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CIN No.: U74140DL1955GOI002481

Chairman-cum-Managing Director

Directors

Company Secretary

Statutory Auditors

Secretarial Auditors

Branch Auditors

M/s. Ellahi Goel & Co., Noida
M/s. AKAR & Associates, New Delhi
M/s. Pramod K Aggarwal & Co. New Delhi
M/s. DMRN & Associates, New Delhi
M/s. Vipin Om & Associates, Dehradun
M/s. Agrawal Goyal & Co., Agra
M/s. Rajeev Varshney & Associates, Aligarh
M/s. Satya Prakash Garg & Co., Ghaziabad
M/s. Rajiv Mehrotra & Associates, Kanpur
M/s. Agrawal Ajay Kumar & Co., Allahabad
M/s. B.K. Gupta & Co., Lucknow
M/s. Jamuna Shukla & Associates, Varanasi
M/s. SP Babuta & Associates, Chandigarh
M/s. Aggarwal Garg & Co., Ludhiana
M/s. Ashwani Gupta & Associates Jalandhar
M/s. Chatter & Chatter, Jaipur
M/s. Ramaswamy & Murali Associates, Chennai
M/s. S. Kalyanasundaram & Co., Puducherry
M/s. Prasad & Kumar, Bengaluru
M/s. Prema Gopal & Co., Hyderabad
M/s. P. Lakshmana Rao & Co., Vijayawada
M/s. Gadgil and Uppin, Belgaum
M/s. Thakkar & Sanghani, Coimbatore

Shri Ravindra Nath (Upto 30.09.2018)

- Smt. Alka Nangia Arora, Joint Secretary, M/o MSME
- Shri D.P.S. Negi, Economic Advisor, M/o MSME
- Shri P. Udayakumar, Director (Plg. & Mkg.)
- Shri A.K. Mittal, Director (Finance)
- Prof. A.P. Pandey, Independent Director
- Smt. Geeta Goti, Independent Director
- Shri Ramesh Bhat, Independent Director

Ms. Nishtha Goyal

M/s. KPMC & Associates, Ghaziabad

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

M/s. HMPS & Associates, Madurai
M/s. T.K. Abraham & Co., Kochi
M/s. R.P. Boobna & Co., Kolkata
M/s. H. Naik & Co., Cuttack
M/s. Kadamwala & Co., Rourkela
M/s. DRMS & Associates, Jamshedpur
M/s. S.K. Nayak & Co., Patna
M/s. Gupta Maskara & Associates, Guwahati
M/s. Shah & Modi, Mumbai
M/s. A.S. Kulkarni & Associates, Nagpur
M/s. VH Jajoo & Co., Nasik
M/s. KVMDs and Associates, Pune
M/s. Mahorkar Khandelwal Mantri Nune & Co., Aurangabad
M/s. Ashwani Agrawal & Associates, Silvassa
M/s. Spark & Associates, Indore
M/s. R.C. Behati & Co., Bhopal
M/s. Jain Sancheti & Associates, Raipur
M/s. Lakhani Ismaili Tundiya & Co., Ahmedabad
M/s. R.K. Doshi & Co., Rajkot
M/s. Asawa Kanaiya & Co., Surat
M/s. V.S. Reddy & Associates, Balanagar, Hyderabad
M/s. KNMA & Associates, Trichy

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
- DBS Bank

Registered Office

NSIC Bhavan
Okhla Industrial Estate
New Delhi - 110 020

BOARD OF DIRECTORS



Shri Ravindra Nath
Chairman-cum-Managing Director
(Upto 30/09/2018)



Ms. Alka Nangia Arora
Joint Secretary, Ministry of MSME



Shri D.P.S. Negi
Economic Advisor, Ministry of MSME



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



Shri A.K. Mittal
Director (Finance)



Prof. A. P. Pandey
Independent Director



Ms. Geeta Goti
Independent Director



Shri Ramesh Bhat
Independent Director

Chairman's Message



Dear Shareholders,

On behalf of Board of Directors, it gives me immense pleasure to welcome you to the 63rd Annual General Meeting of "The National Small Industries Corporation Ltd. (NSIC)" an ISO 9001:2015 certified Company. At the outset I would like to thank all stakeholders for the steadfast support and unwavering confidence reposed in the Company through thick and thin.

Your Company's Directors' Report and Audited Annual Accounts along with Auditors' report thereon, for the financial year ended 31st March, 2018, have been circulated to you and I seek your permission to take them as read.

I shall confine myself to very briefly mentioning the salient operating results of NSIC for the financial year 2017-18. NSIC registered its highest business turnover of Rs. 22,457 crores compared to Rs. 20,622 crores during last year and the Profit (Before Tax and Provision for pay revision) amounted to Rs. 175.33 crore as against Rs. 165.07 crore in last year. These results are commendable in a difficult year and prove that your Company has the resilience to ride out difficult situations and also to be firmly rooted through the storms - past and present. Difficult circumstances bring out the best in NSICians.

Your Company's management has always believed in value creation and maximizing shareholders' wealth. If we create value - profits, growth and returns will follow. In commemoration of the profits earned during the year, your Board of Directors has recommended the dividend of Rs. 28.37 crore for the financial year 2017-18, subject to the approval of shareholders. I believe that, thanks to our resilience, our results will continue to grow steadily and fairly consistently.

The Company has implemented the pay revision for all its employees. This will lead to a boost of morale of NSICians. This will however lead to an increase in cost of operations. Therefore, it becomes extremely important that we work wholeheartedly for increasing the revenues and also cut all wasteful and avoidable expenditure.

With its long legacy, over the last 63 years of its existence, NSIC is continuously striving to assist MSMEs with its uniqueness by providing pool of diverse services in areas of Marketing, Finance & Technology and other support services. The relevance of NSIC's services and its service delivery to MSMEs in the tough economic scenario which prevailed in the country during the year, has been acknowledged by various stakeholders.

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

I am truly proud to say that your Company is firmly rooted in the soil of core values of Ethical Conduct, Financial Prudence & Propriety, Integrity, Team Work and Commitment for sound Corporate Governance system.

India as a populous country on the threshold of becoming an economic super power, faces the acid test of whether it can take advantage of its demographic dividend by ensuring gainful employment to its youth. Employment generation has been one of the most important objectives of India, more-so in recent years, because job creation and opportunities for self-employment and entrepreneurship-development are key to

meet the rising aspirations of India's youth. NSIC, through its Incubation Centre all over the country is encouraging youth to become "Job Provider" instead of "Job Seeker". Many States Governments have approached NSIC to open up Technology Centre / Incubation Centre for their youth.

Not only in India, many countries have also been approaching NSIC to share our experiences with them in promoting entrepreneurship culture amongst the youth in their countries leading to MSME development. NSIC on behalf of Government of India has been establishing Incubation Centre in various countries. So far, Incubation Centre have been set up in Burkina Faso, Egypt, Ethiopia, Rwanda, Burundi and Gambia.

NSIC also signed MOU with SME Corp. Malaysia and Small and Medium Business Corporation (SBC), South Korea for enhancing cooperation in the field of MSMEs between two countries.

During the year, several CSR initiatives have been undertaken in various sectors like Education, Health, Vocational Training, Safe drinking water and Environment sustainability etc. across the country.

NSIC has also been performing promotional activities as prescribed by the Ministry of MSME from time to time which inter-alia includes, implementation of National Scheduled Caste and Scheduled Tribe Hub (NSSH) to increase market

access and ensure higher participation of SC/ST entrepreneurs in public procurement and to promote creation of new enterprises by SC/ST entrepreneurs across the nation and provide leverage to Stand up India initiative.

Acknowledgments

On behalf of the Board of Directors and every NSICian, I would like to place on record my sincere thanks to Hon'ble Minister of Micro, Small & Medium Enterprises, Secretary to the Government of India, Ministry of Micro, Small & Medium Enterprises, Joint Secretary, Directors and other officials of the Ministry of MSME for their continuous support and reposing confidence in us.

On behalf of the Board of Directors I would like to place on record our deep appreciation of our partners & associates and bankers for their continued support which helped NSIC in rendering admirable services for the MSMEs across the country.

I would like to thank my colleagues on the Board and NSICians for their commitment and teamwork towards continued growth of NSIC and in making my stay with NSIC very enjoyable and productive. Thanks again for all your encouragement and support.

I wish NSIC the very best for all times to come.

Place: New Delhi.
Date: 20th September, 2018

(Ravindra Nath)
Chairman-cum-Managing Director

BOARD OF DIRECTORS



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

Mr. Nath has more than three decades experience in various areas of Finance / Accounts and policy formulation and dealing with various issues pertaining to promotion, development and financing of Micro, Small & Medium Enterprises (MSME). He has been involved in developing new programs implemented through NSIC for development of MSMEs in India. While working with NSIC, he has also executed various assignments in foreign countries for formulating strategies and policies for the development of SMEs. He has been conferred with "Outstanding Leadership Award" for achieving Business Excellence through Creativity, Innovation & Entrepreneurship and during his tenure NSIC received "First Swachhta Award, 2017" under the most Cleanest Office category.

Ms. Alka Nangia Arora, Government Nominee Director is a post graduate from IIT – Roorkee and joined IDAS - 1991 batch. On completion of Foundation course and departmental training joined as a Probationer at Ordinance Factory, Dum Dum, Kossipore, Calcutta in January, 1993. Worked at Naval Pay Office, Mumbai as In-charge of implementation of 5th Pay Commission. From 1991 to 2001 worked as In-charge of Area Accounts office, pay and allowances for Eastern Command, Kolkata. From 2002-2005 worked as Financial Adviser Naval Dockyard at Mumbai. In 2006-2009 as Director (Finance) with NTRO, an organization setup post Kargil War for fast track procurement. From 2009-2013 was appointed as Additional Commissioner Handicraft, Ministry of Textiles. 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.





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

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

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.

From November, 2016 he has assumed the charge of Economic Advisor (Finance), Ministry of Micro, Small & Medium Enterprises.





Mr. A.K. Mittal, Director (Finance) is a Chartered Accountant and holds a Bachelor's degree in Commerce (Hons.). He is also fellow member of The Institute of Chartered Accountants of India.

Mr. Mittal has more than 38 years of working experience in the Private Sector, State Government and in the Central Government Public Sector Undertakings. He has vast experience in dealing with Banks, National / State level Cooperative Federations and various State / Central Govt. authorities for arranging financial assistance to the Private Institutions, Cooperative Societies and the Government owned Enterprises. He joined the Corporation in May, 1996 and headed almost all the Divisions of the Corporation viz. Finance, Business Development, Internal Audit, Human Resource, Exhibition, Technology, Vigilance etc.

He is also instrumental in assisting / formulating strategies and policies of the Corporation for development of MSMEs as well as growth of the Corporation.

Professor Adya Prasad Pandey is an Indian economist and academic. He is M.A. (Economics), M.B.A. and Ph.D. He is appointed as non-official part time Director in the Corporation w.e.f. 25th January, 2017. He serves as Vice Chancellor of Manipur University, Imphal. Prof. Pandey has been Head in Department of Economics in Banaras Hindu University, Varansi. He has more than 37 years of experience in academics. He is also National Vice President and Life Member of National Social Science Association. Prof. Pandey has specialization in Industrial Economics, Labour Economics, Financial Management, Current Economic Problems and Policies, Agricultural, Micro and Health Economics and MSME. He has published 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.





Ms. Geeta Goti is a well-known name in HR Consulting, Corporate Governance & Labour Compliance. She has an overall 30 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. Currently, she is mentoring Women in Mfg. through the Womenergy Association of Incubators in Mfg. (WE AIM).

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.

Presently, she is nominated as a 3rd party member on the Internal Complaints Committee (a Committee constituted under Prevention of Sexual Harassment of women at workplace) with Insurance, Manufacturing, Infrastructure and IT companies.

Dr. Ramesh Bhat is an alumnus of Harvard and Delhi University having 38 years of professional and academic experience. He is currently working as Provost and Dean of AACSB Accredited, 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 been consultant and advisor to a number of organizations in India and abroad. He has worked with a number of organizations in manufacturing, infrastructure, services, healthcare, and logistics industries and his area of work has focused on corporate finance, business valuation, financial and management control systems, private equity finance and health care financing.



DIRECTORS' REPORT

Dear Members,

Your Directors' welcome the Shareholders and take pleasure in presenting the 63rd Directors' Report of the Corporation alongwith the audited financial statement of the Corporation for the financial year ended 31st March, 2018.

1.0 Operating performance

NSIC has continued its efforts of facilitating Micro, Small & Medium Enterprises (MSMEs), during the financial year 2017-18 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, overall business of the Corporation has reached at an all-time high level of Rs.22,457 crore as compared to Rs. 20,622 crore during the previous year, recording a growth of 9%.

During the year 2017-18, the Corporation has earned Profit (Before Tax and Provision for Pay Revision) amounting to Rs. 175.33 crore as against Rs. 165.07 crore reported in the previous year. PBT for the year 2017-18 is Rs. 152.05 crore after absorbing impact of Pay Revision (w.e.f. 01.01.2017 for the employees under IDA pattern and 01.01.2016 for the employees under CDA pattern) amounting to Rs. 23.28 crore, implemented as per approval of the Government conveyed on 03.05.2018.

Financial Highlights		
	2017-18	2016-17
Total Business (Rs. Cr.)	22,457	20,622
Profit Before Tax (Rs. Cr.)	152.05	165.07
Profit After Tax (Rs. Cr.)	99.41	106.40
Net Worth (Rs. Cr.)	857.13	760.72
Total Manpower (Nos.)	814	830
Turnover per employee (Rs. Cr.)	27.55	24.85
PAT per employee (Rs. Cr.)	0.12	0.13
PAT to Net Worth (%)	11.60	13.99
Earning Per Share (RS.)	18.65	19.96

NSIC's growth story over the last decade is amply depicted in the financial snapshot 2007-2018 in the table below:

(Rs. in Crore)

Financial Snapshot 2007 - 2018		
	2007	2018
Gross Turnover	2,198	22,457
Gross Income	47.69	490.39
Profit Before Tax	2.99	152.05*
Net Worth	81.42	857.13
Earnings Per Share (Rs.)	1.31	18.65
Dividend	0.57	28.37
As at 31st March		

*(after absorbing the impact of pay revision arrears of Rs. 23.28 crore)

Note: NSIC does not get any budgetary support from Government for its administrative costs from April 2007.

2.0 Dividend

The Board of Directors of the Corporation has recommended a dividend @ 30% of the net profit after tax i.e. Rs. 28.37 crore for the financial year 2017-18.

The dividend recommended is subject to the approval of the shareholders at the Annual General Meeting.

3.0 Other major highlights under various activities of the Corporation for the financial year 2017-18

3.1 Raw Material Distribution

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

During the FY 2017-18, NSIC serviced the raw material requirements of MSMEs through supply of **Iron & Steel** from M/s. Steel Authority of India (SAIL) & M/s. Rashtriya Ispat Nigam Limited (RINL), **Aluminum** from M/s. National Aluminium Company Limited (NALCO), **Paraffin Wax** from M/s. Chennai Petroleum Corporation Limited (CPCL), **Coal** from M/s. Coal India Ltd. (CIL), **Polymer Products** i.e. PP, HDPE & LLDPE from M/s. Indian Oil Corporation Limited (IOCL), **Cement** from M/s. Cement Corporation of India (CCI) and M/s. ACC Cement.

The Corporation has added another main producer i.e. M/s. Hindustan Petroleum Corporation Ltd. (HPCL) for handling their **Bitumen & Emulsion** material by opening a new distribution center at Guwahati under its “**Agency Sales Scheme**”. With this, the Corporation now has 37 numbers of Raw Material distributing centres across the country.

The total raw material distribution was **12,57,272 MTs** as against 11,35,788 MTs during the previous financial year.

3.2 Single Point Registration Scheme (SPRS)

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

- Issue of Tenders free of cost;
- Exemption from payment of Earnest Money Deposit (EMD);
- Price matching option to the MSEs quoting price band of L-1 plus 15%;
- Issue of competency certificate.

The revenue earned from Single Point Registration Scheme (SPRS) during the year was Rs. 13.62 crore.

During the year 2017-18, 4,502 fresh units were added and 6,286 units were renewed. 20,102 live units were registered under SPRS as on 31st March, 2018. NSIC also added more inspection agencies to increase the reach of SPRS among the MSEs.

3.3 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 Corporation 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 2017-18, 638 tenders were executed valuing to Rs. 228.98 crore. Seven numbers of consortia were formed during the year.

3.4 Credit Support to MSMEs

NSIC provides credit support for raw material procurement by making the payment to suppliers in Raw Material Assistance scheme against Bank Guarantee. NSIC also facilitates financing by providing assistance to MSMEs under schemes such as Tender Marketing, Exports and Bill Discounting.

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

Credit facilitation of Rs. 6,373 crore was made during the year 2017-18.

4.0 NSIC provides technical support to MSMEs through a number of TICs & LBIs spread across the country

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

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

Skill development (Capacity Development)

NSIC Technical Service Centres are presently offering Skill development training on various streams in the lines of the requirement by industries and Material testing facilities through NABL accredited laboratory.

The details of training courses running in the centres are as under:

- i) **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.
- ii) **Mechanical:** Tool Design and Advance Manufacturing, Quality Control & Inspection, HVAC Design, Machinist & Welding etc.
- iii) **Electrical & Electronics:** Industrial Robotics, Automation with PLC-

SCADA, Embedded System, Solar Energy, Electrical circuit and Substation maintenance, Motor Winding & Repair, Mechatronics etc.

- iv) **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.

During Financial Year 2017-18 36,437 trainees passed out through different technical centres.

Some of the major activities conducted by NSIC Technical Services Centres are:

4.2 Placement Facilitation initiatives

NSIC facilitates placement to its successful trainees by arranging Job Fairs in its campus. During the Financial Year 2017-18, 25 Job Melas were organised for our students in which more than 350 companies participated e.g. Havells, Kelmens Engineering, Munjal Showa, Daikin, LNM Auto Industries, Accurate Engineering, etc. are some to the major companies which have offered placements to our trainees during our on-campus Job Fairs.

4.3 Common Facility Services

In addition to the skill and entrepreneurship development, the center is offering testing facilities through NABL Accredited laboratories to industries.

The details of testing facilities available through the centers are detailed under:

Center	Testing facilities available
New Delhi	Ferrous and Non Ferrous materials, Pipes, Steel wires, Building materials, Plastics, Wood & Soil and Bitumen testing

Rajkot	Diesel Engine Testing, Pump Testing, Plastics testing, Material Testing
Howrah	Electrical Conductor, Wires and Cables, Insulators, Material Testing
Rajpura	Electrical Appliances Testing
Chennai	Calibration lab, Material Testing, Pump Testing, Energy Audit

4.4 Association with Industry as “Knowledge Partners”

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

Industry	Area of Association	Purpose
ASES Brown Boveri(ABB)	Robotics	Training on Robotics and Mechatronics for process automation
Carl Zeiss India	Coordinate Measurement (CMM)	To impart training on Quality Control & Inspection.

Delta Automation	Automation	To train on Industrial Automation
Schneider Electric India	Electrician & Solar Training	To impart training on electrician & solar energy for village electrifications.
Adroitec Information Systems	3D Printing	To train students on Auto CAD & 3D Printing to develop Prototype after designing.
Tally Academics	Tally software with GST	To train students on Tally with GST software.
Digitech Control & Automation	PLC/SCADA/HMI Drives	To train students on automation

4.5 Modernization of NSIC-Technical Centres

Under ATI scheme of Ministry of MSME, modernization of NSIC- Technical Service Centres at Okhla & Rajkot was taken up in the year 2017-18.

Machines like M1TR including DRO system, Jig Boring Machine, CNC Turning Centre, Vertical Machine Centre – 3 Axis and 5



Shri Giriraj Singh, Hon`ble Minister of MSME and Dr. Arun Kumar Panda, Secretary (MSME) inaugurated “NTSC-Advanced Training Centre” at New Delhi in the presence of Shri Ravindra Nath, Chairman-cum-Managing Director, NSIC. Also present on the occasion were Shri P. Udayakumar, Director (P&M), NSIC along with senior officers

Axis, CNC Wire cut EDM, CMM, Profile Projector, Injection Moulding Machine, CNC Turning Centre, Vertical Machine Centre, CNC Wire cut EDM, CNC Trainer Lathe, CAD/CAM Software etc. were successfully commissioned and training & common facility services have started.

4.6 Association with Academic Institutions

NSIC-Technical Service Centers developed linkages with Academic Institutes so as to facilitate the students engaged with such Academic Institutes for practical training on the technologies deployed in NSIC-Technical Service Centers.

In this direction, MoU was signed with institutes like Amity University, Thapar University, Veltech University etc.

4.7 Entrepreneurship Development through Incubation Centers

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

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

These Incubation Centres provide facilities of hands-on training on working projects and also covering the theoretical aspects of business such as business skill development, identification of appropriate technology, project/product development, hands on experience on working projects, opportunity guidance including commercial aspects of businesses under one roof etc. At the end of the Training Program, the trainee(s) is ripe enough to set up their own small enterprise. It is, thus, a complete process of transforming a person from

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

In 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) and Chennai (Tamilnadu).

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

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

Ministry of External Affairs, Government of India under India-Africa Forum Summit-I (IAFS-I), has requested NSIC to establish such Incubation Centres in 10 African countries. NSIC has already established incubation centre in seven countries namely Ethiopia, Burundi, Rwanda, Burkina Faso, Gambia, Zimbabwe and Egypt. The Incubation Centre in Mozambique is likely to be operational during 2018-19.

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

5.0 MSME Global Mart

With increase in competition and melting away of international boundaries, the demand for information is reaching new heights. Today more and more B2B (Business to Business) companies are searching the internet for direct deal,



NSIC organised a National SC - ST Hub Conclave at Kochi, Kerala. The programme was inaugurated by Shri V. Sasi, Hon'ble Deputy Speaker of Kerala State Legislative Assembly and presided over by Shri Paul Antony IAS, Hon'ble Chief Secretary, Govt. of Kerala. Shri P. Udayakumar, Director (Planning & Marketing), NSIC, Dr. Venu V IAS Principal Secretary, SC,ST Development Department, Govt. of Kerala and various stakeholders attended the conclave

instant searching of buyers/supplier, better pricing, increased services and location-specific partners.

Realizing the needs of MSMEs, NSIC facilitates E-Marketing Service effectively to MSMEs across the country. NSIC is assisting MSMEs through MSME Global Mart Web Portal www.msmemart.com. The portal provides an online platform to B2B (Business to Business) marketing activities. The portal hosts vast database of registered members who are looking for business opportunities, in terms of sustainable partnership, sub-contracting and participation in Public Procurements. The major features of www.msmemart.com are: Interactive database of MSMEs, Global and National Tender Notices, Self-Web Development Tool, Centralized Mail System, Popular Product Section, Unlimited Global Trade Leads, Trust Seal of NSIC, Multiple Language Support, Discussion Board, Call Centre Support, Payment Gateway for membership subscription.

During the period 2017-18, 11,210 units were registered under B2B portal as compared to 6160 units in the financial year 2016-17, registering the growth of 82% and revenue of Rs. 3.26 crore was earned.

6.0 Implementation of Government Schemes

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

6.1 Marketing Assistance Scheme

Ministry of Micro, Small & Medium Enterprises through NSIC, has been providing marketing support to Micro & Small Enterprises (MSEs) under Marketing Assistance Scheme.

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

During the year 2017-18, the Corporation participated / organized / co-sponsored 95 exhibitions in India and participated in 14 international exhibitions, wherein 1050 units participated. Further, 51 Vendor

Development Programs were organized to facilitate MSEs, wherein 2197 units participated.

Apart from above, 244 marketing campaigns were conducted to create awareness of various schemes / activities for facilitating MSMEs.

6.2 National SC-ST Hub (NSSH)

The National SC-ST Hub Scheme, launched in the year 2016-17, is aimed at providing professional support to the SC/ST entrepreneurs for their participation in the public procurement, in adopting applicable business practices and leveraging the stand-up India initiative. The following special subsidies to SC/ST enterprises are provided through the Corporation:

- 100% subsidy on processing and inspection fees to obtain / renew Registration under the single Point Registration Scheme (SPRS) of NSIC for government purchases on a nominal payment of Rs. 100/-.
- 100% subsidy for visit / participation in domestic / International trade fairs under Special Marketing Assistance Scheme (SMAS);
- Concession up to 90% in the fee for obtaining Performance and Credit Rating from the empanelled Rating Agencies. There is provision for subsidy upto 50% on the renewable of rating also.

Special Vendor Development Programmes (SVDPs) are organized with an objective to provide a common platform for SC/ST MSEs and buyer organizations i.e. CPSE / Central Govt. Departments. More than 60 Special Vendors Development programmes were organized in FY 2017-18 in which more than 1800 SC/ST entrepreneurs participated.

The Corporation set up 12 offices in 2017-18, namely National SC/ST Hub Offices (NSSHOs) at Agra, Bengaluru, Bhubaneswar, Chennai, Guwahati, Ranchi, Patna, Kolkata, Ludhiana, Mumbai, Pune

and Varanasi. These offices of the Corporation are exclusively working for carrying out interventions under NSSH Scheme inter alia to handhold the SC/ST entrepreneurs in e-tendering and finance facilitation through banks / financial institutions.

Training programmes for capacity building of SC/ST entrepreneurs and youth have been funded under the Scheme at premier institutions (i.e. IITs, IIMs and XLRI), Sector Skill Councils, RSETIs, Technology Centres under the O/o Development Commissioner (MSME) and NTSCs of the Corporation. More than 1,400 SC/ST entrepreneurs/youth have been benefited through various short-term training programmes.

In order to reach out to the CPSEs for sensitizing them of their critical role in fulfilling the mandate under the Public Procurement Policy, 2012, a CPSE conclave was organised in SCOPE Complex New Delhi. Recognizing the Industry Associations and Incubators as important stakeholders, a Confluence was also organised at Pravasi Bhartiya Kendra, New Delhi. Based on the deliberations held with CPSEs, Industry Associations and Incubators, a need was felt for amalgamated efforts to build better ecosystem at the State level for augmenting the competencies of SC/ST owned MSEs. Accordingly, 24 state conclaves under NSSH Scheme were envisaged by the Ministry in 2017-18. 22 such Conclaves were organised across the country for bringing together the SC/ST entrepreneurs, aspiring SC/ST entrepreneurs, CPSEs, Industry Associations, Financial Institutions and State Government on a common platform and deliberate upon steps required for increasing the procurement from SC/ST MSEs. More than 10,000 SC/ST entrepreneurs/youth have attended such Conclaves.

6.3 Performance & Credit Rating Scheme for Micro & Small Enterprises

On behalf of the Ministry of MSME, NSIC is implementing "Performance & Credit Rating

Scheme” for Micro and Small Enterprises (MSEs). The purpose of scheme is to provide a trusted third party opinion on the capabilities and creditworthiness of the Micro and Small Enterprises. It creates awareness amongst Micro and Small Enterprises (MSEs) about the strengths and weakness of their existing operations so as to provide them an opportunity to enhance their organizational strengths and credit worthiness. The rating under the scheme is carried out by the accredited rating agencies. An independent rating by the accredited rating agency has a good acceptance from the Banks / Financial Institutions, Customers / Buyers and Vendors. Under this Scheme, rating fees is subsidized to MSME units. During the year, 3,003 units were rated under the scheme.

7.0 International Cooperation

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

7.1 International Delegations

A Number of International delegations visited NSIC during the year 2017-18 for exploring the possibilities of cooperation with NSIC for the development of MSMEs in their respective countries. Some of them are mentioned below:

- a) **Delegation from South Korea:** A South Korean delegation comprising officials of Small & Medium Business Corporation and Small & Medium Business Administration visited NSIC on 20th July, 2017 and held discussions regarding mutual cooperation with NSIC in MSME sector.
- b) **Delegation from Tanzania:** A 20 member delegation led by Hon'ble Minister of Trade & Industry, Government of Tanzania visited NSIC's Rapid Incubation Centre at New Delhi on 28th September, 2017 and expressed desire for cooperation with NSIC for developing MSMEs in Tanzania.
- c) **Delegation from Ghana:** A delegation of Government officials from Ghana visited NSIC's Rapid Incubation Centre at Okhla, New Delhi on 10th November, 2017 and showed keen interest in the concept initiated by NSIC for generating self-employment opportunities for unemployed.
- d) **Delegation from Mauritius:** Hon'ble Mr. Soomilduth Bholah, Minister of Business, Enterprises & Cooperatives of the Republic of Mauritius visited NSIC Technical Services Centre at Okhla, New Delhi on 1st December, 2017. Hon'ble Minister expressed his keen desire for cooperation with NSIC for development of MSMEs in Mauritius.
- e) **Delegation from Papua New Guinea:** An eight member delegation led by H.E. Mr. Richard Maru, Minister of National Planning & Monitoring of the Republic of Papua New Guinea visited NSIC's Advanced Training Centre and Rapid Incubation Centre at New Delhi on 14th December, 2017 in the context of development of self-employment opportunities in PNG in cooperation with NSIC.
- f) **Delegation from Jordan:** A delegation led by H.E. Mr. Ayma Safadi, Foreign Minister of Hashemite, Kingdom of Jordan visited NSIC-Technical Services Centre at Okhla, New Delhi on 29th December, 2017.
- g) **Delegation from Kenya:** Mr. Samuel K Tunai, Hon'ble Governor of Narok County of Republic of Kenya visited NSIC on 13th June, 2018. He observed that NSIC's Rapid Incubation Model is apt for bridging the skill gap and providing suitable alternatives of employment to youth in Republic of Kenya.

7.2 Signing of Memorandum of Understanding

- a) **NSIC Signs MoU with SME Corp. Malaysia:** A Memorandum of Understanding was signed by Mr. Ravindra Nath, CMD, NSIC and Dr. Hafsah Hashim, CEO, SME Corp. Malaysia for cooperation in the field of MSMEs between the two countries. Sh. Giriraj Singh, Hon'ble Minister of State (Independent Charge), Ministry of MSME, Government of India and Dr. Mustapa Mohamed, Minister of International Trade & Industry, Government of Malaysia, witnessed the signing of MoU. Coinciding with the occasion, NSIC also organized interactive meetings between 15 Malaysian enterprises with 50 Indian MSMEs.
- b) **NSIC signs MoU with SBC, South Korea:** NSIC signed a Memorandum of Understanding (MoU) with Small and Medium Business Corporation (SBC) of South Korea for enhancing cooperation amongst MSMEs of India and South Korea. The MoU was signed in the presence of Sh. Giriraj Singh, Hon'ble Minister of State (I/c),

Ministry of MSME, Government of India and Mr. Jong Haak Hong, Hon'ble Minister of SMEs and Start-ups, Government of South Korea on July 10, 2018.

A Technology Exchange Conference was also organized during the occasion where one to one meetings of 18 enterprises from South Korea were organized with their Indian counterpart enterprises.

- c) **India-Korea Technology Exchange Centre established at NSIC:** India-Korea Technology Exchange Centre (IKTEC) was inaugurated by Sh. Giriraj Singh, Hon'ble Minister of State (I/c), Ministry of MSME, Government of India and Mr. Jong Haak Hong, Hon'ble Minister of SMEs and Start-ups, Government of South Korea on July 10, 2018 at NSIC's Technical Centre in New Delhi. IKTEC will assist Indian MSMEs and South Korean enterprises to form alliances to build their complementary competencies and be competitive in global market.



Shri Ravindra Nath, Chairman-cum-Managing Director, NSIC signed MoU with Dr. Hafsah Hashim, CEO, SME Corp (Malaysia) in the presence of Shri Giriraj Singh, Hon'ble Minister of State (Independent Charge), M/o MSME, Shri Mustapa Mohammed, Minister of International Trade & Industry, Government of Malaysia and Dr. Arun Kumar Panda, Secretary, M/o MSME, Government of India



NSIC signed a MoU with Small Business Corporation (SBC) of South Korea to facilitate, assist and provide necessary support to MSMEs of both the countries. The MoU was signed by Shri Ravindra Nath, Chairman-cum-Mg. Director, NSIC and Mr. Lee Sang Jik, Chairman of Small Business Corporation in the presence of Shri Giriraj Singh, Hon'ble Minister of State (Independent Charge), M/o MSME and Mr. Hong Jong Haak, the Hon'ble Minister of SMEs and Start-ups, Republic of Korea.

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

- 8.1 NSIC has a network of offices in NER. This includes Branch Office at Guwahati and Sub-Offices at Tinsukia (Assam), Imphal (Manipur), Dimapur (Nagaland), Itanagar (Arunachal Pradesh), Shillong (Meghalaya) and Agartala (Tripura).
- 8.2 NSIC's Incubation Programme is very successful in training budding entrepreneurs in North Eastern States. Its Incubation Centre, Guwahati trained 164 trainees under internal training, 195 trainees under sponsored training and 124 trainees under NSSH in various trades like Fashion Designing, Food Processing, Beautician & Candle Making. NSIC conducted training programme at Tripura in different trades also which is sponsored by different Government departments under Govt. of Tripura. During the year 2017-18, 1216 trainees were trained.
- 8.3 TIC Guwahati has arranged International business visits for Nine Women Entrepreneurs from Assam to explore the Industrial model in South Africa with focus

on Handicraft, Handloom and Textile Sector which was sponsored by Commissioner of Industries & Commerce, Govt. of Assam.

- 8.4 Other activities for the year 2017-18 in North Eastern Region are as follows:-

Organizing Conclaves

- **State SC/ST Conclave at Agartala, Tripura:** On 29th December, 2017, a State Conclave was organized at Pragya Bhavan, Agartala with 380 SC/ST participants.
- **Regional SC/ST Conclave at Guwahati, Assam:** On 12th January, 2018, the State Conclave was organized at Guwahati, Assam with 451 participants. The participants belonged to all the districts in the states of Assam & Meghalaya. The Conclave was graced by Shri. Ravi Capoor, IAS, the Additional Chief Secretary, Department of Industries and Commerce, Govt. of Assam.
- **Special Awareness Program on SC/ST Hub Scheme:** Shri. P.B Acharya,

Honorable Governor of Nagaland graced the Special Awareness Program on the National SC/ST Hub scheme, which was organized by NSIC-Guwahati in association with MSME-DI, Dimapur wherein 110 people belonging to SC/ST communities participated.

Exhibitions

- **Inauguration of NSIC Pavilion:** Shri. P.B Acharya, Hon'ble Governor of Nagaland inaugurated NSIC Pavilion in the Nagaland International Trade Expo 2017 on 25th November, 2017. There were 120 participants in the event.
- **19th International Shillong Trade Fair 2018:** The 19th International Shillong Trade Fair 2018 (from 9th - 25th March, 2018) was inaugurated by the Chairman of the Dorbarshnong (Headman) Mr. Pyllun and members of Laitumkhrach Sport Cultural Club, Shillong. 43 SC/ST units from Assam participated under SMAS scheme in the Fair.
- The 25th International Guwahati Trade Fair 2018 (from 1st - 18th February 2018) was organized by Industries and Trade Fair Association of Assam. The event was inaugurated by the Bangladesh High Commissioner Shri. Syed Muazzem Ali. There were 120 participants including eight from abroad.
- NSIC, under its SMAS has participated in the Sangai Festival which was organized by the department of Tourism and Commerce & Industries, Govt. of Manipur from the 21st -30th Nov. 2017. The event was graced by the Hon'ble President of India. NSIC has facilitated 40 SC/ST units of Manipur for participating in the event.
- NSIC, Guwahati has participated in the Industrial & Business Trade Fair UDYAM 2017 (15-19 June, 2017) at Maniram Dewan Trade Centre, Guwahati, which was organized by "Laghu Udyog Bharati" with Dept. of Industries & Commerce, Govt. of Assam, where 150

units of North East region participated in this event.

9.0 Management Discussion & Analysis

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

10.0 Capital Structure & Borrowings

The Paid-up-Capital of the Corporation is Rs. 532.99 crore as on 31st March, 2018.

The outstanding Long Term Loans (excluding current maturities of Long Term Debt) from financial institutions as on 31st March, 2018 is Rs. 54.10 crore.

The short term borrowings of the Corporation as on 31st March, 2018 is Rs. 2051.14 crore.

11.0 Issue of Commercial Paper

NSIC for the last three years has been raising resources through issue of Commercial Paper, as short-term debt instrument and meeting its short term liabilities. The Commercial Paper issued by NSIC were rated as CRISIL A1+ (pronounced as CRISIL A One Plus) rating and SMERAA1+ (pronounced as SMERA One Plus) rating by CRISIL and SMERA rating agencies respectively. Debt Instruments with these ratings are considered to have "Very Strong Degree of Safety" regarding timely payment of financial obligations. During the year 2017-18, the Corporation has raised Rs. 1,000 crore through Commercial Paper.

12.0 Investments

As on 31st March, 2018, the Corporation had 4,70,230 equity shares of Rs. 2/- each in M/s. Singer India Ltd. Dividend of Rs. 0.75 per equity share was received from M/s. Singer India Ltd for the year 2017-18.

13.0 Fixed Deposit

The Corporation has not accepted any fixed deposits and as such no amount of principal or interest was outstanding as on 31st March, 2018.

14.0 Human Resource Management

14.1 The total manpower of the Corporation as on 31st March, 2018 was 814 as against 830 in the previous year. During the year, cordial relations were maintained with various NSIC Employees Unions of the Corporation.

The break-up of the manpower was as follows:

S. No.	Description	As on 31.03.2018	As on 31.03.2017
1.	Managerial	519	485
2.	Supervisory	132	158
3.	Non-Supervisory	163	187
	Total	814	830

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 Corporation, Gift on retirement on attaining the age of superannuation, scholarship to the meritorious wards of serving employees etc. Besides, the NSIC Employees Superannuation Pension Scheme for IDA employees is also in place.

14.2 Staff Training

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

NSIC conducted 25 in-house training programs for NSICians on topics such as Training of Trainers, Goods and Service Tax, Health Management Program,

ISO 9001:2015 Standard and Enterprise Risk Management, Advanced Management Program, Internal Auditor Training Course, Disciplinary Proceedings & Preventive Vigilance, General Management Program etc. These focused programs provide immense learnings with respect to behavioral and technical skills to employees of all levels of NSIC in addition to keep them updated on functional schemes.

During the year 426 employees including 360 from Group A were trained.

14.3 Policy for Prevention of Sexual Harassment

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee 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 2017-18, one complaint was received which has been disposed off as withdrawn.

14.4 Particulars of Employees

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

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

The directives of the Government issued from time to time with regard to the reserved categories such as Scheduled Caste, Scheduled Tribe, Other Backward Classes, and Persons with Disability (PwD) are being followed by the Corporation. The post based Reservation Rosters for direct recruitment as well as promotion are being maintained which are duly inspected by the Liaison Officer for SC/ST/OBC of the Corporation and displayed on the NSIC Intranet. SC/ST employees in Group C & D

posts are given one year relaxation in terms of eligibility period in the times scale promotion. Also, candidates belonging to SC/ST/PWD are given relaxation in the marks in the selection against direct requirement.

The number of employees belonging to SC, ST, OBC, PwD & Minorities in the Corporation as on 31st March, 2018 are as under:

Schedule Castes	140
Schedule Tribes	20
Other Backward Classes	131
Persons with Disability	26
Minorities	69
Total	386

15.0 National Entrepreneurship Day

NSIC Incubation Centres & Livelihood Business Incubation Centres (LBIs) across the country celebrated “National Entrepreneurship Day” on 9th November, 2017. The theme of the event was ‘Catalyzing a Cultural Shift in Youth Entrepreneurship’.

The event was attended and addressed by the representatives of organisations associated in entrepreneurship development at regional level viz. DICs, Banks, Industry Associations etc.

16.0 NSIC Celebrates Constitution Day

NSIC celebrated “Constitution Day” on 26th November, 2017 also known as Samvidhan Divas. On this day in 1949, Constituent Assembly of India adopted the Constitution of India which later came into effect on 26th January, 1950. Previously this day was celebrated as “Law Day”. Shri Gaurang Dixit, Chief General Manager (F&A), NSIC took the pledge. by reciting the Preamble to the Constitution.

17.0 International Women’s Day, 2018

On the occasion of “International Women’s Day 2018”, an interaction meet was organized for the Women Employees with Shri P. Udayakumar, Director (P&M) and Shri A.K. Mittal, Director (Finance) on 8th March, 2018. During the interaction it was emphasized that women must spare substantial time for self-care, healthcare and last but not the least for making the



NSIC celebrated “Constitution Day” also known as Samvidhan Divas. Shri Gaurang Dixit, Chief General Manager (F&A), NSIC took the pledge by reciting the Preamble to the Constitution.



NSIC celebrated the International Women's Day with its women NSICians. Speaking on the occasion Shri P. Udayakumar, Director (P&M) and Shri A.K. Mittal, Director (Finance) appreciated their efforts and said that women are the back bone of our Homes as well as NSIC.

most of the precious life by giving their best for the growth of NSIC and women should enjoy their lives to the fullest.

18.0 Vigilance Activities

Vigilance is an integral part of the management function and assist in maintaining integrity, purity and efficiency of the administration. Vigilance department works in cooperation with other divisions / units of the Corporation at all levels. The vigilance department also works in coordination with the Central Vigilance Commission (CVC), the administrative ministry and the CBI.

Preventive vigilance inspections are carried out by vigilance division in the various offices / centers of the Corporation for curbing any wrong doing / corruption. The departmental disciplinary proceedings were conducted against the erring officials involved in the cases.

During the year 2017-18, "Vigilance Awareness Week" was observed from 30th October, 2017 to 4th November, 2017 as a campaign against corruption and to create its awareness amongst the employees,

clients and other stakeholders of the Corporation.

The theme of Vigilance Awareness Week was "My Vision – Corruption Free India". A pledge to bring integrity and eradicate corruption was administered to all the employees of the Corporation in all its offices at various places across the country. Online Integrity Pledge has also been undertaken by the employees of the Corporation.

The Immovable Property return of all the officers of "A" & "B" category of the Corporation were obtained and action taken as felt necessary based on the scrutiny.

19.0 Corporate Social Responsibility Initiatives

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

20.0 Awards & Recognitions:

- **NSIC Conferred with 1st Swachhta Awards, 2017**

Shri Giriraj Singh, Hon'ble Minister of MSME conferred NSIC Head Office with

1st Swachhta Awards, 2017 under the most Cleanest Office category.

- **NSIC Conferred with “ET Now - CSR Leadership Award”**

NSIC is conferred with “ET Now - CSR Leadership Award” at the Green Future Leadership Awards held at Mumbai on 18th Feb., 2018, acknowledging its CSR initiatives in various activities like Health Care and Medical assistance to divyans and other weaker sections of the society, Education, Safe Drinking Water, Women Empowerment etc.

- **NSIC Conferred with “Outstanding Leadership Award”**

Shri Ravindra Nath, Chairman-cum-Managing Director-NSIC was conferred with “Outstanding Leadership Award” for achieving Business Excellence through Creativity, Innovation & Entrepreneurship at the 19th Edition of the National Management Summit on 24th Feb., 2018 held at New Delhi.

21.0 Auditors

21.1 Statutory Auditors

The Comptroller & Auditor General of India has appointed M/s. K P M C & Associates, Chartered Accountants, Ghaziabad as the Statutory Auditors for the financial year 2017-18. The Statutory Auditors have given their report on the financial statements of the Corporation for the financial year 2017-18.

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

21.2 Secretarial Auditors

M/s. Sanjay Chugh, Practicing Company Secretaries were appointed to conduct the Secretarial Audit of the Corporation for the financial year 2017-18 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 2017-18 forms part of the Directors’ Report and annexed to the Directors’ Report.



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



Shri Giriraj Singh, Hon'ble Minister of State (I/C) for Ministry of Micro, Small and Medium Enterprises, Government of India conferred NSIC, Head Office, Okhla, New Delhi with award for most Cleanest Office during "Swachhata Awards, 2017" organised by Ministry of Micro, Small and Medium Enterprises. Also present on this occasion were Dr. Arun Kumar Panda, Secretary, M/o MSME, Shri Akshay Raut, DG, Swachh Bharat Abhiyan and Shri Ravindra Nath, Chairman-cum-Managing Director, NSIC

21.3 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 are annexed to the Annual Report.

22.0 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.

23.0 Internal Financial Controls

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation and reliable financial disclosures. For this internal audit of all the field offices is carried out. In Raw material assistance against bank guarantee, several checks and balances were introduced to further strengthen the system including issuance of additional guidelines for confirmation under Structured

Financial Messaging System (SFMS) mode and remittance of proceeds in case of invocation to a nominated bank account at head office for effective monitoring of utilization of funds and introduction of new improvised software for accounting of credit support given under RMA against Bank Guarantee.

24.0 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.

25.0 Signing of Memorandum of Understanding with the Government

NSIC signed a MoU with the Ministry of Micro, Small and Medium Enterprises for the year 2018-19.

The Corporation's rating based on the results for the year 2016-17 is "Very Good".

26.0 Rajbhasha

With a view to ensure progressive use of Hindi in the Corporation, implementation of the provisions of Official Language Act, 1963 and Rules framed thereunder and the compliance of the directives of the Official Language Department and Ministry of MSME were continued to be observed during 2017-18. In addition, following special activities were carried out during the year to ensure the progressive use of Hindi.

- Hindi Pakhwada (Fortnight) was celebrated during 1st - 15th Sept. 2017 and six Hindi Competitions were organized in the Corporation. 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 14th September, 2017 in the Corporation under the Chairmanship of Director (P&M) in which Heads of Departments at Head Office & NCR offices participated. On this day, Hindi Diwas

message of Hon'ble Minister of State (Independent charge) for MSME and CMD, 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 Corporation.

- An Annual Inspection Programme for Official Language was prepared for the various departments at Head Office and field offices of the Corporation and the same was implemented.
- Hindi workshops were organized regularly in which the training was imparted to the officer / employees for increase the use of Hindi in their day-to-day official work. Besides, Official Language awareness programmes / Hindi workshops were also conducted in subordinate offices during their Official Language inspections.
- Out of the total amount earmarked for purchase of books more than 50% amount was incurred on purchase of Hindi books.



A Memorandum of Understanding (MoU) for the year 2018-19 with Ministry of Micro, small & Medium Enterprises (SME) was signed by Dr. A.K. Panda, Secretary, Ministry of MSME, Government of India with Shri Ravindra Nath, Chairman-cum-Managing Director, NSIC in the presence of Ms. Alka Nangia Arora, Joint Secretary, MSME, Shri P. Udayakumar, Director (P&M), NSIC and Shri A.K. Mittal, Director (Finance), NSIC.

During the report year, a Hindi competition was organized for the member PSU's of Town Official Language Committee (Delhi) Upkram-2, wherein 30 officials participated from various Delhi based PSUs and cash prizes were given to the winners in the competition.

27.0 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. In line with the successful implementation of roof top grid connected Solar System on NSIC Buildings at New Delhi, Hyderabad and Chennai in the last year, during this year i.e. 2017-18, NSIC has awarded the contract for the implementation of grid connected rooftop solar photovoltaic (PV) system at NTSC-Rajkot and NTSC-Howrah in order to promote energy Conservation through renewable resources.

The Corporation is also in process to install LED Based lighting system at NSIC Head Office, EMDBP-Hyderabad, NTSC-Okhla, Howrah, Rajkot, Chennai, Hyderabad, Rajpura and Aligarh.

28.0 Procurement Policy for MSEs

The Corporation 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. 55.95 crore. As against the target of 20 per cent for procurement from MSEs, this procurement from MSEs was 77.37% (previous year 60.69%) of the total purchases made by the Corporation.

29.0 Foreign Exchange

During the year 2017-18, the Corporation's expenditure in foreign currency was Rs. 260.05 lakh as compared to Rs. 254 lakh in the year 2016-17.

30.0 Quality Management System

Quality Management System ISO 9001:2000 in NSIC was established during the year 2003. Initially, NSIC was certified under ISO 9001:2000 version, which was revised and updated in the year 2008 with the version of ISO 9001:2008, since then NSIC has been implementing the revised version of the standard.

Your Directors are pleased to inform that the Corporation has been upgraded to the latest version of certification ISO 9001:2015.

31.0 Directors

During the year 2017-18, the following changes have taken place in the Board of the Corporation:-

- a) Smt. Alka Nangia Arora, Joint Secretary, Ministry of MSME was appointed as Official part-time Director in the Corporation w.e.f. 26th July, 2017.
- b) Shri Manoj Joshi, Joint Secretary, Ministry of MSME ceased to be Official part-time Director w.e.f. 26th July, 2017.
- c) Shri D.P.S. Negi, Economic Adviser, Ministry of MSME was appointed as Official part-time Director w.e.f. 10th November, 2017.
- d) Shri S.N. Tripathi, AS & DC, Ministry of MSME ceased to be Official part time Director w.e.f. 10th November, 2017.

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

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

The Directors would like to draw attention on the disclosure/explanation given in para 5 of Note 35 of the financial statements with respect to the outstanding dues recoverable from United Bank of India, Kolkata.

33.0 Corporate Governance

The Corporation received "Excellent" rating on compliance of Corporate Governance

Place: New Delhi
Date: 20th September, 2018

guidelines issued by Department of Public Enterprises for CPSEs for the year 2016-17.

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

34.0 Acknowledgements

The Board of Directors wish to place on record their gratitude to the Hon'ble Minister 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 and Medium Enterprises and from other Ministries and Government of India. The Directors also acknowledge with thanks the support received from Joint Secretary, M/o of MSME and AS&FA, Ministry of MSME.

The Directors also like to express their sincere appreciation for the positive cooperation received from Company's Bankers, Financial Institutions and they also wish to thank all the stakeholders for reposing their faith, trust and confidence in our Corporation.

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

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

For and on behalf of the Board of Directors

(Ravindra Nath)
Chairman-cum-Managing Director

Annexure to Directors' Report Point No. 9.0

Management Discussion & Analysis

I. Industry structure and developments

The National Small Industries Corporation Ltd. (NSIC), an ISO 9001:2015 certified Government of India Enterprise under Ministry of Micro, Small and Medium Enterprises (MSMEs), has been working to fulfil its mission of promoting, aiding and fostering the growth of MSMEs in the country since its establishment in 1955.

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

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

II. Financial Performance

The Corporation achieved gross revenue of Rs. 2,592.50 crore as against Rs. 2,376.24 crore in previous year. The revenue from operations was Rs. 2,535.82 crore as against Rs. 2,308.87 crore in previous year. NSIC has continued its efforts of facilitating MSMEs, during the financial year 2017-18 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, overall business of the Corporation has reached at

an all-time high level of Rs.22,457 crore as compared to Rs.20,622 crore during the previous year, reporting the growth of 9%.

During the year 2017-18, the Corporation has earned Profit (Before Tax and Provision for Pay Revision) amounting to Rs. 175.33 crore as against Rs. 165.07 crore reported in the previous year. PBT for the year 2017-18 is Rs. 152.05 crore after absorbing impact of Pay Revision (w.e.f. 01.01.2017 for the employees under IDA pattern and 01.01.2016 for the employees under CDA pattern) amounting to Rs. 23.28 crore, implemented as per approval of the Government conveyed on 03.05.2018.

The Corporation 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 (12,58,803 MTs), credit support (Rs.6,373 crore), technology support-training activities (37,459 trainees).

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

The Board members has recommended dividend of Rs. 28.37 crore subject to the approval of shareholders.

III. Segment-wise Performance

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

Enterprises', 'Assistance for Training to Institutions' and 'National Schedule Caste – Schedule Tribe Hub' (NSSH) etc., for which budgetary support has been provided to the Corporation alongwith administrative expenditure restricted to the tune of 10% of the total expenditure under MAS and 7.5% of the total expenditure under PCRS and NSSH Scheme 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.), rating of MSEs and training expenses are met out of the budgetary support provided for the above schemes.

The 'Commercial' activities inter-alia include the activities whereby the Corporation provides 'Marketing' (including tender

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

The following table presents the revenue, profit/(loss), assets and liabilities information to the Business segments for the year ended 31st March, 2018 as required by AS-17 on "Segment Reporting" issued by the Institute of Chartered Accountant of India:

(₹ in Lakh)

Description	For the year ended 31/03/2018			For the year ended 31/03/2017		
	Promotional	Commercial	Total	Promotional	Commercial	Total
A. Primary Segment – Business Segment						
I. SEGMENT REVENUE						
a. Segment Revenue (including grant)	5709.71	253540.58	259250.29	6677.68	230945.85	237623.53
II. SEGMENT RESULTS						
a. Segment Results @	0.00	9940.66	9940.66	0.00	10639.84	10639.84
b. Operating Profit before interest	0.00	28428.88	28428.88	0.00	36257.05	36257.05
c. Prior period	0.00	(-) 24.12	(-) 24.12	0.00	15.82	15.82
d. Interest Paid	0.00	13340.85	13340.85	0.00	19748	19748
e. Exceptional items	0.00	(-) 92.83	(-) 92.83	0.00	(-)13.93	(-)13.93
f. Net Profit before Tax	0.00	15204.98	15204.98	0.00	16507.16	16507.16
g. Tax	0.00	5264.32	5264.32	0.00	5867.32	5867.32
h. Net Profit after Tax	0.00	9940.66	9940.66	0.00	10639.84	10639.84
III. ASSETS & LIABILITIES						
a. Segment Assets	4025.82	325786.75	329812.57	1391.49	311814.77	313206.26
b. Unallocated Assets	0.00	0.00	20455.34	0.00	0.00	40061.27
c. Total Assets	4025.82	325786.75	350267.91	1391.49	311814.77	353267.53
d. Segment Liabilities	3945.47	239352.69	243298.16	6245.88	250096.84	256342.72

e. Unallocated Liabilities	0.00	0.00	106969.75	0.00	0.00	96924.81
f. Total Liabilities	3945.47	239352.69	350267.91	6245.88	250096.84	353267.53
IV. OTHER INFORMATION						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	2025.82	2059.44	4085.26	129.91	3692.47	3822.38
(b) Depreciation #	252.87	569.18	822.05	151.18	488.39	639.57
(c) Non-cash expenditure other than depreciation	0.00	345.10	345.10	0.00	457.49	457.49

The depreciation of promotion segment is charged to capital reserve.

IV. Strength & Challenges Analysis

a. Strengths

- NSIC is a national level organization with the huge knowledge base about working of MSME sector and having presence all over the country by having offices in 157 locations.
- The Corporation offers integrated package of services, ranging from financial support, marketing, technology and information support to Micro, Small & Medium Enterprises.
- The Corporation has linkages with Micro, Small & Medium industry organizations / associations within the country and several partner organizations overseas for development of MSME sector in the country.
- The Corporation has proven track record in the area of international cooperation in MSME sector development and institutional capacity building.
- The considerable asset base of the Corporation gives it an added advantage for expansion of its activities.
- A profit making, dividend paying Company, with "AA+" rating by CARE.

b. Challenges

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

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

c. Opportunities

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

d. Threats

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

- Inadequate credit flow from commercial banks to MSME sector, especially to new and start-up enterprises.

V. Outlook

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

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

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

The Corporation plans to further explore the new business opportunities in areas of Marketing, set up new Technology and Incubation Centres to provide training to enhance the knowledge level and to increase the employment opportunities for unemployed youth.

VI. Risks & Concerns

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

VII. Internal Control Systems

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 and the timely preparation and reliable financial disclosures. For this regular internal audit of all the field offices is carried out. In Raw material assistance against bank guarantee, several checks and balances were introduced to further strengthen the system including issuance of additional guidelines for confirmation under Structured Financial Messaging System (SFMS) mode and remittance of proceeds in case of invocation to a nominated bank account at head office for effective monitoring of utilization of funds and introduction of new improvised software for accounting of credit support given under RMA against Bank Guarantee.

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

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

For this purpose, various training programs were conducted as training is a learning process that involves the acquisition of knowledge, sharpening of skills, concepts, rules and changing of attitudes and behaviors to enhance the performance of employees. NSIC has an exclusive Training division which conducts and administers training programs for all the employees of NSIC across the country.

IX. Cautionary Statement

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

Corporate Social Responsibility

“Commitment for building a better tomorrow for our communities”

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

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

The Corporation's CSR Policy has been designed as per requirements of the Companies Act and guidelines issued by the Department of Public Enterprises and in synchronization with the above objective of the Corporation. The diversified CSR

applications are spread across the country in the need specific sectors like Education, Health, Disability, Capacity Building and Expansion of Human Capabilities.

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

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

- Nine Medical Camps at Jalandhar, Phillaur, Kapurthala, Hoshiarpur, Amritsar, Gurdaspur, Pathankot, Batala and Tarn Taran were organized in the district of Punjab. 415 specially abled persons were provided 441 artificial limbs from these camps. In addition, Tricycles, Wheel Chairs, Crutches, Rollators, Elbow Crutches, Auxiliary Crutches, Walking Stick, Braille Cane etc. were provided to 144 divyangs at



Shri Ravindra Nath, Chairman-cum-Managing Director, NSIC inaugurating the CSR Initiative undertaken with “Diabetes Care Foundation of India” at Chattarpur Dispensary, New Delhi in the presence of Dr. Vikas Ahluwalia , Director, Diabetes Care Foundation of India.



Under NSIC's CSR Initiative, Women Children Welfare and Rural Development Society organised medical camp at Village Salemabad in Ajmer District.

Siddipet district of Telangana and 264 divyangs at Ahmedabad district in the State of Gujarat.

- Health Camps were organized at ten villages namely Ralawata, Peenglot, Khatoli, Singara, Mohan Pura, Raamner ki Dhaani, Cheetakheda, Salemabad, Sarana and Mangra in district Ajmer, (Rajasthan) focusing on awareness building on prevention of common ailments, promotion of hygiene & sanitation etc. Medicines and support services of doctors were also provided to the 5,650 poor villagers.
- Reconstructive Surgeries (RCS) were performed for 24 persons who were affected by Grade II deformities due to leprosy at TLM Community Hospital, Shahdara, Delhi.
- NSIC organized 100 Eye Check-up camps at Faridabad, Nuh, Mewat, Hatina, Hassanpur, Hodal (Haryana) and Kosi (Uttar Pradesh) and its

adjoining districts. Total 1000 cataract surgeries were performed.

- NSIC organised eight Health Camps in different districts of Uttar Pradesh namely Deoria, Surauli Paikoli Market, Tarkulawa Market, Bariyarpur, Gurvaliya Market / Turkpatti, Jeurabazar, Salemgarh and Bisanpur Kala and Corrective Surgeries were performed of 51 children with congenital disability.
- Diabetes Treatment Camps for the weaker sections of the society in association with the Government of Delhi at Chhatarpur were organised by NSIC where 570 diabetic and hypertension patients were treated upon.
- NSIC provided chemotherapy (injection and medicines), radio diagnosis, surgical needs, prosthetics and nutritional and educational aid and other support services to poor children for cancer treatment. 37 children below poverty line suffering from cancer were treated at Chennai.

3.0 Education

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

- NSIC provided assistance to the education center in the slum of Dakshin Puri, New Delhi to the primary school going children where approximately 116 children were benefitted in each month.
- NSIC provided Educational Facilities & Nutrition Supplements to the children of domestic workers / daily wages workers who are away from their homes. Under this initiative, total 98 children were benefitted per month.
- NSIC has set up a library in Kolar District (Karnataka) where approximately 30 students are taking benefit daily.

4.0 Safe Drinking Water

Installed 20 Hand Pumps in the villages of district Basti (Uttar Pradesh). Approximately 50 people are benefiting per day from each hand pump.

5.0 Women Empowerment

Women face economic and social challenges in the society. Many women in weaker sections try to earn income for their families by undertaking work after acquiring certain skills. In this perspective, NSIC provided vocational Training on Dress Designing & Tailoring (Skill Development Training) for 180 women belonging to weaker sections at Hudhakeshwar, Gondwana, Katol, Kharbi, Dighori and Godhni in the Nagpur District (Maharashtra).

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

- NSIC provided vocational training programmes in Computer Applications, Tailoring, English Speaking, Personality development, Music & Handicrafts at Jodhpur (Rajasthan) where 200 divyangs students were benefitted.
- NSIC provided vocational training in the field of computer to 442 students in New Delhi. In addition, the Corporation provided running cost of Incubation Centre earlier setup by NSIC for the



Divyang and under privileged students receiving vocational training in computers at Computer Centre set up by NSIC under CSR Initiatives with implementing agency Handicapped Welfare Federation (HWF), Delhi

training in Computer & Beautician Courses. 86 Students were benefitted under this programme.

- NSIC provided vocational training at Ludhiana (Punjab) in the field of knitting industry and under this training 81 males & 46 females were benefitted.

7.0 The Composition of the CSR Committee

The Board has constituted the “CSR Committee of the Board”. Presently, the Committee has five members viz. Ms. Geeta Goti, Chairperson, Prof. A.P. Pandey, Shri Ramesh Bhat, Shri P. Udayakumar and Shri A.K. Mittal.

Average net profit of the Company for last three financial years

Average net profit of the Company for last three financial years	₹ 15,141.85 lakh
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8.0 Prescribed CSR Expenditure (2% of Average Profit)

The Company is required to spend Rs. 302.84 lakh towards its CSR activities.

9.0 Details of CSR spent during the Financial Year:

a)	Total amount spent for the Financial Year 2017-18	₹ 302.95 lakh
b)	Amount unspent, if any	NIL
c)	Manner in which the amount spent during the Financial Year is detailed below:	

S. No.	CSR Projects Identified	Sector	State & Districts of Project coverage	Project-wise outlay (Rs.)	Amount Spent (Direct Expenses) (Rs.)	Cumulative Expenses (Rs.)	Direct or through Agency
1	Provided Chemotherapy, Radio Diagnosis, Surgical needs, Prosthetics, Nutritional support, Educational support and services of Physiotherapist and counsellor to cancer affected children below poverty line	Health Care Including Preventive Health Care	Chennai (Tamil Nadu)	1,37,44,190/-	1,24,19,956/-	1,24,19,956/-	Mithras Foundation
	Conducted Eye camps, performed cataract Surgeries, Health camps, and performed Corrective Surgeries for the children		Faridabad, Nuh, Mewat, Hathin, Hassanpur, Hodal (Haryana) Kosi (Uttar Pradesh)				Association for Blindness & Leprosy Eradication (ABLE)
			Ajmer (Rajasthan)				Women Children Welfare And Rural Development Society (WARDS)
			Deoria (Uttar Pradesh)				Sanjeevani Social Welfare Society
	Organized Health Camps and provided Artificial Limbs, Wheel Chairs, Tri-Cycles, Hearing aids and Crutches and Medical Assistance to Differently Abled		Jalandhar, Phillaur, Kapurthala, Hoshiarpur, Amritsar, Gurdaspur, Pathankot, Batala and Tarn Taran (Punjab)				Bharat Vikas Parishad Charitable Trust Punjab
			Siddipet (Telangana)				Artificial Limbs Mfg. Corpn. of India (ALIMCO)
			Ahmedabad (Gujarat)				Blind People's Association (India)
	Performed Reconstructive Surgeries of Hand, Foot, Eyes etc. for people who affected by Grade II deformities due to leprosy		New Delhi (Delhi)				The Leprosy Mission Trust India (TLMTI)

S. No.	CSR Projects Identified	Sector	State & Districts of Project coverage	Project-wise outlay (Rs.)	Amount Spent (Direct Expenses) (Rs.)	Cumulative Expenses (Rs.)	Direct or through Agency
	Organized Diabetes Treatment Camps for weaker sections of the society		New Delhi (Delhi)				Diabetes Care Foundation of India (DCFI)
2	Provided Vocational training on English Speaking, Personality Development, Handicraft and Music to Visually Impaired students	Vocational Training	Jodhpur (Rajasthan)	54,74,646/-	46,09,092/-	46,09,092/-	Netraheen Vikas Sansthan
	Provided Computer training to women, students, Physically challenged and other weaker sections of the society		New Delhi (Delhi)				Handicapped Welfare Federation (HWF)
	Provided running cost of Incubation Centre for the training in Computer & Beautician Courses		Warangal (Telangana)				District Rural Development Agency (DRDA), Warangal
	Setup of Vocational Training cum Rehabilitation Centre in the field of knitting industry		Ludhiana (Punjab)				Bharat Vikas Parishad Charitable Trust, Punjab
	Vocational Training in Dress Designing and Tailoring		Nagpur (Mah.)				Krushimitra Agrotech Bahu-udeshiya Sanstha, Kuhi
	Provided Vocational Training and distribution of sewing machines to the trainees.		Krishna (Andhra Pradesh)				Star Youth Association
3	Educational Facilities to under Privileged children	Education	New Delhi (Delhi)	26,53,400/-	23,74,821/-	23,74,821/-	Maitrey Preksha Seva Mission
	Provided running cost of already set-up of a modern library with small Computer Lab by NSIC		Kolar (Karnataka)				Rural Agricultural Development Society (RADS)
	Provided Educational Facilities & Nutrition Supplements to the children of domestic workers.		Noida (Uttar Pradesh)				Rama Foundation

S. No.	CSR Projects Identified	Sector	State & Districts of Project coverage	Project-wise outlay (Rs.)	Amount Spent (Direct Expenses) (Rs.)	Cumulative Expenses (Rs.)	Direct or through Agency
4	Provided Safe Drinking Water by installation of Hand Pumps	Safe Drinking Water	Basti (Uttar Pradesh)	6,40,200/-	5,90,200/-	5,90,200/-	Bharitya Co-operative Gramin Vikas Evem Nirman Limited
5	Contribution to Swachh Bharat Kosh & Evaluation expenses	Others	PAN India	1,03,00,700/-	1,03,00,700/-	1,03,00,700/-	Direct
	TOTAL			3,28,13,136/-	3,02,94,769/-	3,02,94,769/-	

Annexure to Directors' Report Point No. 21.2

FORM No. MR-3

SECRETARIAL AUDIT REPORTFor The Financial Year ended on 31st March, 2018

(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)

The Members,
The National Small Industries Corporation Ltd.
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, 2018** ("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, 2018** 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
 - (ii) Right to Information Act, 2005

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.
- 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: 3rd August, 2018

Place: New Delhi

FCS No: 3754

C.P.NO. 3073

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.

Annexure "A"

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: 3rd August, 2018

Place: New Delhi

FCS No: 3754

C.P.NO. 3073

Annexure to Directors' Report Point No. 22.0

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

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

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	....	68.49%
2	Credit Support to MSMEs for Raw Material Procurement	....	25.69%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

IV. **SHARE HOLDING PATTERN** (Equity Share Capital Breakup as percentage of Total Equity)e. **Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]		No. of Shares held at the end of the year[As on 31-March-2018]		% Change during the year
	Total No. of Shares	% of Total Shares	Total No. of Shares	% of Total Shares	
A. Promoters					
(1) Indian					
a) Individual/ HUF	....	....	....	....	....
b) Central Govt.	53298800	100%	53298800	100%	....
c) State Govt.(s)	....	....	....	....	....
d) Bodies Corp.	....	....	....	....	....
e) Banks / FI	....	....	....	....	....
f) Any other	....	....	....	....	....
Sub-Total (A)(1)	53298800	100%	53298800	100%	....
(2) Foreign					
a) NRIs- Individuals	....	....	....	....	....
b) Other- Individuals	....	....	....	....	....
c) Bodies Corp.	....	....	....	....	....
d) Banks/FI	....	....	....	....	....
e) Any other	....	....	....	....	....
Sub-Total(A) (2)	....	....	....	....	....
Total shareholding of Promoter (A)= (A)(1) + (A) (2)	53298800	100%	53298800	100%	....
B. Public Shareholding					
1. Institutions	....	...	...	...	...
a) Mutual Funds	...	...	...	...	...
b) Banks / FI	...	...	...	...	...
c) Central Govt.					
d) State Govt.(s)	...	...	...	...	...
e) Venture Capital Funds	...	...	...	...	...
f) Insurance Companies	...	...	...	...	...
g) FIs	...	...	...	...	...
h) Foreign Venture Capital Funds	...	...	...	...	...
i) Others (specify)	...	...	...	...	...
Sub-total (B)(1):-	...	...	...	...	...
2. Non-Institutions					

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

II. Shareholding of Promoters

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

* As representative/ nominees of President of India

III. Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in previous year's shareholding between 01/04/2017 to 31/03/2018

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

IV. Shareholding Pattern of top ten Shareholders:

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

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

V. Shareholding of Directors and Key Managerial Personnel:

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

2.	Change in the shareholding	-	-	-	
	a) Transfer of 100 shares from Shri Manoj Joshi to Smt. Alka Nangia Arora, Joint Secretary, MSME	100		100	
	b) Transfer of 200 shares from Shri S. N. Tripathi to Shri Ram Mohan Mishra, AS& DC	200		200	
	At the end of the year				
3.	a) Shri Ravindra Nath, CMD	400		400	
	b) Shri DPS Negi, Economic Advisor	100		100	
	c) Shri Alka Nangia Arora, Joint Secretary, MSME	100		100	

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

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1212.22	1049.26	.....	2261.48
ii) Interest due but not paid	.....	.....	.....	.....
iii) Interest accrued but not due	0.01	0.09	.....	0.10
Total (i+ii+iii)	1212.23	1049.35	.....	2261.58
Change in Indebtedness during the financial year				
* Addition	838.91	.....	.....	838.91
* Reduction	.....	995.25	.....	(995.25)
Net Change	838.91	(995.25)	.....	(156.34)
Indebtedness at the end of the financial year				
i) Principal Amount	2051.14	54.10	.....	2105.24
ii) Interest due but not paid	.....	.....	.....	.....
iii) Interest accrued but not due	.....	.....	.....	.....
Total (i+ii+iii)	2051.14	54.10	.....	2105.24

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Director and Manager**

S No	Particulars of Remuneration	Name of Managing Director	Name of Whole Time Director		Total Amount
		Sh. Ravindra Nath 01/04/2017 to 31/03/2018	Shri P. Udayakumar 1/04/2017 to 31/03/2018	Sh. A.K. Mittal 1/04/2017 to 31/03/2018	
	Gross Salary				
1	(a) Salary (as per provisions contained in section 17(1) of the Income-tax Act, 1961)	48,15,882	58,24,669	29,64,510	1,36,05,061
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,03,239	96,244	57,970	2,57,453
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	.....	.....	.....	....
2	Stock Option	.....	.....	.....	....
3	Sweat Equity	.....	.....	.....	....
4	Commission As % of profit; others, specify	.....	.....	.....	....
5	Others, please specify	.....	.....	.....	....
	TOTAL (A)	49,19,121	59,20,913	30,22,480	1,38,62,514

B. Remuneration to other Directors

S No.	Particulars of Remuneration	Name of Directors			Total Amount
		2017 - 18			
	Independent Directors	Prof. A.P. Pandey	Smt. Geeta Goti	Shri Ramesh Bhat	
1	Fee for attending Board / Committee Meetings	1,45,000	1,50,000	75,000	3,70,000
	Commission	....	.....	....	....
	Others, please specify	....	.....	....	....
	Total (1)	1,45,000	1,50,000	75,000	3,70,000
	Other Non-Executive Directors	....	....	.....	....
2	Fee for attending Board / Committee Meetings	....	....	.....	....
	Commission	....	....	.....	....
	Others, please specify	....	....	.....	....
	Total (2)	....	....	.....	....
	Total (B)=(1+2)	1,45,000	1,50,000	75,000	3,70,000

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

S No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
			Sh. A.K. Mittal 01/04/2017 To 31/03/2018	Ms. Nishtha Goyal 01/04/2017 To 31/03/2018	
1	Gross salary	-			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	29,64,510	9,98,386	39,62,896
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	57,970	-	57,970
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	30,22,480	9,98,386	40,20,866

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure to Directors' Report Point No. 33.0

Report on Corporate Governance

The Corporation is always committed towards high standards in corporate ethics, transparency, disclosures, accountability & integrity. The Corporate Governance adherence of the Corporation assisted in achieving its goals and in maximizing the wealth of its stakeholders. The Corporate Governance framework encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

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

1.0 Board of Directors

The Board of Directors of the Corporation has an optimum combination of Functional, Nominee and Independent Directors as stipulated in DPE guidelines. As on 31st March, 2018, the Board of Directors has eight members comprising of a Chairman-cum-Managing Director, two Functional Directors, two Government nominee Directors and three

non-official part-time Directors including a Woman Director.

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

2.0 Meetings of the Board

The meetings of Board of Directors were held at periodical intervals. During the year 2017-18, five Board Meetings were held on 28th & 29th May, 2017; 26th August, 2017; 29th September, 2017; 25th January, 2018 and 27th March, 2018.

The details of constitution of the Board and the number of Directorships held in other Companies as on 31st March, 2018, 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 29 th Sept., 2017	No. of outside Directorships
1.	Shri Ravindra Nath as Chairman-cum-Managing Director DIN No. 02815496	Executive	05	Yes	-
2.	Shri Manoj Joshi DIN No. 0002103601	Government Nominee	02	x	02
3.	Smt. Alka Nangia Arora (Appointed as Director w.e.f. 26/7/2017)	Government Nominee	04	Yes	02
4.	Shri D.P.S. Negi (Appointed as Director w.e.f. 10/11/2017)	Government Nominee	02	Yes	-
5.	Sh. P. Udayakumar DIN No. 0003353625	Executive	05	Yes	-
6.	Shri A.K. Mittal DIN No. 0007625711	Executive	03	Yes	-
7.	Prof. A.P. Pandey DIN No. 0007781280	Non-Executive Independent	05	x	-
8.	Ms. Geeta Goti DIN No. 0006866598	Non-Executive Independent	05	x	01
9.	Shri Ramesh Bhatt DIN No. 0001958539	Non-Executive Independent	03	Yes	02

3.0 Sub-Committees of the Board

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

4.0 Audit Committee

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

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

S. No.	Name	No. of Meetings held / No. of meetings held during their tenure *	No. of meetings Attended
1.	Prof. Adya Prasad Pandey	05	05
2.	Smt. Geeta Goti	05	05
3.	Shri Manoj Joshi	01*	01
4.	Smt. Alka Nangia Arora	02*	02
5.	Shri Ramesh Bhat	05	04

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

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

- I. 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.
- II. Recommending the appointment and removal of external auditor, fixation of audit

fee and also approval for payment for any other services.

- III. 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;
 - Review the Qualifications in draft audit report and also the significant adjustments arising out of audit;
 - The going concern assumption;
 - Compliance with accounting standards and procedures and proper disclosures of related party transaction if any made during the financial year.
- IV. Review with the management, external and internal auditors, adequacy of internal control systems, adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- V. Discussions with internal auditors regarding any significant findings and review the findings of any internal investigations by the Internal Auditors into the matters where there is fraud or irregularities found and report the same to the Board.
- VI. Discussion with statutory auditors / agencies before the audit commences, nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- VII. Review the Company's financial and risk management policies.
- VIII. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case

of non-payment of declared dividends) and creditors, and

- Review the quarterly and half-yearly financial statement with management.
- Provide sufficient opportunity for the internal and statutory auditors to meet with the members of audit committee with and / or without the members of management present.
- Review the quarterly and half-yearly financial statement with management, human resources, succession planning, recovery position and trends, Repayment of fixed deposits and payment of statutory dues.

- IX. To review the follow-up action on the audit observations of the C&AG audit.
- X. To review the follow-up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
- XI. Provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors.
- XII. Review all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.

5.0 Nomination & Remuneration Committee

Our Corporation being a Government Company, the appointment, tenure and remuneration of Directors is decided by the President of India. The remuneration paid to Chairman-cum-Managing Director and Functional Directors during the year 2017-18 was as per terms and conditions of their appointment. Independent Directors are paid only sitting fee as approved by the Board within the ceiling fixed under the Companies Act, 2013 and also in accordance with the Government guidelines for attending the Board Meetings as well as Committee Meetings. The Government Nominee Directors do not draw any remuneration /

sitting fee for Board / Committee Meetings from the Corporation.

Consequent to the change in the Board, the Nomination & Remuneration Committee was re-constituted by the Board. Presently, the Committee has four members. All are non-executive directors out of which three are Independent Directors and one is Government Nominee Director. During the year, the Remuneration Committee met on 28th May, 2017 and 24th January, 2018.

The main role of the remuneration committee is to decide:

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

6.0 Corporate Social Responsibility Committee

During the year, the Committee met three times on 28th August, 2017; 28th December, 2017 and 24th January, 2018. Consequent to the changes in the Board, the Corporate Social Responsibility Committee was re-constituted by the Board. Presently, the Committee has five members viz. Ms. Geeta Goti as Chairperson, Prof. A.P. Pandey, Shri Ramesh Bhat, Shri P. Udayakumar and Shri A.K. Mittal.

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.	Ms. Geeta Goti	03	03
2.	Prof. Adya Prasad Pandey	03	03
3.	Shri Ramesh Bhat	03	02

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

7.0 Write Off Committee

At present, the members of the Write off Committee are Shri Ramesh Bhat as Chairman, Shri Ravindra Nath, Prof. A.P. Pandey and Smt. Geeta Goti as members. No Write off Meeting was held during the year 2017-18.

8.0 Disclosures

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

- **Vigil Mechanism / Whistle Blower Policy**

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

- **Code of Ethics and Business Conduct**

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

9.0 Remuneration of Directors

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

10.0 Key Managerial Personnel (KMPs)

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

S. No.	Name	Designation
1.	Shri Ravindra Nath	Chairman-cum-Managing Director
2.	Shri P. Udayakumar	Whole Time Director
3.	Shri A.K. Mittal	Whole Time Director and CFO
4.	Shri Gaurang Dixit	As Manager (KMP)
5.	Ms. Nishtha Goyal	Company Secretary & KMP

11.0 Declaration by Independent Directors

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

12.0 Related Party Transactions

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

13.0 Risk Management Policy

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

The Corporation has now increased its Risk Fund to 0.40% in place of 0.35% to mitigate any unforeseen loss arising out of business transactions under Raw Material Assistance Scheme against Bank Guarantee.

This fund would be utilized to meet out any financial loss under the Raw Material Assistance Scheme against Bank Guarantee arising due to investment becoming unsecured as per the laid down guidelines.

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

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

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

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

**Comments of Statutory Auditors & Management Replies
thereto on the Accounts for the Financial Year 2017-18**

S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
1.	<p>Report on the Financial Statements</p> <p>We have audited the accompanying financial statements of The National Small Industries Corporation Limited ("the Corporation"), which comprises of the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement, the Statement of Profit and Loss (Commercial) and the Statement of Income and Expenditure (Promotional) for the year then ended, and a summary of significant accounting policies and other explanatory information of the Corporation, in which are incorporated financial statements of Head Office audited by us and 63 branch offices including technical centers audited by other independent auditors appointed by Comptroller & Auditor General of India.</p>	No Comments Required
2.	<p>Management's Responsibility for the Financial Statements</p> <p>The Corporation's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the preparation of the Act for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>	No Comments Required
3.	<p>Auditor's Responsibility</p> <p>Our responsibility is to express an opinion on these financial statements based on our audit.</p> <p>We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.</p> <p>We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Corporation's Directors, as well as evaluating the overall presentation of the financial statements.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.</p>	No Comments Required

<p>4.</p>	<p>Basis for Qualified Opinion</p> <p>Attention is invited to Note 19 and Para No. 5 (b) of Note-35 in respect of the fraud detected during financial year 2016-17 related to Bank Guarantees (BGs) amounting to ₹17,350 lakhs at three offices (namely Kolkata ₹10,550 lakhs, Salt Lake ₹6,300 lakhs and NTSC Howrah ₹500 lakhs) of the Corporation in West Bengal audited by other Independent Auditor and further to it above mentioned BGs amounting to ₹17,350 lakhs received from United Bank of India (UBI) against advances given to the parties under Raw Material Assistance scheme (RMA) which were invoked, remain unpaid by the bank till date. Management has considered the total outstanding balance of ₹17,057.38 lakhs as good and fully recoverable against these BGs and no provision has been made as the report of Questioned Documents Examination Bureau (QDEB) and Forwarding Report dated 4th August 2017 submitted in the court by Crime Investigation Department (CID) confirm that the BGs held by the Corporation were original. A charge sheet, in the matter, has already been filed by CID West Bengal. The Ministry of MSME (The Administrative Ministry of NSIC) after examination of the status of the case and findings of the QDEB Report, has taken up the matter with the department of Financial Services, Ministry of Finance (The Administrative Ministry of United Bank of India) asking the later to impress upon the bank to honour NSIC's rightful invocation of Bank Guarantees worth ₹17350 lakhs together with accrued interest. Management signified that they are of the firm opinion that the amount is fully recoverable and accordingly considered good. However, looking into the matter which is dependent upon the ultimate findings by the competent agencies and their outcome, independent auditor of above branches expressed their inability to quantify the provision required. We at Head Office level, have no additional documents/information to disagree with the opinion of the branch auditor. Hence, we are also unable to comment on quantum of provision required against outstanding balance of ₹17,057.38 lakhs as at 31st March 2018.</p>	<p>The outstanding dues are backed by the original bank guarantees, as confirmed by the CID in its QDEB Report. Further, the case is being taken up with the Ministry of MSME and Ministry of Finance for early resolution of the matter between NSIC and UBI. Hence, the provisions have not been made in accordance with the policy of the Corporation.</p>
<p>5.</p>	<p>Qualified Opinion</p> <p>In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Corporation as at 31st March 2018, and its profit and its cash flows for the year ended on that date.</p>	<p>No Comments Required</p>

6.	<p>Emphasis of Matter</p> <p>We draw attention to the following matters in the Note - 35 to the financial statements:</p> <p>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.</p> <p>1) Debit Balances (₹ in Lakh)</p> <table border="1"> <thead> <tr> <th>S.No</th> <th>Particulars</th> <th>Total</th> <th>Confirmation not received</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Trade receivables (Marketing & Others)</td> <td>16,122.73</td> <td>823.27</td> </tr> <tr> <td>2</td> <td>Short term loans & Advances (excluding employees and statutory deposits with various tax authorities)</td> <td>2,94,644.81</td> <td>629.82</td> </tr> <tr> <td>3</td> <td>Long term loans & advances (Capital Advances and Security Deposits)</td> <td>1,336.90</td> <td>643.62</td> </tr> </tbody> </table> <p>2) Credit Balances (₹ in Lakh)</p> <table border="1"> <thead> <tr> <th>S.No</th> <th>Particulars</th> <th>Total</th> <th>Confirmation not received</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Trade Payables</td> <td>18,512.24</td> <td>944.74</td> </tr> <tr> <td>2</td> <td>Other Current Liabilities (Security Deposit Payable, EMD, Advance from RMA Buyers, Amount payable for projects, Amount payable to Rating Agencies)</td> <td>5,693.07</td> <td>999.84</td> </tr> <tr> <td>3</td> <td>Other Long-term Liabilities (Security Deposit Payable, EMD)</td> <td>517.78</td> <td>115.39</td> </tr> </tbody> </table> <p>b) Para-5 (a) & para-5(d) of note-35 regarding detection of forged bank guarantees of ₹2,100 lakhs received from the parties under Raw Material Assistance (RMA) scheme by the management. Loans and advances outstanding as on 31st March 2018 of ₹ 1,920.43 lakhs against the forged bank guarantees have been considered as doubtful and 100% provision has been made. The matter was referred to Central Bureau of Investigation (CBI) for further investigation.</p> <p>c) Para -8 regarding ad-hoc provision on account of Performance Related Pay (PRP) for the year 2017-2018 amounting to ₹ 505 lakhs (Previous year ₹549.00 lakhs)</p> <p>d) Para-11 regarding creation of Corpus for medical schemes for the employees retired prior to 1.1.2007 and for the employees retired on or after 1.1.2007</p> <p>e) Para- 12 regarding pay revision of Board level and below Board level and non-unionized supervisors of CPSEs w.e.f. 01.01.2017 which was approved by the Ministry on 3rd May 2018. Current year provision of ₹ 2328.11 lakhs, (Previous year NIL)</p> <p>Our Opinion is not modified in respect of the above matter.</p> <p>Other Matter</p> <p>We did not audit the financial statements/information of 63 (Previous Year 63) Branch Offices & Technical Centers included in the financial statements of the Corporation, whose financial statements / financial information reflect total assets of ₹ 3,42,254.90 lakhs as at 31st March, 2018 (₹ 3,37,934.90 lakhs as at 31st March, 2017) and total revenues of ₹ 2,54,952.15 lakhs (Previous Year ₹ 2,29,676.62 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 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 qualified in respect of this matter.</p>	S.No	Particulars	Total	Confirmation not received	1	Trade receivables (Marketing & Others)	16,122.73	823.27	2	Short term loans & Advances (excluding employees and statutory deposits with various tax authorities)	2,94,644.81	629.82	3	Long term loans & advances (Capital Advances and Security Deposits)	1,336.90	643.62	S.No	Particulars	Total	Confirmation not received	1	Trade Payables	18,512.24	944.74	2	Other Current Liabilities (Security Deposit Payable, EMD, Advance from RMA Buyers, Amount payable for projects, Amount payable to Rating Agencies)	5,693.07	999.84	3	Other Long-term Liabilities (Security Deposit Payable, EMD)	517.78	115.39	<p>The cases of non-confirmation of balances is very negligible, however, observations noted for necessary compliance.</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>
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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

S.No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY															
(i)	<p>(a) The Corporation has maintained proper records showing full particulars including quantitative details and situation of the fixed assets</p> <p>(b) The management during the year has physically verified all the assets and there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Corporation and the nature of its assets. No material discrepancies were noticed on such verification. As regards fixed assets on lease, we have been informed that there has been a system of physical verification in case of default cases & in respect of others; verification is done, if necessary. We have been informed that no serious discrepancy have been noticed on such physical verification.</p> <p>(c) According to the information & explanations given to us and on the basis of our examination of the records of the corporation, the title deeds of the following immovable properties are not held in the name of the corporation: (₹ in Lakh)</p> <table border="1"> <thead> <tr> <th>S.No</th> <th>Particulars of the property</th> <th>Area</th> <th>As at 31/03/2018</th> <th>As at 31/03/2017</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Land at Technical Centre Howrah</td> <td>49.94 acres</td> <td>1.60*</td> <td>1.60*</td> </tr> <tr> <td>2</td> <td>Flats at Branch Office Mumbai</td> <td>3660 sqft.</td> <td>5.87*</td> <td>6.06*</td> </tr> </tbody> </table> <p>*Figures are written down value as on date.</p>	S.No	Particulars of the property	Area	As at 31/03/2018	As at 31/03/2017	1	Land at Technical Centre Howrah	49.94 acres	1.60*	1.60*	2	Flats at Branch Office Mumbai	3660 sqft.	5.87*	6.06*	<p>No Comments Required</p> <p>No Comments Required</p> <p>No Comments Required</p>
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1	Land at Technical Centre Howrah	49.94 acres	1.60*	1.60*													
2	Flats at Branch Office Mumbai	3660 sqft.	5.87*	6.06*													
(ii)	As informed to us, in respect of finished goods, raw materials, store and spare parts, physical verification has been carried out during the year or at the end of year by management. In our opinion, frequency of verification is reasonable. No material discrepancies are noticed on such verification.	No Comments Required															
(iii)	According to the information and explanations given to us, the Corporation has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. Accordingly, the paragraphs 3(iii) (a) and (b) of the order are not applicable.	No Comments Required															
(iv)	In our opinion and according to the information and explanations given to us during the course of audit, the Corporation has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investment of the corporation. Further, the corporation has not granted any loans and has not given any guarantees and security under the provision of section 185 of the companies Act, 2013; thereby the provision of the said section is not applicable to the corporation.	No Comments Required															
(v)	According to the information and explanations given to us, the corporation has not accepted any deposits from the public during the year within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Therefore, the provision of clause 3 (v) of the Order is not applicable to the Corporation.	No Comments Required															
(vi)	As per the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government, under section 148(I) of the Companies Act, 2013, for any product of the Corporation.	No Comments Required															

(vii)	(a)	The Corporation is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of above statutory dues outstanding on 31st March, 2018 for a period of more than 6 months from the date they became payable.	No Comments Required																																																																																																																																										
	(b)	According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Excise Duty, Service Tax, Value added Tax, Cess, which have not been deposited on account of any dispute in various offices, of the Corporation as a whole as on 31st March, 2018, except the followings:	No Comments Required																																																																																																																																										
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(viii)	Based on our Audit procedures and according to the information and explanations given to us, we are of the opinion that the Corporation has not defaulted in repayment of dues to a financial institutions, banks or Government. Corporation has not issued any debentures.	No Comments Required
(ix)	In our opinion and according to the information and explanations given to us, the corporation has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which the loans were obtained.	No Comments Required
(x)	According to the information and explanations given to us, no fraud by the corporation or any fraud on the corporation by its officers or employees has been noticed or reported during the year (except the cases referred to in Para-5 of Note 35 regarding detection of frauds during the financial year 2016-17 related to Bank Guarantees (BGs) amounting to ₹17,350 lakhs (Outstanding advances of ₹17,057.38 lakhs as at 31st March 2017) received from the parties under Raw Material Assistance Scheme which were invoked, remain unpaid by the bank till date. No provision had been made for that. Further, fraud related to detection of forged bank guarantees having outstanding balance of ₹1,920.30 lakhs (net of adjusting amount received in May 2017) against BGs value of ₹2,100 lakhs as on 31st March 2017 had been considered as doubtful and 100% provision was made in the previous year itself. All the matters had also been referred to CBI/CID for further investigations.)	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. 5th 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 TO THE INDEPENDENT AUDITOR'S REPORT
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of
Section 143 of the Companies Act, 2013 ("the Act").

S. No.	COMMENTS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
	We have audited the internal financial controls over financial reporting of THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED ("the Corporation") as of March 31, 2018 in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.	No Comments Required
(i)	<p>Management's Responsibility for Internal Financial Controls</p> <p>The Corporation's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Corporation's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.</p>	No Comments Required
(ii)	<p>Auditors' Responsibility</p> <p>Our responsibility is to express an opinion on the Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.</p> <p>Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Corporation's internal financial controls system over financial reporting.</p>	No Comments Required

(iii)	<p>Meaning of Internal Financial Controls over Financial Reporting</p> <p>A Corporation's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Corporation's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Corporation are being made only in accordance with authorisations of management and directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Corporation 's assets that could have a material effect on the financial statements.</p>	No Comments Required
(iv)	<p>Inherent Limitations of Internal Financial Controls over Financial Reporting</p> <p>Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p>	No Comments Required

(v)	<p>Qualified Opinion</p> <p>According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March 2018</p> <ol style="list-style-type: none"> 1. Attention is invited to Note 19 and Para No. 5 (b) of Note-35 in respect of the fraud detected during financial year 2016-17 related to Bank Guarantees (BGs) at some of the offices of the Corporation in West Bengal and further to it total BGs amounting to ₹17,350 lakhs received from United Bank of India (UBI) against advances given to the parties under Raw Material Assistance scheme (RMA) which were invoked, remain unpaid by the bank till date. Management has considered the total outstanding balance of ₹17,057.38 lakhs as good and fully recoverable against these BGs and no provision has been made as the report of Questioned Documents Examination Bureau (QDEB) and Forwarding Report dated 4th August 2017 submitted in the court by Crime Investigation Department (CID) confirm that the BGs held by the Corporation were original. A charge sheet, in the matter, has already been filed by CID West Bengal. The ministry of MSME (The Administrative Ministry of NSIC) after examination of the status of the case and findings of the QDEB Report, has taken up the matter with the department of Financial Services, Ministry of Finance (The Administrative Ministry of United Bank of India) asking the later to impress upon the bank to honour NSIC's rightful invocation of Bank Guarantees worth ₹17350 Lakhs together with accrued interest. Management signified that they are of the firm opinion that the amount is fully recoverable and accordingly considered good. However, looking into the matter which is dependent upon the ultimate findings by the competent agencies and their outcome, we are unable to comment on quantum of provision required, if any, against outstanding balance of ₹17,057.38 lakhs as at 31st March 2018. 2. Attention is drawn to Para-5 (a) & para-5(d) of Note-35 regarding detection of forged bank guarantees of ₹2,100 lakhs received from the parties under Raw Material Assistance (RMA) scheme by the management. Loans and advances outstanding as on 31st March 2018 of ₹1,920.43 lakhs against the forged bank guarantees have been considered as doubtful and 100% provision has been made. The matter was referred to Central Bureau of Investigation (CBI) for further investigation. 3. The procedure for review of financial statements/accounts of the borrower, inspection of the units, periodical confirmation of balances, renewal of limit sanctioned to the units and review of outstanding balances exceeding 360 days on timely basis under Raw Material Assistance scheme were not effectively implemented/monitored. However, the entire procedure has been reviewed and revised by the management in the light of these weaknesses to ensure that effective steps are in place and the various checks/controls provided, are operating effectively. In our view, the Internal Financial Control are required to be monitored and reviewed periodically. 4. Internal control needs further strengthening in respect of implementation of risk management and systems to ensure continued implementation of Corporation's risk management policy and strategy and documentation thereof, critical review and refresh process on an ongoing basis. Moreover, to avoid any manual intervention in the preparation and reporting of financials, an integrated accounting package needs to be implemented. 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. 	<p>The outstanding dues are backed by the original bank guarantees, as confirmed by the CID in its QDEB Report. Further, the case is being taken up with the Ministry of MSME and Ministry of Finance for early resolution of the matter between NSIC and UBI. Hence, the provisions have not been made in accordance with the policy of the Corporation.</p> <p>No comments required.</p> <p>Observations noted for necessary compliance.</p> <p>Observations noted for necessary compliance</p> <p>Observations noted for necessary compliance</p>
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(vi)	In our opinion, to the best of our information and according to the explanations given to us, <i>except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria</i> , the Corporation has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018 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”.	No Comments Required
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CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members

The National Small Industries Corporation Limited

We have examined the compliance of conditions of Corporate Governance of **The National Small Industries Corporation Limited**, for the year ended 31st March, 2018 as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India.

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

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

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

For Kumar Wadhwa & Company
Company Secretaries

Sd/-

PCS Sanjay Kumar
Managing Partner
M. No.: 9211
C.P. No.: 7027

Place: New Delhi
Date: 8th May, 2018

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE NATIONAL SMALL INDUSTRIES CORPORATION LTD. FOR THE YEAR ENDED 31ST MARCH, 2018

The preparation of financial statements of THE NATIONAL SMALL INDUSTRIES CORPORATION LTD. for the year ended 31 March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 3rd August, 2018.

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 March, 2018 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 auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment 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/-
(Nandana Munshi)
Director General
O/o Principal Director of Commercial Audit
& Ex-officio Member Audit Board-I
New Delhi

Place: New Delhi
Dated: 19th September, 2018

INDEPENDENT AUDITORS' REPORT

To

The Members of The National Small Industries Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **The National Small Industries Corporation Limited ("the Corporation")**, which comprises of the Balance Sheet as at **31st March, 2018**, the Statement of Profit and Loss, the Cash Flow Statement, the Statement of Profit and Loss (Commercial) and the Statement of Income and Expenditure (Promotional) for the year then ended, and a summary of significant accounting policies and other explanatory information of the Corporation, in which are incorporated financial statements of Head Office audited by us and 63 branch offices including technical centers audited by other independent auditors appointed by Comptroller & Auditor General of India.

Management's Responsibility for the Financial Statements

The Corporation's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the preparation of the Act for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are

free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Corporation's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

Attention is invited to Note 19 and Para No. 5 (b) of Note-35 in respect of the fraud detected during financial year 2016-17 related to Bank Guarantees

(BGs) amounting to ₹ 17,350 Lakhs at three offices (namely Kolkata ₹ 10,550 Lakhs, Salt Lake ₹ 6,300 Lakhs and NTSC Howrah ₹ 500 Lakhs) of the Corporation in West Bengal audited by other Independent Auditor and further to it above mentioned BGs amounting to ₹17,350 lakhs received from United Bank of India (UBI) against advances given to the parties under Raw Material Assistance scheme (RMA) which were invoked, remain unpaid by the bank till date. Management has considered the total outstanding balance of ₹17,057.38 lakhs as good and fully recoverable against these BGs and no provision has been made as the report of Questioned Documents Examination Bureau (QDEB) and Forwarding Report dated 4th August 2017 submitted in the court by Crime Investigation Department (CID) confirm that the BGs held by the Corporation were original. A charge sheet, in the matter, has already been filed by CID West Bengal. The Ministry of MSME (The Administrative Ministry of NSIC) after examination of the status of the case and findings of the QDEB Report, has taken up the matter with the department of Financial Services, Ministry of Finance (The Administrative Ministry of United Bank of India) asking the later to impress upon the bank to honour NSIC's rightful invocation of Bank Guarantees worth ₹ 17350 Lakhs together with accrued interest. Management signified that they are of the firm opinion that the amount is fully recoverable and accordingly considered good. However, looking into the matter which is dependent upon the ultimate findings by the competent agencies and their outcome, independent auditor of above branches expressed their inability to quantify the provision required. We at Head Office level, have no additional documents/information to disagree with the opinion of the branch auditor. Hence, we are also unable to comment on quantum of provision required against outstanding balance of ₹17,057.38 lakhs as at 31st March 2018.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

of the state of affairs of the Corporation as at 31st March 2018, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

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

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

1) Debit Balances

(₹ in Lakh)

S. No.	Particular	Total	Confirmation not received
1	Trade receivables (Marketing & Others)	16,122.73	823.27
2	Short term loans & Advances (excluding employees and statutory deposits with various tax authorities)	2,94,644.81	629.82
3	Long term loans & advances (Capital Advances and Security Deposits)	1,336.90	643.62

2) Credit Balances

(₹ in Lakh)

S. No.	Particular	Total	Confirmation not received
1	Trade Payables	18,512.24	944.74
2	Other Current Liabilities (Security Deposit Payable, EMD, Advance from RMA Buyers, Amount payable for projects, Amount payable to Rating Agencies)	5,693.07	999.84
3	Other Long-term Liabilities (Security Deposit Payable, EMD)	517.78	115.39

- (b) Para-5 (a) & para-5(d) of note-35 regarding detection of forged bank guarantees of ₹2,100 lakhs received from the parties under Raw Material Assistance (RMA) scheme by the management. Loans and

advances outstanding as on 31st March 2018 of ₹1,920.43 lakhs against the forged bank guarantees have been considered as doubtful and 100% provision has been made. The matter was referred to Central Bureau of Investigation (CBI) for further investigation.

- (c) Para -8 regarding ad-hoc provision on account of Performance Related Pay (PRP) for the year 2017-2018 amounting to ₹505 lakhs (Previous year ₹549.00 lakhs)
- (d) Para-11 regarding creation of Corpus for medical schemes for the employees retired prior to 1.1.2007 and for the employees retired on or after 1.1.2007
- (e) Para- 12 regarding pay revision of Board level and below Board level and non-unionized supervisors of CPSEs w.e.f. 01.01.2017 which was approved by the Ministry on 3rd May 2018. Current year provision of ₹ 2328.11 lakhs, (Previous year NIL)

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

Other Matter

We did not audit the financial statements/information of 63 (Previous Year 63) Branch Offices & Technical Centers included in the financial statements of the Corporation, whose financial statements / financial information reflect total assets of ₹ 3,42,254.90 lakhs as at 31st March, 2018 (₹ 3,37,934.90 lakhs as at 31st March, 2017) and total revenues of ₹ 2,54,952.15 lakhs (Previous Year ₹ 2,29,676.62 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 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 qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

and with the returns received from the Branches & Technical Centers not visited by us.

- e. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Corporation which is linked with outcome of investigation and the management has been in the process of taking suitable action for redressal of the same since last two year.
- g. In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 164(2) of the Act shall not apply to the Corporation, being a Government of India Enterprise in view of notification [F.No. 1/2/2014-CL-V] dated 5th June 2015 of Ministry of Corporate Affairs.
- h. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Corporation and the operating effectiveness of such

controls, refer to our separate Report in "Annexure B".

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 and 35 to the financial statements;
 - ii. The Corporation did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Corporation.
3. With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India u/s 143(5) of Companies Act, 2013 for the year ended 31st March 2018 on accounts of Head Office audited by us and 63 branch offices & technical centers 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
Firm's Reg. No: 005359C

(CA. Pankaj Kumar)
Partner
M. No: 073291

Place: New Delhi
Date: 3rd August 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in our Report of even date on the Accounts of The National Small Industries Corporation Limited for the year ended on 31st March 2018.

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

(₹ in Lakhs)

S. No.	Particulars of the property	Area	As at 31/03/2018	As at 31/03/2017
1	Land at Technical Centre Howrah	49.94 acres	1.60	1.60
2	Flats at Branch Office Mumbai	3660 sqft.	5.87*	6.06*

*Figures are written down value as on date.

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

- (iii) According to the information and explanations given to us, the Corporation has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. Accordingly, the paragraphs 3(iii) (a) and (b) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us during the course of audit, the Corporation has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investment of the corporation. Further, the corporation has not granted any loans and has not given any guarantees and security under the provision of section 185 of the companies Act, 2013; thereby the provision of the said section is not applicable to the corporation.
- (v) According to the information and explanations given to us, the corporation has not accepted any deposits from the public during the year within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Therefore, the provision of clause 3 (v) of the Order is not applicable to the Corporation.
- (vi) As per the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government, under section 148(I) of the Companies Act, 2013, for any product of the Corporation.
- (vii) (a) The Corporation is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, Cess and any other statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of

above statutory dues outstanding on 31st March, 2018 for a period of more than 6 months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues

of Sales Tax, Income Tax, Customs Duty, Excise Duty, Service Tax, Value added Tax, Cess, which have not been deposited on account of any dispute in various offices, of the Corporation as a whole as on 31st March 2018, 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 Commissioner CT (III), Chennai
6	CST Act, 1956	Central Sales Tax	1.24	2010-11	Appellate Deputy Commissioner CT (III), Chennai
7	CST Act, 1956	Central Sales Tax	0.56	2011-12	Appellate Deputy Commissioner CT (III), Chennai
8	Service Tax	Service Tax	3.29	2009-10	The Commissioner of Service Tax, Chennai
9	Service Tax	Service Tax	1.42	2005-06 to 2009-10	Commissioner of Central excise (Appeals) Madurai
10	Service Tax	Service Tax	12.26	2011-12	appeal against the order is pending before commissioner of central excise
11	Commercial Tax	Commercial Tax	13.96	2012-13 & 2013-14	Joint Commissioner, Commercial Tax, Orissa
12	Sales Tax	VAT	2.58	2012-13	The Dept. of Trade and Taxes , Govt. of NCT of Delhi, Delhi
13	Service Tax	Service Tax	9.56	2014-15	The Commissioner of Service Tax, Kanpur
14	Income Tax Act	Income Tax regular demand	32.93	2012-13	ITAT, New Delhi
15	Income Tax Act	Income Tax regular demand	37.61	2013-14	CIT (Appeals) – IX, New Delhi
16	Income Tax Act	Income Tax regular demand	77.26	2014-15	CIT (Appeals) – IX, New Delhi
17	Income Tax Act	Income Tax Penalty Demand	27.73	2012-13	CIT (Appeals) – IX, New Delhi

18	Income Tax Act	Income Tax Penalty Demand	163.94	2007-08	CIT (Appeals) – IX, New Delhi
19	Sales Tax	Sales Tax	45.04	2012-13 to 2013-14	Joint Commissioner of Sales Tax, Cuttack.
20	Sales Tax	Sales Tax	18.15	2014-15	Joint Commissioner of Sales Tax, Cuttack.
21	Sales Tax	Sales Tax	18.00	2012-13 to 2015-16	Joint Commissioner of Sales Tax, Cuttack Range -1
	Total		550.39		

- (viii) Based on our Audit procedures and according to the information and explanations given to us, we are of the opinion that the Corporation has not defaulted in repayment of dues to a financial institutions, banks or Government. Corporation has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the corporation has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no fraud by the corporation or any fraud on the corporation by its officers or employees has been noticed or reported during the year (except the cases referred to in Para-5 of Note 35 regarding detection of frauds during the financial year 2016-17 related to Bank Guarantees (BGs) amounting to ₹17,350 lakhs (Outstanding advances of ₹17,057.38 lakhs as at 31st March 2017) received from the parties under Raw Material Assistance Scheme which were invoked, remain unpaid by the bank till date. No provision had been made for that. Further, fraud related to detection of forged bank guarantees having outstanding balance of ₹1,920.30 lakhs (net of adjusting amount received in May 2017) against BGs value of ₹2,100 lakhs as on 31st March 2017 had been considered as doubtful and 100% provision was made in the previous year itself. All the matters had also been referred to CBI/CID for further investigations.)
- (xi) In our opinion and according to the information and explanations given to us, Government Companies vide MCA's notification published in Gazette Dt. 5th June 2015, are exempts from the applicability of provisions of section 197 read with Schedule V to the Companies Act regarding managerial remuneration.
- (xii) In our opinion and according to the information and explanations given to us, the 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
Firm's Reg.No:005359c

Place: New Delhi
Date: 03/08/2018

(CA Pankaj Kumar)
Partner
M.No: 073291

Annexure B

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED** (“the Corporation”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Corporation’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Corporation’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit

preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Corporation are being made only in accordance with authorisations of management and directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Corporation 's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March 2018:

1. *Attention is invited to Note 19 and Para No. 5 (b) of Note-35 in respect of the fraud detected during financial year 2016-17 related to Bank Guarantees(BGs) at some of the offices of the Corporation in West Bengal and further to it total BGs amounting to ₹17,350 lakhs received from United Bank of India (UBI) against advances given to the parties under Raw Material Assistance scheme (RMA) which were invoked, remain unpaid by the bank till date. Management has considered the total outstanding balance of ₹17,057.38 lakhs as good and fully recoverable against these BGs and no provision has been made as the report of Questioned Documents Examination Bureau (QDEB) and Forwarding Report dated 4th August 2017 submitted in the court by Crime Investigation Department (CID) confirm that the BGs held by the Corporation*

were original. A charge sheet, in the matter, has already been filed by CID West Bengal. The ministry of MSME (The Administrative Ministry of NSIC) after examination of the status of the case and findings of the QDEB Report, has taken up the matter with the department of Financial Services, Ministry of Finance (The Administrative Ministry of United Bank of India) asking the later to impress upon the bank to honour NSIC's rightful invocation of Bank Guarantees worth ₹ 17350 Lakhs together with accrued interest. Management signified that they are of the firm opinion that the amount is fully recoverable and accordingly considered good. However, looking into the matter which is dependent upon the ultimate findings by the competent agencies and their outcome, we are unable to comment on quantum of provision required, if any, against outstanding balance of ₹17,057.38 lakhs as at 31st March 2018.

2. *Attention is drawn to Para-5 (a) & para-5(d) of Note-35 regarding detection of forged bank guarantees of ₹2,100 lakhs received from the parties under Raw Material Assistance (RMA) scheme by the management. Loans and advances outstanding as on 31st March 2018 of ₹1,920.43 lakhs against the forged bank guarantees have been considered as doubtful and 100% provision has been made. The matter was referred to Central Bureau of Investigation (CBI) for further investigation.*
3. *The procedure for review of financial statements/accounts of the borrower, inspection of the units, periodical confirmation of balances, renewal of limit sanctioned to the units and review of outstanding balances exceeding 360 days on timely basis under Raw Material Assistance scheme were not effectively implemented/monitored. However, the entire procedure has been reviewed and revised by the management in the light of these weaknesses to ensure that effective steps are in place and the various checks/controls provided, are operating effectively.*

In our view, the Internal Financial Control are required to be monitored and reviewed periodically.

4. Internal control needs further strengthening in respect of implementation of risk management and systems to ensure continued implementation of Corporation's risk management policy and strategy and documentation thereof, critical review and refresh process on an ongoing basis. Moreover, to avoid any manual intervention in the preparation and reporting of financials, an integrated accounting package needs to be implemented.
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, 2018, based on "the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Place: New Delhi
Date: 03rd August 2018

(CA. Pankaj Kumar)
Partner
M. No: 073291

Compliance Certificate

We have conducted the audit of accounts maintained at Head Office of The National Small Industries Corporation Limited for the year ended 31st March 2018 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
Firm's Reg. No:005359C

Place: New Delhi
Date: 3rd August 2018

(CA. Pankaj Kumar)
Parther
M.No:073291

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 63 branch offices including technical centres audited by other independent auditors for the year ended 31st March 2018.

S. No.	Information desired	Status																
1.	Whether the company has clear title/ lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for the which title/ lease deeds are not available?	<p>According to the information and explanations given to us and on the basis of our examination of the record of the Corporation, freehold and leasehold land as shown in the books of accounts of Corporation has clear title/lease deeds except in respect of the following cases.</p> <p style="text-align: right;">(₹ in Lakh)</p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Particulars of the property</th> <th>Area</th> <th>As at 31.03.2018</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Land at Technical Centre, Howrah</td> <td>49.94 acres</td> <td>1.60*</td> </tr> <tr> <td>2</td> <td>Flats at Branch Office Mumbai</td> <td>3660.00 sqft.</td> <td>5.87*</td> </tr> </tbody> </table> <p>*Figures are written down values as on date.</p>	S. No.	Particulars of the property	Area	As at 31.03.2018	1	Land at Technical Centre, Howrah	49.94 acres	1.60*	2	Flats at Branch Office Mumbai	3660.00 sqft.	5.87*				
S. No.	Particulars of the property	Area	As at 31.03.2018															
1	Land at Technical Centre, Howrah	49.94 acres	1.60*															
2	Flats at Branch Office Mumbai	3660.00 sqft.	5.87*															
2.	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	<p>The details of the waiver/write off of debts/ loans/ interest is given below along with major reasons thereof:</p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Particulars of the property</th> <th>Amount involved (₹ in Lakh)</th> <th>Major reasons of waiver/ write off</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Head Office</td> <td>NIL</td> <td></td> </tr> <tr> <td>2</td> <td>In 63 branches & technical centres audited by other auditors</td> <td>193.15</td> <td>Bad debts written off & Non-recoverable old outstanding balances.</td> </tr> <tr> <td colspan="2">TOTAL</td> <td>193.15</td> <td></td> </tr> </tbody> </table>	S. No.	Particulars of the property	Amount involved (₹ in Lakh)	Major reasons of waiver/ write off	1	Head Office	NIL		2	In 63 branches & technical centres audited by other auditors	193.15	Bad debts written off & Non-recoverable old outstanding balances.	TOTAL		193.15	
S. No.	Particulars of the property	Amount involved (₹ in Lakh)	Major reasons of waiver/ write off															
1	Head Office	NIL																
2	In 63 branches & technical centres audited by other auditors	193.15	Bad debts written off & Non-recoverable old outstanding balances.															
TOTAL		193.15																
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift (s)/Grant from the Govt. Or other authorities.	<p>As on 31.03.2018, the Corporation has maintained proper records in respect of inventories lying with third parties. Further, there are no inventories lying with third parties pertaining to Head Office. According to the information and explanations given to us and on the basis of our examination of the record of the Corporation, the Corporation has not received any assets as gift/grant(s) from the Govt. or other authorities. However, the Corporation has acquired assets out of the grants during the year for which proper records have been maintained.</p>																

For K P M C & Associates
 Chartered Accountants
 Firm`s Regn. No. 005359C

(CA. Pankaj Kumar)
 Partner
 M.No. 073291

Place: New Delhi
 Date: 03rd August 2018

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

Date: - 03rd August, 2018

Dear Sir,

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

In addition to our report made under section 143 of the Companies Act., 2013 on the financial statements of The National Small Industries Corporation Limited (The Corporation) as of and for the year ended 31st March 2018 and as required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated 29th September 2016 issued by the Reserve Bank of India (RBI), on the basis of such checks, as we considered appropriate and as per the information and explanations given to us, we report on the matters specified in paragraph 3 and 4 of the said direction to the extent applicable to the corporation, as follows:

- 1) In pursuance, of section 45-IA of the Reserve Bank of India Act, 1934, the Company has obtained a certificate of registration from the RBI under Registration Number N-14.03090 dated 29.12.2005 granting the Company to carry on the business of a non-banking financial company;
- 2) The Board of Directors have passed a resolution of 9th December 1998 for non-acceptance of public deposit in future without prior permission from Reserve Bank of India; which has been reconfirmed in the Boards resolution passed on 12th December 2005.
- 3) The Company has not accepted public deposits during year ended 31st March 2018.
- 4) The corporation is entitled to continue to hold Certificate of Registration (COR) in terms of its Principal Business Criteria (Financial asset/income pattern) as on 31st March 2018.
- 5) The corporation is meeting the required net owned fund requirement as laid down in Master Direction-Non-Banking Financial Company-Systematically Important Non-Deposit taking Company (Reserve Bank) Direction, 2016.
- 6) In our opinion and to the best of our information and according to the explanations given to us, the corporation, being a Govt. of India Enterprise has been exempted from compliance of RBI prudential norms relating to NBFCs in view of RBI circular No. DNBR (PD) CC.No.043/03.10.119/2015-16 dated 1st July 2015.
- 7) For the Financial year ended 31st March 2018, the corporation has complied with the Accounting Standards, Income Recognition, Provisioning norms for Doubtful Receivables and Loans and Advances which are as per the prudential norms formulated by the corporation and referred to/as stated in the Significant Accounting Policies.
- 8) In our opinion and to the best of our information and according to the explanations given to us, the Corporation has an internal audit system and has constituted an audit committee in line with the RBI circular No. DNBS (PD) CC.No.12/02.01/99-2000 dated 13th January 2000.

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

For KPMC & Associates
Chartered Accountants
Firm's Registration Number: 005359C

(Pankaj Kumar)
Partner
Membership Number: 073291

Statutory Auditors' Certificate (SAC)

We have examined the books of accounts and other records maintained at Head office of The National Small Industries Corporation Limited for the Financial Year ending March 31, 2018. On the basis of the information submitted to us, we certify the following:

Sl.	Particulars	Details
1.	Name of the company	The National Small Industries Corporation Limited
2.	Certificate of Registration No.	N.14.03090
3.	Registered office Address	NSIC Bhawan, Okhla Industrial Estate, New Delhi – 110020.
4.	Corporate office Address	- Same as above -
5.	The company has been classified by RBI as: (Investment Company / Loan Company / AFC / NBFC-MFI / NBFC- Factor / IFC / IDF- NBFC)	Loan Company
6.	NetOwnedFund (in ₹ Crore) (Calculation of the same is given in the Annex)	835.59
7.	TotalAssets (in ₹ Crore)	Rs. 3502.68
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)	84 % 83 %
9.	Whether the company was holding any Public Deposits, as on March 31, 2018 ? 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 ReserveFund? (In terms of Sec 45-IC of the RBI Act, 1934).	NA - As NSIC is a Government of India Enterprise.
11	Has the company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI?	No
12	If the company is classified as an NBFC- Factor; a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	NA

13	If the company is classified as an NBFC- MFI; % of Qualifying Assets to Net Assets (refer to Notification DNBS.PD.No.234 CGM(US) 2011 dated December 02, 2011)	NA
14	If the company is classified as an AFC; a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets b) % of income generated out of these assets to Total Income	NA
15	If the company is classified as an NBFC- IFC % of Infrastructure Loans to Total Assets	NA
16	Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which Required prior approval from RBI? (Please refer to per DNBR (PD) CC. No.065/03.10.001/2015-16 dated July 09, 2015 on the subject for details)	No

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

For K P M C & Associates

Chartered Accountants

Firm's Reg. No: 005359C

(CA. Pankaj Kumar)

Partner

M. No: 073291

Place: New Delhi

Date: 03rd August 2018

Annexure

S.No.	Capital Funds - Tier I	(₹ In crore)
1.	Paid up Equity Capital	532.99
2.	Pref. shares to be compulsorily converted into equity	
3.	Free Reserves:	
	a. General Reserve	
	b. Share Premium	
	c. Capital Reserves	
	d. Debenture Redemption Reserve	
	e. Capital Redemption Reserve	
	f. Credit Balance in P&L Account	363.93
	g. Other free reserves (may be specified)	
4.	Special Reserves	
	Total of 1 to 4	896.92
5.	Less: i. Accumulated balance of loss	
	ii. Deferred Revenue Expenditure	
	ii. Deferred Tax Assets (Net)	59.31
	iii. Other intangible Assets	2.02
	Owned Fund	835.59
6.	Investment in shares of	
	(i) Companies in the same group	
	(ii) Subsidiaries	
	(iii) Wholly Owned Subsidiaries	
	(iv) Other NBFCs	
7.	Book value of debentures, bonds outstanding loans and advances, bills purchased and is counted (including H.P. and lease finance) made to, and deposits with	
	(i) Companies in the same group	
	(ii) Subsidiaries	
	(iii) Wholly Owned Subsidiaries/Joint Ventures Abroad	
8.	Total of 6 and 7	0
9.	Amount in item 8 in excess of 10% of Owned Fund	0
10.	Net Owned Fund	835.59

SIGNIFICANT ACCOUNTING POLICIES OF THE CORPORATION FOR THE FINANCIAL YEAR 2017-18

Attached to and forming an integral part of Financial Statements for the year ended 31st March, 2018

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2. USE OF ESTIMATES

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

3. INVESTMENTS

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

4. VALUATION OF INVENTORIES

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

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

stores in NSIC technical service centers.

- c) Stock of finished goods pertaining to commercial activities.
- d) Stock of repossessed / seized / surrendered machines under hire purchase (HP) and composite term loan (CTL).
- e) Stock of repossessed / seized / surrendered machines under equipment leasing where assets given on or after 01.04.2001.
- f) Obsolete and unserviceable assets
- g) Land & Building and Sheds, etc in the nature of stock in trade.
- h) Costs incurred in bringing each product to its present location and condition are accounted for as follows:

► 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 predetermined standard rates to direct labour cost. Cost is determined on First-in-first out (FIFO) basis.

► Other inventories: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First-in-first out (FIFO) basis.

► Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(ii) At Cost

Stock of stationery and miscellaneous items. Cost is determined on First-in-first out (FIFO) basis

5. FIXED ASSETS AND CAPITAL WORK-IN-PROGRESS

- (i) Leased assets and seized leased assets out of leased assets acquired up to 31st March'2001: are stated at historical cost, net of accumulated balance of depreciation and lease terminal adjustment.
- (ii) Other than leased assets and seized leased assets out of leased assets: are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets less accumulated depreciation.
- (iii) Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.
- (iv) Projects under commissioning / installations and other capital work-in-progress are carried at cost comprising direct cost, related incidental expenses, interest on borrowings there against and administration & general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use, are identified and allocated on a systematic basis to the cost of related assets.
- (v) Deposit work contracts are accounted for on the basis of statements of account received from the contractors.

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

Depreciation is provided on prorata basis at written down value method as

per the useful life prescribed in part C to schedule II of the Companies Act, 2013.

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

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

7. TRADE RECEIVABLES

- (i) The hirers/lessees are treated as receivables to the extent of hire purchase/lease installments already fallen due. Un-accrued principal amount of defaulted hire purchase accounts / un-accrued principal amount of defaulted lease installments (in respect of assets leased from 01.04.2001) where machines are repossessed / seized / surrendered are also included in the trade receivables.

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

8. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (i) The provisions for doubtful receivables and loans & advances (net of interest suspense account) of financing schemes and of Technical Centers/ STPs have been made as per the norms prescribed by the Board of Directors as annexed herewith.
- (ii) Provisions (if required) on Receivables and Loans & Advances from Central Government / State Governments / Government Institutions / Government Companies and other Central / State Government departments / bodies, is made wherever considered appropriate by the management.
- (iii) No provision for doubtful receivables in respect of 'Receivables' under Export and Marketing Scheme is made to the extent the amount appears under 'Payable' for supplies pertaining to the same transaction under back-to-back arrangement with suppliers.
- (iv) Contingent liabilities are disclosed based on the judgment of the management/independent expert. These are reviewed at each balance

sheet date and are adjusted to reflect the current management estimate. Contingent Assets are neither recognized nor disclosed in the financial statements.

9. FOREIGN EXCHANGE TRANSACTIONS

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

10. REVENUE RECOGNITION

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

(i) Hire Purchase and Leasing

Income is accounted for as under: -

- a) Penal interest, which is considered as doubtful of recovery, is treated as income in the year of its realization.
- b) Excess of sales proceeds of repossessed / seized / surrendered machines over their value as per accounting policy No.4 (d) (in case of hire purchase) and 4 (e) (in case of leasing) as on the date of repossession / seizure / surrender is adjusted against the defaulted hirer's/lessee's account. Any excess over and

above the amount due from the hirer/lessee is treated as income in the year of receipt of sale proceeds.

- c) Where the unit's accounts are frozen, no further interest is being debited to the unit's account.

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

Income is accounted for as under: -

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

(iii) Government Purchase Registration Fee

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

(iv) Infomediary Membership Fee

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

(v) Treatment of Decree Awarded

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

(vi) Dividend Income

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

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

- a) Projects under commissioning / installations are carried at cost comprising direct cost and related incidental expenses incurred till they are ready for their intended use. In case of indirect expenses, the same have been account for under the natural head of account of respective expenditure.
- b) Service charges/ other revenue from turnkey projects/ Service & Consultancy contracts are recognized based on the stage of completion of the activity, as per contract, reached on the balance sheet date.

11. EXPORT SALES

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

12. SAMPLES FOR EXHIBITIONS

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

13. INCOME FROM LEASING

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

- (a) Lease rentals in respect of transactions entered up to 31st March, 2001 is accounted for on

accrual basis, net of the lease equalization charges.

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

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

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

14. GOVERNMENT GRANTS

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

Receipt of grants is recognized as advance from the Government of India and is shown as Amounts Payable to Government of India. Thereafter, the grant to the extent of expenditure incurred, is recognized as income in the Statement of Income & Expenditure. In case of capital grant, the expenditure incurred is reduced from the recognized income by creating capital reserve. In case of approved Promotional activities, expenditure incurred / committed for the year, but grant received in subsequent year, is accounted on accrual basis.

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

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

15. APPROPRIATION OF RECEIPTS

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

16. PREPAID AND PRIOR PERIOD ITEMS

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

17. ALLOCATION OF EXPENSES

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

18. BORROWING COST

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

19. EMPLOYEE BENEFITS

(i) Defined Contribution plan

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

(ii) Defined benefits plan

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

20. IMPAIRMENT OF ASSETS

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

21. RISK FUND

Based on the Corporate Governance guidelines on 'Risk Management' for Central Public Sector Enterprises and the possibility of risk of financial loss to the Corporation due to any reason, a risk fund at 0.40% of the outstanding under the schemes of Raw Material Assistance & Bill Discounting (secured by Bank Guarantee), Trade Receivables-Marketing (from Central & State Government, Government Institutions

/ Companies / Departments / Bodies) and Term Loan (secured by EMD) is created by making appropriation of the profit to mitigate any unforeseen loss arising out of business transactions. The quantum of said fund at the beginning of the year is increased / decreased to commensurate with the increase / decrease in the outstanding under the scheme at the end of each financial year. Interest and service charges earned on the amount of fund at beginning of the year is plough back. The objective of creating risk fund is to meet out any financial loss under these schemes.

22. ACCOUNTING FOR TAXES ON INCOME

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

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

23. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a noncash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular operating, financing and investing activities of the Company are segregated.

Annexure to Accounting Policy-Para 7 & 8(i)

Provisioning Norms for Doubtful Receivables and Loans & Advances

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

1. TRADE RECEIVABLES

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

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

Note: Refer Accounting Policy-Para 7(i) and 7(ii) for Secured and Unsecured Trade Receivables

2. LOANS AND ADVANCES

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

Receivables w.r.t. commercial activities under Loans & Advances are treated as 'Secured' (unless otherwise stated), for which the Corporation holds as 'Security' any of the following -Earnest Money Deposit (EMD), Security Deposit Receipt (SDR),

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

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

(A) Raw Material Assistance and Bill Discounting

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

(B) Term Loan

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

(C) Composite Term Loans

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

- a) The amount of balance outstanding (principal amount in default) as at 31st March.
- b) CGTSI cover available i.e. 75% of "a" above or ₹18.75 lakh, as applicable in each case, whichever is least.
- c) Amount not covered under CGTSI cover (a-b).
- d) On the amount covered under CGTSI as at 'b' above, no provisions have to be made. However, in respect of the amount not covered under CGTSI i.e. at 'c' above and interest receivable on the defaulted amount (net of penal interest suspense account) & other charges, if any, provision @ 100% to be made.

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

D.1 Advances Recoverable in Cash or in Kind

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

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

	b) Advances paid to bulk suppliers (having MOU arrangement with the Corporation) to the extent of advance have already been received from the MSMEs and / or amount paid out of the sanctioned limit under RMA against BG. c) Security Deposits paid by the Corporation and correspondingly the buyer of supplies also provides security to the Corporation. The amounts not covered by above are treated as 'Unsecured'.	NIL
2.	Unsecured advances with outside parties outstanding over one year & are doubtful of recovery.	100%

D.2 Staff Advances

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

BALANCE SHEET AS AT 31.03.2018

(₹ in Lakh)

Particulars	Note No.	As at 31.03.18	As at 31.03.17
I. EQUITY AND LIABILITIES			
Shareholders Fund			
Share Capital	1	53298.80	53298.80
Reserves and Surplus	2	41507.07	29612.56
Money received against Share Warrants		0	0
Share Application Money Pending Allotment	2.1	0	0
Non-Current Liabilities			
Long-Term Borrowings	3	5410.48	4926.51
Deferred Tax Liabilities (Net)	4	0	0
Other Long Term Liabilities	5	517.84	580.61
Long-Term Provisions	6	6730.80	5861.90
Current Liabilities			
Short-Term Borrowings	7	205113.52	221221.88
Trade Payables	8	18512.24	13000.82
Other Current Liabilities	9	15296.70	19337.18
Short-Term Provisions	10	3880.46	5427.27
Total		350267.91	353267.53
II. ASSETS			
Non-Current Assets			
Fixed Assets			
11			
Tangible Assets		10645.98	7597.56
Intangible Assets		202.24	148.11
Capital Work-in-Progress		12756.47	12606.14
Intangible Assets under Development		0	0
Non-Current Investments	12	6.03	7.55
Deferred Tax Assets (Net)	4	5930.94	5447.73
Long-Term Loans and Advances	13	1894.07	2457.66
Other Non-Current Assets	14	57.93	71.08
Current Assets			
Current Investments	15	0	0
Inventories	16	548.15	689.52
Trade Receivables	17	16122.73	12273.42
Cash & Other Bank Balances	18	6051.96	9512.77
Short-Term Loans and Advances	19	295128.12	302284.04
Other Current Assets	20	923.29	171.95
Total		318774.25	324931.70
Other Notes on Accounts	35	350267.91	353267.53

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

As per our report of even date attached.

For KPMC & Associates

Chartered Accountants

Sd/-
Pankaj Kumar
Partner

Membership No. : 073291
Firm Reg. No. : 005359C
Place : New Delhi
Date: : 03.08.2018

For and on behalf of Board of Directors

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

Sd/-
Gaurang Dixit
Chief General Manager (Finance)

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

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.18	For the Year Ended 31.03.17
A Revenue			
Revenue from Operations	21	253581.86	230886.79
[Include Processing Fee/Service Charges earned of ₹5188.98 lakh (₹5493.60 lakh) for value of goods handled and services rendered ₹1992031.24 lakh (₹1829719.92 lakh)]			
Other Income	22	77.19	279.17
Grants and Subsidies	23	5591.24	6457.57
Total Revenue		259250.29	237623.53
B Expenses			
Purchases of Stock-in-Trade	24	204620.17	178236.02
Changes in Inventories	25	119.97	(652.15)
Employee Benefit Expenses	26	13135.64	9817.89
Finance Costs	27	13340.85	19748.00
Depreciation and Amortization Expenses	28	569.18	488.39
Expenses on Corporate Social Responsibility	29	302.95	273.78
Other Expenses	30	12073.50	13202.55
Total Expenses		244162.26	221114.48
Profit before Prior Period Adjustments, Exceptional Items, Extraordinary Items and Tax		15088.03	16509.05
Exceptional Items		(92.83)	(13.93)
Profit before Prior Period Adjustments, Extraordinary Items and Tax		15180.86	16522.98
Tax			
Extraordinary Items		0	0
Profit before Prior Period Adjustments and Tax		15180.86	16522.98
Prior Period Adjustments	31	(24.12)	15.82
Profit before Tax		15204.98	16507.16
Tax Expense	32		
(i). Current Tax		5740.00	6100.00
(ii). Deferred Tax		(483.21)	(219.25)
(iii). Earlier Years		7.53	(13.43)
Total Tax Expense		5264.32	5867.32
Profit (Loss) after Tax for the Period		9940.66	10639.84
Earnings per Equity Share			
Basic	33	18.65	19.96
Contingent Liabilities	34 (i)	828.87	1634.65
Capital Commitments	34 (ii)	5575.87	5414.62
Other Notes on Accounts	35		

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

As per our report of even date attached.

For and on behalf of Board of Directors

For KPMC & Associates

Chartered Accountants

 Sd/-
Pankaj Kumar
 Partner

 Membership No. : 073291
 Firm Reg. No. : 005359C
 Place : New Delhi
 Date: : 03.08.2018

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

 Sd/-
Gaurang Dixit
 Chief General Manager (Finance)

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

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

NOTE - 1 SHARE CAPITAL

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
AUTHORISED		
5,35,00,000 (Previous Year 5,35,00,000) Equity Shares of ₹100 each	53500.00	53500.00
ISSUED, SUBSCRIBED AND PAID UP		
5,32,98,800 (Previous Year 5,32,98,800) Equity Shares of ₹100 each fully paid up.	53298.80	53298.80
As per Balance Sheet	53298.80	53298.80

ANNEXURE - 1A RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

Particulars	Equity Shares (No.)	Preference Shares (No.)
Shares outstanding at the beginning of the year	53298800	0
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 - 1B DETAILS OF SHAREHOLDING OVER 5% SHARE IN CORPORATION

Name of Shareholder	As At 31.03.18 No. of Share Held	As At 31.03.18 % of Holding	As At 31.03.17 No. of Share Held	As At 31.03.17 % of Holding
Government of India	53298800	100	53298800	100

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

Particulars	Aggregate No. of Shares				
	2017-18	2016-17	2015-16	2014-15	2013-14
Equity Shares:					
Fully paid up pursuant to contract(s) without payment being received in cash	0	0	0	0	0
Fully paid up by way of bonus shares	0	0	0	0	0
Shares bought back	0	0	0	0	0
Preference Shares:					
Fully paid up pursuant to contract(s) without payment being received in cash	0	0	0	0	0
Fully paid up by way of bonus shares	0	0	0	0	0
Shares bought back	0	0	0	0	0

ANNEXURE - 1D DETAILS OF CALLS UNPAID

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
Calls Unpaid		
By Directors	0	0
By Officers	0	0

NOTE - 2 RESERVES & SURPLUS

(₹ in Lakh)

Particulars	Deductions during the year				
	As At 01.04.17	Additions/ Created during the Year	Transfer/ Sale/ Adjustment	Depreciation for the Year	As At 31.03.18
CAPITAL RESERVES					
(Reserve representing value of Assets acquired out of grants received from Govt. of India)					
Technical Centre	456.24	0.00	1.29	50.21	404.74
Government Purchase Plan	3.45	0.00	(0.07)	0.00	3.52
Appropriate Technology	2.43	0.00	0.02	0.00	2.40
Modernization - Lock Project	61.92	0.00	0.00	11.36	50.56
Development of North East Region	20.70	0.00	0.00	0.57	20.13
Technology Business Incubator	112.08	0.00	33.82	(21.01)	99.27
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	4.81	0.00	0.49	0.00	4.32
Science & Technology Project	1.06	0.00	0.00	0.06	1.00
Product Design Centre (PRIDE)	11.65	0.00	0.01	0.31	11.33
Technology Business Incubator (IT)	1.02	0.00	(33.53)	33.53	1.02
Laghu Udyog Mart(LUM)	235.76	0.00	0.00	9.52	226.24
Interest Differential Fund on KFW (West Germany) Loans	20.44	0.00	0.00	0.51	19.93
Technology Development of Baking Oven	0.02	0.00	0.00	0.00	0.02
DST - STEP (S & T Project)	45.63	0.08	0.00	5.13	40.58
Testing Fuel Efficient Diesel Engine (TFEDE)	0.36	0.00	0.00	0.00	0.36
Marketing Development Centre	67.59	0.00	0.00	1.53	66.06
Interest Differential Fund on S&T Project	0.65	0.00	0.00	0.00	0.65
Training cum Incubation	344.71	87.39	0.00	60.16	371.95
Assistance for Training to Institutions	0.00	1938.35	0.00	100.99	1837.36
Sub Total	1391.49	2025.82	2.03	252.87	3162.41
OTHER RESERVES					
Capital Replacement Reserve	73.08	0.00	0.00	0.00	73.08
Risk Fund	1561.12	317.54*	0.00	0.00	1878.65
Surplus as per Statement of Profit and Loss	26586.87	9806.06	0.00	0.00	36392.93
As per Balance Sheet	29612.56	12149.42	2.03	252.87	41507.07

ANNEXURE - 2A DETAILS OF APPORTIONMENT OF CURRENT YEAR PROFIT

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Profit for the period	9940.66		10639.84	
Less: Proposed Dividend	0		3126.18	
Less: Tax on Proposed Dividend	0		636.50	
Less: Transfer to Risk Fund	134.60	9806.06	343.69	6533.48

* Includes transfer from Interest Rs 182.94 lakh

NOTE – 2.1 Share Application Money Pending Allotment

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
1.	Terms and conditions	-	-
2.	Number of shares proposed to be issued	-	-
3.	The amount of premium, if any	-	-
4.	The period before which shares are to be allotted	-	-
5.	Whether the company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share applications money	-	-
6.	Interest accrued on amount due for refund	-	-
7.	The period for which the share application money has been pending beyond the period for allotment as mentioned in the share application form along with the reasons for such share application money being pending	-	-

NOTE - 3 LONG TERM BORROWINGS

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Secured				
Bonds/Debentures		0		0
Term Loans from				
Banks		0		0
Others from				
Govt. of India	0		0	
State Govt.	0		0	
Financial Institutions	0		0	
Foreign Financial Institutions	0		0	
Others	0	0	0	0
Deferred Payment Liabilities		0		0
Deposits		0		0
Loans and Advances from Related Parties		0		0
Long Term Maturities of Finance Lease Obligations		0		0
Other Loans and Advances from				
Govt. of India	0		0	
State Govt.	0		0	
Financial Institutions	0		0	
Foreign Financial Institutions	0		0	
Others	0	0	0	0
Sub Total		0		0
Unsecured				
Bonds/Debentures		0		0
Term Loans from				
Banks		0		0
Other Parties from				
Govt. of India	0		0	
State Govt.	0		0	
Financial Institutions	0		0	
Foreign Financial Institutions	5410.48		4926.51	
Others	0	5410.48	0	4926.51
Deferred Payment Liabilities		0		0
Deposits		0		0
Loans and Advances from Related Parties		0		0
Long Term Maturities of Finance Lease Obligations		0		0
Other Loans and Advances from				
Govt. of India	0		0	
State Govt.	0		0	
Financial Institutions	0		0	
Foreign Financial Institutions	0		0	
Others	0	0	0	0
Sub Total		5410.48		4926.51
As per Balance Sheet		5410.48		4926.51

ANNEXURE - 3A DETAILS OF LONG TERM BORROWINGS

(₹ 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 31.03.18	
	31.03.18		31.03.17					Period	Amount
	Due after 12 months from 31.03.18	Due within 12 months from 31.03.18	Due after 12 months from 31.03.17	Due within 12 months from 31.03.17					
Secured	0	0	0	0	---	---	---	---	
Unsecured									
Term Loan from									
Other Parties									
Foreign Financial Institutions									
Kreditanstalt West Germany :									
Xlth LINE OF CREDIT	2417.24	102.21	2181.49	88.50	Half Yearly	---	Guaranteed by Government of India	0.00	
XIth LINE OF CREDIT	2320.85	136.27	2127.53	118.00	Half Yearly	---	Guaranteed by Government of India	0.00	
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA Italy)	672.39	40.75	617.49	35.28	Half Yearly	---	Guaranteed by Government of India	0.00	
Sub Total	5410.48	279.23	4926.51	241.78					
Total	5410.48	279.23	4926.51	241.78					

Annexure - 3B - Other Details of Long Term Borrowings

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 31/03/18 (in Euro)	3100474.01	3023780.15	877612.19
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 31.03.2018 in Euro	496346.32	517403.06	73845.81
Hedging	-	-	-

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

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
Deferred Tax Liabilities	(828.50)	(729.06)
Deferred Tax Assets	6759.44	6176.79
As per Balance Sheet	5930.94	5447.73

*For detail refer Sl. No. 7 of Note-35

NOTE - 5 OTHER LONG TERM LIABILITIES

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
Security Deposit Payable	517.68	564.30
Income Received in Advance	0.06	3.54
Earnest Money Deposits (EMD)	0.10	12.77
As per Balance Sheet	517.84	580.61

NOTE - 6 LONG TERM PROVISIONS

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Provisions for Employee Benefits				
For Gratuity	4105.28		3422.52	
For Leave Encashment	2245.63		2074.16	
For Leave Travel Concession	0.24		0.46	
For Half Pay Leave	376.43		361.42	
For Pension	0.00		0.00	
For TA on Retirement	3.22	6730.80	3.34	5861.90
Others				
For Exchange Variation				
Balance as per last Balance Sheet	0.00		0.00	
Add: Provision made during the Year	0.00		0.00	
Less: Utilised for Exchange Variation Losses	0.00		0.00	
Less: Amount written back	0.00	0.00	0.00	0.00
For Promotional Activity (KFW)				
Balance as per last Balance Sheet	0.00		0.00	
Add: Provision made during the Year	56.63		55.86	
Less: Amount written back	56.63	0.00	55.86	0.00
As per Balance Sheet		6730.80		5861.90

NOTE - 7 SHORT TERM BORROWINGS

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Secured				
Loans Repayable on Demand from				
Banks				
Working Capital Loan	205112.18		115612.77	
Cash Credit	1.34		0.84	
Overdraft	0.00		5608.27	
Term Loan	0.00	205113.52	0.00	121221.88
Other Parties		0.00		0.00
Loans and Advances from Related Parties		0.00		0.00
Deposits		0.00		0.00
Other Loans and Advances		0.00		0.00
Sub Total		205113.52		121221.88
Unsecured				
Loans Repayable on Demand from				
Banks				
Working Capital Loan	0.00		0.00	
Cash Credit	0.00		0.00	
Overdraft	0.00		0.00	
Term Loan	0.00	0.00	0.00	0.00
Other Parties		0.00		0.00
Loans and Advances from Related Parties		0.00		0.00
Deposits		0.00		0.00
Other Loans and Advances		0.00		100000.00
Sub Total		0.00		100000.00
As per Balance Sheet		205113.52		221221.88

ANNEXURE - 7A DETAILS OF SHORT TERM BORROWINGS

(₹ in lakh)

Particulars	Amount Outstanding as on 31.03.18	Amount Outstanding as on 31.03.17	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31/03/18	
					Period	Amount
Secured						
Loans Repayable on Demand from		--		--		
Banks		--		--		
Working Capital Loans		--		--		
The Hongkong & Shanghai Banking Corp. Ltd.	73000.00	70000.00	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.	--		0
State Bank of India	120107.18	37312.77	Secured against equitable mortgage of property measuring 47 bigha & 67 biswa situated at Okhla Indl Estate, New Delhi and pari passu charge on book debts/current assets.	Nil		0
BNP Paribas	0	0	Pari passu charge on loan receivables	Nil		0
HDFC WC DL	12005.00	5300.00	Pari passu charge on book debts	Nil		0
China Trust Banking Corporation Ltd STL	0	3000.00	Pari passu charge on book debts	Nil		0
Cash Credit	205112.18	115612.77				0
Punjab National Bank	0	0	Secured against equitable mortgage of land & building at Okhla Indl Estate, New Delhi & pari passu charge over receivables in the form of loans & advances, book debts, bills discounted and all the current assets pertaining to marketing activities	--		0

Particulars	Amount Outstanding as on 31.03.18	Amount Outstanding as on 31.03.17	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31/03/18	
					Period	Amount
Vijaya Bank	1.34	0.84	Secured against registered mortgage of property situated at Okhla Industrial Estate, New Delhi and pari passu charge on book debts/current assets.	Nil		0
State Bank of India	0	0	Secured against equitable mortgage of property measuring 47 bigha & 67 biswa situated at Okhla Indl Estate, New Delhi and pari passu charge on book debts/current assets.	Nil		0
Overdraft	1.34	0.84				0
The Hongkong & Shanghai Banking Corp. Ltd.	0	5608.27	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
CTBC Bank-Overdraft	0	0	Secured by way of hypothecation of account receivables/book debts of Raw Material Assistance and Other Current Assets	Nil		0
Term Loan	0	5608.27				0
Other Parties	0	0		Nil		0
Loans and Advances from Related Parties	0	0		Nil		0
Deposits	0	0		Nil		0
Other Loans and Advances	0	0		Nil		0
Sub Total	205113.52	121221.88		--		0

Particulars	Amount Outstanding as on 31.03.18	Amount Outstanding as on 31.03.17	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31/03/18	
					Period	Amount
Unsecured						
Loans Repayable on Demand from		--		--		
Banks		--		--		
Working Capital Loans		--		--		
Cash Credit		--		--		
Overdraft		--		--		
Term Loan		--		--		
Other Parties		--		--		
Loans and Advances from Related Parties		--		--		
Deposits		--		--		
Other Loans and Advances		--		--		
Commercial Paper	0	100000.00				0
Sub Total	0	100000.00		--		0
Total	205113.52	221221.88		--		0

NOTE - 8 TRADE PAYABLES

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Trade Payables				
Due to MSME Units	0.00		0.00	
Due to Others	18512.24	18512.24	13000.82	13000.82
Due to Related Parties		0.00		0.00
Others		0.00		0.00
As per Balance Sheet		18512.24		13000.82

NOTE - 9 OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Current Maturities of Long-Term Debt		279.23		241.78
Current Maturities of Long Term Provisions		1070.82		598.47
Amounts Payable to Government of India against Surplus in Grants		0.00		2738.77
Interest Accrued But Not Due on Borrowings / CSD		10.05		16.02
Family Pension and Provident Fund Payable		119.29		118.40
Other Payables-Employees		1197.19		1282.79
Other Payables-Taxes		468.49		561.30
Other Payables		2505.21		2083.35
Securities Deposit Payable		582.44		625.27
Income Received in Advance		2338.27		2319.59
Earnest Money Deposit (EMD)		66.82		180.35
Balance Due to Trade Receivables		157.98		44.10
Discount Payable		1218.29		1442.46
Payable to RM Suppliers		238.81		99.76
Advance from RMA Buyers		3890.42		3471.34
Payable for Projects		443.41		1470.89
Payable to Rating Agencies		709.98		2042.54
As per Balance Sheet		15296.70		19337.18

NOTE - 10 SHORT TERM PROVISIONS

Particulars	(₹ in lakh)			
	As At 31.03.18		As At 31.03.17	
Provisions for Employee Benefits				
For Pay Revision	2328.11	2328.11	0.00	0.00
Others				
For Doubtful Debts & Advances	11165.91		11386.47	
Less: Adjustment as per contra against Trade Receivables, Loans & Advances, etc.	11165.91	0.00	11386.47	0.00
For Proposed Dividend	0.00		3126.18	
For Tax on Proposed Dividend	0.00	0.00	636.50	3762.68
For Exchange Variation				
Balance as per last Balance Sheet	1664.59		1441.16	
Add: Provision made during the Year	465.70		456.14	
Less: Utilised for Exchange Variation Losses	577.94		0.00	
Less: Amount written back	0.00	1552.35	232.70	1664.59
As per Balance Sheet		3880.46		5427.27

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

Particulars	(₹ in lakh)			
	Opening Balance	Additions during the Year	Utilizations/ Reversals/ Adjustments	Closing Balance
For Pay Revision	0.00	2328.11	0.00	2328.11
For Doubtful Debts & Advances	0.00	(220.56)	(220.56)	0.00
For Proposed Dividend	3126.18	0.00	3126.18	0.00
For Tax on Proposed Dividend	636.50	0.00	636.50	0.00
For Exchange Variation	1664.59	465.70	577.94	1552.35
Total	5427.27	2573.24	4120.06	3880.46

Note: In compliance with provisions of AS-29

NOTE - 11 FIXED ASSETS

(₹ in lakh)

Particulars	GROSS BLOCK						ACCUMULATED DEPRECIATION				LTA		NET BLOCK		
	As At 01/04/17	Additions	Sale	Acquired through Business Combination	Revaluation/ (Impairment)	Inter Unit Transfer / Inter Group Adjustment	Cost As At 31/03/18	As At 01/04/17	Depreciation Charge for the Year	Adjustment including Impairment	Inter Unit Transfer / Inter Group Adjustment	As At 31/03/18	As At 31/03/17	As At 31/03/18	As At 31/03/17
TANGIBLE ASSETS															
1. OWN ASSETS															
Building	4743.14	136.61	1.90	0.00	0.00	0.00	4877.85	853.53	98.91	0.00	0.00	952.44	0.00	3925.41	3889.61
Furniture & Fittings	477.73	57.72	11.51	0.00	0.00	0.00	523.94	280.87	32.21	10.43	0.00	282.65	0.00	241.29	216.86
Land	30.83	0.00	0.00	0.00	0.00	0.00	30.83	3.13	0.35	0.00	0.00	3.48	0.00	27.35	27.70
Office Equipments	820.00	78.35	77.85	0.00	0.00	0.15	820.35	635.04	78.64	73.55	0.00	640.12	0.00	180.23	184.96
Vehicle	115.59	0.00	0.01	0.00	0.00	0.00	115.58	62.78	9.17	0.01	0.00	71.94	0.00	43.64	52.82
Plant & Equipment	914.69	379.01	2.33	0.00	0.00	-913.61	2204.98	499.47	102.21	2.21	0.00	599.47	0.00	1605.51	415.22
Total	7101.98	651.69	93.60	0.00	0.00	-913.46	8573.53	2314.82	321.49	86.20	0.00	2550.10	0.00	6023.43	4787.17
2. LEASED ASSETS															
Plant & Equipments	135.68	0.00	0.00	0.00	0.00	0.00	135.68	121.51	0.00	0.02	-44.77	76.72	58.91	14.12	0.05
3. SEIZED LEASE ASSETS															
Plant & Equipments	67.63	0.00	0.00	0.00	0.00	0.00	67.63	116.07	0.00	4.59	0.00	111.48	-44.76	0.91	0.91
4. ASSETS ACQUIRED OUT OF GOVT. GRANTS															
Land	23.04	0.00	0.00	0.00	0.00	0.00	23.04	4.95	0.14	0.00	0.00	5.09	0.00	17.95	18.09
Building	879.85	0.00	0.00	0.00	0.00	0.00	879.85	408.67	14.63	0.00	0.00	423.30	0.00	456.55	471.18
Furniture & Fittings	92.09	37.25	2.86	0.00	0.00	0.00	126.68	60.67	4.70	2.53	0.00	62.84	0.00	63.84	31.42
Office Equipments	565.21	188.50	1.11	0.00	0.00	0.00	752.60	453.62	66.68	1.05	0.00	519.25	0.00	233.35	111.59
Vehicle	11.91	0.00	0.75	0.00	0.00	0.00	11.16	11.38	0.00	0.71	0.00	10.67	0.00	0.49	0.53
Plant & Equipment	2005.11	1648.15	25.99	0.00	0.00	0.00	3627.27	1255.67	157.87	24.18	0.00	1389.36	0.00	2237.91	749.44
Total	3577.21	1873.90	30.51	0.00	0.00	0.00	5420.60	2194.96	244.02	28.47	0.00	2410.51	0.00	3010.09	1382.25
5. ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES															
Building	674.60	244.28	0.00	0.00	0.00	0.00	918.88	33.45	33.35	0.00	0.00	66.80	0.00	852.08	641.15
Furniture & Fittings	112.67	21.29	1.77	0.00	0.00	0.00	132.19	35.84	10.36	1.49	0.00	44.71	0.00	87.48	76.83
Office Equipments	510.71	46.58	-3.50	0.00	0.00	-0.15	560.94	323.05	93.80	-3.80	0.00	420.66	0.00	140.28	187.66
Plant & Equipments	632.23	60.48	0.98	0.00	0.00	0.00	691.73	110.69	50.05	0.67	0.00	160.07	0.00	531.66	521.54
TOTAL	1930.21	372.63	-0.75	0.00	0.00	-0.15	2303.74	503.03	187.56	-1.64	0.00	692.24	0.00	1611.50	1427.18
SUB TOTAL- TANGIBLE ASSETS	12812.71	2898.22	123.36	0.00	0.00	-913.61	16501.18	5250.39	753.07	117.64	-44.77	5841.05	14.15	10645.98	7597.56
PREVIOUS YEAR	11687.02	1200.41	97.74	0.00	0.00	-23.02	12812.71	4757.18	585.49	92.64	0.00	5250.39	-35.24	7597.56	6964.68
INTANGIBLE ASSETS															
01. OWN ASSETS															
Computer Software	96.74	35.07	2.29	0.00	0.00	0.00	129.52	63.49	18.63	2.29	0.00	79.83	0.00	49.69	33.25
02. ASSETS ACQUIRED OUT OF GOVT. GRANT															
Computer Software	12.34	45.69	0.00	0.00	0.00	0.00	58.03	3.10	8.85	0.00	0.00	11.95	0.00	46.08	9.24
03. ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES															
Computer Software	199.26	42.35	0.00	0.00	0.00	0.00	241.61	93.64	41.50	0.00	0.00	135.14	0.00	106.47	105.62
SUB TOTAL- INTANGIBLE ASSETS	308.34	123.11	2.29	0.00	0.00	0.00	429.16	160.23	68.98	2.29	0.00	226.92	0.00	202.24	148.11
PREVIOUS YEAR	269.50	40.04	0.00	0.00	0.00	1.20	308.34	106.51	54.08	0.00	0.00	160.23	0.00	148.11	162.99

NOTE - 11 FIXED ASSETS

(₹ in lakh)

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION					LTA		NET BLOCK			
	As At 01/04/17	Additions	Sale	Acquired through Business Combination	Revaluation/ (Impairment)	Inter Unit Transfer / Inter Group Adjustment	Cost As At 31/03/18	As At 01/04/17	Depreciation Charge for the Year	Sales	Adjustment including Impairment	Inter Unit Transfer / Inter Group Adjustment	As At 31/03/18	As At 31/03/17	As At 31/03/18	As At 31/03/17
01. CAPITAL WORK IN PROGRESS (CWIP)																
Capital Work In Progress (Cwip)	12606.14	957.70	0.00	0.00	0.00	913.61	12650.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12650.24	12606.14
PREVIOUS YEAR	10046.03	2581.93	0.00	0.00	0.00	21.82	12606.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12606.14	10046.03
Cwip Acquired Out Of Govt. Grants	0.00	106.23	0.00	0.00	0.00	0.00	106.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	106.23	0.00
PREVIOUS YEAR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUB TOTAL- CAPITAL WORK IN PROGRESS	12606.14	1063.93	0.00	0.00	0.00	913.61	12756.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12756.47	12606.14
PREVIOUS YEAR	10046.03	2581.93	0.00	0.00	0.00	21.82	12606.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12606.14	10046.03
GRAND TOTAL	25727.19	4085.26	125.65	0.00	0.00	0.00	29686.81	5410.62	822.05	119.93	-44.77	0.00	6067.97	14.15	23604.69	20351.81
PREVIOUS YEAR	22002.55	3822.38	97.74	0.00	0.00	0.00	25727.19	4863.69	639.57	92.64	0.00	5410.62	-35.24	-34.86	20351.81	17173.70

NOTE - 12 NON-CURRENT INVESTMENTS

Particulars	(₹ in Lakh)	
	As At 31.03.18	As At 31.03.17
Trade Investments		
Investments in Properties	0.00	0.00
Investments in Equity Instruments	0.00	0.00
Investments in Preference Shares	0.00	0.00
Investments in Government or Trust Securities	0.00	0.00
Investments in Debentures or Bonds	0.00	0.00
Investments in Mutual Funds	0.00	0.00
Investments in Partnership Firms	0.00	0.00
Other Non-Current Investments	0.00	0.00
Sub Total	0.00	0.00
Other Investments		
Investments in Properties	0.00	0.00
Investments in Equity Instruments	21.03	22.55
Investments in Preference Shares	0.00	0.00
Investments in Government or Trust Securities	0.00	0.00
Investments in Debentures or Bonds	0.00	0.00
Investments in Mutual Funds	0.00	0.00
Investments in Partnership Firms	0.00	0.00
Other Non-Current Investments	0.00	0.00
Sub Total	21.03	22.55
Total	21.03	22.55
Less : Provision for Diminution in the Value of Non Current Investments	15.00	15.00
As per Balance Sheet	6.03	7.55

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

Particulars	(₹ in Lakh)	
	As At 31.03.18	As At 31.03.17
Aggregate amount of Quoted Investments (Market value of ₹ 235.68 lakh (Previous Year ₹ 235.34 lakh)	6.03	7.55
Aggregate amount of Unquoted Investments	15.00	15.00

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

Particulars	(₹ in Lakh)	
	As At 31.03.18	As At 31.03.17
4,70,230 (after sub-division by M/s Singer India Ltd. at ₹2/- each fully paid - [94,046 shares of ₹10/- each before sub-division] (Prev. Year 1,17,700 Equity Shares of M/s Singer India Ltd. of ₹10/- each fully paid 1.095% holding). (Market Value ₹235.68 lakh @ ₹50.12 per share (BSE) (Market Value ₹235.34 lakh @ ₹199.95 per share in previous year)	6.03	7.55
1,00,000 Equity Shares of ₹10 each fully paid-up in M/s Small Industries Product Promoted Organisation Ltd. (SIPPO) (12.06% holding) (Unquoted)	10.00	10.00
50,000 Equity Shares of ₹10 each fully paid-up in M/s Small Industries Products Marketing Organisation Ltd. (SIPMO) (N.A.% holding)(Unquoted)	5.00	5.00
Sub Total	21.03	22.55
Less: Provision for Diminution in the Value of Investments	15.00	15.00
TOTAL	6.03	7.55

NOTE - 13 LONG TERM LOANS & ADVANCES

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
Capital Advances	1068.59	1069.01
Security Deposits	268.31	736.81
Loans and Advances to Employees	11.42	17.50
Other Loans and Advances	82.55	221.95
Loans and Advances to Related Parties	0.00	0.00
Deposits/Balances with Excise /Sales Tax Authorities	32.83	10.05
Income Tax Recoverable	430.37	402.34
As per Balance Sheet	1894.07	2457.66

ANNEXURE - 13A DETAILS OF LONG TERM LOANS & ADVANCES

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
Capital Advances		
With RITES	392.03	362.97
Add: Interest Accrued on Capital Advance	0.00	0.00
With CPWD	224.17	253.65
Add: Interest Accrued on Capital Advance	0.00	0.00
With NBCC	452.39	452.39
Add: Interest Accrued on Capital Advance	0.00	0.00
Total	1068.59	1069.01
Security Deposits		
Secured Considered Good	88.78	1.88
Unsecured Considered Good	179.53	734.93
Considered Doubtful	0.05	0.05
	268.36	736.86
Less Additional/Normal Interest Suspense	0.00	0.00
	268.36	736.86
Less: Provision for Doubtful Deposits as per Contra	0.05	0.05
Total	268.31	736.81
Loans and Advances to Employees		
Secured Considered Good	11.37	17.27
Unsecured Considered Good	0.05	0.23
Considered Doubtful	0.00	0.00
	11.42	17.50
Less Additional/Normal Interest Suspense	0.00	0.00
	11.42	17.50
Less: Cheques sent for Collection	0.00	0.00
Less: Provision for Doubtful Loans and Advances as per Contra	0.00	0.00
Total	11.42	17.50
Other Loans and Advances		
Composite Term Loan		
Secured Considered Good	69.14	72.70
Unsecured Considered Good	0.00	0.00
Considered Doubtful (Incl Intt. Suspense Contra)	207.79	221.02
	276.93	293.72
Less Additional/Normal Interest Suspense	56.89	63.28
	220.04	230.43
Less: Cheques sent for Collection	0.00	0.00
Less: Provision for Doubtful Loans and Advances as per Contra	150.91	157.74
	69.13	72.70

ANNEXURE - 13A DETAILS OF LONG TERM LOANS & ADVANCES

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17		
Term Loan				
Secured Considered Good	10.09	10.09		
Unsecured Considered Good	0.00	0.00		
Considered Doubtful (Incl Intt. Suspense Contra)	5.35	5.35		
	<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: Provision for Doubtful Loans and Advances as per Contra	1.10	1.10	10.09	10.09
Advance Recoverable in Cash or in Kind or for value to be received				
Secured Considered Good	3.30	20.72		
Unsecured Considered Good	0.03	118.44		
Considered Doubtful	103.32	15.29		
	<u>106.65</u>	<u>154.45</u>		
Less: Additional / Normal Interest Suspense	0.00	0.00		
	<u>106.65</u>	<u>154.45</u>		
Less: Cheques sent for Collection	0.00	0.00		
Less: Provision for Doubtful Loans and Advances as per Contra	103.32	15.29	3.33	139.16
Total	82.55	221.95		
Loans and Advances to Related Parties				
Secured Considered Good	0.00	0.00		
Unsecured Considered Good	0.00	0.00		
Considered Doubtful	0.00	0.00		
	<u>0.00</u>	<u>0.00</u>		
Less: Provision for Doubtful Loans and Advances as per Contra	0.00	0.00		
Total	0.00	0.00		

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

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
Directors*	0	0
Other Officers of the Company*	11.42	17.50
Firm in which Director is a Partner*	0	0
Private company in which Director is a member	0	0
Total	0	0

[*] Either severally or jointly.

NOTE - 14 OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Long Term Trade Receivables (Including Trade Receivables on Deferred Credit Terms)				
Secured Considered Good	0.00		0.00	
Unsecured Considered Good	0.00		0.00	
Considered Doubtful	0.00		0.00	
	<u>0.00</u>		<u>0.00</u>	
Less: Provision for Doubtful Dues as per Contra	0.00	0.00	0.00	0.00
Others		57.93		71.08
Debts due by Related Parties				
Secured Considered Good	0.00		0.00	
Unsecured Considered Good	0.00		0.00	
Considered Doubtful	0.00		0.00	
	<u>0.00</u>		<u>0.00</u>	
Less: Provision for Doubtful Dues as per Contra	0.00	0.00	0.00	0.00
As per Balance Sheet		57.93		71.08

ANNEXURE - 14A DETAILS OF OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Interest Accrued but not Due				
On Fixed/Short Term Deposits	0.00		0.00	
On Others	57.93	57.93	71.08	71.08
Total		57.93		71.08

NOTE - 15 CURRENT INVESTMENTS

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
Investments in Properties	0.00	0.00
Investments in Equity Instruments	0.00	0.00
Investments in Preference Shares	0.00	0.00
Investments in Government or Trust Securities	0.00	0.00
Investments in Debentures or Bonds	0.00	0.00
Investments in Mutual Funds	0.00	0.00
Investments in Partnership Firms	0.00	0.00
Other Current Investments	0.00	0.00
Total	0.00	0.00
Less: Provision for Diminution in the value of Current Investments	0.00	0.00
As per Balance Sheet	0.00	0.00

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

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
Aggregate amount of Quoted Investments (Market value of ₹N/A (Previous Year ₹ N/A)	0.00	0.00
Aggregate amount of Unquoted Investments (Previous Year ₹N/A)	0.00	0.00

NOTE - 16 INVENTORIES

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
Raw Materials and Components	1.02	2.60
Work-In-Process	0	0
Finished Goods	2.16	13.58
Stock-In-Trade	0	0
Stores and Spares	9.93	7.55
Loose Tools and Measuring Instruments	6.02	5.41
Patterns and Moulds	0	0
Land & Building in Stock, Industrial Estate, Naini	19.65	19.65
Goods-In-Transit	509.43	649.27
Sub Total	548.21	698.06
Less: Provision for Obsolete Stock	0.06	8.54
As per Balance Sheet	548.15	689.52

NOTE - 17 TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Trade Receivables Outstanding for a period exceeding six months from the date they are due for payment				
Secured Considered Good	7556.74		5661.39	
Unsecured Considered Good	35.02		88.73	
Considered Doubtful (Incl P.I. Suspense Contra)	1706.18		1797.94	
	9297.94		7548.06	
Less: Seized Leased Suspense	74.75		74.75	
Less: Penal Interest Suspense	517.06		544.70	
	8706.13		6928.61	
Less: Cheques sent for Collection	0.00		0.00	
Less: Provision for Doubtful Debts as per Contra	1114.37	7591.76	1178.49	5750.12
Trade Receivables Outstanding for a period less than six months from the date they are due for payment				
Secured considered Good	8417.01		6468.50	
Unsecured considered Good	114.01		54.95	
Considered Doubtful (Incl P.I. Suspense Contra)	7.32		7.32	
	8538.34		6530.77	
Less: Seized Leased Suspense	0.00		0.00	
Less: Penal Interest Suspense	7.32		7.32	
	8531.02		6523.45	
Less: Cheques sent for Collection	0.05		0.15	
Less: Provision for Doubtful Debts as per Contra	0.00	8530.97	0.00	6523.30
As per Balance Sheet		16122.73		12273.42

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

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Directors*	0		0	
Other Officers of the Company*	0		0	
Firm in which directors is a partner*	0		0	
Private Company in which director is a member	0		0	
Total	0		0	

[*] Either severally or jointly.

ANNEXURE - 17B DETAILS OF TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
TRADE RECEIVABLES - HIRE PURCHASE				
Trade Receivables Outstanding for a period exceeding six month from the date they are due for payment				
Secured Considered Good	0		0	
Unsecured Considered Good	0		0	
Considered Doubtful (Incl P.I. Suspense Contra)	923.72		1044.70	
	923.72		1044.70	
Less: Penal Interest Suspense	285.83		322.87	
	637.89		721.83	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Debts as per Contra	637.89	0.00	721.83	0
Trade Receivables Outstanding for a period less than six months from the date they are due for payment				
Secured Considered Good	0		0	
Unsecured Considered Good	0		0	
Considered Doubtful (Incl P.I. Suspense Contra)	0		0	
	0		0	
Less: Penal Interest Suspense	0		0	
	0		0	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Debts as per Contra	0	0	0	0
Sub Total		0		0
TRADE RECEIVABLES - LEASING				
Trade Receivables Outstanding for a period exceeding six month from the date they are due for payment				
Secured Considered Good	0		0	
Unsecured Considered Good	0		0	
Considered Doubtful (Incl P.I. Suspense & Seized Leased Suspense Contra)	238.65		257.57	
	238.65		257.57	
Less: Seized Lease Suspense	74.75		74.75	
Less: Penal Interest Suspense	67.13		72.22	
	96.77		110.60	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Debts as per Contra	96.77	0	110.60	0
Trade Receivables Outstanding for a period less than six months from the date they are due for payment				
Secured Considered Good	0		0	
Unsecured Considered Good	0		0	
Considered Doubtful	0		0	
	0		0	
Less: Seized Lease Suspense	0		0	
Less: Penal Interest Suspense	0		0	
	0		0	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Debts as per Contra	0	0	0	0
Sub Total		0		0

ANNEXURE - 17B DETAILS OF TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
TRADE RECEIVABLES - MARKETING				
Trade Receivables Outstanding for a period exceeding six month from the date they are due for payment				
Secured Considered Good	7383.60		5568.80	
Unsecured Considered Good	35.02		88.73	
Considered Doubtful	305.42		265.49	
	7724.04		5923.02	
Less: Penal Interest Suspense	0		0	
	7724.04		5923.02	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Debts as per Contra	305.42	7418.62	265.49	5657.53
Trade Receivables Outstanding for a period less than six months from the date they are due for payment				
Secured Considered Good	8291.32		6328.63	
Unsecured Considered Good	75.63		30.94	
Considered Doubtful	0		0	
	8366.95		6359.57	
Less: Penal Interest Suspense	0		0	
	8366.95		6359.57	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Debts as per Contra	0	8366.95	0	6359.57
Sub Total		15785.57		12017.10
TRADE RECEIVABLES - OTHERS				
Trade Receivables Outstanding for a period exceeding six month from the date they are due for payment				
Secured Considered Good	173.14		92.59	
Unsecured Considered Good	0		0	
Considered Doubtful (Incl P.I. Suspense/Receivable Contra)	238.39		230.18	
	411.53		322.77	
Less: Penal Interest Suspense	164.10		149.61	
	247.43		173.16	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Debts as per Contra	74.29	173.14	80.57	92.59
Trade Receivables Outstanding for a period less than six months from the date they are due for payment				
Secured Considered Good	125.69		139.87	
Unsecured Considered Good	38.38		24.01	
Considered Doubtful (Incl P.I. Suspense/Receivable Contra)	7.32		7.32	
	171.39		171.20	
Less: Penal Interest Suspense	7.32		7.32	
	164.07		163.88	
Less: Cheques sent for Collection	0.05		0.15	
Less: Provision for Doubtful Debts as per Contra	0	164.02	0	163.73
Sub Total		337.16		256.32
Total		16122.73		12273.42

NOTE - 18 CASH AND OTHER BANK BALANCES

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
(i) Cash & Cash Equivalents		
Balances with Banks		
In Current Accounts	3694.53	4388.30
In Deposit Accounts	0	0
In Fixed Deposits-Maturing over 12 Months	0	0
In Fixed Deposits-Maturing upto 3 Months	1895.22	4950.88
In Fixed Deposits-Maturing more than 3 Months & upto 12 Months	0	0
In Fixed Deposits-As Security with Govt. Authorities	0	0
In Fixed Deposits-Maturing within 12 Months	0	0
Cheques, Draft-on-hand	0.05	0
Cash-on-hand	0.24*	0.74
Imprest with Employees	0.00	0
Stamps-on-hand	0.11	0.15
Remittance in Transit	444.90	158.09
Balance in Post Office Saving Bank account kept as Security.	0	0
Sub Total	6035.05	9498.16
(ii) Other Bank Balances		
In Fixed Deposits-Maturing more than 3 Months & upto 12 Months	9.13	8.55
In Fixed Deposits-Maturing over 12 Months	7.78	5.51
In Fixed Deposits-As Security with Govt. Authorities	0	0.55
As per Balance Sheet	6051.96	9512.77

* Cash-on-Hand includes stock of Rupay Card worth ₹ 0.10 Lakh

NOTE - 19 SHORT TERM LOANS & ADVANCES

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Loan and Advances to Related Parties				
Secured Considered Good	0		0	
Unsecured Considered Good	0		0	
Considered Doubtful	0		0	
	0		0	
Less Additional/Normal Interest Suspense	0		0	
	0		0	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	0	0	0	0
Others				
Others Loans and Advances				
Secured Considered Good	1334.73		1334.73	
Unsecured Considered Good (Backed by BG)	270330.06		279432.44	
Considered Doubtful	9844.83		10136.06	
	281509.62		290903.23	
Less Additional/Normal Interest Suspense	350.68		400.29	
	281158.94		290502.92	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	9494.14	271664.80	9735.75	280767.18
Advance Recoverable in Cash or in Kind or for value to be received				
Secured Considered Good	4934.27		3661.78	
Unsecured Considered Good - Others	645.92		540.58	
Unsecured Considered Good - from Banks (Backed by BG) *	17399.82		17057.38	
Considered Doubtful	32.99		29.02	
	23013.00		21288.76	
Less: Additional / Normal Interest Suspense	0		0	
	23013.00		21288.76	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	32.99	22980.01	29.02	21259.74
Loans and Advance to Employees				
Secured Considered Good	6.43		9.99	
Unsecured Considered Good	16.49		27.34	
Considered Doubtful	0.48		0.49	
	23.40		37.82	
Less: Additional / Normal Interest Suspense	0		0	
	23.40		37.82	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	0.48	22.92	0.49	37.33

Others		
Deposits/Balances with Excise /Sales Tax Authorities	21.98	71.26
Advance Payment of Income Tax / TDS (Net of Provisions)	14.29	148.53
GST Recoverable	424.12	0
As per Balance Sheet	295128.12	302284.04

* This includes an amount of Rs 17057.38 lakh receivable from United Bank of India on account of BG invoked in July-Aug., 2016

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

Particulars	(₹ in Lakh)	
	As At 31.03.18	As At 31.03.17
Directors*	0	0
Other Officers of the Company*	0	0
Firm in which Director is a Partner*	0	0
Private company in which Director is a member	0	0
Total	0	0

[*] Either severally or jointly.

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

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
OTHER LOANS AND ADVANCES				
Raw Material Distribution (RMD)				
Secured Considered Good	1220.10		1220.10	
Unsecured Considered Good (Backed by BG)	270330.06		279432.44	
Considered Doubtful (Incl Intt. Suspense Contra)	8153.42		8426.26	
	279703.58		289078.80	
Less Additional/Normal Interest Suspense	275.81		325.42	
	279427.77		288753.38	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	7877.61	271550.16	8100.84	280652.54
Bills of Exchange Discounted (BD)				
Secured Considered Good	114.63		114.63	
Unsecured Considered Good (Backed by BG)	0		0	
Considered Doubtful (Incl Intt. Suspense Contra)	1691.41		1709.80	
	1806.04		1824.43	
Less: Additional / Normal Interest Suspense	74.87		74.87	
	1731.17		1749.56	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	1616.53	114.64	1634.92	114.64
Total	271664.80		280767.18	

NOTE - 20 OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Security Deposits				
Secured Considered Good	5.10		101.21	
Unsecured Considered Good	25.15		41.58	
Considered Doubtful	0.24		0.24	
	30.49		143.03	
Less Additional/Normal Interest Suspense	0		0	
	30.49		143.03	
Less: Provision for Doubtful Dues as per Contra	0.24	30.25	0.24	142.79
Others		893.04		29.16
As per Balance Sheet		923.29		171.95

ANNEXURE - 20A DETAILS OF OTHER CURRENT ASSETS - OTHERS

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Interest Accrued but not due				
On Fixed/Short Term deposits	1.55		3.78	
On Others	22.67	24.22	25.06	28.84
Interest Receivable				
From Banks	273.70		268.62	
Less: Provision for Interest Receivable as per Contra	268.30	5.40	268.30	0.32
Amounts Receivable from Government of India against Deficit in Grants		863.42	0	0
Total		893.04		29.16

NOTE - 21 REVENUE FROM OPERATIONS (CONSOLIDATED)

Particulars	(₹ in Lakh)	
	For the Year Ending 31.03.18	For the Year Ending 31.03.17
Sale of Products	205780.73	179098.05
Sale of Services	6088.40	5819.56
Interest Earned	35820.07	39105.90
Processing Fees/Service Charges Earned	5188.98	5493.60
Other Operating Revenues	703.68	1369.68
As per statement of Profit and Loss	253581.86	230886.79
Sale of Products		
Marketing	22370.10	18964.40
Export	0	381.11
Raw Material Distribution *	183410.63	159752.54
Total (A)	205780.73	179098.05
Sale of Services		
Income from Government Purchase Registration	1362.06	1406.55
Income on intermediary Services	326.03	310.91
Application Processing Fees	3.86	4.05
Licence & House Keeping Fees	1059.05	815.14
Rent	459.67	741.99
Realization from Training Activities	1431.13	1217.13
Realization on account of Common Facilities	676.58	580.88
Income from Exhibition Centres	397.49	319.77
Receipts from Exhibitions, Seminars, Meets, Conferences and Marketing Campaigns	111.10	221.44
Project Consultancy Charges	171.29	130.55
Income from Training-cum-Incubation Center (TIC)	68.20	48.64
Other Receipts from Services	21.94	22.51
Total (B)	6088.40	5819.56
Interest Earned		
From Parties		
Normal	35970.77	39240.09
Less: Interest on Risk Fund	182.94	140.40
Penal Interest	0	32.24
By Contra Adjustment to Penal Interest Suspense A/C	0	0
Less: Losses W/Off on A/C of Penal Interest Suspense A/C by Contra Adjustment	0	0.69
Gain of Interest on Foreign Currency Transactions and Translation (Net)	0	0
Total (C)	35820.07	39105.90
Processing Fees/Service Charges Earned		
Raw Material Distribution	1931742.61	4856.25
Miscellaneous Items	60288.63	332.73
Total (D)	1992031.24 **	5188.98
Other Operating Revenues		
Compensation for Use and Occupation of Infrastructure	341.93	375.86
Excess Provision Written Back:		
KFW	56.63	288.56
Government Guarantee Fee	0	0
Others	260.03	316.66
Sundry Credit Balances Written Back	45.09	231.50
Gain on Foreign Currency Transactions and Translation (Net)	0	520.06
Total (E)	703.68	1369.68

*** Details of Raw Material Distribution**

Particulars	2017-18	2016-17
Aluminium	74349.47	64053.04
Iron & Steel	98840.15	81316.33
Others	10221.01	14383.17
Total	183410.63	159752.64

**Gross turnover on which processing fees has been charged.

NOTE - 22 OTHER INCOME (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18		For the Year Ending 31.03.17	
Interest On:				
Loan to Employees	2.47		4.09	
Fixed/Short Term Deposits	5.96		3.04	
Income Tax Refunds	0		192.76	
Others	2.03	10.46	4.34	204.23
Other Miscellaneous Receipts		62.71		71.90
Dividend Income		4.02		3.04
As per Statement of Profit and Loss		77.19		279.17

NOTE - 23 GRANTS AND SUBSIDIES (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18		For the Year Ending 31.03.17	
For Promotional Activities		7499.63		6587.48
Less: Capital Expenditure (Net)		2025.82		129.91
		5473.81		6457.57
Less: Amount appropriated out of Govt. Grants (As per Statement of Profit and Loss- Promotional)		(117.43)		0
As per Statement of Profit and Loss		5591.24		6457.57

NOTE - 24 PURCHASES OF STOCK IN TRADE (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18		For the Year Ending 31.03.17	
Marketing Activity				
Marketing		22365.63		18948.45
Export		0		311.42
Raw Material Distribution *		182254.54		158976.15
As per Statement of Profit and Loss		204620.17		178236.02

*** Details of Raw Material Distribution**

Particulars	2017-18	2016-17
Aluminium	73537.59	64053.04
Iron & Steel	98605.17	80671.26
Others	10111.78	14251.85
Total	182254.54	158976.15

NOTE - 25 CHANGES IN INVENTORIES (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18		For the Year Ending 31.03.17	
Finished Goods:				
Closing Stock	2.16		13.76	
Less: Opening Stock	13.76		10.88	
Adjustment in Stock	8.72	(2.88)	0	2.88
Work in Process:				
Closing Stock	0		0	
Less: Opening Stock	0		0	
Adjustment in Stock	0	0	0	0
Goods-In-Transit		(117.09)		649.27
As per Statement of Profit and Loss		(119.97)		652.15

NOTE - 26 EMPLOYEES BENEFITS EXPENSE (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18		For the Year Ending 31.03.17	
Salaries and Allowances		8392.27		6468.11
Contributions to -				
Provident Fund	686.51		579.65	
Superannuation Scheme/ Pension Scheme	536.49	1223.01	474.06	1053.71
Gratuity Fund Contributions		1426.37		450.84
Staff Welfare Expenses		205.25		228.46
Other Benefits		1759.81		1527.87
Directors (Including Chairman-cum-Managing Director)				
Salaries and Allowances		81.02		67.19
Contributions to -				
Provident Fund	7.33		6.04	
Superannuation Scheme/ Pension Scheme	6.10	13.43	5.10	11.14
Gratuity Fund Contributions		22.45		1.90
Others		12.03		8.67
As per Statement of Profit and Loss		13135.64		9817.89

Note: The above employee benefit includes Compensatory Pension (Rs. 81.51 lakh), Medical Benefits Paid (Rs. 350.94 lakh), Leave Encashment (Rs. 321.60 lakh), EDLI Charges (Rs. 27.91 lakh) and PRP (Rs. 505.00 lakh)

NOTE - 27 FINANCE COSTS (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18		For the Year Ending 31.03.17	
Interest on Loan On:				
Kreditanstalt West Germany (KFW Loans)	559.26		547.71	
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	3.58		3.49	
Banks	8622.55		12039.56	
Commercial Paper	4101.20		7114.10	
Others	0	13286.59	0	19704.86
Other Borrowing Costs:				
Government Guarantee Fee	22.06		23.14	
Loss of Interest on foreign currency transactions and translation	0	22.06	0	23.14
Other Finance Charges	32.20		20.00	
As per Statement of Profit and Loss	13340.85		19748.00	

NOTE - 28 DEPRECIATION AND AMORTIZATION (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18		For the Year Ending 31.03.17	
Depreciation on				
Fixed Assets	569.18		488.39	
Leased Assets	0		0	
Assets acquired against Grants				
Depreciation as per Contra	252.87		151.18	
Less: Replacement Reserve as per Contra	252.87	0	151.18	0
As per Statement of Profit and Loss	569.18		488.39	

NOTE - 29 CORPORATE SOCIAL RESPONSIBILITY

Expenses required to be incurred Rs 302.84 lakh during 2017-18

(₹ in Lakh)

S. No.	Particulars	For the Year Ended 31.03.2018			For the Year Ended 31.03.2017		
		In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
(i).	Construction/acquisition of any assets	NIL	0.35	0.35	39.49	1.83	41.32
(ii)	On purposes other than (i) above	216.12	86.48	302.60	193.54	38.93	232.47
	Actual Expenses	216.12	86.83	302.95	233.03	40.76	273.79
	Related Parties Transactions	NIL			NIL		

NOTE -30 OTHER EXPENSES (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18	For the Year Ending 31.03.17
Electricity, Power & Water Charges	582.65	596.13
Printing & Stationery	97.07	97.42
Insurance	11.52	10.82
Travelling, Conveyance & Vehicle Charges	595.46	629.83
Freight and Octroi Expenses	25.62	25.72
Communication Expenses	152.66	169.80
Rent	382.13	329.26
Staff Recruitment Expenses	10.81	2.65
Licences, Rates & Taxes	76.96	79.44
Expense on Security	1588.57	1076.77
Repairs & Maintenance Expenses	432.72	532.66
Payments to Statutory Auditors	46.51	47.98
Payment to Internal auditors	41.52	38.47
Legal, Professional and Consultancy Charges	318.85	306.56
Directors' Sitting Fee	4.35	1.44
Directors' Other Expenses	41.41	42.12
Miscellaneous & Contingent Expenses	22.32	23.31
Bad Debts/Irrecoverable Advances Written Off	134.73	457.26
Loss on Foreign Currency Transactions and Translation (Net)	203.68	0
Expenditure on Infomediary Services	2.83	1.60
Project Consultancy Charges	116.06	93.35
Expenses on Godown Operations	961.45	1103.17
Business / Sales Promotion Expenses	153.20	124.67
Advertisement and Publicity	120.24	94.06
Entertainment	30.22	31.82
Expenditure on Exhibitions, Seminars and Conference	44.21	60.52
Training Expenses	823.64	613.39
Common Facilities Charges	78.57	68.75
Expenses on International Co-operation	0	51.38
Expenses on Marketing Assistance Scheme	816.03	1619.98
Performance and Credit Rating Fee	1008.27	3670.70
Provision for Obsolete Stock	0.06	8.54
Provision for Doubtful Debts	0	632.54
Expenses on SPRS	48.48	16.58
Expenses on Special Marketing Assistance Scheme	1262.80	543.86
Expenses on Others - NSSH	1837.90	0
As per Statement of Profit and Loss	12073.50	13202.55

ANNEXURE - 30A DETAILS OF OTHER EXPENSES (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18	For the Year Ending 31.03.17
Payment to Statutory Auditors for:		
Statutory Audit Fees	33.12	34.85
Tax Audit Fees	11.38	10.33
Other Taxation Matters	0.03	0.05
Other Services	0.01	0.58
Reiurnbursement of Expenses	1.97	2.18
Total	46.51	47.98
Repairs & Maintenance Expenses on:		
Building	241.79	320.43
Machinery	6.42	18.29
Others	184.51	193.94
Total	432.72	532.66
Bad Debts/Irrecoverable Advance Written Off:		
Bad Debts Written Off	134.73	457.26
Losses Written Off	58.42	144.38
Less: Contra Adjustment to Losses Written Off	58.42	144.38
Total	134.73	457.26
Expenses on Marketing Assistance Scheme:		
Participation in Domestic Exhibitions/Trade Fairs	476.20	507.35
Participation in International Exhibitions/Trade Fairs	248.77	548.76
Organization of Domestic Exhibitions	27.30	104.58
Organization of International Level Exhibitions	0	78.26
Co-Sponsorship of Exhibitions	3.95	133.95
Buyer-Seller Meets/Vendor Development Programmes	11.23	14.96
Marketing Compaigns/Workshop	39.19	77.56
Other Marketing Activities	9.39	154.57
Total	816.03	1619.98
Training Expenses		
Training Expenses - Internal	423.90	374.21
Training Expenses - Sponsored	293.30	148.34
Training Expenses - Personal	65.04	46.40
Training Expenses - Others	41.40	44.43
Total	823.64	613.39
Expenses on Special Marketing Assistance Scheme:		
Participation in Domestic Exhibitions/Trade Fairs	952.54	543.86
Participation in International Exhibitions/Trade Fairs	243.62	0
Organization visit to International Exhibitions/Trade Fairs/Seminars abroad	29.06	0
Vendor Development Programmes	21.92	0
Organizing Workshops/Seminars/Awareness Campaignes	15.66	0
Total	1262.80	543.86

Expenses on Others - NSSH :

Facilitating participation of SC/ST entrepreneurs	387.69	0
Collection, Collation & Dissemination of information	0.55	0
Capacity Building, Skill Training, EDPs	86.78	0
Vendor Development, National Manufacturing Competitiveness Programme	0.32	0
Awareness Generation and Publicity	1046.85	0
Technical & Managerial Support to SC/ST Hub	315.71	0
Total	1837.90	0

NOTE - 31 PRIOR PERIOD ADJUSTMENTS (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18		For the Year Ending 31.03.17	
Income				
Interest and Service Charges	13.64		10.14	
Other Income	19.12		0	
Depreciation	0	32.76	0	10.14
Expenditure				
Employees Remuneration & Other Benefits	0		0	
Depreciation	0		0	
Interest	0		0	
Other Expenses	8.64	8.64	25.96	25.96
As per Statement of Profit and Loss		24.12		(15.82)

NOTE - 32 TAX EXPENSE (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18		For the Year Ending 31.03.17	
Provisions for Current Tax				
Provision for Current Tax	5740.00		6100.00	
Provision for Deferred Tax	(483.21)		(219.25)	
Provision for Wealth Tax	0		0	
Provision for Fringe Benefit Tax	0	5256.79	0	5880.75
Adjustment for Previous Year Taxes				
Provision for Tax	7.53		(13.43)	
Provision for Deferred Tax	0	7.53	0	(13.43)
MAT Credit Entitlement		0		0
As per Statement of Profit and Loss		5264.32		5867.32

NOTE - 33 EARNINGS PER EQUITY SHARE (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18	For the Year Ending 31.03.17
Weighted Average Number of Shares Outstanding (No.)	532.99	532.99
Net Profit / (Loss) after tax as per Statement of Profit & Loss (Rupees)	9940.66	10639.84
E.P.S (Basic & Diluted) (Rupees) (Face value of share. ₹ 100/-)	18.65	19.96

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

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18	For the Year Ending 31.03.17
(i) Contingent Liabilities:		
Claims against the Coporation not acknowledged as Debts	125.12	165.13
Guarantees	0	0
Disputed Income Tax, Interest Tax, Sales Tax, Trade Tax demand.	550.40	1082.19
Other money for which the Corporation is contingently liable	153.35	387.33
As per Statement of Profit and Loss	828.87	1634.65
(ii) Commitments:		
Estimated amount of Contracts remaining to be executed on Capital account and not provided for (net of advances)	5575.87	5414.62
Uncalled Liability on shares and other investments partly paid.	0	0
Other Commitments	0	0
As per Statement of Profit and Loss	5575.87	5414.62

NOTE – 35 Additional notes forming an integral part of the financial statements for the year ended 31st March, 2018.

1. Letters seeking confirmation for year-end outstanding balances have been sent to trade receivables, creditors, contractors' advances, deposits, borrowers etc. (except in cases where recovery certificate has been issued and / or under litigation) 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. Further, no adverse communication has been received from any unit. Moreover, reconciliations of the accounts with the units is 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:

a. Debit Balances (₹ in Lakh)

S.N.	Particular	Total	Confirmation not received
1	Trade receivables (Marketing & Others)	16,122.73	823.27
2	Short term loans & Advances (excluding employees and statutory deposits with various tax authorities)	2,94,644.81	629.82
3	Long term loans & advances (Capital Advances and Security Deposits)	1,336.90	643.62

b. Credit Balances (₹ in Lakh)

S.N.	Particular	Total	Confirmation not received
1	Trade Payables	18,512.24	944.74
2	Other Current Liabilities (Security Deposit Payable, EMD, Advance from RMA Buyers, Amount Payable for projects, Amount Payable to Rating Agencies)	5,693.07	999.84
3	Other Long-term Liabilities (Security Deposit Payable, EMD)	517.78	115.39

2. The title deeds in respect of following properties have not been executed in favour of the Corporation:

(₹ in Lakh)

S.No	Particulars of the Property	Area	As At 31.03.2018		As At 31.03.2017	
			Gross value	written down value (WDV)	Gross value	written down value (WDV)
1	Land at Technical Centre Howrah	49.94 acres	1.60	1.60	1.60	1.60
2	Flats at Branch Office Mumbai	3660.00 sqft.	11.52	5.87	11.52	6.06

3. The provision for exchange variation losses for loans under Kreditanstalt West Germany (KFW) credit lines have been created as per the terms and conditions of the loan agreements:

a) Under XIth line of credit, provision for exchange variation losses of ₹ 239.19 lakh (₹ 232.70 lakh) has been created during the year for meeting exchange variation losses. During the year, the exchange variation loss was ₹344.82 lakh (₹Nil) which has been adjusted from provision of ₹239.19 lakh and the remaining exchange variation loss of ₹105.63 lakh has been charged to P&L and provision of ₹nil (₹232.70 lakh) has been written back and utilized for the promotional activities as per terms and conditions of the loan agreement.

b) The provision for exchange variation losses for loans under KFW credit line XIIth has been created as per the loan agreement. Under KFW XIIth line of credit, out of the provision for exchange variation created during the year, 80% of the provision is to be utilized for meeting exchange variation losses and the balance left out from the 80%, if any, is to be retained to meet out the exchange variation losses in future.

Accordingly, total provisions amounting to ₹ 283.14 lakh (₹ 279.29 lakh) have been made during the year for exchange variation under XIIth line of credit, out of which 80% i.e. ₹ 226.51 lakh (Nil) has been utilized against exchange variation

loss during the year and balance 20% i.e. ₹ 56.63 lakh (₹ 55.86 lakh) has been utilized for promotional purposes as per terms and conditions of the loan agreement.

During the year, the exchange variation loss was ₹ 338.75 lakh (Nil) which has been adjusted from 80% provision i.e ₹ 226.51 lakh (Nil) and balance ₹ 112.24 lakh (Nil) has been adjusted from the provision for exchange variation losses made in the past years. The cumulative retained provision on this account as on 31.03.2018 is ₹1552.35 lakh including provision of ₹ Nil for the year (₹ 1664.59 lakh) to meet out exchange variation losses in future.

4. Trade Receivables and Loans & Advances (relating to Hire Purchase, Equipment Leasing, Marketing, Raw Material Assistance, Bills Discounting, Composite Term Loan, Term Loan, etc.) amounting to ₹ 298627.32 lakh (₹ 304196.62 lakh) comprising of receivables and advances (backed with the security of BG and amounts payable to suppliers and / or recoverable from Government Department / PSUs) amounting to ₹ 287866.80 lakh (₹ 293123.53 lakh) on which provisions are not required to be made as per provisioning norms duly approved by the Board of Directors. Against the remaining amount of ₹ 10760.52 lakh (₹ 11073.09 lakh), provision of ₹ 10760.52 lakh (₹ 11073.09 lakh) has been made for doubtful receivables and loans & advances in line with the norms approved by the Board.
5. (a) During the month of June 2016, 7 cases of forged Bank Guarantees (BGs) amounting to ₹1600 lakh was detected at BO Abdul Hamid Street and BO Salt Lake, located in Kolkata. Immediately, complaints were lodged with CBI, Kolkata. However, 100% provision was made for the outstanding dues amounting to ₹1473.13 lakh (5 cases worth ₹ 1079.32 lakh against BGs of ₹ 1200 lakh at B O Kolkata and 2 cases worth ₹ 393.81 lakh against BGs of ₹ 400 lakh at B O Salt Lake).

(b) Thereafter, on obtaining re-confirmation of BGs, held by all offices of the Corporation, from the BG issuing banks and their respective Zonal / Controlling offices, United Bank of India (UBI) branches at Jadvapur Vidyapeeth and Hazra Road had informed that in 61 cases involving total BGs of ₹ 17350 lakh, the BGs had either been invoked (55 cases worth ₹15550 lakh) or not issued by the Banks (6 cases worth ₹ 1800 lakh). In all these cases, the original BGs issued by the banks were lying in the safe custody of NSIC's BO Abdul Hamid Street (29 cases having outstanding balance of ₹ 7711.93 lakh against BGs of ₹ 7850.00 lakh), BO Salt Lake (21 cases having outstanding balance of ₹ 6147.34 lakh against BGs of ₹ 6300.00 lakh), BO Durgapur (merged in BO Kolkata during 2017-18) (9 cases having outstanding balance of ₹ 2698.23 lakh against BGs of ₹ 2700.00 lakh) & NTSC Howrah (2 cases having outstanding balance of ₹ 499.88 lakh against BGs of ₹500.00 lakh) and had not been invoked by them.

Immediately on noticing the aforesaid irregularities FIR was lodged on 26.07.2016 with the Officer in Charge, Bidhan Nagar North Police Station, Salt Lake, Kolkata and the case was transferred to CID Kolkata, West Bengal. As informed by the CID, charge-sheet has been filed in the said case. As a part of their investigation, the CID, also referred the original BGs and related documents, seized from NSIC and UBI offices to their forensic lab (i.e. QDEB- Questioned Documents Examination Bureau) for examination. The findings of QDEB as informed to the Hon'ble court by CID inter-alia mention that United Bank of India had issued two sets of Bank Guarantees of the same number, which is contrary to the rules laid in Bank's Management System.

NSIC, which was in possession of original BGs, lodged invocation claims in July, 2016, in the aforesaid 61 cases valuing ₹ 17350 lakh with UBI. The findings of QDEB also corroborate NSIC's claim of holding original bank guarantees in all cases valuing ₹ 17350 lakh.

Further considering all the facts, it transpires that;

- ▶ Bank Guarantees found to be in possession of NSIC are original as per the findings of CID based on QDEB Report and these BGs were duly verified and confirmed by UBI issuing Branch and the concerned regional office before disbursement of advance against RMA.
- ▶ UBI claims that they have fulfilled their obligation by making payment on the basis of alleged invocation of Bank Guarantees (during the period October, 2013 to December, 2015) by issuance of Pay Orders (POs) in favour of NSIC. The aforesaid claim does not hold water as the fraudulent issuance of two sets of Bank guarantees by United Bank of India and subsequent intimation by the bank that since invocation in respect of those BGs has already been made, would not immune UBI from their obligation for making payment since this fact gets further reconfirmed as the NSIC is still holding original BGs, as corroborated by QDEB report mentioned above.
- ▶ It becomes apparent that UBI with some malafide intention, issued two sets of BGs of the same number, one to NSIC and other to the unit, which is contrary to the rules laid down in their management system and against the banking norms.
- ▶ The invocation of BGs by NSIC was within the validity period of the BGs.
- ▶ The Ministry of MSME (the administrative Ministry of NSIC) after examination of the status of the case and findings of CID, West Bengal based on the QDEB report, has regularly taken up the matter with Department of Financial Services, Ministry of Finance (the administrative ministry of United Bank of India) asking the later to impress upon the bank to honour NSIC's rightful invocation of bank guarantees worth ₹ 17350 lakh together with interest from the date of invocation i.e. July 2016. The matter is also being taken up with Ministry of MSME and Ministry of Finance for resolution of dispute between NSIC and UBI (both

being Central Government Organizations) in accordance with the guidelines of Department of Public Enterprises.

In view of the above, outstanding balance of ₹ 17057.38 lakh against these BGs amounting to ₹ 17350 lakh has been considered good by the management. Hence, no provision has been made their against. This amount of ₹ 17057.38 lakh has been regrouped and shown as recoverable from Bank in Note-19.

- c) In other 16 cases, where UBI had reconfirmed the issuance and validity of BGs valuing ₹ 4800 lakh (₹ 600.00 lakh at B O Salt Lake, ₹ 600.00 lakh at B O Durgapur now merged in B O Kolkata during 2017-18 and ₹ 3600.00 lakh at NTSC Howrah), the invocation claim thereof was lodged by NSIC in July & August, 2016 and UBI has released payment there against on 10.04.2017. The Ministry of MSME is regularly following up with Department of Financial Services to impress upon the bank to pay interest on delayed payment on bank guarantee proceeds from the date of invocation of bank guarantees in July / August, 2016 till the release of payment to NSIC i.e. 10.04.2017.

It is apt to mention that the interest on delayed period w.r.t. releasing the payment by BG issuing bank against invoked Bank Guarantees valuing ₹ 4800 lakh has been claimed. However, such interest on delayed period has not been accounted for in the books of accounts as the same shall be treated as income in the year of its realization, in terms of accounting policies of the Corporation.

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

6. During the year, the Corporation has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small and Medium Enterprises (MSME). Consequently, the amount paid / payable including interest, if any, to such units during the year is ` Nil.
7. Provision for current tax has been made as per the provisions of the Income Tax Act' 1961. The Corporation has recorded net deferred tax assets arising on account of timing differences as stipulated in Accounting Standard-22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. The net deferred tax assets comprise of the following:

(₹ in Lakh)

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
1	Deferred Tax Liabilities		
	Related to timing difference on depreciation of fixed assets	(828.50)	(729.06)
	Sub Total	(828.50)	(729.06)
2	Deferred Tax Assets		
	a. Provision for Doubtful Debts	3901.37	3940.86
	b. Employees Benefits	2858.07	2235.93
	Sub Total	6759.44	6176.79
	Deferred Tax Assets (Net)	5930.94	5447.73

8. In accordance with the guidelines of Department of Public Enterprises, ad-hoc provision on account of Performance Related Pay (PRP) for the year 2017-18 amounting to ₹ 505 lakh (₹ 549 lakh) has been made.
9. During the year, no provision has been made for any loss on account of impairment of assets under Accounting Standard (AS)-28 as there is no indication of any impairment of assets of the Corporation, on the basis of the Corporation as a whole, as a Cash Generating Unit (CGU).
10. Risk fund has been created at 0.40% (0.35%) of the outstanding at the end of financial year under the schemes of Raw Material Assistance & Bill Discounting (secured by Bank Guarantee), Trade Receivables-Marketing (from Central & State Government, Government Institutions / Companies/ Departments/ Bodies) and Term Loan (secured by EMD) by appropriation of the profit of ₹ 134.60 lakh (₹ 343.69 lakh). In addition, interest and service charges amounting to ₹ 182.94 lakh (₹ 140.40 lakh) on the amount of fund at beginning of the year is plough back by charging from the interest income under Revenue from Operations (Note 21) of Statement of Profit & Loss for the year.
11. As approved by the Ministry vide letter dated 2.12.2016, Corpus for medical schemes have been created of ₹ 248.00 lakh (₹ 235.42 lakh) for the employees retired prior to 1.1.2007 and of ₹ 96.89 lakh (₹ 95.48 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 the extent of ₹ 86.78 lakh (₹ 68.58 lakh) and ₹ 28.67 lakh (₹20.48 lakh) respectively during the year.
12. Ministry of Micro, Small & Medium Enterprises vide their OM no. 9(10)/2016-SME dated 3rd May 2018 had conveyed the approval for the pay revision and other benefits of the Board level and below Board level executives, non-unionised Supervisors and unionized staff of the Corporation w.e.f 01.01.2017. Accordingly, a provision of ₹ 2328.11 lakh has been created during the year towards pay revision arrears. This provision is inclusive of the provision created for employees following CDA pattern w.e.f 01.01.2016.
13. In compliance with the provisions of Accounting Standard 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the required disclosure in respect of details of additions, reversals and utilizations of provisions for Employee Benefits, for the Financial Year ended 31.03.2018 is as given below: -

(₹ in Lakh)

Particulars	Opening Balance as on 01.04.2017	Additions (+)/Write Back (-)	Utilization	Closing Balance as on 31.03.2018
For Gratuity	3784.77	1343.18	327.55	4800.40
For Leave Encashment	2281.70	742.45	447.54	2576.61
For Leave Travel Concession	0.84	-0.59	0.00	0.25
For Half Pay Leave	389.36	42.56	11.27	420.65
For TA on Retirement	3.70	0.56	0.56	3.70
Total	6460.37	2128.16	786.92	7801.61

14. Employee Benefits:

- Provisions and contribution towards Employee Benefits which inter-alia includes Short-Term benefits, post-retirement benefits, Other Long-Term benefits and Termination benefits are made based on actuarial valuation performed by the independent actuary and are charged to Statement of Profit and Loss. Actuarial valuation of employees' benefits has been carried out on the basis of revised pay.
- General description of type of plan w.r.t. various employee benefit schemes is as under:
- The Corporation provides for liability on account of provisions for terminal benefits

in the form of gratuity, leave encashment, sick leave, TA on retirement and LTC for CDA employees, being payable by the Corporation to its employees as "Post-Employment Benefit Plans" under "Defined Benefit Plan" in terms of disclosure requirement as per para 120(b) under the provision of Accounting Standard-15 on "Employee Benefits (Revised 2005)".

- The projected unit credit (PUC) actuarial method is used to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawals (Resignations / Terminations). Under the PUC method, a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active member of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

Accordingly, disclosures under the provision of Accounting Standard 15 on "Employee Benefits (Revised 2005)" for the Financial Year ended 31.03.2018 are given below: -

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

Particulars	Current Year	Previous Year
Method Used	Projected Unit Credit Method	Projected Unit Credit Method
Discount Rate	7.80%	7.50%
Expected Rate of Return on Plan Asset	0	0
Future Salary Increase	5.50	5.50
Mortality Rate	IALM (2006-08)	IALM (2006-08)
Ages		
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

II) Changes in the present value of the obligations

(₹ in Lakh)

S.No.	Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
a)	Present value of obligation as at the beginning of the period	CY	3784.76	2281.70	389.36	3.70	0.84
		PY	3722.21	2122.94	382.24	3.56	0.77
b)	Acquisition adjustment	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
c)	Interest cost	CY	283.86	171.13	29.20	0.28	0.06
		PY	297.78	169.84	30.58	0.29	0.06
d)	Past service cost	CY	766.59	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
e)	Current service cost	CY	224.07	158.42	34.98	0.18	0.01
		PY	182.07	150.23	37.72	0.18	0.02
f)	Curtailment cost/(Credit)	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
g)	Settlement cost/(Credit)	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
h)	Benefits paid	CY	-327.55	-447.54	-11.27	-0.56	0.00
		PY	-373.20	-368.04	-21.70	-0.32	0.00
i)	Actuarial (gain)/loss on obligation	CY	68.68	412.90	-21.63	0.11	-0.66
		PY	-44.09	206.73	-39.48	0.00	-0.01
j)	Present value of obligation as at the end of period	CY	4800.40	2576.61	420.65	3.70	0.25
		PY	3784.76	2281.70	389.36	3.70	0.84

III) Amount recognized in Balance Sheet

(₹ in Lakh)

S.No.	Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
a)	Present value of obligation as at 31.03.2018 - (i)	CY	4800.40	2576.61	420.65	3.70	0.25
		PY	3784.76	2281.70	389.36	3.70	0.84
b)	Fair value of plan assets as at 31.03.2018 - (ii)	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
c)	Difference (ii) - (i)	CY	-4800.40	-2576.61	-420.65	-3.70	-0.25
		PY	-3784.76	-2281.70	-389.36	-3.70	-0.84
d)	Net asset/(liability) recognized in the Balance Sheet	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
e)	Net asset/(liability) recognized in the Balance Sheet	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
f)	Net asset/(liability) recognized in the Balance Sheet	CY	-4800.40	-2576.61	-420.65	-3.70	-0.25
		PY	-3784.76	-2281.70	-389.36	-3.70	-0.84

IV) Expenses recognized in Statement of Profit and Loss

(₹ in Lakh)

S.No.	Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
a)	Current service cost	CY	224.07	158.42	34.98	0.18	0.01
		PY	182.07	150.23	37.72	0.18	0.02
b)	Past service cost	CY	766.59	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
c)	Interest cost	CY	283.86	171.13	29.20	0.28	0.06
		PY	297.78	169.84	30.58	0.29	0.06
d)	Expected return on plan assets	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
e)	Curtailment cost / (Credit)	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
f)	Settlement cost / (Credit)	CY	0.00	0.00	0.00	0.00	0.00
		PY	0.00	0.00	0.00	0.00	0.00
g)	Net actuarial (gain) / loss recognized in the period	CY	68.68	412.90	-21.63	0.11	-0.66
		PY	-44.09	206.73	-39.48	0.00	-0.01
h)	Expenses recognized in the statement of profit & loss	CY	1343.19	742.45	42.56	0.56	-0.59
		PY	435.76	526.80	28.82	0.46	0.07

V) Comparative Data of last five years

(₹ in Lakh)

S.No.	Particulars	Gratuity				
		31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
a)	Defined benefit obligation at the end of period	4800.40	3784.76	3722.21	3652.42	3450.28
b)	Plan asset at the end of period	0.00	0.00	0.00	0.00	0.00
c)	Funded Status	-4800.40	-3784.76	-3722.21	-3652.42	-3450.28
d)	Experience adjustment on plan Liabilities (loss) / gain	-154.92	161.31	74.11	51.62	-159.01
e)	Experience adjustment on plan Assets (loss) / gain	0.00	0.00	0.00	0.00	0.00

(₹ in Lakh)

S.No.	Particulars	EL				
		31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
a)	Defined benefit obligation at the end of period	2576.61	2281.70	2122.94	2069.05	1906.73
b)	Plan asset at the end of period	0.00	0.00	0.00	0.00	0.00

c)	Funded Status	-2576.61	-2281.70	-2122.94	-2069.05	-1906.73
d)	Experience adjustment on plan Liabilities (loss) / gain	-467.00	-127.57	-100.22	-46.26	-307.70
e)	Experience adjustment on plan Assets (loss) / gain	0.00	0.00	0.00	0.00	0.00

(₹ in Lakh)

S.No.	Particulars	Sick Leave				
		31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
a)	Defined benefit obligation at the end of period	420.65	389.36	382.24	313.60	288.56
b)	Plan asset at the end of period	0.00	0.00	0.00	0.00	0.00
c)	Funded Status	-420.65	-389.36	-382.24	-313.60	-288.56
d)	Experience adjustment on plan Liabilities (loss) / gain	10.03	57.15	-31.53	12.94	179.60
e)	Experience adjustment on plan Assets (loss) / gain	0.00	0.00	0.00	0.00	0.00

(₹ in Lakh)

S.No.	Particulars	TA on Retirement				
		31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
a)	Defined benefit obligation at the end of period	3.70	3.70	3.56	3.48	3.34
b)	Plan asset at the end of period	0.00	0.00	0.00	0.00	0.00
c)	Funded Status	-3.70	-3.70	-3.56	-3.48	-3.34
d)	Experience adjustment on plan Liabilities (loss) / gain	-0.18	0.12	-0.70	0.30	-0.19
e)	Experience adjustment on plan Assets (loss) / gain	0.00	0.00	0.00	0.00	0.00

(₹ in Lakh)

S.No.	Particulars	LTC				
		31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
a)	Defined benefit obligation at the end of period	0.25	0.84	0.77	1.58	1.97
b)	Plan asset at the end of period	0.00	0.00	0.00	0.00	0.00
c)	Funded Status	-0.25	-0.84	-0.77	-1.58	-1.97
d)	Experience adjustment on plan Liabilities (loss) / gain	0.66	0.02	0.96	0.60	-1.77
e)	Experience adjustment on plan Assets (loss) / gain	0.00	0.00	0.00	0.00	0.00

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

Particulars	Amt in lakh
Gratuity	741.02
Earned Leave	442.47
Sick Leave	91.72
TA on Retirement	0.59
LTC	0.04

15. Segment Reporting: -

NSIC's activities are broadly classified into 'Promotional' and 'Commercial'. The 'Promotional' activities include the activities for which budgetary support is provided to the Corporation by the Government and / or its agencies. The schemes of 'Marketing Assistance Scheme for MSMEs', 'Performance & Credit Rating Scheme for micro and small enterprises', 'Assistance for Training to Institutions' and 'National Schedule Caste - Schedule Tribe Hub' etc., for which budgetary support has been provided to the Corporation along with administrative expenditure restricted to the tune of 10% of the total expenditure under MAS and 7.5% of the total expenditure under PCRS and NSSH Scheme 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.), rating of MSEs 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 Distribution)', 'Credit', 'Technology' and 'other support' services to cater to the diverse needs of the MSMEs. The Corporation funds these 'Integrated' support services. In addition, activities not met out of the budgetary support but which are promotional in nature (since carried out with the intent to support the MSMEs) are merged with commercial activities as the expenses of such activities are borne by the Corporation. Accordingly, the activities of the Corporation have been divided into two segments namely "Commercial" & "Promotional".

The following table presents the revenue, profit/(loss), assets and liabilities information to the Business segments for the year ended 31st March, 2018 as required by AS-17 on "Segment Reporting" issued by the Institute of Chartered Accountant of India.

(₹ in Lakh)

Description	For the year ended 31.03.2018			For the year ended 31.03.2017		
	Promotional	Commercial	Total	Promotional	Commercial	Total
A. Primary Segment – Business Segment						
I. SEGMENT REVENUE						
a. Segment Revenue (including grant)						
-Sale of Product	-	205780.73	205780.73	-	179098.05	179098.05
-Sale of Services	118.47	5969.93	6088.40	220.11	5599.45	5819.56
-Others	5591.24	41789.92	47381.16	6457.57	46248.35	52705.92
-Total	5709.71	253540.58	259250.29	6677.68	230945.85	237623.53

Description	For the year ended 31.03.2018			For the year ended 31.03.2017		
II. RESULTS						
a. Segment Results		9940.66	9940.66		10639.84	10639.84
b. Operating Profit before interest		28428.88	28428.88		36257.05	36257.05
c. Prior period		(24.12)	(24.12)		15.82	15.82
d. Interest Paid		13340.85	13340.85		19748.00	19748.00
e. Exceptional items		(92.83)	(92.83)		(13.93)	(13.93)
f. Net Profit before Tax		15204.98	15204.98		16507.16	16507.16
g. Tax		5264.32	5264.32		5867.32	5867.32
h. Net Profit after Tax		9940.66	9940.66		10639.84	10639.84
III. ASSETS & LIABILITIES						
a. Segment Assets	4025.82	325786.75	329812.57	1391.49	311814.77	313206.26
b. Unallocated Assets			20455.34			40061.27
c. Total Assets	4025.82	325786.75	350267.91	1391.49	311814.77	353267.53
d. Segment Liabilities	3945.47	239352.69	243298.16	6245.88	250096.84	256342.72
e. Unallocated Liabilities			106969.75			96924.81
f. Total Liabilities	3945.47	239352.69	350267.91	6245.88	250096.84	353267.53
IV. OTHER INFORMATION						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	2025.82	2059.44	4085.26	129.91	3692.47	3822.38
(b) Depreciation #	252.87	569.18	822.05	151.18	488.39	639.57
(c) Non-cash expenditure other than depreciation	0.00	345.10	345.10	0.00	457.49	457.49

The depreciation of promotion segment is charged to capital reserve.

16. Related Party Disclosure: -

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

a) Key Management Personnel

Shri Ravindra Nath	Chairman-cum-Managing Director
Shri A K Mittal	Director (Finance)
Shri P Udayakumar	Director (P&M)

b) Transactions during the year with related parties

(₹ in Lakh)

1.	Expenditure	Key Management Personnel		Relative of Key Management Personnel	
		2017-18	2016-17	2017-18	2016-17
a	Salaries	81.02	67.19	--	--
b	Leave/ LTC Encashment	1.83	3.48	--	--
c	Provident Fund Contribution	7.33	6.04	--	--
d	Contribution to Pension Scheme	6.10	5.10	--	--
e	Others	74.06	49.21	--	--
f	Lease Rent Paid	--	--	--	--
2.	Loan & interest outstanding	--	--	--	--

17. An amount of ₹ 30.83 lakh (Previous year ₹ 4.85 lakh) towards gain on disposal of fixed assets and ₹ 62.00 lakh (Previous year ₹ 9.08 lakh) towards gain on sale of long term investments has been disclosed as 'Exceptional items' in the statement of profit and loss as required by AS 5 on 'Net profit or Loss for the period, Prior Period Items and Changes in Accounting Policies' issued by the Institute of Chartered Accountants of India.

18. The Corporation has taken office space, godown and accommodations for staff on lease. These are classified as operating lease. Rent payments in respect of office space, godown and accommodations for staff amounting to ₹ 468.22 lakh (Previous year ₹ 428.70 lakh) is shown under the head "Other Expenses".

Future lease payments in respect of these lease agreements is as under:

(₹ in Lakh)

Particulars	Year ended 31.03.2018		Year ended 31.03.2017	
	Office & Accommodations	Godown	Office & Accommodations	Godown
Not later than one year	214.89	95.56	187.13	192.86
Later than one year and not later than 5 years	472.37	6.60	419.75	37.58
Later than 5 years	456.74	7.90	273.76	
Total	1144.00	110.06	880.64	230.44

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

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
On Equity shares of Rs.100 each		
- Amount of Dividend Proposed (₹ In lakh)	2837.24	3126.18
- Rate of Dividend (%)	5.32	5.87
- Dividend per equity share (₹)	5.32	5.87

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 ₹ 2837.23 lakh (₹ 5.32 Per share) in respect of the year ending 31st March 2018 subject to approval of shareholders in the Annual General Meeting. If approved, the dividend would result in cash outflow of ₹ 3420.57 Lakh inclusive of dividend tax of ₹ 583.34 Lakh.

Further, Corporate dividend and dividend distribution tax pertaining to financial year ended 31 March 2018, shall be accounted for in the ensuing financial year after approval of Shareholders at Annual General Meeting in accordance with revised Accounting Standard (AS) - 4 '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.

20. Ratings assigned by credit rating agencies and migration of ratings during the year

The Commercial paper issued by NSIC were rated by CRISIL and SMERA 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.

21. Disclosures required in respect of the investments:

(₹ in Lakh)

S.No.	Particulars	Year ended 31.03.2018		Year ended 31.03.2017	
		Non-Current	Current	Non-Current	Current
1	Value of investments				
(i)	Gross Value of Investments				
(a)	In India	21.03		22.55	
(b)	Outside India				
(ii)	Provision for Depreciation				
(a)	In India	15.00		15.00	
(b)	Outside India				
(iii)	Net value of investments				
(a)	In India	6.03		7.55	
(b)	Outside India				
(2)	Movement of provisions held towards on investments				
(i)	Opening Balance	15.00		15.00	
(ii)	Add: Provisions made during the year				
(iii)	Less: write-ff/write-back of excess provisions during the year				
(iv)	Closing balance	15.00		15.00	
(3)	Aggregate amount of quoted investments	6.03		7.55	
	Market value of quoted investments	235.68		235.34	
(4)	Aggregate amount of Unquoted investments	15.00		15.00	
(5)	Aggregate provision for diminution in value of investments	15.00		15.00	

22. Provisions and contingencies

(₹ in Lakh)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Provision for bad and doubtful debts*	10760.52	11073.09
Contingent provision against Standard Loan Assets	NA	NA
Provision against Restructured Standard Loans	NA	NA
Provision for interest due & converted into equity	NIL	NIL
Provision for depreciation on investments	15.00	15.00
Total	10772.52	11088.09

(* refers provisions in respect of Hire Purchase, Equipment Leasing, Marketing, Raw Material Assistance, Bills Discounting, Composite Term Loan, Term Loan)

23. Details of Registration License/authorization obtained from financial sector regulators:

Particulars	Regulator Name	Registration Details
(i) Corporate Identification Number	Ministry of Corporate Affairs	U74140DL1955GOI002481
(ii) Registration Number	Reserve Bank of India	N-14.03090

24. In compliance of section 45-1A of Reserve Bank of India Act.1934, the Corporation has been granted Certificate of Registration no. N-14.03090 dated 29.12.2005 to commence/carry on the business of non-banking financial institution. However, in view of RBI circular No. DNBR(PD) CC No.043/03.10.119/2015-16 dated 1st July, 2015, the Corporation, being a Government of India Enterprise, has been exempted from compliance of RBI Prudential Norms relating to NBFCs. Accordingly, sector-wise NPAs and movement of NPAs is not applicable to the Corporation.

25. Exposure Related Disclosures

- Exposure to Real Estate sector:** The Corporation has no exposure to real estate sector as on 31st March, 2018 (Previous Year Nil).
- Exposure to Capital market:** The Corporation has no exposure to capital market as on 31st March, 2018 (Previous Year Nil).

26. Concentration of Advances, Exposures and NPAs:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Concentration of Advances		
Total Advances to twenty largest borrowers (₹ in lakh)	11135.41	10417.34
Percentage of Advances to twenty largest borrowers to total Advances of the Corporation	4.10	3.71

(Advances refers to Raw Material Distribution, Bills Discounting, Composite Term Loan and Term Loan)

27. The Corporation has no derivative related exposures.

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

(₹ in Lakh)

As at 31.03.2018	Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	179186.26		205113.52			
Over 1-month upto 2 months	92557.76					
Over 2 months upto 3 months				119.24		
Over 3 months upto 6 months				20.38		
Over 6 months & upto 1 year				139.62		
Over 1 year & upto 3 years				558.46		
Over 3 year & upto 5 years				558.47		
Over 5 years		6.03		4293.54		

(₹ in Lakh)

As at 31.03.2017	Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	186190.89		121221.88			
Over 1-month upto 2 months	94659.06					
Over 2 months upto 3 months			100000.00	103.25		
Over 3 months upto 6 months				17.64		
Over 6 months & upto 1 year				120.89		
Over 1 year & upto 3 years				483.56		
Over 3 year & upto 5 years				483.56		
Over 5 years		7.55		3959.39		

(Advances refer de Raw Material Distribution, Bills Discounting, Composite Term Loan, Term Loan)

29. No penalties have been levied on the Corporation by the Regulator during the year ended 31st March, 2018 (Previous Year NIL)
30. All amounts are in ₹ lakh, unless otherwise stated.
31. Figures in brackets in the notes to the financial statements represent previous year's figures.
32. Previous year figures have been regrouped, rearranged and recast, wherever necessary.

ADDITIONAL INFORMATION

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
Expenditure in Foreign Currency		
On account of repayment of principal of loans from Kreditanstalt, West Germany (KFW)	26.05	254.00
On account of Interest		
On loans from Kreditanstalt, West Germany	36.07	36.78
On loans from Casa Depositi E Prestiti, Italy (earlier Artigiancassa SPA Italy)	3.61	3.58
On Account of Foreign Tours	74.01	78.01
Others (On Behalf of MSME Units)	134.10	127.20
Remittance to Foreign Offices for expenses	4.94	46.47
Earning in Foreign Exchange		
Export of Goods (On F.O.B. Basis)	0.00	36.82

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

Cash Flow Statement attached to and forming part of the accounts for the Year Ended 31.03.2018

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
Net Profit (Loss) Before Tax	15,204.98	16507.17
Adjustments for:		
Profit (-) / Loss on Sale of Fixed Assets	(30.83)	(4.84)
Depreciation & Amortization Expenses	569.18	488.39
Lease Terminal Adjustment	49.39	(0.37)
Provisions and Contingencies	3,512.02	1012.54
Profit (-) / Loss on Sale of Investments	(62.00)	(9.08)
Excess Provisions Written Back	(316.66)	(520.08)
Loss / (-) Gain on Exchange Rate Fluctuation	185.26	(401.68)
Bad Debts Written off	134.73	457.26
Dividend from Investments	(4.02)	(3.04)
Provision for Obsolete Stock	0.06	8.54
Interest Accrued but not due on Borrowings	10.05	16.02
Interest on Short /Fixed Term Deposit	(5.96)	(3.04)
Operating Profit Before Working Capital Changes	19,246.20	17547.79
Adjustment for Working Capital Changes :		
Inventories	141.37	(603.33)
Trade Advances & Receivables	9,156.19	17326.58
Current Liabilities & Provisions	(5,312.00)	(1097.74)
Cash Flows before Tax & Extra Ordinary Items	23,231.76	33173.29
Taxes	(5,167.26)	(5702.17)
Net Operating Cash Flow (A)	18,064.50	27471.13
Cash Flow From Investing Activities		
Sale Proceeds of Assets Disposed off	3.57	9.9
Sale Proceeds of Investments	60.48	9.32
Increase in Fixed Assets and Capital W.I.P.	(3,992.87)	(3814.64)
Fixed Assets (out of Grant)	1,919.60	129.91
Capital Advances	0.42	(588.40)
Loans and Advances to Employees	6.09	16.46
Dividend from Investments	4.02	3.04
Intt. On Short /Fixed Terms Deposits	5.96	3.04
Net Investing Cash Flow (B)	(1,992.73)	(4231.37)
Cash Flow from Financing Activities		
Net Increase/ (Decrease) in Other Borrowings	(15,772.20)	(14743.69)
Dividend Paid (Including Dividend Distribution Tax)	(3,762.68)	(3496.48)
Net Financing Cash Flow (C)	(19,534.88)	(18240.17)
Net Cash Flow From Operating Activities (A)	18,064.50	27471.13
Net Cash Flow From investing Activities (B)	(1,992.73)	(4231.37)
Net Cash Flow From Financing Activities (C)	(19,534.88)	(18240.17)
Net Changes in Cash & Cash Equivalents (A+B+C)	(3,463.11)	4999.59
Add.Cash & Cash Equivalents-Opening Balances	9,498.16	4498.58
Cash & Cash Equivalents-Closing Balance	6,035.05	9498.16
Add. Other Bank Balances in Fixed Deposits -maturing over 3 months	16.91	14.61
Balance as per Note -18 Cash and Other Bank Balances	6,051.96	9512.77

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

As per our report of even date attached.

For and on behalf of Board of Directors

For KPMC & Associates

Chartered Accountants

Sd/-
Pankaj Kumar
PartnerMembership No. : 073291
Firm Reg. No. : 005359C
Place : New Delhi
Date: : 03.08.2018Sd/-
A.K.Mittal
Director (Finance)
[DIN : 07625711]Sd/-
Gaurang Dixit
Chief General Manager (Finance)Sd/-
Ravindra Nath
Chairman-cum-Managing Director
[DIN : 02815496]Sd/-
Nishtha Goyal
Company Secretary
[Membership No. : A 22768]

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

**STATEMENT OF PROFIT AND LOSS ACCOUNT (COMMERCIAL)
FOR THE YEAR ENDED 31.03.2018**

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.18	For the Year Ended 31.03.17
A Revenue			
Revenue from Operations	21	253463.39	230666.68
[Include Processing Fee/Service Charges earned of ₹ 5188.98 lakh (₹ 5493.60 lakh) for value of goods handled and services rendered ₹ 1992031.24 lakh (₹ 1829719.92 lakh)]			
Other Income	22	77.19	279.17
Total Revenue		253540.58	230945.85
B Expenses			
Purchase of Stock-in-Trade	24	204620.17	178236.02
Changes in Inventories	25	119.97	(652.15)
Employee Benefit Expenses	26	12618.46	9276.02
Finance Costs	27	13340.85	19748.00
Depreciation and Amortization Expenses	28	569.18	488.39
Expenses on Corporate Social Responsibility	29	302.95	273.78
Other Expenses	30	6880.97	7066.74
Total Expenses		238452.55	214436.80
Profit before Prior Period Adjustments, Exceptional Items, Extraordinary Items and Tax		15088.03	16509.05
Exceptional Items [Refer Note 35 (17)]		(92.83)	(13.93)
Profit before Prior Period Adjustments, Extraordinary Items and Tax		15180.86	16522.98
Extraordinary Items		0	0
Profit before Prior Period Adjustments and Tax		15180.86	16522.98
Prior Period Adjustments	31	(24.12)	15.82
Profit before tax		15204.98	16507.16
Tax Expense	32		
(i). Current Tax		5740.00	6100.00
(ii). Deferred Tax		(483.21)	(219.25)
(iii). Earlier Years		7.53	(13.43)
Total Tax Expense		5264.32	5867.32
Profit (Loss) after Tax for the Period		9940.66	10639.84
Earnings per Equity Share			
Basic	33	18.65	19.96
Contingent Liabilities	34 (i)	828.87	1634.65
Capital Commitments	34 (ii)	5575.87	5414.62
Other Notes on Accounts	35		

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

As per our report of even date attached.

For KPMC & Associates

Chartered Accountants

Sd/-
Pankaj Kumar
Partner

Membership No. : 073291
Firm Reg. No. : 005359C
Place : New Delhi
Date: : 03.08.2018

For and on behalf of Board of Directors

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

Sd/-
Gaurang Dixit
Chief General Manager (Finance)

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

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]
STATEMENT OF INCOME AND EXPENDITURE (PROMOTIONAL)
FOR THE YEAR ENDED 31.03.2018

(₹ in Lakh)

Particulars	Note No.	For the Year Ending 31.03.18	For the Year Ending 31.03.17
A Revenue			
Revenue from Operations	21	118.47	220.11
Other Income	22	0	0
Grants and Subsidies	23	5473.81	6457.57
Total Revenue		5592.28	6677.68
B Expenses			
Employee Benefit Expenses	26	517.18	541.87
Finance Costs	27	0	0
Depreciation and Amortization Expenses	28	0	0
Other Expenses	30	5192.53	6135.81
Total Expenses		5709.71	6677.68
Profit before Prior Period Adjustments, Exceptional Items, Extraordinary Items and Tax		-117.43	0
Exceptional Items		0	0
Profit before Prior Period Adjustments, Extraordinary Items and Tax		-117.43	0
Extraordinary Items		0	0
Profit before Prior Period Adjustments and Tax		-117.43	0
Prior Period Adjustments		0	0
Profit before tax		-117.43	0
Tax Expense		0	0
Net Income /(Expenditure) (Tfd to Note 23 of Grants & Subsidies - Consolidated)		-117.43	0
Other Notes on Accounts	35		

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

As per our report of even date attached.

For KPMC & Associates

Chartered Accountants

Sd/-

Pankaj Kumar

Partner

Membership No. : 073291

Firm Reg. No. : 005359C

Place : New Delhi

Date: : 03.08.2018

For and on behalf of Board of Directors

Sd/-

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

Sd/-

Gaurang Dixit
 Chief General Manager (Finance)

Sd/-

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

Sd/-

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

The National Small Industries Corporation Limited

(A Government of India Enterprise)

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

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 (U.P.) -
201301

Noida

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

Sahibabad

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

Meerut

NSIC Limited, Sub Branch
Meerut

Dehradun

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

NSSHO Agra AGRA- National SC-ST Hub Office

Unit No.202, Second Floor
Sector 12-A Padam Business
Park
Awasthi Vikas Sikandra Yojana
Agra 282 007

Agra

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

Varanasi

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

Kanpur

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

Gorakhpur

NSIC Limited Sub Branch
DIC Campus,
Gorakhnath Industrial Estate,
Gorakhpur – 273 015 (UP)

Varanasi

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

Lucknow

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

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)

Ludhiana NSSHO

1st Floor, Frontier Tower
GT Road, Miller Ganj
(Near Fire Brigade Office
Ludhiana)

Mandi Gobindgarh (Punjab)
NSIC Limited Sub Branch
Mandi Gobindgarh
(Punjab)

Mandi (Himachal Pradesh)

NSIC Limited
Sub Branch, Mandi,
(Operate from premise of
Training Centre Mandi)

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

Chandigarh

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

Baddi (Himachal Pradesh)

Sub Branch,
Baddi, Himachal Pradesh

Ambala (Haryana)

NSIC Limited, Sub Branch
Ambala Cantt. 133001
(Haryana)

Panipat (Haryana)

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

Jalandhar (Punjab)

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

Jammu

Sub Branch
Jammu (J&K)

Damtal

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

Amritsar

Sub Branch
Amritsar (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

Gurgaon

NSIC Limited, Branch Office
Plot No. 89, IDC, 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)

Jahangirpuri

NSIC Limited, Branch Office
516-517, 5th Floor, Laxmi Tower,
Azadpur Commercial Complex,
Azadpur, Delhi-110033

Wazirpur

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

Jhandewalan, New Delhi

NSIC Limited, Sub Branch
Jhandewalan,
New Delhi - 110055

Bahadurgarh

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

Naraina, New Delhi

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

South-I,

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

Bengaluru

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

NSSH Bengaluru SCST Hub Off.

No.6&7 ISICOS building West of
chord Road
Rajaji Nagar
Industrial Town
Bangalore-560 044

Belgaum

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

Bengaluru

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

Peenya

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

Kolar

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

Kochi (Cochin)

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

Trichur

Sub Branch
C/o MSMDI, Kanjani Road,
Trichur (Kerala)

Palakkad

Sub Branch
Palakkad (Kerala)

Kottayam

Sub Branch
Kottayam, Kerala

Trivendrum

Sub Branch
Trivendrum (Kerala)

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)

Kompally, Hyderabad

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

Chittoor

NSIC Limited
Sub Branch
Chittoor (Andhra Pradesh)

Balanagar, Hyderabad

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

Vijayawada

NSIC Limited, Branch Office
NSIC Ltd., Branch Office
Door No.59A-8/8-6B/1, 3rd Floor,
Main Road, Guru Nanak Colony,
Krishna District,
Vijayawada-520 008

Visakhapatnam

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

South – III

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

Chennai

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

Chennai

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

Madhavaram (Chennai)

NSIC Limited, Sub Branch Office
Chennai-600110

Ambattur

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

Thirumazhisai

Sub Branch,
Thirumazhisai, Chennai

Perungundi

Sub Branch
Perungundi, Chennai – 600 096

Guindy

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

NSSH Chennai NSIC-SCST

Hub Office
Chennai, MSME-DI
Campus No. 65/1 GST Road
Guindy Chennai-600 032

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 (TN)

Erode (Tamilnadu)

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

Madurai

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

Trichy

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

East-I

NSIC Ltd
Industrial Estate, Bye Lane No. 3
Bamunimaidan, Guwahati 781 021
Assam

Kolkata

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

NSIC Godown (Agency sale)

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

Liluah (Howrah)

Sub Branch
Howrah (West Bengal)

Mechada

Sub Branch
Mechada (West Bengal)

Barasat

Sub Branch
Barasat (West Bengal)

Tikiapara

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

Siliguri

NSIC Limited, Branch Office,
Siliguri (West Bengal)

Kolkata

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

Kolkata (Salt Lake)

NSIC Limited, Branch Office
Block-CP, Plot No. 7/7 & 7/8
Sector-V Salt Lake City
Kolkata-700 064

NSSHO Plot No. 7/7 & 7/8

Block CP, Salt Lake
Sector V, Kolkata
700 091 West Bengal

Durgapur

NSIC Limited, Sub Branch
Chaitanya Complex
Plot No. CA-4, Phase II
Bengal Ambuja, City Centre ,
Durgapur, Pin : 713216

Patna

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

East-II**Bhubaneswar**

NSIC Limited, Branch Office/
NSSHO
1st Floor, DIC Campus,
Rasulgarh Industrial Estate,
Bhubaneswar – 751 010 (Orissa)

Bhubaneswar

Module No. 204-A
2nd Floor NSIC-IMDC
Dharampad Bhawan
IDCO Plot Np. 6 Block-D
Manchewar Industrial Estate
Bhubaneswar

Cuttack

Sub Branch
Link Road, Cuttack, -753012
(Odisha)

Berhampur

Sub Branch
Berhampur (Odisha)

Balasore

Sub Branch
Balasore (Odisha)

IMDC

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

Rourkela

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

Bolangir

Sub Branch
Bolangir (Odisha)

Jamshedpur

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

Ranchi

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

Bokaro

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

Dhanbad

Sub Branch,
Dhanbad (Jharkhand)

North East

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

Guwahati

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

Tinsukia

Sub Branch
Tinsukia (Assam)

Agartala

Sub Branch
Agartala – (Tripura)

Imphal

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

Shillong

Sub Branch
Shillong (Meghalaya)

Naharlagun

Sub Branch
Naharlagun (Arunachal Pradesh)

Dimapur

Sub Branch
Dimapur -797112 (Nagaland)

Aizawal

NSIC Limited,
C/o Directorate of Industries,
Khatla, Aizawal – 796 001
(Mizoram)

West

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

Masjid, Mumbai

NSIC Limited, Sub Branch/NSSH
First Floor, Prestige Chambers,
Kalyan Street, Masjid (E),
Mumbai - 400009, (Maharashtra)

Thane

Sub Branch,
Thane (W) Maharashtra

Bhiwandi

Sub Branch (NALCO Product)
Bhiwandi, Dist: Thane
(Maharashtra)

Tarapur

Sub Branch (Zinc Product)
N-14/2, Tarapur Indl. Estate,
MIDC, Taluka Boisar,
Kumbhavali, Tarapur,
Dist. Thane (Maharashtra)

Andheri (Mumbai)

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

Boisar

NSIC Limited, Sub Branch,
Boisar (W)

Vasai

NSIC Limited, Sub Branch ,
Vasai

Nagpur

NSIC Limited, Branch Office
NDTA Complex, Block 9,
2nd Floor Opp: Liberty Cinema,
Residence Road,
Sadar Nagpur- 440001
(Maharashtra)

Pune

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

Kolhapur

NSIC Limited, Sub Branch
C/o District Industries Centre,
Udyog Bhavan,
Near District Collector Office,
Kolhapur-416012

Aurangabad

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

Raipur

NSIC Limited, Branch Office
204, IInd Floor, Block-A,
Crystal Arcade, Near Lodhipara
Chowk, Shankar Nagar,
Raipur – 492 007
(Chhattisgarh),

Silvassa

Sub Branch
Silvassa-396 230, U.T. of Dadra
& Nagar Haveli)

Goa

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

Nasik

NSIC Ltd, Branch Office
Galla No 13 , 3rd Floor
Udyog Bhawan , MIDC ,
Satpur Nasik -422007

Central

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

Ahmedabad

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

Nadiad

Sub Branch
Nadiad (Gujarat)
Rajkot

**NSIC Limited, Sub Branch,
Rajkot**

Baroda

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

Surat

NSIC Limited, Branch Office
306,3rd Floor ,
Rajhans Building,
Opp. J.K Tower,
Ring Road,
Surat-395002

Indore

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

Gwalior

Sub Branch,
Gwalior, Madhya Pradesh

Bhopal

NSIC Limited, Branch Office
 110, Malviya Nagar, 1st Floor,
 Bhopal-462003, (MP)

Jabalpur

NSIC Limited, Sub Branch
 Jabalpur, (Madhya Pradesh)

Silvassa

NSIC Limited, Branch Office
 105-106, Hotel Viraj Building,
 Opp. Gurudev Commercial
 Complex Off Sayli Road,
 Silvassa – 396 230,
 (UT of Dadar, Nagar & Haveli)

Jaipur

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

**Viswakarma Indl. Estate
(Jaipur)**

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

Pratap Nagar NSIC Limited,
 Sub Branch
 Pratap Nagar, Jaipur

Kota

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

Bagru (Jaipur)

NSIC Limited,
 Bagru Industrial Association,
 Bagru Extn., Bagru-303007
 (Jaipur)

Bhiwadi (Rajasthan)

NSIC Limited, Branch Office
 B-294, 295 (G), 1st Floor,
 Mangalam House,
 RIICO Chowk
 Bhiwadi – 301 019,

NTSCs**Chennai**

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

Howrah

NSIC Technical Services Centre
 P.O. Balitikuri, Distt Howrah 711113
 (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
 Aji Industrial Area,
 Bhav Nagar Road,
 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)

Dindigul NSIC Technical
 Services Centre
 Dindigul (TN)

EMDBP, Hyderabad

Exhibition-cum-Mkg. Dev.
 Business Park
 Module No.207, EMDBP Bldg.,
 ECIL P.O. Kamalanagar,
 Kushaiguda
 Hyderabad-500062 (AP)

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,
 Distt. Udham Singh Nagar,
 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

The National Small Industries Corporation Limited
(A Government of India Enterprise)
NSIC Bhavan, Okhla Industrial Estate
New Delhi – 110 020

Dated: 05th Sept., 2018

NOTICE

Notice is hereby given that 63rd Annual General Meeting of the Members of The National Small Industries Corporation Limited will be held on Thursday the 20th September, 2018 at 3.00 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 Financial Year ended 31st March, 2018 and Reports of the Board of Directors, Auditors' Report thereon alongwith Comptroller & Auditor General of India comments / observation, if any.
2. To declare dividend for the Financial Year ending 31st March, 2018.
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 2018-19 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 2018-19, as may be deemed fit by the Board."

By Order of the Board
The National Small Industries Corporation Limited

Sd/-
(Nishtha Goyal)
Company Secretary

Date: 05th Sept., 2018
Place: New Delhi

NOTES: -

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not to be a member of the company.

By Order of the Board
The National Small Industries Corporation Limited

(Nishtha Goyal)
Company Secretary

Date: 05th Sept., 2018
Place: New Delhi