

Chairman's Address

Dear Shareholders,

It gives me immense pleasure to extend a warm welcome to you all to this 59th Annual General Meeting of your Company. I present to you the Annual Report of NSIC for the financial year 2013-14.

With your permission I take the Directors Report and the Audited Annual Accounts for the year ended 31st March, 2014 which are with you as read.

It is a great pleasure for me to report once again a strong performance of your company on all parameters. The past year has been a defining one for your company as it surpassed all records of the previous years in terms of business and profit. I congratulate all Directors and other colleagues for commencing a new chapter in terms of its 'financials', as the company could wipe out its entire accumulated losses and the Balance Sheet shows a surplus for the first time.

Performance during 2013-14

The fiscal year 2013-14 for your Company has been marked with a number of very significant achievements. These include:

- The company reported a 22% increase in Gross Income from operations at Rs.418 crore for the financial year ended 31st March, 2014 as compared to Rs.341 crore for the previous year.
- The Gross Margin registered a growth of 23% at Rs.277 crore for the financial year ended 31st March, 2014 as compared to Rs.225 crore in the previous year.
- The Corporation achieved Profit Before Tax amounting to Rs.114.71 crore for the year ended 31st March, 2014 as against Rs. 92.35 crore in the previous year posting an increase of 24%.
- The credit facilitation of Rs.5186 crores was made during the year to MSMEs registering a growth of 18% over the previous year.
- Apart from the operational and business activities, NSIC also implemented Marketing Assistance Scheme and Performance and Credit Rating Scheme on behalf of the Government of India.

- Portfolio of Bank Guarantee for providing credit support in the year 2013-14 reached to Rs.2596 crores as against Rs.2069 crores in the year 2012-13 thereby registering a growth of 25%.
- The revenue earned from 'Training activities' and 'Common facilities' by NSIC-Technical Services Centre increased to Rs. 13.94 crore in the year 2013-14 from Rs. 10.61 crore in 2012-13, registering a growth of 31% over previous year.
- The Corporation has proposed a dividend payout of Rs.15.19 crore, being the highest one so far by our Corporation.
- Achieved the set out targets and entered a new era of 'Surplus' in the Balance Sheet.

The phenomenal growth in the performance of the Corporation was due to the fact that the schemes of the Corporation were continuously reviewed keeping in mind the demand of the MSME sector. Corporation is committed for the growth of MSME sector and continues its endeavour to provide enhanced level of services to the sector. For this Corporation keeps on re-devising its schemes with the change in time and requirements. The Corporation also develops synergies with other institutions for the growth of the MSME sector.

The growth in the performance would not have been possible without stress on the core values of Integrity, Honesty, Ethical Conduct, Team work and Commitment to the cause of the MSME sector. This value system shall continue to form the core strength of NSIC for creating value for all stakeholders.

Corporate Social Responsibility

Your Corporation has always been ahead to accept its responsibility towards the society. Keeping in view its duty and responsibility towards the society for its development, Corporation has always been supporting good social causes for the betterment of the society. In continuation of the same your Board of Directors had allocated a fixed amount for Corporate Social Responsibility initiatives.

Your Corporation has taken up in total thirty three number of projects under CSR in various parts of the country in the year 2013-14 amounting to more than Rs. 2.00 crore.

I would also like to inform you that the CSR projects undertaken by the Corporation during the year 2012-13 were evaluated by an external evaluation and monitoring agency and on the basis of their evaluation in their report they have said Once again "**OUTSTANDING Performance**".

Corporate Governance

"Good Corporate Governance" has become a key to the success of the corporate houses in the present world. It is required by any Board of Directors to control the focus on the company's internal and external Corporate structure to ensure its commitment in managing the company in a transparent manner for maximizing long-term value for its stakeholders and all other partners in progress. It integrates all the participants involved in a process, which is economic and at the same time social.

Acknowledgements

I like to place on records my sincere thanks to Hon'ble Union Minister of Micro, Small & Medium Enterprises for his patronage, valuable guidance and support. I am grateful to the Secretary to the Government of India, Ministry of Micro, Small & Medium Enterprises who has always been a source of inspiration and advice.

I am grateful to Additional Secretary-cum-Financial Advisor, Government of India and Economic Advisor (IF Wing) for their support and guidance.

I am also grateful to Additional Secretary & Development Commissioner (MSME), Joint Secretaries, Directors, and other officials of the Ministry of MSME for their confidence and opportunities given for continued growth and expansion of the Company.

I also gratefully, acknowledge the continuous support extended by Planning Commission, Department of Public Enterprises and other Departments.

I would like to personally thank my colleague Directors on the Board for devoting their sincere effort and precious time for the betterment of the Corporation.

Last but not the least, I would like to place on record the contribution of the employees at all levels which helped the Company in achieving this outstanding performance.

Place: New Delhi
Dated: 19th August, 2014

(H.P. Kumar)
Chairman-cum-Managing Director