

INDEPENDENT AUDITORS' REPORT

To

The Members of The National Small Industries Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **The National Small Industries Corporation Limited**, which comprises of the Balance Sheet as at **31st March, 2016**, the Statement of Profit and Loss(Consolidated), the Cash Flow Statement, the Statement of Profit and Loss (Commercial) and the Statement of Income and Expenditure (Promotional)for the year then ended, and a summary of significant accounting policies and other explanatory information of the Corporation, in which are incorporated financial statements of Head Office & one technical center audited by us and remaining branch offices & technical centers audited by other auditors appointed by Comptroller & Auditor General of India.

Management's Responsibility for the Financial Statements

The Corporation's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the preparation of the Act for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Corporation's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Corporation as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Note - 35 to the financial statements:

- a) Para-1 which, describes that the balances of Trade Receivables, Loans and advances, Trade payables, Deposits/ Earnest Money, Borrowers etc. are subject to confirmation/reconciliation in few cases and consequential adjustments, if any.
- b) Para -10 regarding ad-hoc provision on account of Performance Related Pay (PRP) for the year 2015-2016 amounting to Rs.749lakhs (Previous year Rs. 625.00 lakhs)
- c) Para-5 regarding detection of forged bank guarantees received from the parties under Raw Material Assistance (RMA) Scheme. The matter has been referred to Central Bureau of Investigation (CBI) for further Investigation.

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

Other Matter

We did not audit the financial statements/information of 74 Branch Offices and Technical Centers included in the financial statements of the Corporation whose financial statements / financial information reflect total assets of Rs. 345542.06 lakhs as at 31st March, 2016 and total revenues of Rs.260837.02 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 branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matter specified in paragraph 3 and 4 of the order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- a. We have sought and 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 and technical centers not visited by us.
 - c. The reports on the accounts of the branch offices and technical centers 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 (Consolidated), the Statement of Profit and Loss (Commercial) and the statement of Income and Expenditure Account (Promotional) the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the Branches and Technical Centers not visited by us.
 - e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 164(2) of the Act shall not apply to the Corporation, being a Government of India Enterprise in view of notification [F.No. 1/2/2014-CL-V] dated 5th June, 2015 of Ministry of Corporate Affairs.
 - 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"
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 and 35 to the financial statements;
 - ii. The Corporation did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Corporation.
3. With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India u/s 143(5) of Companies Act, 2013 for the year ended 31st March 2016 on accounts of Head office Okhla and NTSC-Okhla, refer to our separate Report in "Annexure C".

For K. G. Somani & Co.
Chartered Accountants
Firm's Regn. No: 006591N

(CA. Bhuvnesh Maheshwari)
Partner

Place: - New Delhi
Date: 7th July, 2016 M.No: 088155

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in our Report of even date on the Accounts of The National Small Industries Corporation Limited for the year ended on 31st March 2016.

- (i) (a) The Corporation has maintained proper records showing full particulars including quantitative details and situation of the fixed assets

(b) The management during the year has physically verified all the assets and there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Corporation and the nature of its assets. No material discrepancies were noticed on such verification. As regards fixed assets on lease, we have been informed that there has been a system of physical verification in case of default cases & in respect of others; verification is done, if necessary. We have been informed that no serious discrepancy have been noticed on such physical verification.

- (c) According to the information & explanations given to us and on the basis of our examination of the records of the corporation, the title deeds of the following immovable properties are not held in the name of the corporation:

(Rs. in Lakhs)				
S.no	Particulars of the property	Area	As at 31/03/2016	As at 31/03/2015
1	Land at Technical Centre Howrah	49.94 acres	1.60	1.60
2	Land & Building at branch office Coimbatore	11049.17sqft	11.24*	11.49*
3	Flats atBO Mumbai	3660 sqft.	6.25*	6.25*

*Figures are written down value as on date.

- (ii) As informed to us, in respect of finished goods, raw materials, store and spare parts, physical verification has been carried out during the year or at the end of year by management. In our opinion, frequency of verification is reasonable.No material discrepancies are noticed on such verification.
- (iii) According to the information and explanations given to us, the Corporation has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. Accordingly, the paragraphs 3(iii) (a) and (b) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us during the course of audit, the Corporation has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investment of the corporation. Further, the corporation has not granted any loans and has not given any guarantees and security under the provision of section 185 of the companies Act, 2013; thereby the provision of the said section is not applicable to the corporation.

- (v) According to the information and explanations given to us, the corporation has not accepted any deposits from the public during the year within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Therefore, the provision of clause 3 (v) of the Order is not applicable to the Corporation.
- (vi) As per the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government, under section 148(l) of the Companies Act, 2013, for any product of the Corporation.
- (vii) (a) The Corporation is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of above statutory dues outstanding on 31st March, 2016 for a period of more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Excise Duty, Service Tax, Value added Tax, Cess, which have not been deposited on account of any dispute in various offices, of the Corporation as a whole as on 31st March, 2016, except the followings:

S. No.	Name of Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which the amount relates	Forum where the Dispute is Pending
1.	Commercial Tax Act	Commercial Act	15.01	2012-13 & 2013-14	Joint Comm., Commercial Tax, Cuttack, (Bhubaneswar) Orissa,
2.	Sales Tax Act	Central Sales Tax	2.10	1990-91	CTO, Gandhi Nagar Circle, Hyderabad
3.	Sales Tax Act	Central Sales Tax	4.14	1993-94	CTO, Gandhi Nagar Circle, Hyderabad
4.	Sales Tax Act	Central Sales Tax	15.62	2000-01	CTO, Gandhi Nagar Circle, Hyderabad
5.	Sales Tax Act	Central Sales Tax	368.49	2012-13 & 2013-14	Joint Commissioner, Sales Tax, BBSR.
6.	Sales Tax Act	Central Sales Tax	2.80	1993-94	CTO, Gandhi Nagar Circle, Hyderabad
7.	CST Act, 1956	Central Sales Tax	0.50	2009-10	Appellate Deputy Commissioner CT (III), Chennai
8.	CST Act, 1956	Central Sales Tax	1.24	2010-11	Appellate Deputy Commissioner CT (III), Chennai
9.	CST Act, 1956	Central Sales Tax	0.56	2011-12	Appellate Deputy Commissioner CT (III), Chennai
10.	Service Tax	Service Tax	3.29	2009-10	The Commissioner of Service Tax, Chennai

11.	Service Tax	Service Tax	1.42	2005-06 to 2009-10	Commissioner of Central excise (Appeals) Madurai
12.	Service Tax	Service Tax	9.56	2014-15	Commissioner of Central Excise(Appeals), Kanpur
13.	CST Act, 1956	DVAT	147.50	2010-11	The Dept. of Trade and Taxes , Govt. of NCT of Delhi, Delhi
14.	Income Tax Act	Income Tax penalty	200.10	1980-81	ITAT, New Delhi
15.	Income Tax Act	Income Tax regular demand	32.93	2012-13	ITAT, New Delhi
16.	Income Tax Act	Income Tax regular demand	37.61	2013-14	CIT (Appeals) – IX, New Delhi
	Total		842.87		

- (viii) Based on our Audit procedures and according to the information and explanations given to us, we are of the opinion that the Corporation has not defaulted in repayment of dues to a financial institutions, banks or Government. Corporation has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the corporation has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no fraud by the corporation or any fraud on the corporation by its officers or employees has been noticed or reported during the year *(except the case referred in Para-5 of Note 35 regarding detection of forged bank guarantees received during the period 28.03.2016 to 27.05.2016 from the parties under raw material assistance scheme. Loans & advances outstanding as on 31st March 2016 Rs. 207.10 lakhs (net of adjusting the amount received in June 2016) against the forged bank guarantees has been considered as doubtful and 100% provision has been made. The matter has been referred to CBI for further investigation.)*
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the corporation is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Corporation.
- (xiii) In terms of the information and explanations sought by us and given by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that there are no transactions with the related parties except remuneration paid to key management personnel. The details of which have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the corporation has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, we state that the Corporation has not entered into non- cash transactions with directors or persons connected with him. Therefore clause 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Corporation.
- (xvi) The corporation is registered under section 45-IA of the Reserve Bank of India Act 1934, the Corporation has been granted Certificate of Registration no. N.14.03090 dated 29.12.2005 to carry on the business of a non-banking financial company.

For K. G. Somani & Co.
Chartered Accountants
Firm's Regn.No:006591N

(CA Bhuvnesh Maheshwari)
Partner
M.No: 088155

Place: New Delhi
Date: 07th July, 2016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED.

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

We have audited the internal financial controls over financial reporting of **THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED**("the Corporation")as of March 31, 2016 in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Corporation's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Corporation's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Corporation's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Corporation's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Corporation's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Corporation are being made only in accordance with authorisations of management and directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Corporation 's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Corporation has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on, "the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India."

However, internal control needs further strengthening in respect of Implementation of risk management and systems to ensure continued implementation of Corporation's risk management policy and strategy and documentation thereof, critical review and refresh process on an ongoing basis. Moreover, to avoid any manual intervention in the preparation and reporting of financials, an integrated accounting package needs to be implemented.

Emphasis of matter

- (i) At Branch office Madurai, certain assistance was provided to the units in excess of delegation of power and beyond the sanctioned limits which led to an unsecured exposure of approx. Rs.510 lakhs. 100% provision of Rs 373.28 lakhs has been made as on 31.03.2016 against the outstanding balance (Net of adjusting the amount received).
- (ii) In the month of June 2016, a case regarding detection of forged bank guarantees received during the period 28.03.2016 to 27.05.2016 from the parties under raw material assistance scheme has been reported. This matter has been referred to Central Bureau of Investigation (CBI) for further investigation.(For details refer Para-5 of Note 35)

For K. G. Somani & Co.
Chartered Accountants
Firm's Regn. No: 006591N

Place: - New Delhi
Date: 7th July, 2016

(CA. Bhuvnesh Maheshwari)
Partner
M.No: 088155

Annexure C

**The Comptroller & Auditor General Of India,
Office of the Comptroller & Auditor General,
New Delhi-110002.**

Date:7th July, 2016

Ref: THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

**SUB:- REPORT PERSUANT TO DIRECTIONS ISSUED U/S 143(5) OF COMPANIES ACT, 2013
FOR THE YEAR ENDED 31ST MARCH, 2016 IN RESPECT OF HEAD OFFICE AT OKHLA
AND NTSC- OKHLA**

Dear Sir/Madam,

Please find enclosed compliance certificate and report u/s 143(5) of the Companies Act, 2013 based on the directions indicating the areas to be examined during the course of audit of annual accounts of National Small Industries Corporation Limited for the year 2015-16.

We hope you will find the above said report in order.

Thanking you,

Yours Sincerely,

For K. G. Somani & Co.
Chartered Accountants
Firm's Regn.No:006591N

(CA. Bhuvnesh Maheshwari)
Partner
M.No: 088155

CC to: 1) The National Small Industries Corporation Ltd., NSIC Bhawan, New Delhi-110020
2) Indian Audit & Accounts Department, Office of the Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-1

REPORT ON DIRECTIONS ISSUED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013 IN RESPECT OF ACCOUNTS OF HEAD OFFICE AND NTSC OKHLA, NEW DELHI FOR THE YEAR ENDED 31ST MARCH, 2016.

Sl. No.	Information desired	Status
1.	Whether the company has clear title /lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for the which title/lease deeds are not available ?	According to the information and explanations given to us and on the basis of our examination of the records of the corporation, freehold and leasehold land as shown in the books of account of Head Office and NTSC-Okhla has clear title/lease deeds respectively.
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	During the year 2015-16, no debts/loans/interest etc. have been waived /written off at Head Office and NTSC Okhla.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. or other authorities.	As on 31.03.2016, there are no inventories lying with third parties pertaining to Head office and NTSC-Okhla. According to the information and explanations given to us and on the basis of our examination of the records of the corporation, the corporation has not received any assets as gift/grant(s) from the Govt. or other authorities. However, the Corporation has acquired assets out of the Govt. grants during the year for which proper records have been maintained.

Yours Sincerely,

For K. G. Somani & Co.
Chartered Accountants
Firm's Regn.No:006591N

Place: - New Delhi
Date: 7th July, 2016

(CA. Bhuvnesh Maheshwari)
Partner
M.No: 088155

Compliance Certificate

We have conducted the audit of accounts of The National Small Industries Corporation Limited for the year ended 31st March 2016 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 K. G. Somani & Co.
Chartered Accountants
Firm's Regn. No: 006591N

Place: - New Delhi
Date: 7th July, 2016

(CA. Bhuvnesh Maheshwari)
Partner
M.No: 088155

Statutory Auditors' Certificate (SAC)

We have examined the books of accounts and other records of The National Small Industries Corporation Limited for the Financial Year ending March 31, 2016. On the basis of the information submitted to us, we certify the following:

Sl.	Particulars	Details
1	Name of the company	The National Small Industries Corporation Limited
2	Certificate of Registration No.	N.14.03090
3	Registered office Address	NSIC Bhawan, Okhla Industrial Estate, New Delhi – 110020.
4	Corporate office Address	- Same as above -
5	The company has been classified by RBI as: (Investment Company / Loan Company / AFC / NBFC-MFI / NBFC- Factor / IFC / IDF- NBFC)	Loan Company
6	NetOwnedFund (in `Crore) (Calculation of the same is given in the Annex)	Rs. 679.61
7	TotalAssets (in `Crore)	Rs. 3553.19
8	Asset-Income pattern: (in terms of RBI Press Release 1998- 99/1269 dated April 8, 1999) a) % of Financial Assets to TotalAssets b) % of Financial Income to GrossIncome (NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below)	 90 % 96 %

9	Whether the company was holding any Public Deposits, as on March 31, 2016 _____? 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 terms of Sec 45-IC of the RBI Act, 1934).	NA - As NSIC is a Government of India Enterprise.
11	Has the company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI?	No
12	If the company is classified as an NBFC- Factor; a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	NA
13	If the company is classified as an NBFC- MFI; % of Qualifying Assets to Net Assets (refer to Notification DNBS.PD.No.234 CGM(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	No

Required prior approval from RBI? <i>(Please refer to per DNBR (PD) CC. No.065/03.10.001/2015-16 dated July 09, 2015 on the subject for details)</i>	
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In terms of paragraph 2 of Notification No. DNBS.201/DG (VL)-2008 dated September 18, 2008, a separate report to the Board of Directors of the company has been made.

We have read and understood paragraph 5 of Notification No. DNBS.201/DG (VL)-2008 dated September 18, 2008.

For K. G. Somani & Co.
Chartered Accountants
Firm's Regn.No:006591N

Place: - New Delhi
Date: 7th July, 2016

(CA. Bhuvnesh Maheshwari)
Partner
M.No: 088155

Annexure

	Capital Funds - Tier I	<i>(` In crore)</i>
1.	Paid up Equity Capital	532.99
2.	Pref. shares to be compulsorily converted into equity	
3.	Free Reserves:	
	a. General Reserve	
	b. Share Premium	
	c. Capital Reserves	
	d. Debenture Redemption Reserve	
	e. Capital Redemption Reserve	
	f. Credit Balance in P&L Account	200.53
	g. Other free reserves (may be specified)	
4.	Special Reserves	
	Total of 1 to 4	733.52
5.	Less: i. Accumulated balance of loss	
	ii. Deferred Revenue Expenditure	
	ii. Deferred Tax Assets (Net)	52.28
	iii. Other intangible Assets	1.63
	Owned Fund	679.61
6.	Investment in shares of	
	(i) Companies in the same group	
	(ii) Subsidiaries	
	(iii) Wholly Owned Subsidiaries	
	(iv) Other NBFCs	
7.	Book value of debentures, bonds outstanding loans and advances, bills purchased and is counted (including H.P. and lease finance) made to, and deposits with	
	(i) Companies in the same group	
	(ii) Subsidiaries	
	(iii) Wholly Owned Subsidiaries/Joint Ventures Abroad	
8.	Total of 6 and 7	0
9.	Amount in item 8 in excess of 10% of Owned Fund	0
10	Net Owned Fund	679.61

SIGNIFICANT ACCOUNTING POLICIES OF THE CORPORATION
FOR THE FINANCIAL YEAR 2015-16.

Attached to and forming an integral part of Financial Statements for the year ended 31st March'2016

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared on accrual basis of accounting unless otherwise stated, under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act'2013 including accounting standards notified there under.

2. USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions, which affect the reported amount of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known and/ or materialized.

3. INVESTMENTS

Investments are classified into current and non-current investments. Current Investments are stated at lower of cost or market value on an individual investment basis. Non-current investments are stated at cost and provision for diminution in value is made for each investment individually only if such decline is other than temporary in the opinion of the management.

4. VALUATION OF INVENTORIES

(i) At cost or net realizable value whichever is lower.

- a) Stores, pattern, moulds, tools, measuring instruments and goods in transit.
- b) Stock of finished goods, finished components, work in progress and stores in NSIC technical service centers.
- c) Stock of finished goods pertaining to commercial activities.
- d) Stock of repossessed / seized / surrendered machines under hire purchase (HP) and composite term loan (CTL).
- e) Stock of repossessed / seized / surrendered machines under equipment leasing where assets given on or after 01.04.2001.
- f) Obsolete and unserviceable assets
- g) Land & Building and Sheds, etc in the nature of stock in trade.

(ii) At Cost

Stock of stationery and miscellaneous items.

5. FIXED ASSETS AND CAPITAL WORK-IN-PROGRESS

- (i) **Leased assets and seized leased assets out of leased assets acquired up to 31st March'2001:** are stated at historical cost, net of accumulated balance of depreciation and lease terminal adjustment.
- (ii) **Other than leased assets and seized leased assets out of leased assets:** are stated at

their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets less accumulated depreciation.

- (iii) Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.
- (iv) Projects under commissioning / installations and other capital work-in-progress are carried at cost comprising direct cost, related incidental expenses, interest on borrowings there against and administration & general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use, are identified and allocated on a systematic basis to the cost of related assets.
- (v) Deposit work contracts are accounted for on the basis of statements of account received from the contractors.

6. DEPRECIATION

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

Depreciation is provided on prorata basis 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.

(ii) Fixed assets other than leased assets and seized leased assets out of leased assets

- a) Depreciation on fixed assets purchased out of Government grants is charged on straight-line method as per useful lives specified in part C to schedule II of the Companies Act, 2013. It is charged to 'Capital Reserve' by way of reducing net value of fixed assets. The capital reserve is created at the time of purchase of fixed assets out of grants received with the purchase cost.
- b) Lease hold land is amortized over the leased period.
- c) Intangible Assets are amortized over a period of 5 years.
- d) Mobile phone Instruments costing ₹ 0.05 lac and above, are amortized over a period of 3 years.
- e) Assets which are not covered by Para 6 (ii) (a), (b), (c) & (d) above, are depreciated on prorata basis from the day the assets are put to use at straight line method as per the useful life prescribed in part C to schedule II of the Companies Act.

7. TRADE RECEIVABLES

- (i) The hirers/lessees are treated as receivables to the extent of hire purchase/lease installments already fallen due. Un-accrued principal amount of defaulted hire purchase accounts / un-accrued principal amount of defaulted lease installments (in respect of assets leased from 01.04.2001) where machines are repossessed / seized / surrendered are also included in the trade receivables.

- (ii) Trade receivables are treated as 'Secured' to the extent of the securities available by way of any of the following - market value/ WDV/ committed value (in respect of legal/seized cases) of assets financed (identified & lying in possession of the unit/Corporation), any advance received from the unit, EMD, seized machines, consideration money, terms of agreement, advance installment/ rental, advance received from hirer / advance against purchase of machine or any other tangible security/ amount owes by the Corporation to the units including transactions under back-to-back arrangement. It shall also include all securities obtained from the units as per the term of sanction of assistance. The amounts not covered by above are treated as 'Unsecured'.

8. **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

- (i) The provisions for doubtful receivables and loans & advances (net of interest suspense account) of financing schemes and of Technical Centers/STPs have been made as per the norms prescribed by the Board of Directors as annexed herewith.
- (ii) Provisions (if required) on Receivables and Loans & Advances from Central Government / State Governments / Government Institutions / Government Companies and other Central / State Government departments / bodies, is made wherever considered appropriate by the management.
- (iii) No provision for doubtful receivables in respect of 'Receivables' under Export and Marketing Scheme is made to the extent the amount appears under 'Payable' for supplies pertaining to the same transaction under back-to-back arrangement with suppliers.
- (iv) Contingent liabilities are disclosed based on the judgment of the management/independent expert. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent Assets are neither recognized nor disclosed in the financial statements.

9. **FOREIGN EXCHANGE TRANSACTIONS**

- (i) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the transaction date.
- (ii) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the year-end, are translated at exchange rates prevailing at year-end.
- (iii) Any gains or loss arising on account of exchange difference either on settlement or on translation, is adjusted in the Statement of Profit & Loss.

10. **REVENUE RECOGNITION**

All the items of income & expenditure are accounted for on accrual basis except as mentioned below which are accounted for in accordance with the provisions contained in AS-9 on Revenue Recognition :-

- (i) **Hire Purchase and Leasing**

Income is accounted for as under:-

- a) Penal interest, which is considered as doubtful of recovery, is treated as income in the year of its realization.

- b) Excess of sales proceeds of repossessed / seized / surrendered machines over their value as per accounting policy No.4 (d) (in case of hire purchase) and 4 (e) (in case of leasing) as on the date of repossession / seizure / surrender is adjusted against the defaulted hirer's/lessee's account. Any excess over and above the amount due from the hirer/lessee is treated as income in the year of receipt of sale proceeds.
- c) Where the unit's accounts are frozen, no further interest is being debited to the unit's account.

(ii) **Marketing, Raw Material Distribution, Bill Financing, Composite Term Loan and Loans under Italian Line of Credit**

Income is accounted for as under:-

- a) Interest/other income due from the units that are considered as doubtful of recovery, is treated as income in the year of its realization.
- b) Application processing fee, wherever applicable, is treated as income on receipt basis
- c) Processing fees is treated as income on time proportionate basis
- d) Where the unit's accounts are frozen, no further interest is being debited to the unit's account.

(iii) **Government Purchase Registration Fee**

Income received under Govt. Purchase Registration Scheme on account of registration fees, renewal fees, limit enhancement fees and fees for any amendment/ additions in the certificates, is recognized only on date of issuance of certificate for fresh registration/renewal/enhancement of limit/ any amendment/ additions therein.

(iv) **Infomediary Membership Fee**

Membership fee received under Infomediary scheme is recognized as income in the year of receipt.

(v) **Treatment of Decree Awarded**

Where a decree has been awarded in favour of the Corporation, necessary adjustments in the unit's accounts are made at the time of realization of dues.

(vi) **Dividend Income**

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

(vii) **Income from Turnkey Projects / Service & Consultancy Contracts**

- a) Projects under commissioning / installations are carried at cost comprising direct cost and related incidental expenses incurred till they are ready for their intended use. In case of indirect expenses, the same have been account for under the natural head of account of respective expenditure.
- b) Service charges/ other revenue from turnkey projects/ Service & Consultancy contracts

are recognized based on the stage of completion of the activity, as per contract, reached on the balance sheet date.

11. EXPORT SALES

Sales on account of export of products and projects are accounted for on the basis of invoice value as per the terms of exports.

12. SAMPLES FOR EXHIBITIONS

The cost of samples and other items acquired for various exhibitions and fairs in India or abroad are charged to revenue in the year in which exhibitions and fairs are held.

13. INCOME FROM LEASING

(i) On lease transactions entered up to 31st March, 2001

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

(ii) Lease transactions entered on or after 1st April, 2001

The finance income and recovery of net investment included in the lease rentals are work out at the interest rate implicit in the lease. The finance income is recognized as income and credited in Statement of Profit & Loss. The difference of lease rentals and finance income is considered as recovery towards net investment.

14. GOVERNMENT GRANTS

The Corporation utilizes grants received from Government of India under various promotional activities approved by the Government.

Receipt of grants is recognized as advance from the Government of India and is shown as Amounts Payable to Government of India. Thereafter, the grant to the extent of expenditure incurred, is recognized as income in the Statement of Income & Expenditure. In case of capital grant, the expenditure incurred is reduced from the recognized income by creating capital reserve. In case of approved Promotional activities, expenditure incurred / committed for the year, but grant received in subsequent year, is accounted on accrual basis.

Further, Interest earned, if any, on the surplus grant is credited to respective grant account as per the terms of the sanction of the grant.

In case, the net result under advance accounts of various promotional activities is "deficit", it is shown as "Amount Receivable from the Government of India for deficit in grants" under the head current assets and if there is "surplus", the same is shown as "Amount Payable to the Government of India for surplus in grants" under the head current liabilities.

15. APPROPRIATION OF RECEIPTS

- (i) Receipt(s) from units having availed assistance under different commercial schemes are appropriated in the manner whereby the adjustments are first made towards the oldest dues and in the following order i.e. towards miscellaneous charges, service charges, penal interest, normal interest and principal.
- (ii) In cases of settlement, the receipts from the defaulting units are appropriated last towards the penal interest, if any.

16. PREPAID AND PRIOR PERIOD ITEMS

Prepaid expenses and prior period expenses/income of items of ₹ 0.50 lac and below are charged to natural heads of accounts.

17. ALLOCATION OF EXPENSES

The expenses directly attributable to the commercial and promotional activities have been charged to the respective activities. In case of indirect expenses, the same have been allocated on the basis of business generated in different commercial activities during the year. In case of promotional activities, the indirect expenses are allocated based on management estimates, however, the overall amount has been restricted to the amount permissible under the respective activities.

18. BORROWING COST

Borrowing cost of the funds specifically borrowed for the purpose of obtaining qualifying assets and eligible for capitalization along with the cost of the assets, is capitalized up to the date when the asset is ready for use after netting off any income earned on temporary investment of such funds

19. EMPLOYEE BENEFITS

- (i) **Defined Contribution plan**
Corporation's contributions paid/payable during the year to provident fund and pension fund is recognized in the statement of profit and loss. The contribution to provident fund is paid to a fund administered through a separate trust.
- (ii) **Defined benefits plan**
Corporation's liability towards gratuity, leave encashment and other employees' benefits namely Sick leave, T.A. on Retirement and Leave Travel Concession for CDA employees are accounted for based on actuarial valuation at the year-end. Actuarial gains and losses are recognized in the statement of profit and loss in the year of its occurrence.

20. IMPAIRMENT OF ASSETS

The Carrying amounts of assets are reviewed at each Balance Sheet date. In case, there is any indication of impairment based on internal/external factors, an Impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

21. RISK FUND

Based on the Corporate Governance guidelines on 'Risk Management' for Central Public Sector Enterprises and the possibility of risk of financial loss to the Corporation due to any reason, a risk fund at 0.30% of the outstanding under the schemes of Raw Material Assistance & Bill Discounting (secured by Bank Guarantee), Trade Receivables-Marketing (from Central & State Government, Government Institutions /Companies/ Departments/ Bodies) and Term Loan (secured by EMD) is created by making appropriation of the profit to mitigate any unforeseen loss arising out of business transactions. The quantum of said fund at the beginning of the year is increased / decreased to commensurate with the increase / decrease in the outstanding under the scheme at the end of each financial year. Interest and service charges earned on the amount of fund at beginning of the year is plough back. The objective of creating risk fund is to meet out any financial loss under these schemes.

22. ACCOUNTING FOR TAXES ON INCOME

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realize such assets. In other situation deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Annexure to Accounting Policy-Para 8(i)

Sub.: Provisioning Norms for Doubtful Receivables and Loans & Advances

The norms of making provisions for Doubtful Receivables and Loans & Advances (net of interest suspense account) of Financing Schemes and of Technical Centers/ STPs, as approved by Board of Directors are as follows:

1. TRADE RECEIVABLES

Trade Receivables comprises of receivables in respect of dues under Hire Purchase, Leasing & Marketing activities and includes receivables on account of transactions at Technical Centers & STPs. Provisioning norms for Trade Receivables are depicted hereunder:

S.No	Scheme	% of Provisions
1.	Hire Purchase	100%
2.	Leasing	100%
3.	Trade Receivables	
	(a) where the amount of 'Secured Receivables' due from Government Departments/ Institutions/ Undertakings under Tender Marketing	Nil
	(b) Other than (a) above	
	i. less than six months old	Nil
	ii. more than six months old	100%

2. LOANS AND ADVANCES

Loans and advances comprises of receivables in respect of dues under Raw Material Assistance, Bill Discounting, Term Loan, Italian Line of Credit, Composite Term Loan and Advances recoverable in cash or in kind including staff advances

Receivables w.r.t. commercial activities under Loans & Advances are treated as 'Secured' (unless otherwise stated), for which the Corporation holds as 'Security' any of the following -Earnest Money Deposit (EMD), Security Deposit Receipt (SDR), Equitable Mortgage of Immovable Property, Terms of agreement, and Bills for supplies made to the Government Departments and any other tangible securities. The 'Securities' shall also include all securities obtained from the units as per the term of sanction of assistance.. The amounts not covered by above are treated as 'Unsecured'. Receivables and Loans & Advances backed by Bank Guarantee/ Letter of Credits, though treated as unsecured, are considered good.

Provisioning norms for various items of Loans & Advances are depicted below:

(A) **Raw Material Assistance and Bill Discounting**

S.no.	Classification of Outstanding	% of Provisions
1.	Secured by or Backed by	
	(a) BG/LC/ EMD/SDR	NIL
	(b) Collateral Security -Equitable Mortgage of Immovable Property © Bills	10%
2.	Unsecured	100%

(B) Term Loan and Italian Line of Credit

S.no	Classification of Outstanding	% of Provisions
1.	Secured by	
	(a) EMD/SDR/FDR with NSIC	NIL
	(b) Equitable Mortgage of Immovable Property	10%
2.	Unsecured	100%

(C) Composite Term Loans

The provisions required in respect of the default under Composite Term Loan Scheme are to be arrived at as follows:-

- The amount of balance outstanding (principal amount in default) as at 31st March.
- CGTSI cover available i.e. 75% of "a" above or ₹ 18.75 lacs, as applicable in each case, whichever is least.
- Amount not covered under CGTSI cover (a-b).
- On the amount covered under CGTSI as at 'b' above, no provisions have to be made. However, in respect of the amount not covered under CGTSI i.e. at 'c' above and interest receivable on the defaulted amount (net of penal interest suspense account) & other charges, if any, provision @ 100% to be made.

(D) Advances Recoverable in Cash or in Kind including Staff advances**D.1 Advances Recoverable in Cash or in Kind**

These amounts primarily consist of advances paid to outside parties including advances paid to bulk suppliers having MOU with the Corporation, pre-paid expenses, security deposits with telephone & other allied departments, etc.

S.No	Classification of Outstanding Advances	% of Provisions
1.	Secured Advances with outside parties	
	All the following receivables are treated as 'Secured' (unless otherwise stated): a) All receivables against which the Corporation holds tangible security. b) Advances paid to bulk suppliers (having MOU arrangement with the Corporation) to the extent of advance have already been received from the MSMEs and / or amount paid out of the sanctioned limit under RMA against BG. c) Security Deposits paid by the Corporation and correspondingly the buyer of supplies also provides security to the Corporation. The amounts not covered by above are treated as 'Unsecured'.	NIL
2.	Unsecured advances with outside parties outstanding over one year & are doubtful of recovery	100%

D.2 Staff Advances

S.no	Classification of Outstanding Advances	% of Provisions
1	From employees working in the Corporation	Nil
2.	From employees left / resigned from the Corporation and no amount is available to set-off the outstanding	100%
Advances paid for HBA, Vehicle and Computer are treated as secured and all other advances are treated as unsecured		

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

BALANCE SHEET AS AT 31.03.2016

(₹ in Lacs)

Particulars	Note No.	As at 31.03.16		As at 31.03.15
I. EQUITY AND LIABILITIES				
Shareholders Fund				
Share Capital	1	53298.80		53298.80
Reserves and Surplus	2	22608.54		15787.80
Money received against Share Warrants		0.00	75907.34	0.00
Share Application Money Pending Allotment			0.00	0.00
Non-Current Liabilities				
Long-Term Borrowings	3	5566.42		5260.90
Deferred Tax Liabilities (Net)	4	0.00		0.00
Other Long Term Liabilities	5	410.02		760.15
Long-Term Provisions	6	5546.89	11523.33	5440.18
Current Liabilities				
Short-Term Borrowings	7	235708.71		219252.14
Trade Payables	8	11569.39		6822.66
Other Current Liabilities	9	15549.20		14642.15
Short-Term Provisions	10	5061.40	267888.70	3681.43
Total			355319.37	324946.21
II. ASSETS				
Non-Current Assets				
Fixed Assets				
Tangible Assets	11	6964.68		5861.39
Intangible Assets		162.99		108.34
Capital Work-in-Progress		10046.03		6184.96
Intangible Assets under Development		0.00	17173.70	0.00
Non-Current Investments	12	7.78		7.78
Deferred Tax Assets (Net)	4	5228.48		4765.43
Long-Term Loans and Advances	13	1995.73		1976.05
Other Non-Current Assets	14	100.10		122.84
Unamortised Expenses		0.00	7332.09	0.00
Current Assets				
Current Investments	15	0.00		0.00
Inventories	16	86.38		62.91
Trade Receivables	17	11886.22		6735.46
Cash and Cash Equivalents	18	4512.40		5529.69
Short-Term Loans and Advances	19	314128.76		293166.58
Other Current Assets	20	199.82		424.78
Unamortised Expenses		0.00	330813.58	0.00
Total			355319.37	324946.21
Other Notes on Accounts	35			

Statement of Accounting Policies and Notes on Accounts form an integral part of Financial Statements.

As per our report of even date attached.

For K G Somani & Co.

Chartered Accountants

Bhuvnesh Maheshwari
Partner

Ravindra Nath
Chairman-cum-Managing Director

Membership No. : 088155
Firm Reg No. : 006591N
Place : New Delhi
Date : 07.07.2016

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 1 SHARE CAPITAL

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
AUTHORISED		
5,35,00,000 (Previous Year 5,35,00,000) Equity Shares of ₹ 100 each	53500.00	53500.00
ISSUED, SUBSCRIBED AND PAID UP		
5,32,98,800 (Previous Year 5,32,98,800) Equity Shares of ₹ 100 each fully paid up.	53298.80	53298.80
As per Balance Sheet	53298.80	53298.80

ANNEXURE - 1A RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

Particulars	Equity Shares (No.)	Preference Shares (No.)
Shares outstanding at the beginning of the year	532.99	0.00
Shares issued during the year	0.00	0.00
Shares bought back during the year	0.00	0.00
Shares outstanding at the end of the year	532.99	0.00

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

Name of Shareholder	As At 31.03.16 No. of Share Held	As At 31.03.16 % of Holding	As At 31.03.15 No. of Share Held	As At 31.03.15 % of Holding
Government of India	532.99	100.00	532.99	100.00

ANNEXURE - 1C DETAILS OF SHARES ALLOTTED PURSUANT TO CONTRACT(S) WITHOUT PAYMENT BEING RECEIVED IN CASH, BONUS SHARES AND SHARES BOUGHT BACK IN RESPECT OF LAST 5 YEARS

Aggregate No. of Shares

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Equity Shares:					
Fully paid up pursuant to contract(s) without payment being received in cash	0.00	0.00	0.00	0.00	0.00
Fully paid up by way of bonus shares	0.00	0.00	0.00	0.00	0.00
Shares bought back	0.00	0.00	0.00	0.00	0.00
Preference Shares:					
Fully paid up pursuant to contract(s) without payment being received in cash	0.00	0.00	0.00	0.00	0.00
Fully paid up by way of bonus shares	0.00	0.00	0.00	0.00	0.00
Shares bought back	0.00	0.00	0.00	0.00	0.00

ANNEXURE - 1D DETAILS OF CALLS UNPAID

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Calls Unpaid		
By Directors	0.00	0.00
By Officers	0.00	0.00

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 2 RESERVES & SURPLUS

(₹ in Lacs)

Particulars	Deductions during the year				As At 31.03.16
	As At 01.04.15	Additions/ Created during the Year	Transfer /Sale/ Adjustment	Depreciation for the Year	
CAPITAL RESERVES					
(Reserve representing value of Assets acquired out of grants received from Govt. of India)					
Technical Centre	457.19	89.35	0.19	37.84	508.51
Government Purchase Plan	3.54	0.00	0.00	0.07	3.47
Appropriate Technology	2.43	0.00	0.00	0.00	2.43
Modernization - Lock Project	81.56	0.00	0.00	8.28	73.28
Development of North East Region	21.95	0.00	0.00	0.66	21.29
Technology Business Incubator	140.25	0.00	0.00	15.95	124.30
Mini Tool Room Centre	0.60	0.00	(0.30)	0.05	0.85
Marketing Assistance Scheme in North East Region	0.00	0.00	0.00	0.00	0.00
Minority Welfare Scheme	0.12	0.00	0.00	0.00	0.12
Modernization of Technical Centre	9.04	0.00	0.07	3.63	5.34
Science & Technology Project	1.18	0.00	0.00	0.06	1.12
Product Design Centre (PRIDE)	12.27	0.00	0.00	0.31	11.96
Technology Business Incubator (IT)	1.30	0.00	0.00	0.28	1.02
Laghu Udyog Mart(LUM)	299.86	0.00	0.00	35.74	264.12
Interest Differential Fund on KFW (West Germany) Loans	21.46	0.00	0.00	0.51	20.95
Technology Development of Baking Oven	0.02	0.00	0.00	0.00	0.02
DST - STEP (S & T Project)	61.02	0.00	0.00	10.27	50.76
Testing Fuel Efficient Diesel Engine (TFEDE)	0.36	0.00	0.00	0.00	0.36
Leather Goods in Mfg. Trg. Centre(LGMTC)	0.00	0.00	0.00	0.00	0.00
Marketing Development Centre	70.63	0.00	0.00	1.54	69.09
Interest Differential Fund on S&T Project	(4.48)	0.00	0.00	(5.13)	0.65
India Inclusive Innovation Fund (IIIF)	0.00	0.00	0.00	0.00	0.00
Bureau of Energy Efficiency	0.00	0.00	0.00	0.00	0.00
Training cum Incubation	63.89	211.80	0.00	20.36	255.33
Sub Total	1244.19	301.15	(0.04)	130.41	1414.97
OTHER RESERVES					
Capital Replacement Reserve	63.14	0.00	0.00	0.00	63.14
Risk Fund	863.87	213.17	0.00	0.00	1077.04
Research & Development Fund	0.00	0.00	0.00	0.00	0.00
Corporate Social Responsibility Fund	0.00	0.00	0.00	0.00	0.00
Sustainable Development Fund	0.00	0.00	0.00	0.00	0.00
General Reserve	0.00	0.00	0.00	0.00	0.00
Surplus as per Statement of Profit and Loss	13616.60	6436.79	0.00	0.00	20053.39
As per Balance Sheet	15787.80	6951.11	(0.04)	130.41	22608.54

ANNEXURE - 2A DETAILS OF APPORTIONMENT OF CURRENT YEAR PROFIT

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Profit for the period	10146.44	8859.97
Add: Transfer from Risk Fund	0.00	0.00
Add: Transfer from General Reserve	0.00	0.00
Less: Proposed Dividend	2905.02	1702.14
Less: Tax on Proposed Dividend	591.46	346.56
Less: Transfer to Risk Fund	213.17	227.72
Less: Transfer to General Reserve	0.00	0.00
	6436.79	0.00
		6583.55

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

NOTE - 3 LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Secured		
Bonds/Debentures	0.00	0.00
Term Loans from		
Banks	0.00	0.00
Others from		
Govt. of India	0.00	0.00
State Govt.	0.00	0.00
Financial Institutions	0.00	0.00
Foreign Financial Institutions	0.00	0.00
Others	0.00	0.00
Deferred Payment Liabilities	0.00	0.00
Deposits	0.00	0.00
Loans and Advances from Related Parties	0.00	0.00
Long Term Maturities of Finance Lease Obligations	0.00	0.00
Other Loans and Advances from		
Govt. of India	0.00	0.00
State Govt.	0.00	0.00
Financial Institutions	0.00	0.00
Foreign Financial Institutions	0.00	0.00
Others	0.00	0.00
Sub Total	0.00	0.00
Unsecured		
Bonds/Debentures	0.00	0.00
Term Loans from		
Banks	0.00	0.00
Other Parties from		
Govt. of India	0.00	0.00
State Govt.	0.00	0.00
Financial Institutions	0.00	0.00
Foreign Financial Institutions	5566.42	5260.90
Others	0.00	0.00
Deferred Payment Liabilities	0.00	0.00
Deposits	0.00	0.00
Loans and Advances from Related Parties	0.00	0.00
Long Term Maturities of Finance Lease Obligations	0.00	0.00
Other Loans and Advances from		
Govt. of India	0.00	0.00
State Govt.	0.00	0.00
Financial Institutions	0.00	0.00
Foreign Financial Institutions	0.00	0.00
Others	0.00	0.00
Sub Total	5566.42	5260.90
As per Balance Sheet	5566.42	5260.90

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

ANNEXURE - 3A DETAILS OF LONG TERM BORROWINGS

₹ in Lacs

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 31.03.16	
	31.03.16		31.03.15					Period	Amount
	Due after 12 months from 31.03.16	Due within 12 months from 31.03.16	Due after 12 months from 31.03.15	Due within 12 months from 31.03.15					

Secured

**Unsecured
Other Parties from**

Foreign Financial Institutions

XIth LINE OF CREDIT	2444.85	95.31	2293.46	86.06	Half Yearly	---	Guaranteed by Government of India	---	0.00
XIIth LINE OF CREDIT	2418.51	127.09	2298.35	114.74	Half Yearly	---	Guaranteed by Government of India	---	0.00
Artigiancassa SPA, Italy	703.06	38.00	669.09	34.31	Half Yearly	---	Guaranteed by Government of India	---	0.00
Sub Total	5566.42	260.40	5260.90	235.11					
Total	5566.42	260.40	5260.90	235.11			--		

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 4 DEFERRED TAX ASSETS/(LIABILITIES) (NET) *

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Deferred Tax Liabilities	(650.26)	(569.00)
Deferred Tax Assets	5878.74	5334.43
As per Balance Sheet	5228.48	4765.43

* For detail refer SI No. (9) of Note-35

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 5 OTHER LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Security Deposit Payable	397.86	739.76
Income Received in Advance	3.92	8.09
Earnest Money Deposits (EMD)	7.93	12.30
Other Payables-Employees	0.00	0.00
Other Payables-Others	0.31	0.00
Other Long Term Liabilities	0.00	0.00
As per Balance Sheet	<u>410.02</u>	<u>760.15</u>

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 6 LONG TERM PROVISIONS

(₹ in Lacs)

Particulars	As At 31.03.16		As At 31.03.15	
Provisions for Employee Benefits				
For Gratuity	3311.46		3278.89	
For Leave Encashment	1883.92		1874.77	
For Leave Travel Concession	0.75		1.00	
For Half Pay Leave	347.58		282.37	
For Pension	0.00		0.00	
For TA on Retirement	3.18	5546.89	3.15	5440.18
Others				
For Exchange Variation				
Balance as per last Balance Sheet	0.00		0.00	
Add: Provision made during the Year	0.00		0.00	
Less: Utilised for Exchange Variation Losses	0.00		0.00	
Less: Amount written back	0.00	0.00	0.00	0.00
For Promotional Activity (KFW)				
Balance as per last Balance Sheet	0.00		0.00	
Add: Provision made during the Year	59.37		65.05	
Less: Amount written back	59.37	0.00	65.05	0.00
As per Balance Sheet		5546.89		5440.18

ANNEXURE - 6A DETAILS OF ADDITIONS, REVERSALS & UTILIZATIONS OF PROVISIONS

(₹ in Lacs)

Particulars	Opening Balance	Additions during the Year	Utilizations/ Reversals/ Adjustments	Closing Balance
Details of Additions, Reversals & Utilizations of Provisions				
For Gratuity	0.00	0.00	0.00	0.00
For Leave Encashment	3278.89	32.57	0.00	3311.46
For Leave Travel Concession	1874.77	9.15	0.00	1883.92
For Half Pay Leave	1.00	0.00	0.25	0.75
For Pension	282.37	65.21	0.00	347.58
For TA on Retirement	0.00	0.00	0.00	0.00
For Exchange Variation	3.15	0.03	0.00	3.18
For Promotional Activity (KFW)	0.00	0.00	0.00	0.00
Total	5440.18	166.33	59.62	5546.89

Note: In compliance with Provisions of AS-29.

NOTE - 7 SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	As At 31.03.16		As At 31.03.15	
Secured				
Loans Repayable on Demand from				
Banks				
Working Capital Loan	226026.86		148802.31	
Cash Credit	909.01		10532.42	
Overdraft	8772.84		59917.41	
Term Loan	0.00	235708.71	0.00	219252.14
Other Parties		0.00		0.00
Loans and Advances from Related Parties		0.00		0.00
Deposits		0.00		0.00
Other Loans and Advances		0.00		0.00
Sub Total		235708.71	0.00	219252.14
Unsecured				
Loans Repayable on Demand from				
Banks				
Working Capital Loan	0.00		0.00	
Cash Credit	0.00		0.00	
Overdraft	0.00		0.00	
Term Loan	0.00	0.00	0.00	0.00
Other Parties		0.00		0.00
Loans and Advances from Related Parties		0.00		0.00
Deposits		0.00		0.00
Other Loans and Advances		0.00		0.00
Sub Total		0.00	0.00	0.00
As per Balance Sheet		235708.71	0.00	219252.14

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

ANNEXURE - 7A DETAILS OF SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	Amount Outstanding as on 31.03.16	Amount Outstanding as on 31.03.15	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.16	
					Period	Amount
Secured			--	--		
Loans Repayable on Demand from			--	--		
Banks			--	--		
Working Capital Loans			--	--		
The Hongkong & Shanghai Banking Corp. Ltd.	45000.00	20000.00	Secured against exclusive registered mortgage of free hold Land measuring 41920 Sq.Mtr at Okhla Industrial Estate, New Delhi & pari passu charge over receivables under RMA scheme & book debts under marketing activities.	--		0.00
State Bank of India	161026.86	128802.31	Secured against equitable mortgage of property measuring 59 bigha & 7 biswa situated at Okhla Indl Estate, New Delhi and pari passu charge on book debts/current assets.	Nil		0.00
BNP Paribas	20000.00	0.00	Pari passu charge on loan receivables	Nil		0.00
	226026.86	148802.31				0.00
Cash Credit			--	--		
Punjab National Bank	904.77	26.06	Secured against equitable mortgage of land & building at Okhla Indl Estate, New Delhi & pari passu charge over receivables in the form of loans & advances, book debts, bills discounted and all the current assets pertaining to marketing activities	--		0.00

ANNEXURE - 7A DETAILS OF SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	Amount Outstanding as on 31.03.16	Amount Outstanding as on 31.03.15	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.16	
					Period	Amount
Vijaya Bank	4.24	0.68	Secured against registered mortgage of property situated at Okhla Industrial Estate, New Delhi and pari passu charge on book debts/current assets.	Nil		0.00
State Bank of India	0.00	0.05	Secured against equitable mortgage of property measuring 59 bigha & 7 biswa situated at Okhla Indl Estate, New Delhi and pari passu charge on book debts/current assets.	Nil		0.00
Andhra Bank	0.00	0.00	Pari Passu charge over Book Debts/Receivables of Raw Material Assistance & other current assets (both present & future)	Nil		0.00
United Bank of India	0.00	10505.62	Pari Passu charge over Book Debts/Receivables of Raw Material Assistance & other current assets (both present & future)	Nil		0.00
Deutsche Bank AG	0.00	0.00	Hypothication of current assets & book debts to the extent of Rs 150 ,00,00,000/- ranking pari passu with other lenders	Nil		0.00
	909.01	10532.42				0.00
Overdraft			--	--		
The Hongkong & Shanghai Banking Corp. Ltd.	7281.56	58423.20	Secured against exclusive registered mortgage of free hold Land measuring 41920 Sq.Mtr at Okhla Industrial Estate, New Delhi & pari passu charge over receivables under RMA scheme & book debts under marketing activities.	Nil		0.00

ANNEXURE - 7A DETAILS OF SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	Amount Outstanding as on 31.03.16	Amount Outstanding as on 31.03.15	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.16	
					Period	Amount
CTBC Bank-Overdraft	1491.28	1494.20	Secured by way of hypothecation of account receivables/book debts pertaining to Chennai, Mumbai, Delhi & Noida.	Nil		0.00
	8772.84	59917.41				0.00
Term Loan		--		--		
Corporation Bank- Short Term Loan	0.00	0.00	Secured against equitable mortgage of land & building at Chennai and plant & machinery attached to earth & pari passu charge on the book debts/current assets.	Nil		0.00
Bank of Tokyo-Short Term Loan	0.00	0.00	Secured against registered mortgage of Property situated at Okhla Industrial Estate, New Delhi.	Nil		0.00
	0.00	0.00				0.00
Other Parties		--		--		
	0.00	0.00				0.00
Loans and Advances from Related Parties		--		--		
	0.00	0.00				0.00
Deposits		--		--		
	0.00	0.00				0.00
Other Loans and Advances		--		--		
	0.00	0.00				0.00
Sub Total	235708.71	219252.14		--		0.00
Unsecured		--		--		
Loans Repayable on Demand from		--		--		
Banks		--		--		
Working Capital Loans		--		--		
ICICI Bank Short Term Loan	0.00	0.00		Nil		0.00

ANNEXURE - 7A DETAILS OF SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	Amount Outstanding as on 31.03.16	Amount Outstanding as on 31.03.15	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.16	
					Period	Amount
	0.00	0.00				0.00
Cash Credit		--		--		
	0.00	0.00				0.00
Overdraft		--		--		
The Hongkong & Shanghai Banking Corp. Ltd.	0.00	0.00	--	--		0.00
	0.00	0.00				0.00
Term Loan		--		--		
Union Bank of India	0.00	0.00		Nil		0.00
	0.00	0.00				0.00
Other Parties		--		--		
	0.00	0.00				0.00
Loans and Advances from Related Parties		--		--		
	0.00	0.00				0.00
Deposits		--		--		
	0.00	0.00				0.00
Other Loans and Advances		--		--		
	0.00	0.00				0.00
Sub Total	0.00	0.00		--		0.00
Total	235708.71	219252.14		--		0.00

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

NOTE - 8 TRADE PAYABLES

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Trade Payables		
Due to MSME Units	0.00	0.00
Due to Others	11569.39	6822.66
Balances due to Trade Receivables	0.00	0.00
Due to Related Parties	0.00	0.00
Others	0.00	0.00
As per Balance Sheet	11569.39	6822.66

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 9 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Current Maturities of Long-Term Debt	260.40	235.11
Current Maturities of Other Long-Term Debt	0.00	0.00
Current Maturities of Long Term Provisions	684.84	599.95
Current Maturities of Short Term Provisions	0.00	0.00
Amounts Payable to Government of India against Surplus in Grants	473.85	1396.70
Interest Accrued But Not Due on Borrowings / CSD	28.17	30.54
Interest Accrued and Due on Borrowings / CSD	0.00	0.00
Unpaid Dividends	0.00	0.00
Unpaid Matured Deposits and Interest Accrued thereon	0.00	0.00
Unpaid Matured Debentures and Interest Accrued thereon	0.00	0.00
Unclaimed Public Deposit	0.00	0.00
Family Pension and Provident Fund Payable	122.55	114.92
Other Payables-Employees	1491.75	2813.79
Other Payables-Taxes	289.41	297.99
Other Payables	1566.29	1339.04
Securities Deposit Payable	662.43	521.63
Income Received in Advance	2676.53	2718.49
Earnest Money Deposit (EMD)	54.58	72.68
Balance Due to Trade Receivables	129.43	51.38
Discount Payable	1201.27	624.44
Payable to RM Suppliers	1235.76	521.69
Advance from RMA Buyers	2013.74	2140.90
Payable for Projects	1372.50	631.94
Payable to Rating Agencies	1285.69	530.96
As per Balance Sheet	15549.20	14642.15

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

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

(₹ in Lacs)

Particulars	Balance Brought Forward From Previous Year		Received During The Year	Reimb/ Refund/ Adjustment	Fixed Assets Acquired / WIP	Net Revenue Expenditure	Total Expenditure	Excess of Expenditure over Income (Tfr. From Prom. to Com.)	Reimbursable Expenditure	As at 31.03.2016	
	Deficit	Surplus								Deficit	Surplus
Marketing Assistance Scheme											
Marketing Assistance Scheme	438.09	0.00	641.27	438.09	0.00	677.77	677.77	0.00	677.77	36.49	0.00
Marketing Assistance Scheme-SCSP	92.94	0.00	87.06	92.94	0.00	87.06	87.06	0.00	87.06	0.00	0.00
Marketing Assistance Scheme-TSP	67.52	0.00	57.48	67.52	0.00	57.48	57.48	0.00	57.48	0.00	0.00
Marketing Assistance Scheme in NER	96.28	0.00	103.70	96.28	0.00	103.70	103.70	0.00	103.70	0.00	0.00
Sub Total	694.83	0.00	889.51	694.83	0.00	926.00	926.00	0.00	926.00	36.49	0.00
Performance and Credit Rating Scheme											
Performance and Credit Rating Scheme	0.00	11.47	2550.00	0.00	0.00	4074.76	4074.76	0.00	4074.76	1513.29	0.00
Performance and Credit Rating Scheme- SCSP	0.00	0.00	25.00	0.00	0.00	24.93	24.93	0.00	24.93	0.00	0.07
Performance and Credit Rating Scheme - TSP	0.00	34.63	25.00	0.00	0.00	28.63	28.63	0.00	28.63	0.00	31.00
Performance and Credit Rating Scheme in NER	0.00	29.65	200.00	0.00	0.00	153.19	153.19	0.00	153.19	0.00	76.46
Sub Total	0.00	75.75	2800.00	0.00	0.00	4281.51	4281.51	0.00	4281.51	1513.29	107.53
International Co-operation, Modernization & Technology Upgradation	15.79	0.00	0.00	15.79	0.00	13.83	13.83	0.00	13.83	13.83	0.00
North East Expo	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.00	0.00
DST - STEP (S&T Project)	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
Assistance for Training to Institutions	35.96	0.00	111.65	35.96	0.00	103.30	103.30	0.00	103.30	0.00	8.35
India Inclusive Innovation Fund (IIIF)	0.00	1638.76	0.00	0.00	0.00	-120.03	-120.03	0.00	-120.03	0.00	1758.80
Training cum Incubation	0.00	435.69	0.00	0.00	301.14	-35.17	265.98	0.00	265.98	0.00	169.71
Total	753.58	2150.28	3801.16	746.58	301.14	5169.44	5470.58	0.00	5470.58	1570.62	2044.47
										Net Surplus / (Deficit)	473.85
										Previous Year Surplus / (Deficit)	1396.70

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 10 SHORT TERM PROVISIONS

(₹ in lacs)

Particulars	As At 31.03.16		As At 31.03.15	
Provisions for Employee Benefits				
For Leave encashment	0		0	
For Leave Travel Concession	0		0	
For Sick Leave	0		0	
For Pay Revision	0	0	0	0
Others				
For Doubtful Debts & Advances	10753.93		9372.84	
Less: Adjustment as per contra against Trade Receivables, Loans & Advances, etc.	10753.93	0	9372.84	0
For Income Tax (Net of Payments)	123.76		174.89	
For Wealth Tax	0		0.06	
For Sales Tax	0		0.29	
For Interest Tax	0		0	
For Fringe Benefit Taxes	0		0	
For Proposed Dividend	2905.02		1702.14	
For Tax on Proposed Dividend	591.46	3620.24	346.56	2223.94
For Exchange Variation				
Balance as per last Balance Sheet	1457.49		1197.29	
Add: Provision made during the Year	481.80		524.78	
Less: Utilised for Exchange Variation Losses	498.13		0	
Less: Amount written back	0	1441.16	264.58	1457.49
As per Balance Sheet		5061.40		3681.43

ANNEXURE - 10A DETAILS OF ADDITIONS, REVERSALS & UTILIZATIONS OF PROVISIONS

(₹ in lacs)

Particulars	Opening Balance	Additions during the Year	Utilizations/ Reversals/ Adjustments	Closing Balance
For Leave Encashment	0.00	0.00	0.00	0.00
For Leave Travel concession	0.00	0.00	0.00	0.00
For Sick Leave	0.00	0.00	0.00	0.00
For Pay Revision	0.00	0.00	0.00	0.00
For Doubtful Debts & Advances	0.00	1381.09	1381.09	0.00
For Income Tax	174.89	0.00	51.13	123.76
For Wealth Tax	0.06	0.00	0.06	0.00
For Sales Tax	0.29	0.00	0.29	0.00
For Interest Tax	0.00	0.00	0.00	0.00
For Fringe Benefit Taxes	0.00	0.00	0.00	0.00
For Proposed Dividend	1702.14	2905.02	1702.14	2905.02
For Tax on Proposed Dividend	346.56	591.46	346.56	591.46
For Exchange Variation	1457.49	481.80	498.13	1441.16
Total	3681.43	5359.37	3979.40	5061.40

Note: In compliance with Provisions of AS-29.

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 11 FIXED ASSETS

(' in Lacs)

Particulars	GROSS BLOCK							ACCUMULATED DEPRECIATION					LTA			NET BLOCK	
	As At 01/04/15	Additions	Sale	Acquired through Business Combination	Revaluation/ (Impairment)	Inter Unit Transfer	Cost As At 31/03/16	As At 01/04/15	Depreciation Charge for the Year	Sales	Adjustment due to Revaluation/ (Impairment) / CO-Act 2013	Inter Unit Transfer	As At 31/03/16	As At 31/03/16	As At 31/03/15	As At 31/03/16	As At 31/03/15
TANGIBLE ASSETS																	
1. OWN ASSETS																	
Building	3943.24	798.43	0.00	0.00	0.00	0.00	4741.67	667.83	91.67	0.00	0.00	0.00	759.50	0.00	0.00	3982.17	3275.41
Furniture & Fittings	377.72	53.98	2.22	0.00	0.00	0.84	428.64	205.85	28.29	1.98	0.00	0.32	231.84	0.00	0.00	196.79	171.87
Land	27.63	3.20	0.00	0.00	0.00	0.00	30.83	2.30	0.47	0.00	0.00	0.00	2.77	0.00	0.00	28.06	25.33
Office Equipments	677.47	87.73	11.65	0.00	0.00	2.49	751.06	496.40	82.15	10.29	0.00	1.39	566.87	0.00	0.00	184.20	181.07
Vehicle	96.43	0.00	0.00	0.00	0.00	0.00	96.43	56.17	7.90	0.00	0.00	0.00	64.07	0.00	0.00	32.36	40.26
Plant & Equipment	737.55	13.87	9.52	0.00	0.00	0.00	741.90	381.46	62.52	9.03	0.00	0.00	434.95	0.00	0.00	306.98	356.10
Total	5860.05	957.21	23.39	0.00	0.00	3.33	6790.53	1810.01	273.00	21.30	0.00	1.71	2060.00	0.00	0.00	4730.56	4050.04
2. LEASED ASSETS																	
Plant & Equipments	226.33	0.00	51.64	0.00	0.00	0.00	174.69	208.42	0.00	48.32	0.00	0.00	160.10	14.50	15.06	0.05	2.84
3. SEIZED LEASE ASSETS																	
Plant & Equipments	100.10	0.00	32.47	0.00	0.00	0.00	67.63	147.62	0.00	31.55	0.00	0.00	116.07	-49.36	-49.43	0.91	1.90
4. ASSETS ACQUIRED OUT OF GOVT. GRANTS																	
Land	23.04	0.00	0.00	0.00	0.00	0.00	23.04	4.67	0.14	0.00	0.00	0.00	4.81	0.00	0.00	18.24	18.38
Building	879.85	0.00	0.00	0.00	0.00	0.00	879.85	379.46	15.43	0.00	0.00	0.00	394.89	0.00	0.00	484.96	500.39
Furniture & Fittings	60.99	21.54	0.00	0.00	0.00	0.00	82.53	54.77	2.43	0.00	0.00	0.00	57.20	0.00	0.00	25.33	6.23
Office Equipments	458.38	91.35	0.10	0.00	0.00	0.00	549.63	427.41	8.59	0.00	0.00	0.00	436.00	0.00	0.00	113.64	30.97
Vehicle	11.91	0.00	0.00	0.00	0.00	0.00	11.91	11.38	0.00	0.00	0.00	0.00	11.38	0.00	0.00	0.53	0.53
Plant & Equipment	1763.52	178.34	-0.14	0.00	0.00	0.00	1942.00	1075.82	102.92	0.00	0.00	0.00	1178.74	0.00	0.00	763.26	687.69
Total	3197.69	291.23	-0.04	0.00	0.00	0.00	3488.96	1953.51	129.51	0.00	0.00	0.00	2083.02	0.00	0.00	1405.96	1244.19
5. ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES																	
Building	148.60	67.32	0.00	0.00	0.00	-0.13	216.05	9.75	5.96	0.00	0.00	-0.02	15.73	0.00	0.00	200.31	138.85
Furniture & Fittings	51.67	36.11	0.00	0.00	0.00	-0.71	88.49	22.07	5.65	0.00	0.00	-0.29	28.01	0.00	0.00	60.48	29.60
Office Equipments	273.81	149.95	0.00	0.00	0.00	-2.49	426.25	138.01	78.71	0.00	0.00	-1.40	218.12	0.00	0.00	208.12	135.80
Plant & Equipment	309.40	125.05	0.03	0.00	0.00	0.00	434.42	51.24	24.89	0.00	0.00	0.00	76.13	0.00	0.00	358.29	258.16
Total	783.48	378.43	0.03	0.00	0.00	-3.33	1165.21	221.07	115.21	0.00	0.00	-1.71	337.99	0.00	0.00	827.20	562.41
SUB TOTAL-TANGIBLE ASSETS	10167.65	1626.87	107.49	0.00	0.00	0.00	11687.02	4340.63	517.72	101.17	0.00	0.00	4757.18	-34.86	-34.36	6964.68	5861.39
PREVIOUS YEAR	9792.52	636.06	258.87	0.00	0.00	1.73	10167.65	3815.58	484.30	231.94	273.26	0.24	4340.62	-34.36	-27.01	5861.39	6003.96
INTANGIBLE ASSETS																	
01. OWN ASSETS																	
Computer Software	68.91	18.56	0.00	0.00	0.00	0.18	87.29	32.23	14.72	-0.07	0.00	0.10	46.92	0.00	0.00	40.37	36.68
02. ASSETS ACQUIRED OUT OF GOVT. GRANT																	
Computer Software	0.00	9.91	0.00	0.00	0.00	0.00	9.91	0.00	0.90	0.00	0.00	0.00	0.90	0.00	0.00	9.01	0.00
03. ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES																	
Computer Software	99.64	72.48	0.00	0.00	0.00	-0.18	172.30	27.98	30.62	0.00	0.00	-0.09	58.69	0.00	0.00	113.61	71.66
SUB TOTAL-INTANGIBLE ASSETS	168.55	100.95	0.00	0.00	0.00	0.00	269.50	60.21	46.24	-0.07	0.00	0.01	106.51	0.00	0.00	162.99	108.34
PREVIOUS YEAR	125.85	40.96	0.00	0.00	0.00	-1.73	168.55	31.74	28.24	0.00	0.00	-0.24	60.21	0.00	0.00	108.34	94.12
01. CAPITAL WORK IN PROGRESS																	
CWIP	6184.96	3861.07	0.00	0.00	0.00	0.00	10046.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10046.03	6184.96
PREVIOUS YEAR	4471.73	1713.23	0.00	0.00	0.00	0.00	6184.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6184.96	4471.73
CWIP (ACQUIRED OUT OF 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
PREVIOUS YEAR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUB TOTAL-CWIP	6184.96	3861.07	0.00	0.00	0.00	0.00	10046.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10046.03	6184.96
PREVIOUS YEAR	4471.73	1713.23	0.00	0.00	0.00	0.00	6184.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6184.96	4471.73
GRAND TOTAL	16521.16	5588.89	107.49	0.00	0.00	0.00	22002.55	4400.83	563.96	101.10	0.00	0.01	4863.69	-34.86	-34.36	17173.70	12154.69
PREVIOUS YEAR	14390.09	2390.25	258.87	0.00	0.00	0.00	16521.15	3847.32	512.54	231.94	273.26	0.00	4400.83	-34.36	-27.01	12154.69	10569.81

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 12 NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Trade Investments		
Investments in Properties	0.00	0.00
Investments in Equity Instruments	0.00	0.00
Investments in Preference Shares	0.00	0.00
Investments in Government or Trust Securities	0.00	0.00
Investments in Debentures or Bonds	0.00	0.00
Investments in Mutual Funds	0.00	0.00
Investments in Partnership Firms	0.00	0.00
Other Non-Current Investments	0.00	0.00
Sub Total	0.00	0.00
Other Investments		
Investments in Properties	0.00	0.00
Investments in Equity Instruments	22.78	22.78
Investments in Preference Shares	0.00	0.00
Investments in Government or Trust Securities	0.00	0.00
Investments in Debentures or Bonds	0.00	0.00
Investments in Mutual Funds	0.00	0.00
Investments in Partnership Firms	0.00	0.00
Other Non-Current Investments	0.00	0.00
Sub Total	22.78	22.78
Total	22.78	22.78
Less : Provision for Diminution in the Value of Non Current Investments	15.00	15.00
As per Balance Sheet	7.78	7.78

ANNEXURE - 12A DETAILS OF AGGREGATE QUOTED AND UNQUOTED NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Aggregate amount of Quoted Investments (Market value of ₹ 214.39 lacs (Previous Year ₹ 192.42 lacs)	7.78	7.78
Aggregate amount of Unquoted Investments	15.00	15.00

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

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
1.21 lacs (Prev. Year 1.21 lacs) Equity Shares of M/s Singer India ₹ 10 each fully paid 1.13% holding) . (Mkt. value ₹ 214.39 lacs . ₹176.60 per share (₹ 192.42 lacs @ ₹ 158.50 per share))	7.78	7.78
1 lac Equity Shares of ₹ 10 each fully paid-up in M/s Small Industries Product Promoted Organisation Ltd. (SIPPO) (12.06% holding) (Unquoted)	10.00	10.00
0.50 lacs Equity Shares of ₹ 10 each fully paid-up in M/s Small Industries Products Marketing Organisation Ltd. (SIPMO) (N.A.% holding)(Unquoted)	5.00	5.00
Sub Total	22.78	22.78
Less: Provision for Diminution in the Value of Investments	15.00	15.00
TOTAL	7.78	7.78

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 13 LONG TERM LOANS & ADVANCES

(₹ in lacs)

Particulars	As At 31.03.16	As At 31.03.15
Capital Advances	480.62	571.22
Security Deposits	706.04	674.37
Loans and Advances to Employees	33.96	46.06
Other Loans and Advances	323.14	199.33
Loans and Advances to Related Parties	0	0
Deposits/Balances with Excise /Sales Tax Authorities	3.31	1.49
Advance Payment of Income Tax / TDS (Net of Provisions)	0	0
Income Tax Recoverable	448.66	483.58
As per Balance Sheet	1995.73	1976.05

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

ANNEXURE - 13A DETAILS OF LONG TERM LOANS & ADVANCES

(₹ in Lacs)

Particulars	As At 31.03.16		As At 31.03.15	
Capital Advances				
With RITES	92.09		236.76	
Add: Interest Accrued on Capital Advance	0	92.09	0	236.76
With CPWD	369.58		256.08	
Add: Interest Accrued on Capital Advance	0	369.58	0	256.08
With NBCC	18.95		78.38	
Add: Interest Accrued on Capital Advance	0	18.95	0	78.38
Total		480.62		571.22
Security Deposits				
Secured Considered Good	17.18		19.60	
Unsecured Considered Good	688.86		654.77	
Considered Doubtful	0.27		1.35	
	706.31		675.72	
Less Additional/Normal Interest Suspende	0		0	
	706.31		675.72	
Less: Provision for Doubtful Deposits as per Contra	0.27		1.35	
Total		706.04		674.37
Loans and Advances to Employees				
Secured Considered Good	29.99		43.55	
Unsecured Considered Good	3.97		2.51	
Considered Doubtful	0		0	
	33.96		46.06	
Less Additional/Normal Interest Suspende	0		0	
	33.96		46.06	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	0		0	
Total		33.96		46.06
Other Loans and Advances				
Composite Term Loan				
Secured Considered Good	65.98		132.56	
Unsecured Considered Good	0		0	
Considered Doubtful (Incl Intt. Suspende Contra)	270.44		298.56	
	336.42		431.12	
Less Additional/Normal Interest Suspende	67.36		82.77	
	269.06		348.35	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	203.08	65.98	215.79	132.56
Italian Line of Credit				
Secured Considered Good	0		0	
Unsecured Considered Good	0		0	
Considered Doubtful	0		0	
	0		0	
Less: Additional / Normal Interest Suspende	0		0	
	0		0	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	0	0	0	0
Term Loan				
Secured Considered Good	10.09		10.61	
Unsecured Considered Good	0		0	
Considered Doubtful (Incl Intt. Suspende Contra)	5.35		5.41	
	15.44		16.02	
Less: Additional / Normal Interest Suspende	4.25		4.24	
	11.19		11.78	

ANNEXURE - 13A DETAILS OF LONG TERM LOANS & ADVANCES

(₹ in Lacs)

Particulars	As At 31.03.16		As At 31.03.15	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	1.10	10.09	1.16	10.62
Advance Recoverable in Cash or in Kind or for value to be received				
Secured Considered Good	0.97		55.47	
Unsecured Considered Good	246.10		0.68	
Considered Doubtful	0.05		0	
	<u>247.12</u>		<u>56.15</u>	
Less: Additional / Normal Interest Suspense	0		0	
	<u>247.12</u>		<u>56.15</u>	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	0.05	247.07	0	56.15
Total		<u>323.14</u>		<u>199.33</u>
Loans and Advances to Related Parties				
Secured Considered Good	0		0	
Unsecured Considered Good	0		0	
Considered Doubtful	0		0	
	<u>0</u>		<u>0</u>	
Less: Provision for Doubtful Loans and Advances as per Contra	0		0	
Total		<u>0</u>		<u>0</u>

NOTE - 14 OTHER NON-CURRENT ASSETS

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Long Term Trade Receivables (Including Trade Receivables on Deferred Credit Terms)		
Secured Considered Good	0.00	0.00
Unsecured Considered Good	0.00	0.00
Considered Doubtful	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Less: Provision for Doubtful Dues as per Contra	<u>0.00</u>	<u>0.00</u>
	0.00	0.00
Others	100.10	122.84
Debts due by Related Parties		
Secured Considered Good	0.00	0.00
Unsecured Considered Good	0.00	0.00
Considered Doubtful	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Less: Provision for Doubtful Dues as per Contra	<u>0.00</u>	<u>0.00</u>
	0.00	0.00
As per Balance Sheet	<u>100.10</u>	<u>122.84</u>

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

ANNEXURE - 14A DETAILS OF OTHER NON-CURRENT ASSETS

(₹ in Lacs)

Particulars	As At 31.03.16		As At 31.03.15	
Interest Accrued but not Due				
On Fixed/Short Term Deposits	0.79		0.00	
On Others	99.31	100.10	122.84	122.84
Interest Receivable				
From Banks	0.00		0.00	
Less: Provision for Interest Receivable as per Contra	0.00	0.00	0.00	0.00
Claims Receivable				
From Insurance Company, Customs & Port Trust	0.00		0.00	
Less: Provision for Claims Receivable as per Contra	0.00	0.00	0.00	0.00
Machinery issued under Hire Purchase Scheme				
Machines out on Hire Purchase	0.00		0.00	
Less: Unaccrued Interest	0.00	0.00	0.00	0.00
Total		100.10		122.84

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

NOTE - 15 CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Investments in Properties	0.00	0.00
Investments in Equity Instruments	0.00	0.00
Investments in Preference Shares	0.00	0.00
Investments in Government or Trust Securities	0.00	0.00
Investments in Debentures or Bonds	0.00	0.00
Investments in Mutual Funds	0.00	0.00
Investments in Partnership Firms	0.00	0.00
Other Current Investments	0.00	0.00
Total	0.00	0.00
Less: Provision for Diminution in the value of Current Investments	0.00	0.00
As per Balance Sheet	0.00	0.00

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

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Aggregate amount of Quoted Investments (Market value of ₹ N/A (Previous Year ₹ N/A)	0.00	0.00
Aggregate amount of Unquoted Investments (Previous Year ₹ N/A)	0.00	0.00

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

NOTE - 16 INVENTORIES

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Raw Materials and Components	2.11	0.00
Work-In-Process	0.00	0.00
Finished Goods	10.88	13.85
Stock-In-Trade	0.00	0.00
Stores and Spares	6.92	6.93
Loose Tools and Measuring Instruments	5.17	4.71
Patterns and Moulds	0.00	0.00
Land & Building in Stock, Industrial Estate, Naini	19.65	19.65
Goods-In-Transit	41.65	17.77
Sub Total	86.38	62.91
Less: Provision for Obsolete Stock	0.00	0.00
As per Balance Sheet	86.38	62.91

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 17 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Trade Receivables Outstanding for a period exceeding six months from the date they are due for payment		
Secured Considered Good	2739.13	900.51
Unsecured Considered Good	0	0
Considered Doubtful (Incl P.I. Susspense Contra)	2520.20	3336.17
	<u>5259.33</u>	<u>4236.68</u>
Less: Seized Leased Suspense	74.75	74.75
Less: Penal Interest Suspense	676.74	864.98
	<u>4507.84</u>	<u>3296.95</u>
Less: Cheques sent for Collection	2.10	0.10
Less: Provision for Doubtful Debts as per Contra	1766.61	2396.34
	<u>2739.13</u>	<u>900.51</u>
Trade Receivables Outstanding for a period less than six months from the date they are due for payment		
Secured considered Good	8556.58	5000.64
Unsecured considered Good	616.61	839.03
Considered Doubtful (Incl P.I. Susspense Contra)	7.32	11.37
	<u>9180.51</u>	<u>5851.04</u>
Less: Seized Leased Suspense	0	0
Less: Penal Interest Suspense	7.32	10.86
	<u>9171.09</u>	<u>5840.18</u>
Less: Cheques sent for Collection	26.10	4.72
Less: Provision for Doubtful Debts as per Contra	0	0.51
	<u>9147.09</u>	<u>5834.95</u>
As per Balance Sheet	<u>11886.22</u>	<u>6735.46</u>

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

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Directors*	0	0
Other Officers of the Company*	0	0
Firm in which directors is a partner*	0	0
Private Company in which director is a member	0	0
Total	<u>0</u>	<u>0</u>

[*] Either severally or jointly.

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

ANNEXURE - 17B DETAILS OF TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
TRADE RECEIVABLES - HIRE PURCHASE		
Trade Receivables Outstanding for a period exceeding six month from the date they are due for payment		
Secured Considered Good	0	0
Unsecured Considered Good	0	0
Considered Doubtful (Incl P.I. Suspense Contra)	1428.61	2140.25
	1428.61	2140.25
Less: Penal Interest Suspense	454.23	634.01
	974.38	1506.24
Less: Cheques sent for Collection	1.10	0.10
Less: Provision for Doubtful Debts as per Contra	973.28	1506.14
	0	0
Trade Receivables Outstanding for a period less than six months from the date they are due for payment		
Secured Considered Good	0	0
Unsecured Considered Good	0	0
Considered Doubtful (Incl P.I. Suspense Contra)	0	0.35
	0	0.35
Less: Penal Interest Suspense	0	0.32
	0	0.03
Less: Cheques sent for Collection	0	0
Less: Provision for Doubtful Debts as per Contra	0	0.03
	0	0
Sub Total	0	0
TRADE RECEIVABLES - LEASING		
Trade Receivables Outstanding for a period exceeding six month from the date they are due for payment		
Secured Considered Good	0	0
Unsecured Considered Good	0	0
Considered Doubtful (Incl P.I. Suspense & Seized Leased Suspense Contra)	308.99	411.22
	308.99	411.22
Less: Seized Lease Suspense	74.75	74.75
Less: Penal Interest Suspense	87.75	114.27
	146.49	222.20
Less: Cheques sent for Collection	1.00	0
Less: Provision for Doubtful Debts as per Contra	145.49	222.20
	0	0
Trade Receivables Outstanding for a period less than six months from the date they are due for payment		
Secured Considered Good	0	0
Unsecured Considered Good	0	0
Considered Doubtful	0	0.48
	0	0.48
Less: Seized Lease Suspense	0	0
Less: Penal Interest Suspense	0	0
	0	0.48
Less: Cheques sent for Collection	0	0
Less: Provision for Doubtful Debts as per Contra	0	0.48
	0	0
Sub Total	0	0
TRADE RECEIVABLES - MARKETING		
Trade Receivables Outstanding for a period exceeding six month from the date they are due for payment		
Secured Considered Good	2727.73	900.51
Unsecured Considered Good	0	0
Considered Doubtful	341.85	546.74
	3069.58	1447.25
Less: Penal Interest Suspense	0	0
	3069.58	1447.25

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

ANNEXURE - 17B DETAILS OF TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As At 31.03.16		As At 31.03.15	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Debts as per Contra	341.85	2727.73	546.74	900.51
Trade Receivables Outstanding for a period less than six months from the date they are due for payment				
Secured Considered Good	8515.17		4936.97	
Unsecured Considered Good	506.05		748.30	
Considered Doubtful	0		0	
	9021.22		5685.27	
Less: Penal Interest Suspense	0		0	
	9021.22		5685.27	
Less: Cheques sent for Collection	26.10		4.72	
Less: Provision for Doubtful Debts as per Contra	0	8995.12	0	5680.55
Sub Total		11722.85		6581.06
TRADE RECEIVABLES - OTHERS				
Trade Receivables Outstanding for a period exceeding six month from the date they are due for payment				
Secured Considered Good	11.40		0	
Unsecured Considered Good	0		0	
Considered Doubtful (Incl P.I. Suspense/Receivable Contra)	440.75		237.96	
	452.15		237.96	
Less: Penal Interest Suspense	134.76		116.70	
	317.39		121.26	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Debts as per Contra	305.99	11.40	121.26	0
Trade Receivables Outstanding for a period less than six months from the date they are due for payment				
Secured Considered Good	41.42		63.67	
Unsecured Considered Good	110.56		90.73	
Considered Doubtful (Incl P.I. Suspense/Receivable Contra)	7.32		10.55	
	159.30		164.95	
Less: Penal Interest Suspense	7.32		10.55	
	151.98		154.40	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Debts as per Contra	0	151.98	0	154.40
Sub Total		163.38		154.40
Total		11886.22		6735.46

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 18 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
(i) Cash & Cash Equivalents		
Balances with Banks		
In Current Accounts	2285.82	2698.52
In Deposit Accounts	0.00	0.00
In Fixed Deposits-Maturing over 12 Months	0.00	0.00
In Fixed Deposits-Maturing upto 3 Months	2179.47	2777.97
In Fixed Deposits-Maturing more than 3 Months & upto 12	0.00	0.00
In Fixed Deposits-As Security with Govt. Authorities	0.00	0.00
In Fixed Deposits-Maturing within 12 Months	0.00	0.00
	4465.29	5476.49
Cheques, Draft-on-hand	0.06	1.53
Cash-on-hand	11.26	9.13
Imprest with Employees	0.31	0.00
Stamps-on-hand	0.21	0.48
Remittance in Transit	21.45	28.39
Balance in Post Office Saving Bank account kept as Security.	0.00	0.00
Sub Total	4498.58	5516.02
(ii) Other Bank Balances		
In Fixed Deposits-Maturing more than 3 Months & upto 12	8.72	5.97
In Fixed Deposits-Maturing over 12 Months	4.55	6.35
In Fixed Deposits-As Security with Govt. Authorities	0.55	1.35
As per Balance Sheet	4512.40	5529.69

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 19 SHORT TERM LOANS & ADVANCES

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Loan and Advances to Related Parties		
Secured Considered Good	0	0
Unsecured Considered Good	0	0
Considered Doubtful	0	0
	0	0
Less Additional/Normal Interest Suspense	0	0
	0	0
Less: Cheques sent for Collection	0	0
Less: Provision for Doubtful Loans and Advances as per Contra	0	0
	0	0
Others		
Others Loans and Advances		
Secured Considered Good	1401.48	1854.22
Unsecured Considered Good (Backed by BG)	308321.29	286777.10
Considered Doubtful	8843.81	6857.68
	318566.58	295489.00
Less Additional/Normal Interest Suspense	409.11	419.00
	318157.47	295070.00
Less: Cheques sent for Collection	1.15	22.75
Less: Provision for Doubtful Loans and Advances as per Contra	8434.70	6438.68
	309721.62	288608.57
Advance Recoverable in Cash or in Kind or for value to be received		
Secured Considered Good	3986.44	3732.50
Unsecured Considered Good	316.33	720.77
Considered Doubtful	79.33	49.48
	4382.10	4502.75
Less: Additional / Normal Interest Suspense	0	0
	4382.10	4502.75
Less: Cheques sent for Collection	0	0
Less: Provision for Doubtful Loans and Advances as per Contra	79.33	49.48
	4302.77	4453.27
Loans and Advance to Employees		
Secured Considered Good	12.89	16.33
Unsecured Considered Good	28.15	23.02
Considered Doubtful	0.48	1.22
	41.52	40.57
Less: Additional / Normal Interest Suspense	0	0
	41.52	40.57
Less: Cheques sent for Collection	0	0
Less: Provision for Doubtful Loans and Advances as per Contra	0.48	1.22
	41.04	39.35
Others		
Secured Considered Good	0	0
Unsecured Considered Good	0	0
Considered Doubtful	0	0
	0	0
Less: Additional / Normal Interest Suspense	0	0
	0	0
Less: Cheques sent for Collection	0	0
Less: Provision for Doubtful Loans and Advances as per Contra	0	0
	0	0
Deposits/Balances with Excise /Sales Tax Authorities	63.33	65.39
Advance Payment of Income Tax / TDS (Net of Provisions)	0	0
Income Tax Recoverable	0	0
As per Balance Sheet	314128.76	293166.58

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

ANNEXURE - 19B DETAILS OF OTHER SHORT TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As At 31.03.16		As At 31.03.15	
OTHER LOANS AND ADVANCES				
Raw Material Distribution (RMD)				
Secured Considered Good	1202.83		1632.98	
Unsecured Considered Good (Backed by BG)	308271.85		286728.49	
Considered Doubtful (Incl Intt. Suspense Contra)	7013.71		5453.54	
	<u>316488.39</u>		<u>293815.01</u>	
Less Additional/Normal Interest Suspense	334.24		325.68	
	<u>316154.15</u>		<u>293489.33</u>	
Less: Cheques sent for Collection	1.15		22.75	
Less: Provision for Doubtful Loans and Advances as per Contra	<u>6679.47</u>	309473.53	<u>5127.86</u>	288338.72
Bills of Exchange Discounted (BD)				
Secured Considered Good	198.65		221.24	
Unsecured Considered Good (Backed by BG)	49.44		48.61	
Considered Doubtful (Incl Intt. Suspense Contra)	1830.10		1404.14	
	<u>2078.19</u>		<u>1673.99</u>	
Less: Additional / Normal Interest Suspense	74.87		93.32	
	<u>2003.32</u>		<u>1580.67</u>	
Less: Cheques sent for Collection	0		0	
Less: Provision for Doubtful Loans and Advances as per Contra	<u>1755.23</u>	248.09	<u>1310.82</u>	269.85
Total		<u><u>309721.62</u></u>		<u><u>288608.57</u></u>

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 20 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Security Deposits		
Secured Considered Good	114.41	319.23
Unsecured Considered Good	64.56	83.90
Considered Doubtful	0.03	0.03
	179.00	403.16
Less Additional/Normal Interest Suspense	0.00	0.00
	179.00	403.16
Less: Provision for Doubtful Dues as per Contra	0.03	0.03
	178.97	403.13
Others	20.85	21.65
As per Balance Sheet	199.82	424.78

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

ANNEXURE - 20A DETAILS OF OTHER CURRENT ASSETS - OTHERS

(₹ in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Interest Accrued but not due		
On Fixed/Short Term deposits	1.87	2.21
On Others	18.98	19.44
	20.85	21.65
Interest Receivable		
From Banks	268.30	268.30
Less: Provision for Interest Receivable as per Contra	268.30	268.30
	0.00	0.00
Claims Receivable:		
Machinery issued Under Hire Purchase Scheme		
Total	20.85	21.65

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

**STATEMENT OF PROFIT AND LOSS (CONSOLIDATED)
FOR THE YEAR ENDED 31.03.2016**

(₹ in Lacs)

Particulars	Note No.	For the Year Ending 31.03.16	For the Year Ending 31.03.15
A Revenue			
Revenue from Operations	21	262863.00	250697.55
[Include Processing Fee/Service Charges earned of ₹ 5497.53 lacs (₹ 4895.76 lacs) for value of goods handled and services rendered ₹ 1860829.91 lacs (₹ 1747895.55 lacs)]			
Other Income	22	511.26	1803.27
Grants and Subsidies	23	5169.44	9213.32
Total Revenue		268543.70	261714.14
B Expenses			
Cost of Materials Consumed		0	0
Purchases of Stock-in-Trade	24	207253.09	201854.02
Changes in Inventories	25	2.97	(1.62)
Employee Benefit Expenses	26	9703.01	9084.47
Finance Costs	27	21581.59	19820.75
Depreciation and Amortization Expenses	28	433.54	496.92
Expenses on Corporate Social Responsibility	29	249.00	186.13
Other Expenses	30	13592.29	15360.86
Total Expenses		252815.49	246801.53
Profit before Prior Period Adjustments, Exceptional Items, Extraordinary Items and Tax		15728.21	14912.61
Exceptional Items [Refer Note 35(12)]		0	1652.48
Profit before Prior Period Adjustments, Extraordinary Items and Tax		15728.21	13260.13
Extraordinary Items		0	0
Profit before Prior Period Adjustments and Tax		15728.21	13260.13
Prior Period Adjustments	31	32.84	0.76
Profit before Tax		15695.37	13259.37
Tax Expense	32		
(i). Current Tax		6000.00	4800.00
(ii). Deferred Tax		(463.05)	(349.29)
(iii). Earlier Years		11.98	(51.31)
Total Tax Expense		5548.93	4399.40
Profit (Loss) after Tax for the Period		10146.44	8859.97
Earnings per Equity Share			
Basic/Diluted	33	19.04	16.62
Capital Commitments	34	8880.97	12145.11
Contingent Liabilities	34	1620.51	1186.37

Statement of Accounting Policies and Notes on Accounts form an integral part of Financial Statements.

As per our report of even date attached.

For K G Somani & Co.
Chartered Accountants

Bhuvnesh Maheshwari
Partner

Ravindra Nath
Chairman-cum-Managing Director

Membership No. : 088155
Firm Reg No. : 006591N
Place : New Delhi
Date : 07.07.2016

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 21 REVENUE FROM OPERATIONS (CONSOLIDATED)

(₹ in lacs)

Particulars	For the Year Ending 31.03.16		For the Year Ending 31.03.15	
Sale of Products		207715.10		202160.71
Sale of Services		7666.54		6688.45
Interest Earned		41591.45		36522.46
Processing Fees Earned		5497.53		4895.76
Other Operating Revenues		392.38		430.17
As per statement of Profit and Loss		262863.00		250697.55
<u>Sale of Products</u>				
Marketing		21605.71		11383.99
Export		764.51		358.71
Raw Material Distribution		185344.88		190418.01
Total (A)		207715.10		202160.71
<u>Sale of Services</u>				
Income from Government Purchase Registration		1425.05		1076.11
Income on infomediary Services		319.66		314.14
Discount Earned (Net)		1346.35		1273.87
Application Processing Fees		66.03		20.42
License & House Keeping Fees		637.61		807.39
Rent		773.56		671.46
Realization from Training Activities		1290.90		1083.10
Realization on account of Common Facilities		701.74		498.43
Income from Exhibition Centres		307.70		177.22
Receipts from Exhibitions, Seminars, Meets, Conferences and Marketing Campaigns		380.36		411.40
Project Consultancy Charges		347.55		291.54
Income from Training-cum-Incubation Center (TIC)		43.98		31.63
Other Receipts from Services		26.05		31.74
Total (B)		7666.54		6688.45
<u>Interest Earned</u>				
From Parties				
Normal		41559.99		36418.58
Penal Interest		31.46		103.88
By Contra Adjustment to Penal Interest Suspense A/c	114.37		137.05	
Less: Losses W/Off on A/C of Penal Interest Suspense A/C by Contra Adjustment	114.37	0	137.05	0
Gain of Interest on Foreign Currency Transactions and Translation (Net)		0		0
Total (C)		41591.45		36522.46
<u>Processing Fees Earned</u>				
Raw Material Distribution	1807532.49	5186.44	1713684.19	4701.83
Miscellaneous Items	53297.42	311.09	34211.36	193.93
Total (D)	1860829.91	5497.53	1747895.55	4895.76
<u>Other Operating Revenues</u>				
Hire Charges		0	0	0
Lease Rentals				
Rental Income from Leasing	0		0	
Less: Lease Equalisation	0	0	(2.11)	2.11
Compensation for Use and Occupation of infrastructure		392.38		428.06
Total (E)		392.38		430.17

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 22 OTHER INCOME (CONSOLIDATED)

(₹ in Lacs)

Particulars	For the Year Ending 31.03.16	For the Year Ending 31.03.15
Interest On:		
Loan to Employees	5.59	7.70
Fixed/Short Term Deposits	174.18	14.06
Income Tax Refunds	0.00	0.00
Others	6.31	2.74
	186.08	24.50
Excess Provision Written Back:		
KFW	59.37	329.63
Government Guarantee Fee	0.00	0.00
Others	88.78	28.27
	148.15	357.90
Sundry Credit Balances Written Back	56.17	73.54
Gain on Sale / Disposal of Assets / Intangibles	7.15	22.37
Gain on Sale of Investments	0.00	0.00
Other Miscellaneous Receipts	110.67	104.22
Gain on Foreign Currency Transactions and Translation (Net)	0.00	1218.92
Dividend Income	3.04	1.82
Compensation Received	0.00	0.00
As per Statement of Profit and Loss	511.26	1803.27

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 23 GRANTS AND SUBSIDIES (CONSOLIDATED)

(₹ in Lacs)

Particulars	For the Year Ending 31.03.16	For the Year Ending 31.03.15
For Promotional Activities	5590.62	9478.74
Less: Capital Expenditure (Net)	301.15	190.48
	<u>5289.47</u>	<u>9288.26</u>
Less: Amount appropriated out of Govt. Grants (As per Statement of Profit and Loss- Promotional)	120.03	74.94
As per Statement of Profit and Loss	5169.44	9213.32

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.**NOTE - 24 PURCHASES OF STOCK IN TRADE (CONSOLIDATED)**

(₹ in lacs)

Particulars	For the Year Ending 31.03.16	For the Year Ending 31.03.15
Marketing Activity		
Marketing	21592.62	11373.05
Export	530.00	295.65
Raw Material Distribution	185130.47	190185.32
As per Statement of Profit and Loss	<u>207253.09</u>	<u>201854.02</u>

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 25 CHANGES IN INVENTORIES (CONSOLIDATED)

(₹ in Lacs)

Particulars	For the Year Ending 31.03.16	For the Year Ending 31.03.15	
Finished Goods:			
Closing Stock	10.88	13.85	
Less: Opening Stock	13.85	12.23	
Adjustment in Stock	0.00	(2.97)	1.62
Work in Process:			
Closing Stock	0.00	0.00	
Less: Opening Stock	0.00	0.00	
Adjustment in Stock	0.00	0.00	0.00
Goods-In-Transit		0.00	0.00
As per Statement of Profit and Loss	(2.97)	1.62	

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 26 EMPLOYEES BENEFITS EXPENSE (CONSOLIDATED)

(₹ in Lacs)

Particulars	For the Year Ending 31.03.16	For the Year Ending 31.03.15
Salaries and Allowances	6556.84	6141.01
Contributions to -		
Provident Fund	583.38	538.99
Superannuation Scheme/ Pension Scheme	463.91	439.30
Deposit Group Insurance Scheme	0.00	0.00
Employees State Insurance Corporation	0.00	0.08
Gratuity Fund Contributions	432.28	447.00
Staff Welfare Expenses	206.59	181.39
Other Benefits	1392.37	1255.42
Directors (Including Chairman-Cum-Managing Director)		
Salaries and Allowances	53.70	62.13
Contributions to -		
Provident Fund	4.65	5.35
Superannuation Scheme/ Pension Scheme	3.87	4.41
Gratuity Fund Contributions	1.66	1.25
Others	3.76	8.14
As per Statement of Profit and Loss	9703.01	9084.47

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 27 FINANCE COSTS (CONSOLIDATED)

(₹ in Lacs)

Particulars	For the Year Ending 31.03.16	For the Year Ending 31.03.15
Interest on Loan On:		
Kreditanstalt West Germany (KFW Loans)	579.31	630.79
Artigiancassa SPA, Italy	3.71	3.92
Banks	20952.86	19144.55
Collateral Security Deposits	0.00	0.00
Bonds	0.00	0.00
Others	0.00	0.00
	21535.88	19779.26
Other Borrowing Costs:		
Government Guarantee Fee	23.41	26.99
Loss of Interest on foreign currency transactions and translation	0.00	0.00
Other Finance Charges	22.30	14.50
	45.71	41.49
As per Statement of Profit and Loss	21581.59	19820.75

NOTE - 28 DEPRECIATION AND AMORTIZATION (CONSOLIDATED)

(₹ in Lacs)

Particulars	For the Year Ending 31.03.16	For the Year Ending 31.03.15
Depreciation on		
Fixed Assets	433.55	390.96
Leased Assets	0.00	0.79
Assets acquired against Grants		
Depreciation as per Contra	130.41	120.79
Less: Replacement Reserve as per Contra	130.41	120.79
Amortization of Expenses	0.00	0.00
Impairment Loss on Fixed Assets (Refer Note 35)	0.00	105.17
As per Statement of Profit and Loss	433.55	496.92

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

NOTE - 29 CORPORATE SOCIAL RESPONSIBILITY

(₹ in Lacs)

Particulars

For the Year Ending 31.03.16

Expenses required to be incurred Rs 224.91 lacs

S. No.	Particulars	In cash	Yet to be paid	Total
(i).	Construction/acquisition of any assets	42.35	29.19	71.54
(ii)	On purposes other than (i) above	159.62	17.84	177.46
	Actual Expenses	201.97	47.03	249.00
	Related Parties Transactions	NIL		

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 30 OTHER EXPENSES (CONSOLIDATED)

(₹ in Lacs)

Particulars	For the Year Ending 31.03.16	For the Year Ending 31.03.15
Electricity, Power & Water Charges	624.88	591.80
Printing & Stationery	97.56	81.04
Insurance	12.78	12.49
Travelling, Conveyance & Vehicle Charges	553.78	486.85
Freight and Octroi Expenses	34.35	11.16
Communication Expenses	167.24	135.81
Rent	311.46	265.67
Staff Recruitment Expenses	13.69	5.21
Licences, Rates & Taxes	74.97	73.94
Expense on Security	845.99	727.07
Repairs & Maintenance Expenses	525.37	423.24
Payments to Statutory Auditors	43.12	41.38
Payment to Internal auditors	39.25	37.53
Legal, Professional and Consultancy Charges	260.14	162.59
Directors' Sitting Fee	2.74	2.25
Directors' Other Expenses	27.77	34.45
Expenses on increase in Authorised Capital	0.00	0.00
Miscellaneous & Contingent Expenses	23.91	24.40
Losses on Sale/Disposal of Assets/Intangibles	3.16	5.58
Loss on Sale of Investment	0.00	0.00
Bad Debts/Irrecoverable Advances Written Off	837.51	941.55
Loss on Foreign Currency Transactions and Translation (Net)	82.00	0.00
Expenditure on Infomediary Services	3.09	2.78
Project Consultancy Charges	110.44	138.93
Expenses on Godown Operations	1209.84	1086.92
Expenditure on Sustainable Development	2.86	0.00
Expenditure on Research and Development	0.00	0.00
Provision for Doubtful Debts	1381.10	228.59
Business / Sales Promotion Expenses	116.51	115.97
Advertisement and Publicity	103.25	115.88
Entertainment	30.56	24.37
Expenditure on Exhibitions, Seminars and Conference	300.34	265.07
Training Expenses	678.01	487.36
Common Facilities Charges	68.51	50.26
Expenses on International Co-operation	13.83	15.79
Expenses on Marketing Assistance Scheme	1009.48	1499.01
Performance and Credit Rating Fee	3982.80	7265.92
Fringe Benefit Tax	0.00	0.00
Govt. Guarantee Fees	0.00	0.00
Compensation Paid	0.00	0.00
Discount Paid	0.00	0.00
India Inclusive Innovation Fund (IIIF)	0.00	0.00
Charity and Donations	0.00	0.00
As per Statement of Profit and Loss	13592.29	15360.86

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

ANNEXURE - 30A DETAILS OF OTHER EXPENSES (CONSOLIDATED)

(₹ in Lacs)

Particulars	For the Year Ending 31.03.16	For the Year Ending 31.03.15
Payment to Statutory Auditors for:		
Statutory Audit Fees	29.14	28.16
Tax Audit Fees	10.94	10.72
Other Taxation Matters	0.00	0.46
Company Law Matters	0.00	0.00
Management Services	0.00	0.00
Other Services	0.21	0.08
Reimbursement of Expenses	2.83	1.96
Total	43.12	41.38
Repairs & Maintenance Expenses on:		
Building	307.35	214.52
Machinery	6.99	8.13
Others	211.03	200.59
Total	525.37	423.24
Bad Debts/Irrecoverable Advance Written Off:		
Bad Debts Written Off	837.51	941.55
Irrecoverable Advances Written Off	0.00	0.00
Losses Written Off	91.56	165.12
Less: Contra Adjustment to Losses Written Off	91.56	165.12
Total	837.51	941.55
Expenses on Marketing Assistance Scheme:		
Participation in Domestic Exhibitions	468.50	585.16
Participation in International Exhibitions	158.23	316.83
Organization of Domestic Exhibitions	129.20	133.36
Organization of Techmart	71.61	76.39
Organization of International Level Exhibitions	69.79	106.37
Co-sponsoring of Exhibitions	2.00	64.93
Buyer-Seller Meets	16.74	25.51
Marketing Campaigns/Workshop	42.72	100.64
Other Marketing Activities	50.69	89.82
Total	1009.48	1499.01
Training Expenses		
Training Expenses Internal	371.20	282.23
Training Expenses - Sponsored	213.88	114.57
Training Expenses - Personal	59.96	61.67
Training Expenses - Others	32.97	28.89
Total	678.01	487.36

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 31 PRIOR PERIOD ADJUSTMENTS (CONSOLIDATED)

(₹ in Lacs)

Particulars	For the Year Ending 31.03.16		For the Year Ending 31.03.15	
Income				
Interest and Service Charges	0.54		0.00	
Other Income	(8.18)		1.65	
Depreciation	0.00	(7.64)	0.00	1.65
Expenditure				
Employees Remuneration & Other Benefits	0.00		0.00	
Depreciation	0.00		0.00	
Interest	16.47		0.00	
Other Expenses	8.73	25.20	2.41	2.41
As per Statement of Profit and Loss		(32.84)	(0.76)	

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 32 TAX EXPENSE (CONSOLIDATED)

(₹ in Lacs)

Particulars	For the Year Ending 31.03.16	For the Year Ending 31.03.15
Provisions for Current Tax		
Provision for Current Tax	6000.00	4800.00
Provision for Deferred Tax	(463.05)	(349.29)
Provision for Wealth Tax	0.00	0.00
Provision for Fringe Benefit Tax	0.00	0.00
	5536.95	4450.71
Adjustment for Previous Year Taxes		
Provision for Tax	11.98	(51.31)
Provision for Deferred Tax	0.00	0.00
	11.98	(51.31)
MAT Credit Entitlement		0.00
	0.00	0.00
As per Statement of Profit and Loss	5548.93	4399.40

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.**NOTE - 33 EARNINGS PER EQUITY SHARE (CONSOLIDATED)**

(₹ in Lacs)

Particulars	For the Year Ending 31.03.16	For the Year Ending 31.03.15
Weighted Average Number of Shares Outstanding (No.)	532.99	532.99
Net Profit / (Loss) after tax as per Statement of Profit & Loss (Rupees)	10146.44	8859.97
E.P.S (Basic & Diluted) (Rupees) (Face value of share, ₹100/-)	19.04	16.62

.THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 34 CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) (CONSOLIDATED)

(₹ in Lacs)

Particulars	For the Year Ending 31.03.16	For the Year Ending 31.03.15
<u>Contingent Liabilities:</u>		
Claims against the Corporation not acknowledged as Debts	218.47	227.60
Guarantees	0.00	0.00
Disputed Income Tax, Interest Tax, Sales Tax, Trade Tax demand.	842.87	404.32
Other money for which the Corporation is contingently liable	559.17	554.45
As per Statement of Profit and Loss	1620.51	1186.37
<u>Commitments:</u>		
Estimated amount of Contracts remaining to be executed on Capital account and not provided for (net of advances)	8880.97	12145.11
Uncalled Liability on shares and other investments partly paid.	0.00	0.00
Other Commitments	0.00	0.00
As per Statement of Profit and Loss	8880.97	12145.11

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

NOTE - 35

Additional notes forming an integral part of the financial statements for the year ended 31st March, 2016.

1. Letters seeking confirmation for year-end outstanding balances have been sent to most of the trade receivables, creditors, contractors' advances, deposits, borrowers etc. (except in cases where recovery certificate has been issued and / or under litigation). The year-end outstanding balance reconciliations with the units is carried out as an ongoing process. Confirmations in few cases are awaited. In the opinion of the management, the impact of it is not significant.
2. The title deeds in respect of following properties have not been executed in favour of the Corporation:

(₹ in Lac)				
S.NO	PARTICULARS OF THE PROPERTY	AREA	AS AT 31/03/2016	AS AT 31/03/2015
1	Land at Technical Centre Howrah	49.94 acres	1.60*	1.60*
2	Land & Building at B O Coimbatore	11049.17 sqft	11.24*	11.49*
3	Flats at B O Mumbai	3660.00 sqft	6.25*	6.25*

* Figures are written down values as on date.

3. The provision for exchange variation losses for loans under KFW credit lines have been created as per the terms and conditions of the loan agreements:
 - (a) The provisions of ₹ 244.32 lacs (₹ 264.58 lacs) created during the year under XIth line of credit has been utilized for meeting exchange variation losses of ₹ 244.32 lacs (₹ Nil lacs) and the balance of ₹ Nil (₹ 264.58) has been written back since utilized for the promotional activities.
 - (b) The provision for exchange variation losses for loans under KFW credit line XIIth has been created as per the loan agreement. Under KFW XIIth line of credit, out of the provision for exchange variation created during the year, 80% of the provision is to be utilized for meeting exchange variation losses and the balance left out, if any, is to be retained to meet out the exchange variation losses in future. Accordingly, total provisions amounting to ₹ 296.84 lacs (₹ 325.24 lacs) have been made during the year for exchange variation under XIIth line of credit, out of which 80% ₹ 237.47 lacs (₹ 260.20 lacs) has been utilized against exchange variation loss during the year and balance ₹ 59.37 lacs (₹ 65.05 lacs) has been utilized for promotional purposes as per terms and conditions of the loan agreement.

During the year, the exchange variation loss was ₹ 253.80 lacs (₹ Nil) which has been adjusted from 80% provision i.e ₹ 237.47 lacs (₹ 260.20 lacs) and balance ₹ 16.33 lac (₹ Nil) has been adjusted from the provision for exchange variation losses made in the past years. The cumulative retained provision on this account as on 31/03/2016 is ₹ 1441.16 lac (₹ 1457.49 lac).

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

4. Trade Receivables and Loans & Advances (relating to Hire Purchase, Equipment Leasing, Marketing, Raw Material Assistance, Bills Discounting, Composite Term Loan, Term Loan, Italian Line of Credit etc) amounting to ₹ 332116.66 lacs (₹304567.24 lacs) comprising of receivables and advances (backed with the security of BG and amounts payable to suppliers and / or recoverable from Government Department / PSUs) amounting to ₹ 320255.70 lacs (₹293701.22 lacs) on which provisions are not required to be made as per provisioning norms duly approved by the Board of Directors. Against the remaining amount of ₹ 11860.96 lacs (₹10866.02 lacs), provision of ₹ 10405.49 lacs (₹9052.56 lacs) has been made for doubtful receivables and loans & advances in line with the norms approved by the Board.
5. In the month of June 2016, at Branch Office-Kolkata and Branch Office-Salt lake, instances of forged Bank Guarantees (though having confirmation from their issuing branch of bank and controlling office) were detected. These bank guarantees had been received from seven different parties during the period from 28.3.2016 to 27.05.2016. In one case, where bank guarantees were received on 28.3.2016, assistance of Rs.281.56 lacs was extended for purchase of raw materials against the Bank Guarantee of Rs. 300 lacs. Out of amount receivable from the unit, after adjusting the amount received in June, 2016, 100% provision has been made of Rs.207.10 lacs as on 31.03.2016 which is considered to be doubtful. The case of forged bank guarantees received from these parties has been referred to CBI on 28.06.2016. for further investigation
6. In compliance of section 45-1A of Reserve Bank of India Act.1934, the Corporation has been granted Certificate of Registration no. N.14.03090 dated 29.12.2005 to commence/carry on the business of non-banking financial institution. However, in view of RBI circular No. DNBR(PD) CC No.043/03.10.119/2015-16 dated 1st July'2015, the Corporation, being a Government of India Enterprise, has been exempted from compliance of RBI Prudential Norms relating to NBFCs.
7. The building at New Tilak Nagar, Chembur, Mumbai in which NSIC had six flats was demolished due to construction of Santa Cruz Chembur Link Road (SCLR) Project) in terms of the MOU dated 05/06/2009 between MMRDA, MHADA and NSIC.

MMRDA had agreed for rehabilitation / resettlement of the said building by reconstruction of the building. It was agreed that NSIC would be provided alternative six new tenements in lieu thereof, possession of which was to be handed over by MMRDA after receipt of completion certificate of MCGM.

MMRDA had paid compensation to NSIC for the period from 01.04.2015 to 15.03.2016 @ ₹ 0.23 lacs per flat per month. This was treated as a revenue receipt and rent for the alternative accommodation taken, shown as expenditure.

During the current financial year 2015-16, the construction of the building has been completed and MMRDA has given possession of six flats to NSIC on 29.03.2016. Accordingly, the value of the six flats allotted by MMRDA in the reconstructed building has been recorded at the net book value of the six flats demolished by MMRDA in accordance to the AS-10 on "Accounting of Fixed assets".

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8. During the year, the Corporation has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small and Medium Enterprises (MSME). Consequently, the amount paid / payable including interest, if any, to such units during the year is Rs. Nil.
9. Provision for current tax has been made as per the provisions of the Income Tax Act' 1961. The Corporation has recorded net deferred tax assets arising on account of timing differences as stipulated in Accounting Standard-22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. The net deferred tax assets comprise of the following:

(₹ in lakh)

S.No.	Particulars	As at 31.03.2016	As at 31.03.2015
(i)	Deferred Tax Liabilities		
	Related to timing difference on depreciation of fixed assets	(650.26)	(569.00)
	Sub Total	(650.26)	(569.00)
(ii)	Deferred Tax Assets		
	a) Provision for Doubtful Debts	3721.94	3243.94
	b) Employees Benefits	2156.80	2090.49
	Sub Total	5878.74	5334.43
	Deferred Tax Assets (Net)	5228.48	4765.43

10. In accordance with guidelines of Department of Public Enterprises, ad-hoc provisions on account of Performance Related Pay (PRP) for the year 2015-16 amounting to Rs. 749 lacs (Rs. 625 lacs) has been made.
11. During the year, no provision has been made for any loss on account of impairment of assets under Accounting Standard (AS) -28 as there is no indication of any impairment of assets of the Corporation, on the basis of the Corporation as a whole, as a Cash Generating Unit (CGU).

12. Employee Benefits:

- (a) **Provision and contribution towards Employee Benefits which inter-alia includes Short-Term benefits, post-retirement benefits, Other Long Term benefits and Termination benefits** are made based on actuarial valuation performed by the independent actuary and are charged to Statement of Profit and Loss.

Accordingly, disclosure under the provision of Accounting Standard 15 on "Employee Benefits (Revised 2005)" for the Financial Year ended 31.03.2016 is given below:-

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**(i) Principal actuarial assumption at the Balance Sheet date.
(Expressed as weighted average)**

	Gratuity (unfunded)	Leave Encashment (unfunded)
Discount rate	8.00%	8.00%
Expected rate of return on plan assets	--	--
Expected rate of Salary increase	5.50%	5.50%
Method used	Projected unit credit	Projected unit credit

(ii) Changes in the present value of the obligations

(₹ in Lac)

	Gratuity (unfunded)	Leave Encashment (unfunded)
PVO at the beginning of the year	3652.42	2069.05
Interest cost	310.46	175.87
Past Service Cost	---	---
Current Service Cost	174.12	125.55
Benefits paid	(337.87)	(345.97)
Actuarial loss / (gain) on obligation	(76.92)	98.44
PVO at the end of the year	3722.21	2122.94

(iii) Amount recognized in Balance Sheet

(₹ in Lac)

	Gratuity (unfunded)	Leave Encashment (unfunded)
Estimated Present value of obligation as at the end of the year	3722.21	2122.94
Fair value of Plan Assets as at the end of the year	--	--
Unfunded Net Liability recognized in Balance Sheet	(3722.21)	(2122.94)

(iv) Expenses recognized in Statement of Profit and Loss

(₹ in Lac)

	Gratuity (unfunded)	Leave Encashment (unfunded)
Current Service cost	174.12	125.55
Past Service Cost	---	---
Interest Cost	310.46	175.87
Expected return on Plan Assets	--	---
Net Actuarial loss / (Gain) recognized in Profit and Loss A/c	(76.92)	98.44
Total expenses recognized in Statement of Profit and Loss	407.66	399.87

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(v) Short term Employee's Benefits (unfunded)

	(₹ in Lac)
	Leave Travel concession
Liability as on 31.03.2016	0.77
Liability as on 01.04.2015	1.58
Transitional Liability	--
Amount credited to Statement of Profit and Loss	-0.81

	(₹ in Lac)
	Sick Leave
Liability as on 31.03.2016	382.24
Liability as on 01.04.2015	313.60
Transitional Liability	--
Total expenses recognized in Statement of Profit and Loss	68.64

(vi) Other long term Employee's Benefits (unfunded)

	(₹ in Lac)
	TA on retirement
Liability as on 31.03.2016	3.56
Liability as on 01.04.2015	3.48
Transitional Liability	--
Total expenses recognized in Statement of Profit and Loss	0.08

13. SEGMENT REPORTING

NSIC's activities are broadly classified into 'Promotional' and 'Commercial'. The 'Promotional' activities include the activities for which budgetary support is provided to the Corporation by the Government and / or its agencies. The schemes of 'Marketing Assistance Scheme for MSMEs', 'Performance & Credit Rating Scheme for micro and small enterprises' and 'Assistance for Training to Institutions' etc., for which budgetary support has been provided to the Corporation get reflected under the 'Promotional' activity. The expenses towards organization / participation in exhibitions (both domestic and international), buyer sellers meets, intensive campaigns, other marketing support services (advertisement, publicity etc.), rating of MSEs and training expenses are met out of the budgetary support provided for the above schemes.

The 'Commercial' activities interalia include the activities whereby the Corporation provides 'Marketing', '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".

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The following table presents the revenue, profit/(loss), assets and liabilities information to the Business segments for the year ended 31st March, 2016 as required by AS-17 on "Segment Reporting" issued by the Institute of Chartered Accountant of India.

(₹ in Lac)

Description	For the year ended 31/03/2016			For the year ended 31/03/2015		
	Promotional	Commercial	Total	Promotional	Commercial	Total
A. Primary Segment – Business Segment						
I. SEGMENT REVENUE						
a. Segment Revenue (including grant)	5507.16	263036.54	268543.70	9400.20	252313.94	261714.14
II. RESULTS						
a. Segment Results	-120.03	10266.47	10146.44	-74.94	8934.91	8859.97
b. Operating Profit before interest		37309.80	37309.80		34733.36	34733.36
c. VRS & prior period		32.84	32.84		0.76	0.76
d. Interest Paid		21581.59	21581.59		19820.75	19820.75
e. Exceptional items			0.00		1652.48	1652.48
f. Net Profit before Tax		15695.37	15695.37		13259.37	13259.37
g. Tax		5548.93	5548.93		4399.40	4399.40
h. Net Profit after Tax		10146.44	10146.44		8859.97	8859.97
III. ASSETS & LIABILITIES						
a. Segment Assets	1,414.97	322746.64	324161.61	1,244.19	296333.89	297578.08
b. Unallocated Assets			31157.76			27368.13
c. Total Assets	1414.97	322746.64	355319.37	1,244.19	296333.89	324946.21
d. Segment Liabilities	1,951.97	254738.02	256689.99	3,235.00	233164.65	236399.65
e. Unallocated Liabilities			98629.38			88546.56
f. Total Liabilities	1,951.97	254738.02	355319.37	3,235.00	233164.65	324946.21
IV. OTHER INFORMATION						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	301.15	5287.74	5858.89	190.48	2199.77	2340.25
(b) Depreciation #	130.40	433.54	563.94	120.79	496.92	617.71
(c) Non cash expenditure other than depreciation		922.67	922.67		1175.71	1175.71

The depreciation of promotion segment is charged to capital reserve.

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14. RELATED PARTY DISCLOSURE:

In compliance of Accounting Standard – 18 on related party disclosures issued by the Institute of Chartered Accountants of India, the required information is given as under: -

a) Key Management Personnel

Shri Ravindra Nath	Chairman-cum-Managing Director
Shri P. Udaya Kumar	Director (P&M)

b) Transactions during the year with related parties

(₹ in Lac)

1.	Expenditure	Key Management Personnel		Relative of Key Management Personnel	
		2015-16	2014-15	2015-16	2014-15
a)	Salaries	44.34	62.13	--	--
b)	Leave/ LTC Encashment	--	3.25	--	--
c)	Provident Fund Contribution	4.65	5.35	--	--
d)	Contribution to Pension Scheme	3.87	4.41	--	--
e)	Others	42.55	40.58	--	--
f)	Lease Rent Paid	--	--	--	--
2.	Loan & interest outstanding	--	--	--	--

15. Figures in brackets in the notes to the financial statements represent previous year's figures.

16. Previous year figures have been regrouped, rearranged and recast, wherever necessary.

CASH FLOW STATEMENT ATTACHED TO AND FORMING PART OF THE ACCOUNTS As At 31.03.16

(Rs. in Lacs)

Particulars	As At 31.03.16	As At 31.03.15
Net Profit/Loss before Tax	15695.37	13259.37
Depreciation	433.54	496.92
Lease Terminal Adjustment	(0.50)	(7.36)
Provisions	1612.53	855.82
Profit/Gain on Assets Disposed off (Net)	(3.99)	(16.79)
Interest on Short/Fixed Term Deposit	(174.18)	(14.06)
Interest Accrued but not due on borrowings	28.17	30.54
Operating Cash Flows before Working Capital Changes	17590.94	14604.44
Adjustment for Working Capital Changes:		
Inventories	(23.47)	(19.11)
Trade Advances & Receivables	(20203.19)	(46820.16)
Current Liabilities & Provisions	(2335.40)	907.02
Unamortized Expenditure	0.00	0.57
Cash Flow before Tax	(4971.12)	(31327.23)
Taxes	(5681.73)	(4386.35)
Net Operating Cash Flow (A)	(10652.85)	(35713.58)
Cash Flow from Investing Activities:		
Sale Proceeds of Assets Disposed off	10.34	48.27
Increase in Fixed Assets and Capital W.I.P.	(5588.78)	(2224.51)
Fixed Assets (out of Grant)	301.14	190.48
Interest on Short/Fixed Terms Deposits	174.18	14.06
Net Investing Cash Flow (B)	(5103.12)	(1971.70)
Cash Flow from Financing Activities:		
Proceeds from Issuance of Share Capital	0.00	0.00
Net Increase/ (Decrease) in Other Borrowings	16787.38	42057.68
Dividend Paid	(2048.70)	(1776.87)
Net Financing Cash Flow (C)	14738.68	40280.81
Net Cash Flow from Operating Activities (A)	(10652.85)	(35713.58)
Net Cash Flow from Investing Activities (B)	(5103.12)	(1971.70)
Net Cash Flow from Financing Activities (C)	14738.68	40280.81
Net Changes in Cash & Cash Equivalents (A+B+C)	(1017.29)	2595.53
Add.: Cash & Cash Equivalents-Opening Balances	5529.69	2934.16
Cash & Cash Equivalents-Closing Balance	4512.40	5529.69

- Note: 1. The above Cash Flow statement has been prepared by using the Indirect Method as per Accounting Standard (AS)-3 Cash Flow Statements issued by the Institute of Chartered Accountants of India.
2. Cash and Cash Equivalents consists of cash and bank balance and deposits with bank.
3. Previous year's figures have been regrouped / rearranged wherever necessary
4. Cash and Cash Equivalents includes deposits as security with Government Authorities.
5. The net profit before tax is after considering exceptional item of Rs. Nil (Rs. 1652.48 lacs)
6. The net profit before tax is after considering expenses on Corporate Social Responsibility of Rs.249 lacs (Rs.186.13 lacs).

Statement of Accounting Policies and Notes on Accounts form an integral part of Financial Statements .
As per our report of even date attached.

For K G Somani & Co.
Chartered Accountants

Ravindra Nath
Chairman-cum-Managing Director

Bhuvnesh Maheshwari
Partner

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

Membership No. : 088155
Firm Reg No. : 006591N
Place : New Delhi
Date : 07.07.2016

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

**STATEMENT OF PROFIT AND LOSS ACCOUNT (COMMERCIAL)
FOR THE YEAR ENDED 31.03.2016**

(₹ in Lacs)

Particulars	Note No.	For the Year Ending 31.03.16	For the Year Ending 31.03.15
A Revenue			
Revenue from Operations	21	262696.29	250520.91
[Include Processing Fee/Service Charges earned of ₹ 5497.53 lacs (₹ 4895.76 lacs) for value of goods handled and services rendered ₹ 1860829.91 lacs (₹ 1747895.55 lacs)]			
Other Income	22	340.25	1793.03
Total Revenue		263036.54	252313.94
B Expenses			
Cost of Materials Consumed		0.00	0.00
Purchase of Stock-in-Trade	24	207253.10	201854.02
Changes in Inventories	25	2.97	(1.62)
Employee Benefit Expenses	26	9298.11	8496.93
Finance Costs	27	21581.59	19820.75
Depreciation and Amortization Expenses	28	433.55	496.92
Expenses on Corporate Social Responsibility	29	249.00	186.13
Other Expenses	30	8490.03	6473.26
Add: Excess of Expenditure over Income transfer from Promotional Activity		0.00	74.94
Total Expenses		247308.34	237401.33
Profit before Prior Period Adjustments, Exceptional Items, Extraordinary Items and Tax		15728.21	14912.61
Exceptional Items [Refer Note 35(12)]		0.00	1652.48
Profit before Prior Period Adjustments, Extraordinary Items and Tax		15728.21	13260.13
Extraordinary Items		0.00	0.00
Profit before Prior Period Adjustments and Tax		15728.21	13260.13
Prior Period Adjustments	31	32.84	0.76
Profit before tax		15695.37	13259.37
Tax Expense	32		
(i). Current Tax		6000.00	4800.00
(ii). Deferred Tax		(463.05)	(349.29)
(iii). Earlier Years		11.98	(51.31)
Total Tax Expense		5548.93	4399.40
Profit (Loss) after Tax for the Period		10146.44	8859.97
Earnings per Equity Share			
Basic/Diluted	33	19.04	16.62
Capital Commitments	34	8880.97	12145.11
Contingent Liabilities	34	1620.51	1186.37

Statement of Accounting Policies and Notes on Accounts form an integral part of Financial Statements

As per our report of even date attached.

For K G Somani & Co.
Chartered Accountants

Ravindra Nath
Chairman-cum-Managing Director

Bhuvnesh Maheshwari
Partner

Gaurang Dixit
General Manager-SG (Finance)

Nishtha Goyal
Company Secretary

Membership No. : 088155
Firm Reg No. : 006591N
Place : New Delhi
Date : 07.07.2016

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

**STATEMENT OF INCOME AND EXPENDITURE (PROMOTIONAL)
FOR THE YEAR ENDED 31.03.2016**

(₹ in Lacs)

Particulars	Note No.	For the Year Ending 31.03.16	For the Year Ending 31.03.15
A Revenue			
Revenue from Operations	21	166.71	176.63
Other Income	22	171.01	10.25
Grants and Subsidies	23	5289.47	9288.26
Total Revenue		5627.19	9475.14
B Expenses			
Employee Benefit Expenses	26	404.90	587.54
Finance Costs	27	0.00	0.00
Depreciation and Amortization Expenses	28	0.00	0.00
Other Expenses	30	5102.26	8887.60
Add: Excess of Expenditure over Income transfer to Commercial Activity		0.00	(74.94)
Total Expenses		5507.16	9400.20
Profit before Prior Period Adjustments, Exceptional Items, Extraordinary Items and Tax		120.03	74.94
Exceptional Items		0.00	0.00
Profit before Prior Period Adjustments, Extraordinary Items and Tax		120.03	74.94
Extraordinary Items		0.00	0.00
Profit before Prior Period Adjustments and Tax		120.03	74.94
Prior Period Adjustments		0.00	0.00
Profit before tax		120.03	74.94
Tax Expense		0.00	0.00
Net Income /(Expenditure)		120.03	74.94

Statement of Accounting Policies and Notes on Accounts form an integral part of Financial Statements.

As per our report of even date attached.

For K G Somani & Co.
Chartered Accountants

Bhvnesh Maheshwari
Partner

Ravindra Nath
Chairman-cum-Managing Director

Membership No. : 088155
Firm Reg No. : 006591N
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Gaurang Dixit
General Manager-SG (Finance)

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Company Secretary