Public Disclosure Authorized

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F.No. SD-22/18/2018-IC
Government of India
Ministry of Skill Development and Entrepreneurship
*****

Shivaji Stadium Annexe Building,
New Delhi-110001
Dated 28th January, 2019

To,
Ms.Shabnam Sinha,
Task Team Lead Education,
India Education Global Practice,
The World Bank Group,
70, Lodhi Estate, New Delhi

Subject: **Furnishing of Audit reports for FY 2017-18 under the SANKALP Project – reg.**

Madam,

I am directed to refer to your email dated 23.01.2019 on the subject cited above and to inform as under with reference to the Audit reports solicited:

Entity	Responsibility	Remarks/ Comments
MSDE	C&AG	The C&AG Audit team carried out the audit of FY 2017-18 during 11.01.2019 to 17.01.2019 and have furnished certain observations which were shared with NSDC and their response is awaited. The final report of C&AG will be forwarded as and when the same is received.
NSDC and NSDF	Chartered accounting firm empanelled with the C&AG	The Audit Report of NSDC for FY 2017-18 by a C&AG empanelled CA Firm is **annexed**. As regards, NSDF it is submitted that none of SANKALP funds were routed through NSDF during FY 2017-18.
NSDA	C&AG	It is confirmed that no funds were released to NSDA during FY 2017-18 under the SANKALP Project.
All SSDMs	Chartered accounting firm empanelled with the C&AG unless they are already covered under NSDC audit report	It is confirmed that no funds were released to NSDA during FY 2017-18 under the SANKALP Project.

2. This issues with the approval of the Competent Authority.

Yours faithfully,

Encl. As above.

(Lendup Sherpa)
Under Secretary to the Govt. of India
Tele 011-23450842

V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
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301 - Tel (91-11)-25705233, 25705232, 45150845
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL SKILL DEVELOPMENT CORPORATION

1. We have audited the accompanying financial statements of **National Skill Development Corporation** ("the Company"), (a Company limited by shares) which comprise the Balance Sheet as at 31st March 2018, the Statement of Income & Expenditure, the cash flow statement and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.
We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of the accounting estimate made by the company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, and its surplus as per statement of Income & Expenditure and its cash flows for the year ended on that date.

5. Report on other legal and regulatory requirements

5.1 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 Company so far as it appears from our examination of those books;

c) The Balance Sheet, and the Statement of Income & Expenditure and the Cash flow statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on 31st March 2018 and taken on record by the Board of Directors, none of the directors are disqualified as on 31.03.2018 from being appointed as a director in terms of section 164(2) of the Act.

5.2 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 knowledge and information and according to the explanations given to us:

a) The Company does not have any pending litigations, which would impact its financial position.

b) The Company did not have any long term contracts requiring provision for material foreseeable losses as required under any applicable law or accounting standards. The Company has not entered into any derivative contracts during the year.

c) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the company.

5.3 The Companies (Auditor's Report) Order, 2016 as notified by the Central Government does not apply to this Company since it is a company licensed to operate under section 25 of the Companies Act, 1956, corresponding to Section 8 of the Companies Act 2013.

5.4 With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

For V. Sankar Aiyar & Co.
Chartered Accountants
(Firm Regn. No.: 109208W)

(V.Rethinam)
Partner
Membership No. 10412

Place : New Delhi
Dated: 28-05-2018

V. SANKAR AIYAR & CO. NEW DELHI CHARTERED ACCOUNTANTS

Annexure A" referred to in the Independent Auditors' report to the members of National Skill Development Corporation for the year ended 31st March, 2018.

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

(V.Rethinam)
Partner
Membership No. 10412

Place: New Delhi
Dated: 28-05-2018

V. SANKAR AIYAR & CO. NEW DELHI CHARTERED ACCOUNTANTS

NATIONAL SKILL DEVELOPMENT CORPORATION

Balance Sheet as at March 31, 2018

(Amount in Rupees)

	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY, FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	10,00,00,000	10,00,00,000
Income and Expenditure Account	3	36,54,68,916	30,69,52,743
		46,54,68,916	**40,69,52,743**
FUNDS			
Grant from National Skill Development Fund (NSDF)			
-Financing Activities	4(a)	2,72,39,24,451	3,56,64,96,666
-Skill Certification and Monetary Reward (STAR)	4(b)	2,22,62,79,670	2,07,07,83,103
-Pradhan Mantri Kaushal Vikas Yojna-1 (PMKVY-1)	4(c)	2,21,91,63,336	2,94,57,58,470
-Pradhan Mantri Kaushal Vikas Yojna-2 (PMKVY-2)	4(d)	-	3,65,13,71,123
-UDAAN	4(e)	28,36,18,192	-
-North East Project	4(f)	10,98,40,597	-
-PKVY Project	4(g)	2,11,47,914	-
-Corporate Social Responsibility (CSR) Projects	4(h)	3,69,96,381	6,56,85,233
Grant from Other Sources			
-State Government Projects	5	8,41,37,767	8,51,51,095
-Sankalp Project	6	4,53,64,552	-
-Others	7	89,01,000	94,21,000
		7,75,93,73,860	**12,39,46,66,690**
Others			
Loan Fund (per contra)	8	8,47,22,94,738	6,60,78,39,818
NSDF Investment Fund (per contra)	9	21,21,37,465	22,18,44,888
PMKVY-2 Scheme Advances (per contra)	10	3,68,70,43,403	1,26,42,83,876
NSDF Fixed Assets Fund (per contra)	11	19,43,77,865	1,84,02,256
Sankalp Fixed Assets Fund (per contra)	12	8,85,00,000	-
		12,65,43,53,471	**8,11,23,70,838**
NON-CURRENT LIABILITIES			
Long-term provisions	13	90,65,867	76,28,294
		90,65,867	**76,28,294**
CURRENT LIABILITIES			
Trade Payables			
- Micro and Small Enterprises	14	-	-
- Other than Micro and Small Enterprises		2,02,72,43,191	68,62,47,040
Other Current Liabilities	15	22,52,43,411	19,98,45,618
Short-term provisions	16	9,54,141	2,76,636
		2,25,34,40,743	**88,63,69,294**
Total		**23,14,17,02,857**	**21,80,79,87,859**

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS NEW DELHI

National Skill Development Corporation NEW DELHI

NATIONAL SKILL DEVELOPMENT CORPORATION

Balance Sheet as at March 31, 2018

(Amount in Rupees)

	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
NON-CURRENT ASSETS			
NSDC Fixed Assets Fund (per contra)			
Property, Plant & Equipment	17	19,32,18,937	1,61,18,923
Intangible assets		11,58,928	22,83,333
Sankalp Fixed Assets Fund (per contra)			
Intangible assets under development		8,85,00,000	-
Non-current investments (per contra)	18	21,21,37,465	22,18,44,888
Loans (per contra)	19	5,22,10,65,097	5,31,65,90,622
Long-term loans and advances	20	11,55,85,349	14,04,68,001
Other non-current assets	21	-	3,42,67,764
		5,83,16,65,776	**5,73,15,73,531**
CURRENT ASSETS			
Cash and cash equivalents	22	7,24,17,80,903	12,83,47,90,593
UDAAN- Grant awaiting reimbursement	4(e)	-	28,71,24,974
PMKVY-2 - Grant awaiting reimbursement	4(d)	1,49,06,51,985	-
PMKVY-2 - Grant awaiting disbursement	4(d)	1,39,39,02,690	-
PMKVY-2 Scheme Advances (per contra)	10	3,68,70,43,403	1,26,42,83,876
Short-term loans and advances	23	4,75,74,107	3,35,23,410
Trade receivables	24	2,02,03,665	26,39,000
Other current assets	25	3,42,88,80,328	1,65,40,52,475
		17,31,00,37,081	**16,07,64,14,328**
Total		**23,14,17,02,857**	**21,80,79,87,859**

Significant accounting policies	1
Other notes forming part of the financial statements	26 to 39

Annexure to our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

V. Rethinam
Partner (M.No.10412)
Place: New Delhi
Dated: 28 05 2018

For and on behalf of the Board

Managing Director

Director

Chief Financial Officer

Company Secretary

NATIONAL SKILL DEVELOPMENT CORPORATION

Statement of Income and Expenditure for the year ended March 31, 2018

(Amount in Rupees)

	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Management Fees		1,05,09,32,208	1,15,97,29,327
Interest Income			
- On Loans	26(a)	45,66,53,782	40,66,39,256
- On Bank Deposits	26(b)	27,44,72,444	21,66,72,733
- On Debenture		13,50,000	13,50,000
- On Income Tax Refund		23,78,753	-
Dividend Income		48,76,937	-
Royalty Income	26(c)	16,20,86,486	-
Centre Validation and Accreditation Fees		21,94,01,289	19,90,96,165
Application Fees		5,98,32,527	1,97,18,000
Other income		5,92,48,621	1,01,20,901
Total Income		**2,29,12,33,047**	**2,01,33,26,382**
Less: Transfer to NSDF Grant Fund - Financing Activity	4(a)	98,05,77,955	63,03,56,771
Net Revenue		**1,31,06,55,092**	**1,38,29,69,611**
Expenditure			
Awareness & Mobilisation Expenses	26(d)	43,65,56,161	70,83,12,507
Program Management Charges		16,04,54,108	12,14,32,782
Due Diligence & Monitoring	26(e)	16,74,31,698	11,92,56,731
Employee Benefits Expense	26(f)	31,68,81,657	18,09,81,768
Centre Validation Expenses		15,75,15,063	7,42,83,158
System Running & Maintenance		13,51,60,922	9,53,38,664
Rent, Electricity & Maintenance	26(g)	19,28,18,023	8,14,02,043
Other Administrative Expenses	26(h)	23,59,39,061	11,29,01,146
Audiors Remuneration	26(i)	18,29,000	16,67,500
Depreciation & Amortisation	17	7,01,62,559	1,84,56,323
Total Expenditure		**1,87,47,48,252**	**1,51,40,32,622**
Less: Transfer to NSDF Grant Fund - Financing Activity	4(a)	55,24,46,774	39,91,19,166
Less: Depreciation Fund - Transfer to NSDF Fund	4(a)	7,01,62,559	1,84,56,323
Net Expenses		**1,25,21,38,919**	**1,09,64,57,133**
Excess of Income over Expenditure	3	**5,85,16,173**	**28,65,12,478**
Earning per equity share (EPS)			
Basic EPS (Nominal value of shares Rs.10/- each)	33	**5.85**	**28.65**
Significant accounting policies	1		
Other notes forming part of the financial statements	26 to 39		

Annexure to our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

V. Rethinam
Partner (M.No.10412)
Place: New Delhi
Dated: 28 05 2018

For and on behalf of the Board

Managing Director | Director

Chief Financial Officer | Company Secretary

NATIONAL SKILL DEVELOPMENT CORPORATION

Cash Flow Statement for the year ended March 31 ,2018

(Amount in Rupees)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash flow from operating activities**		
	Net surplus/ (deficit) as per income & expenditure account	5,85,16,173	28,65,12,478
	Adjustments for:		
	Provision for doubtful & substandard assets charged to Fund Accounts	45,74,48,272	53,84,07,648
	Depreciation for the year	7,01,62,559	1,84,56,323
	Loss on assets discarded / sold	70,64,187	-
	Dividend income	(48,76,937)	-
	Interest on debentures	(13,50,000)	(13,50,000)
	Gain on sale of investment	-	(53,75,745)
	Operating profit before working capital changes	**58,69,64,254**	**83,66,50,704**
	Movements in working capital :		
	Decrease / (Increase) in non-current assets	2,48,82,652	(13,24,28,001)
	Decrease / (Increase) in current assets	(5,03,42,39,925)	(1,52,45,18,980)
	Decrease / (Increase) in trade receivables	(1,75,64,665)	(26,39,000)
	Decrease/(Increase) in accrued interest on term deposits/loans	21,94,20,356	26,01,15,199
	Increase / (Decrease) long-term/Short -term provisions	21,15,078	43,25,978
	Increase / (Decrease) in current liabilities	1,36,63,93,944	60,84,52,110
	Sub Total	**(3,43,89,92,560)**	**(78,66,92,694)**
	Net Cash generated / (used) in operations (A)	**(2,85,20,28,306)**	**4,99,58,010**
B.	**Cash flow from Investing activities**		
	Purchase of fixed assets	(25,38,91,001)	(1,36,06,709)
	Sale of fixed assets	6,88,646	
	Payment for intangible assets under development	(8,85,00,000)	
	Investment made during the year	-	(1,37,41,400)
	Investment sold during the year	-	2,85,08,139
	Interest on debentures received	13,50,000	13,50,000
	Dividend income received	48,76,937	-
	Net cash generated / (used) in Investing activities (B)	**(33,54,75,418)**	**25,10,030**
C.	**Cash flows from financing activities**		
	(Decrease) / Increase in Grant/Loan Funds	(8,36,02,774)	4,63,56,96,810
	Loans paid during the year	(3,21,46,51,383)	(1,56,23,19,663)
	Loans repayment during the year	89,27,48,191	51,38,78,968
	Net cash generated / (used) in financing activities (C)	**(2,40,55,05,966)**	**3,58,72,56,115**
	Net increase/ (decrease) in cash and cash equivalents (A + B + C)	**(5,59,30,09,690)**	**3,63,97,24,155**
	Cash and cash equivalents at the beginning of the year	12,83,47,90,593	919,50,66,438
	Cash and cash equivalents at the end of the year	7,24,17,80,903	12,83,47,90,593
	Net increase / (decrease) in cash and cash equivalents	**(5,59,30,09,690)**	**363,97,24,155**
	Components of cash and cash equivalents		
	With banks - on current account	1,96,95,04,173	28,39,03,382
	- on deposit account	5,27,22,76,730	1255,08,87,211
	Total Cash and Cash Equivalents	**7,24,17,80,903**	**1283,47,90,593**

NATIONAL SKILL DEVELOPMENT CORPORATION

Cash Flow Statement for the year ended March 31 ,2018

Notes:

1 All figures in brackets represent outflows

2 The Cash Flow has been prepared under the indirect method as set out in Accounting Standard - 3 on 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.

3 NSDC has accounted for the following in the grant funds and accordingly not reflected in cash flow statement

	Particulars	Current year (Rs)	Previous year (Rs)
(i)	Grants received from NSDF and others	14,90,09,89,220	16,20,42,95,369
(ii)	Grants disbursed to beneficiaries	19,13,81,61,352	12,06,97,30,293
(iii)	Interest on loans	45,66,53,782	40,66,39,256
(iv)	Interest on bank deposits & savings accounts	66,47,93,898	77,30,95,741

Annexure to our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

V. Rethinam
Partner (M.No.10412)
Place: New Delhi
Dated: 28-05-2018

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS NEW DELHI

For and on behalf of the Board

Managing Director

Director

Chief Financial Officer

Company Secretary

National Skill Development Corporation NEW DELHI

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018

Corporate Information

The Company was incorporated on 31st July, 2008 as a Company limited by shares not for profit under section 25 (Corresponding to Sec 8 of Companies Act, 2013) of the Companies Act, 1956. The Company was converted into a private limited company with effect from September 8, 2011. The Company was subsequently converted into a public limited company with effect from March 14, 2018.

Government of India has established a public charitable trust to attract contributions from various Government sources, and other donors/ contributors to enhance, stimulate and develop skills by various sector specific programs. NSDC has entered into an investment management agreement dated 27th March 2009 with the Trust. The Company manage the funds transferred by the Trust to achieve its objectives of Skill Development and Vocational Training as set out in the Agreement.

Upon termination/expiry, NSDC shall return the entire amount of the funds to the NSDF Trust after retaining with it the funds which have been utilized for the schemes and the the funds which have been allocated for the schemes which are under implementation on the date of termination of the agreement.

The Company is the implementation agency for key skill development schemes like Pradhan Mantri Kaushal Vikas Yojna (PMKVY), Pradhan Mantri Kaushal Kendra (PMKK), Pravasi Kaushal Vikas Yojana (PKVY), UDAAN, Capacity Building & Technical Assistance Scheme (North East Project).
The Company in collaboration with Ministry of Housing and Urban Poverty Alleviation, GOI is implementing National Urban Livelihood Mission (NULM). The Company, in partnership with Industry is carrying out skill development activities under Corporate Social Responsibility (CSR).

1 Significant Accounting Policies

1.1 Basis of Accounting

The accompanying financial statements have been prepared in accordance with the historical cost convention, on a going concern basis and in accordance with the applicable accounting standards notified under the relevant provision of Companies Act, 2013.

1.2 Use of Estimates

The preparation of financial statements in conformity with the significant accounting policies requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods in which they materialize.

1.3 Fixed Assets

Fixed Assets are stated at their original cost less depreciation. Depreciation is calculated based on the useful life of assets as specified in Schedule II of the Companies Act, 2013. In respect of additions/deletions, pro-rata depreciation from the month of addition/up to the month of deletion is provided in the accounts. Assets individually costing less than Rs 5000/- are fully written off.
Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at Cost. Intangible assets are amortised over the period of 5 years

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018

1.4 Income Recognition

i) Interest on loans disbursed is recognized on accrual basis, as per the contract with the borrowers which inter-alia includes moratorium period allowed to them.The Company has adopted voluntarily prudential norms based on Reserve Bank of India directions for NBFCs in respect of Non Performing Assets. In respect of NPAs ,the income is recognized only when received as prescribed by the prudential norms.
ii) Income from interest is recognized on time proportion basis.
iii) Dividend is recognised when the right to receive is established.
iv) Royalty is accounted on accrual basis as per the agreement in place.
v) Income such as validation and accreditation fee is accounted on accrual basis.

1.5 Government Grants & Funds

Government grant receipts are treated as restricted fund. Unutilized government grants pertaining to schemes are treated as restricted funds to be carried forward at the end of the year for utilization in the subsequent years.

1.6 Investments

Long term investments are shown at cost. Provision for diminution in value is made, if in the opinion of the management the decline is considered other than temporary. Current investments are shown at cost and the fall in value as compared to cost is provided for.

1.7 Employee Benefits

Company's contribution to Provident Fund is charged to Statement of Income & Expenditure. Gratuity & Leave Encashment benefits are accounted for on the basis of actuarial valuation as at the end of the accounting year. The Company has entered into an arrangement with Life Insurance Corporation of India for meeting the Gratuity Liability.

1.8 Foreign currency transactions

All transactions in foreign currency are recognized at the exchange rates prevailing on the date of transactions. Liabilities and receivables in foreign currency are converted at the exchange rate prevailing at the close of the financial year and net gain or losses are recognized in the Statement of Income & Expenditure.

1.9 Lease

Since significant portion of risks and rewards are retained by lessor in respect of assets acquired/taken on lease, they are classified as operating lease and the lease rentals are charged off to Income account.

1.10 Provisions and Contingencies

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

(Amount in Rupees)

	As on 31st March, 2018	As on 31st March, 2017
2. Share Capital		
Authorised		
1,00,00,000 (1,00,00,000) Equity shares of Rs. 10/- each	10,00,00,000	10,00,00,000
Issued, Subscribed and Paid-Up		
1,00,00,000 (1,00,00,000) Equity shares of Rs. 10/- each, fully paid-up	**10,00,00,000**	**10,00,00,000**
	10,00,00,000	**10,00,00,000**

(a) The Company has only one class of shares referred to as equity shares having nominal value of Rs.10/-.
The Company intends to apply its surplus, if any, or other income in promoting its objects and prohibits payment of any dividend to its members.

(b) Reconciliation of the number of shares:-

	As at March 31, 2018		As at March 31, 2017	
Particulars	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
Outstanding at the beginning of the year	**1,00,00,000**	**10,00,00,000**	1,00,00,000	10,00,00,000
Outstanding at the end of the year	**1,00,00,000**	**10,00,00,000**	**1,00,00,000**	**10,00,00,000**

(c) Shareholders holding more than 5% shares ,based on legal ownership in the subscribed share capital of the Company ,is set out below :

Name of the shareholder	No. of Shares	% held	No. of Shares	% held
Government of India	**49,00,000**	**49.00%**	49,00,000	49.00%
Confederation of Indian Industry	**5,10,000**	**5.10%**	5,10,000	5.10%
Federation of Indian Chambers of Commerce and Industry	**5,10,000**	**5.10%**	5,10,000	5.10%
The Associated Chambers of Commerce and Industry of India	**5,10,000**	**5.10%**	5,10,000	5.10%
Society of Indian Automobile Manufacturers	**5,10,000**	**5.10%**	5,10,000	5.10%
Confederation of Real Estate Developers' Associations of India	**5,10,000**	**5.10%**	5,10,000	5.10%
Council for Leather Exports	**5,10,000**	**5.10%**	5,10,000	5.10%
Confederation of Indian Textile Industry	**5,10,000**	**5.10%**	5,10,000	5.10%
The Gem & Jewellery Export Promotion Council	**5,10,000**	**5.10%**	5,10,000	5.10%
National Association of Software & Service Companies	**5,10,000**	**5.10%**	5,10,000	5.10%
Retailers Association of India	**5,10,000**	**5.10%**	5,10,000	5.10%

3. Statement of Income and Expenditure		
Opening balance	30,69,52,743	2,04,40,265
Add : Excess of income over expenditure as per Statement of Income & Expenditure	5,85,16,173	28,65,12,478
Closing balance	**36,54,68,916**	**30,69,52,743**

(Amount in Rupees)

	As on 31st March, 2018	As on 31st March, 2017
4. Grant from National Skill Development Fund (NSDF) (Received from Government of India)		
a) Grant From NSDF- Financing Activities		
Opening balance	356,64,96,666	383,09,07,222
Add: Received during the year		
Grant Received	1,56,00,00,000	75,00,00,000
Transfer from Income and Expenditure Account	98,05,77,955	63,03,56,771
Transfer from Investment Fund (Refer note no. 9)	-	2,31,32,394
Transfer from Loan fund - Repayment of Loans (Refer note no. 8)	89,27,48,191	51,38,78,968
NSDF First Loss Default Guarantee (FLDG) Fund	-	10,00,00,000
Total Receipts	**6,99,98,22,812**	**5,84,82,75,355**
Less: Utilised during the year		
Grants in Aid paid during the year	8,70,30,066	15,30,80,607
Transfer to NSDC Investments Fund (Refer note no. 9)	-	1,37,41,400
Transfer to NSDC Loan Fund (Refer note no. 8)	321,46,51,383	156,23,19,663
Transfer to NSDC Fixed Assets Fund (Refer note no. 11)	17,59,75,609	1,84,02,256
Transfer from Income and Expenditure Account	55,24,46,774	39,91,19,166
Worldskill Expenses	17,56,31,970	11,66,59,274
Depreciation & Amortisation (Refer note no. 17)	7,01,62,559	1,84,56,323
Total Utilization	**427,58,98,361**	**228,17,78,689**
Balance	**272,39,24,451**	**356,64,96,666**
b) Grant From NSDF-Star Project		
Opening balance	207,07,83,103	212,49,65,086
Add: Received during the year		
Interest on bank deposits allocated during the year	15,54,96,567	14,90,30,517
Total Receipts	**222,62,79,670**	**227,39,95,603**
Less: Utilised during the year		
Monetary Rewards transfer to Trainee	-	20,32,12,500
Total Utilization	**-**	**20,32,12,500**
Closing Balance	**222,62,79,670**	**207,07,83,103**
c) Grant From NSDF-PMKVY-1		
Opening balance	294,57,58,470	314,90,99,821
Add: Received during the year		
Grant Received	-	900,00,00,000
Interest on bank deposits allocated during the year	17,21,22,516	30,10,13,149
Total Receipts	**311,78,80,986**	**1245,01,12,970**
Less: Utilised during the year		
Monetary Rewards Transfer to Trainee	89,87,17,650	887,43,54,500
Management Fees - transfer to Income and Expenditure Account	-	63,00,00,000
Total Utilization	**89,87,17,650**	**950,43,54,500**
Closing Balance	**221,91,63,336**	**294,57,58,470**

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(Amount in Rupees)

			As on 31st March, 2018	As on 31st March, 2017
d)	**Grant - PMKVY-2 Scheme**			
	Opening balance		365,13,71,123	-
	Add: Received during the year			
	Grant Received		1132,48,35,109	550,00,00,000
	Interest on bank deposits allocated during the year		5,45,81,576	10,63,79,342
	Total Receipts		**1503,07,87,808**	**560,63,79,342**
	Less: Utilised during the year			
	Transfer to PMKVY-2 Advance	14,98,36,84,736		126,42,83,876
	Handbook Payouts	5,79,71,972		
	Training cost payouts	1,85,44,50,615	1689,61,07,323	19,57,24,343
	Management Fees - transfer to Income and Expenditure Account		101,92,35,160	49,50,00,000
	Total Utilization		**1791,53,42,483**	**195,50,08,219**
	Closing Balance		**-2,88,45,54,675**	**365,13,71,123**
e)	**Grant From NSDF- Udaan Project**			
	Opening balance		(28,71,24,974)	12,76,35,579
	Add: Received during the year			
	Grant Received		126,85,04,294	67,54,95,706
	Total Receipts		**98,13,79,320**	**80,31,31,285**
	Less: Utilised during the year			
	Grants in Aid paid during the year		68,59,18,278	106,52,56,258
	Management Fees - transfer to Income and Expenditure Account		1,18,42,850	2,50,00,000
	Total Utilization		**69,77,61,128**	**109,02,56,258**
	Closing Balance		**28,36,18,192**	**(28,71,24,974)**
f)	**Grant From NSDF-North East Project**			
	Opening balance		-	-
	Add: Received during the year			
	Grant Received		19,85,34,300	-
	Interest on bank deposits allocated during the year		81,20,795	
	Total Receipts		**20,66,55,095**	-
	Less: Utilised during the year			
	Grants in Aid paid during the year		8,97,43,498	-
	Management Fees - transfer to Income and Expenditure Account		70,71,000	-
	Total Utilization		**9,68,14,498**	-
	Closing Balance		**10,98,40,597**	-
g)	**Grant from NSDF - PKVY Project**			
	Opening balance		-	-
	Add: Received during the year			
	Grant Received		2,99,99,254	-
	Total Receipts		**2,99,99,254**	-
	Less: Utilised during the year			
	Grants in Aid paid during the year		76,51,340	
	Management Fees - transfer to Income and Expenditure Account		12,00,000	
	Total Utilization		**88,51,340**	-
	Closing Balance		**2,11,47,914**	-

(Amount in Rupees)

		As on 31st March, 2018	As on 31st March, 2017
h)	**Grant - CSR Projects Fund**		
	Opening balance	6,56,85,233	6,46,07,328
	Add: Received during the year		
	Grant Received	28,86,39,617	13,69,81,945
	Total Receipts	**35,43,24,850**	**20,15,89,273**
	Less: Utilised during the year		
	Grants in Aid paid during the year	30,57,45,271	12,89,98,713
	Management Fees - transfer to Income and Expenditure Account	1,15,83,198	69,05,327
	Total Utilization	**31,73,28,469**	**13,59,04,040**
	Closing Balance	**3,69,96,381**	**6,56,85,233**
5.	**Grant - State Government Projects Fund**		
	Opening balance	8,51,51,095	14,50,83,029
	Add: Received during the year		
	Grant Received	4,07,47,500	12,50,52,562
	Total Receipts	**12,58,98,595**	**27,01,35,591**
	Less: Utilised during the year		
	Grants in Aid paid during the year	4,17,60,828	18,21,60,496
	Management Fees - transfer to Income and Expenditure Account	-	28,24,000
	Total Utilization	**4,17,60,828**	**18,49,84,496**
	Closing Balance	**8,41,37,767**	**8,51,51,095**
6.	**Grant from Sankalp Project**		
	Opening balance	-	-
	Add: Received during the year		
	Grant Received	15,00,00,000	-
	Total Receipts	**15,00,00,000**	-
	Less: Utilised during the year		
	Grants in Aid paid during the year - Sankalp	1,61,35,448	-
	Transfer to Sankalp Fixed Assets Fund (Refer note no. 12)	8,85,00,000	-
	Total Utilization	**10,46,35,448**	-
	Closing Balance	**4,53,64,552**	-
7.	**Grant from other Sources**		
	Opening balance	94,21,000	-
	Add: Received during the year		
	From British Council	-	95,80,000
	From Karnataka University	-	25,00,000
	From Others	2,03,31,649	-
	Total Receipts	**2,97,52,649**	**1,20,80,000**
	Less: Utilised during the year		
	Grants in Aid paid during the year	55,01,008	26,59,000
	Grants in Aid paid during the year - NIESBUD	1,53,50,641	-
	Total Utilization	**2,08,51,649**	**26,59,000**
	Closing Balance	**89,01,000**	**94,21,000**

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(Amount in Rupees)

			As on 31st March, 2018	As on 31st March, 2017
8. NSDC Loan Fund (per contra)				
Opening balance			777,83,79,437	672,99,38,742
Add : Transfer from Grant from NSDF				
Loan Granted during the year		3,21,46,51,383		156,23,19,663
Less: Loan repaid during the year		89,27,48,191	232,19,03,192	51,38,78,968
Total			**1010,02,82,629**	**777,83,79,437**
Less: Opening Provision		117,05,39,619		**63,21,31,971**
Provision for Doubtful Assets		40,56,64,629		52,11,83,584
Provision for Sub-Standard Assets		5,17,83,643	162,79,87,891	1,72,24,064
			847,22,94,738	**660,78,39,818**
9. NSDF Investment Fund (per contra)				
Opening balance			22,18,44,888	23,12,35,882
Add : Transfer from Grant from NSDF			-	1,37,41,400
Less : Transfer to NSDF (Sale of Investment)			-	2,31,32,394
Less: Provision for Diminution in value of Investment			97,07,423	-
			21,21,37,465	**22,18,44,888**
10. PMKVY-2 Scheme Advances (per contra)				
Opening balance			1,26,42,83,876	-
Add: Advances during the year:			-	-
-Special Project			8,70,85,839	9,55,96,215
-Short Term Training			13,64,77,39,515	66,40,79,834
-Trainee Hand Book			-	12,02,73,760
-PMKVY IISC			12,24,221	
-Provision for Short Term Training			1,35,15,88,349	38,43,34,067
Less: Utilization during the year:				
-Trainee Hand Book			10,99,60,205	-
-Short Term Training			12,50,54,00,863	-
-Special Project			4,95,17,329	-
Total			**3,68,70,43,403**	**1,26,42,83,876**
11. NSDF Fixed Assets fund (per contra)				
Opening balance			1,84,02,256	-
Add: Cumulative opening WDV			-	2,32,51,870
Addition during the year			25,38,91,001	1,36,06,709
			27,22,93,257	3,68,58,579
Less: Depreciation			7,01,62,559	1,84,56,323
Net Value of assets Sold during the year			77,52,833	-
Total			**19,43,77,865**	**1,84,02,256**

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(Amount in Rupees)

	As on 31st March, 2018	As on 31st March, 2017
12. SANKALP Fixed Assets fund (per contra)		
Opening balance	-	-
Add: Addition during the year	8,85,00,000	-
Total	8,85,00,000	-
13. Long-Term Provisions		
Provision for employee benefits		
-Leave encashment	71,28,446	51,50,500
-Gratuity	19,37,421	24,77,794
	90,65,867	76,28,294
14. Trade Payables [See note below]		
Trade payables		
- Micro Enterprises and Small Enterprises	-	-
- Other than Micro Enterprises and Small Enterprises	63,33,40,501	30,19,12,973
Trade payables -PMKVY-2	139,39,02,690	38,43,34,067
	202,72,43,191	68,62,47,040

According to the records available with the Company, there were no dues payable to entities (as of financial statement date) that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the period. Hence disclosures, if any, relating to amounts unpaid as at the period end together with the interest paid / payable as required under the said Act have not been given.

15. Other Current Liabilities		
Statutory dues	21,93,84,357	12,61,78,851
Other Current Liabilities	58,59,054	7,36,66,767
	22,52,43,411	19,98,45,618
16. Short-Term Provisions		
Provision for employee benefits.		
-Compensated absences- Leave encashment	9,54,141	2,76,636
	9,54,141	2,76,636

17. Property, Plant & Equipment

(refer Note No. 1.3 for policy on depreciation)

(Amount in Rupees)

	COST				DEPRECIATION				WRITTEN DOWN VALUE	
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	Up to 31.03.2017	For the Year	Written back	Up to 31.03.2018	As at 31.03.2018	As at 31.03.2017
Tangible Assets: (A)										
Furniture & Fixtures	53,73,415	5,09,69,822	53,06,918	5,10,36,319	32,85,131	1,19,17,706	36,96,151	1,15,06,686	3,95,29,633	20,88,284
Office Equipment	1,07,06,995	4,12,29,759	23,40,903	4,95,95,851	83,00,061	1,48,19,336	19,65,638	2,11,53,759	2,84,42,092	24,06,934
Computers	1,56,32,951	1,70,06,715	-	3,26,39,666	1,27,20,747	68,01,267	-	1,95,22,014	1,31,17,652	29,12,204
Leasehold Improvements	1,85,53,033	11,26,16,917	1,85,53,033	11,26,16,917	1,07,79,407	2,72,87,896	1,27,86,232	2,52,81,071	8,73,35,846	77,73,626
Electrical Installation & Equipments	-	3,11,61,412	-	3,11,61,412	-	70,13,434	-	70,13,434	2,41,47,978	-
Moter Vehicle	13,80,777	-	-	13,80,777	4,42,902	2,92,139	-	7,35,041	6,45,736	9,37,875
Total	5,16,47,171	25,29,84,625	2,62,00,854	27,84,30,942	3,55,28,248	6,81,31,778	1,84,48,021	8,52,12,005	19,32,18,937	1,61,18,923
Intangible Assets: (B)										
Softwares										
SDMS *	1,88,42,136	-	1,88,42,136	-	1,79,00,029	9,42,107	1,88,42,136	-	-	9,42,107
Software	77,88,147	9,06,376	-	86,94,523	64,46,921	10,88,674	-	75,35,595	11,58,928	13,41,226
	2,66,30,283	9,06,376	1,88,42,136	86,94,523	2,43,46,950	20,30,781	1,88,42,136	75,35,595	11,58,928	22,83,333
Grand Total (A+B)	**7,82,77,454**	**25,38,91,001**	**4,50,42,990**	**28,71,25,465**	**5,98,75,198**	**7,01,62,559**	**3,72,90,157**	**9,27,47,600**	**19,43,77,865**	**1,84,02,256**
Previous Year	6,46,70,745	1,36,06,709	-	7,82,77,454	4,14,18,875	1,84,56,323	-	5,98,75,198	1,84,02,256	2,32,51,870

* Software for Monetary Reward Scheme - STAR Scheme, already closed and currently there is no active operations under the said Scheme.

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(Amount in Rupees)

			As on 31st March, 2018	As on 31st March, 2017
18.	**Non-Current Investments - Trade**			
	(At cost unless otherwise stated)			
	Unquoted - Fully paid up equity shares			
	Investment in Associates	**Percentage of holding**		
	54,00,000 Future Sharp Skills Limited ,fully paid equity shares Rs. 10/-. (Previous year 54,00,000)	27.00%	5,40,00,000	5,40,00,000
	9,40,397 Globsyn Skill Development Private Limited, fully paid equity shares Rs. 10/-. (Previous year 9,40,397)	21.95%	94,03,973	94,03,973
	20,35,800 Laurus Edutech Life Skills Private Limited, fully paid equity shares Rs. 10/-. (Previous Year 20,35,800)	27.00%	2,03,58,000	2,03,58,000
	Other investments			
	97,53,873 IL&FS Skills Development Corporation Limited, fully paid equity shares Rs. 10/-. (Previous Year 97,53,873)	19.99%	9,75,38,733	9,75,38,733
	10,94,461 Apollo Med Skills Private Limited, fully paid equity shares Rs. 10/-. (Previous Year - 10,94,461)	10.19%	1,09,44,612	1,09,44,612
	1,66,667 Skill Sonics India Pvt Ltd. fully paid equity shares Rs. 10/-. (Previous Year - 1,66,667)	5.41%	16,66,670	16,66,670
	3,65,000 Andhra Pradesh State Skill Development Corporation, fully paid equity shares Rs. 10/-. (Previous Year -3,65,000)	10.00%	36,50,000	36,50,000
	3,03,450 Talent Sprint Education Service Private Limited, fully paid equity shares Rs. 1/-. (Previous Year 3,03,450)	5.41%	3,03,450	3,03,450
	1,47,945 Skill Source Learning Pvt Ltd, fully paid equity shares Rs. 10/-. (Previous year 1,47,945)	14.90%	14,79,450	14,79,450
	Debentures (Unquoted)			
	22,500 Skill Sonics India Pvt Ltd., 6% Optional Convertible debentures of Rs. 1000/- each (previous year: 22,500)		2,25,00,000	2,25,00,000
			22,18,44,888	**22,18,44,888**
	Less: Provision for Diminution in value of Investment		97,07,423	-
	Total		**21,21,37,465**	**22,18,44,888**

Note: In respect of six of the Investee Companies (Investment of Rs 9,78,52,705), the latest available information shows negative net worth. However, in view of long term nature of investments and business plan approved, the management is of the view that it is not yet ripe to consider provision for diminution in value except incase of Globsyn Skill Development Private Limited and Talent Sprint Education Service Private Limited.

19	**NSDC Loans**				
	(Secured - Considered good) *				
	Opening balance			777,83,79,437	672,99,38,742
	Add :	Secured Loans added during the year (net) (Refer note no. 8)		232,19,03,192	104,84,40,695
		Total **		**1010,02,82,629**	**777,83,79,437**
	Less:	Due within twelve months, shown under other current assets		325,12,29,641	129,12,49,196
	Less:	Opening Provision	117,05,39,619		63,21,31,971
		Provision for Doubtful & Sub-Standard Assets	45,74,48,272	162,79,87,891	53,84,07,648
	Closing balance			**522,10,65,097**	**531,65,90,622**
		****Assets Classification :- As per Prudential Norms**			
		Standard Assets	831,69,43,810		655,61,67,625
		Sub- Standard Assets	20,71,34,571		6,88,96,255
		Doubtful Assets	157,62,04,248		115,33,15,557
			1010,02,82,629		**777,83,79,437**

* The loans are secured by tangible assets as primary security and collateral security in the form of corporate guarantee or personal guarantee of Promoters/Directors. Keeping in view the valuation of the tangible securities, there is a likelihood of loans being not fully secured.

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(Amount in Rupees)

		As on 31st March, 2018	As on 31st March, 2017
20	**Long-Term Loans and Advances**		
	(Unsecured - Considered good)		
	Security deposits	2,96,82,920	4,00,97,420
	Income tax deducted at source, recoverable	8,59,02,429	9,68,83,418
	Capital advances	-	34,87,163
		11,55,85,349	**14,04,68,001**
21	**Other Non Current Assets**		
	Interest accrued but not due on loans	-	3,42,67,764
		-	**3,42,67,764**
22	**Cash and Cash Equivalents**		
	Balance with banks		
	-current/ savings accounts	1,96,95,04,173	28,39,03,382
	-interest bearing Multi Option Deposit accounts	4,23,85,083	44,77,17,260
	-deposits with original maturity of less than three months	4,79,35,74,470	6,09,34,88,687
		6,80,54,63,726	6,82,51,09,329
	Other bank balances		
	-deposits with remaining maturity for more than twelve months.	27,60,10,817	2,41,65,57,501
	-deposits with remaining maturity for less than twelve months.	15,72,91,360	3,59,31,23,763
		43,33,02,177	6,00,96,81,264
	Cheques in hand	30,15,000	-
		7,24,17,80,903	**12,83,47,90,593**
23	**Short-Term Loans and Advances**		
	(Unsecured - Considered good)		
	Loans and advances	1,17,54,011	99,362
	Prepaid expenses	1,74,90,171	76,48,138
	Advances recoverable in cash or kind or value to be received		
	- Other Advances	1,83,29,925	2,57,75,910
		4,75,74,107	**3,35,23,410**
24	**Trade receivables**		
	Fees Receivable:		
	- Outstanding for the period exceeding 6 months from due date	-	-
	- Others	2,02,03,665	26,39,000
		2,02,03,665	**26,39,000**
25	**Other Current Assets**		
	Interest accrued; considered good:		
	- Term deposits	4,20,38,935	25,98,16,363
	- Secured loans	25,65,43,187	15,04,21,242
	-Less :- Provision for Reversal of Interest Income on Non-Performing Accounts	15,94,47,982	8,45,05,427
	- Interest accrued but not due on Secured loans	3,85,16,547	3,70,71,101
	NSDC-Loans due within twelve months (Per contra)	3,25,12,29,641	1,29,12,49,196
		3,42,88,80,328	**1,65,40,52,475**

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
26 Income & Expenditure Account		
(a) **Interest Income on Loans**		
Gross Income	53,15,96,337	42,39,96,257
Less: Reversal of Interest Income on Doubtful Assets	(6,76,81,554)	(1,40,69,021)
Less: Reversal of Interest Income on Sub-Standard Assets	(72,61,001)	(32,87,980)
	45,66,53,782	**40,66,39,256**
(b) **Interest Income on Bank Deposits**		
Gross Income	66,47,93,898	77,30,95,741
Less: Transfer to Grant Fund		
Monitory Reward Scheme (STAR and PMKVY-1)	(32,76,19,083)	(45,00,43,666)
Pradhan Mantri Kaushal Vikas Yojna-2 (PMKVY-2)	(5,45,81,576)	(10,63,79,342)
North East Project	(81,20,795)	-
	27,44,72,444	**21,66,72,733**
(c) **Royalty Income**		
From Publishers	1,94,75,040	-
From Others	14,26,11,446	-
	16,20,86,486	**-**
(d) **Awareness & Mobilisation Expenses**		
Marketing & Mobilisation	41,49,23,474	65,83,44,680
Advertisement & Brand Promotion	1,13,26,958	3,32,76,925
Capacity Creation Expenses	1,03,05,729	1,66,90,902
	43,65,56,161	**70,83,12,507**
(e) **Due Diligence & Monitoring:**		
Technical and Financial Due Diligence	6,69,35,025	4,10,82,113
Legal Due Deligence	1,78,05,162	99,03,910
Financial Monitoring Charges	8,26,91,511	6,82,70,708
	16,74,31,698	**11,92,56,731**
(f) **Employee benefits expense**		
Salary and Allowances	21,99,23,762	12,43,82,281
Contractual Employement	6,67,18,293	3,51,91,639
Contribution to provident and other funds	1,11,00,538	77,18,893
Staff Welfare	1,45,08,217	85,11,837
Recruitment Expenses	46,30,847	51,77,118
	31,68,81,657	**18,09,81,768**
(g) **Rent Premises, Electricity Maintenance**		
Rent Premises	14,84,32,883	6,59,58,943
Electricity Charges	40,17,952	24,06,685
Common Maintenance Charges	1,54,90,585	-
Office Maintenance Expenses	2,48,76,603	1,30,36,415
	19,28,18,023	**8,14,02,043**
(h) **Other Administrative Expenses**		
Legal & Professional	8,27,47,360	4,37,02,656
Travelling and conveyance	9,71,51,713	5,15,38,201
Royalty Expenses	1,94,75,040	-
IT support Cost	1,46,85,649	77,26,181
Communication	62,32,731	36,17,290
Printing & Stationery	49,88,165	35,96,049
Membership Subscription	6,29,787	1,80,490
Insurance	5,81,729	8,37,925
Rates & Taxes	1,35,008	59,848
Miscellaneous Expenses	10,67,692	8,57,006
Internal Audit Fees	11,80,000	7,85,500
Loss on assets discarded / sold	70,64,187	-
	23,59,39,061	**11,29,01,146**
(i) **Auditors Remuneration**		
Statutory Audit Fees	12,39,000	11,50,000
Taxation Consultancy	5,90,000	5,17,500
	18,29,000	**16,67,500**

27 **Contingent Liabilities**:
Claims against the Company, not acknowledged as debts - Rs. 10,60,000 (Previous Year : Rs. Nil)

28 **Commitments**

Estimated amount of contracts remaining to be executed on Capital account - Rs. 17,50,00,000 (Previous Year Rs. Nil)

29 The Company is a Small and Medium sized Company (SMC) as defined in the general instructions in respect of Accounting Standards Specified u/s 133 of the Companies Act, 2013. Accordingly, the Company has complied with the accounting standards as applicable to an SMC.

30 **Employee Benefits (AS-15)**

Defined-Benefits Plans

The Company operates an funded gratuity plan (Company has taken a policy with LIC for meeting the gratuity liability) wherein every employee is entitled to the benefit equivalent to 15 days of basic salary last drawn for each completed period of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act.
Company liability is determined annualy by independent actuary using projected unit credit method.

PARTICULARS	GRATUITY (Funded)	
	As on 31st March, 2018	As on 31st March, 2017
A Economic Assumptions		
1 Discount Rate (%) (per annum)	7.54	7.36
2 Rate of Increase in future salary (%)	12.00	11.00
B Expenses recognised in the statement of Profit & Loss Account		
1 Current Service Cost	30,76,045	25,09,373
2 Interest cost	4,94,442	3,25,802
3 Expected return on plan assets	(2,12,405)	(2,17,475)
4 Net actuarial (gain) / loss recognised during the year	(16,79,565)	5,80,370
5 Total Expense	16,78,517	31,98,070
C Actual return on plan assets		
1 Expected return on plan assets	2,12,405	2,17,475
2 Actuarial (gain) / loss on plan assets	(43,337)	55,261
3 Actual return on plan assets	2,55,742	1,62,214
D Net Asset / Liability recognised in the Balance Sheet		
1 Present value of the obligation	84,91,850	65,57,591
2 Fair value of plan assets	65,54,429	15,68,935
3 Readjustment Entry Done	-	-
4 Funded status surplus / (deficit)	(19,37,421)	(49,88,656)
5 Unrecognised past service cost	-	-
6 Net Asset / (Liability) recognised in the Balance Sheet (see note below)	(19,37,421)	(49,88,656)
E Change in Present value of the Obligation during the year ended March 31, 2018		
1 Present value of the obligation as at April 1, 2017	65,57,591	44,26,651
2 Current Service Cost	30,76,045	25,09,373
3 Interest cost	4,94,442	3,25,802
4 Benefits paid	-	(12,29,344)
5 Actuarial (gain) / loss on obligation	(16,36,228)	5,25,109
6 Present value of obligations as at March 31, 2018	84,91,850	65,57,591
F Change in Assets during the year ended March 31, 2018		
1 Fair value of plan assets at the beginning of year	15,68,935	26,36,065
2 Expected return on plan assets	2,12,405	2,17,475
3 Contributions made	34,96,525	-
4 Benefits paid	-	(12,29,344)
5 Actuarial gain / loss on plan assets	12,76,564	(55,261)
6 Fair value of plan assets at the end of the year	**65,54,429**	**15,68,935**

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Earned Leave:

These have been provided on accrual basis, based on period end actuarial valuation. Company liability is determined by independent actuary using projected unit credit method.

PARTICULARS	LEAVE ENCASHMENT (Non -Funded)	
	As on 31st March, 2018	As on 31st March, 2017
A Economic Assumptions		
1 Discount Rate (%) (per annum)	7.54	7.36
2 Rate of Increase in future salary (%)	12.00	11.00
B Expenses recognised in the statement of Income & Expenditure Account		
1 Current Service Cost	37,42,660	26,88,143
2 Interest cost	4,09,206	2,41,301
3 Expected return on plan assets	-	-
4 Net actuarial (gain) / loss recognised during the year	(9,97,916)	1,33,157
5 Total Expense	**31,53,950**	**30,62,601**
C Actual return on plan assets		
1 Expected return on plan assets	-	-
2 Actuarial (gain) / loss on plan assets	-	-
3 Actual return on plan assets	-	-
D Net Asset / Liability recognised in the Balance Sheet		
1 Present value of the obligation	80,82,587	54,27,136
2 Fair value of plan assets	-	-
3 Funded status surplus / (deficit)	(80,82,587)	(54,27,136)
4 Unrecognised past service cost	-	-
5 Net Asset / (Liability) recognised in the Balance Sheet (see note below)	**(80,82,587)**	**(54,27,136)**
E Change in Present value of the Obligation during the year ended March 31, 2018		
1 Present value of the obligation as at April 1, 2017	54,27,136	32,78,551
2 Current Service Cost	37,42,660	26,88,143
3 Interest cost	4,09,206	2,41,301
4 Benefits paid	(4,98,499)	(9,14,016)
5 Actuarial (gain) / loss on obligation	(9,97,916)	1,33,157
6 Present value of obligations as at March 31, 2018	**80,82,587**	**54,27,136**
F Change in Assets during the year ended March 31, 2018		
1 Fair value of plan assets at the beginning of year	-	-
2 Expected return on plan assets	-	-
3 Contributions made	-	-
4 Benefits paid	-	-
5 Actuarial gain / loss on plan assets	-	-
6 Fair value of plan assets at the end of the year	-	-

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31 **Related party disclosures (AS-18)**

a) Related parties and their relationship:

i) Key Management Personnel:
Mr. Jayant Krishna, Interim CEO (till 30.06.2016)
Mr Manish Kumar, MD & CEO (wef 01.07.2016)

ii) Associates
Future Sharp Skills Limited
Globsyn Skill Development Private Limited
Laurus Edutech Life Skills Private Limited

b) Transactions with the above in the ordinary course of business	For the year ended March 31, 2018	For the year ended March 31, 2017
i) With parties referred in (a)(i) above:		
Remuneration to Mr. Manish Kumar, MD & CEO.	1,25,00,000	93,75,000
Remuneration to Mr.Jayant Krishna, Interim CEO (till 30.06.2016)	-	30,71,888
ii)Transactions with parties referred in (a)(ii) above:		
Particulars		
Interest Income	1,72,77,813	1,82,24,531
Grant Disbursement	35,89,567	-
Balance outstanding at the year end		
Loans	26,73,76,724	31,19,11,574
Interest accrued and due	68,69,666	29,48,739
Interest accrued and not due	-	49,39,073

32 **Leases (AS-19)**

The lease rentals recognized in the Income & Expenditure account for the year is Rs. 15,48,49,914 (Previous Year Rs. 5,82,26,352).
The Company has taken office premises on 108 months operating lease. The future lease payments of operating lease are as follows

Minimum Lease rentals Payable	As on 31st March, 2018	As on 31st March, 2017
Within one year	11,82,14,477	12,32,96,760
Later than one year but less than five years	54,51,16,508	66,03,14,158
Later than five years	39,08,46,621	34,56,27,072
Total amount payable	**1,05,41,77,605**	**1,12,92,37,990**

33 Earning per Share (AS-20)	For the year ended March 31, 2018	For the year ended March 31, 2017
Excess of Income over Expenditure (Rs.)	5,85,16,173	28,65,12,478
Weighted average number of equity shares outstanding during the year	1,00,00,000	1,00,00,000
Nominal value of shares (Rs.)	10	10
Basic EPS (Rs.)	5.85	28.65

34 The Company does not have any foreign exchange risk exposure.

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35 Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013 -

Expenditure in foreign currency (on accrual basis)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Membership & Subscription	36,42,168	23,40,941
Travel -Boarding & Lodging	1,39,65,256	76,02,271
Marketing Expense	29,79,705	-
Recruitment Expense	9,75,662	-

36 During the financial year 2016-2017, the Company has been notified u/s 10(46) of the Income Tax Act. 1961 vide Notification No. 71/2016-Income Tax dated 17.08.2016, wherein specified income (including interest income) of the Company are exempt from Income tax for financial years 2016-17 to 2020-21.

37 Reserve Bank of India (RBI) vide Press release : 2010-2011/276 dated August 20, 2010 has exempted NSDC from the application of provisions of section 45IA, 45IB and 45IC of the RBI Act, 1934 (2 of 1934).

38 **Disclosure of CSR Expenditure:**

	For the year ended March 31, 2018	For the year ended March 31, 2017
a Gross amount required to be spent by the Company during the year:	56,51,000	-
b Amount spent during the year	-	-

39 Previous year figures have been re-classified, wherever necessary, to correspond to current year figures.

Annexure to our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

V. Rethinam
Partner (M.No.10412)
Place: New Delhi
Dated: 28-05-2018

V. SANKAR AIYAR & CO. NEW DELHI CHARTERED ACCOUNTANTS

For and on behalf of the Board

Managing Director

Director

Chief Financial Officer

Company Secretary

National Skill Development Corporation NEW DELHI