

**BOARD OF DIRECTORS**

B. L. GAGGAR - CHAIRMAN  
RIYAPUJAJAIN  
T. K. BHATTACHARYA - INDEPENDENT DIRECTOR  
DEBASHIS RAY - INDEPENDENT DIRECTOR  
J. P. MUNDRA

**MANAGER AND CHIEF FINANCIAL OFFICER**

S. P. KUMAR

**COMPANY SECRETARY**

NISHA LADDHA

**BANKERS**

STATE BANK OF INDIA  
HDFC BANK LTD.

**AUDITORS**

D. K. CHHAJER & CO.  
CHARTERED ACCOUNTANTS  
KOLKATA

**REGISTERED OFFICE**

21, STRAND ROAD  
KOLKATA – 700 001  
TEL : 2230 9601 (3 LINES) / 2230 7905  
e-mail : nbifinance@ymail.com  
CIN : L65923WB1936PLC065596  
Website : www.nbi.india.com

**REGISTRAR & SHARE TRANSFER AGENT**

MAHESHWARI DATAMATICS PVT. LTD.  
23, R.N. MUKHERJEE ROAD (5TH FLOOR)  
KOLKATA - 700 001  
TEL : 033 2243 5029  
e-mail : mdpldc@yahoo.com

**DIRECTORS' REPORT****TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the 84th Annual Report of your Company together with the Audited Financial Statements of the Company for the year ended 31st March, 2019.

**FINANCIAL RESULTS**

The summarised results of your Company are given in the table below:-

|                                            | <b>Year ended<br/>31.03.2019</b> | <b>Year ended<br/>31.03.2018</b> |
|--------------------------------------------|----------------------------------|----------------------------------|
|                                            | <b>₹</b>                         | <b>₹</b>                         |
| Profit before Depreciation & Provisions    | <b>62,467,661</b>                | 38,397,528                       |
| Less : Depreciation                        | <b>34,487</b>                    | 31,926                           |
| Profit before Taxation                     | <b>62,433,174</b>                | 38,365,602                       |
| Less : Provision for Current Tax           | <b>1,460,000</b>                 | —                                |
| Tax relating to earlier years              | <b>24,390</b>                    | 5,830                            |
| Provision for Deferred Tax                 | <b>(94,771)</b>                  | 10,141                           |
| Profit after Tax                           | <b>61,043,555</b>                | 38,349,631                       |
| Add : Balance of Profit from Previous year | <b>401,512,632</b>               | 370,833,001                      |
|                                            | <b>462,556,187</b>               | 409,182,632                      |

**APPROPRIATIONS**

|                                                  |                    |             |
|--------------------------------------------------|--------------------|-------------|
| Transfer to Reserve Fund (as per RBI Guidelines) | <b>12,208,711</b>  | 7,670,000   |
| Balance Carried to Balance Sheet                 | <b>450,347,476</b> | 401,512,632 |
|                                                  | <b>462,556,187</b> | 409,182,632 |

**DIVIDEND**

The Board does not recommend any dividend for the year ended 31st March, 2019 with a view to further strengthen the resources.

**SHARE CAPITAL**

The Authorised Share Capital of the Company stands at ₹10 crore divided into 2 crore equity shares of ₹5/- each. The paid-up equity share capital of the Company stood at ₹122.84 Lac as at 31st March, 2019. During the year under review, the Company has not issued any new shares.

**TRANSFER TO RESERVES**

The Board proposes to transfer ₹122.09 Lac to Reserve Fund pursuant to RBI Guidelines and the balance of ₹4503.47 Lac is proposed to be retained in the Profit and Loss Account.

**REVIEW OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS**

Total income during the year under review amounted to ₹814.51 Lac as against ₹572.56 Lac in the preceding year. Profit before tax amounted to ₹624.33 Lac as against ₹383.66 Lac in the preceding year. Profit after tax stood at ₹ 610.44 Lac as against ₹383.50 Lac in the previous year.

The Company continues to remain registered as a Non-Banking Financial Company with the Reserve Bank of India.

No material changes and commitments have occurred after the close of the year till the date of this report, which affect the financial position of the Company.

#### **ASSOCIATE COMPANIES**

The Company does not have any associate.

#### **INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), all unpaid or unclaimed dividends are required to be transferred to the IEPF established by the Central Government, after the completion of the seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall be transferred to the demat account of the IEPF Authority. However, no such amount of unpaid / unclaimed dividend and shares was transferable by the Company during the year.

#### **PUBLIC DEPOSITS**

The Company has not accepted any deposit from the public during the year.

#### **PARTICULARS OF LOANS AND GUARANTEES**

The Company being a Non-Banking Financial Company registered under Chapter IIIB of the Reserve Bank of India Act, 1934 (2 of 1934) provisions of Section 186 of the Companies Act, 2013 are not applicable to the Company.

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

During the year, the Company had not entered into any significantly material contract / arrangement / transactions with related parties, attracting the requirement of disclosure in this report as per provisions of Section 188 of the Act except for remuneration to the key managerial personnel pursuant to AS-18 which is suitably disclosed in Note No.21 of the Financial Statements forming part of this Annual Report. Related Party Disclosures as required under the Listing Regulations is annexed to this report.

#### **INTERNAL FINANCIAL CONTROL**

The Company has in place adequate internal control procedures commensurate with its size and nature of its business. The Company has appointed internal auditors who review the internal financial control system. The Audit Committee reviews the reports of the internal auditors and ensures implementation of their suggestion and improvement. During the year, no reportable material weakness in the design or operation was observed.

#### **RISK MANAGEMENT**

The main identified risks at the Company are Commercial Risks, Financial Risks, Market Risks, Operational Risks and Legal & Regulatory Risks. The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Audit Committee ensures that risks to the Company's continued existence as a going concern and to its development are identified and addressed on timely basis. Constitution of Risk Management Committee is not mandatory for the Company as per Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of

Association, Shri Jagdish Prasad Mundra (DIN:00630475), a Director of the Company retires by rotation and being eligible offers himself for re-appointment.

Shri R.N. Mundhra, an Independent Director of the Company expired on 16th June, 2018. Shri Tapas Kumar Bhattacharya was appointed in his place as an Independent Director by the Board on 30th June, 2018 and subsequently confirmed by the members at the Annual General Meeting (AGM) held in 2018 for a consecutive period of five years not liable to retire by rotation.

Shri Ashok Bhandari, Non-Executive-Non-Independent Director and Chairman of the Company resigned on 5th October, 2018 and Shri B.L. Surana, an Independent Director of the Company resigned on 26th February, 2019. The Board places on record its appreciation of the valuable contribution and guidance provided by Shri R.N. Mundhra, Shri Ashok Bhandari and Shri B.L. Surana during their respective tenure as directors. The Board has appointed Shri Debasish Ray as an Independent Director in place of Shri B.L. Surana on 27th April, 2019 for a consecutive period of five years not liable to retire by rotation subject to members' approval at the ensuing AGM.

The Company has complied with Regulation 17(1A) of the Listing Regulations in respect of director Shri Bankat Lal Gaggar who has attained the age of 75 years and approval of members' for continuation of directorship of Shri Jagdish Prasad Mandra pursuant to Regulation 17(1A) of the Listing Regulations is being sought at this annual general meeting.

The Board recommends their re-appointment / appointment and accordingly resolutions seeking approval of the members of their re-appointments / appointments have been included in the Notice of forthcoming Annual General Meeting of the Company along with their brief profile.

The Independent Directors have appropriate skill, knowledge and experience in the business carried on by the Company. The Company has received declarations from both the Independent Directors confirming that they meet the criteria of Independence as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has practice of conducting familiarization program for the Independent Directors.

The Independent Directors, Directors and Senior Management including the employees have complied with their obligations as mentioned under Regulations 25 and 26 of the Listing Regulations.

Shri S.P. Kumar is the Manager and Chief Financial Officer of the Company. Mr Kumar's tenure as Manager will expire on 26th September, 2019. The Board at its meeting held on 30th May, 2019 has re-appointed him as Manager and Chief Financial Officer of the Company for a further period of 5 years subject to members' approval.

Priyanka Mishra, Company Secretary resigned on 25th April, 2019 and Nisha Laddha was appointed in her place on 27th April, 2019 as Company Secretary and also designated as Compliance Officer of the Company.

#### **BOARD EVALUATION**

The performance evaluation of the Board, its Committees and Individual Directors was conducted after seeking inputs from all directors on the basis of criteria such as the composition and structure, effectiveness of processes, functioning etc.

The Independent Directors held a separate meeting, which reviewed the performance of non-independent directors and the Board as a whole, took into account the views of non-executive directors and to assess the quality, quantity and timeliness of flow of information between the management and the Board. The Independent Directors were satisfied with the performance of the Board as a whole and timeliness of flow of information.

Some of the key criteria for performance evaluation are as follows:-

Performance evaluation of Directors:

- Attendance at Board or Committee meetings.
- Contribution at Board or Committee meetings.
- Guidance / support to management outside the Board / Committee meetings.

Performance evaluation of Board and Committees:

- Board structure and composition
- Degree of fulfilment of key responsibilities
- Establishment and delineation of responsibilities to Committees
- Effectiveness of Board processes, information and functioning
- Board culture and dynamics
- Quality of relationship between Board and Management
- Efficacy of communication with external shareholders.

#### **AUDITORS AND AUDITORS' REPORT**

M/s D.K. Chhajjer & Co., Chartered Accountants having Firm Registration No.304138E, who are Statutory Auditors of the Company, were appointed by the Company at the Annual General Meeting (AGM) held on 16th September, 2017, to hold office for a period of five consecutive years from the conclusion of 82nd AGM of the Company till the conclusion of 87th AGM to be held in the year 2022. The Members are required to fix remuneration of the Statutory Auditors of the Company for the financial year ending 31st March, 2020.

The Statutory Auditors have confirmed that they satisfy the eligibility / independence criteria required under Companies Act, 2013 and Code of Ethics issued by the Institute of Chartered Accountants of India.

The report of the Auditors is self-explanatory and does not call for any further comments.

As required by the Listing Regulations, the auditors' certificate on corporate governance is annexed to this report and forms part of the annual report. The report does not contain any qualification, reservation or adverse remark requiring explanation or clarification from the Board.

#### **SECRETARIAL AUDIT REPORT**

The Secretarial Audit for the financial year 2018-19 has been conducted by Shri Mukesh Chaturvedi, Practicing Company Secretary (PCS). The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark requiring explanation or clarification from the Board.

Pursuant to clause 10 of Part C of Schedule V of the Listing Regulations, PCS Certificate is annexed to the Corporate Governance Report and forms part of the annual report.

#### **COST AUDIT**

In terms of provisions of section 148 (1) of the Companies Act, 2013 cost audit as specified by the Central Government is not applicable to the Company.

#### **REPORTING OF FRAUDS BY AUDITORS**

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under section 143(12) of the Companies Act, 2013, any instance of fraud

committed against the Company by its officers or employees, and hence the requirement to mention the same in this report is not applicable.

#### **MEETINGS OF THE BOARD**

Six meetings of the Board and One meeting of Independent Directors were held during the year. The intervening gap between the meetings of the Board was within the period prescribed under the Companies Act, 2013.

#### **AUDIT COMMITTEE**

The Audit Committee was reconstituted by the Board of Directors and presently comprises two Independent Directors namely Shri Debasish Ray and Shri Tapas Kumar Bhattacharya (Chairman) and Shri Jagdish Prasad Mundra as the other member and is currently functioning as such.

#### **VIGIL MECHANISM**

Pursuant to the provisions of Section 177 of the Companies Act, 2013, the Company has established a 'VIGIL MECHANISM' for Directors and Employees to report concerns of unethical behavior, actual or suspected, or violation of Company's ethics policy and provide safeguard against victimization of employees.

#### **NOMINATION & REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee was reconstituted by the Board of Directors which now consists of two Independent Directors namely Shri Debasish Ray and Shri Tapas Kumar Bhattacharya and one Non-Executive Director namely Shri Bankat Lal Gaggar and is currently functioning as such.

#### **REMUNERATION POLICY**

The Board in consultation with the Nomination & Remuneration Committee has framed Policy for selection and appointment of Directors, Senior Management including criteria for determining qualifications, positive attributes and independence of directors which is annexed hereto and forms part of this Report. Policy relating to remuneration for the directors, key managerial personnel and other employees is also annexed hereto and forms part of this Report.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

As per the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations, Stakeholders Relationship Committee is duly constituted by the Board consisting of Directors Shri Bankat Lal Gaggar and Shri Jagdish Prasad Mundra for the purpose of attending to investor grievances including transfer / transmission of shares of the Company.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Provisions relating to Corporate Social Responsibility (CSR) as prescribed under the Companies Act, 2013 and Rules made there under have become applicable to the Company from the financial year 2017-18. The Board had constituted CSR Committee for formulating and overseeing the execution of the Company's CSR Policy. The CSR Committee comprises of two independent directors and two non-executive directors. In its first year the Company has emphasised on promotion of higher education amongst girls and in its second year the company has contributed for development of differently abled autistic children of the society.

The Annual Report on CSR activities of FY 2018-19 with requisite details in the specified format as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed hereto and forms part of this report.

The CSR Policy of the Company is also annexed hereto and forms part of this Report. The same

is also available on the website of the Company viz. [http://www.nbi-india.co.in/policies/NBI\\_CSR\\_Policy.pdf](http://www.nbi-india.co.in/policies/NBI_CSR_Policy.pdf)

**SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

Sexual harassment of a woman at workplace is of serious concern to humanity on the whole. Keeping in view the problem of sexual harassment the company has framed a policy to prevent incidents of sexual harassment as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed there under. However, constitution of Internal Committee as required under the Act is not applicable to the Company since the company has less than 10 employees. Moreover, no complaint pertaining to sexual harassment was filed by any woman during the financial year under report, hence no disclosures are applicable. This Policy is available on our website.

**EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 is annexed hereto in the prescribed form and forms part of this Report. Web link for the annual return is <http://nbi-india.co.in/balance-sheet/NBI-BS-2017-18/NBIAnnualReport2018.pdf>

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There are no significant & material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby states and confirms that:

- i) in preparation of the Annual Accounts for the financial year 2018-19, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) they have taken proper and sufficient care 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;
- iv) they have prepared the Annual Accounts for the period ended 31st March, 2019 on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating properly;
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

None of the employees is drawing remuneration in excess of the limits set out in Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 appended to the Companies Act, 2013.

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended is annexed hereto forming part of this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

Since the Company has no manufacturing activity, disclosures relating to Conservation of Energy and Technology Absorption stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, are not applicable.

There were no foreign exchange earnings and outgo during the year.

**LISTING AGREEMENT AND FEE**

The Company's shares are presently listed at the National Stock Exchange of India Limited (NSE) and the Company has executed Listing Agreement with the said stock exchange. The Company has paid the annual listing fee to the stock exchange upto the financial year 2019-20.

**CORPORATE GOVERNANCE**

In terms of the provisions of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Report for fiscal 2019 is annexed hereto and forms part of this annual report. There are no demat suspense / unclaimed suspense account as on the date of this Report as required under Schedule V Part F of the Listing Regulations.

**MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis is set out hereunder and forms part of this Annual Report.

**BUSINESS RESPONSIBILITY REPORT**

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inclusion of Business Responsibility Report as part of the Annual Report is not applicable to the Company.

**CODE OF CONDUCT**

The Company is compliant of requirement of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable to the Company by framing Code of Business Conduct and Ethics ("Code of Conduct"). The Code of Conduct is applicable to the employees including directors of the Company and is available on the Company's website. All employees including directors of the Company have affirmed compliance to the Code of Conduct as on March 31, 2019.

**PREVENTION OF INSIDER TRADING**

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Policy also includes code of practices and procedures for fair disclosure of unpublished price sensitive information, initial and continual disclosures. The Board reviews the Policy / Code on a need-to-know basis. This Policy is available on our website.

**FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS**

All new independent directors inducted into the Board attend an orientation program. Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities. The familiarisation program is available on our website.

**POLICIES**

In addition to its Code of Business Conduct and Ethics, key policies that have been adopted by the Company and uploaded on its website are as under:

| <b>Name of the Policy</b>                                                                                                                                                     | <b>Web link</b>                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy for selection and appointment of Directors, Senior Management including criteria for determining qualifications, positive attributes and independence of the directors | <a href="http://www.nbi-india.co.in/policies/NBIAppointment_Policy.pdf">http://www.nbi-india.co.in/policies/NBIAppointment_Policy.pdf</a>                                           |
| Archival Policy for Website content                                                                                                                                           | <a href="http://www.nbi-india.co.in/policies/NBIArchival_Policy.pdf">http://www.nbi-india.co.in/policies/NBIArchival_Policy.pdf</a>                                                 |
| Policy on Determination of Materiality                                                                                                                                        | <a href="http://www.nbi-india.co.in/policies/NBIDetermination_of_Materiality.pdf">http://www.nbi-india.co.in/policies/NBIDetermination_of_Materiality.pdf</a>                       |
| Familiarisation Program for Independent Directors                                                                                                                             | <a href="http://www.nbi-india.co.in/policies/NBIFamiliarisation_Program.pdf">http://www.nbi-india.co.in/policies/NBIFamiliarisation_Program.pdf</a>                                 |
| Insider Trading Code                                                                                                                                                          | <a href="http://www.nbi-india.co.in/policies/NBIInsider_Trading_Code.pdf">http://www.nbi-india.co.in/policies/NBIInsider_Trading_Code.pdf</a>                                       |
| Policy for Determining Material Subsidiary                                                                                                                                    | <a href="http://www.nbi-india.co.in/policies/NBIMaterial_Subsidiary.pdf">http://www.nbi-india.co.in/policies/NBIMaterial_Subsidiary.pdf</a>                                         |
| Related Party Transactions Policy                                                                                                                                             | <a href="http://www.nbi-india.co.in/policies/NBIRelated_Party_Transactions_Policy.pdf">http://www.nbi-india.co.in/policies/NBIRelated_Party_Transactions_Policy.pdf</a>             |
| Policy relating to remuneration for the directors, key managerial personnel and other employees                                                                               | <a href="http://www.nbi-india.co.in/policies/NBIRemuneration_Policy.pdf">http://www.nbi-india.co.in/policies/NBIRemuneration_Policy.pdf</a>                                         |
| Vigil Mechanism and Whistle Blower Policy                                                                                                                                     | <a href="http://www.nbi-india.co.in/policies/NBIWhistle_Blower_Policy.pdf">http://www.nbi-india.co.in/policies/NBIWhistle_Blower_Policy.pdf</a>                                     |
| Prohibition of Insider Trading                                                                                                                                                | <a href="http://www.nbi-india.co.in/policies/NBIProhibition_of_Insider_Trading_Policy.pdf">http://www.nbi-india.co.in/policies/NBIProhibition_of_Insider_Trading_Policy.pdf</a>     |
| Corporate Social Responsibility Policy                                                                                                                                        | <a href="http://www.nbi-india.co.in/policies/NBI_CSR_Policy.pdf">http://www.nbi-india.co.in/policies/NBI_CSR_Policy.pdf</a>                                                         |
| Prohibition of Sexual Harassment Policy                                                                                                                                       | <a href="http://www.nbi-india.co.in/policies/NBIProhibition_of_Sexual_Harassment_Policy.pdf">http://www.nbi-india.co.in/policies/NBIProhibition_of_Sexual_Harassment_Policy.pdf</a> |

**ACKNOWLEDGEMENTS**

The Directors place on record their appreciation for the support the Company continues to receive from its Bankers and Shareholders and acknowledge the valuable contribution from the employees of the Company.

Place: Kolkata  
Dated: 30th May, 2019

For and on behalf of the Board  
**(Bankat Lal Gaggar)**  
**Chairman**  
**DIN:00404123**

**Annexure to the Director's Report****RELATED PARTY DISCLOSURE**

**Format for disclosure of transactions with related parties as referred to in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in compliance with AS-18**

Details of transactions with related parties:

| <b>Nature of Transactions</b> | <b>Name of related party</b> | <b>Description of Relationship</b>                                       | <b>Amount (₹)</b> |
|-------------------------------|------------------------------|--------------------------------------------------------------------------|-------------------|
| Payment of Remuneration       | Mr. S.P. Kumar               | Key Management Personnel                                                 | 1,500,165         |
| Payment of Rent               | Shree Capital Services Ltd.  | Promoter Group Entity holding 19.21% of the share capital of the Company | 28,320            |

For and on behalf of the Board

Place: Kolkata  
Dated: 30th May, 2019

**(Bankat Lal Gaggar)**  
Chairman  
DIN:00404123

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

To,  
The Members,  
N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED,  
21, Strand Road, Kolkata – 700 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2019 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED, ("the Company") for the financial year ended on 31.03.2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there-under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not Applicable**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not Applicable**
  - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **Not Applicable;**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable;**
  - i) The Securities and Exchange Board of India (Shares based Employee Benefits) Regulations, 2014; **Not Applicable**
  - j) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
  - k) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable**
  - l) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and 2018
- (vi) The Other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry are
- a) West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979
  - b) West Bengal Shop and Establishment Act, 1963
  - c) The Employees Provident Funds and Miscellaneous Provisions Act, 1952
  - d) Reserve Bank of India Act, 1934

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors & Independent Directors. Though the Company has no Executive Director but they have Manager, CFO and CS. The change in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings are carried out unanimously as recorded in the Minutes of the Meeting of the Board of Directors.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Kolkata  
Date : 30/05/2019

Signature : Sd/-  
Name of Company Secretary in practice - **Mukesh Chaturvedi**  
ACS No. 10213  
C P No. 3390

**Policy for selection and appointment of Directors, Senior Management including criteria for determining qualifications, positive attributes and independence of the director**

**Introduction**

N.B.I. Industrial Finance Co. Ltd. (NBI) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance.

NBI recognizes the importance of independent directors in achieving the effectiveness of the Board. NBI aims to have an optimum combination of Non-Executive and Independent Directors.

**Scope and Exclusion**

This Policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

**Terms and References**

In this Policy, the terms shall have the following meanings:

“**Director**” means a director appointed to the Board of the Company.

“**Nomination & Remuneration Committee**” means the committee constituted by NBI’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013.

“**Independent Director**” means a director referred to in Section 149(6) of the Companies Act, 2013.

**Policy**

Qualifications and Criteria

The Nomination & Remuneration Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company’s business operations.

In evaluating the suitability of individual Board members, the Committee may take into account factors such as:

- General understanding of the Company’s business dynamics and social perspective;
- Educational and professional background;
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and zeal in carrying out their duties and responsibilities effectively.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number (DIN);
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent in prescribed form to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;

- Shall abide by the ethics policy established by the Company for Directors, employees and Senior Management Personnel;
- Shall disclose his concern or interest in any Company or Companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.

The Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

Criteria of Independence

The Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determination of independence when any new interests or relationships are disclosed by the Director.

To follow the criteria of independence as laid down in the Companies Act, 2013.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

Other directorships / committee memberships

The Board members are expected to have adequate time, expertise and experience to contribute to effective Board performance. The Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

A Director shall not be a member in more than 10 committees or act as Chairman of more than 5 committees across all companies in which he holds directorship.

**Note:** For the purpose of considering the limit of the Committees, Audit Committee and Stake holders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

**Policy relating to remuneration for the directors, key managerial personnel and other employees**

**Introduction**

N.B.I. Industrial Finance Co. Ltd. (NBI) recognizes the importance of aligning the business objectives with specific and measurable individual objectives. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate talent to run the Company successfully.
- Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals. However, there is no incentive pay at present.

**Scope and Exclusion**

This Policy sets out the guiding principles for the Nomination & Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

**Terms and References**

In this Policy, the terms shall have the following meanings:

“**Director**” means a director appointed to the Board of the Company.

“**Key Managerial Personnel**” means

- i) the Managing Director or Chief Executive Officer or Manager and in their absence a Whole-time Director;
- ii) the Company Secretary;
- iii) the Chief Financial Officer; and
- iv) such other officer as may be prescribed under the Companies Act, 2013

“**Nomination & Remuneration Committee**” means the committee constituted by NBI’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013.

**Policy**

The Board, on the recommendation of the Nomination & Remuneration Committee, shall review and approve the remuneration payable to the Executive and Non-Executive Directors of the Company within the overall limits subject to approval by the shareholders of the Company. Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. In addition to the sitting fees the Non-Executive Directors shall be entitled to be paid their reasonable travelling, hotel and other expenses incurred for attending Board and Committee meetings or otherwise incurred in the discharge of their duties as Directors.

The Board, on the recommendation of the Nomination & Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel and other Employees of the Company. Employee individual remuneration shall be determined according

to their qualifications, and work experience as well as their roles and responsibilities and shall be based on various factors such as job profile, skill sets, seniority and experience.

The remuneration structure of the Executive Directors, Key Managerial Personnel and other Employees shall mainly include the following:

- a) Basic Pay
- b) Perquisites and Allowances
- c) Retiral Benefits

**Annexure to the Directors' Report****Annual Report on Corporate Social Responsibility (CSR) Activities**

|   |                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken                                                                                                                   | The Company aims to focus on environment preservation, spreading education and supporting needy people of the society for their overall upliftment. Though its social activities are to focus primarily on areas surrounding its operations, they may include people / programs which may not be so related strictly considering overall upliftment objectives. However, in the second year of implementation the Company has emphasised mainly on making the autistic children self sufficient by supporting a trust for running and maintaining a day care centre for the development of autistic children in the city of Kolkata by contributing to "Amrit Somani Memorial Trust" engaged in running such a day care centre. |
| 2 | The Composition of the CSR Committee                                                                                                                                                                                                | CSR Committee comprises of two Independent Directors and two Non-Executive Directors as under:<br>1. Shri B.L. Surana (upto 26.02.2019) – Chairman<br>2. Shri T.K. Bhattacharya (From 27.04.2019) – Chairman<br>3. Shri Debashis Ray (From 27.04.2019) – Member<br>4. Shri B.L. Gaggar - Member<br>5. Shri J.P. Mundra – Member                                                                                                                                                                                                                                                                                                                                                                                                 |
| 3 | Average net profit of the company for the last three financial years                                                                                                                                                                | ₹2953.49 Lac                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 4 | Prescribed CSR Expenditure (two percent of the amount as in item 3 above)                                                                                                                                                           | The prescribed CSR Expenditure requirement for the FY 2018-19 is ₹59.07 Lac. The amount allocated i.e. ₹59.11 Lac is higher than 2% of the average net profit of the Company for the preceding three financial years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 5 | Details of CSR spent during the financial year                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| a | Total amount to be spent for the financial year                                                                                                                                                                                     | ₹59.07 Lac                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| b | Amount unspent, if any                                                                                                                                                                                                              | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| c | Manner in which the amount spent during the financial year                                                                                                                                                                          | The manner in which the amount is spent is annexed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 6 | In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Directors' Report | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 7 | A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company                                                                | The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

Place: Kolkata

Date: 30th May, 2019

For N.B.I. Industrial Finance Co. Ltd.

**J.P. Mundra**

Director

DIN:00630475

**T. K. Bhattacharya**

Chairman of CSR Committee

DIN: 00711665

**Annexure to CSR Report (Point 5(c) of the CSR Report)**

| CSR Project or activity identified       | Sector in which the project is covered                                   | Projects or programs<br>1. Local Area or other<br>2. Specify the State and district where projects or programs was undertaken | Amount outlay (budget)<br>Project or program wise | Amount spent on the projects or programs sub-heads:<br>1. Direct expenditure on projects or programs<br>2. Overheads | Cumulative expenditure upto the reporting period | Amount spent Direct or through Implementing Agency                    |
|------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------|
| (1)                                      | (2)                                                                      | (3)                                                                                                                           | (4)                                               | (5)                                                                                                                  | (6)                                              | (7)                                                                   |
| Initiatives to develop autistic children | Employment enhancing/ vocational skills among differently abled children | Area: Kolkata<br><br>State :: West Bengal                                                                                     | ₹59.11 Lac                                        | ₹59.11 Lac<br><br>Direct Expenditure on programs                                                                     | ₹59.11 Lac                                       | Through implementing Agency i.e. Amrit Somani Memorial Trust, Kolkata |

Place: Kolkata  
Date: 30th May, 2019

For N.B.I. Industrial Finance Co. Ltd.  
**J.P. Mundra** **T. K. Bhattacharya**  
 Director Chairman of CSR Committee  
 DIN:00630475 DIN: 00711665

### **Corporate Social Responsibility Policy (CSR Policy)**

N.B.I. Industrial Finance Company Limited (NBI) believes that for its operation and growth to be sustainable, it has to be responsive to social needs. Its progress is thus underlined by strict adherence to environment preservation, social upliftment etc. NBI believes in making social development as an integral part of its business activities so as to bring about a meaningful change in the lives of people. NBI considers social responsibility as a voluntary act rather than an additional activity mandated by statute.

NBI has in line with / in conformity with the statutory requirement, prepared its CSR Policy. NBI will maintain that all the activities that will be undertaken by it will be in accordance with the policy and that the projects and activities that will be undertaken are in full compliance with Schedule VII of the Companies Act, 2013.

The contents of NBI's CSR Policy are given below:-

#### **1. Vision, Objective and Scope of the Policy**

NBI Programmes will focus on supporting needy people of the society for their overall upliftment. Though its social activities will be focusing primarily on areas surrounding its operations, it may include people / programs which may not be so related strictly considering overall upliftment objectives.

#### **2. Mandate of Corporate Social Responsibility**

NBI is committed to spend 2% of its Average Net Profits of last three financial years as defined in the Rules towards its social initiatives.

#### **3. Board Committee**

The CSR Committee of the Board will oversee the social activities to be undertaken by the Company.

#### **4. Identification of Projects and Modalities of Project Execution**

The projects to be undertaken by the Company shall conform to the guidelines formulated or laid down by the Government from time to time under Schedule VII to the Companies Act, 2013.

#### **5. Organisational Mechanism**

NBI will seek assistance of outside agencies and/or collaborative partnerships may be formed with like-minded stakeholders in order to widen the Company's reach in implementing its CSR Policy.

#### **6. Implementation**

CSR Committee of the Board is entrusted with implementing the social activities / initiatives and establishing a monitoring mechanism in line with the policy of the company.

#### **7. Budget – CSR Corpus**

NBI will allocate necessary budget after the beginning of relevant accounting year for social initiatives. Fund allocation for various activities will be made on suitable and/or progressive basis.

**8. Performance Management**

NBI will adopt suitable approach for measuring the actual performance of the projects undertaken and Audit Committee of the Board of the Company shall review the performance.

**9. Information Dissemination and Policy Communication**

The Company's engagement in this domain shall be disseminated on its website and through its Annual Reports etc.

**10. Management Commitment**

Our Board of Directors, Management and all of employees subscribe to the philosophy of compassionate care. We believe and act on ethos of generosity and compassion, characterised by a willingness to build a society that works for everyone. This is the cornerstone of our CSR Policy.

**11. Review of Policy**

CSR Committee of the Board of **N.B.I. Industrial Finance Company Limited** will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

Place: Kolkata  
Date: 30th May, 2019

For N.B.I. Industrial Finance Co. Ltd.  
**J.P. Mundra**                      **T. K. Bhattacharya**  
Director                      Chairman of CSR Committee  
DIN:00630475                      DIN:00711665

**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

|            |                                                                                                             |                                                                                                                                                            |                                                                                                                             |
|------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>I.</b>  | <b>REGISTRATION AND OTHER DETAILS</b>                                                                       |                                                                                                                                                            |                                                                                                                             |
| i)         | CIN                                                                                                         | L65923WB1936PLC065596                                                                                                                                      |                                                                                                                             |
| ii)        | Registration Date                                                                                           | 21st December 1936                                                                                                                                         |                                                                                                                             |
| iii)       | Name of the Company                                                                                         | N.B.I. Industrial Finance Company Limited                                                                                                                  |                                                                                                                             |
| iv)        | Category / Sub-Category of the Company                                                                      | Public Company / Limited by Shares                                                                                                                         |                                                                                                                             |
| v)         | Address of the Registered Office and contact details                                                        | 21 Strand Road, Kolkata-700 001<br>Tel : +91332230 9601 (3 Lines)<br>+9133 2243 7725<br>Fax: +9133 2213 1650                                               |                                                                                                                             |
| vi)        | Whether listed Company                                                                                      | Yes                                                                                                                                                        |                                                                                                                             |
| vii)       | Name, Address and Contact details of Registrar and Transfer Agent, if any                                   | Maheshwari Datamatics Pvt.Ltd.<br>23, R.N. Mukherjee Road, 5th Floor<br>Kolkata - 700 001<br>Tel : +9133 2243 5029, 2248 2248<br>E-mail : mdpldc@yahoo.com |                                                                                                                             |
| <b>II</b>  | <b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>                                                         |                                                                                                                                                            |                                                                                                                             |
|            | All the business activities contributing 10% or more of the total turnover of the Company                   |                                                                                                                                                            |                                                                                                                             |
|            | Name and Description of main products / services                                                            | NIC Code of the products / services                                                                                                                        | % of total turnover of the Company                                                                                          |
|            | NBFC Activity                                                                                               | 9971                                                                                                                                                       | 100%                                                                                                                        |
| <b>III</b> | <b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>                                           |                                                                                                                                                            | NONE                                                                                                                        |
| <b>IV</b>  | <b>SHARE HOLDING PATTERN (Equity Share Breakup as percentage of Total Equity)</b>                           |                                                                                                                                                            |                                                                                                                             |
| i)         | Category-wise Shareholding                                                                                  | As per Attachment A                                                                                                                                        |                                                                                                                             |
| ii)        | Shareholding of Promoters                                                                                   | As per Attachment B                                                                                                                                        |                                                                                                                             |
| iii)       | Change in Promoters' Shareholding                                                                           | As per Attachment C                                                                                                                                        |                                                                                                                             |
| iv)        | Shareholding pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) | As per Attachment D                                                                                                                                        |                                                                                                                             |
| v)         | Shareholding of Directors and Key Managerial Personnel                                                      | None of the Directors and Key Managerial Personnel holds any share in the Company                                                                          |                                                                                                                             |
| <b>V</b>   | <b>INDEBTEDNESS</b>                                                                                         |                                                                                                                                                            |                                                                                                                             |
|            | Indebtedness of the Company including interest outstanding / accrued but not due for payment                |                                                                                                                                                            | As per Attachment E                                                                                                         |
| <b>VI</b>  | <b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>                                               |                                                                                                                                                            |                                                                                                                             |
| A          | Remuneration of MD/WTM and/or Manager                                                                       |                                                                                                                                                            | As per Attachment F                                                                                                         |
| B          | Remuneration to other Directors                                                                             |                                                                                                                                                            | As per Attachment G                                                                                                         |
| C          | Remuneration to Key Managerial Personnel other than MD / WTD / Manager                                      |                                                                                                                                                            | Included in remuneration of Manager in Attachment F. However remuneration of Company Secretary is provided in Attachment H. |
| <b>VII</b> | <b>PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES</b>                                                     |                                                                                                                                                            |                                                                                                                             |
|            | None                                                                                                        |                                                                                                                                                            |                                                                                                                             |

**Attachment A****IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

| Category of Shareholders                                                          | No of Shares held at the beginning of the year [As on 01/April/2018] |               |                |                   | No of Shares held at the end of the year [As on 31/March/2019] |               |                |                   | %change during the Year |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------|---------------|----------------|-------------------|----------------------------------------------------------------|---------------|----------------|-------------------|-------------------------|
|                                                                                   | Demat                                                                | Physical      | Total          | % of Total Shares | Demat                                                          | Physical      | Total          | % of Total Shares |                         |
| <b>A. Promoters</b>                                                               |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| (1) Indian                                                                        |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| a) Individual/ HUF                                                                | 208200                                                               | 0             | 208200         | 8.47              | 208200                                                         | 0             | 208200         | 8.47              | 0.0000                  |
| b) Central Govt                                                                   |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| c) State Govt(s)                                                                  |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| d) Bodies Corp.                                                                   | 1266004                                                              | 0             | 1266004        | 51.53             | 1266004                                                        | 0             | 1266004        | 51.53             | 0.0000                  |
| e) Banks/FI                                                                       |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| f) Any other                                                                      |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| <b>Sub-total (A)(1)</b>                                                           | <b>1474204</b>                                                       | <b>0</b>      | <b>1474204</b> | <b>60.00</b>      | <b>1474204</b>                                                 | <b>0</b>      | <b>1474204</b> | <b>60.00</b>      | <b>0.0000</b>           |
| (2) Foreign                                                                       |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| a) NRIs - Individuals                                                             |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| b) Other - Individuals                                                            |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| c) Bodies Corp.                                                                   |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| d) Banks/FI                                                                       |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| e) Any other                                                                      |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| <b>Sub-total (A)(2)</b>                                                           | <b>0</b>                                                             | <b>0</b>      | <b>0</b>       | <b>0.00</b>       | <b>0</b>                                                       | <b>0</b>      | <b>0</b>       | <b>0.00</b>       | <b>0.0000</b>           |
| <b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>                           | <b>1474204</b>                                                       | <b>0</b>      | <b>1474204</b> | <b>60.00</b>      | <b>1474204</b>                                                 | <b>0</b>      | <b>1474204</b> | <b>60.00</b>      | <b>0.0000</b>           |
| <b>B. Public Shareholding</b>                                                     |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| <b>1. Institutions</b>                                                            |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| a) Mutual Funds                                                                   |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| b) Banks/FI                                                                       | 0                                                                    | 1584          | 1584           | 0.06              | 0                                                              | 1584          | 1584           | 0.06              | 0.0000                  |
| c) Central Govt                                                                   | 0                                                                    | 14            | 14             | 0.00              | 0                                                              | 14            | 14             | 0.00              | 0.0000                  |
| d) State Govt(s)                                                                  |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| e) Venture Capital Funds                                                          |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| f) Insurance Companies                                                            |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| g) FIs                                                                            |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| h) Foreign Venture Capital Funds                                                  |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| i) Others (specify)                                                               |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| Alternate Investment Funds                                                        |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| Foreign Portfolio Investors                                                       | 0                                                                    | 0             | 0              | 0.00              | 38571                                                          | 0             | 38571          | 1.57              | 1.5700                  |
| Provident Funds / Pension Funds                                                   |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| Qualified Foreign Investor                                                        | 0                                                                    | 1598          | 1598           | 0.07              | 38571                                                          | 1598          | 40169          | 1.64              | 1.5700                  |
| <b>Sub-total(B)(1):-</b>                                                          | <b>0</b>                                                             | <b>1598</b>   | <b>1598</b>    | <b>0.07</b>       | <b>38571</b>                                                   | <b>1598</b>   | <b>40169</b>   | <b>1.64</b>       | <b>1.5700</b>           |
| <b>2. Non-Institutions</b>                                                        |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| a) Bodies Corp.                                                                   |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| i) Indian                                                                         | 304492                                                               | 13404         | 317896         | 12.94             | 317042                                                         | 5842          | 322884         | 13.14             | 0.2030                  |
| ii) Overseas                                                                      |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| b) Individuals                                                                    |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh          | 159010                                                               | 372608        | 531618         | 21.64             | 170401                                                         | 343912        | 514313         | 20.93             | -0.7044                 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 107346                                                               | 0             | 107346         | 4.37              | 82346                                                          | 0             | 82346          | 3.35              | -1.0175                 |
| c) Others (Specify)                                                               |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| Non Resident Indians                                                              | 1212                                                                 | 0             | 1212           | 0.05              | 359                                                            | 0             | 359            | 0.01              | -0.0347                 |
| Qualified Foreign Investor                                                        |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| Custodian of Enemy Property                                                       |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| Foreign Nationals                                                                 |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| Clearing Members                                                                  | 1732                                                                 | 0             | 1732           | 0.07              | 1331                                                           | 0             | 1331           | 0.05              | -0.0163                 |
| Trusts                                                                            |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| Foreign Bodies-D R                                                                |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| Foreign Portfolio Investors                                                       |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| NBFCs registered with RBI                                                         | 21200                                                                | 0             | 21200          | 0.86              | 21200                                                          | 0             | 21200          | 0.86              | 0.0000                  |
| Employee Trusts                                                                   |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| Domestic Corporate Unclaimed Shares Account                                       |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| Investor Education and Protection Fund Authority                                  |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| <b>Sub-total(B)(2):-</b>                                                          | <b>594992</b>                                                        | <b>386012</b> | <b>981004</b>  | <b>39.93</b>      | <b>592679</b>                                                  | <b>349754</b> | <b>942433</b>  | <b>38.36</b>      | <b>-1.5699</b>          |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>                               | <b>594992</b>                                                        | <b>387610</b> | <b>982602</b>  | <b>40.00</b>      | <b>631250</b>                                                  | <b>351352</b> | <b>982602</b>  | <b>40.00</b>      | <b>0.0001</b>           |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                            |                                                                      |               |                |                   |                                                                |               |                |                   |                         |
| <b>Grand Total (A+B+C)</b>                                                        | <b>2069196</b>                                                       | <b>387610</b> | <b>2456806</b> | <b>100.00</b>     | <b>2105454</b>                                                 | <b>351352</b> | <b>2456806</b> | <b>100.00</b>     | <b>0.0000</b>           |

N.B.: - approximation is due to decimal.

**Attachment B**

## ii) Shareholding of Promoters-

| Sl No | Shareholder's Name                     | Shareholding at the beginning of the year<br>[As on 01/April/2018] |                                        |                                                           | Shareholding at the end of the year<br>[As on 31/March/2019] |                                        |                                                           | % change in<br>share holding<br>during the Year | PAN        |
|-------|----------------------------------------|--------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------|-------------------------------------------------|------------|
|       |                                        | No. of Shares                                                      | % of total<br>Shares of<br>the Company | % of Shares<br>Pledged /<br>encumbered<br>to total shares | No. of Shares                                                | % of total<br>Shares of<br>the Company | % of Shares<br>Pledged /<br>encumbered<br>to total shares |                                                 |            |
| 1     | SHREE CAPITAL SERVICES LTD             | 472000                                                             | 19.21                                  | 0.0000                                                    | 472000                                                       | 19.21                                  | 0.0000                                                    | 0.00                                            | AAGCS5082D |
| 2     | DIGVIJAY FINLEASE LTD                  | 471478                                                             | 19.19                                  | 0.0000                                                    | 471478                                                       | 19.19                                  | 0.0000                                                    | 0.00                                            | AAACD6998D |
| 3     | PRASHANT BANGUR*                       | 208000                                                             | 8.46                                   | 0.0000                                                    | 208200                                                       | 8.47                                   | 0.0000                                                    | 0.01                                            | AHAPB4776F |
| 4     | THE DIDWANA INVESTMENT COMPANY LIMITED | 130788                                                             | 5.32                                   | 0.0000                                                    | 130788                                                       | 5.32                                   | 0.0000                                                    | 0.00                                            | AABCT1524C |
| 5     | ASISH CREATIONS PRIVATE LIMITED        | 124478                                                             | 5.07                                   | 0.0000                                                    | 124478                                                       | 5.07                                   | 0.0000                                                    | 0.00                                            | AADCA3805D |
| 6     | MANNAKRISHNA INVESTMENTS PVT LTD       | 50000                                                              | 2.04                                   | 0.0000                                                    | 50000                                                        | 2.04                                   | 0.0000                                                    | 0.00                                            | AACCM2323H |
| 7     | WESTERN INDIA COMMERCIAL CO LTD        | 17250                                                              | 0.70                                   | 0.0000                                                    | 17250                                                        | 0.70                                   | 0.0000                                                    | 0.00                                            | AAACW2354C |
| 8     | THE VENKTESH CO LTD                    | 2                                                                  | 0.00                                   | 0.0000                                                    | 2                                                            | 0.00                                   | 0.0000                                                    | 0.00                                            | AAACT9722F |
| 9     | NEWA INVESTMENTS PVT LTD               | 2                                                                  | 0.00                                   | 0.0000                                                    | 2                                                            | 0.00                                   | 0.0000                                                    | 0.00                                            | AAACN8961G |
| 10    | RAJESH VANIJYA PVT. LTD                | 2                                                                  | 0.00                                   | 0.0000                                                    | 2                                                            | 0.00                                   | 0.0000                                                    | 0.00                                            | AABCR6316C |
| 11    | DIDU INVESTMENTS PVT LTD               | 2                                                                  | 0.00                                   | 0.0000                                                    | 2                                                            | 0.00                                   | 0.0000                                                    | 0.00                                            | AABCD1810F |
| 12    | RAGINI FINANCE LIMITED                 | 2                                                                  | 0.00                                   | 0.0000                                                    | 2                                                            | 0.00                                   | 0.0000                                                    | 0.00                                            | AABCR2321R |
| 13    | BENU GOPAL BANGUR                      | 200                                                                | 0.01                                   | 0.0000                                                    | 0                                                            | 0.00                                   | 0.0000                                                    | -0.01                                           | ADRPB5687N |
|       | <b>TOTAL</b>                           | <b>1474204</b>                                                     | <b>60.00</b>                           | <b>0.0000</b>                                             | <b>1474204</b>                                               | <b>60.00</b>                           | <b>0.0000</b>                                             | <b>0.00</b>                                     |            |

\* Shri Prashant Bangur disclaims the beneficial ownership of 208000 shares held by him on behalf of Shree Venkatesh Ayurvedic Ausdhhalaya.

**Attachment C**

iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl No | Name                                                                   | Shareholding at the beginning<br>[01/April/18]/end of the<br>year [31/March/2019] |                                        | Cumulative Shareholding<br>during the year [01/April/18<br>to 31/March/2019] |                                        | PAN        |
|-------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------|------------------------------------------------------------------------------|----------------------------------------|------------|
|       |                                                                        | No. of<br>shares                                                                  | % of total<br>shares of the<br>company | No. of<br>shares                                                             | % of total<br>shares of the<br>company |            |
| 1     | BENU GOPAL BANGUR<br>01/04/2018<br>08/03/2019 - Transfer<br>31/03/2019 | 200<br>-200<br>0                                                                  | 0.01<br>0.01<br>0.00                   | 0<br>0                                                                       | 0.00<br>0.00                           | ADRPB5687N |
| 2     | PRASHANT BANGUR<br>01/04/2018<br>08/03/2019 - Transfer<br>31/03/2019   | 208000<br>200<br>208200                                                           | 8.46<br>0.01<br>8.47                   | 208200<br>208200                                                             | 8.47<br>8.47                           | AHAPB4776F |

**Attachment D**

iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| SI No | Name                                                                                                                                                                                                                                                                                                                                        | Shareholding at the beginning<br>[01/April/18]/end of the<br>year [31/March/2019]    |                                                                                              | Cumulative Shareholding<br>during the year [01/April/18<br>to 31/March/2019]             |                                                                                      | PAN        |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------|
|       |                                                                                                                                                                                                                                                                                                                                             | No. of<br>shares                                                                     | % of total<br>shares of the<br>company                                                       | No. of<br>shares                                                                         | % of total<br>shares of the<br>company                                               |            |
| 1     | KEEN INVESTMENT AND<br>LEASING LIMITED<br>01/04/2018<br>18/05/2018 - Transfer<br>31/03/2019                                                                                                                                                                                                                                                 | 96722<br>6654<br>103376                                                              | 3.94<br>0.27<br>4.21                                                                         | 103376<br>103376                                                                         | 4.21<br>4.21                                                                         | AAACK7707M |
| 2     | MAN-MADE FIBRES PVT. LTD<br>01/04/2018<br>31/03/2019                                                                                                                                                                                                                                                                                        | 131900<br>131900                                                                     | 5.37<br>5.37                                                                                 | 131900                                                                                   | 5.37                                                                                 | AAACM3042R |
| 3     | RESHAM RESHA PVT. LTD<br>01/04/2018<br>18/05/2018 - Transfer<br>31/03/2019                                                                                                                                                                                                                                                                  | 26354<br>4646<br>31000                                                               | 1.07<br>0.19<br>1.26                                                                         | 31000<br>31000                                                                           | 1.26<br>1.26                                                                         | AAACR5056L |
| 4     | MAHENDRA GIRDHARILAL<br>01/04/2018<br>31/03/2019                                                                                                                                                                                                                                                                                            | 82346<br>82346                                                                       | 3.35<br>3.35                                                                                 | 82346                                                                                    | 3.35                                                                                 | AAAPW1327L |
| 5     | PLACID LIMITED<br>01/04/2018<br>31/03/2019                                                                                                                                                                                                                                                                                                  | 21200<br>21200                                                                       | 0.86<br>0.86                                                                                 | 21200                                                                                    | 0.86                                                                                 | AABCP5447J |
| 6     | SM SHETI SEVA PRIVATE LIMITED<br>01/04/2018<br>18/05/2018 - Transfer<br>25/01/2019 - Transfer<br>31/03/2019                                                                                                                                                                                                                                 | 23892<br>-1300<br>1282<br>23874                                                      | 0.97<br>0.05<br>0.05<br>0.97                                                                 | 22592<br>23874<br>23874                                                                  | 0.92<br>0.97<br>0.97                                                                 | AAECS3179F |
| 7     | AJAY KUMAR<br>01/04/2018<br>08/06/2018 - Transfer<br>22/06/2018 - Transfer<br>07/12/2018 - Transfer<br>31/03/2019                                                                                                                                                                                                                           | 10136<br>-888<br>-550<br>-684<br>8014                                                | 0.41<br>0.04<br>0.02<br>0.03<br>0.33                                                         | 9248<br>8698<br>8014<br>8014                                                             | 0.38<br>0.35<br>0.33<br>0.33                                                         | AAJPK4138N |
| 8     | RITA PAVANKUMAR<br>01/04/2018<br>18/05/2018 - Transfer<br>16/11/2018 - Transfer<br>31/12/2018 - Transfer<br>04/01/2019 - Transfer<br>31/03/2019                                                                                                                                                                                             | 25000<br>-10000<br>1<br>1435<br>2535<br>18971                                        | 1.02<br>0.41<br>0.00<br>0.06<br>0.10<br>0.77                                                 | 15000<br>15001<br>16436<br>18971<br>18971                                                | 0.61<br>0.61<br>0.67<br>0.77<br>0.77                                                 | AAJPR6424J |
| 9     | METRICA ASIA EVENT DRIVEN<br>MASTER FUND *<br>01/04/2018<br>06/04/2018 - Transfer<br>13/04/2018 - Transfer<br>27/04/2018 - Transfer<br>11/05/2018 - Transfer<br>18/05/2018 - Transfer<br>25/05/2018 - Transfer<br>01/06/2018 - Transfer<br>08/06/2018 - Transfer<br>15/06/2018 - Transfer<br>22/06/2018 - Transfer<br>29/06/2018 - Transfer | 0<br>1601<br>147<br>245<br>451<br>2585<br>3050<br>712<br>2784<br>1568<br>1755<br>128 | 0.00<br>0.07<br>0.01<br>0.01<br>0.02<br>0.11<br>0.12<br>0.03<br>0.11<br>0.06<br>0.07<br>0.01 | 1601<br>1748<br>1993<br>2444<br>5029<br>8079<br>8791<br>11575<br>13143<br>14898<br>15026 | 0.07<br>0.07<br>0.08<br>0.10<br>0.20<br>0.33<br>0.36<br>0.47<br>0.54<br>0.61<br>0.61 | AALCM3182F |

| Sl No | Name                        | Shareholding at the beginning<br>[01/April/18]/end of the<br>year [31/March/2019] |                                        | Cumulative Shareholding<br>during the year [01/April/18<br>to 31/March/2019] |                                        | PAN        |
|-------|-----------------------------|-----------------------------------------------------------------------------------|----------------------------------------|------------------------------------------------------------------------------|----------------------------------------|------------|
|       |                             | No. of<br>shares                                                                  | % of total<br>shares of the<br>company | No. of<br>shares                                                             | % of total<br>shares of the<br>company |            |
|       | 06/07/2018 - Transfer       | 200                                                                               | 0.01                                   | 15226                                                                        | 0.62                                   |            |
|       | 13/07/2018 - Transfer       | 261                                                                               | 0.01                                   | 15487                                                                        | 0.63                                   |            |
|       | 27/07/2018 - Transfer       | 194                                                                               | 0.01                                   | 15681                                                                        | 0.64                                   |            |
|       | 10/08/2018 - Transfer       | 228                                                                               | 0.01                                   | 15909                                                                        | 0.65                                   |            |
|       | 17/08/2018 - Transfer       | 186                                                                               | 0.01                                   | 16095                                                                        | 0.66                                   |            |
|       | 24/08/2018 - Transfer       | 3759                                                                              | 0.15                                   | 19854                                                                        | 0.81                                   |            |
|       | 31/08/2018 - Transfer       | 1235                                                                              | 0.05                                   | 21089                                                                        | 0.86                                   |            |
|       | 21/09/2018 - Transfer       | 124                                                                               | 0.01                                   | 21213                                                                        | 0.86                                   |            |
|       | 28/09/2018 - Transfer       | 142                                                                               | 0.01                                   | 21355                                                                        | 0.87                                   |            |
|       | 05/10/2018 - Transfer       | 1212                                                                              | 0.05                                   | 22567                                                                        | 0.92                                   |            |
|       | 12/10/2018 - Transfer       | 583                                                                               | 0.02                                   | 23150                                                                        | 0.94                                   |            |
|       | 19/10/2018 - Transfer       | 660                                                                               | 0.03                                   | 23810                                                                        | 0.97                                   |            |
|       | 02/11/2018 - Transfer       | 179                                                                               | 0.01                                   | 23989                                                                        | 0.98                                   |            |
|       | 16/11/2018 - Transfer       | 121                                                                               | 0.00                                   | 24110                                                                        | 0.98                                   |            |
|       | 23/11/2018 - Transfer       | 193                                                                               | 0.01                                   | 24303                                                                        | 0.99                                   |            |
|       | 30/11/2018 - Transfer       | 1337                                                                              | 0.05                                   | 25640                                                                        | 1.04                                   |            |
|       | 07/12/2018 - Transfer       | 2365                                                                              | 0.10                                   | 28005                                                                        | 1.14                                   |            |
|       | 21/12/2018 - Transfer       | 618                                                                               | 0.03                                   | 28623                                                                        | 1.17                                   |            |
|       | 28/12/2018 - Transfer       | 481                                                                               | 0.02                                   | 29104                                                                        | 1.18                                   |            |
|       | 31/12/2018 - Transfer       | 573                                                                               | 0.02                                   | 29677                                                                        | 1.21                                   |            |
|       | 04/01/2019 - Transfer       | 1129                                                                              | 0.05                                   | 30806                                                                        | 1.25                                   |            |
|       | 11/01/2019 - Transfer       | 4035                                                                              | 0.16                                   | 34841                                                                        | 1.42                                   |            |
|       | 18/01/2019 - Transfer       | 684                                                                               | 0.03                                   | 35525                                                                        | 1.45                                   |            |
|       | 25/01/2019 - Transfer       | 581                                                                               | 0.02                                   | 36106                                                                        | 1.47                                   |            |
|       | 01/02/2019 - Transfer       | 685                                                                               | 0.03                                   | 36791                                                                        | 1.50                                   |            |
|       | 08/02/2019 - Transfer       | 2340                                                                              | 0.10                                   | 39131                                                                        | 1.59                                   |            |
|       | 15/02/2019 - Transfer       | 630                                                                               | 0.03                                   | 39761                                                                        | 1.62                                   |            |
|       | 22/02/2019 - Transfer       | 183                                                                               | 0.01                                   | 39944                                                                        | 1.63                                   |            |
|       | 01/03/2019 - Transfer       | 489                                                                               | 0.02                                   | 40433                                                                        | 1.65                                   |            |
|       | 08/03/2019 - Transfer       | -525                                                                              | 0.02                                   | 39908                                                                        | 1.62                                   |            |
|       | 15/03/2019 - Transfer       | -468                                                                              | 0.02                                   | 39440                                                                        | 1.61                                   |            |
|       | 22/03/2019 - Transfer       | 50                                                                                | 0.00                                   | 39490                                                                        | 1.61                                   |            |
|       | 29/03/2019 - Transfer       | -919                                                                              | 0.04                                   | 38571                                                                        | 1.57                                   |            |
|       | 31/03/2019                  | 38571                                                                             | 1.57                                   | 38571                                                                        | 1.57                                   |            |
| 10    | MEENAKSHI BIRLA             |                                                                                   |                                        |                                                                              |                                        | AGNPB6137C |
|       | 01/04/2018                  | 11960                                                                             | 0.49                                   |                                                                              |                                        |            |
|       | 24/08/2018 - Transfer       | -160                                                                              | 0.01                                   | 11800                                                                        | 0.48                                   |            |
|       | 02/11/2018 - Transfer       | -20                                                                               | 0.00                                   | 11780                                                                        | 0.48                                   |            |
|       | 07/12/2018 - Transfer       | -100                                                                              | 0.00                                   | 11680                                                                        | 0.48                                   |            |
|       | 01/03/2019 - Transfer       | -102                                                                              | 0.00                                   | 11578                                                                        | 0.47                                   |            |
|       | 31/03/2019                  | 11578                                                                             | 0.47                                   | 11578                                                                        | 0.47                                   |            |
| 11    | SURBHI SHREEYASH BANGUR . # |                                                                                   |                                        |                                                                              |                                        | AHVPD9703F |
|       | 01/04/2018                  | 11020                                                                             | 0.45                                   |                                                                              |                                        |            |
|       | 06/07/2018 - Transfer       | -23                                                                               | 0.00                                   | 10997                                                                        | 0.45                                   |            |
|       | 13/07/2018 - Transfer       | -1                                                                                | 0.00                                   | 10996                                                                        | 0.45                                   |            |
|       | 10/08/2018 - Transfer       | -101                                                                              | 0.00                                   | 10895                                                                        | 0.44                                   |            |
|       | 17/08/2018 - Transfer       | -1310                                                                             | 0.05                                   | 9585                                                                         | 0.39                                   |            |
|       | 24/08/2018 - Transfer       | -1522                                                                             | 0.06                                   | 8063                                                                         | 0.33                                   |            |
|       | 28/12/2018 - Transfer       | -838                                                                              | 0.03                                   | 7225                                                                         | 0.29                                   |            |
|       | 31/12/2018 - Transfer       | -556                                                                              | 0.02                                   | 6669                                                                         | 0.27                                   |            |
|       | 04/01/2019 - Transfer       | -1309                                                                             | 0.05                                   | 5360                                                                         | 0.22                                   |            |
|       | 11/01/2019 - Transfer       | -1574                                                                             | 0.06                                   | 3786                                                                         | 0.15                                   |            |
|       | 25/01/2019 - Transfer       | -521                                                                              | 0.02                                   | 3265                                                                         | 0.13                                   |            |
|       | 01/02/2019 - Transfer       | -1052                                                                             | 0.04                                   | 2213                                                                         | 0.09                                   |            |
|       | 08/02/2019 - Transfer       | -2213                                                                             | 0.09                                   | 0                                                                            | 0.00                                   |            |
|       | 31/03/2019                  | 0                                                                                 | 0.00                                   | 0                                                                            | 0.00                                   |            |

\*Not in the list of Top 10 shareholders as on 01/04/2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

#Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018

**Attachment E****V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding / accrued but not due for payment

|                                                                            | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|----------------------------------------------------------------------------|-------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness as at the beginning of the financial year (01.04.2018)</b> |                                     |                    |          |                       |
| i) Principal Amount                                                        |                                     | –                  | –        |                       |
| ii) Interest due but not paid                                              | –                                   | –                  | –        | –                     |
| iii) Interest accrued but not due                                          | –                                   | –                  | –        | –                     |
| <b>Total (i+ii+iii)</b>                                                    |                                     | –                  | –        |                       |
| <b>Change in Indebtedness during the financial year</b>                    |                                     |                    |          |                       |
| Addition                                                                   | –                                   | –                  | –        | –                     |
| Reduction                                                                  |                                     | –                  | –        |                       |
| <b>Net Change</b>                                                          |                                     | –                  | –        |                       |
| <b>Indebtedness as at the end of the financial year (31.03.2019)</b>       |                                     | –                  |          |                       |
| i) Principal Amount                                                        | –                                   | –                  | –        | –                     |
| ii) Interest due but not paid                                              | –                                   | –                  | –        | –                     |
| iii) Interest accrued but not due                                          | –                                   | –                  | –        | –                     |
| <b>Total (i+ii+iii)</b>                                                    | –                                   | –                  | –        | –                     |

**Attachment F****VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration of MD/WTM and/or Manager (also CFO)

| Sl. No. | Particulars of Remuneration                                                        | S.P. Kumar                                                                                                        | Total Amount (₹) |
|---------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------|
| 1       | Gross Salary                                                                       |                                                                                                                   |                  |
|         | a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 1,043,118                                                                                                         | 1,043,118        |
|         | b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                      | –                                                                                                                 | –                |
|         | c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961       | –                                                                                                                 | –                |
| 2       | Stock Option                                                                       | –                                                                                                                 | –                |
| 3       | Sweat Equity                                                                       | –                                                                                                                 | –                |
| 4       | Commission                                                                         |                                                                                                                   |                  |
|         | – as % of profit                                                                   | –                                                                                                                 | –                |
|         | – Others                                                                           | –                                                                                                                 | –                |
| 5       | Others                                                                             | 457,047                                                                                                           | 457,047          |
|         | <b>TOTAL (A)</b>                                                                   | <b>1,500,165</b>                                                                                                  | <b>1,500,165</b> |
|         | Ceiling as per the Act                                                             | ₹32.06 Lacs (being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013) |                  |

**Attachment G**

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## B. Remuneration to other Directors

| Sl. No. | Particulars of Remuneration                    | Ashok Bhandari                                                                                                   | Ram Narain Mundhra | Bankat Lal Gaggar | Jagdish Prasad Mundra | Babu Lal Surana | Riya Puja Jain | Tapas Kumar Bhattacharya | Total Amount (₹) |
|---------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|-----------------------|-----------------|----------------|--------------------------|------------------|
| 1       | <b>Independent Directors</b>                   |                                                                                                                  |                    |                   |                       |                 |                |                          |                  |
|         | • Fee for attending board / committee meetings | –                                                                                                                | 13,000             | –                 | –                     | 44,000          | –              | 24,500                   | 81,500           |
|         | • Commission                                   | –                                                                                                                | –                  | –                 | –                     | –               | –              | –                        | –                |
|         | • Others                                       | –                                                                                                                | –                  | –                 | –                     | –               | –              | –                        | –                |
|         | <b>TOTAL (1)</b>                               | –                                                                                                                | 13,000             | –                 | –                     | 44,000          | –              | 24,500                   | 81,500           |
| 2       | <b>Other Non-Executive Directors</b>           |                                                                                                                  |                    |                   |                       |                 |                |                          |                  |
|         | • Fee for attending board / committee meetings | 21,000                                                                                                           | –                  | 29,000            | 41,500                | –               | 20,000         | –                        | 111,500          |
|         | • Commission                                   | –                                                                                                                | –                  | –                 | –                     | –               | –              | –                        | –                |
|         | • Others                                       | –                                                                                                                | –                  | –                 | –                     | –               | –              | –                        | –                |
|         | <b>TOTAL (2)</b>                               | 21,000                                                                                                           | –                  | 29,000            | 41,500                | –               | 20,000         | –                        | 111,500          |
|         | <b>TOTAL (B)= (1)+(2)</b>                      | 21,000                                                                                                           | 13,000             | 29,000            | 41,500                | 44,000          | 20,000         | 24,500                   | 193,000          |
|         | <b>Total Managerial Remuneration</b>           |                                                                                                                  |                    |                   |                       |                 |                |                          | 1,693,165*       |
|         | Overall ceiling as per the Act                 | 70.54 Lac (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013) |                    |                   |                       |                 |                |                          |                  |

\* Total remuneration to Managing Directors/Whole-time Directors/Manager and other Directors (being total of A and B).

**Attachment H**

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager i.e. Company Secretary

| Sl. No. | Particulars of Remuneration                                                        | Priyanka Mishra | Total Amount (₹) |
|---------|------------------------------------------------------------------------------------|-----------------|------------------|
| 1       | Gross Salary                                                                       |                 |                  |
|         | a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 153,600         | 153,600          |
|         | b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                      | –               | –                |
|         | c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961       | –               | –                |
| 2       | Stock Option                                                                       | –               | –                |
| 3       | Sweat Equity                                                                       | –               | –                |
| 4       | Commission                                                                         |                 |                  |
|         | – as % of profit                                                                   | –               | –                |
|         | – Others                                                                           | –               | –                |
| 5       | Others                                                                             | –               | –                |
|         | <b>TOTAL</b>                                                                       | 153,600         | 153,600          |

**Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014**

**i) Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year**

Not Applicable, as none of the directors draw remuneration except sitting fees for Board / Committee meetings.

**ii) Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year**

11.94%.

**iii) Percentage increase in the median remuneration of employees in the financial year**

13.34%.

**iv) Number of permanent employees on the rolls of Company**

5 (Five)

**v) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average increase in salaries of employees other than managerial personnel in 2018-19 was 13.09%. Percentage increase in the managerial remuneration for the year was 11.94%.

**vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for directors, key managerial personnel and other employees.**

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy On Corporate Governance

The Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, the Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavors to review, strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

The Securities and Exchange Board of India (SEBI) has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which incorporates corporate governance principles and also provides broad principles for periodic disclosures.

On May 09, 2018, SEBI released the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 to adopt and give effect to several recommendations that were proposed in a report given by the Kotak Committee on October 5, 2017. Hereinafter, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 are collectively referred to as "the Listing Regulations"

A Report on compliance with the principles of Corporate Governance as prescribed by the SEBI in Chapter IV read with Schedule V of the Listing Regulations is given below.

### 2. Board of Directors

The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

#### Composition

The Board comprises of Independent and Non- Independent Directors as required under the Companies Act, 2013 ('the Act') and Listing Regulations. The strength of the Board as on 31st March, 2019 was four members all of whom are Non- Executive Directors. Out of them one is Independent Director and three are Non- Independent Directors of which one is a Woman Director. Shri B.L. Gaggar is the Chairman of the Company.

The Independent Directors on the Board are competent and respected professionals from their respective fields and have vast experience in general corporate management, finance and other allied fields which enable them to contribute effectively to the Company. The day to day management of the Company is conducted by the Manager subject to the supervision, direction and control of the Board of Directors. The Independent Directors have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and their relatives and the company which could have potential

conflict of interest with the company at large. In the opinion of the Board, the independent directors fulfill the conditions specified in the Listing Regulations and Companies Act, 2013 and are independent of the management.

Shri B.L. Surana, a Non-Executive-Independent Director of the Company resigned on 26.02.2019 due to his advancing age and has confirmed that there are no other material reasons other than that provided in the resignation letter.

None of the Directors on the Board is a Member of more than 10(Ten) Committees or Chairman of more than 5(Five) Committees across all the Companies in which he/she is a Director. Further, none of the Directors of the Company serves as an Independent Director in more than 7(Seven) listed companies. Also necessary disclosures regarding Committee positions in other public Companies have been made to the Company by the Directors at regular intervals.

Six Board Meetings were held during the financial year 2018-19 on the following dates:

- √ 30th April, 2018
- √ 30th May, 2018
- √ 30th June, 2018
- √ 14th August, 2018
- √ 14th November, 2018
- √ 12th February, 2019

**Details of the Board of Directors and External Directorships:**

Particulars of the Board's Composition, Directors' Attendance at Board Meetings and at the previous Annual General Meeting, number of other Directorships and Board-Committee memberships held as on 31st March, 2019, are given below:

| Sr. No. | Name of the Director | Attendance at Board Meetings | Attendance at previous AGM | No. of other Directorships (*) | Number of other Board Committee positions (@) |           |
|---------|----------------------|------------------------------|----------------------------|--------------------------------|-----------------------------------------------|-----------|
|         |                      |                              |                            |                                | As Chairman                                   | As Member |
| 1       | Ashok Bhandari-N1    | 4                            | No                         | 8                              | —                                             | 6         |
| 2       | Riya Puja Jain       | 5                            | No                         | 1                              | —                                             | —         |
| 3       | B.L.Gaggar           | 6                            | Yes                        | 4                              | —                                             | 1         |
| 4       | R.N.Mundhra-N2       | 2                            | No                         | 5                              | 3                                             | 0         |
| 5       | B.L.Surana-N3        | 6                            | Yes                        | 8                              | 2                                             | 4         |
| 6       | J.P.Mundra           | 6                            | Yes                        | 6                              | 1                                             | —         |
| 7.      | T.K. Bhattacharya-N4 | 3                            | Yes                        | 1                              | —                                             | 1         |

**Notes:**

N1- Shri Ashok Bhandari resigned on 5th October, 2018

N2- Shri R.N. Mundhra expired on 16th June, 2018

N3- Shri B.L. Surana resigned on 26th February, 2019

N4- Shri T.K. Bhattacharya was appointed on 30th June, 2018

(\*) includes directorships held in public limited Companies only. (Directorships held in Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013 are excluded)

(@) includes only positions held in Audit Committee and Stakeholders' Relationship Committee of the Board of Directors as per Regulation 26 of the Listing Regulations.

Web link for Familiarisation Program for Independent Directors is [http://www.nbi-india.co.in/policies/NBI\\_Familiarisation\\_Program.pdf](http://www.nbi-india.co.in/policies/NBI_Familiarisation_Program.pdf)

Name of the other listed entity where the director is a director along with category of directorship:

| Name of the Director | Name of the Listed Entity         | Category of Directorship               |
|----------------------|-----------------------------------|----------------------------------------|
| Riya Puja Jain       | NIL                               | NIL                                    |
| B.L. Gaggar          | NIL                               | NIL                                    |
| J.P. Mundra          | Western India Commercial Co. Ltd. | Non-Executive Non-Independent Director |
| T.K. Bhattacharya    | Western India Commercial Co. Ltd. | Non-Executive-Independent Director     |

None of the Non-executive Directors hold any shares or convertible instruments in the Company

None of the directors of the Company are related inter-se

**Key Board qualifications, expertise and attributes**

The Company's Board comprises qualified members who bring in the required skill, competence and expertise that allow them to make effective contribution to the Board and its committees.

The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on Board.

|                                             |                                                                                                                                                                                                                                                                                    |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial                                   | Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting process or experience in actively supervising various functions                        |
| Gender, ethnic, national or other diversity | Representation of gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of our partners, employees, governments and other stakeholders                                                                      |
| Business Exposure                           | Experience in driving business success with an understanding of diverse business environments, economic conditions, cultures, regulatory frameworks and a broad perspective on global and domestic market opportunities                                                            |
| Leadership                                  | Extended leadership experience for a significant enterprise, resulting in a practical understanding of organisations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning successions and driving change and long-term growth |
| Market Exposure                             | Wide knowledge, experience and exposure in the secondary market                                                                                                                                                                                                                    |
| Mergers and Acquisitions                    | A history of leading growth through acquisitions and other business combinations with the ability to assess 'build or buy' decisions.                                                                                                                                              |
| Board service and governance                | Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices                                                                                       |

#### Code of Conduct

The Company has complied with Regulation 26(3) of the Listing Regulations by framing Code of Business Conduct and Ethics ("Code of Conduct"). The Code of Conduct is applicable to the employees including directors of the Company and Senior Management Personnel. All the directors including Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct as on March 31, 2019. A declaration to this effect, signed by the Manager and Chief Financial Officer (CFO), annexed hereto forms part of this report. The code is available on the official website of the company: [www.nbi-india.co.in](http://www.nbi-india.co.in)

#### Committees of the Board

The Board has constituted following Committees of Directors:

- Audit Committee,
- Nomination and Remuneration Committee,
- Stakeholders Relationship Committee, and
- Corporate Social Responsibility Committee

**3. Audit Committee**

The Audit Committee consists of two Independent Directors and one Non-Independent director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise. The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") of N.B.I. Industrial Finance Company Limited, (the "Company") in fulfilling its oversight responsibilities with respect to;

- a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stakeholders, the public, the stock exchange and others,
- b) the Company's compliances with legal and regulatory requirements,
- c) the Company's independent auditors' qualification and independence,
- d) the audit of the Company's financial statements, and the performance of the Company's internal audit function and its Independent Auditors.

**Terms of Reference:**

The role and terms of reference of Audit Committee covers areas mentioned under Part C of Schedule II [See Regulation 18(3)] of the Listing Agreement and section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. All the Members of the Audit Committee are qualified and having insight to interpret and understand financial statements. The brief terms of reference of the Audit Committee are outlined here under:

- Overview of the company's financial reporting process and the disclosure of its financial information;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:-
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus /

notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Approval or any subsequent modification of transactions of the listed entity with related parties as per policy of the company;
- Reviewing the adequacy of internal audit function including frequency of internal audit reports;
- Reviewing the findings of any observations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the board;
- Evaluation of internal financial control and risk management system;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control system;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Management discussion and analysis of financial condition and results of operations;
- Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
- Reviewing the internal audit reports relating to internal control weaknesses;
- Reviewing the appointment, removal and terms of remuneration of the internal auditor;
- Discussion with internal auditors on any significant findings and follow up thereon;
- To review the functioning of whistle blower / vigil mechanism;
- Scrutiny of inter-corporate loans and investments;
- To ensure that chairman is present at the Annual General Meeting to answer shareholder queries and clarification on matters relating to financial statements and audit;
- Reviewing valuation of undertakings or assets of the company, wherever necessary.

- Statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, wherever applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (b) Annual Statement of funds utilised for purpose other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

#### Constitution of the Audit Committee

The Composition of the Committee, together with the details of the attendance of each member as at 31st March, 2019 is given below:

| Sr. No. | Name of the Director | Designation                                   | Meetings Attended | Category                               |
|---------|----------------------|-----------------------------------------------|-------------------|----------------------------------------|
| 1.      | R.N. Mundhra         | Chairman upto 16.06.2018                      | 2                 | Non- Executive Independent Director    |
| 2.      | B.L. Surana          | Member.Chairman from 30.06.2018 to 26.02.2019 | 5                 | Non- Executive Independent Director    |
| 3.      | J.P. Mundra          | Member                                        | 5                 | Non-Executive Non-Independent Director |
| 4.      | T.K. Bhattacharya    | Member                                        | 3                 | Non-Executive Independence Director    |

#### Meetings of the Audit Committee:

Five Audit Committee Meetings were held during the financial year 2018-19 on the following dates:

- √ 28th April, 2018
- √ 30th May, 2018
- √ 14th August, 2018
- √ 14th November, 2018
- √ 12th February, 2019

#### 4. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee acts in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

The brief terms of reference of the Committee are as follows:

- (a) To formulate and review the criteria that must be followed for determining qualifications, positive attributes/experience for appointment and independence of a director;
- (b) To recommend to the Board a policy, relating to the remuneration for the directors, key

managerial personnel and other employees and to ensure compliance with the remuneration policy set forth by the Company;

- (c) To propose to the Board the qualified members that should form part of Board or Committee and persons who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- (d) To formulate a criteria for evaluation of performance of independent directors and the board of directors;
- (e) To recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (f) To report on the systems and on the amount of the annual remuneration, in whatever form, of directors and key managerial/senior management personnel to the Board.

**Constitution and Attendance of members at the meetings of the Nomination and Remuneration Committee**

The Composition of the Committee together with the details of the attendance of each member during the financial year 2018-19 is given below:

| Sr. No. | Name of the Director | Category                               | Designation                                   | Meetings Attended |
|---------|----------------------|----------------------------------------|-----------------------------------------------|-------------------|
| 1.      | R.N. Mundhra         | Non-Executive Independent Director     | Chairman upto 16.06.2018                      | NIL               |
| 2.      | B.L. Surana          | Non-Executive Independent Director     | Member.Chairman from 30.06.2018 to 26.02.2019 | 2                 |
| 3.      | Ashok Bhandari       | Non-Executive Non-Independent Director | Member upto 05.10.2018                        | 1                 |
| 4.      | T.K. Bhattacharya    | Non-Executive Independent Director     | Member                                        | 1                 |
| 5.      | B.L. Gaggar          | Non-Executive Non-Independent Director | Member                                        | 1                 |

**Meetings of the Nomination and Remuneration Committee (NRC)**

Two NRC Meetings were held during the financial year 2018-19 on the following dates:

- √ 30th June, 2018
- √ 11th February, 2019

Some of the key criteria for performance evaluation of Independent Directors are as follows:-

- Attendance at Board or Committee meetings.
- Contribution at Board or Committee meetings.
- Guidance / support to management outside the Board / Committee meetings.

**Remuneration Policy**

The committee formulates the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy relating to the remuneration for the Directors and Key Managerial Personnel. The Committee reviews and recommends payment of annual salaries, commission and other employment conditions of the Directors and Key Managerial Personnel. The remuneration policy is directed towards rewarding performance based on review of performance / achievements on a periodical basis. No Stock option has been granted to any of the Directors during the financial year 2018-19. Web link for remuneration policy is [http://www.nbi-india.co.in/policies/NBI\\_Remuneration\\_Policy.pdf](http://www.nbi-india.co.in/policies/NBI_Remuneration_Policy.pdf). The policy forms part of the Directors' Report. The Company doesn't have any pecuniary relationship or transaction with any of the non-executive directors. None of the Directors have been given any remuneration during the financial year under review except Meeting Fees as per details given below.

The details of meeting fees paid to the Directors for the year ended 31st March, 2019:

| Director          | Category                                | Sitting Fees ( ₹ ) |
|-------------------|-----------------------------------------|--------------------|
| Ashok Bhandari    | Non- Executive Non-Independent Director | 21,000             |
| R.N. Mundhra      | Non- Executive Independent Director     | 13,000             |
| B.L. Gaggar       | Non- Executive Non-Independent Director | 29,000             |
| J.P. Mundra       | Non- Executive Non-Independent Director | 41,500             |
| B.L. Surana       | Non- Executive Independent Director     | 44,000             |
| Riya Puja Jain    | Non- Executive Non-Independent Director | 20,000             |
| T.K. Bhattacharya | Non- Executive Independent Director     | 24,500             |
|                   | <b>Total</b>                            | <b>193,000</b>     |

**5. Stakeholders Relationship Committee**

Stakeholders Relationship Committee acts in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations and inter alia approves transfer & transmission of shares, issue of duplicate/re-materialised shares and consolidation & splitting of certificates, redressal of complaints from investors including inter-alia non-receipt of annual reports and non-receipt of declared dividends etc.

**Constitution of the Stakeholders Relationship Committee:**

The Composition of the Committee during the year 2018-19 is given below:

| Sr. No. | Name of the Director | Designation            | Category                               |
|---------|----------------------|------------------------|----------------------------------------|
| 1       | B.L. Gaggar          | Chairman               | Non-Executive Non-Independent Director |
| 2       | Ashok Bhandari       | Member upto 05.10.2018 | Non-Executive Non-Independent Director |
| 3       | J.P. Mundra          | Member from 14.11.2018 | Non-Executive Non-Independent Director |

**Meetings of the Stakeholders Relationship Committee:**

One Stakeholders Relationship Committee Meeting was held during the financial year 2018-19 on 11th February, 2019.

Further the details of the Compliance Officer designated for handling of the Investor grievances is provided here under:

|                     |                                                                |
|---------------------|----------------------------------------------------------------|
| <b>Name</b>         | <b>Nisha Laddha (Company Secretary and Compliance Officer)</b> |
| <b>Address</b>      | 21, Strand Road, Kolkata- 700 001 (West Bengal).               |
| <b>Telephone No</b> | 033- 2230 7905                                                 |
| <b>E-mail</b>       | nbifinance@ymail.com                                           |

**Details of Pending Investor Grievances and Compliance Officer**

Six investor grievances were received and one remained pending for Redressal as at the end of the financial year (since resolved) and all the queries from the stakeholders were attended promptly except in cases of deficiency in documents. Further there were no pending transfers for the year under review.

**6. Corporate Social Responsibility (CSR) Committee**

Corporate Social Responsibility (CSR) Committee has been constituted by the Board for formulating and overseeing the execution of the Company's CSR Policy as prescribed under the Companies Act, 2013 and Rules made thereunder. The CSR Committee comprises of two independent directors and two non-executive directors. The members of the CSR Committee are:

| <b>Sr. No.</b> | <b>Name</b>                | <b>Designation in Company</b> | <b>Status in the Committee</b>                |
|----------------|----------------------------|-------------------------------|-----------------------------------------------|
| 1              | Shri Ram Narain Mundhra    | Independent Director          | Chairman upto 16.06.2018                      |
| 2              | Shri Babu Lal Surana       | Independent Director          | Member.Chairman from 14.08.2018 to 26.02.2019 |
| 3              | Shri Bankat Lal Gaggar     | Director                      | Member                                        |
| 4              | Shri Jagdish Prasad Mundra | Director                      | Member                                        |
| 5              | Shri T.K. Bhattacharya     | Independent Director          | Member                                        |

The CSR Report as required under the Companies Act, 2013 for the year ended 31st March, 2019 is attached to the Board's Report.

**Meetings of the Corporate Social Responsibility (CSR) Committee**

One CSR Committee Meeting was held during the financial year 2018-19 on 9th February, 2019.

**7. Details of General Body Meeting****Annual General Meeting**

The details of last 3 Annual General Meetings together with the details of the special resolution, if any, passed thereat is provided hereunder:

| Year ended      | Day, Date and Time                           | Venue                                                                                | Special Resolutions Passed |
|-----------------|----------------------------------------------|--------------------------------------------------------------------------------------|----------------------------|
| 31st March 2018 | Saturday, 15th September, 2018 at 10:30 A.M. | Bharatiya Bhasha Parishad<br>36A, Shakespeare Sarani<br>4th floor, Kolkata – 700 017 | None                       |
| 31st March 2017 | Saturday, 16th September, 2017 at 10:30 A.M. | 21, Strand Road,<br>Kolkata – 700 001                                                | Yes                        |
| 31st March 2016 | Saturday, 24th September, 2016 at 10:30 A.M. | 21, Strand Road,<br>Kolkata – 700 001                                                | None                       |

**Postal Ballot**

During the previous year, the Company approached the shareholders through postal ballot details of which is given below.

|                                                      |                                                           |
|------------------------------------------------------|-----------------------------------------------------------|
| Date of Postal Ballot Notice:<br>12th February, 2019 | Voting Period: 23rd February, 2019 to<br>24th March, 2019 |
| Date of Declaration of result:<br>25th March, 2019   | Deemed Date of Approval:<br>24th March, 2019              |

| Particulars of the resolution                                                                                              | Type of Resolution | Votes in favour of the resolution |       | Votes against the resolution |      | Abstained / Invalid votes |
|----------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------------|-------|------------------------------|------|---------------------------|
|                                                                                                                            |                    | No. of Shares                     | %     | No. of Shares                | %    | No. of Shares             |
| Consent for continuation of Shri Bankat Lal Gaggar (DIN:00404123) as Non-Executive-Non-Independent Director of the Company | Special            | 1475836                           | 93.40 | 763                          | 0.05 | 103448                    |

**Scrutiniser**

Shri Mahesh Agrawal, Practicing Chartered Accountant, acted as Scrutiniser to conduct the above postal ballot process in a fair and transparent manner.

No special resolution is proposed to be conducted through postal ballot at this annual general meeting.

**Procedure for Postal Ballot**

In compliance with the provisions of Section 108 and 110 of the Companies Act, 2013, as amended read with the relevant rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company provides electronic voting(e-voting), in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited (CDSL).

Postal Ballot Notices alongwith the Postal Ballot Form are dispatched, to all the eligible members by permitted mode, alongwith a postage-prepaid self-addressed Business Reply Envelope. The Company also publishes notice in the newspapers containing the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman and the consolidated results of the voting are announced by the Chairman / Authorised Officer. The results are also displayed on the Company's website, [www.nbi-india.co.in](http://www.nbi-india.co.in), besides being communicated to the stock exchange and share transfer agent. The deemed date of passing the resolution is the last date fixed for receipt of postal ballot forms or e-voting.

**Remote e-voting and ballot at the AGM**

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for remote e-voting facility. The Company has engaged CDSL to provide e-voting facility to all the members. Members whose names appear on the register of members as on 7th September, 2019 shall be eligible to participate in the e-voting.

The facility for voting through ballot will also be made available at the AGM. Members who have not already cast their votes by remote e-voting can exercise their vote at the AGM.

**8. Means of Communication**

The Quarterly, Half-Yearly and Annual Financial Results of the Company are forwarded to Stock Exchange immediately upon approval by the Board of Directors and are simultaneously published in newspapers in English and Bengali(regional language) namely Business Standard and Sukhabar.

In accordance with the Listing Regulations, data pertaining to Shareholding Pattern, Quarterly Financial Results and Other Details are forwarded to the Stock Exchange and are also disseminated on the website of the Company.

During the year under review, no presentation was made to the institutional investors or analysts.

**9. General Shareholders' Information:**

|                           |                                                                                                                                                                                                                                                                      |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual General Meeting    | Saturday, the 14th September, 2019 at 10.30 A.M. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata – 700 017<br>Book Closure Dates: 07.09.2019 to 14.09.2019 (both days inclusive)<br>E-voting Dates: 11.09.2019 to 13.09.2019               |
| Financial Year            | 2018-19                                                                                                                                                                                                                                                              |
| Dividend payment date     | No dividend has been recommended by the Board this year with a view to conserve resources.                                                                                                                                                                           |
| Listing on Stock Exchange | The Equity Shares of the Company are listed on: National Stock Exchange of India Limited (NSE). Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051<br>The Company has paid the annual listing fee of the exchange for the financial year 2019-20. |
| Stock Code                | Scrip Code:014019<br>NSE Symbol:NBIFIN                                                                                                                                                                                                                               |
| ISIN                      | <b>INE365I01020</b>                                                                                                                                                                                                                                                  |

**Unclaimed Dividend**

Pursuant to provisions of Section 124 of the Companies Act, 2013 and rules framed there under the Company has transferred the total amount of dividend which remained unpaid or unclaimed for the year 2016-17 to the Unpaid Dividend Account of the Company. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 15.09.2018 (date of last Annual General Meeting) on the website of the Company ([www.nbi-india.co.in](http://www.nbi-india.co.in)) as well as on the website of the Ministry of Corporate Affairs.

Pursuant to the provisions of Section 124 of the Companies Act, 2013 the Company is required to transfer the dividends which have remained unpaid or unclaimed for a period of seven consecutive years or more to the Investor Education and Protection Fund (the IEPF) established by the Central Government. The members who have not yet encashed the dividend warrant(s) for the year 2016-17 (Final Dividend) are requested to approach the Company with their warrants for re-validation.

The details of unpaid dividend and last date of transfer to IEPF are given hereunder:

| Year    | Type of Dividend | Dividend per share of ₹10/- (₹) | Date of declaration of Dividend | Dividend amount unpaid as on 31.03.2019 (₹) | Last date for transfer of unpaid dividend in Investor Education and Protection Fund |
|---------|------------------|---------------------------------|---------------------------------|---------------------------------------------|-------------------------------------------------------------------------------------|
| 2016-17 | Final            | 1/-                             | 15.09.2017                      | 166,017                                     | 21.10.2024                                                                          |

**10. Market Share Price Data:** high, low during each month in last financial year i.e. 2018-19.

| Month           | High    | Low     |
|-----------------|---------|---------|
| April, 2018     | 1495.05 | 1311    |
| May, 2018       | 1668    | 1312.05 |
| June, 2018      | 1698.90 | 1473.15 |
| July, 2018      | 1544    | 1313    |
| August, 2018    | 1600    | 1333    |
| September, 2018 | 1574    | 1111    |
| October, 2018   | 1248    | 935     |
| November, 2018  | 1262    | 1010    |
| December, 2018  | 1360    | 1082.20 |
| January, 2019   | 1300    | 1156.75 |
| February, 2019  | 1231.20 | 1081.20 |
| March, 2019     | 1249.95 | 885.20  |

**Performance in comparison to broad-based indices i.e. NSE**

| Indices               | NSE (Nifty 50) | NBI Quote at NSE |
|-----------------------|----------------|------------------|
| 01.04.2018 (Open)     | 10113.70       | 1365.85          |
| 29.03.2019 (Close)    | 10623.90       | 1040.20          |
| Increase / (Decrease) | 510.20         | (325.65)         |

**11. Registrar and Share Transfer Agent**

Maheshwari Datamatics Pvt. Ltd. acts as Registrar and Share Transfer Agent (RTA) of the Company having its registered office at 23, R.N. Mukherjee Road, 5th Floor, Kolkata – 700 001. Contact No.033-22482248, 22435029, Fax: 033-22484787. Email Id: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).

RTA also maintains a website: [www.mdpl.in](http://www.mdpl.in)

**12. Share Transfer System**

Share transfers are processed by the Registrar & Share Transfer Agent and approved by the Stakeholders Relationship Committee, if the documents are complete in all respects, within 15 days from the date of lodgment. The same is examined by a Practicing Company Secretary on half yearly basis and a Certificate as required under Regulation 40(9) of the Listing Regulations is obtained and forwarded to NSE where the Company's shares are listed.

**13. SEBI Complaints Redress System (SCORES)**

SEBI vide circular dated 3rd June, 2011 introduced SCORES, i.e., "SEBI Complaints Redress System" the system of processing of investors complaints in a centralized web based complaints redressal portal known as 'SCORES'. The salient features of this system are: centralized database of all Complaints, online upload of Action Taken Reports (ATRs) by the concerned Company and online viewing by investors of action taken on the complaints and

their current status.

The Company is registered with SEBI under the SCORES system.

**Distribution of shareholding as on 31/03/2019**

| Share Holding      | No of Holders | % age           | No of Shares   | % age           |
|--------------------|---------------|-----------------|----------------|-----------------|
| Upto 500           | 5353          | 96.6071         | 275992         | 11.2338         |
| 501 to 1000        | 107           | 1.9311          | 82055          | 3.3399          |
| 1001 to 2000       | 37            | 0.6677          | 51044          | 2.0777          |
| 2001 to 3000       | 12            | 0.2166          | 28322          | 1.1528          |
| 3001 to 4000       | 4             | 0.0722          | 14480          | 0.5894          |
| 4001 to 5000       | 6             | 0.1083          | 27610          | 1.1238          |
| 5001 to 10000      | 6             | 0.1083          | 40293          | 1.6401          |
| Above 10000        | 16            | 0.2888          | 1937010        | 78.8426         |
| <b>Grand Total</b> | <b>5541</b>   | <b>100.0000</b> | <b>2456806</b> | <b>100.0000</b> |

**14. Dematerialization of Shares and Liquidity:**

The Company's equity shares are available for trading in the depository systems of National Securities Depository Limited and Central Depository Services (India) Limited.

As on 31st March, 2019, 2105454 equity shares, constituting 85.70% of the paid-up equity capital of the Company, stood dematerialized and the rest are in physical form.

Status of total number of shares dematerialized and in physical form as on 31st March 2019:

| Depository   | No. of Shares    | % of Paid up Capital |
|--------------|------------------|----------------------|
| NSDL         | 17,20,595        | 70.03                |
| CDSL         | 3,84,859         | 15.67                |
| Physical     | 3,51,352         | 14.30                |
| <b>Total</b> | <b>24,56,806</b> | <b>100.00</b>        |

**Outstanding GDRs / ADRs / Warrants / Convertible Instruments**

The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments

**15. Financial Calendar (Tentative)**

|                                 |                                    |
|---------------------------------|------------------------------------|
| Financial Year                  | 1st April, 2019 - 31st March, 2020 |
| First quarter results           | 14th August, 2019                  |
| Half-yearly results             | 14th November, 2019                |
| Third quarter results           | 14th February, 2020                |
| Fourth quarter & Annual results | End of May, 2020                   |

**16. Secretarial Audit**

Pursuant to Section 204 of the Companies Act, 2013 and Rules framed thereunder, Mr. Mukesh Chaturvedi, Practicing Company Secretary was appointed by the Company to conduct Secretarial Audit of records and documents of the Company. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 2013, Depositories Act, 1996, Listing Agreement with the Stock Exchange, and all the relevant Regulations and Guidelines of the SEBI, as applicable to the Company. The audit also covers the reconciliation of share capital audit, on quarterly basis to reconcile the total admitted capital with NSDL & CDSL and total issued and listed capital. The audit confirms that the total paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

**17. Risk Management**

The main identified risks at the Company are Commercial Risks, Financial Risks, Market Risks, Operational Risks and Legal & Regulatory Risks. The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Audit Committee ensures that risks to the Company's continued existence as a going concern and to its development are identified and addressed on timely basis. However, constitution of Risk Management Committee is not applicable to the Company in terms of Regulation 21 of the Listing Regulations.

**Address for Correspondence**

|                                                                                                                                                   |                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| Chief Financial Officer                                                                                                                           | Company Secretary                                     |
| S.P. Kumar<br>21, Strand Road,<br>Kolkata – 700 001                                                                                               | Nisha Loddha<br>21, Strand Road,<br>Kolkata – 700 001 |
| Tel: 033 -22309601<br>Fax: 033-22131650                                                                                                           | Tel: 033-22307905, 22314756<br>Fax: 033-22131650      |
| Email ID: <a href="mailto:nbifinance@ymail.com">nbifinance@ymail.com</a><br>Website: <a href="http://www.nbi-india.co.in">www.nbi-india.co.in</a> |                                                       |

**Credit Ratings**

No instances have occurred during the financial year 2018-19 which warrant the Company to obtain Credit Rating.

**18. Other Disclosures**

- a) During the financial year 2018-19 there was no materially significant Related Party Transaction, with the Directors, or the Management, their relatives etc. having potential conflict with the interests of the Company at large except those disclosed in the Board's Report. There was no related party transaction during the year, i.e. transactions of the Company of material nature, with its promoters, Directors or the management that may have potential conflict with the interests of Company at large.

- b) There was no non-compliance by the entity, penalty, strictures imposed by stock exchange or the board or any statutory authority, on any matter related to capital markets, during the last three years.
- c) The Company has adopted the Code of Ethics and Business principles for the members of Board and senior management personnel.
- d) The Company has adopted a 'Code of Conduct for Prevention of Insider Trading ("the Code") in accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended upto date. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, by the directors and the senior management personnel while dealing with the shares of the Company on the bourse and cautioning them on the consequences of non-compliance thereof. The Company has also formed Whistle Blower Policy. Further, we affirm that no personnel have been denied access to the Audit Committee. Employees can report to the Management concerns regarding unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy.
- e) The Company is in compliance with all mandatory requirements of the Listing Agreement. The Company has not adopted any non-mandatory requirements.
- f) Web links for the following:

|                                            |                                                                                                                                                                           |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy for Determining Material Subsidiary | <a href="http://www.nbi-india.co.in/policies/NBI_Material_Subsubsidiary.pdf">http://www.nbi-india.co.in/policies/NBI_Material_Subsubsidiary.pdf</a>                       |
| Related Party Transactions Policy          | <a href="http://www.nbi-india.co.in/policies/NBI_Related_Party_Transactions_Policy.pdf">http://www.nbi-india.co.in/policies/NBI_Related_Party_Transactions_Policy.pdf</a> |

- g) Certificate from Company Secretary in Practice  
Mukesh Chaturvedi, Practicing Company Secretary, has issued a certificate as required under clause 10 of Part C of Schedule V of the Listing Regulations, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report.
- h) Details of total fees paid to statutory auditors:-  
The details of total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor are as follows:

| Type of service | Fiscal 2019 | Fiscal 2018 |
|-----------------|-------------|-------------|
| Audit Fees      | 42000       | 42000       |
| Tax Audit Fees  | 7700        | 7400        |
| Others          | 7560        | 21980       |

- i) No complaint pertaining to sexual harassment was filed by any woman during the financial year under report, hence no disclosures are applicable.

**19. Discretionary Requirements**

The Company has also ensured the implementation of non-mandatory requirements as under:

- i) Unmodified audit opinions / reporting
- ii) The Internal Auditor reporting directly to the Audit Committee.

**20.** There are no shares lying in the demat suspense / unclaimed suspense account as on the date of this Report.

**21. Prevention of Insider Trading**

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Policy also includes code of practices and procedures for fair disclosure of unpublished price sensitive information, initial and continual disclosures. The Board reviews the Policy / Code on a need-to-know basis. This Policy is available on our website.

**22. Auditor's Certificate on Corporate Governance**

As required by Schedule V of the Listing Regulations, the Auditor's Certificate on Corporate Governance is annexed to the Board's Report.

**23. CEO and CFO Certification**

The CFO acts as Manager of the Company as well. The Manager and CFO Certification is provided in this Annual Report as required by the Listing Regulations.

**Certificate from Company Secretary in Practice**

**CERTIFICATE**

(pursuant to clause 10 of Part C of Schedule V of LODR)

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) in respect of N.B.I. Industrial Finance Company Limited (CIN: L65923WB1936PLC065596) I hereby certify that:

On the basis of the written representation / declaration received from the directors and taken on record by the Board of Directors, as on March 31, 2019, none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

Place: Kolkata  
Date: 30th May, 2019

**Mukesh Chaturvedi**  
Practicing Company Secretary  
ACS: 10213  
CP No.: 3390

**Auditors' Certificate on Corporate Governance**

To

The Members of **N.B.I. Industrial Finance Company Limited**

We, D.K. Chhajjer & Co., Chartered Accountants, the Statutory Auditors of N.B.I. Industrial Finance Company Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (collectively referred to as "SEBI Listing Regulations").

**Managements' Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the condition of the Corporate Governance stipulated in the SEBI Listing Regulations.

**Auditor's Responsibility**

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Information, and Other Assurance and Related Services Engagements.

**Opinion**

Based on our examination of the relevant records and according to the information and explanations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2019.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **D.K. Chhajjer & Co.**

Chartered Accountants

Firm's Registration Number: 304138E

**Tapan Kumar Mukhopadhyay**

Partner

Membership Number: 017483

Kolkata

Dated: 30th May, 2019

**MANAGER AND CFO CERTIFICATION**

To,  
The Board of Directors,  
N.B.I. INDUSTRIAL FINANCE CO. LTD.  
Kolkata

Dear members of the Board,

I, S.P. Kumar, Manager and Chief Financial Officer of the Company, to the best of my knowledge and belief, certify that:

1. I have reviewed the financial statements and the cash flow statement of **N.B.I. INDUSTRIAL FINANCE CO. LTD** and a summary of the significant accounting policies and other explanatory information of the Company and the Board's Report for the financial year ended March 31, 2019. I state that:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs for the period presented in this report and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and confirm that there have been no material weakness in internal controls over financial reporting including any corrective actions with regard to deficiencies.
4. I have indicated to the Auditors and the Audit Committee:
  - a. that there were no significant changes in internal control over financial reporting during the year;
  - b. All significant changes in accounting policies made during the year, if any, and that the same have been disclosed suitably in the notes to the financial statements; and
  - c. that there were no instances of significant fraud that involve management or other employees who have a significant role in the Company's internal control system over financial reporting.
5. I further declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this Report.

Place: Kolkata  
Date: 30th May, 2019

**S.P. Kumar**  
*Manager and*  
*Chief Financial Officer*

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

The outlook presented herein is based on management's own assessment and it may vary due to future economic and other developments in the country and abroad.

### INDUSTRY & ECONOMY OVERVIEW

#### Global Economy

According to International Monetary Fund:

The Global expansion has weakened. Global growth for 2018 is estimated at 3.7 percent, as in the October 2018 World Economic Outlook (WEO) forecast, despite weaker performance in some economies, notably Europe and Asia. The global economy is projected to grow at 3.5 percent in 2019 and 3.6 percent in 2020, 0.2 and 0.1 percentage point below last October's projections.

The global growth forecast for 2019 and 2020 had already been revised downward in the last WEO, partly because of the negative effects to tariff increases enacted in the United States and China earlier in the year. The further downward revision since October in part reflects carry over from softer momentum in the second half of 2018 – including in Germany following the introduction of new automobile fuel emission standards and in Italy where concerns about sovereign and financial risks have weighed on domestic demand – but also weakening financial market sentiment as well as a contraction in Turkey now projected to be deeper than anticipated.

Risks to global growth tilt to the downside. An escalation of trade tensions beyond those already incorporated in the forecast remains a key source of risk to the outlook. Financial conditions have already tightened since the fall. A range of triggers beyond escalating trade tensions could spark a further deterioration in risk sentiment with adverse growth implications, especially given the high levels of public and private debt. These potential triggers include a “no-deal” withdrawal of the United Kingdom from the European Union and a greater-than-envisaged slowdown in China.

The main shared policy priority is for countries to resolve cooperatively and quickly their trade disagreements and the resulting policy uncertainty, rather than raising harmful barriers further and destabilizing and already slowing global economy. Across all economies, measures to boost potential output growth, enhance inclusiveness, and strengthen fiscal and financial buffers in an environment of high debt burdens and tighter financial conditions are imperatives.

#### Indian Economy

India continues to be one of the fastest growing economies in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India has retained its position as the third largest startup base in the world with over 4750 technology start-ups. India's labour force is expected to touch 160-170 million by 2020 based on rate of population growth, increased labour force participation and higher education enrolment among other factors.

But India's growth in the Fiscal 2019 unexpectedly slowed down to about 6.8 percent as against initial expectation of 7.2 to 7.5 percent compared to 7.2 percent in the previous financial year and

7.1 percent in 2016-17. For 2019-20, the GDP growth is expected to be around 6.9-7.2 percent. Poor performance in agriculture, manufacturing sector, decline in consumer demand even as investments remained muted and temporary factors like stress in the NBFC segment sparked by the default at one of the biggest NBFC slowed down India's economic growth rate to a five year low of 6.8 percent in 2018-19. GDP growth in the last quarter of fiscal 2019 was 5.8 percent which is the lowest in the last twenty quarters.

Global demand also remained soft amidst uncertainty on trade war. The US and China have been unable to resolve their differences over trade and have imposed tariffs on goods.

The Government data show that unemployment in the Country stood at 6.1 percent of total labour force during 2017-18, the highest in 45 years. As per the interim budget, the fiscal deficit for 2018-19 is said to be contained within 3.4 percent of GDP. Although in absolute terms the fiscal deficit has gone up, but as a percentage of GDP the deficit continues to be same mainly on account of GDP expansion in 2018-19.

The factors contributing to the positive outlook for the Indian economy are series of major reforms undertaken over the past few years and that the reform measures undertaken in 2017-18 were strengthened further in 2018-19. The new government faces the task of quickly boosting consumer demand and job creation to revive growth while undertaking more structural measures to get private investment moving and banking sector reforms.

The past year has been marked by some major initiatives and developments in Indian economy. The approval of National Policy on Software Products, 2018 to develop the country as a software hub, National Mineral Policy, 2019, National Electronics Policy, 2019 and Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles (FAME II), release of Maiden Agriculture Export Policy, 2018 which seeks to double agricultural exports from the country, success of Pradhan Mantri Awas Yojana (Urban), Make in India and Digital India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand and spur development in addition to benefiting investors. As a result of these initiatives, the dissipating effects of earlier policy actions, liberalization of FDI and the export uplift from the global recovery, the economy is expected to witness improvement and accelerate in fiscal 2020.

Insolvency and Bankruptcy Regime: This market –determined and time-bound mechanism to handle insolvencies has abridged an important institutional gap to strengthen the much-needed credit discipline. Some of the resolutions, however, are lagging behind the envisaged timelines. A time-bound resolution of impaired assets will go a long way in unclogging the credit pipeline thus improving the allocative efficiency in the economy.

The domestic challenges are not invincible. Our competitive advantages remained unaffected by the changed reforms due to deep domain knowledge of sector we operate in and clear established "Right to Win" in our chosen business. It is expected that with the right reforms India will continue to surge ahead of its peers.

#### **NBFC Sector**

NBFCs have been emerging as an alternative to mainstream banking. They are also emerging as an integral part of Indian Financial System and are contributing towards Government's agenda

of financial inclusion. The shift in credit intermediation from banks to non-banks has given the corporate sector a diverse choice of financing instruments. Such market-intermediated credit flows require robust supporting infrastructure in the form of appropriate valuation regime as also informative and responsive credit rating framework. Securities and Exchange Board of India (SEBI) has taken significant steps in both these areas. However, the recent developments in Non-Banking Financial Companies (NBFCs) have underscored the need for greater prudence in risk-taking. There is a need for some rebalancing as excessive credit growth, especially if funded with short-term financing, either sectorally or overall, is negative for stability. While the role of banks and non-banks in supporting the growth needs of an emerging economy like India is well recognized, emphasis should continue to be on diligent, prudent and sound risk management practices so as to avoid large scale defaults in meeting repayment obligation.

According to Financial Stability Report (FSR) released by RBI:-

- Among the borrowers, NBFCs were the largest net borrowers of funds from the financial system.
- In the Commercial Paper Market, NBFCs and All India Financial Institutions (AIFIs) were the biggest issuers.
- The aggregate balance sheet size of the NBFC sector increased to ₹26 trillion in September, 2018 from ₹22 trillion in September, 2017 expanding by 17.2 percent.
- Net profit increased by 16.2 percent (annualized) during the half year ended September, 2018 as compared to 22.9 percent during the year ended March, 2018.
- Capital to risk-weighted asset ratio (CRAR) of NBFCs decreased from 22.8 percent in March, 2018 to 21.0 percent in September, 2018.
- Under asset quality pressures, credit intermediation by banks has retrenched and that by NBFCs and mutual funds has increased significantly, and
- The gross non-performing assets (GNPAs) ratio for the NBFC sector as a percentage of total advances increased from 5.8 percent in March, 2018 to 6.1 percent in September, 2018.

#### **Regulatory Initiatives and their rationale**

Several regulatory initiatives including prudential and consumer protection measures were undertaken. Some of the initiatives and the rationale thereof for NBFCs are given below:

| Date               | Measure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Rationale                                                                                                                                                                                      |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| September 21, 2018 | Co-origination of Loans by Banks and NBFCs for lending to Priority Sector. All scheduled commercial banks (excluding Regional Rural Banks and Small Finance Banks) may engage with Non-Banking Financial Companies- Non-Deposit taking-Systemically Important (NBFC-ND-Sis) to co-originate loans for the creation of priority sector assets. The bank can claim priority sector status without recourse to the NBFC. Minimum 20 percent of the credit risk by way of direct exposure will be on NBFCs book till maturity and the balance will be on the bank's book | To augment the flow of funds to Priority Sector                                                                                                                                                |
| November 2, 2018   | Reserve Bank allowed banks to provide partial credit enhancement (PCE) to bonds issued by the systemically important non-deposit taking non-banking financial companies (NBFC-SD-Sis) registered with Reserve Bank of India and Housing Finance Companies (HFCs) registered with National Housing Bank, subject to certain conditions                                                                                                                                                                                                                                | To improve liquidity flow to NBFCs and HFCs. Banks extending PCE to the bonds will enhance bonds' credit rating enabling the companies to access funds from the bond market on improved terms. |
| November 29, 2018  | The Reserve Bank relaxed norms for NBFCs to securitise their loan books. NBFCs can now securitise loans of more than five year maturity after holding those for six months on their books. Minimum Retention Requirement (MRR) for such securitisation transaction shall be 20 percent of the book value of the loans being utilised                                                                                                                                                                                                                                 | To allow additional access to funding for the NBFC sector.                                                                                                                                     |

Moreover, in the current fiscal, the fiscal plans will also be subject to the unknown impact of the major reforms undertaken in the past year. Any adverse impact, even if in the short run, could be detrimental to the fiscal math.

#### COMPANY'S POSITION

The Company is registered with the RBI as a Non-Banking Financial Institution and is categorized as Non-Deposit taking NBFC" (NBFC-ND). The operation of the company during the year was centered in investments in shares and securities. Additionally the company was investing in Mutual Funds too. The main income of the Company is dividend income on long-term investments

& interest on fixed deposit and profit from sale of investments. The results of the Company's operations for the financial year ended 31st March, 2019 have been dealt with in the Director's Report.

The Company, being into finance and investment activity, the impact of movement of stock markets affects its profitability.

#### **OPPORTUNITIES AND THREAT**

The year FY 2018-19 started on a note of optimism. However, initial hiccups in GST implementation, sluggish investment cycle, large NPA's in banking sector leading to liquidity issues, sluggishness in some of the major economies abroad soon led to the sliding of Indian GDP growth. It is however believed that Indian economy will sustain its growth momentum and hence the growth of financial services sector presents exciting opportunities like India's long-term growth story remains intact notwithstanding declining growth in the past two three years. This presents good opportunities for us to grow our business in the medium to long term. We further believe the policy liberalization, Government emphasis on infrastructure spending and forward-looking regulatory changes will help markets grow in size.

At the same time, there could be some threats for growth of financial services sector like inflation, high interest rates, escalating NPAs leading to liquidity issues, lack of sound risk management practices, global commodities prices and current account deficit which can play spoilsport with the India growth story. While positive Government policies and regulatory changes do enlarge the scope of opportunities for financial sector companies, lack of or delay in reforms or certain regulatory changes can significantly impact the performance of NBFCs business. As regards our Company a thorough due diligence is conducted at our end through market enquiries before making investments. The execution of investment transactions is monitored on regular basis with reference to target price.

It is a fact that India has been at a low investment grade level for almost a decade. Therefore, for the last decade, the global perception of risk in Indian Bond markets has remained the same, inspite of the high growth rates and major economic reforms. One of the main reasons for this stickiness is the high level of consolidated debt of the government. This is a cause for concern as sovereign ratings are critical in determining the flow of global capital. The surging NPA's in the banking sector presents another major cause of concern.

#### **OUTLOOK**

A significant portion of the Company's income arises from investment and share trading operation, which are largely dependent on the condition of the stock market. The stock market activity depends largely upon the economic growth momentum and a combination of other factors like inflation, domestic savings, surging portfolio investments into India etc. The unusual developments in the global economy may pose uncertainties and challenges for the emerging market economies like India.

The growth in the sector is good. The Company is trying various options to improve its margins, by having tight control over expenses & exploring other opportunities. The Company has investment policy wherein it invests in those securities which have easy liquidity, better yield and potential for price appreciation in medium to long run.

#### **RISK & CONCERNS**

Many developing countries including India have reaped handsome rewards from surging capital

inflows in recent years. This is regarded as a welcome phenomenon. But surging capital inflows can sometimes have destabilizing side effects, undermine competitiveness of export industries, and potentially giving rise to inflation among reforms setbacks, geopolitical tension, economic slowdown and policy uncertainty. Surging trade wars and tariffs are another area of concern as they restrict the scope of free movement of commodities from the emerging economies to the developed ones.

Other risks & concerns are as follows:

- Unsuccessful strategic engagements and investments
- Unpredictable expenses
- Declining interest rates
- Negative media coverage and public scrutiny
- New and changing corporate governance and public disclosure requirements
- Changes in tax policies in an adverse manner
- Attempts to address undue concerns of activist shareholders
- Reputation risk
- Litigation
- Natural and manmade disasters

Our actual results could differ materially from those anticipated above as a result of certain factors.

#### **INTERNAL CONTROL SYSTEM**

The Company has implemented a comprehensive system of internal controls and risk management for achieving operational efficiency, optimal utilization of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed internally for effectiveness.

The Company's internal control system is aimed at covering all areas of operations. The transactions entered into by the Company are duly authorized and recorded correctly. It has implemented suitable controls to ensure that financial transactions are reported with accuracy and that there is strict compliance with applicable laws and regulations.

The Manager and CFO Certification provided in the Manager and CFO Certification section of the Annual Report discusses the adequacy of our internal control systems and procedures.

#### **KEY FINANCIAL RATIOS**

In accordance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

| Particulars                 | Financial Year |        |
|-----------------------------|----------------|--------|
|                             | 2019           | 2018   |
| GNPA (%)                    | <b>NIL</b>     | NIL    |
| NNPA (%)                    | <b>NIL</b>     | NIL    |
| Return on Assets (%)        | <b>5.20</b>    | 3.45   |
| Return on Equity (%)        | <b>5.22</b>    | 3.46   |
| Net Interest Margin (%)     | <b>0.17</b>    | 0.13   |
| Debtors Turnover            | <b>NIL</b>     | NIL    |
| Inventory Turnover          | <b>NIL</b>     | NIL    |
| Interest Coverage Ratio     | <b>NIL</b>     | NIL    |
| Current Ratio               | <b>174.78</b>  | 55.60  |
| Debt-Equity Ratio           | <b>0.0036</b>  | 0.0035 |
| Operating Profit Margin (%) | <b>76.65</b>   | 67.01  |
| Net Profit Margin (%)       | <b>74.94</b>   | 66.98  |
| EPS Ratio                   | <b>24.85</b>   | 15.61  |
| Price Earning Ratio         | <b>41.86</b>   | 87.50  |

The details of Return on Net Worth is given below:

| Particulars             | Financial Year |      |
|-------------------------|----------------|------|
|                         | 2019           | 2018 |
| Return on Net Worth (%) | <b>5.36</b>    | 3.52 |

Return on Net Worth is computed as net profit divided by average net worth. Net Profit has increased from ₹383.50 Lac in the previous year to ₹610.44 Lac in the current year. The increase in net profit for fiscal 2019 as compared to fiscal 2018 is primarily due to increase in Revenue from Operations.

#### CAUTIONARY STATEMENT

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external factors beyond the control of the Company. Investors are cautioned that the Company assumes no responsibility to publicly amend, modify, revise or update any forward looking statement or opinion, on the basis of any subsequent developments, events or information.

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF N.B.I INDUSTRIAL FINANCE CO. LTD****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of N.B.I Industrial Finance Co. Limited(the "Company"), which comprise the Balance Sheet as at March 31,2019 and the Statement of Profit and Loss and Statement of Cash Flows for the year ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and the profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 Act 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter                                                                                                                                                                                                                                                                                          | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Valuation and Existence of Investments-<br>We have focused on the valuation and existence of the investments in Equity, Preference Shares and Mutual Funds because these represent a principal element on the net assets in the Financial Statements<br><br>Refer Note 8 & 11 to the Financial Statements | We obtained independent confirmation of the number of units held and net asset value per unit for each of the underlying investments as at the year end date. We agree the details confirmed to the valuation of these investments as per the accounting records.<br>We have also obtained the most recent set of audited financial statements for each underlying investments.<br>We have verified all the necessary documents and are satisfied with the same. |

#### **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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, 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 during the course of our audit or otherwise appears to be materially misstated.

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

#### **Management's Responsibility 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

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.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

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

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

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

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- \* 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 statements 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.

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

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

As required by '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 Act, we give in the "Annexure A"

statement on the matters specified in paragraphs 3 and 4 of the Order.

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 Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 B";
- (g) With respect to the other matters to be included in the Auditors 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 the impact of pending litigations on its financial position in its 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

Place: Kolkata

Date: 30th May, 2019

For **D. K. Chhajjer & Co**  
*Chartered Accountants*  
Firm Registration No. 304138E  
**Tapan Kumar Mukhopadhyay**  
*Partner*  
Membership No. 017483

**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

Referred to the Independent Auditors' Report of even date to the members of N.B.I INDUSTRIAL FINANCE CO. LIMITED on the Financial Statements for the year ended March 31, 2019.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) The company does not hold any immovable properties during the year ended 31st March, 2019. Therefore the provisions of Clause 3(i) of the Order are not applicable to the Company.
- ii The Company does not have any inventory and as such clause 3(ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, limited liability partnership firm, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)[(a), (b) and (c)] of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company being a Non-Banking Finance Company, providing loans in the ordinary course of business/ engaged in the business of financing of companies, provisions of Sec 185 and Section 186 of the Companies Act 2013 are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Therefore, the provision of clause 3(v) of the order is not applicable on the company.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us, the Company is regular in depositing the undisputed statutory dues, including provident fund, Employees' State Insurance, Income tax, Goods and Service tax, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income-tax, Goods and Services Tax, cess, etc. which have not been deposited as at March 31, 2019 on account of dispute.
- viii. The Company does not have any borrowings from financial institution or bank or Government nor has it issued any debentures as at the Balance Sheet date, hence the provisions of Clause 3(viii) of the Order are not applicable to the company.
- ix. The Company has not raised any money by way of initial public offer/further public offer (including debt instruments)/term loans during the year. Accordingly, the provisions of clause

3(ix) of the Order are not applicable to the Company.

- x. We have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- xii. As the Company is not a Nidhi Company, the provisions of clause 3(xii) of the Order are not applicable.
- xiii. According to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. No money was raised through preferential allotment/private placements of shares/fully/partly convertible debentures during the year under review, hence, the provisions of clause 3(xiv) of the said order is not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or person connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been duly obtained.

Place: Kolkata

Date: 30th May, 2019

For **D. K. Chhajjer & Co**

*Chartered Accountants*

Firm Registration No. 304138E

**Tapan Kumar Mukhopadhyay**

*Partner*

Membership No. 017483

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF N.B.I INDUSTRIAL FINANCE CO. LTD**

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

We have audited the internal financial controls over financial reporting of N.B.I Industrial Finance Co. Ltd ("the Company") as at March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor's 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

Place: Kolkata  
Date: 30th May, 2019

For **D. K. Chhajjar & Co**  
*Chartered Accountants*  
Firm Registration No. 304138E  
**Tapan Kumar Mukhopadhyay**  
*Partner*  
Membership No. 017483

**Balance Sheet as at 31 March, 2019**

| Particulars                                    | Note | As at 31st<br>March, 2019<br>₹ | As at 31st<br>March, 2018<br>₹ |
|------------------------------------------------|------|--------------------------------|--------------------------------|
| <b>EQUITY AND LIABILITIES</b>                  |      |                                |                                |
| <b>Shareholders' Fund</b>                      |      |                                |                                |
| Share Capital                                  | 2    | 12,284,030                     | 12,284,030                     |
| Reserves and Surplus                           | 3    | 1,157,132,313                  | 1,096,088,758                  |
|                                                |      | <b>1,169,416,343</b>           | <b>1,108,372,788</b>           |
| <b>Non-Current Liabilities</b>                 |      |                                |                                |
| Long-Term Provisions                           | 4    | 4,173,352                      | 3,844,158                      |
|                                                |      | <b>4,173,352</b>               | <b>3,844,158</b>               |
| <b>Current Liabilities</b>                     |      |                                |                                |
| Other Current Liabilities                      | 5    | 492,426                        | 498,695                        |
| Short- Term Provisions                         | 6    | 66,311                         | 66,311                         |
|                                                |      | <b>558,737</b>                 | <b>565,006</b>                 |
| <b>TOTAL</b>                                   |      | <b>1,174,148,432</b>           | <b>1,112,781,952</b>           |
| <b>ASSETS</b>                                  |      |                                |                                |
| <b>Non-Current Assets</b>                      |      |                                |                                |
| Property Plant & Equipment                     |      |                                |                                |
| Tangible Assets                                | 7    | 96,187                         | 94,674                         |
| Non-Current Investments                        | 8    | 1,075,248,554                  | 1,080,221,674                  |
| Deferred Tax Assets                            | 9    | 1,114,461                      | 1,019,690                      |
| Long-Term Loans and Advances                   | 10   | 30,800                         | 30,800                         |
|                                                |      | <b>1,076,490,002</b>           | <b>1,081,366,838</b>           |
| <b>Current Assets</b>                          |      |                                |                                |
| Current Investments                            | 11   | 36,014,268                     | 10,333,537                     |
| Cash and Bank Balances                         | 12   | 58,487,371                     | 16,674,645                     |
| Short-Term Loans and Advances                  | 13   | 2,518,825                      | 2,292,495                      |
| Other Current Assets                           | 14   | 637,966                        | 2,114,437                      |
|                                                |      | <b>97,658,430</b>              | <b>31,415,114</b>              |
| <b>TOTAL</b>                                   |      | <b>1,174,148,432</b>           | <b>1,112,781,952</b>           |
| Significant Accounting Policies                | 1    |                                |                                |
| Notes forming part of the Financial Statements | 2-27 |                                |                                |

In terms of our report attached  
For **D. K. Chhajer & Co.**  
Chartered Accountants  
Firm Registration No. 304138E

**Tapan Kumar Mukhopadhyay**  
Partner

Membership No. 017483  
Place : Kolkata  
Date : 30th May, 2019

**B. L. Gaggar**  
Chairman  
DIN - 00404123

**Nisha Laddha**  
Company Secretary

**S.P. Kumar**  
Manager & CFO

**T. K. Bhattacharya**  
Director  
DIN-00711665

**Statement of Profit and Loss for the year ended 31 March, 2019**

| Particulars                                    | Note | For the year ended 31st March, 2019<br>₹ | For the year ended 31st March, 2018<br>₹ |
|------------------------------------------------|------|------------------------------------------|------------------------------------------|
| <b>INCOME</b>                                  |      |                                          |                                          |
| Revenue from Operations                        | 15   | 81,451,425                               | 57,255,875                               |
| Other Income                                   |      | —                                        | —                                        |
| <b>Total Revenue</b>                           |      | <b>81,451,425</b>                        | <b>57,255,875</b>                        |
| <b>EXPENSES</b>                                |      |                                          |                                          |
| Purchase of Stock-in-Trade                     |      | 4,263,776                                | —                                        |
| Employee Benefits Expense                      | 16   | 6,128,383                                | 5,282,021                                |
| CSR Expenditure                                | 18   | 5,911,000                                | 6,141,000                                |
| Depreciation and Amortisation Expense          | 7    | 34,487                                   | 31,926                                   |
| Other Expenses                                 | 17   | 2,576,826                                | 6,913,869                                |
| Securities Transaction Tax                     |      | 103,779                                  | 521,457                                  |
| <b>Total Expenses</b>                          |      | <b>19,018,251</b>                        | <b>18,890,273</b>                        |
| <b>Profit before tax</b>                       |      | <b>62,433,174</b>                        | <b>38,365,602</b>                        |
| <b>Tax Expense:</b>                            |      |                                          |                                          |
| Current Tax                                    |      | 1,460,000                                | —                                        |
| Tax relating to earlier years                  |      | 24,390                                   | 5,830                                    |
| Deferred Tax                                   |      | (94,771)                                 | 10,141                                   |
|                                                |      | <b>1,389,619</b>                         | <b>15,971</b>                            |
| <b>Profit After Tax for the year</b>           |      | <b>61,043,555</b>                        | <b>38,349,631</b>                        |
| <b>Basic &amp; Diluted Earnings per share</b>  |      |                                          |                                          |
| (of Rs.5/- each, previous year Rs.5/- each)    | 19   | 24.85                                    | 15.61                                    |
| Significant Accounting Policies                | 1    |                                          |                                          |
| Notes forming part of the financial statements | 2-27 |                                          |                                          |

In terms of our report attached  
For **D. K. Chhajjer & Co.**  
Chartered Accountants  
Firm Registration No. 304138E

**Tapan Kumar Mukhopadhyay**  
Partner

Membership No. 017483  
Place : Kolkata  
Date : 30th May, 2019

**B. L. Gaggar**  
Chairman  
DIN - 00404123

**Nisha Laddha**  
Company Secretary

**S.P. Kumar**  
Manager & CFO

**T. K. Bhattacharya**  
Director  
DIN-00711665

**Cash Flow Statement for the year ended 31 March, 2019**

| Particulars                                                     | For the year ended<br>31st March, 2019 |                     | For the year ended<br>31st March, 2018 |                      |
|-----------------------------------------------------------------|----------------------------------------|---------------------|----------------------------------------|----------------------|
|                                                                 | ₹                                      | ₹                   | ₹                                      | ₹                    |
| <b>A. Cash flow from operating activities</b>                   |                                        |                     |                                        |                      |
| Net Profit / (Loss) before tax                                  |                                        | 62,433,174          |                                        | 38,365,602           |
| Adjustments for:                                                |                                        |                     |                                        |                      |
| Depreciation and Amortisation Expenses                          | 34,487                                 |                     | 31,926                                 |                      |
| Finance costs                                                   | -                                      |                     | -                                      |                      |
| Interest income                                                 | (1,908,560)                            |                     | (1,429,565)                            |                      |
| Dividend income                                                 | (54,846,700)                           |                     | (51,652,685)                           |                      |
| Net (gain) / loss on sale of investments                        | (20,432,389)                           | (77,153,162)        | (4,173,625)                            | (57,223,949)         |
| Operating profit / (loss) before working capital changes        |                                        | (14,719,988)        |                                        | (18,858,347)         |
| Changes in working capital:                                     |                                        |                     |                                        |                      |
| Adjustments for (increase) / decrease in operating assets:      |                                        |                     |                                        |                      |
| Short-term loans and advances                                   | 230,564                                |                     | 132,937,535                            |                      |
| Other current assets                                            | -                                      |                     | 15,000,000                             |                      |
| Adjustments for increase / (decrease) in operating liabilities: |                                        |                     |                                        |                      |
| Other Current Liabilities                                       | (7,028)                                |                     | (45,205)                               |                      |
| Long Term Provisions                                            | 329,194                                | 552,730             | 622,926                                | 148,515,256          |
| Cash generated from operations                                  |                                        | (14,167,258)        |                                        | 129,656,909          |
| Net income tax (paid) / refunds                                 |                                        | (1,941,284)         |                                        | (2,587,870)          |
| <b>Net cash flow from / (used in) operating activities (A)</b>  |                                        | <b>(16,108,542)</b> |                                        | <b>127,069,039</b>   |
| <b>B. Cash flow from investing activities</b>                   |                                        |                     |                                        |                      |
| Purchase of Fixed Assets                                        |                                        | (36,000)            |                                        | (37,500)             |
| Sale of Current Investments                                     |                                        | 90,140,483          |                                        | 562,786,788          |
| Purchase of Current Investments                                 |                                        | (114,300,000)       |                                        | (240,300,000)        |
| Purchase of long-term investments                               |                                        | (52,640,916)        |                                        | (511,585,988)        |
| Sale of long-term investments                                   |                                        | 76,525,211          |                                        | 20,315,133           |
| Purchase of Fixed Deposits                                      |                                        | (27,000,000)        |                                        | -                    |
| Interest received                                               |                                        | 3,385,031           |                                        | 1,800,939            |
| Dividend received on Current & Long Term Investments            |                                        | 54,846,700          |                                        | 51,652,685           |
| <b>Net cash flow from / (used in) investing activities (B)</b>  |                                        | <b>30,920,509</b>   |                                        | <b>(115,367,943)</b> |

Contd....

**Cash Flow Statement for the year ended 31 March, 2019 (contd.)**

| Particulars                                                           | For the year ended<br>31st March, 2019 |                   | For the year ended<br>31st March, 2018 |             |
|-----------------------------------------------------------------------|----------------------------------------|-------------------|----------------------------------------|-------------|
|                                                                       | ₹                                      | ₹                 | ₹                                      | ₹           |
| <b>C. Cash flow from financing activities</b>                         |                                        |                   |                                        |             |
| Dividend Paid during the year                                         |                                        | -                 |                                        | (1,228,403) |
| Dividend Distribution Tax on Dividend                                 |                                        | -                 |                                        | (250,074)   |
| <b>Net cash flow from / (used in) financing activities (C)</b>        |                                        | -                 |                                        | (1,478,477) |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b> |                                        | <b>14,811,967</b> |                                        | 10,222,619  |
| Cash and cash equivalents at the beginning of the year (Note -12)     |                                        | <b>16,509,387</b> |                                        | 6,286,768   |
| <b>Cash and cash equivalents at the end of the year (Note -12)</b>    |                                        | <b>31,321,354</b> |                                        | 16,509,387  |

In terms of our report attached  
For **D. K. Chhajjer & Co.**  
Chartered Accountants  
Firm Registration No. 304138E  
**Tapan Kumar Mukhopadhyay**  
Partner  
Membership No. 017483  
Place : Kolkata  
Date : 30th May, 2019

**B. L. Gaggar**  
Chairman  
DIN - 00404123

**Nisha Laddha**  
Company Secretary

**S.P. Kumar**  
Manager & CFO

**T. K. Bhattacharya**  
Director  
DIN-00711665

**NOTES TO THE FINANCIAL STATEMENTS****NOTE-1****SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation**

- i These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Act (to the extent notified) and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Finance Company ('NBFC').
- ii The Company has classified all its assets / liabilities into current / non-current based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realized /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non- current.

**b) Property, Plant & Equipment and Depreciation :**

- i Tangible Assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties and other incidental expenses related to acquisition net of accumulated depreciation.
- ii DEPRECIATION on Tangible Assets is provided on written down value basis over estimated useful life of the assets in accordance with Schedule II to the Act.

**c) Investments**

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market/fair value category-wise basis. Long-term investments are carried at cost. Provision for diminution in value of long term investments, other than temporary, shall be made.

**d) Recognition of Income and Expenditure**

Revenues/Incomes and Costs/Expenditure are generally accounted on accrual basis, as they are earned or incurred. Dividend income is recognized when the right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

**e) Accounting for Taxes on Income:**

Provision for current tax is made in accordance with the Income tax laws prevailing for the relevant assessment year.

Deferred Tax for timing difference between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet Date. Deferred tax assets are recognized to the extent there is reasonably certainty that these assets can be realized in future. Deferred tax assets are reviewed as at each Balance Sheet date to re-assess realization.

**NOTES TO THE FINANCIAL STATEMENTS**

|                                      |                                                                                    | <b>As at<br/>31st March, 2019<br/>₹</b> | <b>As at<br/>31st March, 2018<br/>₹</b> |
|--------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>NOTE 2 : SHARE CAPITAL</b>        |                                                                                    |                                         |                                         |
| <b>Authorised :</b>                  |                                                                                    |                                         |                                         |
| 2,00,00,000                          | (2,00,00,000) Equity Shares of ₹ 5/- each<br>(Previous year ₹5/- each)             | <b>100,000,000</b>                      | 100,000,000                             |
|                                      |                                                                                    | <b>100,000,000</b>                      | 100,000,000                             |
| <b>Issued :</b>                      |                                                                                    |                                         |                                         |
| 2,459,058                            | (2,459,058) Equity Shares of ₹ 5/- each<br>(Previous year ₹5/- each)               | <b>12,295,290</b>                       | 12,295,290                              |
|                                      |                                                                                    | <b>12,295,290</b>                       | 12,295,290                              |
| <b>Subscribed &amp; Fully Paid :</b> |                                                                                    |                                         |                                         |
| 2,456,806                            | (2,456,806) Equity Shares of ₹ 5/- each fully paid up<br>(Previous year ₹5/- each) | <b>12,284,030</b>                       | 12,284,030                              |
|                                      |                                                                                    | <b>12,284,030</b>                       | 12,284,030                              |

**a) Reconciliation of the number of Equity shares outstanding**

| <b>Equity shares</b>                    | <b>Nos.</b>      | <b>₹</b>          | <b>Nos.</b> | <b>₹</b>   |
|-----------------------------------------|------------------|-------------------|-------------|------------|
| Balance as at the beginning of the year | <b>2,456,806</b> | <b>12,284,030</b> | 1,228,403   | 12,284,030 |
| Balance as at the end of the year       | <b>2,456,806</b> | <b>12,284,030</b> | 2,456,806 * | 12,284,030 |

\* (consequent upon change of Face value from ₹ 10/- to ₹ 5/- per share )

**b) Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares having a par value of ₹5/- per share (previous year ₹5/- each). Each holder of equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to approval of the shareholders in the ensuing AGM. In the event of liquidation of the company, the holders of equity shares will be entitled to any of the remaining assets of the company after distribution of all preferential amounts in proportion to the no. of equity shares held by them.

**c) Details of shareholders holding more than 5% Equity shares in the company**

| S.No. | Name                            | No. of Shares held<br>as on 31st Mar.'19 | No. of Shares held<br>as on 31st Mar.'18 |
|-------|---------------------------------|------------------------------------------|------------------------------------------|
| 1     | Shree Capital Services Ltd.     | <b>4,72,000</b>                          | 4,72,000                                 |
| 2     | Digvijay Finlease Ltd.          | <b>4,71,478</b>                          | 4,71,478                                 |
| 4     | The Didwana Investment Co. Ltd. | <b>1,30,788</b>                          | 1,30,788                                 |
| 5.    | Asish Creations Pvt. Ltd.       | <b>1,24,478</b>                          | 1,24,478                                 |
| 6     | Shri Prashant Bangur*           | <b>2,08,200</b>                          | 2,08,000                                 |
| 7.    | Man Made Fibres Pvt. Ltd.       | <b>1,31,900</b>                          | 1,31,900                                 |

\* Beneficial interest in 2,08,000 Equity Shares is held by Shree Venkatesh Ayurvedic Aushdhalaya.

d) No shares have been allotted during the period of five years immediately preceding March 31, 2019 pursuant to contracts without payment received in cash or by way of bonus shares and there has been no buy back during the said period.

**NOTES TO THE FINANCIAL STATEMENTS**

| <b>Particulars</b>                                                | <b>As at 31st<br/>March, 2019<br/>₹</b> | <b>As at 31st<br/>March, 2018<br/>₹</b> |
|-------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>NOTE 3 : RESERVES AND SURPLUS</b>                              |                                         |                                         |
| (a) Capital Reserve                                               |                                         |                                         |
| As per last account                                               | <u>55,255</u>                           | <u>55,255</u>                           |
| (b) Securities premium account                                    |                                         |                                         |
| As per last account                                               | <u>1,650,726</u>                        | <u>1,650,726</u>                        |
| (c) General Reserve                                               |                                         |                                         |
| As per last account                                               | <u>491,305,545</u>                      | <u>491,305,545</u>                      |
| Add : Transfer from Surplus in Statement of Profit & Loss Account | <u>-</u>                                | <u>-</u>                                |
|                                                                   | <u>491,305,545</u>                      | <u>491,305,545</u>                      |
| (d) Reserve Fund<br>(As per Section 45-IC of RBI Act)             |                                         |                                         |
| Opening balance                                                   | <u>201,564,600</u>                      | <u>193,894,600</u>                      |
| Add: Transferred from Surplus in Statement of Profit & Loss       | <u>12,208,711</u>                       | <u>7,670,000</u>                        |
| Closing balance                                                   | <u>213,773,311</u>                      | <u>201,564,600</u>                      |
| (e) Surplus in the Statement of Profit and Loss                   |                                         |                                         |
| Opening balance                                                   | <u>401,512,632</u>                      | <u>370,833,001</u>                      |
| Add: Profit for the year                                          | <u>61,043,555</u>                       | <u>38,349,631</u>                       |
| Less: Appropriations                                              |                                         |                                         |
| Transferred to Reserve Fund                                       | <u>12,208,711</u>                       | <u>7,670,000</u>                        |
| Less : Transfer to General Reserve                                | <u>-</u>                                | <u>-</u>                                |
| Closing balance                                                   | <u>450,347,476</u>                      | <u>401,512,632</u>                      |
| <b>Total</b>                                                      | <u><b>1,157,132,313</b></u>             | <u><b>1,096,088,758</b></u>             |

**NOTE 4 LONG-TERM PROVISIONS**

|                                              |                         |                         |
|----------------------------------------------|-------------------------|-------------------------|
| Employee Benefits:                           |                         |                         |
| Gratuity                                     | <u>3,255,496</u>        | <u>2,992,535</u>        |
| Leave Salary                                 | <u>917,779</u>          | <u>851,546</u>          |
| Contingent Provision against Standard Assets | <u>77</u>               | <u>77</u>               |
| <b>Total</b>                                 | <u><b>4,173,352</b></u> | <u><b>3,844,158</b></u> |

**NOTE 5 OTHER CURRENT LIABILITIES**

|                                                              |                       |                       |
|--------------------------------------------------------------|-----------------------|-----------------------|
| Other Payables                                               |                       |                       |
| For Expenses                                                 | <u>139,451</u>        | <u>144,209</u>        |
| Capital Repayable Under Capital Reduction Scheme - Unclaimed | <u>175,488</u>        | <u>175,488</u>        |
| Statutory Dues                                               | <u>11,470</u>         | <u>13,740</u>         |
| Unclaimed Dividend                                           | <u>166,017</u>        | <u>165,258</u>        |
| <b>Total</b>                                                 | <u><b>492,426</b></u> | <u><b>498,695</b></u> |

**NOTE 6 SHORT - TERM PROVISIONS**

|                                              |                      |                      |
|----------------------------------------------|----------------------|----------------------|
| Contingent Provision against Standard Assets | <u>66,311</u>        | <u>66,311</u>        |
| <b>Total</b>                                 | <u><b>66,311</b></u> | <u><b>66,311</b></u> |

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 7 : PROPERTY PLANT &amp; EQUIPMENT

| TANGIBLE ASSETS      | GROSS BLOCK              |               |                 | DEPRECIATION             |                         |                        |                       | NET BLOCK               |                          |
|----------------------|--------------------------|---------------|-----------------|--------------------------|-------------------------|------------------------|-----------------------|-------------------------|--------------------------|
|                      | As at<br>01.04.2018<br>₹ | Addition<br>₹ | Deductions<br>₹ | As At<br>31.03.2019<br>₹ | Upto<br>31.03.2018<br>₹ | For the<br>Period<br>₹ | Adjust-<br>ments<br>₹ | Upto<br>31.03.2019<br>₹ | As At<br>31.03.2019<br>₹ |
| Furniture & Fixtures | 196,107                  | —             | —               | 196,107                  | 133,197                 | 16,268                 | —                     | 149,465                 | 46,642                   |
| Office Equipments    | 118,587                  | 36,000        | —               | 154,587                  | 86,823                  | 18,219                 | —                     | 105,042                 | 49,545                   |
| <b>Total</b>         | <b>314,694</b>           | <b>36,000</b> | <b>—</b>        | <b>350,694</b>           | <b>220,020</b>          | <b>34,487</b>          | <b>—</b>              | <b>254,507</b>          | <b>96,187</b>            |
| Previous year        | 277,194                  | 37,500        | —               | 314,694                  | 188,094                 | 31,926                 | —                     | 220,020                 | 94,674                   |
|                      |                          |               |                 |                          |                         |                        |                       |                         | 89,100                   |

**NOTES TO THE FINANCIAL STATEMENTS****NOTE 8 : NON-CURRENT INVESTMENTS****Long Term****Particulars****Other Investments****Investment in Equity Shares :****Quoted (Fully Paid-Up)**

|                                                 | Face Value | As at 31.03.2019 |                    | As at 31.03.2018 |                      |
|-------------------------------------------------|------------|------------------|--------------------|------------------|----------------------|
|                                                 |            | Number           | Value ₹            | Number           | Value ₹              |
| 3M India Ltd                                    | 10         | 1,094            | 21,996,008         | 100              | 1,886,068            |
| Agro Tech Foods Ltd.                            | 10         | 6,097            | 3,653,991          | 1,500            | 657,962              |
| Bajaj Auto Ltd.                                 | 10         | 12,900           | 37,933,398         | 12,900           | 37,933,398           |
| Bata India Ltd                                  | 5          | -                | -                  | 1,000            | 453,084              |
| Blue Dart Express Ltd                           | 10         | 29,350           | 144,112,078        | 29,350           | 144,112,078          |
| Bosch Ltd                                       | 10         | 9,599            | 219,969,325        | 9,932            | 227,603,759          |
| Cummins India Ltd                               | 2          | 21,500           | 20,556,196         | 21,500           | 20,556,196           |
| Eicher Motors Ltd                               | 10         | 4                | -                  | 4                | -                    |
| Foseco India Limited                            | 10         | 8,887            | 2,854,455          | 8,887            | 2,854,455            |
| Gillette India Ltd                              | 10         | 8                | 33,465             | 8                | 33,465               |
| Glaxo Smith Kline Consumer Health Care Ltd.     | 10         | 26,301           | 141,871,380        | 31,326           | 145,179,757          |
| HDFC Bank Ltd                                   | 2          | 4,700            | 4,970,269          | 4,700            | 4,970,269            |
| Huhtamaki PPL Limited (The Paper Products Ltd.) | 2          | 122,050          | 10,331,389         | 122,050          | 10,331,389           |
| J.K. Pharmachem Limited                         | 10         | 2,500            | 8,631              | 2,500            | 8,631                |
| Kansai Nerolac Paints Ltd                       | 1          | 9,700            | 4,010,338          | 6,200            | 2,237,023            |
| Kokuyo Camlin Ltd                               | 1          | 180,000          | 16,924,420         | 180,000          | 16,924,420           |
| Motherson Sumi Systems Ltd                      | 1          | 127,387          | 15,856,027         | 84,925           | 15,856,027           |
| MRF Ltd                                         | 10         | 1,100            | 74,622,551         | 1,100            | 74,622,551           |
| Nestle India Ltd                                | 10         | 2,030            | 12,994,639         | 2,030            | 12,994,639           |
| P & G Hygiene & Healthcare Ltd                  | 10         | 19,970           | 142,012,188        | 19,970           | 142,012,188          |
| Regency Properties Limited                      | 10         | 1,000            | 10,000             | 1,000            | 10,000               |
| Ricoh India Ltd.                                | 10         | 124,131          | 24,013,142         | 124,131          | 24,013,142           |
| Sanathana Dharma Gurukulam Ltd.                 | 10         | 1,000            | 10,000             | 1,000            | 10,000               |
| Sanofi India Ltd                                | 10         | 500              | 2,457,964          | -                | -                    |
| Shree Synthetics Limited                        | 10         | 12,441           | 3,483              | 12,441           | 3,483                |
| Shree Cement Limited                            | 10         | 849,450          | 23,957,957         | 849,450          | 23,957,957           |
| United Sprits Ltd                               | 2          | 45,500           | 21,416,992         | 9,100            | 21,416,992           |
| Western India Commercial Co. Ltd.               | 100        | 2,105            | 116,460            | 2,105            | 116,460              |
| Whirlpool of India Ltd                          | 10         | 30,000           | 37,564,262         | 30,000           | 37,564,262           |
| Zee Entertainment Enterprises Ltd               | 1          | -                | -                  | 67,000           | 35,517,715           |
|                                                 |            |                  | <b>984,261,008</b> |                  | <b>1,003,837,370</b> |

**Unquoted (Fully Paid-Up)**

|                                     |    |         |                   |         |                   |
|-------------------------------------|----|---------|-------------------|---------|-------------------|
| Alfa Buildhome Pvt. Ltd.            | 10 | 9,000   | 108,270           | 9,000   | 108,270           |
| Aqua infra Projects Ltd.            | 10 | 740,000 | 24,555,001        | 740,000 | 24,555,001        |
| Karmayog Properties Private Limited | 10 | 258,000 | 28,290,000        | 258,000 | 28,290,000        |
| Ramgopal Holdings Pvt. Ltd.         | 10 | 60,625  | 5,470,408         | 60,625  | 5,470,408         |
| Shree Cement Marketing Limited      | 10 | 9,000   | 90,450            | 9,000   | 90,450            |
| Shreecap Holdings Pvt Ltd           | 10 | 7,000   | 70,175            | 7,000   | 70,175            |
| Tanushree Logistics Private Limited | 10 | 99,000  | 15,300,000        | 99,000  | 15,300,000        |
| <b>Total</b>                        |    |         | <b>73,884,304</b> |         | <b>73,884,304</b> |

Contd.

**NOTES TO THE FINANCIAL STATEMENTS****NOTE 8 : NON-CURRENT INVESTMENTS (contd.)**

| Particulars                                         | As at 31.03.2019 |           |                | As at 31.03.2018 |                |
|-----------------------------------------------------|------------------|-----------|----------------|------------------|----------------|
|                                                     | Face             | Number    | Value          | Number           | Value          |
|                                                     | Value            |           |                |                  |                |
|                                                     | ₹                |           | ₹              |                  | ₹              |
| <b>Investment in Preference Shares</b>              |                  |           |                |                  |                |
| <b>Quoted (Fully Paid-Up)</b>                       |                  |           |                |                  |                |
| Zee Entertainment Enterprises Ltd - NCPS            | 10               | 2,698,500 | 14,603,242     | -                | -              |
| <b>Unquoted (Fully Paid -Up)</b>                    |                  |           |                |                  |                |
| Cem Logistics Pvt Ltd.-9 % NCNCRPS                  | 100              | 25,000    | 2,500,000      | 25,000           | 2,500,000      |
|                                                     |                  |           | 17,103,242     |                  | 2,500,000      |
| <b>GRAND TOTAL</b>                                  |                  |           | 1,075,248,554  |                  | 1,080,221,674  |
| <b>Aggregate amount of quoted investments</b>       |                  |           | 998,864,250    |                  | 1,003,837,370  |
| <b>Aggregate amount of unquoted investments</b>     |                  |           | 76,384,304     |                  | 76,384,304     |
|                                                     |                  |           | 1,075,248,554  |                  | 1,080,221,674  |
| <b>Aggregate market value of quoted investments</b> |                  |           | 16,863,697,488 |                  | 14,826,594,363 |

**NOTE 9 : DEFERRED TAX ASSETS****Deferred Tax Asset**

|                                                 | As at 31st<br>March, 2019<br>₹ | As at 31st<br>March, 2018<br>₹ |
|-------------------------------------------------|--------------------------------|--------------------------------|
| On Provision for Gratuity                       | 846,429                        | 770,578                        |
| On Provision for Leave Salary                   | 238,623                        | 219,273                        |
| On Difference between Book and Tax Depreciation | 29,409                         | 29,839                         |
| <b>Deferred Tax Asset</b>                       | <b>1,114,461</b>               | <b>1,019,690</b>               |

**NOTE 10 : LONG TERM LOANS AND ADVANCES**

(Unsecured, considered good)

|                   |               |               |
|-------------------|---------------|---------------|
| Security deposits | 30,800        | 30,800        |
| <b>Total</b>      | <b>30,800</b> | <b>30,800</b> |

**NOTES TO THE FINANCIAL STATEMENTS****NOTE 11 : CURRENT INVESTMENTS**

| Particulars                          | Face Value<br>₹ | As at 31st March, 2019 |                   | As at 31st March, 2018 |                   |
|--------------------------------------|-----------------|------------------------|-------------------|------------------------|-------------------|
|                                      |                 | Number                 | Value<br>₹        | Number                 | Value<br>₹        |
| <b>Investment in Equity Shares :</b> |                 |                        |                   |                        |                   |
| <b>Quoted (Fully Paid-Up)</b>        |                 |                        |                   |                        |                   |
| <b>Unquoted</b>                      |                 |                        |                   |                        |                   |
| <b>Investment in Mutual Funds</b>    |                 |                        |                   |                        |                   |
| UTI Floating Rate Fund STP           |                 |                        |                   |                        |                   |
| Regular Plan - Growth Plan           | 1,000           | —                      | —                 | 3,703.963              | 10,333,537        |
| UTI Arbitrage Fund                   | 10              | 1,750,465.482          | 28,000,000        | —                      | —                 |
| UTI Ultra Short Term Fund            | 1,000           | 2,663.761              | 8,014,268         | —                      | —                 |
| Total of Current Investments         |                 |                        | <u>36,014,268</u> |                        | <u>10,333,537</u> |

**NOTE 12 : CASH AND BANK BALANCES****Cash and Cash Equivalents**

|                                                                 |                   |                   |
|-----------------------------------------------------------------|-------------------|-------------------|
| (a) Cash on hand                                                | 200,143           | 200,103           |
| (b) Balances with Scheduled banks                               |                   |                   |
| In current accounts                                             | 1,319,056         | 196,642           |
| (c) In Fixed deposit accounts - maturity less than three months | 29,802,155        | 16,112,642        |
| <b>Total</b>                                                    | <u>31,321,354</u> | <u>16,509,387</u> |

**Other Bank Balances**

|                                                                         |                   |                   |
|-------------------------------------------------------------------------|-------------------|-------------------|
| In Unclaimed Dividend Account                                           | 166,017           | 165,258           |
| In Fixed Deposits - maturity more than 3 months and less than 12 months | 27,000,000        | —                 |
|                                                                         | <u>27,166,017</u> | <u>165,258</u>    |
| <b>Total</b>                                                            | <u>58,487,371</u> | <u>16,674,645</u> |

**NOTE 13 : SHORT-TERM LOANS AND ADVANCES**

(Unsecured, considered good)

|                                         |                  |                  |
|-----------------------------------------|------------------|------------------|
| Advances to employees                   | 200,000          | 5,000            |
| Income Tax Advances (Net of Provisions) | 2,090,018        | 1,633,124        |
| Advances for Expenses                   | 228,807          | 225,494          |
| Advance against Investments             | —                | 428,877          |
| <b>Total</b>                            | <u>2,518,825</u> | <u>2,292,495</u> |

**NOTES TO THE FINANCIAL STATEMENTS**

| <b>Particulars</b>                       | <b>As at 31st<br/>March 2019<br/>₹</b>                  | <b>As at 31st<br/>March 2018<br/>₹</b>                  |
|------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| <b>NOTE 14 OTHER CURRENT ASSETS</b>      |                                                         |                                                         |
| (Unsecured, considered good)             |                                                         |                                                         |
| Interest accrued on Bank Deposits        | 637,966                                                 | 2,114,437                                               |
| <b>Total</b>                             | <b>637,966</b>                                          | <b>2,114,437</b>                                        |
|                                          | <b>For the year<br/>ended 31st<br/>March 2019<br/>₹</b> | <b>For the year<br/>ended 31st<br/>March 2018<br/>₹</b> |
| <b>NOTE 15 : REVENUE FROM OPERATIONS</b> |                                                         |                                                         |
| <b>INTEREST INCOME</b>                   |                                                         |                                                         |
| on Loan                                  | —                                                       | 78,254                                                  |
| on Fixed Deposits with Bank              | 1,908,560                                               | 1,351,311                                               |
|                                          | <b>1,908,560</b>                                        | <b>1,429,565</b>                                        |
| <b>Net gain on sale of Investments:</b>  |                                                         |                                                         |
| Current investments                      | 1,521,213                                               | 4,881,254                                               |
| Long-term investments                    | 18,911,176                                              | -707,629                                                |
|                                          | <b>20,432,389</b>                                       | <b>4,173,625</b>                                        |
| <b>Sale of equity shares :</b>           |                                                         |                                                         |
| Sale of stock in trade                   | 4,263,776                                               | —                                                       |
| <b>Dividend income:</b>                  |                                                         |                                                         |
| From current investments                 | 197,635                                                 | 1,850,673                                               |
| From long-term investments               | 54,649,065                                              | 49,802,012                                              |
|                                          | <b>54,846,700</b>                                       | <b>51,652,685</b>                                       |
| <b>Total</b>                             | <b>81,451,425</b>                                       | <b>57,255,875</b>                                       |
| <b>NOTE 16 EMPLOYEE BENEFITS EXPENSE</b> |                                                         |                                                         |
| Salaries and Allowances                  | 5,021,894                                               | 4,218,497                                               |
| Contribution to Provident Fund           | 348,776                                                 | 314,952                                                 |
| Gratuity                                 | 495,096                                                 | 480,710                                                 |
| Leave Salary                             | 116,528                                                 | 142,218                                                 |
| Staff Welfare expenses                   | 146,089                                                 | 125,644                                                 |
| <b>Total</b>                             | <b>6,128,383</b>                                        | <b>5,282,021</b>                                        |

**NOTES TO THE FINANCIAL STATEMENTS**

| <b>Particulars</b>                       | <b>For the year<br/>ended 31st<br/>March 2019<br/>₹</b> | <b>For the year<br/>ended 31st<br/>March 2018<br/>₹</b> |
|------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| <b>NOTE 17 OTHER EXPENSES</b>            |                                                         |                                                         |
| Rent                                     | 127,440                                                 | 119,880                                                 |
| Repairs & Maintenance - Others           | 39,282                                                  | 35,927                                                  |
| Rates and taxes                          | 4,650                                                   | 4,650                                                   |
| Goods & Services Tax                     | 69,635                                                  | 735,834                                                 |
| Communication Expenses                   | 488,345                                                 | 371,838                                                 |
| Travelling and Conveyance                | 95,280                                                  | 31,811                                                  |
| Printing and stationery                  | 437,776                                                 | 446,080                                                 |
| Advertisement                            | 46,804                                                  | 52,898                                                  |
| Directors Sitting Fee                    | 193,000                                                 | 67,100                                                  |
| Legal and professional                   | 448,168                                                 | 4,521,868                                               |
| Custodial Fees                           | 37,830                                                  | 27,215                                                  |
| Listing Fees                             | 354,000                                                 | 259,500                                                 |
| Payments to auditors                     |                                                         |                                                         |
| For - statutory audit                    | 42,000                                                  | 42,000                                                  |
| For - tax audit fees                     | 7,700                                                   | 7,400                                                   |
| For other services                       | 7,560                                                   | 21,980                                                  |
| Miscellaneous expenses                   | 177,356                                                 | 167,888                                                 |
| <b>Total</b>                             | <b>2,576,826</b>                                        | <b>6,913,869</b>                                        |
| <b>NOTE 18 CSR EXPENDITURE</b>           |                                                         |                                                         |
| Gross amount required to be spent        | 5,906,985                                               | 6,131,466                                               |
| Amount spent during the year             | 5,911,000                                               | 6,141,000                                               |
| <b>Total</b>                             | <b>5,911,000</b>                                        | <b>6,141,000</b>                                        |
| <b>NOTE 19 EARNINGS PER SHARE (EPS)</b>  |                                                         |                                                         |
| Nominal value per Equity share           | 5/-                                                     | 5/-                                                     |
| Net Profit after Tax                     | 61,043,555                                              | 38,349,631                                              |
| Weighted average number of Equity Shares | 2,456,806                                               | 2,456,806                                               |
| Basic and diluted Earning per share      | 24.85                                                   | 15.61                                                   |

# **NOTES TO THE FINANCIAL STATEMENTS**

- 20 There are no separate reportable segments as per Accounting Standard 17.
- 21 Related Party Disclosures (In accordance with AS-18)
  - i) Name & Relationship  
Key Management Personnel -  
Mr. S. P. Kumar – Manager and CFO
  - ii) Transactions carried out during the year  
Remuneration ₹1,500,165/- (Previous year ₹1,222,788/-)
- 22 Employee Benefit Expenses appearing in the Statement of Profit and Loss are net of service charges received from others ₹14060/- (Previous year- ₹24000/-)
- 23 Unabsorbed MAT for which future credit may be available amounts to ₹5,675,838/- (Previous Year ₹3,737,177/-)
- 24 Contingent Provision for Standard Assets was created in the earlier years at 0.25% of the standard assets in terms of the Notification No.DNBS.223/CGM (US) - 2011 dated 17th January 2011, issued by the Reserve Bank of India.
- 25 There is no amount due to Micro, Medium and Small enterprises nor there has been any delay in payment to such enterprises.
- 26 Previous year's figures have been regrouped/ rearranged wherever necessary.
- 27 Particulars required under Paragraph 18 of the Master Direction Non-Banking Financial Company- Non- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 are given in the Annexure appended hereto.

In terms of our report attached  
For **D. K. Chhajer & Co.**  
Chartered Accountants  
Firm Registration No. 304138E  
**Tapan Kumar Mukhopadhyay**  
Partner  
Membership No. 017483  
Place : Kolkata  
Date : 30th May, 2019

**B. L. Gaggar**  
Chairman  
DIN - 00404123

**Nisha Laddha**  
Company Secretary

**S.P. Kumar**  
Manager & CFO

**T. K. Bhattacharya**  
Director  
DIN-00711665

**ANNEXURE (Referred to in Note 27 of the Financial Statements)**  
**SCHEDULE TO THE BALANCE SHEET OF A NON-DEPOSIT TAKING NON - BANKING FINANCIAL COMPANY**

( ₹ in Lakhs)

**Particulars****As on 31.03.2019****Liabilities side:**

| <b>(1) Loans and advances availed by the NBFCs<br/>inclusive of interest accrued thereon but not paid:</b> | <b>Amount<br/>Outstanding</b> | <b>Amount<br/>Overdue</b> |
|------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------|
| (a) Debentures : Secured                                                                                   | NIL                           | NIL                       |
| : Unsecured<br>(other than falling within the<br>meaning of public deposits)                               | NIL                           | NIL                       |
| (b) Deferred Credits                                                                                       | NIL                           | NIL                       |
| (c) Term Loans                                                                                             | NIL                           | NIL                       |
| (d) Inter-corporate loans and borrowing                                                                    | NIL                           | NIL                       |
| (e) Commercial Paper                                                                                       | NIL                           | NIL                       |
| (f) Other Loans                                                                                            | NIL                           | NIL                       |

**Assets side:**

**(2) Break-up of Loans and Advances including bills receivables  
[other than those included in (4) below]:**

|               |      |     |
|---------------|------|-----|
| (a) Secured   | NIL  | NIL |
| (b) Unsecured | 4.60 | NIL |

**(3) Break up of Leased Assets and stock  
on hire and other assets  
counting towards AFC activities**

|                                                                   |     |  |
|-------------------------------------------------------------------|-----|--|
| (i) Lease assets including lease rentals<br>under sundry debtors: |     |  |
| (a) Financial lease                                               | NIL |  |
| (b) Operating lease                                               | NIL |  |
| (ii) Stock on hire including hire charges under<br>sundry debtors |     |  |
| (a) Assets on hire                                                | NIL |  |
| (b) Repossessed Assets                                            | NIL |  |
| (iii) Other loans counting towards AFC activities                 |     |  |
| (a) Loans where assets have been repossessed                      | NIL |  |
| (b) Loans other than (a) above                                    | NIL |  |

| <b>(4) Break-up of Investments:</b> |  | <b>Amount</b>      |
|-------------------------------------|--|--------------------|
| <b>Current Investments:</b>         |  | <b>Outstanding</b> |
| <b>1. Quoted:</b>                   |  |                    |
| (i) Shares: (a) Equity              |  | NIL                |
| (b) Preference                      |  | NIL                |
| (ii) Debentures and Bonds           |  | NIL                |
| (iii) Units of mutual funds         |  | NIL                |
| (iv) Government Securities          |  | NIL                |
| (v) Others (Please specify)         |  | NIL                |
| <b>2. Unquoted:</b>                 |  |                    |
| (i) Shares: (a) Equity              |  | NIL                |
| (b) Preference                      |  | NIL                |
| (ii) Debentures and Bonds           |  | NIL                |
| (iii) Units of mutual funds         |  | 360.14             |
| (iv) Government Securities          |  | NIL                |
| (v) Others (Please specify)         |  | NIL                |
| <b>Long Term investments:</b>       |  |                    |
| <b>1. Quoted:</b>                   |  |                    |
| (i) Shares : (a) Equity             |  | 9,842.61           |
| (b) Preference                      |  | 146.03             |
| (ii) Debentures and Bonds           |  | NIL                |
| (iii) Units of mutual funds         |  | NIL                |
| (iv) Government Securities          |  | NIL                |
| (v) Others (Please specify)         |  | NIL                |
| <b>2. Unquoted:</b>                 |  |                    |
| (i) Shares: (a) Equity              |  | 738.84             |
| (b) Preference                      |  | 25.00              |
| (ii) Debentures and Bonds           |  | NIL                |
| (iii) Units of mutual funds         |  | NIL                |
| (iv) Government Securities          |  | NIL                |
| (v) Others (Please specify)         |  | NIL                |

**(5) Borrower group-wise classification of assets financed  
as in (2) and (3) above :**

| <b>Category</b>                      | <b>Amount net of provisions</b> |                  |              |
|--------------------------------------|---------------------------------|------------------|--------------|
|                                      | <b>Secured</b>                  | <b>Unsecured</b> | <b>Total</b> |
| <b>1. Related Parties</b>            |                                 |                  |              |
| (a) Subsidiaries                     | NIL                             | NIL              | NIL          |
| (b) Companies in the same group      | NIL                             | NIL              | NIL          |
| (c) Other related parties            | NIL                             | NIL              | NIL          |
| <b>2. Other than related parties</b> | NIL                             | 4.60             | 4.60         |
| <b>Total</b>                         | <b>NIL</b>                      | <b>4.60</b>      | <b>4.60</b>  |

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

| <b>Category</b>                 | <b>Market Value /<br/>Break up/<br/>or fair value or NAV</b> | <b>Book Value<br/>(Net of Provisions)</b> |
|---------------------------------|--------------------------------------------------------------|-------------------------------------------|
| 1. Related Parties              |                                                              |                                           |
| (a) Subsidiaries                | NIL                                                          | NIL                                       |
| (b) Companies in the same group | NIL                                                          | NIL                                       |
| (c) Other related parties       | NIL                                                          | NIL                                       |
| 2. Other than related parties   | 170020.99                                                    | 11112.63                                  |
| <b>Total</b>                    | <b>170020.99</b>                                             | <b>11112.63</b>                           |

**(7) Other information**

| <b>Particulars</b>                            | <b>Amount</b> |
|-----------------------------------------------|---------------|
| (i) Gross Non-Performing Assets               |               |
| (a) Related parties                           | NIL           |
| (b) Other than related parties                | NIL           |
| (ii) Net Non-Performing Assets                |               |
| (a) Related parties                           | NIL           |
| (b) Other than related parties                | NIL           |
| (iii) Assets acquired in satisfaction of debt | NIL           |

As per our report of even date attached herewith.

For **D. K. Chhajer & Co.**  
Chartered Accountants  
Firm Registration No. 304138E

**Tapan Kumar Mukhopadhyay**  
Partner

Membership No. 017483  
Place : Kolkata  
Date : 30th May, 2019

**Nisha Laddha**  
Company Secretary

**B. L. Gaggar**  
Chairman  
DIN - 00404123

**S.P. Kumar**  
Manager & CFO

**T. K. Bhattacharya**  
Director  
DIN-00711665