

## INDEPENDENT AUDITORS' REPORT

To

### **The Members of The National Small Industries Corporation Limited Report on the Audit of the Ind AS Standalone Financial Statements**

This Audit Report is in supersession of our earlier Audit Reports dated 30<sup>th</sup> September 2019 and 16<sup>th</sup> December 2019 on Balance Sheet as at 31st March 2019 of the Corporation.

Audit Report dated 30<sup>th</sup> September 2019 was superseded by report dated 16<sup>th</sup> December 2019 since, the company has Re-opened its Books of accounts in view of final decision of Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) in favour of Corporation. United Bank of India (UBI) shall make good the loss of ₹ 17,350 Lakhs caused to NSIC. The decision of group of secretaries chaired by the Cabinet Secretary i.e. Second Level (tier II) committee under AMRCD mechanism, will be final and binding on all concerned as per DPE Guidelines. The minutes of AMRCD meeting held on 21.10.2019 are re-produced here:

*"After due consideration of the material available and the submission made by the two parties, it is decided that UBI shall make good the loss caused to NSIC on account of dishonouring the Bank Guarantee issued by the Hazara Road Branch and Jadavpur Vidyapith Branch of UBI amounting to ₹ 173.50 Crores."*

In view of the final decision of group of Secretaries chaired by Cabinet Secretary i.e. second level committee under AMRCD, the audited annual accounts of the Corporation for the year 2018-19 have been re-opened to incorporate consequential impact thereof in the Annual Accounts.

Further, audit report dated 16<sup>th</sup> December 2019 was superseded by This Audit Report, due to change in Point No. (i) and (l) of Para No. 4 of Note No. 34 of other notes on accounts to the financial statements for the financial year 2018-19 of the Corporation.

### **Opinion**

We have audited the standalone Ind AS financial statements of **The National Small Industries Corporation Limited** ("the Corporation"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial

Statements, including a summary of Significant Accounting Policies and other explanatory information, which are included the financial statements of Head Office audited by us and 64 branch offices including Technical Centres audited by other independent auditors appointed by Comptroller & Auditor General of India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Corporation as at March 31, 2019, and the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Emphasis of Matters**

- 1. We draw Attention to the following matter in the Note No.- 34 to the Standalone financial statements:*

*In Para No. 4 of Note 34 in respect of the fraud detected during financial year 2016-17 related to Bank Guarantees (BGs) amounting to ₹ 17350 Lakhs at three offices (namely Kolkata ₹ 10550 Lakhs, Salt Lake ₹ 6300 Lakhs and NTSC Howrah ₹ 500 Lakhs) of the Corporation in West Bengal audited by other Independent Auditor and further to it above mentioned BGs amounting to ₹17350 lakhs received from United Bank of India (UBI) against advances given to the parties under Raw Material Assistance scheme (RMA) which were invoked, remain unpaid by the bank till date.*

*The matter was referred to Administrative Mechanism for Resolution of CPSE Disputes (AMRCD) as per DPE Guidelines. Final decision of Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) is in favour of Corporation and United Bank of India (UBI) shall make good the loss of ₹17350 Lakhs caused*

to NSIC. The decision of Cabinet Secretaries Second Level (tier II) committee under AMRCD mechanism will be final and binding on all concerned as per DPE Guidelines.

In view of the final decision of Committee of Cabinet Secretaries second level under AMRCD, the audited annual accounts of the Corporation for the year 2018-19 have been re-opened to incorporate consequential impact thereof in the Annual Accounts.

A provision of ₹ 5117.22 lakhs @ 30% has been made against outstanding dues of ₹ 17057.39 Lakhs recoverable from Bank.

2. We draw attention to the following matters in the Para No. 2 of Note – 34 to the financial statements:

Which describes that the balances of Trade Receivables, Loans and advances, Trade payables, etc. are subject to confirmation/ reconciliation in the following cases and consequential adjustments, if any.

**a) Debit Balances**

(₹ in Lakh)

S.N.	Particular	Total Outstanding	Confirmation not received	Note No.
1	Trade receivables	9,280.35	8,581.07	Para 2 of Note No-34
2	Loans & Advances	243,337.30	21,048.67	-above-
3	Other Financial Assets	12496.82	299.28	-above-)
	<b>Total</b>	<b>265114.47</b>	<b>29,929.02</b>	

**b) Credit Balances**

(₹ in Lakh)

S.N.	Particular	Total Outstanding	Confirmation not received	Note No.
1	Trade Payables	19,972.95	17,689.20	Para 2 of Note No. 34
2	Other Financial Liabilities	1,88,037.92	2,988.22	-above-
	<b>Total</b>	<b>2,08,010.87</b>	<b>20,677.42</b>	

3. We draw Attention to the following matter in the Para No. 5 of Note – 34 to the Standalone financial statements:

(a) During the year, the Corporation has made the provisions as per RBI prudential norms and reversed the Risk Fund as at 01.04.2018 amounting to ₹ 1878.65 lakhs created by way of appropriation of profit and ploughing back the interest earned on the fund invested in earlier years. The amount of risk fund represented by interest ploughed back in earlier years amounting to ₹ 323.34 lakh has been reversed by crediting to Excess provision written back in the Statement of Profit & Loss Account and balance amounting to ₹ 1555.31 lakh representing the profit appropriated in earlier years has been transferred to Retained Earnings.

(b) The Corporation was hitherto recognizing prepaid expenses of items of over ₹ 0.50 lakh which has now been increased to ₹1.00 lakh. Due to change in accounting policy, an amount of ₹4.23 lakhs to be charged to expenses has been adjusted in the retained earnings on 01.04.2017 and an amount of ₹1.61 lakhs has been charged to expenses for 2017-18.

(c) The Corporation was hitherto recognizing prior period expenses/revenue of items of over ₹0.50 lakh which has now been increased to 0.25 % of the Revenue from Operations. Due to change in accounting policy, an income of ₹24.12 lakhs during 2017-18 which hitherto shown as prior period has now been recognized under natural heads

(d) Para No. 14 (i) regarding ad-hoc provision on account of Performance Related Pay (PRP) for the year 2018-2019 amounting to ₹207.97 lakhs (Previous year ₹505.00 lakhs)

(e) Land measuring 3.28 Acres of NTSC-Rajkot is under encroachment by few Industrial Units as well as unauthorized dwelling units.

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

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

The Corporation's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Corporation's Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual report for the year ending 31st March, 2019 is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Corporation's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Corporation in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Corporation's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Corporation has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements representing the underlying transactions and events in a manner that achieves fair representation.

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

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

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

#### **Other Matter**

We did not audit the financial statements/information of 64 (Previous Year 63) Branch Offices & Technical Centres incorporated in the financial statements of the Corporation, whose financial statements / financial information reflect total assets of ₹ 307,780.91 lakhs as at 31st March, 2019 ( ₹ 342,254.90 lakhs as at 31st March, 2018) and total revenues of ₹ 255,422.11 lakhs (Previous Year ₹ 254,952.15 lakhs) for the year ended on that date, as considered in the financial statements. The financial statements/information of these branches have been audited by the independent auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such independent branch auditors.

Our opinion is not modified in respect of this matter.

The comparative financial information of the Corporation for the year ended 31<sup>st</sup> March, 2018 and the transition date opening balance sheet as at 1<sup>st</sup> April 2017 included in these Ind As financial statements, are based on the previously issued statutory financial statements prepared in accordance with the companies (accounting Standards) Rules, 2006 audited by us/the predecessor auditors, whose audit report for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 dated 03-08-2018 and dated 28-08-2017 respectively expressed an unmodified opinion on those financial statements, being adjusted for the differences arising out of the accounting principles adopted by the Corporation on transition to the Ind AS.

Our opinion is not modified in respect of this matter.

The prudential norms related to income recognition, accounting standards, assets classification, provisioning etc. specified in RBI's Master Directions – Non-Banking Finance Company (Reserve Bank) Directions, 2016 are applicable to the Corporation w.e.f. the year 2018-19 which should be consistent with the Ind AS system of calculating expected credit loss on impaired loans and classification thereof.

Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - (c) The reports on the accounts of the branch offices of the Corporation audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - (d) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
  - (e) In our opinion, the aforesaid standalone 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) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(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 33 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 2019 on accounts of Head Office audited by us and 64 branch offices & technical centres audited by other independent auditors appointed by Comptroller & Auditor General of India, refer to our separate Report in "Annexure C".

for **K P M C & Associates**  
Chartered Accountants  
FRN: 005359C

CA. Pankaj Kumar  
Membership No.: 073291

Place: New Delhi  
Date: 27/12/2019

UDIN: 19073291AAAAEU4559

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

**Annexure referred to in Paragraph "1" under our 'Report on Other Legal Regulatory Requirements' section of our report of even date to the members of The National Small Industries Corporation Limited on the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2019.**

- (i) (a) The Corporation has maintained proper records showing full particulars including quantitative details and situation of the fixed assets now called Property, Plant and Equipment in Financial Statements.
- (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:

(₹ in Lakhs)

S.no	Particulars of the property	Area	As at 31/03/2019	As at 31/03/2018
1	Land at Technical Centre Howrah	49.94 acres	1.60	1.60
2	Flats at Branch Office Mumbai	3660 sqft.	5.69*	5.87*

\*Figures are written down value as on date.

Further, land measuring 3.28 Acres of NTSC-Rajkot is under encroachment by few Industrial Units as well as unauthorized dwelling units. It is apt to mention that necessary action for removal of such encroachment is under process.

- (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, 2019 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 2019, except the followings:

S. No.	Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the Dispute is Pending
1.	Sales Tax Act	Central Sales Tax	2.10	1990-91	CTO, Gandhi Nagar Circle, Hyderabad
2.	Sales Tax Act	Central Sales Tax	4.14	1993-94	CTO, Gandhi Nagar Circle, Hyderabad
3.	Sales Tax Act	Central Sales Tax	15.62	2000-01	CTO, Gandhi Nagar Circle, Hyderabad
4.	Sales Tax Act	Central Sales Tax	2.80	1993-94	CTO, Gandhi Nagar Circle, Hyderabad
5.	CST Act, 1956	Central Sales Tax	0.49	2009-10	Appellate Deputy Commissioner CT (III), Chennai

6.	CST Act, 1956	Central Sales Tax	0.56	2011-12	Appellate Deputy Commissioner CT (III), Chennai
7.	Service Tax	Service Tax	3.29	2009-10	The Commissioner of Service Tax, Chennai
8.	Service Tax	Service Tax	1.42	2005-06 to 2009-10	Commissioner of Central excise (Appeals) Madurai
9.	Commercial Tax	Commercial Tax	13.97	2012-13 & 2013-14	Joint Commissioner, Commercial Tax, Orissa
10.	Service Tax	Service Tax	9.56	2014-15	The Commissioner of Service Tax, Kanpur
11.	Income Tax Act	Income Tax regular demand	38.74	2013-14	CIT (Appeals) – IX, New Delhi
12.	Income Tax Act	Income Tax regular demand	88.08	2014-15	CIT (Appeals) – IX, New Delhi
13.	Sales Tax	Sales Tax	15.66	2012-13 to 2013-14	Joint Commissioner of Sales Tax, Cuttack.
14.	Sales Tax	Sales Tax	18.15	2014-15	Joint Commissioner of Sales Tax, Cuttack.
15.	West Bengal VAT Act	Sales Tax	1.80	2014-15	Joint Commissioner of Sales Tax, West Bengal
	<b>Total</b>		<b>216.38</b>		

- (viii) Based on our Audit procedures and according to the information and explanations given to us, we are of the opinion that the Corporation has not defaulted in repayment of dues to a financial institutions, banks or Government. Corporation has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the corporation has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no fraud by the corporation or any fraud on the corporation by its officers or employees has been noticed or reported during the year (except the cases referred to in Para-4 of Note 34 regarding detection of frauds during the financial year 2016-17 related to Bank Guarantees (BGs) amounting to ₹17,350 lakhs (Outstanding advances of ₹17,057.38 lakhs as at 31<sup>st</sup> March 2017) received from the parties under Raw Material Assistance Scheme which were invoked, remain unpaid by the bank till date. A provision of ₹ 5117.22 lakh @ 30% has been made against outstanding dues of ₹ 17057.39 lakh recoverable from bank. Further, fraud related to detection of forged bank guarantees having outstanding balance of ₹1,920.30 lakhs (net of adjusting amount received in May 2017) against BGs value of ₹2,100 lakhs as on 31<sup>st</sup> March 2017 had been considered as doubtful and 100% provision was made in the previous year itself.
- (xi) In our opinion and according to the information and explanations given to us, Government Companies vide MCA's notification published in Gazette Dt. 5<sup>th</sup> June 2015, are exempts from the applicability of provisions of section 197 read with Schedule V to the Companies Act regarding managerial remuneration.

- (xii) In our opinion and according to the information and explanations given to us, the corporation is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Corporation.
- (xiii) In terms of the information and explanations sought by us and given by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that there are no transactions with the related parties except remuneration paid to key management personnel. The details of which have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the corporation has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, we state that the Corporation has not entered into non- cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Corporation.
- (xvi) The corporation is registered under section 45-IA of the Reserve Bank of India Act 1934 as Systemically Important Non-Deposit Accepting Non-Banking Financial Company (NBFC). The Corporation has been granted Certificate of Registration no. N.14.03090 dated 29.12.2005 to carry on the business of a NBFC.

Place: New Delhi.  
Date: 27.12.2019

**For K P M C & Associates**  
Chartered Accountants  
Firm's Reg.No:005359C

(CA Pankaj Kumar)  
Partner  
M. No: 073291

## **Annexure B**

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

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

We have audited the internal financial controls over financial reporting of **THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED** ("the Corporation") as of March 31, 2019 in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March 2019:

1. *In Note 34 in Para No.4 in respect of the fraud detected during financial year 2016-17 related to Bank Guarantees (BGs) amounting to ₹ 17,350 Lakhs at three offices (namely Kolkata ₹ 10,550 Lakhs, Salt Lake ₹ 6,300 Lakhs and NTSC Howrah ₹ 500 Lakhs) of the Corporation in West Bengal audited by other Independent Auditor and further to it above mentioned BGs amounting to ₹17,350 lakhs received from United Bank of India (UBI) against advances given to the parties under Raw Material Assistance scheme (RMA) which were invoked, remain unpaid by the bank till date.*

*The matter was referred to Administrative Mechanism for Resolution of CPSE Disputes (AMRCD) as per DPE Guidelines. Final decision of Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) is in favour of Corporation and United Bank of India (UBI) shall make good the loss of ₹ 173.50 Crores caused to NSIC. The decision of Cabinet Secretaries Second Level (tier II) committee under AMRCD mechanism will be final and binding on all concerned as per DPE Guidelines.*

*In view of the final decision of Committee of Cabinet Secretaries second level under AMRCD, the audited annual accounts of the Corporation for the year 2018-19 have been re-opened to incorporate consequential impact thereof in the Annual Accounts.*

*A provision of ₹ 5117.22 lakhs @30% had been made against outstanding dues of ₹ 17057.39 Lakhs recoverable from Bank.*

2. *The procedure for review of financial statements/accounts of the borrower to check their status as MSME (Micro, Small, Medium or MSME as such), inspection of the units, CIBIL Verification, periodical confirmation of balances, renewal of limit sanctioned to the units and review of outstanding balances exceeding 360 days on timely basis under Raw Material Assistance scheme were not effectively implemented/monitored. Management informed that entire procedure has been reviewed and revised regularly to ensure that effective steps are in place and the various checks/controls provided, are operating effectively. In our view, the Internal Financial Control are required to be monitored and reviewed periodically.*
3. *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.*

4. *Accounting Software, Tally implemented during the year in all offices of NSIC as standalone one. Process to integrated them had started now.*
5. *Budgeting needs further improvement. No budget was prepared by H.R. Division for recruitments through open market based on the cadre / post wise vacancies available, which should be prepared by the top management at the commencement of Financial Year.*
6. *Land measuring 3.28 Acres of NTSC-Rajkot is under encroachment by few Industrial Units as well as unauthorized dwelling units.*

In our opinion, to the best of our information and according to the explanations given to us, *except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria*, the Corporation has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019, 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".

Place: New Delhi  
Date : 27/12/2019

**For K P M C & Associates**  
Chartered Accountants  
Firm's Reg. No: 005359C

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

**Annexure 'C'**

Report on Directions issued by the Comptroller and Auditor General of India Under Section 143(5) of the Companies Act, 2013 in respect of Accounts of Head office of **The National Small Industries Corporation Limited, New Delhi** audited by us and 64 branch offices including technical centres audited by other independent auditors for the year ended 31<sup>st</sup> March 2019.

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

**For K P M C & Associates**  
Chartered Accountants  
Firm's Regn. No. 005359C

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

Place: New Delhi  
Date: 27/12/2019

## Compliance Certificate

We have conducted the audit of accounts maintained at Head Office of The National Small Industries Corporation Limited for the year ended 31<sup>st</sup> March 2019 in accordance with the directions/sub directions issued by C & AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions / Sub-Directions issued to us.

**For K P M C & Associates**  
Chartered Accountants  
Firm's Reg. No:005359C

(CA. Pankaj Kumar)  
M.No:073291

Place: New Delhi  
Date: 27/12/2019

**Non-Banking Financial Companies Auditor's Report for the Year Ended 31<sup>st</sup> March 2019**

Date : 27<sup>th</sup> December, 2019

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

Dear Sir,

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

- 1) In pursuance, of section 45-IA of the Reserve Bank of India Act, 1934, the Company has obtained a certificate of registration from the RBI under Registration Number N-14.03090 dated 29.12.2005 granting the Company to carry on the business of a non-banking financial company;
- 2) The Board of Directors have passed a resolution on 9th December 1998 for non-acceptance of public deposit in future without prior permission from Reserve Bank of India; which has been reconfirmed in the Boards resolution passed on 12th December 2005.
- 3) The Company has not accepted public deposits during year ended 31st March 2019.
- 4) The corporation is entitled to continue to hold Certificate of Registration (COR) in terms of its Principal Business Criteria (Financial asset/income pattern) as on 31st March 2019.
- 5) The corporation is meeting the required net owned fund requirement as laid down in Master Direction-Non-Banking Financial Company-Systematically Important Non-Deposit taking Company (Reserve Bank) Direction, 2016.
- 6) As per roadmap issued by Ministry of Corporate Affairs regarding applicability of Ind AS, Corporation is required to apply Ind AS from FY 2018-19 (with transition date of 01.04.2017). The prudential norms related to income recognition, accounting standards, asset classification, provisioning etc. specified in RBI's Master Direction- Non-Banking Financial Company - Systemically Important Non-Deposit taking Company, 2016 have been are followed during the year . The provisioning is made at higher of Expected Credit Loss (ECL) assessment as per IndAS or RBI norms as per Non-Banking Financial Company –Systematically Important Non-Deposit taking Company (Reserve bank) Directions, 2016 as amended from time to time, whichever is higher.
- 7) As per information and explanation given to us, the statement of capital funds, risk assets/ exposure and risk asset ratio (NBS-7 return) has been filed by Corporation for the quarter ended 31.03.2019 on the basis of the provisional financial results.
- 8) The Capital Adequacy as disclosed in the Return submitted to RBI in Form NBS-7 has been correctly arrived on the basis of provisional financial statements and such ratio is in compliance with minimum CRAR prescribed by RBI.

**For KPMC & Associates**  
Chartered Accountants  
Firm's Registration Number: 005359C

**(Parkaj Kumar)**  
Partner  
Membership Number: 073291

C-1, I<sup>st</sup> Floor, RDC, Raj Nagar, Ghaziabad (NCR) - 201002 Tele: 0120-4119416  
Email: mail@kpmc.in Web: www.kpmc.in

We have examined the books of accounts and other records maintained at Head Office of the National Small Industries Corporation Ltd for the Financial Year ending March 31, 2019. On the basis of the information submitted to us, we certify the following:-

Sl. No.	Particulars	Details
1.	Name of the Company	The National Small Industries Corporation Limited
2.	Certificate of Registration No.	N.14.03090
3.	Registered office Address	NSIC Bhawan, Okhla Industrial Estate, New Delhi - 110020.
4.	Corporate office Address	Same as above
5.	The company has been classified by RBI as: (Investment Company / Loan Company / AFC / NBFC-MFI / NBFC- Factor / IFC / IDF- NBFC)	Loan Company
6.	Net Owned Fund (in Rs Crore) (Calculation of the same is given in the Annex)	708.15
7.	Total Assets (in Rs Crore)	3162.06
8.	Asset-Income pattern: (in terms of RBI Press Release 1998- 99/1269 dated April 8, 1999) (a) % of Financial Assets to Total Assets (b) % of Financial Income to Gross Income (NBFC-Factor /NBFC-MFI / AFC / IFC may also report separately below)	88.89% 75.49%
9.	Whether the company was holding any Public Deposits, as on March 31, 2019? If Yes, the amount in NIL Crore	No
10.	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (In term 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 of the FDI?	No
12.	If the Company is classified as an NBFC-Factor; (a) % of factoring assets to Total Assets (b) % of Factoring Income to Gross Income	NA
13.	The Corporation is classified as an NBFC-MFI; % Qualifying Assets to Net Assets (refer to Notification DNBS.PD.No.234CGM(US)2011 dated December 02, 2011)	NA

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

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

**For KPMC & Associates**  
Chartered Accountants  
Firm's Registration Number: 005359C

**(Parkaj Kumar)**  
Partner  
Membership Number: 073291

Place: New Delhi

Date: 27<sup>th</sup> December 2019

Sl. No.	Capital Funds – Tier I	(Rs in crore)
1.	Paid up equity capital	532.99
2.	Pref. shares to be compulsorily converted into equity	
3.	Free reserved:	
	General reserves	
	Share premium	
	Capital reserves	
	Debenture redemption reserve	
	Capital redemption reserve	
	Credit balance in P&L account	365.82
	Other free reserves (may be specified)	0.73
4.	Special reserves	
	Total of 1 to 4	899.54
5.	Less: (i) accumulated balance of loss	
	(ii) deferred revenue expenditure	
	(iii) deferred tax assets (Net)	58.74
	(iv) other intangible assets	132.65
	<b>Owned Fund</b>	<b>708.15</b>
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 discounted (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	
9.	Amount in item 8 in excess of 10% of Owned Fund	
10.	<b>Net Owned Fund</b>	<b>708.15</b>

**NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31<sup>ST</sup> MARCH 2019**

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**NOTE-1: CORPORATE INFORMATION & BASIS OF ACCOUNTING**

**1. Corporate Information**

The National Small Industries Corporation Limited (referred to as “NSIC” or “The Corporation”), is domiciled and incorporated in India [CIN No. U74140DL1955GOI002481], governed by the Companies Act 2013 and is a Systemically Important Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India vide certificate no. N.14.03090 dated 29/12/2005. It is an ISO 9001-2015 certified Government of India ‘Mini Ratna Category-1’ Enterprise under Ministry of Micro, Small and Medium Enterprises (MSME).

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

**2. Basis of Accounting**

**i. Statement of Compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Corporation has adopted Indian Accounting Standard (referred to as "IndAS") notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended, with effect from 1<sup>st</sup> April 2018.

The financial statements of the Corporation have been prepared in accordance with IndAS notified under the Companies (Indian Accounting Standard) Rules 2015 (as amended). The date of transition to IndAS is 1<sup>st</sup> April 2017. Previous period figures in the financial statements have been restated to IndAS.

Upto the year ended March 31<sup>st</sup>, 2018, the Corporation had prepared the financial statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India, and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014.

**ii. Basis of Preparation and Presentation**

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

**iii. Use of estimates, assumptions and management judgements**

In preparing the financial statements in conformity with the Corporation's accounting policies, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements, the amount of revenue and expenses during the reported period and notes to financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized in the period in which the results are crystallized.

**iv. Critical Accounting Estimates and Management Judgements**

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

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

**a. Property, Plant and Equipment (PPE)**

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

**b. Income Taxes**

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

**c. Impairment of Trade Receivables**

The impairment assessment for trade receivables are done based on assumptions about risk of default and expected loss. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward-looking estimates at the end of each reporting date.

## THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

### **d. Impairment of Non-financial assets (PPE)**

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

### **e. Defined Benefit Plans and Other long-term employee benefits**

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

### **f. Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses other valuation techniques to determine its fair value. The inputs to apply these techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### **g. Provisions and contingencies**

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

### **v. Functional and presentation currency**

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

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### NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

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

The Corporation has selected to utilize the option under IndAS 101 on First-Time Adoption of Indian Accounting Standards by not applying the provisions of IndAS 16 on Property, Plant and Equipment & IndAS 38 on Intangible Assets retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under IndAS at the date of transition to IndAS. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2017, i.e. the Corporation's date of transition to IndAS, is maintained for transition to IndAS.

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

##### a) Initial recognition and measurement

- i. Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation, lease terminal adjustment and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use.
- ii. **Leased assets and seized leased assets out of leased assets acquired up to 31<sup>st</sup> March'2001:** are stated at historical cost, net of accumulated balance of depreciation, lease terminal adjustment and accumulated impairment losses, if any.
- iii. **Items of property, plant and equipment other than leased assets and seized leased assets out of leased assets** are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets less accumulated depreciation and accumulated impairment losses, if any.
- iv. When parts of an item of PPE have different useful lives, they are recognized separately by identifying such components.
- v. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use. Borrowing costs (after deducting income on temporary investment of borrowed funds, if any) directly attributable to the specified item of property, plant and equipment, are capitalized to such items.
- vi. In case of assets available for use /put to use, where final statement of accounts /settlement of bills with contractors/ implementing agency is yet to be affected, capitalization is done on estimated basis, subject to necessary adjustments, including those arising out of settlement of arbitration/court cases, in the year of final settlement.

## THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

### b) Subsequent costs

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

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

### c) Derecognition

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

## II. **Capital Work in Progress**

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

## III. **Intangible Assets**

### a) Initial recognition and measurement

Intangible assets that are acquired by the Corporation have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

### b) Subsequent Costs

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

**THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.**

c) Derecognition

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

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

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

**V. Depreciation on Tangible Assets and Amortization and Intangible PPEs**

**a) Leased assets and Seized leased assets out of leased assets acquired up to 31<sup>st</sup> March 2001:**

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

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

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

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

## THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

- ii) Depreciation on additions to / deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposal.
- iii) Assets costing up to ₹. 0.10 Lakh are depreciated fully in the year of purchase, after retaining 5% of original cost as residual value except Mobile phone Instruments.
- iv) Mobile phone Instruments costing over ₹ 0.10 lakh, are depreciated over a period of 3 years, starting from the year in which it is acquired, after retaining ₹1/- as residual value.
- v) Depreciation in case of PPE purchased out of Government grants, is charged to 'Capital Reserve' (which is in the nature of 'Deferred Income') in proportion to depreciation charged on such assets. The capital reserve is created at the time of purchase of fixed assets out of grants received with the purchase cost.
- vi) Lease hold land is amortized over the lease period.
- vii) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of five years, starting from the year in which it is acquired, after retaining ₹1/- as residual value.

### VI. Borrowing Costs

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

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

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

### VII. Inventories

- a) The inventory mainly comprises of the following-
  - i. Stock of stationery and miscellaneous items.
  - ii. Stores, pattern, moulds, tools, measuring instruments and goods in transit.
  - iii. Stock of finished goods, finished components, work in progress and stores in NSIC Technical Service Centers.
  - iv. Stock of finished goods pertaining to commercial activities.
  - v. Stock of repossessed / seized / surrendered machines under hire purchase (HP) and composite term loan (CTL).
  - vi. Stock of repossessed / seized / surrendered machines under equipment leasing where assets given on or after 01.04.2001.
  - vii. Obsolete and unserviceable assets
  - viii. Land & Building and Sheds, etc. in the nature of stock in trade
- b) Cost is determined on First in First Out (FIFO) basis.
- c) Inventories are valued at the lower of cost and net realizable value.

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Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. In case of stock of Finished goods, finished components and work-in-progress in NSIC Technical Service Centers, apart from direct costs, overheads are charged in the ratio of total overheads for the year as reduced by the overheads charged to outside job orders at pre-determined standard rates to direct labour cost.

- d) Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
- e) The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained by management's best estimates of net realizable value of such inventories and provided for.

### VIII. Revenue Recognition

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

- a) **Income from Financial Activities under Hire Purchase, Marketing, Raw Material Distribution / Assistance, Bill Financing and Composite Term Loan**
  - i. Interest Income in respect of loans and advances, are recognized on accrual basis with reference to contractual terms.
  - ii. No Interest income is accrued from the date, loans and advances have become NPA, in terms of, the Master Direction - Non- Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
  - iii. Interest accrued and not realized for the period upto the date of NPA, is reversed.
  - iv. Processing fees/ service charges is treated as income on time proportionate basis.
  - v. Where the unit's accounts are frozen, no further interest is charged to the unit's account.
  - vi. Penal interest under different activities/ schemes of the Corporation where ever considered as doubtful of recovery is treated as the income in the year of its realization.
  - vii. Excess of sales proceeds of repossessed / seized / surrendered machines over their value in case of hire purchase and equipment leasing as on the date of repossession/seizure / surrender is adjusted against the defaulted hirer's/lessee's account. Any excess over and above the amount due from the hirer/lessee is treated as income in the year of receipt of sale proceeds.
  - viii. Application processing fee, wherever applicable, is treated as income on receipt basis.

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### b) **Registration Fee under Single Point Registration Scheme**

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

### c) **Income from Turnkey Projects / Service Contracts**

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

### d) **Income from Leasing**

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

Corporation was providing assistance under its Equipment Leasing business which was discontinued since 2003. Income recognition in respect of such leased assets and seized leased assets out of leased assets is as under:

#### I. **On lease transactions entered up to 31<sup>st</sup> March 2001**

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

#### II. **Lease transactions entered on or after 1<sup>st</sup> 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.

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### III. Operating lease

#### i. Corporation as a Lessor

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

#### ii. Corporation as a Lessee

It inter-alia includes space, godown and accommodations for staff taken by the Corporation on lease for which lease rent payments are made. These lease arrangements are usually renewable on mutually agreed terms. Such payments (net of recoveries) made are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless scheduled increase in rent compensates the lessor for expected inflationary.

#### e) **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.

#### f) **Dividend Income**

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

#### g) **Scrap Sale**

Income from sale of scrap is accounted on realization basis.

### IX. **Foreign Currency transactions and translations**

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

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### X. Government Grants

The approved grants from Government of India under various promotional activities are recognized on accrual basis where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. In case of approved Promotional activities, expenditure incurred / committed for the year, but grant received in subsequent year, is accounted on accrual basis.

Receipt of grants is recognized as advance from the Government of India and is shown as Amounts Payable to Government of India. Thereafter, the grant amount, to the extent of expenditure incurred, is recognized as income in the Statement of Income & Expenditure.

In case of capital grant, the expenditure incurred is reduced from the recognized grant income by creating capital reserve which is in the nature of 'Deferred Income'. The capital reserve is recognized as income each year over the life of the relevant assets in proportion to depreciation on those assets.

Government grants relating to Revenue are recognized in Statement of Profit and Loss on a systematic basis over the periods in which the Corporation recognizes the incurred related costs as expenses for which such grants relates / are intended to cover.

Government grants towards reimbursement of amount of fees towards 'Membership Fees under SPRS scheme (NSSH)', 'Inspection Charges under SPRS scheme (NSSH)', 'Membership Fees under B2B scheme (NSSH)', 'Training Fees for Capacity Building (NSSH)' and 'Rent of Office Premises-NSSHO' (applicable where the property is owned by NSIC and where the rent is paid to outsider, the same is accounted for as expenditure of NSSHO) shall be charged as grant utilized under the group head "**Membership/ Inspection fees, rent, etc under NSSH**" and is reduced from the recognized grant income. Similarly, government grants towards reimbursement of training fees under Assistance to Training Institutions (ATI) scheme shall also be charged as grant utilized under the group head "**Training Fees under ATI**" and is reduced from the recognized grant income.

Interest earned, if any, on the Government grant received as per the terms of the sanction of the grant, is recognized as advance from the Government of India and is shown as Amounts Payable to Government of India.

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

### XI. Allocation of Expenses

The expenses directly attributable to the commercial and promotional activities are charged to the respective activities. In case of indirect expenses, the same are allocated on the basis of business generation under different commercial activities during the year. In case of promotional activities, the indirect

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expenses are allocated based on management estimates, within the limits prescribed by Ministry of MSME under the respective activity.

### XII. **Employee Benefits**

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

#### a) **Short Term Employee Benefits**

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

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

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

##### (i) Defined Contribution plan

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

The contribution to provident fund is paid to a fund administered through a separate trust and contribution to pension fund is paid to Life Insurance Corporation of India through trust.

##### (ii) Defined benefits plan

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. Corporation's Liability towards gratuity, leave encashment and other employees' benefits namely Sick leave, T.A. on Retirement, Leave Travel Concession for CDA employees and Post-retirement medical benefits (PRMB), made by the Corporation, are considered under Defined Benefit Plan.

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

Remeasurement, comprising of actuarial gains and losses, are recognized in the period in which they occur, directly in other comprehensive income. Remeasurement recognized in Other

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Comprehensive Income (OCI) is reflected immediately in retained earnings and is not reclassified to the Statement of Profit & Loss.

Regarding PRMB, medical corpus is created as per Department of Public Enterprises guidelines which is utilized for the payment of premium to the Insurance Company.

### XIII. **Prior Period Expenses and Income**

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

### XIV. **Prepaid Items**

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

### XV. **Taxation**

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

#### a) **Current Tax**

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

#### b) **Deferred Tax**

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

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### XVI. **Cash and cash equivalents –**

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

### XVII. **Earnings per Share**

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

### XVIII. **Dividends**

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

### XIX. **Cash Flow Statement –**

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

### XX. **Provisions, Contingent Liabilities and Contingent Assets –**

#### a) **Provisions**

- (i) Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of a past event, provided there is possibility of that the Corporation will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- (iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset provided it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.
- (iv) The Corporation being a Government of India Enterprise, was exempted from compliance of RBI Prudential Norms relating to NBFCs vide RBI circular No. DNBR(PD) CC No.043/03.10.119/2015-16 dated 1<sup>st</sup> July'2015. However, the said exemption now stands withdrawn vide RBI circular No. RBI/2017-18/181DNBR (PD)CC.No.092/ 03.10.001 /2017-18 dated 31<sup>st</sup> May' 2018 and compliance of regulatory and statutory provisions are now also applicable to Government NBFCs, as per the timeline mentioned in the circular.

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The classification and provisioning norms for receivables and loans & advances (net of interest suspense account and cash collateral available with the Corporation) of Financing/ Non-Financing Schemes and of Technical Centers/ STPs, have been made as per IndAS or as per IRAC prudential norms issued by RBI are annexed herewith.

### b) **Contingent Liabilities**

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

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

### c) **Contingent Assets**

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

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

## XXI. **Financial instruments –**

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

### **I. Initial recognition and measurement**

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

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### II. Subsequent Measurement

#### A. Financial assets

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

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

- at amortized cost using effective interest rates (EIR)
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVOCI)

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

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

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

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

- ii. Fair value through other comprehensive income (FVTOCI)

A financial asset shall be measured at Fair value through other comprehensive income, if both of the following conditions are met:

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

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

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

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

### III. Impairment in Financial Assets

The Corporation has applied the impairment requirements of Ind-AS 109 retrospectively. However, as permitted by Ind-AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk as at the date that financial instruments were initially recognized in order to compare it with the credit risk as at the transition date. However, as permitted by Ind-AS 101, the Corporation has not undertaken an exhaustive search for information when determining, at the date of transition to Ind-AS, whether there have been significant increases in credit risk since initial recognition.

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

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

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

- Financial assets that are debt instruments measured at Amortized Cost
- Equity investments are measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- Loan commitments not measured at FVTPL (Fair Value Through Profit and Loss)

All credit exposure is classified into performing and non-performing assets as per RBI guidelines applicable to Non-Banking Financial Companies (NBFCs). General provision for standard assets and specific provision for sub-standard, doubtful and loss assets is being made in accordance with applicable RBI guidelines.

The Corporation at each reporting year, tests loan given to units for impairment as per Ind AS- 109. However, Impairment loss is recognized as

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higher of impairment loss calculated as per provision of Ind AS 109 or as per RBI guidelines.

### **IV. Derecognition of Financial Assets**

Financial assets are derecognized when the contractual right to receive cash flows from the financial assets expires or transfers the contractual rights to receive the cash flows from the asset.

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

### **B. Financial Liability**

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

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

#### **I. Subsequent measurement of financial liabilities**

- i. **Financial liabilities at Amortized costs** – After initial measurement, such financial liabilities are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings, trade payables and other contractual liabilities.
- ii. **Financial liabilities at Fair value through statement of Profit and loss**, include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. The carrying value of those financial liabilities which are to be discharged within twelve months is considered to be its fair value.

#### **II. Derecognition of Financial liabilities**

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

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liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

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**Annexure to Accounting Policy-XX (a)(iv)**

**Classification and Provisioning Norms for Receivables and Loans & Advances**

The norms of making provisions for Receivables and Loans & Advances (net of interest suspense account and cash collateral available with the Corporation) under Financing/ Non-Financing Schemes and of Technical Centers/ STPs, are as follows:

**(i) Classification for Receivables and Loans & Advances**

The Receivables and Loans & Advances under Financing/ Non-Financing Schemes and of Technical Centers/ STPs are classified among Trade Receivables and Loans & Advances as mentioned below:

- a. **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.
- b. **Loans & Advances:** Loans and advances comprises of receivables in respect of dues under Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan and Advances recoverable in cash or in-kind including security deposits & staff advances, receivables from banks etc.
- c. Trade receivables and Loans & Advances are treated as '**Secured**' (unless otherwise stated), to the extent of the securities available with the Corporation 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, Earnest Money Deposit (EMD), seized machines, consideration money, advance installment/ rental, advance received from hirer / advance against purchase of machine, Collateral Security-Equitable Mortgage of Immovable Property, Bills for supplies made to the Government Departments, Bank Guarantee (BG)/ Letter of Credit (LC) or any other tangible security/ under contractual rights / any 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 terms of sanction of assistance.

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

**(ii) Provisioning Norms for Receivables and Loans & Advances:**

- a. **Provisioning Norms in respect of Receivables and Loans & Advances under Financing Schemes:** Receivables and Loans & Advances under financing scheme comprises of receivables in respect of dues under Hire Purchase, Leasing, Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, receivables from banks etc.

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

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**(A) Receivables under Hire Purchase and Leasing:**

S No	Scheme	Provision % of Net Outstanding
1.	Hire Purchase	100%
2.	Leasing	100%

**(B) Receivables under Raw Material Assistance, Banks, Bill Discounting, and Term Loan:**

S no.	Classification of Outstanding Receivables and Loans & Advances		Provision % of Net Outstanding
1	Standard Assets (Up to 210 days)	No default	0.40%
2	Sub-Standard Assets (Over 210 days but up to 575 days)	NPA for not exceeding 1 year	10%*
3	Doubtful Assets		
	Secured Portion of Doubtful assets:		
	Over 575 days but up to 940 days	Doubtful for 1 year (i.e. NPA for 2 years)	20%
	Over 940 days but up to 1670 days	Doubtful for 1 to 3 year (i.e. NPA for 2 to 4 years)	30%
	Over 1670 days	Doubtful over 3 years (i.e. NPA for more than 4 years)	50%
	Doubtful assets not covered by the realizable value of security to which the Corporation has a valid recourse.		100%
4	Loss Assets, if not written off		100%

\* In respect of Assets/accounts which were standard as on 31.08.17 and the outstanding dues were exceeding 210 days but within 270 days, a provision of 5% shall be made and shall be treated as standard.

**(C) Receivables under 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 31<sup>st</sup> March.
- CGTSI cover available i.e. 75% of "a" above or ₹ 18.75 lakh, 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) The provisioning is made at higher of Expected Credit Loss (ECL) assessment as per IndAS or RBI norms as per Non-Banking Financial Company –Systematically Important Non-Deposit taking Company (Reserve bank) Directions, 2016 as amended from time to time, whichever is higher.**

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b. **Provisioning Norms in respect of Receivables and Loans & Advances from Non-Financing Schemes:**

- (i) Receivables and Loans & Advances from non-financing scheme comprises of receivables in respect of dues under Marketing activities, receivables on account of transactions at Technical Centers & STPs, receivables on account of Sale of Services (i.e. receivables for License & Housekeeping fees, rent, training fees, EMC, TIC, events etc), advances recoverable in cash or in-kind (primarily consist of advances paid to outside parties including advances paid to bulk suppliers having MOU with the Corporation), security deposits, staff advances (including interest accrued but not due thereon) and other assets.
- (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, are made wherever considered appropriate by the management.
- (iii) No provision for receivables in respect of 'Receivables' under Export and Marketing Scheme is made to the extent the amount appears under 'Payable' and to the extent of service charges adjusted against amount payable to supplier, for supplies pertaining to the same transaction under back-to-back arrangement with suppliers.
- (iv) In other items of Trade Receivables, Loans & Advances, its Classification and Provisioning norms (based on IndAS) are depicted below:

S No	Classification of Outstanding Receivables and Loans & Advances	Provision % of Net Outstanding
1	All the following receivables and Loans & Advances are treated as ' <b>Secured</b> ' (unless otherwise stated): a) Receivables and Loans & Advances due from Government Departments/ Institutions/ Undertakings b) Amount outstanding is having back-to-back amount arrangement c) All receivables and Loans & Advances against which the Corporation holds tangible realizable security d) 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. e) Security Deposits paid by the Corporation and correspondingly the buyer of supplies also provides security to the Corporation (incl Security Deposits under contractual rights). f) All receivables and Loans & Advances / Security Deposits paid by the Corporation under contractual valid agreement/ contract g) From employees working in the Corporation.	NIL
2	All the following receivables and Loans & Advances are treated as ' <b>Impaired</b> ' (unless otherwise stated): a) Amount/ advances with outside parties & are doubtful of recovery. b) Amount receivable from employees left / resigned from the Corporation and no amount is available to set-off the outstanding.	100%

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD  
[CIN No. : U74140DL1955GOI002481]  
BALANCE SHEET AS AT 31.03.2019

Particulars	Note No.	As at 31.03.19		As at 31.03.18		As At 01.04.17
<b>ASSETS</b>						
<b>1 Financial Assets</b>						
(a) Cash and Cash Equivalents	3	6650.92	4139.84	4547.29		
(b) Bank Balance other than (a) above	4	2813.02	1912.13	4965.49		
(c) Trade Receivables	5	19256.64	16291.45	12288.49		
(d) Loans & Advances	6	239637.24	277102.44	285195.42		
(e) Investments	7	234.69	235.68	235.34		
(f) Other Financial Assets	8	12496.82	18547.58	17910.38		325142.41
<b>2 Non-Financial Assets</b>						
(a) Inventories	9	37.75	548.14	689.51		
(b) Current Tax Assets (Net)	10	244.27	14.29	148.54		
(c) Deferred Tax Assets (Net)	11	5874.02	5843.40	5361.34		
(d) Property, Plant and Equipment	12	17531.39	10645.98	7597.57		
(e) Capital Work-in-Progress	12	8263.30	12756.46	12606.15		
(f) Intangible Assets Under Development	12	0.00	0.00	0.00		
(g) Other Intangible Assets	12	161.50	202.24	148.11		
(h) Other Non-Financial Assets	13	3004.56	2110.62	1680.38		28231.60
<b>Total Assets</b>			<b>316206.12</b>	<b>350350.25</b>		<b>353374.01</b>
<b>LIABILITIES AND EQUITY</b>						
<b>1 Financial Liabilities</b>						
(a) Trade Payables	14	20486.74	18512.25	13000.82		
(b) Borrowing	15	176651.76	210803.24	226390.17		
(c) Other Financial Liabilities	16	11670.12	9820.32	14294.92		253685.91
<b>2 Non-Financial Liabilities</b>						
(a) Current Tax Liabilities (Net)	10	0.00	0.00	0.00		
(b) Provisions	17	9694.02	11682.07	8124.96		
(c) Deferred Tax Liabilities (Net)	11	0.00	0.00	0.00		
(d) Other Non-Financial Liabilities	18	4602.15	4562.75	4730.10		12855.06
<b>3 Equity</b>						
(a) Equity Share Capital	19	53298.80	53298.80	53298.80		
(b) Other Equity	20	39802.53	41670.82	33534.24		86833.04
<b>Total Liabilities and Equity</b>			<b>316206.12</b>	<b>350350.25</b>		<b>353374.01</b>
<b>Other Notes on Accounts</b>	<b>34</b>					

Statement of Corporate Information (Note-1), Accounting Policies (Note-2)  
Note : The Notes 1 to 34 referred to above form an integral part of Financial Statements.  
As per our report of even date attached

For and on behalf of Board of Directors

For K P M C & Associates  
Chartered Accountants

Gaurang Dixit  
Director (Finance)  
[DIN : 08535482]

Vijayendra  
Chairman-cum-Managing Director  
[DIN : 03625565]

Pankaj Kumar  
Partner  
Membership No. : 073291  
Firm Reg. No. : 005359C  
Place : New Delhi  
Date : 27.12.2019

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

[CIN No. : U74140DL1955GOI002481]  
STATEMENT OF PROFIT AND LOSS (CONSOLIDATED)  
FOR THE YEAR ENDED 31.03.2019

(₹ in Lakh)

Particulars	Note No.	As At 31.03.19	As At 31.03.18
<b>I REVENUE</b>			
A Revenue from Operations	21		
Sale of Products		207452.92	205780.73
Sale of Services		7252.17	6430.33
Interest Income		33734.15	35905.88
Processing Fees		5275.91	5188.98
[ Includes Processing Fees/Service Earned of Rs 5275.91 lakh (Rs 5188.98 lakh) for value of goods handled and rendered Rs 1569542.47 lakh (Rs 1992031.24 lakh) ]			
Net Gain on Fair Value Changes		0.00	0.00
Net Gain on Derecognition of Financial Instruments under Amortized Cost Category		0.00	0.00
Other Operating Income		992.27	361.76
<b>Total Revenue from Operations</b>		<b>254707.42</b>	<b>253667.68</b>
B Other Income	22	144.67	116.67
C Grants and Subsidies	23	5649.56	5591.24
<b>Total Revenue (A + B + C)</b>		<b>260501.65</b>	<b>259375.59</b>
<b>II EXPENSES</b>			
Purchases of Stock-in-Trade	24	205892.25	204620.17
Changes in Inventories	25	509.42	119.97
Employee Benefit Expenses	26	12109.25	13067.62
Finance Costs	27	15837.34	13401.12
Depreciation and Amortization Expenses	28	665.09	569.18
Corporate Social Responsibility	29	318.55	302.95
Other Expenses	30	18827.40	12079.42
Add: Excess of Expenditure over Income		0.00	0.00
Transfer from Promotional Activity to Commercial Activity			
<b>Total Expenses</b>		<b>254169.30</b>	<b>244160.43</b>
<b>III Profit before Exceptional Items, and Tax</b>		<b>6342.35</b>	<b>15215.16</b>
Exceptional Items		0.00	0.00
<b>IV Profit before Tax</b>		<b>6342.35</b>	<b>15215.16</b>
Tax Expense	31		
Current Tax		4250.00	5740.00
Deferred Tax		56.15	(458.90)
Earlier Years		(25.86)	7.53
<b>Total Tax Expense</b>		<b>4280.29</b>	<b>5288.63</b>
<b>VI Profit after Tax for the period from Continuing Operations</b>		<b>2062.06</b>	<b>9926.53</b>
<b>VII Profit from Discontinued Operations</b>		<b>0.00</b>	<b>0.00</b>
<b>VIII Tax Expenses from Discontinued Operations</b>		<b>0.00</b>	<b>0.00</b>
<b>IX Profit from Discontinued Operations (After Tax)</b>		<b>0.00</b>	<b>0.00</b>
<b>X Profit for the Period (VI + IX)</b>		<b>2062.06</b>	<b>9926.53</b>
<b>XI Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to Profit or Loss –			
Remeasurement Gain/(Loss) on Defined Benefit Plans		(257.56)	(68.12)
Fair Value on Investments		(0.99)	63.85
(ii) Income Tax relating to Items that not be reclassified to Profit or Loss		86.76	23.15
<b>Sub Total (A)</b>		<b>(171.79)</b>	<b>18.88</b>
B (i) Items that will be reclassified to Profit or Loss		0.00	0.00
(ii) Income tax relating to items that be reclassified to profit or loss		0.00	0.00
<b>Sub Total (B)</b>		<b>0.00</b>	<b>0.00</b>

**STATEMENT OF PROFIT AND LOSS (CONSOLIDATED)**  
**FOR THE YEAR ENDED 31.03.2019**

(₹ in Lakh)

Particulars	Note No.	As At 31.03.19	As At 31.03.18
Other Comprehensive Income (A + B)		(171.79)	18.88
XII Total Comprehensive Income for the period (X + XI) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		1890.27	9945.41
XIII Earnings per Equity Share (for Continuing Operations)	32		
Basic (Rs.)		3.87	18.62
Diluted (Rs.)		0.00	0.00
XIV Contingent Liabilities	33 (i)	1069.91	828.87
XV Capital Commitments	33 (ii)	2371.13	5575.87
Other Notes on Accounts	34		

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

Note ; The Notes 1 to 34 referred to above form an integral part of the Financial Statements

As per our report of even date attached.

For K P M C & Associates  
Chartered Accountants

For and on behalf of Board of Directors

Gaurang Dixit  
Director (Finance)  
[DIN :08535482]

Vijayendra  
Chairman-cum-Managing Director  
[DIN :03625565]

Pankaj Kumar  
Partner  
Membership No. : 073291  
Firm Reg. No. : 005359C  
Place : New Delhi  
Date : 27.12.2019

Rakhi Dua  
General Manager (F&A)

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

NOTE-3 CASH & CASH EQUIVALENTS

Particulars	(₹ in Lakh)		
	As At 31.03.19	As At 31.03.18	As At 01.04.17
<b>Cash &amp; Cash Equivalents</b>			
Cash on Hand	1.08	0.25	0.74
Cheques, Drafts on Hand	643.28	444.95	158.10
<b>Balance with Banks:</b>			
Current Account	6006.52	3694.53	4388.30
Others	0.00	0.00	0.00
Stamps on Hand	0.04	0.11	0.15
<b>As per Balance Sheet</b>	<b>6650.92</b>	<b>4139.84</b>	<b>4547.29</b>

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

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

NOTE-4 OTHER BANK BALANCE

Particulars	(₹ in Lakh)		
	As At 31.03.19	As At 31.03.18	As At 01.04.17
<b>Deposits</b>			
Flexi Deposits	2716.42	1894.22	4949.31
Term Deposits	96.60	17.91	16.18
<b>As per Balance Sheet</b>	<b>2813.02</b>	<b>1912.13</b>	<b>4965.49</b>

Note : FDR amounting to Rs 48.70 lakh is lien marked during 2018-19 for issuance of BG issued by SBI for the equivalent amount.

NOTE-5 TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18	As At 01.04.17
<b>Trade Receivables</b>			
Secured Considered Good	19256.64	16352.27	12325.90
Unsecured Considered Good	0.00	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	1586.97	1653.81	1769.08
Credit Impaired	0.00	0.00	0.00
	<u>20843.61</u>	<u>18006.08</u>	<u>14094.98</u>
Less: Seized Leased Suspense	74.75	74.75	74.75
Less: Penal Interest Suspense	524.24	524.38	552.02
	<u>20244.62</u>	<u>17406.95</u>	<u>13468.21</u>
Less: Cheques sent for Collection	0.00	0.05	0.15
Less: Impairment Loss Allowance	987.98	1115.45	1179.57
<b>As per Balance Sheet</b>	<u>19256.64</u>	<u>16291.45</u>	<u>12288.49</u>

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

ANNEXURE-5A DETAILS OF TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18	As At 01.04.17
<b>TRADE RECEIVABLES - HIRE PURCHASE</b>			
Secured Considered Good	0.00	0.00	0.00
Unsecured Considered Good	0.00	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	861.46	923.72	1044.70
Credit Impaired	0.00	0.00	0.00
	<u>861.46</u>	<u>923.72</u>	<u>1044.70</u>
Less: Penal Interest Suspense	273.71	285.83	322.87
	<u>587.75</u>	<u>637.89</u>	<u>721.83</u>
Less: Cheques sent for Collection	0.00	0.00	0.00
Less: Impairment Loss Allowance	587.75	637.89	721.83
Sub Total		<u>0.00</u>	<u>0.00</u>
<b>TRADE RECEIVABLES - LEASING</b>			
Secured Considered Good	0.00	0.00	0.00
Unsecured Considered Good	0.00	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	228.71	238.65	257.57
Credit Impaired	0.00	0.00	0.00
	<u>228.71</u>	<u>238.65</u>	<u>257.57</u>
Less: Seized Lease Suspense	74.75	74.75	74.75
Less: Penal Interest Suspense	65.31	67.13	72.22
	<u>88.65</u>	<u>96.77</u>	<u>110.60</u>
Less: Cheques sent for Collection	0.00	0.00	0.00
Less: Impairment Loss Allowance	88.65	96.77	110.60
Sub Total		<u>0.00</u>	<u>0.00</u>
<b>TRADE RECEIVABLES - MARKETING</b>			
Secured Considered Good	18717.39	15674.90	11897.43
Unsecured Considered Good	0.00	0.00	0.00
Trade Receivable which have significant increase in Credit Risk	236.47	416.08	385.16
Credit Impaired	0.00	0.00	0.00
	<u>18953.86</u>	<u>16090.98</u>	<u>12282.59</u>
Less: Penal Interest Suspense	0.00	0.00	0.00
	<u>18953.86</u>	<u>16090.98</u>	<u>12282.59</u>
Less: Cheques sent for Collection	0.00	0.00	0.00
Less: Impairment Loss Allowance	236.47	305.42	265.49
Sub Total		<u>18717.39</u>	<u>15785.56</u>
<b>TRADE RECEIVABLES - OTHERS</b>			
Secured Considered Good	539.25	677.37	428.47
Unsecured Considered Good	0.00	0.00	0.00

**ANNEXURE-5A DETAILS OF TRADE RECEIVABLES**

Particulars	As At 31.03.19	As At 31.03.18	As At 01.04.17
Trade Receivable which have significant increase in Credit Risk	260.32	75.36	81.65
Credit Impaired	0.00	0.00	0.00
	799.57	752.73	510.12
Less: Penal Interest Suspense	185.22	171.42	156.93
	614.35	581.31	353.19
Less: Cheques sent for Collection	0.00	0.05	0.15
Less: Impairment Loss Allowance	75.10	75.36	81.65
Sub Total	539.25	505.90	271.39
<b>Total</b>	<b>19256.64</b>	<b>16291.46</b>	<b>12288.49</b>

Rakhi Dua  
 General Manager (F&A)

Nishtha Goyal  
 Company Secretary

NOTE-6 LOANS & ADVANCES (AT AMORTIZED COST)

Particulars	(₹ in Lakh)		
	As At 31.03.19	As At 31.03.18	As At 01.04.17
<b>Loans &amp; Advances</b>			
Secured by Tangible Assets	4564.14	6772.39	5762.98
Secured by Intangible Assets	0.00	0.00	0.00
Covered by Bank/Government Guarantees	236499.39	270330.06	279432.44
Unsecured	10728.99	10180.47	10392.93
	<u>251792.52</u>	<u>287282.92</u>	<u>295588.35</u>
Less: Additional/Normal Interest Suspense	708.86	411.82	467.83
	<u>251083.66</u>	<u>286871.10</u>	<u>295120.52</u>
Less: Cheques sent for Collection	0.00	0.00	0.00
Less: Impairment Loss Allowance	11446.42	9768.66	9925.10
<b>As per Balance Sheet</b>	<u>239637.24</u>	<u>277102.44</u>	<u>285195.42</u>
<b>Geographical Classification of Loans and Advances :</b>			
In India	239637.24	277102.44	285195.42
Outside India	0.00	0.00	0.00
<b>Total</b>	<b>239637.24</b>	<b>277102.44</b>	<b>285195.42</b>

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

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

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18	As At 01.04.17
<b>Loans &amp; Advances to Employees</b>			
Secured by Tangible Assets	71.10	88.59	116.55
Secured by Intangible Assets	0.00	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00	0.00
Unsecured	0.61	0.48	0.49
	<u>71.71</u>	<u>89.07</u>	<u>117.04</u>
Less Additional/Normal Interest Suspense	0.00	0.00	0.00
	<u>71.71</u>	<u>89.07</u>	<u>117.04</u>
Less: Cheques sent for Collection	0.00	0.00	0.00
Less: Impairment Loss Allowance	0.61	0.48	0.49
	<u>71.10</u>	<u>88.59</u>	<u>116.55</u>
<b>Advance Recoverable in Cash or in Kind or for value to be received</b>			
Secured by Tangible Assets	3757.44	5269.84	4228.91
Secured by Intangible Assets	0.00	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00	0.00
Unsecured	38.44	122.01	30.01
	<u>3795.88</u>	<u>5391.85</u>	<u>4258.92</u>
Less: Additional/Normal Interest Suspense	0.00	0.00	0.00
	<u>3795.88</u>	<u>5391.85</u>	<u>4258.92</u>
Less: Cheques sent for Collection	0.00	0.00	0.00
Less: Impairment Loss Allowance	38.44	122.01	30.01
	<u>3757.44</u>	<u>5269.84</u>	<u>4228.91</u>
<b>Other Loans and Advances</b>			
Secured by Tangible Assets	731.24	1413.96	1417.52
Secured by Intangible Assets	0.00	0.00	0.00
Covered by Bank/Government Guarantees	236499.39	270330.06	279432.44
Unsecured	10689.94	10057.98	10362.42
	<u>247920.57</u>	<u>281802.00</u>	<u>291212.38</u>
Less Additional/Normal Interest Suspense	708.86	411.82	467.83
	<u>247211.71</u>	<u>281390.18</u>	<u>290744.55</u>
Less: Cheques sent for Collection	0.00	0.00	0.00
Less: Impairment Loss Allowance	11407.37	9646.17	9894.59
	<u>235804.34</u>	<u>271744.01</u>	<u>280849.96</u>
<b>Loans and Advances to Related Parties</b>			
Secured by Tangible Assets	4.36	0.00	0.00
Secured by Intangible Assets	0.00	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00	0.00
Unsecured	0.00	0.00	0.00
	<u>4.36</u>	<u>0.00</u>	<u>0.00</u>

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

Particulars	As At 31.03.19		As At 31.03.18		As At 01.04.17
Less Additional/Normal Interest Suspense	0.00		0.00		0.00
	4.36		0.00		0.00
Less: Cheques sent for Collection	0.00		0.00		0.00
Less: Impairment Loss Allowance	0.00	4.36	0.00	0.00	0.00
<b>Total</b>		<b>239637.24</b>		<b>277102.44</b>	<b>285195.42</b>

Rakhi Dua  
 General Manager (F&A)

Nishtha Goyal  
 Company Secretary

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

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18	As At 01.04.17
<b>Raw Material Distribution</b>			
Secured by Tangible Assets	667.56	1220.10	1220.10
Secured by Intangible Assets	0.00	0.00	0.00
Covered by Bank/Government Guarantees	236499.39	270330.06	279432.44
Unsecured	8880.76	8153.42	8426.26
	<u>246047.71</u>	<u>279703.58</u>	<u>289078.80</u>
Less: Additional/Normal Interest Suspense	587.51	275.81	325.43
	<u>245460.20</u>	<u>279427.77</u>	<u>288753.37</u>
Less: Cheques sent for Collection	0.00	0.00	0.00
Less: Impairment Loss Allowance	9720.64	7877.61	8100.84
	<u>235739.56</u>	<u>7877.61</u>	<u>8100.84</u>
<b>Bills of Exchange Discounted</b>			
Secured by Tangible Assets	63.68	114.63	114.63
Secured by Intangible Assets	0.00	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00	0.00
Unsecured	1596.86	1691.41	1709.79
	<u>1660.54</u>	<u>1806.04</u>	<u>1824.42</u>
Less: Additional/Normal Interest Suspense	74.87	74.87	74.87
	<u>1585.67</u>	<u>1731.17</u>	<u>1749.55</u>
Less: Cheques sent for Collection	0.00	0.00	0.00
Less: Impairment Loss Allowance	1521.99	1616.54	1634.92
	<u>63.68</u>	<u>1616.54</u>	<u>1634.92</u>
<b>Composite Term Loan</b>			
Secured by Tangible Assets	0.00	69.14	72.70
Secured by Intangible Assets	0.00	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00	0.00
Unsecured	196.88	207.80	221.02
	<u>196.88</u>	<u>276.94</u>	<u>293.72</u>
Less: Additional/Normal Interest Suspense	42.23	56.89	63.28
	<u>154.65</u>	<u>220.05</u>	<u>230.44</u>
Less: Cheques sent for Collection	0.00	0.00	0.00
Less: Impairment Loss Allowance	154.65	150.92	157.73
	<u>0.00</u>	<u>150.92</u>	<u>157.73</u>
<b>Term Loan</b>			
Secured by Tangible Assets	0.00	10.09	10.09
Secured by Intangible Assets	0.00	0.00	0.00
Covered by Bank/Government Guarantees	0.00	0.00	0.00
Unsecured	15.44	5.35	5.35
	<u>15.44</u>	<u>15.44</u>	<u>15.44</u>
Less: Additional/Normal Interest Suspense	4.25	4.25	4.25

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

Particulars	As At 31.03.19		As At 31.03.18		As At 01.04.17	
	11.19		11.19		11.19	
Less: Cheques sent for Collection	0.00		0.00		0.00	
Less: Impairment Loss Allowance	10.09	1.10	1.10	10.09	1.10	10.09
<b>Total</b>	<b>235804.34</b>		<b>271744.01</b>		<b>280849.96</b>	

Rakhi Dua  
 General Manager (F&A)

Nishtha Goyal  
 Company Secretary

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

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18	As At 01.04.17
Directors	4.36	0.00	0.00
Other Officers of the Company	71.10	88.59	116.55
Firm in which Director is a Partner	0.00	0.00	0.00
Private Company in which Director is a Member	0.00	0.00	0.00
Total	<u>75.46</u>	<u>88.59</u>	<u>116.55</u>

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

**NOTE-7 INVESTMENTS**

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18	As At 01.04.17
<b>At Fair Value (Through Other Comprehensive Income)</b>			
Equity Instruments	249.69	250.68	250.34
Less: Allowance for Impairment Loss	15.00	15.00	15.00
	<u>234.69</u>	<u>235.68</u>	<u>235.34</u>
<b>Amortised cost</b>			
Equity Instruments	0.00	0.00	0.00
Through Profit or Loss			
Less: Allowance for Impairment Loss	0.00	0.00	0.00
<b>As per Balance Sheet</b>	<u>234.69</u>	<u>235.68</u>	<u>235.34</u>

(Rs in Lakh)

Investments (Through Other Comprehensive Income at Fair Value)	As at 31.03.19	As at 31.03.18	As at 01.04.17
<b>Equity shares of M/s Singer India Ltd.</b>			
(4,70,230 Shares of Rs.2/- each fully paid after sub division as on 31.03.19, Fair Value Rs.49.91 per share)			
(4,70,230 Shares of Rs.2/- each fully paid after sub division as on 31.03.18, Fair Value Rs.50.12 per share)	234.69	235.68	235.34
(1,17,700 Shares Rs.10/- each fully paid before sub division as on 01.04.17, Fair Value Rs.199.95 per share)			
<b>Equity shares of M/s Small Industries Product Promoted Organization Ltd. (SIPPO)</b>			
(1,00,000 Equity shares of Rs10 each fully paid up- Unquoted)	10.00	10.00	10.00
<b>Equity shares of M/s. Small Industries Products Marketing Organization Ltd. (SIPMO)</b>			
(50,000 Equity shares of Rs10 each fully paid up- Unquoted)	5.00	5.00	5.00
<b>Sub Total</b>	<b>249.69</b>	<b>250.68</b>	<b>250.34</b>
Less: Allowance for Impairment Loss for Equity shares of SIPPO & SIPMO	15.00	15.00	15.00
<b>As per Balance Sheet</b>	<b>234.69</b>	<b>235.68</b>	<b>235.34</b>

**Geographical Classification of Investment :**

In India	234.69	235.68	235.34
Outside India	0.00	0.00	0.00
<b>Total</b>	<u>234.69</u>	<u>235.68</u>	<u>235.34</u>

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

NOTE-8 OTHER FINANCIAL ASSETS (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.19		As At 31.03.18		As At 01.04.17
<b>Security Deposits</b>					
Secured by Tangible Assets	281.82		277.39		848.90
Secured by Intangible Assets	0.00		0.00		0.00
Covered by Bank/Government Guarantees	0.00		0.00		0.00
Unsecured	0.52		0.29		0.29
	<u>282.34</u>		<u>277.68</u>		<u>849.19</u>
Less: Additional/Normal Interest Suspense	0.00		0.00		0.00
	<u>282.34</u>		<u>277.68</u>		<u>849.19</u>
Less: Impairment Loss Allowance	0.52	281.82	0.29	277.39	0.29
	<u>0.52</u>		<u>0.29</u>		<u>0.29</u>
<b>Other Financial Assets</b>					
Receivables from Banks					
Interest	268.30		273.70		268.62
Less: Impairment Loss Allowance	268.30	0.00	268.30	5.40	268.30
	<u>17606.80</u>		<u>17399.82</u>		<u>17057.38</u>
Others *	5393.39	12213.41	0.00	17399.82	0.00
Less: Impairment Loss Allowance		1.59		1.55	3.78
Interest Accrued but not Due on Fixed/Short Term Deposits		0.00		863.42	0.00
Amounts Receivable from Government of India against Deficit in Grants (Net)					
		<u>12215.00</u>		<u>18270.19</u>	<u>17061.16</u>
Sub Total		<u>12496.82</u>		<u>18547.58</u>	<u>17910.38</u>
As per Balance Sheet					

\* This includes Rs 17057.39 lakh receivable from United Bank of India on account of BGs invoked in July-Aug'2016. Refer sl no. 4 of note-34

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

**NOTE-9 INVENTORIES**

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18	As At 01.04.17
Raw Materials and Components	0.92	1.02	2.59
Work-In-Process	0.00	0.00	0.00
Finished Goods	2.10	2.16	13.58
Stock-In-Trade	0.00	0.00	0.00
Stores and Spares	8.06	9.93	7.55
Loose Tools and Measuring Instruments	7.02	6.02	5.41
Patterns and Moulds	0.00	0.00	0.00
Land & Building in Stock, Industrial Estate, Naini	19.65	19.65	19.65
Goods-In-Transit	0.00	509.42	649.27
<b>Sub Total</b>	<b>37.75</b>	<b>548.20</b>	<b>698.05</b>
Less: Impairment Loss Allowance	0.00	0.06	8.54
<b>As per Balance Sheet</b>	<b>37.75</b>	<b>548.14</b>	<b>689.51</b>

Note : Refer sl no. 6 of note-34 for disclosure on IndAS-2 on inventory

Rakhi Dua  
 General Manager (F&A)

Nishtha Goyal  
 Company Secretary

NOTE-10 CURRENT TAX (NET)

Particulars	(₹ in Lakh)		
	As At 31.03.19	As At 31.03.18	As At 01.04.17
TDS/TCS Deducted at Source	1380.81	1223.13	1105.64
Advance Tax	14953.46	16631.16	15942.90
Less: Provision for Income Tax	16090.00	17840.00	16900.00
As per Balance Sheet	<u>244.27</u>	<u>14.29</u>	<u>148.54</u>

Rakhi Dua  
 General Manager (F&A)

Nishtha Goyal  
 Company Secretary

NOTE-11 DEFERRED TAX ASSETS/LIABILITIES (NET)

Particulars	(₹ in Lakh)		
	As At 31.03.19	As At 31.03.18	As At 01.04.17
Deferred Tax Liabilities	(871.98)	(916.04)	(815.45)
Deferred Tax Assets	6746.00	6759.44	6176.79
As per Balance Sheet	5874.02	5843.40	5361.34

Note : Refer sl.no. 7 of Note-34

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

NOTE - 12 PROPERTY, PLANT & EQUIPMENT (PPE) AND INTANGIBLE ASSETS

(Rs in Lakh)

Net Carrying Amount	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Land	45.31	45.30	45.79
Building	11819.42	5234.04	5001.94
Furniture & Fittings	447.09	392.61	325.11
Office Equipments	499.90	553.86	484.21
Vehicle	35.54	44.13	53.35
Plant & Equipment	4684.11	4376.04	1687.16
<b>Total Property, Plant and Equipment</b>	<b>17531.38</b>	<b>10645.98</b>	<b>7597.56</b>
Computer Software	161.50	202.24	148.11
Capital Work in Progress	8263.31	12756.47	12606.14

(Rs in Lakh)

Particulars	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION						LTA			NET CARRYING AMOUNT	
	As At 01/04/18	Additions	Sale	Acquired through Business Combination	Inter Unit Transfer / Inter Group Adjustment	Cost As At 31/03/19	As At 01/04/18	Depreciation Charge for the Year	Sales	Adjustment including Impairment	Inter Unit Transfer/ Inter Group Adjustment	As At 31/03/19	As At 31/03/19	As At 31/03/18	As At 31/03/19	As At 31/03/18	
<b>TANGIBLE ASSETS</b>																	
<b>1. OWN ASSETS</b>																	
BUILDING	4877.85	21.30	0.00	0.00	-6531.09	11430.24	952.44	161.73	0.00	0.00	0.00	1114.17	0.00	0.00	10316.07	3925.41	
Furniture & Fittings	523.94	55.06	1.17	0.00	-8.04	585.88	282.65	46.46	0.79	0.00	0.40	327.91	0.00	0.00	257.96	241.29	
Land	30.83	0.25	0.00	0.00	0.00	31.08	3.48	0.20	0.00	0.00	0.00	3.68	0.00	0.00	27.40	27.35	
Office Equipments	820.35	84.99	7.38	0.00	-0.04	898.00	640.12	77.62	6.04	0.00	0.39	711.31	0.00	0.00	186.69	180.23	
Vehicle	115.58	0.04	0.00	0.00	0.00	115.62	71.94	8.63	0.00	0.00	0.00	80.57	0.00	0.00	35.05	43.64	
Plant & Equipment	2204.98	29.61	2.01	0.00	-232.24	2464.82	599.47	125.12	1.46	0.00	0.00	723.13	0.00	0.00	1741.69	1605.51	
<b>Total</b>	<b>8573.53</b>	<b>191.26</b>	<b>10.56</b>	<b>0.00</b>	<b>-6771.41</b>	<b>15525.64</b>	<b>2550.10</b>	<b>419.75</b>	<b>8.29</b>	<b>0.00</b>	<b>0.79</b>	<b>2960.77</b>	<b>0.00</b>	<b>0.00</b>	<b>12564.86</b>	<b>6023.43</b>	
<b>2. LEASED ASSETS</b>																	
Plant & Equipments	135.68	0.00	17.39	0.00	0.00	118.29	76.72	0.00	16.59	44.77	0.00	104.89	13.35	58.91	0.05	0.05	
<b>3. SEIZED LEASE ASSETS</b>																	
Plant & Equipments	67.63	0.00	0.00	0.00	0.00	67.63	111.48	0.00	0.00	-93.56	0.00	17.92	48.80	-44.76	0.91	0.91	
<b>4. ASSETS ACQUIRED OUT OF GOVT. GRANTS</b>																	
Land	23.04	0.00	0.00	0.00	0.00	23.04	5.09	0.04	0.00	0.00	0.00	5.13	0.00	0.00	17.91	17.95	
Building	879.85	0.00	0.00	0.00	0.00	879.85	423.30	17.02	0.00	0.00	0.00	440.32	0.00	0.00	439.53	456.55	
Furniture & Fittings	126.88	36.06	0.00	0.00	-5.59	168.33	62.84	10.78	0.00	0.00	0.00	73.62	0.00	0.00	94.70	63.84	
Office Equipments	752.60	24.55	0.00	0.00	-25.86	803.02	519.25	100.95	0.00	0.00	0.00	620.20	0.00	0.00	182.82	233.35	
Vehicle	11.16	0.00	0.00	0.00	0.00	11.16	10.67	0.00	0.00	0.00	0.00	10.67	0.00	0.00	0.49	0.49	
Plant & Equipment	3627.27	261.29	17.49	0.00	-74.77	3945.85	1389.36	216.32	11.75	0.00	0.00	1593.93	0.00	0.00	2351.92	2237.91	
<b>Total</b>	<b>5420.60</b>	<b>321.90</b>	<b>17.49</b>	<b>0.00</b>	<b>-106.23</b>	<b>5831.24</b>	<b>2410.51</b>	<b>345.12</b>	<b>11.75</b>	<b>0.00</b>	<b>0.00</b>	<b>2743.87</b>	<b>0.00</b>	<b>0.00</b>	<b>3087.37</b>	<b>3010.09</b>	
<b>5. ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES</b>																	
BUILDING	918.88	212.59	0.00	0.00	-47.78	1179.25	66.80	48.62	0.00	0.00	0.00	115.42	0.00	0.00	1063.83	852.08	
FURNITURE & FITTINGS	132.19	13.29	0.00	0.00	-5.63	151.11	44.71	11.58	0.00	0.00	-0.40	56.69	0.00	0.00	94.42	87.48	
OFFICE & EQUIPMENTS	560.94	60.12	0.00	0.00	-1.87	622.93	420.66	71.49	0.00	0.00	-0.39	492.54	0.00	0.00	130.39	140.28	
PLANT & EQUIPMENTS	691.73	99.26	0.00	0.00	-12.42	803.41	160.07	53.79	0.00	0.00	0.00	213.86	0.00	0.00	589.56	531.66	
<b>TOTAL</b>	<b>2303.74</b>	<b>385.26</b>	<b>0.00</b>	<b>0.00</b>	<b>-67.71</b>	<b>2756.71</b>	<b>692.24</b>	<b>185.49</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.79</b>	<b>878.52</b>	<b>0.00</b>	<b>0.00</b>	<b>1878.19</b>	<b>1611.50</b>	
<b>SUB TOTAL-TANGIBLE ASSETS</b>	<b>16501.18</b>	<b>898.42</b>	<b>45.44</b>	<b>0.00</b>	<b>-6945.35</b>	<b>24299.51</b>	<b>5841.05</b>	<b>950.36</b>	<b>36.64</b>	<b>-48.79</b>	<b>0.00</b>	<b>6705.98</b>	<b>62.15</b>	<b>14.15</b>	<b>17531.39</b>	<b>10645.98</b>	
<b>PREVIOUS YEAR</b>	<b>12812.71</b>	<b>2698.22</b>	<b>123.36</b>	<b>0.00</b>	<b>-913.61</b>	<b>16501.18</b>	<b>5250.39</b>	<b>753.07</b>	<b>117.64</b>	<b>-44.77</b>	<b>0.00</b>	<b>5841.05</b>	<b>14.15</b>	<b>-35.24</b>	<b>10645.98</b>	<b>7597.56</b>	

Particulars	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION					LTA			NET CARRYING AMOUNT	
	As At 01/04/18	Additions	Sale	Acquired through Business Combination	Inter Unit Transfer / Inter Group Adjustment	Cost As At 31/03/19	As At 01/04/18	Depreciation Charge for the Year	Sales	Adjustment including Impairment	Inter Unit Transfer/ Inter Group Adjustment	As At 31/03/19	As At 31/03/19	As At 31/03/18	As At 31/03/19	As At 31/03/18
<b>INTANGIBLE ASSETS</b>																
<b>01. OWN ASSETS</b>																
COMPUTER SOFTWARE	129.52	19.36	0.00	0.00	0.00	148.88	79.83	18.50	0.00	0.00	0.00	98.33	0.00	0.00	50.55	49.69
<b>02. ASSETS ACQUIRED OUT OF GOVT. GRANT</b>																
COMPUTER SOFTWARE	58.03	13.44	0.00	0.00	0.00	71.47	11.95	16.18	0.00	0.00	0.00	28.13	0.00	0.00	43.34	46.08
<b>03. ASSETS NOT ACQUIRED OUT OF GOVT. GRANTS ON ACCOUNT OF TECHNICAL CENTRES</b>																
COMPUTER SOFTWARE	241.61	2.50	0.00	0.00	0.00	244.11	135.14	41.36	0.00	0.00	0.00	176.50	0.00	0.00	67.61	106.47
SUB TOTAL-INTANGIBLE ASSETS	429.16	35.29	0.00	0.00	0.00	464.45	226.92	76.03	0.00	0.00	0.00	302.95	0.00	0.00	161.50	202.24
PREVIOUS YEAR	308.34	123.11	2.29	0.00	0.00	429.16	160.23	68.98	2.29	0.00	0.00	226.92	0.00	0.00	202.24	148.11
<b>01. CAPITAL WORK IN PROGRESS</b>																
CAPITAL WORK IN PROGRESS	12650.24	2435.15	0.00	0.00	6839.12	8246.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8246.27	12650.24
PREVIOUS YEAR	12606.14	957.70	0.00	0.00	913.61	12650.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12650.24	12606.14
CWIP ACQUIRED OUT OF GOVT. GRANTS	106.23	17.03	0.00	0.00	106.23	17.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.03	106.23
PREVIOUS YEAR	0.00	106.23	0.00	0.00	0.00	106.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	106.23	0.00
SUB TOTAL-CAPITAL WORK IN PROGRESS	12756.47	2452.18	0.00	0.00	6945.35	8263.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8263.30	12756.47
PREVIOUS YEAR	12606.14	1063.93	0.00	0.00	913.61	12756.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12756.46	12606.14
GRAND TOTAL	29686.81	3385.90	45.44	0.00	0.00	33027.27	6067.97	1026.39	36.64	-48.79	0.00	7008.93	62.15	14.15	25956.19	23604.69
PREVIOUS YEAR	25727.19	4085.26	125.65	0.00	0.00	29686.81	5410.62	822.05	119.93	-44.77	0.00	6067.97	14.15	-35.24	23604.68	20351.81

Note : Refer sl. No. 8 of Note-34

Rakhi Dua  
General Manager (F&A)Nishtha Goyal  
Company Secretary

NOTE-13 OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As At 31.03.19		As At 31.03.18		As At 01.04.17
<b>Capital Advances</b>					
With RITES	1037.48		392.04		362.97
Add: Interest Accrued on Capital Advance	0.00	1037.48	0.00	392.04	0.00
With CPWD	105.67		224.17		253.65
Add: Interest Accrued on Capital Advance	0.00	105.67	0.00	224.17	0.00
With NBCC	0.00		452.39		452.39
Add: Interest Accrued on Capital Advance	0.00	0.00	0.00	452.39	0.00
<b>Sub Total</b>		<b>1143.15</b>		<b>1068.60</b>	<b>1069.01</b>
Other Deposits with Tax Authorities		902.31		909.32	483.65
Other Non-Financial Assets	972.32		145.92		140.94
Less: Additional/Normal Interest Suspense	0.00		0.00		0.00
Less: Impairment Loss Allowance	13.22	959.10	13.22	132.70	127.72
<b>As per Balance Sheet</b>		<b>3004.56</b>		<b>2110.62</b>	<b>1680.38</b>

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

NOTE-14 TRADE PAYABLES

Particulars	As At 31.03.19		As At 31.03.18		(₹ in Lakh)
					As At 01.04.17
Trade Payables					
Due to MSME Units	18757.74		18133.69		12418.34
Due to Others	1729.00	20486.74	378.56	18512.25	582.48
Due to Related Parties		0.00		0.00	13000.82
As per Balance Sheet		20486.74		18512.25	0.00
					13000.82

Note : Refer sl. no. 1 of Note-34

Rakhi Dua  
 General Manager (F&A)

Nishtha Goyal  
 Company Secretary

NOTE-15 BORROWINGS (AT AMORTIZED COST)

Particulars					(₹ in Lakh)
	As At 31.03.19		As At 31.03.18		As At 01.04.17
<b>Secured Borrowings</b>					
Bonds/Debentures	0.00		0.00		0.00
Term Loans from:					
Banks	0.00		0.00		0.00
Others from:					
Government of India	0.00		0.00		0.00
State Governments	0.00		0.00		0.00
Financial Institutions	0.00		0.00		0.00
Foreign Financial Institutions	0.00		0.00		0.00
Others	0.00	0.00	0.00	0.00	0.00
Loans Repayable on Demand from:					
Banks					
Working Capital Loan	171300.00		205112.18		115612.77
Cash Credit	83.76		1.34		0.84
Overdraft	0.00		0.00		5608.27
Term Loan	0.00	171383.76	0.00	205113.52	0.00
Other Parties	0.00		0.00		0.00
Deferred Payment Liabilities	0.00		0.00		0.00
Deposits	0.00		0.00		0.00
Loans and Advances from Related Parties	0.00		0.00		0.00
Long Term Maturities of Finance Lease Obligations	0.00		0.00		0.00
Other Loans and Advances from					
Government of India	0.00		0.00		0.00
State Governments	0.00		0.00		0.00
Financial Institutions	0.00		0.00		0.00
Foreign Financial Institutions	0.00		0.00		0.00
Others	0.00	0.00	0.00	0.00	0.00
<b>Sub Total</b>		<b>171383.76</b>		<b>205113.52</b>	<b>121221.88</b>
<b>Unsecured Borrowings</b>					
Bonds/Debentures	0.00		0.00		0.00
Term Loans from:					
Banks	0.00		0.00		0.00
Other Parties from:					
Government of India	0.00		0.00		0.00
State Governments	0.00		0.00		0.00
Financial Institutions	0.00		0.00		0.00
Foreign Financial Institutions	5268.00		5689.72		5168.29

**NOTE-15 BORROWINGS (AT AMORTIZED COST)**

Particulars	As At 31.03.19		As At 31.03.18		As At 01.04.17	
Others	0.00	5268.00	0.00	5689.72	0.00	5168.29
Loans Repayable on Demand from:						
Banks						
Working Capital Loan	0.00		0.00		0.00	
Cash Credit	0.00		0.00		0.00	
Overdraft	0.00		0.00		0.00	
Term Loan	0.00	0.00	0.00	0.00	0.00	0.00
Other Parties		0.00		0.00		0.00
Deferred Payment Liabilities		0.00		0.00		0.00
Deposits		0.00		0.00		0.00
Loans and Advances from Related Parties		0.00		0.00		0.00
Long Term Maturities of Finance Lease Obligations		0.00		0.00		0.00
Other Loans and Advances from						
Government of India	0.00		0.00		0.00	
State Governments	0.00		0.00		0.00	
Financial Institutions	0.00		0.00		0.00	
Foreign Financial Institutions	0.00		0.00		0.00	
Others	0.00	0.00	0.00	0.00	0.00	100000.00
Sub Total		5268.00		5689.72		105168.29
As per Balance Sheet		176651.76		210803.24		226390.17

**Classification of Borrowings :**

In India	171383.76	205113.52	121221.88
From Outside India	5268.00	5689.72	105168.29
<b>Total</b>	<b>176651.76</b>	<b>210803.24</b>	<b>226390.17</b>

Note : Refer sl. no. 11 of Note-34

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

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

(₹ in Lakh)

Particulars	Amount outstanding as on			Terms of Repayment & Frequency of repayable instalments (Monthly/Quarterly/Half Yearly/Annually)	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.19	
	31/03/19	31/03/18	01/04/17				Period	Amount
<b>Secured Borrowings</b>								
Bonds/Debentures								
	0.00	0.00	0.00					
Term Loans from:								
Banks								
Vijaya Bank	0.00	0.00	0.00	Half-Yearly		Nil		0
	0.00	0.00	0.00			--		
Others from:								
Government of India								
State Governments	0.00	0.00	0.00			--		
Financial Institutions	0.00	0.00	0.00			--		
Foreign Financial Institutions	0.00	0.00	0.00			--		
Others	0.00	0.00	0.00			--		
Loans Repayable on Demand from:								
Banks								
Working Capital Loans								
The Hongkong & Shanghai Banking Corp. Ltd.	51000.00	73000.00	70000.00		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 securities.	Nil		0
State Bank of India	120300.00	120107.18	37312.77		Secured against equitable	Nil		0

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

(₹ in Lakh)

Particulars	Amount outstanding as on			Terms of Repayment & Frequency of repayable instalments (Monthly/Quarterly/Half Yearly/Annually)	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.19	
	31/03/19	31/03/18	01/04/17				Period	Amount
BNP Paribas	0.00	0.00	0.00		mortgage of property measuring 47 bigha and 67 biswa situated ay Okhla Industrial Estate, New Delhi and pari passu charge on book debt/current assets.	Nil	0	
HDFC WCDL	0.00	12005.00	5300.00		Pari passu charge on loan receivables.	Nil	0	
China Trust Banking Corporation Ltd STL	0.00	0.00	3000.00		Pari passu charge on book debts.	Nil	0	
	171300.00	205112.18	115612.77		Pari passu charge on book debts/Receivable of Raw Material and other Current Assets	—	0	
Cash Credit								
Punjab National Bank	69.13	0.00	0.00		Secured against equitable mortgage of property situated in Okhla Indl Estate, New Delhi & pari passu charge over receivables in the form of loans & advances, book debts, bills discounted & all the current assets pertaining to marketing activities.	Nil	0	
Vijaya Bank	0.00	1.34	0.84		Secured against registered mortgage of property situated at Okhla Industrial Estate, New Delhi and pari passu charge on book debts/current assets.	Nil	0	
State Bank of India	0.00	0.00	0.00		Secured against registered mortgage of property measuring 47 bigha and 67 biswa situated at Okhla Industrial Estate, New Delhi and pari passu charge on	Nil	0	

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

(₹ in Lakh)

Particulars	Amount outstanding as on			Terms of Repayment & Frequency of repayable instalments (Monthly/Quarterly/Half Yearly/Annually)	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.19	
	31/03/19	31/03/18	01/04/17				Period	Amount
BNP Paribas	14.63	0.00	0.00		book debts/current assets. Pari passu charge on Loan Receivables of the Borrower			
United Bank of India	0.00	0.00	0.00			Nil		0
Deutsche Bank AG	0.00	0.00	0.00			Nil		0
	<u>83.76</u>	<u>1.34</u>	<u>0.84</u>					
Overdraft								
The Hongkong & Shanghai Banking Corp. Ltd.	0.00	0.00	5608.27		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
CTBC Bank - Overdraft	0.00	0.00	0.00		Secured by way of hypothecation of account receivables/book debts of Raw Material Assiatance and Other Current Assets.	Nil		0
	<u>0.00</u>	<u>0.00</u>	<u>5608.27</u>					
Term Loan								
Corporation Bank - Short Term Loan	0.00	0.00	0.00			Nil		0
Bank of Tokyo - Short Term Loan	0.00	0.00	0.00			Nil		0
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>					
Other Parties								
	0.00	0.00	0.00					
Deferred Payment Liabilities								
	0.00	0.00	0.00					
Deposits								
	0.00	0.00	0.00					
Loans and Advances from Related Parties								

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

(₹ in Lakh)

Particulars	Amount outstanding as on			Terms of Repayment & Frequency of repayable instalments (Monthly/Quarterly/Half Yearly/Annually)	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.19	
	31/03/19	31/03/18	01/04/17				Period	Amount
	0.00	0.00	0.00			--		
Long Term Maturities of Finance Lease						--		
	0.00	0.00	0.00			--		
Other Loans and Advances from:								
Government of India						--		
State Governments	0.00	0.00	0.00			--		
Financial Institutions	0.00	0.00	0.00			--		
Foreign Financial Institutions	0.00	0.00	0.00			--		
Others	0.00	0.00	0.00			--		
	0.00	0.00	0.00			--		
<b>Sub Total</b>	<b>171383.76</b>	<b>205113.52</b>	<b>121221.88</b>			--		
<b>Unsecured Borrowings</b>								
Bonds/Deventures	0.00	0.00	0.00			--		
Term Loans from:								
Banks	0.00	0.00	0.00			--		
Other Parties from:								
Government of India	0.00	0.00	0.00			--		
State Governments	0.00	0.00	0.00			--		
Financial Institutions	0.00	0.00	0.00			--		

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

(₹ in Lakh)

Particulars	Amount outstanding as on			Terms of Repayment & Frequency of repayable instalments (Monthly/Quarterly/Half Yearly/Annually)	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.19	
	31/03/19	31/03/18	01/04/17				Period	Amount
Foreign Financial Institutions								
XIth LINE OF CREDIT	2353.58	2519.45	2269.99	Half-Yearly		Guaranteed by Government of India		0
XIIth LINE OF CREDIT	2259.73	2457.12	2245.53	Half-Yearly		Guaranteed by Government of India		0
Casa Depositi E Prestiti, Italy (Previously known Artigiancassa SPA)	654.69	713.15	652.77	Half Yearly		Guaranteed by Government of India		0
	<u>5268.00</u>	<u>5689.72</u>	<u>5168.29</u>			--		
Others	0.00	0.00	0.00			--		
Loans Repayable on Demand from:								
Banks								
Working Capital Loans								
ICICI Bank Short Term Loan	0.00	0.00	0.00			Nil		0
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>			--		
Cash Credit								
	0.00	0.00	0.00			--		
Overdraft								
The Hongkong & Shanghai Banking Corp. Ltd.	0.00	0.00	0.00			--		
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>			--		
Term Loan								
Union Bank of India	0.00	0.00	0.00			Nil		0
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>			--		
Other Parties						Nil		0

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

(₹ in Lakh)

Particulars	Amount outstanding as on			Terms of Repayment & Frequency of repayable instalments (Monthly/Quarterly/Half Yearly/Annually)	Nature of Security	Whether guaranteed by Directors or Others	Continuing Default as on 31.03.19	
	31/03/19	31/03/18	01/04/17				Period	Amount
Deferred Payment Liabilities	0.00	0.00	0.00			--		
Deposits	0.00	0.00	0.00			--		
Loans and Advances from Related Parties	0.00	0.00	0.00			--		
Long Term Maturities of Finance Lease	0.00	0.00	0.00			--		
Other Loans and Advances from:								
Government of India	0.00	0.00	0.00			--		
State Governments	0.00	0.00	0.00			--		
Financial Institutions	0.00	0.00	0.00			--		
Foreign Financial Institutions	0.00	0.00	0.00			--		
Others								
Commercial Paper	0.00	0.00	100000.00			--		
	0.00	0.00	100000.00			--		
<b>Sub Total</b>	<b>5268.00</b>	<b>5689.72</b>	<b>105168.29</b>			--		
<b>Total</b>	<b>176651.76</b>	<b>210803.24</b>	<b>226390.17</b>			--		

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

**THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.**

**Annexure - 15B - Detail of Borrowings from Foreign Financial Institutions**

Particulars	KFW XI Line of Credit	KFW XII Line of Credit	Italian Line of Credit
Total Loan Sanctioned (in Euro)	5112918.81	5036225.03	1053134.47
Due Date of Payment	30/6 and 31/12 every year	30/6 and 31/12 every year	17/7 and 17/1/ every year
First installment	30/06/2002	30/06/2006	17/01/2015
Last installment	30/06/2042	30/12/2035	17/07/2035
Total installments	81	60	42
Interest	10.50%	12.50%	0.50%
Loan o/s 31/03/19 (in Euro)	2974696.21	2856076.41	827462
Repayment term	Half yearly	Half yearly	Half yearly
Amount of installments (in Euro)	62888.9	83851.87	25074.61
Total Interest paid from 30.06.1993 to 30.12.2001 in Deuseh Mark	592439.19	405995.68	-
Total Interest paid from 30.06.2002 to 31.03.2019 in Euro	519599.88	539924.19	78911.74
Hedging	-	-	-

**Annexure - 15C - Detail of Borrowings through Commercial Paper outstanding as on 01.04.2017**

Particulars	As At 31.03.2019	As At 31.03.2018	As At 01.04.2017
Amount Borrowed	-	-	100000 lakh
Coupan Rate	-	-	6.45%
Date of Issue	-	-	24.03.2017
Date of Redemption	-	-	29.06.2017
Terms of Redemption	-	-	At Par

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

NOTE-16 OTHER FINANCIAL LIABILITIES (AT AMORTIZED COST)

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18	As At 01.04.17
Advance from RMA Buyers - Units	2152.55	3890.42	3471.34
Discount Payable	801.31	1218.29	1442.46
A/c Payable (Bulk Suppliers)	1697.26	238.82	99.76
Payable to Rating Agencies	337.41	709.98	2042.54
Security Deposit Payable	1148.56	1048.97	1131.95
Earnest Money Deposits (EMD)	57.84	66.89	192.22
Retention Money	327.06	248.01	13.87
Payable for Projects	453.14	443.41	1470.89
Balance Due to Trade Receivables	42.49	157.98	44.10
Interest Accrued But Not Due on Borrowings/CSD	407.09	10.05	16.02
Amount Payable for Training	105.97	96.92	32.07
Other Payables - Employees	220.89	244.04	232.89
Current Liability for Expenses	1619.91	945.42	785.55
Other Payables - Taxes	794.91	468.49	561.30
Other Payables	161.50	28.41	11.93
Commitment Advance Received - Exhibitions	1.33	4.22	7.26
Amount Payable to Government of India against Surplus in Grants (Net)	1340.90	0.00	2738.77
As per Balance Sheet	<u>11670.12</u>	<u>9820.32</u>	<u>14294.92</u>

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary



NOTE-17 PROVISIONS

(₹ n Lakh)

Particulars	As At 31.03.19		As At 31.03.18		As At 01.04.17
<b>Provisions for Employee Benefits</b>					
For Gratuity	4800.47		4800.40		3784.76
For Leave Encashment	2699.33		2576.61		2281.70
For Half Pay Leave	415.30		420.65		389.36
For TA on Retirement	3.67		3.70		3.70
For Leave Travel Concession	0.27		0.25		0.84
For Pension	0.00		0.00		0.00
For Pay Revision	0.00	7919.04	2328.11	10129.72	0.00
<b>Others</b>					
For Doubtful Debts & Advances	18109.82		11165.91		11386.47
Less: Adjustment as per contra against Trade Receivables, Loans & Advances, etc.	18109.82	0.00	11165.91	0.00	11386.47
For Income Tax (Net of Payments)		0.00		0.00	0.00
For Wealth Tax		0.00		0.00	0.00
For Sales Tax		0.00		0.00	0.00
For Interest Tax		0.00		0.00	0.00
For Proposed Dividend		0.00		0.00	0.00
For Tax on Proposed Dividend		0.00		0.00	0.00
<b>For Exchange Variation</b>					
Balance as per last Balance Sheet	1552.35		1664.59		1441.16
Add: Provision made during the Year	222.63		465.70		456.14
Less: Utilised for Exchange Variation Losses	0.00		577.94		0.00
Less: Amount Written Back	0.00	1774.98	0.00	1552.35	232.70
<b>For Promotional Activity (KFW)</b>					
Balance as per last Balance Sheet	0.00		0.00		0.00
Add: Provision made during the Year	55.66		56.63		55.86
Less: Amount Written Back	55.66	0.00	56.63	0.00	55.86
<b>As per Balance Sheet</b>		<b>9694.02</b>		<b>11682.07</b>	<b>8124.96</b>

Note : Refer sl. no. 10, 11, 12 and 13 of Note - 34

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

ANNEXURE-17A DETAILS OF ADDITIONS, REVERSAL & UTILIZATION OF PROVISIONS

(₹ in Lakh)

Particulars	Opening Balance as on 01.04.2018	Additions (+) / Write Back (-)	Utilization	Closing Balance as on 31.03.2019
For Doubtful Debts	0	6943.91	6943.91	0
For Exchange Variation	1552.35	222.63	0	1774.98
For Promotional Activity	0	55.66	55.66	0
<b>Total</b>	<b>1552.35</b>	<b>7222.20</b>	<b>6999.57</b>	<b>1774.98</b>

(₹ in Lakh)

Particulars	Opening Balance as on 01.04.2017	Additions (+) / Write Back (-)	Utilization	Closing Balance as on 31.03.2018
For Doubtful Debts	0	-220.56	-220.56	0
For Exchange Variation	1664.59	465.70	577.94	1552.35
For Promotional Activity	0	56.63	56.63	0
<b>Total</b>	<b>1664.59</b>	<b>301.77</b>	<b>414.01</b>	<b>1552.35</b>

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

**NOTE-18 OTHER NON-FINANCIAL LIABILITIES**

Particulars	(₹ in Lakh)		
	As At 31.03.19	As At 31.03.18	As At 01.04.17
Income Received in Advance	2153.20	2348.51	2332.73
Other Payables - Employees	1283.94	1084.96	1226.77
Other Payables	1165.01	1129.28	1170.60
As per Balance Sheet	<u>4602.15</u>	<u>4562.75</u>	<u>4730.10</u>

Rakhi Dua  
 General Manager (F&A)

Nishtha Goyal  
 Company Secretary

NOTE-19 SHARE CAPITAL

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18	As At 01.04.17
<b>AUTHORISED</b>			
5,35,00,000 (Previous Year 5,35,00,000) Equity Shares of ₹ 100/- each	53500.00	53500.00	53500.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
5,32,98,800 (Previous Year 5,32,98,800) Equity Shares of ₹ 100/- each fully paid up.	53298.80	53298.80	53298.80
As per Balance Sheet	53298.80	53298.80	53298.80

ANNEXURE-19A RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

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

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

Name of Shareholder	As At 31.03.19 No. of Share Held	As At 31.03.19 % of Holding	As At 31.03.18 No. of Share Held	As At 31.03.18 % of Holding	As At 01.04.17 No. of Share Held	As At 01.04.17 % of Holding
Government of India	53298800	100	53298800	100	53298800	100

ANNEXURE-19C DETAILS OF SHARES ALLOTTED PURSUANT TO CONTRACT(S) WITHOUT PAYMENT BEING RECEIVED IN CASH, BONUS SHARES & SHARES BOUGHT BACK IN RESPECT OF LAST 5 YEARS  
Aggregate No. of Shares

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Equity Shares:</b>					
Fully paid up pursuant to without Payment being received in	0	0	0	0	0
Fully paid up by way of Bonus	0	0	0	0	0
Shares bought back	0	0	0	0	0
<b>Preference Shares:</b>					
Fully paid up pursuant to without Payment being received in	0	0	0	0	0
Fully paid up by way of Bonus	0	0	0	0	0
Shares bought back	0	0	0	0	0

ANNEXURE-19D DETAILS OF CALLS UNPAID

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18	As At 01.04.17
<b>Calls Unpaid</b>			
By Directors	0	0	0
By Officers	0	0	0

ANNEXURE-19E RIGHT, PREFERENCE AND RESTRICTIONS ATTACHED TO SHARES

The equity share is the only class of Share capital having par value of ₹100 per share. Every holder of equity share present at a meeting in person or by a proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Equity share carry voting right proportionate to the paid-up value per share. In the event of liquidation of the company, holders of the equity share are entitled to be repaid the amounts credited as paid up on those equity share. All surplus assets after settlement of liabilities as at the commencement of winding up shall be paid to the holders of equity share in proportion of their shareholding.

ANNEXURE-20 DETAILS OF OTHER EQUITY

(₹ in Lakh)

Particulars	As At 01.04.2018	Additions / Created During the Year	Transfer / Sales / Adjustment	Depreciation for the Year	As At 31.03.2019
<b>CAPITAL RESERVES/DEFERRED INCOME (Reserve representing value of Assets acquired out of Grants received from Government of India)</b>					
Technical Centre	404.74	0.00	5.74	46.26	352.74
Government Purchase Plan	3.52	0.00	0.00	0.00	3.52
Appropriate Technology	2.40	0.00	0.00	0.00	2.40
Modernization - Lock Project	50.56	0.00	0.00	11.36	39.20
Development of North East Region	20.13	0.00	0.00	0.56	19.57
Technology Business Incubator	99.27	0.00	0.00	14.81	84.46
Mini Tool Room Centre	0.85	0.00	0.00	0.00	0.85
Minority Welfare Scheme	0.12	0.00	0.00	0.00	0.12
Modernization of Technical Centre	4.32	0.00	0.00	0.00	4.32
Science & Technology Project	1.00	0.00	0.00	0.06	0.94
Product Design Centre (PRIDE)	11.33	0.00	0.00	0.31	11.02
Technology Business Incubator (IT)	1.02	0.00	0.00	0.00	1.02
Laghu Udyog Mart(LUM)	226.24	0.00	0.00	9.52	216.72
Interest Differential Fund on KFW (West Germany) Loans	19.93	0.00	0.00	0.51	19.42
Technology Development of Baking Oven	0.02	0.00	0.00	0.00	0.02
DST-STEP (S&T Project)	40.58	0.00	0.00	5.14	35.44
Testing Fuel Efficient Diesel Engine (TFEDE)	0.36	0.00	0.00	0.00	0.36
Marketing Development Centre	66.06	0.00	0.00	1.53	64.53
Interest Differential Fund on S&T Project	0.65	0.00	0.00	0.00	0.65
Training cum Incubation	371.95	8.85	0.00	56.22	324.58
Assistance for Training to Institutions	1837.36	343.52	0.00	215.02	1965.86
<b>Sub Total</b>	<b>3162.40</b>	<b>352.37</b>	<b>5.74</b>	<b>361.30</b>	<b>3147.74</b>
<b>OTHER RESERVES</b>					
Capital Replacement Reserve	73.09	0.00	0.00	0.00	73.09
Risk Fund *	1878.65	0.00	0.00	1878.65	0.00
Retained Earning	36556.67	1890.27	1865.24	0.00	36581.70
<b>As per Balance Sheet</b>	<b>41670.82</b>	<b>2242.64</b>	<b>1870.98</b>	<b>2239.95</b>	<b>39802.53</b>

\*Note : Refer sl. no. 5(a) and 21 of Note-34

NOTE-20A STATEMENT OF CHANGES IN EQUITY

(₹ in Lakh)

Particulars	Equity Share Capital	Other Equity						Total
		Capital Reserves	Capital Redemption Reserve	Risk Fund	Retained Earnings			
					Retained Earnings	Equity Instruments through Other Comprehensive Income	Sub Total	
Balance as at 1st April 2017	53298.80	1391.49	73.09	1561.12	26586.87	0.00	26586.87	29612.57
Add: Additions / Credited during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Add: Gain on Equity Investments through Fair value Change	0.00	0.00	0.00	0.00	0.00	227.79	227.79	227.79
Add: Reversal of Proposed Dividend including (CDT)	0.00	0.00	0.00	0.00	3762.68	0.00	3762.68	3762.68
Add: Net Discounting Impact on Financial Assets / Liabilities ( Net of Tax)	0.00	0.00	0.00	0.00	14.27	0.00	14.27	14.27
Less: Prepaid Expenses Charged due to change in accounting policy	0.00	0.00	0.00	0.00	4.23	0.00	4.23	4.23
Less: Income tax relating to Equity Investments	0.00	0.00	0.00	0.00	0.00	78.84	78.84	78.84
Balance as at 1st April 2017	53298.80	1391.49	73.09	1561.12	30359.59	148.95	30508.54	33534.24
Add: Additions / Credited during the year	0.00	2025.82	0.00	317.53	9806.06	0.00	9806.06	12149.41
Less: Transfer / Adjustment during the year	0.00	2.03	0.00	0.00	0.00	0.00	0.00	2.03
Less: Depreciation for the year	0.00	252.87	0.00	0.00	0.00	0.00	0.00	252.87
Less: Ind AS Adjustment	0.00	0.00	0.00	0.00	58.45	0.00	58.45	58.45
Add: Gain on Equity Investments through Fair value Change	0.00	0.00	0.00	0.00	0.00	47.63	47.63	47.63
Add: Gain on sale of Equity Investments	0.00	0.00	0.00	0.00	0.00	16.22	16.22	16.22
Less: Dividend for the year 2016-17 (including CDT)	0.00	0.00	0.00	0.00	3762.68	0.00	3762.68	3762.68
Less: Income tax relating to Equity Investments	0.00	0.00	0.00	0.00	0.00	0.65	0.65	0.65
Balance as at 31st March 2018	53298.80	3162.41	73.09	1878.65	36344.52	212.15	36556.67	41670.82
Add: Additions / Credited during the year	0.00	352.37	0.00	0.00	1869.34	0.00	1869.34	2221.71
Add: Transfer from Risk fund	0.00	0.00	0.00	0.00	1555.32	0.00	1555.32	1555.32
Less: Dividend for the year 2017-18 (including CDT)	0.00	0.00	0.00	0.00	3420.57	0.00	3420.57	3420.57
Less: Transfer / Adjustment during the year	0.00	5.74	0.00	1878.65	0.00	0.00	0.00	1884.39
Less: Depreciation for the year	0.00	361.30	0.00	0.00	0.00	0.00	0.00	361.30
Less: Loss on Equity Investments through Fair value Change	0.00	0.00	0.00	0.00	0.00	0.99	0.99	0.99
Add: Income tax relating to Equity Investments	0.00	0.00	0.00	0.00	0.00	21.93	21.93	21.93
Balance as at 31st March 2019	53298.80	3147.74	73.09	0.00	36348.61	233.09	36581.70	39802.53

Rakhi Dua  
General Manager (F&A)

Nishtha Goyal  
Company Secretary

NOTE -21 REVENUE FROM OPERATIONS (CONSOLIDATED)

(₹ in Lakh)

Particulars	As At 31.03.19		As At 31.03.18	
<b>Sale of Products</b>				
Marketing		28048.45		22370.10
Export		348.00		0.00
Raw Material Distribution		179056.47		183410.63
<b>As per Statement of Profit &amp; Loss</b>		<b>207452.92</b>		<b>205780.73</b>
<b>Sale of Services</b>				
Income from Single Point Registration Scheme (SPRS)		1413.74		1362.06
Income from Infomediary Services (B2B)		728.13		326.03
Application Processing Fees		3.02		3.86
Rent Received		1927.88		1859.84
House Keeping & Other Charges		499.25		418.49
Revenue from Training Activities		1732.26		1431.13
Revenue on account of Common Facilities		759.55		676.58
Project Consultancy Charges		0.00		171.29
Income from Training cum Incubation Center (TIC)		60.50		68.20
Receipts from Exhibitions, Seminars, Meets, Conferences and Marketing Campaigns		126.32		111.10
Other Receipts from Services		1.52		1.75
<b>As per Statement of Profit &amp; Loss</b>		<b>7252.17</b>		<b>6430.33</b>
<b>Interest Income</b>				
Normal	33557.46		35970.77	
Less: Interest on Risk Fund	0.00	33557.46	182.94	35787.83
Penal Interest		1.19		32.24
From Deposits with Banks		4.59		5.96
From Employee Advance		1.58		2.47
From Others		0.32		15.67
Gain of Interest on Foreign Currency Transactions and Translation (Net)		142.81		0.00
Finance Income on Discounting of Financial Liabilities		26.20		61.71
<b>As per Statement of Profit &amp; Loss</b>		<b>33734.15</b>		<b>35905.88</b>
<b>Processing Fees/Service Charges Eamed</b>				
Raw Material Distribution	1517917.94	4876.12	1931742.61	4856.25
Miscellaneous Items	51624.53	399.79	60288.63	332.73
<b>As per Statement of Profit &amp; Loss</b>	<b>1569542.47</b>	<b>5275.91</b>	<b>1992031.24</b>	<b>5188.98</b>
<b>Other Operating Revenues</b>				
<b>Excess Provision Written Back:</b>				
KFW	238.59		56.63	
Government Guarantee Fee	0.00		0.00	
Others	662.24	900.83	260.04	316.67
Sundry Credit Balances Written Back		91.44		45.09
Gain on Foreign Currency Transactions and Translation (Net)		0.00		0.00
Net Gain/Loss of Fair Value Changes		0.00		0.00
<b>As per Statement of Profit &amp; Loss</b>		<b>992.27</b>		<b>361.76</b>

ANNEXURE -21A (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ended 31.03.19	For the Year Ended 31.03.18
Aluminium	83913.76	74349.47
Iron & Steel	84364.05	98840.15
Others	10778.66	10221.01
Total	<u>179056.47</u>	<u>183410.63</u>

NOTE -22 OTHER INCOME (CONSOLIDATED)

(₹ in Lakh)

Particulars	As At 31.03.19		As At 31.03.18	
Interest On:				
Income Tax Refunds	42.46	42.46	0.00	0.00
Miscellaneous Receipts		96.79		112.66
Dividend Income		5.42		4.01
As per Statement of Profit & Loss		144.67		116.67

NOTE -23 GRANTS AND SUBSIDIES (CONSOLIDATED)

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18
For Promotional Activities	6675.67	7499.63
Less: Capital Expenditure (Net)	352.37	2025.82
Less: Membership/ Inspection Fees, Training, Rent etc. under NSSH	433.02	0.00
Less: Training Fee - ATI	240.72	0.00
Less: Amount Appropriated out of Government Grants (As per Statement of Profit and Loss - Promotional)	0.00	(117.43)
As per Statement of Profit & Loss	<u>5649.56</u>	<u>5591.24</u>

NOTE -24 PURCHASES OF STOCK-IN-TRADE (CONSOLIDATED)

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18
<b>Marketing Activity</b>		
Marketing	28042.59	22365.63
Export	247.22	0.00
Raw Material Distribution	177602.44	182254.54
<b>As per Statement of Profit &amp; Loss</b>	<b>205892.25</b>	<b>204620.17</b>

ANNEXURE -24A (CONSOLIDATED)

(₹ in Lakh)

Particulars	For the Year Ended 31.03.19	For the Year Ended 31.03.18
Aluminium	83040.15	73537.58
Iron & Steel	83885.02	98605.17
Others	10677.27	10111.79
Total	<u>177602.44</u>	<u>182254.54</u>

NOTE -25 CHANGES IN INVENTORIES (CONSOLIDATED)

(₹ in Lakh)

Particulars	As At 31.03.19		As At 31.03.18	
<b>Finished Goods:</b>				
Closing Stock	2.16		2.16	
Less: Opening Stock	2.16		13.76	
Adjustment in Stock	<u>0.00</u>	0.00	<u>8.72</u>	(2.88)
<b>Work-In-Process:</b>				
Closing Stock	0.00		0.00	
Less: Opening Stock	0.00		0.00	
Adjustment in Stock	<u>0.00</u>	0.00	<u>0.00</u>	0.00
<b>Goods-In-Transit:</b>				
Closing Stock	0.00		509.42	
Less: Opening Stock	509.42		626.51	
Adjustment in Stock	<u>0.00</u>	(509.42)	<u>0.00</u>	(117.09)
<b>As per Statement of Profit &amp; Loss</b>		<u>(509.42)</u>		<u>(119.97)</u>

NOTE -26 EMPLOYEES BENEFIT EXPENSES (CONSOLIDATED)

(₹ in Lakh)

Particulars	As At 31.03.19		As At 31.03.18	
Salaries and Allowances		8898.63		8392.26
Contributions to:				
Provident Fund	710.22		686.51	
Superannuation Scheme/Pension Scheme	582.75		536.50	
Deposit Group Insurance Scheme	0.00		0.00	
Employees State Insurance Corporation	0.00	1292.97	0.00	1223.01
Gratuity Fund Contributions		526.77		1357.70
Staff Welfare Expenses		117.17		123.75
Other Benefits		1143.15		1841.98
<b>Directors (Including Chairman-Cum-Managing Director)</b>				
Salaries and Allowances		94.85		81.01
Contributions to:				
Provident Fund	7.22		7.33	
Superannuation Scheme/Pension Scheme	6.19	13.41	6.10	13.43
Gratuity Fund Contributions		2.76		22.45
Other Benefits		19.54		12.03
<b>As per Statement of Profit &amp; Loss</b>		<b>12109.25</b>		<b>13067.62</b>

NOTE -27 FINANCE COSTS (CONSOLIDATED)

(₹ in Lakh)

Particulars	As At 31.03.19		As At 31.03.18	
<b>Interest on Borrowings:</b>				
Kreditanstalt West Germany (KFW Loans)	552.95		559.26	
Casa Depositi E Prestiti, Italy (Previously known as Artigiancassa SPA)	3.47		3.58	
Banks	10081.47		8622.55	
Commercial Paper	5152.28		4101.20	
Collateral Security Deposits	0.00		0.00	
Bonds	0.00		0.00	
Others	0.00	15790.17	0.00	13286.59
<b>Other Cost on Borrowing:</b>				
Government Guarantee Fee	22.64		22.06	
Loss of Interest on Foreign Currency Transactions and Translation	0.00	22.64	0.00	22.06
Other Finance Charges		21.66		32.20
Finance Charges on Discounting of Financial Assets		2.87		60.27
<b>As per Statement of Profit &amp; Loss</b>		<b>15837.34</b>		<b>13401.12</b>

NOTE -28 DEPRECIATION & AMORTIZATION (CONSOLIDATED)

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18
Depreciation on:		
Property, Plant & Equipment	605.24	509.05
Leased Assets	0.00	0.00
Property, Plant & Equipment and Intangible Assets acquired ag. Grants		
Depreciation as per Contra	361.30	252.87
Less: Replacement Reserve as per Contra	361.30	252.87
Amortization of Expenses	59.85	60.13
Impairment Loss on Property, Plant & Equipment	0.00	0.00
As per Statement of Profit & Loss	665.09	569.18

Note : Refer Note-12 and sl. no.8 of Note-34

NOTE - 29 CORPORATE SOCIAL RESPONSIBILITY (CONSOLIDATED)

Particulars	(₹ in Lakh)					
	In Cash 31.03.2019	Yet to be Paid 31.03.2019	Total 31.03.2019	In Cash 31.03.2018	Yet to be Paid 31.03.2018	Total 31.03.2018
Construction/Acquisition of any Assets	0.00	0.36	0.36	0.00	0.00	0.00
On Purposes Other than above	318.19	0.00	318.19	0.00	302.95	302.95
As per Statement of Profit & Loss	<b>318.19</b>	<b>0.36</b>	<b>318.55</b>	<b>0.00</b>	<b>302.95</b>	<b>302.95</b>
Related Parties Transactions	0.00	0.00	0.00	0.00	0.00	0.00

NOTE -30 OTHER EXPENSES (CONSOLIDATED)

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18
Electricity, Power & Water Charges	632.99	582.65
Printing & Stationery	96.57	97.07
Insurance	5.47	11.78
Travelling, Conveyance & Vehicle Charges	622.67	595.36
Freight and Octroi Expenses	25.10	25.62
Communication Expenses	130.12	152.65
Rent Paid	586.82	382.13
Staff Recruitment Expenses	0.18	10.81
Licenses, Rates & Taxes	108.95	76.96
Expense on Security & Other Allied Services	1613.68	1588.57
Repairs & Maintenance Expenses	498.45	430.61
Payments to Statutory Auditors	46.42	46.51
Payment to Internal auditors	40.41	41.52
Legal, Professional and Consultancy Charges	290.01	318.84
Directors' Sitting Fee	3.08	4.35
Directors' Other Expenses	50.69	41.41
Training Expenses	732.10	823.64
Common Facilities Charges	92.60	78.34
Project Consultancy Charges	26.87	116.06
Expenses on Godown Operations	798.04	961.45
Infomediary Services Expenses	3.63	2.83
Business/Sales Promotion Expenses	121.20	153.20
Entertainment	28.01	30.24
Advertisement and Publicity	145.02	120.24
Expenses on increase in Authorized Capital	0.00	0.00
Loss on Foreign Currency Transactions and Translation (Net)	0.00	203.68
Charity and Donations	0.00	0.00
Miscellaneous Expenses	21.87	30.42
Bad Debts/Irrecoverable Advances Written Off	109.03	134.73
Expenditure on Exhibitions, Seminars and Conference	63.06	44.21
Performance and Credit Rating Fee	0.00	1008.27
Expenses on Special Marketing Assistance Scheme (SMAS)	1555.90	1262.80
Expenses on Others - NSSH	2743.44	1837.90
Expenses on Procurement & Marketing Support Scheme (PMSS)	0.00	0.00
Expenses on International Co-operation	7.65	0.00
Expenses on International Co-operation (IC) Scheme	0.00	0.00
Expenses on Marketing Assistance Scheme (MAS)	604.90	816.03
Impact of Discounting on Financial Assets	0.00	0.00
Provision for Doubtful Debts	6943.91	0.00
Provision for Obsolete Stock	0.00	0.06
Provision for Investments	0.00	0.00
Expenses on SPRS	78.56	48.48
<b>As per Statement of Profit &amp; Loss</b>	<b>18827.40</b>	<b>12079.42</b>

ANNEXURE -30A DETAILS OF OTHER EXPENSES(CONSOLIDATED)

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18
<b>Payment to Statutory Auditors for:</b>		
Statutory Audit Fees	34.49	33.12
Tax Audit Fees	10.61	11.38
Other Taxation Matters	0.50	0.03
Company Law Matters	0.00	0.00
Management Services	0.00	0.00
Other Services	0.00	0.01
Reimbursement of Expenses	0.82	1.97
<b>Total</b>	<b>46.42</b>	<b>46.51</b>
<b>Repairs &amp; Maintenance Expenses on:</b>		
Building	278.41	241.80
Machinery	8.42	6.42
Others	211.62	182.39
<b>Total</b>	<b>498.45</b>	<b>430.61</b>
<b>Bad Debts/Irrecoverable Advance Written Off:</b>		
Bad Debts Written Off	108.44	134.73
Irrecoverable Advances Written Off	0.59	0.00
Losses Written Off	43.92	58.42
Less: Contra Adjustment to Losses Written Off	43.92	58.42
<b>Total</b>	<b>109.03</b>	<b>134.73</b>
<b>Training Expenses on:</b>		
Internal	390.74	423.91
Sponsored	130.16	293.30
Personal	70.62	65.03
ATI	48.72	0.00
Capacity Building (NSSH)	34.09	0.00
Others	57.77	41.40
<b>Total</b>	<b>732.10</b>	<b>823.64</b>
<b>Expenses on Special Marketing Assistance Scheme:</b>		
Participation in Domestic Exhibitions, Trade Fairs	1127.85	952.54
Participation in International Exhibitions, Trade Fairs	268.15	243.62
Organization Visit to Domestic Exhibitions, Trade Fairs	0.00	0.00
Organization Visit to International Exhibitions, Trade Fairs, Seminars Abroad	0.00	29.06
Vendor Development Programs	48.86	21.92
Organizing Workshops, Seminars, Awareness Campaigns	111.04	15.66
<b>Total</b>	<b>1555.90</b>	<b>1262.80</b>
<b>Expenses on Others - NSSH:</b>		
Collection, Collation & Dissemination of Information	473.72	388.24
Capacity Building, Skill Training, EDPs	850.27	86.78
Marketing Assistance	0.01	0.32
Mentoring & Hand Holding Support	61.76	0.00
Awareness Generation and Publicity	1130.15	1046.85
Technical & Managerial Support to SC/ST Hub	227.53	315.71
Special Credit Linked Capital Subsidy Scheme	0.00	0.00
Funds to States to Implement the SC/ST Hub Scheme	0.00	0.00
<b>Total</b>	<b>2743.44</b>	<b>1837.90</b>
<b>Expenses on Procurement and Marketing Support Scheme (PMSS):</b>		
Participation of individual MSEs in Domestic Trade Fairs/Exhibitions	0.00	0.00
Organizing in Trade Fairs/Exhibitions by the Ministry, etc.	0.00	0.00
Participation in Trade Fairs/Exhibitions by the Ministry etc.	0.00	0.00
Capacity Building of MSMEs in Modern Packaging Techniques	0.00	0.00

**ANNEXURE -30A DETAILS OF OTHER EXPENSES(CONSOLIDATED)**

Particulars	As At 31.03.19	As At 31.03.18
Development of Marketing Haats	0.00	0.00
Vendor Development Program (VDP)	0.00	0.00
International Workshops, Seminars	0.00	0.00
National Workshops, Seminars	0.00	0.00
Awareness Program	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Expenses on International Co-operation (IC) Scheme:</b>		
Visit of MSME Delegation in International Exhibitions, etc.	0.00	0.00
Participation of MSME Delegation in International Exhibitions, etc.	0.00	0.00
Holding/Organizing International Conferences, etc.	0.00	0.00
Holding/Organizing Mega International Exhibitions, etc.	0.00	0.00
Sending MSME Delegation to International Exhibitions, etc.	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Expenses on Marketing Assistance Scheme:</b>		
Participation in Domestic Exhibitions, Trade Fairs	509.47	476.20
Participation in International Exhibitions, Trade Fairs	0.00	248.78
Organization of Domestic Exhibitions	65.96	27.30
Organization of Techmart	0.00	0.00
Organization of International Level Exhibitions	0.00	0.00
Co-Sponsorship of Exhibitions	6.30	3.95
Buyer-Seller Meets, Vendor Development Programs	6.06	11.23
Marketing Campaigns, Workshop	12.59	39.18
Other Marketing Activities	4.52	9.39
<b>Total</b>	<b>604.90</b>	<b>816.03</b>

NOTE -31 TAX EXPENSES (CONSOLIDATED)

(₹ in Lakh)

Particulars	As At 31.03.19		As At 31.03.18	
<b>Provisions for Current Tax</b>				
Provision for Current Tax	4250.00		5740.00	
Provision for Deferred Tax	56.15		(458.90)	
Provision for Wealth Tax	0.00	4306.15	0.00	5281.10
<b>Adjustment for Previous Year Taxes</b>				
Provision for Tax	(25.86)		7.53	
Provision for Deferred Tax	0.00	(25.86)	0.00	7.53
<b>As per Statement of Profit &amp; Loss</b>		<b>4280.29</b>		<b>5288.63</b>

**NOTE - 32 Earnings per Equity Share (for Continuing Operations)**

Particulars	As At 31.03.19	As At 31.03.18
<b>Numerator</b>		
Profit after tax as per Profit and Loss Account (₹ in Lakh)	2062.06	9926.53
<b>Denominator</b>		
Number of Equity Shares (Face value of ₹ 100/- each)	53298800	53298800
Number of Shares allotted during the year	-	-
Weighted Average number of equity shares for calculating Basic Earnings Per Share	53298800	53298800
Weighted Average number of equity shares for calculating Diluted Earnings Per Share	53298800	53298800
Basic Earnings Per Share (₹ per share) (Face value of ₹ 100/- each)	3.87	18.62
Diluted Earnings Per Share (₹ per share) (Face value of ₹ 100/- each)	3.87	18.62

**NOTE -33 CONTINGENT LIABILITES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR ) (CONSOLIDATED) (₹ in Lakh)**

Particulars	As At 31.03.19	As At 31.03.18
<b>Contingent Liabilities:</b>		
Claims against the Corporation not acknowledged as Debts	419.03	125.12
Guarantees	0.00	0.00
Disputed Income Tax, Interest Tax, Sales Tax, Trade Tax Demand	216.39	550.40
Other money for which the Corporation is Contingently Liable	<u>434.49</u>	<u>153.35</u>
<b>As per Statement of Profit &amp; Loss</b>	<b><u>1069.91</u></b>	<b><u>828.87</u></b>
<b>Commitments:</b>		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	2371.13	5575.87
Uncalled Liability on Shares and Other Investments Partly Paid	0.00	0.00
Other Commitments	<u>0.00</u>	<u>0.00</u>
<b>As per Statement of Profit &amp; Loss</b>	<b><u>2371.13</u></b>	<b><u>5575.87</u></b>

**NOTE-34: OTHER NOTES ON ACCOUNTS**

1. The following information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent the status of such parties identified on the basis of information/documents available with the Corporation

(₹ in Lakhs)			
S. No.	Particulars	2018-19	2017-18
1	Amount remaining unpaid to any supplier:		
	a) Principal Amount	18757.74	18133.69
	b) Interest due thereon	Nil	Nil
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

The Corporation facilitates MSEs in marketing their product through tender participation on behalf of MSEs under Consortia and Tender Marketing Scheme. As per the terms of agreement between NSIC and MSEs, MSEs are executing tenders awarded by the various government departments through NSIC and the amount becomes due to MSEs only on receipt of payment from the respective buyer departments. Till last year, the amount payable under Consortia and Tender Marketing Scheme to MSEs was shown as "Trade Payables-Dues to others". In current financial year, based on Udyog Aadhaar Memorandum (UAM) number and registration with the Corporation (NSIC) of the suppliers, the amount payable to such units have been shown as "Trade Payables-Dues to MSMEs", in the financial statements.

As per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, NSIC has been defined as a 'Supplier' under its Section 2(n) sub clause (i). Further, Ministry of MSME vide Circular dated 31.08.2016 has clarified that NSIC acts a 'Facilitator' in bringing together the MSEs (the supplying units) and the various 'buyers'. As NSIC at no stage becomes the beneficiary 'buyer' for the goods being supplied by the MSEs to the PSUs and other government departments through NSIC's facilitation, NSIC is not classified as 'buyer' in terms of Section 15 & 16 of the MSMED Act 2006 for the purpose of interest on delayed payment. The PSUs or other Government Departments, being beneficiary 'buyer' of the goods, are responsible for making the payment of the goods supplied by the 'supplier' and also for the interest on delayed payment in terms of the Section 15 & 16 of MSMED Act 2006. Accordingly, the provision relating to interest payable to such units, is not applicable to the NSIC.

In respect of Other Trade Payables, the Corporation has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small and Medium Enterprises (MSME). Consequently, the amount payable to such units has been shown as "Trade Payables-Dues to others".

2. The Corporation has a system of obtaining periodic confirmation of balances of banks and other parties. Letters seeking confirmation for year-end outstanding balances have been sent to trade receivables, creditors, contractors' advances, deposits, borrowers etc. with a request to confirm or send comment within the stipulated period failing which balance as indicated in the letter would be taken as confirmed. In case of Government/Local Authorities dues, and the cases where 100% Provisions are made, RC is issued and / or under litigation/ legal proceedings, customer balances are normally not subject to confirmation. No adverse communication has been received from any party. Moreover, reconciliations of the accounts with the parties are carried out as an ongoing process.

However, confirmations in some cases as detailed below are awaited, the impact of which in the opinion of the management is not significant:

#### **Balance Confirmation Statement-**

(₹ In Lakhs)

S. No.	Nature of Account	Total Outstanding (Gross)	Govt Dues, Amount where 100% Provisions made, RC is issued and / or under litigation/ legal proceedings	Balance Outstanding	Confirmation Received	Confirmation not Received
1	Trade Payable	20,486.74	513.79	19,972.95	2,283.75	17,689.20
2	Financial Liabilities	188,321.88	283.96	188,037.92	185,049.70	2,988.22
3	Receivables	20,843.61	11,563.26	9,280.35	699.28	8,581.07
4	Loan and Advances	251,792.52	8,455.23	243,337.29	222,288.63	21,048.66
5	Other Financial Assets	18,159.03	5662.21	12496.82	12197.54	299.28
6	Bank Balance	9,463.94	0.00	9,463.94	9,463.94	0.00
	<b>Total</b>	<b>509,067.72</b>	<b>26,478.45</b>	<b>482,589.27</b>	<b>431,982.84</b>	<b>50,606.43</b>

3. In the opinion of Management, all Financial and Non-Financial Assets, including Loans & Advances, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and necessary provision has been made, wherever required, in terms of provisioning norms as per Annexure to Accounting Policy XX(a)(iv).
4. The aspect relating to the matter of outstanding dues of ₹17350 Lakh recoverable from United Bank of India, Kolkata towards rightful invocation of bank guarantees by NSIC in June/July 2016 and reported in detail in the Annual Reports / Directors' Report for 2015-16 to 2017-18, is mentioned here below:
  - a) During the process of reconfirmation sought by the management in June/July 2016 w.r.t. the BGs held by all offices of the Corporation, from the BG issuing banks and their respective Zonal / Controlling offices, United Bank of India (UBI) branches at Jadvapur Vidyapeeth and Hazra Road had informed that in 61 cases involving total BGs of ₹ 17350 lakh, the BGs had either been invoked (55 cases worth ₹ 15550 lakh) or not issued by the Banks (6 cases worth ₹ 1800 lakh). However, in all these cases the original BGs issued by the banks were lying in the safe custody of respective NSIC's offices and had not been invoked by them.

- b) Immediately on noticing the aforesaid irregularities, FIR was lodged on 26.07.2016 with the Officer in Charge, Bidhan Nagar North Police Station, Salt Lake, Kolkata and the case was transferred to CID Kolkata, West Bengal. As informed by the CID, charge-sheet has been filed in the said case. As a part of their investigation, the CID referred the original BGs and related documents, seized from NSIC and UBI offices, to their forensic lab (i.e. QDEB-Questioned Documents Examination Bureau) for examination. The findings of QDEB as informed to the Hon'ble court by CID inter-alia mentioned that United Bank of India had issued two sets of Bank Guarantees of the same number, which is contrary to the rules laid in Bank's Management System. The findings of QDEB also corroborate NSIC's claim of holding original bank guarantees in all cases valuing ₹ 17350 lakh.
- c) NSIC, which was in possession of original BGs, lodged its rightful invocation claims in July-August, 2016, in the aforesaid 61 cases valuing ₹ 17350 lakh with UBI. The invocation of BG by NSIC was within the validity period of the BG.
- d) The Ministry of MSME (the administrative wing of NSIC) after examination of the status of the case and findings of CBI based on the QDEB report, has regularly taken up the matter with Department of Financial Services, Ministry of Finance (the administrative ministry of United Bank of India) asking the later to impress upon the bank to honour NSIC's rightful invocation of bank guarantees worth ₹17350 lakh together with interest from the date of invocation i.e. July, 2016.
- e) In furtherance to the findings of CID, a meeting was convened by Central Vigilance Commission (CVC) on 20.07.2018. CVC in its communication dated 03.08.2018 to the Cabinet Secretariat has summarized its findings on the case mentioning that *"The matter has been examined in the Commission. The Commission has observed several lapses on part of concerned Banks in Banking procedures while dealing with invocation of the Bank Guarantees (BGs) etc. in this case"*.
- f) The Commission further opined that *"This litigation may cause further loss of revenue to the Government. Hence the Commission is of the opinion that a meeting may be convened with the senior officers from department of Financial Services and Ministry of Small and Medium Enterprises by Cabinet Secretary to resolve the issue"*.
- g) The matter was taken up for resolution in line with the above direction of CVC with Cabinet Secretariat. Cabinet Secretariat advised that for settlement of such commercial disputes, the procedure as laid down in OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22.05.2018 issued by Department of Public Enterprises on '**Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD)**', is to be followed. Accordingly, the matter was referred to the Committee of Secretaries under first level (tier I) of AMRCD.
- h) As the matter was not resolved at first level (tier I) of AMRCD, it was referred to second level (tier II) to cabinet secretariat under the AMRCD mechanism. However, the meeting of core group of Secretaries chaired by the Cabinet Secretary under second level (tier II) of AMRCD mechanism could not be held till 30.9.2019, when the accounts for the year ending 31.3.2019 were placed before the Board of Directors for approval. Due to applicability of RBI Prudential Norms to the Government Non-Banking Financial Company in terms of RBI Circular dated 31.5.2018, the Corporation was under compulsion to make provisions for such disputed amount recoverable from the Banks, though the outstanding amount of ₹17,057.39 lakh, backed by the bank guarantees of ₹ 17,350.00 lakh, was considered good by the management. Therefore, the same was provided in the books and shown as an exceptional item in the financial statements of the Corporation for the year ending 31.03.2019.

Keeping in view of all facts explained above, the financial statements of the Corporation were prepared and got approved from the Board on 30.09.2019 with a loss of ₹ 7,237.65 lakh for the period ending 31.03.2019. It is pertinent to mention that the Corporation had taken extension to hold AGM of the Corporation by 31.12.2019.

- i) After the approval of audited accounts by the Board, the annual accounts of the Corporation for the year 2018-19 were also audited by the Office of Comptroller & Auditor General of India (C&AG).
- j) After the completion of Government audit but before issuing its report, we were in receipt of Minutes of the meeting (of core group of Secretaries chaired by the Cabinet Secretary) held on 21.10.2019, vide letter no. 9(3)/2017-SME.VOL.II dated 30.10.2019, wherein final decision was given. The same is reiterated here below:

*“After due consideration of the material available and the submissions made by the two parties, it is decided that UBI shall make good the loss caused to NSIC on account of dishonouring the bank Guarantee issued by the Hazara Road Branch and the Jadavpur Vidyapith Branch of UBI amounting to ₹ 173.50 crores.”*

As per clause no. 4(A)(ii) of OM no. F.No.4(1)/2013-DPE/FTS-1835 dated 22.05.2018 issued by the Department of Public Enterprises *the decision of the Cabinet Secretary will be final and binding on all concerned.*

- k) The above decision was received on 30.10.2019 subsequent to the Board meeting (held on 30.9.2019), wherein accounts were approved but before the adoption at the AGM. This decision has significant impact on the financial results / profitability as well as state of affairs of the Corporation as on 31.03.2019, absolves potential threat of recoverability of said dues from UBI and substantiate the management's stand of considering the outstanding amount of ₹ 17057.39 lakh as good.
- l) Keeping in view the above, the audited annual accounts of the Corporation for the year 2018-19 have been re-opened and revised to incorporate consequential impact thereof in the Annual Accounts. As the decision of Cabinet Secretary to make good the loss caused to NSIC by UBI is binding on all concerned, the outstanding amount of ₹ 17057.39 lakh recoverable from UBI is good. However, a provision to the tune of ₹5117.22 lakh (30% of ₹ 17057.39 lakh in place of 100%) has been made depending upon the age of the outstanding dues of ₹ 17057.39 lakh, in line with the applicable RBI Prudential Norms to depict true and fair view of the financial results.

## 5. Changes in Accounting policy and impact thereof

### a) 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, the corporation has been creating a risk fund at 0.40% of the outstanding under the schemes of Raw Material Assistance & Bill Discounting (secured by Bank Guarantee), Trade Receivables-Marketing (from Central & State Government, Government Institutions / Companies / Departments / Bodies) and Term Loan (secured by EMD) by making appropriation of the profit to mitigate any unforeseen loss arising out of business transactions till last year.

The total amount of risk fund created till 31<sup>st</sup> March 2018 amounting to ₹1878.65 Lakhs, which includes interest earned on funds invested amounting to ₹ 323.34 lakhs and ploughed back to the fund over the years.

However, during the current financial year 2018-19, the exemption granted to Government owned NBFCs, regarding applicability of prudential norms of income recognition and asset

classification stands withdrawn by Reserve Bank of India vide its circular no. DNBR (PD) CC. No. 092/03.10.001/2017-18 dated 31<sup>st</sup> May 2018 and therefore same has now become applicable on the Corporation.

Post applicability of prudential norms issued by RBI, the Corporation is now governed by RBI prudential norms of Income Recognition and Asset Classification and the provisioning requirement as per the RBI norms is much more than the amount of risk fund created by the Corporation to mitigate any unforeseen loss arising out of business transactions.

In view of the above, the management is of the view that the requirement of maintaining the risk fund is no more required. Accordingly, during the year, the corporation has made the provisions as per RBI prudential norms and reversed the risk fund as at 01.04.2018 amounting to ₹1878.65 lakhs created by way of appropriation of profit and ploughing back the interest earned on the fund invested in earlier years.

Accordingly, the amount of risk fund represented by interest ploughed back in earlier years amounting to ₹323.34 lakh has been reversed by crediting to Excess provision written back in the Statement of Profit & Loss Account and balance amounting to ₹1555.31 lakh representing the profit appropriated in earlier years has been transferred to Retained Earnings.

- b) The Corporation was hitherto recognizing prepaid expenses of items of over ₹ 0.50 lakh which has now been increased to ₹ 1.00 lakh. Due to change in accounting policy, an amount of ₹ 4.23 lakhs to be charged to expenses has been adjusted in the retained earnings on 01.04.2017 and an amount of ₹ 1.61 lakhs has been charged to expenses for 2017-18.
- c) The Corporation was hitherto recognizing prior period expenses/revenue of items of over ₹ 0.50 lakh which has now been increased to 0.25 % of the Revenue from Operations. Due to change in accounting policy, an income of ₹ 24.12 lakhs during 2017-18 which hitherto shown as prior period has now been recognized under natural heads.
- d) Other accounting policies have been reframed for better depiction and understanding for reader of accounts, in terms of requirements of IndAS and RBI Prudential Norms.

**Para-wise disclosure of Applicable Indian Accounting Standards (IndAS) are as below:**

**6. IndAS 2: Inventories**

- a) The total carrying amounts of inventories as at 31.3.2019 is ₹ 37.75 lakh (PY ₹ 548.14 lakhs) as shown in Note no. 9 of Balance Sheet.
- b) There is no reversal or any write-down that is recognized as a reduction in the amounts of inventories recognized as expense in the period.
- c) Nothing out of carrying amounts of inventories has been pledged as security for liabilities except those disclosed under Note No.15.
- d) Inventories are stated to be at lower of Cost or market price and there is no inventory of which carrying cost is stated at fair value as at 31<sup>st</sup> March 2019

**7. Disclosure as per Ind AS 12 – Income Taxes**

**a) FY 2018-19**

(₹ in Lakhs)

Description	Net Balance at 01.04.2018	Recognized in Profit & Loss A/c	Recognized in OCI	Net Balance at 31.03.2019
<b>Deferred Tax Liabilities</b>				
Related to timing difference on depreciation of fixed assets	828.50	(25.80)		802.70

Discounting of Financial asset/financial liabilities	8.05	3.67		11.73
Fair Value of Investments	79.49		(21.93)	57.55
<b>Sub-Total</b>	916.04	(22.13)	(21.93)	871.98
<b>Deferred Tax Assets</b>				
Provision for Receivables & Advances	3901.37	656.88		4558.25
Employee Benefits	2858.07	(735.15)	64.83	2187.75
<b>Sub-Total</b>	6759.44	(78.27)	64.83	6746.00
<b>Deferred Tax Assets (Net)</b>	<b>5843.40</b>	<b>(56.14)</b>	<b>86.76</b>	<b>5874.02</b>

b) FY 2017-18

(₹ in Lakhs)

Description	Net Balance at 01.04.2017	Recognized in Profit & Loss A/c	Recognized in OCI	Net Balance at 31.03.2018
<b>Deferred Tax Liabilities</b>				
Depreciation of fixed assets	729.06	99.44		828.50
Discounting of Financial asset/financial liabilities	7.55	0.50		8.05
Fair Value of Investments	78.84		0.65	79.49
<b>Sub-Total</b>	815.45	99.94	0.65	916.04
<b>Deferred Tax Assets</b>				
Provision for Receivables & Advances	3940.86	(39.49)		3901.37
Employee Benefits	2235.93	598.34	23.80	2858.07
<b>Sub-Total</b>	6176.79	558.85	23.80	6759.44
<b>Deferred Tax Assets (Net)</b>	<b>5361.34</b>	<b>458.91</b>	<b>23.15</b>	<b>5843.40</b>

**Reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to Profit before Taxes**

₹ lakhs

Particulars	Mar-19	Mar-18
Profit before Tax	6342.35	15215.16
Tax Rate Applicable to a Domestic Company	34.94%	34.61%
Computed Tax Expense	2216.02	5265.97
<b>Tax Effect of</b>		
Expenses that are not deductible in determining taxable profit	3091.00	1037.52
Incomes that are not taxable in determining taxable profit	(1057.02)	(563.49)
<b>Current Tax Provision</b>	<b>4250.00</b>	<b>5740.00</b>
Income Taxes relating to earlier periods	(25.86)	7.53
Incremental Deferred Tax Liability / (Asset)	56.15	(458.91)
Tax Expense Recognized in Statement of Profit & Loss	<b>4280.29</b>	<b>5288.63</b>
<b>Effective Tax Rate</b>	<b>67.49</b>	<b>34.75</b>

8. **IndAS 16 – Property, Plant & Equipment & IndAS 38 – Intangible Assets**

a) The title deeds in respect of following properties have not been executed in favour of the Corporation

(₹ In Lakhs)

S. No	Particulars of the Property	Area	As At 31.03.2019		As At 31.03.2018	
			Gross value	written down value (WDV)	Gross value	written down value (WDV)
1	Land at Technical Centre Howrah	49.94 acres	1.60	1.60	1.60	1.60
2	Flats at Branch Office Mumbai	3660.00 sqft	11.52	5.69	11.52	5.87

- b) NSIC is having 225.23 Acres of land situated at various locations across the country. The ownership of all land are in favour of the Corporation and are possessed by the Corporation except the title deed in respect of land at NTSC-Howrah which has not been executed in favour of the Corporation, as already mentioned above. Further, land measuring 3.28 Acres of NTSC-Rajkot is under encroachment by few Industrial Units as well as unauthorized dwelling units. It is apt to mention that necessary action for removal of such encroachment is under process.
- c) During the year, the Corporation assessed the impairment loss of Assets and is of the opinion that since the Corporation is a going concern and there is no indication for the impairment of the Asset, therefore, no provision for impairment loss is required.
- d) The Corporation has continued with the carrying value of Property, Plant & Equipment & Intangible asset at the date of transition to Ind-AS measured as per Indian GAAP .
- e) The Corporation has not borrowed any amount for any qualifying asset, the interest of which is required to be capitalized as per IndAS 23, "Borrowing Cost". Hence, no interest has been capitalized during the year.
- f) During the current FY, assets having net carrying value of ₹ 8.80 Lakh (Gross carrying Value ₹ 45.44 Lakhs) has been retired with sale proceeds of ₹ 11.44 Lakh and profit of ₹ 2.64 Lakh has been accounted for. During the FY 2017-18, assets having net carrying value of ₹ 5.71 Lakh (Gross carrying Value 125.65 Lakhs) has been retired with sale proceeds of ₹ 36.54 Lakh and profit of ₹ 30.83 Lakh has been accounted for.

#### 9. **IndAS 17: Leases**

**Finance Lease:** The Corporation does not have any finance lease neither as a Lessor nor as a Lessee.

#### **Operating Lease: As a Lessor**

Its inter-alia includes space, godown, etc. owned by the Corporation and given on lease for which rental income is received. The Assets subject to operating lease are included in Property, Plant & Equipment and depreciated over its useful life. Lease income in respect of 'Operating Lease' is recognized in the statement of profit and loss on a straight-line basis over the lease term unless where scheduled increase in rent compensates the lessor for expected inflationary. These lease arrangements are renewable on mutually agreed terms. There are no restrictions imposed by lease agreements. Hence, the disclosure of minimum lease is not required as there is no non-cancellable lease.

#### **As a Lessee**

The Corporation has taken office space, godown and accommodations for staff on operating lease for which lease rent payments are made. These lease arrangements are usually renewable on mutually agreed terms. Such payments (net of recoveries) made are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless where scheduled increase in rent compensates the lessor for expected inflationary. There are no restrictions imposed by lease agreement. There are no subleases. Hence, the disclosure of minimum lease is not required as there is no non-cancellable lease.

## 10. IndAS 19 – Employee Benefits

I. General descriptions of various defined employee's benefits schemes are as under:

### i. Defined Contribution Plan

#### **Provident Fund:**

The Corporation's Provident Fund is managed by separate trust registered under the Employees Provident Fund & Misc. Provisions Act 1952 which invests the funds in permitted securities. The trust fixes the rate of interest based on the notification issued by the Government of India. The liability is recognized on accrual basis.

With respect to Employee Pension Scheme, the same is managed through Regional Provident Fund Trust.

### ii. Defined Benefit Plan –

#### (a) **Gratuity:**

The Corporation has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity @ 15 days salary (15/26 x last drawn basic pay plus dearness allowance) for each completed year of service on superannuation, resignation, termination and on death.

#### (b) **Leave:**

The Corporation provides for earned leave benefits and half-pay leave to the employees of the Corporation, which accrue annually at 30 days & 20 days respectively. Only the leave encashment is encashable once in a calendar year while in service in case of IDA pattern employees and a maximum of 300 days (including half pay leaves without commutation) on superannuation.

The liability on this account is recognized on the basis of actuarial valuation.

#### (c) **Leave Travel Concession (LTC):**

The Corporation provides LTC facility to the employees under CDA pattern employees as per Central Government and for IDA pattern employee the facility is part of bouquet of perks and allowances and paid along with salary. The liability on this account for CDA pattern employees is recognized on the basis of actuarial provision.

#### (d) **TA on Retirement**

TA on retirement refers to settlement at home-town or to the place where family of the retired employee intends to settle in India and includes Baggage Allowance also

The liability on this account is recognized on the basis of actuarial valuation.

#### (e) **Superannuation Pension Scheme:**

Employee's Group Superannuation Pension Scheme is managed by LIC of India. The Corporation's obligation is limited to pay 10% of Basic Pay plus dearness allowance of the enrolled employee.

The contribution to the scheme for the period is grouped under Employee Cost on accrual basis, based on the affordability of the Corporation.

(f) **Medical Facility During Service:**

The Corporation provides the medical facility for indoor treatment for the serving employees for self and his/her dependent family members. If the treatment is as per CGHS rates, all the expenditure on this account is born by the Corporation and if the treatment is as per hospital rates, employee has to bear 15% of the expenditure (excluding medicine and implant and defined special disease).

(g) **Post-Retirement Medical Facility:**

The Corporation has Post-retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facility for indoor treatment through Mediclaim policy of ₹ 2 Lakh.

The liability on this account is recognized on the basis of accrual basis i.e.2% contribution on Basic Pay plus dearness allowance in case of employees retired after 1.1.2007 under IDA pattern employees and 1.5% of PBT in case of employees retired prior to 1.1.2007, based on the affordability of the Corporation.

II. The prescribed disclosure as per the Actuarial Valuation in respect of the above matters is given hereunder-

**Plan Liability**

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Present value of obligation as at the end of the period	CY	4,800.47	2,699.33	415.30	3.67	0.27
	PY	4,800.40	2,576.61	420.65	3.70	0.25

**Service Cost**

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	TC
Current Service Cost	CY	232.33	169.00	39.02	0.18	0.01
	PY	224.07	158.42	34.98	0.18	0.01
Past Service Cost including curtailment Gains/Losses	CY	-	-	-	-	-
	PY	766.59	-	-	-	-
Gains or Losses on Non-routine settlements	CY	-	-	-	-	-
	PY	-	-	-	-	-
Total Service Cost	CY	232.33	169.00	39.02	0.18	0.01
	PY	990.66	158.42	34.98	0.18	0.01

**Net interest Cost**

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Interest Cost on Defined Benefit Obligation	CY	374.43	200.98	32.81	0.29	0.02
	PY	283.86	171.13	29.20	0.28	0.06
Interest Income on Plan Assets	CY	-	-	-	-	-
	PY	-	-	-	-	-
Net Interest Cost (Income)	CY	374.43	200.98	32.81	0.29	0.02
	PY	283.86	171.13	29.20	0.28	0.06

**Change in benefit Obligation**

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
		Present value of obligation as at the	CY	4,800.40	2,576.61	420.65
	PY	3,784.76	2,281.70	389.36	3.70	0.84
Acquisition adjustment	CY	-	-	-	-	-
	PY	-	-	-	-	-
Interest Cost	CY	374.43	200.98	32.81	0.29	0.02
	PY	283.86	171.13	29.20	0.28	0.06
Service Cost	CY	232.33	169.00	39.02	0.18	0.01
	PY	224.07	158.42	34.98	0.18	0.01
Past Service Cost including curtailment Gains/Losses	CY	-	-	-	-	-
	PY	766.59	-	-	-	-
Benefits Paid	CY	-863.64	-585.15	-31.93	-1.13	-
	PY	-327.55	-447.54	-11.27	-0.56	-
Total Actuarial (Gain)/Loss on Obligation	CY	256.95	337.90	-45.25	0.62	-0.01
	PY	68.68	412.90	-21.63	0.11	-0.66
Present value of obligation as at the	CY	4,800.47	2,699.33	415.30	3.67	0.27
	PY	4,800.40	2,576.61	420.65	3.70	0.25

**Bifurcation of Actuarial Gain/Loss on Obligation**

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
		Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	CY	-	-	-
	PY	-	-	-	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	CY	14.50	9.46	1.95	-0.01	-
	PY	-86.24	-54.10	-11.60	-0.07	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	CY	242.45	328.44	-47.20	0.61	-0.01
	PY	154.92	467.00	-10.03	0.18	-0.66

**Balance Sheet and related analysis**

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	TC
		Present Value of the obligation at end	CY	4,800.47	2,699.33	415.30
	PY	4,800.40	2,576.61	420.65	3.70	0.25
Fair value of plan assets	CY	-	-	-	-	-
	PY	-	-	-	-	-
Unfunded Liability/provision in Balance Sheet	CY	-4,800.47	-2,699.33	-415.30	-3.67	-0.27
	PY	-4,800.40	-2,576.61	-420.65	-3.70	-0.25

**The amounts recognized in the income statement.**

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
		Total Service Cost	CY	232.33	169.00	39.02
	PY	990.66	158.42	34.98	0.18	0.01
Net Interest Cost	CY	374.43	200.98	32.81	0.29	0.02
	PY	283.86	171.13	29.20	0.28	0.06
Net Actuarial (gain)/loss recognized in the period	CY	-	337.90	-45.25	-	-
	PY	-	412.90	-21.63	-	-
Expense recognized in the Income Statement	CY	606.76	707.87	26.58	0.47	0.03
	PY	1,274.51	742.45	42.56	0.45	0.07

**Other Comprehensive Income (OCI)**

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Net cumulative unrecognized actuarial gain/(loss) opening	CY	-	-	-	-	-
	PY	-	-	-	-	-
Actuarial gain / (loss) for the year on PBO	CY	-256.95	-	-	-0.62	0.01
	PY	-68.68	-	-	-0.11	0.66
Actuarial gain /(loss) for the year on Asset	CY	-	-	-	-	-
	PY	-	-	-	-	-
Unrecognized actuarial gain/(loss) for the period.	CY	-256.95	-	-	-0.62	0.01
	PY	-68.68	-	-	-0.11	0.66

**Change in Net Defined Benefit Obligation**

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Net defined benefit liability at the start of the period	CY	4,800.40	2,576.61	420.65	3.70	0.25
	PY	3,784.76	2,281.70	389.36	3.70	0.84
Acquisition adjustment	CY	-	-	-	-	-
	PY	-	-	-	-	-
Total Service Cost	CY	232.33	169.00	39.02	0.18	0.01
	PY	990.66	158.42	34.98	0.18	0.01
Net Interest cost (Income)	CY	374.43	200.98	32.81	0.29	0.02
	PY	283.86	171.13	29.20	0.28	0.06
Re-measurements	CY	256.95	337.90	-45.25	0.62	-0.01
	PY	68.68	412.90	-21.63	0.11	-0.66
Contribution paid to the Fund	CY	-	-	-	-	-
	PY	-	-	-	-	-
Benefit paid directly by the enterprise	CY	-863.64	-585.15	-31.93	-1.13	-
	PY	-327.55	-447.54	-11.27	-0.56	-
Net defined benefit liability at the end of the period	CY	4,800.47	2,699.33	415.30	3.67	0.27
	PY	4,800.40	2,576.61	420.65	3.70	0.25

**Expected contribution for the next Annual reporting period.**

(₹ In Lakhs)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Service Cost	CY	245.97	181.19	42.40	0.20	0.01
	PY	235.46	169.16	39.84	0.19	0.01
Net Interest Cost	CY	372.04	209.20	32.19	0.28	0.02
	PY	374.43	200.98	32.81	0.29	0.02
Expected Expense for the next annual reporting period	CY	618.01	390.39	74.58	0.48	0.03
	PY	609.89	370.13	72.65	0.48	0.03

**Principal assumptions used for actuarial valuation are:**

Particulars	2018-19	2017-18	2016-17
Method used	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method
Discount Rate	7.75	7.80%	7.50%
Expected Rate of Return on Plan Asset	0	0	0
Future Salary Increase	5.50	5.50	5.50
Mortality Rate	100% IALM (2006-08)		
Ages (withdrawal Rate (%))			
Upto 30 years	3	3	3
From 31 to 44 years	2	2	2
Above 44 years	1	1	1

**Sensitivity of the defined benefit obligation**

(₹ In Lakhs)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
Impact of change in discount rate	4,800.47	2,699.33	415.30	3.67	0.27
Impact due to increase of 0.50%	-141.92	-92.01	-18.88	-0.11	-
Impact due to decrease of 0.50%	150.20	97.94	20.38	0.11	0.01
Impact of change in salary increase	4,800.47	2,699.33	415.30		
Impact due to increase of 0.50%	152.75	99.61	18.88		
Impact due to decrease of 0.50%	-145.53	-94.34	-20.38		

**Maturity Profile of Defined Benefit Obligation**

(₹ In Lakhs)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement	LTC
0 to 1 year	586.44	382.18	40.98	0.40	0.01
1 to 2 years	121.80	310.28	34.28	0.46	0.26
2 to 3 years	175.62	210.57	17.46	0.24	-
3 to 4 years	171.61	205.85	24.87	0.24	-
4 to 5 years	165.95	172.33	21.84	0.27	-
5 to 6 years	141.04	162.12	18.03	0.19	-
6 year onwards	3,438.00	1,356.01	257.84	1.86	-

- III. As approved by the Ministry vide letter dated 2.12.2016, Corpus for medical schemes have been created of NIL lakh (₹248.00 lakh) for the employees retired prior to 1.1.2007 and of ₹ 117.30 lakh (₹96.89 lakh) for the employees retired on or after 1.1.2007, in accordance to the DPE's guidelines. These corpuses have been utilized for the payment of premium to Insurance Company to the extent of ₹ 53.11 lakh (₹86.78 lakh) and ₹ 20.18 lakh (₹28.67 lakh) respectively during the year. The non-creation of corpus for medical schemes for the employees retired prior to 1.1.2007 is on account of availability of sufficient corpus.

**11. IndAS- 21: Effects of change in foreign exchange rates**

- I. The provision for exchange variation losses for loans under Kreditanstalt West Germany (KFW) credit lines have been created as per the terms and conditions of the loan agreements:
- a) Under XI<sup>th</sup> line of credit, provision for exchange variation losses of ₹ 238.59 lakhs (₹ 239.19 lakhs) has been created during the year for meeting exchange variation losses. During the year, the exchange variation loss for Loan was ₹ NIL (₹344.82 lakh) and provision of ₹ 238.59 lakhs (₹nil) has been written back and utilized for the promotional activities as per terms and conditions of the loan agreement.
- b) The provision for exchange variation losses for loans under KFW credit line XII<sup>th</sup> has been created as per the loan agreement. Under KFW XII<sup>th</sup> line of credit, out of the provision for exchange variation created during the year, 80% of the provision is to be utilized for meeting exchange variation losses and the balance left out from the 80%, if any, is to be retained to meet out the exchange variation losses in future.

Accordingly, total provisions amounting to ₹ 278.29 lakhs (₹283.14 lakhs) have been made during the year for exchange variation under XII<sup>th</sup> line of credit, out of which 80% i.e. ₹ NIL (₹226.51 lakhs) has been utilized against exchange variation loss during the

year and balance 20% i.e. ₹55.66 lakhs (₹56.63 lakhs) has been utilized for promotional purposes as per terms and conditions of the loan agreement.

During the year, the exchange variation losses for loans was ₹ NIL (₹338.75 lakhs) which has been adjusted from 80% provision i.e. ₹ NIL (₹226.51 lakhs) and balance ₹NIL (₹112.24 lakhs) has been adjusted from the provision for exchange variation losses made in the past years. The cumulative retained provision on this account as on 31.03.2019 is ₹1774.98 lakhs including provision of ₹222.63 lakhs for the year (₹1552.35 lakhs) to meet out exchange variation losses in future.

## II. Exchange Difference

(₹ In Lakhs)			
S. No	Particulars	2018-19	2017-18
1	The amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss in accordance with IndAS 109.	142.81	(203.68)
2	Net exchange differences recognised in other comprehensive income and accumulated in a separate component of equity,	-	-
3	Reconciliation of the amount of such exchange differences at the beginning and end of the period.	-	-

## 12. IND-AS – 24: Related party disclosures

In compliance of IndAS 24 on related party disclosures, the required information is given as under:

### a) Key Management Personnel

Key Management Personnel	Designation	Period	
		From	To
Shri Ravindra Nath	Chairman-cum-Managing Director	01.04.2018	30.09.2018
Shri Sudhir Garg		01.10.2018	17.02.2019
Smt. Usha Suresh		18.02.2019	11.03.2019
Shri Ram Mohan Mishra		12.03.2019	Till date
Shri A K Mittal	Director (Finance)	01.04.2018	31.03.2019
Shri P Udayakumar	Director (P&M)	01.04.2018	31.03.2019
Ms. Nishtha Goyal	Company Secretary	01.04.2018	31.03.2019

### c) Transactions during the year with related parties

(₹ In Lakhs)							
1.	Expenditure	Key Management Personnel			Relative of Key Management Personnel		
		2018-19	2017-18	As at 01.04.17	2018-19	2017-18	As at 01.04.17
a)	Salary and Allowances	111.08	90.24	75.81	--	--	--
b)	Leave/ LTC Encashment	4.42	2.04	3.68	--	--	--
c)	Provident Fund Contribution	8.11	8.01	6.68	--	--	--
d)	Contribution to Pension Scheme	7.06	6.79	5.76			--
e)	Others	69.63	75.46	50.02	--	--	--
f)	Lease Rent Paid	--	--	--	--	--	--
2.	<b>Balance outstanding:</b>						
a.	Loan & interest outstanding	--	--	--	--	--	--
b.	Travelling Advance	4.36	--	--	--	--	--
c.	Provision for Terminal Benefits as per Actuarial Valuation	71.67	105.46	72.37	--	--	--

### 13. **IndAS 37: Provisions, Contingent Liabilities and Contingent Assets**

- i. In accordance with the guidelines of Department of Public Enterprises, ad-hoc provision on account of Performance Related Pay (PRP) for the year 2018-19 amounting to ₹207.97 lakh (₹ 505.00 lakh) has been made.
- ii. In respect of financing scheme, comprising of receivables in respect of dues under Hire Purchase, Leasing, Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan, banks, etc., amounting to ₹265763.21 lakh, provision of ₹17745.46 lakh has been made towards impairment loss during the FY 2018-19. The said provisions are higher of Expected Credit Loss (ECL) assessment (₹243.92 lakh) or RBI norms as per Non-Banking Financial Company–Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time (₹17745.46 lakh).

However, for FY 2017-18, against the amount of ₹299798.36 lakh in respect of above-mentioned financial assets, provision have been made for ₹10649.13 lakh at higher of Expected Credit Loss (ECL) assessment or the provisions as per the norms approved by the Board. It is pertinent to mention that the RBI provisions have made applicable to the balance sheet ended 31.03.2019.

- iii. In respect of non-financing scheme, comprising of receivables in respect of dues under Marketing activities, receivables on account of transactions at Technical Centers & STPs, receivables on account of Sale of Services (i.e. receivables for License & Housekeeping fees, rent, training fees, EMC, TIC, events etc), advances recoverable in cash or in-kind (primarily consist of advances paid to outside parties including advances paid to bulk suppliers having MOU with the Corporation), security deposits, staff advances including interest accrued but not due and other assets amounting to ₹24694.82 lakh (₹22576.76 lakh), provision of ₹364.36 lakh (₹516.78 lakh) has been made for receivables and loans & advances in line with the norms approved by the Board.
- iv. Trade Receivables and Loans & Advances under financing/ non-financing schemes and of Technical Centers/ STPs comprising of receivables and advances amounting to ₹290458.03 lakh (₹322375.12 lakh), provisions amounting to ₹18109.82 lakh (₹11165.91 lakh) have been made in line with the provisioning norms for receivables and loans & advances (net of interest suspense account and cash collateral available with the Corporation) of Financing/ Non-Financing Schemes as per IndAS or as per IRAC prudential norms issued by RBI.
- v. The above provisions include 7 cases of forged Bank Guarantees (BGs) amounting to ₹1600 lakh that was detected during the month of June 2016, at BO Abdul Hamid Street and BO Salt Lake, located in Kolkata. Immediately, complaints were lodged with CBI, Kolkata. However, 100% provision was made for the outstanding dues amounting to ₹ 1473 lakh.

Further, during the process of obtaining reconfirmation, it was found in case of one unit at NSIC BO Ghaziabad, the bank guarantees of ₹ 500 lakh reported to have not been issued by the branch of Bank of Baroda. 100% provision of ₹447.30 lakh was made for the amount receivable from the unit, after adjusting amount received during May, 2017. This case is under investigation of CBI.

Moreover, at Branch office Madurai, 100% provision of ₹ 362.84 lakh towards outstanding amount exceeding the Bank Guarantee Value during FY 2015-16 was made which has now been reduced to ₹ 326.29 lacs lakh as at 31<sup>st</sup> March'2019 after considering the recovery of ₹ 36.55 lakh during the period 1<sup>st</sup> April'2016 to 31<sup>st</sup> March'2019. Similarly, at Branch office Guwahati, 100% provision of ₹ 533.93 lakh towards outstanding amount exceeding the Bank Guarantee Value during FY 2016-17 was made which has now been reduced to ₹ 528.77 lakh as at 31<sup>st</sup> March'2019 after considering the recovery of ₹ 5.16 lakh during the period 2017-18 and 2018-19.

#### 14. IndAS 105 -Non-Current Asset Held for Sale and discontinued Operations

No assets have been classified as held for sale in accordance with IndAS 105

#### 15. IndAS 108 – Operating Segments

##### a) Segment Reporting: -

NSIC's activities are broadly classified into 'Promotional' and 'Commercial'. The 'Promotional' activities include the activities for which budgetary support is provided to the Corporation by the Government and / or its agencies. The schemes of 'Marketing Assistance Scheme for MSMEs', 'Assistance for Training to Institutions' and 'National Schedule Caste - Schedule Tribe Hub' etc., for which budgetary support has been provided to the Corporation along with administrative expenditure restricted to the tune of 10% of the total expenditure under MAS and 7.5% of the total expenditure under NSSH Scheme for implementation of such schemes, get reflected under the 'Promotional' activity. The expenses towards organization / participation in exhibitions (both domestic and international), buyer sellers meet, intensive campaigns, other marketing support services (advertisement, publicity etc.) and training expenses are met out of the budgetary support provided for the above schemes.

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

The following table presents the revenue, profit/(loss), assets and liabilities information to the Business segments for the year ended 31<sup>st</sup> March, 2019 as required by (IndAS - 108) on "Segment Reporting" issued by the Institute of Chartered Accountant of India.

Description	For the year ended 31.03.2019			For the year ended 31.03.2018		
	Promotional	Commercial	Total	Promotional	Commercial	Total
<b>Primary Segment – Business Segment</b>						
<b>I. SEGMENT REVENUE</b>						
a. Segment Revenue (including grant)						
-Sale of Product	-	207,452.92	207,452.92	-	205,780.73	205,780.73
-Sale of Services	72.32	7,179.85	7,252.17	118.47	6,311.86	6,430.33
-Others	5,649.56	40,147.00	45,796.56	5,591.24	41,573.29	47,164.53
<b>-Total</b>	<b>5,721.88</b>	<b>254,779.77</b>	<b>260,501.65</b>	<b>5,709.71</b>	<b>253,665.88</b>	<b>259,375.59</b>
<b>II. RESULTS</b>						
a. Segment Results		2062.06	2062.06		9,926.53	9,926.53
b. Operating Profit before interest		22179.69	22179.69		28,616.28	28,616.28
c. Interest Paid		15,837.34	15,837.34		13,401.12	13,401.12
d. Exceptional items		0.00	0.00		-	-
e. Profit before Tax		6342.35	6342.35		15,215.16	15,215.16
f. Tax Expense		4280.29	4280.29		5,288.63	5,288.63
g. Profit after Tax		2062.06	2062.06		9,926.53	9,926.53
h. Other Comprehensive Income		(171.79)	(171.79)		18.88	18.88
i. Total Comprehensive Income {Comprising Profit/(Loss) and Other Comprehensive Income}		1890.27	1890.27		9,945.41	9,945.41
<b>III. ASSETS &amp; LIABILITIES</b>						
a. Segment Assets	3,147.74	291265.35	294413.09	4,025.82	327,501.25	331,527.07
b. Unallocated Assets			21793.03			18,823.18

(₹ in Lakh)

<b>c. Total Assets</b>	3,147.74	291265.35	316206.12	4,025.82	327,501.25	350,350.25
d. Segment Liabilities	4,900.47	206,726.46	211,626.93	3,949.70	241,150.89	245,100.59
e. Unallocated Liabilities			104579.16			105,249.66
<b>f. Total Liabilities</b>	<b>4,900.47</b>	<b>206,726.46</b>	<b>316206.12</b>	<b>3,949.70</b>	<b>241,150.89</b>	<b>350,350.25</b>
<b>IV. OTHER INFORMATION</b>						
(a) Cost incurred during the period to acquire fixed assets (including CWIP)	335.34	598.38	933.72	1,919.59	1,101.74	3,021.33
(b) Depreciation #	361.30	665.09	1,026.39	252.87	569.18	822.05
(c) Non-cash expenditure other than depreciation	-	7055.81	7055.81	-	398.74	398.74

# The depreciation of promotion segment is charged to capital reserve.

b) Information about Revenue from major products and services (₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018
Sale of Product	207452.92	205780.73
Interest Income	33734.15	35905.88

c) The Corporation does not have any reportable geographical segment as the lending operations of the Corporation are carried out within the country.

d) No single borrower has contributed 10% or more to the Corporation's revenue during the financial year 2018-19 and 2017-18.

## 16. IndAS 115 – Revenue from Contracts with Customers

### Component wise revenue of Corporation

(₹ in Lakh)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	207452.92	205780.73
Sale of services	7252.17	6430.33
Interest Income	33734.15	35905.88
Processing fee	5275.91	5188.98
Other operating Income	992.27	361.76
<b>TOTAL</b>	<b>254707.42</b>	<b>253667.68</b>

## 17. Recent accounting pronouncements

### a) IndAS 116 – Leases

IndAS 116 will replace the existing leases standard, IndAS 17 Leases. IndAS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognizes right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. IndAS 116 substantially carries forward the lessor accounting requirements in IndAS 17.

The Corporation is currently evaluating the impact on account of implementation of IndAS 116.

### b) IndAS 12

IndAS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified IndAS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IndAS 12.

The effective date for adoption of IndAS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Corporation is currently evaluating the effect of this amendment on the financial statements.

Amendment to IndAS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in IndAS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1<sup>st</sup>, 2019. The Corporation is currently evaluating the effect of this amendment on the financial statements.

**c) IndAS 19- Plan Amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to IndAS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Corporation is currently evaluating the effect of this amendment on the financial statements.

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

(₹ in Lakh)

As at 31.03.2019	Net Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	114621.90		171383.76			
Over 1-month upto 2 months	48561.93					
Over 2 months upto 3 months	84833.92			116.10		
Over 3 months upto 6 months				19.84		
Over 6 months & upto 1 year				135.94		
Over 1 year & upto 3 years				543.76		
Over 3 year & upto 5 years				543.76		
Over 5 years		234.69		3908.60		

(₹ in Lakh)

As at 31.03.2018	Net Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic	Foreign	Assets	Liabilities
Upto 30/31 days	196591.47		205113.52			
Over 1-month upto 2 months	92557.76					
Over 2 months upto 3 months				119.24		
Over 3 months				20.38		

upto 6 months						
Over 6 months & upto 1 year				139.62		
Over 1 year & upto 3 years				558.46		
Over 3 year & upto 5 years				558.47		
Over 5 years		235.68		4293.54		

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

## 19. **Financial Instruments**

### **A. Capital Management**

For the purpose of the Corporation's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Corporation. The primary objectives of the Corporation's capital management are safety and security of share capital and maximize the shareholder wealth.

Regulatory capital-related information is presented as part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels.

The Corporation has complied with all the capital requirements over the reported period.

### **B. Financial Risk Management**

The Corporation is exposed to several risks which are inherent to the environment that it operates in. The Corporation is into business of extending financial assistance to MSME sector -

#### **a) Credit risk**

- (i) The Corporation is exposed to credit risk primarily through its lending operations. Credit risk on cash and cash equivalent is limited as these are held with Scheduled commercial public sector banks and private sector banks. As regards investments, the Corporation has very minimal investments in equity instruments which is of strategic in nature. Part of which, the Corporation has already made provision towards impairment allowance and balance has been fair valued and gain thereon has been accounted for in the books.

For management of credit risks in an effective manner, Corporation has established an appraisal mechanism containing guidelines in order to ensure timely repayments of principal & interest amount. The Corporation manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and concentration thereof and by monitoring exposures in relation to such limits, by obtaining conduct of account from the banks and collaterals which includes government / guarantees of scheduled commercial public sector banks.

The Corporation has a credit risk in terms of the credit support provided for raw material procurement by making the payment to supplier in Raw Material Assistance scheme against Bank Guarantee

#### **(ii) Significant estimates and judgements**

##### **Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Corporation uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the

Corporation's past history and conduct of account with other bank, existing market conditions as well as forward looking estimates at the end of each reporting period.

At the date of transition to IndAS, an entity shall use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare that to the credit risk at the date of transition to IndAS.

Corporation has adopted policy to recognize impairment loss (ECL) in books as higher of provision as per IndAS 109 or as per RBI guidelines.

Corporation has categorized all loans in three stages:

Stage-1 – Performing (not deteriorated significantly since its initial recognition)

Stage-2 – Under Performing (deteriorated significantly since its initial recognition)

Stage-3 – Non performing (Objective evidence of impaired)

ECL is calculated based on past ten year's data as follows:

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

Probability of Default (PD) is calculated as NPA accretion over last 10 years to total loan accretion over last 10 years in percentage terms.

Loss given Default is calculated as loss of principal during last 10 years to total NPAs during the last 10 years in percentage terms.

The Corporation considers an exposure to have significantly increased in credit risk when the borrower crosses 30 DPD but is within 90 DPD.

#### **Provision for expected credit losses**

Level	Category	Description of category	Basis for recognition of expected credit loss provision
			Loans
Stage 1	Standard Assets, High quality assets, negligible credit risk	Assets where counter party has strong capacity to meet the obligations and where risk of default is nil or negligible/ regularly paying assets	12-month ECL
Stage 2	Increased Risk Assets or Assets having significant risk	Assets where there has been a significant increase in credit risk since initial recognition.	Life time ECL
Stage 3	Impaired Assets		Life time ECL

#### **b) Liquidity risk**

Liquidity is the risk that suitable sources of funding for Corporation's business activities may not be available. The Corporation's objective is to maintain optimum level of liquidity to meet its cash requirements. The Corporation closely monitors its liquidity position and maintains adequate sources to finance its short term and long-term fund requirements, whenever required.

### (i) Financing arrangements

The Corporation had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakh)			
Particulars	31-Mar-19	31-Mar-18	1-Apr-17
<b>Floating rate</b>			
- Expiring within one year (bank overdraft and other facilities)	83.76	1.34	0.84

Corporation has cash credit facility from banks at floating rate of interest which is renewed every year.

### (ii) Maturity profile of financial liabilities

The tables below analyses the Corporation's financial liabilities into relevant maturity based on their contractual maturities for: all non-derivative financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows: -

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant: -

Particulars	Contractual maturities of financial liabilities			Contractual maturities of financial liabilities			Contractual maturities of financial liabilities		
	31 March 2019			31 March 2018			1 April 2017		
	Bank Borrowings	Market Borrowings	Total	Bank Borrowings	Market Borrowings	Total	Bank Borrowings	Market Borrowings	Total
1 day to 30/31 days (one month)	171383.76		171383.76	205113.52		205113.52	121221.88		121221.88
Over one month to 2 months									
Over 2 months upto 3 months		116.10	116.10		119.24	119.24	100000	103.25	100103.25
Over 3 months to 6 months		19.84	19.84		20.38	20.38		17.64	17.64
Over 6 months to 1 year		135.94	135.94		139.62	139.62		120.89	120.89
Over 1 year to 3 years		543.76	543.76		558.46	558.46		483.56	483.56
Over 3 years to 5 years		543.76	543.76		558.47	558.47		483.56	483.56
Over 5 years		3908.60	3908.60		4293.54	4293.54		3959.39	3959.39

### c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: - interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings.

### (i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument, denominated in foreign currency other than the functional currency, will fluctuate because of changes in foreign exchange rates.

The Corporation is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the Corporation's foreign currency denominated borrowings is as follows-

(₹ in lakh)

Description	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	In foreign Currency (Euro)	In functional Currency (₹ in lakh)	In foreign Currency (Euro)	In functional Currency (₹ in lakh)	In foreign Currency (Euro)	In functional Currency (₹ in lakh)
Kfw-XI	2856076.41	2259.73	3100474.01	2519.45	3226251.81	2269.99
Kfw-XII	2974696.21	2353.58	3023780.15	2457.12	3191483.89	2245.53
ILC	827462.98	654.69	877612.20	713.14	927761.42	652.77

#### Foreign currency risk monitoring and management-

The loan agreements entered into by the Corporation takes care of the exchange fluctuation risk and the entire amount of exchange fluctuation loss if any gets adjusted by way of relief in the coupon payment. Further, it also secures the future losses on account of exchange fluctuation.

#### Foreign Currency Sensitivity Analysis

The loan agreements entered into by the Corporation takes care of the exchange fluctuation risk and the entire amount of exchange fluctuation loss if any gets adjusted by way of relief in the coupon payment. Further, it also secures the future losses on account of exchange fluctuation. Hence, no sensitivity analysis has been carried out.

### (ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to the risk of changes in market interest rates relates primarily to the short-term borrowings. Market interest rate risk is mitigated by proper review of market conditions, factors etc. The Corporation's borrowings are carried at amortized cost.

#### (a) Interest rate risk exposure

The exposure of the Corporation's short-term borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in lakh)

Particulars	31 March 2019	31 March 2018	1 April 2017
Variable rate borrowings	83.76	1.34	0.84
Fixed rate borrowings	171300.00	205112.18	221221.04
<b>Total borrowings</b>	<b>171383.76</b>	<b>205113.52</b>	<b>221221.88</b>

## (b) Sensitivity

As the maximum short-term borrowings of the Corporation are fixed costs, so they are not subject to interest rate risk as defined in IndAS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## (iii) Price risk

### (a) Exposure

The Corporation's exposure to equity securities price risk arises from investments held by the Corporation and classified in the balance sheet as fair value through OCI. Though diversification of the portfolio is done in accordance with the limits set by the Corporation. However, the Corporation is not regular in investing funds and has only made certain strategic investment in the past. Part of which has been fully impaired and provisions have already been made and remaining has been fair valued and gains thereof has been properly accounted for.

### (b) Sensitivity

The Corporation has a very minimal amount of investment in equity and there is no movement in the past two years. As aforesaid, the Corporation has already fair valued its quoted investment in equity and gains thereof has been properly accounted for and for the remaining part of investment, provisions have been made fully. Hence, sensitivity not required to be disclosed.

Equity would increase/decrease as a result of gains/losses on equity instrument classified as fair value through other comprehensive income.

## C. Fair Value Measurements

Some of the Corporation's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following tables gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used)

### Fair value hierarchy

#### Financial Instruments Measured and Recognized at Fair Value (FVTOCI & FVTPL).

(₹ in Lakh)

Particulars	Amount at Fair Value			Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	as at 31 March 2019	as at 31 March 2018	as at 1 April 2017		
<b>I. FINANCIAL ASSETS</b>					
<b>Financial Investments at FVTOCI</b>					
- Investment in Equity Instruments	234.69	235.68	235.34	Level 1	Quoted market price
<b>Financial Investments at FVTPL</b>					
<b>TOTAL</b>					
<b>II. FINANCIAL LIABILITIES</b>	-	-	-		
<b>TOTAL</b>					

### Financial Assets and Liabilities Measured at Amortized Cost.

(₹ in Lakh)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017		Fair Value Hierarchy	Valuation Techniques & Significant Inputs
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value		
<b>I. FINANCIAL ASSETS</b>								
Loan Companies/LLP to	239561.78	239561.78	277013.86	277013.86	302136.25	302136.25	Level 3	Effective Interest Rate
Loan to Employees	75.46	75.46	88.59	88.59	116.55	116.55	Level 2	NPV at SBI Rate for Perquisites
<b>TOTAL</b>	<b>239637.24</b>	<b>239637.24</b>	<b>277102.45</b>	<b>277102.45</b>	<b>302252.80</b>	<b>302252.80</b>		
<b>II. FINANCIAL LIABILITIES</b>								
Borrowings	176651.76	176651.76	210803.23	210803.23	226390.17	226390.17	Level 3	Effective Interest rate
<b>TOTAL</b>	<b>176651.76</b>	<b>176651.76</b>	<b>210803.23</b>	<b>210803.23</b>	<b>226390.17</b>	<b>226390.17</b>		

Fair value measurements under IndAS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value are observable and significance to the inputs to the fair value measurement in its entirety, which are described as follows

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation can access at measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Corporation can access at measurement date.

### Table showing Carrying Value and Fair Value of all Financial Assets and Liabilities.

(₹ in Lakh)

Particulars	as at 31 March 2019		as at 31 March 2018		as at 1 April 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>I. FINANCIAL ASSETS</b>						
- Cash & Cash Equivalent	6650.92	6650.92	4139.83	4139.83	4547.28	4547.28
- Bank Balance	2813.02	2813.02	1912.13	1912.13	4965.49	4965.49
- Receivables	19256.64	19256.64	16291.45	16291.45	12288.49	12288.49
- Loans & Advances	239637.24	239637.24	277102.45	277102.45	302252.80	302252.80
- Investments	234.69	234.69	235.68	235.68	235.34	235.34
- Other Financial Assets	12496.82	12496.82	18547.58	18547.58	853.01	853.01
<b>TOTAL</b>	<b>281089.33</b>	<b>281089.33</b>	<b>318229.12</b>	<b>318229.12</b>	<b>325142.41</b>	<b>325142.41</b>
<b>II. FINANCIAL LIABILITIES</b>						
- Payables	20486.74	20486.74	18512.25	18512.25	13000.82	13000.82
- Borrowings	176651.76	176651.76	210803.23	210803.23	226390.17	226390.17
- Other financial liabilities	11670.12	11670.12	9820.33	9820.33	14294.91	14294.91
<b>TOTAL</b>	<b>208808.62</b>	<b>208808.62</b>	<b>239135.81</b>	<b>239135.81</b>	<b>253685.90</b>	<b>253685.90</b>

The carrying amount of the cash & cash equivalent, receivables, payables, other financial assets & other financial liabilities are considered as their fair values due to their short-term nature.

## **20. IndAS – 101 First time Adoption of IndAS**

The Corporation followed the provisions of IndAS 101 in preparing its opening IndAS Balance Sheet as on the date of transition, viz., 1<sup>st</sup> April 2017. Some of the Corporation's IndAS Accounting Policies used in the opening Balance Sheet differed from its Indian GAAP Accounting Policies applied as at 31<sup>st</sup> March 2017 and accordingly the adjustments were made to restate the opening balances as per IndAS. The resulting adjustments, arising from events and transactions before the date of transition to IndAS, were recognized directly through retained earnings as at 1<sup>st</sup> April 2017 as required by IndAS 101.

In accordance with IndAS-101- "First time adoption of Indian Accounting Standards" (IndAS 101), the Corporation has presented a reconciliation of shareholders equity under Previous GAAP and IndAS at 31<sup>st</sup> March, 2018 and 1<sup>st</sup> April, 2017 and as of the Net Profit as per Previous GAAP and Total Comprehensive Income under IndAS for the year ended March 31, 2018.

### **1. First time adoption – Exceptions and Exemptions**

#### **A. Exemptions**

##### **Deemed Cost for Property, Plant & Equipment and Intangible Assets**

The Corporation has availed exemption under para D7AA of appendix D to Ind-AS 101 which permits a first-time adopter to continue with the carrying values for its PPE and intangible assets as at date of transition to Ind-AS measured as per previous IGAAP.

#### **B. Exceptions**

##### **a) Derecognition of financial assets and liabilities**

The Corporation has applied Para B2, which permit first-time adopter to apply de-recognition requirements in Ind-AS 109 prospectively for transactions occurring on or after the date of transition to Ind-AS.

##### **b) Classification & measurement of financial assets:**

The Corporation has followed classification and measurement of financial assets in accordance with Ind-AS 109 and classification of Financial Instruments have been made on the basis of facts and circumstances that existed at the date of transition to Ind-AS.

##### **c) Estimates**

An entity's estimates in accordance with Ind-AS at the date of transition shall be consistent with estimates made for the same date in accordance with previous IGAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

## I. Reconciliation of Balance Sheet as previously reported under IGAAP to IndAS

(₹ in lakh)

Particulars	Refer Note No.	Balance Sheet as at 01 April 2017			Balance Sheet as at 31 March 2018		
		IGAAP *	Adjustments	IndAS	IGAAP *	Adjustments	IndAS
<b>ASSETS</b>							
<b>Financial Assets</b>							
(a) Cash and cash equivalents		4547.29	0.00	4547.29	4139.84	0.00	4139.84
(b) Bank Balances other than (a) above		4965.49	0.00	4965.49	1912.13	0.00	1912.13
(c) Investments	(e)	7.54	227.80	235.34	6.03	229.65	235.68
(d) Trade Receivables		12288.49	0.00	12288.49	16291.45	0.00	16291.45
(e) Loans & Advances	(i)	285229.83	-34.41	285195.42	277165.76	-63.32	277102.44
(f) Other financial assets	(i)	17941.08	-30.70	17910.38	18568.75	-21.17	18547.58
<b>Total (A)</b>		<b>324979.72</b>	<b>162.69</b>	<b>325142.41</b>	<b>318083.96</b>	<b>145.16</b>	<b>318229.12</b>
<b>Non-financial Assets</b>							
(a) Inventories		689.51	0.00	689.51	548.14	0.00	548.14
(b) Current tax Assets (Net)		148.54	0.00	148.54	14.29	0.00	14.29
(c) Deferred Tax Assets (Net)	(c)	5447.73	-86.39	5361.34	5930.94	-87.54	5843.40
(d) Plant, Property and Equipment		7597.57	0.00	7597.57	10645.98	0.00	10645.98
(e) Capital Work in Progress		12606.15	0.00	12606.15	12756.46	0.00	12756.46
(f) Intangible Assets		148.11	0.00	148.11	202.24	0.00	202.24
(e) Other non-financial assets		1650.20	30.18	1680.38	2085.89	24.73	2110.62
<b>Total (B)</b>		<b>28287.81</b>	<b>-56.21</b>	<b>28231.60</b>	<b>32183.94</b>	<b>-62.81</b>	<b>32121.13</b>
<b>Total Assets (A+B)</b>		<b>353267.53</b>	<b>106.48</b>	<b>353374.01</b>	<b>350267.90</b>	<b>82.35</b>	<b>350350.25</b>
<b>LIABILITIES AND EQUITY</b>							
<b>LIABILITIES</b>							
<b>Financial Liabilities</b>							
(a) Borrowings		226390.17	0.00	226390.17	210803.24	0.00	210803.24
(b) Trade Payables		13000.82	0.00	13000.82	18512.25	0.00	18512.25
(c) Other financial liabilities	(i)	14347.43	-52.51	14294.92	9901.72	-81.40	9820.32
<b>Total(A)</b>		<b>253738.42</b>	<b>-52.51</b>	<b>253685.91</b>	<b>239217.21</b>	<b>-81.40</b>	<b>239135.81</b>
<b>Non-Financial Liabilities</b>							
(a) Provisions	(b)	11887.64	-3762.68	8124.96	11682.07	0.00	11682.07
(b) Other non-financial liabilities		4730.10	0.00	4730.10	4562.75	0.00	4562.75
<b>Total(B)</b>		<b>16617.74</b>	<b>-3762.68</b>	<b>12855.06</b>	<b>16244.82</b>	<b>0.00</b>	<b>16244.82</b>
<b>EQUITY</b>							
(a) Equity Share Capital		53298.80	0.00	53298.80	53298.80	0.00	53298.80
(b) Other Equity	(C)	29612.57	3921.67	33534.24	41507.07	163.75	41670.82
<b>Total(C)</b>		<b>82911.37</b>	<b>3921.67</b>	<b>86833.04</b>	<b>94805.87</b>	<b>163.75</b>	<b>94969.62</b>
<b>Total Liabilities and Equity(A+B+C)</b>		<b>353267.53</b>	<b>106.48</b>	<b>353374.01</b>	<b>350267.90</b>	<b>82.35</b>	<b>350350.25</b>

\*The IGAAP figures have been regrouped & reclassified in conformity with the IndAS requirements.

## II. Reconciliation statement of Profit & Loss (Incl OCI) as previously reported under IGAAP to IndAS

(₹ in lakh)

Particulars	Refer Note No.	Year Ended 31 March 2018		
		IGAAP*	Adjustments	IndAS
<b>I. Revenue from Operations</b>				
a) Sale of products		205780.73	0.00	205780.73
b) Sale of services		6430.33	0.00	6430.33
c) Interest Income	(i)	35844.17	61.71	35905.88
d) Processing fee		5188.98	0.00	5188.98
e) Other operating Income		361.76	0.00	361.76
<b>Total Revenue from operations</b>		<b>253605.97</b>	<b>61.71</b>	<b>253667.68</b>
II. Other Income	(j)	85.84	30.83	116.67
III. Grant & Subsidies		5591.24	0.00	5591.24
<b>Total Revenue (I+II+III)</b>		<b>259283.05</b>	<b>92.54</b>	<b>259375.59</b>

<b>Expenses</b>				
Purchase of Stock-in trade		204620.17	0.00	204620.17
Changes in inventories		119.97	0.00	119.97
Employee Benefits Expenses	(d)	13135.64	-68.01	13067.62
Finance Cost	(i)	13340.85	60.27	13401.12
Depreciation and amortization expenses		569.18	0.00	569.18
Corporate Social Responsibility		302.95	0.00	302.95
Others expenses	(d), (h)	12082.14	2.72	12079.42
<b>IV. Total Expenses</b>		<b>244170.90</b>	<b>-10.46</b>	<b>244160.43</b>
<b>V. Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>15112.16</b>	<b>103.00</b>	<b>15215.16</b>
VI. Exceptional Items	(j)	92.83	-92.83	0.00
<b>VII. Profit/(loss) before tax (V-VI)</b>		<b>15204.98</b>	<b>10.17</b>	<b>15215.16</b>
<b>VIII. Tax Expense</b>				
(i) Current tax		5740.00	0.00	5740.00
(ii) Deferred tax	(e)	-483.20	24.30	-458.90
(iii) Earlier years		7.53	0.00	7.53
Total tax expense		<b>5264.33</b>	<b>24.30</b>	<b>5288.63</b>
<b>IX. Profit/(loss) for the period (VII-VIII)</b>		<b>9940.66</b>	<b>-14.13</b>	<b>9926.53</b>
<b>X. Other Comprehensive Income</b>				
(A) (i) Items that will not be reclassified to profit or loss				
- Remeasurements of the defined benefit plans/ fair valuation of Investments: -	(d), (g)		-4.27	-4.27
Less: Deferred Tax on Above	(e)		23.15	23.15
- Gain on sale of investments in equity shares			0.00	
<b>Subtotal (A)</b>		<b>0.00</b>	<b>18.88</b>	<b>18.88</b>
(B) (i) Items that will be classified to profit or loss: -				
-Gain /(Loss) on change in fair valuation of investments in equity shares/debt instrument				
<b>Subtotal (B)</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Other Comprehensive Income (A+B)</b>		<b>0.00</b>	<b>18.88</b>	<b>18.88</b>
<b>Total Comprehensive Income for the period (IX+X)</b>		<b>9940.66</b>	<b>4.76</b>	<b>9945.41</b>

\*The IGAAP figures have been regrouped & reclassified in conformity with the IndAS requirements.

### III. Reconciliation of total equity

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 01 April 2017
<b>Total Equity as previously reported under IGAAP</b>	94805.87	82911.36
<b>(Equity share capital + Other Equity)</b>		0.00
<b>Adjustments:</b>		0.00
Add: Reversal of proposed dividend (including CDT)	0.00	3762.68
Add: Gain on fair valuation of Equity Instruments. (Net of Tax)	150.16	148.95
Add: Net Discounting Impact on Financial Assets/Liabilities (Net of Tax)	15.20	14.27
Less: Prepaid Expense charged off due to change in accounting policy	-1.61	4.23
<b>Total Adjustment</b>	<b>163.75</b>	<b>3921.67</b>
<b>Total Equity as per IndAS</b>	<b>94969.62</b>	<b>86833.04</b>
<b>(Equity share capital + Other Equity)</b>		

### IV. Notes to First time adoption

As the presentation requirements under IGAAP differ from IndAS, the IGAAP information has been regrouped for ease and facilitation of reconciliation with IndAS

- a) Non-current Financial assets/liabilities- Under previous GAAP, certain non-current financial assets/liabilities which were measured at cost at the Balance Sheet date without considering the effect of discounting whereas these are measured at the present value on the Balance Sheet date under IndAS. Accordingly, the Corporation has recognized the adjustment due to the unwinding of the discounting impact in the respective carrying amount and its consequent impact on income/expenditure. The corresponding impact on the date of transition has been recognized in other equity in Note 20.
- b) Proposed dividend on equity shares recommended by the Board of Directors of the Corporation ('proposed dividend') was recognized as a liability in the financial statements in the period to which it relates. Under IndAS, such dividend is recognized as a liability when approved by the shareholders in the general meeting. The Corporation accordingly, has de-recognized the proposed dividend liability as on 01.04.2017 with the corresponding increase being recognized in equity.
- c) In IGAAP, deferred taxes were recognized for the tax effect of timing differences between accounting income and taxable income for the year i.e., income statement approach. However, under IndAS - 12 "deferred taxes" are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and their respective tax base i.e. balance sheet approach due to which following adjustments are made.

- Corporation has recognized the deferred tax liability for ₹79.49 lakh as at 31<sup>st</sup> March, 2018 (₹78.84 lakh as at 1<sup>st</sup> April, 2017) on fair valuation changes in investments.
  - Corporation has recognized the deferred tax liability for ₹8.05 lakh as at 31<sup>st</sup> March 2018 (Rs.7.55 lakh as at 1<sup>st</sup> April, 2017) on Net financial impact on account of discounting of certain financial assets and liabilities
- d) As per IGAAP as well as per Ind-AS, the Corporation recognized costs related to its post-employment defined benefit plan on an actuarial basis. In IGAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognized in Other Comprehensive Income
- e) In IGAAP, the Corporation had accounted long term investments in unquoted and quoted equity shares as investment measured at cost less diminution (other than temporary) in value of investments.

For investments categorized at FVTOCI Corporation has recognized fair value changes through as a separate component of equity for Rs.47.63 lakh as at 31 March 2018 (₹ 227.80 lakh as at 1 April 2017) (FVOCI reserve) as at the date of transition and correspondingly investment has been increased by same amount.

- f) Retained earnings as at 1<sup>st</sup> April 2017 has been adjusted consequent to the above IndAS transition adjustments. Refer 'Reconciliation of total equity as at 31 March 2018 and 1<sup>st</sup> April 2017' given at Note No.20.
- g) In IGAAP, the Corporation has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurement of defined benefit plans and fair value gain/loss on equity instruments measured at FVTOCI. Hence, IGAAP profit or loss is reconciled to total comprehensive income as per IndAS.

The following items have been reclassified to OCI:-

- (i) Gain on equity instruments measured at FVTOCI has been classified to OCI of ₹47.63 lakh
  - (ii) Actuarial Gain/(loss) on defined benefit plan has been reclassified to OCI of ₹68.12lakh
- h) Prepaid expenses to the tune of ₹4.23 lakh has been charged to retained earnings as at 01.04.2017 due to change in accounting policy in respect thereof. The Corporation was hitherto not accounting for prepaid expenses up to ₹0.50 Lakh per item and was charging off to profit & Loss account in the year of incurrence. However, the same has now been increased to ₹1.00 Lakh to make it uniform and comparable.
- i) Under previous GAAP, certain non-current financial assets/liabilities which were measured at cost/best estimate of the expenditure required to settle the obligation, at the Balance Sheet date without considering the effect of discounting whereas these are measured at the present value on the Balance Sheet date under Ind AS. Accordingly, the Corporation has recognized the adjustment to the respective carrying amount and the consequent impact on finance cost/finance income due to the unwinding of the Discounting impact. The corresponding impact on the date of transition has been recognized in equity.

- j) An amount of ₹30.83 lakh towards gain on disposal of fixed assets and ₹62.00 lakh towards gain on sale of long-term investments which was shown under the head exceptional items in Statement of Profit & loss account in previous year has been shown during the current financial year under the head Other income and other comprehensive income respectively, as per the disclosure requirement of IndAS.

**V. Effect of adoption of IndAS on Cash Flow Statement for year ended 31 March 2018**

Explanation of material adjustments to Statement of Cash Flows There were no material differences between the Statement of Cash Flows presented under IndAS and the previous GAAP except due to various re-classification adjustments recorded under IndAS and difference in the definition of cash and cash equivalents under these two GAAPs.

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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
On Equity shares of ₹100 each		
-Amount of Dividend Proposed (₹ In lakh)	635.47	2837.24
-Rate of Dividend (%)	1.19	5.32
-Dividend per equity share (₹)	1.19	5.32

Dividends proposed by the Corporation are based on Profits after Tax as reported in the financial statements of the Corporation and guidelines issued by Department of Investment & Public Asset Management (DIPAM). The Board of Directors of the Corporation proposed a final dividend of ₹635.47 lakh (₹1.19 per share) in respect of the year ending 31<sup>st</sup> March 2019 subject to approval of shareholders in the Annual General Meeting. If approved, the dividend would result in cash outflow of ₹ 766.12 Lakh inclusive of dividend tax of ₹130.65 Lakh.

Further, Corporate dividend and dividend distribution tax pertaining to financial year ended 31 March 2019, shall be accounted for in the ensuing financial year after approval of Shareholders at Annual General Meeting in accordance with revised Accounting Standard (AS) - 4 'Contingencies and Events occurring after Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016.

**22. The additional information required to be disclosed vide RBI norms**

- A. RBI norms as per Non-Banking Financial Company –Systematically Important Non-Deposit taking Company (Reserve bank) Directions, 2016 as amended from time to time have been made applicable to the balance sheet ended 31.03.2019. Accordingly, for FY ended 31<sup>st</sup> March 2019, disclosures regarding NPA etc. have been made in respect of financial assets comprising of receivables in respect of dues under Hire Purchase, Leasing, Raw Material Assistance, Bill Discounting, Term Loan, Composite Term Loan etc. at higher of Expected Credit Loss (ECL) assessment or RBI norms.

However, for FY ended 31<sup>st</sup> March 2018, corresponding amount in respect of above-mentioned financial assets have been shown at higher of Expected Credit Loss (ECL) assessment or the provisions as per the norms approved by the Board of Directors of the Corporation since RBI Prudential norms are not applicable till the FY ended 31<sup>st</sup> March 2018.

**B. Rating Assigned by Credit Rating Agencies for the Borrowings of NSIC**

The Commercial paper issued by NSIC were rated by CRISIL and ACUITE as “A1+” which is considered to have “Very Strong Degree of Safety”. In addition, Bank Facilities of the Corporation has been rated by CARE and the rating is “AA+” which is considered to have

high degree of safety regarding timely servicing of financial obligations. There has been no migration of ratings during the year.

C. **Penalties levied by the Regulator** - NIL

D. **Capital Adequacy**

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
i) CRAR (%)	25.14	21.11
ii) CRAR - Tier I Capital (%)	24.78	20.52
iii) CRAR - Tier II Capital (%)	0.36	0.60
iv) Amount of Subordinate debt raised as Tier-II Capital	Nil	Nil
v) Amount raised by issue of perpetual debt instruments	Nil	Nil

a) **Investments:** NSIC does not hold any investment outside India.

b) **Break up of Investments**

		(₹ in Lakh)	
	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>1</b>	Value of investments		
<b>(i)</b>	Gross Value of Investments		
<b>(a)</b>	In India		
	at fair value through OCI	249.69	250.68
<b>(b)</b>	Outside India		
<b>(ii)</b>	Provision for Depreciation		
<b>(a)</b>	In India	15.00	15.00
<b>(b)</b>	Outside India		
<b>(iii)</b>	Net value of investments		
<b>(a)</b>	In India	234.69	235.68
<b>(b)</b>	Outside India		
<b>(2)</b>	Movement of provisions held towards on investments		
<b>(i)</b>	Opening Balance	15.00	15.00
<b>(ii)</b>	Add: Provisions made during the year		
<b>(iii)</b>	Less: write-off/ write-back of excess provisions during the year		
<b>(iv)</b>	Closing balance	15.00	15.00
<b>(3)</b>	Aggregate amount of quoted investments	234.69	235.68
	Market value of quoted investments	234.69	235.68
<b>(4)</b>	Aggregate amount of Unquoted investments	15.00	15.00
<b>(5)</b>	Aggregate provision for diminution in value of investments	15.00	15.00

c) **Valuation of Investments**

		(₹ in Lakh)	
Particulars	Year ended 31.03.2019	Year ended 31.03.2018	
i) Gross Value of Investments	250.68	203.05*	
ii) Allowance for Impairment Loss	15.00	15.00	
iii) Fair Value Change (Net)	(0.99)	47.63	
iv) Net Value of Investments	234.69	235.68	
<b>Movement in Fair Value changes of investment (Net)</b>			
Opening Balance	235.68	188.05*	
Add: Increase in Value		47.63	
Less: Decrease in Value	0.99		

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Closing Balance	234.69	235.68

\*after adjustment of ₹47.30 lakh for sale of investments during FY 2017-18

**E. Derivatives**

(₹ in Lakh)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Exposure to Derivative Instruments / products	NIL	NIL

**F. Securitization**

**a) Details of SPVs sponsored for Securitization of Assets**

(₹ in Lakh)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
SPVs Sponsored	NIL	NIL

**b) Details of Financial Assets sold to Securitization / Reconstruction Company for Assets Reconstruction**

(₹ in Lakh)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Financial Assets Sold	NIL	NIL

**c) Details of Assignment transaction undertaken**

(₹ in Lakh)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Assignment Transaction undertaken	NIL	NIL

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

(₹ in Lakh)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Non-performing Financial assets Purchased	NIL	NIL
Non-Performing Financial Assets Sold		
i) Number of accounts sold		
ii) Aggregate outstanding		
iii) Aggregate Consideration Received		
iv) Gain/Loss over net book value		

**e) Exposures to Real Estate / Capital Market Sector**

(₹ in Lakh)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
I. Exposure to Real Estate Sector undertaken (Direct)	NIL	NIL
i) Residential Mortgage		
ii) Commercial Real Estate		
• Lending Secured by Mortgage on commercial real estate		
• Lending in mortgage backed securities and other exposures		
II. Exposure to Capital Market (Gross)		
(a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively	249.69	250.68

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
invested in corporate debt;		
(b) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	NIL	NIL
(c) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
(d) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	NIL	NIL
(e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(f) loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(g) bridge loans to companies against expected equity flows / issues;	NIL	NIL
(h) all exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL

**G. Breakup of Provision & Contingencies shown under the head expenditure in profit & loss account**

Particulars	(₹ in Lakh)	
	Year ended 31.03.2019	Year ended 31.03.2018
a. Provision for Fair Value Changes on Investments	NIL	NIL
b. Provision for NPAs/Doubtful Debts	16709.61	10649.11
c. Provision for Diminution in NPV of Loans		
d. Provision for Diminution in value of investments	15.00	15.00
e. Provision for Standard Assets	1035.85	-
f. Provision Made towards Income Tax	4250	5740.00
g. Other Provision and Contingencies (Deferred Tax Liability)	56.15	-458.90

**H. Concentration of Advances and Non-Performing Assets (NPA)**

Particulars	(₹ in Lakh)	
	Year ended 31.03.2019	Year ended 31.03.2018
I. Concentration of Advances		
Total advances to Twenty Large Borrowers	10401.91	11135.41
% of advances to Twenty Large Borrowers	3.91	3.71
II. Concentration of NPA		
Total Exposure to Top Four NPAs	1725.80	2098.69

I. **Sector-wise NPA (Gross)**

(₹ in Lakh)

S No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
1	Agriculture & allied activities	NIL	NIL
2	MSME	32436.89	11794.77
3	Corporate borrowers	NIL	NIL
4	Services	NIL	NIL
5	Unsecured personal loans	NIL	NIL
6	Auto loans	NIL	NIL
7	Other personal loans	NIL	NIL

J. **Movement of NPAs**

(₹ in Lakh)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
1) Net NPAs to Net Advances (%)	6.34	0.07
<b>2) Movement of Gross NPAs/Doubtful Debts</b>		
(a) Opening Balance	11794.77	12144.54
(b) Add: Addition During Year	20642.12	
(c) Less: Reduction/Write-off During Year	-	349.77
(d) Closing Balance	32436.89	11794.77
<b>3) Movement of Net NPAs/Doubtful Debts</b>		
(a) Opening Balance	193.85	197.41
(b) Add: Addition During Year	15533.42	
(c) Less: Reduction/Write-off During Year		3.56
(d) Closing Balance	15727.27	193.85
<b>4) Movement in Provision for NPA/Doubtful Debts</b>		
(a) Opening Balance	10380.82	10727.02
(b) Add: Provision made during the year	6328.79	-
(c) Less: Loans Written off during the year	-	-
(d) Less: Provision Written Back	-	346.20
(e) Closing Balance	16709.61	10380.82

K. **Other Information**

(₹ in Lakh)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
i) Gross Non-Performing Assets		
- Related parties	-	-
- Other than related parties	32436.89	11794.77
ii) Net Non-Performing Assets		
- Related parties	-	-
- Other than related parties	15727.27	193.85

L. **Customer & Investor Complaints**

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
a. No. of complaints pending at the beginning of	1	1

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
the year		
b. No. of complaints received during the year	113	114
c. No. of complaints redressed during the year	112	113
d. No. of complaints pending at the end of the year	1	1
e. No. of complaints pending at the beginning of the year	1	1

23. Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended)

#### Liabilities Side

1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount O/s	Amount Overdue	Amount O/s	Amount
(a) Debentures	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	5,268.00		5,689.72	
(d) Inter-Corporate Loans and borrowings	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans				
Bank Overdraft, Cash credit & Working Capital Demand Loan	1,71,383.76	-	2,05,113.52	-

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

-Not Applicable-

#### Asset Side

3. Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]

(₹ in Lakh)

Particulars	Amount Outstanding	
	As at March 31, 2019	As at March 31, 2018
(a) Secured (net of provision) (includes amount backed by BGs)	248016.65	289133.74
(b) Unsecured (net of provision)	1.10	15.49

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

-Not Applicable-

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

(₹ in Lakh)

Particulars		Amount Outstanding	
		As at March 31, 2019	As at March 31, 2018
<b>Current Investments</b>			
<b>1</b>	<b>Quoted</b>		
(i)	Shares	NIL	NIL
(a)	Equity		
(b)	Preference		
(ii)	Debentures and Bonds		
(iii)	Units of Mutual Funds		
(iv)	Government Securities		
(v)	Others		
<b>2</b>	<b>Unquoted</b>		
(i)	Shares	NIL	NIL
(a)	Equity		
(b)	Preference		
(ii)	Debentures and Bonds		
(iii)	Units of Mutual Funds		
(iv)	Government Securities		
(v)	Others		
<b>Long Term Investments</b>			
<b>1</b>	<b>Quoted</b>		
(i)	Shares :		
(a)	Equity (Fair Value)	234.69	235.66
(b)	Preference	NIL	NIL
(ii)	Debentures and Bonds	NIL	NIL
(iii)	Units of Mutual Funds	NIL	NIL
(iv)	Government Securities	NIL	NIL
(v)	Others	NIL	NIL
<b>2</b>	<b>Unquoted</b>		
(i)	Shares :	NIL	NIL
(a)	Equity (Net of Impairment)	NIL	NIL
(b)	Preference	NIL	NIL
(ii)	Debentures and Bonds	NIL	NIL
(iii)	Units of Mutual Funds	NIL	NIL
(iv)	Government Securities	NIL	NIL
(v)	Others	NIL	NIL

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

(₹ in Lakh)

Category		As at March 31, 2019		As at March 31, 2018	
		Secured (Net of Provision)	Unsecured (Net of Provision)	Secured (Net of Provision)	Unsecured (Net of Provision)
<b>1</b>	<b>Related Parties</b>				
(a)	Subsidiaries	Nil	Nil	Nil	Nil
(b)	Companies in the same group	Nil	Nil	Nil	Nil
(c)	Other related parties	Nil	Nil	Nil	Nil
<b>2</b>	<b>Other than related parties</b>	248016.65	1.10	289133.74	15.49

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in Lakh)

Category		As at March 31, 2019		As at March 31, 2018	
		Fair Value	Book Value	Fair Value	Book Value
1	Related Parties	NIL	NIL	NIL	NIL
(a)	Subsidiaries				
(b)	Companies in the				
	same group				
(c)	Other related parties				
2	Other than related parties	234.69	6.03	235.68	6.03

8. Other Information

(₹ in Lakh)

Particulars		As at March 31, 2019	As at March 31, 2018
(i)	Gross Non-Performing Assets		
(a)	Related parties		
(b)	Other than related parties	32436.89	11794.77
(ii)	Net Non-Performing Assets		
(a)	Related parties		
(b)	Other than related parties	15727.27	193.85
(iii)	Assets acquired in satisfaction of debt (Gross)		

24. No penalties have been levied on the Corporation by any regulator during the year ended 31<sup>st</sup> March, 2019 (Previous year Nil).

25. No complaints have been received by the Corporation from the borrowers under the Fair Practices Code during the year ended 31<sup>st</sup> March, 2019 (Previous year Nil).

26. All amounts are in ₹ lakh, unless otherwise stated

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

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

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Cash Flow Statement attached to and forming part of the Accounts for the Year Ended 31.03.2019

(₹ in Lakh)

Particulars	As At 31.03.19	As At 31.03.18
Net Profit (Loss) Before Tax	6342.35	15,215.16
Adjustments for:		
Profit (-) / Loss on Sale of Fixed Assets	(0.09)	(30.83)
Depreciation & Amortization Expenses	665.09	569.18
Lease Terminal Adjustment	48.00	49.39
Provisions and Contingencies	4864.42	3291.45
Profit (-) / Loss on Sale of Investments	-	(62.00)
Loss / (-) Gain on Exchange Rate Fluctuation	(142.81)	185.26
Discounting of Financial Assets	(23.33)	(1.44)
Bad Debts Written off	109.03	134.73
Dividend from Investments	(5.41)	(4.02)
Provision for Obsolete Stock	-	0.06
Interest Accrued but not due on Borrowings	407.09	10.05
Excess Provision Written Back (Others)	(662.25)	-
Interest on Income Tax Refunds	42.46	-
Interest on Short /Fixed Term Deposit	(7.59)	(5.96)
Operating Profit Before Working Capital Changes	11636.96	19351.03
Adjustment for Working Capital Changes :		
Inventories	510.39	141.37
Trade Advances & Receivables	43368.71	8324.12
Current Liabilities & Provisions	(7920.89)	(4575.94)
Cash Flows before Tax & Extra Ordinary Items	47,595.17	23,240.58
Taxes	(3941.86)	(5167.26)
Net Operating Cash Flow (A)	43,653.31	18,073.32
Cash Flow From Investing Activities		
Sale Proceeds of Assets Disposed off	74.59	3.58
Sale Proceeds of Investments	-	60.48
Increase in Fixed Assets and Capital W.I.P.	(3474.43)	(3992.87)
Fixed Assets (out of Grant)	335.34	1919.59
Dividend from Investments	5.41	4.02
Interest On Short /Fixed Terms Deposits	7.59	5.96
Net Investing Cash Flow (B)	(3,051.50)	(1,999.24)
Cash Flow from Financing Activities		
Net Increase/ (Decrease) in Other Borrowings	(34294.29)	(15772.20)
Dividend Paid (Including Dividend Distribution Tax)	(2895.57)	(3762.68)
Net Financing Cash Flow (C)	(37,189.86)	(19,534.88)
Net Cash Flow From Operating Activities (A)	43,653.31	18,073.32
Net Cash Flow From Investing Activities (B)	(3,051.50)	(1,999.24)
Net Cash Flow From Financing Activities (C)	(37,189.86)	(19,534.88)
Net Changes in Cash & Cash Equivalents (A+B+C)	3,411.95	(3,460.80)
Add Cash & Cash Equivalents-Opening Balances	6051.97	9512.77
Balance as per Note -3 & 4 Cash & Cash Equivalents and Bank Balances	9463.92	6051.97

Note:

- The above Cash Flow statement has been prepared by using the Indirect Method as per IndAS-7 Statement of Cash Flows
- Cash and Cash Equivalents (including bank balances) consists of cash and other bank balances and deposits with bank.
- Previous year's figures have been regrouped / rearranged whenever necessary

Statement of Corporate Information (Note-1) and Accounting Policies (Note-2)  
The Notes 1 to 34 referred to above form an integral part of the Financial Statements

As per our report of even date attached.

For K P M C & Associates  
Chartered Accountants

For and on behalf of Board of Directors

Pankaj Kumar  
Partner  
Membership No. : 073291  
Firm Reg. No. : 005359C  
Place : New Delhi  
Date : 27.12.2019

Gaurang Dixit  
Director (Finance)  
[DIN :08535482]

Rakhi Dua  
General Manager (F&A)

Vijayendra  
Chairman-cum-Managing Director  
[DIN :03625565]

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

		(₹ in Lakh)	
Particulars	Note No.	As At 31.03.19	As At 31.03.18
<b>I REVENUE</b>			
A Revenue from Operations	21		
Sale of Products		207452.92	205780.73
Sale of Services		7179.85	6311.86
Interest Income		33734.15	35905.88
Processing Fees		5275.91	5188.98
[ Includes Processing Fees/Service Earned of Rs 5275.91 lakh (Rs 5188.98 lakh) for value of goods handled and rendered Rs 1569542.47 lakh (Rs 1992031.24 lakh) ]			
Net Gain on Fair Value Changes		0.00	0.00
Net Gain on Derecognition of Financial Instruments under Amortized Cost Category		0.00	0.00
Other Operating Income		992.27	361.76
<b>Total Revenue from Operations</b>		<b>254635.10</b>	<b>253549.21</b>
B Other Income	22	144.67	116.67
C Grants and Subsidies	23	0.00	0.00
<b>Total Revenue (A + B + C)</b>		<b>254779.77</b>	<b>253665.88</b>
<b>II EXPENSES</b>			
Purchases of Stock-in-Trade	24	205892.25	204620.17
Changes in Inventories	25	509.42	119.97
Employee Benefit Expenses	26	11516.11	12550.44
Finance Costs	27	15837.34	13401.12
Depreciation and Amortization Expenses	28	665.09	569.18
Corporate Social Responsibility	29	318.55	302.95
Other Expenses	30	13698.66	6886.89
Add: Excess of Expenditure over Income		0.00	0.00
Transfer from Promotional Activity to Commercial Activity			
<b>Total Expenses</b>		<b>248437.42</b>	<b>238450.72</b>
<b>III Profit before Exceptional Items, and Tax</b>		<b>6342.35</b>	<b>15215.16</b>
Exceptional Items		0.00	0.00
<b>IV Profit before Tax</b>		<b>6342.35</b>	<b>15215.16</b>
Tax Expense	31		
Current Tax		4250.00	5740.00
Deferred Tax		56.15	(458.90)
Earlier Years		(25.86)	7.53
<b>Total Tax Expense</b>		<b>4280.29</b>	<b>5288.63</b>
<b>VI Profit after Tax for the period from Continuing Operations</b>		<b>2062.06</b>	<b>9926.53</b>
VII Profit from Discontinued Operations		0.00	0.00
VIII Tax Expenses from Discontinued Operations		0.00	0.00
IX Profit from Discontinued Operations (After Tax)		0.00	0.00
<b>X Profit for the Period</b>		<b>2062.06</b>	<b>9926.53</b>
<b>XI Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to Profit or Loss –			
Remeasurement Gain/(Loss) on Defined Benefit Plans		(257.56)	(68.12)
Fair Value on Investments		(0.99)	63.85
(ii) Income Tax relating to Items that not be reclassified to Profit or Loss		86.76	23.15
<b>Sub Total (A)</b>		<b>(171.79)</b>	<b>18.88</b>
B (i) Items that will be reclassified to Profit or Loss		0.00	0.00
(ii) Income tax relating to items that be reclassified to profit or loss		0.00	0.00
<b>Sub Total (B)</b>		<b>0.00</b>	<b>0.00</b>

**STATEMENT OF PROFIT AND LOSS (COMMERCIAL)  
FOR THE YEAR ENDED 31.03.2019**

(₹ in Lakh)

Particulars	Note No.	As At 31.03.19	As At 31.03.18
Other Comprehensive Income (A + B)		(171.79)	18.88
XII Total Comprehensive Income for the period (X + XI) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		<u>1890.27</u>	<u>9945.41</u>
XIII Earnings per Equity Share (for Continuing Operations)	32		
Basic (Rs.)		3.87	18.62
Diluted (Rs.)		0.00	0.00
XIV Contingent Liabilities	33 (i)	1069.91	828.87
XV Capital Commitments	33 (ii)	2371.13	5575.87
Other Notes on Accounts	34		

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

Note ; The Notes 1 to 34 referred to above form an integral part of the Financial Statements

As per our report of even date attached.

For K P M C & Associates  
Chartered Accountants

For and on behalf of Board of Directors

Gaurang Dixit  
Director (Finance)  
[DIN :08535482]

Vijayendra  
Chairman-cum-Managing Director  
[DIN :03625565]

Pankaj Kumar  
Partner  
Membership No. : 073291  
Firm Reg. No. : 005359C  
Place : New Delhi  
Date : 27.12.2019

Rakhi Dua  
General Manager (F&A)

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

Particulars	Note No.	As At 31.03.19	As At 31.03.18
<b>I REVENUE</b>			
A Revenue from Operations	21		
Sale of Products		0.00	0.00
Sale of Services		72.32	118.47
Interest Income		0.00	0.00
Processing Fees		0.00	0.00
Net Gain on Fair Value Changes		0.00	0.00
Net Gain on Derecognition of Financial Instruments under Amortised Cost Category		0.00	0.00
Other Operating Income		0.00	0.00
<b>Total Revenue from Operations</b>		<b>72.32</b>	<b>118.47</b>
B Other Income	22	0.00	0.00
C Grants and Subsidies	23	5649.56	5591.24
<b>Total Revenue (A + B + C)</b>		<b>5721.88</b>	<b>5709.71</b>
<b>II EXPENSES</b>			
Purchases of Stock-in-Trade	24	0.00	0.00
Changes in Inventories	25	0.00	0.00
Employee Benefit Expenses	26	593.14	517.18
Finance Costs	27	0.00	0.00
Depreciation and Amortization Expenses	28	0.00	0.00
Corporate Social Responsibility	29	0.00	0.00
Other Expenses	30	5128.74	5192.53
Add: Excess of Expenditure over Income transfer from Promotional Activity to Commercial Activity		0.00	0.00
<b>Total Expenses</b>		<b>5721.88</b>	<b>5709.71</b>
III Profit before Exceptional Items, Extraordinary Items and Tax Exceptional Items		0.00	0.00
IV Profit before Tax		0.00	0.00
Tax Expense	31		
Current Tax		0.00	0.00
Deferred Tax		0.00	0.00
Earlier Years		0.00	0.00
<b>Total Tax Expense</b>		<b>0.00</b>	<b>0.00</b>
VI Profit after Tax for the period from Continuing Operations		0.00	0.00
VII Profit from Discontinued Operations		0.00	0.00
VIII Tax Expenses from Discontinued Operations		0.00	0.00
IX Profit from Discontinued Operations (After Tax)		0.00	0.00
X Profit for the Period		0.00	0.00
XI Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
Remeasurement Gain/(Loss) on Defined Benefit		0.00	0.00
Fair Value on Investments		0.00	0.00
(ii) Income Tax relating to Items that not be reclassified to Profit or Loss		0.00	0.00
<b>Sub Total (A)</b>		<b>0.00</b>	<b>0.00</b>
B (i) Items that will be reclassified to Profit or Loss		0.00	0.00
(ii) Income tax relating to items that be reclassified to profit or loss		0.00	0.00
<b>Sub Total (B)</b>		<b>0.00</b>	<b>0.00</b>
<b>Other Comprehensive Income (A + B)</b>		<b>0.00</b>	<b>0.00</b>
XII Total Comprehensive Income for the Period (X + XI) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		0.00	0.00

STATEMENT OF PROFIT AND LOSS (PROMOTIONAL)  
FOR THE YEAR ENDED 31.03.2019

(₹ in Lakh)

Particulars	Note No.	As At 31.03.19	As At 31.03.18
XIII Earnings per Equity Share (for Continuing Operations)	32		
Basic (Rs.)		0.00	0.00
Diluted (Rs.)		0.00	0.00
XIV Contingent Liabilities	33 (i)	0.00	0.00
XV Capital Commitments	33 (ii)	0.00	0.00
Other Notes on Accounts	34		

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

Note ; The Notes 1 to 34 referred to above form an  
integral part of the Financial Statements

As per our report of even date attached.

For K P M C & Associates  
Chartered Accountants

For and on behalf of Board of Directors

Gaurang Dixit  
Director (Finance)  
[DIN :08535482]

Vijayendra  
Chairman-cum-Managing Director  
[DIN :03625565]

Pankaj Kumar  
Partner  
Membership No. : 073291  
Firm Reg. No. : 005359C  
Place : New Delhi  
Date : 27.12.2019

Rakhi Dua  
General Manager (F&A)

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