

2021
2022

ANNUAL REPORT

ANNUAL
REPORT

Vision

*To be a premier organization
Fostering the growth of Micro,
Small and Medium Enterprises
(MSMEs) Sector.*

Mission

*To promote and support Micro, Small
& Medium Enterprises (MSMEs)
Sector by providing integrated support
services encompassing Marketing,
Technology, Finance and
other services.*

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CIN NO.: U74140DL1955GOI002481

Chairman-cum-Managing Director (Additional Charge)

Ms. Alka Nangia Arora
(Upto 1st June, 2022)

Shri P. Udayakumar
(Superannuated on 31st July, 2022)

Shri Gaurang Dixit
(w.e.f. 1st August, 2022)

Directors

- Smt. Mercy Epao, Government Nominee Director
- Shri Rajib kumar Sen, Government Nominee Director, (upto 12th May, 2022)
- Smt. Sameera Saurabh, Government Nominee Director, w.e.f. 12th May, 2022
- Shri P. Udayakumar, Director (P&M) (superannuated on 31st July, 2022)
- Shri Gaurang Dixit, Director (Finance)
- Dr. Ashok Ahirwar, Independent Director
- Shri Kalandi Charan Samal, Independent Director

Company Secretary

Ms. Nishtha Goyal

Statutory Auditors

M/s. Goyal Parul & Co., Chartered Accountants

Branch Auditors

S. No.	Name of Auditors	S. No.	Name of Auditors
1	M/s. Surender Kumar Jain & Associates, New Delhi	17	M/s. Ashok Budhia & Co., Guwahati
2	M/s. HS Ahuja & Co., New Delhi	18	M/s. PHD & Associates, Mumbai
3	M/s. Sushil Jeetpuria & Co., New Delhi	19	M/s. Ashok S Zawar & Co., Nasik
4	M/s. P S SETHI & Co., Dehradun	20	M/s. SBH & Co. , Pune
5	M/s. Ved Mittal & Co., Agra	21	M/s. Patni & Patni, Aurangabad
6	M/s. Brajesh Agrawal & Associates, Aligarh	22	M/s. Sunil Johri & Associates, Raipur
7	M/s. Tandon Seth & Co., Kanpur	23	M/s. KV Mehta & Co., Ahmedabad
8	M/s. Goel Vinay & Associates, Allahabad	24	M/s. S.C. Makhecha & Associates, Rajkot
9	M/s. Rajnish Rajesh & Co., Chandigarh	25	M/s. Lakshmipathi & Co., Hyderabad
10	M/s. Rajesh Mahajan & Co., Ludhiana	26	M/s. BV Swami & Co., Bengaluru
11	M/s. V M Arora & Co., Jalandhar	27	M/s. Subbachar & Srinivasan, Coimbatore
12	M/s. Arvind Mathur & Co. Jaipur	28	M/s. K Subramanian & Co., Madurai
13	M/s. K.G.S.& Associates, Chennai	29	M/s. Alex & Co., Kochi
14	M/s. C Jagatheesh & Co., Puducherry	30	M/s. Gandhi & Gandhi, Hyderabad
15	M/s. VN Purohit & Co., Kolkata	31	M/s. Narendra Jain & Co., Indore
16	M/s. HK Chandak & Co., Cuttack	32	M/s. Parihar & Sonpar, Bhopal

S. No.	Name of Auditors	S. No.	Name of Auditors
33	M/s. B B A & Co, Rourkela	37	M/s. Vinod Vishal & Associates, Nagpur
34	M/s. KKM & Co., Jamshedpur	38	K V V Prasad & Co., Vijayawada
35	M/s. A Dewan & Co., Ranchi	39	M/s. SG Balekundri & Co., Belagavi
36	M/s. JAG & Associates, Patna		

Secretarial Auditors

M/s. Sapna G & Associates
395/396, 3rd Floor,
Pocket 11-B, Rohini,
Sector 23,
Delhi – 110 085

Main Bankers

State Bank of India
HDFC Bank
HSBC Ltd
Punjab National Bank
Bank of Baroda
IndusInd Bank
ICICI Bank

Registered Office

NSIC Bhawan
Okhla Industrial Estate
New Delhi- 110 020

Corporate Website

www.nsic.co.in

Board of Directors



Mr. Gaurang Dixit, Director (Finance) & Additional charge of CMD (DIN : 08535482)

Mr. Gaurang Dixit, Director (Finance) is an Associate Member of the Institute of Cost Accountants of India and also a Post Graduate in Business Administration. Mr. Dixit has been given the additional charge of Chairman-cum-Managing Director w.e.f. 1st August, 2022. He has more than 35 years of experience in the area of Finance & Accounts, Internal Audit, Corporate Planning, Vigilance and Commercial Department of Public and Private Sector Companies. He joined NSIC as Manager at Regional Office, Hyderabad in the year 2000 and since then, worked in different capacities at

field offices as well as at Corporate Office. He functioned as Head of Finance & Accounts, Corporate Planning, Internal Audit and Administration Division. He was also involved in formulation of policies / guidelines for new schemes and strengthening the existing schemes. He also handled the work related to raising funds / resources from the Banks, FIs for meeting the funds requirement of the Corporation.

He is also the Ex-officio Chairman on the Board of NSIC Venture Capital Fund Ltd (a wholly owned subsidiary of NSIC Ltd.).



Mr. P. Udayakumar, Director (Planning & Marketing) (DIN : 03353625)

Mr. P. Udayakumar, Director (Plg. & Mkg.) is a Post graduate from IIM - Bangalore and holds a degree in B.E. (Mech.). He has over 34 years of experience in MSME Sector, Petroleum & Fertilizer Sectors.

He is instrumental in starting separate business verticals for distribution of Petrochemical products developing contours for futuristic verticals in Defence Procurement, Machine Selling, Insurance, Software Selling and e-commerce. He played a key role in launching NSIC Loyalty Card for the first time in NSIC and new Corporate Logo with the consensus of all stakeholders.

He contributed inputs to the One Man Committee formed for revamping the MSME Sector under the Chairmanship of Dr. Prabhat Kumar, Ex-Cabinet Secretary. He led delegations to various countries and addressed Round Table Conference on the topic "Impact of SME Section on the Global Economy" in Guangzhou, China in October, 2016. He marshalled the Training-cum-Incubation Project in Mozambique funded by Ministry of External Affairs and commissioned the project during 2019-20. He has been instrumental in signing MoU with various National/International Organisations for expanding NSIC's business and training areas. He has been conferred with RASHTRIYA ICON AWARD in recognition of his contribution towards the growth of MSME Sector and LEADERSHIP AWARD for use of ICT in MSME by CMAI.

Mr. P. Udayakumar hold the additional charge of CMD w.e.f. 20th June, 2022 and superannuated from the services of NSIC on 31st July, 2022.



Ms. Mercy Epao, Government Nominee Director (DIN : 09331424)

Ms. Mercy Epao is Joint Secretary in Ministry of MSME. Prior to her joining the Ministry of MSME, she has worked in Ministry of DoNER, Ministry of Finance and Ministry of Housing & Urban Affairs in various capacities for the past 25 years. She has worked as Director in M/o DoNER handling Agri and Allied Sector, Externally Aided Projects for the NER, Publicity & Advocacy scheme which highlights the comparable strengths of NER, NEHHDC and NEDFi which are attached Organizations. She has dealt with the Pay

Commission, cadre reviews of AIS and other coordinating subject in D/o Expenditure. In M/o Urban Affairs, she has dealt with matter of Estates and Administration of DG, CPWD Office. She is a Post Graduate from Delhi University and has passion to promote Women/SC/ST marginalized entrepreneurs. As JS, she is handling International Corporations, Media, National SC/ST Hub scheme which is a dedicated scheme to support the SC/ST entrepreneurs (existing & Aspiring), Assistance to Training Institutes for skilling and infrastructure development, Women cell and Coordination section. She also looks after the NSIC and NIMSME which are organizations under the M/o MSME.

Ms. Epao was appointed as Government Nominee Director in the Board of the Company with effect from 22nd September, 2021.



Ms. Sameera Saurabh, Government Nominee Director (DIN : 09604102)

Ms. Sameera Saurabh is working as Economic Advisor looking after Finance and Budget Divisions of Ministry of MSME and O/o DC, MSME. She is an officer belonging to Indian Economic Services 2003 batch.

Ms. Saurabh has Bachelors & Masters degree in Economics from Xaviers College, Mumbai and LLB from University of Delhi. She also holds an Advanced Certificate in Management, Robert Smith School of Business, University of Maryland, USA.

Ms. Saurabh has a diverse and rich work experience. She started her career from Ministry of Commerce & Industry and worked in the Ministry of Labour & Employment at US/DS level (Director/Joint Director) handling International Labour Affairs. She has also represented India at the G20 Development Working Group & Task Force on Employment meetings in Mexico, France, Russia & Australia, India- EFTA, RCEP & India – EU Human Rights Dialogue related matters and ILO Governing Body meetings at Geneva.

Ms. Saurabh was also selected to work on deputation to Ministry of External Affairs, GOI wherein handled 6th BRICS Summit, the first International Summit of Hon'ble Prime Minister, Shri Narendra Modi in year 2014. She handled Summit level meetings of Heads of State in MER Division and was also Officer on Special Duty for the then Sherpa of G20, Shri Suresh Prabhu and handled the Multilateral Division in MEA coordinating effectively with several in line Ministries and PMO.

Apart from her inherent skills in international and multi lateral negotiations, she has handled portfolios such as Director, MGNREGA in Ministry of Rural Development and has worked as Advisor (Economic Intelligence) in Intelligence Bureau for over 3 years. Before joining as Economic Advisor in MSME, she was Director, Housing in Ministry of Housing and Urban Development handling RERA, Model Tenancy Act, CGEWHO, etc.

Apart from her professional expertise, Ms. Saurabh is an avid reader and writer having more than 40 publications in various national and international journals, newspapers and magazines. She also has an interest in horse riding and had won a gold medal in Horse Riding for Women at Lal Bahadur Shastri National Academy of Administration (LBSNAA), Mussoorie.



Mr. Kalandi Charan Samal (Independent Director) (DIN : 09459531)

Mr. Kalandi Charan Samal is a social worker from Odisha. He is a writer in Odia language and columnist in Odia newspapers. He belongs to Talcher, situated in Angul district of Odisha. He has been organising swadeshi melas exhibiting the products of small scale entrepreneurs from rural parts of Odisha. He is also the part of organising the Vigyan melas to sensitize the people for self-employment and regularly organizes book fairs/exhibition/ training for local farmers/ labourers as well as entrepreneurs to use new technologies.

Mr. Kalandi Charan Samal appointed as Independent Director in the Board of NSIC w.e.f. 11th February, 2022.



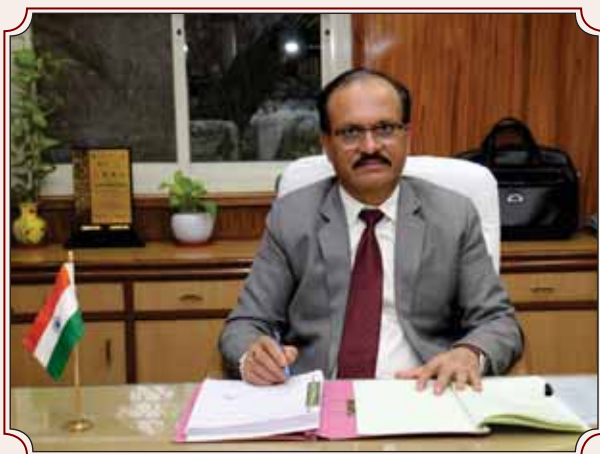
Dr. Ashok Ahirwar, Independent Director (DIN : 09459529)

Dr. Ashok Ahirwar is a Professor in the Department of History, School of Humanities and Social Science, Dr. Harisingh Gour Vishwavidyalaya (A Central University) at Sagar, Madhya Pradesh. He has also served as Head, Department of the History during the year 2016-2019. He has completed his Higher Education from Dr. Harisingh Gour Vishwavidyalaya, Sagar, Madhya Pradesh. He did his Master's in History and completed doctoral research on Dr. Ram Manohar Lohia's Ideas and Works: A Historical Analysis. He is associated as a Resource Person/expert at DIETs, HRDCs, TLCs, in various institutions across the nation.

He was recipient of Research Associateship from University Grants Commission, New Delhi from 1994-98. He has written various research papers extensively on Dr. B.R. Ambedkar: Vision and Contribution. He has also served as Member, National Council, Bhartiya Janta Party (2008-11). He was nominated as a member in the Advisory Board, North Central Railway Zone, Allahabad in 2021 by the Ministry of Railways, Government of India. He believes in investing his academic autonomy for cultivating agency of citizenship in a democratic way. For this apt vision, he has also extended his academic contour with democratic politics.

Dr. Ahirwar has appointed as Independent Director in the Board of NSIC w.e.f. 11th February, 2022.

Chairman's Message



Dear Shareholders,

On behalf of Board of Directors, I am pleased to welcome you in this 67th Annual General Meeting of "The National Small Industries Corporation Ltd. (NSIC)". On this occasion, I would like to mention that despite many challenges posed due to 2nd & 3rd wave of COVID-19 during the financial year 2021-2022, your Company's performance was commendable and it took various initiatives to serve MSMEs.

The Board's Report of your Company and its audited financial statements along with Auditor's Report and comments of the Comptroller & Auditor General of India thereon for the financial year ended on 31st March, 2022 have been with you. I seek your permission to take them as read.

Performance Overview

The revenue from operations of the Company for the year 2021-2022 was ₹ 2622.51 crore as compared to ₹ 2101.29 crore in the previous year. The Company has earned profit before tax amounting to ₹ 145.49 crore for the year 2021-2022 as compared to ₹ 139.65 crore in the previous year. The profit after tax was ₹ 108.30 crore during the year 2021-2022 as against ₹ 101.59 crore in the previous year. The Board of Directors has also recommended the dividend of

₹ 33.17 crore to the Government of India for the financial year 2021-2022.

In order to meet the demand and supply gap challenges of supply of raw materials to MSMEs, NSIC under its Raw Material Distribution Scheme has signed MoU with major Raw material Suppliers in the fields of Steel, Copper, Blended and Composite Cement, TMT and Wire Rods.

During the financial year 2021-2022, credit support amounting of ₹ 5834.77 crore under Raw Material Assistance (RMA) scheme were given to MSMEs units. Your Company has included Retail and Wholesale trade into Raw Material Assistance scheme to extend the benefit of short-term credit to uplift them from severe liquidity crunch after being hit by Covid-19 lockdowns. To provide the credit facilities to MSME units, NSIC entered into Memorandum of Understanding with various Nationalized and Private sector banks.

The registration of MSMEs under SPRS with virtual inspection has been made online. Further, due to outbreak of Covid -19 pandemic, the registration process to the NSIC's B2B MSMEMart Portal has also been made completely online and paperless. MSME Global Mart is the first service in India from MSME segment which has been on-boarded on UMANG platform. The portal has a member base of more than 1,92,000 MSMEs from India and is featuring more than 92,000 products.

Despite prevalence of Covid, NSIC has been quite active in the International activities; NSIC organized IBSA 6th Tri-nation Virtual Conference on Small and Medium sized Enterprises (SME) in Sept. 2021 under the theme "**Democracy for Demography and Development**". The various topics viz. enabling MSMEs in National Entrepreneurial Ecosystem, Innovation & Inclusivity, Integration into Global Value Chains, Sustainable Development: Preparedness of IBSA to deal with COVID-19 like crisis in future were discussed.

Further, NSIC was nominated as Secretariat for India-Taiwan SME Forum. The forum focused on the Healthcare sector, with the theme- "Electronic Manufacturing for the Healthcare Sector". A delegation was coordinated by NSIC and led by Secretary(MSME) comprising of officials and 9 MSEs from Health care sector visited Taiwan to participate in the India-Taiwan SME Forum. Delegation was exposed to latest technologies in Healthcare Sector through visit to Healthcare Expo and organizing B2B Meetings.

Number of high-level delegations from various countries like Iran, Bahrain, Mauritius, Senegal, Uganda and Egypt, etc. visited NSIC and showed keen interest for cooperation in the development of MSEs in their respective countries in cooperation with NSIC. Besides the above, NSIC also created number of Business linkages of Indian Enterprises with enterprises of various countries like Russia, South Africa, Vietnam, South Korea and Taiwan.

NSIC has also signed MoU with Andhra Pradesh Medtech Zone Ltd. (AMTZ), Telangana for enhancing the competencies of enterprises in the field of Healthcare Sector and also creating skilled manpower for the same.

National SC/ST Hub (NSSH), an initiative of the Ministry of MSME, Govt. of India is being

implemented by National Small Industries Corporation (NSIC). Since, launch of National SC/ST Hub in the year 2016, various interventions / sub-schemes have been introduced under NSSH in consultation with various stakeholders for capacity building and market linkage of the SC/ST entrepreneurs. Total 11898 SC/ST entrepreneurs were provided assistance and handholding support under NSSH scheme during the financial year 2021-2022.

During Financial Year 2021-2022, total of 48,182 trainees were passed out through different technical centers as compared to 33,527 trainees passed out in the previous financial year. A new Livelihood Business Incubation (LBI) has also been established by NSIC at Rourkela with infrastructural support from Steel Authority of India (Rourkela Steel Plant) and financial support towards operational expenditure from National Scheduled Tribes Finance and Development Corporation. The LBI is catering to the requirement of training for the unemployed youths from Scheduled Tribes community of Sundargarh and neighboring districts of Odisha. Various skill development training programs were also conducted at various training centers of NSIC including Hyderabad, Mandi, Rajpura, Guwahati etc.



Shri Narayan Tatu Rane, Hon'ble Minister of MSME graced the occasion of MoU signing between NSIC and Andhra Pradesh Medtech Zone Limited (AMTZ) on cooperation in the healthcare sector on 21st Sept., 2022. Shri B.B. Swain, Secretary (MSME) was also present.

Corporate Governance

NSIC ensures its commitment in managing the Company in transparent manner, maintenance of valuable relationship and trust with all the stakeholders. The Company complies the provisions pursuant to Companies Act, 2013, Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises etc. I am pleased to inform that two independent directors have been appointed by the Govt. of India during the year 2021-2022. Further, NSIC submits "Report on Corporate Governance" as required, on quarterly and annual basis and as per Clause 8.2 of Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by DPE, the Certificate confirming the compliance of provisions of Corporate Governance for the financial year ended 31st March, 2022, has been obtained from, Practicing Company Secretaries and forms part of the annual report.

Corporate Social Responsibility (CSR)

During the year, an amount of ₹ 90 lakh was contributed to PM Cares Fund. In addition, contribution of ₹ 44.70 lakh each were also made to Armed Forces Flag Day Fund, Clean Ganga Fund and Swatch Bharat Kosh.

NSIC Venture Capital Fund Limited (NVCFL)- wholly owned subsidiary of NSIC

NVCFL is registered as Category-II Alternate Investment Fund under Securities & Exchange Board of India (Alternative Investment Fund) Regulations, 2012 ('the Regulations') w.e.f. 1st Sept., 2021 for its first scheme Self-Reliant

India (SRI) Fund. SRI Fund is a combination of Mother/ Daughter Funds. The Government of India is the sole anchor investor and provide an initial budgetary support of ₹ 10,000 crore to the Mother Fund in phased manner. Daughter Funds, after being empanelled with the Mother Fund will mobilise funds and for each 4 units of funds so mobilised, they will be eligible to solicit 1 unit of fund, back-ended from the Mother Fund. The entire 5 units will then be available to the Daughter Fund for investment in MSMEs. The Contribution Agreement was executed on the 12th October, 2021 between the Anchor Investor (M/o MSME, Government of India), Sponsor (NSIC), AIF Company (NVCFL) and the Investment Manager (SBICAP Ventures Limited - SVL).

Till 30th November, 2022, total 17 IC meetings were held wherein 33 daughter funds have been empanelled. Total investment of ₹ 2445.48 crore was made under SRI Scheme in 127 MSMEs which includes ₹ 305.97 crore from SRI contribution.

Acknowledgments

I would like to express my gratitude to Ministry of MSME, RBI, DPE for continuous guidance and support. I would like to place on record my sincere thanks to all our stakeholders for their contribution to this initiative to facilitate and boost the growth of MSMEs. I would also like to thank C&AG, Statutory Auditors and other professionals associated with the Company.

In the end, I cannot forget to acknowledge the commitment and contribution of all NSICians and thank them for their support and cooperation all along.

Place : New Delhi
Date : 19th December, 2022

Sd/-
(Gaurang Dixit)
Chairman-cum-Managing Director
(Additional Charge)
DIN: 08535482

Board's Report

Dear Shareholders,

Your Directors are pleased to present the 67th Board's Report of the Company together with the Audited Financial Statements of the Company for the Financial Year 2021-2022.

1) Financial Performance

The financial performance of NSIC for the year 2021-2022 is given in the table below with its corresponding previous year:

(₹ in crore)

Particulars	Standalone		Consolidated	
	Financial year 2021-2022	Financial year 2020-2021	Financial year 2021-2022	Financial year 2020-2021
Revenue from operations	2622.51	2101.29	2624.53	2101.40
Gross Income	421.97	428.69	424.68	428.80
Profit Before Tax	145.49	139.65	147.79	139.06
Net worth	985.37	928.34	986.54	927.73
Borrowings	1523.36	1432.20	1523.36	1432.20
Dividend	33.17	31.78	33.17	31.78
Earnings per share (₹)	20.31	19.06	20.66	18.95

i) Consolidated basis:-

The Revenue from Operations of the Company for the year 2021-2022 was ₹ 2624.53 crore as compared to ₹ 2101.40 crore in the previous year. The Company has earned Profit before Tax amounting to ₹ 147.79 crore for the year 2021-2022 as compared to ₹ 139.06 crore in the previous year. The Profit after Tax is ₹ 110.13 crore during the year 2021-2022 as against ₹ 100.98 crore in the previous year.

ii) Standalone basis:-

The Revenue from Operations of the Company for the year 2021-2022 was ₹ 2622.51 crore as compared to ₹ 2101.29 crore in the previous year. The Company has earned Profit before Tax amounting to ₹ 145.49 crore for the year 2021-2022 as compared to ₹ 139.65 crore in the previous year. The profit after tax is ₹ 108.23 crore during the year 2021-2022 as against ₹ 101.59 crore in the previous year. During

the previous year, India had witnessed the second wave of COVID-19 pandemic with significant increase in the number of infected cases. The resultant lockdowns are less restrictive for economic activity and are concentrated in the most-hit states. The IT Infrastructure and digital communication technology enables the workforce to work securely through remote technology ensuring business continuity. However, considering the successful implementation of vaccination programme in India and general awareness among the people regarding the precautionary measure to deal with Covid 19 virus, the Company, the business and commercial activity are poised for resurgence.

Despite the challenges being faced by the MSME sector due to Covid-19 pandemic and impact of other various factors, the NSIC has facilitated MSMEs to the extent of ₹ 20,818.19 crore as compared to ₹ 14,976.21 crore during the previous year with the value of goods handled and services rendered.

2) Dividend

The Board of Directors of the Company has recommended a final dividend of ₹ 33.17 crore for the financial year 2021-2022. The dividend recommended is subject to the approval of the shareholders at the Annual General Meeting.



NSIC presented dividend cheque of ₹ 33.17 crore for the year 2021-2022 to Shri B.B. Swain, Secretary M/o MSME, Government of India.

3) Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934

During the year, further reserve fund u/s 45-IC of Reserve Bank of India Act, 1934 amounting to ₹ 21.65 crore has been created, thus making total reserve fund as on 31st March, 2022 amounting to ₹ 61.80 crore.

4) Operating Performance

i) Raw Material Distribution

Facilitating Raw Material's supply to MSMEs has been one of the important activities of NSIC. NSIC enters into MoU with bulk manufacturers and procure raw materials like Iron & Steel, Aluminum, Copper, Polymer, Bitumen, Emulsion, Cement etc. at competitive prices and in quantities as per MSMEs requirement. NSIC also facilitates MSMEs by opening of raw material distribution centres in industrial areas to enable MSMEs to get the raw materials at doorstep, bring down their inventory cost and help them to get material closer to their

works. MSMEs, specifically the micro & small enterprises, enjoy various advantages while availing raw material assistance. These advantages inter-alia include:

- Timely & steady availability of materials even in situations of scarcity.
- Availability of material in small quantities as per MSMEs requirement.
- Supply of materials at manufacturers' prices without intermediaries.
- Extending the benefits of bulk quantity purchases.

These benefits made MSMEs to remain competitive in the prices to sustain the competition from the big players of the market.

- During the year 2021-2022, NSIC serviced the raw material requirement of MSMEs through the supply of Iron & Steel from Steel Authority of India Limited (SAIL), Rashtriya Ispat Nigam Limited (RINL), Aluminium from National Aluminium Company Limited (NALCO), Paraffin Wax from Chennai Petroleum Corporation Limited (CPCL). To further facilitate MSMEs and ease their Raw material constraints, NSIC entered into the arrangements/ MoUs with Regional Producers/Local suppliers i.e. Steel Centre, Bhagwati Steel Sales, Triveni Enterprises Punjab Agro, Penna Cement Industries, Shiva Ferric etc. for the supply of raw materials to MSMEs.
- During the year 2021-2022, the quantity of Raw Material Distribution (RMD) is 2,52,348 MTs amounting to ₹ 2108.13 crore in comparison to 2,33,199 MTs amounting to ₹ 1543.17 crore during the previous year i.e. 2020-2021.

During the year 2021-2022, NSIC partnered with the market leaders to fulfill the raw material needs of MSMEs:

- NSIC signed an MoU with Arcelor Mittal Nippon Steel India Limited (AMNS) for the supply of Steel to MSMEs across India.



NSIC signed MoU with Arcelor Mittal Nippon Steel India Ltd. under the Raw Material Distribution Scheme for supply of steel products & solutions to MSMEs all across India.

- NSIC signed MoU with Jindal Stainless Steelway Limited (JSSL) for the supply of Stainless Steel to MSMEs across India.
- NSIC signed an MoU with Vedanta Limited – Sterlite Copper for the supply of Copper on a PAN-India basis.
- NSIC signed MoU with Dalmia Bharat Cement Limited for the supply of Cement on a PAN-India basis except North India.
- NSIC signed MoU with Agarwal Industrial Corporation Ltd. (AICL) on a PAN-India basis for Bitumen.
- NSIC Godown operation remained functional throughout the pandemic high risk period so that MSMEs engaged in essential commodity manufacturing sector could get the raw material on time. Our officers operated round the clock and ensured non-stop distribution of material from the godowns. The Indian Government

provided relief measures in the form of logistical support, the Essential Commodities Act and Covid-linked passes which helped ease the day-to-day operations of our godowns.

ii) **Single Point Registration Scheme (SPRS)**

NSIC registers Micro and Small Enterprises (MSEs) under Single Point Registration Scheme (SPRS) for participation in Government purchases. The units registered under Single Point Registration Scheme of NSIC are eligible to get the following benefits under Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012 as notified by the Government of India, Ministry of Micro Small & Medium Enterprises, New Delhi vide Gazette Notification dated 23.03.2012 and amendment vide order no. S.O. 5670 (E) dated 9th November, 2018.

- a) Issue of the Tender Set, free of cost;
- b) Exemption from payment of Earnest Money Deposit (EMD) ;
- c) In tender participating MSEs quoting price within price band of L1+15% shall also be allowed to supply a portion upto 25% of requirement by bringing down their price to L1 Price where L1 is non-MSEs;

The revenue earned from Single Point Registration Scheme (SPRS) in the year 2021-2022 was ₹ 10.72 crore. During the year 2021-2022, 2,752 new units were added and 6,209 units were renewed.

The registration under SPRS has been made completely online wherever physical inspection is not possible due to restrictions as per COVID-19 norms.

iii) **Consortia & Tender Marketing**

Micro & Small Enterprises (MSEs) are facing constraints in procuring the large orders when they bid for tender on their own capacity vis-a-vis large enterprises. In order to alleviate this hurdle, NSIC forms consortia of small units

manufacturing the same products, thereby pooling in their capacity which provides comfort level to MSEs as suppliers and also to buyers. The Company applies for tenders on behalf of consortia of MSEs and secures orders for bulk quantities. These orders are then distributed amongst MSEs in line with their production capacity.

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

During the year 2021-2022, the Company has participated in 485 no. of tenders valuing ₹ 413.71 crore and executed tenders amounting to ₹ 103.51 crore.

iv) **Credit Support to MSMEs**

a) **Credit support for Procurement of Raw Materials**

To support MSMEs in procurement of raw materials on credit, NSIC provide option to MSMEs to avail short term credit support at most competitive rates. This financial assistance is being provided against the security of bank guarantee. In this arrangement payment is released directly to the suppliers towards supply of raw material to the applicant MSMEs.

During the financial year 2021-2022, credit support amounting to ₹ 5834.77 crore under Raw Material Assistance (RMA) were given by NSIC to more than 2789 MSMEs units.

b) **Initiative taken under RMA Scheme**

NSIC has included Retail and Wholesale trade into Raw material Assistance scheme to extend the benefit of short term credit. Retail and wholesale traders were facing a severe liquidity crunch after sales were hit by the Covid-19 lockdowns. Considering this, Government of India has announced revised guidelines to include retail and wholesale trade as MSME and extending to them the benefit of priority sector lending under RBI guidelines.

c) **Credit facilitation through Bank Tie up**

To facilitate meeting credit needs of MSMEs through various banks, NSIC enters into tie-up arrangements with banks/ FIs. NSIC facilitate MSMEs for applying online for their credit requirement from various banks. NSIC does not charge any fee from the MSMEs for facilitating them. NSIC has also initiated Online Finance Facilitation Center under which credit to MSMEs will be facilitated through web linkages between NSIC portal and Bank's portal.

During the Financial Year 2021-2022, MoUs were signed with HDFC Bank, Union Bank of India, Central Bank of India and Bank of Baroda under the portfolio of Bank Credit Facilitation Scheme. Subsequently renewals of MOUs were also done with ICICI Bank, Kotak Mahindra Bank, AU Small Finance Bank, Yes Bank.

During the Financial Year 2021-2022, loans amounting to ₹ 370 crore were sanction to MSMEs through Bank Tie ups.

d) **Bill Discounting scheme**

The Scheme covers discounting of bills arising out of genuine trade transactions i.e. supplies made by Micro, Small and Medium Enterprises (MSMEs) to reputed Public Limited Companies / State and Central Govt. Departments / Undertakings / Private Limited Companies (not traders), engaged in manufacturing / service activities.

During the financial year 2021-2022, amounting to ₹ 31.52 crore was generated.

v) **NSIC Technical Services Centres (NTSCs)**

NSIC provides the following technology support services to Micro Small & Medium Enterprises through its Technical Services Centres:

a) **Demand Driven –Industries Centric Trainings in following areas:**

- Hi-Skills
- Conventional trades

- b) **Common Facility Services for Technical Consultancy and Job works on conventional to Hi-Tech Machines and Testing facilities through NABL accredited and BIS recognized laboratories.**

I. Skill Development

The NSIC Technical Services Centres are presently offering Job oriented Skill development trainings in various disciplines as per requirement of industries. The centres are equipped with the conventional to Hi-Tech machinery and equipment such as Advance Tool Room, CNC Milling & Turning Machines, EDMs, Robotics Lab, Solar Energy Application Labs, SCADA and Process Control Labs, Software Labs in various fields such as SAP, Multimedia, Mechanical & Electrical Design software, AR/ VR, Data Science, Machine Learning, EV Technology, Solar PV Technology etc.

The details of training courses provided in the centre are as under:

- a) **Design:** CAD/CAM, Computer Aided Engineering (CAE), CNC Programming and operations, Computational Fluid Dynamics (CFD), Mould Design, Solid Works, 3D Printing, Interior Design and Training through STAAD Pro and Revit.
- b) **Mechanical:** Tool Design and Advance Manufacturing, Quality Control & Inspection, HVAC Design, Machinist & Welding etc.
- c) **Electrical & Electronics:** Industrial Robotics, Automation with PLC-SCADA, Embedded System, Solar Energy, Electrical circuit and Substation Maintenance, Motor Winding & Repair, Mechatronics, Machine Learning, EV Technology, Solar PV Technology etc.
- d) **Information Technology:** Advance Software Technology, Computer Hardware & Networking, 'O' Level, Computer Programming languages, Website Design & Development, Big Data & Hadoop, Python, SQL Server, Core Java, MCP-CCNA,

Android Application, Advanced Java, Cloud Computing, C++ & OOPS, Computerized Accounting & Tally ERP, IOT, Data Science etc.

- e) **AICTE approved Polytechnic Diploma Engineering and NCVT courses:** AICTE approved diploma engineering courses in six different disciplines are conducted in NTSC, Neemka. Whereas NCVT affiliated ITI level courses are conducted at NTSC Okhla, Rajpura and Howrah to offer professional/ academic courses to students for employable opportunities.
- f) **Livelihood Business Incubation (LBI):** Through this initiative, NSIC engages youth including unemployed with an aim to inculcate entrepreneurial skills in them by imparting hands-on training on working projects i.e. Bakery, Soya Milk Making, Socks Knitting, Book Binding, Paper Cup Making, Colour Printing etc.

During Financial Year 2021-2022, total of 48,182 trainees passed out through different technical centres as compared to total of 33,527 trainees passed out in the previous financial year.

II. New Initiatives (Skill development)

- i) A new LBI has been established by NSIC at Rourkela under ASPIRE Scheme of Ministry of MSME, Government of India with infrastructural support from Steel Authority of India (Rourkela Steel Plant) and financial support towards operational expenditure from National Scheduled Tribes Finance and Development Corporation. The LBI is catering to the requirement of training for the unemployed youths from Scheduled Tribes community of Sundargarh and neighbouring districts of Odisha.
- ii) NSIC-Ackzonobel Centre of Skill Development was established at NTSC – Okhla for training in wall painting in partnership with Ackzonobel India. This training facility aims at imparting

training to the youths from weaker section of the society to create self-employment opportunities.

- iii) NTSC–Hyderabad conducted AICTE sponsored ATAL Online Training Programme and provided training to 450 candidates approx. in various emerging areas like Industrial IoT, Electric Vehicles etc.
- iv) NTSC–Hyderabad conducted 50 nos. of awareness programme for National Institute of Social Defence, Ministry of Social Justice & Empowerment, Government of India on 'Drug Abuse & Prevention in Industries', Corporate Establishments, MNC's, factories etc., for the employees / workers working in various factories / Industries.
- v) NTSC–Rajkot conducted skill development training programs for engineering degree and diploma candidates sponsored by Gujarat Knowledge Society, a Government of Gujarat Organization, with a view to bridge the gap between practical requirements of educational system.
- vi) Training Centre–Guwahati conducted training programme sponsored by

Agriculture and Processed Food Products Export Development Authority (APEDA) on food processing and preservation technology to 150 candidates for five North Eastern States.

- vii) Training Centre–Mandi conducted skill development training programme sponsored by National Bank for Agriculture & Rural Development (NABARD) to the youths and women of rural area for up-skilling and self-employment in cutting tailoring, bag making, cushion making, dress making, data entry operator & basic accounting trades. The Centre also conducted similar training programme in association with ITI, Mandi and District Institute of Education and Training.
- viii) NTSC–Rajpura conducted training programme sponsored by NABARD and National Minorities Development & Finance Corporation (NMDFC) in filed technician, electric motor rewinding, domestic data entry operator, pressman, auto-CAD, operator – CNC, retail store executive, assistant beauty therapist, customer care executive trades.



Shri Ashok Ahirwar and Shri Kalandi Charan Samal, Independent Directors on the Board of NSIC-Technical Center at Okhla, New Delhi. They were apprised about the various services being provided by the Centre.

III. Common Facility Services (CFS)

NTSCs offers demand driven NABL accredited and BIS recognised testing facilities to MSMEs in the following specialization.

Center	Testing facilities available
New Delhi	Ferrous and Non Ferrous materials, Pipes, Steel wires, Building materials, Plastics, Wood & Soil and Bitumen testing, PPE Kit testing
Rajkot	Diesel Engine Testing, Solar / Electric Pump Testing, Plastics Testing, Material Testing
Howrah	Electrical Conductor, Wires and Cables, Insulators, Material Testing
Rajpura	Electrical Appliances Testing, PPE Kit testing
Chennai	Calibration lab, Material Testing, Pump Testing, Energy Audit
Neemka	Chemical and mechanical testing of Ferrous and Non-ferrous materials

During Financial Year 2021-2022, total no. of 10,840 MSME units were served in the CFS through different technical centres.

IV. Placement Assistance to trainees

NSIC assists its trainees in placement by inviting companies to select trainees by organizing Job Fairs. NSIC organizes a number of Job Fairs to assist trainees for placement in which more than 350 companies have participated so far.

The job fair organized by NTSC – Okhla on 28th Sept., 2021 was inaugurated by CMD, NSIC wherein total 722 trainees who were passed out at the Centre participated in the fair. Placement assistance to the trainees by way of organizing job mela was also extended at NTSC – Rajkot, Chennai, Hyderabad and other Centres on regular basis.

V. Association with Academic Institutions and CPSEs for Trainings

In view to develop linkage of NSIC-Technical

Service Centers with Academic Institutes so as to facilitate the students for practical training on the technologies placed in NSIC- Technical Service Centers. MoU was signed with institutes like Kalindi College (Delhi University), Institute of Aeronautical Engineering (IARE)-Hyderabad, Global Institute of Engineering and Technology (GIET)-Hyderabad, Amity University, Thapar University, Veltech University, YMCA Science and Technology University, GLA University, NTPC, NHAI, NSTFDC etc.

VI. Digital Service Facilitation Division (MSME Global Mart)

The Company is offering Infomediary Services through its B2B portal <http://www.msmemart.com> which is a one-stop, one-window bouquet of aids that will provide information on business, technology and finance and also exhibit the core competence of Indian SMEs by way of enabling their digital presence for sustenance & growth. The portal has a member base of more than 1,88,082 MSMEs from India and is featuring more than 86,080 products. The key features and services of the portal include unlimited tender information, trade leads, member's homepage, featured product catalogue, request for quotation etc. The registration process on the portal is paperless & is completely online.

During the year 2021-2022, the following initiatives were taken by Digital Service Facilitation Division:

- International tender information was provided to registered members as a value added service for helping them participate in International Tenders & increase Exports in association with International Tender Services from United Nation Business Development (UNDB).
- As part of promoting International Trade, **International Trade Facilitation** provision on MSME Global Mart, a dedicated Country Pavilion / International Trade Pavilion

for Mauritius has been created to facilitate Global Trade for MSME Global Mart members by leveraging e-com for participation in Global Trade Opportunities.

- **“Submit RFQ- Source from India” provision:** To enable International Buyers to source their products & services and increase Export from India through MSME Global Mart portal, a provision has been created on the Portal.
- **ICT Digital Services page created on MSME Global Mart portal** for offering ICT empanelled Service Providers products/ services digitally & capturing the leads w.r.t. interests shown by MSMEs.
- **MSME Global Mart linkages with State Govts. Portals:** A Link of MSME Global Mart was provided on ODOP (One District One Product) Portal of Uttar Pradesh Govt, Andhra Pradesh Economic Development Board Portal and MSME Ministry website of Haryana.
- Virtual Event Ask me Anything (AMA) was organized with **Padma Shri Shridhar Vembu on MSME Guide to Digital Transformation** which gathered huge appreciation from MSME fraternity.

During the period 2021-2022, 15,817 units were registered under MSME Global Mart portal and the total revenue of ₹ 5.09 crore was earned.

To help MSMEs recover with post – COVID repercussion a special offer of 30% discount was offered on MSME Global Mart membership on New Enrolments, Renewals & Upgradation. Further, to showcase the offerings of empaneled Hospital Groups namely Apollo, Max, Fortis & Metro & provide their special offer to MSME Mart members during pandemic, a dedicated page has been

launched on MSME Global Mart Portal.

5) Implementation of Government Schemes

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

a) Procurement & Marketing Support Scheme (PMSS)

Marketing, a strategic tool for business development, is critical for the growth and survival of MSMEs. Due to the lack of information, scarcity of resources and unorganized ways of selling / marketing, MSME sector often faces problems in exploring new markets and retaining the existing ones. Keeping in view these facts, the Procurement and Marketing Support Scheme (PMSS) has been introduced by Ministry of MSME to enhance the marketability of products and services in the MSME sector.

NSIC is one of the implementing agencies of the Scheme. The scheme aims at the following:

1. Promoting new market access initiatives like organizing/ participation in National / International Trade Fairs / Exhibitions/ MSME Expo etc.
2. To create awareness and educate the MSMEs about importance / methods / process of packaging in marketing, latest packaging technology, import-export policy and procedure, GeM portal, MSME Conclave, latest developments in international/ national trade and other subjects/ topics relevant for market access developments.
3. To create more awareness about trade fairs, bar code, digital advertising, e-marketing, GST, GeM portal, public procurement policy and other related topics etc.

Manufacturing / Service sector MSEs having valid Udyam Registration are eligible to apply under the Scheme.

NSIC facilitated participation of 58 MSEs in domestic exhibition under the scheme during the year 2021-2022.

b) National SC/ST Hub (NSSH)

National SC/ST Hub (NSSH) Scheme, an initiative of the Ministry of MSME, Govt. of India launched by the Hon'ble Prime Minister in the year 2016 has been set up to provide professional support to Scheduled Caste and Scheduled Tribe entrepreneurs to fulfil the obligations under the Central Government Public Procurement Policy for Micro and Small Enterprises Order 2012. National Small Industries Corporation (NSIC) has been implementing the above scheme. Various interventions have been introduced under NSSH in consultation with stakeholders.

The concise on activities undertaken by National SC/ST Hub during the financial year 2021-2022 even after duress of Covid-19 pandemic are as under:

i) Facilitate participation in Public Procurement

- To enhance the capability of SC/ST entrepreneurs for participation in Government procurement process. Total **79 e-tendering training workshops** have been organized by National SC/ST Hub Offices (NSSHOs) with participation of 1610 nos. of SC/ST entrepreneurs.
- Subsidy was provided for registration under **Single Point Registration Scheme (SPRS)** to 713 nos. of SC/ST MSEs.
- Handholding support provided to 670 SC/ST MSEs for enrolment on GeM portal through NSSH Offices.
- Handholding support provided to the SC/ST entrepreneurs

through NSSH offices for participation in Govt. tenders valuing ₹ 403.12 crore against which orders valuing ₹ 88.67 crore were awarded.

ii) Market Linkage

- Total 101 nos. of Special Vendor Development Programs (SVDPs) have been organized wherein total nos. of 3547 SC/ST entrepreneurs were participated.
- Subsidy was provided on the enrolment fee of the B2B portal (MSME Mart) to 2937 nos. of SC/ST entrepreneurs.
- Facilitated participation of 848 SC/ST MSMEs in 41 domestic exhibitions.

iii) Credit Facilitation

Credit facilitation proposals valuing ₹ 171.93 crore were submitted to various financial institutions and proposals worth ₹ 50.52 were sanctioned.

iv) Capacity Building and Competitiveness

- Capacity building training for skill and entrepreneurship development was provided to 1512 SC/ST aspiring & existing entrepreneurs through various autonomous institutions across the country.
- Subsidy of ₹ 36.64 crore was released to the concerned Nodal Banks under Special Credit Linked Capital Subsidy Scheme (SCLCSS) component of NSSH in respect of 285 SC/ST MSEs.
- Subsidies were provided under NSSH to total 75 SC/ST MSEs

in terms of reimbursement of testing fee, bank charges on performance Bank guarantee (PBG), processing fee on bank loans, membership fee of EPCs and short term training fee of top 50 NIRF ranked Management Institutions.

v) Outreach Programs

In order to reach out to the target beneficiaries, 88 awareness programs were organized by NSSH Offices wherein 3092 SC/ST entrepreneurs participated.

6) International Cooperation

The main objective of International Cooperation is to create awareness amongst the MSMEs of India about the opportunities for developing technical or business alliances with enterprises of other countries. Due to Covid-19 pandemic most of the activities under International Cooperation took place virtually but still a number of International delegations visited NSIC during the year 2021-2022 for exploring the possibilities of cooperation with NSIC for the development of MSMEs in their respective countries. Some of them are mentioned as below:

i) Visit of H.E. Mr. Abdul Wahab Haidara, Ambassador of the Republic of Senegal in India to NSIC

H.E. Mr. Abdul Wahab Haidara, Ambassador of the Republic of Senegal in India visited NSIC's Rapid Incubation Centre and Advance Training Center, New Delhi on 7th April, 2021 and familiarize with NSIC's facilities for skill development and creation of self-employment opportunities for unemployed. His Excellency appreciated the NSIC's facilities mentioning that the model is aligned with their need of skill development and creating job opportunities for youth and women in their country. He discussed on the opportunities of cooperation in the field of MSME and showed keen interest to

cooperate with NSIC for promoting Micro and Small enterprises in their country.

ii) Visit of Uganda Private Sector Delegation to NSIC

A Sixteen Member delegation led by Hon. Kyatuheire Jacuelne (Member of Parliament), Uganda visited NSIC's Rapid Incubation Centre and Advanced Training Centre, New Delhi on 5th October, 2021. They appreciated NSIC's model of Incubation Centre for employment generation in context of Uganda's business environment and showed keen interest to cooperate with NSIC for setting up such Centre in Uganda.

iii) India-Korea technology exchange B2B matchmaking program

Korea SMEs and Startups Agency (KOSME) which is NSIC's counterpart agency in South Korea, organized an India-Korea technology exchange B2B matchmaking program in association with NSIC on 10th & 11th June 2021. Total no. of 12 Korean Enterprises and 3 Indian Enterprises virtually participated in B2B Meetings.

iv) Sixth Tri-Nations Conference on Small & Medium Enterprises

Tri-Nations Conference on Small & Medium Enterprises (sub-group of the main IBSA Forum) is the tri-national cooperative initiative of three organizations i.e. The National Small Industries Corporation Ltd (NSIC) of India, Brazilian Micro and Small Business Support Service (SEBRAE) of Brazil and Small Enterprise Development Agency (SEDA) of South Africa which aims to discuss issues related to MSMEs of these three countries and share their experiences for the development of MSMEs and to enhance enterprise to enterprise cooperation in the field of MSMEs. This initiative of three organizations is the main part of IBSA Forum since its 4th edition. This conference was virtually organized from 2nd to 3rd Sept., 2021 under the theme "Democracy for Demography and

Development". Experts and senior officials from these three organizations were deliberated on various topics like- Enabling MSMEs in National Entrepreneurial Ecosystem, Innovation & Inclusivity, Integration into Global Value Chains, Sustainable Development, preparedness of IBSA to deal with crisis like COVID-19 in future.

v) 1st Taiwan-India SME Joint Working Group (JWG) Meeting

NSIC participated in India-Taiwan SME JWG meeting co-hosted by Ministry of Micro, Small & Medium Enterprises (M/o MSME), India and Small and Medium Enterprise Administration, Ministry of Economic Affairs, Taiwan virtually on 24th Jan., 2022. During the meeting, it was decided to hold SME Cooperation Forum alternatively by India and Taiwan once a year. In the year 2022, the forum will be organized by the Taiwan. The forum will be co-organized by NSIC from India and Industrial Technology Research Institute (ITRI) from Taiwan. NSIC has been nominated as Secretariat on behalf of M/o MSME for the said India-Taiwan SME Forum.

vi) NSIC – KOSME Expert Session

NSIC – KOSME Expert session on '4th Industrial Innovation Technology and Management Strategy' was virtually organized on 8th Sep., 2021 wherein approx. 55 officials & trainees of NSIC were participated.

vii) NSIC also participated in India-Uganda roadshow on the topic "Creating Youth Employment Opportunities" on 13th August, 2021 and in India-Uganda Hybrid roadshow on the topic "India's SME Growth & Experience" on 17th Sept., 2021 to present the opportunities of cooperation between India and Uganda in the area of MSMEs.

viii) NSIC also participated in virtual meeting organized by Conference on Interaction and Confidence Building Measures in Asia

(CICA) on the topic "Action Taken to support SMEs to Stimulate Digital Transformation of Activity" on 9th Sept., 2021.

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

NSIC has Branch Office at Guwahati and sub-office at Imphal (Manipur) in NER, various activities undertaken by NSIC in NER are as under:

- a) To boost the growth of MSEs in North East Region (NER), NSIC Branch Office, Guwahati in association with ASDM, APEDA, ATI etc. trained 900 candidates in various trades such as Fashion Designing, Food Processing, Beautician, Decorative Candle making etc. under Technical Incubation Centre at Guwahati, Kokrajhar & Golaghat (Assam), Shilong (Meghalaya), Imphal (Manipur) and Gangtok (Sikkim).
- b) NSIC has undertaken activities of Vendor Development Program & awareness program etc. with IOCL, RINL, NE Frontier Railways, BCPL, NEEPCO, FCI and also with various associations including Laghu Udyog Bharti, ICC etc. SC/ST Hub also has conducted 12 webinars with more than 600 participants.
- c) NSIC Guwahati has done marketing campaign with News18 North-East on every weekend for 20 weeks and also on some regional channels periodically to disseminate the information about NSIC & SC/ST Hub schemes and courses running in Training Centre.
- d) NSIC Guwahati has done MSME Conclave at Guwahati in august presence of Hon'ble Cabinet Minister MSME, Secretary MSME & Joint Secretary, MSME with more than 250 SC/ST participants with majority of women participants.



A training programme on Decorative Candle was conducted at NSIC (North-East) Zone for encouraging youth towards self-employment opportunities.

- e) NSIC North-East Zone has signed MoU with NE ZONE Group under Raw Material Assistance as Bulk supplier for various steel products.
- f) NSIC North-East Zone participated in various State Government's program to spread awareness about NSIC/ National SC/ST Hub schemes.
- g) NSIC North-East Zone got privilege to inaugurate momentum North-East 2022 (2 days Program and Exhibition) organised by PHD Chamber of Commerce at Shilp Gram, Guwahati and interacted with SMEs and budding entrepreneurs.
- h) Participation in Exhibitions: NSSHO Guwahati had supported units to participate in 7 domestic exhibitions at different places of country namely at Guwahati (Assam), Shilong (Meghalaya), Greater Noida (Uttar Pradesh) & New Delhi. The details are as follows:
 - i) Hornbill Festival at Kohima, Nagaland (40 Units)
 - ii) Celebrating North-East at New Delhi (18 Units)
 - iii) India International Hospitality Expo at Greater Noida (29 Units)
 - iv) SIAL at New Delhi (6 Units)
 - v) 21st India International LEO Expo at Guwahati (41 Units)
 - vi) 16th International Trade Festival at Guwahati (40 Units)
 - vii) 13th Int'l Handicrafts & Textile Trade Fair at Guwahati (49 Units)

8) MoU Performance

A Memorandum of Understanding (MoU) is signed every year between your Company and its administrative ministry i.e., Ministry of Micro, Small & Medium Enterprises. As per directives issued by DPE, a MoU was e-signed between Secretary, MSME, Government of India, and CMD, NSIC for the financial year 2021-2022. NSIC has achieved "excellent" rating for the year 2020-2021.

9) NSIC Celebrates International Women's Day

NSIC celebrated International Women's Day (IWD) with great zeal and enthusiasm



NSIC celebrated International Women's Day (IWD) with great zeal and enthusiasm on 8th March, 2022

on 08th March, 2022. The event was organized by WIPS (Women in Public Sector) committee of NSIC. The theme of the IWD-2022 was #BreakTheBias which focused on inclusive working towards a world that is equitable and free from bias and discrimination. On this occasion, an informational talk on gender equality, safety & health as well as an awareness

programme was organized on Self Defence & Women Rights.

10) **Familiarization Programme for Independent Directors**

A familiarization programme was organized in the Head Office, NSIC for newly appointed Independent Directors, Shri Kalandi Charan Samal and Dr. Ashok Ahirwar with all the Heads of Department in the presence of functional Directors, NSIC. The Head of departments have briefed them about the schemes and business activities of the Company.

11) **NSIC administers Swachhata Pledge**

On the occasion of Swachhta Pakhwada 2021, NSIC administered Swachhta Pledge to the employees of the Company. The pledge and other activities are aimed to educate everyone and to bring qualitative improvements, related with cleanliness, in our lives and surrounding areas.



A familiarization programme was organized in the Head Office, NSIC for newly appointed Independent Directors, Shri Kalandi Charan Samal and Dr. Ashok Ahirwar with all the Heads of Department

12) Honorable Minister(s) MSME inaugurate NSIC Pavilion

Shri Narayan Tatu Rane, Hon'ble Cabinet Minister of MSME and Shri Bhanu Pratab Singh Verma, Hon'ble Minister of State (MSME) inaugurated the NSIC Pavilion on

15th Nov, 2021 at the 40th India International Trade Fair being held at Pragati Maidan in the presence of Shri B. B Swain, Secretary MSME, more than 121 MSEs (SC/ST Enterprises) were participated in the NSIC pavilion across the country



Shri Narayan Tatu Rane, Hon'ble Cabinet Minister of MSME and Shri Bhanu Pratab Singh Verma, Hon'ble Minister of State, MSME inaugurated the NSIC Pavilion on 15th Nov, 2021 at the 40th India International Trade Fair being held at Pragati Maidan in the presence of Shri B. B Swain, Secretary MSME

13) NSIC Observes Vigilance Awareness Week

NSIC administered the Integrity Pledge for Organisations and Citizens on the occasion of Vigilance Awareness Week. This awareness week campaign affirms our commitment to promotion of integrity and probity in public life through citizen participation. NSIC observed the Vigilance Awareness Week from 26th October, 2021 to 01st November, 2021.

14) Management Discussion & Analysis

In terms of DPE guidelines, a separate report on Management Discussion and Analysis is enclosed as “Annexure- A” to this report.

15) Investments

During the year 2021-2022, your Company has not made any investments. Further, other details of investments made by Company have been mentioned at note. 7 of the Notes to Accounts of the audited financial statements for the year 2021-2022.

16) Public Deposit

The Company has not accepted any public deposits during the financial year 2021-2022. Further, in compliance of RBI guidelines, the Board of Directors of the Company has passed the relevant resolution.

17) Human Resource Learning and Development

- a) The total manpower of the Company as on 31st March, 2022 was 657. The break-up of the manpower was as follows:

S. No.	Description	As on 31.03.2022	As on 31.03.2021
1.	Managerial	484	502
2.	Supervisory	82	87
3.	Non-Supervisory	91*	97
	Total	657	686

* (including 16 EA on contract)

NSIC extends a wide range of welfare activities for its employees. These include House Building advance, Vehicle advance, Computer advance, Festival advance to unionized employees, Medical facilities for serving and retired employees, Employee Provident Fund, Benevolent Fund Scheme, NSIC Scholarship Scheme for wards of serving employees, NSIC Family Pension Scheme in case of death in harness of the serving employees, free training to the eligible dependents on the deceased employees in NSIC Technical Service Center as per the choice exercised, gift on completing 25 years of service in the Company, gift on retirement on attaining the age of superannuation, Earned Leave Encashment while in service and also at the time of retirement etc. Besides, the NSIC Employees Superannuation Pension Scheme for IDA employees is also in place.

During the year 2021-2022, very good and cordial relations were maintained amongst employees of the Company and Union. There were no gate meeting and strike. Meetings held with unions from time to time to discussions related to various issues (if any) were handled and resolved amicably. As a result, thereof, harmonious industrial relations were maintained.

During the year 2021-2022, the various initiatives taken by HR Department are as follows:

- During the Covid-19 pandemic, HR Department issued various office orders for employees as per the direction of the Govt. for work from home, Special Casual Leave were given to employees.
- The revision of definition of family under the NSIC Family Pension Scheme in lieu of compassionate employment and also available on the NSIC intranet.
- As per press release from Ministry of labour & employment, COVID-19 withdrawal from PF account were sanctioned. For immediate relief, Your Company processed the applications in swift mode and the amount was transferred to the bank account of applicants.

b) Staff Training

Training is a learning process that involves acquisition of knowledge, sharpening of skills, concepts, rules, and changing of attitude and behaviour to enhance the performance of employees. The Training division of NSIC is aimed at bettering the performance of individuals with an endeavor to enable the employees be updated with the current market scenario as also touching base with various aspect of disseminating the benefits of NSIC schemes.

During the year 2021-2022, total 227 employees (includes 202 employees from Group A) were trained. NSIC conducted various training programs as follows:-

In-house training Programs - NSIC conducted in-house training programs for its employees through online/offline mode like webinar on Equip yourself for the COVID 19 Era, training Program on 7th International Yoga Day Program, Program on Reservation and Recruitment Roster for HR officials, Three Buddy / Orientation Program for newly appointed General Managers, Three batches of two days QMS ISO 9001:2015 Internal

Quality Auditor online training course etc. These focused programs provide immense learnings with respect to behavioural and technical skills to employees of all levels of NSIC.

External Training Programs - In addition to the above, 82 employees were also deputed on PAN India basis to various external training programs like webinar on “Sharing is Caring” – A Dialogue on Emotional Strengthening – Real Life Experiences, Orientation session on Insolvency and Bankruptcy Code, 2016, Program on Public Procurement through GeM Portal, Executive Development Program on India's New Four Labour Codes, Executive Development Program on Cyber Security for Data Protection, Workshop on “Drafting of Request for Proposal”, Enhancing Service Productivity through Effective Business Models, 14th Interactive Symposium on Right to Information Act, Office Procedures: Insight to Noting & Drafting, Developing Managerial & Supervisory Skills, Mindfulness for Organizational Excellence for Executives, Latest Global HR Practices & Challenges etc.

These programs were organised by renowned institutes and departments such as Standing Conference of Public Enterprises (SCOPE), Department of Public Enterprise and Insolvency and Bankruptcy Board of India (IBBI), National Productivity Council, Fortune Institute of International Business (FIIB), Institute of Secretariat Training and Management (ISTM), Parivartan Rajbhasha Academy etc.

c) **Representation of SCs, STs, OBCs, Persons with Disability and Minorities**

The directives of the government issued from time to time with regard to the reserved categories such as Scheduled Caste, Scheduled Tribes and Other Backward Classes are being followed by the Company. The post-based Reservation Roaster for the direct recruitment as well as promotion are being maintained which are duly inspected by the Liaison Officer for SC/ST/OBC of the

Company. The SC/ST employees in Group C&D post are given one year relaxation in terms of eligibility period in the time scale promotion. The candidates belonging to SC/ST/PwD are given relaxation in the marks in the selection attains the direct recruitment. The candidates belonging to SC/ST category are given endless chances to apply for outside employment through proper channel, whereas the employees of other than SC/ST category can apply only twice for outside employment. Age relaxation for SC/ST/OBC category in direct recruitment is given as per reservation policy of the Government.

The representation of SC/ST and minorities in the Company as on 31st March, 2022 are as under:

S. No.	Description	As on 31.03.2022
1.	Scheduled Caste	107
2.	Scheduled Tribes	14
3.	Other Backward Classes	121
4.	PwD	21
5.	Minority	65
	Total	328

18) **Policy for Prevention of Sexual Harassment**

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year 2021-2022, the Company did not receive any complaint of sexual harassment.

19) **Particulars of Employees**

None of the employees of the Company were in receipt of remuneration in excess

of limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

20) Vigilance Activities

Vigilance is an inalienable and integral part of the management function and assist in maintaining integrity, purity and efficiency of the administration. Vigilance Department works in cooperation with other Divisions / Units of the Company at all levels. Besides, the Vigilance Department also works in coordination with the CVC, the administrative Ministry and the CBI. The vigilance denotes watchfulness and alertness, which is most important and vital for growth of any



NSICians observe the Vigilance Awareness Week from 26th October to 1st November, 2021 and administered the Integrity Pledge on this occasion.

organization. It ensures that there is no wastage, misuse or pilferage of the available resources and optimum use of these resources to fulfill the objective. In-house vigilance is an essential management tool to safeguard the organization from erosion of the organizational resources and goodwill.

The Vigilance Department not only assists the management in punishing the unscrupulous employees for their acts of misconduct, but also help in protecting the honest and efficient officials from harassment by way of false and motivated complaints made out of personal vendetta. The departmental

disciplinary proceedings were conducted against the erring officials involved in the cases and major penalty has been awarded in most of the cases after completion of the inquiry proceedings.

During the year 2021-2022, "Vigilance Awareness Week" was observed from 26th October, 2021 to 1st November, 2021 as a campaign against corruption and to create its awareness amongst the employees, clients and other stakeholders of the Company. The theme of Vigilance Awareness Week was "Independent India @ 75 : Self Reliance with Integrity (स्वतंत्र भारत @ 75: सत्यनिष्ठा के साथ आत्मनिर्भरता). A pledge to bring integrity and eradicate corruption was administered to all the employees of the Company in all its offices at various places across the country. Online Integrity Pledge have also been undertaken by the employees of the Company.

The immovable property return of all the employees of the Company were obtained and examined.

21) Corporate Social Responsibility Initiatives

A separate report on Corporate Social Responsibility initiatives of the Company is enclosed as "Annexure- B" to this report.

22) Auditors

a) Internal Auditor

NSIC has an in-house internal audit department as well as auditors selected from RBI empanelled CA firms to conduct internal audit of all the accounting units of the Company. The internal audit reports were placed before the audit committee of the Board from time to time.

b) Statutory Auditors

The Comptroller & Auditor General of India has appointed M/s. Goyal Parul & Co., Chartered Accountants as the Statutory Auditors for the financial year 2021-2022. The Statutory Auditors have given its report

on the financial statements of the Company for the financial year 2021-2022 and have given their reports without any qualification, reservation, adverse remark or disclaimer. The Auditors' Report(s) are forming part of this Annual Report.

c) **Secretarial Auditors**

M/s. Sapna G & Associates, Practicing Company Secretaries were appointed to conduct the Secretarial Audit of the Company for the financial year 2021-2022 in terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the financial year 2021-2022 enclosed as “Annexure- C” to this report. .

d) **C&AG Audit**

Comments of the Comptroller & Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the financial statement forms part of the Report.

23) **Annual Return**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2022 is available on the Company's website at <https://www.nsic.co.in/Corporate/AnnualReports>.

24) **Internal Financial Controls**

The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the accuracy and completeness of the accounting records. Your Company is committed to continuously work to further strengthen the Internal Financial Control of the Company.

25) **Rajbhasha**

With a view to ensure progressive use of Hindi in the Company, implementation of the provisions of Official Language Act 1963, rules framed thereunder and

the compliance of the directives of the Rajbhasha Vibhag, Ministry of Home Affairs and Ministry of MSME issued from time to time were continued to be observed. During the year 2021-2022, the following activities were carried out to ensure the progressive use of Hindi.

Hindi Pakhwada was celebrated during 6th Sept., 2021 to 20th Sept., 2021. Six various Hindi Competitions were organized in the Company. The focus of these competitions was to motivate the employees to increase the use of Hindi in their day to day official work.

“Hindi Diwas” was celebrated on 14th Sept., 2021 in the Company under the Chairmanship of Shri Gaurang Dixit, Director (Fin.) in which Departmental Heads of Head office along with their Zonal Heads situated in NCR have participated. On this day, Hindi Diwas message of Hon'ble Minister MSME and CMD, NSIC was read out.

An Annual Inspection Programme for Official Language was prepared for the various departments at Head office and field offices of the Company and the same was implemented.

In October, 2021, All India Official Language Hindi Workshop & Seminar was organized by “Parivartan Rajbhasha Academy Delhi” at Guwahati, Assam. The Company was honoured with “Hindi Rajbhasha Utkarst Karaynvayan Ratan Samman” for excellent work in the field of implementing Rajbhasha.

Officers/employees were nominated on behalf of the Company in the Hindi competitions organized under the guidance of the Nagar Rajbhasha Karyanvyan Smiti (Upkram-2) Delhi. An official won the award along with prize money.

Out of the total amount earmarked for purchase of books more than 50% amount was incurred on purchase of Hindi books.

26) Right To Information Act, 2005

During the financial year 2021-2022, total 55 applications were received under “Right to Information Act, 2005” (RTI) and total 56 applications disposed-off.

27) CFO Leadership Award

On the occasion of 22nd National Management Summit “Re-Imagining People, Technology & Culture in the Future of Work”. Shri Gaurang Dixit, Director (Finance), National Small Industries Corporation Ltd., (NSIC) conferred with “CFO Leadership Award” (Top Rankers Excellence Award 2022) on 17th June, 2022 by Top Rankers Management Club, Hotel Le-Meridian, New Delhi. The Award was given by Hon’ble Shri Bisheshwar Prasad Singh, Former Justice Supreme Court of India and H.E. Mrs. Santi Bai Hanoomanjee, High Commissioner of Republic of Mauritius.



Shri Gaurang Dixit, Director (Finance), NSIC conferred with “CFO Leadership Award” (Top Rankers Excellence Award 2022) by Top Rankers Management Club, New Delhi.

28) Particulars of Energy Conservation, Technology absorption

Your Company does not own any manufacturing facility, hence there are no significant particulars relating to conservation of energy and technology absorption. Accordingly, the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of Companies (Accounts) Rules, 2014 are not applicable on the Company.

29) Statement Containing Salient Features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures

Pursuant to Section 129 of the Companies Act, 2013 and Rules made thereunder, the Company has prepared the consolidated financial statements for the financial year 2021-2022, that include its wholly owned subsidiary Company i.e. NSIC Venture Capital Fund Limited. The consolidated financial statements shall also be placed before the shareholders in the 67th Annual General Meeting along with the Standalone Financial Statements of the Company. As per sub-section 3 of Section of 129 of the Act, a statement containing the salient features of the financial statements of subsidiary of NSIC (i.e. NVCFL) in Form AOC-1 is enclosed as “Annexure- D”.

There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 (“Act”)

30) Particulars of Contracts or Arrangements with Related Parties

As per requirement of Section 134 (3) (h) of the Companies Act, 2013, the particulars of contracts or arrangements with related parties as mentioned in section 188 of the Companies Act, 2013 in the prescribed form AOC-2 is enclosed with the report as “Annexure- E”.

31) Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012

The Company has successfully implemented the Public Procurement Policy of the Government of India for procurement from MSEs. The value of goods and services procured from Micro & Small Enterprises during the year 2021-2022 was ₹ 23.44 crore, as against the target of 25% for procurement from MSEs. This procurement from MSEs was 67.6% of the total purchases made by the

Company. The percentage of procurement in respect of SC/ST owned MSEs was 3.67% and in respect of women owned MSE was 0.93% for the year 2021-2022.

32) Foreign Exchange

During the year 2021-2022, the total expenditure in foreign currency was ₹ 3.40 crore as compared to ₹ 3.44 crore in the year 2020-2021.

33) Quality Management System

NSIC continuously review and upgrade its systems to deliver higher quality of services to its customers and satisfy all its stakeholders through establishing the Quality Management System which was revised and updated periodically with the latest version ISO 9001:2015. The ISO certificate of NSIC has been renewed and issued which is valid from 23.05.2021 to 22.05.2024. The Annual Surveillance Audit-I was successfully conducted and carried out through online and offline modes in view of the COVID-19 protocols. ISO Division has also been actively engaged throughout the year for online/offline Trainings and capacity building of the employees at BOs/NTSCs and Corporate level for Internal Audits.

During the financial year 2021-2022, two manuals i.e. (Law and Recovery Manual and Financial Services Manual) were updated with latest modification/amendments and uploaded at Intranet.

34) Directors

During the year 2021-2022 and till date, the following changes have taken place in the Board of the Company:-

- a) Shri Gaurang Dixit, Director (Finance) NSIC has been assigned the additional charge of the post of Chairman-cum-Managing Director, NSIC w.e.f. 1st August, 2022.
- b) Shri. P. Udayakumar, Director (P&M), NSIC was assigned the additional

charge of the post of Chairman-cum-Managing Director of the Company w.e.f. 20th June, 2022. He holds the charge as Chairman-cum-Managing Director, NSIC upto the date of his superannuation i.e. till 31st July, 2022.

- c) Smt. Alka Nangia Arora was assigned the additional charge of the post of Chairman-cum-Managing Director of the Company w.e.f. 14th September, 2021 till 31st May, 2022.
- d) Shri Vijayendra, ceased to be Chairman & Managing Director, NSIC w.e.f. 14th Sept., 2021.
- e) Smt. Mercy Epao, Joint Secretary (SME), MSME was appointed as official part-time Director in the Board of NSIC w.e.f. 22nd Sept., 2022.
- f) Dr. Ashok Ahirwar & Shri Kalandi Charan Samal have been appointed as non-official part-time Directors (Independent Directors) in the Board of NSIC vide Ministry of MSME Letter No. 9(21)/2014- SME dated 22nd December, 2021.
- g) Smt. Sameera Saurabh, Economic Advisor, M/o of MSME was appointed as official part-time Director in the Board of NSIC vide Ministry letter No. K-01/15/2021-SME dated 19th April, 2022 in place of Shri Rajib Kumar Sen, Ex-Economic Advisor (MSME).

During the year 2021-2022, seven meetings of the Board of Directors were held. In addition, Audit Committee Meeting, Corporate Social Responsibility Committee meeting and other Sub-Committee meetings of the Board were held. The details of the meetings are given in the Corporate Governance Report which forms part of this report.

35) Directors' Responsibility Statement

Pursuant to the requirement of section 134(3) (c) of the Companies Act 2013, the Directors confirms that:

- In the preparation of the annual accounts for the year 2021-2022, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- Such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The financial statement have been prepared on a going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

36) Corporate Governance

A separate report on Corporate Governance is enclosed as “Annexure-F” to this report.

37) Acknowledgements

The Board of Directors wish to place on record their gratitude to the Hon'ble Ministers of Micro, Small & Medium Enterprises (MSMEs) for the help, guidance and support provided. The Board also wishes to place on record its appreciation for the valuable guidance & support provided by the Secretary, Ministry of MSME and also acknowledge with thanks the support received from AS&DC, Ministry of MSME, AS&FA, Ministry of MSME, Joint Secretary and Economic Advisor, Ministry of MSME.

Your Directors also like to express their sincere appreciation to RBI, SEBI, DPE, MCA, DIPAM, Bankers, financial institutions and to all the stakeholders of the Company for reposing their faith in the Company. The Directors acknowledge the constant support and assistance received from Statutory Auditors, Comptroller & Auditor General of India. The Board of Directors also take this opportunity to place on record their sincere appreciation for the hard work, dedication and efforts put in by NSICians for taking NSIC towards a bright future.

For and on behalf of the Board of Directors

Sd/-

(Gaurang Dixit)

Chairman-cum-Managing Director
(Additional Charge)

DIN: 08535482

Place : New Delhi

Date : 19th December, 2022

Annexure–A to Board's Report

Management Discussion & Analysis

i. Industry structure and developments

The Micro, Small and Medium Enterprises (MSMEs) sector plays a very significant role in the social & economic development of India. The progress of MSME sector is very crucial for the economic growth due to its contribution to Gross Domestic Product (GDP) of the country. The MSME sector has also contributed immensely with respect to industrial growth, providing employment and entrepreneurship opportunities in both urban and rural areas of India.

As on 31st March, 2022, the Udyam Registration portal registered 80,16,457 MSMEs. The number of women-led micro, small and medium enterprises in India has increased substantially by over 75% in the financial year 2022 to 8.59 lakh units, against 4.9 lakh units in the corresponding previous year.

Government Policies: The Government of India has designed various policies for the growth of MSMEs in the country.

- Budget allocation for MSMEs in the financial year 2022 more than doubled to ₹ 15,700 crore vis-a-vis ₹ 7,572 crore in the financial year 2021.
- In the Union Budget of 2022-23, MSMEs sector was allocated an Emergency Credit Line Guarantee Scheme (ECLGS) of ₹ 50,000 crore.
- In July, 2021, the Government of India announced revised guidelines for MSMEs with inclusion of retail and wholesale trades as MSMEs to strengthen the sector and to boost economic growth. With the revised guidelines the Retail and wholesale trades will now be allowed to register on Udyam Registration Portal.
- In November, 2021, the Government

of India launched the Special Credit Linked Capital Subsidy Scheme (SCLCSS) for the services sector. This scheme will help enterprises in the services sector meet various technology requirements.

- Recently, the Union Cabinet approved a World Bank-assisted ₹ 6,062 crore funding package for small and medium firms to help improve their access to market and credit.

The Government of India has envisioned expanding the economy of India to US\$ 5 trillion in five years. In order to achieve this goal and to work towards resilience after the disruption caused due to pandemic, the government has taken up numerous schemes to provide credit and financial assistances, skill development trainings, create new jobs for the sector. MSME sector has a great role to play in the growth of economy.

ii. Operational and Financial Performance

NSIC has continued its efforts of facilitating MSMEs, during the financial year 2021-2022 also, through integrated support services encompassing Marketing, Credit, Technology and other Services.

Despite the challenges being faced by the MSME sector due to Covid-19 Pandemic and other various factors. The total business of the Company was ₹ 20,818.19 crore for the year 2021-2022 as compared to ₹ 14,976.21 crore during the previous financial year. The revenue from operations was ₹ 2622.51 crore as against ₹ 2101.29 crore in previous year. During the year 2021-2022, the Company has earned Profit before Tax amounting to ₹ 145.49 crore.

The Company continued to play its role of facilitator to the MSMEs by facilitating them with integrated support with special focus on

marketing support - raw material distribution (₹ 2108.13 crore), credit support (₹ 6237.12 crore), technology support-training activities (48182 trainees).

iii. Segment-wise Performance

NSIC's activities are broadly classified into 'Promotional' and 'Commercial'. The 'Promotional' activities include the activities for which budgetary support is provided to the Company by the Government and / or its agencies. The schemes of 'Assistance for Training to Institutions', 'National Schedule Caste - Schedule Tribe Hub', 'Entrepreneurship and Skill Development Programmes', 'Procurement and Marketing Support Scheme', etc., for which budgetary support has been provided to the Company along with administrative expenditure, wherever applicable in terms of approved guidelines for implementation of such schemes, get reflected under the 'Promotional' activity. The expenses towards organization / participation in exhibitions (both domestic and international), buyer sellers meet, intensive campaigns, other marketing support services (advertisement, publicity etc.) and training expenses are met

out of the budgetary support provided for the above schemes.

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

The following table presents the revenue, profit/(loss), assets and liabilities information to the Business segments for the year ended 31st March, 2022 as required by (IndAS - 108) on "Segment Reporting" issued by the Institute of Chartered Accountant of India.

(₹ in Lakh)

Description	For the year ended 31 st March 2022			For the year ended 31 st March 2021		
Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial	Total
I. SEGMENT REVENUE (including grant)						
-Government Grant Recognized during the year	6,700.65	-	6,700.65	7,915.96	-	7,915.96
-Sale of Product	-	2,21,163.92	2,21,163.92	-	1,68,430.76	1,68,430.76
-Sale of Services	-	9,087.87	9,087.87	2.58	8,826.69	8,829.27
-Others	-	32,149.40	32,149.40	-	32,964.63	32,964.63
-Total	6,700.65	2,62,401.19	2,69,101.84	7,918.54	2,10,222.08	2,18,140.62
II. SEGMENT EXPENDITURE (including expenses against grant)						
-Expenditure incurred against Government Grant recognized during the year	6700.65	-	6700.65	7,915.96	-	7,915.96
-Others	-	251,578.61	251,578.61	2.58	2,00,062.78	2,00,065.36

(₹ in Lakh)

Description	For the year ended 31 st March 2022			For the year ended 31 st March 2021		
Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial	Total
-Total	6,700.65	2,51,578.61	2,58,279.26	7,918.54	2,00,062.78	2,07,981.32
III. RESULTS						
a. Segment Results	-	10,822.58	10,822.58	-	10,159.30	10,159.30
b. Operating Profit before interest	-	20,811.72	20,811.72	-	21,677.32	21,677.32
c. Interest Paid	-	6,257.02	6,257.02	-	7,708.37	7,708.37
d. Exceptional items	-	(6.20)	(6.20)		4.22	4.22
e. Profit before Tax	-	14,548.50	14,548.50	-	13,964.73	13,964.73
f. Tax Expense	-	3,725.92	3,725.92	-	3,805.43	3,805.43
g. Net Profit after Tax		10,822.58	10,822.58	-	10,159.30	10,159.30
h. Other Comprehensive Income		(34.92)	(34.92)	-	170.37	170.37
i. Total Comprehensive Income {Comprising Profit /(Loss) and Other Comprehensive Income}	-	10,787.66	10,787.66		10,329.67	10,329.67
III. ASSETS & LIABILITIES						
a. Segment Assets	4,155.99	2,82,243.21	2,86,399.20	3,831.32	2,70,606.38	2,74,437.70
b. Unallocated Assets	--	-	32,399.89	-	-	26,826.16
c. Total Assets	4,155.99	2,82,243.21	3,18,799.09	3,831.32	2,70,606.38	3,01,263.86
d. Segment Liabilities	9,429.56	1,78,232.97	1,87,662.53	5,435.31	1,73,347.69	1,78,783.00
e. Unallocated Liabilities	-	-	1,31,136.56	-	-	1,22,480.86
f. Total Liabilities	9,429.56	1,78,232.97	3,18,799.09	5,435.31	1,73,347.69	3,01,263.86
IV. OTHER INFORMATION	-					
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	794.51	308.67	1,103.18	614.97	1,389.27	2,004.24
(b) Depreciation #	361.14	742.02	1,103.16	347.70	841.51	1,189.21
(c) Non-cash expenditure other than depreciation	-	539.68	539.68	-	682.87	682.87

The depreciation of promotion segment is charged to capital reserve.

iv. Strength & Challenges Analysis

(a) Strengths:

NSIC is a national level organization with the huge knowledge base about working of MSME sector and having presence all over the country and offers integrated package of services,

ranging from financial support, marketing, technology and information support to Micro, Small & Medium Enterprises. The Company has linkages with Micro, Small & Medium industry organizations / associations

within the country and several partner organizations overseas for development of MSME sector in the country. The Company has also proven track record in the area of international cooperation in MSME sector development and institutional capacity building. The considerable asset base of the Company gives it an added advantage for expansion of its activities.

(b) Challenges:

There were restrictions and disruption due to pandemic. A small resource base as compared to other institutions providing services to MSME Sector. Notification and implementation of 'Procurement Preference Policy' for MSEs by the Government to increase participation of MSEs in Government purchases. In addition to Company, some other agencies have also been authorized to register MSEs for Government Purchase.

(c) Opportunities & Threats Analysis

Opportunities:

There is vast potential for services being offered by NSIC to MSMEs within the country and abroad. NSIC also facilitates in International Cooperation, technology transfer and International Consultancies to developing countries.

(d) Threats:

Competition from other national and state level institutions in the areas of marketing, technology support and financing pose a threat to the core activities of the Company. State Governments preference to state agencies over NSIC, for raw material distribution and there is also entry of large players due to globalization

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

v. Outlook

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

NSIC has signed various MOUs to achieve its targets and to increase the growth and profitability of the Company. The Company is committed to further explore the new business opportunities in areas of marketing, set up new verticals and centres to provide training to enhance the knowledge level and to increase the employment opportunities for unemployed youth. The Company is also strengthening its operational systems through the intervention of digitalization.

vi. Risks & Concerns

The Company identifies and reviews the risks which can be the outcome of regular business activities and takes appropriate steps from time to time to mitigate these risks. The management is committed to further strengthen risk management capabilities in order to protect and enhance stakeholders' value. The Company has a Board level Risk Management Committee to review and assess the risks of the Company. With the implementation of new standards, the approach has also been changed from document based approach to Process approach through involving "Risk Identification, Assessment & Mitigation" for the improvements in the context of the organization's external and internal stakeholders' expectations & deliver high quality services to its customers with established effective management system. ISO Department has sensitized the employees for identification of significant risks and formulation of a mitigation

plan. Scheme wise-risk assessment and quantitative ratings of the risk at all offices level have been discussed and analyzed during various awareness online/offline sessions.

vii. Internal Control Systems

The Company has adopted & adhered the policies and procedures of all its schemes as per ISO manual for monitoring and ensuring the efficient conduct of its business. The internal guidelines are regularly reviewed for better implementation of schemes and to widespread the benefits of the schemes amongst larger number of MSMEs.

The Company has separate division at HO level to examine the tenders received from different divisions of Head office including field offices of the Company. In order to ensure that adequate checks and balances are in place and internal control systems are in order, regular and exhaustive Internal Audit of various Branch offices are conducted by in-house Internal Audit Division / External RBI empaneled Chartered Accountant firms. Further, review of internal audit reports are done by in-house internal audit division on periodic basis as defined which is commensurate with the size and operations of the field offices. The Audit Committee reviews the observations / comments of the internal audit report submitted by the Internal Auditors.

viii. Material Developments in Human Resources, Industrial Relations front

As on 31st March, 2022, total manpower of the Company was 657 employees, which included 484 at managerial level. Various training programs were conducted as training is a learning process. NSIC has an exclusive Training division which conducts and administers training programs for all the employees of NSIC across the country. For the financial year 2021-2022, even during the challenging time due to COVID-19 pandemic, 139 employees of the Company attended various training programmes, seminars, webinars, workshops, National meet etc. The Company has very cordial and harmonious relationship with its employees.

ix. Corporate Social Responsibility (CSR)

Initiatives taken by your Company towards CSR are detailed in the CSR report, a part of the Directors' Report.

x. Cautionary Statement

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

Place : New Delhi

Date : 19th December, 2022

Sd/-

(Gaurang Dixit)

Chairman-cum-Managing Director
(Additional Charge)
DIN: 08535482

Annual Report on Corporate Social Responsibility

1. Brief outline on CSR Policy of the Company:

NSIC identifies itself strongly as a responsible corporate citizen and in this direction; NSIC selected areas for CSR pertaining to the inclusive growth of society and helped them to cope well with the new economic and social conditions. Regarding this, the Company contributed CSR funds in line with the activities prescribed under Schedule VII of the Companies Act, 2013.

The Company has its 'Corporate Social Responsibility Policy' as per Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 & notifications issued by Ministry of Corporate Affairs (MCA) from time to time. The Company has amended its CSR & Sustainability Policy in the 541st Board Meeting of the Company held on 29th March, 2022. The copy of the policy is available on the website of the Company.

2. Composition of CSR Committee: The composition of CSR Committee of NSIC as on 31st March, 2022 is as follows:

Sl. No.	Name of Director	Designation/ Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1	Ms. Mercy Epao, Government Nominee Director	Chairperson	1	1
2	Dr. Ashok Ahirwar, Independent Director	Member	1	1
3	Shri P. Udayakumar, Director (P&M)	Member	1	1
4	Shri Gaurang Dixit, Director (Finance)	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

The Composition of CSR committee, CSR Policy and CSR projects approved by the Board are available on Company's website at <https://www.nsic.co.in/Corporate/CSRPolicy>

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not Applicable**

5. (a) Average net profit of the Company as per section 135(5): ₹ 1,11,76,73,160/-
- (b) Two percent of average net profit of the Company as per section 135(5): ₹ 2, 23,53,463/-
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
- (d) Amount required to be set-off for the financial year, if any: **NIL**
- (e) Total CSR obligation for the financial year (b+c-d): ₹ 2,23,53,463/-

6. (a) (i) Amount spent on ongoing CSR project: **Nil**
- (ii) Amount spent on other than ongoing CSR projects: ₹ 2,24,10,000/-
- (b) Amount spent in Administrative Overheads: **NIL**
- (c) Amount spent on Impact Assessment, if applicable: **NIL**
- (d) Total amount spent for the Financial Year (a+b+c): ₹ 2,24,10,000/-

(e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial year (in ₹)	Amount Unspent (₹)				
	Total amount transferred to unspent CSR account as per sub-section (6) of section 135		Amount transferred to any specified fund under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
2,24,10,000	N.A.				

(F) Excess amount for set off, if any:

Sl No.	Particular	Amount (₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	2,23,53,463/-
(ii)	Total amount spent for the Financial Year	2,24,10,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	56537/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	56537/-*

*The Board of Directors decided not to set off the excess amount spent on CSR activities by the Company for the financial year 2021-2022 and/or previous financial year(s) if any.

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance amount in unspent CSR account under sub-section(6) of the section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section 5 of section 135, if any.		Amount remaining to be spent in succeeding Financial years. (in ₹)	Deficiency if any
					Amount (in ₹)	Date of transfer.		
1	2020-2021	NIL						
2	2019-2020							
3	2018-2019							

➤ There was unspent amount i.e. ₹ 6,30,770/- during the financial year 2020-2021. Therefore, the Company transferred ₹ 6,50,000/- to Swach Bharat Kosh on 25th November, 2021.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: **No**

If yes enter the number of capital assets created/acquired: **Not Applicable**

Furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

S. No:	Short Particulars of the property or asset(s) [including complete address & location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of the entity or public authority or beneficiary of the registered owner		
					CSR registration Number, if applicable	Name	Registered, their address
N.A.							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): **For the financial year 2021-2022, NSIC has fully spent its CSR funds as per Companies Act, 2013. Hence this is not applicable.**

Sd/-

(Gaurang Dixit)
Chairman-cum-Managing Director
(Additional Charge)
DIN: 08535482

Sd/-

(Mercy Epao)
(Chairman CSR Committee)
DIN: 09331424

Annexure–C to Board's Report

FORM No. MR-3 Secretarial Audit Report For The Financial Year ended on 31st March, 2022

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

To,

The Members,

The National Small Industries Corporation Limited

Registered Address: NSIC Bhawan, Okhla industrial Estate, New Delhi -110020.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The National Small Industries Corporation Limited** having Corporate Identity Number U74140DL1955GOI002481 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, the explanations made by the management and considering the relaxations granted by the ministry of corporate affairs warranted due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 ("Audit Period") complied with the statutory provision listed here under and also that the Company has proper Board- Processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2022, according to the provision of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

- ii. The Securities Contracts (Regulation) Act 1956 ('SCRA') and the rules made thereunder, **(Not applicable to the Company during audit period);**
- iii. The Depositories Act 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company during audit period);**
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during audit period);**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: **(Not applicable to the Company during audit period);**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015: **(Not applicable to the Company during audit period);**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: **(Not Applicable to the Company during the Audit Period);**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021: **(Not Applicable to the Company during the Audit Period);**

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and The Securities and Exchange Board of India (issue and Listing of Non-convertible Securities) Regulations, 2021: **(Not Applicable to the Company during the Audit Period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: **(Not applicable to the Company during audit period);**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 read with The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021: **(Not Applicable to the Company during the Audit Period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: **(Not applicable to the Company during audit period);**
- vi. Compliances/ Processes/ systems including other applicable laws to the Company are being certified on the basis of periodic certificates submitted to the board of Directors of the Company.
- vii. Other laws applicable to Company are:-
- (i) Guidelines issued by Department of Public Enterprises;
- (ii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange/SEBI (Listing obligation and Disclosures Requirement) Regulations, 2015: **(Not applicable to the Company during audit period);**

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

We further report that:

- The Board of Directors consist one Chairman cum Managing Director (CMD), two functional Director(s), two nominee Director(s) and two independent Director as 31st March, 2022 .
- The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except the board meetings conducted on the shorter notice with the prior consent of the directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Resolutions were passed at all the meetings by the requisite majority and there was no instances of the dissent which were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Sapna G & Associates

Company Secretary

Sd/-

(Sapna Gupta)

FCS NO. 11875

C.P. NO. 15943

ICSI UDIN: F011857D000894233

Place: Delhi

Date: 02.09.2022

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

“ANNEXURE A” to the Secretarial Audit Report”
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

To,
The Members,
The National Small Industries Corporation Limited
Registered Address: NSIC Bhawan, Okhla Industrial Estate,
New Delhi -110020.

Our Report of Even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating of maintenance of Books of Accounts, papers, and Financial Statements of the relevant financial year, which gives a true and fair view of the state of the affairs of the Company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961, & Finance Acts, Goods & Service Tax (GST).
5. Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events.
6. The compliances of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination is limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Sapna G & Associates
Company Secretary

Sd/-
(Sapna Gupta)
FCS No. 11875
C P No.: 15943

ICSI UDIN: F011857D000894233

Place: Delhi
Date: 02.09.2022

Annexure–D to Board's Report

FORM NO. AOC–1

Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) rules, 2014)

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

(Financial Year 2021-2022)

1.	Name of the subsidiary	NSIC Venture Capital fund (NVCFL)
2.	Reporting period for the subsidiary concerned, If different from the holding Company's reporting period	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.
4.	Share capital:	Authorised Share Capital – ₹ 10 crore; Paid up share capital- ₹ 6 crore.
5.	Reserves & surplus	₹ 129.17 Lakh
6.	Total assets	₹ 903.57 Lakh
7.	Total Liabilities	₹ 174.40 Lakh
8.	Investments	₹ 322.73 Lakh
9.	Turnover	₹ 270.97 Lakh
10.	Profit before taxation	₹ 230.94 Lakh
11.	Provision for taxation	₹ 40.67 Lakh
12.	Profit after taxation	₹ 190.27 Lakh
13.	Proposed dividend	₹ 57.08 lakh
14.	% of shareholding	NVCFL is a wholly owned subsidiary of NSIC Ltd.

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: N.A.
- Names of subsidiaries which have been liquidated or sold during the year: N.A.

Place : New Delhi

Date : 19th December, 2022

Sd/-

(Gaurang Dixit)

Chairman-cum-Managing Director

(Additional Charge)

DIN: 08535482

Annexure–E to Board's Report

FORM NO. AOC–2

Annual Compliance- Related Party Transactions

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rule, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under their proviso thereto

- Details of contracts or arrangements or transactions not at arm's length basis: No Material contracts or arrangement or transactions were entered by the Company with any Related Party, during financial year 2021-2022
- Details of material contracts or arrangement or transactions at arm's length basis, during financial year 2021-2022:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	NSIC Venture Capital Fund Limited (100% Subsidiary Company)	Payment of Manpower Support Cost, Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment expenses on behalf of NVCFL. (Exclusive of Taxes)	On-going transaction	Manpower Support Cost – ₹ 24.03 Lakhs Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment – ₹ 4.59 Lakhs (all amounts on actual basis)	-	-
2.	NSIC Venture Capital Fund Limited (100% Subsidiary Company)	Rent received from NVCFL (Exclusive of Taxes)	Agreement(s) for 11 months	Rent ₹ . 0.12 Lakhs (i.e.1000/- per month plus taxes)	-	-
3.	NSIC Venture Capital Fund Limited (100% Subsidiary Company)	Payment of Advertisement & Publicity and Duties & Taxes paid on Company Incorporation (Exclusive of Taxes)	One time transaction	Advertisement & Publicity – ₹ . Nil Duties & Taxes paid on Company Incorporation – ₹ Nil (all amounts on actual basis)	-	-

Place : New Delhi
Date : 19th December, 2022

Sd/-
(Gaurang Dixit)
Chairman-cum-Managing Director
(Additional Charge)
DIN: 08535482

Report on Corporate Governance

I. Corporate Governance Philosophy of NSIC

The Company believes that good Corporate Governance emerges from the application of the best and sound Management practices. The Company strives to ensure sound governance practices in the functioning of the Company and create value for its stakeholders on a sustainable and long term basis.

As per good corporate governance practice, all the statutory, regulatory and significant information under the Companies Act, 2013, DPE Guidelines issued for Corporate Governance is placed before the Board from time to time. The Board of NSIC has also approved the "Internal Guidelines on Corporate Governance" as per guidelines issued by Reserve Bank of India. The Internal Guidelines on Corporate Governance are posted at the website of the Company. Video-conferencing facilities are also used to facilitate Directors to participate in Board/ Committee meetings as per Secretarial Standards

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

II. Board of Directors

A) Composition

NSIC is a wholly owned Government Company under the Ministry of Micro, Small and Medium Enterprises, Govt. of India. The Directors are appointed by administrative ministry, Govt. of India.

As on 31st March, 2022, there were seven Directors on the Board of Company comprising of a Chairman-cum-managing Director, two Government Nominee Directors and two Independent Directors. A post of the Independent Director is lying vacant. A communication in this regard has been sent to the Administrative Ministry of MSME.

B) Meetings of the Board

The meetings of Board of Directors were held at periodical intervals. During the year 2021-2022, total seven Board Meetings were held viz. 30th July 2021, 23rd September 2021, 28th October 2021, 24th November 2021, 29th November 2021, 11th February 2022 and 29th March 2022.

As on 31st March, 2022, the details of constitution of the Board and the number of Directorships held in other Companies and their attendance at the Board Meetings and Annual General Meeting are given below:

S. No	Name of the Director and Designation	DIN	No. of Board Meetings attended during the tenure	Attendance at the last Annual General Meeting (AGM)	No. of outside Directorships
Executive Directors					
1.	Shri Vijayendra Chairman-cum-Managing Director (upto 14.09.2021)	03625565	01	N.A.	• NVCFL, Chairman
2.	Smt. Alka Arora (Additional charge of CMD) (w.e.f. 14.09.2021)	03165567	06	Yes	• ITPO, Director • NVCFL, Chairman
3.	Sh. P. Udayakumar, Director (P&M)	03353625	06	Yes	Nil
4.	Shri Gaurang Dixit, Director (Fin.)	08535482	07	Yes	• NVCFL, Director

S. No	Name of the Director and Designation	DIN	No. of Board Meetings attended during the tenure	Attendance at the last Annual General Meeting (AGM)	No. of outside Directorships
Non-Executive Directors (Government Nominee)					
5.	Shri Rajib Kumar Sen	07669981	06	Yes	• NVCFL, Director
6.	Smt. Alka Arora (upto 14.09.2021)	03165567	01	Yes	• ITPO, Director • DSIIDC, Director
7.	Smt. Mercy Epao (w.e.f. 22.09.2021)	09331424	06	Yes	• DSIIDC, Director
Non-Executive Directors (Independent Directors)					
8.	Dr. Ashok Ahrwar (w.e.f. 11.02.2022)	09459529	02	N.A.	Nil
9.	Shri Kalandi Charan Samal (w.e.f. 11.02.2022)	09459531	02	N.A.	Nil

C) Changes in the composition of Board of Directors

During the year 2021-2022 and till date, the following changes have taken place in the Board of the Company:-

- Shri Gaurang Dixit, Director (Finance) NSIC has been assigned the additional charge of the post of Chairman-cum-Managing Director, NSIC w.e.f. 01st August, 2022.
- Shri. P. Udayakumar, Director (P&M), NSIC was assigned the additional charge of the post of Chairman-cum-Managing Director of the Company w.e.f. 20th June, 2022. He holds the charge as Chairman-cum-Managing Director, NSIC upto the date of his superannuation i.e. till 31st July, 2022.
- Smt. Alka Nangia Arora was assigned the additional charge of the post of Chairman-cum-Managing Director of the Company w.e.f. 14th September, 2021 till 31st May, 2022.
- Shri Vijayendra, ceased to be Chairman & Managing Director, NSIC w.e.f. 14th Sept., 2021.
- Smt. Mercy Epao, Joint Secretary

(SME), MSME was appointed as official part-time Director in the Board of NSIC w.e.f. 22nd Sept., 2022.

- Dr. Ashok Ahrwar & Shri Kalandi Charan Samal have been appointed as non-official part-time Directors (Independent Directors) in the Board of NSIC vide Ministry of MSME Letter No. 9(21)/2014- SME dated 22nd December, 2021.

III. Sub-Committees of the Board

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

a) Audit Committee

i) Brief Description of Terms of Reference (TOR)

The TOR of Audit Committee have been approved by the Board and also be the part of internal guidelines on corporate governance which are also available on the website of the Company.

Oversight of the Company's financial reporting process and the disclosure of its financial information, noting of the appointment of auditors and recommendation for fixation of audit fees (if required), approval for payment to statutory auditors for any other services rendered, to review with management the annual financial statements, risk management policies, audit observations of the C&AG audit (if any), to review internal audit reports and adequacy of internal audit functions, evaluation of internal financial controls and risk management systems; carrying out any other function as mentioned in the terms of reference of the Audit Committee.

ii) Composition

The Audit Committee of the Board is constituted as per section 177 of the Companies Act, 2013 read with the DPE guidelines. As on 31st March, 2022, the Audit Committee consist of three members namely Dr. Ashok Ahirwar, Independent Director as Chairman of the Committee and Smt. Mercy Epao and Shri Kalandi Charan Samal as Member of the Committee.

iii) Details of the Meeting

During the year 2021-2022, total four audit Committee meetings were held viz. 16th August, 2021, 23rd September, 2021, 29th November, 2021 and 29th March, 2021. During the period under review, the members of the committee and their attendance are as under:

S. No.	Name of the member	Position Held	No. of Meetings held during their tenure	No. of meetings Attended
1.	Shri Rajib Kumar Sen	Chairman (upto 11 th Feb., 2022 and member w.e.f. 11 th Feb., 2022)	04	03
2.	Smt. Alka Arora	Member (upto 23 rd Sept., 2021)	02	01
3.	Shri P. Udayakumar	Member (upto 11 th Feb., 2022) and as special invitee on 29 th March, 2022	03	03
4.	Shri Gaurang Dixit	Member (upto 11 th Feb., 2022) and as special invitee on 29 th March, 2022	03	03
5.	Smt. Mercy Epao	Member w.e.f. 23 rd Sept., 2021 to 11 th Feb., 2022	01	01
6.	Dr. Ashok Ahirwar	Chairman w.e.f. 11 th Feb., 2022	01	01
7.	Shri Kalandi Charan Samal	Member w.e.f. 11 th Feb., 2022	01	01

The Audit Committee invites senior management of the Company. During the year 2021-2022 the Head of Finance, Head of Internal Audit department and representatives of the Auditors attended the meeting.

b) Nomination & Remuneration Committee

i) Brief Description of Terms of Reference (TOR)

The terms of reference (TOR) of Nomination & Remuneration Committee have been approved by the Board and also be the part of internal guidelines on corporate governance which are available on the website of the Company. The main role of the committee is to decide the matter regarding to distribution performance related pay to the employees of the Company.

ii) Composition

NSIC being a Government Company, the appointment, tenure and remuneration of Directors is decided by the President of India. The remuneration paid to Chairman-cum-Managing Director and Functional Directors was as per terms and conditions of their appointment. Independent Directors are paid only sitting fee as approved by the Board

within the ceiling fixed under the Companies Act, 2013 and also in accordance with the Government guidelines for attending the Board and its Committees Meetings. The Government Nominee Directors do not draw any remuneration / sitting fee for Board / Committee Meetings from the Company.

Consequent to the changes in the Board, the Nomination & Remuneration Committee was re-constituted by the Board from time to time. As on 31st March, 2022, the Nomination & Remuneration Committee consist of three members namely Shri Kalandi Charan Samal Independent Director as Chairman of the Committee and Smt. Mercy Epao and Dr. Ashok Ahirwar, as Member of the Committee.

iii) Details of the Meeting

During the financial year 2021-2022, two meetings of Nomination & Remuneration Committee were held. The details of the Meetings of the Committee are as under:

S. No.	Name	Position Held	No. of Meetings held	No. of meetings Attended
1	Shri Kalandi Charan Samal	Chairman	2	2
2	Dr. Ashok Ahirwar	Member	2	2
3	Smt. Mercy Epao	Member	2	2

iv) Remuneration of Directors

- Details regarding remuneration paid to Functional Directors of the Company during the financial year 2021-2022 as below:

(in ₹)

S. No.	Particulars of Remuneration	Name of Managing Director		Name of Whole Time Director	
		Sh. Vijayendra 01/04/2021 to 14/09/2021	Smt. Alka Nangia Arora (Addl Charge) 14/09/2021 to 31/03/2022	Shri P. Udayakumar 01/04/2021 to 31/03/2022	Sh. Gaurang Dixit 01/04/2021 to 31/03/2022
1.	Gross Salary (as per provisions contained in section 17(1) of the Income-tax Act, 1961)	21,56,636/-	-	50,95,418/-	37,50,771/-

S. No.	Particulars of Remuneration	Name of Managing Director		Name of Whole Time Director	
		Sh. Vijayendra 01/04/2021 to 14/09/2021	Smt. Alka Nangia Arora (Addl Charge) 14/09/2021 to 31/03/2022	Shri P. Udayakumar 01/04/2021 to 31/03/2022	Sh. Gaurang Dixit 01/04/2021 to 31/03/2022
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission As % of profit; others, specify	-	-	-	-
5	Others, please specify (Employer cont. to PF & Pension)	17,59,836/-	-	25,19,962/-	17,35,071/-
	TOTAL	39,16,472/-	-	76,15,380/-	54,85,842/-

- Details of Sitting Fees paid to the Independent Director during the financial year 2021-2022 as below:

S.No.	Name of Independent Director	Amount (₹)
1.	Dr. Ashok Ahirwar	80,000/-
2.	Sh Kalandi Charan Samal	60,000/-

V) Corporate Social Responsibility (CSR) Committee

i. Brief Description of Terms of Reference (TOR)

The terms of reference of CSR Committee is to formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII; recommend the amount of expenditure to be incurred on the activities referred above;

approve the projects within the overall expenditure as approved by the Board and to monitor the CSR policy of the Company from time to time. A separate report on CSR shall forms part of the report.

ii. Composition

As on 31st March, 2022, the CSR Committee consist of four members namely Smt. Mercy Epao as Chairman of the Committee and Dr. Ashok Ahirwar, Shri P. Udayakumar and Shri Gaurang Dixit as members of the Committee.

iii. Details of the Meeting

The details of the CSR Committee meeting are as under:

S. No.	Name of the Director	Position Held	No. of Meetings held during their tenure	No. of meetings Attended
1.	Smt. Mercy Epao	Chairman	01	01
2.	Dr. Ashok Ahirwar	Member	01	01
3.	Shri P. Udayakumar	Member	01	01
4.	Shri Gaurang Dixit	Member	01	01

VI) Risk Management Committee

i. Brief Description of Terms of Reference (TOR)

The terms of reference for the Risk Management Committee to set up and review Risk Management Policies of the Company from time to time; be primarily responsible for identifying, monitoring, reviewing and mitigating the key risks associated with the nature of business of the Company, for achieving the performance and profitability targets of the Company.

The integration and alignment of risk management system shall be ensured with the corporate

and operational objectives and not as a separate task.

ii. Composition

As on 31st March, 2022, the Risk Management Committee consist of three members namely Smt. Alka Nangia Arora as Chairman of the Committee and Shri P. Udayakumar and Shri Gaurang Dixit as members of the Committee.

iii. Details of the Meeting

During the financial year 2021-2022, one meeting of Risk Management Committee was held i.e. on 11th November, 2021. The details of the Meeting of the Committee are as under:

S. No.	Name of the Director	Position Held	No. of Meetings held during their tenure	No. of meetings Attended
1.	Smt. Alka Nangia Arora	Chairman	01	01
2.	Shri Gaurang Dixit	Member	01	01

VII) Asset Liability Management Committee Meeting (ALCO)

An ALCO committee consisting of Functional Directors has been constituted pursuant to RBI's Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

i. Brief Description of Terms of Reference (TOR)

The terms of reference and scope of ALCO function are Liquidity risk management, management of market risks,

funding and capital planning, profit planning and growth projection & forecasting and analyzing 'What if scenario' and preparation of contingency plans.

ii. Composition

Asset Liability Management Committee consists of Chairman-cum-Managing Director of the Company as Head of the Committee with functional directors as members. Head of Finance and Head of Technology shall be invitee for the meeting. The Head of Finance Deptt. and Information Technology Department are

the permanent invitee/ member for the meeting. The Head of Finance department is the convener of the meeting. During the year 2021-2022, three meetings were held i.e. on 15th April, 2021, 15th July, 2021 and 14th October, 2021.

iii. Details of the Meeting

During the financial year 2021-2022, three meetings of ALCO committee were held i.e. on 15th April 2021, 15th July 2021 & 14th October 2021. The details of the Meetings of the Committee are as under:

S. No.	Name	Position Held	No. of Meetings held during their tenure	No. of meetings Attended
1.	Shri Vijayendra	Chairman	02	02
2.	Smt. Alka Nangia Arora	Chairman	01	01
3.	Shri Gaurang Dixit	Member	03	03
3.	Dr. P.Dey (as Head of IT deptt.)	Member	03	02
4.	Shri M.P. Singh (as Head of Finance Deptt.)	Member	01	01
5	Shri Ajay Sharma (as Head of Finance Deptt.)	Member	02	02

VIII) IT Strategy Committee

i) Brief Description of Terms of Reference (TOR)

The terms of reference and roles and responsibilities of IT Strategy Committee are; approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place; ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business; ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable; monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources; ensuring proper

balance of IT investments for sustaining the Company's growth and becoming aware about exposure towards IT risks and controls.

ii) Composition

Pursuant to RBI's Master Directions for Information Technology Framework for NBFCs, the Board of Directors of the Company constituted the IT Strategy Committee. The Chairman of the Committee is Independent Director in the Board of Company. The Head of RMA (Raw Material Assistance Scheme) and Head of Information Technology Department [as Chief Information Officer (CIO)] are the permanent invitees for the meeting. Chief Information Officer is the convener of the meeting.

iii) Details of the Meeting

The meetings of Board of Directors were held at periodical intervals. During the year

2021-2022, total two Meetings were held viz. 24th September, 2021 and 29th March, 2022. The details of the meetings conducted are as under:-

S. No.	Name	Position Held	No. of Meetings held	No. of meetings Attended
1	Shri P. Udayakumar (Director P&M)	Chairman (upto 11 th Feb. 2022)	1	1
2.	Dr. Ashok Ahirwar (Independent Director)	Chairman (w.e.f. 11 th Feb. 2022)	1	1
3.	Smt. Mercy Epao (Govt. Nominee Director)	Member (w.e.f. 11 th Feb. 2022)	1	1
4.	Dr. P. Dey (Head of IT deptt. as CIO)	Member	1	1
5.	Shri Sandeep Mohan (Head of IT deptt. as CIO)	Member	1	1
6.	Shri P. Ravi Kumar (Head of RMA deptt.)	Member	2	2

IX) Separate Meeting of Independent Directors

As on 31st March, 2022, there were two Independent Director on the Board of the Company. During the period under review, a separate meeting of the Independent Directors was held on 29th March, 2022 wherein all Independent Directors were present.

X) General Body Meeting

The details of the last three Annual General Meetings of the Company are as under:

Fin Year	Date	Time	Venue	Special Resolution (if any)
2020-21	29/11/2021	12.00 PM	Registered Office of the Company	--
2019-20	19/02/2021	4.00 PM		--
2018-19	27/12/2019	12.30 PM		--

No Extraordinary General Meeting of the Members was held during the Financial Year 2021-2022.

The Annual General Meeting for the Financial Year 2021-2022 shall be held on 19th Dec., 2022 at 2:30 p.m. at the Oberoi Hotel, Dr. Zakir Hussain Marg, New Delhi-110003.

XI) Declaration by Independent Director

All the Independent Directors in the first meeting of the Board, gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, and DPE's Guidelines on Corporate Governance for CPSEs.

The Board of Directors in the said meeting confirmed that the Independent Directors of the

Company fulfill the conditions specified in Companies Act, 2013, DPE's Guidelines on Corporate Governance for CPSEs and are independent of the management.

During the period under review, all Independent Directors on the Board of the Company were registered on the Independent Director's Databank maintained by Indian Institute of Corporate Affairs (IICA).

XII) Familiarisation programme for Independent Directors

A familiarization programme was organized in the Head Office, NSIC for newly appointed Independent Directors, Shri Kalandi Charan Samal and Dr. Ashok Ahirwar with all the Heads of Department in the presence of functional Directors, NSIC. The Head of departments gave the presentation about the schemes and apprised the business activities of the Company.

XIII) Code of Conduct

As per the Corporate Governance Guidelines issued by DPE, the Company has issued "Code of Conduct" for Board members, key management personnel and senior management personnel. A copy of the code is also posted at the website of the Company. As mentioned in the code of conduct and based on the affirmation received from Board Members, KMP and Senior Management Personnel, a declaration regarding compliance of Code of Conduct made by the Chairman & Managing Director is enclosed at **Annexure-I** of this Report.

XIV) Subsidiary Company

A wholly owned subsidiary Company viz. NSIC Venture Capital Fund Limited (NVCFL) was incorporated as a Special Purpose Vehicle (SPV) Company as per the guidelines issued by the Ministry of Micro, Small and Medium Enterprises on 28th August, 2020 to anchor the SRI Fund. Self-Reliant India (SRI) Fund is the first scheme of the NVCFL. The audited financial statements are placed before the holding Company of NVCFL.

XV) Material changes and commitments affecting the financial position of the Company

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

XVI) Disclosures

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

• Key Managerial Personnel (KMPs)

As on 31st March, 2022 the Company has following persons as the "Key Managerial Personnel".

S.No.	Name	Designation
1.	Ms. Alka Nangia Arora	Chairman-cum-Managing Director
2.	Shri P. Udayakumar	Whole Time Director
3.	Shri Gaurang Dixit	Whole Time Director and CFO
4.	Ms. Nishtha Goyal	Company Secretary

- The particulars of Related Party Transactions required to be disclosed in Form AOC-2 for the financial year 2021-2022 is enclosed with the Board Report of the Company.
- The Board of Directors in its 534th Board Meeting held on 19th February, 2021 accorded approval to file an application to Regional Director, MCA, New Delhi for compounding of the delay to hold Annual General Meeting of the Company due to COVID-19 within the time frame prescribed as per the Companies Act, 2013 for the Financial Year 2019-2020. A hearing was taken place on the compounding matter on 08th February, 2022 wherein Regional Director levied the compounding fee amounting to ₹ 15,000/- per applicant (total seven applicants).

Accordingly, the compounding fees amounting to ₹ 1,05,000/- was deposited to Regional Director, Northern Region, Ministry of Corporate Affairs, Delhi.

- CEO / CFO Certification: As per DPE guidelines on Corporate Governance, the Compliance certificate issued by the CMD/CFO on the financial statements and internal controls relating to financial reporting for the year 2021-2022 was placed before the audit Committee of the Board.
- Compliance of applicable laws: The Board periodically reviews the status of all laws applicable to the Company.
- NSIC being a Government Company, the provisions of section 134(3)(p) of the Companies Act, 2013 with respect to performance evaluation of Board and its Committees is exempted as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India.
- The Company has implemented a vigil mechanism through adoption of Whistle Blower Policy as per the compliance of section 177 of the Companies Act, 2013 with an objective to enable any employees to raise concerns about any or un-expectable

practice and any event of misconduct.

- Means of Communication: NSIC has a dedicated website i.e. www.nsic.co.in wherein the detailed information on the Company's schemes and activities mentioned and updated from time to time. The official website also posts various events including but not limited to official news release, vision, mission, policies etc. The annual report of the Company containing inter-alia Standalone Audited Financial Statements, Audited Consolidated Financial Statements, Auditors' Report, Directors' Report, Management Discussion and Analysis, Corporate Governance Report etc. are available at website of the Company.

XVII) Details of compliance with the requirements of DPE Guidelines on Corporate Governance

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

Sd/-

(Gaurang Dixit)

Chairman-cum-Managing Director
(Additional Charge)
DIN: 08535482

Place : New Delhi

Date : 19th December, 2022

Annexure-I to Corporate Governance Report

**Declaration as required under DPE's Guidelines
on Corporate Governance**

"All the members of the Board and Senior Management Personnel have affirmed compliance of the "Code of Conduct for Board Members and Senior Management" for the Financial Year ended on 31st March, 2022."

Place : New Delhi
Date : 19th December, 2022

Sd/-
(Gaurang Dixit)
Chairman-cum-Managing Director
(Additional Charge)
DIN: 08535482

Annexure-II to Corporate Governance Report**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To

The Members

The National Small Industries Corporation Limited

We have examined the compliance of conditions of Corporate Governance of **The National Small Industries Corporation Limited**, for the year ended 31st March, 2022 as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India.

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

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

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

For Kumar Wadhwa & Company
Company Secretaries

Sd/-
PCS Sanjay Kumar
Managing Partner
M. No.: 9211
C.P. No.: 7027
UDIN: F009211D000493684

Place: New Delhi
Date: 15.06.2022

INDEPENDENT AUDITORS' REPORT

To,
The Members of
The National Small Industries Corporation Limited

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

This report is in supersession of our earlier Audit Report dated 28th July, 2022 on the standalone financial statements of **The National Small Industries Corporation Ltd** as at 31st March, 2022 has been revised in view of letter no AMG –III/4(70)/NSIC/Standalone/2021-2022/35 by office of the Principal Director of Audit Industry and Corporate Affairs, New Delhi.

Opinion

We have audited the accompanying standalone financial statements of **The National Small Industries Corporation Limited** ("the Corporation"), which comprise the balance sheet as at 31st March, 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, which are included in the financial statements of Head Office audited by us and 54 branch offices including Technical Centres audited by other independent auditors appointed by Comptroller & Auditor General of India. (Here in after referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit of Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Corporation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matters

1. We draw attention to the following matters:
 - a) Note 35(2) to the accompanying standalone financial statements 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.

Debit Balances

(₹ in Lakh)

S. N.	Particulars	Total	Confirmation not received
1	Trade receivables (Marketing & Others) (net of PIS)	15,475.99	7,921.31
2	Loans & Advances (net of PIS)	2,59,064.61	3,633.20

(₹ in Lakh)

S. N.	Particulars	Total	Confirmation not received
3	Other Financial Assets	2,190.50	1,379.70
	Total	2,76,731.10	12,934.21

• **Credit Balances**

(₹ in Lakh)

S. N.	Particulars	Total	Confirmation not received
1	Trade Payables	14,460.64	11,901.05
2	Other Financial Liabilities	18,576.90	5,991.32
3	Other Long-term Liabilities (Security Deposit Payable, EMD)	39.98	12.45
	Total	33077.52	17904.82

b) Note No. 35(4)(d) to the accompanying standalone financial statements which states that ₹ 19,65,367/- (Land amounting to ₹ 3,53,882/- and Building of ₹ 16,11,485) which was shown as stock-in-trade as on 31.3.2021 has been capitalized during the Financial Year 2021-2022. After calculating Residual Value of Building being ₹ 80,575/- the remaining amount of ₹ 15,30,910/- being depreciation for over 50 years has been charged in P/L Account as depreciation for current financial year 2021-2022. Therefore, to that extent of ₹ 15,30,910/- the profit of the Company is understated.

c) Note 35(4)(H)(c) to the accompanying standalone financial statements regarding corpus for medical schemes for retired employees which states that "As approved by the Ministry vide letter dated 2.12.2016, Corpus for medical schemes have been created of ₹ NIL (₹ 198.50 Lakh) for the employees retired prior to 1.1.2007 and of ₹ 124.20 lakh (₹ 121.454 Lakh) for the employees retired on or after

1.1.2007, in accordance to the DPE's guidelines. These corpus have been utilized for the payment of premium to Insurance Company to the extent of ₹ 174.55 lakh (₹ 154.02 lakh) and ₹ 63.84 lakh (₹ 64.98 Lakh) respectively during the year".

d) Note 35(4) (L) to the accompanying standalone financial statements regarding ad-hoc provision made by the Company on account of Performance Related Pay (PRP) for the year 2021-2022 amounting to ₹ 754.12 lakhs (Previous year ₹ 729.05 lakhs).

e) Note No. 35(5) to the accompanying standalone financial statements regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the Company to continue as a going concern. Nevertheless, the impact in sight of involvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.

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

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Corporation's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report and Chairman's statement but does not include the financial statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge

obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the Annual Report, if we conclude that there is a material misstatement therein; we are required to communicate the matter with those charged with governance.

Management's Responsibility for the Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Corporation's in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Corporation's or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements.

Our objectives are to obtain reasonable assurance

about whether the **Standalone Financial Statements** as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As Part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Corporation ability to continue as a going concern, If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements representing the underlying transactions and events in a manner that achieves fair representation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements/information of 54(Previous Year 54) Branch Offices & Technical Centres included in the standalone financial statements of the

Corporation's whose financial statements / financial information reflect total assets of ₹ 2,98,451.15 lakhs as at 31st March, 2022 (₹ 2,83,500.59 lakhs as at 31st March, 2021) and total revenues 2,59,702.55 lakhs (Previous Year ₹ 2,07,565.06 lakhs) for the year ended on that date, as considered in the financial statements. The financial statements/information of these branches have been audited by the independent auditors appointed by Comptroller & Auditor General of India, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such independent branch auditors.

2. The branch auditor of Delhi Branch has reported that an amount recoverable from Canara Bank (formerly Syndicate Bank) on account of invocation of the Bank Guarantees during the Financial Year 2019-20 and is remaining unpaid by the bank till date. The branch has considered the total outstanding balance of ₹ 298.97 lakhs as good and fully recoverable against the BGs. The management signified that they are of firm opinion as also supported by the legal opinion obtained that the amount is fully recoverable and accordingly considered good and secured. No provision has been made except provision made as per the accounting policy of the Branch as the matter is sub-judice with the Hon'ble NCLT court.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure – "A"** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Corporation's so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - (c) The reports on the accounts of the branch offices of the Corporation's audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), (the Statement of Changes in Equity) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) In terms of notification No. GSR 463 (E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section 2 of Section 164 of the Act, are not applicable to the Corporation's, being a Government Company.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Corporation's and the operating effectiveness of such controls, refer to our separate Report in **Annexure "B"**.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the accompanying standalone financial statements.
 - (ii) The Corporation's 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.
 - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in

writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Corporation shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- (v) The Corporation has dividend declared or paid during the year in compliance with section 123 of the Companies Act, 2013.

- (C) With respect to the matter to be included in the Auditors Report under 197(16) of the Act:

In our opinion and according to the information and explanations given to us, Government Companies vide MCA's notification published in Gazette Dt. 5th June, 2015, are exempts from the applicability of provisions of section 197 read with Schedule V to the Companies Act regarding managerial remuneration.

3. With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India u/s 143(5) of Companies Act, 2013 for the year ended 31st March, 2022 on accounts of Branch / Head Office audited by us and 54 branch offices including technical centres audited by other independent auditors appointed by Comptroller & Auditor General of India, refer to our separate Report in **Annexure "C"**.

for **Goyal Parul & Co**

Chartered Accountants

Firm's Reg. No. : 016750N

Sd/-

(**Parul Goyal**)

Partner

Membership No.: 099172

UDIN: 22099172APNWTJ1933

Place: New Delhi

Date: 18.08.2022

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE AUDIT OF STANDALONE IND AS FINANCIAL STATEMENTS

Annexure referred to in Paragraph 1 under our ‘Report on Other Legal Regulatory Requirements section in the Independent Auditor Report of even date on the standalone Ind AS Financial Statements of the The National Small Industries Corporation Ltd for the year ended 31st March, 2022, we report that:-

(i) In respect of the Corporation's property, plant and equipment and intangible assets:

- (a) (A) The Corporation has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- (B) The Corporation has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanation given to us, property, plant and equipment have been physically verified by the management at reasonable intervals, having regard to the size of the Corporation and nature of its assets and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Corporation is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Corporation, except the following:-

(₹ In Lakhs)

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative # of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company **
PPE	Land at Technical Centre Howrah	1.60	NSIC	No	1959-60	The matter of obtaining title deeds from local authority is under process.
PPE	Flats at Corporation Office Mumbai	11.52	NSIC	No	1988	Redevelopment of the society at Tilak Nagar, Chembur in which NSIC is having six flats have been completed. The new flats are under possession of NSIC. However, the matter of registry of the flat is still pending due to ongoing litigation.

- (d) The Corporation has not revalued any of its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Corporation for holding any Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- (ii) (a) According to the information and explanation given to us and the records examined by us, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in aggregate for each class of inventory was noticed on physical verification of stocks by the management as compared to book records.
- (b) The Corporation has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of the time during the year, from banks or financial institution on the basis of security of current assets. The quarterly returns of statement filed by the Corporation with such bank or financial institution are in agreement with the books of accounts of the Corporation.
- (iii) In our opinion and according to the information and explanation given to us, the Corporation has not provided any guarantee or security to companies, firms, limited liability partnerships or any other parties. The Corporation has made investments and granted secured loans during the year to companies, firms, limited liability partnerships and other parties.
- (a) In our opinion and according to the information and explanation given to

us, one of the principal business of the Corporation is to give loans (the Company is a Non-Core Investment Company as per the RBI regulations) and hence reporting under clause 3(iii) (a) of the Order is not applicable.

- (b) In our opinion and according to the information and explanation given to us, the terms and conditions of the loans granted are not prejudicial to the interest of the Company.
- (c) In our opinion and according to the information and explanation given to us, the schedule of repayment of principal and payment of interest has been stipulated and receipts are generally regular.
- (d) According to the information and explanations given to us and based on audit procedures performed by us, following are the amounts overdue of loans granted by the Corporation. According to the information and explanations given to us and based on audit procedures performed by us, the Corporation has taken reasonable steps for recovery of principal and interest. However, Interest on overdues more than 90 days has not been recognised as income and total outstanding (Principle + Interest) with in the value of Bank Guarantee taken as security.

(₹ In Lakhs)

No of cases	Principal amount overdue	Interest overdue	Total overdue	Remarks (if any)
193	14282.10	547.71	14829.81	

- (e) In our opinion and according to the information and explanation given to us, the Company is a Non-Core Investment Company as per the RBI regulations and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- (f) The Corporation has not granted any loans or advances in the nature of loan either repayable on demand or without

specifying any terms of repayment and hence 3(iii)(f) of the Order is not applicable.

- (iv) In our opinion and according to the information and explanation given to us and based on the audit procedures conducted by us, the Corporation has complied with the provisions of sections 185 and 186 of the Act, with respect to loans and advances granted, guarantees and securities provided and investments made by the Corporation during the year.
- (v) In our opinion and according to the information and explanations given to us, the Corporation has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of the directive issued by the RBI provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the relevant rules framed there under. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records

under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013.

- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Corporation has generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, service tax and other material statutory dues, as applicable with the appropriate authorities. According to the information and explanation given to us, there were no undisputed amounts payable in respect of above statutory dues outstanding on 31st March, 2022 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 provident fund, Employees State Insurance, Income Tax, Goods and Service Tax (GST), Cess that have not been deposited on account of any dispute, except the following:-

S. No.	Nature 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	6.85	2016-17	CTO, Secundrabad
2	CST Act, 1956	Central Sales Tax	0.49	2009-10	Appellate Deputy Commissioner CT (III), Chennai
3	CST Act, 1956	Central Sales Tax	0.56	2011-12	Appellate Deputy Commissioner CT (III), Chennai
4	Finance Act, 1994	Service Tax	3.29	2009-10	The Commissioner of Service Tax, Chennai
5	Finance Act, 1994	Service Tax	31.41	2015-16 to 2016-17	Office of the Deputy Commissioner of GST and Central Excise, Guindy
6	Commercial Tax	Commercial Tax	13.97	2012-13 & 2013-14	Joint Commissioner, Sales Tax, Orissa
7	Service Tax	Service Tax	9.56	October 2007 to June 2012	Appellate Tribunal, Allahabad

S. No.	Nature of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
8	Sales Tax Act	Differential Tax, Interest & Penalty	15.88	2005-06	Dy. Comm. Of Sales Tax - Appeals
9	Sales Tax Act	Differential Tax, Interest & Penalty	23.92	2009-10	Dy. Comm. Of Sales Tax - Appeals
10	Sales Tax Act	Differential Tax, Interest & Penalty	231.24	2012-13	Jt. Comm. Of Sales Tax - Appeals
11	Sales Tax Act	Differential Tax, Interest & Penalty	18.92	2013-14	Dy. Comm. Of Sales Tax - Appeals
12	Sales Tax Act	Differential Tax, Interest & Penalty	46.97	2014-15	Jt. Comm. Of Sales Tax - Appeals
13	Sales Tax Act	Differential Tax, Interest & Penalty	82.43	2015-16	Jt. Comm. Of Sales Tax - Appeals
14	Orissa VAT Act	Sales Tax	15.67	2012-13 to 2013-14	Joint Commissioner of Sales Tax, Cuttack
15	Orissa VAT Act	Sales Tax	18.15	2014-15	Joint Commissioner of Sales Tax, Cuttack
	Sales Tax Act	Differential Tax, Interest & Penalty	82.43	2015-16	Jt. Comm. Of Sales Tax - Appeals
	Orissa VAT Act	Sales Tax	15.67	2012-13 to 2013-14	Joint Commissioner of Sales Tax, Cuttack
16	Sales Tax Act	Central Sales Tax	332.95	2016-17	Department of Trade & Taxes, Delhi
17	Finance Act, 1994	Service Tax	0.16	April 2015 to June 2017	Department of Trade & Taxes, Delhi
18	Income Tax Act	Income Tax Regular Demand	18.39	2016-17	CIT (Appeals)-IX, New Delhi
19	Income Tax Act	Income Tax Regular Demand	1.73	2017-18	Commissioner of Central Excise, Raipur
	Total		872.54		

(viii) According to the information and explanations given to us, there are no such transactions which are not reported in the books of accounts have been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961.

(ix) (a) In our opinion and according to the information and explanations given to us, the Corporation has not defaulted in repayment of loans or

other borrowings or in the payment of interest thereon.

(b) In our opinion and according to the information and explanations given to us, the Corporation has not been declared wilful defaulter by the bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given by the management, the Corporation has utilised the money obtained by

way of term loans during the year for the purposes for which they were obtained.

- (d) According to the information and explanations given to us and procedures performed by us, and on an overall examination of the financial statements of the Corporation, we report that no funds raised on short term basis have not been utilised for long term purposes by the Corporation.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Corporation, we report that the Corporation has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Corporation has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Corporation has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Corporation has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year.
- (xi) (a) In our opinion and according to the information and explanations given to us, no fraud by the Corporation or any fraud on the Corporation has been noticed or reported during the year and hence reporting under clause 3 (xi)(a) and (b) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Corporation has not received any whistle blower complaints upto the

date of this report and hence reporting under clause 3(xi)(c) of the Order is not applicable.

- (xii) In our opinion and according to the information and explanations given to us, the Corporation is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, clause 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Corporation has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of internal auditors have been considered during the course of audit.
- (xv) In our opinion during the year the Corporation has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Corporation.
- (xvi) (a) According to the information and explanation given to us, the Corporation is registered under section 45-IA of the Reserve Bank of India Act 1934 and granted Certificate of Registration No. N.14.03090 dated 29.12.2005 to carry on the business of a non-banking financial Company.
- (b) In our opinion and according to the information and explanation given to us, the Corporation has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the Reserve Bank of India as per 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 out the business of a non-banking financial Company.

- (c) In our opinion and according to the information and explanations given to us, The Corporation is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly reporting under clause 3(xvi)(c) of the order is not applicable.
- (d) In our opinion and according to the information and explanations given to us, there are no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Corporation has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Corporation during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities,

other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Corporation is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Corporation. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Corporation as and when they fall due.

- (xx) In our opinion and according to the information given to us, there is no amount remaining unspent under section (5) of section 135 of Companies Act pursuant to any ongoing project hence reporting under clause 3 (xx) of the Order is not applicable.

for Goyal Parul & Co

Chartered Accountants

Firm's Reg. No. : 016750N

Sd/-

(Parul Goyal)

Partner

Membership No.: 099172

UDIN: 22099172APNWTJ1933

Place: New Delhi

Date: 18.08.2022

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE IND AS 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 31st March, 2022 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 Company’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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Corporation 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 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, 2022:

1. *The procedure for review of financial statements/accounts of the borrower, periodical confirmation of balances in few cases and renewal of limit sanctioned to the units were not effectively implemented/monitored. Management informed that entire procedure has been reviewed and revised regularly to ensure that effective steps are in place and the various checks/controls provided, are operating effectively. In our view, the Internal Financial Control is required to be monitored and reviewed periodically.*
2. *Internal control needs further strengthening in respect of implementation of risk management and systems to ensure continued implementation of Company'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.*

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 Company 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 31st March, 2022, based on "the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matter

Our aforesaid report u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar relates to financial

statements/information of 54 branches / offices have been audited by the independent auditors appointed by Comptroller & Auditor General of India, is based on the corresponding reports of the auditors of such Branches / Offices.

Place: New Delhi
Date: 18.08.2022

for **Goyal Parul & Co.**
Chartered Accountants
Firm's Reg. No. : 016750N

Sd/-
(Parul Goyal)
Partner
Membership No.: 099172
UDIN: 22099172APNWTJ1933

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, 2022 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 **Goyal Parul & Co.**
Chartered Accountants
Firm's Reg. No: 016750N

Sd/-
(Parul Gupta)
Partner

Membership No.: 099172
UDIN: 22099172APNWTJ1933

Place: New Delhi
Date: 18.08.2022

ANNEXURE “C” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED.

Annexure referred to in Paragraph “3” under our ‘Report on Other Legal Regulatory Requirements’ section of our report of even date to the members of The National Small Industries Corporation Limited on the Standalone Ind AS Financial Statements for the year ended 31st March, 2022

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 **The National Small Industries Corporation Limited, New Delhi** audited by us and 54 branch offices including technical centres audited by other independent auditors for the year ended 31st March, 2022.

S No.	Directions	Reply
I	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Corporation has system in place to process all the accounting transactions through IT System. The Corporation is using Tally (ERP9) and Stowe software for Accounting. RMA software is using for RMA financing. However, Tally is not integrated now. Based on Audited Branch reports, audit procedures carried out and as per the information and explanations have been given to us, no accounting transactions have been processed / carried outside the IT System.
II	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/ interest etc. made by a lender to the Company due to the Company’s inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for ? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company)	As per information and explanations given to us and based on our examination of records no restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the corporation.
III	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on Audited Branch reports, audit procedures carried out and as per the information and explanations As per information and explanations given to us and based on our examination of records funds received/receivable for specific schemes from central/ state agencies utilized as per the respective terms and conditions.

for **Goyal Parul & Co.**
Chartered Accountants
Firm’s Reg. No: 016750N

Sd/-
(Parul Gupta)
Partner

Membership No.: 099172
UDIN: 22099172APNWTJ1933

Place: New Delhi
Date: 18.08.2022

Non-Banking Financial Companies Auditor's Report for the Year Ended 31st March, 2022

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

Dear Sir,

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016" issued by the Reserve Bank of India (RBI), on the matters specified in Chapter-II of the said Directions to the extent applicable to the Corporation and according to the information and explanation is given to us for the purpose of Audit, we report that:-

- 1) In pursuance, of section 45-IA of the Reserve Bank of India Act, 1934, the Company has obtained a certificate of registration from the RBI under Registration Number N-14.03090 dated 29.12.2005 granting the Company to carry on the business of a non-banking financial company;
- 2) The Board of Directors have passed a resolution on 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, 2022.
- 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, 2022.
- 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) Based on RBI notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13.03.2020, Non-Banking Financial Companies (NBFCs) covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 are required to comply with Indian Accounting Standards (IndAS) for the preparation of their financial statements for the year 2019-2020 and onwards. Therefore, w.e.f. financial year 2019-2020, ECLs in terms of IndAS-109 has been recognized as loss allowances on the financial instruments.
- 7) As per information and explanation given to us, the statement of capital funds, risk assets/ exposures and risk asset ratio (DNBS03 return) has been filed by Corporation for all the quarters of Financial Year 2021-2022 based on provisional financial results of respective quarters, drawn on the date of filing within the stipulated period including CRAR, in compliance with RBI norms. Further, CRAR based on audited financial statements for the year ended 31.03.2022 has been correctly arrived at and it is in compliance with minimum prescribed CRAR by RBI.

for **Goyal Parul & Co.**
Chartered Accountants
Firm's Reg. No: 016750N

Sd/-
(Parul Goyal)
Partner

Place: New Delhi
Date: 18.08.2022

Membership No.: 099172
UDIN: 22099172APNWTJ1933

Statutory Auditor's Certificate (SAC)

We have examined the books of accounts and other records maintained at Head Office of the National Small Industries Corporation Ltd for the Financial Year ending 31st March, 2022. On the basis of the information submitted to us, we certify the following:-

Sl. No.	Particulars	Details
1.	Name of the Company	The National Small Industries Corporation Limited
2.	Certificate of Registration No.	N.14.03090
3.	Registered office Address	NSIC Bhawan, Okhla Industrial Estate, New Delhi - 110020.
4.	Corporate office Address	Same as above
5.	The Company has been classified by RBI as: (Investment Company / Loan Company / AFC / NBFC-MFI / NBFC- Factor / IFC / IDF- NBFC)	Loan Company
6.	Net Owned Fund (in ₹ Crore) (Calculation of the same is given in the Annex)	983.15
7.	Total Assets (in ₹ Crore)	3187.99
8.	Asset-Income pattern: (in terms of RBI Press Release 1998- 99/1269 dated 8 th April, 1999) (a) % of Financial Assets to Total Assets (b) % of Financial Income to Gross Income (NBFC-Factor /NBFC-MFI / AFC / IFC may also report separately below)	88.79% 67.98%
9.	Whether the Company was holding any Public Deposits, as on 31 st March, 2022? If Yes, the amount in Crore	No
10.	Has the Company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (In term of sec 45-IC of the RBI Act, 1934).	Yes
11.	Has the Company received any FDI? If yes, did the Company comply with the minimum capitalization norms of the FDI?	No
12.	If the Company is classified as an NBFC-Factor; (a) % of Factoring assets to Total Assets (b) % of Factoring Income to Gross Income	NA
13.	The Corporation is classified as an NBFC-MFI; % Qualifying Assets to Net Assets (refer to Notification DNBS.PD.No.234CGM(US)2011 dated 02 nd December, 2011)	NA

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

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

for **Goyal Parul & Co.**
Chartered Accountants
Firm's Reg. No: 016750N

Sd/-
(Parul Goyal)
Partner

Membership No.: 099172
UDIN: 22099172APNWTJ1933

Place: New Delhi
Date: 18.08.2022

Sl. No.	Capital Funds – Tier I	(₹ in crore)
1	Paid up equity capital	532.99
2	Pref. shares to be compulsorily converted into equity	
3	Free reserves:	
	General reserves	
	Share premium	
	Capital reserves	
	Debenture redemption reserve	
	Capital redemption reserve	
	Credit balance in P&L account	490.87
	Other free reserves (may be specified)	
4	Special reserves	61.80
	Total of 1 to 4	1085.66
5	Less: (i) accumulated balance of loss	
	(ii) deferred revenue expenditure	
	(iii) deferred tax assets (Net)	38.49
	(iv) other intangible assets	64.02
	Owned Fund	983.15
6	Investment in shares of	
	(i) Companies in the same group	
	(ii) Subsidiaries	6.00
	(iii) Wholly Owned Subsidiaries	
	(iv) Other NBFCs	
7	Book value of debentures, bonds outstanding loans and advances, bills purchased and discounted (including H.P. and lease finance) made to, and deposits with	
	(i) Companies in the same group	0.02
	(ii) Subsidiaries	
	(iii) Wholly Owned Subsidiaries/Joint Ventures Abroad	
8	Total of 6 and 7	6.02
9	Amount in item 8 in excess of 10% of Owned Fund	-
10	Net Owned Fund	983.15

NOTES FORMING AN INTEGRAL PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE-1: CORPORATE INFORMATION & BASIS OF ACCOUNTING

1. CORPORATE INFORMATION

The National Small Industries Corporation Limited (referred to as “NSIC” or “The Corporation”) was incorporated in the year 1955. NSIC is domiciled and incorporated in India [CIN No. U74140DL1955GOI002481], governed under the Companies Act and is a Systemically Important Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India vide certificate no. N.14.03090 dated 29/12/2005. The Legal Entity Identifier (LEI) Code registered with Global Legal Entity Identifier Foundation (GLEIF) is 335800935QD3LJGOLZ39. It is an ISO 9001-2015 certified Government of India ‘Mini Ratna Category-1’ Enterprise under Ministry of Micro, Small and Medium Enterprises (MSME).

NSIC has been working to promote and foster the growth of micro, small and medium enterprises in the country through its various Offices / Technical Centre. NSIC facilitates Micro, Small and Medium Enterprises with a set of specially tailored scheme to enhance their competitiveness. NSIC provides integrated support services under Marketing, Technology, Finance and other Support service.

2. BASIS OF ACCOUNTING

i. Statement of Compliance

The financial statements of the Corporation comply with IndAS notified under the Companies (Indian Accounting Standard) Rules 2015 (as amended), applicable provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 and other applicable regulatory

norms/ guidelines.

The financial statements of the Corporation have been prepared on going concern basis under the historical cost convention following accrual system of accounting (unless otherwise stated) in accordance with the Generally Accepted Accounting Principles and are in accordance with the Indian Accounting Standard (referred to as “IndAS”) notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended, applicable provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 and other applicable regulatory norms/ guidelines.

ii. Basis of Preparation and Presentation

The IndAS financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets (equity instruments classified as Fair Value through Other comprehensive income etc.) and financial liabilities (security deposits, etc.) that are measured at fair value at the end of each reporting date as required under relevant IndAS. These policies have been applied consistently for all the periods presented in the financial statements.

iii. Use of estimates, assumptions and management judgements

In preparing the financial statements in conformity with the Corporation’s accounting policies, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities

and the disclosure of contingent liabilities as at the date of the financial statements, the amount of revenue and expenses during the reported period and notes to financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized in the period in which the results are crystallized.

iv. Critical Accounting Estimates and Management Judgements

In application of the accounting policies, the management of the Corporation is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is stated here under:

a. Property, Plant and Equipment (PPE)

The residual values and estimated useful life of PPEs and Intangible Assets are assessed at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operational condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the

assigned useful life and residual value for computation of depreciation/amortization.

b. Assets held for sale

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105, 'Non-current assets held for sale and discontinued operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

c. Income Taxes

Estimates are involved in determining the provisions for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Judgements are made in respect of expected future profitability to assess deferred tax asset.

d. Impairment of financial instruments

The impairment assessment of financial instruments comprising of trade receivables and Loans & Advances is carried out based on assumptions about risk of default and expected loss. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward-looking estimates at the end of each reporting date.

e. Impairment of Non-financial assets (PPE)

The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement.

f. Defined Benefit Plans and Other long-term employee benefits

The cost of the defined benefit plan and other long-term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long-term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

g. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses other valuation techniques to determine its fair value. The inputs to apply these techniques are taken from

observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

h. Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

v. Functional and presentation currency

These IndAS financial Statements are prepared in Indian rupees, the national currency of India and the functional currency of the Corporation. All financial information presented in Rupees has been rounded off to the nearest lakh with two decimals unless otherwise indicated.

NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation and presentation of the financial statements as given below have been applied consistently to all periods presented in the financial statements.

I. Property, Plant and Equipment (PPE) – Tangible PPEs

a) Initial recognition and measurement

- i. Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation,

- lease terminal adjustment and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use.
- ii. **Leased assets and seized leased assets out of leased assets acquired up to 31st March, 2001:** are stated at historical cost, net of accumulated balance of depreciation, lease terminal adjustment and accumulated impairment losses, if any.
 - iii. **Items of property, plant and equipment other than leased assets and seized leased assets out of leased assets** are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets less accumulated depreciation and accumulated impairment losses, if any.
 - iv. When parts of an item of PPE have different useful lives, they are recognized separately by identifying such components.
 - v. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use. Borrowing costs (after deducting income on temporary investment of borrowed funds, if any) directly attributable to the specified item of property, plant and equipment, are capitalized to such items.
 - vi. In case of assets available

for use /put to use, where final statement of accounts /settlement of bills with contractors/ implementing agency is yet to be affected, capitalization is done on estimated basis, subject to necessary adjustments, including those arising out of settlement of arbitration/ court cases, in the year of final settlement.

b) Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the property, plant and equipment when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the property, plant and equipment can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in Statement of profit & loss.

c) Derecognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

II. Capital Work in Progress

- a) Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.
- b) The Assets under construction are carried at cost comprising direct cost (cost of materials, labour & other incidental expenditure) & related indirect expenses (including overheads) attributable to bring the assets to the location and working condition necessary for its intended use.
- c) Income pertaining to the construction period such as interest income, liquidated damages recovered, etc. is adjusted against the expenditure during construction period.
- d) Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors, until the assets is recognized as PPE.
- e) Advances paid for the acquisition/ construction of PPE which are outstanding at the balance sheet date are classified under 'Capital Advances'.

III. Intangible Assets

- a) Initial recognition and measurement
Intangible assets that are acquired by the Corporation have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.
- b) Subsequent Costs
Subsequent expenditure is recognized as an increase in the carrying amount

of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

c) Intangible Assets under Development

In terms of IndAS-38, any expenditure incurred, specifically attributable to development of an intangible asset and is likely to satisfy the recognition & measurement criteria- upon completion of development, are capitalized as "intangible assets under development" till they are ready for their intended use,

d) Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

IV. Impairment of Property, Plant & Equipment and Intangible Assets

Property, Plant & Equipment and Intangible Assets are treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is recognized immediately to Statement of Profit and Loss in the year in which an asset is identified as impaired and the carrying amount of the asset is reduced to its recoverable amount, unless the relevant asset is carried at a revalue amount, where the impairment loss is treated as a revaluation decrease. If there is any indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

V. Assets held for sale

Non-current assets are classified as held

for sale if their carrying amount is intended to be recovered principally through a sale transaction (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell except for assets such as deferred tax, assets arising from employee benefit, financials assets and contractual rights under insurance contracts, which are specifically exempted from this requirement. The determination of fair value less costs to sell includes use of management estimates and assumptions.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the balance sheet.

VI. Depreciation on Tangible Assets and Amortization and Intangible PPEs

a) Leased assets and Seized leased assets out of leased assets acquired up to 31st March, 2001:

Depreciation is provided on pro-rata basis from the day the assets are put to use at written down value method as per the useful life prescribed in part C to schedule II of the Companies Act, 2013.

b) Items of Property, Plant & Equipment other than leased assets and seized leased assets out of leased assets

i) Depreciation on PPE is charged on straight-line method as per useful lives specified in part C to schedule II of the Companies Act, 2013 except Mobile phone Instruments.

S. No	Nature of Assets	Useful Life	Rate (SLM)	Residual Value
i.	Building RCC frame structure	60 Years	1.58%	5% of original cost
ii.	Building other than RCC frame structure	30 Years	3.17%	5% of original cost
iii.	Building Temporary Structure	3 Years	31.67%	5% of original cost
iv.	Roads-Carpeted-RCC	10 Years	9.50%	5% of original cost
v	Roads-Carpeted-other than RCC	5 Years	19.00%	5% of original cost
vi.	Roads-Non-Carpeted	3 Years	31.67%	5% of original cost
vii.	Plant and Machinery	15 Years	6.33%	5% of original cost
viii.	Furniture and Fittings	10 Years	9.50%	5% of original cost
ix.	Vehicles-2 wheeler	10 Years	9.50%	5% of original cost
x.	Vehicles-4 wheeler	8 Years	11.88%	5% of original cost
xi.	Office Equipment	5 Years	19.00%	5% of original cost
xii.	Computers and Processing Units	3 Years	31.67%	5% of original cost
xiii.	Servers and Networks	6 Years	15.83%	5% of original cost
xiv.	Electric Distribution Plant	35 Years	2.71%	5% of original cost
xv.	Electrical Installations and Equipment's	10 Years	9.50%	5% of original cost
xvi.	Intangible Assets-Software	5 Years	20.00%	₹ 1/-
xvii.	Mobile Phone Instruments	3 Years	33.33%	₹ 1/-

ii) Depreciation on additions to / deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposal.

iii) Assets costing up to ₹ 0.10 Lakh are depreciated fully in the year of purchase, after retaining 5% of original cost as residual value except Mobile phone Instruments where ₹ 1/- is retained as residual value.

iv) Mobile phone Instruments costing over ₹ 0.10 lakh, are depreciated over a period of

3 years, starting from the year in which it is acquired, after retaining ₹ 1/- as residual value.

- v) Depreciation in case of PPE purchased out of Government grants, is charged to 'Capital Reserve' (which is in the nature of 'Deferred Income') in proportion to depreciation charged on such assets. The capital reserve is created at the time of purchase of fixed assets out of grants received with the purchase cost.
- vi) Lease hold land is amortized over the lease period.
- vii) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of five years, starting from the year in which it is acquired, after retaining ₹ 1/- as residual value. However, where the life of software is less than five years, the cost is amortized over the useful life of such Assets, after retaining ₹ 1/- as residual value.
- viii) Software procured on subscription basis are charged to the Statement of Profit and Loss in the year of subscription paid.

VII. Borrowing Costs

Borrowing costs consist of interest and other costs that the Corporation incurs in connection with the borrowing of funds.

Borrowing costs incurred for qualifying assets are capitalized up to the date, the asset is ready for intended use, after netting off any income earned on temporary investment of such funds, based on borrowing incurred specifically for financing the asset. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are recognized in the statement of profit & loss in the reporting period in which they accrue.

VIII. Inventories

- a) The inventory mainly comprises of the following-
 - i. Stock of stationery and miscellaneous items.
 - ii. Stores, tools, measuring instruments and goods in transit.
 - iii. Stock of finished goods pertaining to commercial activities.
 - iv. Stock of repossessed / seized / surrendered machines under hire purchase (HP) and composite term loan (CTL).
 - v. Stock of repossessed / seized / surrendered machines under equipment leasing where assets given on or after 01.04.2001.
 - vi. Obsolete and unserviceable assets.
- b) Cost is determined on First in First Out (FIFO) basis.
- c) Inventories are valued at the lower of cost and net realizable value.
- d) Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- e) Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

IX. Research and Development

- a) Expenditure on Research and

Development of revenue nature is charged to the Statement of Profit and Loss.

- b) Expenditure on Research and Development of Capital nature is shown as an addition to PPE.

X. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. All the items of income/ revenue (incl. revenue from training activities and common facilities) & expenditure are accounted for on accrual basis where there is certainty as to realization, as described hereunder:

a) Income from Financial Activities under Hire Purchase, Marketing, Raw Material Distribution / Assistance, Assistance to Wholesalers and Retail Traders, Bill Discounting and Composite Term Loan

- i. Interest Income in respect of loans and advances, are recognized on accrual (time proportion) basis with reference to contractual terms considering outstanding amount, applicable rate, etc.
- ii. No Interest income is recognized from the date, loans and advances become NPA, in terms of, the Master Direction - Non- Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- iii. Interest accrued but not realized in case of NPA accounts, is reversed on reporting date from interest income as 'Additional/ Normal Interest Suspense (PIS)' and correspondingly reduced from total outstanding dues except cases where proceeds of invoked BG's are

not received by reporting date [refer X(a)(iv) below].

- iv. On invocation of Bank Guarantee (BG), unit's account is frozen from the date of submitting its claim letter with the BG issuing bank and interest accrued but not realized included in total dues, if any, is not reversed from interest income as 'Additional/ Normal Interest Suspense (PIS)'. At the year end, in case, proceeds of invoked BGs are not received in designated bank account of the Corporation, such amount is treated as "Receivables from Bank". However, where the bank delays in releasing the proceeds of invoked Bank Guarantees, interest for delayed period from the date of claim lodged till the date proceeds received in the designated bank account of the Corporation, if any, is recognized as income in the year of its realization.
- v. Processing fees/ service charges is treated as income on time proportionate basis under RMA/AWRT/BD against BG and in other cases, on accrual basis.
- vi. Application processing fee, wherever applicable, is treated as income on receipt basis.
- vii. Excess of sales proceeds of repossessed / seized / surrendered machines over their value in case of hire purchase and equipment leasing as on the date of repossession/ seizure / surrender is adjusted against the defaulted hirer's/ lessee's account. Any excess over and above the amount due from the hirer/lessee is treated

as income in the year of receipt of sale proceeds.

b) Recognition of Interest & freezing of Accounts

- (i) Penal interest /interest on delayed payment/additional /normal interest under different activities/ schemes of the Corporation, wherever considered as doubtful of recovery, is treated as the income in the year of its realization.
- (ii) Where the unit's accounts are frozen, no further interest is charged to the unit's account.

c) Sale of Goods and Services

- i. Sales are net of GST, Discounts, Rebates, returns, etc. and are accounted for on the basis of invoice value as per terms & conditions of contract as applicable.
- ii. Sales on account of export of products and projects are accounted for on the basis of invoice value as per the terms of exports.

d) Registration Fee under Single Point Registration Scheme

Registration fees under Single Point Registration Scheme, is recognized as income only on date of issuance of certificate for fresh registration/ renewal/ amendment therein.

e) Membership fee of B2B portal (MSME Mart) -(B2B Scheme)

Membership fees of B2B portal (MSME Mart) under B2B Scheme, is recognized as income only on activation of unit's membership.

f) Revenue from training activities and common facilities

Revenue from training activities is recognized on accrual (time proportion) basis till the completion of training programme.

Revenue from sponsored training is recognized after completion of training course and in line with terms and conditions of the Agreement/ Contract/ MOU.

Revenue from common facilities (which inter-alia includes testing fees, job work charges, etc.) is recognized on completion of testing and job work.

g) Income from Turnkey Projects/ Service Contracts

- i. Revenue from consultancy, project management and supervision charges, is recognized in Statement of profit & loss, in proportion to the stage of completion of the transaction / handing over of the project, at the reporting date as per the terms of the contract.
- ii. Direct Expenditure incurred on project are accounted for under the project and Indirect expenses are accounted for under the natural head of account of respective head.

h) Income from Leasing

Leases are classified as Operating lease and Finance Lease. Leases in which the Corporation does not transfer substantially all the risks and rewards/ benefits of ownership of the asset to the lessee are classified as Operating Lease. Leases other than operating lease are classified as Finance Lease.

- i. Corporation was providing assistance under its Equipment Leasing business which was discontinued since 2003. Income recognition in respect of

such leased assets and seized leased assets out of leased assets is as under:

I. On lease transactions entered up to 31st March, 2001

- i. Lease rentals in respect of transactions entered up to 31st March, 2001 are accounted for on accrual basis, net of the lease equalization charges.
- ii. Cost of capital relating to outstanding net investment in the leased assets is deducted from lease rentals to arrive at recovery of capital. The difference of recovery of capital and statutory depreciation is depicted through lease equalization charge account. The contra effect of such lease equalization account is reflected by lease terminal adjustment account in the balance sheet. The short fall of capital recovery, if any, is accounted for in the year of disposal of asset.

II. Lease transactions entered on or after 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.

III. Income recognition in respect

of other leases in terms of IndAS-116.

i. Corporation as a Lessor

It inter-alia includes space, godown, etc. owned by the Corporation and given on lease for which rental income is received. The Assets subject to operating lease are included in Property, Plant & Equipment and depreciated over its useful life. Lease income in respect of 'Operating Lease' is recognized in the statement of profit and loss on a straight-line basis over the lease term.

The Finance Lease is not undertaken by the Corporation as lessor.

ii. Corporation as a Lessee

It inter-alia includes space, godown, accommodations for staff, etc taken by the Corporation on lease for which lease rent payments are made. These lease arrangements are usually renewable on mutually agreed terms.

The Finance Lease is not undertaken by the Corporation as lessee.

- The accounting by Lessee under the new standard IndAS-116 is as under:

Corporation recognizes a right-

of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases), leases with no written agreement and leases for low value underlying assets.

A short-term lease would cover lease agreement for less than 12 months or lease agreements more than 12 months but lessor having a right to cancel at any time by giving some notice period. Lease agreements executed by the Corporation for duration of more than twelve months but containing a clause of giving an option to terminate the same by giving notice of defined period, are also treated as short term lease.

The Standard does not specify the threshold for low value assets. However, it includes low value assets viz tablets, personal computers/Laptop

and small items of PPE, etc.

For short-term and leases for low value underlying assets, the Corporation recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/ amortization and impairment losses. Right-to-use asset shall be depreciated in accordance with IndAS-16-Property, Plant and Equipment (PPE)'

The lease liability is initially measured at the present value of the future lease payments.

The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

i) 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.

j) Dividend Income

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

k) Scrap Sale

Income from sale of scrap is accounted on realization basis.

XI. Foreign Currency transactions and translations

- a) Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.
- b) Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises.
- c) Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

XII. Government Grants

- a) The approved grants from Government of India under various promotional activities are recognized on accrual basis where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. In case of approved Promotional activities, expenditure incurred / committed for the year, but grant received in subsequent year, is accounted on accrual basis.
- b) Receipt of grants is recognized as advance from the Government of India and is shown as Amounts Payable to Government of India. Thereafter, the grant amount, to the extent of expenditure incurred, is recognized as income in the Statement of Profit and Loss.
- c) In case of capital grant, the expenditure incurred is reduced from the recognized grant income by creating capital reserve which is in the nature of 'Deferred Income'. The capital reserve is recognized as income each year over the life of the relevant assets in proportion to depreciation on those assets.
- d) Government grants relating to Revenue are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the Corporation recognizes the incurred related costs as expenses for which such grants relates / are intended to cover.
- e) Government grants towards reimbursement of amount of fees towards 'Membership Fees under SPRS scheme (NSSH)', 'Inspection Charges under SPRS scheme (NSSH)' (applicable where the inspection is carried out by NSIC officials only and not by empanelled Inspection Agencies), 'Membership Fees under B2B scheme (NSSH)', 'Training

Fees for Capacity Building (NSSH)', 'Rent of Office Premises-NSSHO' (applicable where the property is owned by NSIC and where the rent is not paid to outsider are charged as grant utilized under the group head **"Membership/ Inspection fees, rent, etc under NSSH"** and are reduced from the recognized grant income. Similarly, government grants towards reimbursement of training fees under Assistance to Training Institutions (ATI) scheme, etc are also charged as grant utilized under the group head **"Training Fees under ATI"** and is reduced from the recognized grant income.

As the Corporation is already rendering all the services as mentioned above on commercial basis, however, in case of SC/ST units, Corporation's commercial fees are being paid by the Government of India in lieu of SC/ST MSE units. Therefore, all the reimbursements as referred above are also treated as **commercial revenue** of respective heads under 'Sale of Services'.

- f) Administrative expenses, if any, allowed to the Corporation for Implementation of any Government promotional schemes, on amount spent/ utilized (except amount spent/utilized on Mentoring & hand holding support, Corporation's commercial revenue, etc), in terms of approved guidelines, are charged as grant utilized under the group head **"Administrative Charges for Implementation of Govt. Schemes (Grants and Subsidies)"** and correspondingly reduced from the recognized grant revenue. Since, it's a Corporation's commercial revenue, therefore, the same are also depicted as commercial revenue under the group head **"Administrative Charges for Implementation of Govt. Schemes (Grants and**

Subsidies)" under 'Sale of Services'.

- g) The Corporation is also carrying out promotional schemes namely Procurement & Marketing Support Scheme (PMSS), International Co-operation (IC), etc which are **reimbursement-based scheme** in terms of guidelines issued by Ministry wherein only on receipt of funds from o/o DC-MSME/ Ministry by the Corporation, reimbursed claimed expenses and corresponding grants are recognized in the year of funds received.
- h) The direct actual expenditure incurred on account of training under ATI and NSSH scheme, if any, are accounted for as commercial expenditure under the natural head of account of respective head.
- i) Interest earned, if any, on the Government grant received as per the terms of the sanction of the grant, is recognized as advance from the Government of India and is shown as Amounts Payable to Government of India.
- j) In case, the net result under advance accounts of various promotional activities is "deficit", it is shown as "Amount Receivable from the Government of India for deficit in grants" under the head Financial Assets and if there is "surplus", the same is shown as "Amount Payable to the Government of India for surplus in grants" under the head Financial Liabilities.

XIII. Allocation of Expenses

The expenses directly attributable to the commercial activities are charged to the respective activities. In case of indirect expenses, the same are allocated on the basis of revenue/ income earned under different commercial activities during the year.

XIV. Employee Benefits

Employee Benefits include Salaries and Wages, Provident Fund, Pension, Gratuity, leave encashment and other terminal benefits.

a) Short Term Employee Benefits

Short term employee benefits comprise of employee costs such as salaries, allowances, annual leave and sick leave which are accrued during the year in which the associated services are rendered by employees of the Corporation.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

b) Post-Employment Benefits and Other Long-Term Employee Benefits

(i) Defined Contribution Plan

A defined contribution is a post-employment benefit plan where Corporation pays fixed contributions into different organizations and will have no legal or constructive obligation to pay further amounts. Contributions to Provident Fund, Pension Fund & Post-retirement medical benefits (PRMB) made by the Corporation are considered as defined contribution plan. Such contributions paid/ payable during the year are recognized as an employee benefit expense in the statement of profit and loss for the year in which the related services are rendered.

The contribution to provident fund is paid to a fund administered through a separate trust and contribution

to pension fund is paid to Life Insurance Corporation of India through trust. Regarding PRMB, medical corpus is created as per guidelines of Department of Public Enterprises which is utilized for the payment of premium to the Insurance Company.

(ii) Defined Benefits Plan

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. Corporation's Liability towards gratuity, leave encashment and other employees' benefits namely Sick leave and T.A. on Retirement, made by the Corporation, are considered under Defined Benefit Plan.

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation at the year-end using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, are recognized in the period in which they occur, directly in other comprehensive income. Remeasurement recognized in Other Comprehensive Income (OCI) is reflected immediately in retained earnings and is not reclassified to the Statement of Profit & Loss.

XV. Prior Period Expenses and Income

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

XVI. Prepaid Items

Expenses pertaining to subsequent financial

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

XVII. Taxation

Tax expense for the period comprises of current tax and deferred tax. Tax recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity where the tax is also recognized in other comprehensive income or equity.

a) Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provision of the Income Tax Act, 1961 and the other applicable tax laws.

b) Deferred Tax

- i. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose.
 - ii. Deferred tax liabilities are generally recognized for all taxable temporary differences.
 - iii. Deferred tax assets are generally recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.
 - iv. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.
- c) Additional income taxes that arise from the distribution of dividends are recognized at the time when the

liability to pay the related dividend is recognized.

XVIII. Cash and cash equivalents

Cash comprises of cash on hand, demand deposits with banks, etc. The Corporation considers cash equivalents as all short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

XIX. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

XX. Dividends

Dividends payable to Corporation's shareholders are recognized as changes in equity in the period in which they are approved/ recommended by the shareholders' meeting and the Board of Directors respectively.

XXI. Cash Flow Statement

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

XXII. Provisions, Contingent Liabilities and Contingent Assets

a) Provisions

- (i) Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of a past event, provided there is possibility of that the Corporation will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The amount recognized as a provision is the best estimate

of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

- (iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset provided it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.
- (iv) Provisions, if required, on Receivables and Loans & Advances from Central Government / State Governments / Government Institutions / Government Companies and other Central / State Government departments / bodies, are made wherever considered appropriate by the management.
- (v) No provision for receivables in respect of 'Receivables' under Export and Marketing Scheme is made to the extent the amount appears under 'Payable' and to the extent of service charges adjusted against amount payable to supplier, for supplies pertaining to the same transaction under back-to-back arrangement with suppliers.
- (vi) Based on RBI notification no RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13.03.2020, ECLs in terms of IndAS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-2020.

- (vii) The classification and norms of making provisions for Receivables and Loans & Advances (net of interest suspense account) in terms of IndAS and IRAC prudential norms issued by RBI, are annexed herewith.

b) **Contingent Liabilities**

Contingent Liabilities is a possible obligation arising from past events and the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

The Corporation discloses the existence of contingent liabilities in Notes to Financial Statements. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts and are reviewed/ assessed continuously at each balance sheet date to determine whether outflow of economic resources have become probable. If the outflow becomes probable, then relative provision is recognized in the financial statements to reflect the current management's estimates.

c) **Contingent Assets**

Contingent Assets are not recognized but disclosed in Notes which usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits.

Contingent assets are assessed

continuously to determine whether inflow of economic benefits becomes virtually certain, then such assets and the relative income will be recognized in the financial statements.

XXIII. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value except in case of Trade Receivables which are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset at fair value through profit & loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset at FVTPL are recognized immediately in the statement of profit & loss.

A. Financial assets

I. Subsequent Measurement

Financial assets include Investments, Loans, Trade Receivables, Security Deposits, Cash and Cash Equivalents etc. Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired.

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- at amortized cost using effective interest rates (EIR)

- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

- Financial Assets at Amortized Cost - A financial asset shall be measured at Amortized cost, if both of the following conditions are met:
 - Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
 - Contractual terms of the financial assets give rise on specified dates to cash flows that are **solely** payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using Effective Interest Rate (EIR) method. The EIR method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discount estimated future cash receipts (including all fees paid or received that forms an integral part of the effective interest rate, transaction costs and other premiums and discounts) through the expected life of

the financial asset, or where appropriate, a shorter period to the net carrying amount on initial recognition.

The Corporation's cash and cash equivalents, trade receivables and other loans & advances falls into this category of financial instruments.

- ii. Fair value through other comprehensive income (FVTOCI) - A financial asset shall be measured at Fair value through other comprehensive income, if both of the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding
- Fair value movements are recognized in the OCI and accumulated in reserve

Equity instrument have been classified as at FVTOCI wherein all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity shares listed on stock

exchanges are valued at weighted average price of last trading day of financial year at Bombay Stock Exchange (BSE).

- iii. Fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortized cost or FVTOCI, with all changes in the fair value recognized in Statement of P&L.

II. Impairment in Financial Assets

The Corporation at the end of each reporting year, tests a financial asset or a group of financial assets (other than financial assets held at fair value through profit or loss) for impairment based on evidence or information that is available without undue cost or effort. Expected credit loss (ECL) is assessed and impairment loss recognized, if the credit risk of the financial asset is significantly increased.

The impairment losses and reversals are recognized in the statement of profit and loss.

Impairment model under IndAS-109 applies to financial instruments as listed below:

- ❖ Financial assets that are debt instruments measured at Amortized Cost e.g. loans, debt securities, deposits and bank balance.
- ❖ Equity investments are measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- ❖ Loan commitments not measured at FVTPL (Fair Value Through Profit and Loss)
- ❖ Lease Receivables under IndAS-116

❖ Trade and other receivables

Based on RBI notification no RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/ 2019-20 dated 13.03.2020, ECLs in terms of IndAS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-2020, which comprises of:

- a) Loans & advances to customers under schemes of Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan and receivables from banks.
- b) Trade Receivables in respect of dues under schemes of Hire Purchase, Leasing, Marketing and Others (incl. receivables on account of transactions comprising of Sale of Services).

In terms of above mentioned RBI notification dated 13.03.2020, Receivables and Loans & Advances under financing scheme comprising of receivables in respect of dues under Hire Purchase, Leasing, Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, receivables from banks etc., where impairment allowance under IndAS-109 is lower than provisioning required under IRACP (including standard assets provisioning), the Corporation appropriates the difference from its net profit or loss after tax to a separate 'Impairment Reserve'. Such transfer will not be a charge against profit; instead, appropriated against the profit or loss after taxes .

III. Derecognition of Financial Assets

Financial assets are derecognized when the contractual right to receive

cash flows from the financial assets expires or transfers the contractual rights to receive the cash flows from the asset.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognized in Other Comprehensive Income and accumulated in Equity, is recognized in Statement of Profit and Loss if such gain or loss would have otherwise been recognized in Statement of Profit and Loss on disposal of that financial asset.

B. Financial Liability

The Corporation's financial liabilities include Trade and other payables, Loans and Borrowings including Bank Overdrafts, Earnest Money Deposit and Retention Money.

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable transaction cost

I. Subsequent measurement

- i. **Financial liabilities at Amortized costs** – After initial measurement, such financial liabilities are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is

calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

- ii. **Financial liabilities at Fair value through statement of Profit and loss** include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. The carrying value of those financial liabilities which

are to be discharged within twelve months is considered to be its fair value.

II. **Derecognition of Financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Annexure to Accounting Policy-XXII (a)(vii)

Classification and Provisioning Norms for Receivables and Loans & Advances

The classification and norms of making provisions for Receivables and Loans & Advances (net of interest suspense account) in terms of IndAS and IRAC prudential norms issued by RBI are as follows:

1. Secured Receivables and Loans & Advances

Trade receivables and Loans & Advances are treated as '**Secured**' (unless otherwise stated), to the extent of the liquid realizable securities available with the Corporation which inter-alia includes - market value/ WDV/ committed value (in respect of legal/ seized cases) of assets financed (identified & lying in possession of the unit/Corporation), any advance received from the unit, Earnest Money Deposit (EMD), seized machines, consideration money, advance installment/ rental, advance received from hirer / advance against purchase of machine, realizable Collateral Security-Equitable Mortgage of Immovable Property, Bills for supplies made to the Government Departments, valid Bank Guarantee (BG)/ Letter of Credit (LC) or any other tangible security/ Security Deposits paid by the Corporation under contractual valid agreement/ contract / rights / any amount owned by the Corporation to the units including transactions under back-to-back arrangement, Advances paid to bulk suppliers (having MOU arrangement with the Corporation) to the extent of advance have already been received from the MSMEs & / or amount paid out of the sanctioned limit under RMA against BG, Security Deposits paid by the Corporation & correspondingly the buyer of supplies also provides security to the Corporation (including Security Deposits under contractual rights), sponsored training dues outstanding equal to or less than 180 days, employee advances of existing employees and interest accrued thereon. It shall also include all securities obtained from the units as per the terms of sanction of assistance.

The amounts not covered by above are treated as '**Unsecured**'.

2. Classification of Financial Instruments

The financial instruments comprising of Receivables and Loans & Advances in terms of IndAS-109 and further classification of Financial Instruments among Financing Schemes in terms of IRAC prudential norms issued by RBI, inter-alia includes following:

- (i) **Trade Receivables:** Trade Receivables under financing schemes comprises of receivables in respect of dues under Hire Purchase and Leasing whereas under non-financing schemes comprises of receivables in respect of dues under Marketing activities and Others (incl. receivables on account of transactions comprising of Sale of Services).
- (ii) **Loans & Advances:** Loans and advances under financing schemes comprises of receivables in respect of dues under Raw Material Assistance, Assistance to Wholesalers and Retail Traders, Bill Discounting, Term Loan, Composite Term Loan, receivables from banks etc.
- (iii) **Others:** These instruments under non-financing schemes comprise of Receivables and Loans & Advances which inter-alia includes advances recoverable in cash or in-kind (primarily consist of advances paid to outside parties including advances paid to bulk suppliers having MOU with the Corporation), security deposits, staff advances (including interest accrued but not due thereon) and other assets, etc.

3. Provisioning Norms for Receivables and Loans & Advances:

Recognition of impairment allowance in terms of IndAS-109 on the financial instruments

and IRAC prudential norms issued by RBI, are explained below:

a) **Provisioning norms in terms of IndAS-109** for various items of Trade Receivables, Loans & Advances are depicted below:

(i) **Loans and Advances under Raw Material Assistance, Assistance to Wholesalers and Retail Traders, Bill Discounting, recoverable from Banks and Trade & other receivables:**

Stages	Classification of Outstanding Receivables and Loans & Advances
Stage-1 (Performing)	This would inter-alia includes financial assets where there is no material increase in credit risk since initial recognition or those which have low credit risk at the reporting date. It covers financial assets which inter-alia includes: - RMA, AWRT and Bill discounting against BG to the extent covered by value of valid BG -Impairment allowance @ 0.40% of Net Outstanding. - Where low risk to the Corporation is substantiated and inter-alia includes: - Where receivables are treated as secured in terms of liquid/ tangible security as EMD/ advance installment/ rental/ advance received from the unit, realizable Collateral Security, etc. - Sponsored training dues outstanding equal to or less than 180 days - Receivables under Export and Marketing scheme to the extent the amount payable to supplier, for supplies pertaining to the same transaction under back-to-back arrangement with suppliers. In such cases, as there will be no ECL, therefore, no impairment allowance be provided.
Stage-2 (Under Performing)	Stage-2 covers those financial assets where there is significant increase in credit risk since initial recognition but which do not have objective evidence of impairment. This would inter-alia includes following cases: RMA and Bill discounting against collateral: This would include financial assets pertaining to the schemes that have been closed since long or not intended to be carry along in future by the Corporation but are backed up with any sort of realizable security to the extent covered by such value of realizable security. - Impairment allowance @ 100% of Net Outstanding. RMA, AWRT and Bill discounting against BG: This would include cases where bank guarantees are invoked by the Corporation but claims are deferred or not admitted by the BG issuing bank on any ground and such cases are further taken up by the Corporation with the AMRCD, higher authorities of BG issuing bank, other authority, etc for intervention to resolve the issue & decision of final authority is in favour of the Corporation. Moreover, cases wherein no refusal/ denial is received from bank/authority for payment to Corporation and/or payment is deferred/ stayed by NCLT/ court/ other authorities, etc.- Impairment allowance @ 0.40% of Net Outstanding. However, where any amount against aforesaid cases is received before signing of balance sheet- no impairment allowance be provided.

(ii) **Receivables and Loans & advances under Hire Purchase, Leasing, Term Loan, Composite Term Loans, etc:**

Stages	Classification of Outstanding Receivables and Loans & Advances
Stage-3 (Non-Performing)	Stage 3 assets will include those financial assets for whom there is objective evidence of impairment at the reporting date. It covers financial assets which are not covered under Stage-1 & 2 and inter-alia includes the following: - schemes that have been closed since long or not intended to be carry along in future by the Corporation and are not backed up with any sort of realizable security. - schemes viz. Hire Purchase (HP), Leasing (ELS), Composite Term Loans (CTL) and Term Loans (TL). - where there is a fraud involved - where there is dispute with the BG issuing bank in admitting the claim and decision

Stages	Classification of Outstanding Receivables and Loans & Advances
	of final authority (like Administrative Mechanism for Resolution of CPSEs Disputes-AMRCD) is against the Corporation e) amount/ advances with outside parties & are doubtful of recovery. f) amount receivable from employees left / resigned from the Corporation and no amount is available to set-off the outstanding g) sponsored training dues outstanding over 180 days h) all un-secured Receivables and Loans & Advances In such cases, impairment allowance @ 100% of Net Outstanding.

b) **Provisioning norms based on IRAC prudential norms issued by RBI** for various items of Trade Receivables, Loans & Advances are depicted below:

(i) **Receivables under Hire Purchase, Leasing, Term Loan and Composite Term Loans:**

S. No.	Scheme	Provision % of Net Outstanding
1.	Hire Purchase	100%
2.	Leasing	
3.	Composite Term Loans	
4.	Term Loan	

(ii) **Receivables under Raw Material Assistance, Assistance to Wholesalers and Retail Traders and Bill Discounting:**

S. No.	Classification of Outstanding Receivables and Loans & Advances	Provision % of Net Outstanding
1	Standard Assets -Up to 270 days	0.40%
2	Sub-Standard Assets (NPA for not exceeding 1 year)	10%
3	Doubtful Assets	
	Secured Portion of Doubtful assets:	
	Doubtful up to 1 year (i.e. NPA for 2 years)	20%
	Doubtful over 1 year and up to 3 year (i.e. NPA for 2 to 4 years)	30%
	Doubtful over 3 years (i.e. NPA for more than 4 years)	50%
	Doubtful assets not covered by the realizable value of security to which the Corporation has a valid recourse.	100%
4	Loss Assets, if not written off	100%

(iii) **Receivables from Banks:**

This would include cases where bank guarantees are invoked by the Corporation but claims are deferred or not admitted by the BG issuing bank on any ground and such cases are further taken up by the Corporation with the AMRCD, higher authorities of BG issuing bank, other authority, etc for intervention to resolve the issue & decision of final authority is in favour of the Corporation. Moreover, cases wherein no refusal/ denial is received from bank/authority for payment to Corporation and/or payment is deferred/ stayed by NCLT/ court/ other authorities, etc.- Impairment allowance @ 0.40% of Net Outstanding.

However, where any amount against aforesaid cases is received before signing of balance sheet- no impairment allowance be provided.

c) Provisioning Norms in respect of Other Receivables and Loans & Advances

- (i) Provisions, if required, on Receivables and Loans & Advances from Central Government / State Governments / Government Institutions / Government Companies and other Central / State Government departments / bodies, are made wherever considered appropriate by the management.
- (ii) Classification and Provisioning norms in respect of such Receivables, Loans & Advances, are depicted below:

S. No.	Classification of Outstanding Receivables and Loans & Advances	Provision % of Net Outstanding
1	Receivables and Loans & Advances, treated as ' Secured ' which inter-alia includes: a) Receivables and Loans & Advances due from Government Departments/ Institutions/ Undertakings b) All receivables and Loans & Advances against which the Corporation holds tangible realizable security c) Advances paid to bulk suppliers (having MOU arrangement with the Corporation) to the extent of advance have already been received from the MSMEs and / or amount paid out of the sanctioned limit under RMA against BG. d) Security Deposits paid by the Corporation and correspondingly the buyer of supplies also provides security to the Corporation (including Security Deposits under contractual rights). e) All receivables and Loans & Advances / Security Deposits paid by the Corporation under contractual valid agreement/ contract. f) From employees working in the Corporation.	NIL
2	Receivables and Loans & Advances, treated as ' Impaired ' (unless otherwise stated) which inter-alia includes: a) Amount/ advances with outside parties & are doubtful of recovery. b) Amount receivable from employees left / resigned from the Corporation and no amount is available to set-off the outstanding.	100%

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE BALANCE SHEET AS AT 31.03.2022

(₹ in Lakh)

Particulars	Note No.	As at 31.03.22	As at 31.03.21
ASSETS			
1 Financial Assets			
(a) Cash and Cash Equivalents	3	18555.25	15075.75
(b) Bank Balances other than Cash and Cash Equivalents	4	58.83	83.66
(c) Trade Receivables	5	14061.53	18719.09
(d) Loans & Advances	6	247583.48	230674.52
(e) Investments	7	870.85	774.36
(f) Other Financial Assets	8	1915.56	1279.45
2 Non-Financial Assets			
(a) Inventories	9	12.26	40.59
(b) Current Tax Assets (Net)	10	699.24	47.80
(c) Deferred Tax Assets (Net)	11	3848.57	4071.07
(d) Property, Plant and Equipment	12	28343.23	28634.44
(e) Capital Work-in-Progress	12	750.33	423.44
(f) Intangible Assets Under Development	12	23.39	23.39
(g) Other Intangible Assets	12	82.95	118.80
(h) Right to Use of Assets	12	55.00	55.83
(i) Assets Classified as Held for Sale	12	0.21	0.07
(j) Other Non-Financial Assets	13	1938.41	34657.03
Total Assets		318799.09	301263.86
LIABILITIES AND EQUITY			
1 Financial Liabilities			
(a) Payables			
(i) Trade Payables			
Outstanding Dues of MSEs	14	14348.24	19251.54
Outstanding Dues of Non-MSEs	14	112.40	156.54
(ii) Other Payables			
Outstanding Dues of MSEs	14	0.00	0.00
Outstanding Dues of Non-MSEs	14	0.00	0.00
(b) Borrowings	15	152335.57	143219.83
(c) Other Financial Liabilities	16	18576.90	14247.49
2 Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)	10	0.00	0.00
(b) Provisions	17	11043.72	10242.17
(c) Deferred Tax Liabilities (Net)	11	0.00	0.00
(d) Other Non-Financial Liabilities	18	4983.16	4681.85
3 Equity			
(a) Equity Share Capital	19	53298.80	53298.80
(b) Other Equity	20	64100.30	56165.64
Total Liabilities and Equity		318799.09	301263.86
Other Notes on Accounts	35		
Statement of Corporate Information (Note-1), Accounting Policies (Note-2)			
Note : The Notes 1 to 35 referred to above form an integral part of Financial Statements.			
Statement of changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss			

In terms of our report of even date attached
For Goyal Parul & Co.
Chartered Accountants
Firm Registration No.: 016750N

Sd/-
Parul Goyal
Partner
Membership No. : 099172
Place : New Delhi
Date : 18.08.2022
UDIN : 22099172APNWTJ1933

For and on behalf of Board of Directors

Sd/-
Gaurang Dixit
Director (Finance) & CMD (Additional Charge)
[DIN : 08535482]

Sd/-
Partha Majhi
GM (F&A)

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2022

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.22	For the Year Ended 31.03.21
I REVENUE			
A Revenue from Operations	21		
Sale of Products		221163.92	168430.76
Sale of Services		9087.87	8829.27
Interest Income		26102.54	27165.71
Fees and Commission Income		4735.83	4580.06
[Includes Processing Fees earned of ₹ 4735.83 lakhs (₹ 4580.06 lakhs) for value of goods handled and services rendered ₹ 1819418.11 lakhs (₹ 1287396.77 lakhs)]			
Other Operating Income		1161.13	1123.39
Total Revenue from Operations		262251.29	210129.19
B Other Income	22	149.89	95.47
C Grants and Subsidies	23	6700.65	7915.96
Total Revenue (A + B + C)		269101.83	218140.62
II EXPENSES			
Purchase of Products	24	220204.04	167355.66
Changes in Inventories	25	1.91	54.96
Employee Benefit Expenses	26	13401.23	13301.27
Finance Costs	27	6257.02	7708.37
Depreciation and Amortization Expenses	28	742.00	841.51
Corporate Social Responsibility	29	230.60	224.58
Other Expenses	30	13646.34	14621.35
Fees and Commission Expenses	31	76.39	63.97
Total Expenses		254559.53	204171.67
III Profit before Exceptional Items and Tax		14542.30	13968.95
Exceptional Items (Refer point no. 4E(b) of Note-35)		-6.20	4.22
IV Profit before Tax		14548.50	13964.73
Tax Expense	32		
Current Tax		3500.00	3400.00
Deferred Tax		234.25	432.91
Earlier Years		-8.33	-27.48
Total Tax Expense		3725.92	3805.43
VI Profit after Tax for the period from Continuing Operations		10822.58	10159.30
VII Profit from Discontinued Operations		0.00	0.00
VIII Tax Expenses from Discontinued Operations		0.00	0.00
IX Profit from Discontinued Operations (After Tax)		0.00	0.00
X Profit for the Period		10822.58	10159.30

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2022

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.22	For the Year Ended 31.03.21
XI Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment		94.70	92.73
Items that will not be reclassified to Profit or Loss - Actuarial Gain/Loss on Defined Benefit Plans		-141.37	134.95
Income Tax relating to Items that will not be reclassified to Profit or Loss		11.75	-57.31
Sub Total (A)		-34.92	170.37
B Items that will be reclassified to Profit or Loss		0.00	0.00
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Sub Total (B)		0.00	0.00
Other Comprehensive Income (A + B)		-34.92	170.37
XII Total Comprehensive Income for the period (X + XI) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		10787.66	10329.67
XIII Earnings per Equity Share (for Continuing Operations)	33		
Basic (₹)		20.31	19.06
Diluted (₹)		20.31	19.06
XIV Contingent Liabilities	34 (i)	1286.20	1323.36
XV Capital Commitments	34 (ii)	3296.75	1758.45
Other Notes on Accounts	35		
Statement of Corporate Information (Note-1), Accounting Policies (Note-2)			
Note : The Notes 1 to 35 referred to above form an integral part of Financial Statements. Statement of changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss			

In terms of our report of even date attached
For Goyal Parul & Co.
Chartered Accountants
Firm Registration No.: 016750N

Sd/-
Parul Goyal
Partner
Membership No. : 099172
Place : New Delhi
Date : 18.08.2022
UDIN : 22099172APNWTJ1933

For and on behalf of Board of Directors

Sd/-
Gaurang Dixit
Director (Finance) & CMD (Additional Charge)
[DIN : 08535482]

Sd/-
Partha Majhi
GM (F&A)

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE CASH FLOW STATEMENT ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.03.2022

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Net (+)Profit/(-)Loss before Tax	14,548.50	13,964.73
Adjustment for Non-Cash / Non-Operating Items:		
Add: Finance Costs	6,267.12	7,751.04
Less: Interest Income	(61.50)	(13.05)
Add: Depreciation and Amortisation Expenses	742.02	717.10
Add: Impairment Loss on PPE	-	124.41
Less: Gain on Sale/Disposal of Assets/Intangibles	(10.70)	(0.25)
Add: Losses on Sale/Disposal of Assets/Intangibles	4.51	4.47
Add: Provisions & Contingencies (Terminal Benefits)-	1,593.95	1,233.92
Add: Provisions made during the year (Exchange Variation)	425.06	459.14
Add: Bad Debts Written Off	7.75	18.17
Add: Loss on Foreign Currency Transaction and Transition (Net)/(-)Gain	(85.57)	22.59
Add: Intt Accrued but not due on borrowings	-	-
Add: Discounting Impact (Debit)	53.63	27.70
Less: Discounting Impact (Credit)	(28.02)	(42.38)
Less: LTA Adjustment	-	(0.59)
Less: Dividend Income	(2.35)	(2.35)
Less: Interest on FDs/Deposits with Banks	-	-
Less: Excess Provision Written Back-Others	(436.90)	(139.80)
Less: Sundry Credit Balances Written Back	(314.15)	(601.15)
Less: Excess Provision Written Back (Terminal Benefits)	(50.51)	(168.59)
Less: Excess Provision Written Back (KFW Loans)	(274.01)	(213.85)
Add: Recognition of Income Tax recoverable for previous year	-	-
Cash outflow towards Finance Costs	(6,677.35)	(7,378.73)
Cash Inflow from Interest on FDs/Deposits with Bank	62.13	3.43
Operating Cash Flow before Working Capital Changes:	15,763.61	15,765.96
Adjustment for Working Capital Changes:		-
Decrease in Current Assets/ (Increase in Current Assets)		-
Trade Recivables-Sch 5	4,649.80	2,760.21
Other Fin. Assets- Sch 8	(662.36)	19,154.06
Inventories-Sch 9	8.67	83.51
Current Tax Assets -Sch-10	(1,056.50)	(935.88)
Loans & Advances-Sch 6	(16,472.06)	(4,356.73)
Other Non Fin. Assets-Sch 13	(696.81)	364.91
Deffered Tax Assets-Sch-11	-	-
Increase in Current Liabilities/ (Decrease in Current Liabilities)	-	-
Trade Payables -Sch 14	(4,633.29)	(3,420.32)
Other Fin. Liab.-Sch 16	4,739.63	(20.31)
Provisions-Sch 17	(1,030.72)	(1,338.87)

Particulars	As at 31.03.2022	As at 31.03.2021
Other Liabilities -Sch 18	301.31	(145.35)
Cash Flow before Tax:	911.29	27,911.18
Taxes Paid	(3,086.61)	(1,469.11)
(A) Net Operating Cash (+)Inflow / (-)Outflow	(2,175.32)	26,442.08
Cash Flow from Investing Activities:	-	-
Sale Proceeds of Assets	26.74	2.85
Increase in PPE and Capital W.I.P.	(417.37)	(1,281.87)
Investment in NVCFL	-	(600.00)
Investment in Term Deposits (Outflow)	-	(83.66)
Investment in Term Deposits (Inflow)	24.83	-
Investment in SRI Fund	(1.78)	-
Fixed Assets (Acquired Out of Grant)	-	-
Fixed Assets (Grant Assets Sales)	-	-
Dividend from Investments	2.35	2.35
Interest on Bank Deposits	-	-
Expenditure on Intangible Assets under Development	-	-
(B) Net Investing Cash (+)Inflow / (-)Outflow	(365.25)	(1,960.33)
Cash Flow from Financing Activities:	-	-
Proceeds from Issuance of Share Capital	-	-
(+) Increase / (-) Decrease in Borrowings (Short Term)	9,500.00	(18,500.00)
(-) Decrease in Borrowings (Long Term)	(302.26)	(304.31)
(+) Increase in Borrowings (Long Term)	-	-
Dividend Paid	(3,177.66)	(3,409.33)
(C) Net Financing Cash (+)Inflow / (-)Outflow	6,020.08	(22,213.64)
	-	-
(A) Net Cash (+)Inflow / (-)Outflow From Operating Activities	(2,175.32)	26,442.08
(B) Net Cash (+)Inflow / (-)Outflow from Investing Activities	(365.25)	(1,960.33)
(C) Net Cash (+)Inflow / (-)Outflow from Financing Activities	6,020.08	(22,213.64)
Net Cash (+)Inflow / (-)Outflow	3,479.50	2,268.10
Add.: Cash & Cash Equivalents at beginning of the year	15,075.75	12,807.65
Cash & Cash Equivalents at the end of the year	18,555.25	15,075.75
Cash & Cash Equivalents as per Balance Sheet	18,555.25	15,075.75

Note: Figures of previous year recasted/regrouped wherever necessary.

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 35 referred to above form an integral part of Financial Statements.

Statement of changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

In terms of our report of even date attached
For Goyal Parul & Co.
 Chartered Accountants
Firm Registration No.: 016750N

Sd/-
Parul Goyal
 Partner
Membership No. : 099172
 Place : New Delhi
 Date : 18.08.2022
 UDIN : 22099172APNWTJ1933

For and on behalf of Board of Directors

Sd/-
Gaurang Dixit
 Director (Finance) & CMD (Additional Charge)
[DIN : 08535482]

Sd/-
Partha Majhi
 GM (F&A)

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF CHANGES IN EQUITY

A : EQUITY SHARE CAPITAL

Particulars	Opening Balance	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year	Closing Balance
2020-2021	53298.80	0	53298.80	0	53298.80
2021-2022	53298.80	0	53298.80	0	53298.80

(₹ in lakh)

B : OTHER EQUITY

Particulars	Reserve & Surplus					Other Comprehensive Income			Total
	Capital Reserves	Capital Redemption Reserve	Retained Earnings	Impairment Reserve	Statutory Reserve- u/s 45IC of RBI Act 1934	Equity Instruments through Other Comprehensive Income	Defined Benefits Plans through Other Comprehensive Income		
Balance as at 31 st March 2020	3456.64	73.09	38888.26	4866.65	1983.84	118.57	-516.42	48870.63	
Add: Additions / Credited during the year	722.75	0.00	10329.67	0.00	2031.86	0.00	0.00	13084.28	
Add: Transfer from Risk fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Less: Dividend for the year 2019-20	0.00	0.00	3409.33	0.00	0.00	0.00	0.00	3409.33	
Less: Transfer / Adjustment during the year	0.38	-2.56	2202.23	0.00	0.00	0.00	0.00	2200.05	
Less: Depreciation for the year	347.70	2.56	0.00	0.00	0.00	0.00	0.00	350.26	
Add: Remeasurement on Defined Benefit Plans	0.00	0.00	0.00	0.00	0.00	0.00	134.95	134.95	
Less: Income tax relating to defined benefit plans	0.00	0.00	0.00	0.00	0.00	0.00	33.97	33.97	
Add: Gain on Equity Investments through Fair value Change	0.00	0.00	0.00	0.00	0.00	92.73	0.00	92.73	
Less: Income tax relating to Equity Investments	0.00	0.00	0.00	0.00	0.00	23.34	0.00	23.34	
Balance as at 31 st March 2021	3831.31	73.09	43606.37	4866.65	4015.70	187.96	-415.44	56165.64	
Add: Additions / Credited during the year	699.11	0.00	10822.58	0.00	2164.51	0.00	0.00	13686.20	
Add: Transfer from Risk fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Less: Dividend for the year 2020-2021	0.00	0.00	3177.67	0.00	0.00	0.00	0.00	3177.67	
Less: Transfer / Adjustment during the year	13.30	0.00	2164.51	0.00	0.00	0.00	0.00	2177.81	
Less: Depreciation for the year	361.14	0.00	0.00	0.00	0.00	0.00	0.00	361.14	

(₹ in lakh)

Particulars	Reserve & Surplus					Other Comprehensive Income		Total
	Capital Reserves	Capital Redemption Reserve	Retained Earnings	Impairment Reserve	Statutory Reserve- u/s 45IC of RBI Act 1934	Equity Instruments through Other Comprehensive Income	Defined Benefits Plans through Other Comprehensive Income	
Less: Remeasurement on Defined Benefit Plans	0.00	0.00	0.00	0.00	0.00	0.00	141.37	141.37
Add: Income tax relating to defined benefit plans	0.00	0.00	0.00	0.00	0.00	0.00	35.58	35.58
Add: Gain on Equity Investments through Fair value Change	0.00	0.00	0.00	0.00	0.00	94.71	0.00	94.71
Less: Income tax relating to Equity Investments	0.00	0.00	0.00	0.00	0.00	23.84	0.00	23.84
Balance as at 31st March 2022	4155.98	73.09	49086.77	4866.65	6180.21	258.83	-521.23	64100.30

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 35 referred to above form an integral part of Financial Statements.

Statement of Changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

In terms of our report of even date attached

For Goyal Parul & Co.

Chartered Accountants

Firm Registration No.: 016750N

Sd/-

Parul Goyal

Partner

Membership No. : 099172

Place : New Delhi

Date : 18.08.2022

UDIN : 22099172APNWTJ1933

For and on behalf of Board of Directors

Sd/-

Gaurang Dixit

Director (Finance) & CMD (Additional Charge)

[DIN : 08535482]

Sd/-

Partha Majhi

GM (F&A)

Sd/-

Nishtha Goyal

Company Secretary

[Membership No. : A 22768]

NOTE-3 : CASH & CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Cash & Cash Equivalents		
Cash on Hand*	0.80	0.35
Cheques, Drafts on Hand	0.00	21.06
Remittance in Transit	0.00	4.21
Balance with Banks:		
Current Account	14074.68	12332.10
Others**	4479.75	2718.00
Stamps on Hand	0.02	0.03
As per Balance Sheet	18555.25	15075.75

Note :- There is no repatriation restriction w.r.t. cash and cash equivalents as at the end of the reporting periods presented above.

* Cash on Hand represents stock of prepaid cards issued by bank.

** It includes flexi deposit balances.

NOTE-4 : BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Deposits		
Term Deposits	58.83	83.66
As per Balance Sheet	58.83	83.66

Note :- 1) Term Deposits amounting to ₹ 58.83 lakh are for more than 3 months

2) Out of ₹ 58.83 lakhs (₹ 83.66 lakhs), FDR amounting to ₹ 29.04 lakhs (₹ 48.70 lakhs) is lien marked during 2021-2022 (2020-2021) for issuance of BG issued by SBI for the equivalent amount.

NOTE-5 : TRADE RECEIVABLES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Trade Receivables		
Secured Considered Good	14062.35	18720.13
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	1759.35	1516.86
	15821.70	20236.99
Less: Seized Leased Suspense	50.72	50.72
Less: Penal Interest Suspense	294.17	509.70
	15476.81	19676.57
Less: Cheques sent for Collection	0.82	1.04
Less: Impairment Loss Allowance	1414.46	956.44
As per Balance Sheet	14061.53	18719.09
Geographical Classification of Trade Receivables :		
In India	14061.53	18719.09
Outside India	0.00	0.00
Total	14061.53	18719.09

ANNEXURE - 5A : TRADE RECEIVABLES (AGEWISE SUMMARY)

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Undisputed Trade Receivables Considered Good		
< 6 Months	2571.51	2967.44
> 6 Months ≤ 1 Year	4520.12	6541.64
> 1 Year ≤ 2 Years	1074.12	1717.03
> 2 Years ≤ 3 Years	2609.89	877.45
> 3 Years	3245.95	6616.57
Sub Total	14021.59	18720.13
Disputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	40.76	0.00
Sub Total	40.76	0.00
Undisputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
< 6 Months	0.53	1.79
> 6 Months ≤ 1 Year	26.03	13.72
> 1 Year ≤ 2 Years	134.48	6.27
> 2 Years ≤ 3 Years	66.40	0.41
> 3 Years	710.32	762.31
Sub Total	937.76	784.50
Disputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	821.58	732.35
Sub Total	821.58	732.35
	15821.69	20236.98

Particulars	As At 31.03.22	As At 31.03.21
Less: Seized Lease Suspense	50.71	50.71
Less: Penal Interest Suspense	294.17	509.70
	15476.81	19676.57
Less: Cheques sent for Collection	0.82	1.04
Less: Impairment Loss Allowance	1414.46	956.44
Total	14061.53	18719.09
Geographical Classification of Trade Receivables :		
In India	14061.53	18719.09
Outside India	0.00	0.00
Total	14061.53	18719.09

ANNEXURE - 5B : DETAILS OF TRADE RECEIVABLES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
TRADE RECEIVABLES - HIRE PURCHASE		
Secured Considered Good	0.00	0.00
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	776.42	780.30
	776.42	780.30
Less: Penal Interest Suspense	243.23	246.62
	533.19	533.68
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	533.19	533.68
Sub Total	0.00	0.00
TRADE RECEIVABLES - LEASING		
Secured Considered Good	0.00	0.00
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	189.89	189.89
	189.89	189.89
Less: Seized Lease Suspense	50.72	50.72
Less: Penal Interest Suspense	50.26	50.26
	88.91	88.91
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	88.91	88.91
Sub Total	0.00	0.00
TRADE RECEIVABLES - MARKETING		
Secured Considered Good	13550.65	18187.32
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	259.61	260.69
	13810.26	18448.01

Particulars	As At 31.03.22	As At 31.03.21
Less: Penal Interest Suspense	0.00	0.00
	13810.26	18448.01
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	259.61	260.69
Sub Total	13550.65	18187.32
TRADE RECEIVABLES - OTHERS		
Secured Considered Good	511.70	532.81
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	533.43	285.98
	1045.13	818.79
Less: Penal Interest Suspense	0.68	212.82
	1044.45	605.97
Less: Cheques sent for Collection	0.82	1.04
Less: Impairment Loss Allowance	532.75	73.16
Sub Total	510.88	531.77
Total	14061.53	18719.09

ANNEXURE - 5C : AGEWISE CLASSIFICATION OF TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
TRADE RECEIVABLES - HIRE PURCHASE		
Undisputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00

Particulars	As At 31.03.22	As At 31.03.21
Disputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	373.46	417.07
Sub Total	373.46	417.07
Disputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	402.96	363.23
Sub Total	402.96	363.23
	776.42	780.30
Less: Penal Interest Suspense	243.23	246.62
	533.19	533.68
Less: Cheques sent for Collection		
Less: Impairment Loss Allowance	533.19	533.68
Sub Total	0.00	0.00
TRADE RECEIVABLES - LEASING		
Undisputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00

Particulars	As At 31.03.22	As At 31.03.21
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	77.66	77.66
Sub Total	77.66	77.66
Disputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	112.22	112.22
Sub Total	112.22	112.22
	189.88	189.88
Less: Seized Lease Suspense	50.71	50.71
Less: Penal Interest Suspense	50.26	50.26
	88.91	88.91
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	88.91	88.91
Sub Total	0.00	0.00
TRADE RECEIVABLES - MARKETING		
Undisputed Trade Receivables Considered Good		
< 6 Months	2141.57	2620.46
> 6 Months ≤ 1 Year	4514.19	6530.69
> 1 Year ≤ 2 Years	1033.98	1625.13
> 2 Years ≤ 3 Years	2609.68	873.19
> 3 Years	3216.21	6537.85
Sub Total	13515.63	18187.32
Disputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00

Particulars	As At 31.03.22	As At 31.03.21
> 3 Years	35.02	0.00
Sub Total	35.02	0.00
Undisputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.03
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	214.85	215.90
Sub Total	214.85	215.93
Disputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	44.76	44.76
Sub Total	44.76	44.76
	13810.26	18448.01
Less: Penal Interest Suspense	0.00	0.00
	13810.26	18448.01
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	259.61	260.69
Sub Total	13550.65	18187.32
TRADE RECEIVABLES - OTHERS		
Undisputed Trade Receivables Considered Good		
< 6 Months	429.94	346.98
> 6 Months ≤ 1 Year	5.93	10.95
> 1 Year ≤ 2 Years	40.14	91.90
> 2 Years ≤ 3 Years	0.21	4.26
> 3 Years	29.74	78.72
Sub Total	505.96	532.81

Particulars	As At 31.03.22	As At 31.03.21
Disputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	5.74	0.00
Sub Total	5.74	0.00
Undisputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
< 6 Months	0.53	1.79
> 6 Months ≤ 1 Year	26.03	13.69
> 1 Year ≤ 2 Years	134.48	6.27
> 2 Years ≤ 3 Years	66.40	0.41
> 3 Years	44.35	51.68
Sub Total	271.79	73.84
Disputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	261.64	212.14
Sub Total	261.64	212.14
	1045.13	818.79
Less: Penal Interest Suspense	0.68	212.82
	1044.45	605.97
Less: Cheques sent for Collection	0.82	1.04
Less: Impairment Loss Allowance	532.75	73.16
Sub Total	510.88	531.77
Total	14061.53	18719.09

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

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Loans & Advances		
Secured by Tangible Assets	1157.74	1160.80
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	243229.82	228025.54
Unsecured	15630.71	14863.39
	260018.27	244049.73
Less: Additional/Normal Interest Suspense	953.66	1798.00
	259064.61	242251.73
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	11481.13	11577.21
As per Balance Sheet	247583.48	230674.52
Geographical Classification of Loans and Advances :		
In India	247583.48	230674.52
Outside India	0.00	0.00
Total	247583.48	230674.52
Loans & Advances to PSUs and Others :		
To PSUs	4786.16	4442.23
To Others	242797.32	226232.29
Total	247583.48	230674.52

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

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Loans & Advances to Employees		
Secured by Tangible Assets	26.67	29.73
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00
Unsecured	12.36	15.63
	39.03	45.36
Less Additional/Normal Interest Suspense	0.00	0.00
	39.03	45.36
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	0.03	0.13
	39.00	45.23
Advance Recoverable in Cash or in Kind or for value to be received		
Secured by Tangible Assets	0.00	0.00
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00
Unsecured	5936.62	4996.93
	5936.62	4996.93

Particulars	As At 31.03.22		As At 31.03.21	
Less: Additional/Normal Interest Suspense	0.00		0.00	
	5936.62		4996.93	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	52.90	5883.72	43.98	4952.95
Other Loans and Advances *				
Secured by Tangible Assets	1131.07		1131.07	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	243229.82		228025.54	
Unsecured	9681.73		9850.83	
	254042.62		239007.44	
Less Additional/Normal Interest Suspense	953.66		1798.00	
	253088.96		237209.44	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	11428.20	241660.76	11533.10	225676.34
Loans and Advances to Related Parties				
Secured by Tangible Assets	0.00		0.00	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	0.00		0.00	
	0.00		0.00	
Less Additional/Normal Interest Suspense	0.00		0.00	
	0.00		0.00	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	0.00	0.00	0.00	0.00
Total		247583.48		230674.52

Note :- * Other Loans and Advances includes dues under commercial activities viz. RMA/AWRT,BD,CTL & Term Loan (Refer Annexure-6B for details)

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

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Raw Material Assistance / Assistance to Wholesale and Retail Trader				
Secured by Tangible Assets	1003.70		1003.70	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	240244.79		227508.00	
Unsecured	7981.31		8150.41	
	249229.80		236662.11	
Less: Additional/Normal Interest Suspense	819.20		1679.97	
	248410.60		234982.14	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	9706.57	238704.03	9821.27	225160.87
Bills Discounting				
Secured by Tangible Assets	127.37		127.37	
Secured by Intangible Assets	0.00		0.00	

Particulars	As At 31.03.22		As At 31.03.21	
Covered by Bank/Government Guarantees	2985.03		517.54	
Unsecured	1509.29		1509.29	
	4621.69		2154.20	
Less: Additional/Normal Interest Suspense	91.30		74.87	
	4530.39		2079.33	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	1573.66	2956.73	1563.86	515.47
Composite Term Loan				
Secured by Tangible Assets	0.00		0.00	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	175.69		175.69	
	175.69		175.69	
Less: Additional/Normal Interest Suspense	38.91		38.91	
	136.78		136.78	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	136.78	0.00	136.78	0.00
Term Loan				
Secured by Tangible Assets	0.00		0.00	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	15.44		15.44	
	15.44		15.44	
Less: Additional/Normal Interest Suspense	4.25		4.25	
	11.19		11.19	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	11.19	0.00	11.19	0.00
Total		241660.76		225676.34

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

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Directors	0.00	0.00
Other Officers of the Company	39.00	45.23
Firm in which Director is a Partner	0.00	0.00
Private Company in which Director is a Member	0.00	0.00
Total	39.00	45.23

NOTE-7 : INVESTMENTS

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
A) At Amortised Cost				
a) Equity Instruments				
b) Others				
1. Investment in Subsidiary				
- NSIC Venture Capital Fund Limited [NVCFL - A wholly owned subsidiary of NSIC (6,00,000 Equity Shares @ ₹ 100/- each)]	600.00		600.00	
Less: Allowance for Impairment Loss	0.00	600.00	0.00	600.00
2. Investment in NVCFL - SRI Fund *				
Self Reliant India (SRI) Fund [.018 @ ₹ 1 Crore per unit]	1.78		0.00	
Less: Allowance for Impairment Loss	0.00	1.78	0.00	0.00
B) At Fair Value (Through Other Comprehensive Income)				
a) Equity Instruments	279.07		189.36	
Less: Allowance for Impairment Loss	10.00	269.07	15.00	174.36
As per Balance Sheet	870.85		774.36	

Investments (Through Other Comprehensive Income at Fair Value)	As At 31.03.22	As At 31.03.21
Equity Shares of M/s Singer India Ltd. (470230 Shares of ₹ 2/- each fully paid after sub division as on 31.03.2022, Fair Value ₹ 57.22 per share) (470230 Shares of ₹ 2/- each fully paid after sub division as on 31.03.2021, Fair Value ₹ 37.08 per share)	269.07	174.36
Equity Shares of M/s Small Industries Products Promoted Organization Ltd. (SIPPO) (100000 Shares of ₹ 10/- each fully paid up - Unquoted)	10.00	10.00
Equity Shares of M/s SSI Products Marketing Organization Ltd. (SIPMO) ** (50000 Shares of ₹ 10/- each fully paid up - Unquoted)	0.00	5.00
Sub Total	279.07	189.36
Less : Allowance of Impairment Loss for Equity Shares of SIPPO & SIPMO		15.00
Less : Allowance of Impairment Loss for Equity Shares of SIPPO	10.00	
As per Balance Sheet	269.07	174.36

Geographical Classification of Investment :	As At 31.03.22	As At 31.03.21
In India	870.85	774.36
Outside India	0.00	0.00
Total	870.85	774.36

Note :- * Refer Sl. No. 13F(a) of Note-35

** Refer Sl. No. 10 of Note-35

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

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Security Deposits				
Secured by Tangible Assets	0.00		0.00	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	263.67		213.74	
	263.67		213.74	
Less: Additional/Normal Interest Suspense	0.00		0.00	
	263.67		213.74	
Less: Impairment Loss Allowance	1.71	261.96	1.71	212.03
Sub Total		261.96		212.03
Other Financial Assets				
Receivables from Banks				
Interest	268.30		268.30	
Less: Impairment Loss Allowance	268.30	0.00	268.30	0.00
Others	1232.35		885.32	
Less: Impairment Loss Allowance	4.93	1227.42	283.82	601.50
Interest Accrued but not Due on Fixed/Short Term Deposits		10.16		10.79
Earnest Money Deposit Receivables		3.00		2.95
Retention Money Receivables		264.98		265.31
Discounting Impact of Security Deposit Payable		146.51		173.20
Discounting Impact of Retention Money Payable		1.53		13.67
Sub Total		1653.60		1067.42
As per Balance Sheet		1915.56		1279.45

NOTE-9 : INVENTORIES

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Finished Goods		0.00		1.91
Stores and Spares		7.23		8.56
Loose Tools and Measuring Instruments		5.03		10.47
Land & Building in Stock, Industrial Estate, Naini *		0.00		19.65
Sub Total		12.26		40.59
Less: Impairment Loss Allowance		0.00		0.00
As per Balance Sheet		12.26		40.59

Note :- * Refer Sl. No. 4 (B) of Note - 35 for disclosure on Ind AS-2 on inventory

NOTE-10 : CURRENT TAX (NET)

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
TDS/TCS Deducted at Source	1913.35	1534.47
Advance Tax	7585.89	8063.33
Less: Provision for Income Tax	(8800.00)	(9550.00)
As per Balance Sheet	699.24	47.80

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

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Deferred Tax Assets	5744.98	5601.10
Less : Deferred Tax Liabilities	1896.41	1530.03
As per Balance Sheet	3848.57	4071.07

Note :- Refer Sl. No. 4(C) of Note-35

NOTE-12 : PROPERTY, PLANT & EQUIPMENT

(₹ in Lakh)

Particulars	Net Carrying Amount as at 31.03.2022	Net Carrying Amount as at 31.03.2021
Land	47.95	44.65
Building	22540.38	22746.19
Furniture & Fittings	336.65	376.71
Office Equipments	301.13	368.25
Vehicle	14.55	20.96
Plant & Equipment	5102.57	5077.68
Total Property, Plant and Equipment	28343.23	28634.44
Assets Classified as Held for Sale	0.21	0.07
Software and Software under Development	106.34	142.19
Right to Use of Assets	55.00	55.83
Capital Work in Progress	750.33	423.44

(₹ in Lakh)

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION					LTA		NET BLOCK	
	As At 01/04/21	Additions	Sale	Acquired through Business Combination	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	Cost As At 31/03/22	As At 01/04/21	Depreciation Charge for the Year	Sales	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	As At 31/03/22	As At 31/03/21
TANGIBLE ASSETS														
OWN ASSETS														
Building	23140.21	8.41	0.00	0.00	0.00	-17.24	23165.86	1849.79	387.23	0.00	0.00	0.00	2237.02	21290.42
Furniture & Fittings	606.44	20.03	11.22	0.00	0.00	0.12	615.13	392.76	37.87	10.80	0.00	0.11	419.72	195.41
Land	31.08	0.00	0.00	0.00	0.00	-3.54	34.62	4.08	0.11	0.00	0.00	0.00	4.19	30.43
Office Equipments	931.81	57.87	23.50	0.00	0.00	4.01	982.17	804.99	49.86	22.54	0.00	3.81	828.30	133.87
Vehicle	111.51	0.00	24.35	0.00	0.00	0.00	87.16	91.04	5.19	23.13	0.00	0.00	73.10	14.06
Plant & Equipment	2560.33	3.04	4.90	0.00	0.00	0.00	2568.47	933.60	81.03	4.67	0.00	0.00	1009.96	1548.51
Total	27381.38	89.35	63.97	0.00	0.00	-16.65	27423.41	4076.26	561.09	61.14	0.00	3.92	4572.29	22851.12
LEASED ASSETS														
Plant & Equipments	48.40	0.00	0.00	0.00	0.00	0.00	48.40	35.59	0.00	0.00	0.00	0.00	35.59	12.77
SEIZED LEASE ASSETS														
Plant & Equipments	59.35	0.00	0.00	0.00	0.00	0.00	59.35	9.67	0.00	0.00	0.00	0.00	9.67	48.80
ASSETS ACQUIRED OUT OF GOVT. GRANTS														
Land	23.04	0.00	0.00	0.00	0.00	0.00	23.04	5.39	0.13	0.00	0.00	0.00	5.52	17.52
Building	879.85	48.31	0.00	0.00	0.00	-81.14	1009.30	461.75	14.10	0.00	0.00	0.00	475.85	533.45
Furniture & Fittings	174.07	5.99	0.10	0.00	0.00	0.00	179.96	95.58	13.45	0.00	0.00	0.00	109.03	70.93
Office Equipments	949.13	0.49	5.78	0.00	0.00	0.00	943.84	780.82	51.79	0.45	0.00	0.00	832.16	111.68
Vehicle	11.16	0.00	0.00	0.00	0.00	0.00	11.16	10.67	0.00	0.00	0.00	0.00	10.67	0.49
Plant & Equipment	4895.36	315.75	7.38	0.00	0.00	-0.95	5204.68	2084.88	262.74	0.00	0.00	0.00	2347.62	2810.48
Total	6932.61	370.54	13.26	0.00	0.00	-82.09	7371.98	3439.09	342.21	0.45	0.00	0.00	3780.85	3591.13
ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES														
Building	1234.51	60.25	4.66	0.00	0.00	-17.29	1307.39	196.84	32.84	0.38	0.00	0.00	229.30	1037.67
Furniture & Fittings	166.24	0.23	0.00	0.00	0.00	0.00	166.47	81.70	14.46	0.00	0.00	0.00	96.16	70.31
Office Equipments	646.78	9.59	0.99	0.00	0.00	0.00	655.38	573.66	27.08	0.94	0.00	0.00	599.80	55.58
Plant & Equipment	977.85	128.38	0.00	0.00	0.00	0.00	1106.23	338.30	71.85	0.00	0.00	0.00	410.15	696.08
TOTAL	3025.38	198.45	5.65	0.00	0.00	-17.29	3235.47	1190.50	146.23	1.32	0.00	0.00	1335.41	1900.06
SUB TOTAL- TANGIBLE ASSETS	37447.12	658.34	82.88	0.00	0.00	-116.03	38138.61	8751.11	1049.53	62.91	0.00	3.92	9733.81	28343.23
PREVIOUS YEAR	35714.92	1780.50	99.49	0.00	0.00	-51.19	37447.12	7717.17	1013.94	92.50	123.78	11.28	8751.11	28634.44
INTANGIBLE ASSETS														

(₹ in Lakh)

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION					LTA		NET BLOCK	
	As At 01/04/21	Additions	Sale	Acquired through Business Combination	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	Cost As At 31/03/22	As At 01/04/21	Depreciation Charge for the Year	Sales	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	As At 31/03/22	As At 31/03/21
OWN ASSETS														
Computer Software	176.99	16.92	0.16	0.00	0.00	0.00	193.75	133.85	23.94	0.12	0.00	0.00	157.67	43.14
ASSETS ACQUIRED OUT OF GOVT. GRANT														
Computer Software	109.65	0.00	0.57	0.00	0.00	0.00	109.08	56.26	18.93	0.09	0.00	0.00	75.10	53.39
ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES														
Computer Software	247.75	0.53	0.00	0.00	0.00	0.00	248.28	225.48	9.91	0.00	0.00	0.00	235.39	22.27
Right to Use of Assets														
Right to Use of Assets	57.67	0.00	0.00	0.00	0.00	0.00	57.67	1.84	0.83	0.00	0.00	0.00	2.67	55.83
SUB TOTAL-INTANGIBLE ASSETS	592.06	17.45	0.73	0.00	0.00	0.00	608.78	417.43	53.61	0.21	0.00	0.00	470.83	174.63
PREVIOUS YEAR	576.10	29.40	0.16	0.00	0.00	0.00	592.06	368.16	50.86	0.07	0.63	2.15	417.43	207.95
CAPITAL WORK IN PROGRESS														
Capital Work in Progress	246.81	3.42	0.00	0.00	0.00	0.00	231.81	0.00	0.00	0.00	0.00	0.00	0.00	246.81
PREVIOUS YEAR	285.57	18.66	0.00	0.00	0.00	0.00	246.81	0.00	0.00	0.00	0.00	0.00	0.00	285.57
CWIP Acquired out of Govt. Grant	176.63	423.97	0.00	0.00	0.00	0.00	518.52	0.00	0.00	0.00	0.00	0.00	0.00	176.63
PREVIOUS YEAR	6.02	175.68	0.00	0.00	0.00	0.00	176.63	0.00	0.00	0.00	0.00	0.00	0.00	6.02
SUB TOTAL-CAPITAL WORK IN PROGRESS	423.44	427.39	0.00	0.00	0.00	0.00	750.33	0.00	0.00	0.00	0.00	0.00	0.00	423.44
PREVIOUS YEAR	291.59	194.34	0.00	0.00	0.00	0.00	423.44	0.00	0.00	0.00	0.00	0.00	0.00	291.59
INTANGIBLE ASSETS UNDER DEVELOPMENT														
OWN ASSETS														
Computer Software	23.39	0.00	0.00	0.00	0.00	0.00	23.39	0.00	0.00	0.00	0.00	0.00	0.00	23.39
PREVIOUS YEAR	44.45	0.00	0.00	0.00	0.00	0.00	23.39	0.00	0.00	0.00	0.00	0.00	0.00	44.45
ASSETS CLASSIFIED AS HELD FOR SALE														
Assets Classified as Held for Sale (Owned Assets)	13.50	0.00	13.38	0.00	0.00	0.00	4.12	13.43	0.00	13.32	0.00	-3.92	4.03	0.21
Assets Classified as Held for Sale (Govt. Grant)	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
Total	13.50	0.00	13.38	0.00	0.00	0.00	4.12	13.43	0.00	13.32	0.00	-3.92	4.03	0.21
GRAND TOTAL	38499.51	1103.18	96.99	0.00	0.00	0.00	39525.35	9181.97	1103.14	76.44	0.00	0.00	10208.67	29255.97
PREVIOUS YEAR	36627.06	2004.24	99.65	0.00	0.00	0.00	38499.51	8085.33	1064.80	92.57	124.41	0.00	9181.97	28479.59

Note :- The difference of ₹ 19.65 lakh under Inter Unit Transfer/Inter Group Transfer is on account of shifting / deprecating 'Land and Building/Sheds/Quarter etc.' from Inventories to PPE - Land ₹ 3.54 lakh & Building ₹ 16.11 lakh. Further ₹ 15.31 lakh has been charged as depreciation expenses for Financial Year 2021-2022 w.r.t. building shifted.

Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment Column includes capitalisation of assets from CWIP to respective group of assets

ANNEXURE - 12A : AGEING OF CWIP (INCLUDING GRANT) AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Agewise Classification of CWIP		
Projects in Progress		
< 1 Year	3.42	18.42
> 1 Year ≤ 2 Years	132.03	132.03
> 2 Years ≤ 3 Years	6.96	6.96
> 3 Years	89.40	89.40
Sub Total	231.81	246.81
Projects Temporarily Suspended		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Total	231.81	246.81
Projects whose completion is overdue or exceeded original cost		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Total	0.00	0.00
Agewise Classification of CWIP (Acquired out of Grant)		
Projects in Progress		
< 1 Year	423.97	140.33
> 1 Year ≤ 2 Years	94.55	36.30
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	518.52	176.63
Projects Temporarily Suspended		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Total	518.52	176.63
Projects whose completion is overdue or exceeded original cost		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Total	0.00	0.00
Agewise Classification of Intangible Assets under Development		
Projects in Progress		
< 1 Year	0.00	23.39

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
> 1 Year ≤ 2 Years	23.39	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	23.39	23.39
Projects Temporarily Suspended		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Total	23.39	0.00
Projects whose completion is overdue or exceeded original cost		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Total	0.00	0.00

NOTE-13 : OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Capital Advances		
With CPWD & Others	159.60	25.63
Add: Interest Accrued on Capital Advance	0.00	0.00
With Contractors (Against Govt. Grant)	12.36	107.78
Add: Interest Accrued on Capital Advance	0.00	0.00
Sub Total	171.96	133.41
Other Deposits with Tax Authorities	545.45	861.48
Other Non Financial Assets	1224.45	264.25
Less: Additional/Normal Interest Suspense	0.00	0.00
Less: Impairment Loss Allowance	3.45	17.54
As per Balance Sheet	1938.41	1241.60

NOTE-14 : TRADE PAYABLES

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Trade Payables		
Outstanding Dues of MSEs	14348.24	19251.54
Outstanding Dues of Non-MSEs	112.40	156.54
Other Payables		
Outstanding Dues of MSEs	0.00	0.00
Outstanding Dues of Non-MSEs	0.00	0.00
Due to Related Parties	0.00	0.00
As per Balance Sheet	14460.64	19408.08

Note :- Refer Sl. No. 1 of Note-34

ANNEXURE - 14A : TRADE PAYABLE (AGEWISE SUMMARY)

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Undisputed Trade Payables - Dues of MSEs		
< 1 Year	6766.60	9646.73
> 1 Year ≤ 2 Years	1298.89	1498.02
> 2 Years ≤ 3 Years	2559.05	1014.45
> 3 Years	3499.75	6877.50
Sub Total	14124.29	19036.70
Disputed Trade Payables - Dues of MSEs		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	223.94	214.84
Sub Total	223.94	214.84
Total	14348.23	19251.54
Undisputed Trade Payables - Dues of Others		
< 1 Year	2.10	9.14
> 1 Year ≤ 2 Years	0.03	8.80
> 2 Years ≤ 3 Years	7.66	20.29
> 3 Years	90.52	97.46
Sub Total	100.31	135.69
Disputed Trade Payables - Dues of Others		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	12.10	20.85
Sub Total	12.10	20.85
Total	112.41	156.54
Grand Total	14460.64	19408.08

NOTE - 15 : BORROWINGS (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Secured Borrowings		
Bonds/Debentures	0	0
Term Loans from:		
Banks	0	0
Others from:		
Government of India	0	0
State Governments	0	0
Financial Institutions	0	0
Foreign Financial Institutions	0	0
Others	0	0
Loans Repayable on Demand from:		
Banks		
Working Capital Loan	127500.00	138000.00

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Cash Credit	0		0	
Overdraft	0		0	
Term Loan	20000.00	147500.00	0	138000.00
Other Parties		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				
Government of India	0		0	
State Governments	0		0	
Financial Institutions	0		0	
Foreign Financial Institutions	0		0	
Others	0	0	0	0
Sub Total		147500.00		138000.00
Unsecured Borrowings				
Bonds/Debentures		0		0
Term Loans from:				
Banks		0		0
Other Parties from:				
Government of India	0		0	
State Governments	0		0	
Financial Institutions	0		0	
Foreign Financial Institutions	4835.57		5219.83	
Others	0	4835.57	0	5219.83
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
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				
Government of India	0		0	
State Governments	0		0	
Financial Institutions	0		0	
Foreign Financial Institutions	0		0	
Others	0	0	0	0
Sub Total		4835.57		5219.83
As per Balance Sheet		152335.57		143219.83
Geographical Classification of Borrowings :				
In India		147500.00		138000.00
Outside India		4835.57		5219.83
Total		152335.57		143219.83

Note :- Current maturity of long term borrowings ₹ 295.27 lakh (₹ 300.40 lakh)
Refer Sl. No. 4(G) of Note-35

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

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 31.03.2022	
	As At 31.03.22	As At 31.03.21				Period	Amount
Secured Borrowings							
Bonds/Debentures							
Term Loans from:							
Banks							
Vijaya Bank	0	0	Half Yearly		Nil	0	
Others from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							
Others							
Loans Repayable on Demand from:							
Banks							
Working Capital Loans							
The Hongkong & Shanghai Banking Corp. Ltd.	0	0		Secured against exclusive registered mortgage of free hold measuring 41920 sq. mtr. At Okhla Industrial Estate, New Delhi & pari passu charge over receivables under RMA scheme & book debts under marketing activities	Nil	0	
Indus Ind Bank	0	0		Pari passu charge over the book debts including loans and advances of the Company	Nil	0	
State Bank of India	127500.00	64500.00		Secured against equitable mortgage of property measuring 47 bigha and 67 biswa situated at Okhla Industrial Estate, New Delhi and pari passu charge on book debts/ current assets	Nil	0	
HDFC WCDL	0	73500.00		Pari passu charge on book debts by the way hypothecation	Nil	0	
	127500.00	138000.00					
Cash Credit							
Punjab National Bank	0	0		Secured against equitable mortgage of property situated in Okhla Industrial Estate, New Delhi and pari passu charge over receivables in the form of loans and advances, book debts, bill discounted and all the current assets pertaining to marketing activities	Nil	0	
Vijaya Bank	0	0		Secured against registered mortgage of property situated at Okhla Industrial estate, New Delhi and pari passu charge on book debts / current assets	Nil	0	
State Bank of India	0	0		Secured against registered mortgage of property measuring 47 bigha and 67 biswa situated at Okhla Industrial Estate, New Delhi and pari passu charge on book debts / current assets	Nil	0	
Overdraft							

(₹ in Lakh)

Particulars	Amount outstanding as on		Terms of Repayment & Frequency of repayable Instalments (Monthly/Quarterly/Half Yearly/Annually)	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.2022	
	As At 31.03.22	As At 31.03.21				Period	Amount
The Hongkong & Shanghai Banking Corp. Ltd.	0	0	0	Secured against exclusive registered mortgage of free hold measuring 41920 sq. mtr. At Okhla Industrial Estate, New Delhi & pari passu charge over receivables under RMA scheme & book debts under marketing activities	Nil	0	0
Term Loan		0	0				
Indus Ind Bank	20000.00	0		Pari passu charge has the book debts including loans and advances of the Company			
	20000.00	0					
Other Parties							
Deferred Payment Liabilities							
Deposits							
Loans and Advances from Related Parties							
Long Term Maturities of Finance Lease Obligations							
Other Loans and Advances from:							
Government of India							
Slate Governments							
Financial Institutions							
Foreign Financial Institutions							
Others							
Sub Total	147500	138000					
Unsecured Borrowings							
Bonds/Deventures							
Term Loans from:							
Banks							
Other Parties from:							
Government of India							
Slate Governments							
Financial Institutions							
Foreign Financial Institutions							
Xlth LINE OF CREDIT	2231.91	2380.57	Half-Yearly		Guaranteed by Government of India		

(₹ in Lakh)

Particulars	Amount outstanding as on		Terms of Repayment & Frequency of repayable Instalments (Monthly/Quarterly/Half Yearly/Annually)	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.2022	
	As At 31.03.22	As At 31.03.21				Period	Amount
XIth LINE OF CREDIT	2021.90	2203.57	Half-Yearly		Guaranteed by Government of India		
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	581.76	635.69	Half-Yearly		Guaranteed by Government of India		
Others	4835.57	5219.83					
Loans Repayable on Demand from:							
Banks							
Working Capital Loans							
Cash Credit							
Overdraft							
Term Loan							
Other Parties							
Deferred Payment Liabilities							
Deposits							
Loans and Advances from Related Parties							
Long Term Maturities of Finance Lease Obligations							
Other Loans and Advances from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							
Others							
Sub Total	4835.57	5219.83					
Total	152335.57	143219.83					

ANNEXURE-15B : Detail of Borrowings from Foreign Financial Institutions

Particulars	KFW XI Line of Credit	KFW XII Line of Credit	Italian Line of Credit
Total Loan Sanctioned (in Euro)	5112918.81	5036225.03	1053134.47
Due Date of Payment	30/6 and 31/12 every year	30/6 and 31/12 every year	17/7 and 17/1 every year
First installment	30/06/2002	30/06/2006	17/01/2015
Last installment	30/06/2042	30/12/2035	17/07/2035
Total installments	81	60	42
Interest	10.50%	12.50%	0.50%
Loan o/s 31/03/22 (in Euro)	2597362.81	2352965.19	677015.32
Repayment term	Half yearly	Half yearly	Half yearly
Amount of installments (in Euro)	62888.90	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 31.03.2022 in Euro	582993.04	599469.24	90383.38
Hedging	-	-	-

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

(₹ in Lakh)

Particulars	As At 31.03.2022	As At 31.03.2021
Advance from RMA / AWRT Buyers - Units	2158.90	2944.41
Discount Payable	1667.69	1636.47
A/c Payable for Bulk Supplies (RMA / AWRT)	3330.95	1026.92
Payable to Rating/Credit Information Agencies	17.91	5.59
Security Deposit Payable	2042.01	1955.73
Earnest Money Deposits (EMD)	44.93	59.81
Retention Money	1121.46	948.95
Payable for Projects	834.85	1354.05
Credit Balance in Trade Receivables	37.18	138.62
Interest Accrued But Not Due on Borrowings/CSD	13.01	423.23
Amount Payable for Training	72.56	64.51
Other Payables - Employees	253.72	257.53
Current Liability for Expenses	859.88	768.17
Other Payables - Taxes	657.02	848.66
Other Payables	246.39	253.61
Commitment Advance Received - Exhibitions	36.07	1.20
Amount Payable to Government of India against Surplus in Grants (Net)	5164.42	1529.71
Discounting Impact of Security Deposit Receivables	16.02	16.65
Discounting Impact of Retention Money Receivables	1.93	13.67
As per Balance Sheet	18576.90	14247.49

ANNEXURE-16A : AMOUNTS PAYABLE TO GOVERNMENT OF INDIA AGAINST SURPLUS IN GRANTS

(₹ in Lakh)

Particulars	Balance Brought Forward From Previous Year		Grant Received/ Interest Earned During The Year	Reimb/ Refund/ Adjustment/ Transfer to State Agency	Fixed Assets Acquired / WIP	Net Revenue Expenditure	Total Expenditure	Reimbursable Expenditure	As At 31/03/22	
	Deficit	Surplus							Deficit	Surplus
Marketing Assistance Scheme	0.00	0.17	0.00	-0.17	0.00	0.00	0.00	0.00	0.00	0.00
Performance and Credit Rating Scheme	0.00	1.49	0.00	-1.49	0.00	0.00	0.00	0.00	0.00	0.00
Assistance for Training to Institutions										
Assistance for Training to Institutions	0.00	745.55	1424.25	-32.91	640.78	273.13	913.91	913.91	0.00	1222.98
Assistance for Training to Institutions in North East Region	0.25	0.00	44.10	0.00	0.00	44.10	44.10	44.10	0.25	0.00
Sub Total	0.25	745.30	1468.35	-32.91	640.78	317.23	958.01	958.01	0.00	1222.73
Entrepreneurship and Skill Development Programmes (ESDP)	0.00	0.65	0.74	-0.65	0.00	0.00	0.00	0.00	0.00	0.74
Training cum Incubation	0.00	75.42	0.99	-1.86	58.33	0.00	58.33	58.33	0.00	16.22
National SC-ST Hub (NSSH)										
NSSH - SCSP	0.00	164.96	7081.04	-36.25	0.00	4461.59	4461.59	4461.59	0.00	2748.16
NSSH - TSP	0.00	478.57	1403.04	-10.41	0.00	1095.32	1095.32	1095.32	0.00	775.88
NSSH - NER (SCSP)	43.79	0.00	160.63	41.43	0.00	73.04	73.04	73.04	0.00	85.23
NSSH - General	0.00	64.57	1546.29	-45.87	0.00	1260.26	1260.26	1260.26	0.00	304.73
NSSH - NER (TSP)	81.48	0.00	216.51	81.49	0.00	206.14	206.14	206.14	0.00	10.38
Sub Total	0.00	582.83	10407.51	30.39	0.00	7096.35	7096.35	7096.35	0.00	3924.38
Procurement and Marketing Support Scheme (PMSS)	0.00	123.85	134.55	-9.88	0.00	248.17	248.17	248.17	0.00	0.35
International Co-operation (IC) Scheme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	1529.71	12012.14	-16.57	699.11	7661.75	8360.86	8360.86	0.00	5164.42
									Net Surplus / (Deficit)	
									Previous Year Surplus / (Deficit)	5164.42
									1529.71	

NOTE-17 : PROVISIONS

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Provisions for Employee Benefits				
For Gratuity	5200.40		4926.49	
For Leave Encashment	3156.29		2842.72	
For Half Pay Leave	508.11		491.42	
For TA on Retirement	3.92	8868.72	3.84	8264.47
Others				
For Doubtful Debts & Advances	13173.98		13105.01	
Less: Adjustment as per contra against Trade Receivables, Loans & Advances, etc.	13173.98	0.00	13105.01	0.00
For Exchange Variation				
Balance as per last Balance Sheet	1977.70		1838.05	
Add: Provision made during the Year	425.07		459.14	
Less: Utilised for Exchange Variation Losses	3.58		160.05	
Less: Amount Written Back	224.19	2175.00	159.44	1977.70
For Promotional Activity (KFW)				
Balance as per last Balance Sheet	0.00		0.00	
Add: Provision made during the Year	49.84		54.41	
Less: Amount Utilized/Written Back	49.84	0.00	54.41	0.00
As per Balance Sheet		11043.72		10242.17

Note :- Refer Sl. No. 4(H) of Note-35

NOTE-17A : DETAILS OF ADDITIONS, REVERSALS & UTILIZATIONS OF PROVISIONS

(₹ in Lakh)

Particulars	Opening Balance as on 01.04.2021	Additions during the year	Utilizations/ Reversals/ Adjustments	Amount Written Back during the year	Closing Balance as on 31.03.2022
For Gratuity	4926.49	665.22	390.24	1.07	5200.40
For Leave Encashment	2842.72	847.59	528.02	6.00	3156.29
For Half Pay Leave	491.42	80.77	20.88	43.20	508.11
For TA on Retirement	3.84	0.37	0.06	0.23	3.92
For Doubtful Debts	13105.01	478.31	0.00	409.34	13173.98
For Exchange Variation	1977.70	425.06	3.58	224.18	2175.00
For Promotional Activity	0.00	49.84	49.84	0.00	0.00
Total	23347.18	2547.16	992.62	684.02	24217.70

NOTE-18 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As At 31.03.2022	As At 31.03.2021
Income Received in Advance	1128.71	1148.28
Other Payables - Employees	3004.43	2565.34
Other Payables	842.77	960.99
Impact of Discounting on Employee Advance	7.25	7.24
As per Balance Sheet	4983.16	4681.85

NOTE-19 : SHARE CAPITAL

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
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-19A : RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

Particulars	Equity Shares (No.)	Preference Shares (No.)
Shares Outstanding at the beginning of the Year	53298800	0
Shares Issued during the Year	0	0
Shares Bought Back during the Year	0	0
Shares Outstanding at the end of the Year	53298800	0

ANNEXURE-19B : DETAILS OF SHAREHOLDING OVER 5% SHARE IN CORPORATION

Name of Shareholder	As At 31.03.22 No. of Share Held	As At 31.03.22 % of Holding	As At 31.03.21 No. of Share Held	As At 31.03.21 % of Holding
Promoter				
Government of India	53298800	100	53298800	100
Changes in Promoter Holding during the Year	-	-	-	-

ANNEXURE-19C: DETAILS OF SHARES ALLOTTED PURSUANT TO CONTRACT(S) WITHOUT PAYMENT BEING RECEIVED IN CASH, BONUS SHARES & SHARES BOUGHT BACK IN RESPECT OF LAST 5 YEARS

Particulars	Aggregate No. of Shares				
	2021-22	2020-21	2019-20	2018-19	2017-18
Equity Shares:					
Fully paid up pursuant to Contract(s) without Payment being received in Cash	0	0	0	0	0
Fully paid up by way of Bonus Shares	0	0	0	0	0
Shares bought back	0	0	0	0	0
Preference Shares:					
Fully paid up pursuant to Contract(s) without Payment being received in Cash	0	0	0	0	0
Fully paid up by way of Bonus Shares	0	0	0	0	0
Shares bought back	0	0	0	0	0

ANNEXURE-19D : DETAILS OF CALLS UNPAID

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Calls Unpaid		
By Directors	0	0
By Officers	0	0

ANNEXURE-19E : RIGHT, PREFERENCE AND RESTRICTIONS ATTACHED TO SHARES

The equity share is the only class of Share capital having par value of ₹ 100 per share. Every holder of equity share present at a meeting in person or by a proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Equity share carry voting right proportionate to the paid-up value per share. In the event of liquidation of the Company, holders of the equity share are entitled to be repaid the amounts credited as paid up on those equity share. All surplus assets after settlement of liabilities as at the commencement of winding up shall be paid to the holders of equity share in proportion of their shareholding.

NOTE-20 : DETAILS OF OTHER EQUITY

(₹ in Lakh)

Particulars	At At 01.04.2021	Additions / Created During the Year	Deductions during the Year		As At 31.03.2022
			Transfer / Sales / Adjustment	Depreciation for the Year	
CAPITAL RESERVES/DEFERRED INCOME (Reserve representing value of Assets acquired out of Grants received from Government of India)					
Technical Centre	291.38	0.00	7.13	18.16	266.09
Government Purchase Plan	3.45	0.00	3.04	0.00	0.41
Appropriate Technology	2.46	0.00	0.26	0.00	2.20
Modernization - Lock Project	16.47	0.00	0.00	6.03	10.44
Development of North East Region	18.46	0.00	0.00	1.12	17.34
Technology Business Incubator	68.59	0.00	0.00	7.68	60.91
Mini Tool Room Centre	0.85	0.00	0.00	0.00	0.85
Minority Welfare Scheme	0.12	0.00	0.00	0.00	0.12
Modernization of Technical Centre	4.32	0.00	0.00	0.00	4.32
Science & Technology Project	1.32	0.00	0.00	0.02	1.30
Product Design Centre (PRIDE)	10.46	0.00	0.00	0.31	10.15
Technology Business Incubator (IT)	1.03	0.00	1.03	0.00	0.00
Laghu Udyog Mart (LUM)	197.66	0.00	0.00	9.39	188.27
Interest Differential Fund on KFW (West Germany) Loans	18.40	0.00	0.04	0.51	17.85
Technology Development of Baking Oven	0.02	0.00	0.00	0.00	0.02
DST-STEP (S&T Project)	25.16	0.00	0.00	5.13	20.03
Testing Fuel Efficient Diesel Engine (TFEDE)	0.36	0.00	0.00	0.00	0.36
Marketing Development Centre	61.46	0.00	0.00	1.53	59.93
Interest Differential Fund on S&T Project	0.65	0.00	0.00	0.00	0.65
Training cum Incubation	184.66	58.33	0.00	20.09	222.90
Assistance for Training to Institutions	2922.23	640.78	0.00	291.17	3271.84
NSSH - General	1.80	0.00	1.80	0.00	0.00
Sub Total	3831.31	699.11	13.30	361.14	4155.98
OTHER RESERVES					
Capital Replacement Reserve	73.09	0.00	0.00	0.00	73.09
Impairment Reserve *	4866.65	0.00	0.00	0.00	4866.65
Retained Earning	43606.37	10822.58	5342.18	0.00	49086.77
Equity Instruments through Other Comprehensive Income (OCI)	187.96	70.87	0.00	0.00	258.83
Actuarial Gain/Loss on Defined Benefit Plans through OCI	-415.44	-105.79	0.00	0.00	-521.23
Statutory Reserve - u/s 45 IC of RBI Act 1934 **	4015.70	2164.51	0.00	0.00	6180.21
As per Balance Sheet	56165.64	13651.28	5355.48	361.14	64100.30
Reserve against Assets Held for Sale	0	0	0	0	0

* Refer Point No. 13 of Note-35

** Refer Point No. 13 (C) of Note-35

NOTE -21 : REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21		
REVENUE FROM OPERATIONS				
A Sales of Products				
Marketing Activity				
Marketing	10350.71	14114.14		
Export	0.00	0.00		
Raw Material Distribution (Refer Annexure-21A)	210813.21	154316.62		
As per Statement of Profit & Loss	221163.92	168430.76		
B Sale of Services				
Revenue from Single Point Registration Scheme (SPRS)	1072.10	1366.91		
Revenue from Digital Services Facilitation (DSF)	509.84	880.99		
Application Processing Fees	3.10	5.14		
Rent Received	3502.67	3438.37		
House Keeping & Other Charges	1170.33	670.53		
Revenue from Training Activities	1323.73	1000.95		
Revenue on account of Common Facilities	954.69	827.92		
Project Consultancy Charges	0.00	54.20		
Revenue from Training cum Incubation Center (TIC)	87.04	21.29		
Receipts from Exhibitions, Seminars, Meets, Conferences and Marketing Campaigns	13.72	2.58		
Other Receipts from Services	10.75	22.68		
Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)	439.90	537.71		
As per Statement of Profit & Loss	9087.87	8829.27		
C Interest Income				
From Parties				
Normal	26035.06	27145.60		
Penal Interest	3.39	2.42		
From Deposits with Banks	61.50	13.05		
From Employee Advance	0.67	0.75		
From Others	1.92	3.89		
As per Statement of Profit & Loss	26102.54	27165.71		
D Fees and Commission Income				
Processing Fees/Service Charges Earned	Value of Goods Handled, Services Rendered	Processing Fees	Value of Goods Handled, Services Rendered	Processing Fees
RMD / RMA / AWRT *	1779183.57	4458.70	1263405.25	4278.30
Miscellaneous Items **	40234.54	277.13	23991.52	301.76
As per Statement of Profit & Loss	1819418.11	4735.83	1287396.77	4580.06

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
E Other Operating Revenues		
Excess Provision Written Back:		
KFW	274.01	213.85
Terminal Benefits	50.50	168.59
Others	436.90	139.80
Sundry Credit Balances Written Back	314.15	601.15
Gain on Foreign Currency Transactions and Translation (Net)	85.57	0.00
As per Statement of Profit & Loss	1161.13	1123.39

Note :- * RMD/RMA/AWRT includes processing fees towards security against BG (Bulk and Non Bulk Supply), Advance Payment and Agency Sales/Godown Operations

** Misc. Items includes processing fees towards bill financing, marketing and Bank Tie Up

- Sales are net of GST, discounts, rebates etc.

ANNEXURE-21A : DETAILS OF RAW MATERIAL DISTRIBUTION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Aluminium	98114.18	84737.07
Iron & Steel	108113.64	64788.64
Others	4585.39	4790.91
Total	210813.21	154316.62

NOTE-22 : OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Interest on Income Tax Refunds	19.27	0.00
Miscellaneous Income	100.25	50.74
Dividend Income	2.35	2.35
Impact of Discounting on Financial Assets	28.02	42.38
As per Statement of Profit & Loss	149.89	95.47

NOTE-23 : GRANTS AND SUBSIDIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
For Promotional Activities	8360.86	9934.43
Less: Capital Expenditure (Net)	699.11	722.75
Less: Membership/ Inspection Fees, Training, Rent etc. under NSSH	203.97	475.71
Less: Training Fee - ATI	317.23	282.30
Less: Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)	439.90	537.71
As per Statement of Profit & Loss	6700.65	7915.96

NOTE-24 : PURCHASE OF PRODUCTS

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Marketing Activity		
Marketing	10350.70	14114.13
Export	0.00	0.00
Raw Material Distribution (Refer Annexure-24A)	209853.34	153241.53
As per Statement of Profit & Loss	220204.04	167355.66

Note :- Purchases are net of GST, discounts, rebates etc.

ANNEXURE-24A : DETAILS OF RAW MATERIAL DISTRIBUTION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Aluminium	97303.66	83843.92
Iron & Steel	108044.68	64724.29
Others	4505.00	4673.32
Total	209853.34	153241.53

NOTE-25 : CHANGES IN INVENTORIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22		For the Year Ended 31.03.21	
Finished Goods:				
Closing Stock	0.00		1.91	
Less: Opening Stock	1.91		2.10	
Adjustment in Stock	0.00	1.91	0.19	0.00
Goods-In-Transit:				
Closing Stock	0.00		0.00	
Less: Opening Stock	0.00		54.96	
Adjustment in Stock	0.00	0.00	0.00	54.96
As per Statement of Profit & Loss	1.91		54.96	

NOTE-26 : EMPLOYEES BENEFIT EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22		For the Year Ended 31.03.21	
Salaries and Allowances	9051.74		9062.60	
Contributions to:				
Provident Fund	754.18		742.38	
Superannuation Scheme/Pension Scheme	619.79	1373.97	618.78	1361.16
Gratuity		588.24		689.28
Staff Welfare Expenses		116.47		127.93
Other Benefits		2113.21		1923.76
Directors (Including Chairman-Cum-Managing Director)				
Salaries and Allowances		110.03		120.09
Contributions to:				
Provident Fund	7.15		6.58	
Superannuation Scheme/Pension Scheme	17.86	25.01	5.49	12.07
Gratuity		4.11		2.53
Other Benefits		18.45		1.85
As per Statement of Profit & Loss	13401.23		13301.27	

NOTE-27 : FINANCE COST

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22		For the Year Ended 31.03.21	
Interest on Borrowings:				
Kreditanstalt West Germany (KFW Loans)	508.41		549.64	
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	3.09		3.36	
Banks	5742.88	6254.38	7154.60	7707.60
Other Finance Charges		1.29		0.38
Interest Expenses on Employee Advance/Amortised Cost		1.35		0.39
As per Statement of Profit & Loss		6257.02		7708.37

NOTE-28 : DEPRECIATION & AMORTIZATION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22		For the Year Ended 31.03.21	
Depreciation on:				
Property, Plant & Equipments		708.16		678.98
Leased Assets		0.00		0.00
Property, Plant & Equipments acquired against Grants				
Depreciation as per Contra	361.14		347.70	
Less: Replacement Reserve as per Contra	361.14	0.00	347.70	0.00
Amortization of Expenses		33.84		38.12
Impairment Loss on Property, Plant & Equipments		0.00		124.41
As per Statement of Profit & Loss		742.00		841.51

Note :- Refer Note No. 12 and Sl. No. 4(E) of Note-35

NOTE-29 : CORPORATE SOCIAL RESPONSIBILITY

(₹ in Lakh)

Particulars	In Cash 31.03.2022	Yet to be Paid 31.03.2022	Total 31.03.2022	In Cash 31.03.2021	Yet to be Paid 31.03.2021	Total 31.03.2021
Construction/Acquisition of any Assets	0.00	0.00	0.00	0.00	0.00	0.00
On Purchase Other than above	230.60*	0.00	230.60	224.58	0.00	224.58
As per Statement of Profit & Loss	230.60	0.00	230.60	224.58	0.00	224.58
Related Parties Transaction	0.00	0.00	0.00	0.00	0.00	0.00
Amount required to be spent by the Company during the year			223.53			230.89
Amount of expenditure incurred			224.10			231.08*
Shortfall at the end of the year			-0.57			-0.19
Total of previous years shortfall			-0.19			0.00
Reason for Shortfall			0.00			0.00
Nature of CSR activities			0.00			0.00
Detail of Related Party Transactions			0.00			0.00

Note :- * It includes ₹ 6.50 lakh deposited on 25.11.2021 in Swachh Bharat Kosh on account of CSR for the Financial Year 2020-2021

NOTE-30 : OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Electricity, Power & Water Charges	749.64	662.70
Printing & Stationery	76.38	63.63
Insurance	27.24	27.45
Travelling, Conveyance & Vehicle Charges	381.45	356.35
Freight and Octroi Expenses	22.72	30.56
Communication Expenses	95.08	101.96
Rent Paid	459.59	448.67
Recruitment Expenses	13.64	0.20
Licences, Rates & Taxes	256.00	396.83
Expense on Security & Other Allied Services	2017.17	1877.64
Repairs & Maintenance Expenses	620.24	411.42
Computer Maintenance Charges	23.69	34.29
Web Portal and Software Development, Maintenance Charges	7.95	27.71
Computer, Server etc., Hire Charges	45.57	57.07
Payments to Statutory Auditors	50.43	47.33
Payment to Internal Auditors	35.23	35.55
Legal, Professional and Consultancy Charges	247.90	277.59
Directors' Sitting Fee	1.65	0.00
Directors' Other Expenses	14.66	12.66
Training Expenses	582.23	530.15
Common Facilities Charges	77.56	65.35
Expenses on Godown Operations	960.31	942.56
Infomediary Services Expenses	1.53	2.50
Business/Sales Promotion Expenses	44.05	37.06
Entertainment	16.88	12.26
Advertisement and Publicity	42.52	40.04
Loss on Foreign Currency Transactions and Translation (Net)	0.00	22.59
Miscellaneous Expenses	24.43	18.39
Bad Debts/Irrecoverable Advances Written Off	7.75	18.17
Expenditure on Exhibitions, Seminars and Conference	20.93	2.73
Expenses on Credit Information Report / PCRS	38.05	6.05
Expenses on Special Marketing Assistance Scheme (SMAS)	660.81	37.47
Expenses on Others - NSSH	5206.56	7141.24
Expenses on Procurement & Marketing Support Scheme (PMSS)	248.17	147.03
Expenses on International Co-operation (IC) Scheme	0.00	18.31
Impact of Discounting on Financial Assets	52.27	27.31
Provision for Doubtful Debts	478.31	614.41
Expenses on SPRS	32.07	39.56
Interest/Fees/Penalty for Statutory Dues	5.69	28.56
As per Statement of Profit & Loss	13646.35	14621.35

ANNEXURE-30A : DETAILS OF OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Payment to Statutory Auditors for:		
Statutory Audit Fees	38.50	34.80
Tax Audit Fees	10.26	10.28
Other Taxation Matters	0.00	0.00
Company Law Matters	0.00	0.00
Management Services	0.00	0.00
Other Services	0.00	2.01
Reimbursement of Expenses	1.67	0.24
Total	50.43	47.33
Repairs & Maintenance Expenses on:		
Building	460.67	312.70
Machinery	43.23	14.95
Others	116.34	83.77
Total	620.24	411.42
Bad Debts/Irrecoverable Advance Written Off:		
Bad Debts Written Off	7.75	18.17
Irrecoverable Advances Written Off	0.00	0.00
Losses Written Off	0.00	16.48
Less: Contra Adjustment to Losses Written Off	0.00	16.48
Total	7.75	18.17
Training Expenses on:		
Internal	362.16	371.73
Sponsored	93.57	48.36
Personal	3.92	0.18
ATI	68.83	64.82
Others	53.75	45.06
Total	582.23	530.15
Expenses on Special Marketing Assistance Scheme:		
Participation in Domestic Exhibitions, Trade Fairs	639.48	23.69
Vendor Development Programmes	0.63	1.91
Organizing Workshops, Seminars, Awareness Campaigns	20.70	11.87
Total	660.81	37.47
Expenses on Others - NSSH:		
Capacity Building, Skill Training, EDPs	707.97	1057.38
Marketing Assistance	0.28	0.45
Awareness Generation and Publicity	593.43	525.99
Technical & Managerial Support to SC/ST Hub	225.24	401.52
Special Credit Linked Capital Subsidy Scheme	3664.16	5152.86
Facilitating Participation of SC/ST Entrepreneurs in Public Procurement	15.48	3.04
Total	5206.56	7141.24

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Expenses on Procurement and Marketing Support Scheme (PMSS):		
Participation of individual MSEs in Domestic Trade Fairs/ Exhibitions	248.17	138.98
Vendor Development Program (VDP)	0.00	1.60
National Workshops, Seminars	0.00	4.00
Awareness Program	0.00	2.45
Total	248.17	147.03
Expenses on International Co-operation (IC) Scheme:		
Participation of MSME Delegation in International Exhibitions, etc.	0.00	18.31
Total	0.00	18.31
Interest/Fees/Penalty for Statutory Dues		
Interest Paid for Late Deposit of TDS	2.49	18.00
Interest Paid for Late Deposit of GST	2.00	10.56
Fees for Late filling of TDS / TCS Returns	0.09	0.00
Fees for Late filling of GST Returns	0.00	0.00
Penalty under any Law	1.11	0.00
Total	5.69	28.56

NOTE-31 : FEES AND COMMISSION EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Fees and Commission :		
Government Guarantee Fee		
Government Guarantee Fee - KFW XII Line	13.25	13.67
Government Guarantee Fee - ILC	6.99	7.64
Others		
Bank Charges and Commission	51.50	38.21
Financial Services Fees	0.00	0.04
Stamp Duty / Hundi Charges	0.00	0.01
Inspection Charges	0.11	0.00
Lease Interest	4.54	4.40
As per Statement of Profit & Loss	76.39	63.97

NOTE-32 : TAX EXPENSE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Provisions for Current Tax		
Provision for Current Tax	3500.00	3400.00
Provision for Deferred Tax	234.25	432.91
Provision for Wealth Tax	0.00	0.00
	3734.25	3832.91

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Adjustment for Previous Year Taxes		
Provision for Tax	-8.33	-27.48
Provision for Deferred Tax	0.00	-8.33
	0.00	0.00
As per Statement of Profit & Loss	3725.92	3805.43

NOTE-33 : EARNINGS PER EQUITY SHARE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Numerator		
Profit after tax as per Statement of Profit and Loss	10822.58	10159.30
Denominator		
Number of Equity Shares (Face value of ₹ 100/- each)	53298800	53298800
Number of Shares allotted during the year	0	0
Weighted Average number of equity shares for calculating Basic Earnings Per Share	53298800	53298800
Weighted Average number of equity shares for calculating Diluted Earnings Per Share	53298800	53298800
Basic Earnings Per Share (₹ per share) (Face value of ₹ 100/- each)	20.31	19.06
Diluted Earnings Per Share (₹ per share) (Face value of ₹ 100/- each)	20.31	19.06

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

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
(i) Contingent Liabilities:		
Claims against the Corporation not acknowledged as Debts	89.57	113.18
Guarantees	300.05	319.70
Disputed Income Tax, Interest Tax, Sales Tax, Trade Tax Demand	872.54	866.94
Other money for which the Corporation is Contingently Liable	24.04	23.54
As per Statement of Profit & Loss	1286.20	1323.36
(ii) Commitments:		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	3296.75	1758.45
Uncalled Liability on Shares and Other Investments Partly Paid	0.00	0.00
Other Commitments	0.00	0.00
As per Statement of Profit & Loss	3296.75	1758.45

NOTE-35:
**Other Notes to Standalone Financial Statements
for the year ended 31st March, 2022**

- The following information as required to be disclosed under the Micro, Small and

Medium Enterprises Development Act, 2006, has been determined to the extent the status of such parties identified on the basis of information/documents available with the Corporation

(₹ in Lakh)

S. No.	Particulars	2021-22	2020-21
1	Amount remaining unpaid to any supplier:		
	a) Principal Amount	14348.24	19251.54
	b) Interest due thereon	Nil	Nil
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

The Corporation facilitates MSEs in marketing their product through tender participation on behalf of MSEs under Consortia and Tender Marketing Scheme. As per the terms of agreement between NSIC and MSEs, MSEs are executing tenders awarded by the various government departments through NSIC and the amount becomes due to MSEs only on receipt of payment from the respective buyer departments. The amount payable to such units have been shown as "Trade Payables-Outstanding Dues of MSEs", in the financial statements, based on Udyog Aadhaar Memorandum (UAM) / Udyam Registration number and registration with the Corporation (NSIC) of the suppliers.

As per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, NSIC has been defined as a 'Supplier' under its Section 2(n) sub clause (i). Further, Ministry of MSME vide Circular dated 31.08.2016

has clarified that NSIC acts a 'Facilitator' in bringing together the MSEs (the supplying units) and the various 'buyers'. As NSIC at no stage becomes the beneficiary 'buyer' for the goods being supplied by the MSEs to the PSUs and other government departments through NSIC's facilitation, NSIC is not classified as 'buyer' in terms of Section 15 & 16 of the MSMED Act, 2006 for the purpose of interest on delayed payment. The PSUs or other Government Departments, being beneficiary 'buyer' of the goods, are responsible for making the payment of the goods supplied by the 'supplier' and also for the interest on delayed payment in terms of the Section 15 & 16 of MSMED Act, 2006. Accordingly, the provision relating to interest payable to such units, is not applicable to the NSIC.

In respect of Other Trade Payables, the Corporation has not received any

memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small and Medium Enterprises (MSME). Consequently, the amount payable to such units has been shown as "Trade Payables-Outstanding Dues of Non-MSEs".

2. The Corporation has a system of obtaining periodic confirmation of balances of banks and other parties. Letters seeking confirmation for year-end outstanding balances have been sent to trade receivables, creditors, contractors' advances, deposits, borrowers etc. with a request to confirm or

send comment within the stipulated period failing which balance as indicated in the letter would be taken as confirmed. In case of Government/Local Authorities dues, and the cases where 100% Provisions are made, RC is issued and / or under litigation/ legal proceedings, customer balances are normally not subject to confirmation. No adverse communication has been received from any party. Moreover, reconciliations of the accounts with the parties are carried out as an ongoing process.

However, confirmations in some cases as detailed below are awaited, the impact of which in the opinion of the management is not significant:

Balance Confirmation Statement-

Financial Year 2021-2022

(₹ In Lakh)

S. No.	Nature of Account	Total Outstanding	PIS/ Additional/ Normal Interest/ Seized Leased Suspense/ Cheques sent for Collection	Amount Net of PIS / Additional/ Normal Interest/ Seized Leased Suspense/ Cheques sent for Collection *	Govt Dues, Amount where 100% Provisions made, RC is issued and / or under litigation/ legal proceedings	Balance Outstanding	Confirmation Received	Confirmation not Received
a	b	c	d	e=c-d	f	g=e-f	h	i=g-h
1	Cash & Bank Balance	18614.08	-	18614.08	-	18614.08	18614.08	-
2	Receivables	15821.67	345.68	15475.99	6524.09	8951.90	1030.59	7,921.31
3	Loan and Advances	260016.60	951.99	259064.61	11168.07	247896.54	244263.34	3,633.20
4	Other Financial Assets	2190.50	-	2190.50	407.57	1782.93	403.23	1,379.70
5	Trade Payable	14460.64	-	14460.64	327.71	14132.93	2231.88	11,901.05
6	Other Financial Liabilities	18576.90	-	18576.90	986.06	17590.84	11599.52	5,991.32
7	Others -Other Non-Financial Liabilities	39.98	-	39.98	2.82	37.16	24.71	12.45
	Total	329720.37	1297.67	328422.70	19416.32	309006.38	278167.35	30839.03

*Amount is net of PIS but before impairment allowance.

Financial Year 2020-2021

(₹ In Lakh)

S. No.	Nature of Account	Total Outstanding	PIS/ Additional/ Normal Interest/ Seized Leased Suspense/ Cheques sent for Collection	Amount Net of PIS / Additional/ Normal Interest/ Seized Leased Suspense/ Cheques sent for Collection *	Govt Dues, Amount where 100% Provisions made, RC is issued and / or under litigation/ legal proceedings	Balance Outstanding	Confirmation Received	Confirmation not Received
a	b	c	d	e=c-d	f	g=e-f	h	i=g-h
1	Cash & Bank Balance	15159.41	-	15159.41	-	15159.41	15159.41	-
2	Receivables	20236.99	561.46	19675.53	10849.09	8826.44	1081.77	7744.67
3	Loan and Advances	244049.73	1798.00	242251.73	10917.98	231333.75	223121.59	8212.16
4	Other Financial Assets	1833.28	-	1833.28	723.70	1109.58	403.49	706.09
5	Trade Payable	19408.08	-	19408.08	157.60	19250.48	8131.49	11118.99
6	Other Financial Liabilities	14247.49	-	14247.49	852.10	13395.39	7841.12	5554.27
7	Others -Other Non-Financial Liabilities	36.21	-	36.21	-	36.21	20.39	15.82
	Total	314971.19	2359.46	312611.73	23500.47	289111.26	255759.26	33352.00

*Amount is net of PIS but before impairment allowance.

3. In the opinion of Management, all Financial and Non-Financial Assets, including Loans & Advances, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and necessary provision has been made, wherever required, in terms of provisioning norms as per Annexure to Accounting Policy XXII(a)(vii).

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

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

Changes in significant accounting policies

- a) Accounting policies have been reframed/ added, (wherever required) being already in

existence, for better depiction and understanding for reader of accounts.

B. Disclosure as per Ind AS 2: Inventories

- a) The total carrying amounts of inventories as at 31.03.2022 is ₹ 12.26 lakh (₹ 40.59 lakh) as shown in Note no. 9 of Balance Sheet.
- b) Inventories are stated at lower of Cost and net realizable value and there is no inventory of which carrying cost is stated at fair value as at 31st March, 2022.
- c) There is write down of ₹ 1.91 lakh in case of NTSC Rajkot that is recognized as a reduction in the amounts of inventories

recognized as expenses in the period.

- d) Land and Building/sheds/quarters in stock, Industrial Estate, Naini

The Land & Building/sheds/quarters etc. of Industrial Estate, Naini, were consistently shown as Inventories in the books of accounts since 1995-96, being in the nature of stock and are valued at lower of cost and net realizable value, in terms of Accounting Policies of the Corporation. It is not out of place to mention that Land & Building/sheds/quarters etc. were constructed for development of industries and are still lying with the Corporation even after lapse of over 60 years of construction.

However, in terms of Management letter no. AMG-III/4(21)/NSIC/Annual Accounts/2021-2022/419 dated 19.01.2022 issued by the office of Principal Office of Audit Industry and Corporate Office, in this regard, BO Naini has accounted for Land and Building/sheds/quarters etc. amounting to ₹ 19.65 lakh as on 31.03.2021 as 'Property, Plant

and Equipment (PPE)' instead of 'Inventories' in the books of accounts for the financial year 2021-2022.

The Land and Building/sheds/quarters etc. amounting to ₹ 19.65 lakh as on 31.03.2021 comprises of Land amounting to ₹ 3.54 lakh & Building amounting to ₹ 16.11 lakh respectively and accordingly, during 2021-2022, based on the nature of asset, the Land and Building/sheds/quarters etc. have been accounted for separately as 'Land' & 'Building' under PPE at 'Cost' with such amount respectively.

Further, regarding Building (comprising of Building/sheds/quarters etc.) amounting to ₹ 16.11 lakh, since the same was developed during 1956 to 1958 and over 60 years have been lapsed, the same has been depicted at written down value (Residual value) of ₹ 0.81 lakh (i.e. 5 Percent of Original cost ₹ 16.11 lakh) and ₹ 15.30 lakh (₹ 16.11 lakh Less ₹ 0.81 lakh) has been charged as depreciation expense for the year 2021-2022.

C. Disclosure as per Ind AS 12 – Income Taxes

a) Financial Year 2021-2022

(₹ in Lakh)

Description	Net Balance at 01.04.2021	Recognized in Statement of Profit & Loss	Recognized in OCI	Net Balance at 31.03.2022
Deferred Tax Liabilities				
Related to timing difference on depreciation of fixed assets	1448.70	348.99	-	1797.69
Discounting of Financial asset/ financial liabilities	38.97	(6.45)	-	32.52
Fair Value of Investments	42.36	-	23.84	66.20
Sub-Total	1530.03	342.54	23.84	1896.41

(₹ in Lakh)

Description	Net Balance at 01.04.2021	Recognized in Statement of Profit & Loss	Recognized in OCI	Net Balance at 31.03.2022
Deferred Tax Assets				
Provision for Receivables & Advances	3298.53	17.36	-	3315.89
Employee Benefits	2302.57	90.93	35.58	2429.09
Sub-Total	5601.10	108.29	35.58	5744.98
Deferred Tax Assets (Net)	4071.07	(234.25)	11.74	3848.57

b) Financial Year 2020-2021

(₹ in Lakh)

Description	Net Balance at 01.04.2020	Recognized in Statement of Profit & Loss	Recognized in OCI	Net Balance at 31.03.2021
Deferred Tax Liabilities				
Related to timing difference on depreciation of fixed assets	951.62	497.08	-	1448.70
Discounting of Financial asset/ financial liabilities	35.28	3.69	-	38.97
Fair Value of Investments	19.02	-	23.34	42.36
Sub-Total	1005.92	500.77	23.34	1530.03
Deferred Tax Assets				
Provision for Receivables & Advances	3178.62	119.91	-	3298.53
Employee Benefits	2388.59	(52.05)	(33.97)	2302.57
Sub-Total	5567.21	67.86	(33.97)	5601.10
Deferred Tax Assets (Net)	4561.29	(432.91)	(57.31)	4071.07

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

(₹ In Lakh)

Particulars	31 st March 2022	31 st March 2021
Profit before Tax	14548.50	13964.73
Tax Rate Applicable to a Domestic Company	25.17%	25.17%
Computed Tax Expense	3661.86	3514.92
Tax Effect of		
Expenses that are not deductible in determining taxable profit	689.48	619.13
Incomes that are not taxable in determining taxable profit	(851.34)	(734.05)
Current Tax Provision	3500.00	3400.00
Income Taxes relating to earlier periods	(8.33)	(27.48)
Incremental Deferred Tax Liability / (Asset)	234.25	432.91
Tax Expense Recognized in Statement of Profit & Loss	3725.92	3805.43
Effective Tax Rate	25.61%	27.25%

D. Disclosure of Undisclosed Income-

The Corporation has not surrendered or disclosed any unrecorded income during the year in the tax assessments under Income Tax Act 1961.

E. Disclosure as per Ind AS 16 – Property, Plant & Equipment and Ind AS 38 – Intangible Assets

Relevant line item in the balance sheet	Description of item of property	Gross carrying value (₹ in Lakh)	Title deeds held in the name of	Whether title deed holder is promoter, director or relative # of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the corporation **
PPE	Land at Technical Centre Howrah	1.60	NSIC	No	1959-60	The matter of obtaining title deeds from local authority is under process.
PPE	Flats at Branch Office Mumbai	11.52	NSIC	No	1988	Redevelopment of the society at Tilak Nagar, Chembur in which NSIC is having six flats have been completed. The new flats are under possession of NSIC. However, the matter of registry of the flat is still pending due to ongoing litigation.

- a) The land measuring 3.28 Acres of NTSC-Rajkot is under encroachment by few Industrial Units as well as unauthorized dwelling units. It's apt to mention that necessary action for removal of such encroachment is under process. The ownership of such land is in favor of the Corporation and is possessed by the Corporation.

- b) During the current Financial Year, assets having net carrying value of ₹ 20.55 lakh (Gross carrying Value ₹ 96.99 Lakh) has been retired with sale proceeds of ₹ 26.75 Lakh and gain of ₹ 6.20 Lakh has been accounted for. During the Financial Year 2020-2021, assets having net carrying value of ₹ 7.08 Lakh (Gross carrying Value ₹ 99.65

Lakh) has been retired with sale proceeds of ₹ 2.86 Lakh and loss of ₹ 4.22 Lakh has been accounted for.

- c) There is no revaluation of any Property Plant and Equipment and Intangible assets during the year.

F. Disclosure on Benami Property:

The Corporation does not hold any benami property. As such, no proceedings have been initiated or pending against the Corporation for holding any benami property under the Benami Transaction (Prohibition) Act 1988 (section 45) and rules made there under.

G. Disclosure on Borrowings

- a) The Corporation has not defaulted in repayment of

borrowings/loan taken from banks / institutions or other lender.

- b) As such the Corporation has not been declared willful defaulter by the bank or financial institution or other lender.
- c) All the charges in respect of loans taken from bank/financial institutions or other lenders have been registered with Registration of Company (ROC) with in statutory period.
- d) Corporation has not borrowed any amount for any qualifying asset, the interest of which is required to be capitalized as per Ind AS 23, "Borrowing Cost". Hence, no interest has been capitalized during the year.

H. Disclosure as per Ind AS 19 – Employee Benefits

- a) General descriptions of various defined employee's benefits schemes are as under:

i. Defined Contribution Plan

(a) Provident Fund:

The Corporation's Provident Fund is managed by separate trust registered under the Employees Provident Fund & Misc. Provisions Act 1952 which invests the funds in permitted securities. The trust fixes the rate of interest based on the notification issued by the Government of India. The liability is recognized on accrual basis.

(b) Post-Retirement Medical Facility:

The Corporation has

Post-retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facility for indoor treatment through Mediclaim policy of ₹ 5 Lakh.

The liability on this account is recognized on accrual basis i.e.2% contribution on Basic Pay plus dearness allowance of current financial year in case of employees retired after 1.1.2007 under IDA pattern employees and 1.5% of PBT of previous financial year in case of employees retired prior to 1.1.2007, based on the affordability of the Corporation.

With respect to Employee Pension Scheme, the same is managed through Regional Provident Fund Trust.

ii. Defined Benefit Plans

(a) Gratuity:

The Corporation has a defined benefit gratuity plan. Every employee who has rendered continues service of five years or more is entitled to get gratuity @ 15 days salary (15/26 x last drawn basic pay plus dearness allowance) for each completed year of service on superannuation, resignation, termination and on death.

(b) Leave:

The Corporation provides for earned leave benefits and half-pay leave to

the employees of the Corporation, which accrue annually at 30 days & 20 days respectively. Earned leave is encashable maximum 30 days in a calendar year while in service in case of IDA pattern employees and a maximum of 300 days (including half pay leaves without commutation) on superannuation.

The liability on this account is recognized on the basis of actuarial valuation.

(c) TA on Retirement

TA on retirement refers to settlement at home-town or to the place where family of the retired employee intends to settle in India and includes Baggage Allowance also.

The liability on this account is recognized on the basis of actuarial valuation.

(d) Superannuation Pension Scheme:

Employee's Group Superannuation Pension

Scheme is managed by LIC of India. The Corporation's obligation is limited to pay 10% of Basic Pay plus dearness allowance of the enrolled employee.

The contribution to the scheme for the period is grouped under Employee Cost on accrual basis, based on the affordability of the Corporation.

(e) Medical Facility During Service:

The Corporation provides the medical facility for indoor treatment for the serving employees for self and his/her dependent family members. If the treatment is as per CGHS rates, all the expenditure on this account is born by the Corporation and if the treatment is as per hospital rates, employee has to bear 15% of the expenditure (excluding medicine and implant and defined special disease).

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

Plan Liability

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present value of obligation as at the end of the period	CY	5200.40	3156.29	508.11	3.92	-
	PY	4926.49	2842.72	491.42	3.84	-

Service Cost

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Current Service Cost	CY	255.30	187.74	40.28	2.47	-
	PY	317.99	231.75	53.61	7.46	-
Past Service Cost including curtailment Gains/Losses	CY	-	-	-	-	-
	PY	-	-	-	-	-
Gains or Losses on Non-routine settlements	CY	-	-	-	-	-
	PY	-	-	-	-	-
Total Service Cost	CY	255.30	187.74	40.28	2.47	-
	PY	317.99	231.75	53.61	7.46	-

Net interest Cost

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Interest Cost on Defined Benefit Obligation	CY	335.99	193.87	33.51	0.26	-
	PY	357.66	204.87	39.38	0.27	-
Interest Income on Plan Assets	CY	-	-	-	-	-
	PY	-	-	-	-	-
Net Interest Cost (Income)	CY	335.99	193.87	33.51	0.26	-
	PY	357.66	204.87	39.38	0.27	-

Change in benefit Obligation

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present value of obligation as at the beginning of the period	CY	4926.49	2842.72	491.42	3.84	-
	PY	5183.44	2969.06	570.79	3.91	0.15
Acquisition adjustment	CY	8.18	5.36	0.49	-	-
	PY	-	-	-	-	-
Interest Cost	CY	335.99	193.87	33.51	0.26	-
	PY	357.66	204.87	39.38	0.27	-
Service Cost	CY	255.30	187.74	40.28	2.47	-
	PY	317.99	231.75	53.61	7.46	-
Past Service Cost including curtailment Gains/Losses	CY	-	-	-	-	-
	PY	-	-	-	-	-
Benefits Paid	CY	-465.64	-594.32	-28.72	-3.93	-
	PY	-798.12	-667.82	-45.55	-7.32	-
Total Actuarial (Gain)/Loss on Obligation	CY	140.08	520.91	-28.88	1.29	-
	PY	-134.47	104.86	-126.82	-0.48	-
Present value of obligation as at the end of the period	CY	5200.40	3156.29	508.11	3.92	-
	PY	4926.49	2842.72	491.42	3.84	-

Bifurcation of Actuarial Gain/Loss on Obligation

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	CY	-	-	-	-	-
	PY	-	-	-	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	CY	-113.85	-78.93	-16.63	-	-
	PY	26.36	17.31	3.89	-	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	CY	253.93	599.83	1.22	1.29	-
	PY	-160.83	87.55	-130.71	-0.48	-

Balance Sheet and related analysis

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present Value of the obligation at end	CY	5200.40	3156.29	508.11	3.92	-
	PY	4926.49	2842.72	491.42	3.84	-
Fair value of plan assets	CY	-	-	-	-	-
	PY	-	-	-	-	-
Unfunded Liability/provision in Balance Sheet	CY	5200.40	3156.29	508.11	3.92	-
	PY	4926.49	2842.72	491.42	3.84	-

The amounts recognized in the income statement

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Total Service Cost	CY	255.30	187.74	40.28	2.47	-
	PY	317.99	231.75	53.61	7.46	-
Net Interest Cost	CY	335.99	193.87	33.51	0.26	-
	PY	357.66	204.87	39.38	0.27	-
Net Actuarial (gain)/loss recognized in the period	CY	-	520.91	-28.88	-	-
	PY	-	104.86	-126.82	-	-
Expense recognized in the Income Statement	CY	591.29	902.52	44.92	2.73	-
	PY	675.64	541.48	-33.82	7.73	-

Other Comprehensive Income (OCI)

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Net cumulative unrecognized actuarial gain/(loss) opening	CY	-	-	-	-	-
	PY	-	-	-	-	-
Actuarial gain / (loss) for the year on PBO	CY	-140.08	-	-	-1.29	-
	PY	134.47	-	-	0.48	-

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Actuarial gain /(loss) for the year on Asset	CY	-	-	-	-	-
	PY	-	-	-	-	-
Unrecognized actuarial gain/ (loss) for the period.	CY	-140.08	-	-	-1.29	-
	PY	134.47	-	-	0.48	-

Change in Net Defined Benefit Obligation

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Net defined benefit liability at the start of the period	CY	4926.49	2842.72	491.42	3.84	-
	PY	5183.44	2969.06	570.79	3.91	0.15
Acquisition adjustment	CY	8.18	5.36	0.49	-	-
	PY	-	-	-	-	-
Total Service Cost	CY	255.30	187.74	40.28	2.47	-
	PY	317.99	231.75	53.61	7.46	-
Net Interest cost (Income)	CY	335.99	193.87	33.51	0.26	-
	PY	357.66	204.87	39.38	0.27	-
Re-measurements	CY	140.08	520.91	-28.88	1.29	-
	PY	-134.47	104.86	-126.82	-0.48	-
Contribution paid to the Fund	CY	-	-	-	-	-
	PY	-	-	-	-	-
Benefit paid directly by the enterprise	CY	-465.64	-594.32	-28.72	-3.93	-
	PY	-798.12	-667.82	-45.55	-7.32	-
Net defined benefit liability at the end of the period	CY	5200.40	3156.29	508.11	3.92	-
	PY	4926.49	2842.72	491.42	3.84	-

Bifurcation of PBO at the end of year in current and non-current

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Current Liability (Amount due within one year)	CY	510.40	320.91	49.83	0.34	-
	PY	414.68	269.19	34.02	0.28	-
Non-Current Liability (Amount due over one year)	CY	4690.00	2835.38	458.29	3.58	-
	PY	4511.81	2573.53	457.39	3.56	-
Total PBO at the end of year	CY	5200.40	3156.29	508.11	3.92	-
	PY	4926.49	2842.72	491.42	3.84	-

Expected contribution for the next Annual reporting period

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Service Cost	CY	268.82	201.24	44.60	3.21	-
	PY	262.61	184.44	44.92	0.22	-
Net Interest Cost	CY	371.83	225.67	36.33	0.28	-
	PY	335.99	193.87	33.51	0.26	-
Expected Expense for the next annual reporting period	CY	640.65	426.91	80.93	3.49	-
	PY	598.59	378.31	78.43	0.48	-

Principal assumptions used for actuarial valuation are:

Particulars	2021-22	2020-21
Method used	Projected Unit Credit Method	Projected Unit Credit Method
Discount Rate	7.15%	6.82%
Expected Rate of Return on Plan Asset	0	0
Future Salary Increase	5.50	5.50
Mortality Rate	100% IALM (2012-14)	100% IALM (2012-14)
Ages (withdrawal Rate (%))		
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

Sensitivity of the defined benefit obligation

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Impact of change in discount rate					
Present value of obligation at the end of the period	5200.40	3156.29	508.11	3.92	-
Impact due to increase of 0.50%	-164.46	-113.38	-23.66	-0.13	-
Impact due to decrease of 0.50%	174.25	120.93	25.54	0.15	-
Impact of change in salary increase					
Present value of obligation at the end of the period	5200.40	3156.29	508.11	-	-
Impact due to increase of 0.50%	176.20	122.28	25.83	-	-
Impact due to decrease of 0.50%	-167.73	-115.63	-24.13	-	-

Maturity Profile of Defined Benefit Obligation

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
0 to 1 year	510.40	320.91	49.83	0.34	-
1 to 2 years	527.31	265.87	32.33	0.38	-
2 to 3 years	415.73	249.40	23.98	0.28	-
3 to 4 years	463.10	240.21	27.35	0.33	-
4 to 5 years	444.87	252.38	24.73	0.31	-
5 to 6 years	300.22	175.41	19.42	0.23	-
6 year onwards	2538.77	1652.11	330.47	2.05	-

- c) As approved by the Ministry vide letter dated 02.12.2016, Corpus for medical schemes have been created of ₹ NIL (₹ 198.50 lakh) for the employees retired prior to 1.1.2007 and of ₹ 124.20 lakh (₹ 121.45 lakh) for the employees retired on or after 1.1.2007, in accordance to the DPE's guidelines. These corpus have been utilized for the payment of premium to Insurance Company to the extent of ₹ 174.55 lakh (₹ 154.02 lakh) and ₹ 63.84 lakh (₹ 64.98 lakh) respectively during the year. The total corpus as on 31.03.2022 towards medical scheme for the employees retired prior to 1.1.2007 and on or after 1.1.2007 amounts to ₹ 359.71 lakh & ₹ 422.29 lakh respectively.

I. Disclosure as per Ind AS- 21: Effects of change in foreign exchange rates

- a) 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:
- (i) Under XIth line of credit, provision of ₹ 225.71 lakh (₹ 241.49 lakh) created during the year for meeting the exchange variation losses. During the year, the exchange variation loss was ₹ 1.52

lakh (₹ 82.05 lakh) and the balance of ₹ 224.19 lakh (₹ 159.44 lakh) has been written back since utilized for the promotional activities as per the terms and conditions of the loan agreement.

- (ii) 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 the exchange variation losses and the balance left out from the 80%, if any, is to be retained to meet out the exchange variation losses in future.

Accordingly, total provisions amounting to ₹ 249.20 lakh (₹ 272.06 lakh) have been made during the year for exchange variation under XIIth line of credit, out of which 80% i.e. ₹ 199.36 lakh (₹ 217.65 lakh) has been utilized against

exchange variation loss during the year and balance 20% i.e. ₹ 49.84 lakh (₹ 54.41 lakh) has been utilized for promotional purposes as per terms and conditions of the loan agreement.

During the year, the exchange variation loss was ₹ 2.06 lakh (₹ 78.00 lakh) which has been adjusted from 80% provision i.e. ₹ 199.36 lakh (₹ 217.65

lakh) and balance of ₹ 197.30 lakh (₹ 139.65 lakh) of provisions has been retained to meet future exchange variation losses. The cumulative retained provision on this account as on 31.03.2022 is ₹ 2175.00 lakh (₹ 1977.70 lakh) including balance provision of ₹ 197.30 lakh (₹ 139.65 lakh) for the year to meet out exchange variation losses in future.

b) Exchange Difference

(₹ In Lakh)

S. No	Particulars	2021-22	2020-21
1	The amount of exchange differences recognised in statement of profit or loss except for those arising on financial instruments measured at fair value through statement of profit or loss in accordance with Ind AS 109.	85.57	(22.59)
2	Net exchange differences recognised in other comprehensive income and accumulated in a separate component of equity,	-	-
3	Reconciliation of the amount of such exchange differences at the beginning and end of the period.	-	-

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

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

a) Key Managerial Personnel of NSIC

Key Managerial Personnel	Designation	Period	
		From	To
Shri Vijayendra	Chairman-cum-Managing Director	01.04.2021	14.09.2021
Smt. Alka Nangia Arora	Chairman-cum-Managing Director (Additional Charge)	14.09.2021	31.03.2022
Shri Gaurang Dixit	Director (Finance)	01.04.2021	31.03.2022
Shri P. Udayakumar	Director (P&M)	01.04.2021	31.03.2022
Smt. Nishtha Goyal	Company Secretary	01.04.2021	31.03.2022

b) **Subsidiary-** NSIC is having a subsidiary Company- M/s. NSIC Venture Capital Fund Limited (NVCFL)

c) **Transactions during the year with Key Management Personnel of NSIC**

(₹ In Lakh)

S. No.	Nature of Transactions	Key Management Personnel		Relative of Key Management Personnel	
		2021-22	2020-21	2021-22	2020-21
1.	Expenditure:				
a)	Salary and Allowances	126.91	135.59	--	--
b)	Leave/ LTC Encashment	10.89	6.34	--	--
c)	Provident Fund Contribution	8.52	7.82	--	--
d)	Contribution to Pension Scheme	19.00	6.52		
e)	Other Expenses	14.85	12.66	--	--
f)	Lease Rent Paid	-	-	--	--
g)	Provision for Terminal Benefits	18.94	5.97		
2.	Balance Outstanding:				
a)	Loan & interest outstanding	-	-	--	--
b)	Travelling Advance	-	-	--	--
c)	Provision for Terminal Benefits as per Actuarial Valuation	100.26	87.09	--	--
3.	Other Payments :				
a)	PRP Paid for Financial Year 2018-19	7.71	-	--	--

d) **Transactions during the year with NVCFL**

(₹ In Lakh)

S. No.	Nature of Transactions	Financial Year 2021-22	Financial Year 2020-21
1.	Expenditure incurred on behalf of NVCFL:		
a)	-Manpower Support Cost	24.03	15.94
b)	-Advertisement & Publicity	-	13.67
c)	-Duties & Taxes paid on NVCFL Incorporation	-	10.83
d)	-Other Expenses	4.59	0.82
2.	Revenue:		
	-Rent	0.12	0.07
3.	Investment:		
	Equity contribution	-	600.00

e) **NVCFL - Self Reliant India Fund (SRI Fund) :**

(₹ In Lakh)

Particulars	Financial Year 2021-22	Financial Year 2020-21
SRI Fund (0.018 units @ ₹ 1 crore per unit)	1.78	-

f) **Major terms & conditions of transactions with related parties**

- The remuneration to Key management personnel are in line with the service rules of the corporation.
- Transactions with NVCFL are made on terms equivalent to those that prevailing in arm's length transactions.

g) The Corporation has not granted any loan or advances in the nature of loan to Promoters, Directors, KMPs and related parties (as defined under the Companies Act 2013) either severally or jointly with any other person during the year.

K. Disclosure as per Ind AS 109 - Financial Instrument

Disclosure of provisions made

- Based on RBI notification no RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13.03.2020, ECLs in terms of Ind AS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20.
- In respect of financial assets, comprising of receivables in respect of dues under Hire Purchase, Leasing, Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, banks, etc., the cumulative provisions towards impairment loss as on 31.03.2022 amounts to ₹ 12323.53 lakh (₹ 12707.80 lakh) against the total outstanding of

₹ 255211.72 lakh (₹ 238985.65 lakh).

- In respect of non-financial assets, comprising of receivables in respect of dues under Marketing activities, receivables on account of transactions at Technical Centers & STBPs, receivables on account of Sale of Services (i.e. receivables for License & Housekeeping fees, rent, training fees, EMC, TIC, events etc), advances recoverable in cash or in-kind (primarily consist of advances paid to outside parties including advances paid to bulk suppliers having MOU with the Corporation), security deposits, staff advances including interest accrued but not due and other assets, the cumulative provisions towards impairment loss as on 31.03.2022 amounts to ₹ 850.45 lakh (₹ 397.21 lakh) against the total outstanding of ₹ 22318.47 lakh (₹ 24574.25 lakh).

- Trade Receivables and Loans & Advances under financial/ non-financial assets and of Technical Centers/ STBPs comprising of receivables and advances, the cumulative provisions towards impairment loss as on 31.03.2022 amounts to ₹ 13173.98 lakh (₹ 13105.01 lakh) have been made in line with the provisioning norms approved by the Board for receivables and loans & advances (net of interest suspense account and cash collateral available with the Corporation) of Financial/ Non-Financial assets as per Ind AS

against the total outstanding of ₹ 277530.19 lakh (₹ 263559.90 lakh).

L. Disclosure as per Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets

In accordance with the guidelines of Department of Public Enterprises, provision on account of Performance Related Pay (PRP) for the year 2021-2022 amounting to ₹ 754.12 lakh (₹ 729.05 lakh) has been made.

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

Assets available for immediate sale in its present condition and its disposal/ sale is highly probable within one year from the date of classification, are classified as “Non-Current Assets Held for Sale”. As required under Ind-AS 105, during current Financial Year 2021-2022 such assets having net carrying value of ₹ 0.20 lakh (Gross carrying value of ₹ 4.12 lakh) were transferred from different block of assets under Property, Plant and Equipment to separate block of assets namely “Non-Current Assets Held for Sale”.

In the previous financial year i.e. Financial Year 2020-2021, such assets having net carrying value of ₹ 0.07 lakh (Gross carrying value of ₹ 13.50 lakh) were transferred from different block of assets under Property, Plant and Equipment to separate block of assets namely “Non-Current Assets Held for Sale”.

N. Disclosure as per Ind AS 108 – Operating Segments

a) Segment Reporting: -

NSIC’s activities are broadly classified into ‘Promotional’ and ‘Commercial’. The ‘Promotional’ activities include the activities for which budgetary support is provided to the Corporation by the Government and / or its agencies. The schemes

of ‘Assistance for Training to Institutions’, ‘National Schedule Caste - Schedule Tribe Hub’, ‘Procurement and Marketing Support Scheme’, ‘International Co-operation (IC) Scheme’, etc., for which budgetary support has been provided to the Corporation along with administrative expenditure, wherever applicable in terms of approved guidelines for implementation of such schemes, get reflected under the ‘Promotional’ activity. The expenses towards organization / participation in exhibitions (both domestic and international), buyer sellers meet, intensive campaigns, other marketing support services (advertisement, publicity etc.) and training expenses are met out of the budgetary support provided for the above schemes.

The ‘Commercial’ activities inter-alia includes the activities whereby the Corporation provides ‘Marketing (including tender marketing and Raw Material Assistance / Distribution / Assistance to Wholesalers & Retail Trades)’, ‘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, 2022 as required by (Ind AS-108) on “Segment Reporting” issued by the Institute of Chartered Accountant of India.

(₹ in Lakh)

Description	For the year ended 31 st March 2022			For the year ended 31 st March 2021		
	Promotional	Commercial	Total	Promotional	Commercial	Total
Primary Segment – Business Segment						
I. SEGMENT REVENUE (including grant)						
- Government Grant Recognized during the year	6,700.65	-	6,700.65	7,915.96	-	7,915.96
-Sale of Product	-	221,163.92	221,163.92	-	1,68,430.76	1,68,430.76
-Sale of Services	-	9,087.87	9,087.87	2.58	8,826.69	8,829.27
-Others	-	32,149.40	32,149.40	-	32,964.63	32,964.63
-Total	6,700.65	262,401.19	269,101.84	7,918.54	2,10,222.08	2,18,140.62
II. SEGMENT EXPENDITURE (including expenses against grant)						
-Expenditure incurred against Government Grant recognized during the year	6,700.65	-	6,700.65	7,915.96	-	7,915.96
-Others	-	251,578.61	251,578.61	2.58	2,00,062.78	2,00,065.36
-Total	6,700.65	251,578.61	258,279.26	7,918.54	2,00,062.78	2,07,981.32
III. RESULTS						
a. Segment Results	-	10,822.58	10,822.58	-	10,159.30	10,159.30
b. Operating Profit before interest	-	20,811.72	20,811.72	-	21,677.32	21,677.32
c. Interest Paid	-	6,257.02	6,257.02	-	7,708.37	7,708.37
d. Exceptional items	-	(6.20)	(6.20)	-	4.22	4.22
e. Profit before Tax	-	14,548.50	14,548.50	-	13,964.73	13,964.73
f. Tax Expense	-	3,725.92	3,725.92	-	3,805.43	3,805.43
g. Net Profit after Tax	-	10,822.58	10,822.58	-	10,159.30	10,159.30
h. Other Comprehensive Income	-	(34.92)	(34.92)	-	170.37	170.37
i. Total Comprehensive Income {Comprising Profit/(Loss) and Other Comprehensive Income}	-	10787.66	10787.66	-	10,329.67	10,329.67
III. ASSETS & LIABILITIES						
a. Segment Assets	4,155.99	282,243.21	286,399.20	3,831.32	2,70,606.38	2,74,437.70
b. Unallocated Assets	-	-	32,399.89	-	-	26,826.16
c. Total Assets	4,155.99	282,243.21	318,799.09	3,831.32	2,70,606.38	3,01,263.86
d. Segment Liabilities	9,429.56	178,232.97	187,662.53	5,435.31	1,73,347.69	1,78,783.00

Description	For the year ended 31 st March 2022			For the year ended 31 st March 2021		
Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial	Total
e. Unallocated Liabilities	-	-	131,136.56	-	-	1,22,480.86
f. Total Liabilities	9,429.56	178,232.97	318,799.09	5,435.31	1,73,347.69	3,01,263.86
IV. OTHER INFORMATION						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	794.51	308.67	1,103.18	614.97	1,389.27	2,004.24
(b) Depreciation #	361.14	742.02	1,103.16	347.70	841.51	1,189.21
(c) Non-cash expenditure other than depreciation	-	539.68	539.68	-	682.87	682.87

The depreciation of promotion segment is charged to capital reserve.

- b) Information about Revenue from major products and services

(₹ in lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Sale of Product	221163.92	168430.76
Interest Income	26102.54	27165.71

- c) The Corporation does not have any reportable geographical segment as the lending operations of the Corporation are carried out within the country.
- d) No single borrower has contributed 10% or more to the Corporation's revenue during the financial year 2021-2022.

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

Component wise revenue of Corporation

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Sale of products	221163.92	168430.76
Sale of services	9087.87	8829.27
Interest Income	26102.54	27165.71
Processing fee	4735.83	4580.06
Other operating Income	1161.13	1123.39
TOTAL	262251.29	210129.19

P. Disclosure as per Ind AS-116 – Leases:

In terms of Ind AS 116, the Corporation to recognize each lease on the Balance Sheet as a Right-of-Use asset with corresponding lease liability in respect of the amounts payable towards such leases in future periods. However, the Corporation has exercised the recognition exemption in respect of short-term leases and leases of low-value underlying assets. Short term leases include leases with termination options, where there are no material economic disincentives to terminate such leases. Such agreements to provide flexibility in managing the leased-asset portfolio and align with the Corporation's business needs.

During the year 2021-2022 the expenses relating to short-term leases are ₹ 459.59 Lakh (₹ 448.67 Lakh). The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 462.69 Lakh (₹ 453.06 Lakh).

a) Leases as lessee:

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

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Opening Balance	57.60	68.29
- Additions in lease liabilities	1.46	(10.69)
- Interest cost during the year	-	4.39
- Payment of lease liabilities	0.02	4.39
Closing Balance	59.04	57.60

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

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Depreciation and amortization expense for right-of-use assets	0.83	0.84
Interest expense on lease liabilities	4.54	4.39

- iii. Other disclosures:

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Cash Outflow from leases	3.10	4.39

(₹ in Lakh)

Particulars	As At 31 st March 2022	As At 31 st March 2021
Carrying amount of right-of-use assets at the end of the reporting period	55.00	55.83

b) Leases as lessor:

- These arrangements continue to be classified as operating lease after transition to Ind AS 116 'Leases'.
- An amount of ₹ 3502.67 lakh (₹ 3438.37 lakh) has been accounted as lease income in Statement of profit and loss for the year ended 31st March 2022.
- Undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and for the remaining years:

(₹ in Lakh)

Particulars	As At 31 st March 2022	As At 31 st March 2021
Less than one year	4091.89	2983.56
Between one and two years	2878.77	2677.01
Between two and three years	2350.73	2054.30
Between three and four years	1818.25	1622.33
Between four and five years	1653.82	1515.10
More than five years	3481.56	4505.25

5. Impact of Covid-19 Pandemic on the Corporation

During the previous year India had witnessed the second wave of COVID-19 pandemic with significant increase in the number of infected cases. The resultant lockdowns are less restrictive for economic activity and are concentrated in the most-hit states. The IT infrastructure and digital communication technology enables the workforce to work securely through remote technology ensuring business continuity.

However, during the current year considering the successful implementation vaccination programme in India and general awareness among the people regarding the precautionary measure to deal with Covid 19 virus The Corporation, the business and commercial activity is poised for resurgence.

In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in its ability to continue as a going concern. However, The Corporation shall also continue to closely monitor any material changes arising of future economic conditions and potential impact on its business.

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

(₹ in Lakh)

As At 31 st March 2022	Net Advances	Invest- ments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	45731.35	-	27771.52	-		
Over 1-month upto 2 months	18558.35	-	11270.03	-	-	-
Over 2 months upto 3 months	26147.34	-	15878.63	126.09	-	-
Over 3 months upto 6 months	152451.14	-	92579.82	21.55	-	-
Over 6 months & upto 1 year	-	-	-	147.63	-	-
Over 1 year & upto 3 years	-	-	-	590.52	-	-
Over 3 year & upto 5 years	-	-	-	590.52	-	-
Over 5 years	-	870.85	-	3359.26	-	-

(₹ in Lakh)

As At 31 st March 2021	Net Advances	Invest- ments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	46086.71	-	138000.00	-		
Over 1-month upto 2 months	15686.09	-	-	-	-	-
Over 2 months upto 3 months	20879.55	-	-	128.28	-	-
Over 3 months upto 6 months	143625.49	-	-	21.92	-	-
Over 6 months & upto 1 year	-	-	-	150.20	-	-
Over 1 year & upto 3 years	-	-	-	600.80	-	-
Over 3 year & upto 5 years	-	-	-	600.80	-	-
Over 5 years	-	774.36	-	3717.83	-	-

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

7. Financial Instruments

A. Capital Management

For the purpose of the Corporation's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Corporation. The primary objectives of the Corporation's capital management are safety and security of share capital and maximize the shareholder wealth.

Management assesses the Corporation's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Corporation manages the capital structure and raises funds through the suitable instruments, in light of the dynamic business environment

and liquidity position within the sector. Further, with regard to capital restructuring, the Corporation is also guided, inter alia, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc. The Corporation has complied with all externally imposed capital requirements.

Regulatory capital-related information is presented as part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels.

The Corporation has complied with all the capital requirements over the reported period.

B. Financial Risk Management

The Corporation is exposed to several risks which are inherent to the environment that it operates in. The Corporation is into business of extending financial assistance to MSME sector -

a) Credit risk

- (i) The Corporation is exposed to credit risk primarily through its lending operations. Credit risk on cash and cash equivalent is limited as these are held with Scheduled commercial public sector banks and private sector banks. As regards investments, the Corporation has very minimal investments in equity instruments which is of strategic in nature. Part of which, the Corporation has already made provision towards impairment allowance and balance has been fair valued and gain thereon has been accounted for in the books.

For management of credit risks in an effective manner, Corporation has established an appraisal mechanism containing guidelines in order to ensure timely repayments of principal & interest amount. The Corporation manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and concentration thereof and by monitoring exposures in relation to such limits, by obtaining conduct of account from the banks.

The Corporation has a credit risk in terms of the credit support provided for raw material procurement by making the payment to supplier in Raw Material Assistance scheme against Bank Guarantee

(ii) **Significant estimates and judgements**

Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Corporation uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Corporation's past history and conduct of account with other bank, existing market conditions as well as forward looking estimates at the end of each reporting period.

At the date of transition to Ind AS, an entity shall use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare that to the credit risk at the date of transition to Ind AS.

Corporation has adopted policy to recognize impairment loss (ECL) in books as higher of provision as per Ind AS 109 or as per RBI guidelines.

Corporation has categorized all loans in three stages:

Stage-1 – Performing (not deteriorated significantly since its initial recognition)

Stage-2 – Under Performing (deteriorated significantly since its initial recognition)

Stage-3 – Non performing (Objective evidence of impaired)

ECL is calculated based on past ten year's data as follows:

Performing (not deteriorated significantly since its initial recognition)

Probability of Default (PD) is calculated as NPA accretion over last 10 years to total loan accretion over last 10 years in percentage terms.

Loss given Default is calculated as loss of principal during last 10 years to total NPAs during

the last 10 years in percentage terms.

The Corporation considers an exposure to have significantly increased in credit risk when the borrower crosses 30 days past due (DPD) but is within 90 DPD.

Provision for expected credit losses

Level	Category	Description of category	Basis for recognition of expected credit loss provision Loans
Stage 1	Standard Assets, High quality assets, negligible credit risk	Assets where counter party has strong capacity to meet the obligations and where risk of default is nil or negligible/ regularly paying assets	12-month ECL
Stage 2	Increased Risk Assets or Assets having significant risk	Assets where there has been a significant increase in credit risk since initial recognition.	Life time ECL
Stage 3	Impaired Assets		Life time ECL

b) Liquidity risk

Liquidity is the risk that suitable sources of funding for Corporation's business activities may not be available. The Corporation's objective is to maintain optimum level of liquidity to meet its cash requirements. The Corporation closely monitors its liquidity position and maintains adequate sources to finance its short term and long-term fund requirements, whenever required.

(i) Financing arrangements

The Corporation had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakh)

Particulars	As At 31 st March 2022	As At 31 st March 2021
Floating rate		
-Expiring within one year (bank overdraft and other facilities)	NIL	NIL

Corporation has cash credit facility from banks at floating rate of interest which is renewed every year.

(ii) Maturity profile of financial liabilities

The tables below analyse the Corporation's financial liabilities into relevant maturity

based on their contractual maturities for: all non-derivative financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows: -

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant: -

(₹ in lakh)

Particulars	Contractual maturities of financial liabilities			Contractual maturities of financial liabilities		
	31 st March 2022			31 st March 2021		
	Bank Borrowings	Market Borrowings	Total	Bank Borrowings	Market Borrowings	Total
1 day to 30/31 days (one month)	27771.52	-	27771.52	138000	-	138000
Over one month to 2 months	11270.03	-	11270.03	-	-	-
Over 2 months upto 3 months	15878.63	126.09	16004.72	-	128.28	128.28
Over 3 months to 6 months	92579.82	21.55	92601.37	-	21.92	21.92
Over 6 months to 1 year	-	147.63	147.63	-	150.20	150.20
Over 1 year to 3 years	-	590.52	590.52	-	600.80	600.80
Over 3 years to 5 years	-	590.52	590.52	-	600.80	600.80
Over 5 years	-	3359.26	3359.26	-	3717.83	3717.83

c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: - interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument, denominated in foreign currency other than the functional currency, will fluctuate because of changes in foreign exchange rates.

The Corporation is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the Corporation's foreign currency denominated borrowings is as follows-

(₹ in lakh)

Description	As At 31 st March 2022		As At 31 st March 2021	
	In foreign Currency (Euro)	In functional Currency (₹ in lakh)	In foreign Currency (Euro)	In functional Currency (₹ in lakh)
Kfw-XI	2597362.81	2231.91	2723140.61	2380.57
Kfw-XII	2352965.19	2021.90	2520668.93	2203.57
ILC	677015.32	581.76	727164.54	635.69

Foreign currency risk monitoring and management-

The loan agreements entered into by the Corporation takes care of the exchange fluctuation risk and the entire amount of exchange fluctuation loss if any gets adjusted by way of relief in the coupon payment. Further, it also secures the future losses on account of exchange fluctuation.

Foreign Currency Sensitivity Analysis

The loan agreements entered into by the Corporation takes care of the exchange fluctuation risk and the entire amount of exchange fluctuation loss if any gets adjusted by way of relief in the coupon payment. Further, it also secures the future losses on account of exchange fluctuation. Hence, no sensitivity analysis has been carried out.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to the risk of changes in market interest rates relates primarily to the short-term borrowings. Market interest rate risk is mitigated by proper review of market conditions, factors etc. The Corporation's borrowings are carried at amortized cost.

(a) Interest rate risk exposure

The exposure of the Corporation's short-term borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in lakh)

Particulars	31 st March 2022	31 st March 2021
Variable rate borrowings	-	-
Fixed rate borrowings	147500.00	138000.00
Total borrowings	147500.00	138000.00

(b) Sensitivity

As the maximum short-term borrowings of the Corporation are fixed costs, so they are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(iii) Price risk

(a) Exposure

The Corporation's exposure to equity securities price risk arises from investments held by the Corporation and classified in the balance sheet as fair value through OCI. Though, diversification of the portfolio is done in accordance with the limits set by the Corporation. However, the Corporation has only made certain strategic investment in the past, part of which has been fully impaired on which provisions have already been made and remaining has been fair valued on which gains thereof has been properly accounted for.

(b) Sensitivity

The Corporation has a very minimal amount of investment in equity and there is no movement in the past two years. As aforesaid, the Corporation has already fair valued its quoted investment in equity and gains thereof has been properly accounted for and for the remaining part of investment, provisions have been made fully. Hence, sensitivity not required to be disclosed.

Equity would increase/decrease as a result of gains/losses on equity instrument classified as fair value through other comprehensive income.

C. Fair Value Measurements

Some of the Corporation's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following tables gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used)

Fair value hierarchy

Financial Instruments Measured and Recognized at Fair Value (FVTOCI & FVTPL).

(₹ in Lakh)

Particulars	Amount at Fair Value		Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	As At 31 st March 2022	As At 31 st March 2021		
I. FINANCIAL ASSETS				
Financial Investments at FVTOCI				
-Investment in Equity Instruments	269.07	174.36	Level 1	Quoted market price
Financial Investments at FVTPL				
TOTAL	269.07	174.36		
II. FINANCIAL LIABILITIES	-	-		
TOTAL	-	-		

Financial Assets and Liabilities Measured at Amortized Cost.

(₹ in Lakh)

Particulars	As At 31 st March 2022		As At 31 st March 2021		Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	Amortized Cost	Fair Value	Amortized Cost	Fair Value		
I. FINANCIAL ASSETS						
Loan to Companies/LLP	247544.48	247544.48	230629.29	230629.29	Level 3	Effective Interest Rate
Loan to Employees	39.00	39.00	45.23	45.23	Level 2	NPV at SBI Rate for Perquisites
TOTAL	247583.48	247583.48	230674.52	230674.52		
II. FINANCIAL LIABILITIES						
Borrowings	152335.57	152335.57	143219.83	143219.83	Level 3	Effective Interest rate
TOTAL	152335.57	152335.57	143219.83	143219.83		

Fair value measurements under Ind AS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value are observable and significance to the inputs to the fair value measurement in its entirety, which are described as follows

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation can access at measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Corporation can access at measurement date.

Table showing Carrying Value and Fair Value of all Financial Assets and Liabilities.

(₹ in Lakh)

Particulars	As At 31 st March 2022		As At 31 st March 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
I. FINANCIAL ASSETS				
- Cash & Cash Equivalent	18555.25	18555.25	15075.75	15075.75
- Bank Balance	58.83	58.83	83.66	83.66
- Receivables	14061.53	14061.53	18719.09	18719.09
- Loans & Advances	247583.48	247583.48	230674.52	230674.52
- Investments	870.85	870.85	774.36	774.36
- Other Financial Assets	1915.56	1915.56	1279.45	1279.45
TOTAL	283045.50	283045.50	266606.83	266606.83
II. FINANCIAL LIABILITIES				
- Payables	14460.64	14460.64	19408.08	19408.08
- Borrowings	152335.57	152335.57	143219.83	143219.83
- Other financial liabilities	18576.90	18576.90	14247.49	14247.49
TOTAL	185373.11	185373.11	176875.40	176875.40

The carrying amount of the cash & cash equivalent, receivables, payables, other financial assets & other financial liabilities are considered as their fair values due to their short-term nature.

8. Amount expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities:

(₹ in Lakh)

Particulars		As at 31 st March 2022			As at 31 st March 2021		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
2.	Financial Assets						
(a)	Cash and Cash Equivalents	18555.25	-	18555.25	15075.75	-	15075.75
(b)	Bank Balance other than included in Cash & Cash Equivalents	58.83	-	58.83	83.66	-	83.66
(a)	Trade Receivables	14061.53	-	14061.53	18719.09	-	18719.09
(b)	Loans & Advances	247562.29	21.19	247583.48	230650.64	23.88	230674.52
(c)	Investments	-	870.85	870.85	-	774.36	774.36
(d)	Other Financial Assets	1587.05	328.51	1915.56	923.41	356.04	1279.45
	Total Financial Assets (1)	281824.95	1220.55	283045.50	265452.55	1154.28	266606.83
3.	Non- Financial Assets						
(a)	Inventories	12.26	-	12.26	40.59	-	40.59
(b)	Current Tax Assets (Net)	699.24	-	699.24	47.80	-	47.80
(c)	Deferred Tax Assets (Net)	-	3848.57	3848.57	-	4071.07	4071.07
(d)	Property, Plant and Equipment	-	28343.23	28343.23	-	28634.44	28634.44

(₹ in Lakh)

Particulars		As at 31 st March 2022			As at 31 st March 2021		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
(e)	Capital Work in Progress	-	750.33	750.33	-	423.44	423.44
(f)	Intangible Assets Under Development	-	23.39	23.39	-	23.39	23.39
(g)	Other Intangible Assets	-	82.95	82.95	-	118.80	118.80
(h)	Right to use of assets	-	55.00	55.00	-	55.83	55.83
(i)	Assets Classified as Held for Sale	0.21	-	0.21	0.07	-	0.07
(j)	Other Non-Financial Assets		1938.41	1938.41	-	1241.60	1241.60
	Total Non-Financial Assets (2)	711.71	35041.88	35753.59	88.46	34568.57	34657.03
	Total Assets (1+2)	282536.66	36262.43	318799.09	265541.01	35722.85	301263.86
LIABILITIES							
1.	Financial Liabilities						
(a)	Trade Payables	14460.64	-	14460.64	19408.08	-	19408.08
(b)	Borrowings	147795.27	4540.30	152335.57	138300.40	4919.43	143219.83
(c)	Liabilities associated with Assets held for sale	-	-	-	-	-	-
(d)	Other Financial Liabilities	17220.61	1356.29	18576.90	12842.05	1405.44	14247.49
	Total financial liabilities (1)	179476.52	5896.59	185373.11	170550.53	6324.87	176875.40
2.	Non-Financial Liabilities						
(a)	Current Tax Liabilities (Net)	-	-	-	-	-	-
(b)	Provisions	881.48	10162.24	11043.72	718.17	9524.00	10242.17
(c)	Deferred Tax Liabilities (Net)	-	-	-	-	-	-
(d)	Other Non-Financial Liabilities	-	4983.16	4983.16	-	4681.85	4681.85
	Total Non-Financial liabilities (2)	881.48	15145.40	16026.88	718.17	14205.85	14924.02
	Total Liabilities (1+2)	180358.00	21041.99	201399.99	171268.70	20530.72	191799.42

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

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
On Equity shares of ₹ 100 each		
-Amount of Dividend Proposed (₹ In lakh)	3317.05	3177.66
-Rate of Dividend (%)	30% of PAT	30% of PAT
-Dividend per equity share (₹)	6.22	5.96

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 ₹ 3317.05 lakh (₹ 6.22 per share) in respect of the year ending 31st March 2022 subject to approval of shareholders in the Annual General Meeting. If approved, the dividend would result in cash outflow of ₹ 3317.05 lakh.

Further, Corporate dividend pertaining to financial year ended 31st March, 2022, shall be accounted for in the ensuing financial year after approval of Shareholders at Annual General Meeting in accordance with

Ind AS 10 'Contingencies and Events occurring after Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30th March, 2016.

The Corporation has paid the dividend of ₹ 3177.66 lakh in the Financial Year 2021-2022 which was proposed in the Financial Year 2020-2021.

10. Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding (₹ in Lakh)		Relationship with the Struck off Company, if any
		31.03.2022	31.03.2021	
	Investments in securities			
M/s. SSI Products Marketing Organization Ltd. (SIPMO)	- Investment in shares of struck off Company	-	5.00	N.A.
-	Receivables	-	-	-
-	Payables	-	-	-
-	Shares held by struck off Company	-	-	-
-	Other outstanding balances (to be specified)	-	-	-

11. Disclosure on Crypto or Virtual Currency

The Corporation has not traded or invested in Crypto currency or Virtual Currency during the financial year.

12. Disclosure on Promoters Holding

The Corporation has been promoted by the Government of India. President of India holds 100% equity in the Corporation at the beginning and end of the year. As such, there is no change in equity of the promoter during the year.

13. The additional information required to be disclosed vide RBI norms

A. Impairment Reserve

Based on RBI notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/ 2019-20 dated 13.03.2020, ECLs in terms of Ind AS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20. Further, where the impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) Norms (including standard asset provisioning) issued by RBI, the Corporation has appropriated the difference from their net profit after tax to "Impairment Reserve" pertaining to current year as well as out of retained earnings existed as on 01.04.2019. No withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI.

During Financial Year 2019-20, impairment reserve amounting to ₹ 4866.65 lakh was appropriated, as the impairment allowance under Ind AS 109 was lower than the provisioning required under IRACP Norms to such extent.

On similar lines, impairment reserve as on 31.03.2022 amounts to ₹ 2478.47 lakh (₹ 3390.96 lakh), as the impairment allowance under Ind AS 109 amounts to ₹ 12323.53 lakh (₹ 12707.81 lakh) is lower than the provisioning required under IRACP Norms amounts to ₹ 14802.00 lakh (₹ 16098.77 lakh) to such extent.

Since the impairment reserve as on 31.03.2022 amounts to ₹ 2478.47 lakh (₹ 3390.96 lakh) is less than the already appropriated impairment reserve as on 31.03.2021 amounting to ₹

4866.65 lakh (₹ 4866.65 lakh), therefore, the impairment reserve has not been reversed to the extent of ₹ 2388.18 lakh (₹ 1475.69 lakh) as withdrawals/reductions are not permitted from the reserve that has already been appropriated. Thus, impairment reserve as on 31.03.2022 has been maintained at ₹ 4866.65 lakh (₹ 4866.65 lakh).

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

Financial Year 2021-2022

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	243863.64	975.46	242888.18	877.62	97.84
	Stage 2	-	-	-	-	-
Subtotal		243863.64	975.46	242888.18	877.62	97.84
Non-Performing Assets (NPA)						
Substandard	Stage 3	1131.07	1131.07	0.00	1904.02	-772.95
Doubtful - up to 1 year	Stage 3	-	-	-	775.96	-775.96
1 to 3 years	Stage 3	-	-	-	461.87	-461.87
More than 3 years	Stage 3	9446.93	9446.93	-	10012.47	-565.53
Sub-total for doubtful		9446.93	9446.93	-	11250.29	-1803.36
Loss	Stage 3	770.07	770.07	-	770.07	0.00
Subtotal for NPA		11348.07	11348.07	-	13924.38	-2576.31
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	243863.64	975.46	242888.18	877.62	97.84
	Stage 2	-	-	-	-	-
	Stage 3	11348.07	11348.07	-	13924.38	-2576.31
	Total	255211.71	12323.53	242888.18	14802.00	-2478.47

Financial Year 2020-2021

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	227185.97	908.13	226277.84	776.65	131.48
	Stage 2	-	-	-	-	-
Subtotal		227185.97	908.13	226277.84	776.65	131.48
Non-Performing Assets (NPA)						
Substandard	Stage 3	1131.07	1131.07	-	2486.00	-1354.93
Doubtful - up to 1 year	Stage 3				1601.98	-1601.98
1 to 3 years	Stage 3				-	-
More than 3 years	Stage 3	9898.05	9898.05	-	10463.59	-565.54
Sub-total for doubtful		9898.05	9898.05	-	12065.57	-2167.52
Loss	Stage 3	770.56	770.56	-	770.56	-
Subtotal for NPA		11799.68	11799.68	-	15322.13	-3522.45
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	227185.97	908.13	226277.84	776.65	131.48
	Stage 2	-	-	-	-	-
	Stage 3	11799.68	11799.68	-	15322.13	-3522.45
	Total	238985.65	12707.81	226277.84	16098.78	-3390.97

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

The Corporation is creating the Reserve Fund as required u/s 45IC of Reserve Bank of India Act, 1934, wherein at least 20% of net profit is required to be transferred before the declaration

of dividend. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Reserve Bank of India from time to time and further, any such appropriation is also required to be reported to the Reserve Bank of India within 21 days from the date of such withdrawal.

During the year, further reserve fund u/s 45IC amounting to ₹ 2164.51 lakh (₹ 2031.86 lakh) has been created, thus making total reserve fund as on 31.03.2022 amounting to ₹ 6180.21 lakh (₹ 4015.70 Lakh).

D. Rating Assigned by Credit Rating Agencies for the Borrowings of NSIC

The Commercial paper issued by NSIC was rated by CRISIL and ACUTE 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.

E. Penalties levied by the Regulator (RBI) - NIL

F. Capital Adequacy

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
i) CRAR (%)	34.70	33.75
ii) CRAR - Tier I Capital (%)	34.36	33.42
iii) CRAR - Tier II Capital (%)	0.34	0.33
iv) Liquidity Coverage Ratio	66%	47%
v) Amount of Subordinate debt raised as Tier-II Capital	Nil	Nil
vi) Amount raised by issue of perpetual debt instruments	Nil	Nil

- a) **Investments:** NSIC does not hold any investment outside India. However, Corporation has invested ₹ 600 lakh in 100% subsidiary Company M/s. NVCFL and ₹ 269.07 lakh in other Indian companies.

In terms of the contribution agreement signed on 12th October, 2021 with the NVCFL for contribution into the Self-Reliant India (SRI) Fund, during 2021-2022, NSIC has contributed its share of 0.01% amounting to ₹ 1.78 lakh for 0.018 units to SRI Fund, 1 unit being of ₹ 100 lakh.

b) Break up of Investments

(₹ in Lakh)

	Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
1	Value of investments		
(i)	Gross Value of Investments		
(a)	In India		
	at fair value through OCI	279.07	189.36
(b)	Outside India		
(ii)	Provision for Depreciation		
(a)	In India	10.00	15.00
(b)	Outside India		

	Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
(iii)	Net value of investments		
(a)	In India	269.07	174.36
(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-off/ write-back of excess provisions during the year	5.00	-
(iv)	Closing balance	10.00	15.00
(3)	Aggregate amount of quoted investments	269.07	174.36
	Market value of quoted investments	269.07	174.36
(4)	Aggregate amount of Unquoted investments	11.78	15.00
(5)	Aggregate provision for diminution in value of investments	10.00	15.00

c) **Valuation of Investments**

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
i) Gross Value of Investments	786.15	696.63
ii) Allowance for Impairment Loss	10.00	15.00
iii) Fair Value Change (Net)	94.70	92.73
iv) Net Value of Investments	870.85	774.36
Movement in Fair Value Changes of Investment (Net)		
Opening Balance	174.36	81.63
Add: Increase in Value	94.70	92.73
Less: Decrease in Value	-	-
Closing Balance	269.07	174.36

G. **Derivatives**

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Exposure to Derivative Instruments / products	NIL	NIL

H. **Securitization**

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

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
SPVs Sponsored	NIL	NIL

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

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Financial Assets Sold	NIL	NIL

c) Details of Assignment transaction undertaken

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Assignment Transaction undertaken	NIL	NIL

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

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Non-performing Financial Assets Purchased	NIL	NIL
Non-Performing Financial Assets Sold		
i) Number of accounts sold		
ii) Aggregate outstanding		
iii) Aggregate Consideration Received		
iv) Gain/Loss over net book value		

e) Exposures to Real Estate / Capital Market Sector

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
I. Exposure to Real Estate Sector undertaken (Direct)	NIL	NIL
i) Residential Mortgage		
ii) Commercial Real Estate		
• Lending Secured by Mortgage on commercial real estate		
• Lending in mortgage backed securities and other exposures		
II. Exposure to Capital Market (Gross)		

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
(a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	279.07	189.36
(b) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	NIL	NIL
(c) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
(d) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	NIL	NIL
(e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(f) loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
(g) bridge loans to companies against expected equity flows / issues;	NIL	NIL
(h) all exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL

I. Breakup of Provision & Contingencies shown under the head expenditure in statement of profit & loss

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
a. Provision for Fair Value Changes on Investments	NIL	NIL
b. Provision for NPAs/Doubtful Debts	NIL	NIL
c. Provision for Diminution in NPV of Loans	NIL	NIL
d. Provision for Diminution in value of investments	NIL	NIL
e. Provision for Standard Assets	67.33	24.79
f. Provision Made towards Income Tax	3500.00	3400.00
g. Other Provision and Contingencies (Deferred Tax Liability)	234.25	432.91

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

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
I. Concentration of Advances		
Total advances to Twenty Large Borrowers	9960.49	9822.32
% of advances to Twenty Large Borrowers	3.90	4.11
II. Concentration of NPA		
Total Exposure to Top Four NPAs	991.06	1136.07

K. Sector-wise NPA (Gross)

(₹ in Lakh)

S No.	Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
1	Agriculture & allied activities	NIL	NIL
2	MSME	11348.07	11799.68
3	Corporate borrowers	NIL	NIL
4	Services	NIL	NIL
5	Unsecured personal loans	NIL	NIL
6	Auto loans	NIL	NIL
7	Other personal loans	NIL	NIL

L. Movement of NPAs

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
1) Net NPAs to Net Advances (%)	-	-
2) Movement of Gross NPAs/Doubtful Debts		
(a) Opening Balance	11799.68	30398.75
(b) Add: Addition During Year	-	-
(c) Less: Reduction/Write-off During Year	451.61	18599.07
(d) Closing Balance	11348.07	11799.68
3) Movement of Net NPAs/Doubtful Debts		
(a) Opening Balance	-	19125.85
(b) Add: Addition During Year	-	-
(c) Less: Reduction/Write-off During Year	-	19125.85
(d) Closing Balance	-	-
4) Movement in Provision for NPA/Doubtful Debts		
(a) Opening Balance	11799.68	11272.90
(b) Add: Provision made during the year	-	526.78
(c) Less: Loans Written off during the year	-	-
(d) Less: Provision Written Back	451.61	-
(e) Closing Balance	11348.07	11799.68

M. Other Information

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
i) Gross Non-Performing Assets		
- Related parties	-	-
- Other than related parties	11348.07	11799.68
ii) Net Non-Performing Assets		
- Related parties	-	-
- Other than related parties	-	-

N. Customer & Investor Complaints

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
a. No. of complaints pending at the beginning of the year	NIL	2
b. No. of complaints received during the year	55	212
c. No. of complaints redressed during the year	50	214
d. No. of complaints pending at the end of the year	5	NIL

14. Schedule to the Balance Sheet of a non-deposit taking non-banking financial Company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 01st September, 2016 as amended)

Liabilities Side

- A. Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid:

(₹ in Lakh)

Particulars		As At 31 st March 2022		As At 31 st March 2021	
		Amount O/s	Amount Overdue	Amount O/s	Amount
(a)	Debentures	-	-	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	4844.13	-	5229.07	-
(d)	Inter-Corporate Loans and borrowings	-	-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans				
	Bank Overdraft, Cash credit & Working Capital Demand Loan	147502.51	-	138413.99	-

- B. Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :

-Not Applicable-

Assets Side

- C. Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]

(₹ in Lakh)

Particulars	Amount Outstanding	
	As At 31 st March 2022	As At 31 st March 2021
(a) Secured (net of provision)	-	-
(b) Covered by Bank/Government Guarantees (net of provision)	242888.18	226277.84
(c) Unsecured (net of provision)	-	-

D. Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities

-Not Applicable-

E. Break-up of Investments (net off diminution):

(₹ in Lakh)

Particulars		Amount Outstanding	
		As At 31 st March 2022	As At 31 st March 2021
Current Investments			
1	Quoted		
(i)	Shares	NIL	NIL
(a)	Equity		
(b)	Preference		
(ii)	Debentures and Bonds		
(iii)	Units of Mutual Funds		
(iv)	Government Securities		
(v)	Others		
2	Unquoted		
(i)	Shares		
(a)	Equity	NIL	NIL
(b)	Preference	NIL	NIL
(ii)	Debentures and Bonds	NIL	NIL
(iii)	Units of Mutual Funds	NIL	NIL
(iv)	Government Securities	NIL	NIL
(v)	Others	NIL	NIL
Long Term Investments			
1	Quoted		
(i)	Shares:		
(a)	Equity (Fair Value)	269.07	174.36
(b)	Preference	NIL	NIL
(ii)	Debentures and Bonds	NIL	NIL
(iii)	Units of Mutual Funds	NIL	NIL
(iv)	Government Securities	NIL	NIL
(v)	Others	NIL	NIL
2	Unquoted		
(i)	Shares:		
(a)	Equity (Net of Impairment)	600.00	600.00
(b)	Preference	NIL	NIL
(ii)	Debentures and Bonds	NIL	NIL
(iii)	Units of Mutual Funds	NIL	NIL
(iv)	Government Securities	NIL	NIL
(v)	Others	1.78	NIL

F. Borrower group-wise classification of assets financed as in (3) and (4) above

(₹ in Lakh)

Category		As At 31 st March 2022			As At 31 st March 2021		
		Secured (Net of Provision)	Covered by Bank/ Government Guarantees (Net of provision)	Unsecured (Net of Provision)	Secured (Net of Provision)	Covered by Bank/ Government Guarantees (Net of provision)	Unsecured (Net of Provision)
1	Related Parties						
(a)	Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Companies in the same group	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
2	Other than related parties	Nil	242888.18	Nil	Nil	226277.84	Nil

G. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in Lakh)

Category		As At 31 st March 2021		As At 31 st March 2020	
		Fair Value	Book Value	Fair Value	Book Value
1	Related Parties				
(a)	Subsidiaries	600.00	600.00	600.00	600.00
(b)	Companies in the same group	NIL	NIL	NIL	NIL
(c)	Other related parties	1.78	1.78	NIL	NIL
2	Other than related parties	269.07	269.07	174.36	174.36

15. During the year ended 31st March, 2022, compounding fees on account of delay in holding AGM due to COVID-19 pandemic amounting ₹ 1.05 lakh (Previous year Nil) has been levied on the Corporation by Ministry of Corporate affairs for the financial year 2020-21 and the same has been paid during the Financial Year 2021-2022.
16. During the year the group has incurred an expenditure of ₹ 211.86 Lakhs on Research and Development (R&D) /innovation.
17. No complaints have been received by the Corporation from the borrowers under the Fair Practices Code during the year ended 31st March, 2022 (Previous year Nil).
18. All amounts are in ₹ lakh, unless otherwise stated.
19. Figures in brackets in the notes to the financial statements represent previous year's figures.
20. Previous year figures have been regrouped, rearranged and recast, wherever necessary.

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS (COMMERCIAL) FOR THE YEAR ENDED 31.03.2022

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.22	For the Year Ended 31.03.21
I REVENUE			
A Revenue from Operations	21		
Sale of Products		221163.92	168430.76
Sale of Services		9087.87	8826.69
Interest Income		26102.54	27165.71
Fees and Commission Income		4735.83	4580.06
[Includes Processing Fees earned of ₹ 4735.83 lakhs (₹ 4580.06 lakhs) for value of goods handled and services rendered ₹ 1819418.11 lakhs (₹ 1287396.77 lakhs)]			
Other Operating Income		1161.13	1123.39
Total Revenue from Operations		262251.29	210126.61
B Other Income	22	149.89	95.47
C Grants and Subsidies	23	0.00	0.00
Total Revenue (A + B + C)		262401.18	210222.08
II EXPENSES			
Purchase of Products	24	220204.04	167355.66
Changes in Inventories	25	1.91	54.96
Employee Benefit Expenses	26	13021.73	12924.12
Finance Costs	27	6257.02	7708.37
Depreciation and Amortization Expenses	28	742.00	841.51
Corporate Social Responsibility	29	230.60	224.58
Other Expenses	30	7325.19	7079.96
Fees and Commission Expenses	31	76.39	63.97
Total Expenses		247858.88	196253.13
III Profit before Exceptional Items and Tax		14542.30	13968.95
Exceptional Items (Refer point no. 4E(b) of Note-35)		-6.20	4.22
IV Profit before Tax		14548.50	13964.73
Tax Expense	32		
Current Tax		3500.00	3400.00
Deferred Tax		234.25	432.91
Earlier Years		-8.33	-27.48
V Total Tax Expense		3725.92	3805.43
VI Profit after Tax for the period from Continuing Operations		10822.58	10159.30
VII Profit from Discontinued Operations		0.00	0.00
VIII Tax Expenses from Discontinued Operations		0.00	0.00
IX Profit from Discontinued Operations (After Tax)		0.00	0.00
X Profit for the Period		10822.58	10159.30

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS (COMMERCIAL) FOR THE YEAR ENDED 31.03.2022

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.22	For the Year Ended 31.03.21
XI Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment		94.70	92.73
Items that will not be reclassified to Profit or Loss - Actuarial Gain/Loss on Defined Benefit Plans		-141.37	134.95
Income Tax relating to Items that will not be reclassified to Profit or Loss		11.75	-57.31
Sub Total (A)		-34.92	170.37
B Items that will be reclassified to Profit or Loss		0.00	0.00
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Sub Total (B)		0.00	0.00
Other Comprehensive Income (A + B)		-34.92	170.37
XII Total Comprehensive Income for the period (X + XI) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		10787.66	10329.67
XIII Earnings per Equity Share (for Continuing Operations)	33		
Basic (₹)		20.31	19.06
Diluted (₹)		20.31	19.06
XIV Contingent Liabilities	34 (i)	1286.20	1323.36
XV Capital Commitments	34 (ii)	1620.93	493.15
Other Notes on Accounts	35		
Statement of Corporate Information (Note-1), Accounting Policies (Note-2)			
Note : The Notes 1 to 35 referred to above form an integral part of Financial Statements.			
Statement of changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss			

In terms of our report of even date attached
For Goyal Parul & Co.
Chartered Accountants
Firm Registration No.: 016750N

Sd/-
Parul Goyal
Partner
Membership No. : 099172
Place : New Delhi
Date : 18.08.2022
UDIN : 22099172APNWTJ1933

For and on behalf of Board of Directors

Sd/-
Gaurang Dixit
Director (Finance) & CMD (Additional Charge)
[DIN : 08535482]

Sd/-
Partha Majhi
GM (F&A)

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS (PROMOTIONAL) FOR THE YEAR ENDED 31.03.2022

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.22	For the Year Ended 31.03.21
I REVENUE			
A Revenue from Operations	21		
Sale of Products		0.00	0.00
Sale of Services		0.00	2.58
Interest Income		0.00	0.00
Processing Fees		0.00	0.00
Other Operating Income		0.00	0.00
Total Revenue from Operations		0.00	2.58
B Other Income	22	0.00	0.00
C Grants and Subsidies	23	6700.65	7915.96
Total Revenue (A + B + C)		6700.65	7918.54
II EXPENSES			
Purchase of Products	24	0.00	0.00
Changes in Inventories	25	0.00	0.00
Employee Benefit Expenses	26	379.50	377.15
Finance Costs	27	0.00	0.00
Depreciation and Amortization Expenses	28	0.00	0.00
Corporate Social Responsibility	29	0.00	0.00
Other Expenses	30	6321.15	7541.39
Fees and Commission Expenses	31	0.00	0.00
Total Expenses		6700.65	7918.54
III Profit before Exceptional Items and Tax		0.00	0.00
Exceptional Items		0.00	0.00
IV Profit before Tax		0.00	0.00
Tax Expense	32		
Current Tax		0.00	0.00
Deferred Tax		0.00	0.00
Earlier Years		0.00	0.00
V Total Tax Expense		0.00	0.00
VI Profit after Tax for the period from Continuing Operations		0.00	0.00
VII Profit from Discontinued Operations		0.00	0.00
VIII Tax Expenses from Discontinued Operations		0.00	0.00
IX Profit from Discontinued Operations (After Tax)		0.00	0.00
X Profit for the Period		0.00	0.00

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS (PROMOTIONAL) FOR THE YEAR ENDED 31.03.2022

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.22	For the Year Ended 31.03.21
XI Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment/Actuarial Gain/Loss on Defined Benefit Plans		0.00	0.00
Income Tax relating to Items that will not be reclassified to Profit or Loss		0.00	0.00
Sub Total (A)		0.00	0.00
B Items that will be reclassified to Profit or Loss		0.00	0.00
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Sub Total (B)		0.00	0.00
Other Comprehensive Income (A + B)		0.00	0.00
XII Total Comprehensive Income for the period (XI + XII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		0.00	0.00
XIII Earnings per Equity Share (for Continuing Operations)	33		
Basic (₹)		0.00	0.00
Diluted (₹)		0.00	0.00
XIV Contingent Liabilities	34 (i)	0.00	0.00
XV Capital Commitments	34 (ii)	1675.82	1265.30
Other Notes on Accounts	35		
Statement of Corporate Information (Note-1), Accounting Policies (Note-2)			
Note : The Notes 1 to 35 referred to above form an integral part of Financial Statements.			
Statement of changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss			

In terms of our report of even date attached
For Goyal Parul & Co.
Chartered Accountants
Firm Registration No.: 016750N

Sd/-
Parul Goyal
Partner
Membership No. : 099172
Place : New Delhi
Date : 18.08.2022
UDIN : 22099172APNWTJ1933

For and on behalf of Board of Directors

Sd/-
Gaurang Dixit
Director (Finance) & CMD (Additional Charge)
[DIN : 08535482]

Sd/-
Partha Majhi
GM (F&A)

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

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 2022

The preparation of financial statements of The National Small Industries Corporation Limited for the year ended 31st March, 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 August, 2022.

I, on the behalf of the Comptroller and Auditors General of India, have conducted a supplementary audit of the financial statements of The National Small Industries Corporation Limited for the year ended 31 March, 2022 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6) (b) of the Act.

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

Sd/-
(S. Ahladini Panda)
Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi

Place : New Delhi
Dated: 4th November, 2022

INDEPENDENT AUDITORS' REPORT

To,

The Members of

The National Small Industries Corporation Limited

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

This report is in supersession of our earlier Audit Report dated 28th July 2022 on the standalone financial statements of **The National Small Industries Corporation Ltd** as at 31st March, 2022 has been revised in view of letter No. AMG-III / 4 (70) /NSIC/ Stansalone/ 2021-2022/35 dated 16th August, 2022.

Opinion

We have audited the **accompanying Consolidated** Financial Statements of **The National Small Industries Corporation Limited** (hereinafter referred to as "Holding Company") and its subsidiary- NSIC Venture Capital Fund Limited (Holding Company and its subsidiary together referred to as "Group") which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the Consolidated Financial statements)

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary the aforesaid consolidated financial statements give the information required by the

Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, consolidated profit (including total comprehensive income) consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

1. *We draw attention to the following matters:*
 - a) *Note 35(2) to the accompanying consolidated financial statements 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.	Particulars	Total	Confirmation not received
1	Trade receivables (Marketing & Others) (net of PIS)	15,585.41	7,921.31
2	Loans & Advances (net of PIS)	2,59,065.88	3,633.20
3	Other Financial Assets	2,197.88	1,379.70
	Total	2,76,849.17	12,934.21

2) Credit Balances

(₹ in Lakh)

S. N.	Particulars	Total	Confirmation not received
1	Trade Payables	14,539.05	11,901.05
2	Other Financial Liabilities	18,619.98	5991.32
3	Other Non-Financial Liabilities	92.89	12.45
	Total	33251.92	17904.82

- b) Note No. 35(4)(d) to the accompanying consolidated financial statements which states that ₹ 19,65,367/- (Land amounting to ₹ 3,53,882/- and Building of ₹ 16,11,485) which was shown as stock-in-trade as on 31.3.2021 has been capitalized during the Financial Year 2021-2022. After calculating Residual Value of Building being ₹ 80,575/- the remaining amount of ₹ 15,30,910/- being depreciation for over 50 years has been charged in P/L Account as depreciation for current financial year 2021-2022. Therefore, to that extent of ₹ 15,30,910/- the profit of the Group is understated.

- c) Note 35(4)(H)(d) to the accompanying consolidated financial statements regarding corpus for medical schemes for retired employees which states that "As approved by the Ministry vide letter dated 2.12.2016, Corpus for medical schemes have been created of ₹ NIL (₹ 198.50.Lakh) for the employees retired prior to 1.1.2007 and of ₹ 124.20 lakh (₹ 121.454 Lakh) for the employees retired on or after 1.1.2007, in accordance to the DPE's guidelines. These corpuses have been utilized for the payment of premium to Insurance Company to the extent of ₹ 174.55 lakh (₹ 154.02 lakh) and ₹ 63.84 lakh (₹ 64.98 Lakh) respectively during the year".
- d) Note 35(4) (L) to the accompanying consolidated financial statements regarding ad-hoc provision made by the Company on account of Performance Related Pay (PRP) for the year 2021-2022 amounting to ₹ 754.12 lakhs (Previous year ₹ 729.05 lakhs).
- e) Note No. 35(5) to the accompanying consolidated financial statements regarding the impact of COVID-19 pandemic on the Group. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the Group to continue as a going concern. Nevertheless, the impact in sight of evolvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.

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

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Group's Board of Directors is responsible for the other information. The other information

comprises the information included in the Management Report and Chairman's statement but does not include the financial statements and our auditor's report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Group'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 Consolidated Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a

going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements.

Our objectives are to obtain reasonable assurance about whether the **Consolidated Financial Statements** as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As Part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on

whether the Corporation has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements representing the underlying transactions and events in a manner that achieves fair representation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those

matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements of its subsidiary -NVCFL for the year ended on that date, whose financial statements/ financial information reflect total assets of ₹ 903.57 lakh and total revenue of ₹ 201.60 lakh for the year ended on that date as considered in the consolidated financial statements. The financial statements/ information of NVCFL have been audited by the independent auditors appointed by Comptroller & Auditor General of India, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of Subsidiary , is based solely on the report of such independent branch auditors.
2. The branch auditor of Delhi Branch of NSIC has reported that an amount recoverable from Canara Bank (formerly Syndicate Bank) on account of invocation of the Bank Guarantees during the Financial Year 2019-20 and is remaining unpaid by the bank till date. The branch has considered the total outstanding balance of ₹ 298.97 lakhs as good and fully recoverable against the BGs. The management signified that they are of firm opinion as also supported by the legal opinion obtained that the amount is fully recoverable and accordingly considered good and secured. No provision has been made except provision made as per the accounting policy of the Branch as the matter is sub-judice with the Hon'ble NCLT court.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure – "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by the by Section 143(3) of the Act, we report to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Financial Statements have been kept so far as it appears from our examination of those books and the report of other auditors.
 - (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statement.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) In terms of notification No. GSR 463 (E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of

sub section 2 of Section 164 of the Act, are not applicable to the Group, being a Government Company.

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial Statements disclosed the impact of pending litigations on the consolidated financial position of the group.
 - ii. The Group 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 Group.
 - (i) (a) The Group Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in

writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Group Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (ii) The Group has dividend declared or paid during the year in compliance with section 123 of the Companies Act 2013.

for **Goyal Parul & Co**

Chartered Accountants
Firm's Reg. No. : 016750N

Sd/-
(Parul Goyal)

Partner

Membership No.: 099172
UDIN: 22099172APNVZX9084

Place: New Delhi
Date: 18.08.2022

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE AUDIT OF CONSOLIDATED IND AS FINANCIAL STATEMENTS

Annexure referred to in Paragraph 1 under our ‘Report on Other Legal Regulatory Requirements section in the Independent Auditor Report of even date on the Consolidated Financial Statements of the The National Small Industries Corporation Ltd for the year ended 31st March, 2022, we report that:-

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditors' Report) Order, 2020 (the 'Order') issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditors' report, according to

the information and explanations given to us, and based on the CARO reports issued by the auditor of the subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

for Goyal Parul & Co

Chartered Accountants

Firm's Reg. No. : 016750N

Sd/-

(Parul Goyal)

Partner

Membership No.: 099172

UDIN: 22099172APNVZX9084

Place: New Delhi

Date: 18.08.2022

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS 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”).

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2022, we have audited the internal financial controls with reference to financial statements of The National Small Industries Corporation Limited (hereinafter referred to as the 'Parent') and its subsidiary companies:

Management’s Responsibility for Internal Financial Controls

The respective Boards of Directors of the Parent and its subsidiary Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 Company’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 Group’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 Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company'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 Company'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 Company; (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 Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company'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, 2022:

1. *The procedure for review of financial statements/accounts of the borrower, periodical confirmation of balances in few cases and renewal of limit sanctioned to the units were not effectively implemented/monitored. Management informed that entire procedure has been reviewed and revised regularly to ensure that effective steps are in place and the various checks/controls provided, are operating effectively. In our view, the Internal Financial Control is required to be monitored and reviewed periodically.*
2. *Internal control needs further strengthening in respect of implementation of risk management and systems to ensure continued implementation of Group'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.*

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 Group 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 31st March, 2022, based on "the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matter

Our aforesaid report u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far relates to financial

statements/information of 54 branches / offices have been audited by the independent auditors appointed by Comptroller & Auditor General of India, is based on the corresponding reports of the auditors of such Branches / Offices.

for **Goyal Parul & Co**

Chartered Accountants

Firm's Reg. No. : 016750N

Sd/-

(Parul Goyal)

Partner

Membership No.: 099172

UDIN: 22099172APNVZX9084

Place: New Delhi

Date: 18.08.2022

NOTES FORMING AN INTEGRAL PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

NOTE-1: GROUP INFORMATION & BASIS OF ACCOUNTING

1. CORPORATE INFORMATION

The National Small Industries Corporation Limited (referred to as “NSIC” or “The Parent Corporation”) was incorporated in the year 1955. NSIC is domiciled and incorporated in India [CIN No. U74140DL1955GOI002481], governed under the Companies Act and is a Systemically Important Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India vide certificate no. N.14.03090 dated 29/12/2005. The Legal Entity Identifier (LEI) Code registered with Global Legal Entity Identifier Foundation (GLEIF) is 335800935QD3LJGOLZ39. It is an ISO 9001-2015 certified Government of India ‘Mini Ratna Category-1’ Enterprise under Ministry of Micro, Small and Medium Enterprises (MSME).

NSIC has been working to promote aid and foster the growth of micro, small and medium enterprises in the country through its various Offices / Technical Centre. NSIC facilitates Micro, Small and Medium Enterprises with a set of specially tailored scheme to enhance their competitiveness. NSIC provides integrated support services under Marketing, Technology, Finance and other Support service.

NSIC Venture Capital Fund Limited (referred to as ‘NVCFL’ or ‘the subsidiary Company’), a public limited company domiciled in India was incorporated on 28 August 2020 under the provisions of the Companies Act, 2013. The Company is a wholly owned subsidiary of The National Small Industries Corporation Limited (‘NSIC’ or ‘the NSIC’), a Government of India enterprise, and registered as a Category-II Alternative Investment Fund under SEBI (Alternative Investment Fund) Regulations, 2012 vide Registration No IN/AIF2/21-22/0924 dated 01st Sept. 2021. The

scheme has the Government of India, NSIC and the Company as its contributors and is treated as a separate ‘Association of Person’. The objective of the Scheme is to provide funding support to the defaulter funds for onward provision of support to MSMEs as growth capital through equity, quasi-equity and debt.

Though, NVCFL has been exempted from registration with the Reserve Bank of India as a Non-Banking Finance Companies (NBFC) vide Master Direction – Exemption from provisions of RBI Act, 1934, as updated from time to time, NVCFL has followed Division III of Schedule III to the Companies Act, 2013 while preparing its financial statements for the period ended 31st March, 2022. Division III is applicable to NBFCs as defined in Companies (Indian Accounting Standards Rules), 2015 which includes venture capital fund companies and NVCFL had been setup as a venture capital fund Company with the specific purpose of establishing an AIF and was in the process of obtaining requisite approvals from SEBI during the period ended 31st March, 2021. During the year ended 31st March, 2022, the Company has duly received the registration certificate and is an approved AIF.

The registered office of both the NSIC and the NVCFL are located at NSIC Bhawan, Okhla Industrial Estate, Phase-III, New Delhi-110020.

These Consolidated Financial Statements comprises of the financial statements of NSIC and its subsidiary – NSIC Venture Capital Fund Limited (referred to collectively as the ‘Group’).

2. BASIS OF ACCOUNTING

i. Statement of Compliance

The Consolidated financial statements of the Group comply with Ind AS notified under the Companies (Indian Accounting Standard) Rules 2015 (as

amended), applicable provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 and other applicable regulatory norms/guidelines.

The Consolidated financial statements of the Group have been prepared on going concern basis under the historical cost convention following accrual system of accounting (unless otherwise stated) in accordance with the Generally Accepted Accounting Principles and are in accordance with the Indian Accounting Standard (referred to as “IndAS”) notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended, applicable provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 and other applicable regulatory norms/guidelines.

ii. Basis of Preparation and Presentation

The IndAS consolidated financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets (equity instruments classified as Fair Value through Other comprehensive income etc.) and financial liabilities (security deposits, etc.) that are measured at fair value at the end of each reporting date as required under relevant IndAS. These policies have been applied consistently for all the periods presented in the consolidated financial statements.

iii. Principles of Consolidation

In the preparation of these consolidated Financial Statements, the Investment in Subsidiaries have been accounted for in accordance with Indian Accounting Standard (Ind AS) 110, Consolidated Financial Statements. The Consolidated Financial Statements have been

prepared on the following basis:

Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances/ transactions along with unrealized profits or losses, except where cost cannot be recovered.

As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Parent Company’s standalone financial statements. Differences in accounting policies have been disclosed separately (if any).

iv. Use of estimates, assumptions and management judgements

In preparing the consolidated financial statements in conformity with the group’s accounting policies, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the consolidated financial statements, the amount of revenue and expenses during the reported period and notes to consolidated financial statements. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized in the period in which the results are crystallized.

v. Critical Accounting Estimates and Management Judgements

In application of the accounting policies, the management of the group is required to make judgements,

estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is stated here under:

a. Property, Plant and Equipment (PPE)

The residual values and estimated useful life of PPEs and Intangible Assets are assessed at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operational condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortization.

b. Assets held for sale

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105, 'Non-current assets held for sale and discontinued operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

c. Income Taxes

Estimates are involved in determining the provisions for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Judgements are made in respect of expected future profitability to assess deferred tax asset.

d. Impairment of financial instruments

The impairment assessment of financial instruments comprising of trade receivables and Loans & Advances is carried out based on assumptions about risk of default and expected loss. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward-looking estimates at the end of each reporting date.

e. Impairment of Non-financial assets (PPE)

The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement.

f. Defined Benefit Plans and Other long-term employee benefits

The cost of the defined benefit plan and other long-term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ

from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long-term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In case of NVCFL, currently there are no employees which are on payroll of the Company except two employee which are on deputation basis from holding Company NSIC and all Retirement benefits are provided by NSIC and charged to revenue account on a reimbursement basis.

g. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses other valuation techniques to determine its fair value. The inputs to apply these techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

h. Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability

of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

i. Reimbursement of Expenditure by the Fund (SRI Fund NVCFL):

An amount reimbursed by the Fund for fund expenses which are incurred by the Company on behalf of the Fund, as per the fund documents the Fund will, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, NVCFL is duly reimbursed and it's adjusted in Company books of accounts.

vi. Functional and presentation currency

These IndAS consolidated financial Statements are prepared in Indian rupees, the national currency of India and the functional currency of the group. All financial information presented in Rupees has been rounded off to the nearest lakh with two decimals unless otherwise indicated.

NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation and presentation of the consolidated financial statements as given below have been applied consistently to all periods presented in the consolidated financial statements.

1) Property, Plant and Equipment (PPE) – Tangible PPEs

a) Initial recognition and measurement

- i. Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost

- less accumulated depreciation, lease terminal adjustment and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use.
- ii. **Leased assets and seized leased assets out of leased assets acquired up to 31st March, 2001:** are stated at historical cost, net of accumulated balance of depreciation, lease terminal adjustment and accumulated impairment losses, if any.
 - iii. **Items of property, plant and equipment other than leased assets and seized leased assets out of leased assets** are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets less accumulated depreciation and accumulated impairment losses, if any.
 - iv. When parts of an item of PPE have different useful lives, they are recognized separately by identifying such components.
 - v. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use. Borrowing costs (after deducting income on temporary investment of borrowed funds, if any) directly attributable to the specified item of property, plant and equipment, are capitalized to such items.
 - vi. In case of assets available for use /put to use, where final statement of accounts /settlement of bills with contractors/ implementing agency is yet to be affected, capitalization is done on estimated basis, subject to necessary adjustments, including those arising out of settlement of arbitration/ court cases, in the year of final settlement.
- b) Subsequent costs**
- Subsequent expenditure is recognized as an increase in the carrying amount of the property, plant and equipment when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the property, plant and equipment can be measured reliably.
- The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in consolidated Statement of profit & loss.
- c) Derecognition**
- Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the consolidated statement of profit and loss.

II) Capital Work in Progress

- a) Capital work-in-progress comprises cost of PPE that are not yet ready for their intended use at the balance sheet date.
- b) The Assets under construction are carried at cost comprising direct cost (cost of materials, labour & other incidental expenditure) & related indirect expenses (including overheads) attributable to bring the assets to the location and working condition necessary for its intended use.
- c) Income pertaining to the construction period such as interest income, liquidated damages recovered, etc. is adjusted against the expenditure during construction period.
- d) Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors, until the assets is recognized as PPE.
- e) Advances paid for the acquisition/ construction of PPE which are outstanding at the balance sheet date are classified under 'Capital Advances'.

III) Intangible Assets

- a) **Initial recognition and measurement**
Intangible assets that are acquired by the group have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.
- b) **Subsequent Costs**
Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that

future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

c) Intangible Assets under Development

In terms of IndAS-38, any expenditure incurred by the Group, specifically attributable to development of an intangible asset and is likely to satisfy the recognition & measurement criteria- upon completion of development, are capitalized as "intangible assets under development" till they are ready for their intended use,

d) Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the consolidated statement of profit and loss.

IV) Impairment of Property, Plant & Equipment and Intangible Assets

Property, Plant & Equipment and Intangible Assets are treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is recognized immediately to consolidated statement of Profit and Loss in the year in which an asset is identified as impaired and the carrying amount of the asset is reduced to its recoverable amount, unless the relevant asset is carried at a revalue amount, where the impairment loss is treated as a revaluation decrease. If there is any indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

V) Assets held for sale

Non-current assets are classified as held

for sale if their carrying amount is intended to be recovered principally through a sale transaction (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell except for assets such as deferred tax, assets arising from employee benefit, financials assets and contractual rights under insurance contracts, which are specifically exempted from this requirement. The determination of fair value less costs to sell includes use of management estimates and assumptions.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the balance sheet.

VI) Depreciation on Tangible Assets and Amortization and Intangible PPEs

a) Leased assets and Seized leased assets out of leased assets acquired up to 31st March, 2001:

Depreciation is provided on pro-rata basis from the day the assets are put to use at written down value method as per the useful life prescribed in part C to schedule II of the Companies Act, 2013.

b) Items of Property, Plant & Equipment other than leased assets and seized leased assets out of leased assets

i) Depreciation on PPE is charged on straight-line method as per useful lives specified in part C to schedule II of the Companies Act, 2013 except Mobile phone Instruments.

S. No	Nature of Assets	Useful Life	Rate (SLM)	Residual Value
i.	Building RCC frame structure	60 Years	1.58%	5% of original cost
ii.	Building other than RCC frame structure	30 Years	3.17%	5% of original cost
iii.	Building Temporary Structure	3 Years	31.67%	5% of original cost
iv.	Roads-Carpeted- RCC	10 Years	9.50%	5% of original cost
v	Roads-Carpeted- other than RCC	5 Years	19.00%	5% of original cost
vi.	Roads-Non-Carpeted	3 Years	31.67%	5% of original cost
vii.	Plant and Machinery	15 Years	6.33%	5% of original cost
viii.	Furniture and Fittings	10 Years	9.50%	5% of original cost
ix.	Vehicles-2 wheeler	10 Years	9.50%	5% of original cost
x.	Vehicles-4 wheeler	8 Years	11.88%	5% of original cost
xi.	Office Equipment	5 Years	19.00%	5% of original cost
xii.	Computers and Processing Units	3 Years	31.67%	5% of original cost
xiii.	Servers and Networks	6 Years	15.83%	5% of original cost
xiv.	Electric Distribution Plant	35 Years	2.71%	5% of original cost
xv.	Electrical Installations and Equipment's	10 Years	9.50%	5% of original cost
xvi.	Intangible Assets- Software	5 Years	20.00%	₹ 1/-
xvii.	Mobile Phone Instruments	3 Years	33.33%	₹ 1/-

ii) Depreciation on additions to / deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposal.

iii) Assets costing up to ₹ 0.10 Lakh are depreciated fully in the year of purchase, after retaining 5% of original cost as residual value except Mobile phone Instruments where ₹ 1/- is retained as residual value.

iv) Mobile phone Instruments costing over ₹ 0.10 lakh, are

depreciated over a period of 3 years, starting from the year in which it is acquired, after retaining ₹ 1/- as residual value.

- v) Depreciation in case of PPE purchased out of Government grants, is charged to 'Capital Reserve' (which is in the nature of 'Deferred Income') in proportion to depreciation charged on such assets. The capital reserve is created at the time of purchase of fixed assets out of grants received with the purchase cost.
- vi) Lease hold land is amortized over the lease period.
- vii) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of five years, starting from the year in which it is acquired, after retaining ₹ 1/- as residual value. However, where the life of software is less than five years, the cost is amortized over the useful life of such Assets after retaining ₹ 1/- as residual value.
- viii) Software procured on subscription basis are charged to the Statement of Profit and Loss in the year of subscription paid.

VII) Borrowing Costs

Borrowing costs consist of interest and other costs that the NSIC incurs in connection with the borrowing of funds.

Borrowing costs incurred for qualifying assets are capitalized up to the date, the asset is ready for intended use, after netting off any income earned on temporary investment of such funds, based on borrowing incurred specifically for financing the asset. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are recognized in

the consolidated statement of profit & loss in the reporting period in which they accrue.

VIII) Inventories

- a) The inventory mainly comprises of the following-
 - i. Stock of stationery and miscellaneous items.
 - ii. Stores, tools, measuring instruments and goods in transit.
 - iii. Stock of finished goods pertaining to commercial activities.
 - iv. Stock of repossessed / seized / surrendered machines under hire purchase (HP) and composite term loan (CTL).
 - v. Stock of repossessed / seized / surrendered machines under equipment leasing where assets given on or after 01.04.2001.
 - vi. Obsolete and unserviceable assets.
- b) Cost is determined on First in First Out (FIFO) basis.
- c) Inventories are valued at the lower of cost and net realizable value.
- d) Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- e) Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

IX) Research and Development

- a) Expenditure on Research and Development of revenue nature is charged to the Statement of Profit and Loss.
- b) Expenditure on Research and Development of Capital nature is shown as an addition to PPE.

X) Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. All the items of income/ revenue (incl. revenue from training activities and common facilities) & expenditure are accounted for on accrual basis where there is certainty as to realization as described hereunder:

a) Income from Financial Activities under Hire Purchase, Marketing, Raw Material Distribution / Assistance, Assistance to Wholesalers and Retail Traders, Bill Discounting and Composite Term Loan

- i. Interest Income in respect of loans and advances, are recognized on accrual (time proportion) basis with reference to contractual terms considering outstanding amount, applicable rate, etc.
- ii. No Interest income is recognized from the date, loans and advances become NPA, in terms of, the Master Direction - Non- Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- iii. Interest accrued but not realized in case of NPA accounts, is reversed on reporting date from interest income as 'Additional/ Normal Interest Suspense (PIS)' and correspondingly reduced from total outstanding dues except cases where proceeds of invoked BG's are not received by reporting date [refer X(a)(iv) below].
- iv. On invocation of Bank Guarantee (BG), unit's account is frozen from the date of submitting its claim letter with the BG issuing bank and interest accrued but not realized

included in total dues, if any, is not reversed from interest income as 'Additional/ Normal Interest Suspense (PIS)'. At the year end, in case, proceeds of invoked BGs are not received in designated bank account of the Corporation, such amount is treated as "**Receivables from Bank**". However, where the bank delays in releasing the proceeds of invoked Bank Guarantees, interest for delayed period from the date of claim lodged till the date proceeds received in the designated bank account of the Corporation, if any, is recognized as income in the year of its realization.

- v. Processing fees/ service charges is treated as income on time proportionate basis under RMA/AWRT/BD against BG and in other cases, on accrual basis.
 - vi. Application processing fee, wherever applicable, is treated as income on receipt basis.
 - vii. Excess of sales proceeds of repossessed / seized / surrendered machines over their value in case of hire purchase and equipment leasing as on the date of repossession/ seizure / surrender is adjusted against the defaulted hirer's/ lessee's account. Any excess over and above the amount due from the hirer/lessee is treated as income in the year of receipt of sale proceeds.
- ### b) Recognition of Interest & freezing of Accounts
- i. Penal interest/interest on delayed payment/additional /normal interest under different activities/ schemes of the Corporation,

- wherever considered as doubtful of recovery, is treated as the income in the year of its realization.
- ii. Where the unit's accounts are frozen, no further interest is charged to the unit's account.
- c) **Sale of Goods and Services**
- i. Sales are net of GST, Discounts, Rebates, returns, etc. and are accounted for on the basis of invoice value as per terms & conditions of contract as applicable.
 - ii. Sales on account of export of products and projects are accounted for on the basis of invoice value as per the terms of exports.
- d) **Registration Fee under Single Point Registration Scheme**
- Registration fees under Single Point Registration Scheme, is recognized as income only on date of issuance of certificate for fresh registration/ renewal/ amendment therein.
- e) **Interest Income (NVCFL)**
- Interest income on Fixed Deposit is accrued on time basis, by reference to the principal outstanding and the effective interest rate applicable which is the rate which exactly discounts estimated future cash receipt through the expected life of financial assets to that asset's net carrying amount on initial recognition.
- f) **Management Fee (NVCFL)**
- In accordance with the operating guidelines issued by the Government of India and Contribution Agreement signed with the contributors of Fund, an investment management fee ('Management Fee') is receivable by NVCFL. Management Fee receivable by NVCFL as a percentage as specified in the contribution agreement, of the corpus actually placed at the disposal of the fund.
- g) **Membership fee of B2B portal (MSME Mart) -(B2B Scheme)**
- Membership fees of B2B portal (MSME Mart) under B2B Scheme, is recognized as income only on activation of unit's membership.
- h) **Revenue from training activities and common facilities**
- Revenue from training activities is recognized on accrual (time proportion) basis till the completion of training programme.
- Revenue from sponsored training is recognized after completion of training course and in line with terms and conditions of the Agreement/ Contract/ MOU.
- Revenue from common facilities (which inter-alia includes testing fees, job work charges, etc.) is recognized on completion of testing and job work.
- i) **Income from Turnkey Projects / Service Contracts**
- i. Revenue from consultancy, project management and supervision charges, is recognized in consolidated Statement of profit & loss, in proportion to the stage of completion of the transaction / handing over of the project, at the reporting date as per the terms of the contract.
 - ii. Direct Expenditure incurred on project are accounted for under the project and Indirect expenses are accounted for under the natural head of account of respective head.
- j) **Income from Leasing**
- Leases are classified as Operating

lease and Finance Lease. Leases in which the Corporation does not transfer substantially all the risks and rewards/ benefits of ownership of the asset to the lessee are classified as Operating Lease. Leases other than operating lease are classified as Finance Lease.

- i. Corporation was providing assistance under its Equipment Leasing business which was discontinued since 2003. Income recognition in respect of such leased assets and seized leased assets out of leased assets is as under:

I. On lease transactions entered up to 31st March, 2001

- i. Lease rentals in respect of transactions entered up to 31st March, 2001 are accounted for on accrual basis, net of the lease equalization charges.
- ii. Cost of capital relating to outstanding net investment in the leased assets is deducted from lease rentals to arrive at recovery of capital. The difference of recovery of capital and statutory depreciation is depicted through lease equalization charge account. The contra effect of such lease equalization account is reflected

by lease terminal adjustment account in the balance sheet. The short fall of capital recovery, if any, is accounted for in the year of disposal of asset.

II. Lease transactions entered on or after 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.

- ii. Income recognition in respect of other leases in terms of IndAS-116.

i. Corporation as a Lessor

It inter-alia includes space, godown, etc. owned by the Corporation and given on lease for which rental income is received. The Assets subject to operating lease are included in Property, Plant & Equipment and depreciated over its useful life. Lease income in respect of 'Operating Lease' is recognized in the statement of profit and loss on a straight-line basis over the lease term.

The Finance Lease is

not undertaken by the Corporation as lessor.

ii. Corporation as a Lessee

It inter-alia includes space, godown, accommodations for staff, etc taken by the Corporation on lease for which lease rent payments are made. These lease arrangements are usually renewable on mutually agreed terms.

The Finance Lease is not undertaken by the Corporation as lessee.

- The accounting by Lessee under the new standard IndAS-116 is as under:

Corporation recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases), leases with no written agreement and leases for low value underlying assets.

A short-term lease would cover lease agreement for less than 12 months or lease agreements more than 12 months but lessor

having a right to cancel at any time by giving some notice period. Lease agreements executed by the Corporation for duration of more than twelve months but containing a clause of giving an option to terminate the same by giving notice of defined period, are also treated as short term lease.

The Standard does not specify the threshold for low value assets. However, it includes low value assets viz tablets, personal computers/Laptop and small items of PPE, etc.

For short-term and leases for low value underlying assets, the Corporation recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the

commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation / amortization and impairment losses. Right-to-use asset shall be depreciated in accordance with IndAS-16-Property, Plant and Equipment (PPE)'

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

k) **Treatment of Decree Awarded**

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

l) **Dividend Income**

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

m) **Scrap Sale**

Income from sale of scrap is accounted on realization basis.

XI) Foreign Currency transactions and translations

- a) Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.
- b) Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises.
- c) Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

XII) Government Grants

- a) The approved grants from Government of India under various promotional activities are recognized on accrual basis where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. In case of approved Promotional activities, expenditure incurred / committed for the year, but grant received in subsequent year, is accounted on accrual basis.
- b) Receipt of grants is recognized as advance from the Government of India and is shown as Amounts Payable to Government of India. Thereafter, the grant amount, to the extent of expenditure incurred, is recognized as income in the consolidated Statement of Profit and Loss.
- c) In case of capital grant, the expenditure incurred is reduced from the recognized grant income by creating capital reserve which is in the nature of 'Deferred Income'. The capital reserve is recognized as income each year over the life of the relevant assets

in proportion to depreciation on those assets.

- d) Government grants relating to Revenue are recognized in the consolidated Statement of Profit and Loss on a systematic basis over the periods in which the NSIC recognizes the incurred related costs as expenses for which such grants relates / are intended to cover.
- e) Government grants towards reimbursement of amount of fees towards 'Membership Fees under SPRS scheme (NSSH)', 'Inspection Charges under SPRS scheme (NSSH)' (applicable where the inspection is carried out by NSIC officials only and not by empanelled Inspection Agencies), 'Membership Fees under B2B scheme (NSSH)', 'Training Fees for Capacity Building (NSSH)', 'Rent of Office Premises-NSSHO' (applicable where the property is owned by NSIC and where the rent is not paid to outsider are charged as grant utilized under the group head **"Membership/ Inspection fees, rent, etc under NSSH"** and are reduced from the recognized grant income. Similarly, government grants towards reimbursement of training fees under Assistance to Training Institutions (ATI) scheme, etc are also charged as grant utilized under the group head **"Training Fees under ATI"** and is reduced from the recognized grant income.

As the NSIC is already rendering all the services as mentioned above on commercial basis, however, in case of SC/ST units, NSIC's commercial fees are being paid by the Government of India in lieu of SC/ST MSE units. Therefore, all the reimbursements as referred above are also treated as **commercial revenue** of respective heads under 'Sale of Services'.
- f) Administrative expenses, if any, allowed to the NSIC for Implementation

of any Government promotional schemes, on amount spent/ utilized (except amount spent/ utilized on Mentoring & hand holding support, NSIC's commercial revenue, etc), in terms of approved guidelines, are charged as grant utilized under the group head **"Administrative Charges for Implementation of Govt. Schemes (Grants and Subsidies)"** and correspondingly reduced from the recognized grant revenue. Since, it's a NSIC's commercial revenue, therefore, the same are also depicted as **commercial revenue** under the group head **"Administrative Charges for Implementation of Govt. Schemes (Grants and Subsidies)"** under 'Sale of Services'.

- g) The NSIC is also carrying out promotional schemes namely Procurement & Marketing Support Scheme (PMSS), International Co-operation (IC), etc which are **reimbursement-based scheme** in terms of guidelines issued by Ministry wherein only on receipt of funds from o/o DC-MSME/ Ministry by the NSIC, reimbursed claimed expenses and corresponding grants are recognized in the year of funds received.
- h) The direct actual expenditure incurred on account of training under ATI and NSSH scheme, if any, are accounted for as commercial expenditure under the natural head of account of respective head.
- i) Interest earned, if any, on the Government grant received as per the terms of the sanction of the grant, is recognized as advance from the Government of India and is shown as Amounts Payable to Government of India.
- j) In case, the net result under advance accounts of various promotional activities is "deficit", it is shown as "Amount Receivable from the

Government of India for deficit in grants” under the head Financial Assets and if there is “surplus”, the same is shown as “Amount Payable to the Government of India for surplus in grants” under the head Financial Liabilities.

XIII) Reimbursement of Expenditure (NVCFL)

An amount which are incurred by the Company on behalf of SRI Fund are reimbursed by the Fund as per the fund documents and credited in the profit & loss account.

XIV) Allocation of Expenses

The expenses directly attributable to the commercial activities are charged to the respective activities. In case of indirect expenses, the same are allocated on the basis of revenue/ income earned under different commercial activities during the year.

XV) Employee Benefits

Employee Benefits include Salaries and Wages, Provident Fund, Pension, Gratuity, leave encashment and other terminal benefits.

a) Short Term Employee Benefits

Short term employee benefits comprise of employee costs such as salaries, allowances, annual leave and sick leave which are accrued during the year in which the associated services are rendered by employees of the NSIC.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

b) Post-Employment Benefits and Other Long-Term Employee Benefits

(i) Defined Contribution plan

A defined contribution is a post-employment benefit plan where NSIC pays fixed contributions into different organizations and

will have no legal or constructive obligation to pay further amounts. Contributions to Provident Fund, Pension Fund & Post-retirement medical benefits (PRMB) made by the NSIC are considered as defined contribution plan. Such contributions paid/ payable during the year are recognized as an employee benefit expense in the consolidated statement of profit and loss for the year in which the related services are rendered.

The contribution to provident fund is paid to a fund administered through a separate trust and contribution to pension fund is paid to Life Insurance Corporation of India through trust. Regarding PRMB, medical corpus is created as per guidelines of Department of Public Enterprises which is utilized for the payment of premium to the Insurance Company.

(ii) Defined benefits plan

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. NSIC's Liability towards gratuity, leave encashment and other employees' benefits namely Sick leave and T.A. on Retirement, made by the NSIC, are considered under Defined Benefit Plan.

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation at the year-end using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, are recognized in the period in which they occur, directly in

other comprehensive income. Remeasurement recognized in Other Comprehensive Income (OCI) is reflected immediately in retained earnings and is not reclassified to the consolidated Statement of Profit & Loss.

XVI) Prior Period Expenses and Income

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

XVII) Prepaid Items

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

XVIII) Taxation

Tax expense for the period comprises of current tax and deferred tax. Tax recognized in consolidated statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity where the tax is also recognized in other comprehensive income or equity.

a) Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provision of the Income Tax Act, 1961 and the other applicable tax laws.

b) Deferred Tax

- i. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose.
- ii. Deferred tax liabilities are generally recognized for all taxable temporary differences.
- iii. Deferred tax assets are generally recognized only to the extent that it is probable

that future taxable profits will be available against which the assets can be utilized.

- iv. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.
- c) Additional income taxes that arise from the distribution of dividends are recognized at the time when the liability to pay the related dividend is recognized.

XIX) Cash and cash equivalents

Cash comprises of cash on hand, demand deposits with banks, etc. The group considers cash equivalents as all short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

XX) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

XXI) Dividends

Dividends payable to a group's shareholders are recognized as changes in equity in the period in which they are approved/ recommended by the shareholders' meeting and the Board of Directors respectively.

XXII) Cash Flow Statement

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

XXIII) Provisions, Contingent Liabilities and Contingent Assets

a) Provisions

- (i) Provisions are recognized when the group has a present legal

- or constructive obligation as a result of a past event, provided there is possibility of that the group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
 - (iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset provided it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.
 - (iv) Provisions, if required, on Receivables and Loans & Advances from Central Government / State Governments / Government Institutions / Government Companies and other Central / State Government departments / bodies, are made wherever considered appropriate by the management.
 - (v) No provision for receivables in respect of 'Receivables' under Export and Marketing Scheme is made to the extent the amount appears under 'Payable' and to the extent of service charges adjusted against amount payable to supplier, for supplies pertaining to the same transaction under back-to-back arrangement with suppliers.
 - (vi) Based on RBI notification no RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13.03.2020, ECLs in terms of IndAS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20.
 - (vii) The classification and norms of making provisions for Receivables and Loans & Advances (net of interest suspense account) in terms of IndAS and IRAC prudential norms issued by RBI, are annexed herewith.
- b) **Contingent Liabilities**
- Contingent Liabilities is a possible obligation arising from past events and the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.
- The group discloses the existence of contingent liabilities in Notes to consolidated Financial Statements. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts and are reviewed/ assessed continuously at each balance sheet date to determine whether outflow of economic resources have become probable. If the outflow becomes probable, then relative provision is recognized in the consolidated financial statements to reflect the current management's estimates.
- c) **Contingent Assets**
- Contingent Assets are not recognized but disclosed in Notes which usually

arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits.

Contingent assets are assessed continuously to determine whether inflow of economic benefits becomes virtually certain, then such assets and the relative income will be recognized in the consolidated financial statements.

XXIV) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value except in case of Trade Receivables which are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset at fair value through profit & loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset at FVTPL are recognized immediately in the consolidated statement of profit & loss.

A. Financial assets

I. Subsequent Measurement

Financial assets include Investments, Loans, Trade Receivables, Security Deposits, Cash and Cash Equivalents etc. Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired.

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- at amortized cost using effective interest rates (EIR)
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

i. **Financial Assets at Amortized Cost** - A financial asset shall be measured at Amortized cost, if both of the following conditions are met:

- a) Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- b) Contractual terms of the financial assets give rise on specified dates to cash flows that are **solely** payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using Effective Interest Rate (EIR) method. The EIR method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discount estimated future cash receipts (including all fees paid or received that

forms an integral part of the effective interest rate, transaction costs and other premiums and discounts) through the expected life of the financial asset, or where appropriate, a shorter period to the net carrying amount on initial recognition.

The Group's cash and cash equivalents, trade receivables and other loans & advances falls into this category of financial instruments.

ii. **Fair value through other comprehensive income (FVTOCI)** - A financial asset shall be measured at Fair value through other comprehensive income, if both of the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
 - The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding
 - Fair value movements are recognized in the OCI and accumulated in reserve
- Equity instrument have been classified as at FVTOCI wherein all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity shares listed on stock exchanges are valued at weighted average price of last trading day of financial year at Bombay Stock Exchange (BSE).

iii. **Fair value through profit or loss (FVTPL)**

A financial asset is measured at FVTPL unless it is measured at amortized cost or FVTOCI, with all changes in the fair value recognized in consolidated Statement of Profit & Loss.

II. **Impairment in Financial Assets**

The Group at the end of each reporting year, tests a financial asset or a group of financial assets (other than financial assets held at fair value through profit or loss) for impairment based on evidence or information that is available without undue cost or effort. Expected credit loss (ECL) is assessed and impairment loss recognized, if the credit risk of the financial asset is significantly increased.

The impairment losses and reversals are recognized in the consolidated statement of profit and loss.

Impairment model under IndAS-109 applies to financial instruments as listed below:

- ❖ Financial assets that are debt instruments

measured at Amortized Cost e.g. loans, debt securities, deposits and bank balance.

- ❖ Equity investments are measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- ❖ Loan commitments not measured at FVTPL (Fair Value Through Profit and Loss)
- ❖ Lease Receivables under IndAS-116
- ❖ Trade and other receivables

Based on RBI notification no RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13.03.2020, ECLs in terms of IndAS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20, which comprises of:

- a) Loans & advances to customers under schemes of Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan and receivables from banks.
- b) Trade Receivables in respect of dues under schemes of Hire Purchase, Leasing, Marketing and Others (incl. receivables on account of transactions comprising of Sale of Services).

In terms of above mentioned RBI notification dated 13.03.2020, Receivables

and Loans & Advances under financing scheme comprising of receivables in respect of dues under Hire Purchase, Leasing, Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, receivables from banks etc., where impairment allowance under IndAS-109 is lower than provisioning required under IRACP (including standard assets provisioning), the NSIC appropriates the difference from its net profit or loss after tax to a separate 'Impairment Reserve'. Such transfer will not be a charge against profit; instead, appropriated against the profit or loss after taxes .

III. Derecognition of Financial Assets

Financial assets are derecognized when the contractual right to receive cash flows from the financial assets expires or transfers the contractual rights to receive the cash flows from the asset.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognized in Consolidated Other Comprehensive Income and accumulated in Equity, is recognized in Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognized in Consolidated Statement of

Profit and Loss on disposal of that financial asset.

B. Financial Liability and Equity Instruments

The Group's financial liabilities include Trade and other payables, Loans and Borrowings including Bank Overdrafts, Earnest Money Deposit and Retention Money.

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable transaction cost.

I. An equity instrument (NVCFL)

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Entity are recognised at the proceeds received, net of direct issue costs.

II. Subsequent measurement

- i. **Financial liabilities at Amortized costs** – After initial measurement, such financial liabilities are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in consolidated statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that

are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated Statement of Profit and Loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

- ii. **Financial liabilities at Fair value through statement of Profit and loss** include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through consolidated statement of Profit and Loss. The carrying value of those financial liabilities which are to be discharged within twelve months is considered to be its fair value.

III. Derecognition of Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit and loss.

Annexure to Accounting Policy-XXIII (a)(vii)

Classification and Provisioning Norms for Receivables and Loans & Advances

The classification and norms of making provisions for Receivables and Loans & Advances (net of interest suspense account) in terms of IndAS and IRAC prudential norms issued by RBI are as follows:

1. Secured Receivables and Loans & Advances

Trade receivables and Loans & Advances are treated as ₹ **Secured** (unless otherwise stated), to the extent of the liquid realizable securities available with the NSIC which inter-alia includes - market value/ WDV/ committed value (in respect of legal/seized cases) of assets financed (identified & lying in possession of the unit/NSIC), any advance received from the unit, Earnest Money Deposit (EMD), seized machines, consideration money, advance installment/ rental, advance received from hirer / advance against purchase of machine, realizable Collateral Security-Equitable Mortgage of Immovable Property, Bills for supplies made to the Government Departments, valid Bank Guarantee (BG)/ Letter of Credit (LC) or any other tangible security/ Security Deposits paid by the NSIC under contractual valid agreement/ contract / rights / any amount owned by the NSIC to the units including transactions under back-to-back arrangement, Advances paid to bulk suppliers (having MOU arrangement with the NSIC) to the extent of advance have already been received from the MSMEs & / or amount paid out of the sanctioned limit under RMA against BG, Security Deposits paid by the NSIC & correspondingly the buyer of supplies also provides security to the NSIC (including Security Deposits under contractual rights), sponsored training dues outstanding equal to or less than 180 days, employee advances of existing employees and interest accrued thereon. It shall also include all securities obtained from the units as per the terms of sanction of assistance.

The amounts not covered by above are treated as '**Unsecured**'.

2. Classification of Financial Instruments

The financial instruments comprising of Receivables and Loans & Advances in terms of IndAS-109 and further classification of Financial Instruments among Financing Schemes in terms of IRAC prudential norms issued by RBI, inter-alia includes following:

- (i) **Trade Receivables:** Trade Receivables under financing schemes comprises of receivables in respect of dues under Hire Purchase and Leasing whereas under non-financing schemes comprises of receivables in respect of dues under Marketing activities and Others (incl. receivables on account of transactions comprising of Sale of Services).
- (ii) **Loans & Advances:** Loans and advances under financing schemes comprises of receivables in respect of dues under Raw Material Assistance, Assistance to Wholesalers and Retail Traders, Bill Discounting, Term Loan, Composite Term Loan, receivables from banks etc.
- (iii) **Others:** These instruments under non-financing schemes comprise of Receivables and Loans & Advances which inter-alia includes advances recoverable in cash or in-kind (primarily consist of advances paid to outside parties including advances paid to bulk suppliers having MOU with the NSIC), security deposits, staff advances (including interest accrued but not due thereon) and other assets, etc.

3. Provisioning Norms for Receivables and Loans & Advances:

Recognition of impairment allowance in terms of IndAS-109 on the financial instruments and IRAC prudential norms issued by RBI, are explained below:

a) **Provisioning norms in terms of IndAS-109** for various items of Trade Receivables, Loans & Advances are depicted below:

(i) **Loans and Advances under Raw Material Assistance, Assistance to Wholesalers and Retail Traders, Bill Discounting, recoverable from Banks and Trade & other receivables:**

Stages	Classification of Outstanding Receivables and Loans & Advances
Stage-1 (Performing)	This would inter-alia includes financial assets where there is no material increase in credit risk <i>since initial recognition</i> or those which have low credit risk at the reporting date. It covers financial assets which inter-alia includes: a) RMA, AWRT and Bill discounting against BG to the extent covered by value of valid BG -Impairment allowance @ 0.40% of Net Outstanding. b) Where low risk to the NSIC is substantiated and inter-alia includes: ❖ Where receivables are treated as secured in terms of liquid/ tangible security as EMD/ advance installment/ rental/ advance received from the unit, realizable Collateral Security, etc. ❖ Sponsored training dues outstanding equal to or less than 180 days ❖ Receivables under Export and Marketing scheme to the extent the amount payable to supplier, for supplies pertaining to the same transaction under back-to-back arrangement with suppliers. In such cases, as there will be no ECL, therefore, no impairment allowance be provided.
Stage-2 (Under Performing)	Stage-2 covers those financial assets where there is significant increase in credit risk since initial recognition but which do not have objective evidence of impairment. This would inter-alia includes following cases: a) RMA and Bill discounting against collateral: This would include financial assets pertaining to the schemes that have been closed since long or not intended to be carry along in future by the NSIC but are backed up with any sort of realizable security to the extent covered by such value of realizable security. - Impairment allowance @ 100% of Net Outstanding. b) RMA, AWRT and Bill discounting against BG: This would include cases where bank guarantees are invoked by the NSIC but claims are deferred or not admitted by the BG issuing bank on any ground and such cases are further taken up by the NSIC with the AMRCD, higher authorities of BG issuing bank, other authority, etc for intervention to resolve the issue & decision of final authority is in favour of the NSIC. Moreover, cases wherein no refusal/ denial is received from bank/authority for payment to Corporation and/or payment is deferred/ stayed by NCLT/ court/ other authorities, etc.- Impairment allowance @ 0.40% of Net Outstanding. However, where any amount against aforesaid cases is received before signing of balance sheet- no impairment allowance be provided.

(ii) **Receivables and Loans & advances under Hire Purchase, Leasing, Term Loan, Composite Term Loans, etc:**

Stages	Classification of Outstanding Receivables and Loans & Advances
Stage-3 (Non-Performing)	Stage 3 assets will include those financial assets for whom there is objective evidence of impairment at the reporting date. It covers financial assets which are not covered under Stage-1 & 2 and inter-alia includes the following:
	a) schemes that have been closed since long or not intended to be carry along in future by the NSIC and are not backed up with any sort of realizable security b) schemes viz. Hire Purchase (HP), Leasing (ELS), Composite Term Loans (CTL) and Term Loans (TL). c) where there is a fraud involved d) where there is dispute with the BG issuing bank in admitting the claim and decision of final authority (like Administrative Mechanism for Resolution of CPSEs Disputes-AMRCD) is against the NSIC e) amount/ advances with outside parties & are doubtful of recovery. f) amount receivable from employees left / resigned from the NSIC and no amount is available to set-off the outstanding g) sponsored training dues outstanding over 180 days h) all un-secured Receivables and Loans & Advances In such cases, impairment allowance @ 100% of Net Outstanding.

b) **Provisioning norms based on IRAC prudential norms issued by RBI** for various items of Trade Receivables, Loans & Advances are depicted below:

(i) **Receivables under Hire Purchase, Leasing, Term Loan and Composite Term Loans:**

S. No	Scheme	Provision % of Net Outstanding
1.	Hire Purchase	100%
2.	Leasing	
3.	Composite Term Loans	
4.	Term Loan	

(ii) **Receivables under Raw Material Assistance, Assistance to Wholesalers and Retail Traders and Bill Discounting:**

S. No	Classification of Outstanding Receivables and Loans & Advances	Provision % of Net Outstanding
1	Standard Assets -Up to 270 days	0.40%
2	Sub-Standard Assets (NPA for not exceeding 1 year)	10%
3	Doubtful Assets	
	Secured Portion of Doubtful assets:	
	Doubtful up to 1 year (i.e. NPA for 2 years)	20%

S. No	Classification of Outstanding Receivables and Loans & Advances	Provision % of Net Outstanding
	Doubtful over 1 year and up to 3 year (i.e. NPA for 2 to 4 years)	30%
	Doubtful over 3 years (i.e. NPA for more than 4 years)	50%
	Doubtful assets not covered by the realizable value of security to which the NSIC has a valid recourse.	100%
4	Loss Assets, if not written off	100%

(iii) **Receivables from Banks:**

This would include cases where bank guarantees are invoked by the NSIC, but claims are deferred or not admitted by the BG issuing bank on any ground and such cases are further taken up by the NSIC with the AMRCD, higher authorities of BG issuing bank, other authority, etc for intervention to resolve the issue & decision of final authority is in favour of the NSIC. Moreover, cases wherein no refusal/ denial is received from bank/ authority for payment to Corporation and/or payment is deferred/ stayed by NCLT/ court/ other authorities, etc.- Impairment allowance @ 0.40% of Net Outstanding.

However, where any amount against aforesaid cases is received before signing of balance sheet- no impairment allowance be provided.

c) **Provisioning Norms in respect of Other Receivables and Loans & Advances**

- Provisions, if required, on Receivables and Loans & Advances from Central Government / State Governments / Government Institutions / Government Companies and other Central / State Government departments / bodies, are made wherever considered appropriate by the management.
- Classification and Provisioning norms in respect of such Receivables, Loans & Advances, are depicted below:

S. No	Classification of Outstanding Receivables and Loans & Advances	Provision % of Net Outstanding
i	Receivables and Loans & Advances, treated as 'Secured' which inter-alia includes:	
	a) Receivables and Loans & Advances due from Government Departments/ Institutions/ Undertakings	
	b) All receivables and Loans & Advances against which the NSIC holds tangible realizable security	
	c) Advances paid to bulk suppliers (having MOU arrangement with the NSIC) 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.	
	d) Security Deposits paid by the NSIC and correspondingly the buyer of supplies also provides security to the NSIC (including Security Deposits under contractual rights).	

S. No	Classification of Outstanding Receivables and Loans & Advances	Provision % of Net Outstanding
	e) All receivables and Loans & Advances / Security Deposits paid by the NSIC under contractual valid agreement/ contract	
	f) From employees working in the NSIC.	NIL
ii	Receivables and Loans & Advances, treated as 'Impaired' (unless otherwise stated) which inter-alia includes:	
	a) Amount/ advances with outside parties & are doubtful of recovery.	
	b) Amount receivable from employees left / resigned from the NSIC and no amount is available to set-off the outstanding.	100%

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED BALANCE SHEET AS AT 31.03.2022

(₹ in Lakh)

Particulars	Note No.	As at 31.03.22	As at 31.03.21
ASSETS			
1 Financial Assets			
(a) Cash and Cash Equivalents	3	18884.73	15086.25
(b) Bank Balances other than Cash and Cash Equivalents	4	492.65	583.66
(c) Trade Receivables	5	14170.95	18719.09
(d) Loans & Advances	6	247584.73	230674.52
(e) Investments	7	279.76	174.36
(f) Other Financial Assets	8	1922.94	1289.14
		283335.76	266527.02
2 Non-Financial Assets			
(a) Inventories	9	12.26	40.59
(b) Current Tax Assets (Net)	10	646.33	45.85
(c) Deferred Tax Assets (Net)	11	3860.37	4071.07
(d) Property, Plant and Equipment	12	28343.91	28635.44
(e) Capital Work-in-Progress	12	750.33	423.44
(f) Intangible Assets Under Development	12	23.39	40.32
(g) Other Intangible Assets	12	82.95	118.80
(h) Right to Use of Assets	12	55.00	55.83
(i) Assets Classified as Held for Sale	12	0.21	0.07
(j) Other Non-Financial Assets	13	1939.24	35713.99
		1246.50	34677.91
Total Assets		319049.75	301204.93
LIABILITIES AND EQUITY			
1 Financial Liabilities			
(a) Payables			
(i) Trade Payables			
Outstanding Dues of MSEs	14	14348.89	19252.10
Outstanding Dues of Non-MSEs	14	190.16	156.54
(ii) Other Payables			
Outstanding Dues of MSEs	14	0.00	0.00
Outstanding Dues of Non-MSEs	14	0.00	0.00
(b) Borrowings	15	152335.57	143219.83
(c) Other Financial Liabilities	16	18619.98	185494.60
		14249.10	176877.57
2 Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)	10	0.00	0.00
(b) Provisions	17	11043.72	10242.17
(c) Deferred Tax Liabilities (Net)	11	0.00	0.00
(d) Other Non-Financial Liabilities	18	4983.16	16026.88
		4681.85	14924.02
3 Equity			
(a) Equity Share Capital	19	53298.80	53298.80
(b) Other Equity	20	64229.47	117528.27
		56104.54	109403.34
Total Liabilities and Equity		319049.75	301204.93
Other Notes on Accounts	35		

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 35 referred to above form an integral part of Financial Statements.

Statement of changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

In terms of our report of even date attached

For Goyal Parul & Co.

Chartered Accountants

Firm Registration No.: 016750N

Sd/-

Parul Goyal
Partner

Membership No. : 099172

Place : New Delhi

Date : 18.08.2022

UDIN : 22099172APNVZX9084

For and on behalf of Board of Directors

Sd/-

Gaurang Dixit

Director (Finance) & CMD (Additional Charge)

[DIN : 08535482]

Sd/-

Partha Majhi
GM (F&A)

Sd/-

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2022

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.22	For the Year Ended 31.03.21
I REVENUE			
A Revenue from Operations	21		
Sale of Products		221163.92	168430.76
Sale of Services		9265.99	8829.20
Interest Income		26125.90	27176.77
Fees and Commission Income		4735.83	4580.06
[Includes Processing Fees earned of ₹ 4735.83 lakhs (₹ 4580.06 lakhs) for value of goods handled and services rendered ₹ 1819418.11 lakhs (₹ 1287396.77 lakhs)]			
Other Operating Income		1161.13	1123.39
Total Revenue from Operations		262452.77	210140.18
B Other Income	22	219.26	95.47
C Grants and Subsidies	23	6700.65	7915.96
Total Revenue (A + B + C)		269372.68	218151.61
II EXPENSES			
Purchase of Products	24	220204.04	167355.66
Changes in Inventories	25	1.91	54.96
Employee Benefit Expenses	26	13429.93	13301.27
Finance Costs	27	6257.02	7708.37
Depreciation and Amortization Expenses	28	742.32	841.52
Corporate Social Responsibility	29	230.60	224.58
Other Expenses	30	13657.24	14690.65
Fees and Commission Expenses	31	76.39	63.97
Total Expenses		254599.45	204240.98
III Profit before Exceptional Items and Tax		14773.23	13910.63
Exceptional Items (Refer point no. 4E(b) of Note-35)		-6.20	4.22
IV Profit before Tax		14779.43	13906.41
Tax Expense	32		
Current Tax		3555.25	3402.78
Deferred Tax		222.45	432.91
Earlier Years		-11.11	-27.48
V Total Tax Expense		3766.59	3808.21
VI Profit after Tax for the period from Continuing Operations		11012.84	10098.20
VII Profit from Discontinued Operations		0.00	0.00
VIII Tax Expenses from Discontinued Operations		0.00	0.00
IX Profit from Discontinued Operations (After Tax)		0.00	0.00
X Profit for the Period		11012.84	10098.20

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2022

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.22	For the Year Ended 31.03.21
XI Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment		94.70	92.73
Items that will not be reclassified to Profit or Loss - Actuarial Gain/Loss on Defined Benefit Plans		-141.37	134.95
Income Tax relating to Items that will not be reclassified to Profit or Loss		11.75	-57.31
Sub Total (A)		-34.92	170.37
B Items that will be reclassified to Profit or Loss		0.00	0.00
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Sub Total (B)		0.00	0.00
Other Comprehensive Income (A + B)		-34.92	170.37
XII Total Comprehensive Income for the period (X + XI) (Comprising Profit/ (Loss) and other Comprehensive Income for the period)		10977.92	10268.57
XIII Earnings per Equity Share (for Continuing Operations)	33		
Basic (₹)		20.66	18.95
Diluted (₹)		20.66	18.95
XIV Contingent Liabilities	34 (i)	1286.20	1323.36
XV Capital Commitments	34 (ii)	3296.75	1758.45
Other Notes on Accounts	35		

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 35 referred to above form an integral part of Financial Statements.

Statement of changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

In terms of our report of even date attached
For Goyal Parul & Co.
Chartered Accountants
Firm Registration No.: 016750N

Sd/-
Parul Goyal
Partner
Membership No. : 099172
Place : New Delhi
Date : 18.08.2022
UDIN : 22099172APNVZX9084

For and on behalf of Board of Directors

Sd/-
Gaurang Dixit
Director (Finance) & CMD (Additional Charge)
[DIN : 08535482]

Sd/-
Partha Majhi
GM (F&A)

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

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

Consolidated Cash Flow Statement attached to and forming part of the Accounts for the Year Ended 31.03.2022

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Net Profit/Loss before Tax	14,779.44	13,906.41
Adjustment for Non-Cash / Non-Operating Items:		
Add: Finance Costs	6,267.12	7,751.04
Less: Interest Income	(61.50)	(13.05)
Add: Depreciation and Amortisation Expenses N28	742.34	717.11
Add: Impairment Loss on PPE N28	-	124.41
Less: Gain on Sale/Disposal of Assets/Intangibles PL	(10.70)	(0.25)
Add: Losses on Sale/Disposal of Assets/Intangibles PL	4.51	4.47
Add: Provisions & Contingencies (Terminal Benefits)	1,593.95	1,233.92
Add: Provisions made during the year (Exchange Variation)	425.06	459.14
Add: Bad Debts Written Off N30	7.75	18.17
Add: Loss on Foreign Currency Transaction and Transition (Net) N30	(85.57)	22.59
Add: Discounting Impact (Debit) N30/N27	53.63	27.70
Less: Discounting Impact (Credit) N22	(28.02)	(42.38)
Less: LTA Adjustment N12	-	(0.59)
Less: Dividend Income N22	(2.35)	(2.35)
Less: Interest on FDs/Deposits with Banks N21	-	(11.06)
Less: Excess Provision Written Back-Others	(436.90)	(139.80)
Less: Sundry Credit Balances Written Back	(314.15)	(601.15)
Less: Excess Provision Written Back (Terminal Benefits)	(50.51)	(168.59)
Less: Excess Provision Written Back (KFW Loans)	(274.01)	(213.85)
Add: Recognition of Income Tax recoverable for previous year	0.83	-
Cash outflow towards Finance Costs	(6,677.35)	(7,378.73)
Cash Inflow from Interest on FDs/Deposits with Bank	62.13	3.43
Operating Cash Flow before Working Capital Changes:	15,995.71	15,696.59
Adjustment for Working Capital Changes:		
Decrease in Current Assets/ (Increase in Current Assets)		
Trade Recivables-Sch 5	4,540.38	2,760.21
Other Fin. Assets- Sch 8	(660.04)	19,154.06
Inventories-Sch 9	8.67	83.51
Current Tax Assets -Sch-10	(1,056.50)	(935.88)
Loans & Advances-Sch 6	(16,473.31)	(4,356.73)
Other Non Fin. Assets-Sch 13	(692.74)	360.01
Deffered Tax Assets-Sch-11	-	-
Increase in Current Liabilities/ (Decrease in Current Liabilities)		
Trade Payables -Sch 14	(4,555.45)	(3,419.76)
Other Fin. Liab.-Sch 16	4,781.10	(18.70)
Provisions-Sch 17	(1,030.72)	(1,338.87)
Other Liabilities -Sch 18	301.31	(145.35)
Cash Flow before Tax:	1,158.41	27,839.08
Taxes Paid	(3,088.95)	(1,469.94)
(A) Net Operating Cash Inflow / Outflow	(1,930.54)	26,369.14
Cash Flow from Investing Activities:		
Sale Proceeds of Assets N12	26.74	2.85
Increase in PPE and Capital W.I.P. N12	(417.37)	(1,282.88)
Amount reimbursed for Intangible Assets under development	16.93	-
Investment in NVCFI	-	(600.00)
Investment in Term Deposits (Maturity More than 3 m)	(70.00)	(133.66)
Investment in Term Deposits (Maturity More than 1 y)	161.01	(450.00)
Investment in AIF-SRI Fund	(10.69)	-
Fixed Assets (Acquired Out of Grant) N12	-	-
Fixed Assets (Grant Assets Sales) N12	-	-
Dividend from Investments	2.35	2.35
Interest on Bank Deposits	-	1.37
Expenditure on Intangible Assets under Development	(0.00)	(16.93)
(B) Net Investing Cash Inflow / Outflow	(291.05)	(2,476.89)
Cash Flow from Financing Activities:		
Proceeds from Issuance of Share Capital	-	600.00
(+) Increase / (-) Decrease in Borrowings (Short Term)	9,500.00	(18,500.00)
(-) Decrease in Borrowings (Long Term)	(302.27)	(304.31)
(+) Increase in Borrowings (Long Term)	-	-
Dividend Paid	(3,177.66)	(3,409.33)
(C) Net Financing Cash Inflow / Outflow	6,020.07	(21,613.64)
Net Cash Inflow/ Outflow	3,798.48	2,278.60
Add: Cash & Cash Equivalents at beginning of the year	15,086.25	12,807.65
Cash & Cash Equivalents at the end of the year	18,884.73	15,086.25
Cash & Cash Equivalents as per Balance Sheet	18,884.73	15,086.25

Note: Figures of previous year recasted/regrouped wherever necessary.

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 35 referred to above form an integral part of Financial Statements.

Statement of changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

In terms of our report of even date attached

For Goyal Parul & Co.

Chartered Accountants

Firm Registration No.: 016750N

Sd/-

Parul Goyal

Partner

Membership No. : 099172

Place : New Delhi

Date : 18.08.2022

UDIN : 22099172APNVZX9084

For and on behalf of Board of Directors

Sd/-

Gaurang Dixit

Director (Finance) & CMD (Additional Charge)

[DIN : 08535482]

Sd/-

Partha Majhi

GM (F&A)

Sd/-

Nishtha Goyal

Company Secretary

[Membership No. : A 22768]

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

Consolidated Statement of Changes in Equity for the year ended 31.03.2022

A: EQUITY SHARE CAPITAL

Particulars	Opening Balance	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year	Closing Balance
2020-2021	53298.80	0	53298.80	0	53298.80
2021-2022	53298.80	0	53298.80	0	53298.80

(₹ in lakh)

B : OTHER EQUITY

Particulars	Reserve & Surplus					Other Comprehensive Income		Total
	Capital Reserves	Capital Redemption Reserve	Retained Earnings	Impairment Reserve	Statutory Reserve-u/s 45IC of RBI Act 1934	Equity Instruments through Other Comprehensive Income	Defined Benefits Plans through Other Comprehensive Income	
Balance as at 31 st March 2020	3456.64	73.09	38888.26	4866.65	1983.84	118.57	-516.42	48870.63
Add: Additions / Credited during the year	722.75	0.00	10288.57	0.00	2031.86	0.00	0.00	13023.18
Add: Transfer from Risk fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Dividend for the year 2019-20	0.00	0.00	3409.33	0.00	0.00	0.00	0.00	3409.33
Less: Transfer / Adjustment during the year	0.38	-2.56	2202.23	0.00	0.00	0.00	0.00	2200.05
Less: Depreciation for the year	347.70	2.56	0.00	0.00	0.00	0.00	0.00	350.26
Add: Remeasurement on Defined Benefit Plans	0.00	0.00	0.00	0.00	0.00	0.00	134.95	134.95
Less: Income tax relating to defined benefit plans	0.00	0.00	0.00	0.00	0.00	0.00	33.97	33.97
Add: Gain on Equity Investments through Fair value Change	0.00	0.00	0.00	0.00	0.00	92.73	0.00	92.73
Less: Income tax relating to Equity Investments	0.00	0.00	0.00	0.00	0.00	23.34	0.00	23.34
Balance as at 31 st March 2021	3831.31	73.09	43545.27	4866.65	4015.70	187.96	-415.44	56104.54
Add: Additions / Credited during the year	699.11	0.00	11012.85	0.00	2164.51	0.00	0.00	13876.47
Add: Transfer from Risk fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Dividend for the year 2020-2021	0.00	0.00	3177.67	0.00	0.00	0.00	0.00	3177.67
Less: Transfer / Adjustment during the year	13.30	0.00	2164.51	0.00	0.00	0.00	0.00	2177.81

(₹ in lakh)

Particulars	Reserve & Surplus					Other Comprehensive Income		Total
	Capital Reserves	Capital Redemption Reserve	Retained Earnings	Impairment Reserve	Statutory Reserve-u/s 45IC of RBI Act 1934	Equity Instruments through Other Comprehensive Income	Defined Benefits Plans through Other Comprehensive Income	
Less: Depreciation for the year	361.14	0.00	0.00	0.00	0.00	0.00	0.00	361.14
Less: Remeasurement on Defined Benefit Plans	0.00	0.00	0.00	0.00	0.00	0.00	141.37	141.37
Add: Income tax relating to defined benefit plans	0.00	0.00	0.00	0.00	0.00	0.00	35.58	35.58
Add: Gain on Equity Investments through Fair value Change	0.00	0.00	0.00	0.00	0.00	94.71	0.00	94.71
Less: Income tax relating to Equity Investments	0.00	0.00	0.00	0.00	0.00	23.84	0.00	23.84
Balance as at 31 st March 2022	4155.98	73.09	49215.94	4866.65	6180.21	258.83	-521.23	64229.47

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)
 Note : The Notes 1 to 35 referred to above form an integral part of Financial Statements.
 Statement of changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

In terms of our report of even date attached

For Goyal Parul & Co.
 Chartered Accountants
Firm Registration No.: 016750N

Sd/-
Parul Goyal
 Partner
 Membership No. : 099172
 Place : New Delhi
 Date : 18.08.2022
 UDIN : 22099172APNVZX9084

For and on behalf of Board of Directors

Sd/-
Gaurang Dixit
 Director (Finance) & CMD (Additional Charge)
 [DIN : 08535482]

Sd/-
Partha Majhi
 GM (F&A)
 Sd/-
Nishtha Goyal
 Company Secretary
 [Membership No. : A 22768]

NOTE-3 : CASH & CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Cash & Cash Equivalents		
Cash on Hand*	0.80	0.35
Cheques, Drafts on Hand	1.78	0.00
Remittance in Transit	0.00	4.21
Balance with Banks:		
Current Account	14402.38	12342.60
Others**	4479.75	2739.06
Stamps on Hand	0.02	0.03
As per Balance Sheet	18884.73	15086.25

Note :- There is no repatriation restriction w.r.t. cash and cash equivalents as at the end of the reporting periods presented above.

* Cash on Hand represents stock of prepaid cards issued by bank.

** It includes flexi deposit balances.

NOTE-4 : BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Deposits		
Term Deposits	492.65	583.66
As per Balance Sheet	492.65	583.66

Note :- 1) Term Deposits amounting to ₹ 178.83 lakh are for more than 3 months and ₹ 313.82 lakhs are more than 1 year.
2). Out of ₹ 58.83 lakhs (₹ 83.66 lakhs), FDR amounting to ₹ 29.04 lakhs (₹ 48.70 lakhs) is lien marked during 2021-2022 (2020-2021) for issuance of BG issued by SBI for the equivalent amount.

NOTE-5 : TRADE RECEIVABLES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Trade Receivables		
Secured Considered Good	14062.35	18720.13
Unsecured Considered Good	109.42	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	1759.35	1516.86
	15931.12	20236.99
Less: Seized Leased Suspense	50.72	50.72
Less: Penal Interest Suspense	294.17	509.70
	15586.23	19676.57
Less: Cheques sent for Collection	0.82	1.04
Less: Impairment Loss Allowance	1414.46	956.44
As per Balance Sheet	14170.95	18719.09
Geographical Classification of Trade Receivables :		
In India	14170.95	18719.09
Outside India	0.00	0.00
Total	14170.95	18719.09

ANNEXURE - 5A : TRADE RECEIVABLES (AGEWISE SUMMARY)

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Undisputed Trade Receivables Considered Good		
< 6 Months	2680.93	2967.44
> 6 Months ≤ 1 Year	4520.12	6541.64
> 1 Year ≤ 2 Years	1074.12	1717.03
> 2 Years ≤ 3 Years	2609.89	877.45
> 3 Years	3245.95	6616.57
Sub Total	14131.01	18720.13
Disputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	40.76	0.00
Sub Total	40.76	0.00
Undisputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
< 6 Months	0.53	1.79
> 6 Months ≤ 1 Year	26.03	13.72
> 1 Year ≤ 2 Years	134.48	6.27
> 2 Years ≤ 3 Years	66.40	0.41
> 3 Years	710.32	762.31
Sub Total	937.76	784.50
Disputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	821.58	732.35
Sub Total	821.58	732.35

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
	15931.11	20236.98
Less: Seized Lease Suspense	50.71	50.71
Less: Penal Interest Suspense	294.17	509.70
	15586.23	19676.57
Less: Cheques sent for Collection	0.82	1.04
Less: Impairment Loss Allowance	1414.46	956.44
Total	14170.95	18719.09

Geographical Classification of Trade Receivables :

In India	14170.95	18719.09
Outside India	0.00	0.00
Total	14170.95	18719.09

ANNEXURE - 5B : DETAILS OF TRADE RECEIVABLES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
TRADE RECEIVABLES - HIRE PURCHASE		
Secured Considered Good	0.00	0.00
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	776.42	780.30
	776.42	780.30
Less: Penal Interest Suspense	243.23	246.62
	533.19	533.68
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	533.19	533.68
Sub Total	0.00	0.00
TRADE RECEIVABLES - LEASING		
Secured Considered Good	0.00	0.00
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	189.89	189.89
	189.89	189.89
Less: Seized Lease Suspense	50.72	50.72
Less: Penal Interest Suspense	50.26	50.26
	88.91	88.91
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	88.91	88.91
Sub Total	0.00	0.00
TRADE RECEIVABLES - MARKETING		
Secured Considered Good	13550.65	18187.32
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Credit Impaired	259.61	260.69
	13810.26	18448.01
Less: Penal Interest Suspense	0.00	0.00
	13810.26	18448.01
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	259.61	260.69
Sub Total	13550.65	18187.32
TRADE RECEIVABLES - OTHERS		
Secured Considered Good	511.70	532.81
Unsecured Considered Good *	109.42	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	533.43	285.98
	1154.55	818.79
Less: Penal Interest Suspense	0.68	212.82
	1153.87	605.97
Less: Cheques sent for Collection	0.82	1.04
Less: Impairment Loss Allowance	532.75	73.16
Sub Total	620.30	531.77
Total	14170.95	18719.09

Note :- * Trade Receivable from SRI Fund and all receivables from fund in which Chairman and Director & CEO are a investment committee member

ANNEXURE - 5C : AGEWISE CLASSIFICATION OF TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
TRADE RECEIVABLES - HIRE PURCHASE		
Undisputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	373.46	417.07
Sub Total	373.46	417.07
Disputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	402.96	363.23
Sub Total	402.96	363.23
	776.42	780.30
Less: Penal Interest Suspense	243.23	246.62
	533.19	533.68
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	533.19	533.68
Sub Total	0	0
TRADE RECEIVABLES - LEASING		
Undisputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	77.66	77.66
Sub Total	77.66	77.66
Disputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	112.22	112.22
Sub Total	112.22	112.22
	189.88	189.88
Less: Seized Lease Suspense	50.71	50.71
Less: Penal Interest Suspense	50.26	50.26
	88.91	88.91
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	88.91	88.91
Sub Total	0	0
TRADE RECEIVABLES - MARKETING		
Undisputed Trade Receivables Considered Good		
< 6 Months	2141.57	2620.46
> 6 Months ≤ 1 Year	4514.19	6530.69
> 1 Year ≤ 2 Years	1033.98	1625.13
> 2 Years ≤ 3 Years	2609.68	873.19
> 3 Years	3216.21	6537.85
Sub Total	13515.63	18187.32
Disputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	35.02	0.00
Sub Total	35.02	0.00

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Undisputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.03
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	214.85	215.90
Sub Total	214.85	215.93
Disputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	44.76	44.76
Sub Total	44.76	44.76
	13810.26	18448.01
Less: Penal Interest Suspense	0.00	0.00
	13810.26	18448.01
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	259.61	260.69
Sub Total	13550.65	18187.32
TRADE RECEIVABLES - OTHERS		
Undisputed Trade Receivables Considered Good		
< 6 Months	539.36	346.98
> 6 Months ≤ 1 Year	5.93	10.95
> 1 Year ≤ 2 Years	40.14	91.90
> 2 Years ≤ 3 Years	0.21	4.26
> 3 Years	29.74	78.72
Sub Total	615.38	532.81

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Disputed Trade Receivables Considered Good		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	5.74	0.00
Sub Total	5.74	0.00
Undisputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
< 6 Months	0.53	1.79
> 6 Months ≤ 1 Year	26.03	13.69
> 1 Year ≤ 2 Years	134.48	6.27
> 2 Years ≤ 3 Years	66.40	0.41
> 3 Years	44.35	51.68
Sub Total	271.79	73.84
Disputed Credit Impaired		
< 6 Months	0.00	0.00
> 6 Months ≤ 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	261.64	212.14
Sub Total	261.64	212.14
	1154.55	818.79
Less: Penal Interest Suspense	0.68	212.82
	1153.87	605.97
Less: Cheques sent for Collection	0.82	1.04
Less: Impairment Loss Allowance	532.75	73.16
Sub Total	620.30	531.77
Total	14170.95	18719.09

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

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Loans & Advances		
Secured by Tangible Assets	1157.74	1160.80
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	243229.82	228025.54
Unsecured	15631.96	14863.39
	260019.52	244049.73
Less: Additional/Normal Interest Suspense	953.66	1798.00
	259065.86	242251.73
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	11481.13	11577.21
As per Balance Sheet	247584.73	230674.52
Geographical Classification of Loans and Advances :		
In India	247584.73	230674.52
Outside India	0.00	0.00
Total	247584.73	230674.52
Loans & Advances to PSUs and Others :		
To PSUs	4786.16	4442.23
To Others	242798.57	226232.29
Total	247584.73	230674.52

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

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Loans & Advances to Employees		
Secured by Tangible Assets	26.67	29.73
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00
Unsecured	12.36	15.63
	39.03	45.36
Less Additional/Normal Interest Suspense	0.00	0.00
	39.03	45.36
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	0.03	0.13
	39.00	45.23
Advance Recoverable in Cash or in Kind or for value to be received		
Secured by Tangible Assets	0.00	0.00
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00
Unsecured	5936.62	4996.93
	5936.62	4996.93

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Less: Additional/Normal Interest Suspense	0.00		0.00	
	5936.62		4996.93	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	52.90	5883.72	43.98	4952.95
Other Loans and Advances *				
Secured by Tangible Assets	1131.07		1131.07	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	243229.82		228025.54	
Unsecured	9681.73		9850.83	
	254042.62		239007.44	
Less Additional/Normal Interest Suspense	953.66		1798.00	
	253088.96		237209.44	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	11428.20	241660.76	11533.10	225676.34
Loans and Advances to Related Parties				
Secured by Tangible Assets	0.00		0.00	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured **	1.25		0.00	
	1.25		0.00	
Less Additional/Normal Interest Suspense	0.00		0.00	
	1.25		0.00	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	0.00	1.25	0.00	0.00
Total		247584.73		230674.52

Note :- * Other loans and Advances includes dues under commercial activities viz. RMA/AWRT,BD,CTL & Term Loan (Refer Annexure 6B for details)
** Advance to SRI Fund

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

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Raw Material Assistance / Assistance to Wholesale and Retail Trader				
Secured by Tangible Assets	1003.70		1003.70	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	240244.79		227508.00	
Unsecured	7981.31		8150.41	
	249229.80		236662.11	
Less: Additional/Normal Interest Suspense	819.20		1679.97	
	248410.60		234982.14	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	9706.57	238704.03	9821.27	225160.87
Bills Discounting				
Secured by Tangible Assets	127.37		127.37	

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	2985.03		517.54	
Unsecured	1509.29		1509.29	
	4621.69		2154.20	
Less: Additional/Normal Interest Suspense	91.30		74.87	
	4530.39		2079.33	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	1573.66	2956.73	1563.86	515.47
Composite Term Loan				
Secured by Tangible Assets	0.00		0.00	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	175.69		175.69	
	175.69		175.69	
Less: Additional/Normal Interest Suspense	38.91		38.91	
	136.78		136.78	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	136.78	0.00	136.78	0.00
Term Loan				
Secured by Tangible Assets	0.00		0.00	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	15.44		15.44	
	15.44		15.44	
Less: Additional/Normal Interest Suspense	4.25		4.25	
	11.19		11.19	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	11.19	0.00	11.19	0.00
Total	241660.76		225676.34	

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

(₹ in Lakh)

Particulars	As At 31.03.21	As At 31.03.20
Directors	0.00	0.00
Other Officers of the Company	39.00	45.23
Firm in which Director is a Partner	0.00	0.00
Private Company in which Director is a Member	0.00	0.00
Total	39.00	45.23

NOTE - 7 : INVESTMENTS

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
A) At Amortised Cost				
a) Equity Instruments				
b) Others				
1.Investment in NVCFL - SRI Fund				
Self Reliant India (SRI) Fund [0.018 @ ₹ 1 Crore per unit]	1.78		0.00	
Less: Allowance for Impairment Loss	0.00	1.78	0.00	0.00
2.Investment by NVCFL - SRI Fund *				
Self Reliant India (SRI) Fund [0.089 @ ₹ 1 Crore per unit]	8.91		0.00	
Less: Allowance for Impairment Loss	0.00	8.91	0.00	0.00
B) At Fair Value (Through Other Comprehensive Income)				
a) Equity Instruments	279.07		189.36	
Less: Allowance for Impairment Loss	10.00	269.07	15.00	174.36
As per Balance Sheet		279.76		174.36

Investments (Through Other Comprehensive Income at Fair Value)	As At 31.03.22	As At 31.03.21
Equity Shares of M/s Singer India Ltd. (470230 Shares of ₹ 2/- each fully paid after sub division as on 31.03.2022, Fair Value ₹ 57.22 per share) (470230 Shares of ₹ 2/- each fully paid after sub division as on 31.03.2021, Fair Value ₹ 37.08 per share)	269.07	174.36
Equity Shares of M/s Small Industries Products Promoted Organization Ltd. (SIPPO) (100000 Shares of ₹ 10/- each fully paid up - Unquoted)	10.00	10.00
Equity Shares of M/s SSI Products Marketing Organization Ltd. (SIPMO) * (50000 Shares of ₹ 10/- each fully paid up - Unquoted)	0.00	5.00
Sub Total	279.07	189.36
Less : Allowance of Impairment Loss for Equity Shares of SIPPO & SIPMO		15.00
Less : Allowance of Impairment Loss for Equity Shares of SIPPO	10.00	
As per Balance Sheet	269.07	174.36

Geographical Classification of Investment :	As At 31.03.22	As At 31.03.21
In India	279.76	174.36
Outside India	0.00	0.00
Total	279.76	174.36

Note :- * Refer Sl. No. 13(F)(a) of Note-35

Note :- ** Refer Sl. No. 10 of Note-35

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

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Security Deposits				
Secured by Tangible Assets	0.00		0.00	
Secured by Intangible Assets	0.00		0.00	
Covered by Bank/Government Guarantees	0.00		0.00	
Unsecured	263.67		213.74	
	<u>263.67</u>		<u>213.74</u>	
Less: Additional/Normal Interest Suspense	0.00		0.00	
	<u>263.67</u>		<u>213.74</u>	
Less: Impairment Loss Allowance	1.71	261.96	1.71	212.03
Sub Total		261.96		212.03
Other Financial Assets				
Receivables from Banks				
Interest	268.30		268.30	
Less: Impairment Loss Allowance	<u>268.30</u>	0.00	<u>268.30</u>	0.00
Others	1232.35		885.32	
Less: Impairment Loss Allowance	<u>4.93</u>	1227.42	<u>283.82</u>	601.50
Interest Accrued but not Due on Fixed/Short Term Deposits		17.54		20.48
Earnest Money Deposit Receivables		3.00		2.95
Retention Money Receivables		264.98		265.31
Discounting Impact of Security Deposit Payable		146.51		173.20
Discounting Impact of Retention Money Payable		<u>1.53</u>		<u>13.67</u>
Sub Total		1660.98		1077.11
As per Balance Sheet		1922.94		1289.14

NOTE-9 : INVENTORIES

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Finished Goods		0.00		1.91
Stores and Spares		7.23		8.56
Loose Tools and Measuring Instruments		5.03		10.47
Land & Building in Stock, Industrial Estate, Naini *		<u>0.00</u>		<u>19.65</u>
Sub Total		12.26		40.59
Less: Impairment Loss Allowance		<u>0.00</u>		<u>0.00</u>
As per Balance Sheet		12.26		40.59

Note :- * Refer Sl. No. 4 (B) of Note - 35 for disclosure on Ind AS-2 on inventory

NOTE-10 : CURRENT TAX (NET)

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
TDS/TCS Deducted at Source	1915.69	1535.30
Advance Tax	7585.89	8063.33
Less: Provision for Income Tax	(8855.25)	(9552.78)
As per Balance Sheet	646.33	45.85

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

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Deferred Tax Assets	5756.78	5601.10
Less : Deferred Tax Liabilities	1896.41	1530.03
As per Balance Sheet	3860.37	4071.07

Note :- Refer Sl. No. 4(C) of Note-35

NOTE-12 : PROPERTY, PLANT & EQUIPMENT

(₹ in Lakh)

Particulars	Net Carrying Amount as at 31.03.2022	Net Carrying Amount as at 31.03.2021
Land	47.95	44.65
Building	22540.38	22746.19
Furniture & Fittings	336.65	376.71
Office Equipments	301.81	369.25
Vehicle	14.55	20.96
Plant & Equipment	5102.57	5077.68
Total Property, Plant and Equipment	28343.91	28635.44
Assets Classified as Held for Sale	0.21	0.07
Software and Software under Development	106.34	159.12
Right to Use of Assets	55.00	55.83
Capital Work in Progress	750.33	423.44

(₹ in Lakh)

Particulars	GROSS BLOCK						ACCUMULATED DEPRECIATION						LTA		NET BLOCK	
	As At 01/04/21	Additions	Sale	Acquired through Business Combination	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	Cost As At 31/03/22	As At 01/04/21	Depreciation Charge for the Year	Sales	Revaluation/ Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	As At 31/03/22	As At 31/03/21	As At 31/03/22	As At 31/03/21
TANGIBLE ASSETS																
OWN ASSETS																
Building	23140.21	8.41	0.00	0.00	0.00	-17.24	23165.86	1849.79	387.23	0.00	0.00	0.00	2237.02	0.00	20928.84	21290.42
Furniture & Fittings	606.44	20.03	11.22	0.00	0.00	0.12	615.13	392.76	37.87	10.80	0.00	0.11	419.72	0.00	195.41	213.66
Land	31.08	0.00	0.00	0.00	0.00	-3.54	34.62	4.08	0.11	0.00	0.00	0.00	4.19	0.00	30.43	27.00
Office Equipments	932.82	57.87	23.50	0.00	0.00	4.01	963.18	805.00	49.98	22.54	0.00	3.81	828.63	0.00	134.55	127.82
Vehicle	111.51	0.00	24.35	0.00	0.00	0.00	87.16	91.04	5.19	23.13	0.00	0.00	73.10	0.00	14.06	20.47
Plant & Equipment	2560.33	3.04	4.90	0.00	0.00	0.00	2558.47	933.60	81.03	4.67	0.00	0.00	1009.96	0.00	1548.51	1626.73
Total	27382.39	89.35	63.97	0.00	0.00	-16.65	27424.42	4076.27	561.41	61.14	0.00	3.92	4572.62	0.00	22851.80	23306.12
LEASED ASSETS																
Plant & Equipments	48.40	0.00	0.00	0.00	0.00	0.00	48.40	35.59	0.00	0.00	0.00	0.00	35.59	12.77	0.04	0.04
SEIZED LEASE ASSETS																
Plant & Equipments	59.35	0.00	0.00	0.00	0.00	0.00	59.35	9.67	0.00	0.00	0.00	0.00	9.67	48.80	0.88	0.88
ASSETS ACQUIRED OUT OF GOVT. GRANTS																
Land	23.04	0.00	0.00	0.00	0.00	0.00	23.04	5.39	0.13	0.00	0.00	0.00	5.52	0.00	17.52	17.65
Building	879.85	48.31	0.00	0.00	0.00	-81.14	1009.30	461.75	14.10	0.00	0.00	0.00	475.85	0.00	533.45	418.10
Furniture & Fittings	174.07	5.99	0.10	0.00	0.00	0.00	179.96	95.58	13.45	0.00	0.00	0.00	109.03	0.00	70.93	78.49
Office Equipments	949.13	0.49	5.78	0.00	0.00	0.00	943.84	780.82	51.79	0.45	0.00	0.00	832.16	0.00	111.68	168.31
Vehicle	11.16	0.00	0.00	0.00	0.00	0.00	11.16	10.67	0.00	0.00	0.00	0.00	10.67	0.00	0.49	0.49
Plant & Equipment	4895.36	315.75	7.38	0.00	0.00	-0.95	5204.68	2084.88	262.74	0.00	0.00	0.00	2347.62	0.00	2857.06	2810.48
Total	6932.61	370.54	13.26	0.00	0.00	-82.09	7371.98	3439.09	342.21	0.45	0.00	0.00	3780.85	0.00	3591.13	3493.52
ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES																
Building	1234.51	60.25	4.66	0.00	0.00	-17.29	1307.39	196.84	32.84	0.38	0.00	0.00	229.30	0.00	1078.09	1037.67
Furniture & Fittings	166.24	0.23	0.00	0.00	0.00	0.00	166.47	81.70	14.46	0.00	0.00	0.00	96.16	0.00	70.31	84.54
Office Equipments	646.78	9.59	0.99	0.00	0.00	0.00	655.38	573.66	27.08	0.94	0.00	0.00	599.80	0.00	55.58	73.12
Plant & Equipment	977.85	128.38	0.00	0.00	0.00	0.00	1106.23	338.30	71.85	0.00	0.00	0.00	410.15	0.00	696.08	639.55
TOTAL	3025.38	198.45	5.65	0.00	0.00	-17.29	3235.47	1190.50	146.23	1.32	0.00	0.00	1335.41	0.00	1900.06	1834.88
SUB TOTAL-TANGIBLE ASSETS																
	37448.13	658.34	82.88	0.00	0.00	-116.03	38139.62	8751.12	1049.85	62.91	0.00	3.92	9734.14	61.57	28343.91	28635.44
PREVIOUS YEAR	35714.92	1781.51	99.49	0.00	0.00	-51.19	37448.13	7717.17	1013.95	92.50	123.78	11.28	8751.12	61.57	28635.44	27935.60

(₹ in Lakh)

Particulars	GROSS BLOCK						ACCUMULATED DEPRECIATION					LTA		NET BLOCK	
	As At 01/04/21	Additions	Sale	Acquired through Business Combination	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	Cost As At 31/03/22	As At 01/04/21	Depreciation Charge for the Year	Sales	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	As At 31/03/22	As At 31/03/21	As At 31/03/21
INTANGIBLE ASSETS															
OWN ASSETS															
Computer Software	176.99	16.92	0.16	0.00	0.00	0.00	193.75	133.85	23.94	0.12	0.00	0.00	157.67	0.00	43.14
ASSETS ACQUIRED OUT OF GOVT. GRANT															
Computer Software	109.65	0.00	0.57	0.00	0.00	0.00	109.08	56.26	18.93	0.09	0.00	0.00	75.10	0.00	53.39
ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES															
Computer Software	247.75	0.53	0.00	0.00	0.00	0.00	248.28	225.48	9.91	0.00	0.00	0.00	235.39	0.00	22.27
Right to Use of Assets															
Right to Use of Assets	57.67	0.00	0.00	0.00	0.00	0.00	57.67	1.84	0.83	0.00	0.00	0.00	2.67	0.00	55.83
SUB TOTAL-INTANGIBLE ASSETS	592.06	17.45	0.73	0.00	0.00	0.00	608.78	417.43	53.61	0.21	0.00	0.00	470.83	0.00	174.63
PREVIOUS YEAR	576.10	29.40	0.16	0.00	0.00	0.00	592.06	368.16	50.86	0.07	0.63	2.15	417.43	0.00	207.95
CAPITAL WORK IN PROGRESS															
Capital Work in Progress	246.81	3.42	0.00	0.00	0.00	0.00	231.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	246.81
PREVIOUS YEAR	285.57	18.66	0.00	0.00	0.00	0.00	246.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	285.57
CWIP Acquired out of Govt. Grant	176.63	423.97	0.00	0.00	0.00	0.00	518.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	176.63
PREVIOUS YEAR	6.02	175.68	0.00	0.00	0.00	0.00	176.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.02
SUB TOTAL-CAPITAL WORK IN PROGRESS	423.44	427.39	0.00	0.00	0.00	0.00	750.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	423.44
PREVIOUS YEAR	291.59	194.34	0.00	0.00	0.00	0.00	423.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	291.59
INTANGIBLE ASSETS UNDER DEVELOPMENT															
OWN ASSETS															
Computer Software	23.39	0.00	0.00	0.00	0.00	0.00	23.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.39
SEBI Registration Fees	16.93	0.00	0.00	0.00	0.00	0.00	16.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.93
PREVIOUS YEAR	44.45	16.93	0.00	0.00	0.00	0.00	40.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44.45
ASSETS CLASSIFIED AS HELD FOR SALE															
Assets Classified as Held for Sale (Owned Assets)	13.50	0.00	13.38	0.00	0.00	0.00	4.24	13.43	0.00	13.32	0.00	-3.92	4.03	0.00	0.07
Assets Classified as Held for Sale (Govt. Grant)	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
Total	13.50	0.00	13.38	0.00	0.00	0.00	4.24	13.43	0.00	13.32	0.00	-3.92	4.03	0.00	0.07
GRAND TOTAL	38517.45	1103.18	96.99	0.00	0.00	0.00	39526.36	9181.98	1103.46	76.44	0.00	0.00	10209.00	61.57	29273.90
PREVIOUS YEAR	36627.06	2022.18	99.65	0.00	0.00	0.00	38517.45	8085.33	1084.81	92.57	124.41	0.00	9181.98	61.57	28479.59

Note :- The difference of ₹ 19.65 lakh under Inter Unit Transfer/Inter Group Transfer is on account of shifting / deprecating 'Land and Building/Sheds/Quarter etc.' from Inventories to PPE - Land ₹ 3.54 lakh & Building ₹ 16.11 lakh. Further ₹ 15.31 lakh has been charged as depreciation expenses for Financial Year 2021-2022 w.r.t. building shifted.

Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment Column includes capitalisation of assets from CWIP to respective group of assets

ANNEXURE - 12A : AGEING OF CWIP (INCLUDING GRANT) AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Agewise Classification of CWIP		
Projects in Progress		
< 1 Year	3.42	18.42
> 1 Year ≤ 2 Years	132.03	132.03
> 2 Years ≤ 3 Years	6.96	6.96
> 3 Years	89.40	89.40
Sub Total	231.81	246.81
Projects Temporarily Suspended		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Total	231.81	246.81
Projects whose completion is overdue or exceeded original cost		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Total	0.00	0.00
Agewise Classification of CWIP (Acquired out of Grant)		
Projects in Progress		
< 1 Year	423.97	140.33
> 1 Year ≤ 2 Years	94.55	36.30
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	518.52	176.63
Projects Temporarily Suspended		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Total	518.52	176.63
Projects whose completion is overdue or exceeded original cost		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Total	0.00	0.00

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Agewise Classification of Intangible Assets under Development		
Projects in Progress		
< 1 Year	0.00	23.39
> 1 Year ≤ 2 Years	23.39	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	23.39	23.39
Projects Temporarily Suspended		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Sub Total	0.00	0.00
Total	23.39	23.39
Projects whose completion is overdue or exceeded original cost		
< 1 Year	0.00	0.00
> 1 Year ≤ 2 Years	0.00	0.00
> 2 Years ≤ 3 Years	0.00	0.00
> 3 Years	0.00	0.00
Total	0.00	0.00

NOTE-13 : OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Capital Advances		
With CPWD & Others	159.60	25.63
Add: Interest Accrued on Capital Advance	0.00	0.00
With Contractors (Against Govt. Grant)	12.36	107.78
Add: Interest Accrued on Capital Advance	0.00	0.00
Sub Total	171.96	133.41
Other Deposits with Tax Authorities	546.28	866.38
Other Non Financial Assets	1224.45	264.25
Less: Additional/Normal Interest Suspense	0.00	0.00
Less: Impairment Loss Allowance	3.45	17.54
As per Balance Sheet	1939.24	1246.50

NOTE-14 : TRADE PAYABLES

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Trade Payables				
Outstanding Dues of MSEs	14348.89		19252.10	
Outstanding Dues of Non-MSEs	190.16	14539.05	156.54	19408.64
Other Payables				
Outstanding Dues of MSEs	0.00		0.00	
Outstanding Dues of Non-MSEs	0.00	0.00	0.00	0.00
Due to Related Parties		0.00		0.00
As per Balance Sheet		14539.05		19408.64

Note :- Refer Sl. No. 1 of Note-35

Annexure - 14A : Trade Payable (Agewise Summary)

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Undisputed Trade Payables - Dues of MSEs				
< 1 Year	6845.01		9647.29	
> 1 Year ≤ 2 Years	1298.89		1498.02	
> 2 Years ≤ 3 Years	2559.05		1014.45	
> 3 Years	3499.75		6877.50	
Sub Total		14202.70		19037.26
Disputed Trade Payables - Dues of MSEs				
< 1 Year	0.00		0.00	
> 1 Year ≤ 2 Years	0.00		0.00	
> 2 Years ≤ 3 Years	0.00		0.00	
> 3 Years	223.94		214.84	
Sub Total		223.94		214.84
Total		14426.64		19252.10
Undisputed Trade Payables - Dues of Others				
< 1 Year	2.10		9.14	
> 1 Year ≤ 2 Years	0.03		8.80	
> 2 Years ≤ 3 Years	7.66		20.29	
> 3 Years	90.52		97.46	
Sub Total		100.31		135.69
Disputed Trade Payables - Dues of Others				
< 1 Year	0.00		0.00	
> 1 Year ≤ 2 Years	0.00		0.00	
> 2 Years ≤ 3 Years	0.00		0.00	
> 3 Years	12.10		20.85	
Sub Total		12.10		20.85
Total		112.41		156.54
Grand Total		14539.05		19408.64

NOTE-15 : BORROWINGS (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Secured Borrowings				
Bonds/Debentures		0.00		0.00
Term Loans from:				
Banks		0.00		0.00
Others from:				
Government of India	0.00		0.00	
State Governments	0.00		0.00	
Financial Institutions	0.00		0.00	
Foreign Financial Institutions	0.00		0.00	
Others	0.00	0.00	0.00	0.00
Loans Repayable on Demand from:				
Banks				
Working Capital Loan	127500.00		138000.00	
Cash Credit	0.00		0.00	
Overdraft	0.00		0.00	
Term Loan	20000.00	147500.00	0.00	138000.00
Other Parties		0.00		0.00
Deferred Payment Liabilities		0.00		0.00
Deposits		0.00		0.00
Loans and Advances from Related Parties		0.00		0.00
Long Term Maturities of Finance Lease Obligations		0.00		0.00
Other Loans and Advances from				
Government of India	0.00		0.00	
State Governments	0.00		0.00	
Financial Institutions	0.00		0.00	
Foreign Financial Institutions	0.00		0.00	
Others	0.00	0.00	0.00	0.00
Sub Total		147500.00		138000.00
Unsecured Borrowings				
Bonds/Debentures		0.00		0.00
Term Loans from:				
Banks		0.00		0.00
Other Parties from:				
Government of India	0.00		0.00	
State Governments	0.00		0.00	
Financial Institutions	0.00		0.00	
Foreign Financial Institutions	4835.57		5219.83	
Others	0.00	4835.57	0.00	5219.83
Loans Repayable on Demand from:				
Banks				
Working Capital Loan	0.00		0.00	
Cash Credit	0.00		0.00	

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Overdraft	0.00		0.00	
Term Loan	0.00	0.00	0.00	0.00
Other Parties		0.00		0.00
Deferred Payment Liabilities		0.00		0.00
Deposits		0.00		0.00
Loans and Advances from Related Parties		0.00		0.00
Long Term Maturities of Finance Lease Obligations		0.00		0.00
Other Loans and Advances from				
Government of India	0.00		0.00	
State Governments	0.00		0.00	
Financial Institutions	0.00		0.00	
Foreign Financial Institutions	0.00		0.00	
Others	0.00	0.00	0.00	0.00
Sub Total		4835.57		5219.83
As per Balance Sheet		152335.57		143219.83
Geographical Classification of Borrowings :				
In India		147500.00		138000.00
Outside India		4835.57		5219.83
Total		152335.57		143219.83

Note :- Current maturity of long term borrowings ₹ 295.27 lakh (₹ 300.40 lakh)
Refer Sl. No. 4(G) of Note-35

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

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 31.03.2022	
		As At 31.03.22	As At 31.03.21				Period	Amount
Secured Borrowings								
Bonds/Debentures								
Term Loans from:								
Banks								
Vijaya Bank		0	0	Half Yearly		Nil	0	
Others from:								
Government of India								
State Governments								
Financial Institutions								
Foreign Financial Institutions								
Others								
Loans Repayable on Demand from:								
Banks								
Working Capital Loans								
The Hongkong & Shanghai Banking Corp. Ltd.		0.00	0.00		Secured against exclusive registered mortgage of free hold measuring 41920 sq. mtr. At Okhla Industrial Estate, New Delhi & pari passu charge over receivables under RMA scheme & book debts under marketing activities	Nil	0	
Indus Ind Bank		0.00	0.00		Pari passu charge over the book debts including loans and advances of the Company	Nil	0	
State Bank of India		127500.00	64500.00		Secured against equitable mortgage of property measuring 47 bigha and 67 biswa situated at Okhla Industrial Estate, New Delhi and pari passu charge on book debts/ current assets	Nil	0	
HDFC WCDL		0.00	73500.00		Pari passu charge on book debts by the way hypothecation	Nil	0	
Cash Credit		127500.00	138000.00					
Punjab National Bank		0	0		Secured against equitable mortgage of property situated in Okhla Industrial Estate, New Delhi and pari passu charge over receivables in the form of loans and advances, book debts, bill discounted and all the current assets pertaining to marketing activities	Nil	0	
Vijaya Bank		0	0		Secured against registered mortgage of property situated at Okhla Industrial estate, New Delhi and pari passu charge on book debts / current assets	Nil	0	
State Bank of India		0	0		Secured against registered mortgage of property measuring 47 bigha and 67 biswa situated at Okhla Industrial Estate, New Delhi and pari passu charge on book debts / current assets	Nil	0	
Overdraft								

(₹ in Lakh)

Particulars	Amount outstanding as on		Terms of Repayment & Frequency of repayable Instalments (Monthly/Quarterly/Half Yearly/Annually)	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.2022	
	As At 31.03.22	As At 31.03.21				Period	Amount
The Hongkong & Shanghai Banking Corp. Ltd.	0	0		Secured against exclusive registered mortgage of free hold measuring 41920 sq. mtr. At Okhla Industrial Estate, New Delhi & pari passu charge over receivables under RMA scheme & book debts under marketing activities	Nil	0	
Term Loan							
Indus Ind Bank	20000.00	0		Pari passu charge has the book debts including loans and advances of the Company			
Other Parties	20000.00	0					
Deferred Payment Liabilities							
Deposits							
Loans and Advances from Related Parties							
Long Term Maturities of Finance Lease Obligations							
Other Loans and Advances from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							
Others							
Sub Total	147500	138000					
Unsecured Borrowings							
Bonds/Deventures							
Term Loans from:							
Banks							
Other Parties from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							
Xth LINE OF CREDIT	2231.91	2380.57	Half-Yearly		Guaranteed by Government of India		

(₹ in Lakh)

Particulars	Amount outstanding as on		Terms of Repayment & Frequency of repayable Instalments (Monthly/Quarterly/Half Yearly/Annually)	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.2022	
	As At 31.03.22	As At 31.03.21				Period	Amount
XIth LINE OF CREDIT	2021.90	2203.57	Half-Yearly		Guaranteed by Government of India		
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	581.76	635.69	Half-Yearly		Guaranteed by Government of India		
	4835.57	5219.83					
Others							
Loans Repayable on Demand from:							
Banks							
Working Capital Loans							
Cash Credit							
Overdraft							
Term Loan							
Other Parties							
Deferred Payment Liabilities							
Deposits							
Loans and Advances from Related Parties							
Long Term Maturities of Finance Lease Obligations							
Other Loans and Advances from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							
Others							
Sub Total	4835.57	5219.83					
Total	152335.57	143219.83					

Annexure-15B : Detail of Borrowings from Foreign Financial Institutions

Particulars	KFW XI Line of Credit	KFW XII Line of Credit	Italian Line of Credit
Total Loan Sanctioned (in Euro)	5112918.81	5036225.03	1053134.47
Due Date of Payment	30/6 and 31/12 every year	30/6 and 31/12 every year	17/7 and 17/1 every year
First installment	30/06/2002	30/06/2006	17/01/2015
Last installment	30/06/2042	30/12/2035	17/07/2035
Total installments	81	60	42
Interest	10.50%	12.50%	0.50%
Loan o/s 31/03/22 (in Euro)	2597362.81	2352965.19	677015.32
Repayment term	Half yearly	Half yearly	Half yearly
Amount of installments (in Euro)	62888.90	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 31.03.2022 in Euro	582993.04	599469.24	90383.38
Hedging	-	-	-

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

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Advance from RMA / AWRT Buyers - Units	2158.90	2944.41
Discount Payable	1667.69	1636.47
A/c Payable for Bulk Supplies (RMA / AWRT)	3330.95	1026.92
Payable to Rating/Credit Information Agencies	17.91	5.59
Security Deposit Payable	2042.01	1955.73
Earnest Money Deposits (EMD)	44.93	59.81
Retention Money	1121.46	948.95
Payable for Projects	834.85	1354.05
Credit Balance in Trade Receivables	37.18	138.62
Interest Accrued But Not Due on Borrowings/CSD	13.01	423.23
Amount Payable for Training	72.56	64.51
Other Payables - Employees	253.72	257.53
Current Liability for Expenses	859.88	768.17
Other Payables - Taxes	700.10	850.27
Other Payables	246.39	253.61
Commitment Advance Received - Exhibitions	36.07	1.20
Amount Payable to Government of India against Surplus in Grants (Net)	5164.42	1529.71
Discounting Impact of Security Deposit Receivables	16.02	16.65
Discounting Impact of Retention Money Receivables	1.93	13.67
As per Balance Sheet	18619.98	14249.10

ANNEXURE-16A AMOUNTS PAYABLE TO GOVERNMENT OF INDIA AGAINST SURPLUS IN GRANTS

(₹ in Lakh)

Particulars	Balance Brought Forward From Previous Year		Grant Received/ Interest Earned During The Year	Reimb/ Refund/ Adjustment/ Transfer to State Agency	Fixed Assets Acquired / WIP	Net Revenue Expenditure	Total Expenditure	Reimbursable Expenditure	As at 31/03/22	
	Deficit	Surplus							Deficit	Surplus
Marketing Assistance Scheme	0.00	0.17	0.00	-0.17	0.00	0.00	0.00	0.00	0.00	0.00
Performance and Credit Rating Scheme	0.00	1.49	0.00	-1.49	0.00	0.00	0.00	0.00	0.00	0.00
Assistance for Training to Institutions										
Assistance for Training to Institutions	0.00	745.55	1424.25	-32.91	640.78	273.13	913.91	913.91	0.00	1222.98
Assistance for Training to Institutions in North East Region	0.25	0.00	44.10	0.00	0.00	44.10	44.10	44.10	0.25	0.00
Sub Total	745.30	1468.35		-32.91	640.78	317.23	958.01	958.01		1222.73
Entrepreneurship and Skill Development Programmes (ESDP)	0.00	0.65	0.74	-0.65	0.00	0.00	0.00	0.00	0.00	0.74
Training cum Incubation	0.00	75.42	0.99	-1.86	58.33	0.00	58.33	58.33	0.00	16.22
National SC-ST Hub (NSSH)										
NSSH - SCSP	0.00	164.96	7081.04	-36.25	0.00	4461.59	4461.59	4461.59	0.00	2748.16
NSSH - TSP	0.00	478.57	1403.04	-10.41	0.00	1095.32	1095.32	1095.32	0.00	775.88
NSSH - NER (SCSP)	43.79	0.00	160.63	41.43	0.00	73.04	73.04	73.04	0.00	85.23
NSSH - General	0.00	64.57	1546.29	-45.87	0.00	1260.26	1260.26	1260.26	0.00	304.73
NSSH - NER (TSP)	81.48	0.00	216.51	81.49	0.00	206.14	206.14	206.14	0.00	10.38
Sub Total	582.83	10407.51		30.39	0.00	7096.35	7096.35	7096.35	0.00	3924.38
Procurement and Marketing Support Scheme (PMSS)	0.00	123.85	134.55	-9.88	0.00	248.17	248.17	248.17	0.00	0.35
International Co-operation (IC) Scheme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1529.71	12012.14		-16.57	699.11	7661.75	8360.86	8360.86	0.00	5164.42
Net Surplus / (Deficit)									5164.42	
Previous Year Surplus / (Deficit)									1529.71	

NOTE-17 : PROVISIONS

(₹ in Lakh)

Particulars	As At 31.03.22		As At 31.03.21	
Provisions for Employee Benefits				
For Gratuity	5200.40		4926.49	
For Leave Encashment	3156.29		2842.72	
For Half Pay Leave	508.11		491.42	
For TA on Retirement	3.92	8868.72	3.84	8264.47
Others				
For Doubtful Debts & Advances	13173.98		13105.01	
Less: Adjustment as per contra against Trade Receivables, Loans & Advances, etc.	13173.98	0.00	13105.01	0.00
For Exchange Variation				
Balance as per last Balance Sheet	1977.70		1838.05	
Add: Provision made during the Year	425.07		459.14	
Less: Utilised for Exchange Variation Losses	3.58		160.05	
Less: Amount Written Back	224.19	2175.00	159.44	1977.70
For Promotional Activity (KFW)				
Balance as per last Balance Sheet	0.00		0.00	
Add: Provision made during the Year	49.84		54.41	
Less: Amount Utilized/Written Back	49.84	0.00	54.41	0.00
As per Balance Sheet		11043.72		10242.17

Note :- Refer Sl. No. 4(H) of Note-35

NOTE-17A : DETAILS OF ADDITIONS, REVERSALS & UTILIZATIONS OF PROVISIONS

(₹ in Lakh)

Particulars	Opening Balance as on 01.04.2021	Additions during the year	Utilizations/ Reversals/ Adjustments	Amount Written Back during the year	Closing Balance as on 31.03.2022
For Gratuity	4926.49	665.22	390.24	1.07	5200.40
For Leave Encashment	2842.72	847.59	528.02	6.00	3156.29
For Half Pay Leave	491.42	80.77	20.88	43.20	508.11
For TA on Retirement	3.84	0.37	0.06	0.23	3.92
For Doubtful Debts	13105.01	478.31	0.00	409.34	13173.98
For Exchange Variation	1977.70	425.06	3.58	224.18	2175.00
For Promotional Activity	0.00	49.84	49.84	0.00	0.00
Total	23347.18	2547.16	992.62	684.02	24217.70

NOTE-18 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Income Received in Advance	1128.71	1148.28
Other Payables - Employees	3004.43	2565.34
Other Payables	842.77	960.99
Impact of Discounting on Employee Advance	7.25	7.24
As per Balance Sheet	4983.16	4681.85

NOTE-19 : SHARE CAPITAL

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
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-19A : RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

Particulars	Equity Shares (No.)	Preference Shares (No.)
Shares Outstanding at the beginning of the Year	53298800	0
Shares Issued during the Year	0	0
Shares Bought Back during the Year	0	0
Shares Outstanding at the end of the Year	53298800	0

ANNEXURE-19B : DETAILS OF SHAREHOLDING OVER 5% SHARE IN CORPORATION

Name of Shareholder	As At 31.03.22 No. of Share Held	As At 31.03.22 % of Holding	As At 31.03.21 No. of Share Held	As At 31.03.21 % of Holding
Promoter				
Government of India	53298800	100	53298800	100
Changes in Promoter Holding during the Year	0	0	0	0

ANNEXURE-19C : DETAILS OF SHARES ALLOTTED PURSUANT TO CONTRACT(S) WITHOUT PAYMENT BEING RECEIVED IN CASH, BONUS SHARES & SHARES BOUGHT BACK IN RESPECT OF LAST 5 YEARS

Particulars	Aggregate No. of Shares				
	2021-2022	2020-21	2019-20	2018-19	2017-18
Equity Shares:					
Fully paid up pursuant to Contract(s) without Payment being received in Cash	0	0	0	0	0
Fully paid up by way of Bonus Shares	0	0	0	0	0
Shares bought back	0	0	0	0	0
Preference Shares:					
Fully paid up pursuant to Contract(s) without Payment being received in Cash	0	0	0	0	0
Fully paid up by way of Bonus Shares	0	0	0	0	0
Shares bought back	0	0	0	0	0

ANNEXURE-19D : DETAILS OF CALLS UNPAID

(₹ in Lakh)

Particulars	As At 31.03.22	As At 31.03.21
Calls Unpaid		
By Directors	0	0
By Officers	0	0

ANNEXURE-19E : RIGHT, PREFERENCE AND RESTRICTIONS ATTACHED TO SHARES

The equity share is the only class of Share capital having par value of ₹ 100 per share. Every holder of equity share present at a meeting in person or by a proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Equity share carry voting right proportionate to the paid-up value per share. In the event of liquidation of the Company, holders of the equity share are entitled to be repaid the amounts credited as paid up on those equity share. All surplus assets after settlement of liabilities as at the commencement of winding up shall be paid to the holders of equity share in proportion of their shareholding.

NOTE -20 : DETAILS OF OTHER EQUITY

(₹ in Lakh)

Particulars	At At 01.04.2021	Additions / Created During the Year	Deductions during the Year		At At 31.03.2022
			Transfer / Sales / Adjustment	Depreciation for the Year	
CAPITAL RESERVES/DEFERRED INCOME (Reserve representing value of Assets acquired out of Grants received from Government of India)					
Technical Centre	291.38	0.00	7.13	18.16	266.09
Government Purchase Plan	3.45	0.00	3.04	0.00	0.41
Appropriate Technology	2.46	0.00	0.26	0.00	2.20
Modernization - Lock Project	16.47	0.00	0.00	6.03	10.44
Development of North East Region	18.46	0.00	0.00	1.12	17.34

(₹ in Lakh)

Particulars	At At 01.04.2021	Additions / Created During the Year	Deductions during the Year		At At 31.03.2022
			Transfer / Sales / Adjustment	Depreciation for the Year	
Technology Business Incubator	68.59	0.00	0.00	7.68	60.91
Mini Tool Room Centre	0.85	0.00	0.00	0.00	0.85
Minority Welfare Scheme	0.12	0.00	0.00	0.00	0.12
Modernization of Technical Centre	4.32	0.00	0.00	0.00	4.32
Science & Technology Project	1.32	0.00	0.00	0.02	1.30
Product Design Centre (PRIDE)	10.46	0.00	0.00	0.31	10.15
Technology Business Incubator (IT)	1.03	0.00	1.03	0.00	0.00
Laghu Udyog Mart(LUM)	197.66	0.00	0.00	9.39	188.27
Interest Differential Fund on KFW (West Germany) Loans	18.40	0.00	0.04	0.51	17.85
Technology Development of Baking Oven	0.02	0.00	0.00	0.00	0.02
DST-STEP (S&T Project)	25.16	0.00	0.00	5.13	20.03
Testing Fuel Efficient Diesel Engine (TFEDE)	0.36	0.00	0.00	0.00	0.36
Marketing Development Centre	61.46	0.00	0.00	1.53	59.93
Interest Differential Fund on S&T Project	0.65	0.00	0.00	0.00	0.65
Training cum Incubation	184.66	58.33	0.00	20.09	222.90
Assistance for Training to Institutions	2922.23	640.78	0.00	291.17	3271.84
NSSH - General	1.80	0.00	1.80	0.00	0.00
Sub Total	3831.31	699.11	13.30	361.14	4155.98
OTHER RESERVES					
Capital Replacement Reserve	73.09	0.00	0.00	0.00	73.09
Impairment Reserve *	4866.65	0.00	0.00	0.00	4866.65
Retained Earning	43545.27	11012.85	5342.18	0.00	49215.94
Equity Instruments through Other Comprehensive Income (OCI)	187.96	70.87	0.00	0.00	258.83
Actuarial Gain/Loss on Defined Benefit Plans through OCI	-415.44	-105.79	0.00	0.00	-521.23
Statutory Reserve - u/s 45 IC of RBI Act 1934 **	4015.70	2164.51	0.00	0.00	6180.21
As per Balance Sheet	56104.54	13841.55	5355.48	361.14	64229.47
Reserve against Assets Held for Sale	0	0	0	0	0

* Refer Point No. 13 of Note-35

** Refer Point No. 13 (C) of Note-35

NOTE -21 : REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
REVENUE FROM OPERATIONS		
A Sales of Products		
Marketing Activity		
Marketing	10350.71	14114.14
Export	0.00	0.00
Raw Material Distribution (Refer Annexure-21A)	210813.21	154316.62
As per Statement of Profit & Loss	221163.92	168430.76

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21		
B Sale of Services				
Revenue from Single Point Registration Scheme (SPRS)	1072.10	1366.91		
Revenue from Digital Services Facilitation (DSF)	509.84	880.99		
Application Processing Fees	3.10	5.14		
Rent Received	3502.55	3438.30		
House Keeping & Other Charges	1170.33	670.53		
Revenue from Training Activities	1323.73	1000.95		
Revenue on account of Common Facilities	954.69	827.92		
Project Consultancy Charges	0.00	54.20		
Revenue from Training cum Incubation Center (TIC)	87.04	21.29		
Receipts from Exhibitions, Seminars, Meets, Conferences and Marketing Campaigns	13.72	2.58		
Other Receipts from Services	10.75	22.68		
Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)	439.90	537.71		
Management Fees from SRI Fund	178.24	0.00		
As per Statement of Profit & Loss	9265.99	8829.20		
C Interest Income				
From Parties				
Normal	26035.06	27145.60		
Penal Interest	3.39	2.42		
From Deposits with Banks	84.86	24.11		
From Employee Advance	0.67	0.75		
From Others	1.92	3.89		
As per Statement of Profit & Loss	26125.90	27176.77		
D Fees and Commission Income				
Processing Fees/Service Charges Earned	Value of Goods Handled, Services Rendered	Processing Fees	Value of Goods Handled, Services Rendered	Processing Fees
RMD / RMA / AWRT *	1779183.57	4458.70	1263405.25	4278.30
Miscellaneous Items **	40234.54	277.13	23991.52	301.76
As per Statement of Profit & Loss	1819418.11	4735.83	1287396.77	4580.06
E Other Operating Revenues				
Excess Provision Written Back:				
KFW	274.01		213.85	
Terminal Benefits	50.50		168.59	
Others	436.90	761.41	139.80	522.24
Sundry Credit Balances Written Back		314.15		601.15
Gain on Foreign Currency Transactions and Translation (Net)		85.57		0.00
As per Statement of Profit & Loss		1161.13		1123.39

Note :- * RMD/RMA/AWRT includes processing fees towards security against BG (Bulk and Non Bulk Supply), Advance Payment and Agency Sales/Godown Operations

** Misc. Items includes processing fees towards bill financing, marketing and Bank Tie Up

- Sales are net of GST, discounts, rebates etc.

ANNEXURE-21A : DETAILS OF RAW MATERIAL DISTRIBUTION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Aluminium	98114.18	84737.07
Iron & Steel	108113.64	64788.64
Others	4585.39	4790.91
Total	210813.21	154316.62

NOTE-22 : OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Interest on Income Tax Refunds	19.27	0.00
Miscellaneous Income	100.25	50.74
Dividend Income	2.35	2.35
Impact of Discounting on Financial Assets	28.02	42.38
Reimbursement of Expenses incurred on behalf of SRI Fund	69.37	0.00
As per Statement of Profit & Loss	219.26	95.47

NOTE-23 : GRANTS AND SUBSIDIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
For Promotional Activities	8360.86	9934.43
Less: Capital Expenditure (Net)	699.11	722.75
Less: Membership/ Inspection Fees, Training, Rent etc. under NSSH	203.97	475.71
Less: Training Fee - ATI	317.23	282.30
Less: Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)	439.90	537.71
As per Statement of Profit & Loss	6700.65	7915.96

NOTE-24 : PURCHASE OF PRODUCTS

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
PURCHASES OF STOCK IN TRADE FOR MARKETING		
Marketing	10350.70	14114.13
Export	0.00	0.00
Raw Material Distribution (Refer Annexure 24A)	209853.34	153241.53
As per Statement of Profit & Loss	220204.04	167355.66

Note :- Purchases are net of GST, discounts, rebates etc.

ANNEXURE-24A : DETAILS OF RAW MATERIAL DISTRIBUTION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Aluminium	97303.66	83843.92
Iron & Steel	108044.68	64724.29
Others	4505.00	4673.32
Total	209853.34	153241.53

NOTE-25 : CHANGES IN INVENTORIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22		For the Year Ended 31.03.21	
Finished Goods:				
Closing Stock	0.00		1.91	
Less: Opening Stock	1.91		2.10	
Adjustment in Stock	0.00	1.91	0.19	0.00
Goods-In-Transit:				
Closing Stock	0.00		0.00	
Less: Opening Stock	0.00		54.96	
Adjustment in Stock	0.00	0.00	0.00	54.96
As per Statement of Profit & Loss		1.91		54.96

NOTE-26 : EMPLOYEES BENEFIT EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22		For the Year Ended 31.03.21	
Salaries and Allowances		9073.90		9062.60
Contributions to:				
Provident Fund	755.69		742.38	
Superannuation Scheme/Pension Scheme	621.05	1376.74	618.78	1361.16
Gratuity		588.88		689.28
Staff Welfare Expenses		116.68		127.93
Other Benefits		2116.13		1923.76
Directors (Including Chairman-Cum-Managing Director)				
Salaries and Allowances		110.03		120.09
Contributions to:				
Provident Fund	7.15		6.58	
Superannuation Scheme/Pension Scheme	17.86	25.01	5.49	12.07
Gratuity		4.11		2.53
Other Benefits		18.45		1.85
As per Statement of Profit & Loss		13429.93		13301.27

NOTE-27 : FINANCE COST

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22		For the Year Ended 31.03.21	
Interest on Borrowings:				
Kreditanstalt West Germany (KFW Loans)	508.41		549.64	
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	3.09		3.36	
Banks	5742.88	6254.38	7154.60	7707.60
Other Finance Charges		1.29		0.38
Interest Expenses on Employee Advance/Amortised Cost		1.35		0.39
As per Statement of Profit & Loss		6257.02		7708.37

NOTE-28 : DEPRECIATION & AMORTIZATION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22		For the Year Ended 31.03.21	
Depreciation on:				
Property, Plant & Equipments		708.48		678.99
Leased Assets		0.00		0.00
Property, Plant & Equipments acquired against Grants				
Depreciation as per Contra	361.14		347.70	
Less: Replacement Reserve as per Contra	361.14	0.00	347.70	0.00
Amortization of Expenses		33.84		38.12
Impairment Loss on Property, Plant & Equipments		0.00		124.41
As per Statement of Profit & Loss		742.32		841.52

Note :- Refer Note No. 12 and Sl. No. 4(E) of Note-35

NOTE-29 : CORPORATE SOCIAL RESPONSIBILITY

(₹ in Lakh)

Particulars	In Cash 31.03.2022	Yet to be Paid 31.03.2022	Total 31.03.2022	In Cash 31.03.2021	Yet to be Paid 31.03.2021	Total 31.03.2021
Construction/Acquisition of any Assets	0.00	0.00	0.00	0.00	0.00	0.00
On Purchase Other than above	230.60*	0.00	230.60	224.58	0.00	224.58
As per Statement of Profit & Loss	230.60	0.00	230.60	224.58	0.00	224.58
Related Parties Transaction	0.00	0.00	0.00	0.00	0.00	0.00
Amount required to be spent by the Company during the year			223.53			230.89
Amount of expenditure incurred			224.10			231.08
Shortfall at the end of the year			-0.57			-0.19
Total of previous years shortfall			-0.19			0.00
Reason for Shortfall			0.00			0.00
Nature of CSR activities			0.00			0.00
Detail of Related Party Transactions			0.00			0.00

Note :- * It includes ₹ 6.50 lakh deposited on 25.11.2021 in Swachh Bharat Kosh on account of CSR for the Financial Year 2020-2021

NOTE-30 : OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Electricity, Power & Water Charges	749.64	662.70
Printing & Stationery	76.84	63.92
Insurance	27.24	27.45
Travelling, Conveyance & Vehicle Charges	382.22	356.92
Freight and Octroi Expenses	22.72	30.56
Communication Expenses	95.19	101.96
Rent Paid	459.61	448.67
Recruitment Expenses	13.64	15.04
Licences, Rates & Taxes	256.00	396.83
Expense on Security & Other Allied Services	2019.79	1877.64
Repairs & Maintenance Expenses	620.24	411.42
Computer Maintenance Charges	23.69	34.29
Web Portal and Software Development, Maintenance Charges	8.24	27.83
Computer, Server etc., Hire Charges	45.57	57.07
Payments to Statutory Auditors	50.94	47.83
Payment to Internal auditors	35.23	35.55
Legal, Professional and Consultancy Charges	249.10	293.59
Directors' Sitting Fee	1.65	0.00
Directors' Other Expenses	14.66	12.66
Training Expenses	582.23	530.15
Common Facilities Charges	77.56	65.35
Expenses on Godown Operations	960.31	942.56
Infomediary Services Expenses	1.53	2.50
Business/Sales Promotion Expenses	44.05	37.06
Entertainment	17.38	12.36
Advertisement and Publicity	46.73	66.07
Duties and Charges Paid for Company Incorporation	0.00	10.83
Loss on Foreign Currency Transactions and Translation (Net)	0.00	22.59
Miscellaneous Expenses	24.63	18.41

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Bad Debts/Irrecoverable Advances Written Off	7.75	18.17
Expenditure on Exhibitions, Seminars and Conference	20.93	2.73
Expenses on Credit Information Report / PCRS	38.05	6.05
Expenses on Special Marketing Assistance Scheme (SMAS)	660.81	37.47
Expenses on Others - NSSH	5206.56	7141.24
Expenses on Procurement & Marketing Support Scheme (PMSS)	248.17	147.03
Expenses on International Co-operation (IC) Scheme	0.00	18.31
Impact of Discounting on Financial Assets	52.27	27.31
Provision for Doubtful Debts	478.31	614.41
Expenses on SPRS	32.07	39.56
Interest/Fees/Penalty for Statutory Dues	5.69	28.56
As per Statement of Profit & Loss	13657.24	14690.65

ANNEXURE-30A : DETAILS OF OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Payment to Statutory Auditors for:		
Statutory Audit Fees	39.01	35.30
Tax Audit Fees	10.26	10.28
Other Taxation Matters	0.00	0.00
Company Law Matters	0.00	0.00
Management Services	0.00	0.00
Other Services	0.00	2.01
Reimbursement of Expenses	1.67	0.24
Total	50.94	47.83
Repairs & Maintenance Expenses on:		
Building	460.67	312.70
Machinery	43.23	14.95
Others	116.34	83.77
Total	620.24	411.42
Bad Debts/Irrecoverable Advance Written Off:		
Bad Debts Written Off	7.75	18.17
Irrecoverable Advances Written Off	0.00	0.00
Losses Written Off	0.00	16.48
Less: Contra Adjustment to Losses Written Off	0.00	16.48
Total	7.75	18.17
Training Expenses on:		
Internal	362.16	371.73
Sponsored	93.57	48.36
Personal	3.92	0.18
ATI	68.83	64.82
Others	53.75	45.06
Total	582.23	530.15
Expenses on Special Marketing Assistance Scheme:		
Participation in Domestic Exhibitions, Trade Fairs	639.48	23.69
Vendor Development Programmes	0.63	1.91

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Organizing Workshops, Seminars, Awareness Campaigns	20.70	11.87
Total	660.81	37.47
Expenses on Others - NSSH:		
Capacity Building, Skill Training, EDPs	707.97	1057.38
Marketing Assistance	0.28	0.45
Awareness Generation and Publicity	593.43	525.99
Technical & Managerial Support to SC/ST Hub	225.24	401.52
Special Credit Linked Capital Subsidy Scheme	3664.16	5152.86
Facilitating Participation of SC/ST Entrepreneurs in Public Procurement	15.48	3.04
Total	5206.56	7141.24
Expenses on Procurement and Marketing Support Scheme (PMSS):		
Participation of individual MSEs in Domestic Trade Fairs/Exhibitions	248.17	138.98
Vendor Development Program (VDP)	0.00	1.60
National Workshops, Seminars	0.00	4.00
Awareness Program	0.00	2.45
Total	248.17	147.03
Expenses on International Co-operation (IC) Scheme:		
Participation of MSME Delegation in International Exhibitions, etc.	0.00	18.31
Total	0.00	18.31
Interest/Fees/Penalty for Statutory Dues		
Interest Paid for Late Deposit of TDS	2.49	18.00
Interest Paid for Late Deposit of GST	2.00	10.56
Fees for Late filling of TDS / TCS Returns	0.09	0.00
Fees for Late filling of GST Returns	0.00	0.00
Penalty under any Law	1.11	0.00
Total	5.69	28.56

NOTE - 31 : FEES AND COMMISSION EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Fees and Commission :		
Government Guarantee Fee		
Government Guarantee Fee - KFW XII Line	13.25	13.67
Government Guarantee Fee - ILC	6.99	7.64
Others		
Bank Charges and Commission	51.50	38.21
Financial Services Fees	0.00	0.04
Stamp Duty / Hundi Charges	0.00	0.01
Inspection Charges	0.11	0.00
Lease Interest	4.54	4.40
As per Statement of Profit & Loss	76.39	63.97

NOTE-32 : TAX EXPENSE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22		For the Year Ended 31.03.21	
Provisions for Current Tax				
Provision for Current Tax	3555.25		3402.78	
Provision for Deferred Tax	222.45		432.91	
Provision for Wealth Tax	0.00	3777.70	0.00	3835.69
Adjustment for Previous Year Taxes				
Provision for Tax	-11.11		-27.48	
Provision for Deferred Tax	0.00	-11.11	0.00	-27.48
As per Statement of Profit & Loss		3766.59		3808.21

NOTE - 33 : EARNINGS PER EQUITY SHARE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
Numerator		
Profit after tax as per Statement of Profit and Loss	11012.84	10098.20
Denominator		
Number of Equity Shares (Face value of ₹ 100/- each)	53298800	53298800
Number of Shares allotted during the year	0	0
Weighted Average number of equity shares for calculating Basic Earnings Per Share	53298800	53298800
Weighted Average number of equity shares for calculating Diluted Earnings Per Share	53298800	53298800
Basic Earnings Per Share (₹ per share) (Face value of ₹ 100/- each)	20.66	18.95
Diluted Earnings Per Share (₹ per share) (Face value of ₹ 100/- each)	20.66	18.95

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

(₹ in Lakh)

Particulars	For the Year Ended 31.03.22	For the Year Ended 31.03.21
(i) Contingent Liabilities:		
Claims against the Coporation not acknowledged as Debts	89.57	113.18
Guarantees	300.05	319.70
Disputed Income Tax, Interest Tax, Sales Tax, Trade Tax Demand	872.54	866.94
Other money for which the Corporation is Contingently Liable	24.04	23.54
As per Statement of Profit & Loss	1286.20	1323.36
(ii) Commitments:		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	3296.75	1758.45
Uncalled Liability on Shares and Other Investments Partly Paid	0.00	0.00
Other Commitments	0.00	0.00
As per Statement of Profit & Loss	3296.75	1758.45

NOTE-35

Other Notes to the Consolidated Financial Statements for the year ended 31st March, 2022.

NSIC Venture Capital Fund Limited ('NVCFL' or 'the Company'), is a public limited company domiciled in India and incorporated on 28th August 2020 under the provisions of the Companies Act, 2013. NVCFL is a wholly owned subsidiary of The National Small Industries Corporation Limited ('NSIC'), a Government of India enterprise and its registered office is located at NSIC Bhawan, Okhla Industrial Estate, Phase -III, New Delhi - 110020 (India). With effect from 1st September, 2021 the NVCFL was registered with Securities and Exchange Board of India ('SEBI') and received registration no. IN/AIF2/21-22/0924 as Category II Alternate Investment Fund under Securities & Exchange Board of India (Alternative Investment Fund) Regulations, 2012 ('the Regulations') for its first scheme Self Reliant

India (SRI) Fund ("the Scheme" or "Fund"). The Scheme has the Government of India, NSIC and the Company as its contributors and is treated as a separate 'Association of Person'. The objective of the Scheme is to provide funding support to the daughter funds for onward provision of support to MSMEs as growth capital through equity, quasi-equity and debt.

These Consolidated Financial Statements comprises of the financial statements of NSIC and its subsidiary – NSIC Venture Capital Fund (referred to collectively as the 'Group').

1. The following information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent the status of such parties identified on the basis of information/documents available with the Group.

(₹ in Lakh)

S. No.	Particulars	2021-2022	2020-21
1	Amount remaining unpaid to any supplier:		
	a) Principal Amount	14348.89	19252.10
	b) Interest due thereon	Nil	Nil
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

NSIC facilitates MSEs in marketing their product through tender participation on behalf of MSEs under Consortia and Tender Marketing Scheme. As per the terms of agreement between NSIC and MSEs, MSEs are executing tenders awarded by the various government departments through NSIC and the amount becomes due to MSEs only on

receipt of payment from the respective buyer departments. The amount payable to such units have been shown as "Trade Payables-Outstanding Dues of MSEs", in the financial statements, based on Udyog Aadhaar Memorandum (UAM) / Udyam Registration number and registration with the Corporation (NSIC) of the suppliers.

As per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, NSIC has been defined as a 'Supplier' under its Section 2(n) sub clause (i). Further, Ministry of MSME vide Circular dated 31.08.2016 has clarified that NSIC acts a 'Facilitator' in bringing together the MSEs (the supplying units) and the various 'buyers'. As NSIC at no stage becomes the beneficiary 'buyer' for the goods being supplied by the MSEs to the PSUs and other government departments through NSIC's facilitation, NSIC is not classified as 'buyer' in terms of Section 15 & 16 of the MSMED Act 2006 for the purpose of interest on delayed payment. The PSUs or other Government Departments, being beneficiary 'buyer' of the goods, are responsible for making the payment of the goods supplied by the 'supplier' and also for the interest on delayed payment in terms of the Section 15 & 16 of MSMED Act 2006. Accordingly, the provision relating to interest payable to such units is not applicable to NSIC.

In respect of Other Trade Payables, NSIC has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006)

claiming their status as Micro, Small and Medium Enterprises (MSME). Consequently, the amount payable to such units has been shown as "Trade Payables-Outstanding Dues of Non-MSEs".

2. The Group has a system of obtaining periodic confirmation of balances of banks and other parties. Letters seeking confirmation for year-end outstanding balances have been sent to trade receivables, creditors, contractors' advances, deposits, borrowers etc. with a request to confirm or send comment within the stipulated period failing which balance as indicated in the letter would be taken as confirmed. In case of Government/Local Authorities dues, and the cases where 100% Provisions are made, RC is issued and / or under litigation/ legal proceedings, customer balances are normally not subject to confirmation. No adverse communication has been received from any party. Moreover, reconciliations of the accounts with the parties are carried out as an ongoing process.

However, confirmations in some cases as detailed below are awaited, the impact of which in the opinion of the management is not significant:

Balance Confirmation Statement-

Financial Year 2021-2022

(₹ in Lakh)

S. No.	Nature of Account	Total Outstanding	PIS/ Additional/ Normal Interest/ Seized Leased Suspense/ Cheques sent for Collection	Amount Net of PIS / Additional/ Normal Interest/ Seized Leased Suspense/ Cheques sent for Collection *	Govt Dues, Amount where 100% Provisions made, RC is issued and / or under litigation/ legal proceedings	Balance Outstanding	Confirmation Received	Confirmation not Received
a	B	c	d	e=c-d	f	g=e-f	h	i=g-h
1	Cash & Bank Balance	19377.38	-	19377.38	-	19377.38	19377.38	-
2	Receivables	15931.09	345.68	15585.41	6524.09	9061.32	1140.01	7921.31
3	Loan and Advances	260017.85	951.99	259065.86	11168.07	247897.79	244264.59	3633.2
4	Other Financial Assets	2197.88	-	2197.88	407.57	1790.31	410.61	1379.7
5	Trade Payable	14539.05	-	14539.05	327.71	14211.34	2310.29	11901.05
6	Other Financial Liabilities	18619.98	-	18619.98	986.06	17633.92	11642.6	5991.32
7	Others -Other Non-Financial Liabilities	92.89	-	92.89	2.82	90.07	77.62	12.45
	Total	330776.12	1297.67	329478.45	19416.32	310062.13	279223.10	30839.03

*Amount is net of PIS but before impairment allowance.

Financial Year 2020-2021

(₹ in Lakh)

S. No.	Nature of Account	Total Outstanding	PIS/ Additional/ Normal Interest/ Seized Leased Suspense/ Cheques sent for Collection	Amount Net of PIS / Additional/ Normal Interest/ Seized Leased Suspense/ Cheques sent for Collection *	Govt Dues, Amount where 100% Provisions made, RC is issued and / or under litigation/ legal proceedings	Balance Outstanding	Confirmation Received	Confirmation not Received
a	B	c	d	e=c-d	f	g=e-f	h	i=g-h
1	Cash & Bank Balance	15669.91	-	15669.91	-	15669.91	15669.91	-
2	Receivables	20236.99	561.46	19675.53	10849.09	8826.44	1081.77	7744.67
3	Loan and Advances	244049.73	1798.00	242251.73	10917.98	231333.75	223121.59	8212.16
4	Other Financial Assets	1842.97	-	1842.97	723.70	1119.27	413.18	706.09
5	Trade Payable	19408.64	-	19408.64	157.60	19251.04	8132.05	11118.99
6	Other Financial Liabilities	14249.10	-	14249.10	852.10	13397.00	7842.73	5554.27
7	Others -Other Non-Financial Liabilities	36.21	-	36.21	-	36.21	20.39	15.82
	Total	315493.55	2359.46	313134.09	23500.47	289633.62	256281.62	33352.00

*Amount is net of PIS but before impairment allowance.

3. In the opinion of Management, all Financial and Non-Financial Assets, including Loans & Advances, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and necessary provision has been made, wherever required, in terms of provisioning norms as per Annexure to Accounting Policy XXII(a)(vii).

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

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

Changes in significant accounting policies

a) Accounting policies have been reframed / added (wherever required) being already in existence, for better depiction and understanding for reader of accounts.

B. Disclosure as per Ind AS 2: Inventories

a) The total carrying amounts of inventories as at 31.03.2022 is ₹ 12.26 lakh (₹ 40.59 lakh) as shown in Note no. 9 of Balance Sheet.

b) Inventories are stated at lower of Cost

and net realizable value and there is no inventory of which carrying cost is stated at fair value as at 31st March, 2022.

c) There is write down of ₹ 1.91 lakh in case of NTSC Rajkot that is recognized as a reduction in the amounts of inventories recognized as expenses in the period.

d) Land and Building/sheds/quarters in stock, Industrial Estate, Naini

The Land & Building/sheds/quarters etc. of Industrial Estate, Naini, were consistently shown as Inventories in the books of accounts since 1995-96, being in the nature of stock and are valued at lower of cost and net realizable value, in terms of Accounting Policies of NSIC. It is not out of place to mention that Land & Building/sheds/quarters etc. were constructed for development of industries and are still lying with NSIC even after lapse of over 60 years of construction.

However, in terms of Management letter no. AMG-III/4(21)/NSIC/ Annual Accounts/2021-2022/419 dated 19.01.2022 issued by the

office of Principal Office of Audit Industry and Corporate Office, in this regard, BO Naini has accounted for Land and Building/sheds/quarters etc. amounting to ₹ 19.65 lakh as on 31.03.2021 as 'Property, Plant and Equipment (PPE)' instead of 'Inventories' in the books of accounts for the financial year 2021-2022.

The Land and Building/sheds/quarters etc. amounting to ₹ 19.65 lakh as on 31.03.2021 comprises of Land amounting to ₹ 3.54 lakh & Building amounting to ₹ 16.11 lakh respectively and accordingly, during 2021-2022, based on the nature of asset, the Land

and Building/sheds/quarters etc. have been accounted for separately as 'Land' & 'Building' under PPE at 'Cost' with such amount respectively.

Further, regarding Building (comprising of Building/sheds/quarters etc.) amounting to ₹ 16.11 lakh, since the same was developed during 1956 to 1958 and over 60 years have been lapsed, the same has been depicted at written down value (Residual value) of ₹ 0.81 lakh (i.e. 5 Percent of Original cost ₹ 16.11 lakh) and ₹ 15.30 lakh (₹ 16.11 lakh Less ₹ 0.81 lakh) has been charged as depreciation expense for the year 2021-2022.

C. Disclosure as per Ind AS 12 "Income Taxes"

a) Financial Year 2021-2022

(₹ in Lakh)

Description	Net Balance at 01.04.2021	Recognized in Statement of Profit & Loss	Recognized in OCI	Net Balance at 31.03.2022
Deferred Tax Liabilities				
Related to timing difference on depreciation of fixed assets	1448.70	349.00	-	1797.70
Discounting of Financial asset/ financial liabilities	38.97	(6.45)	-	32.52
Fair Value of Investments	42.36	-	23.84	66.20
Sub-Total	1530.03	342.55	23.84	1896.42
Deferred Tax Assets				
Provision for Receivables & Advances	3298.53	17.36	-	3315.89
Employee Benefits	2302.57	90.93	35.58	2429.09
Others	-	11.81	-	11.81
Sub-Total	5601.10	120.10	35.58	5756.79
Deferred Tax Assets (Net)	4071.07	(222.45)	11.74	3860.37

b) Financial Year 2020-2021

(₹ in Lakh)

Description	Net Balance at 01.04.2020	Recognized in statement of Profit & Loss	Recognized in OCI	Net Balance at 31.03.2021
Deferred Tax Liabilities				
Related to timing difference on depreciation of fixed assets	951.62	497.08	-	1448.70
Discounting of Financial asset/ financial liabilities	35.28	3.69	-	38.97
Fair Value of Investments	19.02	-	23.34	42.36
Sub-Total	1005.92	500.77	23.34	1530.03
Deferred Tax Assets				
Provision for Receivables & Advances	3178.62	119.91	-	3298.53
Employee Benefits	2388.59	(52.05)	(33.97)	2302.57
Sub-Total	5567.21	67.86	(33.97)	5601.10
Deferred Tax Assets (Net)	4561.29	(432.91)	(57.31)	4071.07

(₹ in Lakh)

Reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to Profit before Taxes		
Particulars	31 st March 2022	31 st March 2021
Profit before Tax	14779.44	13906.41
Tax Rate Applicable to a Domestic Company	25.17%	25.17%
Computed Tax Expense	3719.99	3500.24
Tax Effect of		
Expenses that are not deductible in determining taxable profit	689.65	636.59
Incomes that are not taxable in determining taxable profit	(854.39)	(734.05)
Current Tax Provision	3555.25	3402.78
Income Taxes relating to earlier periods	(11.11)	(27.48)
Incremental Deferred Tax Liability / (Asset)	222.45	432.91
Tax Expense Recognized in Statement of Profit & Loss	3766.59	3808.21
Effective Tax Rate	25.49%	27.38%

D. Disclosure of Undisclosed Income-

The group has not surrendered or disclosed any unrecorded income during the year in the tax assessments under Income Tax Act 1961.

E. Disclosure as per Ind AS 16 – Property, Plant & Equipment and Ind AS 38 – Intangible Assets

Relevant line item in the balance sheet	Description of item of property	Gross carrying value (₹ in Lakh)	Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of NSIC **
PPE	Land at Technical Centre Howrah	1.60	NSIC	No	1959-60	The matter of obtaining title deeds from local authority is under process.
PPE	Flats at Branch Office Mumbai	11.52	NSIC	No	1988	Redevelopment of the society at Tilak Nagar, Chembur in which NSIC is having six flats have been completed. The new flats are under possession of NSIC. However, the matter of registry of the flat is still pending due to ongoing litigation.

- The land measuring 3.28 Acres of NTSC-Rajkot is under encroachment by few Industrial Units as well as unauthorized dwelling units. It's apt to mention that necessary action for removal of such encroachment is under process. The ownership of such land is in favor of NSIC and is possessed by NSIC.
- During the current Financial Year, assets having net carrying value of ₹ 20.55 lakh (Gross carrying Value ₹ 96.99 Lakh) has been retired with sale proceeds of ₹ 26.75 Lakh and gain of ₹ 6.20 Lakh has been accounted for. During the Financial Year 2020-21, assets having net carrying value of ₹ 7.08 Lakh (Gross carrying Value ₹ 99.65 Lakh) has been retired with sale proceeds of ₹ 2.86 Lakh and loss of ₹ 4.22 Lakh has been accounted for.
- There is no revaluation of any Property Plant and Equipment and Intangible assets during the year.

F. Disclosure on Benami Property:

The group does not hold any benami property. As such no proceedings have been initiated or pending against the group for holding any benami property under the Benami Transaction (Prohibition) Act 1988 (section 45) and rules made there under.

G. Disclosure on Borrowings

- The group has not defaulted in repayment of borrowings/loan taken from banks / institutions or other lender.
- As such the group has not been declared willful defaulter by the bank or financial institution or other lender.
- All the charges in respect of loans taken from bank/financial institutions

or other lenders have been registered with Registration of Company (ROC) with in statutory period.

- Group has not borrowed any amount for any qualifying asset, the interest of which is required to be capitalized as per Ind AS 23, "Borrowing Cost". Hence, no interest has been capitalized during the year.

H. Disclosure as per Ind AS 19 – Employee Benefits

- General descriptions of various defined employee's benefits schemes are as under:

i. Defined Contribution Plan

- Provident Fund:**

The Group's Provident Fund is managed by separate trust registered under the Employees Provident Fund & Misc. Provisions Act 1952 which invests the funds in permitted securities. The trust fixes the rate of interest based on the notification issued by the Government of India. The liability is recognized on accrual basis.

b) Post-Retirement Medical Facility:

The Group has Post-retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facility for indoor treatment through Medclaim policy of ₹ 5 Lakh.

The liability on this account is recognized on accrual basis i.e. 2% contribution on Basic Pay plus dearness allowance of current financial year in case of employees retired after 1.1.2007 under IDA pattern employees and 1.5% of PBT of previous financial year in case of employees retired prior to 1.1.2007, based on the affordability of NSIC.

With respect to Employee Pension Scheme, the same is managed through Regional Provident Fund Trust.

ii. Defined Benefit Plans

(a) Gratuity:

The Group has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity @ 15 days salary (15/26 x last drawn basic pay plus dearness allowance) for each completed year of service on superannuation,

resignation, termination and on death.

(b) Leave:

The Group provides for earned leave benefits and half-pay leave to the employees of the Group, which accrue annually at 30 days & 20 days respectively. Earned leave is encashable maximum 30 days in a calendar year while in service in case of IDA pattern employees and a maximum of 300 days (including half pay leaves without commutation) on superannuation.

The liability on this account is recognized on the basis of actuarial valuation.

(c) TA on Retirement

TA on retirement refers to settlement at home-town or to the place where family of the retired employee intends to settle in India and includes Baggage Allowance also.

The liability on this account is recognized on the basis of actuarial valuation in Group.

(d) Superannuation Pension Scheme:

Employee's Group Superannuation Pension Scheme is managed by LIC of India. The Group's obligation is limited to pay 10% of Basic Pay plus dearness allowance of the enrolled employee.

The contribution to the scheme for the period is grouped under Employee Cost on accrual basis, based on the affordability of the Group.

(e) Medical Facility During Service:

The Group provides the medical

facility for indoor treatment for the serving employees for self and his/her dependent family members. If the treatment is as per CGHS rates, all the expenditure on this account is born by the Group and if the treatment is as per hospital

rates, employee has to bear 15% of the expenditure (excluding medicine and implant and defined special disease).

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

Plan Liability

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present value of obligation as at the end of the period	CY	5200.40	3156.29	508.11	3.92	-
	PY	4926.49	2842.72	491.42	3.84	-

Service Cost

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Current Service Cost	CY	255.30	187.74	40.28	2.47	-
	PY	317.99	231.75	53.61	7.46	-
Past Service Cost including curtailment Gains/ Losses	CY	-	-	-	-	-
	PY	-	-	-	-	-
Gains or Losses on Non-routine settlements	CY	-	-	-	-	-
	PY	-	-	-	-	-
Total Service Cost	CY	255.30	187.74	40.28	2.47	-
	PY	317.99	231.75	53.61	7.46	-

Net interest Cost

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Interest Cost on Defined Benefit Obligation	CY	335.99	193.87	33.51	0.26	-
	PY	357.66	204.87	39.38	0.27	-
Interest Income on Plan Assets	CY	-	-	-	-	-
	PY	-	-	-	-	-
Net Interest Cost (Income)	CY	335.99	193.87	33.51	0.26	-
	PY	357.66	204.87	39.38	0.27	-

Change in benefit Obligation

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present value of obligation as at the beginning of the period	CY	4926.49	2842.72	491.42	3.84	-
	PY	5183.44	2969.06	570.79	3.91	0.15
Acquisition adjustment	CY	8.18	5.36	0.49	-	-
	PY	-	-	-	-	-
Interest Cost	CY	335.99	193.87	33.51	0.26	-
	PY	357.66	204.87	39.38	0.27	-
Service Cost	CY	255.30	187.74	40.28	2.47	-
	PY	317.99	231.75	53.61	7.46	-
Past Service Cost including curtailment Gains/ Losses	CY	-	-	-	-	-
	PY	-	-	-	-	-
Benefits Paid	CY	-465.64	-594.32	-28.72	-3.93	-
	PY	-798.12	-667.82	-45.55	-7.32	-
Total Actuarial (Gain)/Loss on Obligation	CY	140.08	520.91	-28.88	1.29	-
	PY	-134.47	104.86	-126.82	-0.48	-
Present value of obligation as at the end of the period	CY	5200.40	3156.29	508.11	3.92	-
	PY	4926.49	2842.72	491.42	3.84	-

Bifurcation of Actuarial Gain/Loss on Obligation

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Actuarial (Gain)/ Loss on arising from Change in Demographic Assumption	CY	-	-	-	-	-
	PY	-	-	-	-	-
Actuarial (Gain)/ Loss on arising from Change in Financial Assumption	CY	-113.85	-78.93	-16.63	-	-
	PY	26.36	17.31	3.89	-	-
Actuarial (Gain)/ Loss on arising from Experience Adjustment	CY	253.93	599.83	1.22	1.29	-
	PY	-160.83	87.55	-130.71	-0.48	-

Balance Sheet and related analysis

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present Value of the obligation at end	CY	5200.40	3156.29	508.11	3.92	-
	PY	4926.49	2842.72	491.42	3.84	-
Fair value of plan assets	CY	-	-	-	-	-
	PY	-	-	-	-	-
Unfunded Liability/ provision in Balance Sheet	CY	5200.40	3156.29	508.11	3.92	-
	PY	4926.49	2842.72	491.42	3.84	-

The amounts recognized in the income statement

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Total Service Cost	CY	255.30	187.74	40.28	2.47	-
	PY	317.99	231.75	53.61	7.46	-
Net Interest Cost	CY	335.99	193.87	33.51	0.26	-
	PY	357.66	204.87	39.38	0.27	-
Net Actuarial (gain)/ loss recognized in the period	CY	-	520.91	-28.88	-	-
	PY	-	104.86	-126.82	-	-
Expense recognized in the Income Statement	CY	591.29	902.52	44.92	2.73	-
	PY	675.64	541.48	-33.82	7.73	-

Other Comprehensive Income (OCI)

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Net cumulative unrecognized actuarial gain/(loss) opening	CY	-	-	-	-	-
	PY	-	-	-	-	-
Actuarial gain / (loss) for the year on PBO	CY	-140.08	-	-	1.29	-
	PY	134.47	-	-	0.48	-
Actuarial gain / (loss) for the year on Asset	CY	-	-	-	-	-
	PY	-	-	-	-	-
Unrecognized actuarial gain/(loss) for the period.	CY	-140.08	-	-	-1.29	-
	PY	134.47	-	-	0.48	-

Change in Net Defined Benefit Obligation

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Net defined benefit liability at the start of the period	CY	4926.49	2842.72	491.42	3.84	-
	PY	5183.44	2969.06	570.79	3.91	0.15
Acquisition adjustment	CY	8.18	5.36	0.49	-	-
	PY	-	-	-	-	-
Total Service Cost	CY	255.30	187.74	40.28	2.47	-
	PY	317.99	231.75	53.61	7.46	-
Net Interest cost (Income)	CY	335.99	193.87	33.51	0.26	-
	PY	357.66	204.87	39.38	0.27	-
Re-measurements	CY	140.08	520.91	-28.88	1.29	-
	PY	-134.47	104.86	-126.82	-0.48	-
Contribution paid to the Fund	CY	-	-	-	-	-
	PY	-	-	-	-	-
Benefit paid directly by the enterprise	CY	-465.64	-594.32	-28.72	-3.93	-
	PY	-798.12	-667.82	-45.55	-7.32	-
Net defined benefit liability at the end of the period	CY	5200.40	3156.29	508.11	3.92	-
	PY	4926.49	2842.72	491.42	3.84	-

Bifurcation of PBO at the end of year in current and non-current

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Current Liability (Amount due within one year)	CY	510.40	320.91	49.83	0.34	-
	PY	414.68	269.19	34.02	0.28	-
Non-Current Liability (Amount due over one year)	CY	4690.00	2835.38	458.29	3.58	-
	PY	4511.81	2573.53	457.39	3.56	-
Total PBO at the end of year	CY	5200.40	3156.29	508.11	3.92	-
	PY	4926.49	2842.72	491.42	3.84	-

Expected contribution for the next Annual reporting period

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Service Cost	CY	268.82	201.24	44.60	3.21	-
	PY	262.61	184.44	44.92	0.22	-
Net Interest Cost	CY	371.83	225.67	36.33	0.28	-
	PY	335.99	193.87	33.51	0.26	-
Expected Expense for the next annual reporting period	CY	640.65	426.91	80.93	3.49	-
	PY	598.59	378.31	78.43	0.48	-

Principal assumptions used for actuarial valuation are:

Particulars	2021-2022	2020-21
Method used	Projected Unit Credit Method	Projected Unit Credit Method
Discount Rate	7.15%	6.82%
Expected Rate of Return on Plan Asset	0	0
Future Salary Increase	5.50	5.50
Mortality Rate	100% of IALM	
(2012-14)	100% IALM (2012-14)	
Ages (withdrawal Rate (%))		
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

Sensitivity of the defined benefit obligation

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Impact of change in discount rate					
Present value of obligation					
at the end of the period	5200.40	3156.29	508.11	3.92	-
Impact due to increase of 0.50%	-164.46	-113.38	-23.66	-0.13	-
Impact due to decrease of 0.50%	174.25	120.93	25.54	0.15	-
Impact of change in salary increase					
Present value of obligation					
at the end of the period	5200.40	3156.29	508.11	-	-
Impact due to increase of 0.50%	176.20	122.28	25.83	-	-
Impact due to decrease of 0.50%	-167.73	-115.63	-24.13	-	-

Maturity Profile of Defined Benefit Obligation

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
0 to 1 year	510.40	320.91	49.83	0.34	-
1 to 2 years	527.31	265.87	32.33	0.38	-
2 to 3 years	415.73	249.40	23.98	0.28	-
3 to 4 years	463.10	240.21	27.35	0.33	-
4 to 5 years	444.87	252.38	24.73	0.31	-
5 to 6 years	300.22	175.41	19.42	0.23	-
6 year onwards	2538.77	1652.11	330.47	2.05	-

- c) In respect of NVCFL, presently, no manpower is employed and personnel requirements are met through staff deputed by NSIC. The salaries, allowance, gratuity, long term retirement benefits and other benefits in respect of employees deputed to the subsidiary Company are taken care by NSIC and the attributable costs are reimbursed by the Company to NSIC.
- d) As approved by the Ministry vide letter dated 02.12.2016, Corpus for medical schemes have been created of ₹ NIL (₹ 198.50 lakh) for the employees retired prior to 1.1.2007 and of ₹ 124.20 lakh (₹ 121.45 lakh) for the employees retired on or after 1.1.2007, in accordance to the DPE's guidelines. These corpus have been utilized for the payment of premium to Insurance Company to the extent of ₹ 174.55 lakh (₹ 154.02 lakh) and ₹ 63.84 lakh (₹ 64.98 lakh) respectively during the year. The total corpus as on 31.03.2022 towards medical scheme for the employees retired prior to 1.1.2007 and on or after 1.1.2007 amounts to ₹ 359.71 lakh & ₹ 422.29 lakh respectively.
- i) Under XIth line of credit, provision of ₹ 225.71 lakh (₹ 241.49 lakh) created during the year for meeting the exchange variation losses. During the year, the exchange variation loss was ₹ 1.52 lakh (₹ 82.05 lakh) and the balance of ₹ 224.19 lakh (₹ 159.44 lakh) has been written back since utilized for the promotional activities as per the terms and conditions of the loan agreement.
- ii) 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 the exchange variation losses and the balance left out from the 80%, if any, is to be retained to meet out the exchange variation losses in future.
- Accordingly, total provisions amounting to ₹ 249.20 lakh (₹ 272.06 lakh) have been made during the year for exchange variation under XIIth line of credit, out of which 80% i.e. ₹ 199.36 lakh (₹ 217.65 lakh)
- I. Disclosure as per Ind AS- 21: Effects of change in foreign exchange rates**
- a) 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:

has been utilized against exchange variation loss during the year and balance 20% i.e. ₹ 49.84 lakh (₹ 54.41 lakh) has been utilized for promotional purposes as per terms and conditions of the loan agreement.

During the year, the exchange variation loss was ₹ 2.06 lakh (₹ 78.00 lakh) which has been adjusted from 80% provision i.e.

₹ 199.36 lakh (₹ 217.65 lakh) and balance of ₹ 197.30 lakh (₹ 139.65 lakh) of provisions has been retained to meet future exchange variation losses. The cumulative retained provision on this account as on 31.03.2022 is ₹ 2175.00 lakh (₹ 1977.70 lakh) including balance provision of ₹ 197.30 lakh (₹ 139.65 lakh) for the year to meet out exchange variation losses in future.

b) Exchange Difference

(₹ In Lakh)

S.No.	Particulars	2021-22	2020-21
1	The amount of exchange differences recognised in statement of profit or loss except for those arising on financial instruments measured at fair value through statement of profit or loss in accordance with Ind AS 109.	85.57	(22.59)
2	Net exchange differences recognised in other comprehensive income and accumulated in a separate component of equity,	-	-
3	Reconciliation of the amount of such exchange differences at the beginning and end of the period.	-	-

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

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

a) Key Managerial Personnel of NSIC

Key Managerial Personnel	Designation	Period	
		From	To
Shri Vijayendra	Chairman-cum-Managing Director	01.04.2021	14.09.2021
Smt. Alka Nangia Arora	Chairman-cum-Managing Director (Additional Charge)	14.09.2021	31.03.2022
Shri Gaurang Dixit	Director (Finance)	01.04.2021	31.03.2022
Shri P. Udayakumar	Director (P&M)	01.04.2021	31.03.2022
Smt. Nishtha Goyal	Company Secretary	01.04.2021	31.03.2022

b) Subsidiary- NSIC is having a subsidiary Company- M/s. NSIC Venture Capital Fund Limited (NVCFL)-Shareholding of NSIC: 100%

c) Related Party- Self-Reliant India (SRI) Fund

d) Transactions during the year with Key Management Personnel of NSIC

(₹ In Lakh)

S.No.	Nature of Transactions	Key Management Personnel		Relative of Key Management Personnel	
		2021-22	2020-21	2021-22	2020-21
1.	Expenditure:				
a)	Salary and Allowances	126.91	135.59	-	-
b)	Leave/ LTC Encashment	10.89	6.34	-	-
c)	Provident Fund Contribution	8.52	7.82	-	-
d)	Contribution to Pension Scheme	19.00	6.52	-	-
e)	Other Expenses	14.85	12.66	-	-
f)	Lease Rent Paid	-	-	-	-
g)	Provision for Terminal Benefits	18.94	5.97	-	-
2.	Balance Outstanding:				
a)	Loan & interest outstanding	-	-	-	-
b)	Travelling Advance	-	-	-	-
c)	Provision for Terminal Benefits as per Actuarial Valuation	100.26	87.09	-	-
3.	Other Payments :				
a)	PRP Paid for Financial Year 2018-2019	7.71	-	-	-

e) Transactions during the year with Self-Reliant India (SRI) Fund of NSIC

(₹ In Lakh)

S.No.	Nature of Transactions	Financial Year 2021-22	Financial Year 2020-21
1.	Advance given	1.25	-
2.	Expenses incurred on behalf of Fund	109.42	-
3.	Investment made	10.69	-
4.	Management Fee charged	178.24	-
5.	Reimbursement received for expenditure incurred by Company on behalf of Fund	194.97	-
	Balance Outstanding:		
1.	Advance availed	1.25	-
2.	Trade Receivable	109.42	-
3.	Investment	10.69	-

f) Major terms & conditions of transactions with related parties

(a) The remuneration to Key management

personnel are in line with the service rules of NSIC.

g) The group has not granted any loan

or advances in the nature of loan to Promoters, Directors, KMPs and related parties (as defined under the Companies Act 2013) either severally or jointly with any other person during the year.

K. Disclosure as per Ind AS 109 -Financial Instrument

Disclosure of provisions made in NSIC

- a) Based on RBI notification no RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13.03.2020, ECLs in terms of Ind AS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20.
- b) In respect of financial assets, comprising of receivables in respect of dues under Hire Purchase, Leasing, Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, banks, etc., the cumulative provisions towards impairment loss as on 31.03.2022 amounts to ₹ 12323.53 lakh (₹ 12707.80 lakh) against the total outstanding of ₹ 255211.72 lakh (₹ 238985.65 lakh).
- c) In respect of non-financial assets, comprising of receivables in respect of dues under Marketing activities, receivables on account of transactions at Technical Centers & STBPs, receivables on account of Sale of Services (i.e. receivables for License & Housekeeping fees, rent, training fees, EMC, TIC, events etc), advances recoverable in cash or in-kind (primarily consist of advances paid to outside parties including advances paid to bulk suppliers having MOU

with NSIC), security deposits, staff advances including interest accrued but not due and other assets, the cumulative provisions towards impairment loss as on 31.03.2022 amounts to ₹ 850.45 lakh (₹ 397.21 lakh) against the total outstanding of ₹ 22318.47 lakh (₹ 24574.25 lakh).

- d) Trade Receivables and Loans & Advances under financial/ non-financial assets and of Technical Centers/ STBPs comprising of receivables and advances, the cumulative provisions towards impairment loss as on 31.03.2022 amounts to ₹ 13173.98 lakh (₹ 13105.01 lakh) have been made in line with the provisioning norms approved by the Board for receivables and loans & advances (net of interest suspense account and cash collateral available with NSIC) of Financial/ Non-Financial assets as per Ind AS against the total outstanding of ₹ 277530.19 lakh (₹ 263559.90 lakh).

L. Disclosure as per Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets:-

In accordance with the guidelines of Department of Public Enterprises, provision on account of Performance Related Pay (PRP) for the year 2021-2022 amounting to ₹ 754.12 lakh (₹ 729.05 lakh) has been made in NSIC.

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

Assets available for immediate sale in its present condition and its disposal/ sale is highly probable within one year from the date of classification, are classified as "Non-Current Assets Held for Sale". As required under

Ind-AS 105, during current Financial Year 2021-2022 such assets having net carrying value of ₹ 0.20 lakh (Gross carrying value of ₹ 4.12 lakh) were transferred from different block of assets under Property, Plant and Equipment to separate block of assets namely “Non-Current Assets Held for Sale” in NSIC.

In the previous financial year i.e. Financial Year 2020-2021 such assets having net carrying value of ₹ 0.07 lakh (Gross carrying value of ₹ 13.50 lakh) were transferred from different block of assets under Property, Plant and Equipment to separate block of assets namely “Non-Current Assets Held for Sale” in NSIC.

N. Disclosure as per Ind AS 108 – Operating Segments

a) Segment Reporting: -

NSIC’s activities are broadly classified into ‘Promotional’ and ‘Commercial’. The ‘Promotional’ activities include the activities for which budgetary support is provided to NSIC by the Government and / or its agencies. The schemes of ‘Assistance for Training to Institutions’, ‘National Schedule Caste – Schedule Tribe Hub’, ‘’, ‘Procurement and Marketing Support Scheme’, ‘International Co-operation (IC) Scheme’, etc., for which budgetary support has been provided to NSIC along with administrative expenditure, wherever applicable in terms of approved guidelines for implementation of such schemes, get reflected under the ‘Promotional’ activity. The expenses towards

organization / participation in exhibitions (both domestic and international), buyer sellers meet, intensive campaigns, other marketing support services (advertisement, publicity etc.) and training expenses are met out of the budgetary support provided for the above schemes.

The ‘Commercial’ activities inter-alia includes the activities whereby NSIC provides ‘Marketing (including tender marketing and Raw Material Assistance/ Distribution/ Assistance to Wholesalers & Retail Trades)’, ‘Credit’, ‘Technology’ and ‘other support’ services to cater to the diverse needs of the MSMEs. NSIC 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 NSIC. Accordingly, the activities of NSIC 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, 2022 as required by (Ind AS- 108) on “Segment Reporting” issued by the Institute of Chartered Accountant of India.

(₹ in Lakh)

Description	For the year ended 31 st March 2022			For the year ended 31 st March 2021		
	Promotional	Commercial	Total	Promotional	Commercial	Total
Primary Segment – Business Segment						
I. SEGMENT REVENUE (including grant)						
-Government Grant Recognized during the year	6,700.65	-	6,700.65	7,915.96	-	7,915.96
-Sale of Product	-	2,21,163.92	2,21,163.92	-	1,68,430.76	1,68,430.76
-Sale of Services	-	9,087.87	9,087.87	2.58	8,826.62	8,829.20
-Others	-	32,420.37	32,420.37	-	32,975.69	32,975.69
-Total	6,700.65	2,62,672.16	2,69,372.81	7,918.54	2,10,233.07	2,18,151.61
II. SEGMENT EXPENDITURE (including expenses against grant)						
-Expenditure incurred against Government Grant recognized during the year	6,700.65	-	6,700.65	7,915.96	-	7,915.96
-Others	-	2,51,618.64	2,51,618.64	2.58	2,00,134.87	2,00,137.45
-Total	6,700.65	2,51,618.64	2,58,319.29	7,918.54	2,00,134.87	2,08,053.41
III. RESULTS						
a. Segment Results	-	11,012.85	11,012.85	-	10,098.20	10,098.20
b. Operating Profit before interest	-	21,042.66	21,042.66	-	21,682.97	21,682.97
c. Interest Paid	-	6,257.02	6,257.02	-	7,772.34	7,772.34
d. Exceptional items	-	6.20	6.20	-	4.22	4.22
e. Profit before Tax	-	14,779.44	14,779.44	-	13,906.41	13,906.41
f. Tax Expense	-	3,766.59	3,766.59	-	3,808.21	3,808.21
g. Net Profit after Tax	-	11,012.85	11,012.85	-	10,098.20	10,098.20
h. Other Comprehensive Income	-	(34.92)	(34.92)	-	170.37	170.37
i. Total Comprehensive Income {Comprising Profit/(Loss) and Other Comprehensive Income}	-	10,977.93	10,977.93	-	10,268.57	10,268.57
III. ASSETS & LIABILITIES						
a. Segment Assets	4,155.99	2,83,093.87	2,87,249.86	3,831.32	2,71,147.45	2,74,978.77
b. Unallocated Assets	-	-	31,799.89	-	-	26,226.16
c. Total Assets	4,155.99	2,83,093.87	3,19,049.75	3,831.32	2,71,147.45	3,01,204.93
d. Segment Liabilities	9,429.56	1,79,083.63	1,88,513.19	5,435.31	1,73,888.76	1,79,324.07
e. Unallocated Liabilities	-	-	1,30,536.56	-	-	1,21,880.86
f. Total Liabilities	9,429.56	1,79,083.63	3,19,049.75	5,435.31	1,73,888.76	3,01,204.93
IV. OTHER INFORMATION						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	794.51	308.67	1,103.18	614.97	1,389.27	2,004.24
(b) Depreciation #	361.14	742.34	1103.48	347.70	841.52	1,189.22
(c) Non-cash expenditure other than depreciation	-	539.68	539.68	-	682.87	682.87

The depreciation of promotion segment is charged to capital reserve.

b) Information about Revenue from major products and services

(₹ in lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Sale of Product	221163.92	168430.76
Interest Income	26125.90	27176.77

- c) The Group does not have any reportable geographical segment as the lending operations of the group are carried out within the country.
- d) No single borrower has contributed 10% or more to the group's revenue during the financial year 2021-2022.

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

Component wise revenue of Group

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Sale of products	221163.92	168430.76
Sale of services	9265.99	8829.20
Interest Income	26125.90	27176.77
Processing fee	4735.83	4580.06
Other operating Income	1161.13	1123.39
TOTAL	262452.77	210140.18

P. Disclosure as per Ind AS-116 – Leases:

In terms of Ind AS 116, the Group recognize each lease on the Balance Sheet as a Right-of-Use asset with corresponding lease liability in

respect of the amounts payable towards such leases in future periods. However, the Group has exercised the recognition exemption in respect of short-term leases and leases of low-value underlying assets. Short term leases include leases with termination options, where there are no material economic disincentives to terminate such leases. Such agreements to provide flexibility in managing the leased-asset portfolio and align with the Group business needs.

During the year 2021-2022 the expenses relating to short-term leases are ₹ 459.59 Lakh (₹ 448.67 Lakh). The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 462.69 Lakh (₹ 453.06 Lakh).

a) Leases as lessee:

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

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Opening Balance	57.60	68.29
- Additions in lease liabilities	1.46	(10.69)
- Interest cost during the year	-	4.39
- Payment of lease liabilities	0.02	4.39
Closing Balance	59.04	57.60

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

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Depreciation and amortization expense for right-of-use assets	0.83	0.84
Interest expense on lease liabilities	4.54	4.39

iii. Other disclosures:

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Cash Outflow from leases	3.10	4.39

(₹ in Lakh)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Carrying amount of right-of-use assets at the end of the reporting period	55.00	55.83

b) Leases as lessor:

- These arrangements continue to be classified as operating lease after transition to Ind AS 116 'Leases'.
- An amount of ₹ 3502.55 lakh (₹ 3438.37 lakh) has been accounted as lease income in Statement of profit and loss for the year ended 31st March 2022.
- Undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and for the remaining years:

(₹ in Lakh)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Less than one year	4091.89	2983.56
Between one and two years	2878.77	2677.01
Between two and three years	2350.73	2054.30
Between three and four years	1818.25	1622.33
Between four and five years	1653.82	1515.10
More than five years	3481.56	4505.25

5. Impact of Covid-19 Pandemic on the Group

During the previous year India had witnessed the second wave of COVID-19 pandemic with significant increase in the number of infected cases. The resultant lockdowns are less restrictive for economic activity and are concentrated in the most-hit states. The IT infrastructure and digital communication technology enables the workforce to work securely through remote technology ensuring business continuity.

However, during the current year considering the successful implementation vaccination programme in India and general awareness among the people regarding the precautionary measure to deal with Covid 19 virus. The Group, the business and commercial activity is poised for resurgence.

In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in its ability to continue as a going concern. However, group shall also continue to closely monitor any material changes arising of future economic conditions and potential impact on its business.

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

(₹ in Lakh)

As at 31 st March 2022	Net Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	45731.35	-	27771.52	-		
Over 1-month upto 2 months	18558.35	-	11270.03	-	-	-
Over 2 months upto 3 months	26147.34	-	15878.63	126.09	-	-
Over 3 months upto 6 months	152451.14	-	92579.82	21.55	-	-
Over 6 months & upto 1 year	-	-	-	147.63	-	-
Over 1 year & upto 3 years	-	-	-	590.52	-	-
Over 3 year & upto 5 years	-	-	-	590.52	-	-
Over 5 years	-	279.76	-	3359.26	-	-

(₹ in Lakh)

As at 31 st March 2021	Net Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	46086.71	-	138000.00	-		
Over 1-month upto 2 months	15686.09	-	-	-	-	-
Over 2 months upto 3 months	20879.55	-	-	128.28	-	-
Over 3 months upto 6 months	143625.49	-	-	21.92	-	-
Over 6 months & upto 1 year	-	-	-	150.20	-	-
Over 1 year & upto 3 years	-	-	-	600.80	-	-
Over 3 year & upto 5 years	-	-	-	600.80	-	-
Over 5 years	-	174.36	-	3717.83	-	-

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

7. Financial Instruments

A. Capital Management

For the purpose of the Group capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the group. The primary objectives of the group's capital management are safety and security of share capital and maximize the shareholder wealth.

Management assesses the Group capital requirements in order to maintain an efficient overall financing

structure while avoiding excessive leverage. Group manages the capital structure and raises funds through the suitable instruments, in light of the dynamic business environment and liquidity position within the sector. Further, with regard to capital restructuring, the Group is also guided, inter alia, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue

of bonus shares, dividend distribution, buy back of equity shares etc. The Group has complied with all externally imposed capital requirements.

Regulatory capital-related information is presented as part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels.

The Group has complied with all the capital requirements over the reported period.

B. Financial Risk Management

The group is exposed to several risks which are inherent to the environment that it operates in. The Group is into business of extending financial assistance to MSME sector-

a) Credit risk

- (i) Group is exposed to credit risk primarily through its lending operations. Credit risk on cash and cash equivalent is limited as these are held with Scheduled commercial public sector banks and private sector banks. As regards investments, group has very minimal investments in equity instruments which is of strategic in nature. Part of which, group has already made provision towards impairment allowance and balance has been fair valued and gain thereon has been accounted for in the books.

For management of credit risks in an effective manner, group has established an appraisal mechanism containing guidelines in order to ensure timely repayments of principal & interest amount. Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and

concentration thereof and by monitoring exposures in relation to such limits, by obtaining conduct of account from the banks.

The group has a credit risk in terms of the credit support provided for raw material procurement by making the payment to supplier in Raw Material Assistance scheme against Bank Guarantee

(ii) Significant estimates and judgements

Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history and conduct of account with other bank, existing market conditions as well as forward looking estimates at the end of each reporting period.

At the date of transition to Ind AS, an entity shall use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare that to the credit risk at the date of transition to Ind AS.

Group has adopted policy to recognize impairment loss (ECL) in books as higher of provision as per Ind AS 109 or as per RBI guidelines.

NSIC has categorized all loans in three stages:

Stage-1 – Performing (not deteriorated significantly since its initial recognition)

Stage-2 – Under Performing (deteriorated significantly since its initial recognition)

Stage-3 – Non performing (Objective evidence of impaired)

ECL is calculated based on past ten year's data as follows:

$ECL = \text{Probability of Default (PD)} \times \text{Loss given default (LGD)}$

Probability of Default (PD) is calculated as NPA accretion

over last 10 years to total loan accretion over last 10 years in percentage terms.

Loss given Default is calculated as loss of principal during last 10 years to total NPAs during the last 10 years in percentage terms.

NSIC considers an exposure to have significantly increased in credit risk when the borrower crosses 30 days past due (DPD) but is within 90 DPD.

Provision for expected credit losses

Level	Category	Description of category	Basis for recognition of expected credit loss provision
			Loans
Stage 1	Standard Assets, High quality assets, negligible credit risk	Assets where counter party has strong capacity to meet the obligations and where risk of default is nil or negligible/ regularly paying assets	12-month ECL
Stage 2	Increased Risk Assets or Assets having significant risk	Assets where there has been a significant increase in credit risk since initial recognition.	Life time ECL
Stage 3	Impaired Assets	Life time ECL	

b) Liquidity risk

Liquidity is the risk that suitable sources of funding for group's business activities may not be available. The group's objective is to maintain optimum level of liquidity to meet its cash requirements. The group closely monitors its liquidity position and maintains adequate sources to finance its short term and long-term fund requirements, whenever required.

(i) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakh)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Floating rate - Expiring within one year (bank overdraft and other facilities)	NIL	NIL

Group has cash credit facility from banks at floating rate of interest which is renewed every year.

(ii) Maturity profile of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity based on their contractual maturities for: all non-derivative financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows:-

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant: -

(₹ in lakh)

Particulars	Contractual maturities of financial liabilities			Contractual maturities of financial liabilities		
	31 st March 2022			31 st March 2021		
	Bank Borrowings	Market Borrowings	Total	Bank Borrowings	Market Borrowings	Total
1 day to 30/31 days (one month)	27771.52	-	27771.52	138000.00	-	138000.00
Over one month to 2 months	11270.03	-	11270.03	-	-	-
Over 2 months upto 3 months	15878.63	126.09	16004.72	-	128.28	128.28
Over 3 months to 6 months	92579.82	21.55	92601.37	-	21.92	21.92
Over 6 months to 1 year	-	147.63	147.63	-	150.20	150.20
Over 1 year to 3 years	-	590.52	590.52	-	600.80	600.80
Over 3 years to 5 years	-	590.52	590.52	-	600.80	600.80
Over 5 years	-	3359.26	3359.26	-	3717.83	3717.83

c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: - interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument, denominated in foreign currency other than the functional currency, will fluctuate because of changes in foreign exchange rates.

The group is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the group's foreign currency denominated borrowings is as follows-

(₹ in lakh)

Description	As at 31 st March 2022		As at 31 st March 2021	
	In foreign Currency (Euro)	In functional Currency (₹ in lakh)	In foreign Currency (Euro)	In functional Currency (₹ in lakh)
Kfw-XI	2597362.81	2231.91	2723140.61	2380.57
Kfw-XII	2352965.19	2021.90	2520668.93	2203.57
ILC	677015.32	581.76	727164.54	635.69

Foreign currency risk monitoring and management-

The loan agreements entered into by the group takes care of the exchange fluctuation risk and the entire amount of exchange fluctuation loss if any gets adjusted by way of relief in the coupon payment. Further, it also secures the future losses on account of exchange fluctuation.

Foreign Currency Sensitivity Analysis

The loan agreements entered into by the group takes care of the exchange fluctuation risk and the entire amount of exchange fluctuation loss if any gets adjusted by way of relief in the coupon payment. Further, it also secures the future losses on account of exchange fluctuation. Hence, no sensitivity analysis has been carried out.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the short-term borrowings. Market interest rate risk is mitigated by proper review of market conditions, factors etc. The group's borrowings are carried at amortized cost.

(a) Interest rate risk exposure

The exposure of the group's short-term borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in lakh)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Variable rate borrowings	-	-
Fixed rate borrowings	147500.00	138000.00
Total borrowings	147500.00	138000.00

(b) Sensitivity

As the maximum short-term borrowings of the group are fixed costs, so they are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(iii) Price risk

(a) Exposure

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet as fair value through OCI. Though, diversification of the portfolio is done in accordance with the limits set by the group. However, the group has only made certain strategic investment in the past, part of which has been fully impaired on which provisions have already been made and remaining has been fair valued on which gains thereof has been properly accounted for.

(b) Sensitivity

The group has a very minimal amount of investment in equity and there is no movement in the past two years. As aforesaid, the group has already fair valued its quoted investment in equity and gains thereof has been properly accounted for and for the remaining part of investment, provisions have been made fully. Hence, sensitivity not required to be disclosed.

Equity would increase/decrease as a result of gains/losses on equity instrument classified as fair value through other comprehensive income.

C. Fair Value Measurements

Some of the Group financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following tables gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used)

Fair value hierarchy

Financial Instruments Measured and Recognized at Fair Value (FVTOCI & FVTPL).

(₹ in Lakh)

Particulars	Amount at Fair Value		Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	As at 31 st March 2022	As at 31 st March 2021		
I. FINANCIAL ASSETS				
Financial Investments at FVTOCI				
-Investment in Equity Instruments	269.07	174.36	Level 1	Quoted market price
Financial Investments at FVTPL				
TOTAL	269.07	174.36		
II. FINANCIAL LIABILITIES	-	-		
TOTAL	-	-		

Financial Assets and Liabilities Measured at Amortized Cost.

(₹ in Lakh)

Particulars	As at 31 st March 2022		As at 31 st March 2021		Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	Amortized Cost	Fair Value	Amortized Cost	Fair Value		
I.FINANCIAL ASSETS						
Loan to Companies/LLP	247545.73	247545.73	230629.29	230629.29	Level 3	Effective Interest Rate
Loan to Employees	39.00	39.00	45.23	45.23	Level 2	NPV at SBI Rate for Perquisites
TOTAL	247584.73	247584.73	230674.52	230674.52		
II.FINANCIAL LIABILITIES						
Borrowings	152335.57	152335.57	143219.83	143219.83	Level 3	Effective Interest rate
TOTAL	152335.57	152335.57	143219.83	143219.83		

Fair value measurements under Ind AS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value are observable and significance to the inputs to the fair value measurement in its entirety, which are described as follows

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the group can access at measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the group can access at measurement date.

Table showing Carrying Value and Fair Value of all Financial Assets and Liabilities.

(₹ in Lakh)

Particulars	As at 31 st March 2022		As at 31 st March 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
I. FINANCIAL ASSETS				
- Cash & Cash Equivalent	18884.73	18884.73	15086.25	15086.25
- Bank Balance	492.65	492.65	583.66	583.66
- Receivables	14170.95	14170.95	18719.09	18719.09
- Loans & Advances	247584.73	247584.73	230674.52	230674.52
- Investments	279.76	279.76	174.36	174.36
- Other Financial Assets	1922.94	1922.94	1289.14	1289.14
TOTAL	283335.76	283335.76	266527.02	266527.02
II. FINANCIAL LIABILITIES				
- Payables	14539.05	14539.05	19408.64	19408.64
- Borrowings	152335.57	152335.57	143219.83	143219.83
- Other financial liabilities	18619.98	18619.98	14249.10	14249.10
TOTAL	185494.60	185494.60	176877.57	176877.57

The carrying amount of the cash & cash equivalent, receivables, payables, other financial assets & other financial liabilities are considered as their fair values due to their short-term nature.

8. Amount expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities:

(₹ in Lakh)

Particulars	As at 31 st March 2022			As at 31 st March 2021		
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
ASSETS						
1. Financial Assets						
(a) Cash and Cash Equivalents	18884.73	-	18884.73	15086.25	-	15086.25
(b) Bank Balance other than included in Cash & Cash Equivalents	492.65	-	492.65	583.66	-	583.66
(c) Trade Receivables	14170.95	-	14170.95	18719.09	-	18719.09
(d) Loans & Advances	247563.54	21.19	247584.73	230650.64	23.88	230674.52
(e) Investments	-	279.76	279.76	-	174.36	174.36
(f) Other Financial Assets	1594.43	328.51	1922.94	933.10	356.04	1289.14
Total Financial Assets (1)	282706.30	629.46	283335.76	265972.74	554.28	266527.02
2. Non- Financial Assets						
(a) Inventories	12.30	-	12.26	40.59	-	40.59
(b) Current Tax Assets (Net)	646.33	-	646.33	45.85	-	45.85
(c) Deferred Tax Assets (Net)	-	3860.37	3860.37	-	4071.07	4071.07
(d) Property, Plant and Equipment	-	28343.91	28343.91	-	28635.44	28635.44
(e) Capital Work in Progress	-	750.33	750.33	-	423.44	423.44

(₹ in Lakh)

Particulars	As at 31 st March 2022			As at 31 st March 2021		
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
(f) Intangible Assets Under Development	-	23.39	23.39	-	40.32	40.32
(g) Other Intangible Assets	-	82.95	82.95	-	118.80	118.80
(h) Right to use of assets	-	55.00	55.00	-	55.83	55.83
(i) Assets Classified as Held for Sale	0.21	-	0.21	0.07	-	0.07
(j) Other Non-Financial Assets	-	1939.24	1939.24	-	1246.50	1246.50
Total Non-Financial Assets (2)	658.80	35055.19	35713.99	86.51	34591.40	34677.91
Total Assets (1+2)	283365.10	35684.65	319049.75	266059.25	35145.68	301204.93
LIABILITIES						
1. Financial Liabilities						
(a) Trade Payables	14539.05	-	14539.05	19408.64	-	19408.64
(b) Borrowings	147795.27	4540.30	152335.57	138300.40	4919.43	143219.83
(c) Liabilities associated with Assets held for sale	-	-	-	-	-	-
(d) Other Financial Liabilities	17263.69	1356.29	18619.98	12843.66	1405.44	14249.10
Total financial liabilities (1)	179598.01	5896.59	185494.60	170552.70	6324.87	176877.57
2. Non-Financial Liabilities						
(a) Current Tax Liabilities (Net)	-	-	-	-	-	-
(b) Provisions	881.48	10162.24	11043.72	718.17	9524.00	10242.17
(c) Deferred Tax Liabilities (Net)	-	-	-	-	-	-
(d) Other Non-Financial Liabilities	-	4983.16	4983.16	-	4681.85	4681.85
Total Non-Financial liabilities (2)	881.48	15145.40	16026.88	718.17	14205.85	14924.02
Total Liabilities (1+2)	180479.49	21041.99	201521.48	171270.87	20530.72	191801.59

9. **Proposed Dividend:** The dividend proposed by NSIC for the year is as follows:

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
On Equity shares of ₹ 100 each		
-Amount of Dividend Proposed (₹ In lakh)	3317.05	3177.66
-Rate of Dividend (%)	30% of PAT	30% of PAT
-Dividend per equity share (₹)	6.22	5.96

Dividends proposed by NSIC are based on Profits after Tax as reported in the financial statements of NSIC and guidelines issued by Department of Investment & Public Asset Management (DIPAM). The Board of Directors of NSIC proposed a final dividend of ₹ 3317.05 lakh (₹ 6.22 per share) in respect of the year ending 31st March 2022 subject to approval of shareholders in the Annual General Meeting. If approved, the dividend would result in cash outflow of ₹ 3317.05 lakh.

Further, Corporate dividend pertaining to financial year ended 31st March 2022, shall be accounted for in the ensuing financial year after approval of Shareholders at Annual General Meeting in accordance with Ind AS 10 'Contingencies and Events occurring after Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016.

NSIC has paid the dividend of ₹ 3177.66 lakh in the Financial Year 2021-2022 which was proposed in the Financial Year 2020-2021.

10. Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding (₹ in Lakh)		Relationship with the Struck off Company, if any
		31.03.2022	31.03.2021	
	Investments in securities			
M/s. SSI Products Marketing Organization Ltd. (SIPMO)	- Investment in shares of struck off Company	-	5.00	N.A.
	Receivables			
	Payables			
	Shares held by stuck off Company			
	Other outstanding balances (to be specified)			

11. Disclosure on Crypto or Virtual Currency

The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

12. Disclosure on Promoters Holding

NSIC has been promoted by the Government of India. President of India holds 100% equity in NSIC at the beginning and end of the year. As such there is no change in equity of the promoter during the year.

13. The additional information required to be disclosed vide RBI norms for NSIC

A. Impairment Reserve

Based on RBI notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/ 2019-20 dated 13.03.2020, ECLs in terms of Ind AS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20. Further, where the impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) Norms (including standard asset provisioning) issued by RBI, NSIC has appropriated the difference from their net profit after tax to "Impairment Reserve" pertaining to current year as well as out of retained earnings existed as on 01.04.2019. No withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI.

During Financial Year 2019-20, impairment reserve amounting to ₹ 4866.65 lakh was appropriated, as the impairment allowance under Ind AS 109 was lower than the provisioning required under IRACP Norms to such extent.

On similar lines, impairment reserve as on 31.03.2022 amounts to ₹ 2478.47 lakh (₹ 3390.96 lakh), as the impairment allowance under Ind AS 109 amounts to ₹ 12323.53 lakh (₹ 12707.81 lakh) is lower than the provisioning required under IRACP Norms amounts to ₹ 14802.00 lakh (₹ 16098.77 lakh) to such extent.

Since the impairment reserve as on 31.03.2022 amounts to ₹ 2478.47 lakh (₹ 3390.96 lakh) is less than the already appropriated impairment reserve as on 31.03.2021 amounts to

₹ 4866.65 lakh (₹ 4866.65 lakh), therefore, the impairment reserve has not been reversed to the extent of ₹ 2388.18 lakh (₹ 1475.69 lakh) as withdrawals/reductions are not permitted from the reserve that has already been appropriated. Thus, impairment reserve as on 31.03.2022 has been maintained at ₹ 4866.65 lakh (₹ 4866.65 lakh).

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

Financial Year 2021-2022

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	243863.64	975.46	242888.18	877.62	97.84
	Stage 2	-	-	-	-	-
Sub Total		243863.64	975.46	242888.18	877.62	97.84
Non-Performing Assets (NPA)						
Substandard	Stage 3	1131.07	1131.07	0.00	1904.02	-772.95
Doubtful - up to 1 year	Stage 3	-	-	-	775.96	-775.96
1 to 3 years	Stage 3	-	-	-	461.87	-461.87
More than 3 years	Stage 3	9446.93	9446.93	-	10012.47	-565.53
Sub Total for doubtful		9446.93	9446.93	-	11250.29	-1803.36
Loss	Stage 3	770.07	770.07	-	770.07	0.00
Sub Total for NPA		11348.07	11348.07	-	13924.38	-2576.31
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub Total		-	-	-	-	-
Total	Stage 1	243863.64	975.46	242888.18	877.62	97.84
	Stage 2	-	-	-	-	-
	Stage 3	11348.07	11348.07	-	13924.38	-2576.31
	Total	255211.71	12323.53	242888.18	14802.00	-2478.47

Financial Year 2020-2021

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	227185.97	908.13	226277.84	776.65	131.48
	Stage 2	-	-	-	-	-
Sub Total		227185.97	908.13	226277.84	776.65	131.48
Non-Performing Assets (NPA)						
Substandard	Stage 3	1131.07	1131.07	-	2486.00	-1354.93
Doubtful - up to 1 year	Stage 3				1601.98	-1601.98
1 to 3 years	Stage 3				-	-
More than 3 years	Stage 3	9898.05	9898.05	-	10463.59	-565.54
Sub Total for doubtful		9898.05	9898.05	-	12065.57	-2167.52
Loss	Stage 3	770.56	770.56	-	770.56	-
Sub Total for NPA		11799.68	11799.68	-	15322.13	-3522.45
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub Total		-	-	-	-	-
Total	Stage 1	227185.97	908.13	226277.84	776.65	131.48
	Stage 2	-	-	-	-	-
	Stage 3	11799.68	11799.68	-	15322.13	-3522.45
	Total	238985.65	12707.81	226277.84	16098.78	-3390.97

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

NSIC is creating the Reserve Fund as required u/s 45IC of Reserve Bank of India Act, 1934, wherein at least 20% of net profit is required to be transferred before the declaration of dividend. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Reserve Bank of India from time to time and further, any such appropriation is also required to be reported to the Reserve Bank of India within 21 days from the date of such withdrawal.

During the year, further reserve fund u/s 45IC amounting to ₹ 2164.51 lakh (₹ 2031.86 lakh) has been created, thus making total reserve fund as on 31.03.2022 amounting to ₹ 6180.21 lakh (₹ 4015.70 Lakh).

Further, subsidiary Company i.e. NVCFL has been exempted from registration with the Reserve Bank of India as a Non-Banking Finance Companies (NBFC) vide Master Direction – Exemption from provisions of RBI Act, 1934, as updated from time to time, the subsidiary Company has followed Division III of Schedule III to the Companies Act, 2013 while preparing its financial statements for the period ended 31st March 2021. Division III is applicable to NBFCs as defined in Companies (Indian Accounting Standards Rules), 2015 which includes venture capital fund companies and the subsidiary Company had been setup as a venture capital fund Company with the specific purpose of establishing an AIF and was in the process of obtaining requisite approvals from SEBI during the period ended 31st March 2021. During the year ended 31st March 2022, the subsidiary Company has duly received the registration certificate and is an approved AIF.

D. Rating Assigned by Credit Rating Agencies for the Borrowings of NSIC

The Commercial paper issued by NSIC was rated by CRISIL and ACUITE as “A1+” which is considered to have “Very Strong Degree of Safety”. In addition, Bank Facilities of NSIC 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.

E. Penalties levied by the Regulator (RBI) - NIL

F. Capital Adequacy

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
i) CRAR (%)	34.70	33.75
ii) CRAR - Tier I Capital (%)	34.36	33.42
iii) CRAR - Tier II Capital (%)	0.34	0.33
iv) Liquidity Coverage Ratio	66%	47%
v) Amount of Subordinate debt raised as Tier-II Capital	Nil	Nil
vi) Amount raised by issue of perpetual debt instruments	Nil	Nil

Note: The subsidiary Company has been exempted from the applicability of NBFC regulations issued by the Reserve Bank of India due to specific regulatory exemptions granted to Alternative Investment Funds (AIFs).

- a) Investments:** NSIC does not hold any investment outside India. However, Parent Company has invested ₹ 600 lakh in 100% subsidiary Company M/s. NVCFL and ₹ 269.07 lakh in other Indian companies.

During the year, Self Reliant India Fund (a first scheme of NVCFL) has been setup as an ‘Association of Persons’ whereby the contributors to the fund i.e. the Government of India, Parent Company (NSIC) and the subsidiary Company (NVCFL) shall be the members in accordance with the contribution agreement dated 12th October, 2021. During the year, the subsidiary Company (NVCFL) received an amount of ₹ 18034.58 lakh (99.94% of total contribution) during the year ended 31st March, 2022 from the Govt. of India, an amount of ₹ 8.91 Lakh (0.05% of total contribution-0.089 units) from the subsidiary Company (NVCFL) and an amount of ₹ 1.78 Lakh (0.01% of total contribution-0.018 units) from Parent Company (NSIC) as their contribution to SRI Fund.

b) Break up of Investments

(₹ in Lakh)

	Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
1	Value of investments		
(i)	Gross Value of Investments		
(a)	In India		
	at fair value through OCI	279.07	189.36
(b)	Outside India		
(ii)	Provision for Depreciation		
(a)	In India	10.00	15.00
(b)	Outside India		
(iii)	Net value of investments		
(a)	In India	269.07	174.36
(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-off/ write-back of excess provisions during the year	5.00	-
(iv)	Closing balance	10.00	15.00
(3)	Aggregate amount of quoted investments	269.07	174.36
	Market value of quoted investments	269.07	174.36
(4)	Aggregate amount of Unquoted investments	20.69	15.00
(5)	Aggregate provision for diminution in value of investments	10.00	15.00

c) Valuation of Investments

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
i) Gross Value of Investments	195.06	96.63
ii) Allowance for Impairment Loss	10.00	15.00
iii) Fair Value Change (Net)	94.70	92.73
iv) Net Value of Investments	279.76	174.36
Movement in Fair Value Changes of Investment (Net)		
Opening Balance	174.36	81.63
Add: Increase in Value	94.70	92.73
Less: Decrease in Value	-	-
Closing Balance	269.07	174.36

G. Derivatives

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Exposure to Derivative Instruments / products	NIL	NIL

H. Securitization

a) Details of SPVs sponsored for Securitization of Assets

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
SPVs Sponsored	NIL	NIL

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

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Financial Assets Sold	NIL	NIL

c) Details of Assignment transaction undertaken

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Assignment Transaction undertaken	NIL	NIL

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

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Non-performing financial assets Purchased	NIL	NIL
Non-performing financial Assets Sold		
i) Number of accounts sold		
ii) Aggregate outstanding		
iii) Aggregate Consideration Received		
iv) Gain/Loss over net book value		

e) Exposures to Real Estate / Capital Market Sector

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
I. Exposure to Real Estate Sector undertaken (Direct)	NIL	NIL
i) Residential Mortgage		
ii) Commercial Real Estate		
• Lending Secured by Mortgage on commercial real estate		
• Lending in mortgage backed securities and other exposures		
II. Exposure to Capital Market (Gross)		
(a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	279.07	189.36
(b) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	NIL	NIL
(c) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
(d) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	NIL	NIL
(e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
(f) loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(g) bridge loans to companies against expected equity flows / issues;	NIL	NIL
(h) all exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL

I. Breakup of Provision & Contingencies shown under the head expenditure in statement of profit & loss

(₹ in Lakh)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
a. Provision for Fair Value Changes on Investments	NIL	NIL
b. Provision for NPAs/Doubtful Debts	NIL	NIL
c. Provision for Diminution in NPV of Loans	NIL	NIL
d. Provision for Diminution in value of investments	NIL	NIL
e. Provision for Standard Assets	67.33	24.79
f. Provision Made towards Income Tax	3555.25	3402.78
g. Other Provision and Contingencies (Deferred Tax Liability)	222.45	432.91

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

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
I. Concentration of Advances		
Total advances to Twenty Large Borrowers	9960.49	9822.32
% of advances to Twenty Large Borrowers	3.90	4.11
II. Concentration of NPA		
Total Exposure to Top Four NPAs	991.06	1136.07

K. Sector-wise NPA (Gross)

(₹ in Lakh)

S No.	Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
1	Agriculture & allied activities	NIL	NIL
2	MSME	11348.07	11799.68
3	Corporate borrowers	NIL	NIL
4	Services	NIL	NIL
5	Unsecured personal loans	NIL	NIL
6	Auto loans	NIL	NIL
7	Other personal loans	NIL	NIL

L. Movement of NPAs

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
1) Net NPAs to Net Advances (%)	-	-
2) Movement of Gross NPAs/Doubtful Debts		
(a) Opening Balance	11799.68	30398.75
(b) Add: Addition During Year	-	-
(c) Less: Reduction/Write-off During Year	451.61	18599.07
(d) Closing Balance	11348.07	11799.68
3) Movement of Net NPAs/Doubtful Debts		
(a) Opening Balance	-	19125.85
(b) Add: Addition During Year	-	-
(c) Less: Reduction/Write-off During Year	-	19125.85
(d) Closing Balance	-	-
4) Movement in Provision for NPA/Doubtful Debts		
(a) Opening Balance	11799.68	11272.90
(b) Add: Provision made during the Year	-	526.78
(c) Less: Loans Written off during the Year	-	-
(d) Less: Provision Written Back	451.61	-
(e) Closing Balance	11348.07	11799.68

M. Other Information

(₹ in Lakh)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
i) Gross Non-Performing Assets		
- Related parties	-	-
- Other than related parties	11348.07	11799.68
ii) Net Non-Performing Assets		
- Related parties	-	-
- Other than related parties	-	-

N. Customer & Investor Complaints

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
a. No. of complaints pending at the beginning of the year	NIL	2
b. No. of complaints received during the year	55	212
c. No. of complaints redressed during the year	50	214
d. No. of complaints pending at the end of the year	5	NIL

14. Schedule to the Balance Sheet of a non-deposit taking non-banking financial Company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended)

Liabilities Side

A. Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid:

(₹ in Lakh)

Particulars	As at 31 st March 2022		As at 31 st March 2021	
	Amount O/s	Amount Overdue	Amount O/s	Amount Overdue
(a) Debentures	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	4844.13	-	5229.07	-
(d) Inter-Corporate Loans and borrowings	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans		-		
Bank Overdraft, Cash credit & Working Capital Demand Loan	147502.51	-	138413.99	-

B. Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :

-Not Applicable-

Asset Side

C. Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]

(₹ in Lakh)

Particulars	Amount Outstanding	
	As at 31 st March 2022	As at 31 st March 2021
(a) Secured (Net of provision)	-	-
(b) Covered by Bank/Government Guarantees (Net of provision)	242888.18	226277.84
(c) Unsecured (Net of provision)	-	-

D. Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities

-Not Applicable-

E. Break-up of Investments (net off diminution):

(₹ in Lakh)

Particulars		Amount Outstanding	
		As at 31 st March 2022	As at 31 st March 2021
Current Investments			
1	Quoted		
(i)	Shares	NIL	NIL
(a)	Equity		
(b)	Preference		
(ii)	Debentures and Bonds		
(iii)	Units of Mutual Funds		
(iv)	Government Securities		
(v)	Others		
2	Unquoted		
(i)	Shares		
(a)	Equity	NIL	NIL
(b)	Preference	NIL	NIL
(ii)	Debentures and Bonds	NIL	NIL
(iii)	Units of Mutual Funds	NIL	NIL
(iv)	Government Securities	NIL	NIL
(v)	Others	NIL	NIL

(₹ in Lakh)

Particulars		Amount Outstanding	
		As at 31 st March 2022	As at 31 st March 2021
Long Term Investments			
1	Quoted		
(i)	Shares:		
(a)	Equity (Fair Value)	269.07	174.36
(b)	Preference	NIL	NIL
(ii)	Debentures and Bonds	NIL	NIL
(iii)	Units of Mutual Funds	NIL	NIL
(iv)	Government Securities	NIL	NIL
(v)	Others	NIL	NIL
2	Unquoted		
(i)	Shares:		
(a)	Equity (Net of Impairment)	NIL	NIL
(b)	Preference	NIL	NIL
(ii)	Debentures and Bonds	NIL	NIL
(iii)	Units of Mutual Funds	NIL	NIL
(iv)	Government Securities	NIL	NIL
(v)	Others	10.69	NIL

F. Borrower group-wise classification of assets financed as in (3) and (4) above

(₹ in Lakh)

Category		As at 31 st March 2022			As at 31 st March 2021		
		Secured (Net of Provision)	Covered by Bank/ Government Guarantees (Net of provision)	Unsecured (Net of Provision)	Secured (Net of Provision)	Covered by Bank/ Government Guarantees (Net of provision)	Unsecured (Net of Provision)
1	Related Parties						
(a)	Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Companies in the same group	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
2	Other than related parties	Nil	242888.18	Nil	Nil	226277.84	Nil

G. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in Lakh)

Category		As at 31 st March 2022		As at 31 st March 2021	
		Fair Value	Book Value	Fair Value	Book Value
1	Related Parties				
(a)	Subsidiaries	NIL	NIL	NIL	NIL
(b)	Companies in the same group	NIL	NIL	NIL	NIL
(c)	Other related parties	10.69	10.69	NIL	NIL
2	Other than related parties	269.07	269.07	174.36	174.36

15. The subsidiary has been exempted from registration with the Reserve Bank of India as an Non-Banking Finance Companies (NBFC) vide Master Direction – Exemption from provisions of RBI Act, 1934, as updated from time to time, the Company has followed Division III of Schedule III to the Companies Act, 2013 while preparing its financial statements which are applicable to NBFCs as defined in Companies (Indian Accounting Standards Rules), 2015 which includes venture capital fund companies.
16. During the year ended 31st March, 2022, compounding fees on account of delay in holding AGM due to COVID-19 pandemic amounting ₹ 1.05 lakh (Previous year Nil) has been levied on NSIC by Ministry of Corporate affairs for the financial year 2020-21 and the same has been paid during the Financial Year 2021-2022.
17. During the year, the group has incurred an expenditure of ₹ 211.86 Lakhs on Research and Development (R&D) /innovation.
18. No complaints have been received by group from the borrowers under the Fair Practices Code during the year ended 31st March, 2022 (Previous year Nil).
19. All amounts are in ₹ lakh, unless otherwise stated.
20. Figures in brackets in the notes to the financial statements represent previous year's figures.
21. Previous year figures have been regrouped, rearranged and recast, wherever necessary.

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (COMMERCIAL) FOR THE YEAR ENDED 31.03.2022

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.22	For the Year Ended 31.03.21
I REVENUE			
A Revenue from Operations	21		
Sale of Products		221163.92	168430.76
Sale of Services		9265.99	8826.62
Interest Income		26125.90	27176.77
Fees and Commission Income		4735.83	4580.06
[Includes Processing Fees earned of ₹ 4735.83 lakhs (₹ 4580.06 lakhs) for value of goods handled and services rendered ₹ 1819418.11 lakhs (₹ 1287396.77 lakhs)]			
Other Operating Income		1161.13	1123.39
Total Revenue from Operations		262452.77	210137.60
B Other Income	22	219.26	95.47
C Grants and Subsidies	23	0.00	0.00
Total Revenue (A + B + C)		262672.03	210233.07
II EXPENSES			
Purchase of Products	24	220204.04	167355.66
Changes in Inventories	25	1.91	54.96
Employee Benefit Expenses	26	13050.43	12924.12
Finance Costs	27	6257.02	7708.37
Depreciation and Amortization Expenses	28	742.32	841.52
Corporate Social Responsibility	29	230.60	224.58
Other Expenses	30	7336.09	7149.26
Fees and Commission Expenses	31	76.39	63.97
Total Expenses		247898.80	196322.44
III Profit before Exceptional Items and Tax		14773.23	13910.63
Exceptional Items (Refer point no. 4E(b) of Note-35)		-6.20	4.22
IV Profit before Tax		14779.43	13906.41
Tax Expense	32		
Current Tax		3555.25	3402.78
Deferred Tax		222.45	432.91
Earlier Years		-11.11	-27.48
V Total Tax Expense		3766.59	3808.21
VI Profit after Tax for the period from Continuing Operations		11012.84	10098.20
VII Profit from Discontinued Operations		0.00	0.00
VIII Tax Expenses from Discontinued Operations		0.00	0.00
IX Profit from Discontinued Operations (After Tax)		0.00	0.00
X Profit for the Period		11012.84	10098.20

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (COMMERCIAL) FOR THE YEAR ENDED 31.03.2022

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.22	For the Year Ended 31.03.21
XI Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment		94.70	92.73
Items that will not be reclassified to Profit or Loss - Actuarial Gain/Loss on Defined Benefit Plans		-141.37	134.95
Income Tax relating to Items that will not be reclassified to Profit or Loss		11.75	-57.31
Sub Total (A)		-34.92	170.37
B Items that will be reclassified to Profit or Loss		0.00	0.00
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Sub Total (B)		0.00	0.00
Other Comprehensive Income (A + B)		-34.92	170.37
XII Total Comprehensive Income for the period (X + XI) (Comprising Profit/ (Loss) and other Comprehensive Income for the period)		10977.92	10268.57
XIII Earnings per Equity Share (for Continuing Operations)	33		
Basic (₹)		20.66	18.95
Diluted (₹)		20.66	18.95
XIV Contingent Liabilities	34 (i)	1286.20	1323.36
XV Capital Commitments	34 (ii)	1620.93	493.15
Other Notes on Accounts	35		

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 35 referred to above form an integral part of Financial Statements.

Statement of changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

In terms of our report of even date attached

For Goyal Parul & Co.

Chartered Accountants

Firm Registration No.: 016750N

Sd/-

Parul Goyal

Partner

Membership No. : 099172

Place : New Delhi

Date : 18.08.2022

UDIN : 22099172APNVZX9084

For and on behalf of Board of Directors

Sd/-

Gaurang Dixit

Director (Finance) & CMD (Additional Charge)

[DIN : 08535482]

Sd/-

Partha Majhi

GM (F&A)

Sd/-

Nishtha Goyal

Company Secretary

[Membership No. : A 22768]

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (PROMOTIONAL) FOR THE YEAR ENDED 31.03.2022

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.22	For the Year Ended 31.03.21
I REVENUE			
A Revenue from Operations	21		
Sale of Products		0.00	0.00
Sale of Services		0.00	2.58
Interest Income		0.00	0.00
Processing Fees		0.00	0.00
Other Operating Income		0.00	0.00
Total Revenue from Operations		0.00	2.58
B Other Income	22	0.00	0.00
C Grants and Subsidies	23	6700.65	7915.96
Total Revenue (A + B + C)		6700.65	7918.54
II EXPENSES			
Purchase of Products	24	0.00	0.00
Changes in Inventories	25	0.00	0.00
Employee Benefit Expenses	26	379.50	377.15
Finance Costs	27	0.00	0.00
Depreciation and Amortization Expenses	28	0.00	0.00
Corporate Social Responsibility	29	0.00	0.00
Other Expenses	30	6321.15	7541.39
Fees and Commission Expenses	31	0.00	0.00
Total Expenses		6700.65	7918.54
III Profit before Exceptional Items and Tax		0.00	0.00
Exceptional Items		0.00	0.00
IV Profit before Tax		0.00	0.00
Tax Expense	32		
Current Tax		0.00	0.00
Deferred Tax		0.00	0.00
Earlier Years		0.00	0.00
V Total Tax Expense		0.00	0.00
VI Profit after Tax for the period from Continuing Operations		0.00	0.00
VII Profit from Discontinued Operations		0.00	0.00
VIII Tax Expenses from Discontinued Operations		0.00	0.00
IX Profit from Discontinued Operations (After Tax)		0.00	0.00
X Profit for the Period		0.00	0.00

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (PROMOTIONAL) FOR THE YEAR ENDED 31.03.2022

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.22	For the Year Ended 31.03.21
XI Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment/Actuarial Gain/Loss on Defined Benefit Plans		0.00	0.00
Income Tax relating to Items that will not be reclassified to Profit or Loss		0.00	0.00
Sub Total (A)		0.00	0.00
B Items that will be reclassified to Profit or Loss		0.00	0.00
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Sub Total (B)		0.00	0.00
Other Comprehensive Income (A + B)		0.00	0.00
XII Total Comprehensive Income for the period (XI + XII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		0.00	0.00
XIII Earnings per Equity Share (for Continuing Operations)	33		
Basic (₹)		0.00	0.00
Diluted (₹)		0.00	0.00
XIV Contingent Liabilities	34 (i)	0.00	0.00
XV Capital Commitments	34 (ii)	1675.82	1265.30
Other Notes on Accounts	35		

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)

Note : The Notes 1 to 35 referred to above form an integral part of Financial Statements.

Statement of changes in Equity is integral part of Balance Sheet and placed after Statement of Profit & Loss

In terms of our report of even date attached

For Goyal Parul & Co.

Chartered Accountants

Firm Registration No.: 016750N

Sd/-

Parul Goyal

Partner

Membership No. : 099172

Place : New Delhi

Date : 18.08.2022

UDIN : 22099172APNVZX9084

For and on behalf of Board of Directors

Sd/-

Gaurang Dixit

Director (Finance) & CMD (Additional Charge)

[DIN : 08535482]

Sd/-

Partha Majhi

GM (F&A)

Sd/-

Nishtha Goyal

Company Secretary

[Membership No. : A 22768]

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 2022

Comments	Management's Reply
The preparation of consolidated financial statements of The National Small Industries Corporation Limited for the year ended 31st March, 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 18 August 2022, which supersedes their earlier audit report dated 28th July, 2022. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of The National Small Industries Corporation Limited for the year ended 31st March, 2022 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of The National Small Industries Corporation Limited (the Company) and NSIC Venture Capital Fund Limited (subsidiary) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records. The audit report has been revised by the Statutory Auditor to give effect to one of my audit observations raised during supplementary audit. In addition, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.	Statement of Fact

NSIC Venture Capital Fund Limited, subsidiary of The National Small Industries Corporation Limited (NSIC), was formed in pursuance of the decision of the Government of India to set-up an MSME Fund in the name of Self-Reliant India (SRI) Fund¹ to develop and promote the MSME sector. The Scheme guidelines for SRI Fund provided, inter alia, that (the Mother Fund (SRI Fund) will be anchored by a SPV having 100 per cent equity from NSIC, (ii) SPV will apply to SEBI for registering the Mother Fund as a Category I or II Alternate Investment Fund, (iii) A Management fee of 1 per cent may be permitted to the SPV which will be payable in respect of corpus actually placed at the disposal of the Mother Fund. Thus, the SPV (NSIC Venture Capital Fund Limited) was to get the SRI Fund registered as an Alternative Investment Fund with the SEBI and to manage it, for which it was to receive a Management fee. However, instead of registering the SRI Fund, NSIC Venture Capital Fund Limited has got itself registered as a Category-II Alternative Investment Fund with the SEBI. The SRI Fund is a Scheme of the Alternative Investment Fund thus registered. In the light of these facts, the following comments are made.	SEBI AIF Regulations allow an AIF to be organized in the form of a Company, LLP or a trust and therefore, the SRI Fund had to be set up as one of these three entities. Therefore, it was considered prudent to establish the AIF as a Company on account of higher governance standards applicable to a Company compared with a trust or an LLP and it was decided to register NVCFL as an AIF. Further, AIF Regulations also allow AIFs registered with SEBI to float schemes (irrespective of their constitution). Accordingly, NVCFL is operating the SRI Fund which is a scheme of an AIF floated in accordance with the provisions of the AIF Regulations. This structure is as mandated by the government and in compliance with SEBI Regulations and was approved by SEBI at the time of grant of license. Further, again clarification is being sought from SEBI w.r.t. structure of the Fund keeping in view the observations made by CAG. If required, opinion will be sought from the 'The Institute of Chartered Accountants of India' regarding accounting of the NVCFL and SRI Fund.
A. Comments on Consolidated Profitability A.1 STATEMENT OF PROFIT & LOSS A.1.1 Revenue from Operations Sale of Services (Note No.21): ₹ 92.66 crore Above includes ₹ 1.78 crore on account of management fee received for managing SRI Fund. As per approved operating guidelines of Self-Reliant Fund (SRI Fund), a Management Fee of 1 per cent may be permitted to SPV (NVCFL). The management fee will be payable in respect of corpus actually placed at the disposal of the Mother Fund. Government of India (GOI) released ₹ 155.34 crore during the year (inclusive of management fee) and the same was placed at the disposal of Mother Fund. Accordingly, management fee of ₹ 1.53 crore (excluding GST) should have been recognized as income instead of ₹ 1.78 crore. Further, as management fee is an expense to the Company, the same amount of management fee should also have been recognized as expense.	Sale of Services (Note: 21) of ₹ 92.66 crore includes Management Fee from SRI Fund ₹ 178.24 lakh and ₹ 23.36 lakh as interest income on Investment made in Fixed Deposits with Bank. As per clause no 3.1.1 of contribution agreement, (a) stated that "In accordance with the guidelines issued by the Government of India for the purpose of establishment of the Fund, the following fees (in aggregate referred to as "Fees") shall be chargeable to the Fund: Management Fee – NVCFL shall be entitled to charge a management fee at the rate of 1% (one percent) of the corpus actually placed at the disposal of the Fund ("Management Fee")." Further, as per clause 3.1.6. The above Fees shall be paid from (i) Capital Contributions drawn down by the Fund

1. A Fund of Funds (FoF) created to address severe shortage being faced by Micro Small and Medium Enterprises in securing growth capital. The anchor investor of the fund is the Government of India.

Non-booking of expenditure has resulted in understatement of expenditure by ₹ 1.53 crore, overstatement of income by ₹ 0.25 crore and overstatement of profit for the year by ₹ 1.78 crore.	from the Contributor, and/or (ii) from the income and receipts of the Fund. Accordingly, Payment of Management Fee to NVCFL will be on receipt of Capital Contributions from the Contributors pursuant to drawdown. Further, total amount invested by Anchor investor i.e. MOSME is ₹ 17824.25 Lakh (without Management fees) and ₹ 18034.58 Lakh (with Management and GST) out of which ₹ 15534.58 lakh was received during the year and balance ₹ 2500 lakh though sanctioned on 31.03.2022 but received on 02.04.2022. The entire amount of ₹ 18034.58 Lakh was sanctioned during the year. Therefore, the management fees of ₹ 178.24 Lakh have been booked as income in NVCFL on accrual basis and corresponding expenditure has been shown in the books of SRI Fund. Thus, there is no understatement of expenditure and overstatement of income and profit.
A.1.2 Other Income (Note No. 22) - ₹ 2.19 crore The above pertains to expenses incurred by the Company during previous year in respect of SRI Fund, however, in the current year the same has been treated as reimbursement of expenses on behalf of SRI Fund and booked as income. The Company also incurred an expenditure of ₹ 16.93 lakh during previous year on legal charges and fee paid to SEBI for registering the Company as Category-II AIF and was considered as 'Intangible Assets under development' which is not correct as the amount pertains to fee paid for registration and not for the license and therefore the same should have been accounted for as expenditure. The same has also been claimed from SRI Fund during current year. As SRI Fund is not a separate entity, the Company needs to book the entire expenditure in respect of SRI fund as Company's expenditure. Incorrect booking of the expenditure incurred in respect of SRI Fund as other income has resulted in overstatement of income by ₹ 69.37 lakh, understatement of expenses by ₹ 16.93 lakh and overstatement of profit for the year by ₹ 86.30 lakh.	NVCFL was incorporated on 28.08.2020 and SRI Fund PPM was initially filled with SEBI on 02.01.2021 and SEBI approval was received only on 01.09.2021. Accordingly, after approval received from SEBI the Contribution Agreement signed with the contributors on 12.10.2021. NCVFL has incurred ₹ 69.37 Lakh (Financial Year 20-21) expenses on SRI Fund which was not in existence as on 31.03.2021. Further, As per the PPM "To the extent that the Investment Manager or NVCFL incurs any of the Fund Expenses on behalf of the Fund, the Fund will, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, ensure that the Investment Manager or NVCFL is duly reimbursed." As already explained above, expenses incurred in previous year that were expensed off earlier and are now to be reimbursed by SRI Fund to NVCFL have been shown as other income. Expenditure of ₹ 16.93 Lakh- Expenses specifically attributable to obtaining SEBI license was capitalised to intangible asset under development in previous year. There is no need for treating such expenses as prior period expenses in the current financial

	year and the amount of ₹ 16.93 Lakh reimbursed by the SRI Fund which was direct expenses related to obtaining SEBI Registration and booked as Intangible Assets under Development in Financial Year 2020-2021. The same has been reimbursed by the SRI Fund as per the contribution agreement. Since the expenditure has been reimbursed by SRI fund, there is no understatement of expenses by ₹ 16.93 lakh. There is no overstatement of income and understatement of expenses.														
A1.3 Other expenses (Note No. 30): ₹ 136.57 crore Above does not include an expenditure of ₹ 1.09 crore incurred by the NVCFL during the year in relation to SRI Fund, as detailed below: <table border="1" data-bbox="201 802 799 1184"> <thead> <tr> <th>Head of Account</th><th>Amount (₹ in crore)</th></tr> </thead> <tbody> <tr> <td>Legal & Professional Charges paid to Khaitan & Co.</td><td>0.54</td></tr> <tr> <td>SEBI Charges for registering AIF</td><td>0.10</td></tr> <tr> <td>Meeting Expenses</td><td>0.01</td></tr> <tr> <td>Management/ Operating fee paid to SBICAP</td><td>0.42</td></tr> <tr> <td>Advertisement</td><td>0.02</td></tr> <tr> <td>Total</td><td>1.09</td></tr> </tbody> </table> However, the above amount spent in relation to SRI Fund was shown as receivables from SRI fund being a non-existent entity. As the expenditure was incurred by the NVCFL, this should have been shown as 'Expenses relating to SRI Fund' in the accounts of NCVFL. Non-recognition of expenditure has resulted in understatement of expenditure and overstatement of trade receivable-unbilled by ₹ 1.09 crore. Consequently, profit for the year has also been overstated to the same extent.	Head of Account	Amount (₹ in crore)	Legal & Professional Charges paid to Khaitan & Co.	0.54	SEBI Charges for registering AIF	0.10	Meeting Expenses	0.01	Management/ Operating fee paid to SBICAP	0.42	Advertisement	0.02	Total	1.09	NVCFL was incorporated on 28.08.2020 and SRI Fund PPM was initially filled with SEBI on 02.01.2021 and SEBI approval was received only on 01.09.2021. Accordingly, after approval received from SEBI the Contribution Agreement signed with the contributors on 12.10.2021. NCVFL has incurred ₹ 109.43 Lakh (Financial Year 2021-2022) expenses on SRI Fund which is set off as on 31.03.2022 for correct position of annual accounts. Further, as per the PPM "To the extent that the Investment Manager or NVCFL incurs any of the Fund Expenses on behalf of the Fund, the Fund will, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, ensure that the Investment Manager or NVCFL is duly reimbursed." Accordingly, expenses incurred in current year on behalf of SRI fund have been shown as receivable rather than expensed off. In view of the above, there is no understatement of expenditure and overstatement of trade receivable –unbilled.
Head of Account	Amount (₹ in crore)														
Legal & Professional Charges paid to Khaitan & Co.	0.54														
SEBI Charges for registering AIF	0.10														
Meeting Expenses	0.01														
Management/ Operating fee paid to SBICAP	0.42														
Advertisement	0.02														
Total	1.09														
B. Comments on Consolidated Financial Position B.1 Balance Sheet B.1.1 Assets-Financial Assets Cash and Cash Equivalents (Note-3): ₹ 188.84 crore NSIC Venture Capital Fund Limited (NVCFL) with 100 per cent equity from National Small Industries Corporation Limited (NSIC) was incorporated on	SRI Fund is a scheme of the Company, NVCFL with a separate bank account and is recognized as a distinct Association of Persons by the Income														

28 August 2020 to anchor the Self-Reliant Fund (SRI Fund). Government of India (GoI) released ₹ 180.34 crore (₹ 155.34 crore till 31st March, 2022 and ₹ 25 crore on 2 April 2022) to the NVCFL towards contribution to SRI Fund. NSIC, being the sponsor to SRI fund has also contributed ₹ 0.02 crore during the year. The NVCFL issued units to the GoI and NSIC towards the contributions made by them. NVCFL is maintaining separate bank account for SRI fund. NVCFL is also maintaining another bank account for transactions other than SRI fund and balance of ₹ 3.28 crore was available as on 31st March, 2022. While disclosing the Cash and Cash Equivalents in the Balance Sheet, bank balance in both the accounts should have been shown whereas the Company adjusted the funds received from GoI/ NSIC from the total bank balance and the balance in Bank account meant for transactions other than SRI fund has only been shown.

Incorrect adjustment of funds released by GoI and NSIC has resulted in understatement of bank balance by ₹ 152.34 crore², remittance in transit by ₹ 25 crore and understatement of Liabilities -Unit Capital for SRI Fund by ₹ 177.34 crore.

Consequently, this has also resulted in understatement of net cash generated from Financing activities by ₹ 152.34 crore and Cash and Cash Equivalents to the same extent in Cash Flow Statement.

Tax Department for tax purposes. SEBI AIF Regulations allows an AIF to be organized in the form of a Company, LLP or a trust. Further, AIF Regulations also allow AIFs registered with SEBI to float schemes (irrespective of their constitution). Accordingly, NVCFL is operating the SRI Fund which is a scheme of AIF floated in accordance with the provision of the AIF Regulations. This structure is a mandate by the government and in compliance with SEBI Regulations.

Once SRI Fund has been launched as a scheme, as per SEBI Regulations it is mandatory that the assets of each scheme should be segregated and accounted for separately since the beneficiary of these assets of a scheme is not the AIF itself but the contributors to the Scheme. Thus, it is mandatory for SRI Fund accounts to be maintained separately from the NVCFL which is a subsidiary of NSIC. Reflecting assets of SRI Fund as assets of NVCFL would be wrong as it is not the legal or beneficial owner of these assets. As, it is a beneficial interest holder only to the extent of its contribution to SRI Fund, the same is reflected through the units held by it in the SRI Fund.

Further, since SRI Fund as a scheme is distinct from NVCFL and it comprises of the three entities coming together for a specific purpose with a common management, it by default constitutes an Association of Person (AOP). Such a constitution is not by choice but by the very nature of the relationship between the Contributors. This status is also recognized by the tax authorities on the basis of the Contribution Agreement entered into between the entities.

Given, the above it is only a true and fair representation of accounts where NVCFL's accounts are distinct from that of SRI Fund and any move to consolidate SRI Fund accounts with that of NVCFL would be against the basic structure of an AIF and its schemes and also an untrue recording of assets, liabilities.

Accordingly, funds received from Govt of India towards SRI Fund have been deducted from the bank balance of NVCFL. Depiction of the same in the balance sheet of NVCFL is as under

2. After deducting expenses incurred in respect of SRI Fund.

	Note 3: Cash & Cash Equivalent		Amount (In Indian ₹)
	Particulars		As at 31.03.2022
	Balance with Banks:		
	In current account	1,55,62,06,643	
	Less: Amount received on	-152,34,36,949	3,27,69,994
	Cheques Drafts on Hand		1,78,243
	Total		3,29,48,237
	Thus, there is no understatement of bank balances by ₹ 152.34 crore and 'Remittance in Transit' by ₹ 25.00 crore and understatement of Liabilities – unit capital for SRI fund by ₹ 177.34. It is evident from the above that adjustment of fund released by the government of India and NSIC has been undertaken in the correct manner as the SRI Fund and NVCFL are two distinct entities and hence the same have not be consolidated. It is also pertinent to mention that the above does not have any impact on the results / profitability as well as state of affairs of the Company as on 31.03.2022.		
For and on behalf of the Comptroller and Auditor General of India	For and on behalf of The National Small Industries Corporation Limited		
Sd/- (S. Ahladini Panda) Principal Director of Audit (Industry and Corporate Affairs)	Sd/- (Gaurang Dixit) Additional Charge of CMD		
Place: New Delhi Date: 1 st December, 2022	Place: New Delhi Date: 19 th December, 2022		

THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED

(A Government of India Enterprise)
NSIC Bhavan, Okhla Industrial Estate
New Delhi – 110 020

No.SIC:SEC:67th AGM/2022

Dated : 12th December, 2022

NOTICE

Notice is hereby given that 67th Annual General Meeting of the Members of The National Small Industries Corporation Limited will be held on 19th December, 2022 at 2.30 p.m. at The Oberoi Hotel, Dr. Zakir Hussain Marg, New Delhi-110003 to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Standalone as well as Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2022 and Reports of the Board of Directors, Auditors' Report thereon alongwith Comptroller & Auditor General of India comments / observation, if any.
- 2) To declare dividend for the Financial Year ending 31st March, 2022.

- 3) To authorize the Board of Directors of the Company in terms of the provisions of Section 142(1) of Companies Act, 2013 to fix remuneration of the Statutory & Branch Auditors of the Company appointed by Comptroller & Auditor General of India u/s 139(5) of the Companies Act, 2013 for the financial year 2022-23 and to pass the following resolution, with or without modification (s), as an Ordinary Resolution:

“RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to decide and fix the remuneration of the Statutory & Branch Auditors of the Company appointed by Comptroller & Auditor General of India u/s 139(5) of the Companies Act, 2013 for the financial year 2022-23, as may be deemed fit by the Board.”

By Order of the Board of Directors
The National Small Industries Corporation Limited

Place: New Delhi
Date: 12.12.2022

Sd/-
(Nishtha Goyal)
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and such proxy need not be a member of the Company.
2. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to Company Secretary at the Registered Office of the Company prior to the date of the Annual General Meeting, so that the information required can be made available at the time of the meeting.
3. The Statutory Register maintained as per Companies Act, 2013, will be available for inspection by the Members at the Registered Office of the Company at the time of AGM of the Company at the venue of the Meeting.
4. Blank proxy form is enclosed herewith.
5. The instrument appointing proxy, duly stamped completed and signed, should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.



**2nd ANNUAL REPORT
OF
NSIC VENTURE CAPITAL
FUND LIMITED**

(A Wholly Owned Subsidiary of NSIC)

2021-2022



Empowering MSME for Aatmanirbhar Bharat- an event was organised to mark the 1st anniversary of establishment of SRI Fund at Bengaluru



CIN NO.: U65990DL2020GOI1368828

Chairman

Ms. Alka Nangia Arora

(upto 20th June, 2022)

Shri P. Udayakumar

(w.e.f. 20th June, 2022 to 31st July, 2022)

Shri Gaurang Dixit

(w.e.f. 1st August, 2022)

Chief Executive Director

Shri Saravana Kumar Ananthan

(w.e.f. 17th October, 2022)

Directors

- Shri Gaurang Dixit, Director
- Shri Ateesh Kumar Singh
Government Nominee Director
- Shri Rajib Kumar Sen
Government Nominee Director
(upto 8th July, 2022)
- Dr. Ishita Ganguli Tripathy
Government Nominee Director
(w.e.f. 8th July, 2022)
- Shri Saravana Kumar Ananthan
(w.e.f. 19th October, 2022)

Company Secretary

Ms. Nishtha Goyal

Statutory Auditors

M/s. Devinder K. Jain & Associates

Main Bankers

State Bank of India

Registered Office

NSIC Bhawan
Okhla Industrial Estate
New Delhi-110 020

Corporate Website

www.nvcfl.co.in



Board of Directors



Mr. Gaurang Dixit, Chairman (DIN: 08535482)

Mr. Gaurang Dixit is an Associate member of the Institute of Cost Accountants of India and also a Post Graduate in Business Administration. Mr. Dixit has been given the additional charge of Chairman-cum-Managing Director, NSIC (a holding Company of NVCFL) w.e.f. 1st August, 2022. He has more than 35 years of experience in the area of Finance & Accounts, Internal Audit, Corporate Planning, Vigilance and Commercial Department of

Public and Private Sector Companies. He worked in different capacities at field offices as well as at Corporate Office. He functioned as Head of Finance & Accounts, Corporate Planning, Internal Audit and Administration Division. He was also involved in formulation of policies/ guidelines for new schemes and strengthening the existing schemes. He also handled the work related to raising funds / resources from the Banks, FIs for meeting the funds requirement of the Company.

He was actively involved in the creation of a Special Purpose Vehicle i.e. NSIC Venture Capital Fund Ltd., (a wholly owned subsidiary of NSIC Ltd.) to implement SRI fund (A Fund of Funds Scheme of Govt. of India for MSMEs).

Mr. Gaurang Dixit is also Ex-officio Chairman on the Board of NSIC Venture Capital Fund Limited.



Sh. Ateesh Singh, Government Nominee Director (DIN: 06789077)

Sh. Ateesh Singh, Joint Secretary, Ministry of MSME - Civil Services has over 25 Years of experience in civil administration, policy formulation & implementation, institutional regulation and product development. (1997-2021).

He has served in various capacities in different ministries of Government of India. He has handled issues in the Ministry of MSME, Government of India – policy formulation and execution for MSME credit, negotiations with World Bank, KFW and National Development Bank for financial assistance in the MSME sector in 4 Externally Aided Projects (EAP), roll out of the CHAMPIONS portal for grievance redressal/resolution and handholding, Development and execution of reformulated MSME Scheme on ZED Certification, LEAN processes, Incubation, IPR and Design. He was the part of establishment of 20 new Technology Centres and 100 Extension Centres on PPP mode across the country. He coordinated with the Finance Ministry and RBI to develop block chain processes on Trade Receivables Discounting System (TReDS). He has done innovative product development in fintech bodies in coordination with RBI, State Governments, private sector and Finance Ministry. He dealt matters related to General Administration, Vigilance and Establishment in the Ministry. He was the part of operationalization and management of covidwarriors.gov.in, a portal to provide resources in Covid management to medical service providers across all states and Union Territories.

Sh. Ateesh Singh was appointed as Government Nominee Director in the Board of NSIC Venture Capital Fund Limited (NVFCL), a wholly owned subsidiary of NSIC Ltd. w.e.f. 28th August, 2020.



Dr. Ishita Ganguli Tripathy, Government Nominee Director (DIN: 09661006)

Dr. Ishita Ganguli Tripathy, Additional Development Commissioner, O/o DC(MSME) is an officer of the Indian Economic Service 1999 batch. In the past 23 years, she has worked in Ministry of Finance, Planning Commission, Ministry of Road Transport & Ministry of Commerce and Industry in various capacities. She has a double post graduation in Economics and Population Studies and completed her

PhD from IIT Delhi in Managerial Economics.

Dr. Ishita Ganguli Tripathy was appointed as Government Nominee Director in the Board of NSIC Venture Capital Fund Limited (NVFCL), a wholly owned subsidiary of NSIC Ltd. w.e.f. 8th July, 2022.



Mr. Saravana Kumar Ananthan, Director & Chief Executive Officer (DIN: 09769378)

Mr. Saravana Kumar Ananthan is a Post graduate from IIM-Bangalore, holds degree in B.E., Risk management program from GARP- USA, CAIIB from Indian Institute of Bankers and attended Management Development Programme at Merrill Lynch Global Headquarters at New York. He has over 32 years of professional experience in Venture Capital, Private equity, AIF, MSME sector, Finance & Accounts, Risk

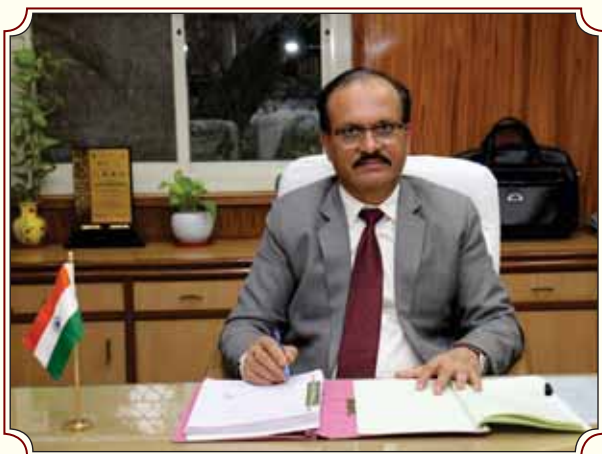
Management, Resource mobilisation, Treasury management and Corporate planning.

Mr. Ananthan is appointed as a CEO of NVCFL w.e.f. 17th Oct., 2022 to implement SRI Fund (a fund of funds scheme of Government of India for MSMEs). He worked as a Senior management professional in ICICI Ventures and ICICI Bank and worked as Chief Investment Officer in SBI Funds Management, LIC Nomura Funds Management, etc.

He was a Consultative working group committee Member of (a) IRDAI on restructuring the investment for life insurance sector in 2011 (b) SEBI on developing the AIF funds and (c) Core investment committee member of American International Assurance (AIA)-Hong Kong between 2010 and 2013. He had received in person the “World Finance” Award for the Best AIF Fund from London Stock exchange in March 2013. “World Finance” i.e. UK based investment publication had distributed above award.



Chairman's Message



Dear Shareholders,

It is my privilege to welcome you in the 2nd Annual General Meeting of “NSIC Venture Capital Fund Limited (NVCFL)”. The Board’s Report of your Company and its audited financial statements along with auditor’s report and comments of the Comptroller & Auditor General of India thereon for the financial year ended on 31st March, 2022 have been with you. I seek your permission to take them as read.

NSIC Venture Capital Fund Limited (NVCFL) was incorporated as a wholly owned subsidiary of The National Small Industries Corporation Limited (NSIC) to execute Fund of Funds scheme of ₹ 10,000 crore i.e. Self-Reliant India (SRI) Fund for MSMEs, as a part of the Atmanirbhar Bharat Package announced by the Hon’ble Finance Minister of India.

SRI Fund has been registered with the regulator, Securities and Exchange Board of India (SEBI) as a Category II Alternative Investment Fund (AIF) on the 1st September, 2021. Subsequently, the Contribution Agreement was executed on the 12th October, 2021 between the Anchor Investor (M/o MSME, Government of India), Sponsor (NSIC), AIF Company (NVCFL) and the Investment Manager (SBICAP Ventures Limited - SVL).

SRI Fund operates in Mother Fund – Daughter Fund structure, wherein, SRI Fund is known as Mother Fund which provides capital commitment to various Daughter Funds (Private Equity Funds registered with SEBI as Cat I or Cat II Fund). As per the scheme approved by the Government of India under Mother Fund – Daughter Funds structure, for each unit invested by SRI Fund, the Daughter Funds are required to invest 4 units. Thus, total 5 units would be invested in MSMEs through Daughter Funds.

The objective of SRI Fund is to provide funding support to the MSMEs through the Daughter Funds, as growth capital in the form of equity or quasi-equity, for enhancing equity/ equity like financing to MSMEs and supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities. This fund is to support MSMEs to make India self-reliant by producing relevant technologies, goods and services.

As mentioned above, NVCFL received the SEBI registration w.e.f. 01st Sept., 2021, therefore, the business activities of the Company commenced w.e.f. 01st Sept., 2021. Accordingly, during the year 2021-2022, the Company reported its revenue from operations of ₹ 201.60 lakh and earned its very first profit (before tax) amounting to ₹ 230.94 lakh and profit after tax amounting to ₹ 190.27 lakh.

As on 31st March, 2022, the net worth of the Company was ₹ 729.17 lakh as compared to ₹ 538.90 lakh in the previous year. Earnings per share (EPS) for the financial year ended 31st March, 2022 was ₹ 31.71 as against ₹ (10.18) in the previous year.

I am pleased to inform that the Board of Directors has recommended a dividend of ₹ 57.08 lakh (30% of PAT) for the financial year 2021-2022 subject to the approval of shareholders in this Annual General Meeting.



Since signing of the Contribution Agreement, meetings of the duly constituted Investment Committee (IC) of SRI Fund are being regularly held. Till 30th November, 2022, 33 Daughter Funds have been empanelled with the SRI Fund commitment of ₹ 4,895 crore approx. ₹ 306 crore, from the SRI Fund contribution, has already been deployed by these daughter funds in 127 MSMEs.

I would like to express my gratitude to Ministry of MSME, SEBI, DPE, NSIC Ltd. (holding Company) for continuous guidance and

support. I would like to place on record my sincere thanks to all our stakeholders for their contribution to this initiative to facilitate and boost the growth of MSMEs. I would also like to thank C&AG, Statutory Auditors and other professionals associated with the Company. I take this opportunity to convey my thanks to my colleagues on the Board of the Company and all officials for their unanimous support. I wish all the Best to NVCFL- SRI Fund for further strengthen the MSMEs and achieve its vision and mission.

Place : New Delhi
Date : 16th December, 2022

Sd/-
(Gaurang Dixit)
Chairman
DIN : 08535482



Board's Report

Dear Shareholders,

Your Directors are pleased to present the 2nd Board's Report along with the audited financial statement of the Company for the financial year 2021-2022.

1. Operations Overview

NSIC Venture Capital Fund Limited (NVCFL) is a wholly owned subsidiary of The National Small Industries Corporation (NSIC), a Mini-Ratna Company of the Government of India under the Ministry of Micro, Small and Medium Enterprises. NVCFL is registered as Category-II Alternate Investment Fund under Securities & Exchange Board of India (Alternative Investment Fund) Regulations, 2012 ('the Regulations') w.e.f. 1st Sept., 2021 for its first scheme Self-Reliant India (SRI) Fund. SRI Fund is a combination of Mother/ Daughter

Funds. The Government of India is the sole anchor investor and provide an initial budgetary support of ₹ 10,000 crore to the Mother Fund in phased manner. Daughter Funds, after being empanelled with the Mother Fund will mobilise funds and for each 4 units of funds so mobilised, they will be eligible to solicit 1 unit of fund, back-ended from the Mother Fund. The entire 5 units will then be available to the Daughter Fund for investment in MSMEs.

The objective of SRI Fund is to provide funding support to the MSMEs through the Daughter Funds, as growth capital in the form of equity or quasi-equity, for enhancing equity/ equity like financing to MSMEs and supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities.



1st AGM of NSIC Venture Capital Fund Limited was held on 26th November, 2021

A Contribution Agreement and Investment Management Agreement for operationalization of Fund was signed on 12th Oct., 2021. This Scheme has the Ministry of MSME, Government of India, NSIC and the NVCFL as its contributors and is treated as a separate 'Association of Person'. Regarding this, appropriate disclosures have been made in Note- 29 of the annual financial statements of the Company.

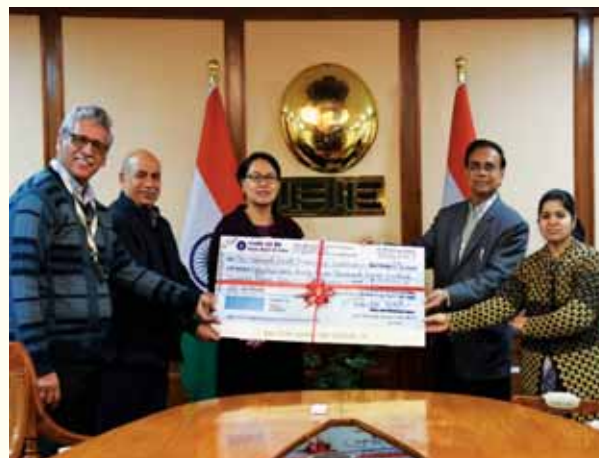
2. Financial Overview

NVCFL received the Securities & Exchange Board of India (SEBI) registration w.e.f. 1st Sept., 2021. Therefore, the business activities of the Company commenced from the date of SEBI registration i.e. 1st Sept., 2021. Accordingly, the Company reported its revenue from operations of the Company ₹ 201.60 lakh for the year 2021-2022. The Company earned its very first profit (before tax) amounting to ₹ 230.94 lakh and profit after tax amounting to ₹ 190.27 lakh.

The summary of audited financial statements of the Company for the financial year 2021-2022 along with previous financial year, is given as under:-

(₹ in Lakh except for EPS)

S No.	Particulars	Financial Year ended on 31 st March, 2022	Financial Year ended on 31 st March, 2021
1.	Revenue from Operations	201.60	0.00
2.	Other Income	69.37	11.06
3.	Expenses	40.03	69.38
4.	Profit / (Loss) before Tax	230.94	(58.32)
5.	Tax Expenses	40.67	2.78
6.	Profit / (Loss) after Tax	190.27	(61.10)
7.	Net worth	729.17	538.90
8.	Earning per Share (₹)	31.71	(10.18)



NVCFL presented its first dividend cheque for the year 2021-2022 to CMD, NSIC.

3. Dividend

The Board of Directors in its meeting held on 28th July, 2022 has recommended a dividend of ₹ 57.08 lakh (30% of PAT) for the financial year 2021-2022. The dividend recommended is subject to the approval of the shareholders at the Annual General Meeting.

4. Transfer to Reserves in Terms of Section 134 (3) (J) of The Companies Act, 2013

Your Directors do not propose to transfer any amount to the reserves.

5. Material Changes and Commitments, if any, Affecting The Financial Position of The Company Which Have Occurred Between the End of The Financial Year of The Company to Which The Financial Statements Relate and the Date of the Report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this Report.

6. Deposits

Your Company has not accepted any deposit falling within the purview of



Section 73 of the Companies Act, 2013 read with rules made thereunder.

7. Change in The Nature of Business

There has been no change in the nature of business of the Company.

8. Particulars of Loans, Guarantees or Investments under Section 186

During the year under review, your Company has not made any loan or given any guarantee or provided any security and/or made any investments under Section 186 of the Companies Act, 2013 and hence the said provision is not applicable. Further, details of investments made by Company have been mentioned at note. 7 of the Notes to Accounts of the audited financial statements for the year 2021-2022.

9. Share Capital

The Authorized Share Capital of the Company is ₹ 10 crore and paid-up Share Capital of the Company is ₹ 6 crore divided into 6,00,000 equity shares of ₹ 100/- each and the entire paid-up share capital is held by The National Small Industries Corporation Limited (holding Company) and its nominees.

10. Management Discussion & Analysis

A separate report on Management Discussion and Analysis is enclosed as “**Annexure- A**” to this report.

11. Human Resource Management

Your Company has not appointed any permanent employee during the financial year 2021-2022. However, holding Company i.e. NSIC Ltd. has deployed some of its employees on part-time/full time basis for operational convenience and managing day to day affairs of the Company, who are professionals and having financial expertise.

The Company has not entered into any material, financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms etc. in which they are either directly or through their relatives interested as Directors and/or Partners.

12. Particulars of Employees

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

The provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder are not applicable to Government Companies.

13. Conservation of Energy, Technology, Absorption, and Foreign Exchange Earnings and Outgo

Your Company does not have any manufacturing activity, hence there is no outgo on the conservation of energy, technology and absorption. Further, the Company has no foreign exchange earnings and no outgo transactions during the period under review.

14. Particulars of Contracts and Arrangements With Related Parties

The arrangements/transactions during the financial year with related parties were in the ordinary course of business and on arm's length basis. Disclosures of related party transactions and particulars of contracts or arrangements referred to in Section 188(1) of Companies Act, 2013, in prescribed Form AOC-2, as per Rule 8(2) of Companies (Accounts) Rules, 2014, is enclosed as “**Annexure- B**” to this report.



15. Statutory Auditors

The Comptroller & Auditor General of India has appointed M/s. Devinder K. Jain & Associates, Chartered Accountants as the Statutory Auditors for the financial year 2021-2022. The Statutory Auditors have given its report on the financial statements of the Company for the financial year 2021-2022. The Audited Financial Statements, Cash Flow Statement and the required annexures together with the Auditors' Report thereto forms part to the annual report. There are no adverse comments, observation or reservations in the Statutory Auditors' Report on the Financial Statements of the Company.

The Comments of C&AG on the Company's Financial Statements for the financial year ended 31st March, 2022 shall forms part of the annual report.

16. Internal Financial Control System and Their Adequacy

The Company maintains an adequate system of Internal Control and procedures to effectively control the operations of the Company. The Company has Board approved Standard Operating Procedures (SOP) in order to implement the Investment Process of Self-Reliant India (SRI) Fund in an efficient and transparent manner and in full compliance of the Operating Guidelines issued by the Ministry of MSME. The details are also mentioned in the Management Discussion and Analysis Report enclosed with the report.

17. Annual Return

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at <http://www.nvcfl.co.in/AnnualReport>.

18. Risk Management

The Company has laid down a well-defined Risk Management Policy to identify the risks associated with the SRI Fund (a first scheme of the Company). More details are given in the Management Discussions and Analysis report in the Annual Report. The Risk Management Policy of the Company can be accessed at http://nvcfl.co.in/pdfs/Risk_Mgmt_Policy_30082022.pdf.

19. Board of Directors

The following changes occurred in the Board of Directors of your Company during the Financial Year 2021-2022 and till date:

- a) Shri Gaurang Dixit has been appointed as Chairman of the Company w.e.f. 1st August, 2022.
- b) Dr. Ishita Ganguli Tripathy has been appointed as one of the Government Nominee Director in the Board of NVCFL w.e.f. 8th July, 2022 in place of Shri Rajib Kumar Sen.
- c) Shri Rajib Kumar Sen ceased to be director in the Board of NVCFL w.e.f. 8th July, 2022.
- d) Shri Vijayendra ceased to be Chairman, NVCFL w.e.f. 23rd Sept., 2021.
- e) Smt. Alka Nangia Arora was appointed as Chairman of the Company w.e.f. 23rd Sept., 2021. She holds the charge as Chairman, NVCFL till 20th June, 2022.
- f) Shri. P. Udayakumar was appointed as Chairman of the Company w.e.f. 20th June, 2022. He holds the charge as Chairman, NVCFL upto the date of his superannuation i.e. till 31st July, 2022.
- g) Shri Saravana Kumar Ananthan, has



been appointed as Additional Director on the Board of the Company w.e.f. 19th October, 2022. He is also Chief Executive Officer of the Company.

During the year 2021-2022, six meetings of the Board of Directors were held. The details of the meetings are given in the Corporate Governance Report which is enclosed as “**Annexure- C**” to this report.

20. Directors' Responsibility Statement

Pursuant to the requirement of section 134(3)(c) of the Companies Act, 2013, the Directors confirms that:

- In the preparation of the annual accounts for the year 2021-2022, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- Such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- The financial statement have been prepared on a going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

21. Right to Information Act, 2005

During the financial year 2021-2022, one application was received under “Right to Information Act, 2005” (RTI) and the same has been disposed off.

22. Significant and Material Orders Passed by Regulators /Courts/ Tribunals

There are no significant and material orders passed by regulators/court/tribunals impacting the going concern status and operations of your Company in the future.

23. Acknowledgements

Your Directors are grateful to the Ministry of MSME, Government of India, SEBI, MCA, for their direction and support. The Directors also thank NSIC Limited (holding Company) for their continuous support and cooperation. The Company also extend their gratitude to Statutory Auditors, Comptroller & Auditor General of India, Investment Manager, Legal Counsel for their valued contribution. The Directors also sincerely appreciate and thank all the stakeholders of the Company for their valuable contribution and efforts in ensuring sustainable performance of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 16th December, 2022

Sd/-
(Gaurang Dixit)
Chairman
DIN : 08535482



Annexure A to the Board's Report

Management Discussion & Analysis Report

A report on the "Management Discussion & Analysis" including on the Company's performance during the financial year 2021-2022 is as follows:

i. Industry Structure and Recent Developments

The last two financial years (2020-2021 and 2021-2022) have been difficult for the world economy on account of the COVID-19 pandemic. Repeated waves of infection resulted in widespread supply-chain disruptions and the production cycles were disturbed more-so in respect of the MSMEs. More recently, run-away inflation, fuelled by the emerging geo-political scenario, has created challenging times for enterprises in general and MSMEs in particular.

Despite the Governments across the globe making concerted efforts to reboot and rekindle their respective economies, the global economic environment still remains uncertain. According to the World Bank's latest Global Economic Prospects report the global economy, is entering what could become a protracted period of feeble growth and elevated inflation, primarily due to the damage from the pandemic and other global crisis.

Outlook for India in the Financial Year 2022-23 continues to be positive. Government of India's Economic Survey 2022 estimates suggest that the Gross Value Addition (GVA) of Industry in India (including mining and construction) is likely to rise by 11.8 per cent in 2021-2022 after contracting by 7 per cent in 2020-21.

India has approximately 6.3 crore Micro Small and Medium Enterprises (MSMEs)

as on 31st March, 2022 out of which the number of MSMEs registered on the Udyam Registration Portal stood at 1.16 crore units (as on 28th Oct., 2022). Majority of the registered MSMEs are service enterprises, around 64%, while the remaining 36% is comprised of manufacturing. Also, around 95% of the registered enterprises are micro enterprises, followed by small enterprises at 4.5% and mid-sized enterprises at 0.50 %. ¹

ii. Significance of Industry Sector (MSME)

The MSME sector, both manufacturing and services, form the backbone of the economy and a major contributor to the socio-economic development of the Country. India's 6.3 crore MSME entities are responsible for around -

- 45% of the country's total manufacturing output;
- 40% of all exports; and
- almost 30% of the national GDP ².

In spite of their stellar contribution to the Indian economy, MSMEs in India face several challenges such as keeping pace with rapidly changing technologies, issues with protection of their intellectual property and finally availability and accessibility of sources of finance both Debt and Equity.

IFC's report on "Financing India's MSMEs" 2018³ estimates that the overall demand for both debt and equity finance by MSMEs is estimated to be ₹ 87.7 trillion, which comprises of ₹ 69.3 trillion of debt demand and ₹ 18.4 trillion of equity demand.

BSE SME Platform that enables the listing

¹ Source: MSME Industry in India – Market Share, Reports, Growth & Scope | IBEF, accessed on 13th June, 2022.

² Source: May 2022, May Insider (msme.gov.in) accessed on 15th June, 2022

³ Source: November 2018, International Finance Corporation (IFC) in partnership with Government of Japan, Financing India's MSMEs - Estimation of Debt Requirement of MSMEs in India.



of SMEs from the unorganized sector into a regulated and organized sector, reported that 360 listed SME companies raised ₹ 3,823.96 crore of funding during the past 10 years. BSE IPO index has also increased by more than 13000% during the above period.⁴

On the National Stock Exchange (NSE), Emerge is a new platform for SME companies offering early stage ventures and small quality companies to raise much needed growth capital, mature, and subsequently transit to NSE's main board. In Financial Year 2021-2022 Emerge saw listing of 31 MSMEs which raised ₹ 503.37 crore.⁵

However, these amounts of funds raised are miniscule when compared to overall requirement of the funding for MSME sector.

iii. Developments in the Sector

Recognising the fact that domestic business requires a strong financial stimulus a slew of measures, as under, were announced by the Government of India anticipating to bring back large value investment into the MSME sector:

- The Government of India created the Fund of Funds scheme for MSMEs so as to channelise diverse variety of funds into underserved MSMEs and address the growth needs of viable and high growth MSMEs. This scheme was named the Self-Reliant India (SRI) Fund scheme and was to be administered by The National Small Industries Corporation (NSIC) through a Special Purpose Vehicle namely the NSIC Venture Capital Fund Limited.
- MSMEs are being encouraged to market their products on the e-commerce site, especially through Government e-Marketplace (GeM).

B) Self Reliant India (SRI) Fund

As a part of Atmanirbhar Bharat Package, the Finance Minister, in the Budget speech for 2021-2022, had announced a Fund of Funds (FoF) Scheme for MSMEs, to be funded by Government of India contribution of ₹ 10,000 crore and leveraged 5 times to the tune of ₹ 50,000 crore.

Ministry of MSME (M/o MSME) was nominated as the implementing Ministry and the Fund of Funds, named as Self-Reliant India (SRI) Fund, was to be anchored through a special purpose vehicle (SPV).

NSIC Venture Capital Fund Limited (NVCFL), a wholly owned subsidiary of NSIC and a public limited company under the Companies Act, 2013 is the SPV created to implement the Self-Reliant India (SRI) Fund.

The 'Self-Reliant India (SRI) Fund' ("Fund" or "SRI Fund") is organised as the first scheme of NVCFL. SBICAP Ventures Limited ("Investment Manager"), has been appointed as the Investment Manager after due process to operate the 'Fund of Funds' with the objective to provide growth capital to the MSME sector.

The Fund is to provide funding support to the Daughter Funds for onward provision to MSMEs as growth capital, through equity, quasi-equity and debt, as may be permitted under relevant SEBI guidelines. For every unit of fund provided by SRI Fund to the Daughter Fund, on back-ended basis, the Daughter Fund shall mobilise four units of funds from its own sources. Thus, the corpus of ₹ 10,000 crore provided by the Government of India would be leveraged to ₹ 50,000 crore of funding support to the MSMEs. The objectives of SRI Fund are:

1. Enhancing equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines to MSMEs;

⁴ Source: Introduction (bsesme.com) accessed on 19th June, 2022. & BSE SME Brochure.cdr

⁵ Source: https://archives.nseindia.com/emerge/sme_brochure.pdf accessed on 13th June, 2022

2. Supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities;
3. Supporting enterprises which have the potential to graduate beyond the MSME bracket and become National / International champions; and
4. Supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services.

C) Operational and Financial Performance

The Contribution Agreement for SRI Fund was signed between the Anchor Investor (Govt. of India), Sponsor (NSIC), AIF Company (NVCFL) and the Investment Manager (SBICAP Ventures Ltd.) on the 12th October, 2021.

Immediately after signing the Contribution Agreement, meetings of the duly constituted Investment Committee (IC) of SRI Fund were held on the 14th and 21st October, 2021. Thereafter, ten (10) more meetings of the Investment Committee have been held upto 31st March, 2022.

	No. of Daughter Funds	Value
Prelim IC approval received for Daughter Funds	25	₹ 3,665 crore
Final IC approval received for Daughter Funds	23	₹ 3,465 crore
Empaneled Daughter Funds	20	₹ 3,200 crore

It is pertinent to mention that deployment of fund will be in phases as per demand raised by the empaneled Daughter Funds. The Daughter Funds raised request to drawdown ₹ 177 crore from SRI Fund up to 31st March, 2022 for utilization in the subsequent financial year.

D) Risks, Concerns and Threats

NVCFL and its investment manager has adopted a robust framework for risk assessment, monitoring and management for SRI fund. The framework provides for a risk matrix that lists out all risk categories for a fund, the risk description, likelihood of occurrence of each risk, consequence if the risk actually materialises, risk rating, risk mitigation mechanism and periodicity of monitoring the risk.

Key risks monitored for SRI fund are - commitment risk, deployment risk, portfolio risk, reinvestment risk, compliance risk, concentration risk at Fund level, foreign exchange risk at Fund level, leverage risk at Fund and Daughter Fund level, realisation risk at Fund and Daughter Fund level, strategy risk at Daughter Fund level, reputation risk at Daughter Fund level, environmental, social and corporate governance risks at Fund and Daughter Fund level.

The amount committed to Daughter Funds by SRI Fund is expressed both in absolute amount terms as also as a percentage of the target corpus to be raised by the Daughter Fund, whichever is lower. In the event of an empaneled Daughter Fund being unable to raise the target corpus amount, the drawdown amount will get constrained by the percentage clause and accordingly, the drawdown from SRI Fund would be lower and may not equal the amount of commitment expressed in absolute terms.

NVCFL, in consultation with the Investment Manager and the Legal Advisor has been adopting various control measures to mitigate the risks arising in the operations of the Fund as listed below:

- a) A comprehensive Investment Policy for the Fund has been adopted;
- b) A comprehensive investment process for making investments in Daughter Funds has been approved;
- c) A detailed Standard Operating Procedure (SOP) template has been



prepared and approved by the Board based on which various parties perform their roles and responsibilities in relation to the Fund;

- d) The eligibility criteria for empanelment of Daughter Funds has been developed and approved by the Board;
- e) Maximum exposure in each Daughter Fund has been capped in line with the Operating Guidelines;
- f) Approval of the Board for proposals is sought where conflict of interest is reported;
- g) Independent Auditor has been appointed by CAG;
- h) Independent Auditor should submit reports to the Board;
- i) Structuring risks is mitigated by taking appropriate legal advice.

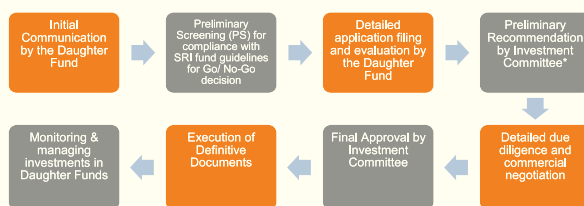
SRI Fund has a robust governance framework overseen by SRI Fund Advisory Board, NVCFL Board and Investment Committee (including independent IC member) with defined roles and responsibilities. Also each Daughter Fund, as required under the side letter is required to develop an Environmental, Social & Governance standards (“ESG”) policy/ framework for its investee companies and ensure that financial risk management and environmental and social safeguard management systems are in place. Further, they are required to report any material breach and on anti-corruption/ anti money laundering, environmental, social & business integrity aspects.

During the period under review, NVCFL continued its work even during COVID-19 pandemic without any disruption. Work from Home, video conferencing and other necessary provisions were made to work

during lockdown restrictions. Further, your Company doesn’t envisage any possibility to which COVID-19 will impact the Company’s business and its results. Your Company will continue to closely monitor any material changes to future economic conditions that may have any financial impact on the Company.

E) Internal Control System and their adequacy

SRI Fund follows a well-defined transparent investment process which is published on NVCFL and SVL website as part of detailed FAQs. The Investment process is depicted in the figure below:



* in case of conflict of interest, to be followed by Board Authorization for such conflict

The final approval of the Investment Committee is provided after considering the findings of detailed due diligence conducted by the independent professional agency - legal due-diligence, Financial due-diligence and Tax due-diligence.

F) Outlook

SRI Fund is building a pipeline of prospective Daughter Funds. Deployment of funds will be in phases over the investment period of the Daughter Funds.

A new fund platform complete with various reporting requirements at SRI Fund level (to its contributors) and at Daughter Fund level (to SRI Fund) is being setup.

To create the intended impact, SRI Fund shall interact with appropriate industry forums and seek their feedback.

Place : New Delhi
Date : 16th December, 2022

Sd/-
(Gaurang Dixit)
Chairman
DIN : 08535482



Annexure B to the Board's Report

FORM – AOC-2

Annual Compliance- Related Party Transactions

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rule, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under their proviso thereto

- Details of contracts or arrangements or transactions not at arm's length basis:

NSIC Venture Capital Fund Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2021-2022.

- Details of material contracts or arrangements or transactions at arm's length basis; during financial year 2021-2022:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	The National Small Industries Corporation Limited (Holding Company)	Reimbursement of Manpower Support Cost, Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment expenses incurred by the holding Company on behalf of NVCFL. (Exclusive of Taxes)	On-going transaction	Manpower Support Cost – ₹ 28.57 Lakh Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment – ₹ 0.05 Lakh (all amounts on actual basis)	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.	Nil
2.	The National Small Industries Corporation Limited (Holding Company)	Rent paid to NSIC (Exclusive of Taxes)	Agreement(s) for 11 months	Rent ₹ 0.12 Lakh (i.e. 1000/- per month plus taxes)		
3.	The National Small Industries Corporation Limited (Holding Company)	Reimbursement of Advertisement & Publicity and Duties & Taxes paid on Company Incorporation (Exclusive of Taxes)	One time transaction	Advertisement & Publicity – ₹ 13.67 Lakh Duties & Taxes paid on Company Incorporation – ₹ 10.83 Lakh (all amounts on actual basis)		

Place : New Delhi
Date : 16th December, 2022

Sd/-
(Gaurang Dixit)
Chairman
DIN : 08535482



Report on Corporate Governance

NVCFL is committed to adopt best practices of Corporate Governance. Self-Reliant India (SRI) Fund is the first scheme of the Company, for providing growth capital to the Micro, Small and Medium Enterprises (MSMEs), through equity/quasi-equity/equity like structured instruments. The details of scheme/ guidelines are available at www.nvcfl.co.in. NVCFL is having a professional and independent Investment Manager to process all the investment proposals in line with the Investment Guidelines laid down in the Fund Documents including the Operating Guidelines. The standards operating system has been prepared and approved by the Board. As per DPE guidelines, a report on the Corporate Governance is given below:-

1. Board of Directors

As per Article 81 of the Articles of Association of Company, the number of Directors of the Company shall not be less than 3 and not more than 15.

In terms of Self-Reliant India Fund guidelines approved by the Ministry of MSME, the Company will have an independent Board with CMD NSIC as its Chairman, two Government Nominee Directors, one NSIC nominated Director and a professional CEO.

As on 31st March, 2022, the Board comprised of the following directors:

Sl. No	Director Identification Number (DIN)	Name of the Director	Designation
1	03165567	Smt. Alka Nangia Arora	Chairman
2	07669981	Shri Rajib Kumar Sen	Director
3	06789077	Shri Ateesh Kumar Singh	Director
4	08535482	Shri Gaurang Dixit	Director

During the year under review and till date, the following changes have taken place in the Board of Directors:-

- Shri Gaurang Dixit has been appointed as Chairman of the Company w.e.f. 1st August, 2022.
- Dr. Ishita Ganguli Tripathy has been appointed as one of the Government Nominee Director in the Board of NVCFL w.e.f. 8th July, 2022 in place of Shri Rajib Kumar Sen.
- Shri Rajib Kumar Sen ceased to be director in the Board of NVCFL w.e.f. 8th July, 2022.
- Shri Vijayendra ceased to be Chairman, NVCFL w.e.f. 23rd Sept., 2021.
- Smt. Alka Nangia Arora was appointed as Chairman of the Company w.e.f. 23rd Sept., 2021. She holds the charge as Chairman, NVCFL till 20th June, 2022.
- Shri. P. Udayakumar was appointed as Chairman of the Company w.e.f. 20th June, 2022. He holds the charge as Chairman, NVCFL upto the date of his superannuation i.e. till 31st July, 2022.
- Shri Saravana Kumar Ananthan, has been appointed as Additional Director on the Board of Company w.e.f. 19th October, 2022. He is Chief Executive Officer of the Company.

All the directors are not entitled to any remuneration from the Company, as they are holding the directorship as per their ex-officio positions in the holding Company and/or nominated by the Ministry of MSME.

2. Number of Meetings of Board, Directors' attendance at Board Meetings

During the period under review, six (6) meetings of the Board of Directors of the Company were held viz. i) 28th June, 2021 ii) 19th August, 2021 iii) 23rd September, 2021 iv) 28th October, 2021 v) 22nd November, 2021 and vi) 11th March, 2022.



During the Financial Year 2021-2022, the details of Directors' attendance at the Board

Meetings and number of other Directorship held by Directors are tabled below:

Sl. No	Name of Director	Board Meetings			No. of other Directorships As on March 31, 2022 (other than NVCFL)
		Held during the tenure	No. of Board Meetings attended	Attendance at the AGM held on 26/11/2021	
1.	Shri Vijayendra, Chairman (upto 23.09.2021)	2	2	N.A	N.A
2.	Smt. Alka Nangia Arora, Chairman (w.e.f. 23.09.2021)	4	4	Yes	2
3.	Shri Rajib Kumar Sen, Director	6	5	Yes	1
4.	Shri Ateesh Kumar Singh, Director	6	6	No	-
5.	Shri Gaurang Dixit, Director	6	6	Yes	1

3. Audit Committee Meeting

The Company do not fall under any criteria specified in sub-section (1) of section 177 of the Companies Act, 2013, it is not required to constitute an Audit Committee.

4. Corporate Social Responsibility (CSR)

Since, the Company do not fall under any criteria specified in sub-section (1) of section 135 of the Companies Act, 2013, it is not required to constitute a Corporate Social Responsibility ("CSR") Committee.

5. Particulars of Contracts and Arrangements with Related Parties

The arrangements/transactions during the financial year with related parties were in the ordinary course of business and on arm's length basis. Disclosures of related party transactions and particulars of contracts or arrangements referred to in Section 188(1) of Companies Act, 2013, in prescribed Form AOC-2, as per Rule 8(2) of Companies (Accounts) Rules, 2014, is enclosed with Board report.

6. Details of Compliance with the Requirements of DPE Guidelines on Corporate Governance

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

7. Material Changes and Commitments Affecting The Financial Position of the Company

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

Place : New Delhi
Date : 16th December, 2022

Sd/-
(Gaurang Dixit)
Chairman
DIN : 08535482



Annexure I to Report on Corporate Governance

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members

NSIC VENTURE CAPITAL FUND LIMITED

REGD. ADDRESS: NSIC, OKHLA INDUSTRIAL ESTATE PHASE-III
NEW DELHI-110020

We have examined the compliance of conditions of Corporate Governance of The NSIC VENTURE CAPITAL FUND LIMITED, having CIN: U65990DL2020GOI368828 for the year ended 31st March, 2022 as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India.

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

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

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

For Kumar Wadhwa & Company
Company Secretaries

Sd/-
(Sanjay Kumar)
Managing Partner
M.No.: 9211
C.P.No.: 7027
UDIN: F009211D000955585

Place: New Delhi
Date: 12.09.2022



INDEPENDENT AUDITORS' REPORT

To
The Members of
NSIC Venture Capital Fund Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **NSIC Venture Capital Fund Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flows and for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. ('financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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 Company as at 31st March, 2022 and its profit including other comprehensive income, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note 27 of the financial statements which explain the uncertainties and the management's assessment of the financial impact due to the conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

We also draw attention to Note 29 of the financial statements which explain the facts surrounding the establishment of SRI Fund, which is a AIF scheme launched by the Company and is a separate entity, and also explain the presentation in the financial statements of the funds received as contribution to SRI Fund by the respective contributors but such amount was received in the bank account of the Company.

Our opinion is not modified in respect of the above matters

Information Other than the Financial Statements and Auditor's Report Thereon.

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls systems in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of changes in equity and Statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the financial statements comply with the Ind AS specified under section 133 of the Act, as applicable.

- (e) In terms of notification no. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 164(2) of the Act are not applicable to the Company being a government company.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B;
- (g) In terms of notification no. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act are not applicable to the Company being a government company;
- (h) With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Act, refer to our separate report in Annexure C;
- (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 Company does not have any pending litigations which would impact its financial position.
 - ii. The Company 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 Company.
 - iv. The Company has not paid or declared any dividend during the reporting period
 - v. (a) The management has represented that, to the best



of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been

received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party; or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement

for **Devinder K Jain & Associates**

Chartered Accountants
Firm Registration No.: 007799N

Sd/-

CA D.K. Jain

Partner

Membership No.: 083417
UDIN: 22083417ANXVOI6264

Place: New Delhi
Date: 28.07.2022



ANNEXURE A REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS TO THE MEMBERS OF NSIC VENTURE CAPITAL FUND LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2022

Report on Companies (Auditor's Report) Order, 2020 with reference to the aforesaid financial statements

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| <p>(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.</p> <p>(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.</p> <p>(b) As explained to us, property, plant and equipment have been physically verified by the management during the period in accordance with the annual programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.</p> <p>(c) According to the information and explanations given to us, the Company does not own any immovable property.</p> <p>(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year</p> <p>(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are</p> | <p>no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder</p> <p>(ii) (a) According to the information and explanations given to us, the Company's business does not involve any physical inventories and accordingly the requirements of Para 3(ii)(a) of the Order are not applicable to the Company.</p> <p>(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company</p> <p>(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security, to companies, firms, limited liability partnership or any other parties during the year.</p> <p>The Company has made an investment in a fund and provided an unsecured loan to such fund in respect of which:</p> <p>(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided an advance in nature of a loan to SRI Fund, the first AIF scheme setup by the Company</p> |
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along with Government of India and the Company's holding Company (The National Small Industries Corporation of India Limited) as the contributors to the SRI Fund. The Company has advanced an amount of ₹ 1.25 lakhs during the year to SRI Fund for the sole purpose of opening a separate bank account of SRI Fund where deposit of such funds was a precondition by the bank and such balance of ₹ 1.25 lakhs remains outstanding. No other loan or advance has been granted to any other party during the year

- (b) In our opinion, the investments made in SRI Fund by the Company and the terms and conditions of the grant of loan to SRI Fund during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loan granted by the Company, no specific schedule of repayment of principal and payment of interest has been stipulated
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same party
- (f) The Company has granted an advance of ₹ 1.25 lakhs in the nature of a loan to SRI Fund, a related party, as explained in clause (iii)(a) above. Such advance to related party is repayable on demand and represents a hundred percent of total loans or advances granted by the Company. No loans or advances have been granted to any promoter and no loans and advances have been granted to any party where terms or period of repayment are not specified.
- (iv) According to the information and explanations given to us, the Company has complied with

the provisions of Section 185 and Section 186 of the Companies Act, 2013 to the extent applicable in respect of loans, investments, guarantees, and security.

- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities carried out rendered by the Company. Accordingly, para 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, goods and services tax and other material statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable were in arrears as at 31st March, 2022, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, good and services tax and cess, duty of customs, excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis



- of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) According to the information and explanations given to us:
- (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
 - (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet any obligations of subsidiaries, associates or joint ventures
 - (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable
- (x) (a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, para 3 (x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the period. Accordingly, para 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, para 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, to the extent applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.
- (b) In our opinion and based on our examination, the Company did not have an internal audit system for the period under audit and accordingly



no internal audit reports have been considered.

- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him covered by Section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as it has obtained necessary regulatory approvals from Securities & Exchange Board of India (SEBI) for setting up an Alternate Investment Funds (AIF) vide certificate dated 1 September 2021 and the Reserve Bank of India has specifically exempted (AIFs) from registration with the Reserve Bank of India vide Master Direction – Exemption from provisions of RBI Act, 1934, as updated from time to time. Accordingly, para 3(xvi) is not applicable to the Company
- (xvii) The Company has not incurred any cash losses in the current financial year. In the preceding financial year, the Company had incurred a cash loss of ₹ 61.09 lakhs as per the financial statements
- (xviii) There has been no resignation of the statutory auditors of the Company during the year

- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clause 3(xx) of the Order is not applicable.

for **Devinder K Jain & Associates**
Chartered Accountants
Firm Registration No.: 007799N

Sd/-
CA D.K. Jain
Partner

Membership No.: 083417
UDIN: 22083417ANXVOI6264

Place: New Delhi
Date: 28.07.2022



ANNEXURE B REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2022

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 with reference to the financial statements of NSIC Venture Capital Fund Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company 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 ('ICAI'). 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 Company'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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to the financial statements 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 issued by the ICAI. 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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 judgment, 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 audit opinion on the Company's internal financial controls system with reference to the financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control with reference to the financial statements 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 Company's internal financial control with reference to the financial statements 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 Company; (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 Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March, 2022, based on the internal control with reference to the financial statements criteria established by the Company 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 **Devinder K Jain & Associates**

Chartered Accountants
Firm Registration No.: 007799N

Sd/-

CA D.K. Jain

Partner

Membership No.: 083417
UDIN: 22083417ANXVOI6264

Place: New Delhi
Date: 28.07.2022



ANNEXURE C REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2022

Report on Directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 ("the Act") with respect to the financial statements of NSIC Venture Capital Fund Limited for the period ended 31st March, 2022.

S No.	Directions	Reply
I	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has a system in place to process all the accounting transactions through IT System. The Company is using Tally software for accounting. Based on audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed / carried outside the IT System.
II	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	As per information and explanations given to us and based on our examination of records, the Company has not accepted any loan from any lender during the period.
III	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per information and explanations given to us and based on our examination of records, the Company has received funds from the Central Government as its contribution to SRI Fund as per the contribution agreement dated 12 th October, 2021. The same has been properly accounted for and kept in a separate bank account and has not been utilized as of the balance sheet date, except for reimbursement of expenses incurred by the Company on behalf of SRI Fund.

for Devinder K Jain & Associates

Chartered Accountants

Firm Registration No.: 007799N

Sd/-

CA D.K. Jain

Partner

Membership No.: 083417

UDIN: 22083417ANXVOI6264

Place: New Delhi
Date: 28.07.2022



Compliance Certificate

We have conducted the audit of accounts of NSIC Venture Capital Fund Limited for the period ended 31st March, 2022 in accordance with the Directions/ Sub-Directions issued by the 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 **Devinder K Jain & Associates**
Chartered Accountants
ICAI Firm Registration No.: 007799N

Place: New Delhi
Date: 28.07.2022

Sd/-
CA D.K. Jain
Partner
Membership No.: 083417
UDIN: 22083417ANXVOI6264



NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

Note – 1: COMPANY INFORMATION & BASIS OF ACCOUNTING

A. COMPANY INFORMATION

NSIC Venture Capital Fund Limited ('NVCFL' or 'the Company'), is a public limited company domiciled in India and incorporated on 28th August, 2020 under the provisions of the Companies Act, 2013. The Company is a wholly owned subsidiary of The National Small Industries Corporation Limited ('NSIC'), a Government of India enterprise and its registered office is located at NSIC Bhawan, Okhla Industrial Estate, Phase –III, New Delhi - 110020 (India). With effect from 1st September, 2021 the NVCFL was registered with Securities and Exchange Board of India ('SEBI') and received registration no. IN/AIF2/21-22/0924 as Category II Alternate Investment Fund under Securities & Exchange Board of India (Alternative Investment Fund) Regulations, 2012 ('the Regulations') for its first scheme Self Reliant India (SRI) Fund ("the Scheme" or "Fund"). The Scheme has the Government of India, NSIC and the Company as its contributors and is treated as a separate 'Association of Person'. The objective of the Scheme is to provide funding support to the daughter funds for onward provision of support to MSMEs as growth capital through equity, quasi-equity and debt.

B. BASIS OF ACCOUNTING

I. Statement of compliance

The financial statement will be prepared in accordance with Indian Accounting Standards under the provisions of the Companies Act, 2013 ("Act"). The Ind AS is prescribed under Section 133 of the Act with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

II. Basis of Preparation and Presentation

The Ind AS financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and liability that may be measured at fair value at the end of each reporting date as required under relevant Ind AS. These policies have been applied consistently for all the periods presented in the financial statements.

Though, the Company has been exempted from registration with the Reserve Bank of India as a Non-Banking Finance Companies (NBFC) vide Master Direction – Exemption from provisions of RBI Act, 1934, as updated from time to time, the Company has followed Division III of Schedule III to the Companies Act, 2013 while preparing its financial statements for the period ended 31st March, 2021. Division III is applicable to NBFCs as defined in Companies (Indian Accounting Standards Rules), 2015 which includes venture capital fund companies and the Company had been setup as a venture capital fund Company with the specific purpose of establishing an AIF and was in the process of obtaining requisite approvals from SEBI during the period ended 31st March, 2021. During the year ended 31st March, 2022, the Company has duly received the registration certificate and is an approved AIF.

III. Use of Judgement and Estimates

In preparing the financial statements in conformity with the Company's accounting policies, management is required to make estimates and



assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements, the amount of revenue and expenses during the reported period and notes to financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized in the period in which the results are crystallized.

IV. Critical Accounting Estimates and Management Judgements

In application of the accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is stated hereunder:

- **Property, Plant and Equipment (PPE) and Intangible Assets:** The residual values and estimated useful life of PPEs and intangible assets are assessed at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operational condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation

of depreciation/amortization.

- **Income Taxes:** Estimates are involved in determining the provisions for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Judgements are made in respect of expected future profitability to assess deferred tax asset.
- **Impairment of Financial assets:** The impairment assessment of financial instruments comprising of trade receivables and Loans & Advances is carried out based on assumptions about risk of default and expected loss. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward-looking estimates at the end of each reporting date.
- **Impairment of Non-financial assets (PPE):** The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement.
- **Defined Benefit Plans and Other long-term employee benefits:** Currently, there are no employees which are on payroll of the Company except two employee which are on deputation basis from holding Company NSIC and all Retirement benefits are provided by NSIC and charged to revenue account on a reimbursement basis.



- **Fair value measurement of financial instruments:** When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses other valuation techniques to determine its fair value. The inputs to apply these techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Provisions and contingencies:** The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.
- **Reimbursement of Expenditure by the Fund:** An amount reimbursed by the Fund for fund expenses which are incurred by the Company on behalf of the Fund, as per the fund documents the Fund will, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, NVCFL is duly reimbursed and it's adjusted in Company books of accounts.

V. Functional and presentation currency

These Ind AS financial Statements are prepared in Indian rupees, the national currency of India and the functional currency of the Company.

NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation and presentation of the financial statements as given below have been applied consistently to all periods presented in the financial statements.

2.1 Property, Plant and Equipment (PPE) – Tangible PPEs

2.1.1 Initial recognition and measurement

- Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation, lease terminal adjustment and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use.
- When parts of an item of PPE have different useful lives, they are recognized separately by identifying such components.
- Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use. Borrowing costs (after deducting income on temporary investment of borrowed funds, if any) directly attributable to the specified item of property, plant and equipment, are capitalized to such items.

2.1.2 Subsequent costs

Subsequent expenditure is recognized



as an increase in the carrying amount of the property, plant and equipment when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the property, plant and equipment can be measured reliably. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

2.1.3 Derecognition

Property, plant and equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

2.1.4 Impairment of Property, Plant & Equipment

Property, Plant & Equipment are treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is recognized immediately to Statement of Profit and Loss in the year in which an asset is identified as impaired and the carrying amount of the asset is reduced to its recoverable amount, unless the relevant asset is carried at a revalue amount, where the impairment loss is treated as a revaluation decrease. If there is any indication that previously assessed

impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

2.1.5 Depreciation on Tangible Assets

- I) Depreciation is charged on straight-line method as per useful lives specified in part C to schedule II of the Companies Act, 2013 except Mobile phone Instruments.

S. No	Nature of Assets	Useful Life	Rate	Residual Value
1	Computers, Laptops & Processing Units	3 Years	31.67%	5% of original cost
2	Mobile Phone Instruments	3 Years	33.33%	₹ 1/-

- II) Depreciation on additions to / deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from/ up to the date on which the asset is available for use/disposal.
- III) Assets costing up to ₹ 0.10 Lakh are depreciated fully in the year of purchase, after retaining 5% of original cost as residual value except Mobile phone Instruments where ₹ 1/- is retained as residual value.
- IV) Mobile phone Instruments costing over ₹ 0.10 lakh, are depreciated over a period of 3 years considering the estimate of their useful life as per the management, starting from the year in which it is acquired, after retaining ₹ 1/- as residual value.

2.2 Intangible Assets

2.2.1 Initial recognition and measurement

Intangible assets that are acquired by the Corporation have finite useful lives, are recognized at cost as reduced by any cost reimbursed by any entity.

Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Further, if the amount incurred by the Company development of Intangible Assets is fully reimbursed by any entity, then the Intangible Assets is recorded at a nominal value of ₹ 1 in the books of accounts to record its existence.

2.2.2 Subsequent Costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

2.2.3 Intangible Assets Under Development

Expenditure incurred by the Company which are specifically attributable to development of an intangible asset is capitalised as “intangible assets under development” if it is in compliance with Ind AS 38 and is likely to satisfy the recognition and measurement criteria upon completion of development. The Company has incurred expenses on the process of obtaining a regulatory approval from SEBI for operating an AIF and all directly attributable expenses which are likely to result into inflow of economic benefits from have been capitalised and disclosed as intangible assets under development and such asset shall be amortised from the date of receipt of SEBI approval. Further, if any amount incurred by the Company is reimbursed by any entity, the cost of intangible assets under development is adjusted with the amount reimbursed in the books of accounts.

2.2.4 Derecognition

An intangible asset is derecognized

when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

2.3 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. All the items of income/ revenue & expenditure are accounted for on accrual basis where there is certainty as to realization as described hereunder:

2.3.1 Interest Income

Interest income on Fixed Deposit is accrued on time basis, by reference to the principal outstanding and the effective interest rate applicable which is the rate which exactly discounts estimated future cash receipt through the expected life of financial assets to that asset's net carrying amount on initial recognition.

2.3.2 Management Fee

In accordance with the operating guidelines issued by the Government of India and Contribution Agreement signed with the contributors of Fund, an investment management fee ('Management Fee') is receivable by NVCFL. Management Fee receivable by NVCFL as a percentage as specified in the contribution agreement, of the corpus actually placed at the disposal of the fund.

2.3.3 Reimbursement of Expenditure

An amount which are incurred by the Company on behalf of SRI Fund are reimbursed by the Fund as per the fund documents and credited in the profit & loss account.



2.3.4 Allocation of Expenses

The direct and indirect expenses are charged to the statement of profit and loss on accrual basis.

2.4 Employee Benefits

The Company currently does not employ any employee and personnel, requirements are met through staff deputed by NSIC, its holding Company. The salaries, allowance, gratuity, long term retirement benefits and other benefits in respect of employees deputed to the Company are taken care by NSIC and the attributable costs are reimbursed by the Company to NSIC.

2.5 Taxation

Tax expense for the period comprises of current tax and deferred tax. Tax recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity where the tax is also recognized in other comprehensive income or equity.

2.5.1 Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provision of the Income Tax Act, 1961 and any the other applicable tax laws.

2.5.2 Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose.

- I. Deferred tax liabilities are generally recognized for all taxable temporary differences.
- II. Deferred tax assets are generally recognized only to the extent that it is probable

that future taxable profits will be available against which the assets can be utilized.

- III. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.6 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equities shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Parent Company.

2.7 Cash and Cash Equivalents

Cash comprises of cash on hand, cheque / drafts on hand, demand deposits with banks and remittance in transit etc. The Company considers cash equivalents as all short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.8 Cash Flow Statement

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

2.9 Provisions and Contingencies

2.9.1 Provisions

A provision is recognised when the Company has a present obligation



(legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.9.2 Contingent Liabilities & Contingent Assets

- I. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.
- II. Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.
- III. Provisions, Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.10.1 Initial Recognition and Measurement

Financial assets and financial liabilities are initially measured at fair value except in case of Trade Receivables which are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset at fair value through profit & loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset at FVTPL are recognized immediately in the statement of profit & loss.

2.10.2 Financial Assets

I. Subsequent Measurement

Financial assets include Cash and Cash Equivalents, Bank Balance other than cash & cash equivalents, Loans & Advances, Receivable Investment and interest accrued but not due etc. Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired.

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- at amortized cost using effective interest rates (EIR)
- at fair value through profit or loss (FVTPL)



- at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

A. Financial Assets at Amortized Cost – A financial asset shall be measured at Amortized cost, if both of the following conditions are met:

- a) Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- b) Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using Effective Interest Rate (EIR) method. The EIR method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discount estimated future cash receipts (including all fees paid or received that forms an integral part of the effective interest rate, transaction costs and other premiums and discounts) through the expected life of the financial asset, or where appropriate, a shorter period to the net carrying amount on initial recognition.

The Company cash and cash equivalents & Bank Balance other than cash & cash equivalents falls into this category of financial instruments.

B. Fair value through other comprehensive income (FVTOCI) - A financial asset shall be measured at Fair value through other comprehensive income, if both of the following conditions are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- b) The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.
- c) Fair value movements are recognized in the OCI and accumulated in reserve

Currently, there are no instruments to classify to FVTOCI.

C. Fair value through profit or loss (FVTPL) - A financial asset is measured at FVTPL unless it is measured at amortized cost or FVTOCI, with all changes in the fair value recognized in Statement of P&L.

II. Impairment in Financial Assets

The Company at the end of each reporting year, tests a financial asset



or a group of financial assets (other than financial assets held at fair value through profit or loss) for impairment based on evidence or information that is available without undue cost or effort. Expected credit loss (ECL) is assessed and impairment loss recognized, if the credit risk of the financial asset is significantly increased.

The impairment losses and reversals are recognized in the statement of profit and loss.

Impairment model under Ind AS-109 applies to financial instruments as listed below:

- Financial assets that are debt instruments measured at Amortized Cost e.g. bank balance

III. Derecognition of Financial Assets

Financial assets are derecognized when the contractual right to receive cash flows from the financial assets expires or transfers the contractual rights to receive the cash flows from the asset.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognized in Other Comprehensive Income and accumulated in Equity, is recognized in Statement of Profit and Loss if such gain or loss would have otherwise been recognized in Statement of Profit and Loss on disposal of that financial asset.

2.10.3 Financial Liabilities and Equity Instruments

2.10.3.1 Equity Instruments

An equity instrument is any contract that

evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Entity are recognised at the proceeds received, net of direct issue costs.

2.10.3.2 Financial Liabilities

The Company's financial liabilities include Trade payable and statutory dues payable. All financial liabilities are recognized initially at fair value.

I. Subsequent Measurement

- A. Financial liabilities at Amortized costs – After initial measurement, such financial liabilities are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings, trade payables and other contractual liabilities.



- B. Financial liabilities at Fair value through statement of Profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. The carrying value of those financial liabilities which are to be discharged within twelve months is considered to be its fair value.

II. Derecognition of Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

2.11 Leases

Company as a Lessor

Currently, there is no lease (Operating or Finance Lease) agreement with the Company as lessor.

Company as a Lessee

The Company has taken office space on lease for which lease rental payments are made. These lease arrangements are usually renewable on mutually agreed terms. The accounting by Lessee as prescribed by Ind AS-116 is as under:

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases), leases with no written agreement and leases for low value underlying assets.

A short-term lease would cover lease agreement for less than 12 months or lease agreements more than 12 months but lessor having a right to cancel at any time by giving some notice period.

The Standard does not specify the threshold for low value assets. However, it includes low value assets viz tablets, personal computers/Laptop and small items of PPE, etc.

For short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/amortization and impairment losses. Right-to-use asset shall be depreciated in accordance with Ind AS-16-Property, Plant and Equipment (PPE).

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020

(CIN No.: U65990DL2020GOI368828)

BALANCE SHEET AS AT 31.03.2022

(₹ in Lakh)

S No.	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
ASSETS				
I	Financial Assets			
(a)	Cash and Cash Equivalents	3	329.48	10.50
(b)	Bank Balances Other Than Cash and Cash Equivalents	4	120.00	50.00
(c)	Loans & Advances	5	1.25	-
(d)	Receivable	6		
	(I) Trade Receivables - unbilled		109.42	-
(e)	Investment	7	322.73	450.00
(f)	Other Financial Assets	8	7.38	9.69
			890.26	520.19
II	Non-Financial Assets			
(a)	Deferred Tax Assets (Net)	13A	11.80	-
(b)	Property, Plant and Equipment	9	0.68	1.00
(c)	Other Intangible Assets	9A	#	-
(d)	Intangible Assets under Development	-	-	16.93
(e)	Other Non-Financial Assets	10	0.83	4.90
			13.31	22.83
	Total Assets		903.57	543.02
LIABILITIES AND EQUITY				
LIABILITIES				
I	Financial Liabilities			
(a)	Payables	11		
	(I) Trade Payables			
	(i) Total outstanding dues of micro & small enterprises		0.65	0.56
	(ii) Total outstanding dues of creditors other than micro & small enterprises		77.76	-
(b)	Other Financial Liabilities	12	43.08	1.61
			121.49	2.17
II	Non-Financial Liabilities			
(a)	Current Tax Liabilities (Net)	13	52.91	1.95
			52.91	1.95
	Total Liabilities		174.40	4.12
III	Equity			
(a)	Equity Share Capital	14	600.00	600.00
(b)	Other Equity	15	129.17	-61.10
			729.17	538.90
	Total Equity		729.17	538.90
	Total Liabilities and Equity		903.57	543.02

denotes value less than of ₹ 1000

Accompanying notes are integral part of the financial statements 1 to 30

In terms of our report of even date attached

For Devinder K Jain & Associates

Chartered Accountants

ICAI Firm Registration No.: 007799N

Sd/-

D.K. Jain

Partner

[Membership No. : 083417]

UDIN : 22083417ANXVOI6264

Place : New Delhi

Date : 28.07.2022

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-

P. Udayakumar

Chairman

[Din No.: 03353625]

Sd/-

Gaurang Dixit

Director

[Din No.: 08535482]

Sd/-

Partha Majhi

GM (F & A)

Sd/-

Rajesh Madan

OSD

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020

(CIN No.: U65990DL2020GOI368828)

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

01.04.2021 TO 31.03.2022

(₹ in Lakh)

S No.	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
I.	Revenue from operations	16	201.60	-
	Total Revenue from operations		201.60	-
II.	Other Income	17	69.37	11.06
III.	Total Income (I+II)		270.97	11.06
IV.	Expenses			
	Depreciation and Amortisation Expenses	9 & 9A	0.32	0.01
	Other Expenses	18	39.71	69.37
	Total Expenses (IV)		40.03	69.38
V	Profit / (Loss) before Tax (III-IV)		230.94	-58.32
VI	Tax Expense	19		
	Current Tax		55.25	2.78
	Deferred Tax		-11.80	-
	Earlier Years Tax		-2.78	-
	Total Tax Expense (VI)		40.67	2.78
VII	Profit /(Loss) for the Year (V-VI)		190.27	-61.10
VIII	Other Comprehensive Income			
	A) Item that will not be reclassified to profit or Loss		-	-
	B) Item that will be reclassified to profit or Loss		-	-
	Total Other Comprehensive Income (A + B)		-	-
IX	Total Comprehensive Income for the period (VII+VIII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		190.27	-61.10
X	Earning / (Loss) Per Equity Share	20		
	Basic (₹)		31.71	-10.18
	Diluted (₹)		31.71	-10.18
Accompanying notes are integral part of the financial statements		1 to 30		

In terms of our report of even date attached
For Devinder K Jain & Associates
Chartered Accountants
ICAI Firm Registration No.: 007799N

Sd/-
D.K. Jain
Partner
[Membership No. : 083417]
UDIN : 22083417ANXVOI6264

Place : New Delhi
Date : 28.07.2022

For and on behalf of the Board of Directors
NSIC Venture Capital Fund Limited

Sd/-
P. Udayakumar
Chairman
[Din No.: 03353625]

Sd/-
Gaurang Dixit
Director
[Din No.: 08535482]

Sd/-
Partha Majhi
GM (F & A)

Sd/-
Rajesh Madan
OSD

Sd/-
Nishtha Goyal
Company Secretary
[Membership No.: A22768]



NOTE - 3 : CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance with Banks:		
In Current Account	15,562.07	10.50
Less: Amount Received on behalf of Self Reliant India (SRI) Fund (refer note 29)	-15,234.37	327.70
Cheques, Drafts on Hand	1.78	-
Total	329.48	10.50

3.1 There are no repatriation restriction w.r.t. cash and cash equivalents as at the end of the reporting periods presented above.

NOTE - 4 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Term Deposits (Maturity more than 3 months but not exceeding 1 year)	120.00	50.00
Total	120.00	50.00

4.1 Balances with banks in deposit accounts earns interest at fixed rate based on daily bank deposit rates for a period ranging from one day to 365 days.

NOTE - 5 : LOANS & ADVANCES

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
To Related parties / Promoters / Directors / KMPs		
Advance to Self Reliant India (SRI) Fund	1.25	-
Total	1.25	0.00

5.1 Loans & Advances are valued at Amortised Cost.

NOTE - 6 : RECEIVABLES

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Trade Receivable		
Unsecured, considered good (refer note 24)	109.42	-
Total	109.42	0.00

6.1 Trade receivable are due from Fund in which Chairman and Director & CEO are a investment committee member.

6.2 Trade receivables ageing schedule.



Outstanding for following periods from due date of payment

Sr. No	Particulars	Less than 6 months	6 months – 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
1	Undisputed trade receivables considered good	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
2	Undisputed trade receivables significant increase in credit risk	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
3	Undisputed Trade receivables credit impaired	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
4	Disputed Trade receivables considered good	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
5	Disputed Trade receivables significant increase in credit risk	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
6	Disputed Trade receivables credit impaired	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
7	Unbilled Trade Receivables						109.42
							(-)
	Total	-	-	-	-	-	109.42
		(-)	(-)	(-)	(-)	(-)	(-)

Previous period amounts disclosed in (brackets)

NOTE - 7 : INVESTMENT

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
At amortised cost		
Term Deposits with maturity more than 1 year	313.82	450.00
Investment in SRI Fund (refer note 24 & 29)	8.91	-
Total	322.73	450.00

7.2 The Investment in AIF in Fund as per the fund document in which Chairman and Director & CEO are a investment committee member.

NOTE - 8 : OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Interest Accrued on Fixed Deposits	7.38	9.69
Total	7.38	9.69

NOTE - 9 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Computers, Laptops & Processing Units	Mobile	Total
For the year ended 31.03.2022			
Gross Carrying Amount			
Opening Balance	0.87	0.14	1.01
Additions during the year	-	-	-
Disposals during the year	-	-	-
Gross carrying value as at 31.03.2022	0.87	0.14	1.01



Particulars	Computers, Laptops & Processing Units	Mobile	Total
Accumulated depreciation and impairment			
Opening Balance	-	0.01	0.01
Depreciation Expenses for the year	0.28	0.04	0.32
Disposals during the year	-	-	-
Accumulated depreciation and impairment as of 31.03.2022	0.28	0.05	0.33
Net carrying amount as at 31.03.2022	0.59	0.09	0.68

(₹ in Lakh)

Particulars	Computers, Laptops & Processing Units	Mobile	Total
For the period ended 31.03.2021			
Gross Carrying Amount			
Opening Balance	-	-	-
Additions during the year	0.87	0.14	1.01
Disposals during the year	-	-	-
Gross carrying value as at 31.03.2021	0.87	0.14	1.01
Accumulated depreciation and impairment			
Opening Balance	-	-	-
Depreciation Expenses for the year	#	0.01	0.01
Disposals during the year	-	-	-
Accumulated depreciation and impairment as of 31.03.2021	-	0.01	0.01
Net carrying amount as at 31.03.2021	0.87	0.13	1.00

denotes value less than of ₹ 1000

NOTE - 9A : OTHER INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Business Licence	Total
For the year ended 31.03.2022		
Gross Carrying Amount		
Opening Balance	-	-
Additions during the year	#	#
Disposals during the year	-	-
Gross carrying value as at 31.03.2022	#	#
Accumulated amortisation and impairment		
Opening Balance	-	-
Amortisation Expenses for the year	-	-
Disposals during the year	-	-
Accumulated amortisation and impairment as of 31.03.2022	-	-
Net carrying amount as at 31.03.2022	#	#



(₹ in Lakh)

Particulars	Business Licence	Total
For the period ended 31.03.2021		
Gross Carrying Amount		
Opening Balance	-	-
Additions during the year	-	-
Disposals during the year	-	-
Gross carrying value as at 31.03.2021	-	-
Accumulated amortisation and impairment		
Opening Balance	-	-
Amortisation Expenses for the year	-	-
Disposals during the year	-	-
Accumulated amortisation and impairment as of 31.03.2021	-	-
Net carrying amount as at 31.03.2021	-	-

denotes value less than of ₹ 1000

NOTE - 10 : OTHER NON - FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance with Government Authorities	0.83	4.90
Prepaid Expenses	-	-
Total	0.83	4.90

NOTE - 11 : PAYABLES

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Trade Payables		
(i) Total outstanding dues of micro & small enterprises	0.65	0.56
(ii) Total outstanding dues of creditors other than micro & small enterprises	77.76	-
Total	78.41	0.56

Note : There are no Micro, Small and Medium Enterprises, to whom the Company owe amount which are outstanding for more than 45 days during the year. The information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company regarding the status of the supplier. Further, no interest is outstanding to be paid to any such parties. Provision for statutory audit fee has been classified as dues to micro and small enterprise as the audit firm is a micro enterprise, however no dues are overdue since the actual payment shall become payable upon issuance of invoice on completion of audit.



11.1 Trade Payable Ageing Schedule.

Outstanding for following periods from due date of payment							
Sr. No	Particulars	Less than 6 months	6 months – 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
1	MSME	-	-	-	-	-	-
		(0.10)	(-)	(-)	(-)	(-)	(0.10)
2	Others	77.76	-	-	-	-	77.76
		(-)	(-)	(-)	(-)	(-)	(-)
3	Disputed dues – MSME	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
4	Disputed dues – Others	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
5	Unbilled dues- MSME						0.65
							(0.46)
6	Unbilled dues- Others						-
							(-)
	Total	77.76	-	-	-	-	78.41
		(0.10)	(-)	(-)	(-)	(-)	(0.56)

Previous period amounts disclosed in (brackets)

NOTE - 12 : OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Statutory Dues Payable	43.08	1.61
Total	43.08	1.61

NOTE - 13 : CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Income Tax	55.25	2.78
Less : Income Tax Paid	-2.34	-0.83
Total	52.91	1.95

NOTE - 13A : DEFERRED TAX ASSETS / (LIABILITIES) (NET)

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred Tax Assets		
- Unamortised expenditure as per income tax provisions	11.81	-
Gross deferred tax assets (a)	11.81	-
Deferred Tax Liabilities		
- Depreciation and amortisation	0.01	-
Gross deferred tax liabilities (b)	0.01	-
Net deferred tax asset recognised (a-b)	11.80	-
Total	11.80	-

**NOTE - 14 : EQUITY SHARE CAPITAL**

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Authorised Share Capital		
10,00,000 Equity Shares of ₹ 100 each	1000.00	1000.00
Total	1000.00	1000.00
(b) Issued, Subscribed & Paid-up-Share Capital		
6,00,000 Equity Shares of ₹ 100 each	600.00	600.00
Total	600.00	600.00

(c) Reconciliation of number of shares outstanding at the beginning and at the end of the year :

(₹ in Lakh)

Particulars	As at 31.03.2022		As at 31.03.2021	
	No of Shares	Amount	No of Shares	Amount
Balance at the beginning of the year	600000	600.00	-	-
Add/(less) : Issued during the year	-	-	600000	600.00
Balance at the end of the year	600000	600.00	600000	600.00

(d) Equity Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of equity shares held are as under :

(₹ in Lakh)

Particulars	As at 31.03.2022		As at 31.03.2021	
	No of Shares	% of Total Paid up Equity Share Capital	No of Shares	% of Total Paid up Equity Share Capital
The National Small Industries Corporation Limited (NSIC)	600000*	100	600000*	100
Total	600000	100	600000	100

*Includes 6 shares held by others as nominees of the Company.

(e) Details of shares held by holding Company

Particulars	As at 31.03.2022	As at 31.03.2021
The National Small Industries Corporation Limited (NSIC)	600000*	600000*
Total	600000*	600000*

*Includes 6 shares held by others as nominees of the Company.

(f) Terms and rights attached to equity shares :

The Company has only one class of equity shares having par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(g) Bonus Shares :**

There are no bonus shares issued since inception.

(h) Details of promoter and promoters group:

Shares held by promoter and promoters group at the end of the year (₹ in Lakh)

Particulars (Name of Promoter & Promoter Group)	As at 31.03.2022		As at 31.03.2021		Percentage of change during
	No of shares	% of total shares	No of shares	% of total shares	
The National Small Industries Corporation Limited (NSIC)	600,000	100%	600,000	100%	0%
Total	600,000	100%	600,000	100%	0%

NOTE - 15 : OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Retained earnings / Accumulated Loss		
Balance at the beginning of the period	-61.10	-
Profit / (Loss) for the period	190.27	-61.10
Balance as at the end of the period	129.17	-61.10

NOTE - 16 : REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Management Fee from SRI Fund	178.24	-
Interest income	23.36	-
Total	201.60	-

NOTE - 17 : OTHER INCOME

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Interest earned on term deposits kept with bank	-	11.06
Reimbursement of expenses incurred on behalf of SRI Fund (refer note 24)	69.37	-
Total	69.37	11.06



NOTE - 18 : OTHER EXPENSES

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Manpower Support Cost #	31.32	15.94
Recruitment Expenses	4.21	14.84
Advertisement and Publicity #	-	26.03
Legal & Professional Fees	1.20	0.06
Travelling, Conveyance & Vehicle Charges #	0.77	0.57
Payment to auditors - statutory audit Fees*	0.51	0.50
Entertainment #	0.50	0.10
Printing & Stationery Expenses #	0.46	0.29
Website and Webportal expenses	0.29	0.12
Rent Paid #	0.14	0.07
Communication Expenses#	0.11	-
Miscellaneous Expenses	0.20	0.02
Duties & Taxes paid on Company Incorporation #	-	10.83
Total	39.71	69.37

* No other payment made to statutory auditor other than statutory audit fees.

Refer Note No. 24

NOTE - 19 : TAX EXPENSES

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Current Tax		
Current Tax on taxable income for the period	55.25	2.78
Total Current Tax	55.25	2.78
Adjustment of Previous Year Taxes		
Excess Provision of Income Tax written back	-2.78	
Total Earlier Years Taxes	-2.78	
Deferred Tax credit		
Origination of temporary differences	-11.80	-
Total Deferred Tax credit	-11.80	-
Total	40.67	2.78

The Income Tax expense comprises of Current Tax and Deferred Tax. Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with Income Tax Act, 1961 and Excess or Shortfall if any, is adjusted on finalization of assessments. Section 115BAA has been inserted in the Income Tax Act, 1961 to give the benefit of a reduced corporate tax rate for the domestic companies. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% from the Financial Year 2019-20 (AY 2020-2021) onwards if such domestic companies adhere to certain conditions specified. The Company has availed the benefit of the same in the current period and Tax Provision has been made accordingly in the books of accounts.



ANNEXURE- 19.1 : RECONCILIATION OF ESTIMATED TAX EXPENSE AT STATUTORY RATE TO INCOME TAX EXPENSE REPORTED IN STATEMENT OF PROFIT AND LOSS

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Profit / (Loss) Before Tax	230.94	-58.32
Enacted Income Tax Rate in India applicable to the Company	25.17%	25.17%
Computed Tax Expenses	58.12	-
Tax effect of:		
Expenses that are deductible in determining taxable profit	-3.05	-
Expenses that are not deductible in determining taxable profit	0.17	2.78
Current Tax Provision	55.24	-
Excess Provision of Income Tax written back	-2.78	-
Deferred tax credit	-11.80	-
Tax Expense recognised in Statement of Profit & Loss	40.67	-

NOTE - 20 : EARNING PER SHARE

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
A. Net Profit / (Loss) attributable to equity shareholders	190.27	-61.10
B. Weighted average number of equity share for basic earning per share	6,00,000	6,00,000
Effect of dilution*		
C. Weighted average number of equity share for diluted earning per share	6,00,000	6,00,000
Earning per share (Basic) (₹) (A/B)	31.71	-10.18
Earning per share (Diluted) (₹) (A/C)	31.71	-10.18

*The Company did not have any potentially dilutive securities during the reporting periods

NOTE - 21 : SEGMENT REPORTING

The Company has been setup for financial & investing activities and presently operates in a single business and geographical segment.

NOTE - 22 : CONTINGENT LIABILITIES & COMMITMENTS

- (A) The Company does not have any Contingent liability as on 31st March, 2022.
- (B) Commitments towards legal advisor expense for future period is ₹ 175.89.

NOTE - 23 : EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.



NOTE - 24 : RELATED PARTY DISCLOSURES

A. Names of related parties and nature of relationship:

Description of relationship	Name of the related party
Holding Company	The National Small Industries Corporation Limited
1 st AIF Scheme of NVCFL (refer note 29)	Self Reliant India (SRI) Fund
Key Management Personnel (KMP)	Smt. Alka Nangia Arora (Chairperson)
	Shri Gaurang Dixit (Director & CEO)
	Smt. Nishtha Goyal (Company Secretary)

B. Names of related parties and nature of transaction during the year:

(₹ in Lakh)

Name of the Related Party	Nature of Transactions	Period ended 31.03.2022
Holding Company	Reimbursement made for expenses incurred by related party on behalf of the Company	
	– Manpower Support Cost	28.57
	– Rent Paid	0.12
	-- Travelling, Conveyance & Vehicle Charges	0.05
	Reimbursement received for payment made by Company on behalf of related party	1.78
SRI Fund	Advance given	1.25
	Expenses incurred on behalf of Fund	109.42
	Investment made	8.91
	Management Fee charged	178.24
	Reimbursement received for expenditure incurred by Company on behalf of Fund	194.97

(₹ in Lakh)

Name of the Related Party	Nature of Transactions	Period ended 31.03.2021
Holding Company	Equity Proceeds Received	600.00
	Reimbursement made for expenses incurred by related party on behalf of the Company	
	– Manpower Support Cost	15.94
	– Rent Paid	0.07
	– Advertisement and Publicity	13.67
	– Duties & Taxes paid on Company Incorporation	10.83
	– Other Exp. (i.e. Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment)	0.82
	Advance availed	1.00
	Advance repaid	1.00

**C. Details of balances outstanding for related party transactions:**

(₹ in Lakh)

Name of the Related Party	Nature of Transactions	As at 31.03.2022
Holding Company	Trade Payables	33.33
	Contribution to equity	600.00
SRI Fund	Advance availed	1.25
	Unbilled Trade Receivable	109.42
	Investment	8.91

(₹ in Lakh)

Name of the Related Party	Nature of Transactions	As at 31.03.2021
Holding Company	Contribution to equity	600.00

D. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. All values above (Note No. 24 [B]) are without GST where applicable.**NOTE - 25 : LEASES**

As per Ind - AS 116 Leases, it is optional to apply the recognition principles as laid down in the standard in the case of short term leases and low value assets. Since the only lease contract of the Company is for a period less than 12 months and is of immaterial value, Company has opted to not apply the recognition principles as stated in Ind AS 116.

Amount recognised in the Statement of Profit & Loss

During the period ended 31.03.2022, lease rent in the nature of operating lease of ₹ 0.14 lakh (Inc Taxes) has been recognised in the statement of profit & loss. There is no contractual lease payment commitment beyond the tenure of 11 months.

NOTE - 26 : FINANCIAL INSTRUMENTS – FAIR VALUE**I. Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objectives of the Company's capital management are safety and security of share capital and maximize the shareholder wealth. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews the capital structure for return on capital to shareholders. The Company does not have any debts as on 31.03.2022.

II. Financial Risk Management

The Company's principal financial liabilities comprise trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include cash and cash equivalents, other bank balance, Loans & Advances, Trade Receivables, Investment and other financial assets that derive directly from its operations.

The Company exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the manage these risks. The Company's financial risk activities are continue monitor by the management and that financial risk are identified, measured and managed in accordance with the higher management decisions and policies.



a) Market Risk

Market risk is the risk that fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk currency risk, interest rate risk and equity price risk. The impact of equity price risk is not material. The Company does not have any borrowings and foreign currency transaction, therefore not exposed to interest risk & currency risk as well.

b) Credit Risk Management

Credit risk is the risk that counter party will not meet its obligations under the financial instruments and customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables, investments, other balances with banks and advances. Credit risk arising from trade receivables and Advances are reviewed periodically and based on past experience and history. Credit risk arises from investment and other balances with banks is limited and there is no collateral held against these because the counter parties are bank with high credit ratings assigned by the credit rating agencies and Company also have risk management policy for review investment. The Company also not acquired any credit impaired assets. There is no modification in any financial assets.

c) Liquidity Risk Management

The Company manages liquidity risk by maintaining banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted payments.

(₹ in Lakh)

Contractual maturities of financial liabilities 31.03.2022	1 Year or Less	1 – 3 Years	More than 3 Years	Total
Borrowings	0.00	0.00	0.00	0.00
Trade Payables	78.41	0.00	0.00	78.41
Other Financial Liabilities	43.08	0.00	0.00	43.08
Contractual maturities of financial Assets 31.03.2022	1 Year or Less	1 – 3 Years	More than 3 Years	Total
Cash and Cash Equivalents	329.48	0.00	0.00	329.48
Bank Balances Other Than Cash and Cash Equivalents	120.00	0.00	0.00	120.00
Loans & Advances	1.25	0.00	0.00	1.25
Trade Receivable	109.42	0.00	0.00	109.42
Investment	0.00	313.82	8.91	322.72
Other Financial Assets	7.38	0.00	0.00	7.38



(₹ in Lakh)

Contractual maturities of financial liabilities 31.03.2021	1 Year or Less	1 – 3 Years	More than 3 Years	Total
Borrowings	0.00	0.00	0.00	0.00
Trade Payables	0.56	0.00	0.00	0.56
Other Financial Liabilities	1.61	0.00	0.00	1.61
Contractual maturities of financial Assets 31.03.2021	1 Year or Less	1 – 3 Years	More than 3 Years	Total
Cash and Cash Equivalents	10.50	0.00	0.00	10.50
Bank Balances Other Than Cash and Cash Equivalents	50.00	0.00	0.00	50.00
Loans & Advances	0.00	0.00	0.00	0.00
Trade Receivable	0.00	0.00	0.00	0.00
Investment	0.00	450.00	0.00	450.00
Other Financial Assets	9.69	0.00	0.00	9.69

A. Classification of Financial Assets and Financial Liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lakh)

Financial Assets and Liabilities as at 31.03.2022	Note No.	Carrying Amount			Total
		Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	
Financial Assets					
Cash and cash equivalents	3	-	-	329.48	329.48
Bank balances other than cash and cash equivalents	4	-	-	120.00	120.00
Loans & Advances	5	-	-	1.25	1.25
Trade Receivable	6	-	-	109.42	109.42
Investment	7	-	-	322.73	322.73
Other Financials Assets	8	-	-	7.38	7.38
Financial Liabilities					
Payables					
Trade Payables	11	-	-	78.41	78.41
Other Financials Liabilities	12	-	-	43.08	43.08



(₹ in Lakh)

Financial Assets and Liabilities as at 31.03.2021	Note No.	Carrying Amount			Total
		Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	
Financial Assets					
Cash and cash equivalents	3	-	-	10.50	10.50
Bank balances other than cash and cash equivalents	4	-	-	50.00	50.00
Loans & Advances	5	-	-	-	-
Trade Receivable	6	-	-	-	-
Investment	7	-	-	450.00	450.00
Other Financials Assets	8	-	-	9.69	9.69
Financial Liabilities					
Payables					
Trade Payables	11	-	-	0.56	0.56
Other Financials Liabilities	12	-	-	1.61	1.61

(₹ in Lakh)

Financial Assets and Liabilities as at 31.03.2022	Note No.	Fair Value			Total
		Level - 1	Level - 2	Level - 3	
Financial Assets					
Cash and cash equivalents	3	-	-	329.48	329.48
Bank balances other than cash and cash equivalents	4	-	-	120.00	120.00
Loans & Advances	5			1.25	1.25
Trade Receivable	6			109.42	109.42
Investment	7			322.73	322.72
Other Financials Assets	8	-	-	7.38	7.38
Financial Liabilities					
Payables					
Trade Payables	11	-	-	78.41	78.41
Other Financials Liabilities	12	-	-	43.08	43.08



(₹ in Lakh)

Financial Assets and Liabilities as at 31.03.2021	Note No.	Fair Value			Total
		Level - 1	Level - 2	Level - 3	
Financial Assets					
Cash and cash equivalents	3	-	-	10.50	10.50
Bank balances other than cash and cash equivalents	4	-	-	50.00	50.00
Loans & Advances	5	-	-	-	-
Trade Receivable	6	-	-	-	-
Investment	7	-	-	450.00	450.00
Other Financials Assets	8	-	-	9.69	9.69
Financial Liabilities					
Payables					
Trade Payables	11	-	-	0.56	0.56
Other Financials Liabilities	12	-	-	1.61	1.61

B. Fair Value Hierarchy

The Company measure fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level – 1 : Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level – 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level – 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

C. Financial instruments valued at carrying value

The carrying amounts of cash equivalent including other current bank balances, other receivables and other financial liabilities including trade and other payables, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

NOTE - 27 : IMPACT OF COVID-19 PANDEMIC

The novel corona virus COVID-19 pandemic continues to spread rapidly across the globe including India. The COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. Various Governments have introduced a variety of measures to contain the spread of the virus.



Due to uncertainty around the course of the COVID-19 pandemic, we do not have visibility into the extent to which it will impact the Company's business and its results and it will depend upon on future developments. The impact of global health pandemic may be different from that estimated as at the date of approval Company's Financial Statements and the Company will continue to closely monitor any material changes to future economic conditions that may have any financial impact on the Company.

NOTE - 28 : NON-CURRENT ASSETS HELD FOR SALE

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

NOTE - 29 : ESTABLISHMENT OF SRI FUND

The Company had been setup for implementing the Government of India's scheme for developing the MSME sector – the Self Reliant India Fund. While the Company obtained approval from SEBI as an Category-II Alternate Investment Fund, the SRI fund was always intended to be a scheme which was only to be administered by the Company but had a distinct identity of its own. After deliberations with its legal advisors, the Company was advised to setup SRI Fund as an 'Association of Persons' as per the provisions of the Income-tax Act, 1961 whereby the contributors to the fund i.e. the Government of India, NSIC and the Company shall be the members in accordance with the terms of the contribution agreement dated 12th October, 2021. While the Company was in the process of executing this regulatory structure, the Govt. of India transferred an amount of ₹ 18,034.58 Lakh (Including remittance in Transit of ₹ 2500.00 Lakh) during the year ended 31st March, 2022 (previous year NIL) in a separate bank account maintained by the Company for SRI Fund as their contribution to SRI Fund. An amount of ₹ 1.78 Lakh (previous year NIL) and ₹ 8.91 Lakh (previous year NIL) was also transferred by NSIC and the Company to such separate bank account as their respective contribution to SRI Fund. Since the amount has been received in the bank account of the Company but has been intended solely for SRI Fund which is a separate entity, the balance amount of ₹ 15,234.37 Lakh (after adjustment of expenditure of SRI Fund) is considered to be held in trust by the Company on behalf of SRI Fund. Accordingly, the funds held in trust on behalf of SRI Fund have been netted off against cash and cash equivalents of the Company and not presented as a separate liability. The Company intends to transfer the entire balance to a separate bank account of SRI Fund once such account is setup.

NOTE - 30 : ADDITIONAL DISCLOSURES

Willful Defaulter

The Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.

Relationship with struck off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Compliance with number of layers of companies

The Company registered as a Government of India Company and the provisions regarding the restriction on the number of layers under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable.

Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

Utilisation of Borrowed funds and Share premium

- (A) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:



- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

Analytical ratios

The Company has been exempted from the applicability of NBFC regulations issued by the Reserve Bank of India due to specific regulatory exemptions granted to Alternative Investment Funds (AIFs). The CRAR and Liquidity Coverage ratios are not applicable to the Company.

For Devinder K Jain & Associates

Chartered Accountants

ICAI Firm Registration No.: 007799N

Sd/-

D.K. Jain

Partner

[Membership No. : 083417]

UDIN : 22083417ANXVOI6264

Place : New Delhi

Date : 28.07.2022

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-

P. Udayakumar

Chairman

[Din No.: 03353625]

Sd/-

Partha Majhi

GM (F & A)

Sd/-

Rajesh Madan

OSD

Sd/-

Gaurang Dixit

Director

[Din No.: 08535482]

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020

(CIN No.: U65990DL2020GOI368828)

STATEMENT OF CASH FLOW FOR THE PERIOD 01.04.2021 TO 31.03.2022

(₹ in Lakh)

S. No.	Particulars	For the Period ended 31 March 2022	For the Period ended 31 March 2021
	Cash Flow From Operating Activities:		
	Profit / (Loss) before Tax	230.94	-58.32
	Net loss Before Adjustments:		
	Depreciation	0.32	0.01
	Interest Earned on Term Deposits	-	-11.06
	Recognition of income tax recoverable for previous year	0.83	-
	Operating loss before Working Capital Changes	232.09	-69.37
	Movement in Working Capital		
	(Increase)/Decrease in Loans & Advances	-1.25	-
	(Increase)/Decrease in Trade Receivable	-109.42	-
	(Increase)/Decrease in Other Financial Assets	2.31	-
	(Increase)/Decrease in Other Non - Financial Assets	4.07	-4.90
	Increase/(Decrease) in Trade Payables	77.85	0.56
	Increase/(Decrease) in Other Financial Liabilities	41.47	1.61
	Cash (utilised in)/ generated from Operations	247.12	-72.10
	Income Tax Paid	-2.34	-0.83
I	Net cash generated from / (utilised in) Operating Activities	244.78	-72.93
	Cash Flow From Investment Activities:		
	Purchase of property, plant and equipment	-	-1.01
	Intangible Assets - Business License	#	-
	Expenditure on intangible assets under development	-	-16.93
	Amount Reimbursed for Intangible Assets Under Development	16.93	-
	Investment in Term Deposits - (Maturity more than 3 months but not exceeding 1 year)	-70.00	-50.00
	Investment in Term Deposits - (Maturity more than 1 year)	136.18	-450.00
	Investment in AIF - SRI Fund	-8.91	-
	Interest received on Term Deposits	-	1.37
II	Net cash (utilised in)/ generated from Investing Activities	74.20	-516.57
	Cash Flow From Financing Activities:		
	Proceeds from Issue of shares	-	600.00
III	Net Cash (utilised in)/ generated from Financing Activities	-	600.00
	Net (Decrease)/ Increase in Cash and Cash Equivalents (I+II+III)	318.98	10.50
	Cash and cash equivalents at the beginning of the period	10.50	-
	Cash and cash equivalents at end of the period	329.48	10.50

denotes value less than of ₹ 1000

The above statement has been prepared using the 'indirect method' as prescribed in Ind AS 7 - Statement of Cash flow.

Components of cash and cash equivalents are disclosed in Note 3.

Accompanying notes are integral part of the financial statements 1 to 30.

In terms of our report of even date attached

For Devinder K Jain & Associates

Chartered Accountants

ICAI Firm Registration No.: 007799N

Sd/-

D.K. Jain

Partner

[Membership No. : 083417]

UDIN : 22083417ANXVOI6264

Place : New Delhi

Date : 28.07.2022

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-

P. Udayakumar

Chairman

[Din No.: 03353625]

Sd/-

Partha Majhi

GM (F & A)

Sd/-

Rajesh Madan

OSD

Sd/-

Gaurang Dixit

Director

[Din No.: 08535482]

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020

(CIN No.: U65990DL2020GOI368828)

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD

01.04.2021 TO 31.03.2022

I. Equity Share Capital

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Shares having face value of ₹ 100/-		
Balance at the beginning of the period	600.00	-
Changes in equity share capital during the year	-	600.00
Balance at the end of the period	600.00	600.00

II Other Equity

(₹ in Lakh)

Particulars	Retained Earnings	Other Comprehensive Income	Total
Balance at beginning of period as at 01.04.2021	-61.10	-	-61.10
Profit / (Loss) for the period	190.27	-	190.27
Comprehensive Income for the period	-	-	-
As at 31.03.2022	129.17	-	129.17
Balance at beginning of period as at 01.04.2020	-	-	-
Profit / (Loss) for the period	-61.10	-	-61.10
Comprehensive Income for the period	-	-	-
As at 31.03.2021	-61.10	-	-61.10

For Devinder K Jain & Associates
Chartered Accountants
ICAI Firm Registration No.: 007799N

Sd/-
D.K. Jain
Partner
[Membership No. : 083417]
UDIN : 22083417ANXVOI6264

Place : New Delhi
Date : 28.07.2022

For and on behalf of the Board of Directors
NSIC Venture Capital Fund Limited

Sd/-
P. Udayakumar
Chairman
[Din No.: 03353625]

Sd/-
Gaurang Dixit
Director
[Din No.: 08535482]

Sd/-
Partha Majhi
GM (F & A)

Sd/-
Rajesh Madan
OSD

Sd/-
Nishtha Goyal
Company Secretary
[Membership No.: A22768]



**COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER
SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF NSIC VENTURE CAPITAL FUND LIMITED FOR
THE YEAR ENDED 31ST MARCH, 2022**

Comments	Management's Replies
The preparation of financial statements of NSIC Venture Capital Fund Limited for the year ended 31st March, 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28th July, 2022. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NSIC Venture Capital Fund Limited for the year ended 31st March, 2022 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.	Statement of Fact
The Company was formed in pursuance of the decision of the Government of India to set-up an MSME Fund in the name of Self-Reliant India (SRI)¹ Fund to develop and promote the MSME sector. The Scheme guidelines for SRI Fund	SEBI AIF Regulations allow an AIF to be organized in the form of a Company, LLP or a trust and therefore, the SRI Fund had to be set up as one of these three entities. Therefore, it was considered prudent to establish the AIF as a Company

1. A Fund of Funds (FoF) created to address severe shortage being faced by Micro Small and Medium Enterprises in securing growth capital. The anchor investor of the fund is the Government of India.



provided, inter alia, that (i) the Mother Fund (SRI Fund) will be anchored by a SPV having 100 per cent equity from NSIC, (ii) SPV will apply to SEBI for registering the Mother Fund as a Category I or II Alternate Investment Fund, (iii) A Management fee of 1 per cent may be permitted to the SPV which will be payable in respect of corpus actually placed at the disposal of the Mother Fund. Thus, the SPV (NSIC Venture Capital Fund Limited) was to get the SRI Fund registered as an Alternative Investment Fund with the SEBI and to manage it, for which it was to receive a Management Fee. However, instead of registering the SRI Fund, NSIC Venture Capital Fund Limited has got itself registered as a Category-II Alternative Investment Fund with the SEBI. The SRI Fund is a Scheme of the Alternative Investment Fund thus registered.	on account of higher governance standards applicable to a Company compared with a trust or an LLP and it was decided to register NVCFL as an AIF. Further, AIF Regulations also allow AIFs registered with SEBI to float schemes (irrespective of their constitution). Accordingly, NVCFL is operating the SRI Fund which is a scheme of an AIF floated in accordance with the provisions of the AIF Regulations. This structure is as mandated by the government and in compliance with SEBI Regulations and was approved by SEBI at the time of grant of license. Further, again clarification is being sought from SEBI w.r.t. structure of the Fund keeping in view the observations made by CAG. If required, opinion will be sought from the 'The Institute of Chartered Accountants of India' regarding accounting of the NVCFL and SRI Fund.
A.1 STATEMENT OF PROFIT & LOSS A.1.1 Revenue from Operations (Note-16)- ₹ 201.60 lakh Above includes ₹ 1.78 crore on account of management fee received for managing SRI Fund. As per approved operating guidelines of Self-Reliant Fund (SRI Fund), a Management Fee of 1 per cent may be permitted to SPV (NVCFL). The management fee will be payable in respect of corpus actually placed at the disposal of the Mother Fund. Government of India (GOI) released ₹ 155.34 crore during the year (inclusive of management fee) and the same was placed at the disposal of Mother Fund. Accordingly, management fee of ₹ 1.53 crore (excluding GST) should have been recognized as income instead of ₹ 1.78 crore. Further, as management fee is an expense to the Company, the same amount of management fee should also have been recognized as expense. Non-booking of expenditure has resulted in understatement of expenditure by ₹ 1.53 crore, overstatement of income by ₹ 0.25 crore and overstatement of profit for the year by ₹ 1.78 crore.	Revenue from Operations of ₹ 201.60 lakh includes Management Fee from SRI Fund ₹ 178.24 lakh and ₹ 23.36 lakh as Interest income on Investment made in Fixed Deposits with Bank. As per clause no 3.1.1 of contribution agreement, (a) stated that "In accordance with the guidelines issued by the Government of India for the purpose of establishment of the Fund, the following fees (in aggregate referred to as "Fees") shall be chargeable to the Fund: Management Fee – NVCFL shall be entitled to charge a management fee at the rate of 1% (one percent) of the corpus actually placed at the disposal of the Fund ("Management Fee")." Further, as per clause 3.1.6 the above Fees shall be paid from (i) Capital Contributions drawn down by the Fund from the Contributor, and/ or (ii) from the income and receipts of the Fund. Accordingly, Payment of Management Fee to NVCFL will be on receipt of Capital Contributions from the Contributors pursuant to drawdown. Further, total amount invested by Anchor investor i.e. MOSME is ₹ 17824.25 Lakh (without Management fees) and ₹ 18034.58 Lakh (with Management fees and GST) out of which ₹ 15534.58 lakh was received during the year and balance ₹ 2500 lakh though sanctioned on 31.03.2022 but received



	on 2.04.2022. The entire amount of ₹ 18034.58 Lakh was sanctioned during the year. Therefore, the management fees of ₹ 178.24 Lakh have been booked as income in NVCFL on accrual basis and corresponding expenditure has been shown in the books of SRI Fund. Thus, there is no understatement of expenditure and overstatement of income and profit.
A.1.2 Other Income (Note-17) - ₹ 69.37 lakh The above pertains to expenses incurred by the Company during previous year in respect of SRI Fund, however, in the current year the same has been treated as reimbursement of expenses on behalf of SRI Fund and booked as income. The Company also incurred an expenditure of ₹ 16.93 lakh during previous year on legal charges and fee paid to SEBI for registering the Company as Category-II AIF and was considered as 'Intangible Assets under development' which is not correct as the amount pertains to fee paid for registration and not for the license and therefore the same should have been accounted for as expenditure. The same has also been claimed from SRI Fund during current year. As SRI Fund is not a separate entity, the Company needs to book the entire expenditure in respect of SRI fund as Company's expenditure. Incorrect booking of the expenditure incurred in respect of SRI Fund as other income has resulted in overstatement of income by ₹ 69.37 lakh, understatement of expenses by ₹ 16.93 lakh and overstatement of profit for the year by ₹ 86.30 lakh.	NVCFL was incorporated on 28.08.2020 and SRI Fund PPM was initially filled with SEBI on 02.01.2021 and SEBI approval was received only on 01.09.2021. Accordingly, after approval received from SEBI the Contribution Agreement signed with the contributors on 12.10.2021. NCVFL has incurred ₹ 69.37 Lakh (Financial Year 2020-2021) expenses on SRI Fund which was not in existence as on 31st March, 2021. Further, as per the PPM "To the extent that the Investment Manager or NVCFL incurs any of the Fund expenses on behalf of the Fund, the Fund will within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, ensure that the Investment Manager or NVCFL is duly reimbursed." As already explained above, expenses incurred in previous year that were expensed off earlier and are now to be reimbursed by SRI Fund to NVCFL have been shown as other income. Expenditure of ₹ 16.93 Lakh- Expenses specifically attributable to obtaining SEBI license was capitalised to intangible asset under development in previous year. There is no need for treating such expenses as prior period expenses in the current financial year and the amount of ₹ 16.93 Lakh reimbursed by the SRI Fund which was direct expenses related to obtaining SEBI Registration and booked as Intangible Assets under Development in Financial Year 2020-2021. The same has been reimbursed by the SRI Fund as per the contribution agreement. Since the expenditure has been reimbursed by SRI fund, there is no understatement of expenses by ₹ 16.93 lakh. There is no overstatement of income and understatement of expenses.



A1.3 Other expenses (Note No. 18): ₹ 39.71 lakh
Above does not include an expenditure of ₹ 1.09 crore incurred by the Company during the year in relation to SRI Fund, as detailed below:

Head of Account	Amount (₹ in crore)
Legal & Professional Charges paid to Khaitan & Co.	0.54
SEBI Charges for registering AIF	0.10
Meeting Expenses	0.01
Management/ Operating fee paid to SBICAP	0.42
Advertisement	0.02
Total	1.09

However, the above amount spent in relation to SRI Fund was shown as receivables from SRI fund being a non-existent entity. As the expenditure was incurred by the Company, this should have been shown as 'Expenses relating to SRI Fund' in the accounts of NVCFL.

Non-recognition of expenditure has resulted in understatement of expenditure and overstatement of trade receivable-unbilled by ₹ 1.09 crore. Consequently, profit for the year has also been overstated to the same extent.

NVCFL was incorporated on 28.08.2020 and SRI Fund PPM was initially filled with SEBI on 02.01.2021 and SEBI approval was received only on 01.09.2021. Accordingly, after approval received from SEBI, the Contribution Agreement signed with the contributors on 12.10.2021.

NVCFL has incurred ₹ 109.43 Lakh (Financial Year 2021-2022) expenses on SRI Fund which is set off as on 31st March, 2022 for correct position of annual accounts. Further, as per the PPM "To the extent that the Investment Manager or NVCFL incurs any of the Fund Expenses on behalf of the Fund, the Fund will, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, ensure that the Investment Manager or NVCFL is duly reimbursed."

Accordingly, expenses incurred in current year on behalf of SRI Fund have been shown as receivable rather than expensed off.

In view of the above, there is no understatement of expenditure and overstatement of trade receivable –unbilled.

B.1 BALANCE SHEET

B.1.1. Assets-Financial Assets

Cash and Cash Equivalents (Note-3) ₹ 329.48 lakh

NSIC Venture Capital Fund Limited (NVCFL) with 100 per cent equity from National Small Industries Corporation Limited (NSIC) was incorporated on 28 August 2020 to anchor the Self-Reliant Fund (SRI Fund). Government of India (Gol) released ₹ 180.34 crore (₹ 155.34 crore till 31st March, 2022 and ₹ 25 crore on 2 April 2022) to the Company towards contribution to SRI Fund. NSIC, being the sponsor to SRI fund has also contributed ₹ 0.02 crore during the year. The Company issued units to the Gol and NSIC towards the contributions made by them. The Company is maintaining separate bank account for SRI fund. The Company is also maintaining another bank account for transactions other than SRI fund and balance of ₹ 3.28 crore was available as on 31st March, 2022. While disclosing the Cash

SRI Fund is a scheme of the Company, NVCFL with a separate bank account and is recognized as a distinct Association of Persons by the Income Tax Department for tax purposes. SEBI AIF Regulations allows an AIF to be organized in the form of a Company, LLP or a trust. Further, AIF Regulations also allow AIFs registered with SEBI to float schemes (irrespective of their constitution). Accordingly, NVCFL is operating the SRI Fund which is a scheme of AIF floated in accordance with the provision of the AIF Regulations. This structure is a mandate by the government and in compliance with SEBI Regulations.

Once SRI Fund has been launched as a scheme, as per SEBI Regulations, it is mandatory that the assets



and Cash Equivalents in the Balance Sheet, bank balance in both the accounts should have been shown whereas the Company adjusted the funds received from Gol/ NSIC from the total bank balance and the balance in Bank account meant for transactions other than SRI fund has only been shown.

Incorrect adjustment of funds released by Gol and NSIC has resulted in understatement of bank balance by ₹ 152.34 crore², remittance in transit by ₹ 25 crore and understatement of Liabilities -Unit Capital for SRI Fund by ₹ 177.34 crore.

Consequently, this has also resulted in understatement of net cash generated from Financing activities by ₹ 152.34 crore and Cash and Cash Equivalents to the same extent in Cash Flow Statement.

of each scheme should be segregated and accounted for separately since the beneficiary of these assets of a scheme is not the AIF itself but the contributors to the Scheme. Thus, it is mandatory for SRI Fund accounts to be maintained separately from the NVCFL which is a subsidiary of NSIC. Reflecting assets of SRI Fund as assets of NVCFL would be wrong as it is not the legal or beneficial owner of these assets. As, it is a beneficial interest holder only to the extent of its contribution to SRI Fund, the same is reflected through the units held by it in the SRI Fund.

Further, since SRI Fund as a scheme is distinct from NVCFL and it comprises of the three entities coming together for a specific purpose with a common management, it by default constitutes an Association of Person (AOP). Such a constitution is not by choice but by the very nature of the relationship between the Contributors. This status is also recognized by the tax authorities on the basis of the Contribution Agreement entered into between the entities.

Given, the above it is only a true and fair representation of accounts where NVCFL's accounts are distinct from that of SRI Fund and any move to consolidate SRI Fund accounts with that of NVCFL would be against the basic structure of an AIF and its schemes and also an untrue recording of assets, liabilities.

Accordingly, funds received from Govt of India towards SRI Fund have been deducted from the bank balance of NVCFL. Depiction of the same in the balance sheet of NVCFL is as under

Note : 3 Cash and Cash Equival Amount (In Indian Rupees)

Particulars	As at 31.03.2022
Balance with Banks:	
In Current Account	1,55,62,06,643
Less: Amount Received on	-1,52,34,36,649
Cheques, Drafts on Hand	1,78,243
Total	3,29,48,237

2. After deducting expenses incurred in respect of SRI Fund.



	Thus, there is no understatement of bank balances by ₹ 152.34 crore and 'Remittance in Transit' by ₹ 25.00 crore and understatement of Liabilities – unit capital for SRI Fund by ₹ 177.34. It is evident from the above that adjustment of fund released by the Government of India and NSIC has been undertaken in the correct manner as the SRI Fund and NVCFL are two distinct entities and hence the same have not be consolidated. It is also pertinent to mention that the above does not have any impact on the results / profitability as well as state of affairs of the Company as on 31st March, 2022.
Comment on Independent Auditor Report C.1 Independent Auditor's Report dated 28 July 2022 (i) The impact of above comments, on the profits of ₹ 1.90 crore as depicted in the Statement of Profit and Loss of the Company, works out to 196.32 per cent³ and impact of above comments would lead to loss amounting to ₹ 1.83 crore. Further, the Financial Statements are not in agreement with books of accounts as balance of one bank account of the Company (designated for receiving SRI Fund) has not been shown in financial statements of the Company. Hence, the financial statements of the Company do not represent "true and fair view" and it was not proper on the part of the Independent Auditor to have provided the assurance that the financial statements presented a "true and fair view". (ii) A reference is invited to S No. III of Annexure C of Independent Auditor's Report, wherein it has been stated that, "the Company has received funds from Central Government as its contribution to SRI Fund as per the Contribution Agreement dated 12 October 2021. The same has been properly accounted for and kept in separate bank account and has not been utilized as of the balance sheet date, except for reimbursement of expenses incurred by the Company on behalf of SRI Fund".	SRI Fund is a scheme of the Company, NVCFL with a separate bank account and is recognized as a distinct Association of Persons by the Income Tax Department for tax purposes. SEBI AIF Regulations allows an AIF to be organized in the form of a Company, LLP or a trust. Further, AIF Regulations also allow AIFs registered with SEBI to float schemes (irrespective of their constitution). Accordingly, NVCFL is operating the SRI Fund which is a scheme of AIF floated in accordance with the provision of the AIF Regulations. This structure is an mandate by the government and in compliance with SEBI Regulations. Once SRI Fund has been launched as a scheme, as per SEBI Regulations it is mandatory that the assets of each scheme should be segregated and accounted for separately since the beneficiary of these assets of a scheme is not the AIF itself but the contributors to the Scheme. Thus, it is mandatory for SRI Fund accounts to be maintained separately from the NVCFL which is a subsidiary of NSIC. Reflecting assets of SRI Fund as assets of NVCFL would be blatantly wrong as it is not the legal or beneficial owner of these assets. Yes, it is a beneficial interest holder only to the extent of its contribution to SRI Fund which is reflected through the units held by it in the SRI Fund. Hence, the financial statements of the Company represent "true and fair view"

3. $3.73/1.90 \times 100$ (₹ 3.73 crore = ₹ 1.78 crore plus ₹ 0.86 crore plus ₹ 1.09 crore)



The above statement is not correct to the extent that fund received from Government of India towards contribution for SRI Fund has not been accounted for as per terms of sanction order and operating instructions of SRI Funds (as commented at issue no. B.1.1).	However, clarification is being sought from SEBI w.r.t. structure of the Fund keeping in view the observations made by CAG. Opinion may be taken from the 'The Institute of Chartered Accountants of India' (ICAI), if required, regarding accounting of the NVCFL and SRI Fund.
For and on behalf of the Comptroller and Auditor General of India Sd/- S. Ahladini Panda Principal Director of Audit (Industry and Corporate Affairs) Place: New Delhi Date: 24th November, 2022	For and on behalf of The NSIC Venture Capital Fund Limited Sd/- Gaurang Dixit (Chairman) Place: New Delhi Date: 16th December, 2022



NSIC VENTURE CAPITAL FUND LIMITED

(A wholly owned subsidiary of NSIC Ltd.)

CIN: U65990DL2020GOI368828

NSIC Bhavan, Okhla Industrial Estate,
New Delhi – 110 020

Website: www.nvcfl.co.in

No.SIC/SEC/NVCFL/2nd AGM/2022

Dated: 16th December, 2022

NOTICE

Notice is hereby given that the 2nd Annual General Meeting (AGM) of NSIC Venture Capital Fund Limited (NVCFL or “the Company”) will be held on 16th December, 2022 at 3.30 p.m. at the registered office of the Company at NSIC Bhavan, Okhla Industrial Estate New Delhi – 110 020 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited financial statement of the Company for the financial year ended 31st March, 2022 along with the Reports of the Board of Directors and Auditors thereon and also the comments of the Comptroller & Auditor General of India.
2. To declare dividend for the Financial Year ending 31st March, 2022.
3. To authorize the Board of Directors of the Company in terms of the provisions of Section 142 of Companies Act, 2013 to fix remuneration of the Statutory Auditors of the Company for the financial year 2022-23 and to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company appointed

by Comptroller & Auditor General of India for the financial year 2022-2023.”

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution(s):

4. **Regularization of Additional Director, Dr. Ishita G. Tripathy (DIN– 09661006) as Director of the Company**

“**RESOLVED THAT** in accordance with the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013, Dr. Ishita G. Tripathy (DIN-09661006) who was appointed as an Additional Director w.e.f. 8th July, 2022, be and is hereby appointed as Director of the Company.”

5. **Regularization of Additional Director, Shri Saravanakumar Ananthan (DIN No. 09769378) as Director of the Company**

“**RESOLVED THAT** in accordance with the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013, Shri Saravanakumar Ananthan (DIN-09769378) who was appointed as an Additional Director w.e.f. 19th October, 2022 be and is hereby appointed as Director of the Company.”

By Order of the Board of Directors

Place: New Delhi
Date: 16th December, 2022

Sd/-
(Nishtha Goyal)
Company Secretary

**NOTES:**

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item Nos. 4 and 5 of the accompanying Notice, is annexed hereto.

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and such proxy need not be a member of the Company.
2. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to Company Secretary at the Registered Office

of the Company prior to the date of the Annual General Meeting, so that the information required can be made available at the time of the meeting.

3. The Statutory Register maintained as per Companies Act, 2013, will be available for inspection by the Members at the Registered Office of the Company at the time of AGM of the Company at the venue of the Meeting.
4. Blank proxy form is sent herewith.
5. The instrument appointing proxy, duly stamped completed and signed, should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH THE SECRETARIAL STANDARD (SS-2) ON GENERAL MEETINGS

ITEM NO. 4

In terms of the guidelines of Self Reliant India (SRI) Fund (i.e. First scheme of NVCFL) approved by the Ministry of MSME, the Company shall have an independent Board that includes two Government Nominee Directors. The Government of India, Ministry of MSME vide letter No.1(64)/I&F/ Guidelines/2020-21 Part-II-1206-1207 (C.No. 4019058) dated 23rd June, 2022 has nominated Dr. Ishita G. Tripathy, Additional Development Commissioner, O/o DC (MSME), Ministry of MSME as a Government Nominee Director in the Board of NVCFL in place of Shri Rajib Kumar Sen.

Accordingly, Dr. Ishita G. Tripathy was appointed as an Additional Director w.e.f. 8th July, 2022 as per the provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company up to the date of this Annual General Meeting. Accordingly, appointment of Dr. Ishita G. Tripathy as Director may be considered by the shareholders at this AGM.

The Board of Directors of your Company recommends her appointment as a Director for

approval by the shareholders of the Company.

None of the Directors, Key Managerial Personnel and/or their relatives, except Dr. Ishita G. Tripathy is in any way, interested or concerned, financial or otherwise in passing of the said resolution as set out at item no. 4 of the Notice.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days/ time up to the date of the Meeting.

In view of the above, it is requested to grant consent to the Ordinary Resolution as set out at item no. 4 of this Notice.

ITEM NO. 5

In terms of the guidelines of Self Reliant India (SRI) Fund (i.e. First scheme of NVCFL) approved by the Ministry of MSME, the Company shall have an independent Board that includes a professional CEO (Chief Executive Officer). Shri Saravanakumar Ananthan has joined his duty on 17th Oct. 2022 as CEO, NVCFL. He was appointed as an Additional Director w.e.f. 19th October, 2022 as per the



provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company up to the date of this Annual General Meeting. Accordingly, appointment of Shri Saravanakumar Ananthan as Director may be considered by the shareholders at this AGM.

He holds 1 equity Share of ₹ 100/- of the Company as nominee of NSIC Limited (holding Company). The Board of Directors of your Company recommends his appointment as a Director for approval by the shareholders of the Company.

None of the Directors, Key Managerial Personnel and/or their relatives, except Shri Saravanakumar

Ananthan is any way, interested or concerned, financial or otherwise in passing of the said resolution as set out at item no. 5 of the Notice.

Shri Saravanakumar Ananthan is interested in this resolution to the extent of his appointment as a Director.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days/ time up to the date of the Meeting.

In view of the above, it is requested to grant consent to the Ordinary Resolution as set out at item no. 5 of this Notice.

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

(A Government of India Enterprise)

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

Website: www.nsic.co.in

S.NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
1	REGISTERED OFFICE	NSIC Bhawan Okhla Industrial Estate New Delhi-110020	011-26926275, 26926370	info@nsic.co.in, dpu@nsic.co.in
2	NORTH-1 ZONAL OFFICE	NSIC Limited C-41, Sector-58, NOIDA-201301 (U.P)	0120-4546198, 4546197	zgmnorth1@nsic.co.in
3	NOIDA	NSIC Limited, Branch Office III-B/118, Sector-18 Shopping Complex, Noida-201301 (U.P)	0120-4595000 to 4595045, 2511798 Fax-0120-4556450, 4556453	bonoida@nsic.co.in
4	DEHRADUN	NSIC Limited, Branch Office Near Sabji Mandi, Niranjapur, Saharanpur Road, Dehradun-248001	0135-2520501 Fax-2520501	bodehradun@nsic.co.in
5	AGRA	NSIC Limited, Branch Office 307/T-6, 3 rd Floor, Maruti Plaza, (behind Sanjay Talkies) Sanjay Place, Agra-282002	0562-2527862, 2525567 Fax-0562-2524842	boagra@nsic.co.in
6	KANPUR	NSIC Limited, Branch Office 112/1, Benajhabar Road, Kanpur-208002	0512-2535049, 2556379 Fax-0512-2543217	bokan@nsic.co.in
7	NAINI	NSIC Limited, Branch Office Industrial Estate, Udyog Nagar, Naini, Allahabad-211009	0532-2697218, 2697050, 2695847 Fax-0532-2697218	boallahabad@nsic.co.in
8	GORAKHAPUR	NSIC Limited, Sub Branch Office DIC Campus, Gorakhnath Industrial Estate, Gorakhpur-273015	09451442414	rishishukla@nsic.co.in
9	VARANASI	NSIC Limited, Sub-Branch Office Mansarovar Complex, C-30/35-B, 2 nd Floor, Maldhaiya, Varanasi-221001	542-2370223 Fax-0542-2370223	bovaranasi@nsic.co.in
10	NORTH -II ZONAL OFFICE	NSIC Limited, Guru Gobind Singh Tower, Near Dholewal Chowk, GT Road, Ludhiana-141003	0161-2541946, 2530940, 2546523 Fax-0161-2531946	zgmnorth2@nsic.co.in
11	LUDHIANA	NSIC Limited, Branch Office Guru Gobind Singh Tower, Near Dholewal Chowk, GT Road, Ludhiana-141003	0161-2541946, 2530940, 2546523 Fax-0161-2531946	boludh@nsic.co.in
12	CHANDIGARH	NSIC Limited, Branch Office Ground Floor, BSNL Admin Building Sector-34-A, Chandigarh-160022	0172-2620538/39, 2610537 Fax-0172-2600858	bochd@nsic.co.in
13	JALANDHAR	NSIC Limited, Branch Office First Floor, SS Arcade B-1-823/4, Tanda Road, Opp. KVM College Jalandhar-144004	0181-2292242, 2295533, 6570257 Fax-0181-2299242	bojal@nsic.co.in

S. NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
14	NCR ZONE ZONAL OFFICE	NSIC Limited, NTSC Complex Okhla Industrial Estate, Near Govindpuri Metro Station, New Delhi-110020	011-40584930 Fax-011-26382350	zgmncr@nsic.co.in
15	DELHI	NSIC Limited, Branch Office NTSC Complex, Okhla Industrial Estate, Near Govindpuri Metro Station, New Delhi-110020	011-26382568-69, 41002319 Fax-011-26382568, 41002319-20	delhinsic@nsic.co.in
16	GURGAON	NSIC Limited, Branch Office Plot No 69, 1 st Floor, IDC, Sector-16, MG Road, Gurugram-122001	0124-2308913	bogur@nsic.co.in
17	FARIDABAD	NSIC Limited, Branch Office 107 Nissan Hut NH-5 Railway Road, Faridabad-121001	0129-4311249/52/ 92/93 Fax-0129-4311293	bofaridabad@nsic.co.in
18	NARAINA	NSIC Limited, Branch Office CB-326, Second Floor, Ring Road, Naraina, New Delhi-110028	011-64611484, 25775787 Fax-011-25775166	bonaraina@nsic.co.in
19	<u>SOUTH-I</u> ZONAL OFFICE	NSIC Limited, No. 6 & 7, ISICOS Building, West of Chord Road, Rajajinagar Indl. Estate, Bangalore, Karnataka-560010	080-23109059, 23307791, 23147858 Fax-080-23300070	zgmsouth1@nsic.co.in
20	BENGALURU	NSIC Limited, Branch Office No. 25, 1 st Main Road, KSSIDC Industrial Estate, 6 th Block Rajajinagar, Bangalore-560010	080-23109059, 23307791, 23147858	boban@nsic.co.in
21	BELGAUM	NSIC Limited, Branch Office Plot No. 60, Anujay Building, 5 th Cross, Subhash-Chandra Nagar, Opp. Belgaum Foundry Cluster, Near Utsav Hotel, Udyambag, Belagavi, Karnataka-590006	0831-2449922	belgaum@nsic.co.in
22	PEENYA	NSIC Limited, Branch Office C-424, Peenya Industrial Estate, 1 st Stage, Behind Peenya Police Station, Bangalore-560058	080-28374676, 28394576, 28372977 Fax-080-28374676	bopeenya@nsic.co.in
23	COCHIN	NSIC Limited, Branch Office S-67, GCDA Commercial Complex, Marine Drive, Shanmugham Road, Kochi-682031	0484-2381850/ 2368149 Fax-0484-2380155	bococh@nsic.co.in
24	<u>SOUTH –II</u> ZONAL OFFICE	NSIC Limited, 201, 203, Sri Dattasai Complex, RTC Cross Roads, Hyderabad-500020	040-27615761, 27622097 Fax-040-27617777	zgmsouth2@nsic.co.in
25	HYDERABAD	NSIC Limited, Branch Office 301, 303, Sri Dattasai Complex, RTC Cross Roads, Hyderabad-500020	040-27615764, 27615761, 27622097 Fax-040-27617777	bohyd@nsic.co.in
26	BALANAGAR	NSIC Limited, Branch Office 6-3-144, 144/1, 3 rd Floor, Jahanara Kareem Complex, Balanagar, Hyderabad-500037	040-23324769, 23344769	bobalanagar@nsic.co.in

S. NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
27	VIJAYWADA	NSIC Limited, Branch Office D.No.59A-8/8-6B/1, 3 rd Floor, Main Road, Gurunanak Colony, Vijayawada-520008	0866-2541055 Fax-0866-2545055	bovijayawada@nsic.co.in
28	VISAKHAPATNAM	NSIC Limited, Branch Office 6-67-27/2/3, Opp. Police Station, Gajuwaka, Visakhapatnam-530026	0891-2768554, 2758554	visakhapatnam@nsic.co.in
29	SOUTH –III ZONAL OFFICE	NSIC Limited, Module No. 201, NSIC – Software Technology Business Park, Guindy Industrial Estate, Ekkattuthangal, Chennai – 600 032.	044-2829 1943, 2829 4541 Fax-044-2829 5791	zgmsouth3@nsic.co.in
30	CHENNAI	NSIC Limited, Branch Office Module No. 201, NSIC – Software Technology Business Park, Guindy Industrial Estate, Ekkattuthangal, Chennai – 600 032.	044-28293347, 28294541 Fax-044-28295791, 28293347	bochen@nsic.co.in
31	AMBATTUR	NSIC Limited, Branch Office 309 SIDCO-Aiema Towers, 1 st Main Road, Ambattur Industrial Estate, Chennai-600058	044-26243984, 28291292 Fax-044-26246826	boambattur@nsic.co.in
32	PUDUCHERRY	Administrative Building Industrial Estate, Thattanchavady, Puducherry-605009	0413-2248970, 2248940 Fax-0413-2248970	bopon@nsic.co.in
33	COIMBATORE	NSIC Limited, Branch Office 1055/10, Gowtham centre, Avanashi Road, Coimbatore-641018	0422-2244618, 2247757 Fax-0422-2247764	bocomb@nsic.co.in
34	MADURAI	NSIC Limited, Branch Office 74, ADR Tower 1 st Floor, Kalavasal, Theni Main Road, Madurai-625016	0452-2609992, 2609993, 2604322 Fax-0452-2380323	bomadu@nsic.co.in
35	EAST-I ZONAL OFFICE	NSIC Limited, 20-B, Abdul Hamid Street, (7 th Floor), Kolkata-700069	033-22480015 Fax-033-22487359	zgmeast@nsic.co.in
36	KOLKATA	NSIC Limited, Branch Office 20-B, Abdul Hamid Street, (7 th Floor), Kolkata-700069	033-2213-7084 033-2248-8288 Fax-033-2248-7359	bocal@nsic.co.in
37	KOLKATA (SALT LAKE)	NSIC Limited, Branch Office Plot No. 7/7 & 7/8, Block –CP, Salt Lake, Sector –V, Kolkata-700091 (West Bengal)	033-23671471, 23670155, 23672416	bosaltlak@nsic.co.in
38	PATNA	NSIC Limited, Branch Office Flat No. 403, 4 th floor, Shyam Kishorei Homes, Behind of Rajasthan Restaurant, Dak Bungalow Chauraha, Frezer Road, Patna Pincode -800001	0612-2354222, 3212403 Fax-0612-2354222	bopatna@nsic.co.in

S. NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
39	KOLKATA L&R	NSIC Limited Legal & Recovery Cell, Room No.2/1, 2 nd Floor, HUDCO Tower, New Market, 15N, Nelli Sengupta Serini, Lindsay Street, Kolkata-7000087	033-22522232	lrcellkol@nsic.co.in
40	EAST-II ZONE ZONAL OFFICE	NSIC Limited 304-B, 3rd Floor, NSIC-IMDC Dharampad Bhavan, IDCO Plot no. 6 Block-D, Mancheswar Industrial Estate, Bhubaneshwar Pincode -751010	0674-2548875, 6510189 Fax-0674-2549780	zgmeast2@nsic.co.in
41	BHUBANESWAR (BO)	NSIC Limited, Branch Office 304-B, 3rd Floor, NSIC-IMDC Dharampad Bhavan, IDCO Plot no. 6 Block-D, Mancheswar Industrial Estate, Bhubaneshwar Pincode -751010	0674-2548875, 2549781	bobhubaneswar@nsic.co.in
42	ROURKELA	NSIC Limited, Branch Office Plot No. JJJ-16, Civil Township, Rourkela-769004	0661-2665059 Fax-0661-2664559	rourkela@nsic.co.in
43	JAMSHEDPUR	NSIC Limited, Branch Office Flat No. A-2/1, 2 nd Floor, Nirode Apartment, L-Road, P.O. & P.S. Bistupur, Jamshedpur-831001	0657-6004051, 6999000	bojms@nsic.co.in
44	RANCHI	NSIC Limited, Branch Office Udyog Bhawan, Industrial Area Kokar, Ranchi-834001	0651-2543921	nsshoranchi@nsic.co.in
45	BOKARO	NSIC Limited, Sub-Branch Office Plot No.7018, Khata No.566, Near: Vaibhav Hotel, Bye Pass Road, Chas, Bokaro.	827012-9431923065	bojam@nsic.co.in
46	IMDC BHUBANESWAR	IDCO Plot No.6, Block D, Macheswar Industrial Estate, Bhubaneswar-751010	0674-2548875	imdcbbbsr@nsic.co.in
47	NORTH EAST ZONAL OFFICE	NSIC Limited, Bye Lane No.3, Industrial Estate Bamunimaidam, Guwahati-781021	0361-2657952, 2730219 Fax-0361-2558948	zgmne@nsic.co.in
48	GUWAHATI	NSIC Limited, Branch Office (Including Training Center) Bye Lane No.3, Industrial Estate Bamunimaidam, Guwahati-781021	0361-2657947 Fax-0361-2657948	bogwh@nsic.co.in
49	IMPHAL	Sub Branch Uripok Achom Leikai, Imphal-795001 (Manipur)	0385-2414270 08794362325	libetombidevi@nsic.co.in
50	WEST ZONE ZONAL OFFICE	NSIC Limited, 505, Fifth Floor, Mittal Commercial Building, Wing-B, Village Marol, Off M.V. Road, Andheri (E), Mumbai-400059	022-28500377 Fax-022-2850 0375	zgmwest@nsic.co.in
51	NAVI MUMBAI	NSIC Limited, Branch Office P/104, Khairane MIDC, TTC Industrial Area, Koparkhairane, Navi Mumbai-400710	022-23740268 23740272, 23740116 Fax-022-23741989	bomum@nsic.co.in

S. NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
52	ANDHERI, MUMBAI	NSIC Limited, Branch Office 3 A, 3 rd Floor A-Wing, Gundecha Onclave, Kherani Road, Sakinaka, Andheri(East), Mumbai-400072	022-2850 9915 / 16 Fax-022-28509917	boandheri@nsic.co.in
53	NAGPUR	NSIC Limited, Branch Office New Secretariat Building, 1 st Floor, East Wing, Opp. VCA Stadium, Beside St. Ursula School, Civil Lines, Nagpur-440001	0712-2543254, 2552023 Fax-0712-2543255	bonagpur@nsic.co.in
54	PUNE	NSIC Limited, Branch Office 211/212, 2 nd Floor, Times Square Building,, Pune-Satara Road, Near Saibaba Mandir Pune-411037	020-24497303 Fax-020-24440546	bopune@nsic.co.n
55	AURANGABAD	NSIC Limited, Branch Office P/15, Massia, More Chowk, MIDC Waluj, Aurangabad-431136	0240-2552300 Fax-0240-2563799	boaurangabad@nsic.co.in
56	RAIPUR	NSIC Limited, Branch Office 204, II nd Floor, Block-A, Crystal Arcade, Near Lodhipara Chowk, Shankar Nagar, Raipur-492007	0771-4035388, 4006070	boraipur@nsic.co.in
57	NASHIK	NSIC Limited, Branch Office Galla No 13, 3 rd Floor Udyog Bhawan, MIDC, Satpur, Nasik-422007	0253-2365059 Fax-253-2365061	bonasik@nsic.co.in
58	GOA	NSIC Limited, Sub-Branch Office Shriji Complex, 4 th Floor, Near Manoshanthi Hotel, Dr. Dada, Vaidhya Road, Panaji-403001	0832-2220540	bogoa@nsic.co.in
59	CENTRAL ZONE ZONAL OFFICE	NSIC Limited, 202, 203, Samruddhi Building Opp. Gujarat High Court, Ahmedabad-380014	079-27543228, 27544893, 27544254 Fax-079-27540159	zgmcentral@nsic.co.in
60	AHMEDABAD	NSIC Limited, Branch Office 202, 203, Samruddhi Building Opp. Gujarat High Court, Ahmedabad-380014	079-27543228, 27544893, 27544254 Fax-079-27540159	boamd@nsic.co.in
61	INDORE	NSIC Limited, Branch Office 10, Polo Ground Industrial Estate, Indore-452015	0731-2424408, 2424409, 2422248 Fax-0731-2421566	boindore@nsic.co.in
62	BHOPAL	NSIC Limited, Branch Office 110, Malviya Nagar, 1 st Floor, Bhopal-462003	0755-2766205, 4295152, 2766205 Fax-0755-2553183	bobpl@nsic.co.in
63	JAIPUR	NSIC Limited, Branch Office NF/0/2, Nehru Place, Tonk Road, Jaipur-302015	0141-2740191, 2742991, 2742372, 2744899 Fax-0141-2741277, 2740334	bojai@nsic.co.in

S.NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
64	VKI JAIPUR	NSIC Limited, Branch Office 513, Alankar Plaza, Central Spine, Sector-02, Vidhyadhar Nagar, Jaipur-302039	0141-2231594, 2231573 Fax-0141-2231572	bovkijaipur@nsic.co.in
65	KOTA	NSIC Limited, Sub-Branch Office SSI Association, Purushartha Bhawan, IPIA, Road No. 5, Kota-324005	0744-2426104	sokota@nsic.co.in
66	VADODARA	NSIC Limited, Sub-Branch Office (Zinc Product) C/o Central Warehousing Corporation, Near Ranoli Flyover, Bridge, Karachiyya, Vadodara-391350	0265-2241430	intikafalam@nsic.co.in

NTSCs

S. NO	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
67	CHENNAI	NSIC Technical Services Centre (Including LBI) Sector B-24, Guindy Industrial Estate Ekkaduthangal PO, Chennai-600032	044-22252335/6/7 Fax-044-22254500	ntscche@nsic.co.in
68	HOWRAH	NSIC Technical Service Centre Japanigate, Balitikuri, Howrah-711113	033-26530304, 26532962, 26534280 Fax-033-26531314	ntschow@nsic.co.in
69	OKHLA	NSIC Technical Services Centre Okhla Industrial Estate, New Delhi-110020	011-26826801, 26826847, 26826846 Fax-011-26826783	ntscok@nsic.co.in
70	HYDERABAD	NSIC Technical Services Centre Kamalanagar, ECIL Post, Hyderabad-500062	040-27121422, 27126646, 27134025, 27124597 Fax-040-27122303	ntschy@nsic.co.in
71	RAJKOT	NSIC Technical Services Centre (Including LBI) Bhav Nagar Road, Aji Industrial Area, Rajkot-360003	0281-2387396/97/98 Fax-0281-2387729	ntscraj@nsic.co.in
72	RAJPURA	NSIC Technical Services Centre (Including LBI) D-82/83, Focal Point, Rajpura-140401	01762-232669 Fax-01762-232669	ntsec.rjp@nsic.co.in
73	ROURKELA	NSIC-Livelihood Business Incubation Centre, Sector-15, Rourkela, Odisha Pincode -769003	0661-2913931 9456276705	lbiourkela@nsic.co.in
74	ALIGARH	NSIC Technical Services Centre A-1 Industrial Estate Aligarh-202001	0571-2403552	ntsecalig@nsic.co.in
75	NEEMKA	NSIC Technical Services Centre (Including LBI) Tigoan Road, Neemka, Faridabad-121004	0129-2401101	ntscneemka@nsic.co.in
76	MANDI (TC)	# 210/12, Ramnagar (Palgharat) Mandi-175001	01905-226471	nsic.mandi@gmail.com
77	DEORIA (LBI)	Plot No. 18, Sonda Mauja, Near Mandi Samiti, Deoria-274001	05568-651120	ticdeoria@nsic.co.in
78	KASHIPUR (LBI)	NSIC Training cum Incubation Centre B-5, Industrial Area, Bazpur Road, District-Udham Singh Nagar Kashipur-244713	05947-262453	punitkumar@nsic.co.in
79	NAWADA (LBI)	Plot No. 1619, Gurudev Nagar, Near Govt. ITI, Gonava Road Nawada, Bihar-805130	06324-8539038073	lbinawada@nsic.co.in
80	NAINI-LBI	LBI-Naini, Industrial Estate Udyog Nagar, Naini Allahabad	0532-2697218, 2697050	bonaini@nsic.co.in

NATIONAL SC-ST HUB OFFICES (NSSHOS)

S. NO	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
81	SURAT	National SC ST Hub, Branch Office 306, 3 rd Floor, Rajhans Building, Opposite J.K Tower, Ring Road, Surat-395002	0261-2345733, 4029735	nsshosurat@nsic.co.in
82	AGRA	Unit No-202, Second Floor, Sector-12 A, Padam Business Park, Awas Vikas, Sikandra Yojana, Agra-282007	0562-2603131	nsshogra@nsic.co.in
83	BHUBANESWAR	Integrated Marketing Development Centre (IMDC) Building, Dharmapada Bhawan, 3 rd Floor, IDCO Plot No.-6, Block-D, Mancheswar Industrial Estate, Bhubaneswar, Khurda, Odisha-751010	0674-2586780, 2580630	nsshobhub@nsic.co.in
84	BENGALURU	No.6&7, ISICOS Building West of Chord Road Rajaji Nagar, Industrial Town, Bangalore-560044	080-23147791, 29777790	nsshoban@nsic.co.in
85	CHENNAI	MSME-DI Campus, No.65/1, GST Road, Guindy, Chennai, Tamilnadu-600032	044-48631200	nsshochen@nsic.co.in
86	GUWAHATI	Industrial Estate, Bye Lane No. 3, Bamunimaidam, Guwahati-781021	0361-2558947	nsshogwh@nsic.co.in
87	HYDERABAD	NSIC Technical Services Centre Electronic Complex Kamalanagar, Hyderabad-50062	040-29559801	nsshohyd@nsic.co.in
88	JALAUN	National SC/ST Hub Office, C/o Uday Kiran Niranjana, Gata No 212, Near Banshidhar College, Jhansi Road, Orai, District Jalaun, Uttar pradesh Pincode -285001	9926071861	-
89	KOLKATA	Plot No. 7/7 & 7/8, Block –CP Salt Lake, Sector –V, Kolkata-700091 (West Bengal)	033-23672001, 29861253	nsshokol@nsic.co.in
90	LUCKNOW	503, Sri Ram Tower 5 th Floor, 13, Ashok Marg, Lucknow-226001	0522-2288589, 2288803	nssholucknow@nsic.co.in
91	LUDHIANA	1 st Floor, Frontier Tower G.T. Road, Miller Ganj (Near Fire Brigade Office), Ludhiana-141003	0161-4100939	nssholudh@nsic.co.in
92	MUMBAI	Office No. 505, 5 th Floor B-Wing, Mittal Commercial Building, Village Marol, M.V. Road, Marol Naka, Andheri (East), Mumbai-400 059	022-49710065, 23728902	nsshomum@nsic.co.in
93	PUNE	213, 2 nd Floor, Pune-Satara Road Near Sai Baba Temple, Swargate, Pune-411037	020-48620209	nsshopune@nsic.co.in
94	SHILLONG	DIC Complex, Short Round Road Industrial Estate, Shilong-793001	0364-8100799171 09859486048	bhupendas@nsic.co.in

S. NO	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
95	SINDHUDURG	National SC-ST Hub Office, Plot No.-16, Beside Navanagar Vikas Pradhikaran, Ravanath Apartment, Ground Floor, Near Bank of Maharashtra, OROS, Dist. Sindhudurg Maharashtra Pincode -416812	9673511536	-
96	HYDERABAD (EMDBP)	Module No. 207, Kamalanagar ECIL Post, Hyderabad-500062	040-27141422, 27125802	emdbphyd@nsic.co.in
97	STBP CHENNAI	B-24, Guindy Industrial Estate Ekkaduthangal, Chennai-600032	044-22250444, 22250445 Fax-044-22250343	stpchennai@nsic.co.in

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Vision

To catalyze growth of MSMEs through equity route to become Global Champions.

Mission

To create an ecosystem of investment and make growth capital available to MSMEs having positive growth trajectory, thereby supporting them to become self-reliant.



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N S I C

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NSIC Bhawan, Okhla Industrial Estate, New Delhi - 110 020

Tel. : 011-26926275, Website : www.nsic.co.in