

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 Rs. 17,350 Lakhs at three offices (namely Kolkata Rs. 10,550 Lakhs, Salt Lake Rs. 6,300 Lakhs and NTSC Howrah Rs. 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.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

2) 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

- 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

Place: New Delhi
Date: 3rd August 2018

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

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:

S.no	Particulars of the property	Area	As at	
			31/03/2018	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
22.	Sales Tax	Sales Tax	45.04	2012-13 to 2013-14	Joint Commissioner of Sales Tax, Cuttack.
23.	Sales Tax	Sales Tax	18.15	2014-15	Joint Commissioner of Sales Tax, Cuttack.
24.	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 OF EVEN DATE ON THE FINANCIAL STATEMENTS OF THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED.

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

We have audited the internal financial controls over financial reporting of **THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED** ("the 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 Rs 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

(CA. Pankaj Kumar)
M.No:073291

Place: New Delhi
Date: 3rd August 2018

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 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</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	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	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

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 <u>Notification DNBS.PD.No.234 CGM(US) 2011 dated December 02, 2011</u>)	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	No

Required prior approval from RBI? <i>(Please refer to per DNBR (PD) CC, No.065/03.10.001/2015-16 dated July 09, 2015 on the subject for details)</i>	
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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

Place: New Delhi
Date: 03rd August 2018

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

Annexure

	Capital Funds - Tier I	<i>(₹ In crore)</i>
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

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

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.

Sub.: 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

	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	82911.36
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	11369.02
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	258987.15
Total			350267.91	353267.53
II. ASSETS				
Non-Current Assets				
Fixed Assets				
Tangible Assets				
Tangible Assets	11	10645.98	7597.56	
Intangible Assets		202.24	148.11	
Capital Work-in-Progress		12756.47	12606.14	
Intangible Assets under Development		0	0	20351.81
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	7984.02
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	324931.70
Total			350267.91	353267.53
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

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

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

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

Gaurang Dixit
Chief General Manager (Finance)

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 [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/Diluted	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

For and on behalf of Board of Directors

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

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

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

Gaurang Dixit
Chief General Manager (Finance)

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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	0.00
Shares issued during the year	0.00	0.00
Shares bought back during the year	0.00	0.00
Shares outstanding at the end of the year	53298800	0.00

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

Name of Shareholder	As At 31.03.18 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

Aggregate No. of Shares

Particulars	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	0.00	0.00	0.00	0.00	0.00
Fully paid up by way of bonus shares	0.00	0.00	0.00	0.00	0.00
Shares bought back	0.00	0.00	0.00	0.00	0.00
Preference Shares:					
Fully paid up pursuant to contract(s) without payment being received in cash	0.00	0.00	0.00	0.00	0.00
Fully paid up by way of bonus shares	0.00	0.00	0.00	0.00	0.00
Shares bought back	0.00	0.00	0.00	0.00	0.00

ANNEXURE - 1D DETAILS OF CALLS UNPAID

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
Calls Unpaid		
By Directors	0.00	0.00
By Officers	0.00	0.00

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

NOTE - 2 RESERVES & SURPLUS

(₹ in Lakh)

Particulars	As At 01.04.17	Additions/ Created during the Year	Deductions during the year		As At 31.03.18
			Transfer/Sale/ Adjustment	Depreciation for the Year	
CAPITAL RESERVES					
(Reserve representing value of Assets acquired out of grants received from Govt. of India)					
Technical Centre	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	343.69
	9806.06	6533.48

* Includes transfer from Interest Rs 182.94 lakh

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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	-	-

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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
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
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	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
Sub Total	5410.48	4926.51
As per Balance Sheet	5410.48	4926.51

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

ANNEXURE - 3A DETAILS OF LONG TERM BORROWINGS

Particulars	Amount Outstanding as on			Terms of Repayment & Frequency of repayable instalments (Monthly/Quarterly/ Half Yearly/Annually)	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on	
	31.03.18						31.03.18	
	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	Period
Secured	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
XlIth 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 Artigliancassa 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				

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

Annexure - 3B - Other Details of Long Term Borrowings

	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	-	-	-

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

.THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 6 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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 6 LONG TERM PROVISIONS

Particulars	(₹ in Lakh)	
	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	0
For TA on Retirement	3.22	3.34
	6730.80	5861.90
Others		
For Exchange Variation		
Balance as per last Balance Sheet	0	0
Add: Provision made during the Year	0	0
Less: Utilised for Exchange Variation Losses	0	0
Less: Amount written back	0	0
	0	0
For Promotional Activity (KFW)		
Balance as per last Balance Sheet	0	0
Add: Provision made during the Year	56.63	55.86
Less: Amount written back	56.63	55.86
	0	0
As per Balance Sheet	6730.80	5861.90

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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		5608.27	
Term Loan	0	205113.52	0	121221.88
Other Parties		0		0
Loans and Advances from Related Parties		0		0
Deposits		0		0
Other Loans and Advances		0		0
Sub Total		205113.52		121221.88
Unsecured				
Loans Repayable on Demand from				
Banks				
Working Capital Loan	0		0	
Cash Credit	0		0	
Overdraft	0		0	
Term Loan	0	0	0	0
Other Parties		0		0
Loans and Advances from Related Parties		0		0
Deposits		0		0
Other Loans and Advances		0		100000
Sub Total		0		100000
As per Balance Sheet		205113.52		221221.88

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 8 TRADE PAYABLES

(₹ in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
Trade Payables				
Due to MSME Units	0		0	
Due to Others	18512.24	18512.24	13000.82	13000.82
Due to Related Parties		0		0
Others		0		0
As per Balance Sheet		18512.24		13000.82

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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 Other Long-Term Debt	0	0
Current Maturities of Long Term Provisions	1070.82	598.47
Current Maturities of Short Term Provisions	0	0
Amounts Payable to Government of India against Surplus in Grants	0	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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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

Particulars	Balance Brought Forward From Previous Year		Received During The Year	Reimb/ Refund/ Adjustment/ Tfd to State Agency	Fixed Assets Acquired / Wip	Net Revenue Expenditure	Total Expenditure	Excess of Expenditure over Income (Tr. From Prom. to Com.)	Reimbursable Expenditure	As at 31/03/18	
	Deficit	Surplus								Deficit	Surplus
Marketing Assistance Scheme											
Marketing Assistance Scheme	52.55	0.00	947.76	52.55	0.00	742.89	742.89	0.00	742.89	0.00	204.87
Marketing Assistance Scheme-SCSP	0.00	24.39	0.00	-24.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Marketing Assistance Scheme in NER	0.00	0.00	3.82	0.00	0.00	22.93	22.93	0.00	22.93	0.00	0.00
Sub Total	52.55	24.39	951.58	28.16	0.00	765.82	765.82	0.00	765.82	0.00	185.75
Performance and Credit Rating Scheme											
Performance and Credit Rating Scheme	0.00	807.15	582.87	-1187.46	0.00	1026.03	1026.03	0.00	1026.03	0.00	823.47
Performance and Credit Rating Scheme- SCSP	37.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Performance and Credit Rating Scheme - TSP	0.00	6.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.15
Performance and Credit Rating Scheme in NER	0.00	56.28	0.00	0.00	0.00	6.44	6.44	0.00	6.44	0.00	49.84
Sub Total	37.58	869.58	582.87	-1187.46	0.00	1032.47	1032.47	0.00	1032.47	0.00	805.06
International Co-operation, Modernization & Technology Upgradation											
North East Expo	45.38	0.00	0.00	45.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DST - STEP (S&T Project)	7.00	0.00	0.00	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assistance for Training to Institutions	0.00	0.08	0.00	0.00	0.08	0.00	0.08	0.00	0.08	0.00	0.00
Training cum Incubation	0.00	2056.98	305.22	-21.92	1938.35	249.37	2187.72	0.00	2187.72	0.00	152.56
	0.00	109.66	53.47	-19.86	87.39	0.00	87.39	0.00	87.39	0.00	55.88
National SC-ST Hub (NSSH)											
SCSP	338.02	0.00	2700.31	-1078.81	0.00	2372.87	2372.87	0.00	2372.87	0.00	1089.39
TSP	3.22	161.84	1933.60	-891.79	0.00	531.80	531.80	0.00	531.80	0.00	668.63
NER	0.00	0.00	603.45	-400.00	0.00	202.58	202.58	0.00	202.58	0.00	0.87
General	0.00	0.00	403.67	0.00	0.00	436.34	436.34	0.00	436.34	0.00	32.67
Sub Total (NSSH)	341.24	161.84	5641.03	-2370.60	0.00	3543.59	3543.59	0.00	3543.59	0.00	452.56
Grand Total	483.75	3222.53	7534.17	-3519.30	2026.82	5591.25	7617.07	0.00	7617.07	0.00	-863.43

Net Surplus / (Deficit)
Previous Year Surplus / (Deficit)

-863.43
2738.77

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

Page No.....

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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: Utilized 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

(₹ in Lakh)

Particulars	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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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
TANGIBLE ASSETS																
1. OWN ASSETS																
BUILDING																
Furniture & Fittings	4743.14	136.61	1.90	0.00	0.00	0.00	4877.85	853.53	98.91	0.00	0.00	0.00	952.44	0.00	3925.41	3889.61
Land	477.73	57.72	11.51	0.00	0.00	0.00	523.94	260.87	32.21	10.43	0.00	0.00	282.65	0.00	241.29	216.86
Office Equipments	30.83	0.00	0.00	0.00	0.00	0.00	30.83	3.13	0.35	0.00	0.00	0.00	3.48	0.00	27.35	27.70
Vehicle	820.00	78.35	77.85	0.00	0.00	0.15	820.35	635.04	78.64	73.55	0.00	0.01	640.12	0.00	180.23	184.96
Plant & Equipment	115.59	0.00	0.01	0.00	0.00	0.00	115.58	62.78	9.17	0.01	0.00	0.00	71.94	0.00	43.64	52.82
Total	914.69	379.01	2.33	0.00	0.00	-913.61	2204.98	499.47	102.21	2.21	0.00	0.00	599.47	0.00	1605.51	415.22
	7101.98	651.89	93.60	0.00	0.00	-913.46	8573.53	2314.82	321.49	86.20	0.00	0.01	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	0.00	0.00	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	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	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	0.00	423.30	0.00	456.55	471.18
Furniture & Fittings	92.09	37.25	2.66	0.00	0.00	0.00	126.68	60.67	4.70	2.53	0.00	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	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	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	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	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	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	0.00	44.71	0.00	87.48	76.83
OFFICE & EQUIPMENTS	510.71	46.58	-3.50	0.00	0.00	-0.15	550.94	323.05	93.80	-3.80	0.00	-0.01	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	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	-0.01	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	0.00	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	-0.35	5250.39	-35.24	7597.56	6964.68

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 11 FIXED ASSETS

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. 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	0.00	79.83	0.00	49.69	33.25
02. ASSETS ACQUIRED OUT OF GOVT. GRANT																
COMPUTER SOFTWARE	12.94	45.69	0.00	0.00	0.00	0.00	58.03	3.10	8.85	0.00	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	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	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	0.35	0.00	160.23	0.00	148.11	162.99
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	105.23	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	125.55	0.00	0.00	0.00	29686.81	5410.62	822.05	119.93	-44.77	0.00	6087.97	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	0.00	5410.62	-35.24	20351.81	17173.70

INTANGIBLE ASSETS

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 12 NON-CURRENT INVESTMENTS

(₹ in Lakh)

Particulars	As At 31.03.18	As At 31.03.17
Trade Investments		
Investments in Properties	0	0
Investments in Equity Instruments	0	0
Investments in Preference Shares	0	0
Investments in Government or Trust Securities	0	0
Investments in Debentures or Bonds	0	0
Investments in Mutual Funds	0	0
Investments in Partnership Firms	0	0
Other Non-Current Investments	0	0
Sub Total	0	0
Other Investments		
Investments in Properties	0	0
Investments in Equity Instruments	21.03	22.55
Investments in Preference Shares	0	0
Investments in Government or Trust Securities	0	0
Investments in Debentures or Bonds	0	0
Investments in Mutual Funds	0	0
Investments in Partnership Firms	0	0
Other Non-Current Investments	0	0
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	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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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

(₹ in Lakh)

Particulars	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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 13 LONG TERM LOANS & ADVANCES

Particulars	(₹ in Lakh)	
	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	0
Deposits/Balances with Excise /Sales Tax Authorities	32.83	10.05
Advance Payment of Income Tax / TDS (Net of Provisions)	0	0
Income Tax Recoverable	430.37	402.34
As per Balance Sheet	1894.07	2457.66

ANNEXURE - 13B DETAILS OF LONG 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*	11.42	17.50
Firm in which Director is a Partner*	0	0
Private company in which Director is a member	0	0
Total	11.42	17.50

[*] Either severally or jointly.

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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	392.03	0	362.97
With CPWD	224.17		253.65	
Add: Interest Accrued on Capital Advance	0	224.17	0	253.65
With NBCC	452.39		452.39	
Add: Interest Accrued on Capital Advance	0	452.39	0	452.39
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		0	
	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		0	
	11.42		17.50	
Less Additional/Normal Interest Suspense	0		0	
	11.42		17.50	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	0		0	
Total		11.42		17.50
Other Loans and Advances				
Composite Term Loan				
Secured Considered Good	69.14		72.70	
Unsecured Considered Good	0		0	
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		0	
Less: Provision for Doubtful Loans and Advances as per Contra	150.91	69.13	157.74	72.70
Term Loan				
Secured Considered Good	10.09		10.09	
Unsecured Considered Good	0		0	
Considered Doubtful (Incl Intt. Suspense Contra)	5.35		5.35	
	15.44		15.44	
Less: Additional / Normal Interest Suspense	4.25		4.25	
	11.19		11.19	
Less: Cheques sent for Collection	0		0	
Less Provision for Doubtful Loans and Advances as per Contra	1.10	10.09	1.10	10.09

ANNEXURE - 13A DETAILS OF LONG TERM LOANS & ADVANCES

(` in Lakh)

Particulars	As At 31.03.18		As At 31.03.17	
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		0	
	<u>106.65</u>		<u>154.45</u>	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	<u>103.32</u>	3.33	<u>15.29</u>	139.16
Total		<u>82.55</u>		<u>221.95</u>
Loans and Advances to Related Parties				
Secured Considered Good	0		0	
Unsecured Considered Good	0		0	
Considered Doubtful	0		0	
	<u>0</u>		<u>0</u>	
Less: Provision for Doubtful Loans and Advances as per Contra	0		0	
Total		<u>0</u>		<u>0</u>

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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	0
Unsecured Considered Good	0	0
Considered Doubtful	0	0
	<u>0</u>	<u>0</u>
Less: Provision for Doubtful Dues as per Contra	0	0
Others	57.93	71.08
Debts due by Related Parties		
Secured Considered Good	0	0
Unsecured Considered Good	0	0
Considered Doubtful	0	0
	<u>0</u>	<u>0</u>
Less: Provision for Doubtful Dues as per Contra	0	0
As per Balance Sheet	57.93	71.08

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

.THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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		0	
On Others	57.93	57.93	71.08	71.08
Total		57.93		71.08

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 15 CURRENT INVESTMENTS

Particulars	(₹ in Lakh)	
	As At 31.03.18	As At 31.03.17
Investments in Properties	0	0
Investments in Equity Instruments	0	0
Investments in Preference Shares	0	0
Investments in Government or Trust Securities	0	0
Investments in Debentures or Bonds	0	0
Investments in Mutual Funds	0	0
Investments in Partnership Firms	0	0
Other Current Investments	0	0
Total	0	0
Less: Provision for Diminution in the value of Current Investments	0	0
As per Balance Sheet	0	0

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

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	0
Aggregate amount of Unquoted Investments (Previous Year ` N/A)	0	0

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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
	<u>9297.94</u>	<u>7548.06</u>
Less: Seized Leased Suspense	74.75	74.75
Less: Penal Interest Suspense	517.06	544.70
	<u>8706.13</u>	<u>6928.61</u>
Less: Cheques sent for Collection	0	0
Less: Provision for Doubtful Debts as per Contra	1114.37	1178.49
	<u>7591.76</u>	<u>5750.12</u>
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
	<u>8538.34</u>	<u>6530.77</u>
Less: Seized Leased Suspense	0	0
Less: Penal Interest Suspense	7.32	7.32
	<u>8531.02</u>	<u>6523.45</u>
Less: Cheques sent for Collection	0.05	0.15
Less: Provision for Doubtful Debts as per Contra	0	0
	<u>8530.97</u>	<u>6523.30</u>
As per Balance Sheet	<u>16122.73</u>	<u>12273.42</u>

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

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	<u>0</u>	<u>0</u>

[*] Either severally or jointly.

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

.THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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
	<u>923.72</u>	<u>1044.70</u>
Less: Penal Interest Suspense	285.83	322.87
	<u>637.89</u>	<u>721.83</u>
Less: Cheques sent for Collection	0	0
Less: Provision for Doubtful Debts as per Contra	637.89	721.83
	<u>0</u>	<u>0</u>
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
	<u>0</u>	<u>0</u>
Less: Penal Interest Suspense	0	0
	<u>0</u>	<u>0</u>
Less: Cheques sent for Collection	0	0
Less: Provision for Doubtful Debts as per Contra	0	0
	<u>0</u>	<u>0</u>
Sub Total	<u>0</u>	<u>0</u>
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
	<u>238.65</u>	<u>257.57</u>
Less: Seized Lease Suspense	74.75	74.75
Less: Penal Interest Suspense	67.13	72.22
	<u>96.77</u>	<u>110.60</u>
Less: Cheques sent for Collection	0	0
Less: Provision for Doubtful Debts as per Contra	96.77	110.60
	<u>0</u>	<u>0</u>
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
	<u>0</u>	<u>0</u>
Less: Seized Lease Suspense	0	0
Less: Penal Interest Suspense	0	0
	<u>0</u>	<u>0</u>
Less: Cheques sent for Collection	0	0
Less: Provision for Doubtful Debts as per Contra	0	0
	<u>0</u>	<u>0</u>
Sub Total	<u>0</u>	<u>0</u>
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
	<u>7724.04</u>	<u>5923.02</u>
Less: Penal Interest Suspense	0	0
	<u>7724.04</u>	<u>5923.02</u>

ANNEXURE - 17B DETAILS OF TRADE RECEIVABLES

(₹ in Lakh)

Particulars		As At 31.03.18		As At 31.03.17
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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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
	<u>5589.75</u>	<u>0</u>
Cheques, Draft-on-hand	0.05	0
Cash-on-hand	0.24 *	0.74
Imprest with Employees	0	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	<u>6035.05</u>	<u>9498.16</u>
(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	<u>6051.96</u>	<u>9512.77</u>

* Cash-on-Hand includes Stock of Rupay card worth Rs 0.10 lakh

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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	9735.75
	271664.80	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	29.02
	22980.01	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	0.49
	22.92	37.33
Deposits/Balances with Excise /Sales Tax Authorities	21.98	71.26
Advance Payment of Income Tax / TDS (Net of Provisions)	14.29	148.53
Income Tax Recoverable	0	0
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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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

Particulars	As At 31.03.18	As At 31.03.17
Directors*	0.00	0.00
Other Officers of the Company*	0.00	0.00
Firm in which Director is a Partner*	0.00	0.00
Private company in which Director is a member	0.00	0.00
Total	<u>0.00</u>	<u>0.00</u>

[*] 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	
	<u>279703.58</u>		<u>289078.80</u>	
Less Additional/Normal Interest Suspense	275.81		325.42	
	<u>279427.77</u>		<u>288753.38</u>	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	<u>7877.61</u>	271550.16	<u>8100.84</u>	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	
	<u>1806.04</u>		<u>1824.43</u>	
Less: Additional / Normal Interest Suspense	74.87		74.87	
	<u>1731.17</u>		<u>1749.56</u>	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	<u>1616.53</u>	114.64	<u>1634.92</u>	114.64
Total		<u>271664.80</u>		<u>280767.18</u>

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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	
	<u>30.49</u>		<u>143.03</u>	
Less Additional/Normal Interest Suspense	0		0	
	<u>30.49</u>		<u>143.03</u>	
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		<u>923.29</u>		<u>171.95</u>

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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
Other Receivables				
Amounts Receivable from Government of India against Deficit in Grants		863.42		0
Total		893.04		29.16

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 21 REVENUE FROM OPERATIONS (CONSOLIDATED)

(₹ in Lakh)

Particulars	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	
<u>Sale of Products</u>				
Marketing	22370.10		18964.40	
Export	0		381.11	
Raw Material Distribution *	183410.63		159752.54	
Total (A)	205780.73		179098.05	
<u>Sale of Services</u>				
Income from Government Purchase Registration	1362.06		1406.55	
Income on infomediary Services	326.03		310.91	
Discount Earned (Net)	0		0	
Application Processing Fees	3.86		4.05	
License & 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	
<u>Interest Earned</u>				
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		0.69	
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	
<u>Processing Fees/Service Charges Earned</u>				
Raw Material Distribution	1931742.61		4856.25	
Miscellaneous Items	60288.63		332.73	
Total (D)	1992031.24 **		5188.98	
<u>Other Operating Revenues</u>				
Compensation for Use and Occupation of Infrastructure	341.93		375.86	
Excess Provision Written Back:				
KFW	56.63		288.56	
Others	260.03		316.66	
Sundry Credit Balances Written Back	45.09		231.50	
Gain on Foreign Currency Transactions and Translation (Net)	0		72.08	
Total (E)	703.68		401.68	

NOTE - 21 REVENUE FROM OPERATIONS (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ending 31.03.18	For the Year Ending 31.03.17
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* 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	159752.54

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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 Income & Expenditure- Promotional)	-117.43	0
As per Statement of Profit and Loss	<u>5591.24</u>	<u>6457.57</u>

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

.THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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	474.06
Deposit Group Insurance Scheme	0	0
Employees State Insurance Corporation	0	0
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	5.10
Gratuity Fund Contributions	22.45	1.90
Other Benefits	12.03	8.67
As per Statement of Profit and Loss	13135.64	9817.89

Note : The above employee benefits 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)

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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	
Collateral Security Deposits	0		0	
Bonds	0		0	
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
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	151.18
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		

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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
Expenses on increase in Authorised Capital	0	0
Miscellaneous & Contingent Expenses	22.32	23.31
Losses on Sale/Disposal of Assets/Intangibles	0	0
Loss on Sale of Investment	0	0
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
Expenditure on Sustainable Development	0	0
Expenditure on Research and Development	0	0
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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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
Company Law Matters	0	0
Management Services	0	0
Other Services	0.01	0.58
Reimbursement 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
Irrecoverable Advances Written Off	0	0
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 Techmart	0	0
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 Campaigns/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 Domestic Exhibitions/Trade Fairs	0	0
Organization visit to International Exhibitions/Trade Fairs/Seminars abroad	29.06	0
Vendor Development Programmes	21.92	0
Organizing Workshops/Seminars/Awareness Campaigns	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
Mentoring & Hand Holding Support	0	0
Awareness Generation and Publicity	1046.85	0
Technical & Managerial Support to SC/ST Hub	315.71	0

ANNEXURE - 30A DETAILS OF OTHER EXPENSES (CONSOLIDATED)

Particulars	Amount in (₹)	
	For the Year Ending 31.03.18	For the Year Ending 31.03.17
Special Credit Linked Capital Subsidy Scheme	0	0
Funds to States to implement the SC/ST Hub Scheme	0	0
Total	1837.90	0

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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)

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

.THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

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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 Corporation 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

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

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

- 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

- 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

- 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

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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

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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 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

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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
(i)	Deferred Tax Liabilities		
	Related to timing difference on depreciation of fixed assets	(828.50)	(729.06)
	Sub Total	(828.50)	(729.06)
(ii)	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
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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: -

Particulars	Opening Balance as on 01.04.2017	Additions (+)/Write Back (-)	Utilization	(₹ in Lakh)
				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:

(a) Provisions and contribution towards Employee Benefits which inter-alia includes Short-Term benefits, post-retirement benefits, Other Long-Term benefits and Termination benefits are made based on actuarial valuation performed by the independent actuary and are charged to Statement of Profit and Loss. Actuarial valuation of employees' benefits has been carried out on the basis of revised pay.

(b) **General description of type of plan w.r.t. various employee benefit schemes is as under:**

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

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

Accordingly, 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)**

	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)

			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)

			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)

		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)

		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)

		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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

e)	Experience adjustment on plan Assets (loss) / gain	0.00	0.00	0.00	0.00	0.00
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(₹ in Lakh)

		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)

		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)

		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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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

Particulars	Amt in ₹ lakh
Gratuity	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)						

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

Description	For the year ended 31.03.2018			For the year ended 31.03.2017		
-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
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	19748
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)			
	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

Particulars	(₹ in Lakh)	
	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

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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.

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

ADDITIONAL INFORMATION

(₹ in Lakhs)

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)	260.05	254.00
On account of Interest		
On loans from Kreditanstalt, West Germany	36.07	36.78
On loans from Artigiancassa SPA Italy (earlier Mediocredito Centrale Itlay)	3.61	3.58
On account of FLC payment for import of machine under hire purchase.	0.00	0.00
For Import (C.I.F) of Following Goods		
Raw Material	0.00	0.00
Capital Goods	0.00	0.00
Components and Spare parts	0.00	0.00
Royalty, Know-how, Professional and Consultation fees , Interest and other matters	0.00	0.00
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
Advance to the officer of the Corp. for official expenses which remain unadjusted	0.00	0.00
Earning in Foreign Exchange		
Export of Goods (On F.O.B. Basis)	0.00	36.82
Royalty, Know-how, Professional and Consultation fees	0.00	0.00
Interest and Dividends	0.00	0.00
Sale of Services	0.00	0.00
Other Income	0.00	0.00

Gaurang Dixit
Chief General Manager (Finance)

Nishtha Goyal
Company Secretary

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	9.90
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

Note:

- The above Cash Flow statement has been prepared by using the Indirect Method as per Accounting Standard (AS)-3 Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents consists of cash and other bank balances and deposits with bank.
- Previous year's figures have been regrouped / rearranged whenever necessary
- Cash and Cash Equivalents includes deposits as security with Government Authorities,
- The net profit before tax is after considering expenses on Corporate Social Responsibility of Rs 302.95 lakhs
- Cash and Cash Equivalents includes balance of Rs 1895.22 lakhs (Rs 4950.88 lakhs on account of Government Grants. These balances are not available for free use by the Company as they represent earmarked balances held in respective grant accounts

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

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

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

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

Gaurang Dixit
Chief General Manager (Finance)

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		0.00	0.00
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/Diluted	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

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

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

Pankaj Kumar
Partner
Membership No. : 073291
Firm Reg. No. : 005369C
Place : New Delhi
Date : 03.08.2018

Gaurang Dixit
Chief General Manager (Finance)

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 Ended 31.03.18	For the Year Ended 31.03.17
A Revenue			
Revenue from Operations	21	118.47	220.11
Other Income	22	0.00	0.00
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	0.00	0.00
Depreciation and Amortization Expenses	28	0.00	0.00
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)	0.00
Exceptional Items		0.00	0.00
Profit before Prior Period Adjustments, Extraordinary Items and Tax		(117.43)	0.00
Extraordinary Items		0.00	0.00
Profit before Prior Period Adjustments and Tax		(117.43)	0.00
Prior Period Adjustments		0.00	0.00
Profit before tax		(117.43)	0.00
Tax Expense		0.00	0.00
Net Income /(Expenditure) (Tfd to Note 23 of Grants & Subsidies – Consolidated)		(117.43)	0.00
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

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

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

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

Gaurang Dixit
Chief General Manager (Finance)

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