

Board's Report

Dear Members

The Board of Directors are pleased to present the Company's twelfth annual report together with the Company's audited financial statement for the financial year ended March 31, 2020.

Financial Summary & Highlights

The Company's financial performance for the year ended March 31, 2020 is summarised below:

(₹ in crore)

Particulars	FY 2019-20	FY 2018-19
Revenue from Operations	153.38	229.39
Other Income	18.23	16.18
Total Income	171.61	245.57
Total expenditure excluding Depreciation*	168.13	230.83
Excess of income over expenditure before prior period adjustment	3.48	14.73
Prior Period Adjustment	-	29.15
Excess / (Deficit) of income over expenditure after prior period	3.48	(14.41)
Grant received from NSDF and others	1,571.10	2,006.47
Grant disbursed to beneficiaries	1633.26	1437.98

*Depreciation Expenses met out of Assets Fund

Business and Operations Highlights / State of Company's Affair

Your Company had a total income of ₹ 171.61 crores, expenses of ₹ 168.13 crores, resulting in excess of income over expenditure ₹ 3.48 crores.

Dividend

As your Company is a not-for-profit company registered under section 25 of the Companies Act, 1956, corresponding to section 8 of the Companies Act 2013 ('Act'), distribution of dividend is prohibited under the Act.

Reserves

Your Company do not propose to transfer any amount to the Reserves for the year under review.

Deposits

The Company has not accepted any deposits during the year under review. There are no unpaid or unclaimed deposits.

Share Capital

There was no change in the share capital of your Company during the year.

Subsidiaries, Associate Companies and Joint Venture

Your Company has no subsidiary or joint venture company. The details of associate companies of the Company as on March 31, 2020 are as under:

S. No	Name	Investment as on March 31, 2020	% Holding by the Company
1.	Future Sharp Skills Limited	₹ 540,00,000	27.00%
2.	Globsyn Skill Development Pvt Ltd.	₹ 94,03,973	21.95%

The above-mentioned associate companies do not have any significant contribution to the performance of the Company.

Chairman, Directors and Key Managerial Personnel

During the financial year under review Mr. Rituraj Kishore Sinha, Mr. Habib Hussain, Mr. B V R Mohan Reddy, Mr. Rajesh Agrawal, Mr. Sanjay Kumar Jain, Mr. Ram Mohan Mishra and Mr. Balkrishan Goenka ceased to be the directors on the Board of the Company. The Board places on record its appreciation for the valuable services rendered by them during their tenure.

Subsequent to the previous Annual General Meeting Mr. Kailash Chand Gupta, Mr. P R Aqeel Ahmed, Mr. Raman Roy, Mr. T Rajkumar, Dr. Niranjana Hiranandani and Mr. Anand Sherkhane were appointed as Additional Directors of the Company. Pursuant to section 161 of the Act, the aforesaid additional directors hold office up to the date of the ensuing Annual General Meeting of the Company. The Board recommends the appointment of Mr. Kailash Chand Gupta, Mr. P R Aqeel Ahmed, Mr. Raman Roy, Mr. T Rajkumar, Dr. Niranjana Hiranandani and Mr. Anand Sherkhane as Directors at the ensuing Annual General Meeting.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Jitendra Thakker and Mr. Vikramjit Singh Sahney, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The Board recommends their re-appointment as Directors at the ensuing Annual General Meeting.

Board Meetings

During the financial year under review, 5 (five) Board Meetings were held. The intervening gap between the Board Meetings was within the period prescribed under the Act.

Directors' Responsibility Statement

To the best of the knowledge and belief and according to the information and explanations obtained, your directors state that:

- a) in the preparation of the annual financial statement for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) such accounting policies as mentioned in notes to the financial statement have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the excess of income over expenditure of the Company for the year on that date;

- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace. Appropriate reporting mechanisms are in place for ensuring prevention against Sexual Harassment.

During the year under review, the Company has received 2 complaints of sexual harassment. In both the cases a formal process had been initiated with the Internal Committee (IC) for the appropriate resolution and were under review by the IC as on March 31, 2020. As on the date of the Board report both the complaints had been closed.

Internal Financial Controls

The Company has internal financial controls which commensurate with the size and operations of the Company. The controls are adequate and are operating effectively for ensuring the orderly & efficient conduct of the operations including adherence to the Company's policies, the safeguarding of assets, the prevention & detection of frauds & errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information.

Auditors & Auditors Report

M/s Kumar Chopra & Associates, Chartered Accountants (FRN 000131N), were appointed as the Statutory Auditors of the Company for a term of 5 (five) consecutive years at the 11th Annual General Meeting. The Statutory Auditors have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

The audit report of the Statutory Auditors of the Company is self-explanatory and do not call for any response from the management.

Particulars of Contracts or Arrangements with Related Parties

The Board of Directors draw attention of the members to note no. 32 to the financial statement which sets out related party disclosures pursuant to Indian Accounting Standard. The transactions disclosed therein were in the ordinary course of business and on an arm's length basis. There have been no materially significant related party transactions entered between the Company and the Directors, the management, the associate companies or the relatives except for those disclosed in the financial statements.

Accordingly, particulars of contracts or arrangements with related parties referred to in section 188(1) of the Act along with the justification for entering into such contract or arrangement in Form AOC-2 do not form part of the report.

Particulars of Loans, Guarantees or Investments

Loans, guarantees or investments covered under section 186 of the Act form part of the financial statements.

Risk Management

Your Company has a risk management framework in place which is an integral part of business strategy and operations of the Company. The risk management framework at the Company includes all systems and processes set up for identification of risk at an early stage via early warning signals, mitigation of risks and addressing the risks that the Company may face as and when they arise.

The overall framework includes efficient data management, credit policy, monitoring of borrowers, early identification of distress in accounts, financial management and internal audit. The framework has been integrated seamlessly across the operations of the Company.

The Company has also been working on making the risk management framework more robust on an ongoing basis to adapt to the changing landscape of operations of the Company which ensures that the risk assessment, mitigation and remedial measures for any risk faced by the Company do not become obsolete. In During the year under review the Company has also commenced on an initiative to design and implement a robust Enterprise Risk Management Framework.

Corporate Social Responsibility

In accordance with the requirements of the provisions of section 135 of the Act, the Company has constituted a Corporate Social Responsibility (“CSR”) Committee comprising of following Directors of the Company as its members:

- 1) Mr. Jitendra Thakker, Director;
- 2) Mr. Pramod Kumar Agarwal, Director; and
- 3) Dr. Manish Kumar, Managing Director & Chief Executive Officer

The terms of reference of the CSR Committee are in accordance with section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company has also formulated a CSR Policy which is available on the website viz. <https://nsdcindia.org/policy-and-guidelines>. The Committee is inter alia responsible for formulating and monitoring the CSR Policy of the Company. A brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure 1 of this Report in the form as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Annual Report on CSR activities is annexed herewith as Annexure 1. The CSR amount remaining unspent as on March 31, 2020 has been contributed to PM Cares Fund subsequent to the close of the financial year 2019-20.

Audit Committee

The Audit Committee comprises of:

1. Mr. Arun Kumar Nanda - Member

2. Mr. Vikramjit Singh Sahney - Member
3. Mr. Pramod Kumar Agarwal - Member
4. Mr. Kailash Chand Gupta - Member

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

(A) Conservation of Energy & Technology absorption

The Company makes a conscious effort to use energy conservation measures at its office which operates out of a LEED platinum rated green premises including various energy conserving measures within the office.

(B) Foreign Exchange Earnings & Outgo

The particulars regarding foreign exchange earnings and expenditure are furnished at note 37 to the financial statement.

Material Changes and Commitments

Material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report are given below.

The year of 2020 has witnessed the global spread of COVID-19, i.e. coronavirus. Global threat from COVID-19 of rapid human to human transmission and to the economy persists despite social distancing and other initiatives and efforts. The Government of India imposed a nation-wide lockdown and advocated social distancing as a primary tool to curtail the spread of the virus and minimize its impact on the health of the citizens.

The skilling centers have been kept closed under this directive, and training activity has come to a standstill during this period. NSDC's operating and financial performance are critically linked to the operations in the skilling ecosystem, policies of the government, and timely release of funds for implementation of government programs.

In view of the prevailing circumstances and uncertainties, and their likely impact on NSDC, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, property plant and equipment, Intangibles as well as liabilities accrued. In this evaluation the company has factored in internal and external information for its assumptions relating to the future uncertainties in the economic conditions, and the near term weak operations of the skilling ecosystem due to the pandemic. It has also considered the critical role of the skilling ecosystem in meeting the larger policy objectives of the Government including initiatives such as Skill India Mission, Atmanirbhar Bharat, as well as in upskilling and reskilling people to adapt to the emerging market context and associated requirements for manpower.

Material Orders

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Annual Return

In accordance with section 134(3)(a) of the Act, the annual return as referred in section 92(3) of the Act, for the financial year under review shall be placed on the website of the Company, www.nsdcindia.org, upon filing with the Ministry of Corporate Affairs.

Acknowledgement

Your Directors would like to express their sincere thanks and appreciation for the guidance, support and cooperation received from Ministry of Skill Development and Entrepreneurship, Ministry of Labour & Employment and the Ministry of Micro, Small and Medium Enterprises, Government of India.

Your Directors are also thankful for cooperation and support received from participating representative bodies and associations and last but not the least to the staff at all levels.

**For and on behalf of the Board of Directors
National Skill Development Corporation**

sd/-

Chairman

Date: August 21, 2020

Place: Mumbai

ANNUAL REPORT ON CSR ACTIVITIES

Sl. No.	Particulars	Remarks																		
1	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs.	The Company's CSR policy is aimed at demonstrating care for the community through its focus on Promoting education, talent and competence especially among school children, differently abled persons and sanitation workers. The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.																		
2	The Composition of the CSR Committee.	The Company has constituted a Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act, 2013 and details of its members are as follows: 1. Mr. Jitendra Thakker, Director; 2. Mr. Pramod Kumar Agarwal, Director; and 3. Mr. Manish Kumar, Managing Director & Chief Executive Officer																		
3	Average net profit (as per section 198 of the Companies Act, 2013) of the Company for last three financial years.	The Company was required to spend as under which was 2% of the average surplus of the immediately preceding three financial years of the Company on CSR activities: <table border="1" data-bbox="722 934 1437 1134"> <thead> <tr> <th>Sl. No.</th> <th>Financial Year</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2016-17</td> <td>28,65,12,478</td> </tr> <tr> <td>2</td> <td>2017-18</td> <td>5,85,16,173</td> </tr> <tr> <td>3</td> <td>2018-19</td> <td>(14,41,36,584)</td> </tr> <tr> <td colspan="2">Total - A</td> <td>20,08,92,067</td> </tr> <tr> <td colspan="2">Average Net profit - (A/3)</td> <td>6,69,64,023</td> </tr> </tbody> </table>	Sl. No.	Financial Year	Amount (₹)	1	2016-17	28,65,12,478	2	2017-18	5,85,16,173	3	2018-19	(14,41,36,584)	Total - A		20,08,92,067	Average Net profit - (A/3)		6,69,64,023
Sl. No.	Financial Year	Amount (₹)																		
1	2016-17	28,65,12,478																		
2	2017-18	5,85,16,173																		
3	2018-19	(14,41,36,584)																		
Total - A		20,08,92,067																		
Average Net profit - (A/3)		6,69,64,023																		
4	Prescribed CSR Expenditure (two percent. of the 'Average Net Profit' as in item 3 above).	<table border="1" data-bbox="722 1197 1437 1386"> <thead> <tr> <th>S. No.</th> <th>Financial Year</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2019-20</td> <td>13,39,280</td> </tr> <tr> <td>2</td> <td>CSR amount unspent as on March 31,2019</td> <td>41,60,000</td> </tr> <tr> <td colspan="2">Total CSR amount available for FY 2019-20</td> <td>54,99,280</td> </tr> </tbody> </table>	S. No.	Financial Year	Amount (₹)	1	2019-20	13,39,280	2	CSR amount unspent as on March 31,2019	41,60,000	Total CSR amount available for FY 2019-20		54,99,280						
S. No.	Financial Year	Amount (₹)																		
1	2019-20	13,39,280																		
2	CSR amount unspent as on March 31,2019	41,60,000																		
Total CSR amount available for FY 2019-20		54,99,280																		
5	Details of CSR spent during the financial year: 1. Total amount to be spent for the financial year 2. Amount unspent, if any; 3. Manner in which the amount spent during the financial year is detailed below	₹54,99,280 ₹15,38,437 As detailed below.																		

1	2	3	4	5	6	7	8
Sr. No.	CSR project or Activity Identified.	Sector in Which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
	Provision of IT labs in four schools in Haryana for better delivery of Vocational Skills under a Program developed by Kunskapsskolan and Manav Rachna Educational Institutions in consultation with Haryana Government	Vocational training in school education	Haryana - Hisar, Jind, Karnal, Kurukshetra,	₹41,60,000	₹39,60,843	₹39,60,843	Direct
	TOTAL			₹41,60,000	₹39,60,843	₹39,60,843	

1. Out of total amount of ₹54,99,280 available for CSR activities, an amount of ₹13,39,280 had been approved during the financial year 2019-20. The Company had spent an amount of ₹39,60,843 on CSR activities during the Financial year 2019-20 and an amount of ₹15,38,437 was left unspent. Subsequent to the financial year 2019-20, the Company had contributed an amount of ₹15,56,580 to the PM CARES Fund to support COVID-19 relief measures (pan-India), thereby exhausting the amount that remained unspent as on March 31, 2020.
2. CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

For National Skill Development Corporation

sd/-

Jitendra Thakker
Chairman of CSR Committee

For National Skill Development Corporation

sd/-

Manish Kumar
Managing Director & Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of National Skill Development Corporation

Report on the Audit of the Financial Statements

1. Opinion

We have audited the financial statements of **National Skill Development Corporation** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Income and Expenditure, and the 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and excess of Income over Expenditure, and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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.

3. Emphasis of matter:

We draw attention to Note 43 in the financial statements, which describes the economic and social consequences/ disruption the skilling ecosystem is facing as a result of COVID-19 and uncertainties arising therefrom. Our opinion is not modified in respect of this matter.

4. Information other than the financial statements and Auditor's Report thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including its Annexure, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 the material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

5. Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the financial statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

7. Report on Other Legal and Regulatory Requirements

- I. The Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, is not

applicable to this company since it is a company licensed to operate under Section 8 of the Companies Act 2013.

- II. As required by Section 197(16) of the Act, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- III. 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, the statement of Income and 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.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”.
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed impact of pending litigations on financial position in Note No. 28 of the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For KUMAR CHOPRA & ASSOCIATES
Chartered Accountants
(Firm’s Registration No.000131N)

Sd/-

Place of signature: New Delhi
Date: 21.08.2020

R.K. Aggarwal
(Partner)
(M. No.081510)
UDIN: 20081510AAAAACL4900

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

Annexure to the Independent Auditors' Report referred to in paragraph 7(III)(f) of our report of even date on the financial statements of **National Skill Development Corporation** for the Year ended 31 March 2020

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

Opinion

We have audited the internal financial controls over financial reporting of **National Skill Development Corporation ("the Company")** as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India(the "Guidance Note").

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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013(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, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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.

For KUMAR CHOPRA & ASSOCIATES
Chartered Accountants
(Firm's Registration No.000131N)

Sd/-

R.K. Aggarwal
(Partner)

(M. No.081510)

UDIN: 20081510AAAACL4900

Place of signature: New Delhi
Date: 21.08.2020

NATIONAL SKILL DEVELOPMENT CORPORATION

Balance Sheet as at March 31, 2020

(Amount in Rupees)

	Note No.	As at March 31, 2020	As at March 31, 2019
<u>EQUITY, FUNDS AND LIABILITIES</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	2	100,000,000	100,000,000
Reserves and Surplus	3	256,158,162	221,332,332
		356,158,162	321,332,332
<u>FUNDS</u>			
Grant from National Skill Development Fund (NSDF)			
-Financing Activities	4(a)	3,498,730,082	2,403,250,704
-Skill Certification and Monetary Reward (STAR)	4(b)	-	-
-Pradhan Mantri Kaushal Vikas Yojna-1 (PMKVY-1)	4(c)	-	4,647,037,658
-UDAAN	4(d)	248,117,832	99,166,560
-Development of North East Region (DONER)	4(e)	26,281,327	87,038,721
-Pravasi Kaushal Vikas Yojana (PKVY)	4(f)	919,193	1,146,201
-Corporate Social Responsibility (CSR)	4(g)	104,251,556	184,594,059
-Worldskill Competition	4(h)	-	-
Grant from Other Sources			
-Pradhan Mantri Kaushal Vikas Yojna-2 (PMKVY-2)	5	319,534,783	1,453,119,972
-National Apprenticeship Promotion Scheme (NAPS)	6	52,503,560	50,171,315
-State Government Fund (NULM)	7	24,651,423	47,033,895
-SANKALP	8	9,853,893	20,205,720
-Corporate Social Responsibility (CSR) - Other Sources	9	34,418,295	9,122,044
-Other Grants	10	26,529,404	24,712,085
		4,345,791,349	9,026,598,934
<u>OTHER FUNDS</u>			
Loan Fund (per contra)	11	6,762,855,867	8,570,321,612
Investment Fund (per contra)	12	24,008,000	145,592,555
Property, Plant & Equipment Fund (per contra)	13	466,288,639	347,978,811
Deposit Fund (per contra)	14	1,609,740	2,006,730
		7,254,762,246	9,065,899,708
<u>NON-CURRENT LIABILITIES</u>			
Long-Term Provisions	15	23,324,782	21,032,623
		23,324,782	21,032,623
<u>CURRENT LIABILITIES</u>			
Trade Payables	16		
- Micro Enterprises and Small Enterprises		54,844,012	-
- Other than Micro Enterprises and small Enterprises		953,182,101	1,143,797,649
Other Current Liabilities	17	83,523,996	687,451,833
Short-Term Provisions	18	965,260	728,481
		1,092,515,369	1,831,977,963
Total		13,072,551,908	20,266,841,560

NATIONAL SKILL DEVELOPMENT CORPORATION
Balance Sheet as at March 31, 2020

(Amount in Rupees)

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
<u>NON-CURRENT ASSETS</u>			
Property, Plant and Equipment	19		
Tangible Assets		96,576,891	141,717,648
Intangible Assets		368,842,441	5,889,877
Intangible Assets under development		869,306	200,371,286
Non-current Investments	20	24,008,000	145,592,555
Loans	21	5,102,988,314	5,589,908,954
Other long-term loans and advances	22	47,151,918	68,283,074
		5,640,436,870	6,151,763,394
<u>CURRENT ASSETS</u>			
Trade Receivables	23	21,001,635	19,846,414
Cash and Bank Balances	24	5,388,663,734	10,855,313,370
Short-Term Loans and Advances	25	1,809,321,644	3,094,263,225
Other Current Assets	26	213,128,025	145,655,157
		7,432,115,038	14,115,078,166
Total		13,072,551,908	20,266,841,560

Significant accounting policies 1
Notes forming part of the financial statements 2 to 44

Annexure to our report of even date
For Kumar Chopra & Associates
Chartered Accountants
ICAI Firm Regn. No. 000131N

For and on behalf of the Board

Sd/-

Sd/-

Sd/-

R.K.Aggarwal
Partner (M.No.081510)
Place: New Delhi
Date: August 21, 2020

Chairman

Managing Director & CEO

Sd/-

Sd/-

Chief Financial Officer

Company Secretary

NATIONAL SKILL DEVELOPMENT CORPORATION
Statement of Income and Expenditure for the year ended March 31, 2020

(Amount in Rupees)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from Operations	27(a)	1,533,807,084	2,293,871,576
Other income	27(b)	182,329,492	161,818,216
Total Income		1,716,136,576	2,455,689,792
Expenditure			
Awareness & Mobilization Expenses	27(c)	292,271,013	704,242,824
Placement / CSSM Expenses	27(d)	112,949,765	187,360,755
Program Management Charges	27(e)	81,870,255	104,222,058
Project Implementation Expenses		39,602,617	-
Due Diligence & Monitoring	27(f)	119,563,734	194,995,200
Employee Benefits Expense	27(g)	462,334,818	456,119,605
Centre Validation Expenses		69,511,009	130,228,027
System Running & Maintenance		116,141,042	166,319,799
Rent, Electricity & Maintenance	27(h)	191,710,821	185,150,621
Other Administrative Expenses	27(i)	195,355,671	179,701,739
Depreciation & Amortization	19	97,071,132	71,059,012
Total Expenditure		1,778,381,878	2,379,399,641
Less: Depreciation & Amortization Transfer to Property, Plant & Equipment Fund	13	97,071,132	71,059,012
Net Expenses		1,681,310,746	2,308,340,629
Excess of Income over Expenditure for the year before prior period adjustment		34,825,830	147,349,163
Prior Period Adjustment	38	-	291,485,747
Excess / (Deficit) of Income over Expenditure after prior period adjustment		34,825,830	(144,136,584)
Earning per equity share (Basic & Diluted)	34	3.48	(14.41)
Significant accounting policies	1		
Notes forming part of the financial statements	2 to 44		
Annexure to our report of even date For Kumar Chopra & Associates Chartered Accountants ICAI Firm Regn. No. 000131N		For and on behalf of the Board	
		Sd/-	Sd/-
		<u>Chairman</u>	<u>Managing Director & CEO</u>
		Sd/-	Sd/-
R.K.Aggarwal Partner (M.No.081510) Place: New Delhi Date: August 21, 2020		<u>Chief Financial Officer</u>	<u>Company Secretary</u>

NATIONAL SKILL DEVELOPMENT CORPORATION
Cash Flow Statement for the year ended March 31 ,2020

(Amount in Rupees)

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A.	Cash flow from operating activities		
	Net surplus/ (deficit) as per income & expenditure account	34,825,830	(144,136,584)
	Adjustments for:		
	Loss / (Profit) on assets discarded / sold	-	(41,912)
	Operating profit before working capital changes	34,825,830	(144,178,496)
	Movements in working capital :		
	Decrease / (Increase) in other long-term loans and advances	21,131,156	47,302,275
	Decrease / (Increase) in short-term loans and advances	(35,603,522)	2,818,278,216
	Decrease / (Increase) in trade receivables	(1,155,221)	357,251
	Decrease/(Increase) in accrued interest on bank deposits / loans / IT Refund	(67,472,868)	31,995,530
	Increase / (Decrease) long-term/Short -term provisions	2,528,938	11,741,096
	Increase / (Decrease) in current liabilities	(739,699,373)	(421,237,120)
	Sub Total	(820,270,890)	2,488,437,247
	Net Cash generated / (used) in operations (A)	(785,445,060)	2,344,258,751
B.	Cash flow from Investing activities		
	Purchase of tangible and intangible assets	(6,929,887)	(24,310,138)
	Sale of tangible and intangible assets	-	63,378
	Payment for intangible assets under development	(208,451,073)	(111,871,286)
	Investment made during the year	-	(13,101,210)
	Net cash generated / (used) in Investing activities (B)	(215,380,960)	(149,219,256)
C.	Cash flows from financing activities		
	(Decrease) / Increase in Grant Funds / Other Funds	(5,374,062,051)	1,487,852,942
	Loan disbursed during the year (Refer note no. 11)	(736,040,304)	(1,641,708,276)
	Loan repayment received during the year (Refer note no. 11)	1,644,278,740	1,572,348,306
	Net cash generated / (used) in financing activities (C)	(4,465,823,616)	1,418,492,972
	Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(5,466,649,636)	3,613,532,467
	Cash and cash equivalents at the beginning of the year	10,855,313,370	7,241,780,903
	Cash and cash equivalents at the end of the year	5,388,663,734	10,855,313,370
	Net increase / (decrease) in cash and cash equivalents	(5,466,649,636)	3,613,532,467
	Components of cash and cash equivalents		
	Cash and cash equivalents (Refer note no. 24)	4,635,790,681	10,850,384,101
	Other bank balances (Refer note no. 24)	752,873,053	4,929,269
	Total Cash and Cash Equivalents	5,388,663,734	10,855,313,370

NATIONAL SKILL DEVELOPMENT CORPORATION
Cash Flow Statement for the year ended March 31 ,2020

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; increase (decrease) in Grant Funds / Other Funds have been reflected in Cash flow statement.

Particulars	Current year (Rs)	Previous year (Rs)
(i) Grants received from NSDF and others	15,710,963,771	20,064,704,222
(ii) Grants disbursed to beneficiaries	16,332,600,790	14,379,844,922
(iii) Interest on loans	445,927,594	478,438,684
(iv) Interest on bank deposits & savings accounts	495,130,457	595,107,027

Annexure to our report of even date
For Kumar Chopra & Associates
Chartered Accountants
ICAI Firm Regn. No. 000131N

For and on behalf of the Board

Sd/-

Sd/-

Sd/-

Chairman

Managing Director & CEO

R.K.Aggarwal
Partner (M.No.081510)
Place: New Delhi
Date: August 21, 2020

Sd/-

Sd/-

Chief Financial Officer

Company Secretary

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Corporate Information

The Company was incorporated on 31st July, 2008 as a Company limited by shares not for profit under section 25 of the Companies Act, 1956 (Corresponding to Sec 8 of Companies Act, 2013). 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. The Company got registration under Foreign Contribution Regulation Act effective May 22, 2018.

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

The Company is the implementing agency of various skill development Schemes / programmes under National Skill Development Programme which includes schemes of the Centre and State governments; CSR funded skill training programmes in association with the Industry; and fee-based / paid skill training programmes implemented by approved NSDC Training Partners / Sector Skill Councils (SSC), with/ without certification from SSCs and reported to NSDC in accordance with NSDC compliances.

Centre and State Governments Schemes includes Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Pradhan Mantri Kaushal Kendra (PMKK), Pravasi Kaushal Vikas Yojana (PKVY), Capacity Building & Technical Assistance Scheme (DONER), UDDAN, National Apprenticeship Promotion Scheme (NAPS), National Urban livelihood Mission (NULM), Skills Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP), World Skill Competition (WSC), State Skill Development Mission Schemes, etc.

1 Significant Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements of the company have been prepared on going concern basis in accordance with the generally accepted accounting principles in India (Indian GAAP) and the applicable Accounting Standards notified under section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis except interest on non performing loans that are recognized on realization.

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. Actual results could differ from those estimates. Differences between actual results and estimates are recognized in the period in which they

1.3 Property, Plant & Equipment and Depreciation

Tangible assets are stated at their original cost less accumulated depreciation. Depreciation is provided under the written down value method based on the useful life of assets as specified in Schedule II of the Companies Act, 2013.

Leasehold Improvements is amortized over the lease period or useful life as specified in Schedule II of the Companies Act, 2013, whichever is lower.

In respect of additions/deletions, pro-rata depreciation from the month of addition/up to the month of deletion is provided. Assets individually costing less than Rs 5000/- are fully depreciated in the year of acquisition.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at Cost. Intangible assets i.e. softwares are amortized over the estimated useful life of 5 years, subject to review at the end of each financial year.

1.4 Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1.5 Prudential norms on assets classification and provisioning

The Company has voluntarily adopted the prudential norms for categorization and provisioning of loans as below:

- i. asset in respect of which interest or principal has remained overdue for a period of six months or more, become non-performing asset (NPA);
- ii. asset becomes sub-standard asset (SSA) on its identification as NPA and remained as SSA for six months;
- iii. asset becomes doubtful on NPA completing six months as SSA;
- iv. Inline with the above categorization, necessary provisions are made in the books of accounts as per adopted prudential norms.

1.6 Income Recognition

- i) Management fees includes administrative charges by NSDC for implementation of Schemes/ projects, recognized on receipt of funds as per terms of agreement/letter with GOI/ Others.
- ii) 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. In respect of Non Performing Assets ,the income is recognized only when received.
- iii) Income from interest is recognized on accrual basis.
- iv) Dividend is recognized when the right to receive is established.
- v) Royalty is accounted on accrual basis as per the agreement in place.
- vi) Income such as validation and accreditation fee/ application fee is accounted on accrual basis.

1.7 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.

NSDC is the implementing agency of various government schemes such as Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Pravasi Kaushal Vikas Yojana (PKVY), Capacity Building & Technical Assistance Scheme (DONER), UDDAN etc. Liabilities under the Government schemes at the close of financial year are recognized only to the extent available funds under the said schemes.

1.8 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

1.9 Employee Benefits

- a) Company's contribution to provident fund, a defined contribution plan are made to EPFO and charged to statement of Income & Expenditure account.
- b) Liability in respect of Gratuity, a defined benefit plan is paid to a fund maintained by LIC of India and difference between fund balance and accrual liability at the end of the year based on actuarial valuation is charged to statement of income and expenditure account.
- c) Liability towards leave encashment, a defined benefit plan are accounted for on the basis of actuarial valuation at the end of the year.

1.10 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.

1.11 Lease

Where 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 statement of Income & Expenditure account.

1.12 Provisions and Contingencies

The Company creates a provision when there is a present obligation as a result of past event having probability of an outflow of resources and a reliable estimate can be made of the amount of obligation.

Contingent Liabilities are disclosed by way of note unless the possibility of outflow is remote.

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in Rupees)

	As on March 31, 2020	As on March 31, 2019
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2. Share Capital

Authorised

1,00,00,000 (1,00,00,000) Equity shares of Rs. 10/- each	100,000,000	100,000,000
--	-------------	-------------

Issued, Subscribed and Paid-Up

1,00,00,000 (1,00,00,000) Equity shares of Rs. 10/- each, fully paid-up	100,000,000	100,000,000
	100,000,000	100,000,000

- (a) The Company has only one class of shares referred to as equity shares having nominal value of Rs.10/- each. 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:-

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	10,000,000	100,000,000	10,000,000	100,000,000
Outstanding at the end of the year	10,000,000	100,000,000	10,000,000	100,000,000

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

<u>Name of the shareholder</u>	<u>No. of Shares</u>	<u>% held</u>	<u>No. of Shares</u>	<u>% held</u>
Government of India	49,00,000	49.00%	4,90,000	49.00%
Confederation of Indian Industry	5,10,000	5.10%	510,000	5.10%
Federation of Indian Chambers of Commerce and Industry	5,10,000	5.10%	510,000	5.10%
The Associated Chambers of Commerce and Industry of India	5,10,000	5.10%	510,000	5.10%
Society of Indian Automobile Manufacturers	5,10,000	5.10%	510,000	5.10%
Confederation of Real Estate Developers' Associations of India	5,10,000	5.10%	510,000	5.10%
Council for Leather Exports	5,10,000	5.10%	510,000	5.10%
Confederation of Indian Textile Industry	5,10,000	5.10%	510,000	5.10%
The Gem & Jewellery Export Promotion Council	5,10,000	5.10%	510,000	5.10%
National Association of Software & Service Companies	5,10,000	5.10%	510,000	5.10%
Retailers Association of India	5,10,000	5.10%	510,000	5.10%

3. Reserves and Surplus

Surplus in the Statement of Income and Expenditure

Opening balance	221,332,332	365,468,916
Add : Excess / (Deficit) of income over expenditure for the year	34,825,830	(14,41,36,584)
Closing balance	256,158,162	221,332,332

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in Rupees)

	As on March 31, 2020	As on March 31, 2019
4. Grant from National Skill Development Fund (NSDF)		
a) Financing Activities		
Opening balance	2,403,250,704	2,723,924,451
Add: Received during the year		
Fund received for PTI Building Infrastructure	7,887,158	-
Interest Income transferred back to NSDF Fund*	788,337,813	636,324,476
Transfer from Loan fund (Refer note no. 11)	1,644,278,740	1,572,348,306
Payouts met out of other Schemes (Refer note no. 4(g) and 7)	-	18,072,538
Total Receipts	4,843,754,415	4,950,669,771
Less: Utilized during the year		
Grants in Aid paid during the year	7,434,849	69,051,941
Transfer to Investment Fund (Refer note no. 12)	-	13,101,210
Transfer to Loan Fund (Refer note no. 11)	736,040,304	1,641,708,276
Transfer to NSDF Property, Plant & Equipment Fund (Refer note no. 13(a))	68,537,962	59,250,410
Transfer to Worldskill Fund (Refer note no. 4(h))	158,476,549	384,436,853
NSDC Administrative Fees Charged	369,177,605	376,736,462
Utilized for PTI Building Infrastructure	5,357,064	3,133,915
Total Utilization	1,345,024,333	2,547,419,067
Closing Balance	3,498,730,082	2,403,250,704
<i>*includes accrued interest income of Rs.12,15,81,631 on PMKVY-1 funds for FY 2019-20.</i>		
b) Skill Certification and Monetary Reward (STAR)		
Opening balance	-	2,226,279,670
Add: Received during the year		
Interest on bank deposits allocated during the year	-	-
Total Receipts	-	2,226,279,670
Less: Transferred to PMKVY Fund *	-	2,226,279,670
Closing Balance	-	-
c) Pradhan Mantri Kaushal Vikas Yojna-1 (PMKVY-1)		
Opening balance	4,647,037,658	2,219,163,336
Add: Received during the year		
Transferred from STAR Scheme*	-	2,226,279,670
Interest on bank deposits allocated during the year	-	325,810,872
Total Receipts	4,647,037,658	4,771,253,878
Less: Utilized during the year		
Monetary Rewards Transfer to Trainee	-	124,216,220
Fund returned back to GOI	4,647,037,658	-
Total Utilization	4,647,037,658	124,216,220
Closing Balance	-	4,647,037,658

**STAR Scheme has been closed and the balance has been transferred to PMKVY-1 in accordance with the Cabinet note approving the PMKVY 1.0 Scheme.*

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in Rupees)

	As on March 31, 2020	As on March 31, 2019
d) UDAAN		
Opening balance	99,166,559	283,618,192
Add: Received during the year		
Grant Received	542,800,000	503,200,000
Interest on bank deposits allocated during the year	14,336,518	7,277,131
Total Receipts	656,303,077	794,095,323
Less: Utilized during the year		
Grants in Aid paid during the year	400,908,114	595,931,890
Interest returned back to NSDF	7,277,131	49,499,497
Management Fees - transfer to statement of Income and Expenditure	-	49,497,376
Total Utilization	408,185,245	694,928,763
Closing Balance	248,117,832	99,166,560
e) Development of North East Region (DONER)		
Opening balance	87,038,721	109,840,597
Add: Received during the year		
Grant Received	-	51,465,700
Interest on bank deposits allocated during the year	5,126,786	6,449,652
Total Receipts	92,165,507	167,755,949
Less: Utilized during the year		
Grants in Aid paid during the year	65,884,180	73,884,228
Management Fees - transfer to statement of Income and Expenditure	-	6,833,000
Total Utilization	65,884,180	80,717,228
Closing Balance	26,281,327	87,038,721
f) Pravasi Kaushal Vikas Yojana (PKVY)		
Opening balance	1,146,201	21,147,914
Add: Received during the year		
Grant Received	5,000,000	-
Total Receipts	6,146,201	21,147,914
Less: Utilized during the year		
Grants in Aid paid during the year	5,080,856	20,001,713
Management Fees - transfer to statement of Income and Expenditure	146,152	-
Total Utilization	5,227,008	20,001,713
Closing Balance	919,193	1,146,201
g) Corporate Social Responsibility (CSR)		
Opening balance	184,594,059	31,418,328
Add: Received during the year		
Grant Received	206,134,827	356,774,829
Payout met out of CSR Funds for NSDF in Previous years	-	412,406
Total Receipts	390,728,886	388,605,563
Less: Utilized during the year		
Grants in Aid paid during the year	257,018,381	179,270,109
Grant Refund	18,591,618	-
Management Fees - transfer to statement of Income and Expenditure	10,867,331	24,741,395
Total Utilization	286,477,330	204,011,504
Closing Balance	104,251,556	184,594,059

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

		(Amount in Rupees)	
		As on March 31, 2020	As on March 31, 2019
h)	Worldskill Competition		
	Opening balance	-	-
	Add: Received during the year		
	Transferred from NSDF Fund (Refer note no. 4(a))	158,476,549	384,436,853
	Total Receipts	158,476,549	384,436,853
	Less: Utilized during the year		
	Grants in Aid utilized during the year	140,993,233	343,736,853
	Management Fees - transfer to statement of Income and Expenditure	17,483,316	40,700,000
	Total Utilization	158,476,549	384,436,853
	Closing Balance	-	-
<hr/>			
5	Pradhan Mantri Kaushal Vikas Yojna-2 (PMKVY-2)		
	Opening balance	1,453,119,972	(288,45,54,675)
	Add: Received during the year		
	Grant Received	14,640,000,000	18,879,600,000
	Added Back from Awareness & Mobilization Charges (Refer note no. 17)	813,683,828	-
	Added back from Placement / CSSM Charges (Refer note no. 17)	236,316,172	-
	Interest on bank deposits allocated during the year	131,432,338	97,512,265
	Total Receipts	17,274,552,310	16,092,557,590
	Less: Utilized during the year		
	Training cost payouts (Refer Note no. 5.1)	10,034,496,920	9,595,402,136
	Training cost payouts - RPL, Handbook Payouts	5,265,818,190	3,243,531,145
	Interest returned back to GOI	203,891,607	54,581,576
	Management Fees - transfer to statement of Income and Expenditure	527,567,567	624,777,684
	Awareness & Mobilization Charges	659,459,459	780,972,104
	Placement / CSSM Charges	263,783,784	340,172,973
	Total Utilization	16,955,017,527	14,639,437,618
	Closing Balance	319,534,783	1,453,119,972
<hr/>			
5.1	PMKVY-2 Scheme Advances		
	Opening balance	1,605,737,979	3,687,043,403
	Add: Disbursement during the year:		
	-Special Project	685,665,598	379,494,312
	-Short Term Training	9,079,040,460	9,090,083,171
	-Trainee Hand Book	-	-
	-PMKVY IISC	-	3,415,515
	-Provision for Short Term Training	-	-
	-Insurance	269,790,862	122,409,138
	Total Disbursement during the year	10,034,496,920	9,595,402,136
	Less: Advance adjusted during the year:		
	-PMKVY IISC	-	2,547,434
	-Trainee Hand Book	972,541	3,932,361
	-Short Term Training	9,814,466,279	11,216,687,166
	-Special Project	683,244,559	331,131,461
	-Insurance	236,851,769	122,409,138
	Total Advance adjusted during the year	10,735,535,148	11,676,707,560
	Balance	904,699,752	1,605,737,979

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

		(Amount in Rupees)	
		As on March 31, 2020	As on March 31, 2019
6	National Apprenticeship Promotion Scheme (NAPS)		
	Opening balance	50,171,315	-
	Add: Received during the year		
	Grant Received	30,000,000	52,000,000
	Interest on bank deposits allocated during the year	1,824,595	171,315
	Total Receipts	81,995,910	52,171,315
	Less: Utilized during the year		
	Grants in Aid paid during the year	29,492,350	-
	Management Fees - transfer to statement of Income and Expenditure	-	2,000,000
	Total Utilization	29,492,350	2,000,000
	Closing Balance	52,503,560	50,171,315
7	State Government Fund (NULM)		
	Opening balance	47,033,895	84,137,767
	Add: Received during the year		
	Grant Received	-	12,780,000
	Total Receipts	47,033,895	96,917,767
	Less: Utilized during the year		
	Grants in Aid paid during the year	20,500,272	737,743
	Payout met out from NSDF fund in Previous years	-	18,484,944
	Grant Refund	1,882,200	30,661,185
	Total Utilization	22,382,472	49,883,872
	Closing Balance	24,651,423	47,033,895
8	SANKALP		
	Opening balance	20,205,720	45,364,552
	Add: Received during the year		
	Grant Received	200,000,000	100,000,000
	Refund - Security Deposit	396,990	-
	Total Receipts	220,602,710	145,364,552
	Less: Utilized during the year		
	Grants in Aid paid during the year	63,905,819	46,242,554
	Transfer to SANKALP Property, Plant & Equipment Fund (Refer note no. 13(b))	146,842,998	76,909,548
	Transfer To Sankalp Deposit Fund	-	2,006,730
	Total Utilization	210,748,817	125,158,832
	Closing Balance	9,853,893	20,205,720
9	Corporate Social Responsibility (CSR) - Other Sources		
	Opening balance	9,122,044	5,578,053
	Add: Received during the year		
	Grant Received	38,832,864	11,705,340
	Total Receipts	47,954,908	17,283,393
	Less: Utilized during the year		
	Grants in Aid paid during the year	11,689,950	7,634,118
	Management Fees - transfer to statement of Income and Expenditure	1,846,663	527,231
	Total Utilization	13,536,613	8,161,349
	Closing Balance	34,418,295	9,122,044

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

		(Amount in Rupees)	
		As on March 31, 2020	As on March 31, 2019
10	Other Grants		
	Opening balance	24,712,085	8,901,000
	Add: Received during the year	48,196,080	97,178,353
	Total Receipts	72,908,165	106,079,353
	Less: Utilized during the year		
	Grants in Aid / Expenses incurred during the year	29,377,676	80,204,272
	Grant Refund	17,001,085	-
	Income - transfer to statement of Income and Expenditure	-	1,162,996
	Total Utilization	46,378,761	81,367,268
	Closing Balance	26,529,404	24,712,085
<hr/>			
11	Loan Fund (per contra)		
	Opening balance	10,169,642,599	10,100,282,629
	Transfer - Grant from NSDF		
	Add : Loan disbursed during the year (Refer note no. 4(a))	736,040,304	1,641,708,276
	Less: Loan repayment received during the year	1,644,278,740	(90,82,38,436)
	(Refer note no. 4(a))		
	Total	9,261,404,163	10,169,642,599
	Less: Opening Provision	159,93,20,987	1,627,987,891
	Provision for Doubtful & Sub-Standard Assets	799,227,309	2,398,548,296
	(Refer note no. 21)		
	Provisioin on account of COVID-19 impact (Refer note no. 43)	100,000,000	-
		6,762,855,867	8,570,321,612
<hr/>			
12	Investment Fund (per contra)		
	Opening balance	234,946,098	221,844,888
	Add : Transfer - Grant from NSDF	-	13,101,210
	Less: Provision for Diminution in value of Investment (Refer note no. 20)	210,938,098	89,353,543
		24,008,000	145,592,555
<hr/>			
13	Property, Plant & Equipment Fund (per contra)		
a)	NSDF Property, Plant & Equipment Fund (per contra)		
	Opening balance	184,736,589	194,377,865
	Add: Addition during the period	6,929,887	21,082,333
	Add: Intangible assets under development	61,608,075	38,189,543
		253,274,551	253,649,741
	Less: Depreciation & Amortization	68,058,249	68,891,686
	Net Value of assets Sold during the year	-	21,466
		185,216,302	184,736,589
b)	SANKALP Property, Plant & Equipment Fund (per contra)		
	Opening balance	163,242,222	88,500,000
	Add: Addition during the period	-	3,227,805
	Add: Intangible assets under development	146,842,998	73,681,743
		310,085,220	165,409,548
	Less: Depreciation & Amortization	29,012,883	2,167,326
		281,072,337	163,242,222
	Total Property, Plant & Equipment Fund (per contra)	466,288,639	347,978,811

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

		(Amount in Rupees)	
		As on March 31, 2020	As on March 31, 2019
14	Deposit Fund (per contra)		
	Opening balance	2,006,730	-
	Add: Addition during the year	-	2,006,730
	Less: Repaid during the year	396,990	-
		1,609,740	2,006,730
15	Long-Term Provisions		
	Provision for employee benefits		
	-Leave encashment	14,500,116	13,956,553
	-Gratuity	8,824,666	7,076,070
		23,324,782	21,032,623
16	Trade Payables		
	- Micro Enterprises and Small Enterprises	54,844,012	-
	- Other than Micro Enterprises and Small Enterprises*	953,182,101	1,143,797,649
		1,008,026,113	1,143,797,649
	<i>*Inclusive of PMKVY Trade Payables for Rs. 41,10,32,018 (Previous Year: Rs. 45,41,15,516)</i>		
16.1	Disclosures relating to Micro and small enterprises (to the extent they could be identified as such as per information available with the company) are as under:		
	a) Principal amount remaining unpaid at the end of the year	54,844,012	-
	b) Interest due thereon remaining unpaid at the end of the year	-	-
	c) Interest paid to supplier u/s 16 of the MSME Act, 2006 along with principal amount paid to supplier beyond the appointed day	-	-
	d) Interest due and payable for the period of delay in making payment (where payments already made) without adding the interest	-	-
	e) Interest accrued and remaining unpaid at end of the year	-	-
	f) Further interest remaining due and payable even in the succeeding years, until such date when interest dues as above are actually paid to the small enterprise for the purpose of disallowance u/s 23 of the MSME Act 2006	-	-
17	Other Current Liabilities		
	Statutory dues	79,026,059	151,308,218
	<u>Unearned Revenue: Awareness & Mobilization</u>		
	Opening Balance	411,322,033	
	Awareness & Mobilization charges (Refer note no. 5)	659,459,459	
	Less: Refunded back to PMKVY Fund (Refer note no. 5)	813,683,828	
	Less: Transfer to Statement of Income and Expenditure	257,097,664	411,322,033
	<u>Unearned Revenue: Placement / CSSM Charges</u>		
	Opening Balance	121,888,064	
	Placement / CSSM Charges (Refer note no. 5)	263,783,784	
	Less: Refunded back to PMKVY Fund (Refer note no. 5)	236,316,172	
	Less: Skill Advisory support for CSSM Implementation	36,405,911	
	Less: Transfer to Statement of Income and Expenditure	112,949,765	121,888,064
	Other Payables	4,497,937	2,933,518
		83,523,996	687,451,833
18	Short-Term Provisions		
	Provision for employee benefits.		
	-Compensated absences- Leave encashment	965,260	728,481
		965,260	728,481

NATIONAL SKILL DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

19. Property, Plant and Equipment

(Amount in Rupees)

PARTICULARS	COST				DEPRECIATION				WRITTEN DOWN VALUE	
	As at 01.04.2019	Addition during the Year	Deduction during the Year	As at 31.03.2020	Up to 31.03.2019	For the Period	Written back during the Year	Up to 31.03.2020	As at 31.03.2020	As at 31.03.2019
A. Tangible Assets										
Furniture & Fixtures	51,262,879	-	-	51,262,879	23,550,986	8,439,681	-	31,990,668	19,272,212	27,711,893
Office Equipment	49,959,470	131,889	-	50,091,359	34,087,611	7,101,220	-	41,188,831	8,902,529	15,871,859
Computers	28,311,365	6,308,298	-	34,619,663	22,260,045	6,739,769	-	28,999,814	5,619,849	6,051,320
Servers	18,997,811	-	-	18,997,811	5,105,583	5,549,239	-	10,654,821	8,342,990	13,892,228
Leasehold Improvements	114,532,651	-	-	114,532,651	53,588,104	18,518,599	-	72,106,703	42,425,948	60,944,547
Electrical Installation & Equipments	31,161,412	-	-	31,161,412	14,359,656	5,109,607	-	19,469,263	11,692,149	16,801,756
Vehicles	1,380,777	-	-	1,380,777	936,733	122,829	-	1,059,561	321,216	444,044
Total	295,606,366	6,440,187	-	302,046,553	153,888,718	51,580,944	-	205,469,661	96,576,891	141,717,648
Previous Year	278,430,943	17,301,528	126,105	295,606,366	85,212,005	68,781,352	104,639	153,888,718	141,717,648	
B. Intangible Assets										
Software	15,703,133	408,442,753	-	424,145,886	9,813,256	45,490,189	-	55,303,445	368,842,441	5,889,877
Total	15,703,133	408,442,753	-	424,145,886	9,813,256	45,490,189	-	55,303,445	368,842,441	5,889,877
Previous Year	8,694,523	7,008,610	-	15,703,133	7,535,595	2,277,661	-	9,813,256	5,889,877	
C. Intangible assets under development										
Software	200,371,286	208,451,073	407,953,053	869,306	-	-	-	-	869,306	200,371,286
Total	200,371,286	208,451,073	407,953,053	869,306	-	-	-	-	869,306	200,371,286
Previous Year	88,500,000	111,871,286	-	200,371,286	-	-	-	-	200,371,286	
Grand Total (A+B+C)	511,680,785	623,334,013	407,953,053	727,061,745	163,701,974	97,071,132	-	260,773,106	466,288,639	347,978,811
Previous Year	375,625,466	136,181,424	126,105	511,680,785	92,747,600	71,059,012	104,639	163,701,973	347,978,811	

Breakup:

Particulars	Gross Asset	Acc Depreciation	Net Block
NSDF Property, Plant & Equipment Fund	414,809,200	229,592,898	185,216,302
Sankalp Property, Plant & Equipment Fund	312,252,545	31,180,208	281,072,337
Grand Total	727,061,745	260,773,106	466,288,639

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in Rupees)

		As on March 31, 2020	As on March 31, 2019
20. Non-Current Investments - Trade			
(At cost unless otherwise stated)			
Unquoted - Fully paid up equity shares			
Investment in Associates	% holding		
54,00,000 Future Sharp Skills Limited, fully paid equity shares Rs. 10/- (Previous year 54,00,000)	27.00% (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% (21.95%)	9,40,39,73	94,03,973
Other investments			
20,35,800 Aahvishkaar Training Services Private Limited, fully paid equity shares Rs. 10/- (Previous Year 20,35,800)	19.88% (19.88%)	2,03,58,000	2,03,58,000
97,53,873 Learnet Skills Limited (formerly known as IL&FS Skills Development Corporation Limited), fully paid equity shares Rs. 10/- (Previous Year 97,53,873)	19.99% (19.99%)	9,75,38,733	9,75,38,733
24,04,582 Apollo Med Skills Limited, fully paid equity shares Rs. 10/- (Previous Year - 24,04,582)	19.95% (19.95%)	2,40,45,822	2,40,45,822
1,66,667 Skillsonics India Pvt Ltd. fully paid equity shares Rs. 10/- (Previous Year - 1,66,667)	4.36% (4.36%)	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)	4.96% (4.96%)	36,50,000	36,50,000
3,03,450 TalentSprint Pvt. Ltd., fully paid equity shares Rs. 1/- (Previous Year 3,03,450)	6.00% (6.00%)	3,03,450	3,03,450
1,47,945 Skillsource Learning and Technologies Pvt. Ltd., fully paid equity shares Rs. 10/- (Previous year 1,47,945)	9.80% (9.80%)	14,79,450	14,79,450
Debentures (Unquoted)			
22,500 Skillsonics India Pvt Ltd., 6% Optional Convertible debentures of Rs. 1000/- each (previous year: 22,500)		2,25,00,000	2,25,00,000
		234,946,098	234,946,098
Less: Provision for Diminution in value of Investment		210,938,098	89,353,543
Total		24,008,000	145,592,555

Note: 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 incase of Aahvishkaar Training Services Private Limited, inspite of negative networth as per latest available information

Previous year shareholding % provided in bracket.

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in Rupees)

	As on March 31, 2020	As on March 31, 2019
21 Loans (Unsecured - Considered good) *		
Opening balance	1016,96,42,599	1010,02,82,629
Add : Loans added during the year (net of repayments) (Refer note no. 11)	(90,82,38,436)	6,93,59,970
Total **	926,14,04,163	1016,96,42,599
<u>Provision for Doubtful & Sub-Standard Assets:</u>		
Less: Opening Provision	159,93,20,987	162,79,87,891
Added during the year	<u>799,227,309</u>	2,398,548,296
Provisioin on account of COVID-19 impact	100,000,000	-
	6,762,855,867	8,570,321,612
Less: Due within twelve months, shown under Short-Term Loans and Advances	1,659,867,553	2,980,412,658
Closing balance	5,102,988,314	558,99,08,954
<u>**Assets Classification :- As per Prudential Norms</u>		
Standard Assets	676,88,17,434	850,54,81,889
Sub- Standard Assets	12,53,84,578	8,64,52,963
Doubtful Assets	<u>236,72,02,151</u>	<u>157,77,07,746</u>
	926,14,04,163	1016,96,42,599
* The loans are partly secured by tangible assets as primary security and collateral security in the form of corporate guarantee or personal guarantee of Promoters/Directors.		
22 Other Long-Term Loans and Advances (Unsecured - Considered good)		
Security deposits		
- SANKALP Office (Refer note no. 14)	1,609,740	2,006,730
- Others	25,358,002	29,694,520
Income tax deducted at source, recoverable	20,184,176	36,581,824
	47,151,918	6,82,83,074
23 Trade receivables Unsecured, Considered good		
- Outstanding for the period exceeding 6 months from due date	-	-
- Others	21,001,635	19,846,414
	21,001,635	19,846,414
24 Cash and bank balances		
Cash and cash equivalents		
-Balance with banks in current/ savings accounts	942,846,033	2,629,965,795
-Bank Deposits with original maturity of less than three months*	3,692,944,648	8,220,418,306
	4,635,790,681	10,850,384,101
Other bank balances		
-Bank Deposits with original maturity for more than 3 months but upto 12 months	750,000,000	2,219,207
-Bank Deposits with original maturity for more than 12 months	2,873,053	2,710,062
	752,873,053	4,929,269
	5,388,663,734	10,855,313,370

* Last year inclusive of Rs. 464,70,37,658/- representing unspent balance under PMKVY1 Scheme refundable to GOI/NSDF.

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in Rupees)

	As on March 31, 2020	As on March 31, 2019
25 Short-Term Loans and Advances		
(Unsecured - Considered good)		
Advances recoverable in cash or kind or value to be received	54,572,669	47,914,886
Prepaid expenses	8,616,442	9,972,028
Income tax deducted at source, recoverable	86,264,980	55,963,653
Loans due within twelve months (Per contra) -(Refer note no. 21)	1,659,867,553	2,980,412,658
	1,809,321,644	3,094,263,225
26 Other Current Assets		
a) Interest accrued and due		
- on debentures		1,350,000
- on loans	435,130,695	347,469,415
-Less :- Provision for Reversal of Interest Income on Non-Performing loans	418,235,259	(26,20,00,212)
b) Interest accrued but not due on bank deposits		86,795,121
c) Interest accrued but not due on loans		101,419,111
d) Interest receivable on income tax refund		6,668,357
		213,128,025
		145,655,157

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
27 <u>Income and Expenditure Notes</u>		
(a) <u>Revenue from Operations</u>		
<u>Sale of Services</u>		
Management Fees	927,601,886	1,125,813,148
Centre Validation and Accreditation Fees	138,056,507	124,304,646
Application Fees	42,289,432	43,445,976
Proposal Income	6,077,132	41,975,002
Skill Advisory	44,734,698	30,924,154
	1,158,759,655	1,366,462,926
<u>Other Operating revenue</u>		
Awareness & Mobilization Charges (Refer note no. 17)	257,097,664	661,135,818
Placement Charges (Refer note no. 17)	112,949,765	187,360,755
Royalty Income (net of royalty payouts)	5,000,000	78,912,077
	375,047,429	927,408,650
Total Revenue from Operations	1,533,807,084	2,293,871,576
(b) <u>Other Income</u>		
Interest income on bank deposits	148,926,564	115,532,570
Interest income on Loans	-	-
Provision Not Required - Written Back	26,727,891	39,521,525
Miscellaneous Income	6,680	354,770
Forfeiture of Bank Guarantee	-	1,000,000
Grant from Other sources	-	1,162,996
Interest Income on Income Tax Refund	6,668,357	4,246,355
	182,329,492	161,818,216
(b) (i) <u>Breakup: Interest income on bank deposits</u>		
Gross Income	644,057,021	710,639,597
Less: Transfer to Grant Fund	-	-
-Financing Activities*	(34,24,10,220)	(15,78,85,792)
-Monitory Reward Scheme (STAR and PMKVY-1)	-	(32,58,10,872)
-Pradhan Mantri Kaushal Vikas Yojna-2 (PMKVY-2)	(13,14,32,338)	(9,75,12,265)
-Development of North East Region (DONER)	(51,26,786)	(64,49,652)
-UDAAN	(1,43,36,518)	(72,77,131)
-National Apprenticeship Promotion Scheme (NAPS)	(18,24,595)	(1,71,315)
	148,926,564	115,532,570
<i>*includes accrued interest income of Rs.12,15,81,631 on PMKVY-1 funds for FY 2019-20.</i>		
(b) (ii) <u>Breakup: Interest income on Loans</u>		
Gross Income	445,927,594	478,438,684
Less: Transfer to Grant Fund	-	-
-Financing Activities	(44,59,27,594)	(47,84,38,684)
	-	-
(c) <u>Awareness & Mobilization Expenses</u>		
Awareness & Mobilization Expenses - PMKVY2	257,097,664	661,135,818
Marketing Expenses	27,055,595	29,356,073
Advertisement & Brand Promotion	8,117,754	12,270,933
Capacity Creation Expenses	-	1,480,000
	292,271,013	704,242,824

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(d) <u>Placement / CSSM Expenses</u>		
Rozgar Melas	15,791,147	124,787,822
Placement Expenses	54,619,882	21,459,854
Transferred from Program Management Charges	42,538,736	41,113,079
	112,949,765	187,360,755
(e) <u>Program Management Charges</u>		
Program Management Charges	124,408,991	145,335,137
Less: Transferred to Placement / CSSM Expenses	(4,25,38,736)	(4,11,13,079)
	81,870,255	104,222,058
(f) <u>Due Diligence & Monitoring:</u>		
Technical and Financial Due Diligence	51,935,744	65,324,460
Legal Due Diligence	8,853,260	13,813,818
Financial Monitoring Charges	52,657,520	84,634,810
Proposal Diligence Charges	6,117,210	31,222,112
	119,563,734	194,995,200
(g) <u>Employee Benefits Expense</u>		
Salary and Allowances	334,198,554	338,793,972
Contractual Employment	87,537,510	71,197,177
Contribution to provident and other funds	14,187,714	21,225,986
Staff Welfare	22,733,867	20,562,142
Recruitment Expenses	3,677,174	4,340,328
	462,334,818	456,119,605
(h) <u>Rent, Electricity & Maintenance</u>		
Rent Premises	129,431,683	121,471,272
Electricity Charges	2,499,685	2,886,258
Common Maintenance Charges	29,614,960	34,690,634
Office Maintenance Expenses	30,164,493	26,102,457
	191,710,821	185,150,621
(i) <u>Other Administrative Expenses</u>		
Legal & Professional	59,531,028	55,620,988
Travelling and conveyance	83,224,623	99,109,867
IT support Cost	39,583,839	14,205,694
Communication	2,803,010	2,983,540
Printing & Stationery	150,764	822,990
Membership Subscription	1,251,626	2,286,774
Insurance	1,204,509	984,507
Rates & Taxes	148,951	55,896
CSR Expenditure	3,960,843	-
Miscellaneous Expenses	888,464	1,123,983
Internal Audit Fees	1,192,014	1,268,500
Statutory Audit Fees	1,416,000	1,239,000
	195,355,671	179,701,739

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

28 Contingent Liabilities:

Claims against the Company, not acknowledged as debts - Rs. 31,45,087 (Previous Year : Rs. 10,60,000)

29 Commitments

Estimated amount of contracts remaining to be executed on Capital account - Rs. 2,98,92,940 (Previous Year Rs. 24,46,61,920)

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 annually by independent actuary using projected unit credit method.

<u>PARTICULARS</u>	<u>GRATUITY</u> <u>(Funded)</u>	
	<u>As on March 31, 2020</u>	<u>As on March 31, 2019</u>
A Economic Assumptions		
1 Discount Rate (%) (per annum)	6.66	7.63
2 Rate of Increase in future salary (%)	9.41	12.00
B Expenses recognized in the statement of Income & Expenditure Account		
1 Current Service Cost	5,321,410	6,314,367
2 Interest cost	1,177,422	647,928
3 Expected return on plan assets	(7,65,532)	(4,97,481)
4 Net actuarial (gain) / loss recognized during the year	(40,29,412)	2,874,792
5 Total Expense	1,703,888	9,339,606
C Actual return on plan assets		
1 Expected return on plan assets	765,532	497,481
2 Actuarial (gain) / loss on plan assets	(39,432)	(1,91,416)
3 Actual return on plan assets	804,964	688,897
D Net Asset / Liability recognized in the Balance Sheet		
1 Present value of the obligation	19,496,263	17,679,006
2 Fair value of plan assets	10,671,597	10,602,936
3 Readjustment Entry Done	-	-
4 Funded status surplus / (deficit)	(88,24,666)	(70,76,070)
5 Unrecognized past service cost	-	-
6 Net Asset / (Liability) recognized in the Balance Sheet (see note below)	(88,24,666)	(70,76,070)
E Change in Present value of the Obligation during the year ended March 31, 2020		
1 Present value of the obligation as at April 1, 2019	17,679,006	8,491,850
2 Current Service Cost	5,321,410	6,314,367
3 Interest cost	1,177,422	647,928
4 Benefits paid	(6,91,595)	(8,41,347)
5 Actuarial (gain) / loss on obligation	(39,89,980)	3,066,208
6 Present value of obligations as at March 31, 2020	19,496,263	17,679,006
1 Fair value of plan assets at the beginning of year	10,602,936	6,554,429
2 Expected return on plan assets	765,532	497,481
3 Contributions made	(44,708)	4,200,957
4 Benefits paid	(691,595)	(841,347)
5 Actuarial gain / (loss) on plan assets	39,432	191,416
6 Fair value of plan assets at the end of the year	10,671,597	10,602,936

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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.

<u>PARTICULARS</u>	<u>LEAVE ENCASHMENT</u> <u>(Non -Funded)</u>	
	<u>As on March 31, 2020</u>	<u>As on March 31, 2019</u>
A Economic Assumptions		
1 Discount Rate (%) (per annum)	6.66	7.63
2 Rate of Increase in future salary (%)	9.41	12.00
B Expenses recognized in the statement of Income & Expenditure Account		
1 Current Service Cost	4,543,683	5,869,509
2 Interest cost	978,023	616,701
3 Expected return on plan assets	-	-
4 Net actuarial (gain) / loss recognized during the year	(3,886,908)	1,332,329
5 Total Expense	1,634,798	7,818,539
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 recognized in the Balance Sheet		
1 Present value of the obligation	15,465,376	14,685,034
2 Fair value of plan assets	-	-
3 Funded status surplus / (deficit)	(15,465,376)	(14,685,034)
4 Unrecognized past service cost	-	-
5 Net Asset / (Liability) recognized in the Balance Sheet (see note below)	15,465,376	14,685,034
E Change in Present value of the Obligation during the year ended March 31, 2020		
1 Present value of the obligation as at April 1, 2019	14,685,034	8,082,587
2 Current Service Cost	4,543,683	5,869,509
3 Interest cost	978,023	616,701
4 Benefits paid	(854,456)	(1,216,092)
5 Actuarial (gain) / loss on obligation	(3,886,908)	1,332,329
6 Present value of obligations as at March 31, 2020	15,465,376	14,685,034
F Change in Assets during the year ended March 31, 2020		
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	-	-

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

31 Interest Income on Funds:

The methodology of allocation of interest earned to various schemes / funds has been reviewed and modified during last year to the extent that interest earned on NSDC reserves and net working capital amounting to Rs. 13,29,57,406 (Previous year - Rs. 9,89,81,858) has also been allocated to NSDC.

32 Related party disclosures

a) Related parties and their relationship:

i) Key Management Personnel:

Dr. Manish Kumar, MD & CEO

ii) Associates

Future Sharp Skills Limited

Globsyn Skill Development Private Limited

b) Transactions with the above in the ordinary course of business

	<u>For the year ended</u>	<u>For the year ended</u>
	<u>March 31, 2020</u>	<u>March 31, 2019</u>

i) **With parties referred in (a)(i) above:**

Remuneration to Dr. Manish Kumar, MD & CEO.	1,70,53,716	1,54,48,650
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ii) **Transactions with parties referred in (a)(ii) above:**

Particulars

Interest Income	7,199,427	8,433,700
Loan Repayment received	22,123,445	26,992,453
<u>Balance outstanding at the year end</u>		
Loans	98,760,767	120,884,271
Interest accrued and due	12,198,746	7,586,521
Interest accrued and not due	682,677	1,010,541

33 Leases (AS-19)

The lease rentals recognized in the statement of Income & Expenditure account for the year is Rs. 12,94,31,683 (Previous Year Rs. 12,14,71,272).

The Company has taken office premises on 108 months operating lease. The future lease payments of operating lease are as follows

	<u>As on March 31, 2020</u>	<u>As on March 31, 2019</u>
Minimum Lease rentals Payable		
Within one year	135,946,648	127,080,563
Later than one year but less than five years	594,766,593	574,374,593
Later than five years	78,169,324	234,507,973
Total amount payable	808,882,566	935,963,129

34 Earning per Share (AS-20)

	<u>For the year ended</u>	<u>For the year ended</u>
	<u>March 31, 2020</u>	<u>March 31, 2019</u>

Excess of Income over Expenditure (Rs.)	34,825,830	(144,136,584)
Weighted average number of equity shares outstanding during the year	10,000,000	10,000,000
Nominal value of shares (Rs.)	10	10
EPS (Rs.)	3.48	(14.41)

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

35 As the Company's operation activity falls within a single primary segment viz. skill development the disclosure requirement of Accounting Standard (AS) 17 on 'Segment Reporting', issued by The Institute of Chartered Accountants of India is not applicable.

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

37 Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013 -
Expenditure in foreign currency (on accrual basis)

Particulars	<u>For the year ended</u> <u>March 31, 2020</u>	<u>For the year ended</u> <u>March 31, 2019</u>
Membership & Subscription	41,20,102	5,578,210
Travel -Boarding & Lodging	3,16,21,507	11,735,347
Marketing Expense	-	1,355,608
Recruitment Expense	2,92,862	760,769
Office Expenses	3,12,991	805,959
Profession Fees	3,84,588	-
Training Expenses	24,45,640	-

Income in foreign currency (on accrual basis)

Particulars	<u>For the year ended</u> <u>March 31, 2020</u>	<u>For the year ended</u> <u>March 31, 2019</u>
Consulting Fees	3,434,327	-
Reimbursement of Expenses	373,702	-

38 Prior Period adjustment during last year represents reversal of Management Fees on account of Awareness & Mobilization Charges of earlier years to the extent not spent during corresponding period.

39 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. Accordingly, Companies' entire income is exempt from Income Tax and no Provision is made for Income Tax Liability.

40 The Company has two associate Companies, however consolidated financial statements as per section 129(3) of the Companies Act 2013 has not been prepared since company has no significant influence in the business decisions of those associate companies and investment in those associates are otherwise fully provided for impairment/ diminution in value.

41 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).

42 **Disclosure of CSR Expenditure:**

	<u>For the year ended</u> <u>March 31, 2020</u>	<u>For the year ended</u> <u>March 31, 2019</u>
a Gross amount required to be spent by the Company during the year:	1,339,280	2,276,000
b Amount spent during the year (Other than construction/ acquisition of any asset)	3,960,843	-

NATIONAL SKILL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

43 Beginning of 2020 has witnessed the global spread of COVID-19, i.e. coronavirus. Global threat from COVID-19 of rapid human to human transmission and to the economy persists despite social distancing and other initiatives and efforts. Governments in many countries announced lockdowns and asked people to stay indoors. The Government of India imposed a nation-wide lockdown and advocated social distancing as a primary tool to curtail the spread of the virus and minimize its impact on the health of the citizens.

The skilling centers have been kept closed under this directive and training and skilling have come to a standstill during this period. NSDC's operating and financial performance are critically linked to the operations of the skilling centers and the skilling ecosystem, policy initiatives by government & timely release of funds for implementation of government initiatives. Management has assessed the identified risks as moderate to severe in the near term as the duration of the lockdown will be key to the subsequent restart and scale up of the operations of the skilling centers.

In view of the prevailing circumstances and uncertainties, and their likely impact on NSDC, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, property plant and equipment, Intangibles as well as liabilities accrued. In this evaluation the company has factored in internal and external information for its assumptions relating to the future uncertainties in the economic conditions, and the near term weak operations of the skilling ecosystem due to the pandemic, as well as the critical role that the skilling ecosystem and skilling centers have in meeting the policy objectives of the Government and its initiatives such as Skill India, making India the Skill Capital, and of skilling the large youth as a means to their livelihood. The skilling ecosystem will also play a key role in upskilling and reskilling needs and in generation of employment opportunities under the Vande Bharat Mission thorough Skill mapping for the returning non-resident citizens etc.

Having reviewed the underlying data and based on the medium and long term outlook for the skilling sector, necessary provisions on the carrying amount of assets has been made in the financial statement.

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

Annexure to our report of even date
For Kumar Chopra & Associates
Chartered Accountants
ICAI Firm Regn. No. 000131N

Sd/-

R.K.Aggarwal
Partner (M.No.081510)
Place: New Delhi
Date: August 21, 2020

For and on behalf of the Board

Sd/-

Chairman

Sd/-
Chief Financial Officer

Sd/-

Managing Director & CEO

Sd/-
Company Secretary

NOTICE

NOTICE is hereby given that the 12th (Twelfth) Annual General Meeting of the members of **National Skill Development Corporation** will be held on Wednesday the 9th day of September, 2020 at 11:30 am through Video Conferencing (“VC”) or Other Audio Video Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board and Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2020 together with the reports of the Board of Directors and Auditors thereon as circulated to the members, be and are hereby considered and adopted.”

2. To appoint Mr. Jitendra Thakker, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Jitendra Thakker (DIN: 00082860), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

3. To appoint Mr. Vikramjit Singh Sahney, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vikramjit Singh Sahney (DIN: 00257260), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

4. To appoint Mr. Raman Roy as a Director of the Company and in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof and rules and regulations made thereunder, Mr. Raman Roy (DIN: 01031196) who was appointed as an additional director on the Board of the Company with effect from September 26, 2019, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. To appoint Mr. Kailash Chand Gupta as a Director of the Company and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof and rules and regulations made thereunder, Mr. Kailash Chand Gupta (DIN: 02220191) who was appointed as an additional director on the Board of the Company with effect from September 26, 2019, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. To appoint Mr. P. R. Aqeel Ahmed as a Director of the Company and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof and rules and regulations made thereunder, Mr. P. R. Aqeel Ahmed (DIN: 00225381) who was appointed as an additional director on the Board of the Company with effect from September 26, 2019, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

7. To appoint Mr. T Rajkumar as a Director of the Company and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof and rules and regulations made thereunder, Mr. T Rajkumar (DIN: 00048665) who was appointed as an additional director on the Board of the Company with effect from November 28, 2019, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. To appoint Dr. Niranjan Hiranandani as a Director of the Company and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof and rules and regulations made thereunder, Dr. Niranjan Hiranandani (DIN: 00011923) who was appointed as an additional director on the Board of the Company with effect from April 21, 2020, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

9. To appoint Mr. Anand Sherkhane as a Director of the Company and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof and rules and regulations made thereunder, Mr. Anand Sherkhane (DIN: 08739624) who was appointed as an additional director on the Board of the Company with effect

from May 06, 2020, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**By Order of the Board of Directors
For National Skill Development Corporation**

Sd/-
Sachin Gupta
Company Secretary

Date: August 24, 2020
Place: New Delhi

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”), the AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is annexed herewith.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form is not annexed hereto.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Since the AGM will be held through VC/OAVM, the route map of the venue of the meeting is not annexed hereto.

DISPATCH OF NOTICE & FINANCIAL STATEMENTS THROUGH ELECTRONIC MODE

6. In compliance with the MCA Circulars, Notice of the AGM along with the audited financial statements (including Board's report, Auditor's report or other documents required to be attached therewith) for the financial year 2019-20 are being sent only through electronic mode to the Members. Members may note that the Notice of the AGM along with the audited financial statements for financial year 2019-20 will also be available on the Company's website <https://www.nsdcindia.org/>.

PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM

7. Members will be provided with a facility to attend the AGM through VC/OAVM through Microsoft Teams Meeting. The link and credentials to join the AGM through VC/OAVM shall be shared separately with the shareholders.
8. Corporate Members intending to attend the meeting through their authorized representatives are requested to send a certified copy of the Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting. The link and credentials to join the AGM through VC/OAVM shall be shared with such authorised representative.

9. Members are encouraged to join the Meeting through Laptops/Desktops and stable internet connection (Wi-fi or LAN) with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
10. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

PROCEDURE FOR VOTING AT THE AGM

11. The voting on all items contained in the Notice will be by way of show of hands at the AGM, as may be decided by the Chairman.
12. During the meeting, where a poll on any item is demanded, the members shall cast their vote on the resolutions by sending an email from their email address registered with the Company only at the designated e-mail ID of the Company i.e. at cs@nsdcindia.org.
13. The Members may submit questions in advance with regard to the financial statements or any other matter being placed at the AGM, from their registered email address, mentioning their name, folio number and mobile number, to reach the Company's email address cs@nsdcindia.org at least 48 hours in advance before the start of the meeting i.e. by September 07, 2020 by 11:30 a.m. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.
15. The Company has provided a facility for the existing shareholders to convert their physical shares into dematerialized form. Any shareholder desirous of converting their shares into dematerialize form may reach out to the Company. The Company's Registrar and Transfer Agents for its Share Registry Work (Electronic) are Mas Services Limited having their office at T-34 IInd Floor Okhla Industrial Area, Phase -II New Delhi 110020.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013

Item No. 4: Appointment of Mr. Raman Roy as a Director of the Company.

The Company had received a letter dated August 27, 2019 from National Association of Software and Service Companies (NASSCOM), nominating Mr. Raman Roy, Chairman & Managing Director, Quattro, on the Board of the Company to represent NASSCOM. Accordingly, Mr. Raman Roy (DIN: 01031196) was appointed as an Additional Director with effect from September 26, 2019 by the Board of the Company under the provisions of Section 161 of the Companies Act, 2013. In terms of Section 161(1) of the Companies Act, 2013, Mr. Roy holds the office of an additional director up to the date of this Annual General Meeting (AGM).

Mr. Raman Roy is widely regarded as the Pioneer and “Guru” of the BPO industry. He has been deeply involved in shaping the future of the BPO and Services industry in India, China, Mauritius and Sri Lanka. He was the Chairman of the Executive Committee of NASSCOM during the year 2017-18, and an Ex-Chairman of the BPO committee of ASSOCHAM. He was a Board member of Data Security Council of India (DSCI) in addition to being a member of various committees formed by the central government and state-level governments.

Mr. Roy is a Chartered Accountant and a Chartered Management Accountant with a doctorate in Management Accountancy, having over 30 years of rich experience of handling roles in Finance, Consulting, Operations and General Management with equal ease. He has a very hands-on approach to business and has first-hand experience and rare insights into servicing markets as diverse as North America, Europe, Japan, Asia Pacific and Australia.

It is proposed to appoint Mr. Raman Roy as a Director of the Company in terms of provisions of Section 152 of the Companies Act, 2013 read with Section 161 of the Companies Act, 2013 and rules thereto.

The Board at its meeting held on July 31, 2020, recommended the appointment of Mr. Roy as a Director of the Company, at the ensuing AGM.

Except Mr. Raman Roy himself, none of the Directors or the Key Managerial Personnel of the Company or their relatives, are concerned or interested in the said resolution.

The Board commends the passing of the resolution set out as Item No. 4 as an ordinary resolution in the Notice convening the meeting.

Item No. 5: Appointment of Mr. Kailash Chand Gupta as a Director of the Company.

The Company had received a letter dated September 25, 2019 from the Ministry of Skill Development and Entrepreneurship (MSDE) nominating Mr. Kailash Chand Gupta, Joint Secretary, MSDE as a Government of India nominated Director on the Board of the Company representing MSDE. Accordingly, Mr. Kailash Chand Gupta (DIN: 02220191) was appointed as an Additional Director with effect from September 26, 2019 by the Board of the Company under the provisions of Section 161 of the Companies Act, 2013. In terms of Section 161(1) of the Companies Act, 2013, Mr. Gupta holds the office of an additional director up to the date of this Annual General Meeting (AGM).

Mr. Gupta is Joint Secretary to Government of India in the Ministry of Skill Development and Entrepreneurship (MSDE). He is an IAS Officer of MP cadre of 1992 Batch.

It is proposed to appoint Mr. Kailash Chand Gupta as a Director of the Company in terms of provisions of Section 152 of the Companies Act, 2013 read with Section 161 of the Companies Act, 2013 and rules thereto.

The Board at its meeting held on July 31, 2020, recommended the appointment of Mr. Gupta as a Director of the Company, at the ensuing AGM.

Except Mr. Kailash Chand Gupta himself, none of the Directors or the Key Managerial Personnel of the Company or their relatives, are concerned or interested in the said resolution.

The Board commends the passing of the resolution set out as Item No. 5 as an ordinary resolution in the Notice convening the meeting.

Item No. 6: Appointment of Mr. P. R. Aqeel Ahmed as a Director of the Company.

The Company had received a letter dated August 20, 2019 from Council for Leather Exports (CLE) nominating Mr. P. R. Aqeel Ahmed, Chairman, Council for Leather Exports (CLE) and Leather Sector Skill Council (LSSC) on the Board of the Company representing CLE. Accordingly, Mr. P. R. Aqeel Ahmed (DIN: 00225381) was appointed as an Additional Director with effect from September 26, 2019 by the Board of the Company under the provisions of Section 161 of the Companies Act, 2013. In terms of Section 161(1) of the Companies Act, 2013, Mr. Ahmed holds office of an additional director up to the date of this Annual General Meeting (AGM).

Mr. Ahmed is the Chairman & Managing Director, Florence Shoe Co. Pvt. Ltd. Mr. Ahmed holds the position of Chairman of Council for Leather Exports (CLE) and Leather Sector Skill Council (LSSC). He is Managing Committee member of Federation of Indian Export Organisation and Governing Body member of Footwear Design & Development Institute apart from being an executive committee member in various trade organisations. He is graduate in Business Management from Loyola College, Chennai.

It is proposed to appoint Mr. P.R. Aqeel Ahmed as a Director in terms of provisions of Section 152 of the Companies Act, 2013 read with Section 161 of the Companies Act, 2013 and rules thereto.

The Board at its meeting held on July 31, 2020, recommended the appointment of Mr. Ahmed as a Director of the Company, at the ensuing AGM.

Except Mr. Ahmed himself, none of the Directors or the Key Managerial Personnel of the Company or their relatives, are concerned or interested in the said resolution.

The Board commends the passing of the resolution set out as Item No. 6 as an ordinary resolution in the Notice convening the meeting.

Item No. 7: Appointment of Mr. T Rajkumar as a Director of the Company.

The Company had received a letter dated September 26, 2019 from Confederation of Indian Textile Industry ('CITI') nominating Mr. T Rajkumar, as a director on the Board of the Company representing CITI. Accordingly, Mr. T Rajkumar (DIN: 00048665) was appointed as an Additional Director with

effect from November 28, 2019, under the provisions of Section 161 of the Companies Act, 2013. In terms of Section 161(1) of the Companies Act, 2013 Mr. Rajkumar holds the office of an additional director up to the date of this Annual General Meeting.

Mr. T Rajkumar is Chairman of Sri Mahasakthi Mills Limited, Kerala, Sri Arumuga Enterprise Limited, and Foundation One Infrastructures Pvt Ltd, Tamil Nadu. He is also holding the position of Chairman of Confederation of Indian Textile Industry (CITI) and the Textile Sector Skill Council (TSC) and Past Chairman of The Southern India Mills' Association, Chairman & Managing Trustee of Global Pathway School, Coimbatore and Secretary of Nachimuthu Gounder Rukmani Ammal Charitable Trust, Pollachi, Tamil Nadu, apart from actively involved in various industrial bodies and educational institutions. He is a business graduate and has a Master's in Business Administration from PSG College of Technology, Coimbatore having over 25 years of experience.

It is proposed to appoint Mr. T Rajkumar as a Director in terms of provisions of Section 152 of the Companies Act, 2013 read with Section 161 of the Companies Act, 2013 and rules thereto.

The Board at its meeting held on July 31, 2020, recommended the appointment of Mr. Rajkumar as a Director of the Company, at the ensuing AGM.

Except Mr. T Rajkumar himself, none of the Directors or the Key Managerial Personnel of the Company or their relatives, are concerned or interested in the said resolution.

The Board commends the passing of the resolution set out as Item No. 7 as an ordinary resolution in the Notice convening the meeting.

Item No. 8: Appointment of Dr. Niranjan Hiranandani as a Director of the Company.

The Company had received a letter dated March 03, 2020 from ASSOCHAM, nominating Dr. Niranjan Hiranandani, as a Director on the Board of the Company representing ASSOCHAM. Accordingly, Dr. Niranjan Hiranandani (DIN: 00011923) was appointed as an Additional Director with effect from April 21, 2020, under the provisions of Section 161 of the Companies Act, 2013. In terms of Section 161(1) of the Companies Act, 2013 Dr. Hiranandani holds the office of an additional director up to the date of this Annual General Meeting.

Dr. Hiranandani is Co-founder and Managing Director of Hiranandani Group of Companies. He is National President for National Real Estate Development Council (NAREDCO) and also appointed as President of Associated Chambers of Commerce and Industry (ASSOCHAM). He is an Advisor of Real Estate Committee of Federation of Indian Chambers of Commerce & Industry (FICCI), Member RERA Conciliation Cell formed by Maharashtra Real Estate Regulatory Authority (MahaRERA), India and member of Central Governing Council of Export Promotion Council for EOUs & SEZs.

He is trustee of 17 colleges and 8 schools under Hyderabad (Sind) National Collegiate (HSNC) Board and runs vocational skill centre in Mumbai. He is also trustee for 2 hospitals and 3 Temples as part of his charity initiatives.

Dr. Hiranandani graduated with a Bachelor of Commerce (Hons.) Degree. He is a member of the Institute of Chartered Accountants of India and has completed his Doctorate in Philosophy – "Housing Revolution in India Challenges and Prospects".

It is proposed to appoint Dr. Niranjan Hiranandani as a Director in terms of provisions of Section 152 of the Companies Act, 2013 read with Section 161 of the Companies Act, 2013 and rules thereto.

The Board at its meeting held on July 31, 2020, recommended the appointment of Dr. Hiranandani as a Director of the Company, at the ensuing AGM.

Except Dr. Niranjan Hiranandani himself, none of the Directors or the Key Managerial Personnel of the Company or their relatives, are concerned or interested in the said resolution.

The Board commends the passing of the resolution set out as Item No. 8 as an ordinary resolution in the Notice convening the meeting.

Item No. 9: Appointment of Mr. Anand Sherkhane as a Director of the Company.

The Company had received a letter dated February 27, 2020, from Ministry of Skill Development & Entrepreneurship (MSDE), nominating Mr. Anand Sherkhane, Additional Development Commissioner, MSME as a Government nominated Director on the Board of the Company representing MSME. Accordingly, Mr. Anand Sherkhane (DIN: 08739624) was appointed as an Additional Director with effect from May 06, 2020, under the provisions of Section 161 of the Companies Act, 2013. In terms of Section 161(1) of the Companies Act, 2013 Mr. Sherkhane holds the office of an additional director up to the date of this Annual General Meeting.

Mr. Anand Sherkhane is an Additional Development Commissioner, Ministry of MSME, Government of India. He has held various positions with Government of India including Director Finance in MSDE, Additional Secretary, Finance (Budget), Additional Secretary – Finance (Budget).

It is proposed to appoint Mr. Anand Sherkhane as a Director in terms of provisions of Section 152 of the Companies Act, 2013 read with Section 161 of the Companies Act, 2013 and rules thereto.

The Board at its meeting held on July 31, 2020, recommended the appointment of Mr. Sherkhane as a Director of the Company, at the ensuing AGM.

Except Mr. Anand Sherkhane himself, none of the Directors or the Key Managerial Personnel of the Company or their relatives, are concerned or interested in the said resolution.

The Board commends the passing of the resolution set out as Item No. 9 as an ordinary resolution in the Notice convening the meeting.

**By Order of the Board of Directors
For National Skill Development Corporation**

Sd/-
Sachin Gupta
Company Secretary

Date: August 24, 2020
Place: New Delhi

National Skill Development Corporation
CIN - U85300DL2008NPL181612

Regd. Office: 301, 3rd Floor West Wing, Worldmark 1, Asset 11, Aerocity, New Delhi 110 037

ATTENDANCE SLIP

(TO BE SIGNED AND SENT TO COMPANY ON THE DATE OF THE AGM PRIOR TO ITS START)

I/We hereby record my/our presence at the 12th (Twelfth) Annual General Meeting of National Skill Development Corporation held on Wednesday the 9th day of September, 2020 at 11:30 am through Microsoft Teams Meeting (VC/OAVM) with the deemed venue as 301, 3rd Floor, West Wing, Worldmark 1, Aerocity, New Delhi-110037.

NAME(S) OF THE MEMBERS(S)

Registered Folio No.

No. of Shares held

Member's Signature