

THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED				
PROFIT AND LOSS ACCOUNT (CONSOLIDATED) FOR THE YEAR ENDED 31.3.2008				
				(Amount in Rupees)
Particulars	Schedule No.	Current Year	Previous Year	
<b>A. INCOME</b>				
Sales	11	4022947347	3264490728	
Hire Charges		4776863	10599939	
Lease Rentals	12	1074312	2586376	
Grants and Subsidies	13	136005615	176623054	
Interest	15	236515534	138232757	
Other Income	16	348177775	250112060	
Service Charges [Value of Goods handled /Services rendered Rs. 2519.09 crore (Rs.1880.54 Crore) as per Audited Branch Accounts]	16-A	63511025	41922632	
<b>TOTAL</b>		<b>4813008471</b>	<b>3884567546</b>	
<b>B. EXPENDITURE</b>				
Purchases	17	3988946981	3231091068	
Consumption of Stores		922103	968783	
Accretion / Decretion in Stock	14	325808	1222445	
Employees Remuneration & Other Benefits	18	331425945	232844060	
Depreciation	19	10219253	10794218	
Finance Charges	20	143722695	99856111	
Other Expenses	21	245274685	229815030	
Losses / Bad Debts Written Off	22	18881351	20807986	
Exchange Variation Losses		7540627	5269076	
Depreciation as per contra		8715156	6792525	
Less: Replacement Reserve as per contra		(8715156)	0 (6792525)	
Provision for Government Guarantee Fee		0	3155847	
<b>TOTAL</b>		<b>4747259448</b>	<b>3835824624</b>	
<b>NET OPERATING PROFIT/ (LOSS) FOR THE YEAR</b>		<b>65749023</b>	<b>48742922</b>	
Prior Period Expenditure (Net)	23	(1625370)	1928008	
Amortisation of VRS Expenditure		(21225632)	(20726180)	
<b>NET PROFIT/( LOSS) BEFORE TAX</b>		<b>42898021</b>	<b>29944750</b>	
Less: Fringe Benefit Tax		(2327105)	(1497912)	
<b>NET PROFIT /( LOSS) AFTER TAX</b>		<b>40570916</b>	<b>28446838</b>	
<b>Available for Appropriations</b>				
<b>Appropriations:</b>				
Proposed Dividend		8115000	5690000	
Tax on Proposed Dividend		1379144	967016	
Balance Profit		31076772	21789822	
Balance brought forward from previous year		(1515656767)	(1537446589)	
<b>NET LOSS CARRIED FORWARD</b>		<b>(1484579995)</b>	<b>(1515656767)</b>	
<b>Earning Per Share(EPS)</b>		<b>1.77</b>	<b>1.31</b>	

Statement of Accounting Policies and Contingent liability and Schedules including Notes on Accounts (Sch 24) form an integral part of Accounts.

As per our report of even date attached.


for Goel Garg & Co.  
Chartered Accountants


(Ajay Rastogi)  
Partner  
Membership No. 84897  
Place : New Delhi  
Date : 12.08.2008



  
(S.C. GOYAL)  
Director (Finance)

  
(S.K. HANDA)  
Dy. General Manager (F&A)

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

  
(N. K. SETHI)  
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED			
PROFIT AND LOSS ACCOUNT (COMMERCIAL) FOR THE YEAR ENDED 31.3.2008			
		(Amount in Rupees)	
	Particulars	Current Year	Previous Year
<b>A.</b>	<b>INCOME</b>		
	Sales	4022947347	3241652657
	Hire Charges	4776863	10599939
	Lease Rentals	1074312	2586376
	Interest	236514565	137613916
	Other Income	341118309	179478756
	Service Charges	63511025	41922632
	<b>TOTAL</b>	<b>4669942421</b>	<b>3613854276</b>
<b>B.</b>	<b>EXPENDITURE</b>		
	Purchases	3988946981	3231091068
	Consumption of Stores	922103	0
	Accretion / Decretion in Stock	325808	5100
	Employees Remuneration & Other Benefits	267808244	112310363
	Depreciation	8883218	8538219
	Finance Charges	143722695	99840988
	Other Expenses	141685712	80026552
	Losses / Bad Debts Written Off	18881351	20795462
	Excess of Expenditure over Income -----		
	a/c of Performance and Credit Rating	1265639	0
	a/c of Development of NER	118201	0
	a/c of Technical Centres	1402	6038877
	a/c of Marketing Assistance Scheme	16942804	0
	a/c of Marketing Assistance Scheme (NER)	612	70652
	a/c of North East Expo	387	0
	a/c of Small Entrepreneurs Establishment Programme	6205122	0
	a/c of Training Programme at Incubator-NEDB Project-Okhla	0	6458
	a/c of Counselling, Retraining & Redeployment(CRR)	362882	0
	a/c of Leather Goods in Mfg. Trg. Centre (Agra)	1032395	0
	a/c of Technology Business Incubator-Guwahati	326831	0
	Exchange Variation Losses	6871439	4885624
	Provision for Government Guarantee Fee	0	3155847
	<b>TOTAL</b>	<b>4604303826</b>	<b>3566765210</b>
	<b>NET OPERATING PROFIT/ ( LOSS )FOR THE YEAR</b>	<b>65638595</b>	<b>47089066</b>
	Prior Period Expenditure (Net)	(1514942)	2895317
	VRS Expenditure written off	(21225632)	(20039633)
	<b>NET PROFIT / ( LOSS ) BEFORE TAX</b>	<b>42898021</b>	<b>29944750</b>
	Less: Fringe Benefit Tax	(2327105)	(1497912)
	<b>NET PROFIT/ ( LOSS ) AFTER TAX</b>	<b>40570916</b>	<b>28446838</b>
	<b>Available for Appropriations</b>		
	<b>Appropriations:</b>		
	Proposed Dividend	8115000	5690000
	Tax on Proposed Dividend	1379144	967016
	Balance Profit	31076772	21789822
	Balance brought forward from previous year	(1515656767)	(1537446589)
	<b>NET PROFIT / ( LOSS ) AFTER TAX CARRIED FORWARD</b>	<b>(1484579995)</b>	<b>(1515656767)</b>
	<b>Earning Per Share(EPS)</b>	<b>1.77</b>	<b>1.31</b>

Statement of Accounting Policies and Contingent liability and Schedules including Notes on Accounts (Sch 24) form an integral part of Accounts.

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for Goel Garg & Co.  
Chartered Accountants

*(Ajay Rastogi)*

(Ajay Rastogi)  
Partner  
Membership No.84897  
Place : New Delhi  
Date : 12.08.2008



*(S.C. GOYAL)*  
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Director (Finance)

*(S.K. HANDA)*  
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Dy. General Manager (F&A)

*(H. P. KUMAR)*  
(H. P. KUMAR)  
Chairman-cum-Managing Director


*(NITI SETHI)*  
(NITI SETHI)  
Company Secretary

THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED			
INCOME AND EXPENDITURE ACCOUNT (PROMOTIONAL) FOR THE YEAR ENDED 31.3.2008			
Particulars		Current Year	(Amount in Rupees) Previous Year
<b>A. INCOME</b>			
Sales		0	22838071
Grants and Subsidies		37835846	225329514
Interest		969	618841
Other Income		7059466	70633304
<b>TOTAL</b>		<b>44896281</b>	<b>319419730</b>
<b>B. EXPENDITURE</b>			
Consumption of Stores		0	968783
Accretion / Decretion in Stock		0	1217345
Employees Remuneration & Other Benefits		63617701	120533697
Depreciation		1336035	2255999
Finance Charges		0	15123
Other Expenses		103688973	149788478
Losses / Bad Debts Written Off		0	12524
Exchange Variation Losses		669188	383452
Depreciation as per contra	8715156		6792525
Less: Replacement Reserve as per contra	(8715156)	0	(6792525)
<b>TOTAL</b>		<b>169211897</b>	<b>275175401</b>
Net Income/expenditure before prior period expenses		(124315616)	44244329
Prior Period Expenditure (Net)		(110428)	(967309)
VRS Expenditure written off		0	(686547)
Provision for Pay Revision		0	0
Net Income/ Expenditure		(124426044)	42590473
Transfer to Commercial Activity			
Excess of Expenditure over Income -----			
a/c of Performance and Credit Rating		1265639	0
a/c of Development of NER		118201	0
a/c of Technical Centres		1402	6038877
a/c of Marketing Assistance Scheme		16942804	0
a/c of Marketing Assistance Scheme (NER)		612	70652
a/c of North East Expo		387	0
a/c of Small Entrepreneurs Establishment Programme		6206122	0
a/c of Training Programme at Incubator-NEDB Project-Okhla		0	6458
a/c of Counselling, Retraining & Redeployment(CRR)		362882	0
a/c of Leather Goods in Mfg. Trg. Centre (Agra)		1032395	0
a/c of Technology Business Incubator-Guwahati		326831	0
<b>NET SURPLUS/ ( DEFICIT)</b>		<b>(98169769)</b>	<b>48706460</b>

**Statement of Accounting Policies and Contingent liability and Schedules including Notes on Accounts (Sch 24) form an integral part of Accounts.**

As per our report of even date attached.

for Goel Garg & Co.  
Chartered Accountants

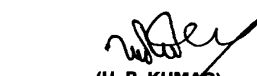
  
(Ajay Rastogi)  
Partner

Membership No.84897  
Place : New Delhi  
Date : 12.08.2008



  
(S.C. GOYAL)  
Director (Finance)

  
(S.K. HANDA)  
Dy. General Manager (F&A)

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

  
(N.P. SETHI)  
Company Secretary

SCHEDULE - 11 (SALES)	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
HIRE PURCHASE ACTIVITY		0		1310088
MARKETING ACTIVITY				
MARKETING	228485451		152535785	
EXPORT	21572516		61233579	
RAW MATERIAL DISTRIBUTION	3751148448	4001206415	3026573205	3240342569
NSIC - TECHNICAL SERVICE CENTRE				
SALE OF PRODUCTS	711506		2511777	
REALISATION ON A/C OF COMMON FACILITIES	19144104		18339501	
SCRAP	1885322	21740932	1986793	22838071
AS PER PROFIT AND LOSS ACCOUNT		4022947347		3264490728



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<b>SCHEDULE - 12 (LEASE RENTALS)</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
	<b>Rs.</b>	<b>Rs.</b>
RENTAL INCOME FROM LEASING	<b>0</b>	<b>7409</b>
LESS : LEASE EQUALISATION	<b>(1074312)</b>	<b>(2578967)</b>
<b>AS PER PROFIT AND LOSS ACCOUNT</b>	<b>1074312</b>	<b>2586376</b>



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SCHEDULE - 13 (GRANT AND SUBSIDIES)	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
GRANT RECEIVED FROM GOVT. OF INDIA				
A. FOR PROMOTIONAL ACTIVITIES INCLUDING NTSCS	211753638		318677618	
LESS: CAPITAL EXPENDITURE (NET)	53629779		23606800	
LESS: PERFORMANCE & CREDIT RATING FEE	120288013	37835846	69741304	225329514
(LESS) AMOUNT APPROPRIATED OUT OF GOVT.GRANTS (AS PER INCOME & EXPENDITURE (PROMOTIONAL) ACCOUNT)		98169769		(48706460)
<b>AS PER PROFIT AND LOSS ACCOUNT</b>		<b>136005615</b>		<b>176623054</b>



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SCHEDULE - 14 (ACCRETION / DECRETION IN STOCK / WIP/ FG)	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
<b>FINISHED GOODS:</b>				
CLOSING STOCK	<b>5979491</b>		6183516	
LESS: OPENING STOCK	<b>6183516</b>		7339402	
ADJUSTMENT IN STOCK	<b>1</b>	<b>(204024)</b>	0	(1155886)
<b>FINISHED COMPONENTS</b>				
CLOSING STOCK	<b>240046</b>		281446	
LESS: OPENING STOCK	<b>281446</b>		304446	
ADJUSTMENT IN STOCK	<b>0</b>	<b>(41400)</b>	0	(23000)
<b>WORK IN PROCESS</b>				
CLOSING STOCK	<b>563782</b>		644166	
LESS: OPENING STOCK	<b>644166</b>		687725	
ADJUSTMENT IN STOCK	<b>0</b>	<b>(80384)</b>	0	(43559)
<b>AS PER PROFIT AND LOSS ACCOUNT</b>		<b>(325808)</b>		(1222445)



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SCHEDULE - 15 (INTEREST)	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
ON LOAN TO EMPLOYEES		2458742		2739393
FROM PARTIES				
NORMAL		148205159		90371405
PENAL INTEREST		21681468		19276103
BY CONTRA ADJ. TO PENAL INTEREST SUSPENSE A/C	11744134		18681495	
LESS : LOSSES W/OFF ON A/C OF PENAL INTEREST SUSPENSE				
A/C BY CONTRA ADJUSTMENT.	11744134	0	18681495	0
ON FIXED SHORT TERM DEPOSITS (GROSS)TDS:Rs.Nil (Rs.216257)		56681221		24516769
INTEREST ON OTHERS		7488944		1329087
AS PER PROFIT AND LOSS ACCOUNT		236515534		138232757



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SCHEDULE - 16 (OTHER INCOME)	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
COMPENSATION FOR USE AND OCCUPATION OF INDS.ESTATE,NAINI		96358		1782133
GAIN ON ASSETS DISPOSED OFF		9784760		2571954
INCOME FROM EXHIBITION CENTRES		14203823		4231382
RENT		26457634		12661888
FORFEITURE OF EARNEST MONEY AND CAUTION MONEY		86040		42775
INCOME ON INFOMEDIARY SERVICES		12445229		9582882
INSURANCE CHARGES	683315		1611034	
LESS: PAID	615226	68089	1214789	396245
EXCESS PROVISION WRITTEN BACK :				
KFW	8706829		13057322	
GOVERNMENT GUARANTEE FEE	49579593		0	
OTHERS	11576237	69862659	15724806	28782128
SUNDRY CREDIT BALANCES WRITTEN BACK		1773832		3776416
OTHER MISCELLANEOUS RECEIPTS		18598033		10372689
INCOME FROM GOVT. PURCHASE REGISTRATION		21269620		17007925
GAIN DUE TO EXCHANGE VARIATION		688162		465191
DISCOUNT EARNED		32163611		31748205
REALISATION FROM TRAINEES		49839996		47148206
LICENCE & HOUSE KEEPING FEES(STP)		65668112		54816754
PROJECT CONSULTANCY CHARGES		3406377		8316012
EXHIBITION PARTICIPATION FEES		19025073		15533953
PROFIT ON SALES OF INVESTMENTS		2740367		875322
<b>AS PER PROFIT AND LOSS ACCOUNT</b>		<b>348177775</b>		<b>250112060</b>



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SCHEDULE : 16A SERVICE CHARGES EARNED	CURRENT YEAR		PREVIOUS YEAR	
	VALUE	SERVICE CHARGES	VALUE	SERVICE CHARGES
		EARNED		EARNED
	Rs.	Rs.	Rs.	Rs.
RAW MATERIAL	3971765180	42635880	3449677475	26469355
MISC. ITEMS	21219117020	20875145	15355682455	15453277
<b>AS PER PROFIT AND LOSS ACCOUNT</b>	<b>25190882200</b>	<b>63511025</b>	<b>18805359930</b>	<b>41922632</b>



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SCHEDULE : 17 PURCHASES	CURRENT YEAR	PREVIOUS YEAR
	Rs.	Rs.
HIRE PURCHASE ACTIVITY	0	1284400
MARKETING ACTIVITY		
MARKETING	227710835	151460034
EXPORT	19868794	60087594
RAW MATERIAL DISTRIBUTION	3741367352	3018259040
AS PER PROFIT AND LOSS ACCOUNT	3988946981	3231091068



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SCHEDULE : 18 EMPLOYEES REMUNERATION AND OTHER BENEFITS	CURRENT YEAR	PREVIOUS YEAR
	Rs.	Rs.
SALARIES AND WAGES	213988155	180967390
CONTRIBUTION TO PROVIDENT FUND	18658618	16389581
CONTRIBUTION TO EMPLOYEES STATE INSURANCE CORPORATION	16998	16627
GRATUITY	22943336	11918033
STAFF WELFARE EXPENSES	8115110	5874093
OTHER BENEFITS TO EMPLOYEES	38703728	17678336
PROVISION FOR PAY REVISION (REFER NOTE NO.13)	29000000	0
<b>AS PER PROFIT AND LOSS ACCOUNT</b>	<b>331425945</b>	<b>232844060</b>



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<b>SCHEDULE : 19 DEPRECIATION</b>		<b>CURRENT YEAR</b>		<b>PREVIOUS YEAR</b>
		<b>Rs.</b>		<b>Rs.</b>
ON FIXED ASSETS		<b>8273354</b>		7763179
ON LEASED ASSETS		<b>1945899</b>		3031039
<b>AS PER PROFIT AND LOSS ACCOUNT</b>		<b>10219253</b>		10794218



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SCHEDULE : 20 ( FINANCE CHARGES)	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
<b>I) INTEREST ON LOANS:</b>				
KREDITANSTALT WEST GERMDNY (K.F.W. LOANS)		54499106		53645411
ARTIGIANCASSA SPA, ITALY (EARLIER WITH MEDIOCREDITO CENTRALE S.P.A. ITALY(MCC)		305662		337445
TO BANKS: CASH -CREDIT		48239309		2861262
ON COLLATERAL SECURITY DEPOSITS		1494493		2439440
ON BONDS		30590968		32500000
OTHERS		72699		46740
<b>II) OTHERS</b>				
<b>A) GOVERNMENT GUARANTEE FEE</b>				
GOVT. GUARANTEE FEE-KFW XII LINE	1713226		1656896	
GOVT. GUARANTEE FEE-ILC	802925		740552	
GOVT. GUARANTEE FEE-BONDS	4287671	6803822	5000000	7397448
<b>B) OTHER FINANCE CHARGES</b>		1716636		628365
<b>AS PER PROFIT AND LOSS ACCOUNT</b>		143722695		99856111



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SCHEDULE : 21 (OTHER EXPENSES)	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
DIRECTOR'S SITTING FEE		4101		4100
DIRECTOR'S OTHER EXPENSES		1270148		1313142
CONVEYANCE, CARRIAGE & CARTAGE		6236154		5127382
ELECTRICITY & WATER CHARGES		25266723		21217708
RENT		12041203		10149134
TRAVELLING EXPENSES		11373345		12244121
POSTAGE, TELEGRAM & TELEPHONES		8349343		8125945
LICENCES, RATES & TAXES		1440864		1657380
INSURANCE		939693		940829
STATIONERY AND PRINTING		4133905		4033020
PUBLICATION OF IN- HOUSE MAGAZINE		80497		5538
PUBLICITY		3172589		1447578
ENTERTAINMENT		1314189		1360960
LEGAL & PROFESSIONAL CHARGES		6075865		4640084
POWER & FUEL		1250642		1019291
AUDITORS REMUNERATION				
AUDIT FEE	575211		459996	
REIMBURSEMENT OF EXPENSES	152412		187464	
TAX AUDIT FEE	205264		141653	
		932887		789113
EXPENDITURE ON SEMINARS AND CONFERENCE		28991806		23486120
EXPENDITURE ON EXPORT PROMOTION		3657983		1920610
EXPENDITURE ON INFOMEDIARY SERVICES		545025		460480
REPAIRS AND MAINTENANCE:				
ELECTRICAL/OFFICE FURNITURE & FIXTURES	1847477		1820598	
MACHINERY	5775638		5712655	
OFFICE & FACTORY BUILDING	8545929		7049041	
INDUSTRIAL ESTATE NAINI	19599		29655	
MAINTENANCE OF TRANSIT HOUSE	250979	16439622	107435	14719384
RUNNING & MAINTENANCE OF VEHICLE		7109181		7655778
TRAINING EXPENSES				
TRAINEES	23799317		43743718	
PERSONNEL	1831046	25630363	653224	44396942
EXPENSES ON RESEARCH & DEVELOPMENT		7375		1594714
EXPENSES FOR INCREASE IN AUTHORISED CAPITAL		0		975000
SALES TAX PAID		49775		28342
EXPENSES ON INTERNATIONAL CO-OPERATION		2753638		2692243
INTENSIVE CAMPAIGN		1460801		3102257
DEVELOPMENT OF MARKETING PRODUCTS		1427483		1074428
PARTICIPATION IN EXHIBITION		39061642		25541756
ESTABLISHMENT EXPENSES		299446		282688
MAINTENANCE OF COMPUTER / COMPUTER HIRE CHARGES		1267952		1290911
LABOUR CHARGES FOR JOBS GOT DONE OUTSIDE		663566		83756
EXPENSES ON SECURITY		15810957		13084435
MISCELLANEOUS & CONTINGENT EXPENSES		7439750		5633870
BUSINESS PROMOTION EXPENSES		4439354		2725688
LOSSES ON ASSETS DISPOSED OFF		668597		713712
MENTORING & ADVISORY SERVICES		0		322500
FRINGE BENEFIT TAX		1308103		1252977
PROJECT CONSULTANCY CHARGES		2360118		2701114
AS PER PROFIT AND LOSS ACCOUNT		245274685		229815030



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SCHEDULE : 22 (LOSSES/BAD DEBTS WRITTEN OFF)		CURRENT YEAR	PREVIOUS YEAR
		Rs.	Rs.
BAD DEBTS WRITTEN OFF		18879998	20787661
LOSSES WRITTEN OFF		1353	222362
LESS: CONTRA ADJUSTMENT TO LOSSES WRITTEN OFF		0	202037
AS PER PROFIT AND LOSS ACCOUNT		18881351	20807986



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SCHEDULE :23 (PRIOR PERIOD ADJUSTMENT (NET))	CURRENT YEAR	PREVIOUS YEAR
	Rs.	Rs.
<b>EXPENDITURE</b>		
EMPLOYEES REMUNERATION & OTHER BENEFITS	181022	27271
DEPRECIATION	1342	9044
INTEREST	6026	0
OTHER EXPENSES	1849032	1217591
<b>TOTAL</b>	<b>2037422</b>	<b>1253906</b>
<b>INCOME</b>		
INTEREST AND SERVICE CHARGES	9392	(122254)
OTHER INCOME	31904	3169956
DEPRECIATION	370756	134212
<b>TOTAL</b>	<b>412052</b>	<b>3181914</b>
<b>PRIOR PERIOD ADJUSTMENT (NET)</b>	<b>(1625370)</b>	<b>1928008</b>
<b>CREDIT (Income)</b>	<b>412052</b>	<b>3181914</b>
<b>DEBIT (Expenditure)</b>	<b>2037422</b>	<b>1253906</b>
<b>AS PER PROFIT AND LOSS ACCOUNT</b>	<b>(1625370)</b>	<b>1928008</b>



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