

## **Chairman's Address**

### **Dear Shareholders,**

I am pleased to welcome you all to this 54<sup>th</sup> Annual General Meeting of The National Small Industries Corporation Limited (NSIC). The Annual Report alongwith Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2009 have been with you and with your permission, I take them as read.

## **THE GROWTH PLAN**

The financial year 2008-09 was a crucial year as the Company had to carry forward its journey of growth and also achieve new milestones. The Company had to enlarge the range of services provided and also introduce new avenues of growth by increasing its reach and volumes of operations to enhance its productivity, service delivery and operating performance.

The Board, keeping in view the turnaround strategy adopted in the previous years and the growth pattern followed by the Company, had chartered the course of action and laid down a road map for the same. I am pleased to report that your company was able to fulfill the expectations of the stakeholders by building upon its strengths and taking various new initiatives which led to all round improvements in its operations.

## **PERFORMANCE**

Your Company has been fulfilling its role of working as a catalyst for economic growth of the country. The best testimony to the same is the performance of the company.

It is my pleasure to report that your Company achieved record performance in the year ended March 31, 2009. The year witnessed new heights achieved by the Company on all financial parameters. Gross business of Rs. 3,508 crore was achieved against Rs. 2,987 crore in the previous year registering a growth of 17% at a time when the economy all over the world witnessed recessionary trends. Another milestone achieved was the operating profit of Rs.9.05 crore as against Rs.6.41 crore in the previous year registering a growth of 41%. There

was all round improvement in the performance as compared to last year as the portfolio of Raw Material Assistance registered a growth of 58%, Credit Facilitation to MSME Sector showed a growth of 63% and in quantitative terms raw-material distribution by the Company grew by 32%. In addition to this, all seven Technical Centres of the Company started to undertake "Techno Commercial Activities". All this was made possible by following a multi pronged approach by way of enhancing the reach, enlarging the range of activities, taking new initiatives and effectively utilizing the available resources.

Due to improved performance, your Board has recommended the highest ever dividend of Rs. 120.46 lac i.e. @ 20% of the net profit for the financial year 2008-09.

## **FUTURE VISION**

In order to provide enhanced level of services to MSMEs, NSIC has charted its business plan on certain critical success factors. These factors are:- building synergies & partnerships with other institutions in order to enable NSIC to establish itself central to the network of service providers in India, enhance volumes of its services and products, consolidate its marketing position by increasing its geographical footprints to add new industrial raw materials and distribution centres, promote new entrepreneurship and small business creations, and development of its infrastructure. These steps will surely ensure future sustainability and profitability of the Company.

## **CORPORATE SOCIAL RESPONSIBILITY**

From the idea of Corporate Governance and business ethics flows the concept of "Corporate Social Responsibility". It is the duty and responsibility of every organization to share the burden of the society to develop and mentor the community. Your company has always been supporting good social causes for the betterment of the society. In continuation of the same your Board of Directors had allocated a fixed amount for Corporate Social Responsibility initiatives.

Accordingly, training was imparted by the Company to special categories of persons like deaf & dumb, physically handicapped, SCs, STs, OBCs, Women Entrepreneurs and persons below the poverty line.

## **CORPORATE GOVERNANCE**

Corporate Governance involves a set of relationships between a company's management, its Board, its shareholders and other stakeholders. It provides a principled process and structure through which the objectives of the company, the means of attaining the objectives and systems of monitoring performance are also set. On these lines, Company has established policies and procedures for corporate communication and disclosures. These are based on the principal of integrity, fairness, equity, transparency, accountability and commitment to values.

## **AWARDS AND RECOGNITIONS**

You would be pleased to note that for the third year in row, the Company was conferred "Corporate Excellence Award" by Amity International Business School.

NSIC was also awarded "Gold Medal" from India Trade Promotion Organization (ITPO) for its outstanding display in 'Techmart' organized at the India International Trade Fair during November, 2008.

## **ACKNOWLEDGMENTS**

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

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

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

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

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

I, together with your Board, assure that NSIC will be able to excel and achieve further heights in its operations in the years to come. I am confident that with your continued support, year 2009-10 will turnout to be yet another year of excellence for the Company.

Place: New Delhi  
Date: 27<sup>th</sup> August, 2009

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