

68th Annual Report 2022-2023



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)

Shri Vipul Goel
(w.e.f. 1st July, 2023)

Ms. Mercy Epao
(w.e.f. 1st January, 2023 to 30th June, 2023)

Shri Gaurang Dixit
(w.e.f. 1st August, 2022 to 31st December, 2022)

Shri P. Udayakumar, Director (P&M)
(w.e.f. 20th June, 2022 to 31st July, 2022)

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

Directors

- Smt. Mercy Epao, Government Nominee Director
- Smt. Sameera Saurabh, Government Nominee Director, (upto 7th Nov., 2023)
- Ms. Simmi Chaudhary, Government Nominee Director, (w.e.f. 8th November, 2023)
- Shri P. Udayakumar, Director (P&M) (Superannuated on 31st July, 2022)
- Shri Kartikeya Sinha, Director (P&M) (w.e.f. 21st February, 2023)
- Shri Gaurang Dixit, Director (Finance) (Superannuated on 31st December, 2022)
- Shri Gaurav Gulati, Director (Finance) (w.e.f. 9th May, 2023)
- 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	9	M/s. Sanjay Satpal & Associates Chandigarh
2	M/s. HS Ahuja & Co., New Delhi	10	M/s. Rajesh Mahajan & Co., Ludhiana
3	M/s. Sushil Jeetpuria & Co. New Delhi	11	M/s. V M Arora & Co., Jalandhar
4	M/s. P S SETHI & CO Dehradun	12	M/s. Arvind Mathur & Co. Jaipur
5	M/s. Ved Mittal & Co., Agra	13	M/s. MR Narain & Co., Chennai
6	M/s. Brajesh Agrawal & Associates Aligarh	14	M/s. C Jagatheesh & Co., Puducherry
7	M/s. Tandon Seth & Co., Kanpur	15	M/s. VN Purohit & Co., Kolkata
8	M/s. K.K Gupta & Shweta , Allahabad	16	M/s. DM Associates, Cuttack

S. No.	Name of Auditors	S. No.	Name of Auditors
17	M/s. B B A & Co, Rourkela	29	M/s. Lakshmipathi & Co., Hyderabad
18	M/s. KKM & Co., Jamshedpur	30	M/s. BV Swami & Co., Bengaluru
19	M/s. ASN & Co., Ranchi	31	M/s. S Krishnan & Associate, Coimbatore
20	M/s. Alok Jain & Co, Patna	32	M/s. K Subramanian & Co, Madurai
21	M/s. Ashok Budhia & Co., Guwahati	33	M/s. Alex & Co., Kochi
22	M/s. PHD & Associates, Mumbai	34	M/s. Gandhi & Gandhi, Hyderabad
23	M/s. Param & Associates, Nasik	35	M/s. Narendra Jain & Co., Indore
24	M/s. SBH & CO , Pune	36	M/s. Parihar & Sonpar, Bhopal
25	M/s. Jain & Gangwal , Aurangabad	37	M/s. PS Thakare & Co, Nagpur
26	M/s. Lalwani & Agrawal, Raipur	38	K V V Prasad & Co Vijayawada
27	M/s. MARKS & Co., Ahmedabad	39	M/s. Gadgil & Uppin Belagavi
28	M/s. S.C. Makhecha & Associates, Rajkot		

Secretarial Auditors

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

Main Bankers

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

Registered Office

NSIC Bhawan
Okhla Industrial Estate
New Delhi- 110 020

Corporate Website

www.nsic.co.in

Board of Directors



Mr. Vipul Goel, Joint Secretary (ARI Division) & Chairman (DIN: 10229523)

Mr. Vipul Goel is Joint Secretary (ARI Division) in Ministry of Micro, Small and Medium Enterprises, Government of India looking after Khadi & Village Industries Commission, Coir Board and Mahatma Gandhi Institute for Rural Industrialisation (MGIRI). He has been assigned the additional charge of the post of Chairman-cum-Managing Director, NSIC w.e.f. 1st July, 2023.

He has been at the helm of policy making and connecting MSMEs at various domestic and International platforms. He is B.Tech. in Electronics & Communication from Harcourt Butler Technological Institute, Kanpur and joined Indian Railway Service of Signal Engineers (IRSSE) – 1992 batch. He has vast working experience in Maintenance, Construction/ project of Railway Signalling & Telecom systems, Design & Development of Railway Signalling equipments, handling of EPC contracts, Material Management while posted in various capacities in different Railway Zones/Divisions all over India. He has made substantial achievements in Maintenance/Construction of Railway Signalling and Telecom systems. He has been awarded with GM's Annual Award 2002 for substantial improvement in Maintenance of Signalling system in DDU Division.

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



Mr. Kartikeya Sinha, Director (Planning & Marketing) (DIN: 02322056)

Mr. Kartikeya Sinha is an Electrical Engineering Graduate (B.Tech.) from Kamla Nehru Institute of Technology, U.P. and Post Graduate (M.Tech.) in Energy Studies from IIT Delhi. He also holds full time MBA degree from Said Business School, University of Oxford, United Kingdom. A team from Punjab Engineering College won 1st Prize in Global Youth Business Development 2007 under his mentorship at University of Oxford. He joined P&T BWS Group "A" Service of Department of Telecommunications through Engineering Services Exam (2000) conducted by UPSC.

He has over 22 years of diverse experience in the fields of telecom, sales & marketing, infrastructure development & maintenance, product development & pricing, channel management, procurement and contract management. He has also worked extensively on improving customer experience through establishment of omni-channel contact centers and launch of state of the art mobile app for subscribers of Bharat Sanchar Nigam Limited (BSNL). While heading the Sales & Marketing / Product Pricing cell at Head Office of BSNL, his innovative tariff strategies for mobile services and effective management of the sales & distribution network across the country, led to increase in mobile business revenue of BSNL, despite stiff competition in the telecom industry in India.

Mr. Kartikeya Sinha has appointed as Director (Planning & Marketing) of NSIC w.e.f. 21st February, 2023.



Mr. Gaurav Gulati, Director (Finance) (DIN: 10144109)

Mr. Gaurav Gulati brings a distinguished professional background, holding the status of Fellow Member of the Institute of Chartered Accountants of India, as well as being a qualified Cost Accountant (ICAI) and Company Secretary (ICSI). In addition to his impressive academic qualifications, Mr. Gulati also holds a Master's degree in Business Administration.

With an extensive professional journey spanning over 25 years, Mr. Gulati

has accumulated a wealth of experience from prominent organizations such as NBCC (I) Limited, NTPC, SAIL, and IndusInd Bank, where he has served in various capacities. His expertise encompasses diverse areas, including Finance & Accounts, Contract Management, Financial Management, Internal Audit, Budgetary Controls, Financial Concurrence, and SAP Implementation.

Before joining NSIC, he served as Executive Director (Finance) and led the Real Estate vertical at NBCC (I) Limited as Regional Business Group Head.

With his remarkable organizational skills and strategic planning acumen, Mr. Gulati in its present role has been instrumental in instituting vital improvements within NSIC especially strengthening NBFC vertical of the company by formulating and fortifying policies and guidelines for schemes in addition to enhancing internal controls.

Moreover, Mr. Gulati's accomplishments extend beyond his professional career. He has not only been a key member of a team that clinched victory twice in the National Management Games (NMG), a business simulation competition conducted by the All India Management Association (AIMA), but also represented India at the Global Management Challenge (GMC) in Kiev, Ukraine, in 2011.

Mr. Gulati's extensive financial acumen, leadership, and strategic capabilities make him a valuable asset to NSIC and his exceptional achievements and dedication contribute significantly to the organization's success and financial stability.

Mr. Gaurav Gulati has appointed as Director (Finance) of NSIC w.e.f. 09th May, 2023.

He has also appointed as Director in NSIC Venture Capital Fund Ltd (a wholly owned subsidiary of NSIC Ltd.).



Ms. Simmi Chaudhary, Government Nominee Director (DIN: 10387019)

Ms. Simmi Chaudhary is an officer of 1996 batch of Indian Economic Service. Presently, she is posted as Economic Adviser and Joint Secretary in the Ministry of MSME and is officer in-charge of Finance, Budget as well as Coordination and planning matters of the Ministry.

Ms. Chaudhary possesses a Bachelor degree with Honours in Economics from St. Stephen's College, University of Delhi. She has a Master degree in Economics from Delhi School of Economics, University of Delhi. She is also a Master in Business Administration with specialization in Human

Resource Management from Indira Gandhi National Open University and a Bachelor of Education from Faculty of Education, University of Delhi. Currently, she is also pursuing her PhD in Education from National Institute for Educational Planning and Administration, Delhi.

Ms. Chaudhary has a diverse and rich experience of 27 years in the Government of India with particular expertise on International Affairs, Education and Human Resource Development, Skill Development, Policy Formulation, Mission Formulation and Implementation, Vision and Strategy Formulation, Programme Implementation, National Digital Public Platforms, Food Processing Industries and MSME sector. She started her career with the Ministry of Finance in 1996 as IES Probationer and thereafter got an opportunity to work in the Ministry of Labour & Employment, Ministry of Education, Ministry of Electronics and Information Technology and Ministry of Food Processing Industries.

She has significantly contributed to achieving formulation of India's stand on ratification of various ILO Conventions, formulating and implementing Industrial Policy, Formulation of India's stand on Education For All, Implementation of Promotion of Digital Payments, Sustainable Development and National Language Translation Mission, namely, Digital India Bhashini. In addition, she has immensely contributed to Formulation of Right to Education Act and Saakshar Bharat Mission, Coordination an Economic Planning, Formulation and implementation of National Language Translation Mission.

In her tenure with the Ministry of Electronics and IT, she contributed towards analysis and documentation of the achievements made under the Digital India Programme of the Government of India, formulation of

Vision Document for Digital North East 2022, development of real-time Performance Smart Board, Digital Public Platform for Education and Digital Economy measurement and roadmap. In addition to her role of Economic Adviser in Ministry of Electronic and IT, she also served as Chief Vigilance Officer and Nodal Officer on Grievances and Right to Information.

Ms. Chaudhary is a strategic thinker and has provided her key insights formulation of documents, such as, India's Trillion Dollar Digital Opportunity, vision documents, strategies and action plans for the Ministry, sector profiles, state profiles, focus papers and other strategy documents. Apart from this, she also handled trade issues, taxation issues, economic data, FSSAI related matters.

She has represented India in the General Assembly of UNESCO and other International fora and Co-Chaired Joint Working Groups with Australia on Wines and Whiskey during her tenure in Ministry of Food Processing Industries.

Apart from this, Ms. Chaudhary is an avid writer with numerous publications, including articles and contributions to journals, newspapers and magazines in the domains of labour and employment, human resource development, Digital India, compilation of coffee table books and compendiums on Digital India, bringing out dedicated issues of Yojana magazine on Digital India and its transformative impact.

Ms. Chaudhary was appointed as Government Nominee Director in the Board of the Company with effect from 8th November, 2023.



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

Ms. Mercy Epao is Joint Secretary in Ministry of Micro, Small & Medium Enterprises. Prior to the current posting, she has served Govt. of India in various capacities across the Ministries/ Departments for the past 25 years. Some of her important postings inter alia are Ministries of Finance, Housing & Urban Affairs and Development of North Eastern Region (DoNER) etc. During her service, she handled different subjects viz. Agriculture and Allied Sector in DoNER, externally aided projects for the NER, Pay related matters, Cadre review of All India Service (AIS), works related HR and

Administration.

She is a Post Graduate from Delhi University. As Joint Secretary she is in charge of implementation of various Schemes pertaining to Small and Medium Enterprises. Some Schemes are the National SC/ST Hub Scheme, which is dedicated to support SC/ST entrepreneurs. The International Co-operation Scheme entails her to tie-up / negotiate / interact and enable MoUs / FTAs sharing and exchanging of best practices in the SME sector with other countries. M/o MSME participates in Bilateral and Multilaterals Forums to strengthen the MSME sector through capacity building, technology intervention, G2G, B2B networking and explore possible partnership.

In the Ministry, she also looks after the National Small Industries Corporation (NSIC), National Institute of Micro, Small & Medium Enterprises (NiMSME), which is CPSE and an Autonomous Organization respectively. She is in charge of the HR wing in the Ministry besides the Media vertical which gives wide coverage of the Schemes/initiatives of the Ministry on all Social Media Platforms. 'Insider' which is a monthly magazine is also brought out which is shared with all Udyam Registration holders. For supporting the Women entrepreneurs, WEC has been set up to handhold women. Her passion is to see women and weaker / marginalized section entrepreneurs to attain knowledge for gainful employment and successful entrepreneurship which will lead to social upliftment and economic empowerment.

In addition, she also looks after coordination vertical in the Ministry which also handles Vision India @2047, Toy Manufacturers Hub, Swachhta Campaign. She is also Director in the Board of Autonomous Bodies.



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.

Prof. 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 68th Annual General Meeting of "The National Small Industries Corporation Ltd. (NSIC)". At the outset, I would like to thank all the stakeholders for their persistent support and confidence in the Company. All the Functional Directors including me have joined in respective positions recently, giving yet another opportunity to strengthen the MSME sector and taking NSIC to new heights.

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, 2023 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 2022-23 was Rs. 2770.14 crore as compared to Rs. 2618.70 crore in the previous year. The company has earned profit before tax amounting to Rs.148.25 crore for the year 2022-23 as compared to Rs. 145.49 crore in the previous year. The profit after tax was Rs.112.95 crore during the year 2022-23 as against Rs. 110.13 crore in the previous year. The Board of Directors has also recommended the dividend of Rs. 33.14 crore to the Government of India for the financial year 2022-23 which is subject to the approval of shareholders.

NSIC through its various schemes support the MSMEs. 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 of Iron & Steel, Aluminum, Copper, Polymer, Bitumen, Cement and more at competitive prices as required by MSMEs.

Credit support of Rs.6401.16 crore under Raw Material Assistance (RMA) scheme was given to MSMEs units in the financial year 2022-2023. Recently, NSIC has also developed a web application for the bill discounting scheme for effectively managing the portfolio.

NSIC also entered into Memorandum of Understanding with various Nationalized and Private sector banks to provide the credit facilities to MSME units. During Financial Year 2022-23, MOUs were signed with IDBI Bank, Utkarsh Small Finance Bank Ltd. and Punjab National Bank under the portfolio of Bank Credit Facilitation Scheme.

NSIC also committed to strengthen the digitalization of its services. In this direction, NSIC is offering e-Marketing Services through its e-marketing portal MSME Global Mart (<https://www.msmemart.com>). The portal has a member base of more than 1,90,000 MSMEs from India and is featuring more than 1,00,000 products. To align with Govt of India theme of 75 years of Independence of Azadi ka Amrit Mahotsav, the Ministry of MSME, under the PMS scheme, launched the 75% subsidy for adoption of e-commerce platform for selling products or services by Micro Enterprises, through e-commerce portal "MSME Global Mart".

During FY 2022-23, total no. of 61,090 trainees were passed out through different NSIC technical service centers (NTSCs) as compared to 48,182 trainees passed out in the previous financial year. NTSCs are presently offering Job oriented skill development trainings in various disciplines as per requirement of industries. A Centre of Excellence has been established at NTSC-Okhla, New Delhi in pursuance to tripartite MoU signed with LG Electronics and Electronics Sector Skills Council of India (ESSCI) to

impart training to the youths in the field of consumer electronics & appliances. The Centre of Excellence has intake of around 600 trainees per year.

During the FY 2022-23, new training programs were commenced on STAAD Foundation, Interior & Architecture Design, Photoshop & V-Ray, PCB Design, Analysis & manufacturing, Repair & maintenance of EV, Full stack development, Digital Twins, Drone Technologies, Optimization Techniques used in renewable Resources & Power system, Deep Learning for Computer Vision & Robotics, Composite Materials for Industrial Applications, Geometric Dimensioning and Tolerance, Amazon Web Services (AWS) etc.

In the International Cooperation segment, NSIC in cooperation with Industrial Technology Research Institute (ITRI), Taiwan organized First Meeting of India – Taiwan SME Cooperation Forum at Taiwan with the theme – “Electronic Manufacturing for the Healthcare Sector”. NSIC also organized various “Virtual B2B Meetings” with its counterpart organizations to explore the possibility of cooperation and collaboration to initiate technology transfer and share information on the best practices for sustainable business alliances between MSMEs.

A Number of high-level delegations from various countries like Surinam, Bahrain, Mauritius, Ghana 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 signed MOU with Korea SMEs and Startups Agency (KOSME), South Korea to cooperate for improving competitiveness of MSMEs in global market with reliable business alliances. NSIC and Andhra Pradesh Medtech Zone Limited (AMTZ) signed a MoU on cooperation in the healthcare sector on 21st Sept, 2022.

NSIC has been implementing National SC/ST Hub (NSSH), an initiative of the Ministry of MSME, Govt. of India since its launch in the year 2016. The objective of this scheme is to provide professional support to the SC/ST entrepreneurs to fulfill the mandate of 4% procurement from CPSEs as per Public Procurement Policy. Various interventions/ Events/ Conclaves were organized during the financial year 2022-23 under National SC/ST Hub. Total 24410 SC/ST entrepreneurs were provided assistance and handholding support under NSSH scheme for the year 2022-2023.

I am pleased to inform that NSIC has procured 7.58% of the total procurement of goods and services from SC/ST MSMEs as against the target of 4% for the year 2022-2023.

We believe that good Corporate Governance practices are indispensable part in the functioning of the Company and create value for its stakeholders on a sustainable and long term basis. To ensure the highest standards of ethical governance, NSIC has established several committees at Board level to oversee our operations and decision-making



Delegation for 1st meeting of India-Taiwan SME Cooperation Forum at Taiwan from 30th Nov-02nd Dec 2022

processes. NSIC is dedicated to adhere all guidelines issued by the Department of Public Enterprises.

In terms of CSR during the financial year 2022-23, total of Rs. 278.27 Lakh was contributed towards various CSR activities, such as amount of Rs.167 Lakh was contributed to Swachh Bharat Kosh, Rs. 23.33 Lakh was contributed to PM Cares Fund and contribution of Rs. 70 Lakh was made Armed Forces Flag Day Fund. In addition an amount of Rs. 17.94 Lakh was contributed towards installing three community water EPIO machines for safe drinking water for public.

NSIC is having wholly owned subsidiary Company i.e. NSIC Venture Capital Fund Limited (NVCFL). 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. Till 30th November 2023, 48 Daughter Funds have been empanelled with the SRI Fund commitment of Rs. 5,870 crore. Approx. Rs. 730 crore, from the SRI Fund contribution, has already been deployed by these daughter funds in 382 MSMEs.

NSIC is always committed to promote the interest of Micro, Small & Medium Enterprises. The Ministry of MSME also entrusted NSIC to run the MSE Women Scheme for inclusive economic growth and " Digital MSME Scheme", which aims to digitally empower and motivate MSMEs to adopt digital tools, applications & technologies with a view to improve their competitiveness in domestic and global markets. NSIC has also been given the mandate for the activities related to toolkits for implementation

of the PM Vishvakarma, a flagship Scheme of Government of India.

Recognition & Awards

Your company continued to earn awards and recognition from different quarters. Some of prominent awards presented to NSIC are as follows:

- NSIC conferred with the Exhibition Excellence Award - 2022 in the Torchbearer category at EEA-2022 on 08th July, 2022 held at the India Expo Mart, Gr. Noida. This prestigious award has been conferred by Exhibition Showcase to recognize the significant contribution of NSIC to promote the exhibition industry on a global level.
- NSIC's Integrated Marketing Development Centre, Bhubaneswar was presented with provisional 3 Star GRIHA rating by H.E. Ambassador of Switzerland to India at India Habitat Centre, New Delhi on 16th December, 2022.

Acknowledgements

I would like to take this moment to extend my heartfelt gratitude to Ministry of MSME, RBI, DPE and other statutory bodies for continuous guidance and support for this initiative to facilitate and boost the growth of MSMEs. I would also like to thank C&AG, Statutory Auditors and other professionals, agencies associated with the Company. I would also like to express my appreciation to my fellow Board members for their time and valuable inputs towards further strengthening the Company.

I would like to express my deepest appreciation to NSIC Team for their commitment and contribution to the Company.

Place : New Delhi
Date : 12th December, 2023

Sd/-
(Vipul Goel)
Chairman-cum-Managing Director
DIN No.: 10229523

Board's Report

Dear Shareholders,

Your Directors are pleased to present the 68th Board's Report of the Company together with the Audited Financial Statements of the Company for the financial Year 2022-2023.

1) Financial Performance

The financial performance of NSIC for the year 2022-23 is given in the table below with its corresponding previous year:

(₹ in crore)

Particulars	Standalone		Consolidated	
	Financial year 2022-2023	Financial year 2021-2022	Financial year 2022-2023	Financial year 2021-2022
Revenue from operations	2770.14	2618.70	2774.27	2620.71
Gross Income	453.78	417.88	457.74	418.67
Profit Before Tax	148.25	145.49	151.74	147.79
Net worth	1079.07	1023.86	1082.83	1025.15
Borrowings	1555.87	1523.36	1555.87	1523.36
Dividend	33.14	33.17	33.14	33.17
Earnings per share (₹)	20.73	20.31	21.19	20.66

i) Consolidated basis:-

The Revenue from Operations of the Company for the year 2022-2023 was ₹2774.27 crore as compared to ₹2620.71 crore in the previous year. The Company has earned Profit before Tax amounting to ₹151.74 crore for the year 2022-23 as compared to ₹147.79 crore in the previous year. The Profit after Tax is ₹112.95 crore during the year 2022-23 as against ₹110.13 crore in the previous year.

ii) Standalone basis:-

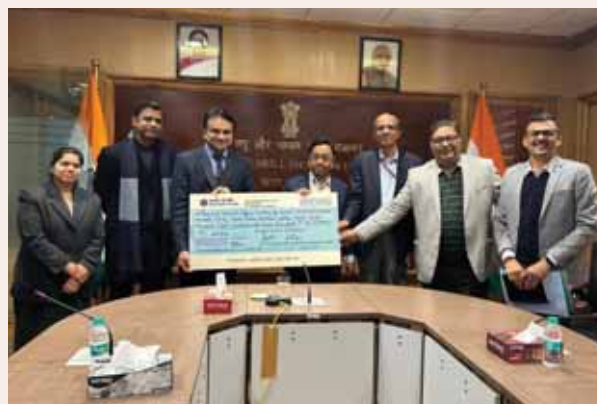
The Revenue from Operations of the Company for the year 2022-2023 was ₹2770.14 crore as compared to ₹2618.70 crore in the previous year. The Company has earned Profit before Tax amounting to ₹148.25 crore for the year 2022-23 as compared to ₹145.49 crore in the previous year. The profit after tax is ₹110.48 crore during the year 2022-23 as against ₹108.23 crore in the previous year.

During the financial year 2022-23, NSIC has

facilitated MSMEs to the extent of ₹19,617 crore with the value of goods handled and services rendered.

2) Dividend

The Board of Directors of the Company has recommended a final dividend of ₹33.14 crore



Shri Vipul Goyal, CMD NSIC presented dividend cheque of Rs. 33.14 crore for the year 2022-23 to Shri Narayan Tatu Rane, Hon'ble Minister of MSME, Govt. of India. Also present on the occasion were Shri S.C.L. Das, Secretary (MSME), Shri Kartikeya Sinha, Director (P&M), Shri Gaurav Gulati, Director (Fin.) and Ms. Nishtha Goyal, Company Secretary, NSIC.

for the financial year 2022-23. The dividend recommended is subject to the approval of the shareholders at the Annual General Meeting.

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 ₹22.10 crore has been created, thus making total reserve fund as on 31st March, 2023 amounting to ₹83.89 crore.

4) Operating Performance

i) Raw Material Distribution

One of NSIC's significant activities is ensuring the smooth supply of raw materials to MSMEs. NSIC establishes Memorandum of Understanding (MoU) with large-scale manufacturers to procure essential raw materials such as Iron & Steel, Aluminum, Copper, Polymer, Bitumen, Cement and more at competitive prices and in the quantities needed by MSMEs.

Furthermore, NSIC simplifies the process for MSMEs by establishing raw material distribution centers in industrial zones, making it convenient for them to access raw materials right at their doorstep. This approach reduces their inventory costs and brings materials closer to their production facilities.

Micro and small enterprises, in particular, gain several advantages when they avail themselves of raw material assistance through NSIC. These advantages include:

- Ensuring the timely and consistent availability of materials, even during scarcity situations.
- Access to materials in smaller quantities that align with the specific requirements of MSMEs.
- Direct procurement of materials at manufacturers' prices, eliminating intermediaries.

- Enjoying the benefits of bulk quantity purchases, which can result in cost savings.

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

- During the year 2022-23, NSIC serviced the raw material requirement of MSMEs through supply of Iron & steel from Steel Authority of India Limited (SAIL), Rashtriya Ispat Nigam Limited (RINL), Arcelor Mittal Nippon Steel India Ltd (AMNS), Aluminium from National Aluminium Company Limited (NALCO), Paraffin wax from Chennai Petroleum Corporation Limited (CPCL), Coal from Coal India Limited (CIL), Cement from ACC Limited, Dalmia Cement Bharat Limited and Ambuja Cement, Bitumen from Agarwal Industrial Corporation Limited (AICL), Stainless Steel from Jindal Stainless Steelway Ltd. (JSSL).

To further facilitate MSMEs and ease their Raw material constraints, NSIC entered into arrangements/MoUs with Regional Producers/Local suppliers i.e. Steel Centre, Triveni Enterprises, Allied Recycling Ltd., JSW, Anjani Portland Cement Ltd., Sugna Metals, Meghalaya Cement Ltd. etc. & Shiva Ferric for the supply of raw materials to MSMEs. NSIC entered into a MoU with M/s. Ambuja Cement for the supply of Cement in the Northern Region on 20th May, 2022.

- During the year 2022-2023, the quantity of Raw Material Distribution (RMD) is 2,85,635 MTs amounting to ₹2190 crore under sale purchase in comparison to 2,52,348 MTs amounting to ₹ 2108 crore in the previous financial year.

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

The Government of India is the single largest buyer of a variety of goods. With a view to increase the share of purchases from the small-scale sector, the Government Stores Purchase Programme was launched in 1976 through registering Micro & small Enterprises (MSEs) under Single Point Registration scheme (SPRS) for participation in Government Purchases Programme. Further, in order to make effective implementation of Public Procurement Order 2012 for MSEs, NSIC has been nominated as nodal agency to enlist the Micro & Small Enterprise to avail the benefits under Public Procurement Policy. While participating in the Government Public Procurement programme, every Central Ministries/ Departments/PSUs shall set an annual goal of minimum 25 percent of the total annual purchases of the products or services produced or rendered by MSEs. Out of annual requirement of 25% procurement from MSEs, 4% is earmarked for units owned by Schedule Caste /Schedule Tribes and 3% is earmarked for the units owned by Women entrepreneurs.

Features of Single Point registration of NSIC:

1. Registration under SPRS is being done in online mode completely.
2. NSIC issues the registration under SPRS only after ensuring the genuine and bona fide of MSEs by obtaining the certified documents.
3. After independent third party inspection, the registration under SPRS is being issued on the basis of qualitative & quantitative inspection report in respect of stores/items or services rendered by the applicant MSE.
4. The registration under SPRS is valid subject to review & renew after every two years.

The revenue earned from Single Point Registration Scheme (SPRS) in the year 2022-23 was ₹ 9.73 crore. During the year 2022-23, 2,851 new units were added and 6,035 units were renewed.

iii) **Consortia & Tender Marketing**

Promoting the products of MSEs is one of the major objective of the Company. Micro & Small Enterprises in their individual capacity face problems to procure and execute large order.

For facilitating promotion and development of Micro & Small Enterprises, the Government of India, Ministry of MSME vide Gazette Notification No. S.O. 581(E) dated 23rd March, 2012 has circulated the Public Procurement Order 2012 for MSME. In the above Public Procurement Order, the Govt. of India has mandate NSIC for annual goal of procurement including sub-contract to Micro & Small Enterprises by large enterprises and consortia of Micro & Small Enterprises formed by the NSIC. NSIC formed Consortia of Micro & Small Enterprises under its Consortia & Tender Marketing Scheme and is supplying the required stores items and rendering the services as required by the Govt. Depts. PSUs. NSIC offices continuously monitor the consortia and form new ones depending upon the requirements.

The individual MSEs due to their small capacity are being denied in participation of tenders against the large enterprises. The Company explores the market and participate in tenders on behalf of single MSE consortia of MSEs for securing orders for them. These orders are then distributed to the consortia members in line with their production capacity. NSIC adopts Consortia approach and forms consortia of units manufacturing the same/complementary products thereby easing out marketing problems of MSEs. The interested MSEs shall enter into agreement with the respective branch both in the individual capacity and also as consortium member. The minimum size of "Consortium" shall be two units.

NSIC facilitates the MSE(s) in every stage of tender activity right from the participation in tenders, submission of EMO, placement of back-to-back orders, raising of bills etc.

During the year 2022-23, the company has participated in 571 no. of tenders valuing ₹474 crore and executed tenders amounting to ₹135.18 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 short term credit support to MSMEs at most competitive rates. The financial assistance is being provided against the security of Bank Guarantee. The payment is released directly to suppliers towards supply of raw material to the applicant MSMEs.

During the financial year 2022-23, Credit support amounting to ₹6401.16 crore under Raw Material Assistance (RMA) were given by NSIC to more than 2569 MSMEs units.

b) 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 and State & Central Govt. Departments/Undertakings/Private Limited Companies (not traders), engaged in manufacturing/ service activities. For effectively managing the portfolio, a web application for the scheme has been developed by NSIC.

During the financial year 2022-23, total bills amounting ₹39.37 crore were discounted against Bank Guarantee.

c) Credit facilitation through Bank Tie up

To meet the credit requirements of MSME units, NSIC has entered into a Memorandum of Understanding with various Nationalized and Private Sector Banks. Through syndication with these banks, NSIC facilitates MSME in accessing credit support (fund based or non-fund based limits) from these banks. NSIC assists MSMEs in completion of documents

as per the checklist of the bank before submitting the credit proposals to the bank and also does the follow up with the banks. These handholding support are provided by NSIC without any cost to the MSMEs.

During the financial year 2022-23, MoUs were signed with IDBI Bank, Utkarsh Small Finance Bank Ltd and Punjab National Bank under the portfolio of Bank Credit Facilitation Scheme and MoUs were renewed with Axis Bank, Federal Bank.

v) NSIC Technical Services Centres (NTSCs)

Major activities under Technology Division:

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 running in the centre are as under:



Shri Narayan Tatu Rane, Hon'ble Minister of MSME, Ministry of MSME, Govt. of India graced the occasion of MoU signing between the National Small Industries Corporation Ltd. and Phillips Machine Tools India Pvt. Ltd. for Skill Development Training in Additive Technologies on October 18, 2022.

- a) **Design:** CAD/CAM, Computer Aided Engineering (CAE), CNC Programming and operations, Computational Fluid Dynamics (CFD), Mould Design, Solid Works, 3 D Printing, Interior Design and Training through STAAD Pro and Revit.
- 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 2022-23, total of 61,090 trainees passed out through different technical centres which is highest ever achievement.

II. New Initiatives:

1. Centre of Excellence established at NTSC-Okhla, New Delhi in pursuance to tripartite MoU signed with LG Electronics and Electronics Sector Skills Council of India (ESSCI) to impart training to the youths in the field of consumer electronics & appliances. This has opened a new avenue in field of electronics for the youth and generate skilled manpower

for employment in this sector by imparting training on electronics goods servicing and repairing. The Centre of Excellence has intake of around 600 trainees per year.

2. Solar pump testing facility at NTSC-Rajkot was established with a view to serve the MSME Manufacturing units in Saurashtra region. Shri Bhanu Pratap Singh Verma, Hon'ble Minister of State, M/o of MSME inaugurated the Solar Water Pump Testing facility on 24th Feb.2023. The testing facility is also accredited by NABL.
3. During the period under review, a testing facility has been set up at NTSC-Okhla for Double walled corrugated HDPE Pipe, used in modern civil construction Projects (central vista project).
4. Upgradation of the workshop for training in CNC programming & operation, fitter & machinist courses and CFS (CNC, Wire cut EDM, Waive key milling, Salt bath furnace and Vertical milling machine etc.) at NTSC-Aligarh.
5. Modernization of skill development trainings in electronics & instrumentation, electrical & renewable energy, refrigeration & air conditioning/HVAC design, CNC programming & operations and information technology and advance Material testing facility in electrical & mechanical fields at NTSC-Howrah.
6. New training programs were commenced on STAAD Foundation, Interior & Architecture Design, Photoshop & V-Ray, PCB Design, Analysis & manufacturing, Repair & maintenance of EV, Full stack development, Digital Twins, Drone Technologies, Optimization Techniques used in renewable Resources & Power system, Deep Learning for Computer Vision & Robotics, Composite Materials for

Industrial Applications, Geometric Dimensioning and Tolerance, Amazon Web Services (AWS) etc.

7. NTSC - Okhla organized industry orientation training program for Assistant Professors of Netaji Subhas University of Technology (NSUT) on technologies related to Industry 4.0, such as 3D printing technologies, IoT applications, Design & Development of Solar Energy based solutions, Analysis in Structures and Computational Fluid Dynamics (CFD). The program was sponsored by NSUT (Govt. of NCT of Delhi). The training program enabled faculties to learn use of technical skills in industry and entrepreneurship.
8. NTSC – Aligarh conducted sponsored training programme from Narora Atomic Power Station (NAPS) of Nuclear Power Corporation of India Ltd. under CSR for total no. of 540 youths.
9. NTSC – Rajkot has signed MoU with Government Engineering College, Rajkot on the occasion of Demo Day – “PRAYAS” on 31st March, 2023 with an objective to achieve academic and industry interaction.
10. LBI – Naini conducted sponsored training programme at NTPC Meja Urja Nigam Campus to 30 female beneficiaries in cutting & tailoring module with a view to promote entrepreneurship at village level.
11. Training Centre – Mandi conducted training programme in manufacturing of fabric products, women & kids tailoring, computer application, agriculture testing etc. for rural women sponsored by NTPC with the aim of women empowerment and self-reliant. The Centre also conducted sponsored training programme under NABARD, Government ITI – Mandi and Government Degree College – Mandi.

12. NTSC – Rajpura has conducted new testing activities for various domestic electrical appliances viz. Wet Grinder, Rice Cooker, Nutri Blend, Chopper, Egg Boiler and Hand mixer.

III. Common Facility Services (CFS)

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

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
Neemka	Chemical and mechanical testing of Ferrous and Non ferrous materials

During Financial Year 2022-23, total of 14,034 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. During the financial year 2022-23, NSIC organized 44 Job Fairs to assist trainees for placement in which total 307 companies participated and 1536 trainees were selected.

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 Government Engineering College Rajkot, Gujarat Knowledge Society, NTPC, NABARD, Government ITI – Mandi, Government Degree College – Mandi to name a few.

VI. Digital Service Facilitation (MSME Global Mart)

NSIC is offering e-Marketing Services through its e-marketing portal MSME Global Mart (<https://www.msmemart.com>) which is a global business to business (B2B) portal providing market access to MSMEs by way of increased visibility, discoverability and networking opportunities among buyers and suppliers, to grow their business online. With a view to realise and augment the Prime Minister's vision of "Vocal for Local" and to contribute and support the growing "Make in India" economy, MSME Global Mart is facilitating in showcasing the products even from hinterland get to national market. The portal has a member base of more than 1,96,525 MSMEs from India and is featuring 1 lakh approx. 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.



Signing of MoU with Ministry of MSME for onboarding the MSME registered on Udyam Portal on MSME Global Mart

During the period under review, in order to make MSME Global Mart portal to serve a large number of MSMEs, NSIC has taken following measures:

- NSIC has signed a MoU with Walmart to work closely in order to create an ecosystem for capacity building of MSMEs for making them part of global supply chains through online & Offline retail. The MoU would also provide Indian MSMEs the market access for sustained growth of exports, especially from tier-II & tier-III cities and leverage the online retail for sale of MSMEs products from India.
- For on boarding the MSMEs registered on Udyam Portal on MSME Global Mart and avail the facilities of the e-marketing services of the Portal for expansion of their business, a MoU has been signed between NSIC and O/o DC, MSME.
- In align with Govt of India theme of 75 years of Independence of Azadi ka Amrit Mahotsav, the Ministry of MSME, under the PMS scheme, launched the 75% subsidy for adoption of e-commerce platform for selling products or services by Micro Enterprises, through e-commerce portal “MSME Global Mart”, which is operated by NSIC. The scheme would provide financial assistance on annual membership fee / subscription fee / contingency expenses (photography, cataloguing, advertisement etc) through e-commerce portal “MSME Global Mart”. The financial assistance may be provided 75% of paid amount by Micro enterprises subject to maximum ₹25,000 /- (excl taxes) whichever is less per financial year. Since the start of the scheme i.e. September 2022, 2,008 units have availed the financial assistance on membership fee / subscription fee amounting to ₹1,02,70,500/-. In order to publicize “adoption of e Commerce platform” an interview on Door Darshan Urdu has been conducted by Senior General Manager, DSF.

- NSIC launched a new “Value added Service” on MSME Global Mart as “Promotional Plan” and also additional channel for revenue generation. The objective of the said plan is to bring Corporates / Buyers on portal who can be any Institution /event organizers /large corporates / PSUs, financial Institutions and even MSMEs etc. referred as advertiser by offering them value added proposition of advertising their products & services / finding right suppliers for their sourcing needs on MSME Global Mart portal to targeted database. Since start of the plan in August 2022, 50 units have availed the advertisement plan services resulting in Revenue of ₹ 8,32,500/- within short span.
- 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. This is an important step in making NSIC one stop solution for providing all possible solution for MSMEs under aggregation modal and developing MSME Global Mart as a Marketplace of Solutions/ Services for MSMEs.

During the period under review, 11,465 units were facilitated under MSME Global Mart portal and the total revenue of ₹4.86 crore was earned.

5) Implementation of Government Schemes

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

a) National SC/ST Hub (NSSH)

NSIC has been implementing National SC/ST Hub (NSSH), an initiative of the Ministry of MSME, Govt. of India since its launch in the year 2016. The objective of this scheme is to provide professional support to the SC/ST entrepreneurs to fulfill the mandate of 4% procurement from CPSEs as per Public Procurement Policy.

For capacity building, market linkages and enhancement of competitiveness of SC/ST entrepreneurs, various interventions and financial assistance in the form of subsidies under various components of NSSH scheme have been introduced. For maximum on-ground penetration and to provide handholding support to the SC/ST entrepreneurs across their business lifecycle, 15 National SC-ST Hub Offices (NSSHOs) have been set up across the country.

The details of the various interventions/sub schemes under the NSSH is available at www.scsthub.in.

The activities /achievements undertaken by National SC/ST Hub during the financial year 2022-23 are as under:

- To showcase the products / services and for market linkage, 2342 SC/ST MSMEs have been facilitated to participate in 85 domestic exhibitions. Total 94 Special Vendor Development Programs have been organized through NSSH Offices in which 3856 SC/ST entrepreneurs participated.
- In order to facilitate participation in public procurement, training on e-Tendering was provided to 2131 SC/ST entrepreneurs through NSSHOs. Financial assistance was provided for registration under SPRS and B2B membership to total no. of 622 and 1214 SC/ST MSEs respectively.
- Total 7297 SC/ST aspiring/exiting entrepreneurs have been provided capacity building training programs through various Govt. / autonomous institutions like Technology Centre of Ministry of MSME, NTSCs, NIMSME, CIPET etc.
- Subsidy of ₹69.66 crore has been released under Special Credit Linked Capital Subsidy Scheme (SCLCSS) in respect of 577 claim applications

of SC/ST MSEs. Similarly, reimbursement of ₹47.09 Lakh in respect of 135 SC/ST MSEs has been made under different reimbursement subsidy schemes (Bank loan process fee, Performance bank charges fee, Testing Charges, Membership fees of EPC, Govt operated e- portal fee, short term training programme of top 50 NIRF).

- To create awareness about National SC/ST Hub scheme, total no. of 111 awareness campaigns were conducted which were participated by total no. of 5848 SC/ST participants.
- Further, in order to create awareness on NSSH scheme and sensitize the SC/ST entrepreneurs for participation in public procurement, 6 Mega Events (NSSH Conclaves) were organized through NSSH Offices at Churanchandpur (Manipur), Tanjore (Tamil Nadu), Ahmadabad (Gujarat), Aizwal (Mizoram), Mayurbhanj (Odisha) and Mumbai (Maharashtra) which were participated approximately 3247 SC/ST participants and various Central / State Govt departments, CPSEs, Banks etc.
- A CPSE Conclave on “Public Procurement Policy of Government of India - Resilience to Resurgence” was organized on 18th November 2022 at Vigyan Bhawan, New Delhi. The objective of this event was to sensitize, recognize and felicitate the efforts of CPSEs towards fulfilling the mandate of Public Procurement Policy. The Conclave was graced by Shri Bhanu Pratap Singh Verma, Hon’ble Minister of State, Ministry of MSME, Govt. of India and attended by senior officials representing 80 CPSEs along with dignitaries from the Ministry of MSME and Department of Public Enterprises.

Mega Events organized during the financial year 2022-23 under National SC/ST Hub are as under:

- A “National SC/ST Hub Conclave” was organized on 23rd January 2023 at World Trade Centre, Mumbai. The event was graced by Shri Narayan Rane ,Hon’ble Minister, Ministry of MSME, Govt. of India, Shri B.B. Swain, the then Secretary, M/o MSME, along with Ms. Mercy Epao, Joint Secretary(SME), Dr. Ishita G. Tripathy, Additional Development Commissioner, M/o MSME and other dignitaries from Central & State Government & Industrial associations.
- CPSE Conclave on “Public Procurement Policy of Government of India - Resilience to Resurgence” was organized on 18th November 2022 at Vigyan Bhawan, New Delhi. The conclave was graced by Shri Bhanu Pratap Singh Verma, Hon’ble Minister of State, Ministry of MSME, Govt. of India and other dignitaries from Ministry of MSME.
- NSSH Conclave was organized on 2nd Sept.2022 at Churachandpur, Manipur. Shri Bhanu Pratap Singh Verma, Hon’ble Minister of State, Ministry of MSME, Govt. of India chaired the program and Smt. Nemcha Kipgen, Hon’ble Minister, Dept. of Textile, Commerce and Industries, Govt. of Manipur was the special guest of the program. The conclave was attended by 500 SC/ST approx aspiring and existing entrepreneurs.
- NSSH Mega Event (Conclave) was organized on 23rd September, 2022 at Tanjore, Tamil Nadu which was participated by 900 SC/ST approx aspiring and existing entrepreneurs. Shri Bhanu Pratap Singh Verma Hon’ble Minister of State, Ministry of MSME, Govt. of India was the Chief

Guest of the event. Sri. T.M. Anbarasan ,Hon’ble Minister for MSME, Govt. of Tamil Nadu, Smt. Kayalvizhi Selvaraj, Hon’ble Minister for Adi-Dravidar Welfare, Hill Tribes and Bonded Labour and other dignitaries graced the occasion.

- NSSH Conclave was organized on 28th Sept. 2022 at Ahmedabad. Dr. Kirit Solanki, Hon’ble Member of Parliament and Chairman, Parliamentary Standing Committee on the Welfare of Scheduled Castes and Scheduled Tribe chaired the event in the presence of Jt. Secretary-SME, Ministry of MSME and CMD, NSIC. The event was attended by 250 SC/ST participants approx.

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. During the year, the initiatives taken by International Cooperation division are as under:

I. First Meeting of India-Taiwan SME Cooperation Forum at Taiwan

NSIC in cooperation with ITRI, Taiwan organized First Meeting of India-Taiwan SME Cooperation Forum at Taiwan with the theme- “Electronic Manufacturing for the Healthcare Sector” which was represented by Shri B.B. Swain, the then Secretary (MSME), Ministry of MSME, comprising of Ms. Mercy Epao, JS (SME), Shri Gaurang Dixit, the then CMD (NSIC), Shri. Sunil Tyagi, GM-SG (IC), and Mr. Vivekananda Sahoo, AMTZ.

II. 3rd Joint Committee Meeting on MSME Cooperation between Mauritius and India

The 3rd Joint Committee Meeting (JCM) on MSME Cooperation between Mauritius and India was held on 25th August, 2022 at Ministry of MSME, New Delhi. The JCM was chaired

by Mr. Narayan Tatu Rane, Hon'ble Minister of MSME, GoI and Mr. Soomilduth Bholah, Hon'ble Minister of Industrial Development, SMEs and Cooperatives, Mauritius. The meeting was also attended by senior officials from Ministry of MSME, Ministry of External Affairs (MEA), NSIC, DC- MSME, KVIC, NI-MSME, EDII and delegation from Mauritius.

III. Virtual B2B Meetings

1. NSIC, in association with its counterpart organization SEDA, South Africa organized "Virtual B2B Meetings" from 4-13 April, 2022 between MSMEs of India and those of South Africa under the action plan decided during 6th Tri-Nations Conference on SMEs as a part of India, Brazil, South Africa (IBSA) Summit held virtually on 2-3 September, 2021. The virtual B2B meetings were organised amongst 17 Indian and 30 South African Enterprises where the enterprises from both sides explored the possibilities of import/export, joint venture/collaboration, and exchanging of technical know-how in sectors like Electricals & Electronics, Food processing, Information and Communication Technology (ICT), Textiles & Chemicals.
2. NSIC, in association with Industrial Technology Research Institute (ITRI) of Taiwan organized focused "Virtual B2B Meetings" between 11-25 May, 2022 amongst MSMEs of India and those of Taiwan engaged in Healthcare sector under the action plan decided during the 1st Taiwan-India SME JWG (Joint Working Group) Meeting M/o MSME, India and Small and Medium Enterprise Administration (SMEA), Ministry of Economic Affairs (MOEA), Taiwan. These virtual B2B meetings provided a platform to the enterprises from both sides to explore possibilities of import/export, joint venture/ technology collaboration in the Healthcare and Medical Devices sector.

3. NSIC in cooperation with its counterpart, Korea SMEs & Start-up Agency (KOSME), South Korea organized B2B Meetings between Indian and South Korean Enterprises on 20th October, 2022. The meetings were held in the area of Solar Energy and Indian enterprises manufacturing Solar Panel, Solar Street Lights, Solar Water Heater and Pumps, Solar Power plants and Solar LED Lights participated in the B2B Meetings. During the meetings enterprises from both sides explored the possible areas of cooperation in the form of Technology Exchange and Joint Venture.
4. NSIC along with its counterpart organization RSMB Corporation, Russia organized "Virtual B2B Meetings" amongst 08 Indian and 12 Russian Enterprises in the field of Water meters, Spices, Industrial pumps, Fashion and Clothing Apparels, Zinc Ash, Copper Scraps, Digital Laboratory Equipment & Hydraulic Pumps. These meetings have resulted in signing of NDA between an Indian company M/s DBD Water Meters Pvt. Ltd and 2 Russian Enterprises - IZITEK LLC & Metroservis LLC and also an agreement is in process for contract manufacturing of Digital Laboratory Equipment in India between Hydraulic Press Pvt. Ltd. (India) and Scientific Entertainment (Russia).

IV. Incoming Delegation Visit to NSIC

1. A delegation led by Mr. Moustafa F. Shaikhon, Minister Plenipotentiary (Commercial) and accompanied by Ms. Marwa Abu El Sadat Aly, Commercial Counselor, Embassy of Egypt, New Delhi visited NSIC's Rapid Incubation Centre and Advanced Training Centre at NTSC, Okhla on 9th June, 2022 and showed

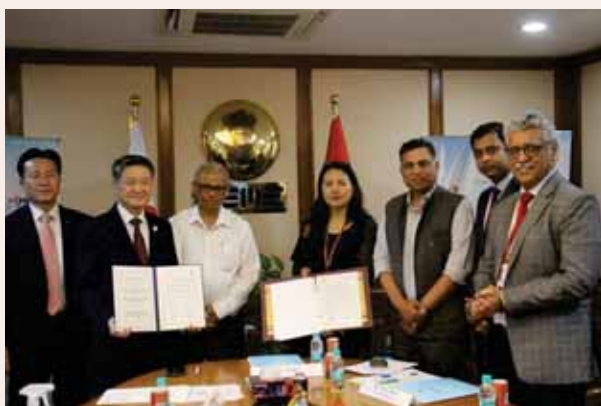
- keen interest to cooperate with NSIC in setting up such Centres in Egypt.
2. A delegation led by Brigadier General Mohamed Abogabal, Defence Attache, Embassy of Egypt, New Delhi and accompanied by Mr. Hesham Elsaheed, Counselor, Embassy of Egypt, New Delhi and Mr. Ibrahim Mamdouh Fouda, Second Secretary, Embassy of Egypt, New Delhi visited NSIC's Rapid Incubation Centre and Advanced NTSC, Okhla on 22nd July, 2022.
 3. A four member delegation led by Mr. Soomilduth Bholah, Hon'ble Minister of Industrial Development, SMEs and Cooperatives, Mauritius visited NSIC's Rapid Incubation Centre and Advanced at NTSC, Okhla on 26th Aug, 2022. Various cooperation areas were discussed like- setting up of Procurement of Machines for setting up of Demonstration Studio in Mauritius, developing Mauritius pavilion on NSIC's web portal msmemart.com, signing of MoU for cooperation between NSIC and SME Mauritius (SMEMU) etc.
 4. NSIC organized a meeting of Bahrain delegation led by Dr. Abdulhasan Al-Dairi, Chairman, Bahrain SMEs Society with Mr. Narayan Tatu Rane, Hon'ble Minister of MSME, Govt. of India on 25th August, 2022 to discuss the cooperation areas for the development of MSMEs of both the countries.
 5. A five member delegation led by Dr. Abdulhasan Al-Dairi, Chairman, Bahrain SMEs Society visited NSIC's Rapid Incubation Centre and Advanced Training Centre at NTSC, Okhla on 26th August, 2022. Various cooperation areas were discussed for the development of MSMEs.
 6. Mr. Hariepersad Soekhlal, President, Association of Small and Medium Enterprises, Suriname visited NTSC and Advance Training Centre at Okhla, New Delhi on 17th November, 2022 to identify the opportunities of cooperation between the enterprises of India and Suriname. He also visited NSIC's stall at India International Trade Fair, 2022 and appreciated the efforts of in promoting the Small and Medium Enterprises.
 7. Mr. B. Gangaram Panday, Managing Director, Electric Lighting and Technical Company (ELTO), Suriname visited NSIC's Rapid Incubation Centre and Advanced Training Centre at NTSC (Okhla), New Delhi and participated in the discussion on possible cooperation areas between NSIC and Suriname.
 8. Ms. Constance Swaniker, CEO of Design and Technology Institute (DTI), Ghana visited NSIC's Rapid Incubation Centre NTSC at, Okhla on 3rd March, 2023. She observed that NSIC's model of Rapid Incubation Centre for employment generation and Advanced Training Centre is apt for development of MSMEs in Ghana and other African Nations. She appreciated NSIC's facilities for skill development and creation of self-employment opportunities.

V. MoUs Signed

1. MoU was signed between NSIC and SPIRIT Slovenia during the visit to Slovenia during 20-25 August, 2022 for taking part in 60th Edition of Annual International Fair of Agriculture and Food, AGRA at Gornja, Radgona, Slovenia.
2. Mr. Narayan Tatu Rane, Hon'ble Minister of MSME, Ministry of MSME, Govt. of India graced the

occasion of MoU signing between the National Small Industries Corporation Ltd. (NSIC) and Andhra Pradesh Medtech Zone Limited (AMTZ) on cooperation in the healthcare sector on 21st September, 2022 at Ministry of MSME, Udyog Bhawan. Shri B.B. Swain, the then Secretary (MSME) was also present on the occasion.

3. Shri B.B. Swain, the then Secretary (MSME), Ministry of MSME, Govt. of India graced the occasion of MoU signing between the National Small Industries Corporation Ltd. (NSIC) and Korea SMEs and Startups Agency (KOSME), South Korea on 27th February, 2023. This MoU will act as a platform to share management expertise, identify and exchange latest technologies relating to the development of MSMEs in India and Korea as well as to cooperate for improving competitiveness of MSMEs in global market with reliable business alliances.



NSIC Signs MoU for cooperation with Korea SMEs and Startups Agency (KOSME), South Korea

VI. Virtual Trainings Sessions

1. NSIC in cooperation with its counterpart, Korea SMEs & Start-up Agency (KOSME), South Korea organized a webinar on Global & latest Trend & of AR/VR Technology in Korea on 19th October, 2022. The

honoured speakers of the webinar were Ms. Marryam Chaudhry, CEO for XR2 LEAD & Mr. Yun Geuk Kang, Professor of Computer Graphics, Sejong University in Seoul. 67 Participants including NSIC officials and trainees from eight Technical Service Centres across the country participated in the webinar.

2. A virtual training program was organized from 27-28 December, 2022 in which training on Augmented & Virtual Reality through Eon-XR Platform was conducted by AMTZ. The participants were trained on how to use the Eon-XR Platform and how to create 3D/360 asset lessons using the said platform. Around 40 officials, guest faculties from NTSCs across the country attended the said training program.

VII. Virtual Meetings & Interactive Session

1. During the period under review, NSIC organized virtual meetings with its following foreign counterparts to explore the possibility of cooperation and collaboration to initiate technology transfer and share information on the best practices for sustainable business alliances between MSME:
 - Qatar Development Bank, Qatar.
 - Agency for Enterprise Development (AED), Vietnam.
 - CEPTME-Spain.
2. A virtual interactive session was held with Export related Certification Bodies/ Associations to create awareness about the CBFTE scheme subcomponent, being implemented by NSIC viz “Reimbursement of Fee paid on Testing & Quality Certification acquired by MSEs to Export Products” amongst the Micro

& Small enterprises applying for export certification in their respective organizations and encourage them to avail the benefit of this scheme.

3. A virtual meeting between NSIC and Russian National Union of Educational Equipment Industry (NSPPO) was organized in association with RSMB Corporation, Russia to discuss the possible cooperation areas between the two organizations. NSPPO showed its interest in Indian SMEs which are engaged in the production of educational equipment and training tools in the field of robotics, mechatronics, artificial intelligence, etc. and creating components that can be used in NSPPO's products.

VIII. International Exhibitions

1. NSIC facilitated participation of 16 SC/ST MSMEs of North East region in North East India Festival held at Bangkok, Thailand from 30-31 July, 2022 under the Special Marketing Assistance Scheme of National SC-ST Hub. The profile of the fair included Agri-Horti and processed food, Handloom, Textiles & Craft, Organic & Value added Tea, Natural Spices & Pure Honey, Natural and Herbal Cosmetics and Toiletries, Bamboo Products.
2. NSIC facilitated participation of 13 MSMEs in Thailand Lab International at Bangkok, Thailand from 14-16 September 2022 under the International Cooperation Scheme. The profile of the fair included Laboratory Equipment, Clinical & Diagnostic Equipment, Analytical & Testing Equipment, Chemicals & Reagents, Lab Safety Equipment and Medical Sciences.
3. NSIC facilitated participation of 13 MSMEs in Metalex Vietnam Expo at Ho Chi Minh City, Vietnam from 06-08 October 2022 under the International Cooperation Scheme. The profile of the fair included Metal, Machine Tool, Sheet Metal Forming Machine, Precision Measuring and Testing, Machine Tool Accessory, Tools, Grinding Wheel & Abrasive, Moulds & Dies, Fluid Power, Power Transmission, Manufacturing and Process Automation, Wire, Tube, Fastener, Controller & Computer System, Welding, Semi- products and Raw Materials.
4. NSIC facilitated participation of 18 MSMEs in Softwave Korea 2022 at Seoul, South Korea from 07-09 December, 2022 under the International Cooperation Scheme. The profile of the fair included IT Services & Electronics, Software Development Services, Internet, IoT, Big Data, Cloud, AR / VR, Metaverse, Gaming, Robotics, Drone, AI, Blockchain, Gaming, Fintech, E-commerce.
5. NSIC facilitated participation of 10 MSMEs in COMEXPO- Complete Manufacturing Expo, Myanmar from 29-31 March, 2023 under the International Cooperation Scheme. The profile of the fair included plastics, packaging, printing & converting, welding, fabrication, machine, tools, motors, pumps, bearings etc.

7) Information Technology

NSIC is one the premier organization for support of MSMEs, NSIC is in the process of revamping its IT Infrastructure by through various new initiatives and progressive reforms. The Company is proactively using the power of digital technology not only for rising in its business operations but also in secured environment maintaining transparency.

Implementation of e-office PAN India, Centralization of Tally on Cloud, Implementation of Online Performance Appraisal System, Policy for providing laptop to officials of NSIC are to name few of the initiative taken by the Company to enhance its operational and financial efficiency.

The Company has a bi-lingual website which is maintained with up-to-date information as per “Guidelines for Indian Government Websites”. Further, in order to prevent cyber-crimes and to generate sustained awareness on ‘Cyber Hygiene’ among employees, various training sessions have been organized under Cyber Jaagrookta Diwas (CJD) during FY 2022-23. Sessions related to ‘Cyber Security Awareness’ was conducted every month. The purpose is to create awareness and sensitize the NSIC employees on safeguarding against cyber frauds and cybercrimes.

8) **NSIC’s services in North Eastern Region (NER)**

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

1. To boost the growth of MSEs in North East region, NSIC Branch Office, Guwahati through its Training cum Incubation Centre trained 1513 trainees under various sponsored training like Fashion Designing, Food Processing, Beautician, Decorative Candle making etc.
2. NSIC, North East Zone has supported various units from north-eastern region under SMAS scheme. The details of the exhibitions are as follows:
 - a) Hornbill Festival at Kohima, Nagaland
 - b) North East Food Show at Shillong

- c) 7th India International Fair Udyam, 2022 at Khanapara, Guwahati
 - d) India International Hospitality Expo at Greater Noida, New Delhi
 - e) 27th International Guwahati Trade Fair at Maniram Dewan Trade Centre, Guwahati
 - f) International Winter Expo at Maniram Dewan Trade Centre, Guwahati, Assam
 - g) North East Festival at New Delhi
 - h) North East Festival at Bangkok
 - i) 23rd Hornbill Festival 2022 from 01st December, 2022 to 10th December 2022
 - j) ATPO International Winter Expo from 23rd December to 05th January 2023.
 - k) 12 East Himalayan Expo from 6 – 12 February 2023
 - l) 1st Aizawl Fair from 21st February to 25th February 2023
3. A Conclave at Churachanpur, Manipur was also organised in the august presence of Minister of State, Minister of MSME & Secretary MSME, wherein approximately 900 SC/ST units were participated.
 4. NSIC Guwahati has conducted MSME Conclave at Aizawl & Mizoram in august presence of Hon’ble Cabinet Minister MSME, Secretary MSME wherein more than 300 SC/ST were participated.
 5. NSIC North East Zone has also participated in various State Government’s program to spread awareness about NSIC/NSSH scheme.

9) 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. NSIC has achieved “Very Good” rating for the year 2021-22.

10) NSIC celebrated Har Ghar Tiranga

NSIC actively encouraged the MSME sector and its employees to hoist the National Flag of India in their homes to instill a feeling of patriotism in the hearts of people and reminisce the contribution of those who tirelessly worked for building the nation. The National flags have been distributed across all NSIC offices across the country for serving the purpose of the Har Ghar Tiranga Campaign. For spreading awareness. Selfie points were set up in NSIC offices and the corporate office was illuminated during the period from 13th August 2022 to 15th August 2022.



NSIC celebrating Har Ghar Tiranga

11) 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, 2022 at the 41st India International Trade Fair being held at Pragati Maidan. The

NSIC has set up a display of 268 MSEs (SC/ST Enterprises) under the NSSH scheme wherein units have participated from across the country such as Maharashtra, Rajasthan, Karnataka, Punjab, Gujarat, UP, Haryana, West Bengal, Telangana etc. in the product line i.e Handicraft, textile, Food products, Leather, Gems & Jewellery, Furnishing, Embroidery & Laces, Paper Product, Herbal & Ayurvedic/Unani, Inlay Paintings, Hair product etc.



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, 2022 at the 41st India International Trade Fair being held at Pragati Maidan .

12) NSIC Observes Vigilance Awareness Week

NSIC administered the Integrity Pledge for Organizations and Citizens on the occasion of Vigilance Awareness Week, 2022 (31st October – 06th November, 2022) to NSIC employees. The Vigilance Awareness Week campaign affirms our commitment for promotion of integrity amongst the citizens of the country.

13) Management Discussion & Analysis

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

14) Investments

During the year 2022-2023, 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 2022-23.

15) Public Deposit

The Company has not accepted any public deposits during the financial year 2022-2023. Further, in compliance of RBI guidelines, the Board of Directors of the company has passed the relevant resolution.

16) Employees' Training

Training is a learning process that improves the employees skills and knowledge of the job and builds their confidence in their abilities. This will improve their performance and make them work more efficiently and effectively. The Training division, NSIC formulates and conducts capacity building programs which help employees to fill the existing gaps in their competencies to meet the organizational

needs. Officers are also deputed to external training programs organised by renowned institutes / departments. These programs provides a rich source of differential outlook towards the current trends happening across the country.

During the period under review, NSIC conducted seven (7) in-house training programmes for its employees through online and offline mode on the following topics:-

1. Online training program on Prevention of Sexual Harassment Act 2013 (15 Batches)
2. Enhancing the Procurement through GeM Portal (3 Batches)
3. Cyber Security and Awareness
4. Preventive Vigilance, Ethics and Values in NSIC
5. Information and Technology Act, 2000 (IT Act), The Indian Wireless Telegraphy Act and their use in cyber space
6. Tax Planning and Wealth Management



NSIC conducted training program on enhancing the procurement through GeM Portal on 30th September 2022 and encouraged officers to maximize the procurement of goods and services through Government-e-Marketplace (GeM)

7. Women Wellness - Be the Healthy You

In addition to the above, 38 employees PAN India were also deputed to following external training programs

1. Workshop for Liaison Officers (SC/ST)
2. बारहवा अंतर्राष्ट्रीय हिन्दी सम्मेलन एवं कार्यशाला
3. Totality of Project Management (TPM) leading to the Certificate in Project Management (CIPM)
4. Administrative Vigilance – Role of IO/ PO (AV1-15)
5. 22nd National Management Summit on “Re-Imagine People, Technology & Culture in the Future of Work”
6. Self-Empowerment with Yoga
7. Advanced MS Excel
8. 12th National Summit 2022 on “Green Energy in India: Accelerating towards Global Leadership”
9. Multi country Observational Study Mission on Enhancing Service SMEs Competitiveness through Digitalization
10. New Labour Code Reforms
11. Course on Investigation of Financial Crime for Dy. SP/ACP and above and Public Sector Undertakings / Nationalised Banks
12. Course on Risk Mitigation through Forensic Document Examination for Public Sector Undertakings / Nationalised Banks
13. Procurement by CPSEs from MSEs and through GeM
14. Ransomware Awareness and Countermeasures” for SMEs in Online mode

15. Training Program on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Work Place for ICC members.

These programs were organised by renowned institutes and departments such as Institute of Secretariat Training and Management (ISTM), जगदम्बी प्रसाद यादव स्मृति प्रतिष्ठान, अंतर्राष्ट्रीय हिन्दी परिषद्, International Institute of Projects and Program Management (i2P2M, Top Rankers Management Consultants, Standing Conference of Public Enterprises (SCOPE), CSR Research Foundation, Asian Productivity Organization, National Institute of Criminology and Forensic Science, Ministry of Home Affairs, Government of India, Indian Computer Emergency Response Team (CERT-In).

Further, NSIC also deputed its employees in the following external training programs organised by Department of Public Enterprise (DPE) in collaboration with leading professional institutes of the country under Research, Development & Consultancies (RDC) scheme.

1. Building Competencies for Personal Excellence organised by The Art of Living Foundation.
2. Implementation of International Financial Reporting Standards (IFRS) /Ind-AS in CPSEs organised by ICAI Management Accounting Research Foundation.
3. Strategic Leadership Program for Public Sector Enterprises organised by IIM Visakhapatnam.
4. Empowering Decision Making with Data Analytics organised by IIM Amritsar.
5. Leadership Development Programme for Professionalising below board level

officials organised by Indian Institute of Corporate Affairs.

All these focused training programs provided immense learnings with respect to behavioural, functional and technical skills to employees of NSIC which leads to the achievement of organizational goals.

No. of employees trained in different category.

S. No.	Category	No. of employees trained
1	A	319
2	B	49
3	C	29
4	D	2
Total		399

17) Human Resource Management

- a) The total manpower of the Company as on 31st March, 2023 was 631. The break-up of the manpower was as follows:

S. No.	Description	As on 31.03.2023	As on 31.03.2022
1.	Managerial	467	484
2.	Supervisory	82	82
3.	Non-Supervisory	82*	91
	Total	631	657

*(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 2022-23, 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.

b) 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 roster 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, 2023 are as under:

S. No.	Description	As on 31.03.2023
1.	Scheduled Caste	103
2.	Scheduled Tribes	12
3.	Other Backward Classes	118
4.	PwD	21
5.	Minority	65
	Total	319

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. During the financial year 2022-23, ICC-NSIC received one complaint and disposed-off one complaint.

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

The Vigilance Department proactively performs as an effective tool of organisation and ensures the implementation of instructions / guidelines issued by the Central Vigilance Commission (CVC). During the

year 2022-23, as a precursor to Vigilance Awareness Week-2022, certain Preventive Vigilance cum internal housekeeping activities were conducted by NSIC during campaign period (16th August, 2022 to 15th November, 2022). Vigilance Awareness Week-2022 was observed from 31st October, 2022 to 6th November, 2022 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 **“Corruption free India for a developed Nation (विकसित राष्ट्र के लिए भ्रष्टाचार मुक्त भारत)”**. 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. A presentation on Preventive Vigilance Measures for greater transparency in day to day working of the Company has been circulated to all the officers of the Company. Immovable Property Returns for the year 2021 of all the employees of the Company were obtained and scrutinized.

During the year 2022-23, Vigilance Division has introduced Online Vigilance Clearance Portal - NOVICA for the ease of employees for submission of Immovable Property Return, request for purchase / sale of movable / immovable property and day to day vigilance clearance. The departmental disciplinary action has taken against the erring officials involved in the cases of major / minor penalty and appropriate action has been taken on the complaints, as per the guidelines. The Vigilance Department has done preventive vigilance, by constantly emphasizing on periodic & surprise inspections of various field offices. CTE type inspections on the projects / works of the Company, are also being carried out by the CVO, as per the guidelines.

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 2022-23. The Statutory Auditors have given its report on the financial statements of the Company for the financial year 2022-23 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 2022-23 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 2022-23 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 March 31, 2023 is available on the Company’s website at <https://www.nsic.co.in/Corporate/Annual>Returns>.

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 from time to time were continued to be observed during the financial year 2022-23. In addition, the following special activities were carried out to ensure the progressive use of Hindi.

- Hindi Pakhwada was celebrated during 14th Sept. 2022 to 29th Sept. 2022. 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. 2022 in the Company under the chairmanship of CMD, NSIC 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.
- Shri. P.K. Jha, Zonal Head was nominated from the zonal office of the Company in the Hindi Diwas function organized by the Department of Official Language, Ministry of Home Affairs in Gujarat on 14th Sept. 2022.
- An annual inspection programme for Official Language was implemented for the various departments at Head office and field offices of the Company.
- 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, one officer won the award along with price money.
- Out of the total amount earmarked for purchase of books more than 50% amount was incurred on purchase of Hindi books.
- Under the aegis of Narakas Undertaking-2, New Delhi, as on 31st March, 2023, a poetry recitation competition was organized by NSIC for the member of Govt. undertakings located in Delhi and the incentive amount was given to five winning participants.
- The official language inspection of 03

offices was successfully conducted by the third sub-committee of the Parliamentary Committee on Official Language and were awarded citations for the excellent works of official language Hindi.

26) Right To Information Act, 2005

Under the provisions of RTI Act 2005 (as amended), any citizen of India may request information in a stipulated form which can be downloaded from NSIC website under the weblink <https://www.nsic.co.in/Corporate/RTI> or may submit request online through rtionline.gov.in. A list of designated Central Public Information Officers (CPIOs) & First Appellate Authorities (FAAs) for each office of NSIC has been declared on NSIC website. The information requested in the application is replied expeditiously or within thirty days by CPIO designated for the respective office of NSIC. The applicant may also submit an appeal to designated First Appellate Authority (FAA) of respective office within 30 days of the rejection of request by CPIO.

During the year 2022-23, NSIC received 116 applications of RTI, 112 numbers disposed-off & 04 number of requests were pending as on 31st March 2023 which were disposed off within stipulated time line.

27) Awards & Recognition

NSIC conferred with the Exhibition Excellence Award - 2022 in the Torchbearer category at EEA-2022 on 08th July, 2022 held at the India Expo Mart, Gr. Noida. This prestigious award has been conferred by Exhibition Showcase to recognize the significant contribution of NSIC to promote the exhibition industry on a global level.

CMD, NSIC Conferred with CEO with HR Orientation Award CMD, NSIC conferred with the “CEO with HR Orientation Award”

at the North India Best Employer Brand Awards & HR Leadership Excellence Awards organized by World HRD Congress on 22nd December, 2022, New Delhi.

28) Particulars of Energy Conservation, Technology absorption

NSIC being in service sector does not own any manufacturing unit, hence there are no specific submission relating to conservation of energy and technology absorption. However, the following steps have been taken by NSIC on conservation of Energy, utilization of alternate sources of energy and capital investment on energy conservation equipment which are as follows:

A. Installation of Grid Connected Rooftop Solar PV System at various locations:

Location	Capacity (kWp)	Project Cost (₹ Lakh)
Installation of Grid Connected Rooftop Solar PV System at the following locations:		
(a) Chennai	89.145	220.08
(b) Head Office and NTSC-Okhla	133.560	
(c) NTSC & EMDBP-Hyderabad	237.195	
(d) NTSC-Rajkot	50.00	
(e) NTSC-Howrah	50.00	
Total Capacity	559.900	

B. Establishment of 3 Star GRIHA Rated “Integrated Marketing Development Centre” (IMDC) at Bhubaneswar:

To cater to the demand of strategically located space of MSMEs/IT/ITeS

etc., NSIC has established a state of the art “Integrated Marketing Development Centre (IMDC) Building” at Bhubaneswar. It is a seven (7) storied building with basement & stilt floor having a total built-up area of 1,08,600 Sqft with the following salient features:

- **3 star GRIHA certified energy efficient and environment friendly green building**
- The building has green features like Grid connected rooftop solar panels, Sewage Treatment Plant, Rain Water Harvesting System and Pleasing lush green landscape all around the building
- Earth quake resistant structure with structural glazing and stone cladding on façade
- The building is air-conditioned (except common area)
- The building is disabled friendly
- 100% power back-up and Latest fire detection, fire alarm and fire-fighting system
- Ample parking space in basement, stilt floor and open area

GRIHA Council (A Joint Initiative of Ministry of New & Renewable Energy, Govt. of India and The Energy and Resources Institute) has awarded the above building “Three Star” GRIHA Provisional rating vide certificate on 14th April, 2022.

NSIC’s Integrated Marketing Development Centre, Bhubaneswar was presented with provisional 3 Star GRIHA rating by H.E. Ambassador of

Switzerland to India at India Habitat Centre, New Delhi on 16th December, 2022.



NSIC Business Park Bhubaneswar, Odisha has been awarded the "Three Star" GRIHA Provisional V3.1 rating by the GRIHA Council

29) Subsidiary Company

NSIC Venture Capital Fund Limited (NVCFL) is a wholly owned subsidiary of NSIC 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.

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.

During the period under review, total 42 Daughter Funds have been empaneled with SRI Fund (Mother Fund) and these daughter funds have assisted 315 potential MSMEs

by way of investing of ₹4529 crore in these MSMEs.

30) Statement Containing Salient Features Of The Financial Statement of Subsidiary

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 2022-23, 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 68th 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").

31) 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".

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

NSIC has made the procurement for a total amount of ₹43.51 crore during 2022-23 complying to all guidelines stipulated in Public Procurement Policy for procuring from MSEs and SC/ST & Women led MSEs. The details are as under:

Procurement	Target (total procurement as per PP Policy)	Achievement
Procurement from MSMEs	25%	₹ 27.33 crore (62.82%)
Procurement from SC/ST MSMEs	4%	₹ 3.30 crore (7.58%)
Procurement from Women MSMEs	3%	₹ 3.13 crore (7.02%)

33) Foreign Exchange

During the year 2022-2023, the total expenditure in foreign currency was ₹ 3.33 crore as compared to ₹ 3.40 crore in the year 2021-2022.

34) NSIC – an ISO 9001:2015 Certified Company

NSIC has constantly reviewed, refined and upgraded its systems to deliver high quality of services to its customers and satisfy all its stake-holders by establishing the Quality Management System ISO 9001:2015 version. At present, NSIC has total 51 ISO Certified offices i.e. 42 Branch Offices, 8 NTSCs and Head Office. ISO Certificate was renewed and issued by M/s TUV India Pvt. Ltd. for the period 23rd May, 2021 to 22nd May, 2024.

To ensure the necessary compliance and continuity of Quality Management System ISO 9001:2015 in NSIC, M/s. TUV India Pvt. Ltd has been entrusted the job of ISO Certification to include the process of the Annual Surveillance Audit-II of QMS ISO 9001:2015. M/s TUV India Pvt. Ltd. has successfully conducted surveillance audits, as sample audits at selected Branch Offices/ NTSCs at 18 different locations across the country including Head Office during February to April, 2023.

TUV furnished the final Audit Report and commented that NSIC meets all Quality Management System requirements as per ISO 9001:2015 standard without any Non-Conformities. Report also highlighted the 'Good Practices' followed by the Management in pursuance to the Quality Management System in the organization.

During the period two Manuals i.e. Human Resource Manual & Financial & Accounts Manual have also been updated with latest modification/amendments. All the ISO Manuals are available at the intranet of the Company.

With the implementation of new ISO 9001:2015 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 which embarks on the adherence to the procedures.

ISODivision ensures effective implementation of QMS ISO 9001:2015, compliance of system procedures by conducting Internal audits in all certified offices of NSIC i.e. BOs/NTSCs and Corporate Office, review and analysis of the Audit reports, Local Management Review reports, facilitation of corrective action on identified gaps and closing them before and after every audit.

35) Directors

During the year 2022-23 and till date, the following changes have taken place in the Board of the Company:-

- Shri Vipul Goel, Joint Secretary, Ministry of MSME was assigned the additional charge of the post of Chairman-cum-Managing Director,

NSIC w.e.f. 1st July, 2023. However, the appointment of Shri Vipul Goel as Director, on the Board of NSIC is effective from 6th July, 2023 being the date of allotment of DIN by the Ministry of Corporate Affairs.

- b) Shri Kartikeya Sinha, appointed as Director (Planning & Marketing), NSIC w.e.f. 21st February, 2023.
- c) Shri Gaurav Gulati, appointed as Director (Finance), NSIC w.e.f. 09th May, 2023.
- d) Smt. Mercy Epao, Joint Secretary, Ministry of MSME has been assigned the additional charge of the post of Chairman-cum-Managing Director w.e.f. 1st January, 2023 to 30th June, 2023. She also hold the additional charge of Director (P&M) & Director (Fin) till 20th Feb, 2023 and 8th May, 2023 respectively. Smt. Mercy Epao is also associated with the Company since 22nd Sept. 2021 as Government Nominee Director.
- e) 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. He hold the charge as Director (Fin.) and Chairman-cum-Managing Director, NSIC upto the date of his superannuation i.e. 31st December, 2022.
- f) 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 Director (P&M) and Chairman-cum-Managing Director, NSIC upto the date of his superannuation i.e. till 31st July, 2022.
- g) 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.

During the year 2022-23, six 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.

36) Directors' Responsibility Statement

Pursuant to the requirement of section 134(5) of the Companies Act 2013, the Directors confirms that:

- In the preparation of the annual accounts, 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 of the Company for the period under review;
- proper and sufficient care has been taken 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;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such

systems were adequate and operating effectively.

37) Corporate Governance

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

38) 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 thankful and acknowledge the support extended to the Company by RBI, SEBI, DPE, MCA, DIPAM, Bankers, financial institutions and to all the stakeholders of the company for reposing their faith in the Company.

Your Company are grateful to the Comptroller & Auditor General of India, Statutory Auditors, Secretarial Auditors and Internal Auditors for their valued support. 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

Place : New Delhi

Date : 12th December, 2023

Sd/-

(Vipul Goel)

Chairman-cum-Managing Director

DIN: 10229523

Management Discussion & Analysis

i. Industry structure and developments

Micro, Small and Medium Enterprises (MSMEs) emerged as the growth engine for the social and economic development of India. It contributes significantly in manufacturing & service sectors by boosting industrial growth, employment generation and driving Gross Domestic Product for economic prosperity by widening entrepreneurial base in both urban and rural areas of India. MSMEs are expanding their domain across sectors of the economy, producing diverse range of products and services to meet requirements of domestic and global markets.

During the year under review, the Government of India has designed various policies for the growth of MSMEs in the country. The Government has allocated an approximate budget of Rs. 22,140 crores for the MSME sector, which is a 42 percent increase from previous years. This allocation will go towards implementing various schemes to provide easy and affordable access to credit, technology upgrades and infrastructure development*.

Launch of MyMSME: To facilitate the enterprises to take benefits of various schemes, the office of Development Commissioner (MSME) has launched a web – based application module, namely MyMSME. This can also access through a mobile app. Entrepreneurs can make their application and track it as well on their mobile itself (MSME Annual Report).

The “Vivad se Vishwas I- Relief to MSMEs” scheme was launched by the Department of Expenditure, Ministry of Finance, to provide relief to MSMEs during the COVID – 19 period. The programme was announced

by Union Finance Minister Ms. Nirmala Sitharaman in the Union Budget 2023-24 (Union Budget 2023-24).

Digital payments:-The Government of India is making efforts for promoting a cashless economy and to provide the facility of seamless digital payments in a convenient manner. In this direction, NSIC has made digital transactions 98.05% in terms of value and 96.10% in numbers during financial year 2022-23.

With entrepreneurship, innovation and agility at its base, the MSME sector can not only play a vital role in making India \$5 trillion economy in the coming years but can also become one of the important factor for making India a developed Country by the year 2047.

ii. Operational and Financial Performance

NSIC has continued its efforts of facilitating MSMEs, during the financial year 2022-2023 also, through integrated support services encompassing Marketing, Credit, Technology and other Services. The total business of the company was ₹19617 crore for the year 2022-23. The revenue from operations was ₹ 2774.27 crore as against ₹ 2620.71 crore in previous year. During the year 2022-23, the Company has earned Profit before Tax amounting to ₹ 151.74 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 (₹2190 crore), credit support (₹ 6401.16 crore), technology support-training activities (61090 trainees).

iii. Segment-wise Performance

NSIC's activities are broadly classified into 'Promotional' and 'Commercial'. The 'Promotional' activities include the activities

* <https://timesofindia.insiatictimes.com>

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, 2023 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 2023			For the year ended 31 st March 2022		
	Promotional	Commercial	Total	Promotional	Commercial	Total
Primary Segment – Business Segment						
I. SEGMENT REVENUE (including grant)						
-Government Grant Recognized during the year	10,508.11	-	10508.11	6,700.65	-	6,700.65
-Sale of Product	-	2,32,491.66	2,32,491.66	-	2,21,163.92	2,21,163.92
-Sale of Services	-	10,994.01	10,994.01	-	9,087.87	9,087.87
-Others	-	33,688.80	33,688.80	-	31,740.06	31,740.06
-Total	10,508.11	2,77,174.47	2,87,682.58	6,700.65	2,61,991.85	2,68,692.50
II. SEGMENT EXPENDITURE (including expenses against grant)						
-Expenditure incurred against Government Grant recognized during the year	10,508.11	-	10,508.11	6700.65	-	6700.65
-Others	-	2,62,363.27	2,62,363.27	-	2,47,449.55	2,47,449.55
-Total	10,508.11	2,62,363.27	2,72,871.38	6,700.65	2,47,449.55	2,54,150.20

(₹ in Lakh)

Description	For the year ended 31 st March 2023			For the year ended 31 st March 2022		
Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial	Total
III. RESULTS						
a. Segment Results	-	11,048.27	11,048.27	-	10,822.58	10,822.58
b. Operating Profit before interest	-	23,895.87	23,895.87	-	20,811.72	20,811.72
c. Interest Paid	-	9,084.67	9,084.67	-	6,257.02	6,257.02
d. Exceptional items	-	(13.94)	(13.94)	-	(6.20)	(6.20)
e. Profit before Tax	-	14,825.14	14,825.14	-	14,548.50	14,548.50
f. Tax Expense	-	3,776.87	3,776.87	-	3,725.92	3,725.92
g. Net Profit after Tax	-	11,048.27	11,048.27	-	10,822.58	10,822.58
h. Other Comprehensive Income		28.98	28.98		(34.92)	(34.92)
i. Total Comprehensive Income {Comprising Profit/(Loss) and Other Comprehensive Income}	-	11,077.25	11,077.25	-	10787.66	10,787.66
III. ASSETS & LIABILITIES						
a. Segment Assets	4,343.93	3,03,066.54	3,07,410.47	4,155.99	2,82,243.21	2,86,399.20
b. Unallocated Assets	--	-	23,407.38	--	-	32,399.89
c. Total Assets	4,343.97	3,03,066.54	3,30,817.85	4,155.99	2,82,243.21	3,18,799.09
d. Segment Liabilities	10,018.27	1,82,413.13	1,92,431.40	9,429.56	1,78,232.97	1,87,662.53
e. Unallocated Liabilities	-	-	1,38,386.45	-	-	1,31,136.56
f. Total Liabilities	10,018.27	1,82,413.13	3,30,817.85	9,429.56	1,78,232.97	3,18,799.09
IV. OTHER INFORMATION						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	498.88	653.49	1,152.37	794.51	308.67	1,103.18
(b) Depreciation #	375.41	703.59	1,079.00	361.14	742.00	1,103.14
(c) Non-cash expenditure other than depreciation	-	38.75	38.75	-	539.68	539.68

The depreciation of promotion segment is charged to capital reserve.

iv. Strength & Challenges

NSIC is a mini-ratna government of India undertaking, with 68 years of experience 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.

There are some challenges being faced by NSIC viz. 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.

v. Opportunities & Threats

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.

Along with the opportunities, there are some threats also viz. competition from other national & 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.

vi. Outlook- The Way Forward

Today's India is moving progressively towards activities that are self – supporting in economic term and indicate reliance of one's own resources. The success of self-reliant economy is conditioned on the growth of

the MSME sector. NSIC is marching ahead on the same path for the growth of MSME sector. NSIC's outlook shall be guided by various global and domestic factors. Several measures are being undertaken by NSIC for the holistic development of the MSME sector. The Company is also strengthening its operational systems through the intervention of digitalization.

Towards this direction, NSIC took a forward step and established Corporate Planning Department at the end of financial year 2022-23. The department will work towards creation of new business area, improvising the existing schemes, enhance the working relations among different offices and be the facilitator in executing projects and tasks which in turn is a sub set of larger Vision and Mission of serving MSMEs.

vii. 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 Risk Management Committee to review and assess the risks of the Company. This is a sub-committee of the Board of Directors and submit its report to the Board. The company has a risk management policy with a comprehensive framework. Risk Management Policy clearly outlined the mechanism to be followed from Risk identification to mitigation of risks.

viii. Internal Control Systems and its adequacy

The Company has adopted & adhered the policies and procedures of all its schemes as per ISO manuals 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 internal audit department to evaluate the internal control systems. In order to ensure that adequate checks and balances are in place, regular and exhaustive Internal Audit of various Branch offices are conducted by in-house Internal Audit Division / external RBI empanelled 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.

ix. Material Developments in Human Resources, Industrial Relations front

As on 31st March 2023, total manpower of the Company was 631 employees, which included 467 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 2022-23, 399 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.

x. Corporate Social Responsibility (CSR)

An annual report on CSR activities are enclosed with the Directors' Report.

xi. 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. The Company assumes no responsibility in any way to modify or revise such statements based on subsequent events or developments.

Place : New Delhi
Date : 12th December, 2023

Sd/-
(Vipul Goel)
Chairman-cum-Managing Director
DIN: 10229523

Annexure–B to Board's Report

Annual Report on Corporate Social Responsibility

1. Brief outline on CSR Policy of the Company:

NSIC has always believed in creating societal values lives having inclusive growth through its CSR initiatives. 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 & Sustainability Policy' as per Companies Act 2013, Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022, DPE Guidelines & notifications issued by Ministry of Corporate Affairs (MCA) from time to time. The copy of the policy is available on the website of the Company. The details of the CSR expenditure during the financial year 2022-23 is annexed as Annexure "I" to this report.

2. Composition of CSR Committee: The composition of CSR Committee of NSIC as on 31st March, 2023 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, CMD, NSIC	Chairperson	02	02
2.	Dr. Ashok Ahirwar, Independent Director	Member	02	02
3.	Shri Gaurang Dixit, Director (Finance)*	Member	02	02
4.	Sh. Kalandi Charan Samal, Independent Director**	Member	00	00

* Shri Gaurang Dixit, Director (Finance) NSIC

superannuated from the services of the Company w.e.f. 31st December, 2022.

** Shri Kalandi Charan Samal, Independent Director was appointed as member of the committee w.e.f. 16th January, 2023.

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 are available on Company's website at <https://www.nsic.co.in/Corporate/QualityPolicy>
- The Company's CSR Policy including CSR initiatives undertaken are available on Company's website at https://www.nsic.co.in/pdfs/CSR/Revised_CSR_&_SUSTAINABILITY_POLICY_21072023.pdf

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.
- Average net profit of the Company as per section 135(5): **Rs. 1,39,13,13,354.67**
 - Two percent of average net profit of the company as per section 135(5): **Rs. 2,78,26,267.09**
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
 - Amount required to be set-off for the financial year , if any: **NIL**
 - Total CSR obligation for the financial year (b+c-d): **Rs. 2,78,26,267.09**

6. (a) Amount spent on CSR both ongoing & other than ongoing projects: **Rs. 2,78,27,000/-**
- (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): **Rs. 2,78,27,000/-**
- (e) CSR amount spent or unspent for the Financial Year:

Total amount spent for the Financial Year (in Rs)	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
2,78,27,000/-	N.A.				

- (f) Excess amount for set off, if any:

S. No.	Particular	Amount (Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	2,78,26,267/-
(ii)	Total amount spent for the Financial Year	2,78,27,000/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	733/-
(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)-(vi)]	Nil

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 Rs)	Balance amount in unspent CSR account under sub-section(6) of the section 135 (in Rs)	Amount spent in the reporting Financial Year (in Rs)	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 Rs)	Deficiency if any
					Amount (in Rs)	Date of transfer.		
1	2022-23	--N.A.--						
2	2021-22	Nil	Nil	Nil	6,30,770/-	25.11.2021	Nil	N.A.
3	2020-21	--N.A.--						

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: **N.A.**

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

S. No:	Short particulars of the property or asset(s) [including complete address & location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent (in Rs)	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 percent of the average net profit as per section 135 (5): **For the financial year 2022-23, NSIC has fully spent its CSR funds as per Companies Act, 2013. Hence, this is not applicable.**

Annexure ' I '

NSIC-DETAILS OF CSR EXPENDITURE DURING THE FINANCIAL YEAR 2022-23

S. No.	Nature of Project	Covered under Schedule VII Activity	Name of NSIC Field Office	Direct/ Through	Location	Amount Allocated (in Rs.)	Amount Spent during the Financial Year (in Rs.)
1	Contribution to Swachh Bharat Kosh.	Covered under CSR activities mentioned in Schedule VII (i) of Companies Act, 2013	NSIC - Head Office	Direct Contribution	PAN INDIA	1,67,00,000/-	1,67,00,000/-
2	Contribution to Armed Forces Flag Day Fund.	Covered under CSR activities mentioned in Schedule VII (vi) of Companies., Act, 2013	NSIC - Head Office	Direct Contribution	PAN INDIA	70,00,000/-	70,00,000/-
3	Contribution to PM CARES Fund.	Covered under CSR activities mentioned in Schedule VII (viii) of Companies Act, 2013	NSIC - Head Office	Direct Contribution	PAN INDIA	23,33,000/-	23,33,000/-
4	Installation of 03 Community Water EPIO Machines which will provide safe drinking water to the public.	Covered under CSR activities mentioned in Schedule VII (i) of Companies Act, 2013	NSIC - Branch Office Pune	Through - "Pacific Creative Society"	Sindhudurg District (Maharashtra)	17,94,000/-	17,94 ,000/-
TOTAL						2,78,27,000/-	2,78,27,000/-

Place : New Delhi
Date : 12th December, 2023

Sd/-
(Vipul Goel)
Chairman of CSR Committee
DIN: 10229523

FORM No. MR-3
Secretarial Audit Report
For The Financial Year ended on 31st March, 2023

[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. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2023, according to the provisions 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 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 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, 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 the Company are :-
- (i) Guidelines issued by Department of Public Enterprises;
- (ii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- We have also examined compliance with the applicable clauses/regulations of the following:
- (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 Company has, in my opinion, complied with the applicable provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and rules made there under along with the Memorandum and Articles of Association of the Company with regard to;
 - Maintenance of various statutory registers and documents and making necessary entries therein;
 - Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - Notice of Board Meetings and Committee Meetings of Directors;
 - The Meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - The 67th Annual General Meeting held on 19th December 2022.
 - Minutes of proceedings of General Meetings and of the Board and its Committee Meetings;
 - Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors;
 - Generally, all other applicable provisions of the Act and the Rules made under the Act.
- 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 March 31, 2023 .
 - 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 were 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: F011857E001239182

Place: Delhi

Date : 10th October, 2023

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, 2023**

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: F011857E001239182

Place: Delhi
Date : 10th October, 2023

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 Rs)

(Financial Year 2022-2023)

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 – Rs.10 crore; Paid up share capital- Rs.6 crore.
5	Reserves & surplus	Rs. 375.75 Lakh
6	Total assets	Rs.1406.66 Lakh
7	Total Liabilities	Rs.430.91 Lakh
8	Investments	Rs.28.36 Lakh
9	Turnover	Rs.452.90 Lakh
10	Profit before taxation	Rs.405.63 Lakh
11	Provision for taxation	Rs.101.97 Lakh
12	Profit after taxation	Rs.303.66 Lakh
13	Proposed dividend	Rs.91.10 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 : 12th December, 2023

Sd/-
(Vipul Goel)
Chairman-cum-Managing Director
DIN: 10229523

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 arrangements or transactions were entered by the Company with any Related Party, during financial year 2022-23.
- Details of material contracts or arrangement or transactions at arm's length basis, during financial year 2022-23:

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 – Rs.60.26 Lakh 2. Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment – Rs. 3.83 Lakh (all amounts on actual basis)	-	-
2.	NSIC Venture Capital Fund Limited (100% Subsidiary Company)	Rent received from NVCFL (Exclusive of Taxes)	Ongoing transaction	Rent Rs.5.93 Lakh	-	-

Place : New Delhi
Date : 12th December, 2023

Sd/-
(Vipul Goel)
Chairman-cum-Managing Director
DIN: 10229523

Report on Corporate Governance

I. Corporate Governance Philosophy of NSIC

NSIC is a mini-ratna company under the administrative control of Ministry of MSME, Govt. of India believes that good Corporate Governance practices are indispensable part 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 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, 2023, there were seven Directors on the Board of company comprising of a Chairman-cum-managing Director, two functional directors, 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 Administrative Ministry. Continuously follow up is being made with the administrative ministry to fill the vacant post of Independent Director.

B) Meetings of the Board

The meetings of Board of Directors were held at periodical intervals. During the year 2022-23, total six Board Meetings were held viz. 20th July, 2022, 28th July, 2022, 18th August, 2022, 25th November, 2022, 19th December, 2022 and 16th January, 2023.

As on 31st March, 2023, 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.	Smt. Alka Nangia Arora Additional charge of CMD Upto 31.05.2022	03165567	0	N.A.	- ITPO, Director - DSIIDC, Director - NVCFL Chairman
2.	Sh. P. Udayakumar Director (P&M) and (additional Charge of CMD w.e.f. 20.06.2022 to 31.07.2022)	03353625	02	N.A	Nil
3.	Shri Gaurang Dixit Director (Finance) and (additional Charge of CMD w.e.f. 01.08.2022 to 31.12.2022)	08535482	05	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
4.	Smt. Mercy Epao additional Charge of CMD w.e.f. 01.01.2023 to 30.06.2023*	09331424	05	Yes	• DSIIDC, Director • ITPO, Director • NVCFL Chairman
5.	Shri Kartikeya Sinha Director (P&M) w.e.f. 21.02.2023	02322056	-	N.A.	Nil
Non-Executive Directors (Government Nominee)					
7.	Smt. Sameera Saurabh	09604102	04	Yes	Nil
8.	Smt. Mercy Epao	09331424	05	Yes	DSIIDC, Director
Non-Executive Directors (Independent Directors)					
8.	Dr. Ashok Ahirwar	09459529	06	Yes	Nil
9.	Shri Kalandi Charan Samal	09459531	05	Yes	Nil

* Ms. Mercy Epao also hold the additional charge of Director (P&M) & Director (Fin) till 20th Feb, 2023 and 8th May, 2023 respectively.

C) Changes in the composition of Board of Directors

During the year 2022-23 and till date, the following changes have taken place in the Board of the Company:-

- Shri Vipul Goel, Joint Secretary, Ministry of MSME was assigned the additional charge of the post of Chairman-cum-Managing Director, NSIC w.e.f. 1st July, 2023. However, the appointment of Shri Vipul Goel as Director, on the Board of NSIC is effective from 6th July, 2023 being the date of allotment of DIN by the Ministry of Corporate Affairs.
- Shri Kartikeya Sinha, appointed as Director (Planning & Marketing), NSIC w.e.f. 21st February, 2023.
- Shri Gaurav Gulati, appointed as Director (Finance), NSIC w.e.f. 09th May, 2023.

- Smt. Mercy Epao, Joint Secretary, Ministry of MSME has been assigned the additional charge of the post of Chairman-cum-Managing Director w.e.f. 1st January, 2023 to 30th June, 2023. She also hold the additional charge of Director (P&M) & Director (Fin) till 20th Feb, 2023 and 8th May, 2023 respectively. Smt. Mercy Epao is also associated with the Company since 22nd Sept. 2021 as Government Nominee Director.
- 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. He hold the charge as Director (Fin.) and Chairman-cum-Managing Director, NSIC upto the date of his superannuation i.e. 31st December, 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 Director (P&M) and Chairman-cum-Managing Director, NSIC upto the date of his superannuation i.e. till 31st July, 2022.

- g) 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.

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, 2023, the Audit Committee consists of three members namely Dr. Ashok Ahirwar, Independent Director as Chairman of the Committee and Smt. Sameera Saurabh and Shri Kalandi Charan Samal as Member of the Committee.

iii) Details of the Meeting

During the year 2022-23, total five audit Committee meetings were held viz. 20th July, 2022, 28th July, 2022, 25th November, 2022, 19th December, 2022 and 16th January, 2023.

S. No.	Name of the member	Position Held	No. of Meetings held during their tenure	No. of meetings
1.	Dr. Ashok Ahirwar Independent Director	Chairman	05	05
2.	Shri Kalandi Charan Samal Independent Director	Member	05	04
3.	Ms. Sameera Saurabh Govt. Nominee Director	Member	05	04

S. No.	Name of the member	Position Held	No. of Meetings held during their tenure	No. of meetings
4.	Shri P. Udayakumar*	Special invitee	02	02
5.	Shri Gaurang Dixit*	Special invitee	04	04

* Shri P. Udayakumar and Shri Gaurang Dixit attended the audit committee meetings as special invitees upto 28th July, 2022 and 19th Dec. 2022 respectively.

The Audit Committee invites senior management of the Company. During the year 2022-2023, the Head of Finance & Head of Internal Audit department attended the meeting as and when required.

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, 2023, 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 2022-2023, one meeting of Nomination & Remuneration Committee was held on 25th November, 2022. The detail of the Meeting 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	1	1
2	Dr. Ashok Ahirwar	Member	1	1
3	Smt. Mercy Epao	Member	1	1

iv. Remuneration of Directors

- Details regarding remuneration paid to Functional Directors of the Company during the financial year 2022-23 as below:

(in ₹)

S. No.	Particulars of Remuneration	Chairman –cum Managing Director (Additional Charge)		Name of Whole Time Director		
		Smt. Alka Nangia Arora upto 31/05/2022	Smt Mercy Epao w.e.f. 01/01/2023 to 30/06/2023)	Sh. P. Udayakumar (also held additional charge CMD) 01/04/2022 to 31/07/2022	Sh. Gaurang Dixit (also held additional charge CMD) 01/04/2022 to 31/12/2022	Sh. Kartikeya Sinha 21/02/2023 to 31/03/2023
1.	Gross Salary (as per provisions contained in section 17(1) of the Income-tax Act, 1961)	-	-	9,807,897	9,234,400	438,007
2	Stock Option	-	-			
3	Sweat Equity	-	-			
4	Commission As % of profit;	-	-			
5	Others, please specify (Employer cont. to PF & Pension)	-	-	1,45,747	2,47,698	33,869
	TOTAL	-	-	9,953,644	9,482,098	471,876

- Details of Sitting Fees paid to the Independent Director during the financial year 2022-23 as below:

S.No.	Name of Independent Director	Amount (Rs.)
1.	Dr. Ashok Ahirwar	2,20,000/-
2.	Shri. Kalandi Charan Samal	1,55,000/-

c) 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 2023, the CSR Committee consist of three members namely Smt. Mercy Epao as Chairperson of the Committee , Dr. Ashok Ahirwar and Shri Kalandi Charan Samal as members of the Committee.

iii. Details of the Meeting

The details of the CSR Committee meeting are as under:

S. No.	Name of Director	Designation/ Nature of Directorship	No. of meetings of CSR Committee held during their tenure	No. of meetings of CSR Committee
1.	Ms. Mercy Epao, CMD, NSIC	Chairperson	02	02
2.	Dr. Ashok Ahirwar, Independent Director	Member	02	02
3.	Shri Gaurang Dixit, Director (Finance)*	Member	02	02
4.	Sh. Kalandi Charan Samal, Independent Director**	Member	00	00

* Shri Gaurang Dixit, Director (Finance) NSIC superannuated from the services of the Company w.e.f. 31st December, 2022.

** Shri Kalandi Charan Samal, Independent Director was appointed as member of the committee w.e.f. 16th January, 2023.

d) 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 2023, the Risk Management Committee consist of three members namely Smt. Mercy Epao as Chairperson of the Committee, Dr. Ashok Ahirwar and Shri Kalandi Charan Samal as members of the Committee.

iii. Details of the Meeting

During the financial year 2022-23, one meeting of Risk Management Committee was held on 9th December, 2022. The details of the Meetings of the Committee are as under:

S. No.	Name of the Director	Position Held	No. of Meetings held during their tenure	No. of meetings
1.	Shri Gaurang Dixit*	Chairman	01	01
2.	Smt. Mercy Epao	Member	01	01

* Shri Gaurang Dixit, Director (Finance) NSIC superannuated from the services of the Company w.e.f. 31st December, 2022.

e) 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

S. No.	Name	Position Held	No. of Meetings held during their tenure	No. of meetings
1.	Smt. Alka Nangia Arora (upto 31.05.2022)	Chairman	01	01
2.	Shri Gaurang Dixit*	Member/ Chairman	03	03
3	Shri P. Udayakumar	Chairman	01	01
4.	Ms. Mercy Epao (w.e.f. 01.01.2023 upto 30.06.2023)	Chairman	01	01
5.	Shri Sandeep Mohan (as Head of IT deptt.)	Member	04	04
6.	Shri Partha Majhi (as Head of F&A deptt.)	Member	04	04

* Shri Gaurang Dixit attended the 9th ALCO Committee meeting as Chairman of the Committee.

f) IT Strategy Committee

i) Brief Description of Terms of Reference (TOR)

The terms of reference and roles

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 invitees for the meeting. The Head of Finance Deptt. and Information Technology Department are the permanent invitees/ members for the meeting. The head of Finance department is the convener of the meeting. During the year 2022-2023, four meetings were held i.e. on 13th April, 2022, 14th July, 2022, 14th October, 2022 and 13th January, 2023.

iii. Details of the Meeting

During the financial year 2022-23, four meetings of ALCO committee were held i.e. on 13th April, 2022, 14th July, 2022, 14th October, 2022 and 13th January, 2023. The details of the Meetings of the Committee are as under:

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 2022-23, total one Meeting was held viz. 25th November, 2022. The details of the meetings conducted are as under:-

S. No.	Name	Position Held	No. of Meetings held	No. of meetings
1.	Dr. Ashok Ahirwar (Independent Director)	Chairman	1	1
2.	Smt. Sameera Saurabh (Govt. Nominee Director)	Member	1	1
3.	Shri Kalandi Charan Samal (Independent Director)	Member	1	0
4.	Shri P.Ravi Kumar Head of RMA deptt.	Member	1	1
5.	Shri Sandeep Mohan (Head of IT deptt. as CIO)	Member	1	1
6.	Shri Gaurang Dixit*	Special Invitee	1	1

IV. Separate Meeting of Independent Directors

As on March 31, 2023, there were two Independent Directors on the Board of the

Company. During the period under review, a separate meeting of the Independent Directors was held on 16th January, 2023 wherein all Independent Directors were present.

V. 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)
2021-22	19/12/2022	12.00 PM	Registered Office of the Company	--
2020-21	29/11/2021	12.00 PM		---
2019-20	19/02/2021	4.00 PM		--

No Extraordinary General Meeting of the Members was held during the Financial Year 2022-23.

The Annual General Meeting for the financial year 2022-23 held on 12th December, 2023.

VI. Declaration by Independent Director

All the Independent Directors in the first meeting of the Board in the financial year, 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 noted 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.

VII. Familiarisation programme for Independent Directors

During the period under review, the Independent Directors were nominated for the induction training program i.e. 2-Day Orientation & Learning Summit of Non-official (Independent) Directors of CPSEs organized by Department of Public Enterprises under the Ministry of Finance, Government of India to have sessions on Senior leadership of CPSEs to discuss challenges and opportunities in the sector, sessions on 'making decisions in the face of uncertainty', roles and responsibilities, capacity building etc.

The Independent Directors also visited field offices and NSIC technical Services centers of the company to familiarize themselves with the overall view of the Company.

VIII. 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.

IX. 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.

X. 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.

XI. 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, 2023, the Company has following persons as the “Key Managerial Personnel”.

#	Key Managerial Personnel	Designation	Period	
			From	To
1.	Smt. Mercy Epao	Director (Finance) Chairman-cum-Managing Director (Additional Charge)	01.01.2023	31.03.2023
2.	Smt. Mercy Epao	Director (Planning & Marketing) (Additional Charge)	01.01.2023	20.02.2023
3.	Shri Kartikeya Sinha	Director (Planning & Marketing)	21.02.2023	31.03.2023
4.	Shri Partha Majhi	Chief Financial Officer	02.01.2023	31.03.2023
5.	Smt. Nishtha Goyal	Company Secretary	01.04.2022	31.03.2023

- The particulars of Related Party Transactions required to be disclosed in Form AOC-2 for the financial year 2022-23 is enclosed with the Board Report of the company.
- 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 2022-23 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, Consolidated Financial

Statements, Auditors' Report, Directors' Report, Management Discussion and Analysis, Corporate Governance Report etc. are available at website of the company.

XII. 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”.

Place : New Delhi

Date : 12th December, 2023

Sd/-

(Vipul Goel)

Chairman-cum-Managing Director

DIN: 10229523

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 March 31, 2023.”

Place : New Delhi
Date : 21st August, 2023

Sd/-
(Vipul Goel)
Chairman-cum-Managing Director
DIN: 10229523

Annexure-II to Corporate Governance Report

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members

The National Small Industries Corporation Limited

NSIC Bhawan, Okhla Industrial Estate, Phase-III, New Delhi- 110 020

We have examined the compliance of conditions of Corporate Governance of **The National Small Industries Corporation Limited**, having **CIN: U74140DL1955GOI002481** for the year ended 31st March, 2023 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: F009211E001714631

Place: New Delhi

Date : 7th November, 2023

INDEPENDENT AUDITORS' REPORT

To,
The Members of
The National Small Industries Corporation
Limited

Report on the Audit of the Standalone Ind AS
Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **The National Small Industries Corporation Limited** ("the Corporation"), which comprise the Balance Sheet as at 31st March 2023, 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 summary of significant accounting policies and other explanatory information, in which are included 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, 2023, 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 No. 35(4)(B)(c) to the accompanying standalone financial statements relating to Land and Building at Industrial Estate Naini which describes in detail that to the extent of ₹ 15,30,910/- the profit of the corporation of FY 2021-22 is understated.*
- b) *Note No. 35(4)(J)(a)(ii) to the accompanying standalone financial statements regarding closing balance as on 31.03.2023 of provision for exchange variation losses in respect of KFW XIIth line of credit amounting to ₹ 2249.66 Lakhs (PY ₹ 2175.00 Lakhs) as per the terms of agreement with KFW. However, the total loan outstanding (as depicted in Annexure-15A of the accompanying standalone financial statements) is ₹ 1988.81 Lakhs (PY ₹ 2021.90 Lakhs) only.*
- c) *Note No. 35(4)(I)(c) to the accompanying standalone financial statements regarding corpus for medical schemes for retired employees made by the Corporation in accordance with the DPE guidelines. The total corpus as on 31.03.2023*

towards medical scheme for the employees retired prior to 01.01.2007 and on or after 01.01.2007 stood at ₹ 252.68 Lakhs (PY ₹ 359.71 Lakhs) and ₹ 451.70 Lakhs (PY ₹ 422.29 Lakhs) respectively.

- d) *Note 35(4)(M) to the accompanying standalone financial statements regarding ad-hoc provision made by the corporation on account of Performance Related Pay (PRP) for the year 2022-23 amounting to ₹ 618.29 Lakhs (PY ₹ 754.12 Lakhs) in accordance with the DPE guidelines.*

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 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 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 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 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/information of 54 (Previous Year 54) Branch Offices including Technical Centres included in the standalone financial statements of the Corporation whose financial statements / financial information reflect total assets of ₹ 3,17,259.48 Lakhs as at 31st March, 2023 (₹ 2,98,451.15 Lakhs as at 31st March, 2022) and total revenues ₹ 2,72,151.38 Lakhs (PY ₹ 2,59,702.55 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. We have considered the findings of

these auditors along with explanations, other information and records provided to us by the management in forming our opinion in so far as it relates to the amounts and disclosures included in standalone financial statements in respect of such branches.

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 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 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 Indian 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, being a Government Company.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (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 Corporation has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the accompanying standalone financial statements.
- (ii) The Corporation did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Corporation.
- (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 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.

- (v) During the year, the Corporation has declared and paid dividend pertaining to FY 21-22 in compliance with section 123 of the Companies Act 2013.
- (vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which

provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Corporation, is applicable to the Corporation, only with effect from financial year beginning April 1, 2023. Hence, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

- (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 exempted 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 2023 on accounts 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, 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: 23099172BGVZAT9630

Place: New Delhi

Date: 28.08.2023

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 National Small Industries Corporation Limited for the year ended 31st March 2023, 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:-

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 Company
PPE	Land at Technical Centre Howrah	1.60	Refer Note 1	No	1959-60	-
PPE	Flats at Branch Office Mumbai	11.52	Refer Note 2	No	1988	-

Note 1 : Though the Title Deeds are held in the name of NSIC, however, the matter of obtaining physical hard copy of title deeds from local government authority is under process.

Note 2 : Redevelopment of the society at Tilak Nagar, Chembur in which NSIC is having six flats have been completed and the Title Deeds thereof are held in the name of NSIC. The new flats are under possession of NSIC. However, the physical hard copy of documents (including title deeds) from concerned government authority are yet to be obtained.

(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 Rs 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 guarantee or security to companies, firms, limited liability partnerships or any other parties. The Corporation has made investments, 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 Systematically Important Non-Deposit accepting NBFC 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)
246	28496.41	295.90	28792.31	As per branch audit reports

- (e) 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 Systematically Important Non-Deposit accepting NBFC 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 2023 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	CST Act, 1956	Central Sales Tax	0.49	2009-10	Appellate Deputy Commissioner CT (III), Chennai
2	CST Act, 1956	Central Sales Tax	0.56	2011-12	Appellate Deputy Commissioner CT (III), Chennai
3	Finance Act, 1994	Service Tax	3.29	2009-10	The Commissioner of Service Tax, Chennai
4	Finance Act, 1994	Service Tax	50.89	2015-16 to 2016-17	The Commissioner of Service Tax, Chennai
5	Commercial Tax	Commercial Tax	13.97	2012-13 & 2013-14	Joint Commissioner, Sales Tax, Cuttack, Orissa
6	Service Tax	Service Tax	9.56	October 2007 to June 2012	Appellate Tribunal, Allahabad
7	Sales Tax Act	Differential Tax, Interest & Penalty	15.88	2005-06	Dy. Comm. Of Sales Tax – Appeals (Mumbai)
8	Sales Tax Act	Differential Tax, Interest & Penalty	23.92	2009-10	Dy. Comm. Of Sales Tax – Appeals (Mumbai)

S. No.	Nature of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
9	Sales Tax Act	Differential Tax, Interest & Penalty	231.24	2012-13	Jt. Comm. Of Sales Tax – Appeals (Mumbai)
10	Sales Tax Act	Differential Tax, Interest & Penalty	18.92	2013-14	Dy. Comm. Of Sales Tax – Appeals (Mumbai)
11	Sales Tax Act	Differential Tax, Interest & Penalty	46.97	2014-15	Jt. Comm. Of Sales Tax – Appeals (Mumbai)
12	Sales Tax Act	Differential Tax, Interest & Penalty	82.43	2015-16	Jt. Comm. Of Sales Tax – Appeals (Mumbai)
13	Customs, Excise & Service Tax	Service Tax & Penalty	1.85	2015-16 to 2016-17	Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Allahabad
14	GST (Compensation to States) Act, 2017	GST State Cess	71.08	2018-19	Joint Commissioner of Central Tax (Appeals), Cuttack
15	Orissa VAT Act	Sales Tax	13.89	2014-15	Joint Commissioner of Sales Tax, Cuttack
16	Income Tax Act	Income Tax Regular Demand	18.39	2016-17	CIT (Appeals)-IX, New Delhi
17	Income Tax Act	Income Tax Regular Demand	0.08	2017-18	DCIT, Circle -25(1), New Delhi
	Total		603.41		

(viii) According to the information and explanations given to us, there are no such transactions which are not recorded 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 any 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 up to 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, etc., as required by the applicable Accounting Standards.
- (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 or other than 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: 23099172BGVZAT9630

Place: New Delhi
Date: 28.08.2023

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 March 31, 2023 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 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 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 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 2023:

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 the same shall be reviewed and revised in ensuing financial year to ensure its effective implementation and monitoring.*
2. *The procedure for implementation of risk management policy, strategy, documentation thereof etc. needs further strengthening. Management informed that the same are being reviewed periodically and are implemented on an ongoing basis.*
3. *Internal financial controls w.r.t preparation and reporting of financials needs further strengthening and to avoid any manual intervention, 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 March 31, 2023, 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".

Other Matter

1. 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 branch offices including Technical Centres 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.

2. The branch auditor of NTSC-Okhla has reported several deficiencies in Internal

Controls of the branch. These deficiencies primarily includes the deficiency in process of procurement of e-rickshaws, discrepancies in specification of material in actual invoice vis-à-vis performa invoice, weakness in follow-up system in case of overdues, and deficiencies in training package and deficiency in the process of inspection of purchased material.

Our opinion is not modified in respect of these matters.

For Goyal Parul & Co.

Chartered Accountants

Firm's Reg. No. : 016750N

Sd/-

(Parul Goyal)

Partner

Membership No.: 099172

UDIN: 23099172BGVZAT9630

Place: New Delhi

Date: 28.08.2023

ANNEXURE “C” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATES 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 2023

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 2023.

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 used for RMA financing. However, Tally ERP9 is not integrated. Based on Audited Branch reports, 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. 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 (grants/subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its 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 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 Goyal)
Partner

Membership No.: 099172
UDIN: 23099172BGVZAT9630

Place: New Delhi
Date: 28.08.2023

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 2023 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 Goyal)
Partner

Membership No.: 099172
UDIN: 23099172BGVZAT9630

Place: New Delhi
Date: 28.08.2023

Non-Banking Financial Companies Auditor's Report for the Year Ended 31st March 2023

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 2023.
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 2023.
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 2019-20 and onwards. Therefore, w.e.f. financial year 2019-20, 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 FY 2022-23 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 31.03.2023 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

Membership No.: 099172
UDIN: 23099172BGVZAT9630

Place: New Delhi
Date: 28.08.2023

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 March 31st, 2023. 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 Rs Crore) (Calculation of the same is given in the Annex)	1076.06
7.	Total Assets (in Rs Crore)	3308.18
8.	Asset-Income pattern: (in terms of RBI Press Release 1998- 99/1269 dated April 8, 1999) a) % of Financial Assets to Total Assets b) % of Financial Income to Gross Income (NBFC-Factor /NBFC-MFI / AFC / IFC may also report separately below)	88.66% 68.64%
9.	Whether the company was holding any Public Deposits, as on March 31, 2023? 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

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

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

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

Sd/-
(Parul Goyal)
Partner

Membership No.: 099172
UDIN: 23099172BGVZAT9630

Place: New Delhi
Date: 28.08.2023

Annexure

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	546.08
	Other free reserves (may be specified)	
4	Special reserves	83.90
	Total of 1 to 4	1162.97
5	Less: (i) accumulated balance of loss	
	(ii) deferred revenue expenditure	
	(iii) deferred tax assets (Net)	35.28
	(iv) other intangible assets	51.63
	Owned Fund	1076.06
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	0.06
	(ii) Subsidiaries	
	(iii) Wholly Owned Subsidiaries/Joint Ventures Abroad	
8	Total of 6 and 7	6.06
9	Amount in item 8 in excess of 10% of Owned Fund	-
10	Net Owned Fund	1076.06

NOTES FORMING AN INTEGRAL PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

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 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.

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, as amended, and other applicable regulatory norms/ guidelines.

ii. Basis of Preparation and Presentation

The 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\liabilities.

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 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. Cost includes expenditure and other related expenditure that is

directly attributable to bringing the PPE 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.

ii. Subsequent measurement of

- (a) **Leased assets and seized leased assets out of leased assets acquired up to 31st March'2001** is done at historical cost, net of accumulated balance of depreciation, lease terminal adjustment and accumulated impairment losses, if any.
- (b) **Items of PPE other than leased assets and seized leased assets out of leased assets** is done 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.

iii. When parts of an item of PPE have different useful lives, they are recognized separately by identifying such components.

iv. 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 PPE and that are not yet ready for their intended use at the financial statement date.

- b) The tangible PPE under construction is carried at cost comprising direct cost (cost of materials, labour & other incidental expenditure) & related indirect expenses (including overheads) attributable to bring the PPE to the location and working condition necessary for its intended use.
- c) Income pertaining to the construction period such as interest income, scrap sale, 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/executing agency (EA) through Engineer In-charge of the capital project/ Intangible Assets under Development, until the assets is recognized as PPE.
- e) Advances paid for the acquisition/ construction of PPE which are outstanding at the financial statement 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 Purchase price (including License Fees), installation cost and any directly attributable cost of preparing the asset 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.

The work that has been initiated but not completed by 31st March of financial year is depicted as "intangible asset under development under PPE" while the work that has not been initiated even by 31st March of financial year but some advance was paid in terms of contractual agreement, then such advance is depicted as "advance to the vendor under non-financial assets".

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 of Tangible PPEs and Amortization of Intangible Assets

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 & seized leased assets out of leased assets and intangible 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.	End User Devices as Processing Units, Computers, Laptop, etc	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.	Grid connected Rooftop Solar Photo Voltage (PV) system	25 Years	3.80%	5% of original cost
xvii.	Intangible PPE-Software	5 Years	20.00%	₹ 1/-
xviii.	Mobile Phone Instruments	3 Years	33.33%	₹ 1/-
xix.	Websites	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 PPE is available for use/disposal.
- iii) PPE 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 PPE. The capital reserve is created at the time of purchase of PPE 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.
- f) 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 & 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 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

- (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 except sponsored training.

Revenue from sponsored and other allied training is recognized after completion of training course and when it is certain that fee will be recovered in line with terms and conditions of the Agreement/ Contract/ MOU

Revenue from common facilities (which inter-alia includes material testing fees, job work charges, machining facility on the machines at NTSCs, etc.) is recognized on completion of testing and job work.

g) Royalty income from Technical Incubation Centre (TIC) units

The revenue on account of Royalty from TIC units is recognized as income on accrual basis. The fee/ royalty is recognized on monthly basis depending upon the number of trainees enrolled, course fee and duration of the course.

h) 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.

i) **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.

j) **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.

k) **Scrap Sale**

Income from sale of scrap is accounted for 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.
- c) Exchange differences arising on settlement or translation of monetary items are recognized in statement of profit or loss in the year in which it arises.
- d) Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.
- e) 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.
- b) In case of approved Promotional activities, expenditure incurred / committed for the year, but grant received in subsequent year, is accounted on accrual basis.
- c) Receipt of grants is recognized as advance from the Government of India and is shown as Amounts Payable to Government of India.
- d) The grant amount, to the extent of expenditure incurred, is recognized as income in the Statement of Profit and Loss.

- e) 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.
- f) 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.
- g) 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.

On same lines, government grants towards reimbursement of Membership Fees, advertisement, etc under PMSS scheme, etc are also charged as grant utilized under the group head

"Membership Fees, advertisement, etc under B2B scheme (PMSS)" 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'.

- h) 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'.
- i) 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 except in case of PMSS component – Adoption of e-commerce platform.

- j) 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.
- k) 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.
- l) 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 (net of purchases) 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,

perks and allowances, annual leave and sick leave Performance Related Pay (PRP) 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) & Benevolent Fund (BF) 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. Contribution to Benevolent Funds is made in accordance with the rules of funds.

(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

a) Dividend Income

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

b) Dividend Expenditure

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 after taking into consideration of circulars/ guidelines as applicable from time to time, issued by RBI, DIPAM, SEBI, DPE, etc.

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 processing fee 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 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.

A. Initial recognition and measurement of financial assets & financial liabilities

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.

B. Financial assets

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.

I. Subsequent Measurement

For the purpose of subsequent measurement, financial

assets are classified into the following categories upon initial recognition:

- 1) at amortized cost using effective interest rates (EIR)
- 2) at fair value through profit or loss (FVTPL)
- 3) 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 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:

- 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

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.

iv) Investment in Subsidiaries

The investments in subsidiaries are carried in the financial statements at historical cost except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Investments in subsidiaries carried at cost are tested for impairment in accordance with Ind AS 36 Impairment of Assets. The carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount, any impairment loss recognized

reduces the carrying amount of the investment.

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:

- 1) Financial assets that are debt instruments measured at Amortized Cost e.g. loans, debt securities, deposits and bank balance.
- 2) Equity investments are measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- 3) Loan commitments not measured at FVTPL (Fair Value Through Profit and Loss)
- 4) Lease Receivables under IndAS-116
- 5) 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 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.

C. **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: 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 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: 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 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. b) 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 of final authority (like Administrative Mechanism for Resolution of CPSEs Disputes-AMRCD) is against the Corporation - amount/ advances with outside parties & are doubtful of recovery. - amount receivable from employees left / resigned from the Corporation and no amount is available to set-off the outstanding - sponsored training dues outstanding over 180 days - 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 31.03.2023

(₹ in Lakh)

Particulars	Note No.	As At 31.03.23	As At 31.03.22
ASSETS			
1 Financial Assets			
(a) Cash and Cash Equivalents	3	8896.38	18555.25
(b) Bank Balances other than Cash and Cash Equivalents	4	62.44	58.83
(c) Trade Receivables	5	16303.10	14061.53
(d) Loans & Advances	6	265648.04	247550.15
(e) Investments	7	910.28	870.85
(f) Other Financial Assets	8	1493.73	1948.89
2 Non-Financial Assets			
(a) Inventories	9	11.48	12.26
(b) Current Tax Assets (Net)	10	186.11	699.24
(c) Deferred Tax Assets (Net)	11	3528.14	3848.57
(d) Property, Plant and Equipment	12	28720.85	28343.23
(e) Capital Work-in-Progress	12	437.42	750.33
(f) Intangible Assets Under Development	12	35.65	23.39
(g) Other Intangible Assets	12	58.32	82.95
(h) Right of Use Assets	12	54.16	55.00
(i) Assets Classified as Held for Sale	12	0.21	0.21
(j) Other Non-Financial Assets	13	4471.54	1938.41
Total Assets		330817.85	318799.09
LIABILITIES AND EQUITY			
1 Financial Liabilities			
(a) Payables			
(i) Trade Payables			
Outstanding Dues of MSEs	14	16463.62	14348.24
Outstanding Dues of Non-MSEs	14	113.32	112.40
(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	155586.97	152335.57
(c) Other Financial Liabilities	16	19747.52	21581.33
2 Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)	10	0.00	0.00
(b) Provisions	17	11412.02	11043.72
(c) Deferred Tax Liabilities (Net)	11	0.00	0.00
(d) Other Non-Financial Liabilities	18	2147.13	1978.73
3 Equity			
(a) Equity Share Capital	19	53298.80	53298.80
(b) Other Equity	20	72048.47	64100.30
Total Liabilities and Equity		330817.85	318799.09
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 : 28.08.2023

UDIN : 23099172BGVZAT9630

For and on behalf of Board of Directors

Sd/-

Gaurav Gulati
Director (Finance)
[DIN: 10144109]

Sd/-

Vipul Goel
Chairman-cum-Managing Director
[DIN: 10229523]

Sd/-

Partha Majhi
General Manager (F&A)

Sd/-

Nishtha Goyal
Company Secretary
[Membership No.: A22768]

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2023

(₹ in Lakh)

Particulars	Note No.	As at 31.03.23	As at 31.03.22
I INCOME			
A Revenue from Operations	21		
Sale of Products		232491.66	221163.92
Sale of Services		10994.01	9087.87
Interest Income		28316.10	26130.56
Fees and Commission Income		4730.12	4735.83
[Includes Processing Fees earned of ₹ 4730.12 lakhs (₹ 4735.83 lakhs) for value of goods handled and services rendered ₹ 1684329.65 lakhs (₹ 1819418.11 lakhs)]			
Other Operating Income		481.88	751.80
Total Revenue from Operations		277013.77	261869.98
B Other Income	22	160.70	121.87
C Grants and Subsidies	23	10508.11	6700.65
Total Income (A + B + C)		287682.58	268692.50
II EXPENSES			
Purchase of Products	24	231796.49	220204.04
Changes in Inventories	25	0.00	1.91
Employee Benefit Expenses	26	13377.28	13401.23
Finance Costs	27	9084.67	6261.56
Depreciation and Amortization Expenses	28	703.59	742.00
Corporate Social Responsibility	29	278.27	230.60
Other Expenses	30	17546.99	13237.01
Fees and Commission Expenses	34	84.09	71.85
Total Expenses		272871.38	254150.20
III Profit before Exceptional Items and Tax		14811.20	14542.30
Exceptional Items (Refer point no. 4F(b) of Note-35)		-13.94	-6.20
IV Profit before Tax		14825.14	14548.50
Tax Expense	31		
Current Tax		3500.00	3500.00
Deferred Tax		310.68	234.25
Earlier Years		-33.81	-8.33
V Total Tax Expense		3776.87	3725.92
VI Profit after Tax for the period from Continuing Operations		11048.27	10822.58
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		11048.27	10822.58

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2023

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.23	For the Year Ended 31.03.22
XI Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment		35.69	94.70
Items that will not be reclassified to Profit or Loss - Actuarial Gain/Loss on Defined Benefit Plans		3.02	-141.37
Income Tax relating to Items that will not be reclassified to Profit or Loss		-9.73	11.75
Sub Total (A)		28.98	-34.92
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)		28.98	-34.92
XII Total Comprehensive Income for the period (X + XI) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		11077.25	10787.66
XIII Earnings per Equity Share (for Continuing Operations)	32		
Basic (₹)		20.73	20.31
Diluted (₹)		20.73	20.31
XIV Contingent Liabilities	33 (i)	3974.46	1286.20
XV Capital Commitments	33 (ii)	986.82	3296.75
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 : 28.08.2023

UDIN : 23099172BGVZAT9630

For and on behalf of Board of Directors

Sd/-

Gaurav Gulati

Director (Finance)

[DIN: 10144109]

Sd/-

Vipul Goel

Chairman-cum-Managing Director

[DIN: 10229523]

Sd/-

Partha Majhi

General Manager (F&A)

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]

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 31.03.2023

(₹ in Lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Net (+)Profit/(-)Loss before Tax	14,825.14	14,548.50
Adjustment for Non-Cash / Non-Operating Items:		-
Depreciation and Amortisation Expenses	703.57	742.02
Gain on Sale/Disposal of Assets/Intangible	(13.94)	(10.70)
Losses on Sale/Disposal of Assets/Intangibles	-	4.51
Provisions & Contingencies (Terminal Benefits)	1,381.46	1,593.95
Provisions made during the year (Exchange Variation)	408.13	425.07
Bad Debts Written Off	17.35	7.75
Loss on Foreign Currency Transaction and Transition (Net)/(-)Gain	-	(85.57)
Intt Accrued but not due on borrowings	8.52	13.01
Discounting Impact (Debit)	21.40	53.62
Discounting Impact (Credit)	(75.90)	(28.02)
Dividend Income	(61.78)	(2.35)
Interest on FDs/Deposits with Banks	(13.31)	(62.13)
Excess Provision Written Back-Others	(169.75)	(436.90)
Sundry Credit Balances Written Back	(114.69)	(314.15)
Excess Provision Written Back (Terminal Benefits)	(59.20)	(50.50)
Excess Provision Written Back (KFW Loans)	(138.24)	(274.01)
Operating Cash Flow before Working Capital Changes:	16,718.77	16,124.08
Adjustment for Working Capital Changes:		
Trade Recivables	(2,258.92)	4,649.80
Other Fin. Assets	476.31	(661.73)
Inventories	0.78	8.67
Current Tax Assets	(240.78)	(1,056.50)
Loans & Advances	(17,894.81)	(16,472.06)
Other Non Fin. Assets	(2,533.14)	(696.81)
Trade Payables	2,230.99	(4,633.29)
Other Fin. Liabilities	1,170.63	4,329.41
Provisions	(1,359.07)	(1,308.31)
Other Liabilities	(2,836.03)	301.31
Cash Flow before Tax:	(6,525.26)	584.58
Taxes Paid	(2,712.28)	(3,086.61)
(A) Net Operating Cash (+)Inflow / (-)Outflow	(9,237.54)	(2,502.04)
Cash Flow from Investing Activities:		
Sale Proceeds of Assets	35.86	26.74
Increase in PPE and Capital W.I.P.	(589.00)	(417.37)
Investment in SRI Fund	(3.73)	(1.78)
Investment in Term Deposits (Inflow)	(3.61)	24.83

	As at 31.03.2023	As at 31.03.2022
Dividend from Investments	61.78	2.35
Interest on Bank Deposits	13.32	62.13
(B) Net Investing Cash (+)Inflow / (-)Outflow	(485.38)	(303.12)
Cash Flow from Financing Activities:		
(+) Increase / (-) Decrease in Borrowings (Short Term)	3,269.74	9,486.99
(+) Increase / (-) Decrease in Borrowings (Long Term)	111.38	(24.67)
Dividend Paid	(3,317.05)	(3,177.66)
(C) Net Financing Cash (+)Inflow / (-)Outflow	64.07	6,284.66
(A) Net Cash (+)Inflow / (-)Outflow From Operating Activities	(9,237.54)	(2,502.04)
(B) Net Cash (+)Inflow / (-)Outflow from Investing Activities	(485.38)	(303.12)
(C) Net Cash (+)Inflow / (-)Outflow from Financing Activities	64.07	6,284.66
Net Cash (+)Inflow / (-)Outflow	(9,658.86)	3,479.50
Add.: Cash & Cash Equivalents at beginning of the year	18,555.25	15,075.75
Cash & Cash Equivalents at the end of the year	8,896.38	18,555.25
Cash & Cash Equivalents as per Balance Sheet - Note 3	8,896.38	18,555.25

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

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

Note :

1. The above Cash Flow statement has been prepared by using the Indirect Method as per IndAS-7 Statement of Cash Flow.
2. Cash and Cash Equivalent (including bank balances) consist of cash and other bank balances.
3. Previous year's figures have been regrouped/rearranged wherever necessary.
4. We are a NBFC and Interest Paid has been considered as operating expenditure.

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 : 28.08.2023

UDIN : 23099172BGVZAT9630

For and on behalf of Board of Directors

Sd/-

Gaurav Gulati
Director (Finance)
[DIN: 10144109]

Sd/-

Vipul Goel
Chairman-cum-Managing Director
[DIN: 10229523]

Sd/-

Partha Majhi
General Manager (F&A)

Sd/-

Nishtha Goyal
Company Secretary
[Membership No.: A22768]

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.
[CIN No. : U74140DL1955GOI002481]
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2023

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
2021-22	53298.80	0.00	53298.80	0.00	53298.80
2022-23	53298.80	0.00	53298.80	0.00	53298.80

(₹ in lakh)

B : OTHER EQUITY

Particulars	Reserve & Surplus				Other Comprehensive Income		
	Capital Reserves	Capital Replacement 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 31st March 2021	3831.31	73.09	43606.37	4866.65	4015.70	187.96	-415.44
Changes due to Accounting Policy	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes due to Prior Period Errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the period	0.00	0.00	10822.58	0.00	0.00	0.00	0.00
Other Comprehensive Income	0.00	0.00	0.00	0.00	0.00	94.71	-141.37
Total Comprehensive Income	0.00	0.00	10822.58	0.00	0.00	94.71	-141.37
Dividend for the year 2020-21	0.00	0.00	-3177.67	0.00	0.00	0.00	0.00
Transfer / Adjustment during the year	685.81	0.00	-2164.51	0.00	2164.51	0.00	0.00
Depreciation for the year	-361.14	0.00	0.00	0.00	0.00	0.00	0.00
Income tax relating to defined benefit plans	0.00	0.00	0.00	0.00	0.00	0.00	35.58
Income tax relating to Equity Investments	0.00	0.00	0.00	0.00	0.00	-23.84	0.00
Balance as at 31st March 2022	4155.98	73.09	49086.77	4866.65	6180.21	258.83	-521.23
Changes due to Accounting Policy	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes due to Prior Period Errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the period	0.00	0.00	11048.27	0.00	0.00	0.00	0.00
Other Comprehensive Income	0.00	0.00	0.00	0.00	0.00	35.69	3.02
Total Comprehensive Income	0.00	0.00	11048.27	0.00	0.00	35.69	3.02

(₹ in lakh)

Particulars	Reserve & Surplus					Other Comprehensive Income		Total
	Capital Reserves	Capital Redemption Reserve	Retained Earnings	Impairment Reserve	Statutory Reserve- u/s 45(IC of RBI Act 1934	Equity Instruments through Other Comprehensive Income	Defined Benefits Plans through Other Comprehensive Income	
Transfer / Adjustment during the year	563.38	0.00	-2209.66	0.00	2209.66	0.00	0.00	563.38
Dividend for the year 2021-22	0.00	0.00	-3317.05	0.00	0.00	0.00	0.00	-3317.05
Depreciation for the year	-375.41	0.00	0.00	0.00	0.00	0.00	0.00	-375.41
Income tax relating to Defined benefit plans	0.00	0.00	0.00	0.00	0.00	0.00	-0.75	-0.75
Income tax relating to Equity Investments	0.00	0.00	0.00	0.00	0.00	-8.98	0.00	-8.98
Balance as at 31st March 2023	4343.95	73.09	54608.33	4866.65	8389.87	285.54	-518.96	72048.47

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 : 28.08.2023

UDIN : 23099172BGGVZAT9630

For and on behalf of Board of Directors

Sd/-

Gaurav Gulati

Director (Finance)

[DIN: 10144109]

Sd/-

Vipul Goel

Chairman-cum-Managing Director

[DIN: 10229523]

Sd/-

Partha Majhi

General Manager (F&A)

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]

NOTE-3 : CASH & CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Cash & Cash Equivalents		
Cash on Hand *	0.30	0.80
Cheques, Drafts on Hand	0.00	0.00
Remittance in Transit	0.00	0.00
Balance with Banks:		
Current Account	8567.66	14074.68
Others **	328.40	4479.75
Stamps on Hand	0.02	0.02
As per Balance Sheet	8896.38	18555.25

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 31.03.23	As At 31.03.22
Deposits		
Term Deposits	62.44	58.83
As per Balance Sheet	62.44	58.83

Note :- Term Deposits amounting to ₹ 62.44 lakh (₹ 58.83 lakhs) are for more than 3 months and are lien marked.

NOTE-5 : TRADE RECEIVABLES (AT ORIGINAL COST)

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Trade Receivables		
Secured Considered Good	16303.10	14062.35
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	1616.02	1759.35
	17919.12	15821.70
Less: Seized Leased Suspense	50.71	50.72
Less: Penal Interest Suspense	284.48	294.17
	17583.93	15476.81
Less: Cheques sent for Collection	0.00	0.82
Less: Impairment Loss Allowance	1280.83	1414.46
As per Balance Sheet	16303.10	14061.53
Geographical Classification of Trade Receivables :		
In India	16303.10	14061.53
Outside India	0.00	0.00
Total	16303.10	14061.53

ANNEXURE - 5A : TRADE RECEIVABLES (AGEWISE SUMMARY)

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Undisputed Trade Receivables Considered Good		
Less than equal to 6 Months	5184.12	2571.51
Over 6 Months - Less than equal to 1 Year	2051.12	4520.12
Over 1 Year - Less than equal to 2 Years	3305.10	1073.96
Over 2 Year - Less than equal to 3 Years	720.05	2610.05
Over 3 Years	5001.96	3245.95
Sub Total	16262.35	14021.59
Disputed Trade Receivables Considered Good		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	40.76	40.76
Sub Total	40.76	40.76
Undisputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
Less than equal to 6 Months	2.07	0.53
Over 6 Months - Less than equal to 1 Year	0.69	26.03
Over 1 Year - Less than equal to 2 Years	99.14	134.48
Over 2 Year - Less than equal to 3 Years	14.77	66.40
Over 3 Years	696.11	709.24
Sub Total	812.78	936.68
Disputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	803.23	822.66
Sub Total	803.23	822.66
	17919.12	15821.69

Particulars	As At 31.03.23	As At 31.03.22
Less: Seized Lease Suspense	50.71	50.71
Less: Penal Interest Suspense	284.48	294.17
	17583.93	15476.81
Less: Cheques sent for Collection	0.00	0.82
Less: Impairment Loss Allowance	1280.83	1414.46
Total	16303.10	14061.53
Geographical Classification of Trade Receivables :		
In India	16303.10	14061.53
Outside India	0.00	0.00
Total	16303.10	14061.53

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

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
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	757.37	776.42
	757.37	776.42
Less: Penal Interest Suspense	239.40	243.23
	517.97	533.19
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	517.97	533.19
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	165.85	189.89
	165.85	189.89
Less: Seized Lease Suspense	50.71	50.72
Less: Penal Interest Suspense	44.40	50.26
	70.74	88.91
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	70.74	88.91
Sub Total	0.00	0.00
TRADE RECEIVABLES - MARKETING		
Secured Considered Good	15980.03	13550.65
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	259.61	259.61
	16239.64	13810.26

Particulars	As At 31.03.23	As At 31.03.22
Less: Penal Interest Suspense	0.00	0.00
	16239.64	13810.26
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	259.61	259.61
Sub Total	15980.03	13550.65
TRADE RECEIVABLES - OTHERS		
Secured Considered Good	323.07	511.70
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	433.19	533.43
	756.26	1045.13
Less: Penal Interest Suspense	0.68	0.68
	755.58	1044.45
Less: Cheques sent for Collection	0.00	0.82
Less: Impairment Loss Allowance	432.51	532.75
Sub Total	323.07	510.88
Total	16303.10	14061.53

ANNEXURE - 5C : AGEWISE CLASSIFICATION OF TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
TRADE RECEIVABLES - HIRE PURCHASE		
Undisputed Trade Receivables Considered Good		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivables Considered Good		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00

Particulars	As At 31.03.23	As At 31.03.22
Disputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	361.41	373.46
Sub Total	361.41	373.46
Disputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	395.96	402.96
Sub Total	395.96	402.96
	757.37	776.42
Less: Penal Interest Suspense	239.40	243.23
	517.97	533.19
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	517.97	533.19
Sub Total	0	0
TRADE RECEIVABLES - LEASING		
Undisputed Trade Receivables Considered Good		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivables Considered Good		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00

Particulars	As At 31.03.23	As At 31.03.22
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	65.85	77.66
Sub Total	65.85	77.66
Disputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	100.00	112.22
Sub Total	100.00	112.22
	165.85	189.88
Less: Seized Lease Suspense	50.71	50.71
Less: Penal Interest Suspense	44.40	50.26
	70.74	88.91
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	70.74	88.91
Sub Total	0	0

TRADE RECEIVABLES - MARKETING

Undisputed Trade Receivables Considered Good

Less than equal to 6 Months	4976.82	2141.57
Over 6 Months - Less than equal to 1 Year	2044.20	4514.19
Over 1 Year - Less than equal to 2 Years	3298.59	1033.98
Over 2 Year - Less than equal to 3 Years	683.74	2609.68
Over 3 Years	4941.66	3216.21
Sub Total	15945.01	13515.63

Disputed Trade Receivables Considered Good

Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00

Particulars	As At 31.03.23	As At 31.03.22
Over 3 Years	35.02	35.02
Sub Total	35.02	35.02
Undisputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	214.85	214.85
Sub Total	214.85	214.85
Disputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	44.76	44.76
Sub Total	44.76	44.76
	16239.64	13810.26
Less: Penal Interest Suspense	0.00	0.00
	16239.64	13810.26
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	259.61	259.61
Sub Total	15980.03	13550.65
TRADE RECEIVABLES - OTHERS		
Undisputed Trade Receivables Considered Good		
Less than equal to 6 Months	207.30	429.94
Over 6 Months - Less than equal to 1 Year	6.92	5.93
Over 1 Year - Less than equal to 2 Years	6.51	39.98
Over 2 Year - Less than equal to 3 Years	36.31	0.37
Over 3 Years	60.30	29.74
Sub Total	317.34	505.96

Particulars	As At 31.03.23	As At 31.03.22
Disputed Trade Receivables Considered Good		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	5.74	5.74
Sub Total	5.74	5.74
Undisputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
Less than equal to 6 Months	2.07	0.53
Over 6 Months - Less than equal to 1 Year	0.69	26.03
Over 1 Year - Less than equal to 2 Years	99.14	134.48
Over 2 Year - Less than equal to 3 Years	14.77	66.40
Over 3 Years	54.00	43.27
Sub Total	170.67	270.71
Disputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	262.51	262.72
Sub Total	262.51	262.72
	756.26	1045.13
Less: Penal Interest Suspense	0.68	0.68
	755.58	1044.45
Less: Cheques sent for Collection	0.00	0.82
Less: Impairment Loss Allowance	432.51	532.75
Sub Total	323.07	510.88
Total	16303.10	14061.53

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

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Loans & Advances		
Secured by Tangible Assets	1152.18	1157.74
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	262376.67	243229.82
Unsecured	13998.86	15597.38
	277527.71	259984.94
Less: Additional/Normal Interest Suspense	669.77	953.66
	276857.94	259031.28
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	11209.90	11481.13
As per Balance Sheet	265648.04	247550.15
Geographical Classification of Loans and Advances :		
In India	265648.04	247550.15
Outside India	0.00	0.00
Total	265648.04	247550.15
Loans & Advances to PSUs and Others :		
To PSUs	3507.23	4752.83
To Others	262140.81	242797.32
Total	265648.04	247550.15

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

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Loans & Advances to Employees		
Secured by Tangible Assets	21.11	26.67
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00
Unsecured	23.92	12.36
	45.03	39.03
Less Additional/Normal Interest Suspense	0.00	0.00
	45.03	39.03
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	0.00	0.03
	45.03	39.00
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	4637.78	5903.29
	4637.78	5903.29

Particulars	As At 31.03.23		As At 31.03.22	
Less: Additional/Normal Interest Suspense	0.00		0.00	
	4637.78		5903.29	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	48.56	4589.22	52.90	5850.39
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	262376.67		243229.82	
Unsecured	9337.16		9681.73	
	272844.90		254042.62	
Less Additional/Normal Interest Suspense	669.77		953.66	
	272175.13		253088.96	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	11161.34	261013.79	11428.20	241660.76
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	265648.04		247550.15	

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 31.03.23		As At 31.03.22	
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	259503.47		240244.79	
Unsecured	7636.73		7981.31	
	268143.90		249229.80	
Less: Additional/Normal Interest Suspense	497.72		819.20	
	267646.18		248410.60	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	9440.30	258205.88	9706.57	238704.03
Bills Discounting				
Secured by Tangible Assets	127.37		127.37	
Secured by Intangible Assets	0.00		0.00	

Particulars	As At 31.03.23		As At 31.03.22	
Covered by Bank/Government Guarantees	2873.20		2985.03	
	1509.30		1509.29	
	4509.87		4621.69	
Less: Additional/Normal Interest Suspense	128.89		91.30	
	4380.98		4530.39	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	1573.07	2807.91	1573.66	2956.73
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		261013.79		241660.76

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

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Directors	0.00	0.00
Other Officers of the Company	45.03	39.00
Firm in which Director is a Partner	0.00	0.00
Private Company in which Director is a Member	0.00	0.00
Total	45.03	39.00

NOTE-7 : INVESTMENTS

(₹ in Lakh)

Particulars	As At 31.03.23		As At 31.03.22	
A. Investments in Equity Instruments in Subsidiary (at Original Cost)				
- 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
B. Investments in Others- NVCFL - SRI Fund (at Amortised Cost)				
Self Reliant India (SRI) Fund : 0.055 units @ ₹ 1 Crore per unit (0.018 units @ ₹ 1 Crore per unit)	5.52		1.78	
Less: Allowance for Impairment Loss	0.00	5.52	0.00	1.78
C. Investments in Equity Instruments at Fair Value (Through Other Comprehensive Income)				
Equity Instruments	314.76		279.07	
Less: Allowance for Impairment Loss	10.00	304.76	10.00	269.07
As per Balance Sheet	910.28		870.85	

Investments (Through Other Comprehensive Income at Fair Value)	As At 31.03.23	As At 31.03.22
Equity Shares of M/s Singer India Ltd. (470230 Shares of ₹ 2/- each fully paid after sub division as on 31.03.2023, Fair Value ₹ 64.81 per share) (470230 Shares of ₹ 2/- each fully paid after sub division as on 31.03.2022, Fair Value ₹ 57.22 per share)	304.76	269.07
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
Sub Total	314.76	279.07
Less : Allowance of Impairment Loss for Equity Shares of SIPPO	10.00	10.00
As per Balance Sheet	304.76	269.07

Geographical Classification of Investments :	As At 31.03.23	As At 31.03.22
In India	910.28	870.85
Outside India	0.00	0.00
Total	910.28	870.85

Note :- * Refer Sl. No. 4(Y)(F)(a) of Note-35

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

(₹ in Lakh)

Particulars	As At 31.03.23		As At 31.03.22	
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	278.08		263.67	
	278.08		263.67	
Less: Additional/Normal Interest Suspense	0.00		0.00	
	278.08		263.67	
Less: Impairment Loss Allowance	0.75	277.33	1.71	261.96
Sub Total		277.33		261.96
Other Financial Assets				
Receivables from Banks				
Interest	268.30		268.30	
Less: Impairment Loss Allowance	268.30	0.00	268.30	0.00
Others	934.28		1232.35	
Less: Impairment Loss Allowance	246.93	687.35	4.93	1227.42
Interest Accrued but not Due on Fixed/Short Term Deposits		1.25		10.16
Earnest Money Deposit Receivables		0.00		3.00
Retention Money Receivables		238.82		264.98
Discounting Impact of Security Deposit Payable		207.80		146.51
Discounting Impact of EMD Payable		0.00		0.00
Discounting Impact of Retention Money Payable		0.94		1.53
Exchange Account Balance with NVCFL		80.24		33.33
Sub Total		1216.40		1686.93
As per Balance Sheet		1493.73		1948.89

NOTE-9 : INVENTORIES

(₹ in Lakh)

Particulars	As At 31.03.23		As At 31.03.22	
Finished Goods		0.00		0.00
Stores and Spares		9.85		7.23
Loose Tools and Measuring Instruments		1.63		5.03
Land & Building in Stock, Industrial Estate, Naini *		0.00		0.00
Sub Total		11.48		12.26
Less: Impairment Loss Allowance		0.00		0.00
As per Balance Sheet		11.48		12.26

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 31.03.23	As At 31.03.22
TDS/TCS Deducted at Source	2459.21	1913.35
Advance Tax	8126.90	7585.89
Less: Provision for Income Tax	10400.00	8800.00
As per Balance Sheet	186.11	699.24

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

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Deferred Tax Assets	5757.48	5744.98
Less : Deferred Tax Liabilities	2229.34	1896.41
As per Balance Sheet	3528.14	3848.57

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

NOTE-12 : PROPERTY, PLANT & EQUIPMENT

(₹ in Lakh)

Particulars	Net Carrying Amount as at 31.03.2023	Net Carrying Amount as at 31.03.2022
Land	47.57	47.95
Building	22871.86	22540.38
Furniture & Fittings	300.34	336.65
Office Equipments	338.16	300.85
Vehicle	10.37	14.83
Plant & Equipment	5152.55	5102.57
Total Property, Plant and Equipment	28720.85	28343.23
Assets Classified as Held for Sale	0.21	0.21
Software and Software under Development	93.97	106.34
Right to Use Assets	54.16	55.00
Capital Work in Progress	437.42	750.33

(₹ in Lakh)

Particulars	GROSS BLOCK						ACCUMULATED DEPRECIATION					LTA		NET BLOCK	
	As At 01/04/22	Additions	Sale	Acquired through Business Combination	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	Cost As At 31/03/23	As At 01/04/22	Depreciation Charge for the Year	Sales	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	As At 31/03/23	As At 31/03/22	As At 31/03/22
TANGIBLE ASSETS															
OWN ASSETS															
Building	23165.86	0.00	8.09	0.00	0.00	0.00	23157.77	2237.02	370.40	0.21	0.00	0.00	2607.21	0.00	20550.56
Furniture & Fittings	615.13	26.25	7.36	0.00	0.00	0.00	634.02	419.72	37.76	2.08	0.00	0.00	455.40	0.00	178.62
Land	34.62	0.00	0.00	0.00	0.00	0.00	34.62	4.19	0.28	0.00	0.00	0.00	4.47	0.00	30.15
Office Equipments	962.17	108.50	15.94	0.00	0.00	-8.01	1062.74	828.30	51.47	12.24	0.00	-5.26	872.79	0.00	189.95
Vehicle	87.16	0.00	7.10	0.00	0.00	0.00	80.06	73.10	4.08	6.76	0.00	0.00	70.42	0.00	9.84
Plant & Equipment	2558.47	4.85	28.02	0.00	0.00	9.09	2526.21	1009.96	78.54	26.51	0.00	5.97	1056.02	0.00	1470.19
Total	27423.41	139.60	66.51	0.00	0.00	1.08	27495.42	4572.29	542.53	47.80	0.00	0.71	5066.31	0.00	22429.11
LEASED ASSETS															
Plant & Equipments	48.40	0.00	15.24	0.00	0.00	0.00	33.16	35.59	0.00	15.24	0.00	0.00	20.35	12.77	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
ASSETS ACQUIRED OUT OF GOVT. GRANTS															
Land	23.04	0.00	0.00	0.00	0.00	0.00	23.04	5.52	0.10	0.00	0.00	0.00	5.62	0.00	17.42
Building	1009.30	0.00	0.00	0.00	0.00	-677.46	1686.76	475.85	27.33	0.00	0.00	0.00	503.18	0.00	1183.58
Furniture & Fittings	179.96	3.51	0.00	0.00	0.00	0.00	183.47	109.03	14.23	0.00	0.00	0.00	123.26	0.00	60.21
Office Equipments	943.84	3.44	0.08	0.00	0.00	0.00	947.20	832.16	44.49	0.08	0.00	0.00	876.57	0.00	70.63
Vehicle	11.16	0.00	0.72	0.00	0.00	0.00	10.44	10.67	0.00	0.68	0.00	0.00	9.99	0.00	0.45
Plant & Equipment	5204.68	332.99	6.75	0.00	0.00	0.00	5530.92	2347.62	276.99	6.41	0.00	0.00	2618.20	0.00	2912.72
Total	7371.98	339.94	7.55	0.00	0.00	-677.46	8381.83	3780.85	363.14	7.17	0.00	0.00	4136.82	0.00	4245.01
ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES															
Building	1307.39	46.92	2.53	0.00	0.00	-45.95	1397.73	229.30	30.71	0.00	0.00	0.00	260.01	0.00	1137.72
Furniture & Fittings	166.47	5.63	0.00	0.00	0.00	0.00	172.10	96.16	14.43	0.00	0.00	0.00	110.59	0.00	61.51
Office Equipments	649.71	37.56	3.08	0.00	0.00	0.00	684.19	594.41	15.13	2.93	0.00	0.00	606.61	0.00	77.58
Plant & Equipment	1106.23	152.46	0.26	0.00	0.00	0.00	1258.43	410.15	79.80	0.24	0.00	0.00	489.71	0.00	768.72
Vehicle	5.67	0.00	0.00	0.00	0.00	0.00	5.67	5.39	0.00	0.00	0.00	0.00	5.39	0.00	0.28
TOTAL	3235.47	242.57	5.87	0.00	0.00	-45.95	3518.12	1335.41	140.07	3.17	0.00	0.00	1472.31	0.00	2045.81
SUB TOTAL- TANGIBLE ASSETS	38138.61	722.11	95.17	0.00	0.00	-722.33	39487.88	9733.81	1045.74	73.38	0.00	0.71	10705.46	61.57	28720.85
PREVIOUS YEAR	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	61.57	28343.23

(₹ in Lakh)

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION					LTA		NET BLOCK	
	As At 01/04/22	Additions	Sale	Acquired through Business Combination	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	Cost As At 31/03/23	As At 01/04/22	Depreciation Charge for the Year	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	As At 31/03/23	As At 31/03/23	As At 31/03/22
INTANGIBLE ASSETS														
OWN ASSETS														
Computer Software	193.75	3.34	0.34	0.00	0.00	-1.08	197.83	157.67	16.10	0.26	-0.71	174.22	0.00	23.61
ASSETS ACQUIRED OUT OF GOVT. GRANT														
Computer Software	109.08	0.00	0.00	0.00	0.00	0.00	109.08	75.10	12.27	0.00	0.00	87.37	0.00	21.71
ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES														
Computer Software	248.28	4.16	0.00	0.00	0.00	0.00	252.44	235.39	4.05	0.00	0.00	239.44	0.00	13.00
Right to Use Assets														
Right to Use Assets	57.67	0.00	0.00	0.00	0.00	0.00	57.67	2.67	0.84	0.00	0.00	3.51	0.00	54.16
SUB TOTAL-INTANGIBLE ASSETS	608.78	7.50	0.34	0.00	0.00	-1.08	617.02	470.83	33.26	0.26	-0.71	504.54	0.00	112.48
PREVIOUS YEAR	592.06	17.45	0.73	0.00	0.00	0.00	608.78	417.43	53.61	0.21	0.00	470.83	0.00	137.95
CAPITAL WORK IN PROGRESS														
Capital Work in Progress	231.81	251.56	0.00	0.00	0.00	45.95	437.42	0.00	0.00	0.00	0.00	0.00	0.00	231.81
PREVIOUS YEAR	246.81	3.42	0.00	0.00	18.42	231.81	0.00	0.00	0.00	0.00	0.00	231.81	0.00	285.57
CWIP Acquired out of Govt. Grant	518.52	158.94	0.00	0.00	0.00	677.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	518.52
PREVIOUS YEAR	176.63	423.97	0.00	0.00	0.00	82.08	518.52	0.00	0.00	0.00	0.00	0.00	0.00	176.63
SUB TOTAL-CAPITAL WORK IN PROGRESS	750.33	410.50	0.00	0.00	0.00	723.41	437.42	0.00	0.00	0.00	0.00	0.00	0.00	750.33
PREVIOUS YEAR	423.44	427.39	0.00	0.00	0.00	100.50	750.33	0.00	0.00	0.00	0.00	0.00	0.00	423.44
INTANGIBLE ASSETS UNDER DEVELOPMENT														
OWN ASSETS														
Computer Software	23.39	12.26	0.00	0.00	0.00	0.00	35.65	0.00	0.00	0.00	0.00	0.00	0.00	23.39
PREVIOUS YEAR	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
ASSETS CLASSIFIED AS HELD FOR SALE														
Assets Classified as Held for Sale (Owned Assets)	4.24	0.00	0.11	0.00	0.00	0.00	4.13	4.03	0.00	0.11	0.00	3.92	0.00	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	4.24	0.00	0.11	0.00	0.00	0.00	4.13	4.03	0.00	0.11	0.00	3.92	0.00	0.21
GRAND TOTAL	39525.35	1152.37	95.62	0.00	0.00	0.00	40582.10	10208.67	1079.00	73.75	0.00	11213.92	61.57	29306.61
PREVIOUS YEAR	38499.51	1103.18	96.99	0.00	0.00	-19.65	39525.35	9181.97	1103.14	76.44	0.00	10208.67	61.57	29255.97

Note :- 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 31.03.23	As At 31.03.22
Agewise Classification of CWIP		
Projects in Progress		
Less than equal to 1 Year	209.03	3.42
Over 1 Year - Less than equal to 2 Years	0.00	132.03
Over 2 Years - Less than equal to 3 Years	132.03	6.96
Over 3 Years	96.36	89.40
Sub Total	437.42	231.81
Projects Temporarily Suspended		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Total	437.42	231.81
Projects whose completion is overdue or exceeded original cost		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Total	0.00	0.00
Agewise Classification of CWIP (Acquired out of Grant)		
Projects in Progress		
Less than equal to 1 Year	0.00	423.97
Over 1 Year - Less than equal to 2 Years	0.00	94.55
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	518.52
Projects Temporarily Suspended		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Total	0.00	518.52
Projects whose completion is overdue or exceeded original cost		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Total	0.00	0.00
Agewise Classification of Intangible Assets under Development		
Projects in Progress		
Less than equal to 1 Year	12.26	0.00
Over 1 Year - Less than equal to 2 Years	0.00	23.39

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Over 2 Years - Less than equal to 3 Years	23.39	0.00
Over 3 Years	0.00	0.00
Sub Total	35.65	23.39
Projects Temporarily Suspended		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Total	35.65	23.39
Projects whose completion is overdue or exceeded original cost		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Total	0.00	0.00

NOTE-13 : OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Capital Advances		
With CPWD & Others	9.67	159.60
Add: Interest Accrued on Capital Advance	0.00	9.67
With Contractors (Against Govt. Grant)	77.22	12.36
Add: Interest Accrued on Capital Advance	0.00	77.22
Sub Total	86.89	171.96
Other Deposits with Tax Authorities	1368.63	545.45
Other Non Financial Assets #	3016.95	1224.45
Less: Additional/Normal Interest Suspense	0.00	0.00
Less: Impairment Loss Allowance	0.93	3.45
As per Balance Sheet	4471.54	1938.41

Note :- # Includes Advance paid to outside parties against Government Grants, prepaid expenses, advance paid to outside parties, amount deposited with court and rates & taxes paid in advance.

NOTE-14 : TRADE PAYABLES

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Trade Payables		
Outstanding Dues of MSEs	16463.62	14348.24
Outstanding Dues of Non-MSEs	113.32	16576.94
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	16576.94	14460.64

Note :- Refer Sl. No. 1 of Note-35

ANNEXURE - 14A : TRADE PAYABLE (AGEWISE SUMMARY)

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Undisputed Trade Payables - Dues of MSEs		
Less than equal to 1 Year	7220.47	6766.60
Over 1 Year - Less than equal to 2 Years	3340.10	1298.89
Over 2 Year - Less than equal to 3 Years	820.56	2559.05
Over 3 Years	4916.65	3499.75
Sub Total	16297.78	14124.29
Disputed Trade Payables - Dues of MSEs		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	165.84	223.94
Sub Total	165.84	223.94
Total	16463.62	14348.23
Undisputed Trade Payables - Dues of Others		
Less than equal to 1 Year	3.61	2.10
Over 1 Year - Less than equal to 2 Years	0.04	0.32
Over 2 Year - Less than equal to 3 Years	0.32	7.66
Over 3 Years	88.50	90.23
Sub Total	92.47	100.31
Disputed Trade Payables - Dues of Others		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	20.85	12.10
Sub Total	20.85	12.10
Total	113.32	112.41
Grand Total	16576.94	14460.64

NOTE - 15 : BORROWINGS (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
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	147000.00	147500.00

(₹ in Lakh)

Particulars	As At 31.03.23		As At 31.03.22	
Cash Credit	3778.26		0.00	
Overdraft	0		0	
Term Loan	0.00	150778.26	0.00	147500.00
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		150778.26		147500.00
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	4808.71		4835.57	
Others	0	4808.71	0	4835.57
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		4808.71		4835.57
As per Balance Sheet		155586.97		152335.57
Geographical Classification of Borrowings :				
In India		150778.26		147500.00
Outside India		4808.71		4835.57
Total		155586.97		152335.57

Note :- Refer Sl. No. 4(H) 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 31.03.2023	
		As At 31.03.23	As At 31.03.22				Period	Amount
Secured Borrowings								
Bonds/Debentures								
Term Loans from:								
Banks								
Vijaya Bank		0.00	0.00	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	
State Bank of India		67000.00	127500.00		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		80000.00	0.00		Pari passu charge on book debts by the way hypothication	Nil	0	
		147000.00	127500.00					
Cash Credit								
Punjab National Bank		0.00	0.00		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	
Bank of Baroda (earlier Vijaya Bank)		0.00	0.00		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		3778.26	0.00		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	
		3778.26	0.00					

(₹ 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 31.03.2023	
	As At 31.03.23	As At 31.03.22				Period	Amount
Overdraft							
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	
Term Loan							
	0.00	0.00					
Indus Ind Bank	0.00	20000.00		Pari passu charge has the book debts including loans and advances of the company			
	0.00	20000.00					
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	150778.26	147500.00					
Unsecured Borrowings							
Bonds/Deventures							
Term Loans from:							
Banks							
Other Parties from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							

(₹ 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 31.03.2023	
	As At 31.03.23	As At 31.03.22				Period	Amount
XIth LINE OF CREDIT	2249.39	2231.91	Half-Yearly		Guaranteed by Government of India		
XIIth LINE OF CREDIT	1988.81	2021.90	Half-Yearly		Guaranteed by Government of India		
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	570.51	581.76	Half-Yearly		Guaranteed by Government of India		
	4808.71	4835.57					
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	4808.71	4835.57					
Total	155586.97	152335.57					

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 31/03/23 (in Euro)	2471585.01	2185261.45	62686.61
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 31.03.2023 in Euro	602237.43	616802.03	93705.76
Hedging	-	-	-

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

(₹ in Lakh)

Particulars	As At 31.03.2023	As At 31.03.2022
Advance from RMA / AWRT Buyers - Units	1632.78	2158.90
Discount Payable	1875.44	1667.69
A/c Payable for Bulk Supplies (RMA / AWRT)	2195.73	3330.95
Payable to Rating/Credit Information Agencies	12.29	17.91
Security Deposit Payable	2312.35	2042.01
Earnest Money Deposits (EMD)	37.43	44.93
Retention Money	1035.81	1121.46
Payable for Projects	850.44	834.85
Credit Balance in Trade Receivables	4.78	37.18
Interest Accrued But Not Due on Borrowings/CSD	8.52	13.01
Amount Payable for Training	71.84	72.56
Other Payables - Employees	2380.86	3258.15
Current Liability for Expenses	890.68	859.88
Other Payables - Taxes	599.87	657.02
Other Payables #	210.58	246.39
Commitment Advance Received - Exhibitions	22.16	36.07
Amount Payable to Government of India against Surplus in Grants (Net)	5579.05	5164.42
Discounting Impact of Security Deposit Receivables	25.79	16.02
Discounting Impact of Retention Money Receivables	1.12	1.93
As per Balance Sheet	19747.52	21581.33

Note: # Includes government guarantee payable, godown handling charges payable, lease liability as per Ind AS-116 etc.

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 31/03/23	
	Deficit	Surplus							Deficit	Surplus
Marketing Assistance Scheme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Marketing Assistance Scheme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Performance and Credit Rating Scheme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Performance and Credit Rating Scheme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
International Co-operation, Modernization & Technology Upgradation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assistance for Training to Institutions	0.00	1222.98	2863.46	-2053.41	563.74	296.72	860.46	860.46	0.00	1172.57
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	1222.73	2907.56	-2053.41	563.74	340.82	904.56	904.56	0.25	1172.32
National Entrepreneurship Award Scheme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Entrepreneurship and Skill Development Programmes (ESDP)	0.00	0.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.74
Training cum Incubation	0.00	16.22	0.35	0.00	0.00	0.00	0.00	0.00	0.00	16.57
National SC-ST Hub (NSSH)	0.00	2748.16	9619.90	-1645.39	0.00	7993.84	7993.84	7993.84	0.00	2728.83
NSSH - SCSP	0.00	775.88	2281.05	-525.89	0.00	1842.61	1842.61	1842.61	0.00	688.43
NSSH - TSP	0.00	85.23	115.02	-34.73	0.00	61.80	61.80	61.80	0.00	103.72
NSSH - NER (SCSP)	0.00	304.73	1365.69	-249.94	0.00	984.06	984.06	984.06	0.00	436.42
NSSH - General	0.00	10.38	885.00	0.00	0.00	408.05	408.05	408.05	0.00	487.33
NSSH - NER (TSP)	0.00	3924.38	14266.66	-2455.95	0.00	11290.36	11290.36	11290.36	0.00	4444.73
Sub Total	0.00	3924.38	14266.66	-2455.95	0.00	11290.36	11290.36	11290.36	0.00	4444.73
Procurement and Marketing Support Scheme (PMSS)	0.00	0.35	95.20	0.00	0.00	150.86	150.86	150.86	55.31	0.00
International Co-operation (IC) Scheme	0.00	0.00	9.26	0.00	0.00	9.26	9.26	9.26	0.00	0.00
Total	0.00	5164.42	17279.03	-4509.36	563.74	11791.30	12355.04	12355.04	0.00	5579.05
Net Surplus / (Deficit)									5579.05	
Previous Year Surplus / (Deficit)									5164.42	

NOTE-17 : PROVISIONS

(₹ in Lakh)

Particulars	As At 31.03.23		As At 31.03.22	
Provisions for Employee Benefits				
For Gratuity	5383.82		5200.40	
For Leave Encashment	3250.23		3156.28	
For Half Pay Leave	524.27		508.11	
For TA on Retirement	4.04	9162.36	3.92	8868.72
Others				
For Doubtful Debts & Advances	13007.63		13173.98	
Less: Adjustment as per contra against Trade Receivables, Loans & Advances, etc.	13007.63	0.00	13173.98	0.00
For Exchange Variation				
Balance as per last Balance Sheet	2175.00		1977.70	
Add: Provision made during the Year	408.13		425.07	
Less: Utilised for Exchange Variation Losses	242.49		3.58	
Less: Amount Written Back	90.98	2249.66	224.19	2175.00
For Promotional Activity (KFW)				
Balance as per last Balance Sheet	0.00		0.00	
Add: Provision made during the Year	47.26		49.84	
Less: Amount Utilized/Written Back	47.26	0.00	49.84	0.00
As per Balance Sheet		11412.02		11043.72

Note :- For Employee Benefit's Provisions refer Sl. No. 4(l) of Note-35

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

2022-23

(₹ in Lakh)

Particulars	Opening Balance as on 01.04.2022	Additions during the year	Utilizations/ Reversals/ Adjustments	Amount Written Back during the year	Closing Balance as on 31.03.2023
For Gratuity	5200.40	610.21	425.97	0.82	5383.82
For Leave Encashment	3156.29	686.93	574.97	18.02	3250.23
For Half Pay Leave	508.11	83.91	27.61	40.14	524.27
For TA on Retirement	3.92	0.41	0.07	0.22	4.04
For Doubtful Debts	13173.98	241.99	0.00	408.34	13007.63
For Exchange Variation	2175.00	408.13	242.49	90.98	2249.66
For Promotional Activity	0.00	47.26	47.26	0.00	0.00
Total	24217.70	2078.84	1318.37	558.52	24419.65

2021-22

(₹ 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	425.07	3.58	224.19	2175.00
For Promotional Activity	0.00	49.84	49.84	0.00	0.00
Total	23347.18	2547.17	992.62	684.03	24217.70

NOTE-18 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As At 31.03.2023	As At 31.03.2022
Income Received in Advance	1347.76	1128.71
Other Payables #	794.89	842.77
Impact of Discounting on Employee Advance	4.48	7.25
As per Balance Sheet	2147.13	1978.73

Note :- # Includes a/c payable for SPRS, NSSH units, Duty Drawback, exhibition/delegation and other payables.

NOTE-19 : SHARE CAPITAL

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
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 BY GOVERNMENT OF INDIA AND PROMOTERS OVER 5% SHARE IN CORPORATION

Name of Shareholder	As At 31.03.23 No. of Share Held	As At 31.03.23 % of Holding	As At 31.03.22 No. of Share Held	As At 31.03.22 % of Holding
Promoter & Shareholder				
Government of India	53298800	100	53298800	100
Changes in Promoter & Shareholder 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				
	2022-23	2021-22	2020-21	2019-20	2018-19
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

Particulars	As At 31.03.23	As At 31.03.22
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 01.04.2022	Additions / Created During the Year	Deductions during the Year		At At 31.03.2023
			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	266.09	0.00	-41.78	32.76	275.11
Government Purchase Plan	0.41	0.00	0.00	0.00	0.41
Appropriate Technology	2.20	0.00	0.00	0.01	2.19
Modernization - Lock Project	10.45	0.00	0.00	0.00	10.45
Development of North East Region	17.34	0.00	0.00	0.01	17.33
Technology Business Incubator	60.91	0.00	0.00	7.29	53.62
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	1.30	0.00	0.00	0.02	1.28
Product Design Centre (PRIDE)	10.15	0.00	0.00	0.32	9.83
Technology Business Incubator (IT)	-0.01	0.00	0.00	0.00	-0.01
Laghu Udyog Mart(LUM)	188.27	0.00	0.00	7.15	181.12
Interest Differential Fund on KFW (West Germany) Loans	17.85	0.00	0.00	0.51	17.34
Technology Development of Baking Oven	0.02	0.00	0.00	0.00	0.02
DST-STEP (S&T Project)	20.03	0.00	0.00	4.50	15.53
Testing Fuel Efficient Diesel Engine (TFEDE)	0.36	0.00	0.00	0.00	0.36
Marketing Development Centre	59.93	0.00	0.00	1.53	58.40
Interest Differential Fund on S&T Project	0.65	0.00	0.00	0.00	0.65
Training cum Incubation-LBI/Aspire	222.90	0.00	89.31	14.20	119.39
Assistance for Training to Institutions	3271.84	563.75	-47.16	307.11	3575.64
NSSH - General	0.00	0.00	0.00	0.00	0.00
Sub Total	4155.98	563.75	0.37	375.41	4343.95
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	49086.77	11048.27	5526.71	0.00	54608.33
Equity Instruments through Other Comprehensive Income (OCI)	258.83	26.71	0.00	0.00	285.54
Actuarial Gain/Loss on Defined Benefit Plans through OCI	-521.23	0.00	-2.27	0.00	-518.96
Statutory Reserve - u/s 45 IC of RBI Act 1934 **	6180.21	2209.66	0.00	0.00	8389.87
As per Balance Sheet	64100.30	13848.39	5524.81	375.41	72048.47
Reserve against Assets Held for Sale	0	0	0	0	0

* Refer Point No. 4(Y)(A) of Note-35

** Refer Point No. 4(Y)(C) of Note-35

NOTE -21 : REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
REVENUE FROM OPERATIONS		
A Sales of Products		
Marketing Activity		
Marketing	13518.20	10350.71
Export	0.00	0.00
Raw Material Distribution	218973.46	210813.21
As per Statement of Profit & Loss	232491.66	221163.92
B Sale of Services		
Revenue from Single Point Registration Scheme (SPRS)	973.52	1072.10
Revenue from Digital Services Facilitation (DSF)	486.10	509.84
Application Processing Fees	2.64	3.10
Rent Received	4905.15	3502.67
House Keeping & Other Charges	1177.01	1170.33
Revenue from Training Activities	1642.97	1323.73
Revenue on account of Common Facilities	996.06	954.69
Project Consultancy Charges	0.00	0.00
Revenue from Training cum Incubation Center-LBI/Aspire (TIC)	43.36	87.04
Receipts from Exhibitions, Seminars, Meets, Conferences and Marketing Campaigns	18.79	13.72
Other Receipts from Services	9.40	10.75
Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)	739.01	439.90
As per Statement of Profit & Loss	10994.01	9087.87
C Interest Income		
AT ORIGINAL COST		
From Parties		
Normal	28225.69	26035.06
Penal Interest	6.74	3.39
From Deposits with Banks	4.41	61.50
From Employee Advance	0.75	0.67
From Others	2.61	1.92
Gain of Interest on Foreign Currency Transactions and Translation (Net)	0.00	0.00
AT AMORTISED COST		
Impact of Discounting on Financial Assets	75.90	28.02
Interest Income Employee/Amortised Cost	0.00	0.00
As per Statement of Profit & Loss	28316.10	26130.56

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23		For the Year Ended 31.03.22	
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 *	1641622.18	4334.52	1779183.57	4458.70
Miscellaneous Items **	42707.47	395.60	40234.54	277.13
As per Statement of Profit & Loss	1684329.65	4730.12	1819418.11	4735.83
E Other Operating Revenues				
Excess Provision Written Back:				
KFW	138.25		274.01	
Government Guarantee Fee	0.00		0.00	
Terminal Benefits	59.19		50.51	
Others #	169.75	367.19	27.56	352.08
Sundry Credit Balances Written Back		114.69		314.15
Gain on Foreign Currency Transactions and Translation (Net)		0.00		85.57
Net Gain/Loss of Fair Value Changes		0.00		0.00
As per Statement of Profit & Loss		481.88		751.80

Note :- - Sales are net of discounts, rebates etc. ₹ 8754.35 lakhs

* 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

Includes Provision for Doubtful Debts Written Back (Net) ₹ 166.35 lakhs (₹ Nil)

NOTE-22 : OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Interest on Income Tax Refunds	14.34	19.27
Miscellaneous Income	84.58	100.25
Dividend Income	61.78	2.35
As per Statement of Profit & Loss	160.70	121.87

NOTE-23 : GRANTS AND SUBSIDIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
For Promotional Activities	12355.05	8360.86
Less: Capital Expenditure (Net)	563.74	699.11
Less: Membership/ Inspection Fees, Training, Rent etc. under NSSH	92.34	203.97
Less: Training Fee - ATI	340.82	317.23
Less: Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)	739.01	439.90

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Less: Membership Fees, Advertisement etc. under B2B Scheme (PMSS)	111.03	0.00
Less: Amount Appropriated out of Govt Grants (As per Statement of Profit and Loss - Promotional)	0.00	0.00
As per Statement of Profit & Loss	10508.11	6700.65

NOTE-24 : PURCHASE OF PRODUCTS

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Marketing Activity		
Marketing	13518.15	10350.70
Export	0.00	0.00
Raw Material Distribution	218278.34	209853.34
As per Statement of Profit & Loss	231796.49	220204.04

Note :- Purchases are net of discounts, rebates etc. ₹ 9404.98 lakhs

NOTE-25 : CHANGES IN INVENTORIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Finished Goods:		
Closing Stock	0.00	0.00
Less: Opening Stock	0.00	1.91
Adjustment in Stock	0.00	0.00
Goods-In-Transit:		
Closing Stock	0.00	0.00
Less: Opening Stock	0.00	0.00
Adjustment in Stock	0.00	0.00
As per Statement of Profit & Loss	0.00	1.91

NOTE-26 : EMPLOYEES BENEFIT EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Salaries and Allowances	9368.88	9051.74
Contributions to:		
Provident Fund	782.86	754.18
Superannuation Scheme/Pension Scheme	660.95	619.79
Gratuity	631.99	588.24
Staff Welfare Expenses	145.15	116.47
Other Benefits	1721.91	2113.21
Directors (Including Chairman-Cum-Managing Director)		
Salaries and Allowances	52.34	110.03
Contributions to:		
Provident Fund	4.27	7.15
Superannuation Scheme/Pension Scheme	3.56	17.86
Gratuity	0.61	4.11
Other Benefits	4.76	18.45
As per Statement of Profit & Loss	13377.28	13401.23

NOTE-27 : FINANCE COSTS

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23		For the Year Ended 31.03.22	
Interest on Borrowings:				
Kreditanstalt West Germany (KFW Loans)	487.14		508.41	
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	2.84		3.09	
Banks	8590.12		5742.88	
Others	0.00	9080.10	0.00	6254.38
Other Cost on Borrowing:				
Other Finance Charges		4.56		5.83
Interest Expenses on Employee Advance/Amortised Cost		0.01		1.35
As per Statement of Profit & Loss		9084.67		6261.56

NOTE-28 : DEPRECIATION & AMORTIZATION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23		For the Year Ended 31.03.22	
Depreciation on:				
Property, Plant & Equipments	683.44		708.16	
Leased Assets	0.00		0.00	
Property, Plant & Equipments acquired against Grants				
Depreciation as per Contra	375.41		361.14	
Less: Replacement Reserve as per Contra	375.41	0.00	361.14	0.00
Amortization of Intangible Assets	20.15		33.84	
Impairment Loss on Property, Plant & Equipments & Intangible Assets	0.00		0.00	
As per Statement of Profit & Loss		703.59		742.00

Note :- Depreciation on PPE includes depreciation for right of use assets ₹0.83 lakh (₹0.83 lakh)

Refer Note No. 12 and Sl. No. 4(F) of Note-35

NOTE-29 : CORPORATE SOCIAL RESPONSIBILITY

(₹ in Lakh)

Particulars	In Cash 31.03.2023	Yet to be Paid 31.03.2023	Total 31.03.2023	In Cash 31.03.2022	Yet to be Paid 31.03.2022	Total 31.03.2022
Construction/Acquisition of any Assets	0.00	0.00	0.00	0.00	0.00	0.00
On Purchase Other than above	278.27	0.00	278.27	230.60	0.00	230.60
As per Statement of Profit & Loss	278.27	0.00	278.27	230.60	0.00	230.60
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			278.27			223.53
Amount of expenditure incurred			278.27			224.10
Shortfall at the end of the year			0.00			-0.57
Total of previous years shortfall			0.00			-0.19
Reason for Shortfall			N/A			N/A
Nature of CSR activities			Refer N-1			Refer N-2
Detail of Related Party Transactions			NIL			NIL

Note :- * 1) Nature of CSR activity comprises Contribution to Swachh Bharat Kosh, Armed Forces Flag Day Fund, PM CARES Fund and provide Safe Drinking Water to the public through installation of 03 Community Water E-PIO Machines.

2) Nature of CSR activity comprises Contribution to Swachh Bharat Kosh, Armed Forces Flag Day Fund, PM CARES Fund and Clean Ganga Fund.

NOTE-30 : OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Electricity, Power & Water Charges	995.93	749.64
Printing & Stationery	92.38	76.38
Insurance	28.03	27.24
Travelling, Conveyance & Vehicle Charges	570.10	381.45
Freight and Octroi Expenses	25.18	22.72
Communication Expenses	98.68	95.08
Rent Paid	430.95	459.59
Recruitment Expenses	5.57	13.64
Licences, Rates & Taxes	276.36	256.00
Expense on Security & Other Allied Services	2103.91	2017.17
Repairs & Maintenance Expenses	662.65	620.24
Computer Maintenance Charges	14.44	23.69
Web Portal and Software Development, Maintenance Charges	18.72	7.95
Computer, Server etc., Hire Charges	64.55	45.57
Payments to Statutory Auditors	54.66	50.43
Payment to Internal auditors	36.93	35.23
Legal, Professional and Consultancy Charges	214.24	247.90
Directors' Sitting Fee	4.44	1.65
Directors' Other Expenses	19.32	14.66
Training Expenses	779.43	582.23
Common Facilities Charges	90.06	77.56
Expenses on Godown Operations	679.84	960.31
Infomediary Services Expenses	4.49	1.53
Business/Sales Promotion Expenses	86.94	44.05
Entertainment	31.60	16.88
Advertisement and Publicity	83.99	42.52
Miscellaneous Expenses	18.51	24.42
Bad Debts/Irrecoverable Advances Written Off	17.35	7.75
Expenditure on Exhibitions, Seminars and Conference	64.64	20.93
Expenses on Credit Information Report / PCRS	8.48	38.05
Expenses on Special Marketing Assistance Scheme (SMAS)	2421.92	674.51
Expenses on Others - NSSH	7437.07	5192.87
Expenses on Procurement & Marketing Support Scheme (PMSS)	39.83	248.17
Expenses on International Co-operation (IC) Scheme	9.26	0.00
Impact of Discounting on Financial Assets	21.39	52.27
Provision for Doubtful Debts	0.00	68.97
Expenses on SPRS	31.92	32.07
Interest/Fees/Penalty for Statutory Dues	3.23	5.69
As per Statement of Profit & Loss	17546.99	13237.01

ANNEXURE-30A : DETAILS OF OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Payment to Statutory Auditors for:		
Statutory Audit Fees	42.24	38.50
Tax Audit Fees	10.23	10.26
Other Taxation Matters	0.00	0.00
Company Law Matters	0.00	0.00
Management Services	0.00	0.00
Other Services	0.00	0.00
Reimbursement of Expenses	2.19	1.67
Total	54.66	50.43
Repairs & Maintenance Expenses on:		
Building	480.64	460.67
Machinery	46.18	43.23
Others	135.83	116.34
Total	662.65	620.24
Bad Debts/Irrecoverable Advance Written Off:		
Bad Debts Written Off	17.35	7.75
Irrecoverable Advances Written Off	0.00	0.00
PPE Written Off		
Losses Written Off	0.00	0.00
Less: Contra Adjustment to Losses Written Off	0.00	0.00
Total	17.35	7.75
Training Expenses on:		
Internal	431.22	362.16
Sponsored	187.99	93.57
Personal	4.42	3.92
ATI	90.73	68.83
Capacity Building (NSSH)	0.00	0.00
Others	65.07	53.75
Total	779.43	582.23
Expenses on Special Marketing Assistance Scheme:		
Participation in Domestic Exhibitions/Trade Fairs	1836.18	639.48
Participation in International Exhibitions/Trade Fairs Abroad	32.00	0.00
Organization Visit to Domestic Exhibitions/Trade Fairs	391.96	0.00
Organization Visit to International Exhibitions/Trade Fairs/ Seminars Abroad	6.47	0.00
Vendor Development Programmes	39.28	0.63
Organizing Workshops, Seminars, Awareness Campaigns	20.47	20.70
Mega Events- Organizing SC-ST conclaves/ conferences in partnership with industry associations/ organizations of M/o MSME"	95.56	13.70
Total	2421.92	674.51

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Expenses on International Co-operation (IC) Scheme:		
Visit of MSME Delegation in International Exhibitions, etc.	0.00	0.00
Participation of MSME Delegation in International Exhibitions, etc.	9.26	0.00
Holding/Organising International Conferences, etc.	0.00	0.00
Holding/Organising Mega International Exhibitions, etc.	0.00	0.00
Sending MSME Delegation to International Exhibitions, etc.	0.00	0.00
Total	9.26	0.00
Interest/Fees/Penalty for Statutory Dues		
Interest Paid for Late Deposit of TDS	1.22	2.49
Interest Paid for Late Deposit of GST	0.87	2.00
Fees for Late filling of TDS / TCS Returns	0.00	0.09
Fees for Late filling of GST Returns	0.93	0.00
Interest u/s 234A / B / C	0.00	0.00
Penalty under any Law	0.21	1.11
Total	3.23	5.69
Expenses on Others - NSSH:		
Special Credit Linked Capital Subsidy for technology enablement	6966.11	3664.16
Capacity building of existing & aspiring SC/ST entrepreneurs- Skill Development Programs	0.00	0.00
Reimbursement of Training Fees for Capacity Building for training programmes organized by organizations approved by the Ministry	233.13	691.75
Capacity building of existing & aspiring SC/ST entrepreneurs- Toolkit distribution for capacity building training programs	10.31	0.00
Support for enhancing competitiveness through various reimbursement sub-schemes/ interventions	0.00	0.00
Reimbursement of Bank Loan Processing Fee	17.53	15.85
Reimbursement of Bank charges for Performance Bank Guarantee	0.38	1.78
Testing Fee Reimbursement	1.31	0.29
Reimbursement of membership /subscription/entry fee of Export Promotion Council	0.72	0.36
Reimbursement of Course Fees to Top 50 NIRF Rated Management Institutions for short term training of SC/ST entrepreneurs	0.00	0.00
Reimbursement of membership in Government promoted E-Commerce Portals (Except B2B)	0.00	0.00
Awareness Generation and Publicity of the Scheme	2.94	593.44
Technical & Managerial Support to SC/ST Hub	204.64	225.24
Total	7437.07	5192.87

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Expenses on Procurement and Marketing Support Scheme (PMSS):		
Market Access Initiatives across the country		
Participation of Individual MSEs in Trade Fairs / Exhibitions	39.83	248.17
Organizing Domestic/ International Trade Fairs/Exhibition and participation in trade fairs/exhibitions by the Ministry/ Office of DC (MSME)/Government organizations	0.00	0.00
Vendor Development Program (VDP)	0.00	0.00
Capacity building	0.00	0.00
Adoption of Modern Packaging Techniques	0.00	0.00
Adoption of Bar Code	0.00	0.00
Adoption of e-Commerce Platform	0.00	0.00
National Workshops / Seminars	0.00	0.00
Organizing National workshops/ Seminars by the Ministry / Office of DC (MSME) (Conventional / Virtual)	0.00	0.00
Development of Retail Outlet	0.00	0.00
Total	39.83	248.17

NOTE-31 : TAX EXPENSE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Provisions for Current Tax		
Provision for Current Tax	3500.00	3500.00
Provision for Deferred Tax	310.68	234.25
Provision for Wealth Tax	0.00	0.00
	3810.68	3734.25
Adjustment for Previous Year Taxes		
Provision for Tax	-33.81	-8.33
Provision for Deferred Tax	0.00	0.00
	-33.81	-8.33
As per Statement of Profit & Loss	3776.87	3725.92

NOTE-32 : EARNINGS PER EQUITY SHARE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Numerator		
Profit after tax as per Statement of Profit and Loss	11048.27	10822.58
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

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
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)	20.73	20.31
Diluted Earnings Per Share (₹ per share) (Face value of ₹ 100/- each)	20.73	20.31

NOTE-33 : CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
(i) Contingent Liabilities:		
Claims against the Corporation not acknowledged as Debts	156.05	89.57
Disputed Income Tax, Interest Tax, Sales Tax, Trade Tax Demand	603.41	872.54
Other money for which the Corporation is Contingently Liable	3215.00	324.09
As per Statement of Profit & Loss	3974.46	1286.20
(ii) Commitments:		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	986.82	3296.75
As per Statement of Profit & Loss	986.82	3296.75

NOTE-34 : FEES AND COMMISSION EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Fees and Commission :		
Government Guarantee Fee	19.01	20.24
Loss on Foreign Currency Transactions and Translation Interest Paid	24.15	0.00
Bank Charges and Commission	37.83	51.50
Others	3.10	0.11
As per Statement of Profit & Loss	84.09	71.85

NOTE-35:
Other Notes to Standalone Financial Statements for the year ended 31st March, 2023

- 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	2022-23	2021-22
1	Amount remaining unpaid to any supplier:		
	a) Principal Amount	16463.62	14348.24
	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 2022-23

(₹ 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	8958.82	-	8958.82	-	8958.82	8958.82	-
2	Receivables	17919.12	335.19	17583.93	15184.67	2399.26	2005.45	393.81
3	Loan and Advances	277527.71	669.77	276857.94	2651.30	274206.64	258509.28	15697.36
4	Other Financial Assets	2009.71	-	2009.71	1202.58	807.13	577.54	229.59
5	Trade Payable	16576.94	-	16576.94	6519.79	10057.15	9491.80	565.35
6	Other Financial Liabilities	19747.52	-	19747.52	9758.44	9989.08	8595.22	1393.86
7	Others -Other Non-Financial Liabilities	44.39	-	44.39	-	44.39	44.39	-
	Total	342784.22	1004.96	341779.26	35316.78	306462.48	288182.51	18279.97

*Amount is net of PIS but before impairment allowance.

Financial Year 2021-22

(₹ 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	15821.70	345.68	15476.02	6524.09	8951.93	1030.62	7921.31
3	Loan and Advances	259984.94	951.99	259032.95	11168.07	247864.88	244231.68	3633.20
4	Other Financial Assets	2223.83	-	2223.83	407.57	1816.26	436.56	1379.70
5	Trade Payable	14460.64	-	14460.64	327.71	14132.93	2231.88	11901.05
6	Other Financial Liabilities	21581.33	-	21581.33	986.06	20595.27	14603.95	5991.32
7	Others -Other Non-Financial Liabilities	39.98	-	39.98	2.82	37.16	24.71	12.45
	Total	332726.50	1297.67	331428.83	19416.32	312012.51	281173.48	30839.03

*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. Disclosures as per Statutory Requirements 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 financial statements.

B. Disclosure as per Ind AS 2: Inventories

- a) The total carrying amounts of inventories as at 31.03.2023 is ₹ 11.48 lakh (₹12.26 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 2023.
- c) **Land and Building/sheds/quarters in stock, Industrial Estate, Naini for the year 2021-22**

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/2021-22/419 dated 19.01.2022 issued by the office of Principal Office of Audit Industry and Corporate Office, in this regard, BO Naini had 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 during the financial year 2021-22.

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 2021-22, based on the nature of asset, the Land and Building/sheds/quarters etc. were 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 were 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) was charged as depreciation expense during the year 2021-22.

C. Disclosure as per Ind AS 8- "Accounting Policies, Changes in Accounting Estimates and Errors"

Recent accounting pronouncements

Standards / amendments issued but not yet effective: The Ministry of Corporate Affairs, vide notification dated 31 March 2023, has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain Indian Accounting Standards which are effective 1 April 2023. Below is a summary of such amendments:

1. Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.
2. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.
3. Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Corporation has evaluated the above amendments and the impact of the same on the

standalone financial statements is not material.

D. Disclosure as per Ind AS 12 – Income Taxes

a) Financial Year 2022-2023

(₹ in Lakh)

Description	Net Balance at 01.04.2022	Recognized in Statement of Profit & Loss	Recognized in OCI	Net Balance at 31.03.2023
Deferred Tax Liabilities				
Related to timing difference on depreciation of fixed assets	1797.69	310.23	-	2107.92
Discounting of Financial asset/ financial liabilities	31.00	13.72	-	44.72
Fair Value of Investments	67.72	-	8.98	76.70
Sub-Total	1896.41	323.95	8.98	2229.34
Deferred Tax Assets				
Provision for Receivables & Advances	3315.89	(41.87)	-	3274.02
Employee Benefits	2429.09	55.14	(0.76)	2483.47
Sub-Total	5744.98	13.27	(0.76)	5757.49
Deferred Tax Assets (Net)	3848.57	(310.68)	(9.74)	3528.15

b) 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	37.45	(6.45)	-	31.00
Fair Value of Investments	43.88	-	23.84	67.72
Sub-Total	1530.03	342.54	23.84	1896.41
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

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 2023	31 st March 2022
Profit before Tax	14825.14	14548.50
Tax Rate Applicable to a Domestic Company	25.17%	25.17%
Computed Tax Expense	3731.49	3661.86
Tax Effect of		
Expenses that are not deductible in determining taxable profit	677.34	689.48
Incomes that are not taxable in determining taxable profit	(908.83)	(851.34)
Current Tax Provision	3500.00	3500.00
Income Taxes relating to earlier periods	(33.81)	(8.33)
Incremental Deferred Tax Liability / (Asset)	310.68	234.25
Tax Expense Recognized in Statement of Profit & Loss	3776.87	3725.92
Effective Tax Rate	25.48%	25.61%

E. Disclosure of Undisclosed Income-

There is no transaction recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

F. 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 Company
PPE	Land at Technical Centre Howrah	1.60	Refer Note 1	No	1959-60	-
PPE	Flats at Branch Office Mumbai	11.52	Refer Note 2	No	1988	-

Note 1 : Though the Title Deeds are held in the name of NSIC, however, the matter of obtaining physical hard copy of title deeds from local government authority is under process.

Note 2 : Redevelopment of the society at Tilak Nagar, Chembur in which NSIC is having six flats have been completed and the Title Deeds thereof are held in the name of NSIC. The new flats are under possession of NSIC. However, the physical hard copy of documents (including title deeds) from concerned government authority are yet to be obtained.

- 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 FY, assets having net carrying value of ₹ 21.92 lakh (Gross carrying Value ₹ 95.66 lakh) has been retired with sale proceeds of ₹35.86 Lakh and gain of ₹ 13.94 Lakh has been accounted for. During the FY 2021-22, 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.
- c) There is no revaluation of any Property Plant and Equipment (including Right-of-Use Assets) and Intangible assets during the year.

G. Disclosure on Benami Property:

There are no proceedings have been

initiated or are pending against the Corporation for holding any benami property under the Benami Transaction (Prohibition) Act 1988 (section 45) and rules made there under, as the Corporation does not hold any benami property.

H. Disclosure on Borrowings

- a) The Corporation has not defaulted in repayment of borrowings/loan taken from banks / institutions or other lender.
- b) The Corporation has not been declared willful defaulter by any bank or financial institution or other lender.
- c) 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.
- d) All the charges in respect of loans taken from bank/ financial institutions or other lenders have been registered with Registrar of Companies (ROC).
- e) Following satisfaction of charges are yet to be registered with ROC beyond the statutory period:

S. No.	Name of Bank	Description of Satisfaction of Charges	Location of Registrar	Period of delay (months)	Limit Amount (₹ in lakh)	Reason
1	CTBC Bank	Book Debts, Floating charge, Movable property	New Delhi	Eight	2500.00	The same is under process and will be satisfied in the current financial year.

S. No.	Name of Bank	Description of Satisfaction of Charges	Location of Registrar	Period of delay (months)	Limit Amount (₹ in lakh)	Reason
2	Vijaya Bank	Immovable property or any interest therein	New Delhi	Waiting for NOC from the bank	59200.00	The same is under process and will be satisfied in the current financial year.
3	Punjab National Bank	Book Debts, Floating charge, Movable property	New Delhi	Waiting for NOC from the bank	10000.00	The same is under process and will be satisfied in the current financial year.

I. 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 ($15/26 \times$ 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
Present value of obligation as at the end of the period	CY	5383.82	3250.23	524.27	4.04
	PY	5200.40	3156.29	508.11	3.92

Service Cost

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Current Service Cost	CY	259.62	185.00	39.77	5.42
	PY	255.30	187.74	40.28	2.47
Past Service Cost including curtailment Gains/Losses	CY	-	-	-	-
	PY	-	-	-	-
Gains or Losses on Non-routine settlements	CY	-	-	-	-
	PY	-	-	-	-
Total Service Cost	CY	259.62	185.00	39.77	5.42
	PY	255.30	187.74	40.28	2.47

Net interest Cost

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Interest Cost on Defined Benefit Obligation	CY	371.83	225.67	36.33	0.28
	PY	335.99	193.87	33.51	0.26
Interest Income on Plan Assets	CY	-	-	-	-
	PY	-	-	-	-
Net Interest Cost (Income)	CY	371.83	225.67	36.33	0.28
	PY	335.99	193.87	33.51	0.26

Change in benefit Obligation

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Present value of obligation as at the beginning of the period	CY	5200.40	3156.28	508.11	3.92
	PY	4926.49	2842.72	491.42	3.84
Acquisition adjustment	CY	-	-	-	-
	PY	8.18	5.36	0.49	-
Interest Cost	CY	371.83	225.67	36.33	0.28
	PY	335.99	193.87	33.51	0.26
Service Cost	CY	259.62	185.00	39.77	5.42
	PY	255.30	187.74	40.28	2.47

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Past Service Cost including curtailment Gains/Losses	CY	-	-	-	-
	PY	-	-	-	-
Benefits Paid	CY	-445.37	-600.86	-35.73	-5.22
	PY	-465.64	-594.32	-28.72	-3.93
Total Actuarial (Gain)/Loss on Obligation	CY	-2.66	284.14	-24.20	-0.36
	PY	140.08	520.91	-28.88	1.29
Present value of obligation as at the end of the period	CY	5383.82	3250.23	524.27	4.04
	PY	5200.40	3156.29	508.11	3.92

Bifurcation of Actuarial Gain/Loss on Obligation

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	CY	-	-	-	-
	PY	-	-	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	CY	-79.69	-55.17	-11.48	-
	PY	-113.85	-78.93	-16.63	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	CY	77.04	228.97	-12.72	-0.36
	PY	253.93	599.83	1.22	1.29

Balance Sheet and related analysis

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Present Value of the obligation at end	CY	5383.82	3250.23	524.27	4.04
	PY	5200.40	3156.29	508.11	3.92
Fair value of plan assets	CY	-	-	-	-
	PY	-	-	-	-
Unfunded Liability/provision in Balance Sheet	CY	5383.82	3250.23	524.27	4.04
	PY	5200.40	3156.29	508.11	3.92

The amounts recognized in the income statement

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Total Service Cost	CY	259.62	185.00	39.77	5.42
	PY	255.30	187.74	40.28	2.47
Net Interest Cost	CY	371.83	225.67	36.33	0.28
	PY	335.99	193.87	33.51	0.26
Net Actuarial (gain)/loss recognized in the period	CY	-	284.14	-24.20	-
	PY	-	520.91	-28.88	-
Expense recognized in the Income Statement	CY	631.45	694.81	51.90	5.70
	PY	591.29	902.52	44.92	2.73

Other Comprehensive Income (OCI)

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Net cumulative unrecognized actuarial gain/(loss) opening	CY	-	-	-	-
	PY	-	-	-	-
Actuarial gain / (loss) for the year on PBO	CY	2.65	-	-	0.36
	PY	-140.08	-	-	-1.29
Actuarial gain /(loss) for the year on Asset	CY	-	-	-	-
	PY	-	-	-	-
Unrecognized actuarial gain/ (loss) for the period.	CY	2.65	-	-	0.36
	PY	-140.08	-	-	-1.29

Change in Net Defined Benefit Obligation

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Net defined benefit liability at the start of the period	CY	5200.40	3156.28	508.11	3.92
	PY	4926.49	2842.72	491.42	3.84
Acquisition adjustment	CY	-	-	-	-
	PY	8.18	5.36	0.49	-
Total Service Cost	CY	259.62	185.00	39.77	5.42
	PY	255.30	187.74	40.28	2.47
Net Interest cost (Income)	CY	371.83	225.67	36.33	0.28
	PY	335.99	193.87	33.51	0.26
Re-measurements	CY	-2.65	284.14	-24.20	-0.36
	PY	140.08	520.91	-28.88	1.29
Contribution paid to the Fund	CY	-	-	-	-
	PY	-	-	-	-
Benefit paid directly by the enterprise	CY	-445.36	-600.86	-35.74	-5.22
	PY	-465.64	-594.32	-28.72	-3.93
Net defined benefit liability at the end of the period	CY	5383.82	3250.23	524.27	4.04
	PY	5200.40	3156.29	508.11	3.92

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
Current Liability (Amount due within one year)	CY	599.64	326.19	70.01	0.41
	PY	510.40	320.91	49.83	0.34
Non-Current Liability (Amount due over one year)	CY	4784.19	2924.04	454.26	3.63
	PY	4690.00	2835.38	458.29	3.58
Total PBO at the end of year	CY	5383.82	3250.23	524.27	4.04
	PY	5200.40	3156.29	508.11	3.92

Expected contribution for the next Annual reporting period

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Service Cost	CY	271.11	200.81	44.03	4.21
	PY	268.82	201.24	44.60	3.21
Net Interest Cost	CY	397.32	239.87	38.69	0.30
	PY	371.83	225.67	36.33	0.28
Expected Expense for the next annual reporting period	CY	668.43	440.68	82.71	4.51
	PY	640.65	426.91	80.93	3.49

Principal assumptions used for actuarial valuation are:

Particulars	2022-23	2021-22
Method used	Projected Unit Credit Method	Projected Unit Credit Method
Discount Rate	7.38%	7.15%
Expected Rate of Return on Plan Asset	0	0
Future Salary Increase	5.50	5.50
Mortality Rate	100% of IALM (2012-14)	100% of 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
Impact of change in discount rate				
Present value of obligation at the end of the period	5383.82	3250.23	524.27	4.04
Impact due to increase of 0.50%	-166.26	-114.55	-23.66	-0.14
Impact due to decrease of 0.50%	175.97	122.04	25.47	0.15
Impact of change in salary increase				
Present value of obligation at the end of the period	5383.82	3250.23	524.27	-
Impact due to increase of 0.50%	178.33	123.68	25.82	-
Impact due to decrease of 0.50%	-169.93	-117.07	-24.18	-

Maturity Profile of Defined Benefit Obligation

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement
0 to 1 year	599.64	326.19	70.01	0.41
1 to 2 years	457.82	286.47	25.58	0.30
2 to 3 years	514.71	270.21	32.07	0.35
3 to 4 years	495.96	284.87	27.09	0.33
4 to 5 years	349.80	197.78	21.36	0.25
5 to 6 years	348.87	195.67	17.94	0.25
6 years onwards	2617.03	1689.04	330.22	2.15

- c) As approved by the Ministry vide letter dated 02.12.2016, Corpus for medical schemes have been created of ₹ NIL (₹NIL) for the employees retired prior to 1.1.2007 and of ₹ 128.05 lakh (₹124.20 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 ₹ 115.79 lakh (₹174.55 lakh) and ₹ 112.73 lakh (₹63.84 lakh) respectively during the year. The total corpus as on 31.03.2023 towards medical scheme for the employees retired prior to 1.1.2007 and on or after 1.1.2007 amounts to ₹ 252.68 lakh &

₹ 451.70 lakh respectively.

J. 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 ₹219.08 lakh (₹225.71 lakh) created during the year for meeting the exchange

variation losses. During the year, the exchange variation loss was ₹128.10 lakh (₹1.52 lakh) and the balance of ₹90.98 lakh (₹224.19 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 ₹236.31 lakh (₹249.20 lakh) have been made during the year for

exchange variation under XIIth line of credit, out of which 80% i.e. ₹189.05 lakh (₹199.36 lakh) has been utilized against exchange variation loss during the year and balance 20% i.e. ₹47.26 lakh (₹49.84 lakh) has been utilized for promotional purposes as per terms and conditions of the loan agreement.

During the year, the exchange variation loss was ₹114.40 lakh (₹2.06 lakh) which has been adjusted from 80% provision i.e. ₹189.05 lakh (₹199.36 lakh) and balance of ₹74.65 lakh (₹197.30 lakh) of provisions has been retained to meet future exchange variation losses. The cumulative retained provision on this account as on 31.03.2023 is ₹2249.66 lakh (₹2175.00 lakh) including balance provision of ₹74.65 lakh (₹197.30 lakh) for the year to meet out exchange variation losses in future.

b) Exchange Difference

(₹ In Lakh)

S. No	Particulars	2022-23	2021-22
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.	(24.15)	85.57
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.	-	-

K. Disclosure as per Ind AS – 24: Related party disclosures

- a) **Related party** shall include all related parties as per the applicable accounting standards along with related parties as defined under Section 2(76) of the Companies Act, 2013, with reference to a company, means— (i) a director or his relative; (ii) a key managerial personnel or his relative; (iii) a firm, in which a director, manager or his relative is a partner; (iv) a private company in which a director or manager is a member or director; (v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital; (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity; (viii) any company which is— (A) a holding, subsidiary or an associate company of such company; or (B) a subsidiary of a holding company to which it is also a subsidiary; (ix) such other person as may be prescribed.
- b) **Key Managerial Personnel (KMPs)** shall include key managerial personnel as per section 2(51) of the Companies Act, 2013, in relation to a company, means— (i) the Chief Executive Officer or the managing director or the manager; (ii) the company secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and such other officer as may be prescribed.
- c) **Relatives of KMPs** shall include relatives as defined under section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of definitions details) Rules, 2014, with reference to any person, means anyone who is related to another, if— (i) they are members of a Hindu Undivided Family; (ii) they are husband and wife; or (iii) one person is related to the other in such manner as may be prescribed;
- d) In compliance of IndAS-24 on related party disclosures, the required information is given as under:

i) Key Managerial Personnel of NSIC

Key Managerial Personnel	Designation	Period	
		From	To
Smt. Alka Nangia Arora	Chairman-cum-Managing Director (Additional Charge)	01.04.2022	31.05.2022
Shri P. Udayakumar	Chairman-cum-Managing Director (Additional Charge)	20.06.2022	31.07.2022
Shri Gaurang Dixit	Chairman-cum-Managing Director (Additional Charge)	01.08.2022	31.12.2022
Smt. Mercy Epao	Director Finance, Chairman-cum-Managing Director (Additional Charge)	01.01.2023	31.03.2023
Smt. Mercy Epao	Director Planning & Marketing (Additional Charge)	01.01.2023	20.02.2023
Shri Kartikeya Sinha	Director Planning & Marketing	21.02.2023	31.03.2023

Key Managerial Personnel	Designation	Period	
		From	To
Shri Gaurang Dixit	Director Finance & CFO	01.04.2022	31.12.2022
Shri P. Udayakumar	Director Planning & Marketing	01.04.2022	31.07.2022
Shri Kalandi Charan Samal	Independent Director	01.04.2022	31.03.2023
Shri Ashok Ahirwar	Independent Director	01.04.2022	31.03.2023
Shri Partha Majhi	Chief Finance Officer	02.01.2023	31.03.2023
Smt. Nishtha Goyal	Company Secretary	01.04.2022	31.03.2023

ii) **Subsidiary-** NSIC is having a subsidiary company- M/s. NSIC Venture Capital Fund Limited (NVCFL) for which the Corporation has complied with the requirement of number of layers of companies as prescribed under clause 87 of section 2 of the companies Act 2013 read with company (Restrictions on number of layers) rules 2017.

iii) **Transactions during the year carried out by NSIC**

(₹ In Lakh)

S. No.	Nature of Transactions	Related Party -NVCFL etc.		Key Managerial Personnel		Relative of Key Managerial		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1.	Revenue:								
a)	Interest received	--	--	--	--	--	--	--	--
b)	-Rent	5.93	0.12	--	--	--	--	5.93	0.12
c)	-Others	64.09	28.62	--	--	--	--	64.09	28.62
2.	Expenditure:								
a)	Salary and Allowances	--	--	75.62	126.91	--	--	75.62	126.91
b)	Leave/ LTC Encashment	--	--	56.56	10.89	--	--	56.56	10.89
c)	Provident Fund Contribution	--	--	6.19	8.52	--	--	6.19	8.52
d)	Contribution to Pension Scheme	--	--	5.16	19.00	--	--	5.16	19.00
e)	Interest paid	--	--			--	--		
f)	Other Expenses	--	--	20.35	14.85	--	--	20.35	14.85
g)	Lease Rent Paid	--	--		-	--	--		-
h)	Provision for Terminal Benefits	--	--	17.11	18.94	--	--	17.11	18.94

S. No.	Nature of Transactions	Related Party -NVCFL etc.		Key Managerial Personnel		Relative of Key Managerial		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
i)	Others-PRP	--	--	85.82	7.71	--	--	85.82	7.71
3.	Balance OutStanding								
a)	Borrowings -Loan & interest outstanding	--	--	--	--	--	--	--	--
b)	Deposits - Loan & interest outstanding	--	--	--	--	--	--	--	--
c)	Advances	--	--	--	--	--	--	--	--
d)	Provision for Terminal Benefits as per Actuarial Valuation	--	--	25.22	100.26	--	--	25.22	100.26
4.	Others:								
a)	Investment: NVCFL – Self-Reliant India Fund: SRI Fund) 0.55 units (0.018 units) @ ₹ 1 crore per unit)	5.52	1.78	--	--	--	--	5.52	1.78
b)	Purchase of PPE/other assets	--	--	--	--	--	--	--	--
c)	Sale of PPE/ other assets	--	--	0.40	--	--	--	0.40	--
5.	Transactions with Independent Directors								
a)	Sitting Fees	4.44	1.65	--	--	--	--	4.44	1.65
b)	Other Expenses	5.73	0.84	--	--	--	--	5.73	0.84

iv) Major terms & conditions of transactions with related parties

- The remuneration to Key managerial personnel is 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.

- v) 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.

Accordingly, % of loans of KMPs to total loans & advances is not applicable.

L. Disclosure as per Ind AS 109 -Financial Instrument

Disclosure of provisions made

- 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 IndAS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20.
- b) In respect of financial assets under financing schemes, comprising of receivables under Hire Purchase, Leasing, Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, banks, etc., the cumulative provisions towards impairment loss as on 31.03.2023 amounts to ₹ 12265.28 lakh (₹12323.53 lakh) against the total outstanding of ₹ 273966.42 lakh (₹255211.72 lakh).
- c) In respect of financial and non-financial assets under non-financing schemes, comprising of receivables under Marketing activities, on account of transactions at Technical Centres & STBPs & 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 31.03.2023 amounts

to ₹742.35 lakh (₹850.45 lakh) against the total outstanding of ₹ 24971.42 lakh (₹22318.47 lakh).

- d) On overall basis, financial and non-financial assets comprising of Trade Receivables and Loans & Advances under financing & non-financing schemes, the cumulative provisions towards impairment loss as on 31.03.2023 amounting to ₹13007.62 lakh (₹13173.98 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) as per IndAS against the total outstanding of ₹ 298937.83 lakh (₹277530.18 lakh).

M. 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 2022-23 amounting to ₹ 618.29 lakh (₹754.12 lakh) has been made.

The Corporation has paid Performance Related Pay (PRP) of ₹ 682.51 lakh and ₹ 728.11 lakh during FY 2022-23 which was proposed in the FY 2019-20 and 2020-21 respectively.

N. 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 FY 2022-23 such assets having net carrying value of ₹ NIL (Gross carrying value of ₹

NIL) 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. FY 2021-22, 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”.

O. 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, 2023 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 2023			For the year ended 31 st March 2022		
Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial	Total
I. SEGMENT REVENUE (including grant)						
- Government Grant Recognized during the year	10508.11	-	10508.11	6700.65	-	6700.65
- Sale of Product	-	232491.66	232491.66	-	221163.92	221163.92
- Sale of Services	-	10994.01	10994.01	-	9087.87	9,087.87

Description	For the year ended 31 st March 2023			For the year ended 31 st March 2022		
Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial	Total
- Others	-	33688.80	33688.80	-	31740.06	31740.06
- Total	10508.11	277174.47	287682.58	6700.65	261991.85	268692.50
II. SEGMENT EXPENDITURE (including expenses against grant)						
- Expenditure incurred against Government Grant recognized during the year	10508.11	-	10508.11	6700.65	-	6700.65
- Others	-	262363.27	262363.27	-	247449.55	247449.55
- Total	10508.11	262363.27	272871.38	6700.65	247449.55	254150.20
III. RESULTS						
a. Segment Results	-	11048.27	11048.27	-	10,822.58	10,822.58
b. Operating Profit before interest	-	23895.87	23895.87	-	20,811.72	20,811.72
c. Interest Paid	-	9084.67	9084.67	-	6,257.02	6,257.02
d. Exceptional items	-	(13.94)	(13.94)	-	(6.20)	(6.20)
e. Profit before Tax	-	14825.14	14825.14	-	14,548.50	14,548.50
f. Tax Expense	-	3776.87	3776.87	-	3,725.92	3,725.92
g. Net Profit after Tax	-	11048.27	11048.27	-	10,822.58	10,822.58
h. Other Comprehensive Income	-	28.98	28.98	-	(34.92)	(34.92)
i. Total Comprehensive Income {Comprising Profit / (Loss) and Other Comprehensive Income}	-	11077.25	11077.25	-	10787.66	10787.66
III. ASSETS & LIABILITIES						
a. Segment Assets	4343.93	303066.54	307410.47	4,155.99	282,243.21	286,399.20
b. Unallocated Assets	-	-	23407.38	-	-	32,399.89
c. Total Assets	4343.93	303066.54	330817.85	4,155.99	282,243.21	318,799.09
d. Segment Liabilities	10018.27	182413.13	192431.40	9,429.56	178,232.97	187,662.53
e. Unallocated Liabilities	-	-	138386.45	-	-	131,136.56
f. Total Liabilities	10018.27	182413.13	330817.85	9,429.56	178,232.97	318,799.09
IV. OTHER INFORMATION						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	498.88	653.49	1152.37	794.51	308.67	1,103.18
(b) Depreciation #	375.41	703.59	1079.00	361.14	742.00	1103.14
(c) Non-cash expenditure other than depreciation	-	38.75	38.75	-	539.68	539.68

The depreciation of promotion segment is charged to capital reserve.

- b) Information about Revenue from major products and services – Refer Clause “P” as below.
- c) Information for other activities

Particulars	Unit	Year ended 31 st March 2023	Year ended 31 st March 2022
Candidates trained in NSIC Training Centers	Nos.	61090	48182
MSMEs facilitated for Testing and other common facilities	Nos.	14034	10840
Procurement from GeM as % of Total Procurement	%	68.19	15.58

- d) The Corporation does not have any reportable geographical segment as the lending operations of the Corporation are carried out within the country.
- e) No single borrower has contributed 10% or more to the Corporation's revenue during the financial year 2022-23.

P. Disclosure as per Ind AS 115 – Revenue from Contracts with Customers

Component wise revenue of Corporation

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Sale of products	232491.66	221163.92
Sale of services	10994.01	9087.87
Interest Income	28316.10	26130.56
Processing fee	4730.12	4735.83
Other operating Income	481.88	751.80
TOTAL	277013.77	261869.98

Q. 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 2022-23 the expenses relating to short-term leases are ₹430.95 Lakh (₹459.59 Lakh). The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 430.98 Lakh (₹462.69 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 2023	Year ended 31 st March 2022
Opening Balance	59.04	57.60
- Additions in lease liabilities	-	1.46
- Interest cost during the year	-	-
- Payment of lease liabilities	0.03	0.02
Closing Balance	59.01	59.04

- ii. The following are the amounts recognized in Statement of profit and loss:

(₹ in Lakh)

Particulars	Year ended 31-03-2023	Year ended 31-03-2022
Depreciation and amortization expense for right-of-use assets	0.83	0.83
Interest expense on lease liabilities	4.56	4.54

iii. Other disclosures:

(₹ in Lakh)

Particulars	Year ended 31-03-2023	Year ended 31-03-2022
Cash Outflow from leases	0.03	3.10

(₹ in Lakh)

Particulars	Year ended 31-03-2023	Year ended 31-03-2022
Carrying amount of right-of-use assets at the end of the reporting period	54.16	55.00

iv. Undiscounted lease payments to be paid on an annual basis for a minimum of each of the first five years and for the remaining years:

(₹ in Lakh)

Particulars	As at 31-03-2023	As at 31-03-2022
Less than one year	4.58	3.10
Between one and two years	5.33	4.58
Between two and three years	5.58	5.33
Between three and four years	5.58	5.58

Particulars	As at 31-03-2023	As at 31-03-2022
Between four and five years	5.58	5.58
More than five years	368.87	371.96

b) Leases as lessor:

- These arrangements continue to be classified as operating lease after transition to Ind AS 116 'Leases'.
- An amount of ₹ 4905.15 lakh (₹3502.67 lakh) has been accounted as lease income in Statement of profit and loss for the year ended 31st March 2023.
- 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 31-03-2023	As At 31-03-2022
Less than one year	4845.44	4091.89
Between one and two years	3529.67	2878.77
Between two and three years	2920.66	2350.73
Between three and four years	1764.77	1818.25
Between four and five years	1742.27	1653.82
More than five years	1512.21	3481.56

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

(₹ in Lakh)

As at 31 st March 2023	Net Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	50003.68	-	19278.26	-	-	-
Over 1-month upto 2 months	19181.00	-	-	-	-	-
Over 2 months upto 3 months	25844.66	-	131500.00	133.55	-	-
Over 3 months upto 6 months	166671.80	-	-	22.82	-	-

As at 31 st March 2023	Net Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Over 6 months & upto 1 year	-	-	-	156.37	-	-
Over 1 year & upto 3 years	-	-	-	625.48	-	-
Over 3 year & upto 5 years	-	-	-	625.48	-	-
Over 5 years	-	910.28	-	3245.01	-	-

(₹ 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	-	870.85	-	3359.26	-	-

(Advances refer to receivables under Hire Purchase, Leasing, Raw Material Assistance, Bills Discounting, Composite Term Loan, Term Loan, Banks, etc).

S. 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:

$ECL = \text{Probability of Default (PD)} \times \text{Loss given default (LGD)}$

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.

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

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 there is no material increase in credit risk since initial recognition or those which have low credit risk at the reporting date.	12-month ECL
Stage 2	Increased Risk Assets or Assets having significant risk	Assets where there is significant increase in credit risk since initial recognition but which do not have objective evidence of impairment.	Life time ECL
Stage 3	Impaired Assets	Assets for whom there is objective evidence of impairment at the reporting date.	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 2023	As At 31 st March 2022
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 analyze 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 2023			31 st March 2022		
	Bank Borrowings	Market Borrowings	Total	Bank Borrowings	Market Borrowings	Total
1 day to 30/31 days (one month)	19278.26	-	19278.26	27771.52	-	27771.52
Over one month to 2 months	-	-	-	11270.03	-	11270.03
Over 2 months upto 3 months	131500.00	133.55	131633.55	15878.63	126.09	16004.72
Over 3 months to 6 months	-	22.82	22.82	92579.82	21.55	92601.37
Over 6 months to 1 year	-	156.37	156.37	-	147.63	147.63
Over 1 year to 3 years	-	625.48	625.48	-	590.52	590.52
Over 3 years to 5 years	-	625.48	625.48	-	590.52	590.52
Over 5 years	-	3245.01	3245.01	-	3359.26	3359.26

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 2023		As At 31 st March 2022	
	In foreign Currency (Euro)	In functional Currency (₹ in lakh)	In foreign Currency (Euro)	In functional Currency (₹ in lakh)
KFW-XI	2471585.01	2249.39	2597362.81	2231.91
KFW-XII	2185261.45	1988.81	2352965.19	2021.90
ILC	626866.10	570.51	677015.32	581.76

Foreign currency risk monitoring and management-

changes at the end of the reporting period are as follows:

(₹ in lakh)

Particulars	As at 31-03-2023	As at 31-03-2022
Variable rate borrowings	3778.26	-
Fixed rate borrowings	147000.00	147500.00
Total borrowings	150778.26	147500.00

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

(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 2023	As At 31 st March 2022		
I. FINANCIAL ASSETS				
Financial Investments at FVTOCI				
-Investment in Equity Instruments	304.76	269.07	Level 1	Quoted market price
Financial Investments at FVTPL				
TOTAL	304.76	269.07		
II. FINANCIAL LIABILITIES	-	-		
TOTAL	-	-		

Financial Assets and Liabilities Measured at Amortized Cost.

(₹ in Lakh)

Particulars	As At 31 st March 2023		As At 31 st March 2022		Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	Amortized Cost	Fair Value	Amortized Cost	Fair Value		
I. FINANCIAL ASSETS						
Loan to Companies/LLP	265603.01	265603.01	247511.15	247511.15	Level 3	Effective Interest Rate
Loan to Employees	45.03	45.03	39.00	39.00	Level 2	NPV at SBI Rate for Perquisites
TOTAL	265648.04	265648.04	247550.15	247550.15		

Particulars	As At 31 st March 2023		As At 31 st March 2022		Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	Amortized Cost	Fair Value	Amortized Cost	Fair Value		
II. FINANCIAL LIABILITIES						
Borrowings	155586.97	155586.97	152335.57	152335.57	Level 3	Effective Interest rate
TOTAL	155586.97	155586.97	152335.57	152335.57		

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 2023		As At 31 st March 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
I. FINANCIAL ASSETS				
- Cash & Cash Equivalent	8896.38	8896.38	18555.25	18555.25
- Bank Balance	62.44	62.44	58.83	58.83
- Receivables	16303.10	16303.10	14061.53	14061.53
- Loans & Advances	265648.04	265648.04	247550.15	247550.15
- Investments	910.28	910.28	870.85	870.85
- Other Financial Assets	1493.73	1493.73	1948.89	1948.89
TOTAL	293313.97	293313.97	283045.50	283045.50
II. FINANCIAL LIABILITIES				
- Payables	16576.94	16576.94	14460.64	14460.64
- Borrowings	155586.97	155586.97	152335.57	152335.57
- Other financial liabilities	19747.52	19747.52	21581.33	21581.33
TOTAL	191911.43	191911.43	188377.54	188377.54

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.

T. 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 2023			As at 31 st March 2022		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
	ASSETS						
2.	Financial Assets						
(a)	Cash and Cash Equivalents	8896.38	-	8896.38	18555.25	-	18555.25
(b)	Bank Balance other than included in Cash & Cash Equivalents	62.44	-	62.44	58.83	-	58.83
(a)	Trade Receivables	16303.10	-	16303.10	14061.53	-	14061.53
(b)	Loans & Advances	243720.46	21927.58	265648.04	247528.96	21.19	247550.15
(c)	Investments	-	910.28	910.28	-	870.85	870.85
(d)	Other Financial Assets	318.08	1175.65	1493.73	1620.38	328.51	1948.89
	Total Financial Assets (1)	269300.46	24013.51	293313.97	281824.95	1220.55	283045.50
3.	Non- Financial Assets						
(a)	Inventories	11.48	-	11.48	12.26	-	12.26
(b)	Current Tax Assets (Net)	186.11	-	186.11	699.24	-	699.24
(c)	Deferred Tax Assets (Net)	-	3528.14	3528.14	-	3848.57	3848.57
(d)	Property, Plant and Equipment	-	28720.85	28720.85	-	28343.23	28343.23
(e)	Capital Work in Progress	-	437.42	437.42	-	750.33	750.33
(f)	Intangible Assets Under Development	-	35.65	35.65	-	23.39	23.39
(g)	Other Intangible Assets	-	58.32	58.32	-	82.95	82.95
(h)	Right to use of assets	-	54.16	54.16	-	55.00	55.00
(i)	Assets Classified as Held for Sale	0.21	-	0.21	0.21	-	0.21
(j)	Other Non-Financial Assets	-	4471.54	4471.54	-	1938.41	1938.41
	Total Non-Financial Assets (2)	197.80	37306.08	37503.88	711.71	35041.88	35753.59
	Total Assets (1+2)	269498.26	61319.59	330817.85	282536.66	36262.43	318799.09
	LIABILITIES						
1.	Financial Liabilities						
(a)	Trade Payables	6947.25	9629.70	16576.94	14460.64	-	14460.64
(b)	Borrowings	150778.26	4808.71	155586.97	147795.27	4540.3	152335.57

Particulars		As at 31 st March 2023			As at 31 st March 2022		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
(c)	Liabilities associated with Assets held for sale	-	-	-	-	-	-
(d)	Other Financial Liabilities	18391.54	1355.98	19747.52	20225.04	1356.29	21581.33
	Total financial liabilities (1)	176117.04	15794.39	191911.43	182480.95	5896.59	188377.54
2.	Non-Financial Liabilities						
(a)	Current Tax Liabilities (Net)	-	-	-	-	-	-
(b)	Provisions	5302.84	6109.18	11412.02	881.48	10162.24	11043.72
(c)	Deferred Tax Liabilities (Net)	-	-	-	-	-	-
(d)	Other Non-Financial Liabilities	1860.83	286.30	2147.13	-	1978.73	1978.73
	Total Non-Financial liabilities (2)	7163.67	6395.48	13559.15	881.48	12140.97	13022.45
	Total Liabilities (1+2)	183280.71	22189.87	205470.58	183362.43	18037.56	201399.99

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

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
On Equity shares of ₹100 each		
-Amount of Dividend Proposed (₹ In lakh)	3314.48	3317.05
-Rate of Dividend (%)	30% of PAT	30% of PAT
-Dividend per equity share (₹)	6.22	6.22

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 ₹ 3314.48 lakh (₹ 6.22 per share) in respect of the year ending 31st March 2023 subject to approval of shareholders in the Annual General Meeting. If approved, the dividend would result in cash outflow of ₹ 3314.48 lakh.

Further, Corporate dividend pertaining to financial year ended 31st March 2023, 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.

The Corporation has paid the dividend of ₹ 3317.05 lakh in the FY 2022-23 which was proposed in the FY 2021-22.

During the year 2022-23, the Corporation received ₹ 57.08 lakh on account of dividend for the year 2021-22 from its subsidiary - M/s. NSIC Venture Capital Fund Limited (NVCFL) and the same has been accounted for as 'Other Income' in the financial statements of NSIC.

V. 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
		31.03.2023	31.03.2022	
	Investments in securities			
-	- Investment in shares of struck off Company	-	-	-
-	Receivables	-	-	-
-	Payables	-	-	-
-	Shares held by stuck off Company	-	-	-
-	Other outstanding balances (to be specified)	-	-	-

W. Disclosure on Crypto or Virtual Currency

The Corporation has not traded or invested in Crypto currency or Virtual Currency during the financial year.

X. 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.

Y. The additional information required to be disclosed vide RBI norms

A) Impairment Reserve

In terms of 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 IndAS 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.

As the impairment allowance in terms of IndAS-109 as on 31.03.2023 amounting to ₹12265.28 lakh (₹12323.53 lakh) is lower than the provisioning required under IRACP Norms amounting to ₹14960.81 lakh (₹14802.00 lakh), therefore the difference of provisioning under IRACP Norms & IndAS-109 amounting to ₹2695.53 lakh (₹2478.47 lakh), is to be accounted for as impairment reserve as on 31.03.2023.

However, impairment reserve that ought to be accounted for as on 31.03.2023 is less than the already appropriated impairment reserve as on 31.03.2022 amounting to ₹4866.65 lakh (₹4866.65 lakh), therefore, the already appropriated impairment reserve has not been reversed to the extent of ₹2171.12 lakh (₹2388.18 lakh) as withdrawals are not permitted therefrom. Thus, impairment reserve as on 31.03.2023 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 2022-2023

(₹ 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	262996.32	1295.18	261701.14	1181.94	113.24
	Stage 2					
Subtotal		262996.32	1295.18	261701.14	1181.94	113.24
Non-Performing Assets (NPA)						
Substandard	Stage 3	1131.07	1131.07	0.00	2376.09	-1245.02
Doubtful - up to 1 year	Stage 3	-	-	-	732.85	-732.85
1 to 3 years	Stage 3	-	-	-	265.37	-265.37
More than 3 years	Stage 3	9102.35	9102.35	-	9667.89	-565.54
Sub-total for doubtful		9102.35	9102.35	-	10666.11	-1563.75
Loss	Stage 3	736.68	736.68	-	736.68	0.00
Subtotal for NPA		10970.10	10970.10	0.00	13778.88	-2808.78
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	262996.32	1295.18	261701.14	1181.94	113.24
	Stage 2	0.00	0.00	0.00	0.00	0.00
	Stage 3	10970.10	10970.10	0.00	13778.88	-2808.78
	Total	273966.42	12265.28	261701.14	14960.81	-2695.53

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

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 ₹ 2209.66 lakh (₹2164.51 lakh) has been created, thus making total reserve fund as on 31.03.2023 amounting to ₹ 8389.87 lakh (₹6180.21 Lakh).

D) Rating Assigned by Credit Rating Agencies for the Borrowings of NSIC

Bank Facilities of the Corporation have 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. In addition to above, the Corporation has also been rated for Commercial paper with CRISIL and ACUITE as “A1+” which is considered to have “Very Strong Degree of Safety”.

E) Penalties

- I. Levied by RBI - NIL
- II. Levied by any other statutory authority- During the year ended 31st March, 2023, penalty amounting to ₹ 0.21 (Nil) has been paid by the Corporation.

F) Capital Adequacy

(₹ in Lakh)

Particulars	As at 31.03.2023			As at 31.03.2022			% Variance
	Numerator	Denominator	%	Numerator	Denominator	%	
(i) Capital to Risk Weighted Ratio (CRAR)	108901.31	311026.16	35.01	99290.18	286095.50	34.70	0.89
(ii) CRAR—Tier I Capital	107606.13	311026.16	34.60	98314.72	286095.50	34.36	0.70
(iii) CRAR-Tier II Capital	1295.18	311026.16	0.42	975.46	286095.50	0.34	23.53
(iv) Liquidity Coverage Ratio	8958.82	6942.46	129.04	18614.08	9334.32	199.42	-35.29
(v) Amount of Subordinate debt raised as Tier-II Capital	-	-	Nil	-	-	Nil	-
(vi) Amount raised by issue of Perpetual debt instruments	-	-	Nil	-	-	Nil	-

Note: Liquid Coverage Ratio is computed by dividing total High Quality Liquid Assets (HQLA) by total Net Cash outflow. Working Capital Demand Loan (WCDL) of ₹ 27771.52 lakh was due for repayment within 30 days during the FY 2021-22 whereas WCDL of ₹ 19278.26 lakh was due for repayment during the FY 2022-23 i.e. net cash outflow during the FY 2022-23 was decreased.

- a) **Investments:** NSIC does not hold any investment outside India. However, Corporation has invested earlier ₹ 600 lakh in 100% subsidiary company M/s. NVCFL and ₹ 304.76 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 2022-23, NSIC has contributed its share of 0.01% amounting to ₹ 5.52 lakh for 0.055 units to SRI Fund, 1 unit being of ₹ 100 lakh.

- b) **Break up of Investments**

(₹ in Lakh)

	Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
1	Value of investments		
(i)	Gross Value of Investments		
(a)	In India		
	at fair value through OCI	314.76	279.07
(b)	Outside India		
(ii)	Provision for Depreciation		
(a)	In India	10.00	10.00
(b)	Outside India		
(iii)	Net value of investments		
(a)	In India	304.76	269.07
(b)	Outside India		
(2)	Movement of provisions held towards on investments		
(i)	Opening Balance	10.00	15.00
(ii)	Add: Provisions made during the year		
(iii)	Less: write-off/ write-back of excess provisions during the year	0.00	5.00
(iv)	Closing balance	10.00	10.00
(3)	Aggregate amount of quoted investments	304.76	269.07
	Market value of quoted investments	304.76	269.07
(4)	Aggregate amount of Unquoted investments	615.52	611.78
(5)	Aggregate provision for diminution in value of investments	10.00	10.00

c) Valuation of Investments

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
i) Gross Value of Investments	870.85	786.15
ii) Allowance for Impairment Loss	10.00	10.00
iii) Fair Value Change (Net)	35.69	94.70
iv) Net Value of Investments	910.28	870.85
Movement in Fair Value Changes of Investment (Net)		
Opening Balance	269.07	174.36
Add: Increase in Value	35.69	94.70
Less: Decrease in Value	-	-
Closing Balance	304.76	269.07

G. Derivatives

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
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 2023	Year ended 31 st March 2022
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 2023	Year ended 31 st March 2022
Financial Assets Sold	NIL	NIL

c) Details of Assignment transaction undertaken

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Assignment Transaction undertaken	NIL	NIL

d) Details of Non-performing financial assets purchased/sold

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
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) Disclosure requirements under Scale Based Regulation for NBFCs

In terms of RBI notification no. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022, disclosure under scale based regulations for NBFCs are as under:

Exposure

I. Exposure to Capital Market Sector (Gross)

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
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;	314.76	279.07

II. Sectoral Exposure of Loans And Advances

(₹ in Lakh)

Sectors	Current Year			Previous Year		
	Secured Against BG	Secured Against Collateral/ Unsecured	Total	Secured Against BG	Secured Against Collateral/ Unsecured	Total
Agriculture and Allied Activities	99.49	-	99.49	98.92	-	98.92
Industry						
Food & Food Products	3327.43	-	3327.43	2935.87	-	2935.87
Textiles	1592.46	43.68	1636.14	1476.90	43.68	1520.58

Sectors	Current Year			Previous Year		
	Secured Against BG	Secured Against Collateral/ Unsecured	Total	Secured Against BG	Secured Against Collateral/ Unsecured	Total
Wood & Wood Products	523.65	-	523.65	464.20	-	464.20
Paper & Paper Products	931.75	6.33	938.08	912.17	6.33	918.50
Leather & Leather Products	142.38	-	142.38	409.89	-	409.89
Rubber & Rubber Products	2301.30	43.68	2344.99	1665.99	43.68	1709.67
Chemical & Chemical Products	6436.03	43.68	6479.71	5703.74	43.68	5747.42
Non-Metallic Mineral Products	2008.68	0.01	2008.69	2343.65	-	2343.65
Metal Products	69517	596.79	70113.79	65307.69	835.65	66143.34
Construction	105439.56	339.19	105778.75	95494.22	344.41	95838.64
Electric Machines & Appliances	28352.35	126.87	28479.21	25480.46	126.87	25607.33
Transport Equipment/ Automobile	2855.07	31.23	2886.3	2891.93	31.23	2923.16
Printing Industry	1256.51	0.27	1256.77	1755.46	0.27	1755.73
Plastic & Plastic Products	4414.53	173.86	4588.4	4068.84	173.86	4242.7
Others	28179.04	8871.51	37050.55	28260	8972.01	37232
Total of Industry	257277.75	10277.10	267554.84	239171.01	10621.67	249792.68
Services	4799.77	-	4799.77	3890.40	-	3890.40
Personal Loans	-	45.03	45.03	-	39.03	39.03
Others	199.68	-	199.68	69.49	-	69.49
As per Balance Sheet	262376.68	10322.13	272698.81	243229.82	10660.70	253890.52

I) Breakup of Provision & Contingencies shown under the head expenditure in statement of profit & loss

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
a. Provision for Fair Value Changes on Investments	NIL	NIL
b. Provision for NPAs/Doubtful Debts	NIL	68.97
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	319.72	67.33
f. Provision Made towards Income Tax	3500.00	3500.00
g. Other Provision and Contingencies (Deferred Tax Liability)	310.68	234.25

J) Concentration of Advances and Non-Performing Assets (NPA)

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
I. Concentration of Advances		
Total advances to Twenty Large Borrowers	12352.01	9960.49
% of advances to Twenty Large Borrowers	4.51	3.90
II. Concentration of NPA		
Total Exposure to Top Four NPAs	898.56	991.06

K) Sector-wise NPA (Gross)

(₹ in Lakh)

S No.	Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
1	Agriculture & allied activities	NIL	NIL
2	MSME	10970.10	11348.07
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 2023	Year ended 31 st March 2022
1) Net NPAs to Net Advances (%)	-	-
2) Movement of Gross NPAs/Doubtful Debts		
(a) Opening Balance	11348.07	11799.68
(b) Add: Addition During Year	1.43	-
(c) Less: Reduction/Write-off During Year	379.40	451.61
(d) Closing Balance	10970.10	11348.07
3) Movement of Net NPAs/Doubtful Debts		
(a) Opening Balance	-	-
(b) Add: Addition During Year	-	-
(c) Less: Reduction/Write-off During Year	-	-
(d) Closing Balance	-	-
4) Movement in Provision for NPA/Doubtful Debts		
(a) Opening Balance	11348.07	11799.68
(b) Add: Provision made during the year	1.43	-
(c) Less: Loans Written off during the year	-	-
(d) Less: Provision Written Back	379.40	451.61
(e) Closing Balance	10970.10	11348.07

M) Other Information

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
i) Gross Non-Performing Assets		
- Related parties	-	-
- Other than related parties	10970.10	11348.07
ii) Net Non-Performing Assets		
- Related parties	-	-
- Other than related parties	-	-

N) Complaints

I. Customer & Investor Complaints

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
1. No. of complaints pending at the beginning of the year	5	NIL
2. No. of complaints received during the year	104	55
3. No. of complaints disposed during the year	109	50
3.1 Of which, No. of complaints rejected by the NBFC	6	NIL
4. No. of complaints pending at the end of the year	NIL	5

II. Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended 31 st March 2023					
Ground – 1 SC ST Hub	1	31	343% increased	-	-
Ground – 2 SPRS	-	14	27% increased	-	-
Ground – 3 RMD	-	9	80% increased	-	-
Ground – 4 MSME mart	-	6	500% increased	-	-
Ground – 5 RMA & Minimum wages paid to outsourced staff	-	3 in both categories	300% increased	-	-
Total	1	63		-	-

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Year ended 31 st March 2022					
Ground – 1 SC ST Hub	-	7		1	-
Ground – 2 SPRS	-	11		-	-
Ground – 3 RMD	-	5		-	-
Ground – 4 Tender Marketing	-	5		-	-
Ground – 5 MSME Databank	-	2		-	-
Total	-	30		1	-

III. No complaints have been received by the Corporation from the borrowers under the Fair Practices Code during the year ended 31st March, 2023 (Previous year Nil).

- O) 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

- 1) 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 2023		As At 31 st March 2022	
		Amount O/s	Amount Overdue	Amount O/s	Amount
(a)	Debentures	-	-	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	4817.23	-	4844.13	-
(d)	Inter-Corporate Loans and borrowings	-	-	-	-
(e)	Commercial Paper	-	-	-	-

Particulars		As At 31 st March 2023		As At 31 st March 2022	
		Amount O/s	Amount Overdue	Amount O/s	Amount
(f)	Public Deposits	-	-	-	-
(g)	Other Loans				
	Bank Overdraft, Cash credit & Working Capital Demand Loan	150932.84	-	147502.51	-

2) Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :

-Not Applicable-

Assets Side

3) 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 2023	As At 31 st March 2022
(a) Secured (Net of provision)	-	-
(b) Covered by Bank/Government Guarantees (Net of provision)	261701.14	242888.18
(c) Unsecured (Net of provision)	-	-

4) Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities

-Not Applicable-

5) Break-up of Investments (net off diminution):

(₹ in Lakh)

Particulars		Amount Outstanding	
		As At 31 st March 2023	As At 31 st March 2022
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		

Particulars		Amount Outstanding	
		As At 31 st March 2023	As At 31 st March 2022
(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)	304.76	269.07
(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	5.25	1.78

6) Borrower group-wise classification of assets financed as in (3) and (4) above

(₹ in Lakh)

Category		As At 31 st March 2023			As At 31 st March 2022		
		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

Category		As At 31 st March 2023			As At 31 st March 2022		
		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)
(c)	Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
2	Other than related parties	Nil	261701.14	Nil	Nil	242888.18	Nil

7) 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 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	5.52	5.52	1.78	1.78
2	Other than related parties	304.76	304.76	269.07	269.07

5. During the year the corporation has incurred an expenditure of ₹ 347.77 Lakhs (₹211.86 Lakhs) on Research and Development (R&D) /innovation.
6. There are no unbilled (Trade Payables & Trade Receivables) as on 31.03.2023 (PY Nil).
7. All amounts are in ₹ lakh, unless otherwise stated.
8. Figures in brackets in the notes to the financial statements represent previous year's figures.
9. 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 31.03.2023

(₹ in Lakh)

Particulars	Note No.	As At 31.03.23	As At 31.03.22
I REVENUE			
A Revenue from Operations	21		
Sale of Products		232491.66	221163.92
Sale of Services		10994.01	9087.87
Interest Income		28316.10	26130.56
Fees and Commission Income		4730.12	4735.83
[Includes Processing Fees earned of ₹ 4730.12 lakhs (₹ 4735.83 lakhs) for value of goods handled and services rendered ₹ 1684329.65 lakhs (₹ 1819418.11 lakhs)]			
Other Operating Income		481.88	751.80
Total Revenue from Operations		277013.77	261869.98
B Other Income	22	160.70	121.87
C Grants and Subsidies	23	0.00	0.00
Total Income (A + B + C)		277174.47	261991.85
II EXPENSES			
Purchase of Products	24	231796.49	220204.04
Changes in Inventories	25	0.00	1.91
Employee Benefit Expenses	26	13019.43	13021.74
Finance Costs	27	9084.67	6261.56
Depreciation and Amortization Expenses	28	703.59	742.00
Corporate Social Responsibility	29	278.27	230.60
Other Expenses	30	7396.73	6915.85
Fees and Commission Expenses	34	84.09	71.85
Total Expenses		262363.27	247449.55
III Profit before Exceptional Items and Tax		14811.20	14542.30
Exceptional Items (Refer point no. 4F(b) of Note-35)		-13.94	-6.20
IV Profit before Tax		14825.14	14548.50
Tax Expense	31		
Current Tax		3500.00	3500.00
Deferred Tax		310.68	234.25
Earlier Years		-33.81	-8.33
V Total Tax Expense		3776.87	3725.92
VI Profit after Tax for the period from Continuing Operations		11048.27	10822.58
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		11048.27	10822.58

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS (COMMERCIAL) FOR THE YEAR ENDED 31.03.2023

(₹ in Lakh)

Particulars	Note No.	As At 31.03.23	As At 31.03.22
XI Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment		35.69	94.70
Items that will not be reclassified to Profit or Loss - Actuarial Gain/Loss on Defined Benefit Plans		3.02	-141.37
Income Tax relating to Items that will not be reclassified to Profit or Loss		-9.73	11.75
Sub Total (A)		28.98	-34.92
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)		28.98	-34.92
XII Total Comprehensive Income for the period (X + XI) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		11077.25	10787.66
XIII Earnings per Equity Share (for Continuing Operations)	32		
Basic (₹)		20.73	20.31
Diluted (₹)		20.73	20.31
XIV Contingent Liabilities	33 (i)	3974.46	1286.20
XV Capital Commitments	33 (ii)	986.82	1620.93
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 : 28.08.2023

UDIN : 23099172BGVZAT9630

For and on behalf of Board of Directors

Sd/-

Gaurav Gulati

Director (Finance)

[DIN: 10144109]

Sd/-

Partha Majhi
General Manager (F&A)

Sd/-

Vipul Goel

Chairman-cum-Managing Director

[DIN: 10229523]

Sd/-

Nishtha Goyal
Company Secretary
[Membership No.: A22768]

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

STANDALONE STATEMENT OF PROFIT AND LOSS (PROMOTIONAL) FOR THE YEAR ENDED 31.03.2023

(₹ in Lakh)

Particulars	Note No.	As At 31.03.23	As At 31.03.22
I INCOME			
A Revenue from Operations	21		
Sale of Products		0.00	0.00
Sale of Services		0.00	0.00
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	0.00
B Other Income	22	0.00	0.00
C Grants and Subsidies	23	10508.11	6700.65
Total Income (A + B + C)		10508.11	6700.65
II EXPENSES			
Purchase of Products	24	0.00	0.00
Changes in Inventories	25	0.00	0.00
Employee Benefit Expenses	26	357.85	379.49
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	10150.26	6321.16
Fees and Commission Expenses	34	0.00	0.00
Total Expenses		10508.11	6700.65
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	31		
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 31.03.2023

(₹ in Lakh)

Particulars	Note No.	As At 31.03.23	As At 31.03.22
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 (X + XI) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		0.00	0.00
XIII Earnings per Equity Share (for Continuing Operations)	32		
Basic (₹)		0.00	0.00
Diluted (₹)		0.00	0.00
XIV Contingent Liabilities	33 (i)	0.00	0.00
XV Capital Commitments	33 (ii)	0.00	1675.82
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 : 28.08.2023

UDIN : 23099172BGVZAT9630

For and on behalf of Board of Directors

Sd/-

Gaurav Gulati
Director (Finance)
[DIN: 10144109]

Sd/-

Vipul Goel
Chairman-cum-Managing Director
[DIN: 10229523]

Sd/-

Partha Majhi
General Manager (F&A)

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 THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 2023

The preparation of financial statements of The National Small Industries Corporation Limited for the year ended 31st March, 2023 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 28 August, 2023.

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 31st March, 2023 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. 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/-

(Sanjay K. Jha)

Director General of Audit
(Industry & Corporate Affairs)
New Delhi

Place : New Delhi
Dated: 6th November, 2023

INDEPENDENT AUDITORS' REPORT

To,
The Members of
The National Small Industries Corporation Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

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 2023, 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 March 31, 2023, 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 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 audit opinion on the consolidated financial statements.

Emphasis of Matters

1. We draw attention to the following matters:

- a) Note No. 35(4)(B)(c) to the accompanying consolidated financial statements relating to Land and Building at Industrial Estate Naini which describes in detail that to the extent of ₹ 15,30,910/- the profit of the group of FY 2021-22 is understated.
- b) Note No. 35(4)(J)(a)(ii) to the accompanying consolidated financial statements regarding closing balance as on 31.03.2023 of provision for exchange variation losses in respect of KFW XIIth line of credit amounting to ₹ 2249.66 Lakhs (PY ₹ 2175.00 Lakhs) as per the terms of agreement with KFW. However, the total loan outstanding (as depicted in Annexure-15A of the accompanying consolidated financial statements) is ₹ 1988.81 Lakhs (PY ₹ 2021.90 Lakhs) only.
- c) Note 35(4)(I)(d) to the accompanying consolidated financial statements regarding corpus for medical schemes for retired employees made by the Group in accordance with the DPE guidelines. The total corpus as on 31.03.2023 towards medical scheme for the employees retired prior to

01.01.2007 and on or after 01.01.2007 stood at ₹ 252.68 Lakhs (PY ₹ 359.71 Lakhs) and ₹ 451.70 Lakhs (PY ₹ 422.29 Lakhs) respectively.

- d) *Note 35(4)(M) to the accompanying consolidated financial statements regarding ad-hoc provision made by the group on account of Performance Related Pay (PRP) for the year 2022-23 amounting to ₹ 626.26 lakhs (Previous year ₹ 754.12 lakhs).*

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 Group 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 Group'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 Group 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 ₹ 1406.66 Lakhs (PY ₹ 903.57 Lakhs) and total revenue of ₹ 413.12 Lakhs (PY ₹ 201.60 Lakhs) 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 auditor.
2. We also did not audit the financial statements/information of 54 (Previous Year 54) Branch Offices including Technical Centres included in the standalone financial statements of the Group whose financial statements /

financial information reflect total assets of ₹ 3,17,259.48 Lakhs as at 31st March, 2023 (₹ 2,98,451.15 Lakhs as at 31st March, 2022) and total revenues ₹ 2,72,151.38 Lakhs (PY ₹ 2,59,702.55 Lakhs) for the year ended on that date, as considered in the consolidated 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. We have considered the findings of these auditors along with explanations, other information and records provided to us by the management in forming our opinion in so far as it relates to the amounts and disclosures included in consolidated financial statements in respect of such branches.

3. 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 Rs 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.
4. The Group has not eliminated figures of "Exchange Account Balance with NVCFL" in the books of NSIC and "Payable to NSIC" in the books of NVCFL for the FY 21-22 to the extent of ₹ 33.33 Lakhs. Thus, the Other Financial Assets and Other Financial Liabilities of FY 21-22 are overstated to that extent.

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. (A) As required 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.
 - (e) 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.

- (f) 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 – Refer Note 35 to the accompanying consolidated financial statements.
 - (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.
 - (iv)
 - 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 Group 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 Group (“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 Group from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group 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 Group has dividend declared or paid during the year in compliance with section 123 of the Companies Act 2013.

- (vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, is applicable to the Group only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

Place: New Delhi
Date: 28th August, 2023

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

Sd/-
(Parul Goyal)
Partner
Membership No.: 099172
UDIN: 23099172BGVZAU5557

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 2023, 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: 23099172BGVZAU5557

Place: New Delhi
Date: 28th August, 2023

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 31 March 2023, 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 2023:

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 the same shall be reviewed and revised in ensuing financial year to ensure its effective implementation and monitoring.*
2. *The procedure for implementation of risk management policy, strategy, documentation thereof etc. needs further strengthening. Management informed that the same are being reviewed periodically and are implemented on an ongoing basis.*
3. *Internal financial controls w.r.t preparation and reporting of financials needs further strengthening and to avoid any manual intervention, 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's has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2023, 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".

Other Matter

1. 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 including Technical Centres and NVCFL 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/ Companies.

2. The branch auditor of NTSC-Okhla has reported few deficiencies in Internal

Controls of the branch which inter-alia include deficiency in tendering process through Gem Portal, discrepancies in specification of material in actual invoice vis-à-vis performa invoice, weakness in follow-up system in case of overdues, deficiency in the process of inspection of purchased material etc.

Our opinion is not modified in respect of these matters.

Place: New Delhi
Date: 28th August, 2023

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

Sd/-
(Parul Goyal)
Partner
Membership No.: 099172
UDIN: 23099172BGVZAU5557

NOTES FORMING AN INTEGRAL PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

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 01/09/2021. 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 31 March 2023. 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 31 March 2021. During the year ended 31 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.

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):

Any amount incurred by the company on behalf of SRI Fund, is reimbursed by the Fund, in terms of fund documents and is adjusted in the 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.

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. Cost includes expenditure and other related expenditure that is

directly attributable to bringing the PPE 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.

ii. Subsequent measurement of

- (a) **Leased assets and seized leased assets out of leased assets acquired up to 31st March'2001** is done at historical cost, net of accumulated balance of depreciation, lease terminal adjustment and accumulated impairment losses, if any.
- (b) **Items of PPE other than leased assets and seized leased assets out of leased assets** is done 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.

iii. When parts of an item of PPE have different useful lives, they are recognized separately by identifying such components.

iv. 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 and that are not yet ready

for their intended use at the financial statement date.

- b) The tangible PPE under construction is carried at cost comprising direct cost (cost of materials, labour & other incidental expenditure) & related indirect expenses (including overheads) attributable to bring the PPE to the location and working condition necessary for its intended use.
- c) Income pertaining to the construction period such as interest income, scrap sale, 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/executing agency (EA) through Engineer In-charge of the capital project/ Intangible Assets under Development, until the assets is recognized as PPE.
- e) Advances paid for the acquisition/ construction of PPE which are outstanding at the financial statement 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.

The work that has been initiated but not completed by 31st March of financial year is depicted as "intangible asset under development under PPE" while the work that has not been initiated even by 31st March of financial year but some advance was paid in terms of contractual agreement, then such advance is depicted as "advance to the vendor under non-financial assets".

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 it 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.	Grid connected Rooftop Solar Photo Voltage (PV) system	25 Years	3.80%	5% of original cost
xvii.	Intangible Assets-Software	5 Years	20.00%	₹ 1/-
xviii.	Mobile Phone Instruments	3 Years	33.33%	₹ 1/-
xix.	Websites	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) PPE 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.
- f) 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 & 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 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 except sponsored training.
- Revenue from sponsored and other allied training is recognized after completion of training course and when it is certain that fee will be recovered in line with terms and conditions of the Agreement/ Contract/ MOU.

Revenue from common facilities (which inter-alia includes material testing fees, job work charges, machining facility on the machines at NTSCs, etc.) is recognized on completion of testing and job work.

i) **Royalty income from Technical Incubation Centre (TIC) units**

The revenue on account of Royalty from TIC units is recognized as income on accrual basis. The fee/royalty is recognized on monthly basis depending upon the number of trainees enrolled, course fee and duration of the course.

j) **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.

k) **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

- i. 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.

- ii. The Finance Lease

is not undertaken by the Corporation as lessor.

II Corporation as a Lessee

- i. 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.
- ii. The Finance Lease is not undertaken by the Corporation as lessee.
- iii. 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.

l) 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.

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.
- c) Exchange differences arising on settlement or translation of monetary items are recognized in consolidated statement of profit or loss in the year in which it arises.
- d) Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.
- e) 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.
- b) In case of approved Promotional activities, expenditure incurred / committed for the year, but grant received in subsequent year, is accounted on accrual basis.
- c) Receipt of grants is recognized as advance from the Government of India and is shown as Amounts Payable to Government of India.
- d) The grant amount, to the extent of expenditure incurred, is recognized as income in the consolidated Statement of Profit and Loss.
- e) 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.
- f) 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.
- g) 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.

On same lines, government grants towards reimbursement of Membership Fees, advertisement, etc under PMSS scheme, etc are also charged as grant utilized under the group head **"Membership Fees, advertisement, etc under B2B scheme (PMSS)"** 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'.

- h) 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’.

- i) 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 except in case of PMSS component – Adoption of e-commerce platform.
- j) 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.
- k) 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.
- l) 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)

Any amount incurred by the company on behalf of SRI Fund, is reimbursed by the Fund, in terms of fund documents and is adjusted in the books of accounts.

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 (net of purchases) 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 Tax

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

a) Dividend Income

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

b) Dividend Expenditure

Dividends payable to 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 after taking into consideration of circulars/ guidelines as applicable from time to time, issued by RBI, DIPAM, SEBI, DPE, etc.

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.

A. Initial recognition and measurement of financial assets & financial liabilities

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.

B. Financial assets

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.

I. Subsequent Measurement

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

- 1) at amortized cost using effective interest rates (EIR)
- 2) at fair value through profit or loss (FVTPL)
- 3) 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:

- 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

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:

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

- 4) Lease Receivables under IndAS-116
- 5) 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.

C. 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.

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 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 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: 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. 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: - 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 - 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 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%
	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

- (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 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). 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
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 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 31.03.2023

(₹ in Lakh)

Particulars	Note No.	As At 31.03.23		As At 31.03.22	
ASSETS					
1 Financial Assets					
(a) Cash and Cash Equivalents	3	9249.17		18884.73	
(b) Bank Balances other than Cash and Cash Equivalents	4	390.83		492.65	
(c) Trade Receivables	5	16303.10		14061.53	
(d) Loans & Advances	6	265648.23		247551.40	
(e) Investments	7	338.64		279.76	
(f) Other Financial Assets	8	2034.58	293964.55	2065.69	283335.76
2 Non-Financial Assets					
(a) Inventories	9	11.48		12.26	
(b) Current Tax Assets (Net)	10	247.22		646.33	
(c) Deferred Tax Assets (Net)	11	3539.42		3860.37	
(d) Property, Plant and Equipment	12	28724.30		28343.91	
(e) Capital Work-in-Progress	12	437.42		750.33	
(f) Intangible Assets Under Development	12	35.65		23.39	
(g) Other Intangible Assets	12	58.32		82.95	
(h) Right of Use Assets	12	54.16		55.00	
(i) Assets Classified as Held for Sale	12	0.21		0.21	
(j) Other Non-Financial Assets	13	4471.54	37579.72	1939.24	35713.99
Total Assets			331544.27		319049.75
LIABILITIES AND EQUITY					
1 Financial Liabilities					
(a) Payables					
(i) Trade Payables					
Outstanding Dues of MSEs	14	16463.62		14348.24	
Outstanding Dues of Non-MSEs	14	113.32		112.40	
(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	155586.97		152335.57	
(c) Other Financial Liabilities	16	20096.32	192260.23	21702.82	188499.03
2 Non-Financial Liabilities					
(a) Current Tax Liabilities (Net)	10	0.00		0.00	
(b) Provisions	17	11413.89		11043.72	
(c) Deferred Tax Liabilities (Net)	11	0.00		0.00	
(d) Other Non-Financial Liabilities	18	2147.13	13561.02	1978.73	13022.45
3 Equity					
(a) Equity Share Capital	19	53298.80		53298.80	
(b) Other Equity	20	72424.22	125723.02	64229.47	117528.27
Total Liabilities and Equity			331544.27		319049.75
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 : 28.08.2023

UDIN : 23099172BGVZAU5557

For and on behalf of Board of Directors

Sd/-

Gaurav Gulati
Director (Finance)
[DIN: 10144109]

Sd/-

Vipul Goel
Chairman-cum-Managing Director
[DIN: 10229523]

Sd/-

Partha Majhi
General Manager (F&A)

Sd/-

Nishtha Goyal
Company Secretary
[Membership No.: A22768]

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2023

(₹ in Lakh)

Particulars	Note No.	As at 31.03.23	As at 31.03.22
I INCOME			
A Revenue from Operations	21		
Sale of Products		232491.66	221163.92
Sale of Services		11380.67	9265.99
Interest Income		28342.56	26153.92
Fees and Commission Income		4730.12	4735.83
[Includes Processing Fees earned of ₹ 4730.12 lakhs (₹ 4735.83 lakhs) for value of goods handled and services rendered ₹ 1684329.65 lakhs (₹ 1819418.11 lakhs)]			
Other Operating Income		481.88	751.80
Total Revenue from Operations		277426.89	262071.46
B Other Income	22	143.40	191.24
C Grants and Subsidies	23	10508.11	6700.65
Total Income (A + B + C)		288078.40	268963.35
II EXPENSES			
Purchase of Products	24	231796.49	220204.04
Changes in Inventories	25	0.00	1.91
Employee Benefit Expenses	26	13407.50	13429.93
Finance Costs	27	9084.67	6261.56
Depreciation and Amortization Expenses	28	704.10	742.32
Corporate Social Responsibility	29	278.27	230.60
Other Expenses	30	17563.53	13247.90
Fees and Commission Expenses	34	84.09	71.85
Total Expenses		272918.65	254190.11
III Profit before Exceptional Items and Tax		15159.75	14773.24
Exceptional Items (Refer point no. 4F(b) of Note-35)		-13.94	-6.20
IV Profit before Tax		15173.69	14779.44
Tax Expense	31		
Current Tax		3602.00	3555.25
Deferred Tax		311.21	222.45
Earlier Years		-34.37	-11.11
V Total Tax Expense		3878.84	3766.59
VI Profit after Tax for the period from Continuing Operations		11294.85	11012.85
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		11294.85	11012.85

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2023

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31.03.23	For the Year Ended 31.03.22
XI Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment		35.69	94.70
Items that will not be reclassified to Profit or Loss - Actuarial Gain/Loss on Defined Benefit Plans		3.02	-141.37
Income Tax relating to Items that will not be reclassified to Profit or Loss		-9.73	11.75
Sub Total (A)		28.98	-34.92
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)		28.98	-34.92
XII Total Comprehensive Income for the period (X + XI) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		11323.83	10977.93
XIII Earnings per Equity Share (for Continuing Operations)	32		
Basic (₹)		21.19	20.66
Diluted (₹)		21.19	20.66
XIV Contingent Liabilities	33 (i)	3974.46	1286.20
XV Capital Commitments	33 (ii)	986.82	3296.75
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 : 28.08.2023

UDIN : 23099172BGVZAU5557

For and on behalf of Board of Directors

Sd/-

Gaurav Gulati

Director (Finance)

[DIN: 10144109]

Sd/-

Partha Majhi
General Manager (F&A)

Sd/-

Vipul Goel

Chairman-cum-Managing Director

[DIN: 10229523]

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]

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 31.03.2023

(₹ in Lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Net (+)Profit/(-)Loss before Tax	15,173.69	14,779.44
Adjustment for Non-Cash / Non-Operating Items:		-
Depreciation and Amortisation Expenses	704.08	742.34
Gain on Sale/Disposal of Assets/Intangible	(13.94)	(10.70)
Losses on Sale/Disposal of Assets/Intangibles	-	4.51
Provisions & Contingencies (Terminal Benefits)	1,381.47	1,593.95
Provisions made during the year (Exchange Variation)	408.13	425.07
Bad Debts Written Off	17.34	7.75
Loss on Foreign Currency Transaction and Transition (Net)/(-)Gain	-	(85.57)
Interest Accrued but not due on borrowings	8.52	13.01
Discounting Impact (Debit)	21.40	53.62
Discounting Impact (Credit)	(75.90)	(28.02)
Dividend Income	(4.70)	(2.35)
Interest on FDs/Deposits with Banks	(13.32)	(62.13)
Excess Provision Written Back-Others	(169.75)	(436.90)
Sundry Credit Balances Written Back	(114.68)	(314.15)
Excess Provision Written Back (Terminal Benefits)	(59.20)	(50.50)
Excess Provision Written Back (KFW Loans)	(138.23)	(274.01)
Recognition of Income tax Recoverable for Previous Year	-	0.83
Operating Cash Flow before Working Capital Changes:	17,124.92	16,356.19
Adjustment for Working Capital Changes:		
Trade Recivables	(2,258.92)	4,540.38
Other Financial Assets	(27.98)	(659.41)
Inventories	0.78	8.67
Current Tax Assets	(403.89)	(1,056.50)
Loans & Advances	(17,893.75)	(16,473.31)
Other Non Financial Assets	(2,532.31)	(692.74)
Trade Payables	2,230.99	(4,555.44)
Other Financial Liabilities	1,478.18	4,370.88
Provisions	(1,357.20)	(1,308.31)
Other Liabilities	(2,836.03)	301.31
Cash Flow before Tax:	(6,475.21)	831.71
Taxes Paid	(2,764.63)	(3,088.95)
(A) Net Operating Cash (+)Inflow / (-)Outflow	(9,239.84)	(2,257.24)
Cash Flow from Investing Activities:		
Sale Proceeds of Assets	35.86	26.74
Increase in PPE and Capital W.I.P.	(592.30)	(417.37)
Amount reimbursed for Intangible Assets under Development	-	16.93
Investment in SRI Fund	(3.73)	(1.78)

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 31.03.2023

(₹ in Lakh)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Investment in Term Deposits (maturity less than three months)	-	(70.00)
Investment in Term Deposits (maturity more than one year)	101.82	161.01
Investment in AIF - SRI Fund	(19.45)	(8.91)
Dividend from Investments	4.70	2.35
Interest on Bank Deposits	13.32	62.13
(B) Net Investing Cash (+)Inflow / (-)Outflow	(459.79)	(228.91)
Cash Flow from Financing Activities:		
(+) Increase / (-) Decrease in Borrowings (Short Term)	3,269.74	9,486.96
(+) Increase / (-) Decrease in Borrowings (Long Term)	111.38	(24.67)
Dividend Paid	(3,317.05)	(3,177.66)
(C) Net Financing Cash (+)Inflow / (-)Outflow	64.07	6,284.63
(A) Net Cash (+)Inflow / (-)Outflow From Operating Activities	(9,239.84)	(2,257.24)
(B) Net Cash (+)Inflow / (-)Outflow from Investing Activities	(459.79)	(228.91)
(C) Net Cash (+)Inflow / (-)Outflow from Financing Activities	64.07	6,284.63
Net Cash (+)Inflow / (-)Outflow	(9,635.56)	3,798.48
Add.: Cash & Cash Equivalents at beginning of the year	18,884.73	15,086.25
Cash & Cash Equivalents at the end of the year	9,249.17	18,884.73
Cash & Cash Equivalents as per Balance Sheet - Note 3	9,249.17	18,884.73

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

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

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 .

Note :

1. The above Cash Flow statement has been prepared by using the Indirect Method as per IndAS-7 Statement of Cash Flow.
2. Cash and Cash Equivalent (including bank balances) consist of cash and other bank balances.
3. Previous year's figures have been regrouped/rearranged wherever necessary.
4. We are a NBFC and Interest Paid has been considered as operating expenditure.

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 : 28.08.2023

UDIN : 23099172BGVZAU5557

For and on behalf of Board of Directors

Sd/-

Gaurav Gulati
Director (Finance)

[DIN: 10144109]

Sd/-

Vipul Goel
Chairman-cum-Managing Director

[DIN: 10229523]

Sd/-

Partha Majhi
General Manager (F&A)

Sd/-

Nishtha Goyal
Company Secretary
[Membership No.: A22768]

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2023

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
2021-22	53298.80	0.00	53298.80	0.00	53298.80
2022-23	53298.80	0.00	53298.80	0.00	53298.80

(₹ in lakh)

B : OTHER EQUITY

Particulars	Reserve & Surplus				Other Comprehensive Income			Total
	Capital Reserves	Capital Replacement 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 2021	3831.31	73.09	43545.27	4866.65	4015.70	187.96	-415.44	56104.54
Changes due to Accounting Policy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes due to Prior Period Errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the period	0.00	0.00	11012.85	0.00	0.00	0.00	0.00	11012.85
Other Comprehensive Income	0.00	0.00	0.00	0.00	0.00	94.71	-141.37	-46.66
Total Comprehensive Income	0.00	0.00	11012.85	0.00	0.00	94.71	-141.37	10966.19
Dividend for the year 2020-21	0.00	0.00	-3177.67	0.00	0.00	0.00	0.00	-3177.67
Transfer / Adjustment during the year	685.81	0.00	-2164.51	0.00	2164.51	0.00	0.00	685.81
Depreciation for the year	-361.14	0.00	0.00	0.00	0.00	0.00	0.00	-361.14
Income tax relating to defined benefit plans	0.00	0.00	0.00	0.00	0.00	0.00	35.58	35.58
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
Changes due to Accounting Policy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes due to Prior Period Errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the period	0.00	0.00	11294.85	0.00	0.00	0.00	0.00	11294.85
Other Comprehensive Income	0.00	0.00	0.00	0.00	0.00	35.69	3.02	38.71
Total Comprehensive Income	0.00	0.00	11294.85	0.00	0.00	35.69	3.02	11333.56

(₹ in lakh)

Particulars	Reserve & Surplus					Other Comprehensive Income		Total
	Capital Reserves	Capital Redemption Reserve	Retained Earnings	Impairment Reserve	Statutory Reserve- u/s 45(IC of RBI Act 1934	Equity Instruments through Other Comprehensive Income	Defined Benefits Plans through Other Comprehensive Income	
Transfer / Adjustment during the year	563.38	0.00	-2209.66	0.00	2209.66	0.00	0.00	563.38
Dividend for the year 2021-22	0.00	0.00	-3317.05	0.00	0.00	0.00	0.00	-3317.05
Depreciation for the year	-375.41	0.00	0.00	0.00	0.00	0.00	0.00	-375.41
Income tax relating to Defined benefit plans	0.00	0.00	0.00	0.00	0.00	0.00	-0.75	-0.75
Income tax relating to Equity Investments	0.00	0.00	0.00	0.00	0.00	-8.98	0.00	-8.98
Balance as at 31st March 2023	4343.95	73.09	54984.08	4866.65	8389.87	285.54	-518.96	72424.22

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 : 28.08.2023

UDIN : 23099172BGVZAU5557

For and on behalf of Board of Directors

Sd/-

Gaurav Gulati

Director (Finance)

[DIN: 10144109]

Sd/-

Vipul Goel

Chairman-cum-Managing Director

[DIN: 10229523]

Sd/-

Sd/-

Partha Majhi

General Manager (F&A)

Nishtha Goyal

Company Secretary

[Membership No.: A22768]

NOTE-3 : CASH & CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Cash & Cash Equivalents		
Cash on Hand *	0.30	0.80
Cheques, Drafts on Hand	0.00	1.78
Remittance in Transit	0.00	0.00
Balance with Banks:		
Current Account	8920.45	29636.75
Less : Amount Received on behalf of SRI Fund	0.00	-15234.37
Others **	328.40	4479.75
Stamps on Hand	0.02	0.02
As per Balance Sheet	9249.17	18884.73

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 31.03.23	As At 31.03.22
Deposits		
Term Deposits	390.83	492.65
As per Balance Sheet	390.83	492.65

Note :- 1) Term Deposits amounting to ₹ 390.83 lakh (₹ 492.65 lakh) are for more than 3 months.

2) Out of ₹ 390.83 lakh (₹ 492.65 lakh), Term Deposits amounting to ₹ 62.44 lakh (₹ 58.83 lakhs) are lien marked.

NOTE-5 : TRADE RECEIVABLES (AT ORIGINAL COST)

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Trade Receivables		
Secured Considered Good	16303.10	14062.35
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	1616.02	1759.35
	17919.12	15821.70
Less: Seized Leased Suspense	50.71	50.72
Less: Penal Interest Suspense	284.48	294.17
	17583.93	15476.81
Less: Cheques sent for Collection	0.00	0.82
Less: Impairment Loss Allowance	1280.83	1414.46
As per Balance Sheet	16303.10	14061.53
Geographical Classification of Trade Receivables :		
In India	16303.10	14061.53
Outside India	0.00	0.00
Total	16303.10	14061.53

ANNEXURE - 5A : TRADE RECEIVABLES (AGEWISE SUMMARY)

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Undisputed Trade Receivables Considered Good		
Less than equal to 6 Months	5184.12	2680.93
Over 6 Months - Less than equal to 1 Year	2051.12	4520.12
Over 1 Year - Less than equal to 2 Years	3305.10	1074.12
Over 2 Year - Less than equal to 3 Years	720.05	2609.89
Over 3 Years	5001.96	3245.95
Sub Total	16262.35	14131.01
Disputed Trade Receivables Considered Good		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	40.76	40.76
Sub Total	40.76	40.76
Undisputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
Less than equal to 6 Months	2.07	0.53
Over 6 Months - Less than equal to 1 Year	0.69	26.03
Over 1 Year - Less than equal to 2 Years	99.14	134.48
Over 2 Year - Less than equal to 3 Years	14.77	66.40
Over 3 Years	696.11	710.32
Sub Total	812.78	937.76
Disputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	803.23	821.58
Sub Total	803.23	821.58
	17919.12	15931.11

Particulars	As At 31.03.23	As At 31.03.22
Less: Seized Lease Suspense	50.71	50.71
Less: Penal Interest Suspense	284.48	294.17
	17583.93	15586.23
Less: Cheques sent for Collection	0.00	0.82
Less: Impairment Loss Allowance	1280.83	1414.46
Total	16303.10	14170.95
Geographical Classification of Trade Receivables :		
In India	16303.10	14061.53
Outside India	0.00	0.00
Total	16303.10	14061.53

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

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
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	757.37	776.42
	757.37	776.42
Less: Penal Interest Suspense	239.40	243.23
	517.97	533.19
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	517.97	533.19
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	165.85	189.89
	165.85	189.89
Less: Seized Lease Suspense	50.71	50.72
Less: Penal Interest Suspense	44.40	50.26
	70.74	88.91
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	70.74	88.91
Sub Total	0.00	0.00
TRADE RECEIVABLES - MARKETING		
Secured Considered Good	15980.03	13550.65
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	259.61	259.61
	16239.64	13810.26

Particulars	As At 31.03.23	As At 31.03.22
Less: Penal Interest Suspense	0.00	0.00
	16239.64	13810.26
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	259.61	259.61
Sub Total	15980.03	13550.65
TRADE RECEIVABLES - OTHERS		
Secured Considered Good	323.07	511.70
Unsecured Considered Good	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	0.00	0.00
Credit Impaired	433.19	533.43
	756.26	1045.13
Less: Penal Interest Suspense	0.68	0.68
	755.58	1044.45
Less: Cheques sent for Collection	0.00	0.82
Less: Impairment Loss Allowance	432.51	532.75
Sub Total	323.07	510.88
Total	16303.10	14061.53

ANNEXURE - 5C : AGEWISE CLASSIFICATION OF TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
TRADE RECEIVABLES - HIRE PURCHASE		
Undisputed Trade Receivables Considered Good		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivables Considered Good		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00

Particulars	As At 31.03.23	As At 31.03.22
Disputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	361.41	373.46
Sub Total	361.41	373.46
Disputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	395.96	402.96
Sub Total	395.96	402.96
	757.37	776.42
Less: Penal Interest Suspense	239.40	243.23
	517.97	533.19
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	517.97	533.19
Sub Total	0.00	0.00
TRADE RECEIVABLES - LEASING		
Undisputed Trade Receivables Considered Good		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivables Considered Good		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00

Particulars	As At 31.03.23	As At 31.03.22
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	65.85	77.66
Sub Total	65.85	77.66
Disputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	100.00	112.22
Sub Total	100.00	112.22
	165.85	189.88
Less: Seized Lease Suspense	50.71	50.71
Less: Penal Interest Suspense	44.40	50.26
	70.74	88.91
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	70.74	88.91
Sub Total	0.00	0.00

TRADE RECEIVABLES - MARKETING

Undisputed Trade Receivables Considered Good

Less than equal to 6 Months	4976.82	2141.57
Over 6 Months - Less than equal to 1 Year	2044.20	4514.19
Over 1 Year - Less than equal to 2 Years	3298.59	1033.98
Over 2 Year - Less than equal to 3 Years	683.74	2609.68
Over 3 Years	4941.66	3216.21
Sub Total	15945.01	13515.63

Disputed Trade Receivables Considered Good

Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00

Particulars	As At 31.03.23	As At 31.03.22
Over 3 Years	35.02	35.02
Sub Total	35.02	35.02
Undisputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	214.85	214.85
Sub Total	214.85	214.85
Disputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	44.76	44.76
Sub Total	44.76	44.76
	16239.64	13810.26
Less: Penal Interest Suspense	0.00	0.00
	16239.64	13810.26
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	259.61	259.61
Sub Total	15980.03	13550.65
TRADE RECEIVABLES - OTHERS		
Undisputed Trade Receivables Considered Good		
Less than equal to 6 Months	207.30	539.36
Over 6 Months - Less than equal to 1 Year	6.92	5.93
Over 1 Year - Less than equal to 2 Years	6.51	40.14
Over 2 Year - Less than equal to 3 Years	36.31	0.21
Over 3 Years	60.30	29.74
Sub Total	317.34	615.38

Particulars	As At 31.03.23	As At 31.03.22
Disputed Trade Receivables Considered Good		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	5.74	5.74
Sub Total	5.74	5.74
Undisputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Disputed Trade Receivable which have significant increase in Credit Risk		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Undisputed Credit Impaired		
Less than equal to 6 Months	2.07	0.53
Over 6 Months - Less than equal to 1 Year	0.69	26.03
Over 1 Year - Less than equal to 2 Years	99.14	134.48
Over 2 Year - Less than equal to 3 Years	14.77	66.40
Over 3 Years	54.00	44.35
Sub Total	170.67	271.79
Disputed Credit Impaired		
Less than equal to 6 Months	0.00	0.00
Over 6 Months - Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	262.51	261.64
Sub Total	262.51	261.64
	756.26	1154.55
Less: Penal Interest Suspense	0.68	0.68
	755.58	1153.87
Less: Cheques sent for Collection	0.00	0.82
	432.51	532.75
Sub Total	323.07	620.30
Total	16303.10	14170.95

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

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Loans & Advances		
Secured by Tangible Assets	1152.18	1157.74
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	262376.67	243229.82
Unsecured	13999.05	15598.63
	277527.90	259986.19
Less: Additional/Normal Interest Suspense	669.77	953.66
	276858.13	259032.53
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	11209.90	11481.13
As per Balance Sheet	265648.23	247551.40
Geographical Classification of Loans and Advances :		
In India	265648.23	247551.40
Outside India	0.00	0.00
Total	265648.23	247551.40
Loans & Advances to PSUs and Others :		
To PSUs	3507.23	4752.83
To Others	262141.00	242798.57
Total	265648.23	247551.40

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

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Loans & Advances to Employees		
Secured by Tangible Assets	21.11	26.67
Secured by Intangible Assets	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00
Unsecured	23.99	12.36
	45.10	39.03
Less Additional/Normal Interest Suspense	0.00	0.00
	45.10	39.03
Less: Cheques sent for Collection	0.00	0.00
Less: Impairment Loss Allowance	0.00	0.03
	45.10	39.00
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	4637.78	5903.29
	4637.78	5903.29

Particulars	As At 31.03.23		As At 31.03.22	
Less: Additional/Normal Interest Suspense	0.00		0.00	
	4637.78		5903.29	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	48.56	4589.22	52.90	5850.39
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	262376.67		243229.82	
Unsecured	9337.16		9681.73	
	272844.90		254042.62	
Less Additional/Normal Interest Suspense	669.77		953.66	
	272175.13		253088.96	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	11161.34	261013.79	11428.20	241660.76
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	0.12		1.25	
	0.12		1.25	
Less Additional/Normal Interest Suspense	0.00		0.00	
	0.12		1.25	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	0.00	0.12	0.00	1.25
Total	265648.23		247551.40	

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 31.03.23		As At 31.03.22	
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	259503.47		240244.79	
Unsecured	7636.73		7981.31	
	268143.90		249229.80	
Less: Additional/Normal Interest Suspense	497.72		819.20	
	267646.18		248410.60	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	9440.30	258205.88	9706.57	238704.03
Bills Discounting				
Secured by Tangible Assets	127.37		127.37	
Secured by Intangible Assets	0.00		0.00	

Particulars	As At 31.03.23		As At 31.03.22	
Covered by Bank/Government Guarantees	2873.20		2985.03	
Unsecured	1509.30		1509.29	
	4509.87		4621.69	
Less: Additional/Normal Interest Suspense	128.89		91.30	
	4380.98		4530.39	
Less: Cheques sent for Collection	0.00		0.00	
Less: Impairment Loss Allowance	1573.07	2807.91	1573.66	2956.73
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		261013.79		241660.76

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

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Directors	0.12	0.00
Other Officers of the Company	45.09	39.00
Firm in which Director is a Partner	0.00	0.00
Private Company in which Director is a Member	0.00	0.00
Total	45.21	39.00

NOTE-7 : INVESTMENTS

(₹ in Lakh)

Particulars	As At 31.03.23		As At 31.03.22	
A. Investments in Others- NVCFL - SRI Fund (at Amortised Cost)				
Self Reliant India (SRI) Fund : 0.339 units @ ₹ 1 crore per unit (0.107 units @ ₹ 1 crore per unit)	33.88		10.69	
Less: Allowance for Impairment Loss	0.00	33.88	0.00	10.69
B. Investments in Equity Instruments at Fair Value (Through Other Comprehensive Income)				
Equity Instruments	314.76		279.07	
Less: Allowance for Impairment Loss	10.00	304.76	10.00	269.07
As per Balance Sheet	338.64		279.76	

Investments (Through Other Comprehensive Income at Fair Value)	As At 31.03.23	As At 31.03.22
Equity Shares of M/s Singer India Ltd. (470230 Shares of ₹ 2/- each fully paid after sub division as on 31.03.2023, Fair Value ₹ 64.81 per share) (470230 Shares of ₹ 2/- each fully paid after sub division as on 31.03.2022, Fair Value ₹ 57.22 per share)	304.76	269.07
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
Sub Total	314.76	279.07
Less : Allowance of Impairment Loss for Equity Shares of SIPPO	10.00	10.00
As per Balance Sheet	304.76	269.07

Geographical Classification of Investments :	As At 31.03.23	As At 31.03.22
In India	338.64	279.76
Outside India	0.00	0.00
Total	338.64	279.76

Note :- * Refer Sl. No. 4(Y)(F)(a) of Note-35

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

(₹ in Lakh)

Particulars	As At 31.03.23		As At 31.03.22	
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	278.08		263.67	
	278.08		263.67	
Less: Additional/Normal Interest Suspense	0.00		0.00	
	278.08		263.67	
Less: Impairment Loss Allowance	0.75	277.33	1.71	261.96
Sub Total		277.33		261.96
Other Financial Assets				
Receivables from Banks				
Interest	268.30		268.30	
Less: Impairment Loss Allowance	268.30	0.00	268.30	0.00
Others	934.28		1232.35	
Less: Impairment Loss Allowance	246.93	687.35	4.93	1227.42
Interest Accrued but not Due on Fixed/Short Term Deposits		8.66		17.54
Earnest Money Deposit Receivables		0.00		3.00
Retention Money Receivables		238.82		264.98
Discounting Impact of Security Deposit Payable		207.80		146.51
Discounting Impact of EMD Payable		0.00		0.00
Discounting Impact of Retention Money Payable		0.94		1.53
Receivable from SRI Fund		613.68		109.42
Exchange Account Balance with NVCFL		0.00		33.33
Sub Total		1757.25		1803.73
As per Balance Sheet		2034.58		2065.69

NOTE-9 : INVENTORIES

(₹ in Lakh)

Particulars	As At 31.03.23		As At 31.03.22	
Finished Goods		0.00		0.00
Stores and Spares		9.85		7.23
Loose Tools and Measuring Instruments		1.63		5.03
Land & Building in Stock, Industrial Estate, Naini *		0.00		0.00
Sub Total		11.48		12.26
Less: Impairment Loss Allowance		0.00		0.00
As per Balance Sheet		11.48		12.26

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 31.03.23	As At 31.03.22
TDS/TCS Deducted at Source	2512.32	1915.69
Advance Tax	8236.90	7585.89
Less: Provision for Income Tax	10502.00	8855.25
As per Balance Sheet	247.22	646.33

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

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Deferred Tax Assets	5768.78	5756.79
Less : Deferred Tax Liabilities	2229.36	1896.42
As per Balance Sheet	3539.42	3860.37

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

NOTE-12 : PROPERTY, PLANT & EQUIPMENT

(₹ in Lakh)

Particulars	Net Carrying Amount as at 31.03.2023	Net Carrying Amount as at 31.03.2022
Land	47.57	47.95
Building	22871.86	22540.38
Furniture & Fittings	301.11	336.65
Office Equipments	341.42	301.53
Vehicle	10.37	14.83
Plant & Equipment	5151.97	5102.57
Total Property, Plant and Equipment	28724.30	28343.91
Assets Classified as Held for Sale	0.21	0.21
Software and Software under Development	93.97	106.34
Right to Use Assets	54.16	55.00
Capital Work in Progress	437.42	750.33

(₹ in Lakh)

Particulars	GROSS BLOCK						ACCUMULATED DEPRECIATION					LTA		NET BLOCK	
	As At 01/04/22	Additions	Sale	Acquired through Business Combination	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	Cost As At 31/03/23	As At 01/04/22	Depreciation Charge for the Year	Sales	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	As At 31/03/23	As At 31/03/22	As At 31/03/22
TANGIBLE ASSETS															
OWN ASSETS															
Building	23165.86	0.00	8.09	0.00	0.00	0.00	23157.77	2237.02	370.40	0.21	0.00	0.00	2607.21	0.00	20550.56
Furniture & Fittings	615.13	27.04	7.36	0.00	0.00	0.00	634.81	419.72	37.78	2.08	0.00	0.00	455.42	0.00	179.39
Land	34.62	0.00	0.00	0.00	0.00	0.00	34.62	4.19	0.28	0.00	0.00	0.00	4.47	0.00	30.15
Office Equipments	963.18	110.99	15.94	0.00	0.00	-8.01	1066.24	828.63	51.96	12.24	0.00	-5.26	873.61	0.00	192.63
Vehicle	87.16	0.00	7.10	0.00	0.00	0.00	80.06	73.10	4.08	6.76	0.00	0.00	70.42	0.00	9.84
Plant & Equipment	2558.47	4.85	28.02	0.00	0.00	9.09	2526.21	1009.96	78.54	26.51	0.00	5.97	1056.02	0.00	1470.19
Total	27424.42	142.88	66.51	0.00	0.00	1.08	27499.71	4572.62	543.04	47.80	0.00	0.71	5067.15	0.00	22432.56
LEASED ASSETS															
Plant & Equipments	48.40	0.00	15.24	0.00	0.00	0.00	33.16	35.59	0.00	15.24	0.00	0.00	20.35	12.77	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
ASSETS ACQUIRED OUT OF GOVT. GRANTS															
Land	23.04	0.00	0.00	0.00	0.00	0.00	23.04	5.52	0.10	0.00	0.00	0.00	5.62	0.00	17.42
Building	1009.30	0.00	0.00	0.00	0.00	-677.46	1686.76	475.85	27.33	0.00	0.00	0.00	503.18	0.00	1183.58
Furniture & Fittings	179.96	3.51	0.00	0.00	0.00	0.00	183.47	109.03	14.23	0.00	0.00	0.00	123.26	0.00	60.21
Office Equipments	943.84	3.44	0.08	0.00	0.00	-0.58	947.78	832.16	44.49	0.08	0.00	0.00	876.57	0.00	71.21
Vehicle	11.16	0.00	0.72	0.00	0.00	0.00	10.44	10.67	0.00	0.68	0.00	0.00	9.99	0.00	0.45
Plant & Equipment	5204.68	332.99	6.75	0.00	0.00	0.58	5530.34	2347.62	276.99	6.41	0.00	0.00	2618.20	0.00	2912.14
Total	7371.98	339.94	7.55	0.00	0.00	-677.46	8381.83	3780.85	363.14	7.17	0.00	0.00	4136.82	0.00	4245.01
ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES															
Building	1307.39	46.92	2.53	0.00	0.00	-45.95	1397.73	229.30	30.71	0.00	0.00	0.00	260.01	0.00	1137.72
Furniture & Fittings	166.47	5.63	0.00	0.00	0.00	0.00	172.10	96.16	14.43	0.00	0.00	0.00	110.59	0.00	61.51
Office Equipments	649.71	37.56	3.08	0.00	0.00	0.00	684.19	594.41	15.13	2.93	0.00	0.00	606.61	0.00	77.58
Vehicle	5.67	0.00	0.00	0.00	0.00	0.00	5.67	5.39	0.00	0.00	0.00	0.00	5.39	0.00	0.28
Plant & Equipment	1106.23	152.46	0.26	0.00	0.00	0.00	1258.43	410.15	79.80	0.24	0.00	0.00	489.71	0.00	768.72
TOTAL	3235.47	242.57	5.87	0.00	0.00	-45.95	3518.12	1335.41	140.07	3.17	0.00	0.00	1472.31	0.00	2045.81
SUB TOTAL-TANGIBLE ASSETS	38139.62	725.39	95.17	0.00	0.00	-722.33	39492.17	9734.14	1046.25	73.38	0.00	0.71	10706.30	61.57	28724.30
PREVIOUS YEAR	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

(₹ in Lakh)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION						LTA		NET BLOCK				
	As At 01/04/22	Additions	Sale	Acquired through Business Combination	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	Cost As At 31/03/23	As At 01/04/22	Depreciation Charge for the Year	Sales	Revaluation / Impairment	Inter Unit Transfer/ Inter Group Adjustment/ Other Adjustment	As At 31/03/23	As At 31/03/22	As At 31/03/23	As At 31/03/22	
INTANGIBLE ASSETS																	
OWN ASSETS																	
Computer Software	193.75	3.34	0.34	0.00	0.00	-1.08	197.83	157.67	16.10	0.26	0.00	-0.71	174.22	0.00	0.00	23.61	36.08
ASSETS ACQUIRED OUT OF GOVT. GRANT																	
Computer Software	109.08	0.00	0.00	0.00	0.00	0.00	109.08	75.10	12.27	0.00	0.00	0.00	87.37	0.00	0.00	21.71	33.98
ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES																	
Computer Software	248.28	4.16	0.00	0.00	0.00	0.00	252.44	235.39	4.05	0.00	0.00	0.00	239.44	0.00	0.00	13.00	12.89
Right to Use Assets																	
Right to Use Assets	57.67	0.00	0.00	0.00	0.00	0.00	57.67	2.67	0.84	0.00	0.00	0.00	3.51	0.00	0.00	54.16	55.00
SUB TOTAL-INTANGIBLE ASSETS	608.78	7.50	0.34	0.00	0.00	-1.08	617.02	470.83	33.26	0.26	0.00	-0.71	504.54	0.00	0.00	112.48	137.95
PREVIOUS YEAR	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	0.00	137.95	174.63
CAPITAL WORK IN PROGRESS																	
Capital Work in Progress	231.81	251.56	0.00	0.00	0.00	45.95	437.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	437.42	231.81
PREVIOUS YEAR	246.81	3.42	0.00	0.00	18.42	231.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	231.81	246.81
CWIP Acquired out of Govt. Grant	518.52	158.94	0.00	0.00	0.00	677.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	518.52
PREVIOUS YEAR	176.63	423.97	0.00	0.00	0.00	82.08	518.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	518.52	176.63
SUB TOTAL-CAPITAL WORK IN PROGRESS	750.33	410.50	0.00	0.00	0.00	723.41	437.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	437.42	750.33
PREVIOUS YEAR	423.44	427.39	0.00	0.00	0.00	100.50	750.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	750.33	423.44
INTANGIBLE ASSETS UNDER DEVELOPMENT																	
OWN ASSETS																	
Computer Software	23.39	12.26	0.00	0.00	0.00	0.00	35.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35.65	23.39
PREVIOUS YEAR	40.32	0.00	0.00	0.00	0.00	16.93	23.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.39	40.32
ASSETS CLASSIFIED AS HELD FOR SALE																	
Assets Classified as Held for Sale (Owned Assets)	4.24	0.00	0.11	0.00	0.00	0.00	4.13	4.03	0.00	0.11	0.00	0.00	3.92	0.00	0.00	0.21	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	0.00	0.00	0.00
Total	4.24	0.00	0.11	0.00	0.00	0.00	4.13	4.03	0.00	0.11	0.00	0.00	3.92	0.00	0.00	0.21	0.21
GRAND TOTAL	39526.36	1155.65	95.62	0.00	0.00	0.00	40586.39	10209.00	1079.51	73.75	0.00	0.00	11214.76	61.57	29310.06	29255.79	29273.90
PREVIOUS YEAR	38517.45	1103.18	96.99	0.00	0.00	-19.65	39526.36	9181.98	1103.46	76.44	0.00	0.00	10209.00	61.57	29255.79	29273.90	

Note :- 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 31.03.23	As At 31.03.22
Agewise Classification of CWIP		
Projects in Progress		
Less than equal to 1 Year	209.03	3.42
Over 1 Year - Less than equal to 2 Years	0.00	132.03
Over 2 Years - Less than equal to 3 Years	132.03	6.96
Over 3 Years	96.36	89.40
Sub Total	437.42	231.81
Projects Temporarily Suspended		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Total	437.42	231.81
Projects whose completion is overdue or exceeded original cost		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Total	0.00	0.00
Agewise Classification of CWIP (Acquired out of Grant)		
Projects in Progress		
Less than equal to 1 Year	0.00	423.97
Over 1 Year - Less than equal to 2 Years	0.00	94.55
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	518.52
Projects Temporarily Suspended		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Total	0.00	518.52
Projects whose completion is overdue or exceeded original cost		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Total	0.00	0.00
Agewise Classification of Intangible Assets under Development		
Projects in Progress		
Less than equal to 1 Year	12.26	0.00
Over 1 Year - Less than equal to 2 Years	0.00	23.39

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Over 2 Years - Less than equal to 3 Years	23.39	0.00
Over 3 Years	0.00	0.00
Sub Total	35.65	23.39
Projects Temporarily Suspended		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Sub Total	0.00	0.00
Total	35.65	23.39
Projects whose completion is overdue or exceeded original cost		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Years - Less than equal to 3 Years	0.00	0.00
Over 3 Years	0.00	0.00
Total	0.00	0.00

NOTE-13 : OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Capital Advances		
With CPWD & Others	9.67	159.60
Add: Interest Accrued on Capital Advance	0.00	9.67
With Contractors (Against Govt. Grant)	77.22	12.36
Add: Interest Accrued on Capital Advance	0.00	77.22
Sub Total	86.89	171.96
Other Deposits with Tax Authorities	1368.63	546.28
Other Non Financial Assets #	3016.95	1224.45
Less: Additional/Normal Interest Suspense	0.00	0.00
Less: Impairment Loss Allowance	0.93	3.45
As per Balance Sheet	4471.54	1939.24

Note :- # Includes Advance paid to outside parties against Government Grants, prepaid expenses, advance paid to outside parties, amount deposited with court and rates & taxes paid in advance.

NOTE-14 : TRADE PAYABLES

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Trade Payables		
Outstanding Dues of MSEs	16463.62	14348.24
Outstanding Dues of Non-MSEs	113.32	16576.94
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	16576.94	14460.64

Note :- Refer Sl. No. 1 of Note-35

ANNEXURE - 14A : TRADE PAYABLE (AGEWISE SUMMARY)

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
Undisputed Trade Payables - Dues of MSEs		
Less than equal to 1 Year	7220.47	6766.61
Over 1 Year - Less than equal to 2 Years	3340.10	1298.89
Over 2 Year - Less than equal to 3 Years	820.56	2559.05
Over 3 Years	4916.65	3499.75
Sub Total	16297.78	14124.30
Disputed Trade Payables - Dues of MSEs		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	165.84	223.94
Sub Total	165.84	223.94
Total	16463.62	14348.24
Undisputed Trade Payables - Dues of Others		
Less than equal to 1 Year	3.61	2.10
Over 1 Year - Less than equal to 2 Years	0.04	0.03
Over 2 Year - Less than equal to 3 Years	0.32	7.65
Over 3 Years	88.50	90.52
Sub Total	92.47	100.30
Disputed Trade Payables - Dues of Others		
Less than equal to 1 Year	0.00	0.00
Over 1 Year - Less than equal to 2 Years	0.00	0.00
Over 2 Year - Less than equal to 3 Years	0.00	0.00
Over 3 Years	20.85	12.10
Sub Total	20.85	12.10
Total	113.32	112.40
Grand Total	16576.94	14460.64

NOTE - 15 : BORROWINGS (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
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	147000.00	127500.00

(₹ in Lakh)

Particulars	As At 31.03.23		As At 31.03.22	
Cash Credit	3778.26		0.00	
Overdraft	0.00		0.00	
Term Loan	0.00	150778.26	20000.00	147500.00
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		150778.26		147500.00
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	4808.71		4835.57	
Others	0	4808.71	0	4835.57
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		4808.71		4835.57
As per Balance Sheet		155586.97		152335.57
Geographical Classification of Borrowings :				
In India		150778.26		147500.00
Outside India		4808.71		4835.57
Total		155586.97		152335.57

Note :- Refer Sl. No. 4(H) 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 31.03.2023	
		As At 31.03.23	As At 31.03.22				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	
State Bank of India		67000.00	127500.00		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		80000.00	0.00		Pari passu charge on book debts by the way of hypothication	Nil	0	
		147000.00	127500.00					
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	
Bank of Baroda (earlier 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		3778.26	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	
		3778.26	0					

(₹ 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 31.03.2023	
	As At 31.03.23	As At 31.03.22				Period	Amount
Overdraft							
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	
Term Loan							
	0	0					
Indus Ind Bank	0.00	20000.00		Pari passu charge over the book debts including loans and advances of the company			
	0.00	20000.00					
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	150778.26	147500.00					
Unsecured Borrowings							
Bonds/Deventures							
Term Loans from:							
Banks							
Other Parties from:							
Government of India							
State Governments							
Financial Institutions							
Foreign Financial Institutions							

(₹ 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 31.03.2023	
	As At 31.03.23	As At 31.03.22				Period	Amount
XIth LINE OF CREDIT	2249.39	2231.91	Half-Yearly		Guaranteed by Government of India		
XIIth LINE OF CREDIT	1988.81	2021.90	Half-Yearly		Guaranteed by Government of India		
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	570.51	581.76	Half-Yearly		Guaranteed by Government of India		
	4808.71	4835.57					
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	4808.71	4835.57					
Total	155586.97	152335.57					

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 31/03/23 (in Euro)	2471585.01	2185261.45	62686.61
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	602237.43	616802.03	93705.76
Hedging	-	-	-

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

(₹ in Lakh)

Particulars	As At 31.03.2023	As At 31.03.2022
Advance from RMA / AWRT Buyers - Units	1632.78	2158.90
Discount Payable	1875.44	1667.69
A/c Payable for Bulk Supplies (RMA / AWRT)	2195.73	3330.95
Payable to Rating/Credit Information Agencies	12.28	17.91
Security Deposit Payable	2312.35	2042.01
Earnest Money Deposits (EMD)	37.43	44.93
Retention Money	1035.81	1121.46
Payable for Projects	850.44	834.85
Credit Balance in Trade Receivables	4.78	37.18
Interest Accrued But Not Due on Borrowings/CSD	8.52	13.01
Amount Payable for Training	71.84	72.56
Other Payables - Employees	2390.02	3258.15
Current Liability for Expenses	1132.96	938.29
Other Payables - Taxes / Statutory Dues	697.24	700.10
Other Payables #	210.58	246.39
Commitment Advance Received - Exhibitions	22.16	36.07
Amount Payable to Government of India against Surplus in Grants (Net)	5579.05	5164.42
Discounting Impact of Security Deposit Receivables	25.79	16.02
Discounting Impact of Retention Money Receivables	1.12	1.93
As per Balance Sheet	20096.32	21702.82

Note: Includes government guarantee payable, godown handling charges payable, lease liability as per Ind AS-116 etc.

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 31/03/23	
	Deficit	Surplus							Deficit	Surplus
Marketing Assistance Scheme										
Marketing Assistance Scheme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Performance and Credit Rating Scheme										
Performance and Credit Rating Scheme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
International Co-operation, Modernization & Technology Upgradation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assistance for Training to Institutions										
Assistance for Training to Institutions	0.00	1222.98	2863.46	-2053.41	563.74	296.72	860.46	860.46	0.00	1172.57
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		1222.73	2907.56	-2053.41	563.74	340.82	904.56	904.56		1172.32
National Entrepreneurship Award Scheme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Entrepreneurship and Skill Development Programmes (ESDP)	0.00	0.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.74
Training cum Incubation	0.00	16.22	0.35	0.00	0.00	0.00	0.00	0.00	0.00	16.57
National SC-ST Hub (NSSH)										
NSSH - SCSP	0.00	2748.16	9619.90	-1645.39	0.00	7993.84	7993.84	7993.84	0.00	2728.83
NSSH - TSP	0.00	775.88	2281.05	-525.89	0.00	1842.61	1842.61	1842.61	0.00	688.43
NSSH - NER (SCSP)	0.00	85.23	115.02	-34.73	0.00	61.80	61.80	61.80	0.00	103.72
NSSH - General	0.00	304.73	1365.69	-249.94	0.00	984.06	984.06	984.06	0.00	436.42
NSSH - NER (TSP)	0.00	10.38	885.00	0.00	0.00	408.05	408.05	408.05	0.00	487.33
Sub Total		3924.38	14266.66	-2455.95	0.00	11290.36	11290.36	11290.36	0.00	4444.73
Procurement and Marketing Support Scheme (PMSS)	0.00	0.35	95.20	0.00	0.00	150.86	150.86	150.86	55.31	0.00
International Co-operation (IC) Scheme	0.00	0.00	9.26	0.00	0.00	9.26	9.26	9.26	0.00	0.00
Total		5164.42	17279.03	-4509.36	563.74	11791.30	12355.04	12355.04	0.00	5579.05
									Net Surplus / (Deficit)	
									5579.05	
									Previous Year Surplus / (Deficit)	
									5164.42	

NOTE-17 : PROVISIONS

(₹ in Lakh)

Particulars	As At 31.03.23		As At 31.03.22	
Provisions for Employee Benefits				
For Gratuity	5384.35		5200.40	
For Leave Encashment	3251.29		3156.28	
For Half Pay Leave	524.55		508.11	
For TA on Retirement	4.04	9164.23	3.92	8868.72
Others				
For Doubtful Debts & Advances	13007.63		13173.98	
Less: Adjustment as per contra against Trade Receivables, Loans & Advances, etc.	13007.63	0.00	13173.98	0.00
For Exchange Variation				
Balance as per last Balance Sheet	2175.00		1977.70	
Add: Provision made during the Year	408.13		425.07	
Less: Utilised for Exchange Variation Losses	242.49		3.58	
Less: Amount Written Back	90.98	2249.66	224.19	2175.00
For Promotional Activity (KFW)				
Balance as per last Balance Sheet	0.00		0.00	
Add: Provision made during the Year	47.26		49.84	
Less: Amount Utilized/Written Back	47.26	0.00	49.84	0.00
As per Balance Sheet		11413.89		11043.72

Note :- For Employee Benefit's Provisions refer Sl. No. 4(I) of Note-35

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

2022-23

(₹ in Lakh)

Particulars	Opening Balance as on 01.04.2022	Additions during the year	Utilizations/ Reversals/ Adjustments	Amount Written Back during the year	Closing Balance as on 31.03.2023
For Gratuity	5200.40	610.74	425.97	0.82	5384.35
For Leave Encashment	3156.29	687.99	574.97	18.02	3251.29
For Half Pay Leave	508.11	84.19	27.61	40.14	524.55
For TA on Retirement	3.92	0.41	0.07	0.22	4.04
For Doubtful Debts	13173.98	241.99	0.00	408.34	13007.63
For Exchange Variation	2175.00	408.13	242.49	90.98	2249.66
For Promotional Activity	0.00	47.26	47.26	0.00	0.00
Total	24217.70	2080.71	1318.37	558.52	24421.52

2021-22

(₹ 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	425.07	3.58	224.19	2175.00
For Promotional Activity	0.00	49.84	49.84	0.00	0.00
Total	23347.18	2547.17	992.62	684.03	24217.70

NOTE-18 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As At 31.03.2023	As At 31.03.2022
Income Received in Advance	1347.76	1128.71
Other Payables #	794.89	842.77
Impact of Discounting on Employee Advance	4.48	7.25
As per Balance Sheet	2147.13	1978.73

Note :- # Includes a/c payable for SPRS,NSSH units, Duty Drawback, exhibition/delegation and other payables.

NOTE-19 : SHARE CAPITAL

(₹ in Lakh)

Particulars	As At 31.03.23	As At 31.03.22
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 BY GOVERNMENT OF INDIA AND PROMOTERS OVER 5% SHARE IN CORPORATION

Name of Shareholder	As At 31.03.23 No. of Share Held	As At 31.03.23 % of Holding	As At 31.03.22 No. of Share Held	As At 31.03.22 % of Holding
Promoter & Shareholder				
Government of India	53298800	100	53298800	100
Changes in Promoter & Shareholder 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				
	2022-23	2021-22	2020-21	2019-20	2018-19
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

Particulars	As At 31.03.23	As At 31.03.22
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 01.04.2022	Additions / Created During the Year	Deductions during the Year		At At 31.03.2023
			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	266.09	0.00	-41.78	32.76	275.11
Government Purchase Plan	0.41	0.00	0.00	0.00	0.41
Appropriate Technology	2.20	0.00	0.00	0.01	2.19
Modernization - Lock Project	10.44	0.00	0.00	0.00	10.44
Development of North East Region	17.34	0.00	0.00	0.01	17.33
Technology Business Incubator	60.91	0.00	0.00	7.29	53.62
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	1.30	0.00	0.00	0.02	1.28
Product Design Centre (PRIDE)	10.15	0.00	0.00	0.32	9.83
Technology Business Incubator (IT)	0.00	0.00	0.00	0.00	0.00
Laghu Udyog Mart(LUM)	188.27	0.00	0.00	7.15	181.12
Interest Differential Fund on KFW (West Germany) Loans	17.85	0.00	0.00	0.51	17.34
Technology Development of Baking Oven	0.02	0.00	0.00	0.00	0.02
DST-STEP (S&T Project)	20.03	0.00	0.00	4.50	15.53
Testing Fuel Efficient Diesel Engine (TFEDE)	0.36	0.00	0.00	0.00	0.36
Marketing Development Centre	59.93	0.00	0.00	1.53	58.40
Interest Differential Fund on S&T Project	0.65	0.00	0.00	0.00	0.65
Training cum Incubation-LBI/Aspire	222.90	0.00	89.31	14.20	119.39
Assistance for Training to Institutions	3271.84	563.75	-47.16	307.11	3575.64
NSSH - General	0.00	0.00	0.00	0.00	0.00
Sub Total	4155.98	563.75	0.37	375.41	4343.95
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	49215.94	11294.85	5526.71	0.00	54984.08
Equity Instruments through Other Comprehensive Income (OCI)	258.83	26.71	0.00	0.00	285.54
Actuarial Gain/Loss on Defined Benefit Plans through OCI	-521.23	0.00	-2.27	0.00	-518.96
Statutory Reserve - u/s 45 IC of RBI Act 1934 **	6180.21	2209.66	0.00	0.00	8389.87
As per Balance Sheet	64229.47	14094.97	5524.81	375.41	72424.22
Reserve against Assets Held for Sale	0	0	0	0	0

* Refer Point No. 4(Y)(A) of Note-35

** Refer Point No. 4(Y)(C) of Note-35

NOTE -21 : REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
REVENUE FROM OPERATIONS		
A Sales of Products		
Marketing Activity		
Marketing	13518.20	10350.71
Export	0.00	0.00
Raw Material Distribution	218973.46	210813.21
As per Statement of Profit & Loss	232491.66	221163.92
B Sale of Services		
Revenue from Single Point Registration Scheme (SPRS)	973.52	1072.10
Revenue from Digital Services Facilitation (DSF)	486.10	509.84
Application Processing Fees	2.64	3.10
Rent Received *	4905.15	3502.55
House Keeping & Other Charges	1177.01	1170.33
Revenue from Training Activities	1642.97	1323.73
Revenue on account of Common Facilities	996.06	954.69
Project Consultancy Charges	0.00	0.00
Revenue from Training cum Incubation Center-LBI/Aspire (TIC)	43.36	87.04
Receipts from Exhibitions, Seminars, Meets, Conferences and Marketing Campaigns	18.79	13.72
Other Receipts from Services	9.40	10.75
Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)	739.01	439.90
Management Fees from SRI Fund	386.66	178.24
As per Statement of Profit & Loss	11380.67	9265.99
C Interest Income		
AT ORIGINAL COST		
From Parties		
Normal	28225.69	26035.06
Penal Interest	6.74	3.39
From Deposits with Banks	30.87	84.86
From Employee Advance	0.75	0.67
From Others	2.61	1.92
Gain of Interest on Foreign Currency Transactions and Translation (Net)	0.00	0.00
AT AMORTISED COST		
Impact of Discounting on Financial Assets	75.90	28.02
Interest Income Employee/Amortised Cost	0.00	0.00
As per Statement of Profit & Loss	28342.56	26153.92

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23		For the Year Ended 31.03.22	
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 **	1641622.18	4334.52	1779183.57	4458.70
Miscellaneous Items ***	42707.47	395.60	40234.54	277.13
As per Statement of Profit & Loss	1684329.65	4730.12	1819418.11	4735.83
E Other Operating Revenues				
Excess Provision Written Back:				
KFW	138.25		274.01	
Government Guarantee Fee	0.00		0.00	
Terminal Benefits	59.19		50.51	
Others #	169.75	367.19	27.56	352.08
Sundry Credit Balances Written Back		114.69		314.15
Gain on Foreign Currency Transactions and Translation (Net)		0.00		85.57
Net Gain/Loss of Fair Value Changes		0.00		0.00
As per Statement of Profit & Loss		481.88		751.80

Note :- Sales are net of discounts, rebates etc. ₹ 8754.35 lakhs

* Includes ₹ 5.93 lakhs towards rent income charged by NSIC from NVCFL, which in turn has been borne by SRI Fund.

** 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

Includes Provision for Doubtful Debts Written Back (Net) ₹ 166.35 lakhs (₹ Nil)

NOTE-22 : OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Interest on Income Tax Refunds	14.34	19.27
Miscellaneous Income	84.58	100.25
Dividend Income	4.70	2.35
Reimbursement of Expenses incurred on behalf of SRI Fund	39.78	69.37
As per Statement of Profit & Loss	143.40	191.24

NOTE-23 : GRANTS AND SUBSIDIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
For Promotional Activities	12355.05	8360.86
Less: Capital Expenditure (Net)	563.74	699.11
Less: Membership/ Inspection Fees, Training, Rent etc. under NSSH	92.34	203.97
Less: Training Fee - ATI	340.82	317.23
Less: Administrative Charges on Implementation of Govt. Schemes (Grants & Subsidies)	739.01	439.90

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Less: Membership Fees, Advertisement etc. under B2B Scheme (PMSS)	111.03	0.00
Less: Amount Appropriated out of Govt Grants (As per Statement of Profit and Loss - Promotional)	0.00	0.00
As per Statement of Profit & Loss	10508.11	6700.65

NOTE-24 : PURCHASE OF PRODUCTS

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Marketing Activity		
Marketing	13518.15	10350.70
Export	0.00	0.00
Raw Material Distribution	218278.34	209853.34
As per Statement of Profit & Loss	231796.49	220204.04

Note :- Purchases are net of discounts, rebates etc. ₹ 9404.98 lakhs

NOTE-25 : CHANGES IN INVENTORIES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Finished Goods:		
Closing Stock	0.00	0.00
Less: Opening Stock	0.00	1.91
Adjustment in Stock	0.00	0.00
Goods-In-Transit:		
Closing Stock	0.00	0.00
Less: Opening Stock	0.00	0.00
Adjustment in Stock	0.00	0.00
As per Statement of Profit & Loss	0.00	1.91

NOTE-26 : EMPLOYEES BENEFIT EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Salaries and Allowances	9368.88	9073.90
Contributions to:		
Provident Fund	782.86	755.69
Superannuation Scheme/Pension Scheme	660.95	621.05
Gratuity	631.99	588.88
Staff Welfare Expenses	145.15	116.68
Other Benefits	1721.91	2116.13
Directors (Including Chairman-Cum-Managing Director)		
Salaries and Allowances	69.72	110.03
Contributions to:		
Provident Fund	5.71	7.15
Superannuation Scheme/Pension Scheme	4.75	17.86
Gratuity	1.14	4.11
Other Benefits	14.44	18.45
As per Statement of Profit & Loss	13407.50	13429.93

NOTE-27 : FINANCE COSTS

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23		For the Year Ended 31.03.22	
Interest on Borrowings:				
Kreditanstalt West Germany (KFW Loans)	487.14		508.41	
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	2.84		3.09	
Banks	8590.12		5742.88	
Others	0.00	9080	0.00	6254
Other Cost on Borrowing:				
Other Finance Charges		4.56		5.83
Interest Expenses on Employee Advance/Amortised Cost		0.01		1.35
As per Statement of Profit & Loss		9084.67		6261.56

NOTE-28 : DEPRECIATION & AMORTIZATION

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23		For the Year Ended 31.03.22	
Depreciation on:				
Property, Plant & Equipments	683.95		708.48	
Leased Assets	0.00		0.00	
Property, Plant & Equipments acquired against Grants				
Depreciation as per Contra	375.41		361.14	
Less: Replacement Reserve as per Contra	375.41	0.00	361.14	0.00
Amortization of Intangible Assets	20.15		33.84	
Impairment Loss on Property, Plant & Equipments & Intangible Assets	0.00		0.00	
As per Statement of Profit & Loss		704.10		742.32

Note :- Depreciation on PPE includes depreciation for right of use assets ₹0.83 lakh (₹0.83 lakh)

Refer Note No. 12 and Sl. No. 4(F) of Note-35

NOTE-29 : CORPORATE SOCIAL RESPONSIBILITY

(₹ in Lakh)

Particulars	In Cash 31.03.2023	Yet to be Paid 31.03.2023	Total 31.03.2023	In Cash 31.03.2022	Yet to be Paid 31.03.2022	Total 31.03.2022
Construction/Acquisition of any Assets	0.00	0.00	0.00	0.00	0.00	0.00
On Purchase Other than above	278.27	0.00	278.27	230.60	0.00	230.60
As per Statement of Profit & Loss	278.27	0.00	278.27	230.60	0.00	230.60
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			278.27			223.53
Amount of expenditure incurred			278.27			224.10
Shortfall at the end of the year			0.00			-0.57
Total of previous years shortfall			0.00			-0.19
Reason for Shortfall			N/A			N/A
Nature of CSR activities			Refer N-1			Refer N-2
Detail of Related Party Transactions			NIL			NIL

Note :- 1) Nature of CSR activity comprises Contribution to Swachh Bharat Kosh, Armed Forces Flag Day Fund, PM CARES Fund and provide Safe Drinking Water to the public through installation of 03 Community Water E-PIO Machines.

2) Nature of CSR activity comprises Contribution to Swachh Bharat Kosh, Armed Forces Flag Day Fund, PM CARES Fund and Clean Ganga Fund.

NOTE-30 : OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Electricity, Power & Water Charges	995.93	749.64
Printing & Stationery	93.25	76.84
Insurance	28.03	27.24
Travelling, Conveyance & Vehicle Charges	570.37	382.22
Freight and Octroi Expenses	25.18	22.72
Communication Expenses	98.73	95.19
Rent Paid	430.95	459.61
Recruitment Expenses	6.04	13.64
Licences, Rates & Taxes	276.36	256.00
Expense on Security & Other Allied Services	2103.91	2019.79
Repairs & Maintenance Expenses	663.69	620.24
Computer Maintenance Charges	14.44	23.69
Web Portal and Software Development, Maintenance Charges	18.72	8.24
Computer, Server etc., Hire Charges	64.55	45.57
Payments to Statutory Auditors	55.16	50.94
Payment to Internal auditors	36.93	35.23
Legal, Professional and Consultancy Charges	216.22	249.09
Directors' Sitting Fee	4.44	1.65
Directors' Other Expenses	21.86	14.66
Training Expenses	779.43	582.23
Common Facilities Charges	90.06	77.56
Expenses on Godown Operations	679.84	960.31
Infomediary Services Expenses	4.49	1.53
Business/Sales Promotion Expenses	86.94	44.05
Entertainment	32.70	17.38
Advertisement and Publicity	83.99	46.73
Miscellaneous Expenses	19.20	24.63
Bad Debts/Irrecoverable Advances Written Off	17.35	7.75
Expenditure on Exhibitions, Seminars and Conference	64.64	20.93
Expenses on Credit Information Report / PCRS	8.48	38.05
Expenses on Special Marketing Assistance Scheme (SMAS)	2421.92	674.51
Expenses on Others - NSSH	7437.07	5192.87
Expenses on Procurement & Marketing Support Scheme (PMSS)	39.83	248.17
Expenses on International Co-operation (IC) Scheme	9.26	0.00
Impact of Discounting on Financial Assets	21.39	52.27
Provision for Doubtful Debts	0.00	68.97
Expenses on SPRS	31.92	32.07
Expenses on ESDP	0.00	0.00
Interest/Fees/Penalty for Statutory Dues	10.26	5.69
As per Statement of Profit & Loss	17563.53	13247.90

ANNEXURE-30A : DETAILS OF OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Payment to Statutory Auditors for:		
Statutory Audit Fees	42.74	39.01
Tax Audit Fees	10.23	10.26
Other Taxation Matters	0.00	0.00
Company Law Matters	0.00	0.00
Management Services	0.00	0.00
Other Services	0.00	0.00
Reimbursement of Expenses	2.19	1.67
Total	55.16	50.94
Repairs & Maintenance Expenses on:		
Building	480.64	460.67
Machinery	46.18	43.23
Others	136.87	116.34
Total	663.69	620.24
Bad Debts/Irrecoverable Advance Written Off:		
Bad Debts Written Off	17.35	7.75
Irrecoverable Advances Written Off	0.00	0.00
PPE Written Off		
Losses Written Off	0.00	0.00
Less: Contra Adjustment to Losses Written Off	0.00	0.00
Total	17.35	7.75
Training Expenses on:		
Internal	431.22	362.16
Sponsored	187.99	93.57
Personal	4.42	3.92
ATI	90.73	68.83
Capacity Building (NSSH)	0.00	0.00
Others	65.07	53.75
Total	779.43	582.23
Expenses on Special Marketing Assistance Scheme:		
Participation in Domestic Exhibitions/Trade Fairs	1836.18	639.48
Participation in International Exhibitions/Trade Fairs Abroad	32.00	0.00
Organization Visit to Domestic Exhibitions/Trade Fairs	391.96	0.00
Organization Visit to International Exhibitions/Trade Fairs/ Seminars Abroad	6.47	0.00
Vendor Development Programmes	39.28	0.63
Organizing Workshops, Seminars, Awareness Campaigns	20.47	20.70
Mega Events- Organizing SC-ST conclaves/ conferences in partnership with industry associations/ organizations of M/o MSME)	95.56	13.70
Total	2421.92	674.51

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Expenses on International Co-operation (IC) Scheme:		
Visit of MSME Delegation in International Exhibitions, etc.	0.00	0.00
Participation of MSME Delegation in International Exhibitions, etc.	9.26	0.00
Holding/Organising International Conferences, etc.	0.00	0.00
Holding/Organising Mega International Exhibitions, etc.	0.00	0.00
Sending MSME Delegation to International Exhibitions, etc.	0.00	0.00
Total	9.26	0.00
Interest/Fees/Penalty for Statutory Dues		
Interest Paid for Late Deposit of TDS	8.25	2.49
Interest Paid for Late Deposit of GST	0.87	2.00
Fees for Late filling of TDS / TCS Returns	0.00	0.09
Fees for Late filling of GST Returns	0.93	0.00
Interest u/s 234A / B / C	0.00	0.00
Penalty under any Law	0.21	1.11
Total	10.26	5.69
Expenses on Others - NSSH:		
Special Credit Linked Capital Subsidy for technology enablement	6966.11	3664.16
Capacity building of existing & aspiring SC/ST entrepreneurs- Skill Development Programs	0.00	0.00
Reimbursement of Training Fees for Capacity Building for training programmes organized by organizations approved by the Ministry	233.13	691.75
Capacity building of existing & aspiring SC/ST entrepreneurs- Toolkit distribution for capacity building training programs	10.31	0.00
Support for enhancing competitiveness through various reimbursement sub-schemes/ interventions	0.00	0.00
Reimbursement of Bank Loan Processing Fee	17.53	15.85
Reimbursement of Bank charges for Performance Bank Guarantee	0.38	1.78
Testing Fee Reimbursement	1.31	0.29
Reimbursement of membership /subscription/entry fee of Export Promotion Council	0.72	0.36
Reimbursement of Course Fees to Top 50 NIRF Rated Management Institutions for short term training of SC/ST entrepreneurs	0.00	0.00
Reimbursement of membership in Government promoted E-Commerce Portals (Except B2B)	0.00	0.00
Awareness Generation and Publicity of the Scheme	2.94	593.44
Technical & Managerial Support to SC/ST Hub	204.64	225.24
Total	7437.07	5192.87

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Expenses on Procurement and Marketing Support Scheme (PMSS):		
Market Access Initiatives across the country		
Participation of Individual MSEs in Trade Fairs / Exhibitions	39.83	248.17
Organizing Domestic/ International Trade Fairs/Exhibition and participation in trade fairs/exhibitions by the Ministry/ Office of DC (MSME)/Government organizations	0.00	0.00
Vendor Development Program (VDP)	0.00	0.00
Capacity building	0.00	0.00
Adoption of Modern Packaging Techniques	0.00	0.00
Adoption of Bar Code	0.00	0.00
Adoption of e-Commerce Platform	0.00	0.00
National Workshops / Seminars	0.00	0.00
Organizing National workshops/ Seminars by the Ministry / Office of DC (MSME) (Conventional / Virtual)	0.00	0.00
Development of Retail Outlet	0.00	0.00
Total	39.83	248.17

NOTE-31 : TAX EXPENSE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Provisions for Current Tax		
Provision for Current Tax	3602.00	3555.25
Provision for Deferred Tax	311.21	222.45
Provision for Wealth Tax	0.00	0.00
Adjustment for Previous Year Taxes		
Provision for Tax	-34.37	-11.11
Provision for Deferred Tax	0.00	0.00
As per Statement of Profit & Loss	3878.84	3766.59

NOTE-32 : EARNINGS PER EQUITY SHARE

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Numerator		
Profit after tax as per Statement of Profit and Loss	11294.85	11012.85
Denominator		

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
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)	21.19	20.66
Diluted Earnings Per Share (₹ per share) (Face value of ₹ 100/- each)	21.19	20.66

NOTE-33 : CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
(i) Contingent Liabilities:		
Claims against the Corporation not acknowledged as Debts	156.05	89.57
Disputed Income Tax, Interest Tax, Sales Tax, Trade Tax Demand	603.41	872.54
Other money for which the Corporation is Contingently Liable	3215.00	324.09
As per Statement of Profit & Loss	3974.46	1286.20
(ii) Commitments:		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	986.82	3296.75
As per Statement of Profit & Loss	986.82	3296.75

NOTE-34 : FEES AND COMMISSION EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31.03.23	For the Year Ended 31.03.22
Fees and Commission :		
Government Guarantee Fee	19.01	20.24
Loss on Foreign Currency Transactions and Translation Interest Paid	24.15	0.00
Bank Charges and Commission	37.83	51.50
Others	3.10	0.11
As per Statement of Profit & Loss	84.09	71.85

NOTE-35:
Other Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

The Consolidated Financial Statements comprises of financial statements of The National Small Industries Corporation Ltd. (NSIC) and its subsidiary – NSIC Venture Capital Fund (NVCFL) (referred to collectively as the ‘Group’).

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.

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	2022-23	2021-22
1	Amount remaining unpaid to any supplier:		
	a) Principal Amount	16463.62	14348.24
	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 2022-23

(₹ 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	9640.00	-	9640.00	-	9640.00	9640.00	-
2	Receivables	17919.12	335.19	17583.93	15184.67	2399.26	2005.45	393.81
3	Loan and Advances	277527.90	669.77	276858.13	2651.30	274206.83	258509.47	15697.36
4	Other Financial Assets	2550.56	-	2550.56	1202.58	1347.98	1118.39	229.59
5	Trade Payable	16576.94	-	16576.94	6519.79	10057.15	9491.80	565.35

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
6	Other Financial Liabilities	20096.32	-	20096.32	9758.44	10337.88	8944.02	1393.86
7	Others -Other Non-Financial Liabilities	44.39	-	44.39	-	44.39	44.39	-
	Total	344355.24	1004.96	343350.28	35316.78	308033.50	289753.53	18279.97

*Amount is net of PIS but before impairment allowance.

Financial Year 2021-22

(₹ 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	15821.70	345.68	15476.02	6524.09	8951.93	1030.62	7921.31
3	Loan and Advances	259986.19	951.99	259034.20	11168.07	247866.13	244232.93	3633.20
4	Other Financial Assets	2340.63	-	2340.63	407.57	1933.06	553.36	1379.70
5	Trade Payable	14460.64	-	14460.64	327.71	14132.93	2231.88	11901.05
6	Other Financial Liabilities	21702.82	-	21702.82	986.06	20716.76	14725.44	5991.32
7	Others -Other Non-Financial Liabilities	39.98	-	39.98	2.82	37.16	24.71	12.45
	Total	333729.34	1297.67	332431.67	19416.32	313015.35	282176.32	30839.03

*Amount is net of PIS but before impairment allowance

- 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. Disclosures as per Statutory Requirements are as below:

A. Disclosure as per Ind AS 1: Presentation of financial statements

Changes in significant accounting policies

Accounting policies have been reframed / added (wherever required) being already in existence, for better depiction and understanding for reader of financial statements.

B. Disclosure as per Ind AS 2: Inventories

- a) The total carrying amounts of inventories as at 31.03.2023 is ₹ 11.48 lakh (₹12.26 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 2023.
- c) **Land and Building/sheds/quarters in stock, Industrial Estate, Naini for the year 2021-22**

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/2021-22/419 dated

19.01.2022 issued by the office of Principal Office of Audit Industry and Corporate Office, in this regard, BO Naini had 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 during the financial year 2021-22.

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 2021-22, based on the nature of asset, the Land and Building/sheds/quarters etc. were 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 were 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) was charged as depreciation expense during the year 2021-22.

C. Disclosure as per Ind AS 8-“Accounting Policies, Changes in Accounting Estimates and Errors”

Recent accounting pronouncements

Standards / amendments issued but not yet effective: The Ministry of Corporate Affairs, vide notification dated 31 March 2023, has notified Companies (Indian Accounting

Standards) Amendment Rules, 2023 which amends certain Indian Accounting Standards which are effective 1 April 2023. Below is a summary of such amendments:

1. Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.
2. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8

to help entities distinguish changes in accounting policies from changes in accounting estimates.

3. Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Corporation has evaluated the above amendments and the impact of the same on the standalone financial statements is not material.

D. Disclosure as per Ind AS 12 "Income Taxes"

a) Financial Year 2022-2023

(₹ in Lakh)

Description	Net Balance at 01.04.2022	Recognized in Statement of Profit & Loss	Recognized in OCI	Net Balance at 31.03.2023
Deferred Tax Liabilities				
Related to timing difference on depreciation of fixed assets	1797.70	310.24	-	2107.94
Discounting of Financial asset/ financial liabilities	31.00	13.72	-	44.72
Fair Value of Investments	67.72	-	8.98	76.70
Sub-Total	1896.42	323.96	8.98	2229.36
Deferred Tax Assets				
Provision for Receivables & Advances	3315.89	(41.87)	-	3274.02
Employee Benefits	2429.09	55.91	(0.76)	2484.24
Others	11.81	(1.28)	0.00	10.53
Sub-Total	5756.79	12.76	(0.76)	5768.79
Deferred Tax Assets (Net)	3860.37	(311.20)	(9.74)	3539.43

b) 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	37.45	(6.45)	-	31.00
Fair Value of Investments	43.88	-	23.84	67.72
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

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 2023	31 st March 2022
Profit before Tax	15230.79	14779.44
Tax Rate Applicable to a Domestic Company	25.17%	25.17%
Computed Tax Expense	3833.58	3719.99
Tax Effect of		
Expenses that are not deductible in determining taxable profit	680.90	689.65
Incomes that are not taxable in determining taxable profit	(912.48)	(854.39)
Current Tax Provision	3602.00	3555.25
Income Taxes relating to earlier periods	(34.37)	(11.11)
Incremental Deferred Tax Liability / (Asset)	311.21	222.45
Tax Expense Recognized in Statement of Profit & Loss	3878.84	3766.59
Effective Tax Rate	25.47%	25.49%

E. Disclosure of Undisclosed Income-

There is no transaction recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

F. 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 Company
PPE	Land at Technical Centre Howrah	1.60	Refer Note 1	No	1959-60	-
PPE	Flats at Branch Office Mumbai	11.52	Refer Note 2	No	1988	-

Note 1 : Though the Title Deeds are held in the name of NSIC, however, the matter of obtaining physical hard copy of title deeds from local government authority is under process.

Note 2 : Redevelopment of the society at Tilak Nagar, Chembur in which NSIC is having six flats have been completed and the Title Deeds thereof are held in the name of NSIC. The new flats are under possession of NSIC. However, the physical hard copy of documents (including title deeds) from concerned government authority are yet to be obtained.

- 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 NSIC and is possessed by NSIC.
- b) During the current FY, assets having net carrying value of ₹ 21.92 lakh (Gross carrying Value ₹95.66 Lakh) has been retired with sale proceeds of ₹35.86 Lakh and gain of ₹ 13.94 has been accounted for. During the FY 2021-22, 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.
- c) There is no revaluation of any Property Plant and Equipment (including Right-Of-Use Assets) and Intangible assets during the year.

G. Disclosure on Benami Property:

There are no proceedings have been initiated or are pending against the Corporation for holding any benami property under the Benami Transaction (Prohibition) Act 1988 (section 45) and rules made there under, as the Group does not hold any benami property.

H. Disclosure on Borrowings

- (a) The group has not defaulted in repayment of borrowings/loan taken from banks / institutions or other lender.

- (b) The group has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) 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.
- (d) All the charges in respect of loans taken from bank/ financial institutions or other lenders have been registered with Registrar of Companies (ROC).
- (e) Following satisfaction of charges are yet to be registered with ROC beyond the statutory period:

S. No.	Name of Bank	Description of Satisfaction of Charges	Location of Registrar	Period of delay (months)	Limit Amount (₹ in lakh)	Reason
1	CTBC Bank	Book Debts, Floating charge, Movable property	New Delhi	Eight	2500.00	The same is under process and will be satisfied in the current financial year.
2	Vijaya Bank	Immovable property or any interest therein	New Delhi	Waiting for NOC from the bank	59200.00	The same is under process and will be satisfied in the current financial year.
3	Punjab National Bank	Book Debts, Floating charge, Movable property	New Delhi	Waiting for NOC from the bank	10000.00	The same is under process and will be satisfied in the current financial year.

I. 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 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 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 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 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 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
Present value of obligation as at the end of the period	CY	5384.35	3251.29	524.55	4.04
	PY	5200.40	3156.29	508.11	3.92

Service Cost

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Current Service Cost	CY	260.15	186.06	40.05	5.42
	PY	255.30	187.74	40.28	2.47
Past Service Cost including curtailment Gains/Losses	CY	-	-	-	-
	PY	-	-	-	-
Gains or Losses on Non-routine settlements	CY	-	-	-	-
	PY	-	-	-	-
Total Service Cost	CY	260.15	186.06	40.05	5.42
		255.30	187.74	40.28	2.47

Net interest Cost

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Interest Cost on Defined Benefit Obligation	CY	371.83	225.67	36.33	0.28
	PY	335.99	193.87	33.51	0.26
Interest Income on Plan Assets	CY	-	-	-	-
	PY	-	-	-	-
Net Interest Cost (Income)	CY	371.83	225.67	36.33	0.28
		335.99	193.87	33.51	0.26

Change in benefit Obligation

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Present value of obligation as at the beginning of the period	CY	5200.40	3156.28	508.11	3.92
	PY	4926.49	2842.72	491.42	3.84
Acquisition adjustment	CY	-	-	-	-
	PY	8.18	5.36	0.49	-
Interest Cost	CY	371.83	225.67	36.33	0.28
	PY	335.99	193.87	33.51	0.26
Service Cost	CY	260.15	186.06	40.05	5.42
	PY	255.30	187.74	40.28	2.47

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Past Service Cost including curtailment Gains/Losses	CY	-	-	-	-
	PY	-	-	-	-
Benefits Paid	CY	-445.37	-600.86	-35.73	-5.22
	PY	-465.64	-594.32	-28.72	-3.93
Total Actuarial (Gain)/Loss on Obligation	CY	-2.66	284.14	-24.20	-0.36
	PY	140.08	520.91	-28.88	1.29
Present value of obligation as at the end of the period	CY	5384.35	3251.29	524.55	4.04
	PY	5200.40	3156.29	508.11	3.92

Bifurcation of Actuarial Gain/Loss on Obligation

(₹ In Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	CY	-	-	-	-
	PY	-	-	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	CY	-79.69	-55.17	-11.48	-
	PY	-113.85	-78.93	-16.63	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	CY	-77.04	228.97	-12.72	-0.36
	PY	253.93	599.83	1.22	1.29

Balance Sheet and related analysis

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Present Value of the obligation at end	CY	5384.35	3251.29	524.55	4.04
	PY	5200.40	3156.29	508.11	3.92
Fair value of plan assets	CY	-	-	-	-
	PY	-	-	-	-
Unfunded Liability/provision in Balance Sheet	CY	5330.82	3249.17	523.99	4.04
	PY	5200.40	3156.29	508.11	3.92

The amounts recognized in the income statement

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Total Service Cost	CY	260.15	186.06	40.05	5.42
	PY	255.30	187.74	40.28	2.47
Net Interest Cost	CY	371.83	225.67	36.33	0.28
	PY	335.99	193.87	33.51	0.26
Net Actuarial (gain)/loss recognized in the period	CY	-	284.14	-24.20	-
	PY	-	520.91	-28.88	-
Expense recognized in the Income Statement	CY	631.98	695.87	51.90	5.70
	PY	591.29	902.52	44.92	2.73

Other Comprehensive Income (OCI)

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Net cumulative unrecognized actuarial gain/(loss) opening	CY	-	-	-	-
	PY	-	-	-	-
Actuarial gain / (loss) for the year on PBO	CY	2.65	-	-	0.36
	PY	-140.08	-	-	-1.29
Actuarial gain /(loss) for the year on Asset	CY	-	-	-	-
	PY	-	-	-	-
Unrecognized actuarial gain/(loss) for the period.	CY	2.65	-	-	0.36
	PY	-140.08	-	-	-1.29

Change in Net Defined Benefit Obligation

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Net defined benefit liability at the start of the period	CY	5200.40	3156.28	508.11	3.92
	PY	4926.49	2842.72	491.42	3.84
Acquisition adjustment	CY	-	-	-	-
	PY	8.18	5.36	0.49	-
Total Service Cost	CY	260.15	186.06	40.05	5.42
	PY	255.30	187.74	40.28	2.47
Net Interest cost (Income)	CY	371.83	225.67	36.33	0.28
	PY	335.99	193.87	33.51	0.26
Re-measurements	CY	-2.65	284.14	-24.20	-0.36
	PY	140.08	520.91	-28.88	1.29
Contribution paid to the Fund	CY	-	-	-	-
	PY	-	-	-	-
Benefit paid directly by the enterprise	CY	-445.36	-600.56	-35.74	-5.22
	PY	-465.64	-594.32	-28.72	-3.93
Net defined benefit liability at the end of the period	CY	5384.35	3251.29	524.55	4.04
	PY	5200.40	3156.29	508.11	3.92

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
Current Liability (Amount due within one year)	CY	599.65	326.26	70.05	0.41
	PY	510.40	320.91	49.83	0.34

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Non-Current Liability (Amount due over one year)	CY	4784.71	2925.03	454.50	3.63
	PY	4690.00	2835.38	458.29	3.58
Total PBO at the end of year	CY	5384.35	3251.29	524.55	4.04
	PY	5200.40	3156.29	508.11	3.92

Expected contribution for the next Annual reporting period

(₹ In Lakh)

Particulars	CY/ PY	Gratuity	EL	Sick Leave	TA on Retirement
Service Cost	CY	272.42	203.38	44.71	4.21
	PY	268.82	201.24	44.60	3.21
Net Interest Cost	CY	397.36	239.95	38.71	0.30
	PY	371.83	225.67	36.33	0.28
Expected Expense for the next annual reporting period	CY	669.78	443.33	83.41	4.51
	PY	640.65	426.91	80.93	3.49

Principal assumptions used for actuarial valuation are:

Particulars	2022-23	2021-22
Method used	Projected Unit Credit Method	Projected Unit Credit Method
Discount Rate	7.38%	7.15%
Expected Rate of Return on Plan Asset	0	0
Future Salary Increase	5.50	5.50
Mortality Rate	100% of IALM (2012-14)	100% of 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
Impact of change in discount rate				
Present value of obligation at the end of the period	5384.35	3251.29	524.55	4.04
Impact due to increase of 0.50%	-166.27	-114.57	-23.66	-0.14
Impact due to decrease of 0.50%	175.98	122.06	25.51	0.15
Impact of change in salary increase				

Particulars	Gratuity	EL	Sick Leave	TA on Retirement
Present value of obligation at the end of the period	5384.35	3251.29	524.55	4.04
Impact due to increase of 0.50%	178.34	123.70	25.82	
Impact due to decrease of 0.50%	-169.93	-117.09	-24.18	

Maturity Profile of Defined Benefit Obligation

(₹ In Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement
0 to 1 year	599.65	326.20	70.01	0.41
1 to 2 years	457.83	286.47	25.59	0.30
2 to 3 years	514.72	270.21	32.08	0.35
3 to 4 years	495.99	285.66	27.29	0.33
4 to 5 years	350.26	197.84	21.36	0.25
5 to 6 years	348.87	195.70	17.95	0.25
6 years onwards	2617.03	1689.13	330.23	2.15

- c) In respect of NVCFL, presently, there is only one employee in the company, the cost of defined benefit plan and other long term employee benefits and present value of such obligation are determined by independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual. Management believes that the assumption used by the actuary in determination of discount rate, future salary increases, mortality rate and attrition rates are reasonable.

- d) As approved by the Ministry vide letter dated 02.12.2016, Corpus for medical schemes have been created of ₹ NIL (₹NIL) for the employees retired prior to 1.1.2007 and of ₹ 128.05 lakh (₹124.20 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 ₹ 115.79 lakh (₹174.55 lakh) and ₹ 112.73 lakh (₹63.84 lakh) respectively during the year. The total corpus as on 31.03.2023 towards

medical scheme for the employees retired prior to 1.1.2007 and on or after 1.1.2007 amounts to ₹ 252.68 lakh & ₹ 451.70 lakh respectively.

J. 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 ₹ 219.08 lakh (₹225.71 lakh) created during the year for meeting the exchange variation losses. During the year, the exchange variation loss was ₹ 128.10 lakh (₹1.52 lakh) and the balance of ₹ 90.98 lakh (₹224.19 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 ₹ 236.31 lakh (₹249.20 lakh) have been made during the year for exchange variation under XIIth line of credit, out of which 80% i.e. ₹ 189.05 lakh (₹199.36 lakh) has

been utilized against exchange variation loss during the year and balance 20% i.e. ₹47.26 lakh (₹49.84 lakh) has been utilized for promotional purposes as per terms and conditions of the loan agreement.

During the year, the exchange variation loss was ₹ 114.40 lakh (₹2.06 lakh) which has been adjusted from 80% provision i.e. ₹ 189.05 lakh (₹199.36 lakh) and balance of ₹ 74.65 lakh (₹197.30 lakh) of provisions has been retained to meet future exchange variation losses. The cumulative retained provision on this account as on 31.03.2023 is ₹ 2249.66 lakh (₹2175.00 lakh) including balance provision of ₹ 74.65 lakh (₹197.30 lakh) for the year to meet out exchange variation losses in future.

b) Exchange Difference

(₹ In Lakh)

S. No	Particulars	2022-23	2021-22
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.	(24.15)	85.57
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.	-	-

**K. Disclosure as per Ind AS – 24:
Related party disclosures**

- a) **Related party** shall include all related parties as per the applicable accounting standards along with related parties as defined under Section 2(76) of the Companies Act, 2013, with reference to a company, means- (i) a director or his relative; (ii) a key managerial personnel or his relative; (iii) a firm, in which a director, manager or his relative is a partner; (iv) a private company in which a director or manager is a member or director; (v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital; (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity; (viii) any company which is- (A) a holding, subsidiary or an associate company of such company; or (B) a subsidiary of a holding company to which it is

i) Key Managerial Personnel

also a subsidiary; (ix) such other person as may be prescribed.

- b) **Key Managerial Personnel (KMPs)** shall include key managerial personnel as per section 2(51) of the Companies Act, 2013, in relation to a company, means— (i) the Chief Executive Officer or the managing director or the manager; (ii) the company secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and such other officer as may be prescribed.
- c) **Relatives of KMPs** shall include relatives as defined under section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of definitions details) Rules, 2014, with reference to any person, means anyone who is related to another, if— (i) they are members of a Hindu Undivided Family; (ii) they are husband and wife; or (iii) one person is related to the other in such manner as may be prescribed;
- d) In compliance of IndAS 24 on related party disclosures, the required information is given as under:

Key Managerial Personnel	Designation	Period	
		From	To
Smt. Alka Nangia Arora	Chairman-cum-Managing Director (Additional Charge)	01.04.2022	31.05.2022
Shri P. Udayakumar	Chairman-cum-Managing Director (Additional Charge)	20.06.2022	31.07.2022

Key Managerial Personnel	Designation	Period	
		From	To
Shri Gaurang Dixit	Chairman-cum-Managing Director (Additional Charge)	01.08.2022	31.12.2022
Smt. Mercy Epao	Director Finance, Chairman-cum-Managing Director (Additional Charge)	01.01.2023	31.03.2023
Smt. Mercy Epao	Director Planning & Marketing (Additional Charge)	01.01.2023	20.02.2023
Shri P. Udayakumar	Director Planning & Marketing	01.04.2022	31.07.2022
Shri Kartikeya Sinha	Director Planning & Marketing	21.02.2023	31.03.2023
Shri Gaurang Dixit	Director Finance & CFO	01.04.2022	31.12.2022
Shri Saravana Kumar Ananthan	CEO & Director (NVCFL)	17.10.2022	31.03.2023
Shri Kalandi Charan Samal	Independent Director	01.04.2022	31.03.2023
Shri Ashok Ahirwar	Independent Director	01.04.2022	31.03.2023
Shri Partha Majhi	Chief Finance Officer	02.01.2023	31.03.2023
Smt. Nishtha Goyal	Company Secretary	01.04.2022	31.03.2023

e) **Subsidiary-** NSIC is having a subsidiary company- M/s. NSIC Venture Capital Fund Limited (NVCFL) for which the Corporation has complied with the requirement of number of layers of companies as prescribed under clause 87 of section 2 of the companies Act 2013 read with company (Restrictions on number of layers) rules 2017.

f) **Related Party-** Self-Reliant India (SRI) Fund

g) **Transaction with Related Party, KMP, etc.**

(i) **Transactions during the year carried out**

(₹ In Lakh)

S. No.	Nature of Transactions	Related Party		Key Managerial Personnel		Relative of Key Managerial Personnel		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1.	Revenue:								
a)	Interest received	--	--	--	--	--	--	--	--
b)	-Rent	--	--	--	--	--	--	--	--
c)	-Others	551.53	304.39	--	--	--	--	551.53	304.39
2.	Expenditure:								
a)	Salary and Allowances	--	--	93.00	126.91	--	--	93.00	126.91

S. No.	Nature of Transactions	Related Party -NVCFL etc.		Key Managerial Personnel		Relative of Key Managerial		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
b)	Leave/ LTC Encashment	--	--	56.56	10.89	--	--	56.56	10.89
c)	Provident Fund Contribution	--	--	7.62	8.52	--	--	7.62	8.52
d)	Contribution to Pension Scheme	--	--	6.35	19.00	--	--	6.35	19.00
e)	Interest paid	--	--	--	--	--	--	--	--
f)	Other Expenses	5.73	0.84	22.89	14.85	--	--	28.62	15.69
g)	Rent Paid	--	--	--	--	--	--	--	--
h)	Provision for Terminal Benefits	--	--	18.98	18.94	--	--	18.98	18.94
i)	Others-PRP	--	--	85.82	7.71	--	--	85.82	7.71
j)	Others-Sitting Fees	4.44	1.65	--	--	--	--	4.44	1.65
3.	Balance Outstanding								
a)	Borrowings-Loan & interest outstanding	--	--	0.12	--	--	--	0.12	--
b)	Deposits-Loan & interest outstanding	--	--	--	--	--	--		
c)	Trade Receivables	613.68	109.42	--	--	--	--	613.68	109.42
d)	Advances	--	1.25	--	--	--	--	--	1.25
4.	Others								
a)	Investment:	33.88	10.69	--	--	--	--	33.88	10.69
b)	Purchase of PPE/other assets	--	--	--	--	--	--	--	--
c)	Sale of PPE/ other assets	--	--	0.40	--	--	--	0.40	--
d)	Provision for Terminal Benefits as per Actuarial Valuation	--	--	25.22	100.26	--	--	25.22	100.26

(ii) Major terms & conditions

- (a) The remuneration to Key managerial personnel is in line with the service rules of NSIC.
- (b) Transactions with NVCFL are made on terms equivalent to those that prevailing in arm's length transactions.
- (c) The group has granted loan and advances in the nature of loan to Director (as defined under the Companies Act 2013). The amount of Loan to Director is ₹ 0.12 lakh against total loans & advances ₹ 277527.90 lakh, is very minimal and % cannot be calculated.

L. 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 IndAS-109 are recognized as loss allowances in financial instruments w.e.f. financial year 2019-20.
- b) In respect of financial assets under financing schemes, comprising of receivables under Hire Purchase, Leasing, Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, banks, etc., the cumulative provisions towards impairment loss as on 31.03.2023 amounts to ₹ 12265.28 lakh (₹ 12323.53

lakh) against the total outstanding of ₹ 273966.42 lakh (₹ 255211.72 lakh).

- c) In respect of financial and non-financial assets under non-financing schemes, comprising of receivables under Marketing activities, on account of transactions at Technical Centers & STBPs & 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 31.03.2023 amounts to ₹742.35 lakh (₹850.45 lakh) against the total outstanding of ₹ 24971.42 lakh (₹22318.47 lakh).
- d) On overall basis, financial and non-financial assets comprising of Trade Receivables and Loans & Advances under financing & non-financing schemes, the cumulative provisions towards impairment loss as on 31.03.2023 amounting to ₹ 13007.62 lakh (₹ 13173.98 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) as per IndAS against the total outstanding of ₹ 298937.83 lakh (₹ 277530.19 lakh).

M. 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 2022-23 amounting to ₹ 626.26 lakh (₹754.12 lakh) has been made.

The Corporation has paid Performance Related Pay (PRP) of ₹ 682.51 lakh and ₹ 728.11 lakh during FY 2022-23 which was proposed in the FY 2019-20 and 2020-21 respectively.

N. 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 FY 2022-23 such assets having net carrying value of ₹ NIL (Gross carrying value of ₹ NIL) 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. FY 2021-22 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.

O. 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, 2023 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 2023			For the year ended 31 st March 2022		
Primary Segment – Business Segment	Promotional	Commercial	Total	Promotional	Commercial	Total
I. SEGMENT REVENUE (including grant)						
-Government Grant Recognized during the year	10508.11	-	10508.11	6,700.65	-	6,700.65
-Sale of Product	-	232491.66	232491.66	-	2,21,163.92	2,21,163.92
-Sale of Services		11380.67	11380.67	-	9265.99	9265.99
-Others		33697.96	33697.96	-	31832.79	31832.79
-Total	10508.11	277570.29	288078.40	6,700.65	2,62,262.70	268963.35
II. SEGMENT EXPENDITURE (including expenses against grant)						
-Expenditure incurred against Government Grant recognized during the year	10508.11		10508.11	6,700.65	-	6,700.65
-Others		262410.54	262410.54	-	247489.46	247489.46
-Total	10508.11	262410.54	272918.65	6,700.65	247489.46	254190.11
III. RESULTS						
a. Segment Results		11294.85	11294.85	-	11,012.85	11,012.85
b. Operating Profit before interest		24244.42	24244.42	-	21034.80	21034.80
c. Interest Paid		9084.67	9084.67	-	6261.56	6261.56
d. Exceptional items		(13.94)	(13.94)	-	(6.20)	(6.20)
e. Profit before Tax		15173.69	15173.69	-	14,779.44	14,779.44
f. Tax Expense		3878.84	3878.84	-	3,766.59	3,766.59
g. Net Profit after Tax		11294.85	11294.85	-	11,012.85	11,012.85
h. Other Comprehensive Income		28.98	28.98	-	(34.92)	(34.92)
i. Total Comprehensive Income {Comprising Profit /(Loss) and Other Comprehensive Income}		11323.83	11323.83	-	10,977.93	10977.93
III. ASSETS & LIABILITIES						
a. Segment Assets	4343.93	304392.96	308736.89	4,155.99	2,83,093.87	2,87,249.86
b. Unallocated Assets			22807.38	-	-	31,799.89
c. Total Assets	4343.93	304392.96	331544.27	4,155.99	2,83,093.87	3,19,049.75
d. Segment Liabilities	10018.27	183739.55	193757.82	9,429.56	1,79,083.63	1,88,513.19
e. Unallocated Liabilities			137786.45	-	-	1,30,536.56
f. Total Liabilities	10018.27	183739.55	331544.27	9,429.56	1,79,083.63	3,19,049.75
IV. OTHER INFORMATION						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	498.88	656.77	1155.65	794.51	308.67	1,103.18
(b) Depreciation #	375.41	704.10	1079.51	361.14	742.32	1103.46
(c) Non-cash expenditure other than depreciation		38.75	38.75	-	539.68	539.68

The depreciation of promotion segment is charged to capital reserve.

- b) Information about Revenue from major products and services - Refer Clause "P" as below.

- c) Information for other activities

Particulars	Unit	Year ended 31 st March 2023	Year ended 31 st March 2022
Candidates trained in NSIC Training Centers	Nos.	61090	48182
MSMEs facilitated for Testing and other common facilities	Nos.	14034	10840
Procurement from GeM as % of Total Procurement	%	68.19	15.58

- d) The Group does not have any reportable geographical segment as the lending operations of the group are carried out within the country.

- e) No single borrower has contributed 10% or more to the group's revenue during the financial year 2022-23.

P. Disclosure as per Ind AS 115 – Revenue from Contracts with Customers

Component wise revenue of Group

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Sale of products	232491.66	221163.92
Sale of services	11380.67	9265.99
Interest Income	28342.56	26153.92
Processing fee	4730.12	4735.83
Other operating Income	481.88	751.80
TOTAL	277426.89	262071.46

Q. 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 provide flexibility in managing the leased-asset portfolio and align with the Group business needs.

During the year 2022-23 the expenses relating to short-term leases are ₹ 430.95 Lakh (₹459.59 Lakh). The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 430.98 Lakh (₹ 462.69 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 2023	Year ended 31 st March 2022
Opening Balance	59.04	57.60
- Additions in lease liabilities		1.46
- Interest cost during the year		-
- Payment of lease liabilities	0.03	0.02
Closing Balance	59.01	59.04

- ii. The following are the amounts recognized in Statement of profit and loss:

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Depreciation and amortization expense for right-of-use assets	0.83	0.83
Interest expense on lease liabilities	4.56	4.54

iii. Other disclosures:

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Cash Outflow from leases	0.03	3.10

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Carrying amount of right-of-use assets at the end of the reporting period	54.16	55.00

- iv. Undiscounted lease payments to be paid 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 2023	As at 31 st March 2022
Less than one year	4.58	3.10
Between one and two years	5.33	4.58
Between two and three years	5.58	5.33
Between three and four years	5.58	5.58

Particulars	As at 31 st March 2023	As at 31 st March 2022
Between four and five years	5.58	5.58
More than five years	368.87	371.96

b) Leases as lessor:

- These arrangements continue to be classified as operating lease after transition to Ind AS 116 'Leases'.
- An amount of ₹ 4899.22 lakh (₹3502.55 lakh) has been accounted as lease income in Statement of profit and loss for the year ended 31st March 2023.
- 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 2023	As At 31 st March 2022
Less than one year	4845.44	4091.89
Between one and two years	3529.67	2878.77
Between two and three years	2920.66	2350.73
Between three and four years	1764.77	1818.25
Between four and five years	1742.27	1653.82
More than five years	1512.21	3481.56

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

(₹ in Lakh)

As at 31 st March 2023	Net Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	50003.68	-	19278.26	-		
Over 1-month upto 2 months	19181.00	-	-	-	-	-
Over 2 months upto 3 months	25844.66	-	131500.00	133.55	-	-
Over 3 months upto 6 months	166671.80	-		22.82	-	-

As at 31 st March 2023	Net Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Over 6 months & upto 1 year	-	-	-	156.37	-	-
Over 1 year & upto 3 years	-	-	-	625.48	-	-
Over 3 year & upto 5 years	-	-	-	625.48	-	-
Over 5 years	-	338.64	-	3245.01	-	-

(₹ 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	-	-

(Advances refer to receivables under Hire Purchase, Leasing, Raw Material Assistance, Bills Discounting, Composite Term Loan, Term Loan, Banks, etc).

S. 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

- 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 there is no material increase in credit risk since initial recognition or those which have low credit risk at the reporting date.	12-month ECL
Stage 2	Increased Risk Assets or Assets having significant risk	Assets where there is significant increase in credit risk since initial recognition but which do not have objective evidence of impairment.	Life time ECL
Stage 3	Impaired Assets	Assets for whom there is objective evidence of impairment at the reporting date.	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 2023	As At 31 st March 2022
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 analyze 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 2023			31 st March 2022		
	Bank Borrowings	Market Borrowings	Total	Bank Borrowings	Market Borrowings	Total
1 day to 30/31 days (one month)	19278.26	-	19278.26	27771.52	-	27771.52
Over one month to 2 months	-	-	-	11270.03	-	11270.03
Over 2 months upto 3 months	131500.00	133.55	131633.55	15878.63	126.09	16004.72
Over 3 months to 6 months	-	22.82	22.82	92579.82	21.55	92601.37
Over 6 months to 1 year	-	156.37	156.37	-	147.63	147.63
Over 1 year to 3 years	-	625.48	625.48	-	590.52	590.52
Over 3 years to 5 years	-	625.48	625.48	-	590.52	590.52
Over 5 years	-	3245.01	3245.01	-	3359.26	3359.26

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-

Description	As At 31 st March 2023		As At 31 st March 2022	
	In foreign Currency (Euro)	In functional Currency (₹ in lakh)	In foreign Currency (Euro)	In functional Currency (₹ in lakh)
KFW-XI	2471585.01	2249.39	2597362.81	2231.91
KFW-XII	2185261.45	1988.81	2352965.19	2021.90
ILC	626866.10	570.51	677015.32	581.76

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 2023	As at 31 st March 2022
Variable rate borrowings	3778.26	-
Fixed rate borrowings	147000.00	147500.00
Total borrowings	150778.26	147500.00

(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 2023	As At 31 st March 2022		
I. FINANCIAL ASSETS				
Financial Investments at FVTOCI				
-Investment in Equity Instruments	304.76	269.07	Level 1	Quoted market price
Financial Investments at FVTPL				
TOTAL	304.76	269.07		
II. FINANCIAL LIABILITIES	-	-		
TOTAL	-	-		

Financial Assets and Liabilities Measured at Amortized Cost.

(₹ in Lakh)

Particulars	As At 31 st March 2023		As At 31 st March 2022		Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	Amortized Cost	Fair Value	Amortized Cost	Fair Value		
I. FINANCIAL ASSETS						
Loan to Companies/LLP	265603.21	265603.21	247545.73	247545.73	Level 3	Effective Interest Rate
Loan to Employees	45.03	45.03	39.00	39.00	Level 2	NPV at SBI Rate for Perquisites
TOTAL	265648.24	265648.24	247584.73	247584.73		
II. FINANCIAL LIABILITIES						
Borrowings	155586.97	155586.97	152335.57	152335.57	Level 3	Effective Interest rate
TOTAL	155586.97	155586.97	152335.57	152335.57		

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 2023		As At 31 st March 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
I. FINANCIAL ASSETS				
- Cash & Cash Equivalent	9249.17	9249.17	18884.73	18884.73
- Bank Balance	390.83	390.83	492.65	492.65
- Receivables	16303.10	16303.10	14061.53	14061.53
- Loans & Advances	265648.23	265648.23	247551.40	247551.40
- Investments	338.64	338.64	279.76	279.76
- Other Financial Assets	2034.58	2034.58	2065.69	2065.69
TOTAL	293964.55	293964.55	283335.76	283335.76
II. FINANCIAL LIABILITIES				
- Payables	16576.94	16576.94	14460.64	14460.64
- Borrowings	155586.97	155586.97	152335.57	152335.57
- Other financial liabilities	20096.32	20096.32	21702.82	21702.82
TOTAL	192260.23	192260.23	188499.03	188499.03

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.

- T.** 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 2023			As at 31 st March 2022		
		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	9249.17	-	9249.17	18884.73	-	18884.73
(b)	Bank Balance other than included in Cash & Cash Equivalents	390.83	-	390.83	492.65	-	492.65
(a)	Trade Receivables	16303.10	-	16303.10	14061.53	-	14061.53
(b)	Loans & Advances	243720.65	21927.58	265648.23	247530.21	21.19	247551.40
(c)	Investments	-	338.64	338.64	-	279.76	279.76

Particulars		As at 31 st March 2023			As at 31 st March 2022		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
(d)	Other Financial Assets	318.08	1716.50	2034.58	1737.18	328.51	2065.69
	Total Financial Assets (1)	269981.83	23982.72	293964.55	282706.30	629.46	283335.76
2.	Non- Financial Assets						
(a)	Inventories	11.48	-	11.48	12.26	-	12.26
(b)	Current Tax Assets (Net)	247.22	-	247.22	646.33	-	646.33
(c)	Deferred Tax Assets (Net)	-	3539.42	3539.42	-	3860.37	3860.37
(d)	Property, Plant and Equipment	-	28724.30	28724.30	-	28343.91	28343.91
(e)	Capital Work in Progress	-	437.42	437.42	-	750.33	750.33
(f)	Intangible Assets Under Development	-	35.65	35.65	-	23.39	23.39
(g)	Other Intangible Assets	-	58.32	58.32	-	82.95	82.95
(h)	Right to use of assets	-	54.16	54.16	-	55.00	55.00
(i)	Assets Classified as Held for Sale	0.21	-	0.21	0.21	-	0.21
(j)	Other Non-Financial Assets	-	4471.54	4471.54	-	1939.24	1939.24
	Total Non-Financial Assets (2)	258.91	37320.81	37579.72	658.80	35055.19	35713.99
	Total Assets (1+2)	270240.74	61303.53	331544.27	283365.10	35684.65	319049.75
LIABILITIES							
1.	Financial Liabilities						
(a)	Trade Payables	6947.24	9629.70	16576.94	14460.64	-	14460.64
(b)	Borrowings	150778.26	4808.71	155586.97	147795.27	4540.30	152335.57
(c)	Liabilities associated with Assets held for sale	-	-	-	-	-	-
(d)	Other Financial Liabilities	18820.58	1275.74	20096.32	20346.53	1356.29	21702.82
	Total financial liabilities (1)	176546.08	15714.15	192260.23	182602.44	5896.59	188499.03
2.	Non-Financial Liabilities						
(a)	Current Tax Liabilities (Net)	-	-	-	-	-	-
(b)	Provisions	5304.71	6109.18	11413.89	881.48	10162.24	11043.72
(c)	Deferred Tax Liabilities (Net)	-	-	-	-	-	-
(d)	Other Non-Financial Liabilities	1860.83	286.30	2147.13	-	1978.73	1978.73
	Total Non-Financial liabilities (2)	7165.54	6395.48	13561.02	881.48	12140.97	13022.45
	Total Liabilities (1+2)	183711.62	22109.63	205821.25	183483.92	18037.56	201521.48

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

Particulars	Year ended 31 st March 2023		Year ended 31 st March 2022	
	NSIC	NVCFL #	NSIC	NVCFL #
On Equity shares of ₹100 each				
-Amount of Dividend Proposed (₹ In lakh)	3314.48	91.10	3317.05	57.08
-Rate of Dividend (%)	30% of PAT		30% of PAT	
-Dividend per equity share (₹)	6.22	15.18	6.22	9.51

Amount is payable/paid to NSIC

Dividends proposed by NSIC 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 ₹ 3314.48 lakh (₹ 6.22 per share) in respect of the year ending 31st March 2023 subject to approval of shareholders in the Annual General Meeting. If approved, the dividend would result in cash outflow of ₹ 3314.48 lakh.

Further, Corporate dividend pertaining to financial year ended 31st March 2023, 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.

The Corporation has paid the dividend of ₹ 3317.05 lakh in the FY 2022-23 which was proposed in the FY 2021-22.

V. 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
		31.03.2023	31.03.2022	
	Investments in securities			
-	- Investment in shares of struck off company	-	-	-
-	Receivables	-	-	-
-	Payables	-	-	-
-	Shares held by struck off company	-	-	-
-	Other outstanding balances (to be specified)	-	-	-

W. Disclosure on Crypto or Virtual Currency

The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

X. 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.

Y. The additional information required to be disclosed vide RBI norms for NSIC

A) Impairment Reserve

In terms of 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.

As the impairment allowance in terms of IndAS-109 as on 31.03.2023 amounting to ₹12265.28 lakh (₹12323.53 lakh) is lower than the provisioning required under IRACP Norms amounting to ₹14960.81 lakh (₹14802.00 lakh), therefore the difference of provisioning under IRACP Norms & IndAS-109 amounting to ₹2695.53 lakh (₹2478.47 lakh), is to be accounted for as impairment reserve as on 31.03.2023.

However, impairment reserve that ought to be accounted for as on 31.03.2023 is less than the already appropriated impairment reserve as on 31.03.2022 amounting to ₹4866.65 lakh (₹4866.65 lakh), therefore, the already appropriated impairment reserve has not been reversed to the extent of ₹2171.12 lakh (₹2388.18 lakh) as withdrawals are not permitted therefrom. Thus, impairment reserve as on 31.03.2023 has been maintained at ₹4866.65 lakh (₹4866.65 lakh).

B) Comparison between provisions required under IRACP and impairment allowances made under IndAS-109:

Financial Year 2022-2023

(₹ 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	262996.32	1295.18	261701.14	1181.94	113.24
	Stage 2	0.00	0.00	0.00	0.00	0.00
Subtotal		262996.32	1295.18	261701.14	1181.94	113.24
Non-Performing Assets (NPA)						
Substandard	Stage 3	1131.07	1131.07	0.00	2376.09	-1245.02
Doubtful - up to 1 year	Stage 3	0.00	0.00	0.00	732.85	-732.85
1 to 3 years	Stage 3	0.00	0.00	0.00	265.37	-265.37
More than 3 years	Stage 3	9102.35	9102.35	0.00	9667.89	-565.54
Sub-total for doubtful		9102.35	9102.35	0.00	10666.10	-1563.76

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)
Loss	Stage 3	736.68	736.68	0.00	736.68	0.00
Subtotal for NPA		10970.10	10970.10	0.00	13778.88	-2808.78
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	0.00	0.00	0.00	0.00	0.00
	Stage 2	0.00	0.00	0.00	0.00	0.00
	Stage 3	0.00	0.00	0.00	0.00	0.00
Subtotal		0.00	0.00	0.00	0.00	0.00
Total	Stage 1	262996.32	1295.18	261701.14	1181.94	113.24
	Stage 2	0.00	0.00	0.00	0.00	0.00
	Stage 3	10970.10	10970.10	0.00	13778.88	-2808.78
	Total	273966.42	12265.28	261701.14	14960.82	-2695.54

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	0.00	0.00	0.00	0.00	0.00
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

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)
Doubtful - up to 1 year	Stage 3	0.00	0.00	0.00	775.96	-775.96
1 to 3 years	Stage 3	0.00	0.00	0.00	461.87	-461.87
More than 3 years	Stage 3	9446.93	9446.93	0.00	10012.47	-565.53
Sub-total for doubtful		9446.93	9446.93	0.00	11250.29	-1803.36
Loss	Stage 3	770.07	770.07	0.00	770.07	0.00
Subtotal for NPA		11348.07	11348.07	0.00	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	0.00	0.00	0.00	0.00	0.00
	Stage 2	0.00	0.00	0.00	0.00	0.00
	Stage 3	0.00	0.00	0.00	0.00	0.00
Subtotal		0.00	0.00	0.00	0.00	0.00
Total	Stage 1	243863.64	975.46	242888.18	877.62	97.84
	Stage 2	0.00	0.00	0.00	0.00	0.00
	Stage 3	11348.07	11348.07	0.00	13924.38	-2576.31
	Total	255211.71	12323.53	242888.18	14802.00	-2478.47

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 ₹2209.66 lakh (₹2164.51 lakh) has been created, thus making total reserve fund as on 31.03.2023 amounting to ₹8389.87 lakh (₹6180.21 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

Bank Facilities of the Corporation have 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. In addition to above, the Corporation has also been rated for Commercial paper with CRISIL and ACUITE as “A1+” which is considered to have “Very Strong Degree of Safety”.

E) Penalties and strictures

I. Levied by RBI - NIL

II. Levied by any other statutory authority- During the year ended 31st March, 2023, penalty amounting to ₹ 0.21 (Nil) has been paid by the Corporation.

F) Capital Adequacy

Particulars	As at 31.03.2023			As at 31.03.2022			% Variance
	Numerator	Denominator	%	Numerator	Denominator	%	
(i) Capital to Risk Weighted Ratio (CRAR)	108901.31	311026.16	35.01	99290.18	286095.50	34.70	0.89
(ii) CRAR—Tier I Capital	107606.13	311026.16	34.60	98314.72	286095.50	34.36	0.70
(iii) CRAR-Tier II Capital	1295.18	311026.16	0.42	975.46	286095.50	0.34	23.53
(iv) Liquidity Coverage Ratio	8958.82	6942.46	129.04	18614.08	9334.32	199.42	-35.29
v) Amount of Subordinate debt raised as Tier-II Capital	-	-	Nil	-	-	Nil	-
vi) Amount raised by issue of Perpetual debt instruments	-	-	Nil	-	-	Nil	-

Liquid Coverage Ratio is computed by dividing total High Quality Liquid Assets(HQLA) by total Net Cash outflow. Working Capital Demand Loan(WCDL) of ₹ 27771.52 lakh was due for repayment within 30 days during the FY 2021-22 whereas WCDL of ₹ 19278.26 lakh was due for repayment during the FY 2022-23 i.e. net cash outflow during the FY 2022-23 was decreased.

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).

- G) Investments:** NSIC does not hold any investment outside India. However, Parent company has invested earlier ₹ 600 lakh in 100% subsidiary company M/s. NVCFL and ₹ 269.07 lakh in other Indian companies

During the year 2021-22, Self-Reliant India Fund (a first scheme of NVCFL) had 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) was the members in accordance with the contribution agreement dated 12th October, 2021. During the previous 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.

Since the amount was received in the bank account of the Company but was intended solely for SRI Fund which is a separate entity, the balance amount of ₹ 15234.36 Lakh (after adjustment of expenditure of SRI Fund) was 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 were 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.

During the year FY 2022-23, an interest on Fixed Deposit amounting to ₹ 76.89 Lakh out of which ₹ 50.43 Lakh pertains to SRI Fund and the same has been accounted for in the books of SRI Fund.

While undertaking the Audit of NVCFL for the Financial Year 2021-22, the Comptroller and Audit General of India had raised certain queries as regards the SRI Fund structure. In order to seek clarification on the structure issue a meeting was held with SEBI Officials in Mumbai on 24.11.2022 wherein NVCFL was directed to represent the matter in writing. Accordingly, a letter no NVCFL/2022-23/295 dated 05.01.2023 has been written to Securities and Exchange Board of India (SEBI) wherein "it has been mentioned that the structure of SRI Fund to be organized under a corporate structure was mandate by the Government of India (GOI) to be implemented under a corporate structure as against a typical trust structure with a view to ensure better governance and greater accountability and transparency in the operations of SRI Fund pursuant to the provision of the Companies Act 2013. While clearly a corporate structure is not a common structure for an AIF, the AIF regulation does recognize a corporate structure to be eligible for an AIF Registration. Basis the above structure, NVCFL had applied for registration as an AIF with SEBI and had submitted the Private Placement Memorandum (PPM) of SRI

Fund as first scheme of NVCFL and the same had been approved by the SEBI and AIF registration was given to NVCFL with SRI Fund as its first scheme.

In this regard, NVCFL has been following continuously with SEBI vide its mail dated 07.03.2023, 20.03.2023, 30.05.2023 & 01.08.2023 but the reply is awaited till date.

a) Break up of Investments

(₹ in Lakh)

	Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
1	Value of investments		
(i)	Gross Value of Investments		
(a)	In India		
	at fair value through OCI	314.76	279.07
(b)	Outside India		
(ii)	Provision for Depreciation		
(a)	In India	10.00	10.00
(b)	Outside India		
(iii)	Net value of investments		
(a)	In India	304.76	269.07
(b)	Outside India		
(2)	Movement of provisions held towards on investments		
(i)	Opening Balance	10.00	15.00
(ii)	Add: Provisions made during the year		
(iii)	Less: write-off/ write-back of excess provisions during the year	0.00	5.00
(iv)	Closing balance	10.00	10.00
(3)	Aggregate amount of quoted investments	304.76	269.07
	Market value of quoted investments	304.76	269.07
(4)	Aggregate amount of Unquoted investments	43.88	20.69
(5)	Aggregate provision for diminution in value of investments	10.00	10.00

b) Valuation of Investments

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
i) Gross Value of Investments	279.76	195.06
ii) Allowance for Impairment Loss	10.00	10.00
iii) Fair Value Change (Net)	35.69	94.70
iv) Net Value of Investments	304.76	279.76
Movement in Fair Value Changes of Investment (Net)		
Opening Balance	269.07	174.36
Add: Increase in Value	35.69	94.70
Less: Decrease in Value		-
Closing Balance	304.76	269.07

H. Derivatives

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Exposure to Derivative Instruments / products	NIL	NIL

I. Securitization
a) Details of SPVs sponsored for Securitization of Assets

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
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 2023	Year ended 31 st March 2022
Financial Assets Sold	NIL	NIL

c) Details of Assignment transaction undertaken

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Assignment Transaction undertaken	NIL	NIL

d) Details of Non-performing financial assets purchased/sold

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
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) Disclosure requirements under Scale Based Regulation for NBFCs

In terms of RBI notification no. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022, disclosure under scale based regulations for NBFCs are as under:

Exposures

I. Exposures to Capital Market Sector (Gross)

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
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;	314.76	279.07

II. Sectoral Exposure of Loans & Advances

(₹ in Lakh)

Sectors	Current Year			Previous Year		
	Secured Against BG	Secured Against Collateral/ Unsecured	Total	Secured Against BG	Secured Against Collateral/ Unsecured	Total
Agriculture and Allied Activities	99.49	-	99.49	98.92	-	98.92
Industry						
Food & Food Products	3327.43	-	3327.43	2935.87	-	2935.87
Textiles	1592.46	43.68	1636.14	1476.90	43.68	1520.58

Sectors	Current Year			Previous Year		
	Secured Against BG	Secured Against Collateral/ Unsecured	Total	Secured Against BG	Secured Against Collateral/ Unsecured	Total
Wood & Wood Products	523.65	-	523.65	464.20	-	464.20
Paper & Paper Products	931.75	6.33	938.08	912.17	6.33	918.50
Leather & Leather Products	142.38	-	142.38	409.89	-	409.89
Rubber & Rubber Products	2301.30	43.68	2344.99	1665.99	43.68	1709.67
Chemical & Chemical Products	6436.03	43.68	6479.71	5703.74	43.68	5747.42
Non-Metallic Mineral Products	2008.68	0.01	2008.69	2343.65	-	2343.65
Metal Products	69517	596.79	70113.79	65307.69	835.65	66143.34
Construction	105439.56	339.19	105778.75	95494.22	344.41	95838.64
Electric Machines & Appliances	28352.35	126.87	28479.21	25480.46	126.87	25607.33
Transport Equipment/ Automobile	2855.07	31.23	2886.30	2891.93	31.23	2923.16
Printing Industry	1256.51	0.27	1256.77	1755.46	0.27	1755.73
Plastic & Plastic Products	4414.53	173.86	4588.40	4068.84	173.86	4242.70
Others	28179.04	8871.51	37050.55	28260	8972.01	37232
Total of Industry	257277.75	10277.10	267554.84	239171.01	10621.67	249792.68
Services	4799.77	-	4799.77	3890.40	-	3890.40
Personal Loans	-	45.03	45.03	-	39.03	39.03
Others	199.68	-	199.68	69.49	-	69.49
As per Balance Sheet	262376.68	10322.13	272698.81	243229.82	10660.70	253890.52

J) Breakup of Provision & Contingencies shown under the head expenditure in statement of profit & loss

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
a. Provision for Fair Value Changes on Investments	NIL	NIL
b. Provision for NPAs/Doubtful Debts	NIL	68.97
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	319.72	67.33
f. Provision Made towards Income Tax	3602.00	3555.25
g. Other Provision and Contingencies (Deferred Tax Liability)	311.21	222.45

K) Concentration of Advances and Non-Performing Assets (NPA)

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
I. Concentration of Advances		
Total advances to Twenty Large Borrowers	12352.01	9960.49
% of advances to Twenty Large Borrowers	4.51	3.90
II. Concentration of NPA		
Total Exposure to Top Four NPAs	898.56	991.06

L) Sector-wise NPA (Gross)

(₹ in Lakh)

S No.	Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
1	Agriculture & allied activities	NIL	NIL
2	MSME	10970.10	11348.07
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

M) Movement of NPAs

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
1) Net NPAs to Net Advances (%)	-	-
2) Movement of Gross NPAs/Doubtful Debts		
(a) Opening Balance	11348.07	11799.68
(b) Add: Addition During Year	1.43	-
(c) Less: Reduction/Write-off During Year	379.40	451.61
(d) Closing Balance	10970.10	11348.07
3) Movement of Net NPAs/Doubtful Debts		
(a) Opening Balance	-	-
(b) Add: Addition During Year	-	-
(c) Less: Reduction/Write-off During Year	-	-
(d) Closing Balance	-	-
4) Movement in Provision for NPA/Doubtful Debts		
(a) Opening Balance	113480.07	11799.68
(b) Add: Provision made during the year	1.43	-
(c) Less: Loans Written off during the year	-	-
(d) Less: Provision Written Back	379.40	451.61
(e) Closing Balance	10970.10	11348.07

N) Other Information

(₹ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
i) Gross Non-Performing Assets		
- Related parties	-	-
- Other than related parties	10970.10	11348.07
ii) Net Non-Performing Assets		
- Related parties	-	-
- Other than related parties	-	-

O) Complaints

I. Customer & Investor Complaints

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
1. No. of complaints pending at the beginning of the year	5	NIL
2. No. of complaints received during the year	104	55
3. No. of complaints disposed during the year	109	50
3.1 Of which, No. of complaints rejected by the NBFC	6	NIL
4. No. of complaints pending at the end of the year	NIL	5

II. Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended 31 st March 2023					
Ground – 1 SC ST Hub	1	31	343% increased	-	-
Ground – 2 SPRS	-	14	27% increased	-	-
Ground – 3 RMD	-	9	80% increased	-	-
Ground – 4 MSMEart	-	6	500% increased	-	-
Ground – 5 RMA & Minimum wages paid to outsourced staff	-	3 in both categories	300% increased	-	-
Total	1	63		-	-

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended 31 st March 2022					
Ground – 1 SC ST Hub	-	7		1	-
Ground – 2 SPRS	-	11		-	-
Ground – 3 RMD	-	5		-	-
Ground – 4 Tender Marketing	-	5		-	-
Ground – 5 MSME Databank	-	2		-	-
Total	-	30		1	-

III. No complaints have been received by the Corporation from the borrowers under the Fair Practices Code during the year ended 31st March, 2023 (Previous year Nil).

- P) 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

- 1) 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 2023		As At 31 st March 2022	
		Amount O/s	Amount Overdue	Amount O/s	Amount
(a)	Debentures	-	-	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	4817.23	-	4844.13	-
(d)	Inter-Corporate Loans and borrowings	-	-	-	-
(e)	Commercial Paper	-	-	-	-

Particulars		As At 31 st March 2023		As At 31 st March 2022	
		Amount O/s	Amount Overdue	Amount O/s	Amount
(f)	Public Deposits	-	-	-	-
(g)	Other Loans				
	Bank Overdraft, Cash credit & Working Capital Demand Loan	150932.84	-	147502.51	-

2) Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :

-Not Applicable-

Assets Side

3) 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 2023	As At 31 st March 2022
(a) Secured (Net of provision)	-	-
(b) Covered by Bank/Government Guarantees (Net of provision)	261701.14	242888.18
(c) Unsecured (Net of provision)	-	-

4) Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities

-Not Applicable-

5) Break-up of Investments (net off diminution):

(₹ in Lakh)

Particulars		Amount Outstanding	
		As At 31 st March 2023	As At 31 st March 2022
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		

Particulars		Amount Outstanding	
		As At 31 st March 2023	As At 31 st March 2022
(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)	304.76	269.07
(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	33.88	10.69

6) Borrower group-wise classification of assets financed as in (3) and (4) above

(₹ in Lakh)

Category		As At 31 st March 2023			As At 31 st March 2022		
		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

Category		As At 31 st March 2023			As At 31 st March 2022		
		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)
(c)	Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
2	Other than related parties	Nil	261701.14	Nil	Nil	242888.18	Nil

7) 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 2023		As At 31 st March 2022	
		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	33.88	33.88	10.69	10.69
2	Other than related parties	304.76	304.76	269.07	269.07

5. 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.
6. During the year, the group has incurred an expenditure of ₹ 347.77 Lakhs (₹ 211.86 Lakhs) on Research and Development (R&D) /innovation.
7. There are no unbilled (Trade Payables & Trade Receivables) as on 31.03.2023 (PY Nil).
8. All amounts are in ₹ lakh, unless otherwise stated.
9. Figures in brackets in the notes to the financial statements represent previous year's figures.
10. 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 31.03.2023

(₹ in Lakh)

Particulars	Note No.	As At 31.03.23	As At 31.03.22
I REVENUE			
A Revenue from Operations	21		
Sale of Products		232491.66	221163.92
Sale of Services		11380.67	9265.99
Interest Income		28342.56	26153.92
Fees and Commission Income		4730.12	4735.83
[Includes Processing Fees earned of ₹ 4730.12 lakhs (₹ 4735.83 lakhs) for value of goods handled and services rendered ₹ 1684329.65 lakhs (₹ 1819418.11 lakhs)]			
Total Revenue from Operations		481.88	751.80
Other Income		277426.89	262071.46
B Grants and Subsidies	22	143.40	191.24
C Total Income (A + B + C)	23	0.00	0.00
Total Income (A + B + C)		277570.29	262262.70
II EXPENSES			
Purchase of Products	24	231796.49	220204.04
Changes in Inventories	25	0.00	1.91
Employee Benefit Expenses	26	13049.65	13050.43
Finance Costs	27	9084.67	6261.56
Depreciation and Amortization Expenses	28	704.10	742.32
Corporate Social Responsibility	29	278.27	230.60
Other Expenses	30	7413.27	6926.75
Fees and Commission Expenses	34	84.09	71.85
Total Expenses		262410.54	247489.46
III Profit before Exceptional Items and Tax		15159.75	14773.24
Exceptional Items (Refer point no. 4F(b) of Note-35)		-13.94	-6.20
IV Profit before Tax		15173.69	14779.44
Tax Expense	31		
Current Tax		3602.00	3555.25
Deferred Tax		311.21	222.45
Earlier Years		-34.37	-11.11
V Total Tax Expense		3878.84	3766.59
VI Profit after Tax for the period from Continuing Operations		11294.85	11012.85
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		11294.85	11012.85

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (COMMERCIAL) FOR THE YEAR ENDED 31.03.2023

(₹ in Lakh)

Particulars	Note No.	As At 31.03.23	As At 31.03.22
XI Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss - Investment		35.69	94.70
Items that will not be reclassified to Profit or Loss - Actuarial Gain/Loss on Defined Benefit Plans		3.02	-141.37
Income Tax relating to Items that will not be reclassified to Profit or Loss		-9.73	11.75
Sub Total (A)		28.98	-34.92
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)		28.98	-34.92
XII Total Comprehensive Income for the period (X + XI) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		11323.83	10977.93
XIII Earnings per Equity Share (for Continuing Operations)	32		
Basic (₹)		21.19	20.66
Diluted (₹)		21.19	20.66
XIV Contingent Liabilities	33 (i)	3974.46	1286.20
XV Capital Commitments	33 (ii)	986.82	1620.93
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 : 28.08.2023

UDIN : 23099172BGVZAU5557

For and on behalf of Board of Directors

Sd/-

Gaurav Gulati

Director (Finance)

[DIN: 10144109]

Sd/-

Vipul Goel

Chairman-cum-Managing Director

[DIN: 10229523]

Sd/-

Partha Majhi

General Manager (F&A)

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

[CIN No. : U74140DL1955GOI002481]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (PROMOTIONAL) FOR THE YEAR ENDED 31.03.2023

(₹ in Lakh)

Particulars	Note No.	As At 31.03.23	As At 31.03.22
I INCOME			
A Revenue from Operations	21		
Sale of Products		0.00	0.00
Sale of Services		0.00	0.00
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	0.00
B Other Income	22	0.00	0.00
C Grants and Subsidies	23	10508.11	6700.65
Total Income (A + B + C)		10508.11	6700.65
II EXPENSES			
Purchase of Products	24	0.00	0.00
Changes in Inventories	25	0.00	0.00
Employee Benefit Expenses	26	357.85	379.50
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	10150.26	6321.15
Fees and Commission Expenses	34	0.00	0.00
Total Expenses		10508.11	6700.65
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	31		
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 31.03.2023

(₹ in Lakh)

Particulars	Note No.	As At 31.03.23	As At 31.03.22
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 (X + XI) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		0.00	0.00
XIII Earnings per Equity Share (for Continuing Operations)	32		
Basic (₹)		0.00	0.00
Diluted (₹)		0.00	0.00
XIV Contingent Liabilities	33 (i)	0.00	0.00
XV Capital Commitments	33 (ii)	0.00	1675.82
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 : 28.08.2023

UDIN : 23099172BGVZAU5557

For and on behalf of Board of Directors

Sd/-

Gaurav Gulati

Director (Finance)

[DIN: 10144109]

Sd/-

Vipul Goel

Chairman-cum-Managing Director

[DIN: 10229523]

Sd/-

Partha Majhi

General Manager (F&A)

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]

**COMMENTS OF THE COMPTROLLER AND 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 2023**

Comments	Management's Replies
The preparation of consolidated financial statements of The National Small Industries Corporation Limited for the year ended 31 March 2023 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 Audit Report dated 28 August 2023. 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 2023 under section 143(6Xa) 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 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 matter under section 143(6)(b) read with section 129 (4) of, the Act, which have come to my attention and which in my view is necessary for enabling a better understanding of the financial statement and the related audit report.	Statement of Fact

Comments	Management's Replies
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 (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 Alternate 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 comment is made:	The operating guidelines issued by the Ministry of Micro, Small & Medium Enterprises (MoMSME) on Self Reliant India Fund dated 17th August 2021 states the following: - a) The Mother Fund will be anchored by SPV (having 100% Equity from NSIC which shall be incorporated as a separate legal entity. b) SPV will apply to SEBI for registering the Mother Fund as a Category I or II Alternate Investment Fund (AIF). At the time of registration, it was considered prudent to establish the AIF as a company on account of higher governance, standards applicable to the company compared with a trust or LLP and to avoid separate registration of every subsequent scheme, it was decided to register NVCFL as an AIF. Further, Regulation 12 (1) of Securities Exchange Board of India (SEBI) (AIF) Regulations 2012, empowers AIFs to launch different schemes. Accordingly, NVCFL launched its maiden scheme in the name of Self-Reliant India (SRI) Fund under AOP structure, with a view to meet the objectives led down by Government of India (GoI). The Ministry of MSME was aware of the registration process of NVCFL as an AIF and SRI Fund as the first scheme of NVCFL as contribution agreement dated 12th October 2021, was counter signed by Officials of MoMSME. Thus, this is deemed to be the approval of MoMSME and as such there is no contravention of operating guidelines issued by the Ministry of Micro, Small & Medium Enterprises (MoMSME). The aforesaid structure was also in compliance with the SEBI Regulation and was approved by SEBI, (which is the apex body for registration of AIF, established as a statutory body in the year 1992 and the provisions of the Securities and Exchange Board of India Act, 1992 (15 of 1992) came into force on January 30, 1992) at the time of grant of license. It may be noted that SEBI which is the regulatory body for AIF industry, has accepted the PPM of SRI Fund and registered NVCFL as a Category II AIF and SRI as its first scheme of NVCFL.

Comments	Management's Replies
A. Comment on Financial Position Since SRI Fund is a scheme of NSIC Venture Capital Fund Limited (NVCFL) and is not a separate entity in view of the above facts, all the transactions relating to SRI Fund were required to be included in the financial statements of NVCFL and subsequently in the financial statements of National Small Industries Corporation (NSIC, the Company). However, NVCFL did not include the transactions relating to SRI Fund in its financial statements treating SRI Fund as a separate entity and therefore, the same were not got included in the financial statements of NSIC. Non-inclusion of the transactions relating to SRI Fund in the books of NVCFL and subsequently in the books of NSIC resulted in understatement of assets and liabilities by ₹56,227.42 lakh (₹57,634.08 lakh² minus ₹ 1,406.66 lakh) each and overstatement of Profits for the year by ₹711.17 lakh³.	Incorporation of SRI Fund as an AOP and registration of NVCFL as a registered AIF are two separate entities. In regard to maintenance of separate books of accounts, as per as AIF Regulation 20(16) of SEBI Act, as amended from time to time, "The Manager and either the trustee or the trustee company or the Board of Directors or designated partner of AIF, as the case may be, shall ensure that the assets and liabilities of each scheme of an AIF are segregated and ring fenced from the other schemes of the Alternate Investment Fund (AIF), and bank accounts and securities account of each scheme are segregated and ring-fenced." It is mandatory that asset & liabilities of each scheme should be segregated and accounted separately since the beneficiary of these Assets of the Scheme is not the AIF itself but the contributors of the Scheme. Thus, it is mandatory for SRI Fund to maintain accounts separately from NVCFL, which is a subsidiary of NSIC. Reflecting assets of SRI Fund as asset of NVCFL would be blatantly wrong, as it is not legal or the beneficiary owner of these assets. Further, as mentioned in the SRI Fund Guidelines, SPV i.e. NVCFL charges a Management Fee of 1% on Drawdown Amount, if the books are merged then the impact of Management Fee as an income and expenditure would be nullified, which will not reflect the fair view of the books of accounts. Furthermore, NVCFL is a company and SRI Fund is an AOP with separate PAN & TAN, which cannot be merged. For merger, entity should be a subsidiary of the other entity, SRI Fund is not a subsidiary of NVCFL. Therefore, merger or consolidation of books of accounts of SRI Fund and NVCFL is not possible. In view of the above, as, the merged figures of Assets and Liabilities of NVCFL and SRI Fund will not be reflecting true and fair view of books of accounts and will also lead to violation of SEBI guidelines along with making the SRI Fund itself unworkable. NVCFL has adopted the same accounting treatment as had been adopted in previous year FY 2021-22.

Comments	Management's Replies
	It may also be noted that this structure was implemented by NVCFL upon written professional opinion from multiple advisors in previous year which had been shared with CAG also during the audit process for FY 2021-22. In view of the above, there is no understatement of assets and liabilities to the extent of by ₹56,227.42 lakh (₹57,634.08 lakh² minus ₹ 1,406.66 lakh) each and overstatement of Profits for the year by ₹711.17 lakh³, due to non-inclusion of Assets and Liabilities of SRI Fund in the Financial Statements of NVCFL and subsequently in the books of NSIC.
For and on behalf of the Comptroller & Auditor General of India Sd/- Sanjay K Jha Director General of Audit (Industry & Corporate Affairs) New Delhi Place: New Delhi Date: 9th November, 2023	For and on behalf of The National Small Industries Corporation Ltd. Sd/- Vipul Goel Chairman New Delhi Place: New Delhi Date: 12th December, 2023

- 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.
- 2 Balance Sheet total of NVCFL: ₹1,406.66 lakh *plus* Balance Sheet total of SRI Fund: ₹56,869.46 lakh *minus* inter-unit adjustments of ₹642.04 lakh i.e. NVCFL's investment in SRI Fund: ₹28.36 lakh and receivables from SRI Fund: ₹613.68 lakh (correspondingly shown as liabilities in the books of SRI Fund).
- 3 Total Revenue of NVCFL and SRI Fund is ₹872.92 lakh and total expenses are ₹1,280.43 lakh after eliminating inter-unit transaction of ₹39.71 lakh. This would turn the profit of ₹303.66 lakh shown in the books of NVCFL into a loss of ₹407.51 lakh.

THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED

(A Government of India Enterprise)
NSIC Bhavan, Okhla Industrial Estate
New Delhi – 110 020

No.SIC:SEC: 68th AGM/2023

Dated : 12th December, 2023

NOTICE

Notice is hereby given that 68th Annual General Meeting of the Members of The National Small Industries Corporation Limited will be held on 12th December, 2023, at 3.00 p.m. at the Registered Office of the Company at NSIC Bhawan, Okhla Industrial Estate, New Delhi-110 020 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, 2023 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, 2023.

- 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 2023-24 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 2023-24, as may be deemed fit by the Board.”

By Order of the Board of Directors
The National Small Industries Corporation Limited

Sd/-
(Nishtha Goyal)
Company Secretary

Place: New Delhi
Date: 12th December, 2023

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.



**3rd ANNUAL REPORT
OF
NSIC VENTURE CAPITAL
FUND LIMITED**

(A Wholly Owned Subsidiary of NSIC)

2022-2023



CIN NO.: U65990DL2020GOI1368828

Chairman

Shri Vipul Goel

(w.e.f. 1st July, 2023)

Ms. Mercy Epao

(w.e.f. 1st January, 2023 to 30th June, 2023)

Shri Gaurang Dixit

(w.e.f. 1st August, 2022 to 31st December, 2022)

Shri P. Udayakumar

(w.e.f. 20th June, 2022 to 31st July, 2022)

Ms. Alka Nangia Arora

(Upto 1st June, 2022)

Chief Executive Director

Shri Saravana Kumar Ananthan

Directors

- Shri Ateesh Kumar Singh
Government Nominee Director
- Dr. Ishita Ganguli Tripathy
Government Nominee Director
(w.e.f. 8th July, 2022)
- Shri Gaurav Gulati, Director
(w.e.f. 14th June, 2023)
- Shri Saravana Kumar Ananthan, Director

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. Vipul Goel, Chairman (DIN: 10229523)

Mr. Vipul Goel is Joint Secretary (ARI Division) in Ministry of Micro, Small and Medium Enterprises, Government of India looking after Khadi & Village Industries Commission, Coir Board and Mahatma Gandhi Institute for Rural Industrialisation (MGIRI). He has been assigned the additional charge of the post of Chairman-cum-Managing Director, NSIC w.e.f. 1st July, 2023.

He has been at the helm of policy making and connecting MSMEs at various domestic and International platforms. He is B.Tech. in Electronics & Communication from Harcourt Butler Technological Institute, Kanpur and joined Indian Railway Service of Signal Engineers (IRSSE) – 1992 batch. He has vast working experience in Maintenance, Construction/project of Railway Signalling & Telecom systems, Design & Development of Railway Signalling equipments, handling of EPC contracts, Material Management while posted in various capacities in different Railway Zones/Divisions all over India. He has made substantial achievements in Maintenance/Construction of Railway Signalling and Telecom systems. He has been awarded with GM's Annual Award 2002 for substantial improvement in Maintenance of Signalling system in DDU Division.

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



Mr. Ateesh Singh, Government Nominee Director (DIN: 06789077)

Mr. 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.

Mr. 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.



Mr. Gaurav Gulati, Director (DIN: 10144109)

Mr. Gaurav Gulati brings a distinguished professional background, holding the status of Fellow Member of the Institute of Chartered Accountants of India, as well as being a qualified Cost Accountant (ICAI) and Company Secretary (ICSI). In addition to his impressive academic qualifications, Mr. Gulati also holds a Master's degree in Business Administration.

With an extensive professional journey spanning over 25 years, Mr. Gulati has accumulated a wealth of experience from prominent organizations such as NBCC (I) Limited, NTPC, SAIL, and IndusInd Bank, where he has served in various capacities. His expertise encompasses diverse areas, including Finance & Accounts, Contract Management, Financial Management, Internal Audit, Budgetary Controls, Financial Concurrence, and SAP Implementation.

Mr. Gaurav Gulati has appointed as Director (Finance) of NSIC w.e.f. 09th May, 2023. Before joining NSIC (a holding company of NVFCL), he served as Executive Director (Finance) and led the Real Estate vertical at NBCC (I) Limited as Regional Business Group Head.

With his remarkable organizational skills and strategic planning acumen, Mr. Gulati in its present role has been instrumental in instituting vital improvements within NSIC especially strengthening NBFC vertical of the company by formulating and fortifying policies and guidelines for schemes in addition to enhancing internal controls.

Moreover, Mr. Gulati's accomplishments extend beyond his professional career. He has not only been a key member of a team that clinched victory twice in the National Management Games (NMG), a business simulation competition conducted by the All India Management Association (AIMA), but also represented India at the Global Management Challenge (GMC) in Kiev, Ukraine, in the year 2011.

Mr. Gulati's extensive financial acumen, leadership, and strategic capabilities make him a valuable asset to NSIC and his exceptional achievements and dedication contribute significantly to the organization's success and financial stability.

He has also appointed as Director in NSIC Venture Capital Fund Ltd. (a wholly owned subsidiary of NSIC Ltd.).

Chairman's Message



Dear Shareholders,

It is my privilege to welcome you in the 3rd 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, 2023 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 Rs.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 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.

During the year 2022-2023, the company reported its revenue from operations of Rs. 413.12 lakh and earned profit (before tax) amounting to Rs. 405.63 lakh and profit after tax amounting to Rs. 303.66 lakh. For the year, the net worth of the Company was Rs. 975.75 lakh as compared to Rs. 729.17 lakh in the previous year. Earnings per share (EPS) for the financial year ended 31st March, 2023 was Rs. 50.61 as against Rs. 31.17 in the previous year.

I am pleased to inform that the Board of Directors has recommended a dividend of Rs. 91.10 lakh (30% of PAT) for the financial year 2022-2023 subject to the approval of shareholders in this Annual General Meeting.

Till 30th November, 2023, total 48 Daughter Funds have been empanelled with SRI Fund (Mother Fund) and these daughter funds have assisted 382 potential MSMEs by way of commitment of Rs. 5,870 crore in these MSMEs out of which the Daughter Funds have drawdown Rs. 951 crore from SRI Fund. These MSMEs have presence across India including the low-income states in India and aspirational districts. They have helped in creating 54,430 jobs out of which ~20% is women employment.

To promote awareness amongst MSMEs, the Fund and Ministry had organized various outreach events which includes Pravah, a LP-GP event, with a goal to facilitate the exchange



of ideas, insights, & experiences. There was another event at Rajkot, Gujarat organized by the Ministry of MSME wherein SRI Fund was discussed as an alternate source of financing amongst the entrepreneurs of Gujarat. BizAmp, an outreach event for SRI Fund was also organized at Dimapur, Nagaland for the MSMEs of the eight north east states of India.

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.

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 also extend my gratitude to all employees associated with NVCFL for their unstinted support.

Place : New Delhi

Date : 11th December, 2023

Sd/-
(Vipul Goel)
Chairman
DIN No. 10229523



Board's Report

Dear Shareholders,

Your Directors are pleased to present the 3rd Board's Report along with the audited financial statement of the Company for the financial year 2022-2023.

1. Operations Overview

NSIC Venture Capital Fund Limited (NVCFL) is a wholly owned subsidiary of NSIC 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 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.

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 Rs.10,000 crore to the Mother Fund in phased manner.

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. The progress made by SRI Fund since its inception upto 31st March 2023, is as follows:

	No. of Daughter Funds	Value
Prelim IC approval received for Daughter Funds	51	Rs. 6,310 crore
Final IC approval received for Daughter Funds	46	Rs. 5,910 crore
Empaneled Daughter Funds	42	Rs. 5,420 crore

During the period under review, total 42 Daughter Funds have been empaneled with SRI Fund (Mother Fund) and these daughter funds have assisted 315 potential MSMEs by way of investing of Rs. 4,187 crore in these MSMEs out of which the Daughter Funds have drawdown Rs. 566 crores from SRI Fund up to 31st March 2023. These MSMEs have presence across India including the low-income states in India and aspirational districts. They have helped in creating 37,500 + jobs out of which ~20% is women employment.

During the year, the fund had organized two outreach events: 1) The event in Bangalore on completion of one year anniversary of the Fund and 2) Pravah, a LP- GP event, with a goal to facilitate the exchange of ideas, insights, and experiences. The events served as a platform to enable interactions between key stakeholders in the MSME ecosystem – the Government, entrepreneurs, and investors and spread awareness about the initiatives undertaken by the Fund. 3) There was another event at Rajkot, Gujarat organized by the Ministry of MSME wherein SRI Fund was discussed as an alternate source of financing amongst the entrepreneurs of Gujarat.



Shri Narayan Tatu Rane, Hon'ble Cabinet Minister of MSME inaugurated the "PARVAH" an event by Self-Reliant India (SRI) Fund on 23rd January, 2023.

2. Financial Overview

During the financial year 2022-23, the company reported its revenue from operations amounting to Rs. 413.12 lakh and the profit (before tax) amounting to Rs. 405.63 lakh.

The summary of audited financial statements of the company for the financial year 2022-23 along with previous financial year, is given as under:-

(Rs. in Lakh except for EPS)

S No.	Particulars	Financial Year ended on 31 st March, 2023	Financial Year ended on 31 st March, 2022
1.	Revenue from Operations	413.12	201.60
2.	Other Income	39.78	69.37

S No.	Particulars	Financial Year ended on 31 st March, 2023	Financial Year ended on 31 st March, 2022
3.	Expenses	47.27	40.03
4.	Profit / (Loss) before Tax	405.63	230.94
5.	Tax Expenses	101.97	40.67
6.	Profit / (Loss) after Tax	303.66	190.27
7.	Net worth	975.75	729.17
8.	Earning per Share (Rs.)	50.61	31.71

3. Dividend

The Board of Directors in its meeting held on 28th August, 2023 has recommended a dividend of Rs. 91.10 lakh (30% of PAT) for the financial year 2022-23. The

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



CEO, NVCFL presented dividend cheque for the year 2022-23 to Shri Vipul Goel, CMD, NSIC. Also present on the occasion were Shri Kartikeya Sinha, Director (P&M) & Shri Gaurav Gulati, Director (Fin), NSIC.

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. **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.

6. **Change in the Nature of Business**

There has been no change in the nature of business of the Company.

7. **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 2022-23.

8. **Share Capital**

The Authorized Share Capital of the company is Rs. 10 crore and paid-up Share Capital of the Company is Rs. 6 crore divided into 6,00,000 equity shares of Rs. 100/- each and the entire paid-up share capital is held by The National Small Industries Corporation Limited (holding company) and its nominees.

9. **Management Discussion & Analysis**

A separate report on Management Discussion and Analysis is enclosed as “Annexure- A” to this report.

10. **Human Resource Management**

During the period under review, Shri Saravanakumar Ananthan has joined his duties as Chief Executive Officer and Director on Board of the Company. Further, 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.

11. **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.

12. 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.

13. 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.

14. 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 2022-23. The Statutory Auditors have given its report on the financial statements of the Company for the financial year 2022-23. The Audited Financial Statements, Cash Flow Statement and the annexures together with the Auditors' Report thereto forms part to the annual report.

There are no adverse comments, observations 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, 2023 shall forms part of the annual report.

15. 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.

16. Annual Return

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at <http://www.nvcfl.co.in/AboutUs/AnnualReports>.

17. 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

18. Board of Directors

During the year under review and till date, the following changes have taken place in the Board of Directors:-

- a) Shri Vipul Goel has been appointed as Chairman of the Company w.e.f. 06th July, 2023
- b) Shri Gaurav Gulati has been



appointed as Additional Director of the Company w.e.f. 14th June, 2023.

- c) Ms. Mercy Epao was holding the charge as Chairman and Director till 30th June, 2023.
- d) Shri Gaurang Dixit was appointed as Chairman of the Company w.e.f. 1st August, 2022. He holds the charge of Chairman, NVCFL upto the date of his superannuation i.e. till 31st December, 2022.
- e) Shri Saravana Kumar Ananthan, has been appointed as Director on the Board of Company w.e.f. 19th October, 2022. He is also Chief Executive Officer of the Company.
- f) 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 .
- g) 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.
- h) 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.

During the year 2022-23, seven 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.

19. 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 2022-23, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- Such accounting policies have been prepared 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.

20. Right to Information Act, 2005

During the financial year 2022-23, no RTI application was received under “Right to Information Act, 2005” (RTI).

21. Significant and Material Orders Passed by Regulators / Courts/ Tribunals

There are no orders passed by regulators/ court/tribunals impacting the going concern status and operations of your Company in the future.



22. 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.

Place : New Delhi
Date : 11th December, 2023

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

Sd/-
(Vipul Goel)
Chairman
DIN No. 10229523



Management Discussion & Analysis Report

i. Industry Structure and Recent Developments

India's economy has sustained its growth momentum in financial year 2022-23 on account of its strong macro-economic fundamentals and the prompt policy action by the Government and the RBI. India's real GDP expanded by 7.2 per cent in financial year 2022-23, the highest among major economies, overcoming the obstacles and challenges posed by the COVID pandemic and geopolitical developments including the Russia-Ukraine conflict.

The domestic demand has recovered and moved from strength to strength in financial year 2022-23 bringing the Indian economy to a touching distance of the quarterly output it would have achieved had the pandemic not adversely impacted the same. Post-pandemic, quarterly trajectories of consumption and investment have already crossed their pre-pandemic paths. Further, according to India's Economic Survey, India is to witness GDP growth of 6% to 6.8% in financial year 2023-24¹.

India has approximately 6.3 crore Micro Small and Medium Enterprises (MSMEs) out of which the number of MSMEs registered on the Udyam Registration portal stood at 1.62 crore units. Majority of the registered MSMEs are service enterprises, around 67%, while the remaining 33% is comprised of manufacturing. Also, around 95.88% of the registered enterprises are micro-enterprises, followed by small enterprises at 3.36% and mid-sized enterprises at 32 %.²

Reforms to address the structural challenges faced by MSMEs have been a vital part of the country's Industrial Policy in

the recent years. Support measures were introduced for MSMEs during the pandemic in the form of the Emergency Credit Line Guarantee Scheme (ECLGS) and revision in the definition of MSMEs under the ambit of Aatmanirbhar Bharat, which helped the MSMEs face the crisis shock in a much better way. The ECLGS, in particular, has in the last two years benefited Rs. 1.14 crore MSMEs, which have availed collateral-free loans amounting to Rs. 2.38 lakh crore. Further measures, such as the renewed emphasis on TReDS to address the delayed payments for MSMEs, the inclusion of retail and wholesale traders as MSMEs, and the extension of non-tax benefits for three years in case of an upward change in the status of MSMEs, have created a resilient support system for the MSME sector to grow. The MSMEs have also benefitted from access to digital platforms for their marketing needs and easy payments. With the Open Network for Digital Commerce creating opportunities for MSMEs to access e-commerce technology and diversify their target markets, this trend will likely strengthen further. Moreover, onboarding GSTN as a Financial information provider on the Account aggregator platform will open up avenues for access to credit for MSMEs. Enhancing opportunities and productivity of the MSME sector have large-scale implications for a resilient production ecosystem, thus strengthening the growth prospects of the industry and the economy as a whole.³

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

¹ Source: PIB Economic Survey.

² Source: MSME Industry in India – Market Share, Reports, Growth & Scope | IBEF.

³ Source: <https://www.indiabudget.gov.in/economicsurvey/>



Country. India's 6.3 crore MSME entities are responsible for around.⁴

- 40% of the country's overall industrial output;
- 42% of all exports; and
- almost 33% of the National GDP.

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" 2018⁵ estimates that the overall demand for both debt and equity finance by MSMEs is approximately Rs. 87.7 trillion, which comprises of Rs. 69.3 trillion of debt demand and Rs.18.4 trillion in equity demand.

BSE SME Platform that enables the listing of SMEs from the unorganized sector into a regulated and organized sector, reported that so far, 452 listed SME companies raised Rs. 5,499.96 crore of funding using their platform.⁶

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 2022-23, Emerge saw listing of 54 MSMEs which raised Rs. 1,180.31 crores.⁷ However, these amounts of funds raised are short of the overall requirement of the funding for MSME sector and efforts are continuing to bridge the gap.

iii. Developments in the Sector

Recognising the fact that domestic business requires a strong financial stimulus, a slew of measures, were announced by the Government of India, anticipating to bring back large value investment into the MSME sector. The important measures initiated are as under:

- Under the Start-up India program, the Government created the Fund of Funds for Start-ups (FFS) to provide funding support for Start-ups, over a period of XIV and XV Finance Commission periods.
- Government created the Fund of Funds scheme for MSMEs so as to channelize 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 sites, especially through Government e-Marketplace (GeM).

The Government has allocated around Rs. 22,140 crore in the Budget for FY 2023-24, for the MSME sector, which is a 42% increase over the previous year. This allocation will go towards implementing various schemes to provide easy and affordable access to credit, technology upgrades and infrastructure development along with several tax incentives and subsidies to help MSMEs.

⁴ Source: <https://www.forbes.com/advisor/in/business/msme-statistics/>

⁵ 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.

⁶ Source: <https://www.bsesme.com/index.aspx>

⁷ Source: <https://nsearchives.nseindia.com/s3fs-public/inline-files/Emerge%20Brochure.pdf>



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 Fund Scheme for MSMEs, to be funded by the Government of India with a contribution of Rs. 10,000 crore, and which was to be leveraged 5 times through private participation raising the fund infusion through the scheme to the tune of Rs. 50,000 crore.

Ministry of MSME (M/o MSME) was nominated as the implementing Ministry and the Fund of Fund was named as Self-Reliant India (SRI) Fund, which 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” is the first scheme of NVCFL which is registered with the Securities and Exchange Board of India (SEBI) on the 1st September, 2021 as a Category II Alternative Investment Fund (AIF). SBICAP Ventures Limited “(Investment Manager)” has been appointed as the Investment Manager, to operate the ‘Fund of Funds’ with the objective to provide growth capital to the MSME sector.

SRI 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 Rs. 10,000 crore provided by the Government of India would be leveraged to Rs. 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;
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.

The progress made by SRI Fund since its inception upto 31st March 2023, is as follows:

	No. of Daughter Funds	Value
Prelim IC approval received for Daughter Funds	51	Rs. 6,300 crore
Final IC approval received for Daughter Funds	46	Rs. 5,910 crore
Empaneled Daughter Funds	42	Rs. 5,420 crore

It is pertinent to mention that deployment of funds in an AIF is in phases as per the demands raised by the empanelled Daughter Funds. The Daughter Funds raised request to drawdown Rs. 566 crores from SRI Fund up to 31st March 2023.



D. Material Developments in Human Resources

During the period under review, Shri Saravana Kumar Ananthan has joined his duties as Chief Executive Officer and Director on Board of the Company. Further, 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.

E. 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 empanelled 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. Procurements should be made through the processes outlined in the procurement policy of NSIC/ NVCFL (as applicable), and deviations, if any should be reported to the Board;
- i) Structuring risks is mitigated by taking appropriate legal advice;
- j) Appropriate insurance policies that cover various risks are being put in place;



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.

F. 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.

G. Outlook

SRI Fund has built a robust pipeline of prospective Daughter Fund seeking funding from SRI Fund. Deployment of funds will be in phases over the investment period of the Daughter Funds.

A new fund platform with various reporting requirements at SRI Fund level (to its contributors) and at Daughter Fund level (to SRI Fund) is being setup and currently all the pre-investment activities conducted by the IM are handled on the Tech Platform by the IM. The Tech platform will be completely deployed, covering all the aspects of the Fund by the end of financial year 2023-24.

To create the intended impact, SRI Fund shall interact with appropriate industry forums and seek their feedback.

H. 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. The Company assumes no responsibility in any way to modify or revise such statements based on subsequent events or developments.

Place : New Delhi
Date : 11th December, 2023

Sd/-
(Vipul Goel)
Chairman
DIN No. 10229523



Annexure –B 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 arrangements or transactions were entered by the Company with any Related Party, during financial year 2022-23.
- Details of material contracts or arrangement or transactions at arm's length basis, during financial year 2022-23:

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 – Rs.60.26 Lakh Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment – Rs. 3.83 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)		Rent Rs.5.93 lakh		

Place : New Delhi
Date : 11th December, 2023

Sd/-
(Vipul Goel)
Chairman
DIN No. 10229523



Annexure C to the Board's Report

Report on Corporate Governance

NVCFL is always dedicated to adhere the best practices of Corporate Governance. NVCFL through its first scheme i.e. Self-Reliant India (SRI) Fund are providing growth capital to the Micro, Small and Medium Enterprises (MSMEs), through equity/quasi-equity/equity like structured instruments. A report in line with the requirements of the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) is given below as a part of the Director's Report along with a Certificate issued by a Practicing Company Secretary regarding compliance with the provisions of Corporate Governance.

1. Board of Directors

NVCFL is a wholly owned Company of the National Small Industries Corporation Ltd. (NSIC). The SRI Fund Scheme is the first scheme of NVCFL. 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 March 31, 2023, the Board comprised of the following directors:

Sl. No	Director Identification Number (DIN)	Name of the Director	Designation
1	09331424	Ms. Mercy Epao	Chairman
2	09661006	Dr. Ishita G. Tripathy	Director
3	06789077	Shri Ateesh Kumar Singh	Director
4	09769378	Shri Saravanakumar Ananthan	Director & CEO

Ms. Mercy Epao was holding the charge as Chairman and Director till 30th June, 2023.

In terms of SRI guidelines, Shri Vipul Goel has been appointed as Ex-officio Chairman of the Company w.e.f. 6th July, 2023.

2. Changes in the Composition of Board of Directors

During the year under review and till date, the following changes have taken place in the Board of Directors:-

- Shri Vipul Goel has appointed as Chairman of the Company w.e.f. 06th July, 2023.
- Shri Gaurav Gulati has been appointed as Additional Director of the Company w.e.f. 14th June, 2023.
- Ms. Mercy Epao was holding the charge as Chairman and Director till 30th June, 2023.
- Shri Gaurang Dixit was appointed as Chairman of the Company w.e.f. 1st August, 2022. He holds the charge of Chairman, NVCFL upto the date of his superannuation i.e. till 31st December, 2022.
- Shri Saravana Kumar Ananthan has been appointed as Director on the Board of Company. He is also Chief Executive Officer of the Company.
- 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. 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.
- Smt. Alka Nangia Arora was appointed as Chairman of the Company w.e.f. 23rd September, 2021. She holds the charge as Chairman, NVCFL till 20th June, 2022.



3. Number of Meetings of Board, Directors' Attendance at Board Meetings

During the period under review, seven (7) meetings of the Board of Directors of the Company were held viz. (i) 8th July, 2022, ii) 28th July, 2022, iii) 19th October, 2022,

iv) 16th December, 2022, v) 17th January, 2023 vi) 30th January, 2023 and vii) 16th March, 2023.

During the Financial Year 2022-23, 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, 2023 (other than NVCFL)
		Held during the tenure	No. of Board Meetings attended	Attendance in the AGM held on 16 th December, 2022	
1.	Ms. Mercy Epao	3	3	N.A	NSIC, DSIIDC & ITPO
2.	Shri Gaurang Dixit	4	4	Yes	NSIC
3.	Shri. P. Udayakumar	2	2	N.A	NSIC
4.	Dr. Ishita G. Tripathy	7	7	Yes	Global Innovations & Technology alliance (GITA) w.e.f. 15.3.2022
5.	Shri Ateesh Kumar Singh, Director	7	6	Yes	Nil
6.	Shri Saravana Kumar Ananthan	5	5	Yes	Nil

4. Remuneration of Directors

All the directors, except Shri Saravanakumar Ananthan 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. The details regarding the remuneration paid during the financial year 2022-23 are as follows:-

S. No.	Particulars of Remuneration	Chief Executive Officer Shri Saravanakumar Ananthan w.e.f. 17/10/2022 to 31/03/2023 (Rs. in lakh)
1	Gross Salary (as per provisions contained in section 17(1) of the Income Tax Act, 1961	17.38
2	Stock Option	-
3	Sweat Equity	-
4	Commission as % of profit; others, specify	-
5	Others, please specify (Employer cont. to PF & Pension)	7.40
	Total	24.78

5. 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.

6. 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.

7. 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.

8. General Body Meeting

The details of the Annual general Meetings of the Company held since the incorporation of the Company are as under:

Fin Year	Date	Time	Venue	Special Business (if any)
2021-22	16/12/2022	11.00 a.m.	Registered Office of the Company	a) Regularization of Additional Director, Dr. Ishita G. Tripathy (DIN-09661006) as Director of the Company. b) Regularization of Additional Director, Shri Saravanakumar Ananthan (DIN No.09769378) as Director of the Company.
2020-21	26/11/2021	11.00 a.m.		Regularization of Additional Director, Ms. Alka Nangia arora (DIN- 03165567) as Director of the Company.

No Extraordinary General Meeting of the Members was held during the Financial Year 2022-23.

The Annual General Meeting for the financial year 2022-23 shall be held on 11th December, 2023.

9. 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.

10. 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 : 11th December, 2023

Sd/-
(Vipul Goel)
Chairman
DIN No. 10229523



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members

NSIC Venture Capital Fund Limited

Registered Address: NSIC, Okhla Industrial Estate Phase-III

New Delhi-110 020

We have examined the compliance of conditions of Corporate Governance of **NSIC Venture Capital Fund Limited** having CIN: U65990DL2020GOI368828, for the year ended 31st March, 2023 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: F009211E001714475

Place: New Delhi

Date: 7th November, 2023



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 31 March 2023, 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 31 March 2023 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 attention to Note 35 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 subject to an independent financial audit, 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 5 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 5 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 final dividend paid by the Company during the year in respect of the dividend declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in Note 37 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is



in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- 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

- vi. As Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from 1 April 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

For Devinder K Jain & Associates

Chartered Accountants
Firm Registration No.: 007799N

Sd/-
CA D.K. Jain
Partner

Membership No.: 083417
UDIN: 23083417BGXHCJ2856

Place: New Delhi
Date: 28.08.2023



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 2023

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 loan or advance or 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 has provided an unsecured loan to Director of the Company 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 to a director of the Company. The</p> |
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Company has advanced an amount of INR 0.12 lakhs during the year on account of recovery towards transport provided to him and such balance of INR 0.12 lakhs remains outstanding as at the close of the reporting period. 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, the first AIF scheme setup by the Company 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 and grant of advance to Director, 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 INR 0.12 lakhs to Mr. Saravana Ananthan, Director of the Company and a related party, as explained in clause (iii)(a) above. Such advance to related party is recoverable 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 31 March 2023, 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 or preceding financial year.
- (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

Place: New Delhi
Date: 28.08.2023



ANNEXURE B REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL LIMITED FOR THE PERIOD ENDED 31ST MARCH 2023

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 31 March 2023 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 March 31, 2023, 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

Place: New Delhi
Date: 28.08.2023



ANNEXURE C REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL LIMITED FOR THE PERIOD ENDED 31ST MARCH 2023

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 2023.

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 on behalf of SRI Fund from the Central Government as its contribution to the SRI Fund as per the contribution agreement dated 12 October 2021. The same has been properly accounted for and kept in a separate bank account and utilized for reimbursement of expenses incurred by the Company on behalf of SRI Fund and other expenses and investments to be done by SRI Fund as per SRI Fund's contribution agreement.

For Devinder K Jain & Associates
Chartered Accountants
Firm Registration No.: 007799N

Sd/-
CA D.K. Jain
Partner
Membership No.: 083417

Place: New Delhi
Date: 28.08.2023



Compliance Certificate

We have conducted the audit of accounts of NSIC Venture Capital Fund Limited for the period ended 31st March, 2023 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

Sd/-

CA D.K. Jain

Partner

Membership No.: 083417

UDIN: 23083417BGXHCJ2856

Place: New Delhi

Date: 28.08.2023



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

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 31 March 2023. 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.

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 is only one employee in the company, the cost of defined benefit plan and other long term employee benefits and present value of such obligation are determined by independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual. Management believes that the assumption used by the actuary in determination of discount rate, future salary increases, mortality rate and attrition rates are reasonable.



- **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 De-recognition

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/-
3	Office Equipments	5 Years	19%	5% of original cost
4	Furniture and Fitting	10 Years	9.50%	5% of original cost

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 adjusted in the books of accounts.

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

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.

The prescribed disclosure as per the Actuarial Valuation in respect of the above matters is given below:-



Plan Liability

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Present value of obligation as at the end of the period	CY	0.53	1.06	0.28	-
	PY	0	0	0	0

Service Cost

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Current Service Cost	CY	0.53	1.06	0.28	-
	PY	0	0	0	0
Past Service Cost including curtailment Gains/ Losses	CY	0	0	0	0
	PY	0	0	0	0
Gains or Losses on Non -routine settlements	CY	0	0	0	0
	PY	0	0	0	0
Total Service Cost	CY	0.53	1.06	0.28	-
	PY	0	0	0	0

Net Interest Cost

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Interest Cost on Defined Benefit Obligation	CY	0	0	0	0
	PY	0	0	0	0
Interest Income on Plan Assets	CY	0	0	0	0
	PY	0	0	0	0
Net Interest Cost (Income)	CY	0	0	0	0
	PY	0	0	0	0

Change in benefit Obligation

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Present value of obligation as at the beginning of the period	CY	0	0	0	0
	PY	0	0	0	0
Interest Cost	CY	0	0	0	0
	PY	0	0	0	0
Service Cost	CY	0.53	1.06	0.28	-
	PY	0	0	0	0
Past Service Cost including curtailment Gains/ Losses	CY	0	0	0	0
	PY	0	0	0	0



Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Benefits Paid	CY	0	0	0	0
	PY	0	0	0	0
Total Actuarial (Gain)/ Loss on Obligation	CY	0	0	0	0
	PY	0	0	0	0
Present value of obligation as at the end of the period	CY	0.53	1.06	0.28	-
	PY	0	0	0	0

Bifurcation of Actuarial Gain/ Loss on Obligation

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Actuarial (Gain)/ Loss on arising from Change in Demographic Assumption	CY	0	0	0	0
	PY	0	0	0	0
Actuarial (Gain)/ Loss on arising from Change in Financial Assumption	CY	0	0	0	0
	PY	0	0	0	0
Actuarial (Gain)/ Loss on arising from Experience Adjustment	CY	0	0	0	0
	PY	0	0	0	0

Balance Sheet and related analysis

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Present Value of the obligation at end	CY	0.53	1.06	0.28	-
	PY	0	0	0	0
Fair value of plan assets	CY	-	-	-	-
	PY	-	-	-	-
Unfunded Liability / provision in Balance Sheet	CY	(0.53)	(1.06)	(0.28)	-
	PY	0	0	0	0

The amounts recognized in the Income statement

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Total Service Cost	CY	0.53	1.06	0.28	-
	PY	0	0	0	0
Net Interest Cost	CY				
	PY	0	0	0	0
Net Actuarial (gain)/ loss recognized in the period	CY				
	PY	0	0	0	0
Expense recognized in the Income Statement	CY	0.53	1.06	0.28	-
	PY	0	0	0	0



Other Comprehensive Income (OCI)

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Net cumulative unrecognized actuarial gain/ (loss) opening	CY	0	0	0	0
	PY	0	0	0	0
Actuarial gain/ (loss) for the year on PBO	CY	0	0	0	0
	PY	0	0	0	0
Actuarial gain/ (loss) for the year on Asset	CY	0	0	0	0
	PY	0	0	0	0
Unrecognized actuarial gain/ (loss) for the period	CY	0	0	0	0
	PY	0	0	0	0

Change in Net Defined Benefit Obligation

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Net defined benefit liability at the start of the period	CY	-	-	-	-
	PY	-	-	-	-
Acquisition adjustment	CY	-	-	-	-
	PY	-	-	-	-
Total Service Cost	CY	0.53	1.06	0.28	-
	PY	0	0	0	0
Net Interest Cost (Income)	CY	-	-	-	-
	PY	-	-	-	-
Re-measurements	CY	-	-	-	-
	PY	-	-	-	-
Contribution paid to the Fund	CY	-	-	-	-
	PY	-	-	-	-
Benefit paid directly by the enterprise	CY	-	-	-	-
	PY	-	-	-	-
Net defined benefit liability at the end of the period	CY	0.53	1.06	0.28	-
	PY	0	0	0	0

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
Current Liability (Amount due within one year)	CY	0.005	0.07	0.04	0
	PY	0	0	0	0
Non-Current Liability (Amount due over one year)	CY	0.52	0.99	0.24	-
	PY	0	0	0	0
Total PBO at the end of the year	CY	0.53	1.06	0.28	-
	PY	0	0	0	0



Expected contribution for the next Annual reporting period

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Service Cost	CY	1.31	2.57	0.68	-
	PY	0	0	0	0
Net Interest Cost	CY	0.04	0.08	0.02	-
	PY	0	0	0	0
Expected Expense for the next annual reporting period	CY	1.35	2.65	0.70	-
	PY	0	0	0	0

Principal assumptions used for actuarial valuation are:

Particulars	2022-23	2021-22
Method used	Projected Unit Credit Method	Projected Units Credit Method
Discount Rate	7.38%	NA
Expected Rate of Return on Plan Asset	0	NA
Future Salary Increase	5.50%	NA
Mortality Rate	100% IALM (2012-14)	NA
Ages (withdrawal Rate (%))		NA
Upto 30 years	3	NA
From 31 to 44 years	2	NA
Above 44 years	1	NA

Sensitivity of the defined benefit obligation

(₹ in Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement
Impact of change in discount rate				
Present values of obligation at the end of the period	0.53	1.06	0.28	
Impact due to increase of 0.50%	(.008)	(0.015)	(.004)	-
Impact due to decrease of 0.50%	0.007	0.016	0.04	-
Impact of change in salary increase				
Present values of obligation at the end of the period	0.53	1.06	0.28	-
Impact due to increase of 0.50%	0.008	0.016	(0.004)	-
Impact due to decrease of 0.50%	(0.008)	(0.016)	0.004	-



Maturity Profile of Defined Benefit Obligation

(₹ in Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement
0 to 1 year	0.005	0.007	0.004	0
1 to 2 years	0.005	0.002	0.005	0
2 to 3 years	0.005	0.002	0.005	0
3 to 4 years	0.003	0.79	0.20	0
4 to 5 years	0.46	0.06	0.002	0
5 to 6 years	0.001	0.03	0.01	0
6 year onwards	0.003	0.09	0.01	0

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, 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 31.03.2023

(₹ in Lakh)

S No.	Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
Assets				
I	Financial Assets			
(a)	Cash and Cash Equivalents	3	352.79	329.48
(b)	Bank Balances Other Than Cash and Cash Equivalents	4	328.39	433.82
(c)	Receivable	5	0.00	0.00
	(I) Trade Receivables - unbilled			
(d)	Loans & Advance	6	0.19	1.25
(e)	Investment	7	28.36	8.91
(f)	Other Financial Assets	8	621.09	1330.82
			116.80	890.26
II	Non-Financial Assets			
(a)	Current Tax Assets (Net)	9	61.11	0.00
(b)	Deferred Tax Assets (Net)	10	11.28	11.80
(c)	Property, Plant and Equipment	11	3.45	0.68
(d)	Other Intangible Assets	11	0.00	0.00
(e)	Intangible Assets under Development	-	0.00	0.00
(f)	Other Non-Financial Assets	12	0.00	75.84
			0.83	13.31
	Total Assets		1406.66	903.57
Liabilities and Equity				
Liabilities				
I	Financial Liabilities			
(a)	Payables	13		
	(I) Trade Payables			
	(i) Total outstanding dues of micro & small enterprises		0.00	0.00
	(ii) Total outstanding dues of creditors other than micro & small enterprises		0.00	0.00
(b)	Other Financial Liabilities	14	429.04	429.04
			121.49	121.49
II	Non-Financial Liabilities			
(a)	Current Tax Liabilities (Net)	15	0.00	52.91
(b)	Provisions	16	1.87	1.87
	Total Liabilities			174.40
III	Equity			
(a)	Equity Share Capital	17	600.00	600.00
(b)	Other Equity	18	375.75	975.75
			129.17	729.17
	Total Equity			
	Total Liabilities and Equity		1406.66	903.57

Statement of Corporate information Note 1

Accounting Policy Note 2

Accompanying notes are integral part of the financial statements

1 to 39

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]

Place : New Delhi

Date : 28.08.2023

UDIN : 23083417BGXHCJ2856

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-

Vipul Goel

Chairman

[DIN: 10229523]

Sd/-

Rajesh Madan
General Manager

Sd/-

Adarsh Kansal
Chief Manager

Sd/-

Saravana Kumar Ananthan

Director & CEO

[Din No.: 9769378]

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

01.04.2022 TO 31.03.2023

(₹ in Lakh)

S No.	Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
I.	Revenue from operations	19	413.12	201.60
	Total Revenue from operations		413.12	201.60
II.	Other Income	20	39.78	69.37
III.	Total Income (I+II)		452.90	270.97
IV.	Expenses			
	Employees Benefit Expenses	21	30.22	0.00
	Depreciation and Amortisation Expenses	22	0.51	0.32
	Other Expenses	23	16.54	39.71
	Total Expenses (IV)		47.27	40.03
V	Profit / (Loss) before Tax (III-IV)		405.63	230.94
VI	Tax Expense			
	Current Tax	24	102.00	55.25
	Deferred Tax		0.53	-11.80
	Earlier Years Tax		-0.56	-2.78
	Total Tax Expense (VI)		101.97	40.67
VII	Profit / (Loss) for the Year (V-VI)		303.66	190.27
VIII	Other Comprehensive Income			
	A) Item that will not be reclassified to profit or Loss		0.00	0.00
	B) Item that will be reclassified to profit or Loss		0.00	0.00
	Total Other Comprehensive Income (A + B)		0.00	0.00
IX	Total Comprehensive Income for the period (VII+VIII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		303.66	190.27
X	Earning / (Loss) Per Equity Share	25		
	Basic (₹)		50.61	31.71
	Diluted (₹)		50.61	31.71

Accompanying notes are integral part of the financial statements **1 to 39**

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]

Place : New Delhi

Date : 28.08.2023

UDIN : 23083417BGXHCJ2856

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-

Vipul Goel

Chairman

[DIN: 10229523]

Sd/-

Saravana Kumar Ananthan

Director & CEO

[Din No.: 9769378]

Sd/-

Rajesh Madan
General Manager

Sd/-

Adarsh Kansal
Chief Manager

Sd/-

Nishtha Goyal
Company Secretary
[Membership No.: A22768]



NOTE - 3 : CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance with Banks:		
In Current Account (excluding amount received on behalf of SRI Fund)	352.79	327.70
Cheques, Drafts on Hand	0.00	1.78
Total	352.79	329.48

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 31.03.2023	As at 31.03.2022
Term Deposits	328.39	433.82
Total	328.39	433.82

Note: Term Deposits amounting to Rs. 328.39 Lakh (PY Rs. 433.82 Lakh) are for maturity of more than 1 year (Refer Note No. 7 - Investment)

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 : RECEIVABLES

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Receivable		
Unsecured, considered good	0.00	-
Total	0.00	-

5.1 Trade receivable are due from Fund in which Chairman and Director & CEO are a investment committee member.

5.2 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	Total
1	Undisputed trade receivables considered good		0.00	-	-	-
			(-)	(-)	(-)	(-)
2	Undisputed trade receivables significant increase in credit risk		0.00	-	-	-
			(-)	(-)	(-)	(-)
3	Undisputed Trade receivables credit impaired		0.00	-	-	-
			(-)	(-)	(-)	(-)
4	Disputed Trade receivables considered good		0.00	-	-	-
			(-)	(-)	(-)	(-)
5	Disputed Trade receivables significant increase in credit risk		0.00	-	-	-
			(-)	(-)	(-)	(-)



Sr. No	Particulars	Less than 6 months	6 months – 1 year	1 to 2 years	2 to 3 years	Total
6	Disputed Trade receivables credit impaired		0.00	-	-	-
			(-)	(-)	(-)	(-)
7	Unbilled Trade Receivables					-
						(-)
	Total		0.00	-	-	-
			(-)	(-)	(-)	(-)

Previous period amounts disclosed in (brackets)

Note: The Trade Receivable has been re-grouped and the balance of the previous year i.e. FY 2021-22 amounting to ₹ 109.42lakh has been regrouped to Other Financial Assets

NOTE - 6 : LOANS & ADVANCES

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
To Related parties / Promoters / Directors / KMPs		
Advance to Self Reliant India (SRI) Fund	0.00	1.25
Director of the company	0.12	-
Others		
Other Employee	0.07	-
Total	0.19	1.25

NOTE - 7 : INVESTMENT

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
At amortised cost	0.00	0.00
Investment in SRI Fund (refer Note 35)	28.36	8.91
Total	28.36	8.91

7.1 The Investment in AIF in Fund as per the fund document in which Director & CEO is an Investment Committee Member.

7.2 Terms deposit amounting to Rs 313.82 lakh has been regrouped with Bank balance other than cash and cash equivalents.

NOTE - 8 : OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Interest Accrued on Fixed Deposits	7.41	7.38
Recoverable from Self Reliant India Fund	613.68	109.42
Total	621.09	116.80

**NOTE - 9 : CURRENT TAX ASSETS (NET)**

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Advance Tax	110.00	0
Add: TDS	53.11	0
Less: Prov. For Tax	102.00	0
Current Tax Assets (Net)	61.11	0

NOTE - 10 : DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred Tax Assets		
- Unamortised expenditure as per income tax provisions	10.53	11.81
Provisions in Financial Books pending allowance in Tax	0.77	
Gross deferred tax assets (a)	11.30	
Deferred Tax Liabilities		
- Depreciation and amortisation	0.02	0.01
Gross deferred tax liabilities (b)	0.02	0.01
Net deferred tax asset recognised (a-b)		
Total	11.28	11.80

NOTE - 11 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Computers, Laptops & Processing Units	Mobile	Office Equipments	Furniture & Fixture	Total
For the year ended 31.03.2023					
Gross Carrying Amount					
Opening Balance	0.88	0.13	-	0.00	1.01
Additions during the year	0.95	0.61	0.93	0.79	3.28
Disposals during the year	-	-	-	0.00	-
Gross carrying value as at 31.03.2023	1.83	0.74	0.93	0.79	4.29
Accumulated depreciation and impairment					
Opening Balance	0.28	0.05	-	0.00	0.33
Depreciation Expenses for the year	0.39	0.10	-	0.02	0.51
Disposals during the year	-	-	-	0.00	-
Accumulated depreciation and impairment as of 31.03.2023	0.67	0.15	0.01	0.02	0.84
Net carrying amount as at 31.03.2023	1.16	0.59	0.92	0.77	3.45



(₹ in Lakh)

Particulars	Computers, Laptops & Processing Units	Mobile	Total
For the year ended 31.03.2022			
Gross Carrying Amount			
Opening Balance	0.88	0.14	1.01
Additions during the year	-	-	-
Disposals during the year	-	-	-
Gross carrying value as at 31.03.2022	0.88	0.14	1.01
Accumulated depreciation and impairment			
Opening Balance	-	0.01	0.01
Depreciation Expenses for the year	0.28	0.04	0.29
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	0.08	0.68

NOTE - 11 : OTHER INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Business Licence	Total
For the year ended 31.03.2023		
Gross Carrying Amount		
Opening Balance	-	-
Additions during the year	-	-
Disposals during the year	-	-
Gross carrying value as at 31.03.2023	-	-
Accumulated amortisation and impairment		
Opening Balance	-	-
Amortisation Expenses for the year	-	-
Disposals during the year	-	-
Accumulated amortisation and impairment as of 31.03.2023	-	-
Net carrying amount as at 31.03.2023	-	-



(₹ in Lakh)

Particulars	Business Licence	Total
For the period ended 31.03.2022		
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 31.03.2023	-	-
Net carrying amount as at 31.03.2021	-	-

NOTE - 12 : OTHER NON - FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance with Government Authorities	0.00	0.83
Total	0.00	0.83

NOTE - 13 : PAYABLES

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Payables		
(i) Total outstanding dues of micro & small enterprises	0.00	0.00
(ii) Total outstanding dues of creditors other than micro & small enterprises	0.00	0.00
Total	0.00	0.00

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.



13.1 Trade Payable Ageing Schedule.

Outstanding for following periods from due date of payment								
Sr. No	Particulars	As at 31.03.2023	As at 31.03.2022 Less than 6 months	6 months – 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
1	MSME	0.00	0.00	-	-	-	-	-
		0.00	0.00	(-)	(-)	(-)	(-)	(-)
2	Others	0.00	0.00	-	-	-	-	-
		0.00	0.00	(-)	(-)	(-)	(-)	(-)
3	Disputed dues – MSME	0.00	0.00	-	-	-	-	-
		0.00	0.00	(-)	(-)	(-)	(-)	(-)
4	Disputed dues – Others	0.00	0.00	-	-	-	-	-
		0.00	0.00	(-)	(-)	(-)	(-)	(-)
5	Unbilled dues- MSME	0.00	0.00					-
		0.00	0.00					-
6	Unbilled dues- Others	0.00	0.00					-
		0.00	0.00					-
Total		0.00	0.00	-	-	-	-	-
		0.00	0.00	(-)	(-)	(-)	(-)	(-)

Previous period amounts disclosed in (brackets)

The Trade payable has been re-grouped and the balance of previous year i.e. 2021-22 amounting to Rs -78.41 lakh has been re-grouped to current liability for expenses.

NOTE - 14 : OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory Dues Payable	97.36	43.08
Other Payables - Employees	1.19	0.00
Current Liabilities for Expenses	322.52	78.41
Other Payables - PRP (Employees - Director)	7.97	0.00
Total	429.04	121.49

NOTE - 15 : CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
TDS Deducted	0.00	0.00
Provision for Income Tax	0.00	55.25
Less : Income Tax Paid	0.00	-2.34
Total	0.00	52.91

**NOTE - 16 : PROVISIONS**

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
For Gratuity	0.53	0.00
For Leave Encashment	1.06	0.00
For Half Pay Leave	0.28	0.00
For TA	0.00	0.00
Total	1.87	0.00

NOTE - 17 : EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
(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 31.03.2023		As at 31.03.2022	
	No of Shares	Amount	No of Shares	Amount
Balance at the beginning of the year	600000	600.00	600000	600.00
Add/(less) : Issued during the year	-	-	-	-
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 31.03.2023		As at 31.03.2022	
	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 31.03.2023	As at 31.03.2022
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 shareholder.

(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

Name of Promoter & Promoters Group	As at 31.03.2023		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	No of shares	
The National Small Industries Corporation Limited (NSIC)	600,000	100%	600,000	100%	600,000	0%
Total	600,000	100%	600,000	100%	600,000	0%

NOTE - 18 : OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Retained earnings / Accumulated Loss		
Balance at the beginning of the period	129.17	-61.10
Profit / (Loss) for the period	303.66	190.27
Dividend Paid for the year 2020-21	-57.08	-
Balance as at the end of the period	375.75	129.17

**NOTE - 19 : REVENUE FROM OPERATIONS**

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Management Fee from SRI Fund	386.66	178.24
Interest income	26.46	23.36
Total	413.12	201.60

NOTE - 20 : OTHER INCOME

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Interest earned on term deposits kept with bank	0.00	0.00
Reimbursement of expenses incurred on behalf of SRI Fund for Rs. 39.71 Lakh - Received from MoMSME and Rs. 0.07 Lakh as refund from Tax	39.78	69.37
Total	39.78	69.37

NOTE - 21 : EMPLOYEES BENEFIT EXPENSES

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Director:		
Salary & Allowances	17.38	0.00
Contribution to:-		
Provident Fund	1.44	0.00
Superannuation Scheme	1.19	0.00
Gratuity	0.53	0.00
Total	20.54	0.00
Other Benefit:-		
Leave Encashment	1.06	0.00
Half Pay Leave	0.28	0.00
Medical	0.37	0.00
Performance Related Pay (PRP)	7.97	0.00
Total Other Benefits:-	9.68	0.00
Total :-	30.22	0.00

NOTE - 22 : DEPRECIATION & AMORTIZATION

(₹ in Lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Depreciation on:		
Property, Plant & Equipment	0.51	0.32
As per Profit & Loss Statement	0.51	0.32

**NOTE - 23 : OTHER EXPENSES**

(₹ in Lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Manpower Support Cost #	0.00	31.32
Recruitment Expenses	0.47	4.21
Interest /fees/Penalty/for Statutory Dues	7.03	0.00
Legal & Professional Fees	1.98	1.20
Travelling, Conveyance & Vehicle Charges #	0.27	0.77
Payment to auditors - statutory audit Fees*	0.50	0.51
Entertainment #	1.10	0.50
Printing & Stationery Expenses #	0.87	0.46
Website and Webportal expenses	0.00	0.29
Rent Paid #	0.00	0.14
Communication Expenses#	0.05	0.11
Miscellaneous Expenses	0.69	0.20
Repairs & Maintenance Computers	1.04	0.00
Directors other expenses	2.54	0.00
Total	16.54	39.71

* No other payment made to Statutory Auditor other than Statutory Audit Fees

Refer No. 29

NOTE - 24 : TAX EXPENSES

(₹ in Lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Current Tax		
Current Tax on taxable income for the period	102.00	55.25
Total Current Tax	102.00	55.25
Adjustment of Previous Year Taxes		
Excess Provision of Income Tax written back	-0.56	-2.78
Total Earlier Years Taxes	-0.56	-2.78
Deferred Tax credit		
Origination of temporary differences	0.00	0.00
Total Deferred Tax credit	0.53	-11.80
Total	101.97	40.67

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.



ANNEXURE- 24.1 : RECONCILIATION OF ESTIMATED TAX EXPENSE AT STATUTORY RATE TO INCOME TAX EXPENSE REPORTED IN STATEMENT OF PROFIT AND LOSS

(₹ in Lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Profit / (Loss) Before Tax	405.63	230.94
Enacted Income Tax Rate in India applicable to the Company	25.17%	25.17%
Computed Tax Expenses	102.09	58.12
Tax effect of:		
Expenses that are deductible in determining taxable profit	-3.65	-3.05
Expenses that are not deductible in determining taxable profit	3.56	0.17
Current Tax Provision	102.00	55.25
Excess Provision of Income Tax written back	-0.56	-2.78
Deferred tax credit	0.53	-11.80
Tax Expense recognised in Statement of Profit & Loss	101.97	40.67

NOTE - 25 : EARNING PER SHARE

(₹ in Lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
A. Net Profit / (Loss) attributable to equity shareholders	303.66	190.27
B. Weighted average number of equity share for basic earning per share	600000.00	600000.00
Effect of dilution*		
C. Weighted average number of equity share for diluted earning per share	600000.00	600000.00
Earning per share (Basic) (₹) (A/B)	50.61	31.71
Earning per share (Diluted) (₹) (A/C)	50.61	31.71

* The Company did not have any potentially dilutive securities during the reporting periods.

NOTE – 26 : SEGMENT REPORTING

The Company has been setup for financial & investing activities and presently operates in a single business and geographical segment.

NOTE – 27 : CONTINGENT LIABILITIES & COMMITMENTS

- (A) The company does not have any Contingent liability as on 31 March 2023.
- (B) Commitments towards legal advisor expense for future period is ₹ 120.66 Lac, the same commitment till 31.03.2022 was ₹ 175.89 Lac.

NOTE – 28 : EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.



NOTE – 29 : RELATED PARTY DISCLOSURE

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	Self-Reliant India (SRI) Fund
Key Management Personnel (KMP)	Smt. Mercy Epao (Chairperson) (From 02.01.2023 to 31.03.2023)
	Shri Gaurang Dixit (From 01.04.2022 to 31.12.2022)
	Shri Saravana Kumar Ananthan (Director & CEO)
	Smt. Nishtha Goyal (Company Secretary)

Transaction during the year with Key Managerial Personnel of the Company

(₹ in Lakh)

S. No.	Nature of Transaction	Key Managerial Personnel	
		2022-23	2021-22
1.	Expenditure:		
a)	Salary and allowances	17.38	NA
b)	Leave/LTC Encashment	-	NA
c)	Provident Fund Contribution	1.43	NA
d)	Contribution to Pension Scheme	1.19	NA
e)	Other Expenses	2.54	NA
f)	Medical Expenses	0.37	NA
g)	Provision for Terminal Benefits	1.87	NA
2.	Balance Outstanding:		NA
a)	Loan & interest Outstanding	0.12	NA
b)	Travelling Advance		
c)	Provision for Terminal Benefits as per Actuarial Valuation	1.87	NA
3.	Other Payments :	-	NA

Note:-

- Salary and other allowances has been paid to Shri Saravana Kumar Ananthan CEO & Director of NVCFL
- No payment of any kind has been paid to any other Key Management Personnel.
- Shri Saravana Kumar Ananthan CEO & Director Joined the Company on 17.10.2022.

B. Names of related parties and nature of transaction during the year:			
₹ in Lakh			
Name of the Related Party	Nature of Transactions	Period ended 31.03.2023	Period ended 31.03.2022
Holding Company	Reimbursement made for expenses incurred by related party on behalf of the Company		
	Manpower Support Cost	60.26	28.57
	Rent Paid	5.93	0.12
	Travelling, Conveyance & Vehicle Charges	3.83	0.05
	Reimbursement received for payment made by company on behalf of the related party	0	1.78



₹ in Lakh			
Name of the Related Party	Nature of Transactions	Period ended 31.03.2023	Period ended 31.03.2022
SRI Fund	Advance given	0.00	1.25
	Expenses incurred on behalf of Fund/Reimbursement Received	551.53	304.39
	Investment made	19.45	8.91
	Management Fee charged	386.66	178.24

C. Details of balances outstanding for related party transactions:			
(₹ in lakh)			
Name of the Related Party	Nature of Transactions	As at 31.03.2023	As at 31.03.2022
Holding Company	Other Financial Liability	80.24	33.33
	Contribution to equity	600	600
SRI Fund	Advance availed	0.00	1.25
	Investment	28.36	8.91
	Other Financial Asset	613.68	109.42

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. 29 [B]) are without GST where applicable.

E. Major Terms & conditions of Transactions of Related Parties:

1. Remuneration of key management person are in line with the service rules.
2. An amount of ₹ 0.12 Lakh is outstanding in the name of shri Saravana Kumar Ananthan - CEO & Director, Which is 63% of the total loans & advances of ₹ 0.19 lakh.

NOTE – 30 : 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 recognized in the Statement of Profit & Loss

During the period ended 31.03.2023, lease rent in the nature of operating lease of Nil (incl. Taxes) has been recognised in the statement of profit & loss. For period ended 31.03.2022, lease rent of ₹ 0.14 Lac (including taxes) was recognised in the statement of profit & loss. There is no contractual lease payment commitment beyond the tenure of 11 months.

NOTE – 31 : 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 31.03.2023.



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 and 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

NOTE – 32 : 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 31.03.2023	1 Year or Less	1 – 3 years	More than 3 Years	Total
Borrowings	0.00	0.00	0.00	0.00
Trade Payables	0.00	0.00	0.00	0.00
Other Financial Liabilities	429.04	0.00	0.00	429.04
Contractual maturities of financial Assets 31.03.2023	1 Year or Less	1 – 3 years	More than 3 Years	Total
Cash and Cash Equivalents	352.79	0.00	0.00	352.79
Bank Balances Other Than Cash and Cash Equivalents	328.39	0.00	0.00	328.39
Loans & Advances	0.19	0.00	0.00	0.19
Trade Receivable	0.00	0.00	0.00	0.00
Investment	0.00	0.00	28.36	28.36
Other Financial Assets	621.09	0.00	0.00	621.09



(₹ in Lakh)

Contractual maturities of financial liabilities 31.03.2022	1 Year or Less	1 – 3 years	More than 3 Years	Total
Other Financial Liabilities	121.49	0.00	0.00	121.49

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	433.82	0.00	0.00	433.82
Loans & Advances	1.25	0.00	0.00	1.25
Trade Receivable	0	0.00	0.00	0
Investment	0.00	0	8.91	8.91
Other Financial Assets	116.80	0.00	0.00	116.80

NOTE – 33 : 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 31.03.2023	Note No.	Carrying Amount			Total
		Fair value through profit and loss account	Fair value through other comprehensive Income	Amortized Cost	
Financial Assets					
Cash and cash equivalents	3	-	-	352.79	352.79
Bank balances other than cash and cash equivalents	4	-	-	328.39	328.39
Loans & Advances	6	-	-	0.19	0.19
Trade Receivable		-	-	0.00	0.00
Investment	7	-	-	28.36	28.36
Other Financials Assets	8	-	-	621.09	621.09
Financial Liabilities					
Payables					
Trade Payables		-	-	0	0
Other Financials Liabilities	14	-	-	429.04	429.04



(₹ 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	Amortized Cost	
Financial Assets					
Cash and cash equivalents	3	-	-	329.48	329.48
Bank balances other than cash and cash equivalents	4	-	-	433.82	433.82
Loans & Advances	5	-	-	1.25	1.25
Trade Receivable	6	-	-	0	0
Investment	7	-	-	8.91	8.91
Other Financials Assets	8	-	-	116.80	116.80
Financial Liabilities					
Payables					
Trade Payables	13	-	-	0	0
Other Financials Liabilities	14	-	-	121.49	121.49

(₹ in lakh)

Financial Assets and Liabilities as at March 31, 2023	Note No.	Fair Value			Total
		Level - 1	Level - 2	Level – 3	
Financial Assets					
Cash and cash equivalents	3	-	-	352.79	352.79
Bank balances other than cash and cash equivalents	4	-	-	328.39	328.39
Loans & Advances	6			0.19	0.19
Trade Receivable				0.00	0.00
Investment	7			28.36	28.36
Other Financials Assets	8	-	-	621.09	621.09
Financial Liabilities					
Payables					
Trade Payables		-	-	0	0
Other Financials Liabilities	14			429.04	429.04

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	-	-	433.82	433.82
Loans & Advances	5			1.25	1.25
Trade Receivable	6			0	0
Investment	7			8.91	8.91



Financial Assets and Liabilities as at 31.03.2022	Note No.	Fair Value			Total
		Level - 1	Level - 2	Level - 3	
Other Financials Assets	8	-	-	116.80	116.80
Financial Liabilities					
Payables					
Trade Payables	13	-	-	0	0
Other Financials Liabilities	14			121.49	121.49

A. 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.

B. 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 – 34 : NON-CURRENT ASSETS HELD FOR SALE

No assets have been classified as held for sale in accordance with Ind AS-105.

NOTE – 35 : 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 a 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 12 October 2021.

In the previous year i.e. FY 2021-22, while the Company was in the process of executing this regulatory structure, the Govt. of India transferred an amount of ₹ 18034.58 Lac (Including remittance in Transit of ₹ 2500.00 Lac) during the year ended 31 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 Lac and ₹ 8.91 Lac was also transferred by NSIC and the Company to such separate bank account as their respective contribution to SRI Fund. Since the amount was received in the bank account of the Company but was intended solely for SRI Fund which is a separate entity, the balance amount of ₹ 15234.37 Lac (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.

While undertaking the Audit of NVCFL for the Financial Year 2021-22, the Comptroller and Audit General of India had raised certain queries as regards the SRI Fund structure. In order to seek clarification on the structure issue a meeting was held with SEBI Officials in Mumbai on 24/11/2022 wherein NVCFL was directed to represent the matter in writing. Accordingly, a letter no NVCFL/2022-23/295 dated 05.01.2023 has been written to Securities and Exchange Board of India (SEBI) wherein "it has been mentioned that the structure



of SRI Fund to be organized under a corporate structure was mandate by the Government of India (GOI) to be implemented under a corporate structure as against a typical trust structure with a view to ensure better governance and greater accountability and transparency in the operations of SRI Fund pursuant to the provision of the Companies Act 2013. While clearly a corporate structure is not a common structure for an AIF, the AIF regulation does recognize a corporate structure to be eligible for an AIF Registration. Basis the above structure, NVCFL had applied for registration as an AIF with SEBI and had submitted the Private Placement Memorandum (PPM) of SRI Fund as first scheme of NVCFL and the same had been approved by the SEBI and AIF registration was given to NVCFL with SRI Fund as its first scheme.

In this regard, NVCFL has been following continuously with SEBI vide its mail dated 7.03.2023, 20-03-2023, 30-05-2023 & 1-08-2023 but the reply is awaited till date.

During the year FY 2022-23, an interest on Fixed Deposit amounting to ₹ 76.89 Lac out of which ₹ 50.43 Lac pertains to SRI Fund and the same has been accounted for in the books of SRI Fund. SRI fund was audited separately in FY 21-22 by statutory auditor will also audited separately in FY 22-23.

NOTE – 36 : AMOUNT EXPECTED TO BE RECOVERED/SETTLED WITHIN 12 MONTHS AND BEYOND FOR EACH LINE ITEM UNDER ASSET AND LIABILITIES:

(₹ in lakh)

Particulars	As on 31 st March 2023			As on 31 st March 2023		
	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	352.79	0	352.79	329.48	0	329.48
b Bank balances other than cash and cash equivalents	328.39	0	328.39	433.82	0	433.82
c Trade Receivable	0	0	0	0	0	0
d Loans & Advances	0.19	0	0.19	1.25	0	1.25
e Investment	0	28.36	28.36	0	8.91	8.91
f Other Financial Assets	621.09	0	621.09	116.80	0	116.80
Total Financial Assets (1)	1302.46	28.36	1330.82	881.35	8.91	890.26
2 Non Financial Assets						
a Inventories	0	0	0	0	0	0
b Current Tax Assets (Net)	61.11	0	61.11	0	0	0
c Deferred Tax Assets (Net)	0	11.28	11.28	0	11.80	11.80
d Property, Plant & Equipment	0	3.45	3.45	0	0.68	0.68
e Capital Work in Progress	0	0	0	0	0	0
f Intangible Assets under development	0	0	0	0	0	0
g Other Intangible Assets	0	0	0	0	0	0
h Right to Use Assets	0	0	0	0	0	0
i Assets Classified as Held for Sale	0	0	0	0	0	0
j Other Non Financial Assets	0	0	0	0.83	0	0.83
Total Non Financial Assets (2)	61.11	14.73	103.58	0.83	12.48	13.31
Total Assets (1 + 2)	1363.57	43.09	1406.66	882.18	21.39	903.57
Liabilities						
1 Financial Liabilities						
a Trade Payables	0	0	0	0	0	0
b Borrowings	0	0	0	0	0	0



Particulars	As on 31 st March 2023			As on 31 st March 2023		
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
c Liabilities associated with Assets held for Sale	0	0	0	0	0	0
d Other Financial Liabilities	429.04	0	429.04	121.49	0	121.49
Total Financial Liabilities (1)	429.04	0	429.04	121.49	0	121.49
2 Non-Financial Liabilities						
a Current Tax Liabilities (Net)	0	0	0	52.91	0	52.91
b Provisions	0	1.87	1.87	0	0	0
c Deferred Tax Liabilities (Net)	0	0	0	0	0	0
d Other Non Financial Liabilities	0	0	0	0	0	0
Total Non-Financial Liabilities (2)	0	1.87	1.87	52.91	0	52.91
Total Liabilities (1 + 2)	429.04	1.87	430.91	174.40	0	174.40

NOTE – 37 : PROPOSED DIVIDEND

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
On Equity Shares of ₹ 100 each		
Amount of Dividend Proposed (₹ in lakh)	91.10	57.08
Rate of Dividend (%)	30%	30%
Dividend per Equity Share (₹)	15.18	9.51

Dividends proposed by NVCFL are based on the profits after tax as reported in the Financial Statements and guidelines issued by the Department of Investment & Public Asset Management (DIPAM). The Board of Directors of NVCFL proposed a final dividend of ₹91.10 Lac for FY 2022-23 (PY ₹ 57.08 Lac for FY 2021-22).

NOTE – 38 : PERFORMANCE RELATED PAY (PRP)

In accordance with the guidelines of Department of Public Enterprises, provision on account of Performance Related Pay (PRP) for the FY 2022-23, amounting to ₹ 7.97 Lac (FY 2021-22 – Nil) has been made.

NOTE – 39 : 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.



Utilization 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.



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 01.04.2022 TO 31.03.2023

(₹ in Lakh)

S. No.	Particulars	For the Period ended 31 March 2023	For the Period ended 31 March 2022
	Cash Flow From Operating Activities:		
	Profit / (Loss) before Tax	405.63	230.94
	Net loss Before Adjustments:		
	Depreciation	0.51	0.32
	Recognition of income tax recoverable for previous year	0.00	0.83
	Operating loss before Working Capital Changes	406.14	232.09
	Movement in Working Capital		
	(Increase)/Decrease in Loans & Advances	1.06	-1.25
	(Increase)/Decrease in Trade Receivable	0.00	-109.42
	(Increase)/Decrease in Current Assets	-163.11	0.00
	(Increase)/Decrease in Other Financial Assets	-504.29	2.31
	(Increase)/Decrease in Other Non - Financial Assets	0.83	4.07
	Increase/(Decrease) in Trade Payables	0.00	77.85
	Increase/(Decrease) in Other Financial Liabilities	307.55	41.47
	Increase/Decrease in Provision	1.87	0.00
	Cash (utilised in)/ generated from Operations	-356.09	247.12
	Income Tax Paid	-52.35	-2.34
I	Net cash generated from / (utilised in) Operating Activities	-408.44	244.78
	Cash Flow From Investment Activities:		
	Purchase of property, plant and equipment	-3.28	0.00
	Amount Reimbursed for Intangible Assets Under Development	0.00	16.93
	Investment in Term Deposits - (Maturity more than 3 months but not exceeding 1 year)		-70.00
	Investment in Term Deposits - (Maturity more than 1 year)	105.42	136.18
	Investment in AIF - SRI Fund	-19.45	-8.91
II	Net cash (utilised in)/ generated from Investing Activities	82.69	74.20
	Cash Flow From Financing Activities:		
	Dividend paid for FY 2021-22	-57.08	0.00
	Net Cash (utilised in)/ generated from Financing Activities	-57.08	0.00
III	Net (Decrease)/ Increase in Cash and Cash Equivalents (I+II+III)	23.31	318.98
	Cash and cash equivalents at the beginning of the period	329.48	10.50
	Cash and cash equivalents at end of the period	352.79	329.48

Accompanying notes are integral part of the financial statements.

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]

Place : New Delhi

Date : 28.08.2023

UDIN : 23083417BGXHCJ2856

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-

Vipul Goel

Chairman

[DIN: 10229523]

Sd/-

Saravana Kumar Ananthan

Director & CEO

[Din No.: 9769378]

Sd/-

Rajesh Madan
General Manager

Sd/-

Adarsh Kansal
Chief Manager

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

01.04.2022 TO 31.03.2023

I. Equity Share Capital

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Shares having face value of ₹ 100/-		
Balance at the beginning of the period	600.00	600.00
Changes in equity share capital during the year	0	0
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 the beginning of the period as at 01.04.2022	129.17	0.00	129.17
Profit/(Loss) for the period	303.66	0.00	303.66
Comprehensive Income for the period	0.00	0.00	0.00
Dividend Paid	-57.08		-57.08
As at 31.03.2023	375.75	0.00	375.75
Balance at the beginning of the period as at 01.04.2021	-61.10	0.00	-61.10
Profit/(Loss) for the period	190.27	0.00	190.27
Comprehensive Income for the period	0.00	0.00	0.00
As at 31.03.2022	129.17	0.00	129.17

For Devinder K Jain & Associates
Chartered Accountants
ICAI Firm Registration No.: 007799N

Sd/-
D.K. Jain
Partner
[Membership No. : 083417]
Place : New Delhi
Date : 28.08.2023
UDIN : 23083417BGXHCJ2856

For and on behalf of the Board of Directors
NSIC Venture Capital Fund Limited

Sd/-
Vipul Goel
Chairman
[DIN: 10229523]

Sd/-
Saravana Kumar Ananthan
Director & CEO
[Din No.: 9769378]

Sd/-
Rajesh Madan
General Manager

Sd/-
Adarsh Kansal
Chief Manager

Sd/-
Nishtha Goyal
Company Secretary
[Membership No.: A22768]



NSIC VENTURE CAPITAL FUND LIMITED

Replies to the Final Comments on Annual Financial Accounts for the Financial Year 2022-23

Sl. No.	Comments	Replies
1	COMMENTS OF THE COMPTROLLER AND 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 31 MARCH 2023 The preparation of financial statements of NSIC Venture Capital Fund Limited for the year ended 31 March 2023 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 28 August 2023. 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 31 March 2023 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. 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



Sl. No.	Comments	Replies
2	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) Fund¹ to develop and promote the MSME sector. The Scheme guidelines for SRI Fund 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.	The operating guidelines issued by the Ministry of Micro, Small & Medium Enterprises (MoMSME) on Self Reliant India Fund dated 17th August 2021 states the following:- a) The Mother Fund will be anchored by SPV (having 100% Equity from NSIC which shall be incorporated as a separate legal entity. b) SPV will apply to SEBI for registering the Mother Fund as a Category I or II Alternate Investment Fund (AIF). At the time of registration, it was considered prudent to establish the AIF as a company on account of higher governance, standards applicable to the company compared with a trust or LLP and to avoid separate registration of every subsequent scheme, it was decided to register NVCFL as an AIF. Further, Regulation 12 (1) of Securities Exchange Board of India (SEBI) (AIF) Regulations 2012, empowers AIFs to launch different schemes. Accordingly, NVCFL launched its maiden scheme in the name of Self Reliant India (SRI) Fund under AOP structure, with a view to meet the objectives led down by Government of India (GoI). The Ministry of MSME was aware of the registration process of NVCFL as an AIF and SRI Fund as the first scheme of NVCFL as contribution agreement dated 12th October 2021, was counter signed by Officials of MoMSME. Thus this is deemed to be the approval of MoMSME and as such there is no contravention of operating guidelines issued by the Ministry of Micro, Small & Medium Enterprises (MoMSME).

-
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.



Sl. No.	Comments	Replies
		The aforesaid structure was also in compliance with the SEBI Regulation and was approved by SEBI, (which is the apex body for registration of AIF, established as a statutory body in the year 1992 and the provisions of the Securities and Exchange Board of India Act, 1992 (15 of 1992) came into force on January 30, 1992) at the time of grant of license. It may be noted that SEBI which is the regulatory body for AIF industry, has accepted the PPM of SRI Fund and registered NVCFL as a Category II AIF and SRI as its first scheme of NVCFL.
3	A. Comment on Financial Position Since SRI Fund is a scheme of NSIC Venture Capital Fund Limited (NVCFL, the Company) and is not a separate entity in view of the above facts, all the transactions relating to SRI Fund were required to be included in the financial statements of NVCFL. However, the Company did not include the transactions relating to SRI Fund in its financial statements treating NVCFL and SRI Fund as separate entities. Non-inclusion of the transactions relating to SRI Fund in the books of NVCFL resulted in understatement of assets and liabilities by ₹56,227.42 lakh (₹57,634.08 lakh² minus ₹1,406.66 lakh) each and overstatement of Profits for the year by ₹711.17 lakh³.	Incorporation of SRI Fund as an AOP and registration of NVCFL as a registered AIF are two separate entities. In regard to maintenance of separate books of accounts, as per as AIF Regulation 20(16) of SEBI Act, as amended from time to time, "The Manager and either the trustee or the trustee company or the Board of Directors or designated partner of AIF, as the case may be, shall ensure that the assets and liabilities of each scheme of an AIF are segregated and ring fenced from the other schemes of the Alternate Investment Fund (AIF), and bank accounts and securities account of each scheme are segregated and ring-fenced." It is mandatory that asset & liabilities of each scheme should be segregated and accounted separately since the beneficiary of these Assets of the Scheme is not the AIF itself but the contributors of the Scheme. Thus it is mandatory for SRI

- Balance Sheet total of NVCFL: ₹1,406.66 lakh plus Balance Sheet total of SRI Fund: ₹56,869.46 lakh minus inter-unit adjustments of ₹642.04 lakh i.e. NVCFL's investment in SRI Fund: ₹28.36 lakh and receivables from SRI Fund: ₹613.68 lakh (correspondingly shown as liabilities in the books of SRI Fund).
- Total Revenue of NVCFL and SRI Fund is ₹872.92 lakh and total expenses are ₹1,280.43 lakh after eliminating inter-unit transaction of ₹39.71 lakh. This would turn the profit of ₹303.66 lakh shown in the books of NVCFL into a loss of ₹407.51 lakh.



Sl. No.	Comments	Replies
		Fund to maintain accounts separately from NVCFL, which is a subsidiary of NSIC. Reflecting assets of SRI Fund as asset of NVCFL would be blatantly wrong, as it is not legal or the beneficiary owner of these assets. Further, as mentioned in the SRI Fund Guidelines, SPV i.e. NVCFL charges a Management Fee of 1% on Drawdown Amount, if the books are merged then the impact of Management Fee as an income and expenditure would be nullified, which will not reflect the fair view of the books of accounts. Furthermore, NVCFL is a company and SRI Fund is an AOP with separate PAN & TAN, which cannot be merged. For merger, entity should be a subsidiary of the other entity, SRI Fund is not a subsidiary of NVCFL. Therefore, merger or consolidation of books of accounts of SRI Fund and NVCFL is not possible. In view of the above, as, the merged figures of Assets and Liabilities of NVCFL and SRI Fund will not be reflect true and fair view of books of accounts and will also lead to violation of SEBI guidelines along with making the SRI Fund itself unworkable. The Company has adopted the same accounting treatment as had been adopted in previous year FY 2021-22 In view of the above, there is no understatement of assets and liabilities to the extent of ₹56,227.42 lakh (₹57,634.08 lakh⁴ minus ₹1,406.66 lakh) each and overstatement of Profits for the year by ₹711.17 lakh, due to non-inclusion of Assets and Liabilities of SRI Fund in the Financial Statements of NVCFL

4. Balance Sheet total of NVCFL: ₹1,406.66 lakh plus Balance Sheet total of SRI Fund: ₹56,869.46 lakh minus inter-unit adjustments of ₹642.04 lakh i.e. NVCFL's investment in SRI Fund: ₹28.36 lakh and receivables from SRI Fund: ₹613.68 lakh (correspondingly shown as liabilities in the books of SRI Fund).



Sl. No.	Comments	Replies
4	B. Comment on Independent Auditor's Report Independent Auditor's Report dated 28 August 2023 The impact of the above comment on the Profit of ₹303.66 lakh as depicted in the Statement of Profit and Loss of the Company, works out to 234.20 per cent ($711.17/303.66 \times 100$) and would lead the profit to turn into a loss amounting to ₹407.51 lakh. Further, the assets/liabilities are understated to the extent of ₹56,227.42 lakh which is approx. four thousand percent ($56,227.42/1,406.66 \times 100$) of the amount of assets/liabilities depicted in the Balance Sheet of the Company. Hence, the Financial Statements of the Company do not present a "true and fair view" and it was not proper on the part of the Independent Auditor to have provided the assurance that Financial Statements presented a "true and fair view".	NVCFL and SRI Fund are required to be treated as two distinct entities and their respective assets, liabilities, income and expenditure have to be accounted separately. 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. It may be noted that this structure was implemented by NVCFL upon written professional opinion from multiple advisors in previous year which had been shared by the Company with CAG also during the audit process for FY 2021-22. The accounting treatment adopted for FY 2022-23 is consistent with previous year FY 2021-22. 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.



Sl. No.	Comments	Replies
		Hence, the financial statements of the Company represent “true and fair view” Further, in respect of the above, it is stated that the matter is under postulation with as clarification has been sought from SEBI w.r.t. structure of the fund, a continuous follow up is being done with SEBI vide email dated 07.03.2023, 20.03.2023, 30.05.2023, 01.08.2023 and meeting held with SEBI on 01.09.2023, which was again followed by a reminder letter dated 05.09.2023, 05.10.2023 and 14.11.2023, the reply from SEBI is awaited till date.
	For and on behalf of the Comptroller and Auditor General of India Sd/- Sanjay K. Jha Director General of Audit (Industry & Corporate Affairs) Place: New Delhi Date: 09th November, 2023	For and on behalf of The NSIC Venture Capital Fund Limited Sd/- Vipul Goel (Chairman) Place: New Delhi Date: 11th December, 2023



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/3rd AGM/2023

Dated: 11th December, 2023

NOTICE

Notice is hereby given that the 3rd Annual General Meeting (AGM) of NSIC Venture Capital Fund Limited (NVCFL or “the Company”) will be held on 11th December, 2023, at 3.00 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 March 31, 2023 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, 2023.
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 2023-24 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 2023-24.”

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution(s):

4. **Regularization of Additional Director, Shri Vipul Goel, (DIN– 10229523) 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 Vipul Goel, (DIN– 10229523) who was appointed as an Additional Director w.e.f. 6th July, 2023, be and is hereby appointed as Director of the Company.”

5. **Regularization of Additional Director, Shri Gaurav Gulati (DIN No. 10144109) 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 Gaurav Gulati (DIN No. 10144109) who was appointed as an Additional Director w.e.f. 14th June, 2023 be and is hereby appointed as Director of the Company.”

By Order of the Board of Directors

Place: New Delhi
Date: 11th December, 2023

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 CMD, NSIC as Chairman of NVCFL. The Government of India, Ministry of MSME vide letter K-01/13/2021 – SME dated 30th June, 2023 has assigned the additional charge of the post of Chairman-cum-Managing Director, NSIC to Shri Vipul Goel, Joint Secretary (M/o MSME).

Accordingly, Shri Vipul Goel was appointed as an Additional Director w.e.f. 6th July, 2023 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 Vipul Goel as Director may be considered by the shareholders at this AGM.

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 Vipul Goel is 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 with one NSIC nominated Director. NSIC has nominated Shri Gaurav Gulati as Director, NVCFL. Accordingly, he was appointed as an Additional Director w.e.f. 14th June, 2023 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 Gaurav Gulati as Director may be considered by the shareholders at this AGM.

None of the Directors, Key Managerial Personnel and/or their relatives, except Shri Gaurav Gulati 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 Gaurav Gulati 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
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	GORAKHPUR	NSIC Limited, Sub Branch Office DIC Campus, Gorakhnath Industrial Estate, Gorakhpur-273015	7524043999	sogorakhpur@nsic.co.in
9	VARANASI	NSIC Limited, Sub-Branch Office Mansarovar Complex, C-30/35-B, 2 nd Floor, Malldhaiya, Varanasi-221001	542-2370223 Fax-0542-2370223	bovaranasi@nsic.co.in
10	ALIGARH	Sub Branch Office NSIC Technical Services Centre, A-1 Industrial Estate Aligarh, Uttar Pradesh Pincode -202001	8755170888	soaligarh@nsic.co.in
11	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
12	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
13	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

S. NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
14	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
15	AMBALA	Sub Branch Officer AMBALA (HARYANA) Pincode -	Shri Sanjeevji 9415395089	-
16	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
17	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
18	GURGAON	NSIC Limited, Branch Office Plot No 69, 1 st Floor, IDC, Sector-16, MG Road, Gurugram-122001	0124-2308913	bogur@nsic.co.in
19	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
20	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
21	SOUTH-I ZONAL OFFICE	NSIC Limited, Branch Office No. 25, 1st Main Road, KSSIDC Industrial Estate, 6 th Block Rajajinagar, Bangalore-560010	080-23109059, 23307791, 23147858 Fax-080-23300070	zgmsouth1@nsic.co.in
22	BENGALURU	NSIC Limited, Branch Office No. 25, 1st Main Road, KSSIDC Industrial Estate, 6 th Block Rajajinagar, Bangalore-560010	080-23109059, 23307791, 23147858	boban@nsic.co.in
23	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
24	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
25	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
26	THRISSUR	Sub Branch Office NSIC Ltd. (opposite to ayyanthole post office) ayyanthole, Thrissur-680003	9895571743	jjchalakkal@nsi.co.in

S. NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
27	SOUTH –II ZONAL OFFICE	NSIC Limited, 201, 203, Sri Dattasai Complex, RTC Cross Roads, Hyderabad-500020	040-27615761, 27622097 Fax-040-27617777	zgmsouth2@nsic.co.in
28	HYDERABAD	NSIC Limited, Branch Office 301, 303, Sri Dattasai Complex, RTC Cross Roads, Hyderabad-500020	040-27615764, 27615761, 27622097 Fax-040-27617777	bohdy@nsic.co.in
29	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
30	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
31	VISAKHAPATNAM	NSIC Limited, Branch Office D.No. 32-6-1/13/49, Flat No. 107 1st Floor, MBR Land Mark Sheela Nagar, Visakhapatnam-530012	0891-2768554, 2758554	visakhapatnam@nsic.co.in
32	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
33	CHENNAI	NSIC Limited, Branch Office Module No. 205, NSIC – Software Technology Business Park, Guindy Industrial Estate, Ekkattuthangal, Chennai – 600 032.	044-28293347, 28294541 Fax-044-28295791, 28293347	bochen@nsic.co.in
34	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
35	PUDUCHERRY	Administrative Building Industrial Estate, Thattanchavady, Puducherry-605009	0413-2248970, 2248940 Fax-0413-2248970	boapon@nsic.co.in
36	COIMBATORE	NSIC Limited, Branch Office 1055/10, Gowtham centre, Avanashi Road, Coimbatore-641018	0422-2244618, 2247757 Fax-0422-2247764	bocomb@nsic.co.in
37	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
38	EAST-I ZONAL OFFICE	NSIC Limited, Branch Office Plot No. 7/7 & 7/8, Block –CP, Sector –V, Salt Lake, Kolkata-700091 (West Bengal)	033-22480015 Fax-033-22487359	zgmeast@nsic.co.in
39	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

S. NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
40	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
41	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
42	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-700087	033-22522232	lrcellkol@nsic.co.in
43	EAST-II ZONE ZONAL OFFICE	NSIC Limited 304-B, 3 rd Floor, NSIC-IMDC Dharampad Bhavan, IDCO Plot no. 6 Block-D, Mancheswar Industrial Estate, Bhubaneswar Pincode -751010	0674-2548875, 6510189 Fax-0674-2549780	zgmeast2@nsic.co.in
44	BHUBANESWAR (BO)	NSIC Limited, Branch Office Module No. 204, 2nd Floor, NSIC- IMDC, Dharampad Bhavan, IDCO Plot No. 6 Block-D, Mancheswar Industrial Estate, Bhubaneswar Pincode -751010	0674-2548875, 2549781	bobhubaneswar@nsic.co.in
45	ROURKELA	NSIC Limited, Branch Office Plot No. JJJ-16, Civil Township, Rourkela-769004	0661-2665059 Fax-0661-2664559	rourkela@nsic.co.in
46	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
47	RANCHI	NSIC Limited, Branch Office Udyog Bhawan, Industrial Area Kokar, Ranchi-834001	0651-2543921	nsshoranchi@nsic.co.in
48	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
49	IMDC BHUBANESWAR	IDCO Plot No.6, Block D, Macheswar Industrial Estate, Bhubaneswar-751010	0674-2548875	imdcbbbsr@nsic.co.in
50	NORTH EAST ZONAL OFFICE	NSIC Limited, Bye Lane No.3, Industrial Estate Bamunimaidam, Guwahati-781021	0361-2960635, 2730219 Fax-0361-2558948	zgmne@nsic.co.in
51	GUWAHATI	NSIC Limited, Branch Office (Including Training Center) Bye Lane No.3, Industrial Estate Bamunimaidam, Guwahati-781021	0361-2960631 Fax-0361-2657948	bogwh@nsic.co.in

S. NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
52	IMPHAL	Sub Branch Uripok Achom Leikai, Imphal-795001 (Manipur)	0385-2414270 08794362325	libetombidevi@nsic.co.in
53	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
54	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
55	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
56	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
57	PUNE	NSIC Limited, Branch Office 211/212, 2 nd Floor, Times Square Building,, Pune-Satara Road, Near Saibaba Mandir Pune-411037	020-24273800/ 48620207 Fax-020-24440546	bopune@nsic.co.n
58	AURANGABAD	NSIC Limited, Branch Office P/15, Massia, More Chowk, MIDC Waluj, Aurangabad-431136	0240-2552300 Fax-0240-2563799	boaurangabad@nsic.co.in
59	RAIPUR	NSIC Limited, Branch Office 204, IInd Floor, Block-A, Crystal Arcade, Near Lodhipara Chowk, Shankar Nagar, Raipur-492007	0771-4035388, 4006070	boraipur@nsic.co.in
60	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
61	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
62	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
63	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

S. NO.	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
64	INDORE	NSIC Limited, Branch Office 10, Polo Ground Industrial Estate, Indore-452015	0731-2424408, 2424409, 2422248 Fax-0731-2421566	boindore@nsic.co.in
65	BHOPAL	NSIC Limited, Branch Office 110, Malviya Nagar, 1 st Floor, Bhopal-462003	0755-2766205, 4295152, 2766205 Fax-0755-2553183	bobpl@nsic.co.in
66	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
67	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
68	KOTA	NSIC Limited, Sub-Branch Office SSI Association, Purushartha Bhawan, IPIA, Road No. 5, Kota-324005	0744-2426104	sokota@nsic.co.in
69	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
70	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
71	HOWRAH	NSIC Technical Service Centre Japanigate, Balitikuri, Howrah-711113	033-26530304, 26532962, 26534280 Fax-033-26531314	ntschow@nsic.co.in
72	OKHLA	NSIC Technical Services Centre Okhla Industrial Estate, New Delhi-110020	011-26826801, 26826847, 26826846 Fax-011-26826783	ntscok@nsic.co.in
73	HYDERABAD	NSIC Technical Services Centre Kamalanagar, ECIL Post, Hyderabad-500062	040-27121422, 27126646, 27134025, 27124597 Fax-040-27122303	ntschy@nsic.co.in
74	HYDERABAD (TSC) (BO)	NSIC Technical Services Centre, Kamalanagar, ECIL Post, Hyderabad Pincode -500062	040-27121422, 27126646, 27134025, 27124597 Fax- 040-27122303	-
75	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
76	RAJPURA	NSIC Technical Services Centre (Including LBI) D-82/83, Focal Point, Rajpura-140401	01762-232669 Fax-01762-232669	ntsec.rjp@nsic.co.in
77	ALIGARH	NSIC Technical Services Centre A-1 Industrial Estate Aligarh-202001	0571-2403552	ntsecalig@nsic.co.in
78	NEEMKA	NSIC Technical Services Centre (Including LBI) Tigoan Road, Neemka, Faridabad-121004	0129-2401101	ntscneemka@nsic.co.in
79	DINDIGUL	NSIC Technical Services Centre Shed 27, 29 & 30 SIDCO, Industrial Estate, Dindigul-624003 (Tamilnadu)	0451-2911165	ntscche@nsic.co.in
80	MANDI (TC)	# 210/12, Ramnagar (Palgharat) Mandi-175001	01905-226471	nsic.mandi@gmail.com
81	DEORIA (TC)	Plot No. 18, Sonda Mauja, Near Mandi Samiti, Deoria-274001	05568-651120	ticdeoria@nsic.co.in
82	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
83	NAWADA (LBI)	Plot No. 1619, Gurudev Nagar, Near Govt. ITI, Gonava Road Nawada, Bihar-805130	06324-8539038073	lbinawada@nsic.co.in

S. NO	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
84	NAINI-LBI	LBI-Naini, Industrial Estate Udyog Nagar, Naini Allahabad	0532-2697218, 2697050	bonaini@nsic.co.in
85	ROURKELA-LBI	NSIC-Livelihood Business Incubation Centre, Sector- 15, Rourkela, Odisha Pincode -769003	0661-2913931	lbiourkela@nsic.co.in

NATIONAL SC-ST HUB OFFICES (NSSHOS)

S. NO	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
86	SURAT (NSSH)	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
87	AGRA (NSSH)	Unit No-202, Second Floor, Sector-12 A, Padam Business Park, Awas Vikas, Sikandra Yojana, Agra-282007	0562-2603131	nsshogra@nsic.co.in
88	BHUBANESWAR (NSSH)	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
89	BENGALURU (NSSH)	No.6&7, ISICOS Building West of Chord Road Rajaji Nagar, Industrial Town, Bangalore-560044	080-23147791, 29777790	nsshoban@nsic.co.in
90	CHENNAI (NSSH)	MSME-DI Campus, No.65/1, GST Road, Guindy, Chennai, Tamilnadu-600032	044-48631200	nsshochen@nsic.co.in
91	GUWAHATI (NSSH)	Industrial Estate, Bye Lane No. 3, Bamunimaidam, Guwahati-781021	0361-2558947	nsshogwh@nsic.co.in
92	HYDERABAD (NSSH)	NSIC Technical Services Centre Electronic Complex Kamalanagar, Hyderabad-50062	040-29559801	nsshohyd@nsic.co.in
93	JALAUN (NSSH)	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	-
94	KOLKATA (NSSH)	Plot No. 7/7 & 7/8, Block –CP Salt Lake, Sector –V, Kolkata-700091 (West Bengal)	033-23672001, 29861253	nsshokol@nsic.co.in
95	LUCKNOW (NSSH)	503, Sri Ram Tower 5 th Floor, 13, Ashok Marg, Lucknow-226001	0522-2288589, 2288803	nssholucknow@nsic.co.in
96	LUDHIANA (NSSH)	1 st Floor, Frontier Tower G.T. Road, Miller Ganj (Near Fire Brigade Office), Ludhiana-141003	0161-4100939	nssholudh@nsic.co.in

S. NO	NSIC OFFICE	ADDRESS	PHONE/FAX	EMAIL ID
97	MUMBAI (NSSH)	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
98	PUNE (NSSH)	213, 2 nd Floor, Pune-Satara Road Near Sai Baba Temple, Swargate, Pune-411037	020-48620209	nsshopune@nsic.co.in
99	SINDHUDURG (NSSH)	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	8329414955 9673511537	nsshosindhudurg@nsic. co.in
100	HYDERABAD (MBP)	Module No. 207, Kamalanagar ECIL Post, Hyderabad-500062	040-27141422, 27125802	emdbphyd@nsic.co.in
101	STBP CHENNAI (MBP)	B-24, Guindy Industrial Estate Ekkaduthangal, Chennai-600032	044-22250444, 22250445 Fax-044-22250343	stpchennai@nsic.co.in
102	NSIC BUSINESS PARK	NSIC Business Park, Okhla Industrial Estate, New Delhi Pincode -110020	011-26926275	-

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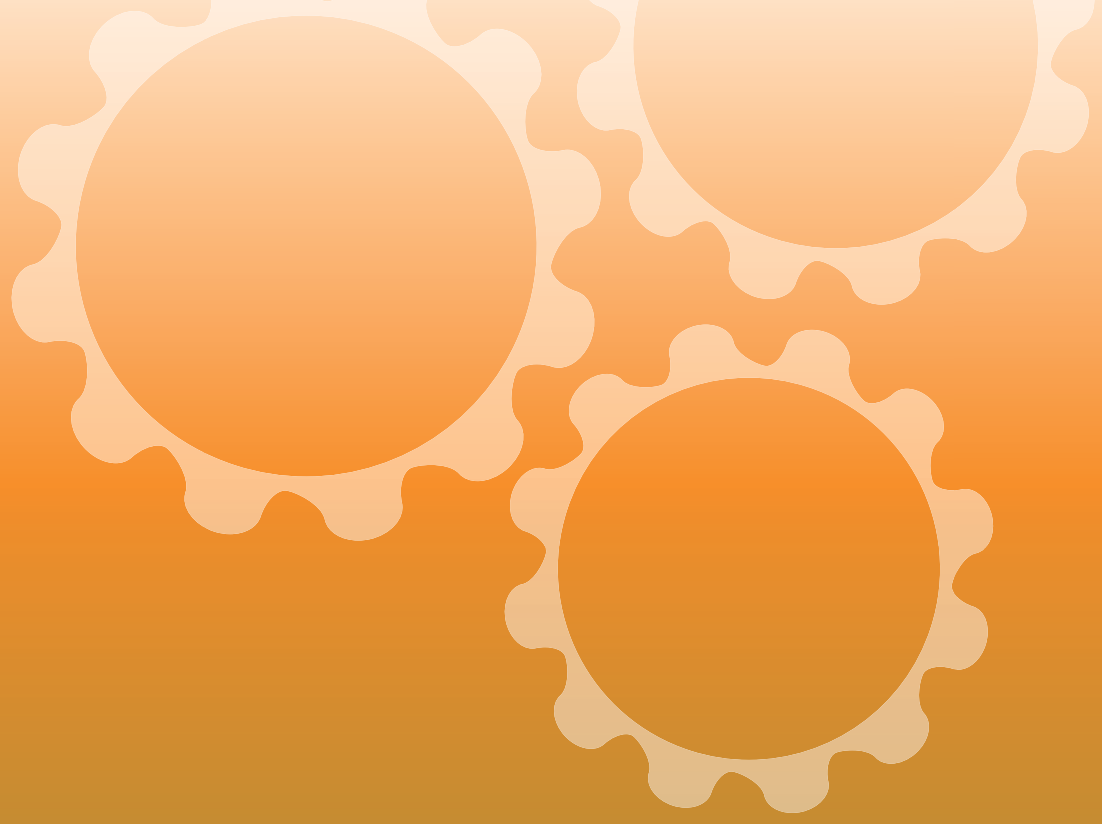


Vision

*To catalyze growth
of MSMEs through equity
or quasi-equity investment 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.*



The National Small Industries Corporation Ltd

NSIC Bhawan, Okhla Industrial Estate, New Delhi - 110 020

Tel.: 011-26926275, Website: www.nsic.co.in