Branch Office,  
307/T-6, 3<sup>rd</sup> Floor, Maruti Plaza,  
(Behind Sanjay Talkies)  
Sanjay Place,  
Agra - 282 002

### Kanpur

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

### Naini

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

### Gorakhpur

NSIC Limited Sub Branch  
DIC Campus,  
Gorakhnath Industrial Estate,  
Gorakhpur - 273 015  
(Uttar Pradesh)

### Varanasi

NSIC Ltd, Sub Branch  
29, Neel Cootage,  
1<sup>st</sup> Floor, Maldahiya  
Varanasi - 221 002 (U.P.)

### North-II

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

### Ludhiana (Punjab)

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

### Chandigarh

NSIC Limited, Branch Office  
Sector-34-A,  
Opp-Piccadilly Cinema  
Chandigarh (UT) -160022

### Jalandhar (Punjab)

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

### NCR Zone

NSIC Limited, Zonal Office,  
NTSC Complex,  
Near Chandiwala Hospital,  
Okhla Ind. Estate,  
New Delhi -110020

### Delhi

NSIC Limited  
NTSC Complex,  
Near Chandiwala Hospital,  
Okhla Ind. Estate,  
New Delhi-110020

### Gurugram

NSIC Limited, Branch Office  
Plot no 69, I.D.C, Sector-16,  
M.G. Road,  
Gurugram -122 001 (Haryana)

### Faridabad

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

### Naraina, New Delhi

NSIC Limited, Branch Office,  
CB-326, Second Floor,  
Ring Road, Naraina,  
New Delhi - 110028

### South-I, Bengaluru

NSIC Limited  
No. 25, 1<sup>st</sup> Main Road,  
KSSIDC Industrial Estate,  
6<sup>th</sup> Block Rajajinagar,  
Bengaluru - 560010.

### Bengaluru

NSIC Limited, Branch Office,  
No. 25, 1<sup>st</sup> Main Road,  
KSSIDC Industrial Estate,  
6<sup>th</sup> Block Rajajinagar,  
Bengaluru - 560010.

### Belgaum

NSIC Limited (Branch Office)  
Plot No. 60,  
Anujay Building,  
5<sup>th</sup> Cross,  
Subhash-Chandra Nagar,  
Opp Foundry Cluster Building,  
Near Utsav Hotel,  
Belgaum - 590006.

### Peenya

NSIC Limited. Branch Office  
Branch Office: C-424,  
Peenya, 1<sup>st</sup> Stage,  
Behind Peenya Police Station,  
Bengaluru - 560 058.

### Kochi (Cochin)

NSIC Limited, Branch Office  
S – 67 GDCA Complex,  
Marine Drive Ernakulum,  
Kochi, Cochin - 682031  
(Kerala)

### Bengaluru

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

**Kolar**

NSIC Technical Training Centre  
Opposite to BSNL Office &  
Post Office, K.G. F- 563 112,  
Kolar Dist, Karnataka

**South-II**

NSIC Limited,  
203, Sri Dattasai Complex, RTC  
Cross Roads,  
Hyderabad - 500 020 (Telangana)

**Hyderabad**

NSIC Limited, Branch Office  
203, Sri Dattasai Complex, RTC  
Cross Roads,  
Hyderabad - 500 020 (Telangana)

**Balanagar, Hyderabad**

NSIC Ltd, Branch Office  
Door No. 6-3-144 & 144/1,  
Jahanara Kareem Complex,  
3<sup>rd</sup> Floor, Balanagar,  
Hyderabad - 500 037

**Vijayawada**

NSIC Limited, Branch Office  
Door No.59A-8/8-6B/1, IIIrd Floor,  
Main Road, Guru Nanak Colony,  
Krishna District,  
Vijayawada-520 008)

**Visakhapatnam**

NSIC Limited, Branch Office  
D. No. 6-67-27/2/3,  
Opp. Gajuwaka Police Station Main  
Gate, Sramika Nagar, Gajuwaka,  
Visakhapatnam - 530026

**Kompally, Hyderabad (Godown)**

NSIC Limited  
Sub Branch,  
Shed No. 2, Sy. No. 61/Part,  
Splendid Aparna Meadows,  
Quthbullapur (M), Kompally (V),  
Medchal (Tq) Hyderabad-500 014

**Chittoor**

NSIC Limited  
Sub Branch  
Chittoor (Andhra Pradesh)

**South – III Zone**

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

**Chennai**

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

**Ambattur**

NSIC Limited (Branch Office)  
No.309, SIDCO-AIEMA Tower,  
3<sup>rd</sup> Floor, 1<sup>st</sup> Main Road,  
Ambattur Industrial Estate,  
Ambattur, Chennai - 600058

**Puducherry**

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

**Coimbatore**

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

**Madurai**

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

**Chennai**

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

**East-I Zone**

NSIC Limited,  
Branch Office  
20-B, Abdul Hamid Street,  
(7<sup>th</sup> Floor) Kolkata - 700069,  
(West Bengal)

**Kolkata**

NSIC Limited, Branch Office  
20-B, Abdul Hamid Street,  
(7<sup>th</sup> Floor) Kolkata - 700069,  
(West Bengal)

**Kolkata (Salt Lake)**

NSIC Limited, Branch Office  
Block – CP, Plot No. 7/7 & 7/8,  
Sector – V, Salt Lake City,  
Kolkata - 700091

**Patna**

NSIC Limited,  
Branch Office/NSSHO  
104, 1<sup>st</sup> Floor,  
Manna-Surti Complex,  
Doctor's Colony,  
Kankarbagh,  
Patna - 800 020 (Bihar)

**NSIC Godown (Agency sale)**

Sub Branch  
Dhulagarh Truck Terminal,  
Godown No. 45, Dhulagarh,  
P.S. Sankrail, Howrah  
(West Bengal)

**Tikiapara**

NSIC Limited, Sub Branch  
35/4, Ichapur Road,  
Kadamtala, Howrah - 711 104

**Kolkata**

NSIC Limited Legal & Recovery Cell,  
Room No. 2/1, 2<sup>nd</sup> Floor, HUDCO  
Tower, New Market, 15N, Nelli  
Sengupta Serini, Lindsay Street,  
Kolkata - 7000087

**East-II Zone Bhubaneswar**

303 B 3<sup>rd</sup> floor, NSIC-IMDS,  
Dharampad Bhavan,  
IDCO Plot No.6 Block-D,  
Mancheswar Industrial Estate,  
Bhubaneswar  
(Odisha)

**Bhubaneswar**

NSIC Limited, Branch Office  
Module No. 204, 2<sup>nd</sup> floor,  
NSIC-IMDC, Dharampad Bhavan,  
IDCO Plot No. 6, Block-D,  
Mancheswar Ind. Estate,  
Bhubaneswar - 750017 (Odisha)

**Rourkela**

NSIC Limited,  
Branch Office  
Plot No. JJJ-16, Civil Township,  
Rourkela - 769004,  
Dist. Sundargarh (Odisha)

### **Jamshedpur**

NSIC Limited, Branch Office  
Flat No.A-2/1, 2<sup>nd</sup> Floor,  
Nirode Apartment, L-Road,  
P.O. & P.S. Bistupur,  
Jamshedpur - 831001  
(Jharkhand)

### **Ranchi**

NSIC Limited,  
Branch Office/NSSHO  
Udyog Bhawan,  
Kokar Industrial Area,  
Ranchi - 834001 (Jharkhand)

### **Cuttack**

Sub Branch  
Link Road,  
Cuttack - 753012 (Orissa)

### **IMDC**

NSIC Integrated Marketing  
Development Centre (IMDC)  
IDCO Plot No.6, Block D,  
Macheswar Industrial Estate,  
Bhubaneswar-751010

### **North East Zone**

NSIC Limited  
Bye Lane No.3, Industrial Estate  
Bamunimaidam,  
Guwahati- 781021 (Assam)

### **Guwahati**

NSIC Limited (Branch Office)  
Bye Lane No.3, Industrial Estate,  
Bamunimaidam,  
Guwahati-781021 (Assam)

### **Imphal**

Sub Branch  
Uripok Achom Leikai,  
Imphal-795 001 (Manipur)

### **Bokaro**

Sub Branch,  
By-Pass Road Chas,  
Bokaro (Jharkhand)

### **West Zone**

NSIC Limited,  
Zonal Office (West),  
Office No. 505, Fifth Floor  
"Mittal Commercial Building",  
Wing – B, Village Marol,  
Off M.V. Road, Andheri (E),  
Mumbai-400 059

### **Navi Mumbai**

NSIC Limited, Branch Office  
P-104, MIDC Khairane,  
TTC Indl. Area, Koparkhairane,  
Navi Mumbai - 400710

### **Andheri (Mumbai)**

NSIC Limited, Branch Office,  
3A, 3<sup>rd</sup> Floor, Gundecha Onclave,  
Khairani Road, Sakinaka,  
Andheri (E), Mumbai - 400 072

### **Nagpur**

NSIC Limited, Branch Office  
New Secretariat Building  
1<sup>st</sup> Floor, East Wing  
Opp. VCA Stadium,  
Beside St. Ursula School,  
Civil Lines  
Nagpur - 440001 (Maharashtra)

### **Pune**

NSIC Limited, Branch Office  
211/212, 2<sup>nd</sup> Floor,  
Times Square Building,  
Pune-Satara Road,  
Near Saibaba Mandir  
Pune-411037 (Maharashtra)

### **Aurangabad**

NSIC Limited, Branch Office  
C/o MASSIA, P-15, MIDC,  
Waluj, More Chowk,  
Aurangabad – 431136  
(Maharashtra)

### **Raipur**

NSIC Limited, Branch Office  
204, II<sup>nd</sup> Floor, Block-A,  
Crystal Arcade,  
Near Lodhipara Chowk,  
Shankar Nagar,  
Raipur – 492 007  
(Chattisgarh)

### **Nasik**

NSIC Ltd, Branch Office  
Galla No. 13, 3<sup>rd</sup> floor  
Udyog Bhawan, MIDC Satpur  
NASIK 422 007

### **Goa**

NSIC Ltd, Sub Branch  
Shriji Complex, 4<sup>th</sup> floor,  
Near Manoshanthi Hotel,  
Dr. Dada Vaidhya Road,  
Panaji – 403 001(Goa)

### **Masjid, Mumbai**

Sub Branch/NSSHO  
1st Floor, Prestige Chambers,  
Kalyan Street, Masjid (E),  
Mumbai - 400009,  
(Maharashtra)

### **Central Zone**

NSIC Limited  
202, 203, Samruddhi Building  
Opp. Gujarat High Court,  
Ahmedabad – 380014,  
(Gujarat)

### **Ahmedabad**

NSIC Limited, Branch Office  
202, 203, Samruddh Building  
Opp. Gujarat High Court,  
Ahmedabad – 380014,  
(Gujarat)

### **Indore**

NSIC Limited, Branch Office  
10, Pologround, Industrial Estate,  
Indore (M.P.) - 452015

### **Bhopal**

NSIC Limited, Branch Office  
110, Malviya Nagar,  
1<sup>st</sup> Floor, Bhopal-462003,  
(Madhya Pradesh)

### **Jaipur**

NSIC Limited, Branch Office  
NF / 0 / 2 Nehru Place,  
Tonk Road, Jaipur 302015  
(Rajasthan)

### **Viswakarma Indl. Estate (Jaipur)**

NSIC Limited, Branch Office  
513, Alankar Plaza, Central Spine,  
Vidyadhar Nagar, Jaipur -302 023  
(Rajasthan)

### **Kota**

NSIC Limited, Sub Branch  
C/o The SSI Association,  
Purusararth Bhawan,  
Road No.5, IPIA, Kota  
(Rajasthan)

### **Baroda**

Sub Branch (Zinc Product)  
C/o Central Warehousing  
Corporation,  
Near Ranoli Flyover,  
Bridge, Karachiyya,  
Vadodara-391350

## NTSCs

### Chennai

NSIC Technical Services Centre  
Sector B-24,  
Guindy Industrial Estate  
Ekkaduthangal PO,  
Chennai - 600032 (Tamilnadu)

### Howrah

NSIC Technical Services Centre  
P.O. Balitikuri,  
Distt. Howrah - 711 113  
(West Bengal)

### Hyderabad

NSIC Technical Services Centre  
Kushaiguda, Kamalanagar,  
ECIL (P.O.)  
Hyderabad - 500062  
(Telengana)

### Okhla, New Delhi

NSIC Technical Services Centre  
Okhla Industrial Estate,  
New Delhi - 110020

### Rajkot

NSIC Technical Services Centre  
Bhav Nagar Road,  
Aji Industrial Area,  
Rajkot - 360 003 (Gujarat)

### Rajpura

NSIC Technical Services Centre  
D-82 / 83, Focal Point  
Old QME Building,  
Rajpura - 140 401 (Punjab)

### Aligarh

NSIC Technical Services Centre  
A-1 Industrial Estate  
Aligarh - 202 001 (Uttar Pradesh)

### Neemka, Faridabad

NSIC Technical Services Centre,  
Tigoan Road, Neemka,  
Faridabad -121004 (Haryana)

### NTSC Dindigul

NSIC Technical Services Centre  
Shed No. 27, 29, 30, SIDCO,  
Dindigul - 624 003 (Tamil Nadu)

### EMDBP, Hyderabad

Exhibition cum Marketing  
Development Business Park  
Module No. 207, EMDBP Building,  
ECIL P.O. Kamalanagar,  
Kushaiguda Hyderabad - 500062  
(Andhra Pradesh)

### Training Centre, Mandi

NSIC Training Centre  
1714/663, Village – Halel,  
P.O. Kanaid,  
Tehsil – Sundernagar,  
Distt - Mandi  
Himachal Pradesh - 175 010

### STP Chennai

NSIC Limited  
STP Building, Sector B-24,  
Guindy Industrial Estate,  
Ekkaduthangal PO,  
Chennai - 600032  
(Tamilnadu)

### TIC Deoria

NSIC Training cum Incubation  
Centre  
Plot No. 18, Sonda Mauja,  
Near Mandi Samiti  
Deoria - 274001,  
Uttar Pradesh

### TIC /Sub Branch Kashipur

NSIC Training cum Incubation  
Centre  
B-5, Industrial Area,  
Bazpur Road, Kashipur,  
District – Udham Singh Nagar,  
State – Uttrakhand

### LBI- Nawada

LBI- Nawada  
Plot No. 1619,  
Gurudev Nagar  
Near Govt. ITI,  
Gonava Road Nawada,  
Bihar - 805130

### LBI- Naini

LBI-Naini  
Industrial Estate,  
Udyog Nagar, Naini  
Allahabad, Uttar Pradesh

## NATIONAL SC-ST HUB OFFICES (NSSHOS)

### **NSSHO-Agra**

Padam Business Park,  
Unit No. 202, 2<sup>nd</sup> Floor,  
Plot No. INS-1, Sector-13A  
Avas Vikas, Sikandra Yojna,  
Agra - 28007 (UP)

### **NSSHO-Ludhiana**

1<sup>st</sup> Floor, Frontier Tower,  
G.T. Road, Miller Ganj  
(Near Fire Brigade Office),  
Ludhiana - 141003 (Punjab)

### **NSSHO-Mumbai**

Prestige Chamber,  
1<sup>st</sup> Floor, Kalyan Street,  
Masjid East,  
Mumbai - 400009

### **NSSHO-Bengaluru**

No. 6 & 7, ISICOS Building  
West of Chord Road  
Rajajinagar Industrial Town  
Bengaluru - 560 044

### **NSSHO-Chennai**

MSME-DI, NO 65/1,  
G.S.T. Road, Guindy,  
Chennai - 32

### **NSSHO-Ranchi**

Udyog Bhawan,  
Industrial Area, Kokar  
Ranchi-834001

### **NSSHO-Bhubaneshwar**

Integrated Marketing Development  
Centre (IMDC),  
IDCO, Plot No.6,  
3<sup>rd</sup> Floor, Block-D,  
Mancheswar Industrial Estate,  
Bhubneshwar-751010

### **NSSHO-Patna**

104, 1<sup>st</sup> Floor,  
Manna Surti Complex,  
Doctors Colony,  
Kankarbagh. Patna, Bihar

### **NSSHO-Lucknow**

503, Sri Ram Tower,  
5<sup>th</sup> Floor, 13, Ashok Marg,  
Lucknow-226001

### **NSSHO-Guwahati**

Industrial Estate,  
Bye Lane No. 3,  
Bamunimaidan,  
Guwahati- 781021

### **NSSHO-Kolkata**

Plot no. 7/7 & 7/8, Block CP,  
Sector-5, Salt Lake,  
Kolkata-700091

### **NSSHO-Pune**

211, 2<sup>nd</sup> Floor,  
Time Square Building,  
Pune - Satara Road,  
Swargate,  
Pune-411037

### **NSSHO-Hyderabad**

NSIC Technical Services Centre,  
Electronic Complex,  
Kamalanagar,  
Hyderabad-500062  
(Andhra Pradesh)

### **NSSHO-Surat**

306, 3<sup>rd</sup> Floor, Rajhans Building,  
Opposite J.K Tower,  
Ring Road, Surat-395002

### **NSSHO-Shilong**

DIC Complex,  
Short Round Road,  
Industrial Estate,  
Shilong -793 001 (Meghalaya),

## 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 65<sup>th</sup> Annual General Meeting of the Members of The National Small Industries Corporation Limited will be held on Friday the 19<sup>th</sup> February, 2021 at 4.00 p.m. at the Registered Office of the Corporation to transact the following business:

#### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2020 and Reports of the Directors and Auditors thereon and also the comments of the Comptroller & Auditor General of India.
- 2) To declare a dividend on equity shares for the year ended on 31<sup>st</sup> March, 2020.
- 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 2020-21 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 2020-21, as may be deemed fit by the Board.”

By Order of the Board

Date: 12<sup>th</sup> February, 2021  
Place: New Delhi

(Nishtha Goyal)  
Company Secretary

**All the Shareholders of  
The National Small Industries Corporation Limited**

#### NOTES:

- 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 instead of himself and the proxy need not be a member of the Company.







## *Vision*

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*To be a premier organization  
Fostering the growth of Micro,  
Small and Medium Enterprises  
(MSME) Sector.*

## *Mission*

---

*To promote and support Micro, Small  
and Medium Enterprises (MSME)  
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, Toll Free : 1800 111 955, Email: [info@nsic.co.in](mailto:info@nsic.co.in)

Visit : [www.nsic.co.in](http://www.nsic.co.in), [www.msmemart.com](http://www.msmemart.com)