

**85TH
ANNUAL REPORT
2019 - 2020**

N. B. I. INDUSTRIAL FINANCE Co. LTD.

BOARD OF DIRECTORS

B. L. GAGGAR - CHAIRMAN
RIYAPUJAJAIN
ASHOK BHANDARI - INDEPENDENT DIRECTOR
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.co.in

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 85th Annual Report of your Company together with the Audited Financial Statements of the Company for the year ended 31st March, 2020. The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by the Central Government under Section 133 of the Companies Act, 2013 which have become applicable to the Company from the Financial Year 2019-20.

FINANCIAL RESULTS

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

	Year ended 31.03.2020	Year ended 31.03.2019*
	₹	₹
Profit before Depreciation & Provisions	129,499,367	43,903,037
Less : Depreciation	40,999	34,488
Profit before Taxation	129,458,368	43,868,549
Less : Provision for Current Tax	-	1,484,390
Provision for Deferred Tax	(167,300)	(94,771)
Profit after Tax	129,625,668	42,478,930
Add : Balance of Profit from Previous year	923,216,851	892,946,632
	<u>1,052,842,520</u>	<u>935,425,562</u>
APPROPRIATIONS		
Transfer to Reserve Fund (as per RBI Guidelines)	25,925,134	12,208,711
Balance Carried to Balance Sheet	1,026,917,386	923,216,851
	<u>1,052,842,520</u>	<u>935,425,561</u>

* Revised as per Ind AS

DIVIDEND

The Board does not recommend any dividend for the year ended 31st March, 2020 with a view to conserve 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, 2020. During the year under review, the Company has not issued any new shares.

TRANSFER TO RESERVES

The Board proposes to transfer ₹259.25 Lac to Reserve Fund pursuant to RBI Guidelines (for Non Banking Financial Companies (NBFC) and the balance profit is 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 ₹1438.17Lac as against ₹628.87 Lac in the preceding year. Profit before tax amounted to ₹1294.58Lac as against ₹438.69 Lac in the preceding year. Profit after tax stood at ₹1296.26 Lac as against ₹424.79 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 except for any effect of Covid 19 Pandemic which cannot be assessed at this stage

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 were transferable by the Company during the year, being not applicable to it presently.

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 Ind AS which is suitably disclosed in Note No.23 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 suggestions 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, 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 Bankat Lal Gaggar (DIN: 00404123) and Smt Riya Puja Jain (DIN: 01559454), being Directors of the Company retire by rotation and being eligible offer himself / herself for re-appointment. In accordance with Regulation 17(1A) of the Listing regulations, consent of members is being sought for continuation of directorship of Shri Bankat Lal Gaggar, who has attained the age of 75 years, by way of special resolution which is included in the Notice of AGM.

Shri Ashok Bhandari has been appointed as an Independent Director by the Board on 21st July, 2020 subject to Members' approval at the ensuing AGM for a term of five years. Shri Bhandari has given a declaration that he meets the criteria of Independence and is Independent of the Management. Resolution seeking approval of the members at the AGM has been included in the Notice thereof.

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

Shri Tapas Kumar Bhattacharya and Shri Debashis Ray continue to be other Independent Directors of the Company appointed for a period of five years from their respective dates of appointment. The Independent Directors have appropriate skill, knowledge and experience in the business carried on by the Company.

The Company has received declarations from 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 familiarisation program for the independent directors.

Shri S.P. Kumar is the Manager and Chief Financial Officer of the Company.

Nisha Laddha is the Company Secretary and Compliance Officer of the Company.

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.

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. Chhajer & 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 for the financial year ending 31st March, 2021.

The Statutory Auditors have confirmed that they satisfy the eligibility / independence criteria required under the Companies Act, 2013 and The 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 2019-20 has been conducted by Shri Mukesh Chaturvedi, Practicing Company Secretary (PCS). The Secretarial Audit Report for the financial year ended 31st March, 2020 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/Board, 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 comprises of two Independent Directors namely, Shri Tapas Kumar Bhattacharya (Chairman), Shri Debasish Ray and a Non Independent Director Shri Jagdish Prasad Mundra. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

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 comprises Shri Tapas Kumar Bhattacharya (Chairman), Shri Debasish Ray and Shri Bankat Lal Gaggar.

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 (Chairman), Shri Jagdish Prasad Mundra and Shri Tapas Kumar Bhattacharya 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 namely Shri Tapas Kumar Bhattacharya (Chairman), Shri Debasish Ray, Shri Bankat Lal Gaggar and Shri Jagdish Prasad Mundra. This year the Company has contributed for extending financial support to the needy persons requiring medical care/attention.

The Annual Report on CSR activities of FY 2019-20 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.

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 2019-20, 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, 2020 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 2020-21.

CORPORATE GOVERNANCE

In terms of the provisions of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Report for fiscal 2020 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, 2020.

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:

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

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: 22nd July, 2020

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:

Nature of Transactions	Name of related party	Description of Relationship	Amount (₹)
Payment of Remuneration	Mr. S.P. Kumar	Key Management Personnel	16,60,227
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: 22nd July, 2020

(Bankat Lal Gaggar)
Chairman
DIN:00404123

Annexure to the Director's 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, which may include people / programs which may not be so related strictly considering overall upliftment objectives. However, in the third year of implementation the Company has emphasised mainly on extending financial support to the needy persons requiring medical care/attention/surgical intervention etc. by contributing to "Shree Bangur Maheshwari Medical Welfare Society" which is engaged in rendering such services.
2	The Composition of the CSR Committee	CSR Committee comprises of two Independent Directors and two Non-Executive Directors as under: 1. Shri T.K. Bhattacharya – Chairman 2. Shri B.L. Gaggar – Member 3. Shri J.P. Mundra – Member 4. Shri Debashis Ray - Member
3	Average net profit of the company for the last three financial years	₹2,981.33 Lac
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	The prescribed CSR Expenditure requirement for the FY 2019-20 is ₹59.63 Lac. The amount allocated i.e. ₹59.70 Lac is higher than 2% of the average net profit of the Company for the preceding three financial years.
5	Details of CSR expenditure incurred during the financial year	
a	Total amount to be spent for the financial year	₹59.63 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: 22nd July, 2020

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

J.P. Mundra

Member

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 1. Local Area or other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programs sub-heads: 1. Direct expenditure on projects or programs 2.Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Initiatives to provide medical help/ attention / care to needy persons	Health Care including preventive healthcare	Area: PAN India	₹59.70 Lac	₹59.70 Lac Direct Expenditure on programs	₹59.70 Lac	Through Implementing Agency i.e. Shree Bangur Maheshwari Medical Welfare Society.

Place: Kolkata
Date: 22nd July, 2020

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

J.P. Mundra
Member
DIN:00630475

T.K. Bhattacharya
Chairman of CSR Committee
DIN: 00711665

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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 31.03.2020 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 31.03.2020 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 : 30.06.2020

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

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: 22nd July, 2020

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, 2020

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

I. REGISTRATION AND OTHER DETAILS		
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 Tel : +91332230 9601 (3 Lines) +9133 2243 7725 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. 23, R.N. Mukherjee Road, 5th Floor Kolkata - 700 001 Tel : +9133 2243 5029, 2248 2248 E-mail : mdpldc@yahoo.com
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY		
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%
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES		
NONE		
IV. SHARE HOLDING PATTERN (Equity Share Breakup as percentage of Total Equity)		
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
V. INDEBTEDNESS		
	Indebtedness of the Company including interest outstanding / accrued but not due for payment	As per Attachment E
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		
A	Remuneration of MD/WTD 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.
VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES		
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/2019]				No of Shares held at the end of the year [As on 31/March/2020]				%change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	208200	0	208200	8.47	208208	0	208208	8.47	0.00
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	1266004	0	1266004	51.53	1266831	0	1266831	51.56	0.03
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	1474204	0	1474204	60.00	1475039	0	1475039	60.04	0.04
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	1474204	0	1474204	60.00	1475039	0	1475039	60.04	0.04
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI	0	1584	1584	0.06	0	980	980	0.04	-0.02
c) Central Govt	0	14	14	0.00	0	14	14	0.00	0.00
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	38571	0	38571	1.57	91318	0	91318	3.72	2.15
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total(B)(1):-	38571	1598	40169	1.64	91318	994	92312	3.76	2.12
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	317042	5842	322884	13.14	325670	5842	331512	13.49	0.35
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	170401	343912	514313	20.93	161000	300258	461258	18.77	-2.16
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	82346	0	82346	3.35	74652	0	74652	3.04	-0.31
c) Others (Specify)									
Non Resident Indians	359	0	359	0.01	431	0	431	0.02	0.00
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	1331	0	1331	0.05	402	0	402	0.02	-0.04
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	21200	0	21200	0.86	21200	0	21200	0.86	0.00
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority									
Sub-total(B)(2):-	592679	349754	942433	38.36	583355	306100	889455	36.20	-2.16
Total Public Shareholding (B)=(B)(1)+ (B)(2)	631250	351352	982602	40.00	674673	307094	981767	39.96	-0.03
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	2105454	351352	2456806	100.00	2149712	307094	2456806	100.00	0.00

N. B. : approximation is due to decimal

Attachment B

ii) Shareholding of Promoters-

SI No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/April/2019]			Shareholding at the end of the year [As on 31/March/2020]			% change in share holding during the Year	PAN
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares		
1	SHREE CAPITAL SERVICES LTD	472000	19.2119	0.0000	472000	19.2119	0.0000	AAGCS5082D	
2	DIGVIJAY FINLEASE LTD	471478	19.1907	0.0000	471478	19.1907	0.0000	AAACD6998D	
3	PRASHANT BANGUR	208200	8.4744	0.0000	208200	8.4744	0.0000	AHAPB4776F	
4	THE DIDWANA INVESTMENT COMPANY LTD	130788	5.3235	0.0000	130788	5.3235	0.0000	AABCT1524C	
5	ASISH CREATIONS PRIVATE LIMITED	124478	5.0667	0.0000	124478	5.0667	0.0000	AADCA3805D	
6	MANNKRISHNA INVESTMENTS PVT LTD	50000	2.0352	0.0000	50405	2.0516	0.0000	AACCM2323H	
7	WESTERN INDIA COMMERCIAL CO LTD	17250	0.7021	0.0000	17250	0.7021	0.0000	AAACW2354C	
8	RAGINI FINANCE LIMITED	2	0.0001	0.0000	422	0.0172	0.0000	AABCR2321R	
9	RAJESH VANUJA P LTD	2	0.0001	0.0000	2	0.0001	0.0000	AABGR6316C	
10	DIDU INVESTMENTS PVT LTD	2	0.0001	0.0000	2	0.0001	0.0000	AABCD1810F	
11	NEWA INVESTMENTS PVT LTD	2	0.0001	0.0000	2	0.0001	0.0000	AAACN8961G	
12	THE LAXMI SALT CO LTD	0	0.0000	0.0000	2	0.0001	0.0000	AAACT9721G	
13	THE VENKTESH CO LTD	2	0.0001	0.0000	2	0.0001	0.0000	AAACT9722F	
14	RAJKAMAL DEVI BANGUR	0	0.0000	0.0000	2	0.0001	0.0000	ADAPB2150P	
15	HARIMOHAN BANGUR	0	0.0000	0.0000	2	0.0001	0.0000	ADJPB0982E	
16	BENU GOPAL BANGUR	0	0.0000	0.0000	2	0.0001	0.0000	ADRPB5687N	
17	RANU BANGUR	0	0.0000	0.0000	2	0.0001	0.0000	AEJPB0396R	
	TOTAL	1474204	60.0049	0.0000	1475039	60.0389	0.0000	0.0340	

* Shri Prashant Bangur disclaims the beneficial ownership of 208000 shares held by him on behalf of Shree Venktesh Ayurvedic Aushdhalaya.

Attachment C

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

SI No	Name	Shareholding at the beginning [01/April/19]/end of the year [31/March/2020]		Cumulative Shareholding during the year [01/April/19 to 31/March/2020]		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	DIGVIJAY FINLEASE LTD 01/04/2019 31/03/2020	471478 471478	19.1907 19.1907	471478	19.1907	AAACD6998D
2	NEWA INVESTMENTS PVT LTD 01/04/2019 31/03/2020	2 2	0.0001 0.0001	2	0.0001	AAACN8961G
3	THE LAXMI SALT CO LTD 01/04/2019 13/09/2019 - Transfer 31/03/2020	0 2 2	0.0000 0.0001 0.0001	2 2	0.0001 0.0001	AAACT9721G
4	THE VENKTESH CO LTD 01/04/2019 31/03/2020	2 2	0.0001 0.0001	2	0.0001	AAACT9722F
5	WESTERN INDIA COMMERCIAL CO LTD 01/04/2019 31/03/2020	17250 17250	0.7021 0.7021	17250	0.7021	AAACW2354C
6	DIDU INVESTMENTS PVT LTD 01/04/2019 31/03/2020	2 2	0.0001 0.0001	2	0.0001	AABCD1810F
7	RAGINI FINANCE LIMITED 01/04/2019 20/03/2020 - Transfer 31/03/2020	2 420 422	0.0001 0.0171 0.0172	422 422	0.0172 0.0172	AABCR2321R
8	RAJESH VANIJYA P LTD 01/04/2019 31/03/2020	2 2	0.0001 0.0001	2	0.0001	AABCR6316C
9	THE DIDWANA INVESTMENT COMPANY LTD 01/04/2019 31/03/2020	130788 130788	5.3235 5.3235	130788	5.3235	AABCT1524C
10	MANNAKRISHNA INVESTMENTS PVT LTD 01/04/2019 20/03/2020 - Transfer 31/03/2020	50000 405 50405	2.0352 0.0165 2.0516	50405 50405	2.0516 2.0516	AACCM2323H
11	ASISH CREATIONS PRIVATE LIMITED 01/04/2019 31/03/2020	124478 124478	5.0667 5.0667	124478	5.0667	AADCA3805D
12	SHREE CAPITAL SERVICES LTD 01/04/2019 31/03/2020	472000 472000	19.2119 19.2119	472000	19.2119	AAGCS5082D
13	RAJKAMAL DEVI BANGUR 01/04/2019 13/09/2019 - Transfer 31/03/2020	0 2 2	0.0000 0.0001 0.0001	2 2	0.0001 0.0001	ADAPB2150P
14	HARIMOHAN BANGUR 01/04/2019 13/09/2019 - Transfer 31/03/2020	0 2 2	0.0000 0.0001 0.0001	2 2	0.0001 0.0001	ADJPB0982E
15	BENU GOPAL BANGUR 01/04/2019 06/09/2019 - Transfer 31/03/2020	0 2 2	0.0000 0.0001 0.0001	2 2	0.0001 0.0001	ADRPB5687N
16	RANU BANGUR 01/04/2019 13/09/2019 - Transfer 31/03/2020	0 2 2	0.0000 0.0001 0.0001	2 2	0.0001 0.0001	AEJPB0396R
17	PRASHANT BANGUR 01/04/2019 31/03/2020	208200 208200	8.4744 8.4744	208200	8.4744	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 [01/April/19]/end of the year [31/March/2020]		Cumulative Shareholding during the year [01/April/19 to 31/March/2020]		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	KEEN INVESTMENT AND LEASING LIMITED 01/04/2019 31/03/2020	103376 103376	4.2077 4.2077	103376	4.2077	AAACK7707M
2	MAN-MADE FIBRES PVT. LTD 01/04/2019 31/03/2020	131900 131900	5.3688 5.3688	131900	5.3688	AAACM3042R
3	RESHAM RESHA PVT. LTD 01/04/2019 31/03/2020	31000 31000	1.2618 1.2618	31000	1.2618	AAACR5056L
4	MAHENDRA GIRDHARILAL 01/04/2019 07/06/2019 - Transfer 14/06/2019 - Transfer 05/07/2019 - Transfer 12/07/2019 - Transfer 23/08/2019 - Transfer 30/08/2019 - Transfer 06/09/2019 - Transfer 13/09/2019 - Transfer 20/09/2019 - Transfer 27/09/2019 - Transfer 13/12/2019 - Transfer 31/03/2020	82346 -539 -913 -200 -100 -1323 -308 -1996 -1088 -671 -491 -65 74652	3.3518 0.0219 0.0372 0.0081 0.0041 0.0539 0.0125 0.0812 0.0443 0.0273 0.0200 0.0026 3.0386	81807 80894 80694 80594 79271 78963 76967 75879 75208 74717 74652	3.3298 3.2926 3.2845 3.2804 3.2266 3.2141 3.1328 3.0885 3.0612 3.0412 3.0386	AAAPW1327L
5	PLACID LIMITED 01/04/2019 31/03/2020	21200 21200	0.8629 0.8629	21200	0.8629	AABCP5447J
6	CASTAMET WORKS PRIVATE LIMITED * 01/04/2019 13/12/2019 - Transfer 20/12/2019 - Transfer 27/12/2019 - Transfer 17/01/2020 - Transfer 24/01/2020 - Transfer 31/01/2020 - Transfer 07/02/2020 - Transfer 14/02/2020 - Transfer 21/02/2020 - Transfer 28/02/2020 - Transfer 06/03/2020 - Transfer 13/03/2020 - Transfer 20/03/2020 - Transfer 27/03/2020 - Transfer 31/03/2020	0 3032 204 53 994 412 66 3770 885 717 548 1957 775 454 347 14214	0.0000 0.1234 0.0083 0.0022 0.0405 0.0168 0.0027 0.1535 0.0360 0.0292 0.0223 0.0797 0.0315 0.0185 0.0141 0.5786	3032 3236 3289 4283 4695 4761 8531 9416 10133 10681 12638 13413 13867 14214	0.1234 0.1317 0.1339 0.1743 0.1911 0.1938 0.3472 0.3833 0.4124 0.4348 0.5144 0.5460 0.5644 0.5786	AADCC5624L
7	SM SHETI SEVA PRIVATE LIMITED 01/04/2019 31/03/2020	23874 23874	0.9717 0.9717	23874	0.9717	AAECS3179F
8	AJAY KUMAR # 01/04/2019 31/05/2019 - Transfer	8014 -600	0.3262 0.0244	7414	0.3018	AAJPK4138N

Sl No	Name	Shareholding at the beginning [01/April/19]/end of the year [31/March/2020]		Cumulative Shareholding during the year [01/April/19 to 31/March/2020]		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	07/06/2019 - Transfer	-414	0.0169	7000	0.2849	
	12/07/2019 - Transfer	-930	0.0379	6070	0.2471	
	19/07/2019 - Transfer	-800	0.0326	5270	0.2145	
	06/09/2019 - Transfer	-397	0.0162	4873	0.1983	
	13/09/2019 - Transfer	-704	0.0287	4169	0.1697	
	20/09/2019 - Transfer	-25	0.0010	4144	0.1687	
	31/03/2020	4144	0.1687	4144	0.1687	
9	RITA PAVANKUMAR 01/04/2019 31/03/2020	18971 18971	0.7722 0.7722	18971	0.7722	AAJPR6424J
10	METRICA ASIA EVENT DRIVEN MASTER FUND 01/04/2019 05/04/2019 - Transfer 12/04/2019 - Transfer 19/04/2019 - Transfer 26/04/2019 - Transfer 03/05/2019 - Transfer 10/05/2019 - Transfer 17/05/2019 - Transfer 24/05/2019 - Transfer 31/05/2019 - Transfer 07/06/2019 - Transfer 14/06/2019 - Transfer 21/06/2019 - Transfer 28/06/2019 - Transfer 05/07/2019 - Transfer 12/07/2019 - Transfer 19/07/2019 - Transfer 26/07/2019 - Transfer 02/08/2019 - Transfer 09/08/2019 - Transfer 16/08/2019 - Transfer 23/08/2019 - Transfer 30/08/2019 - Transfer 06/09/2019 - Transfer 13/09/2019 - Transfer 20/09/2019 - Transfer 27/09/2019 - Transfer 30/09/2019 - Transfer 04/10/2019 - Transfer 11/10/2019 - Transfer 18/10/2019 - Transfer 25/10/2019 - Transfer 01/11/2019 - Transfer 08/11/2019 - Transfer 15/11/2019 - Transfer 22/11/2019 - Transfer 29/11/2019 - Transfer 06/12/2019 - Transfer 13/12/2019 - Transfer 27/12/2019 - Transfer 31/12/2019 - Transfer 03/01/2020 - Transfer 17/01/2020 - Transfer 24/01/2020 - Transfer	38571 2149 1585 47 558 507 416 1792 708 694 1717 3471 711 602 1298 1570 2320 1215 525 2952 3644 2256 1883 3838 3685 1662 1481 73 557 470 343 297 940 -1187 -217 145 1539 449 110 440 1317 1594 1075 193	1.5700 0.0875 0.0645 0.0019 0.0227 0.0206 0.0169 0.0729 0.0288 0.0282 0.0699 0.1413 0.0289 0.0245 0.0528 0.0639 0.0944 0.0495 0.0214 0.1202 0.1483 0.0918 0.0766 0.1562 0.1500 0.0676 0.0603 0.0030 0.0227 0.0191 0.0140 0.0121 0.0383 0.0483 0.0088 0.0059 0.0626 0.0183 0.0045 0.0179 0.0536 0.0649 0.0438 0.0079	40720 42305 42352 42910 43417 43833 45625 46333 47027 48744 52215 52926 53528 54826 56396 58716 59931 60456 63408 67052 69308 71191 75029 78714 80376 81857 81930 82487 82957 83300 83597 84537 83350 83133 83278 84817 85266 85376 85816 87133 88727 89802 89995	1.6574 1.7220 1.7239 1.7466 1.7672 1.7841 1.8571 1.8859 1.9142 1.9840 2.1253 2.1543 2.1788 2.2316 2.2955 2.3899 2.4394 2.4608 2.5809 2.7292 2.8211 2.8977 3.0539 3.2039 3.2716 3.3318 3.3348 3.3575 3.3766 3.3906 3.4027 3.4409 3.3926 3.3838 3.3897 3.4523 3.4706 3.4751 3.4930 3.5466 3.6115 3.6552 3.6631	AALCM3182F

SI No	Name	Shareholding at the beginning [01/April/19]/end of the year [31/March/2020]		Cumulative Shareholding during the year [01/April/19 to 31/March/2020]		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	31/01/2020 - Transfer 07/02/2020 - Transfer 14/02/2020 - Transfer 06/03/2020 - Transfer 13/03/2020 - Transfer 27/03/2020 - Transfer 31/03/2020	413 5 35 362 2 506 91318	0.0168 0.0002 0.0014 0.0147 0.0001 0.0206 3.7169	90408 90413 90448 90810 90812 91318 91318	3.6799 3.6801 3.6815 3.6963 3.6963 3.7169 3.7169	
11	MEENAKSHI BIRLA # 01/04/2019 05/04/2019 - Transfer 19/04/2019 - Transfer 24/05/2019 - Transfer 31/05/2019 - Transfer 14/06/2019 - Transfer 12/07/2019 - Transfer 30/08/2019 - Transfer 06/09/2019 - Transfer 04/10/2019 - Transfer 07/02/2020 - Transfer 31/03/2020	11578 -558 -114 -100 -175 -531 -100 -200 -167 -300 -4333 5000	0.4713 0.0227 0.0046 0.0041 0.0071 0.0216 0.0041 0.0081 0.0068 0.0122 0.1764 0.2035	11020 10906 10806 10631 10100 10000 9800 9633 9333 5000 5000	0.4485 0.4439 0.4398 0.4327 0.4111 0.4070 0.3989 0.3921 0.3799 0.2035 0.2035	AGNPB6137C
12	SHREE KUMAR BANGUR 01/04/2019 17/05/2019 - Transfer 28/06/2019 - Transfer 31/03/2020	0 8800 -4400 4400	0.0000 0.3582 0.1791 0.1791	8800 4400 4400	0.3582 0.1791 0.1791	AHHPB5719K
13	SAURABH BANGUR * 01/04/2019 31/05/2019 - Transfer 31/03/2020	0 8000 8000	0.0000 0.3256 0.3256	8000 8000 8000	0.3256 0.3256 0.3256	AHHPB5720G

* Not in the list of Top 10 shareholders as on 01/04/2019 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2020.

Ceased to be in the list of Top 10 shareholders as on 31/03/2020. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2019.

Attachment E

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as at the beginning of the financial year (01.04.2019)				
i) Principal Amount		-	-	
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		-	-	
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction		-	-	
Net Change		-	-	
Indebtedness as at the end of the financial year (31.03.2020)				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

Attachment F

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of MD/WTD 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	11,55,594	11,55,594
	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	5,04,633	5,04,633
	TOTAL (A)	16,60,227	16,60,227
	Ceiling as per the Act	₹65.65 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	Bankat Lal Gaggar	Jagdish Prasad Mundra	Riya Puja Jain	Tapas Kumar Bhattacharya	Debasish Ray	Total Amount (₹)
1	Independent Directors						
	• Fee for attending board / committee meetings	-	-	-	44,000	41,500	85,500
	• Commission	-	-	-	-	-	-
	• Others	-	-	-	-	-	-
	TOTAL (1)	-	-	-	44,000	41,500	85,500
2	Other Non-Executive Directors						
	• Fee for attending board / committee meetings	34,000	41,500	24,000	-	-	99,500
	• Commission	-	-	-	-	-	-
	• Others	-	-	-	-	-	-
	TOTAL (2)	34,000	41,500	24,000	-	-	99,500
	TOTAL (B)= (1)+(2)	34,000	41,500	24,000	44,000	41,500	185,000
	Total Managerial Remuneration						18,45,227*
	Overall ceiling as per the Act	₹ 144.43 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 N1	Nisha Laddha N2	Total Amount (₹)
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	11,666	169,400	181,066
	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	-	-	-
	TOTAL	11,666	169,400	181,066

N1 – upto 25th April 2019

N2 – from 25th April 2019

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**
10.67%.
- iii) **Percentage increase in the median remuneration of employees in the financial year**
11.77%.
- 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 2019-20 was 11.47%. Percentage increase in the managerial remuneration for the year was 10.67%.
- 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

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and the report contains the details of Corporate Governance systems and processes at N.B.I. Industrial Finance Co. Ltd.

1. Company's Philosophy On Corporate Governance

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. Our Corporate Governance philosophy is aimed at creating and nurturing a valuable bond with stakeholders to maximize stakeholders' value. Good governance practices stem from the dynamic culture and positive mindset of the organisation. We are committed to meet the aspirations of all our stakeholders. 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.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in this Report.

2. Board of Directors

It is our belief 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. The Board's actions and decisions are aligned with the Company's best interests. The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company. The Board is committed to the goal of sustainably elevating the Company's value creation. 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, 2020 was five members all of whom are Non- Executive Directors. Out of them two are Independent Directors 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. All Independent Directors make annual disclosure of their Independence 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.

Six Board Meetings were held during the financial year 2019-20 on the following dates:

- √ 27th April, 2019
- √ 30th May, 2019
- √ 14th August, 2019
- √ 14th September, 2019
- √ 23rd November, 2019
- √ 31st January, 2020

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, 2020, 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	B.L. Gaggar	6	Yes	3	1	-
2	Riya Puja Jain	6	No	0	-	-
3	J.P. Mundra	6	Yes	5	-	2
4	T.K. Bhattacharya	6	Yes	1	1	1
5	Debashis Ray – N1	5	Yes	0	-	1

Notes:

N1- Shri Debashis Ray was appointed on 27th April, 2019

(*) 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

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
Debashis Ray	NIL	NIL

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

Skills/Expertise/Competence of the Board of Directors

The Board comprises of qualified members who possess required skills, competence and expertise that allow them to make effective contribution to the Board and its committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

Financial, Regulatory / Legal & Risk Management	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
Strategy and strategic planning	Ability to think strategically, identify and assess strategic opportunities & threats and contribute towards developing effective strategies in the context of the strategic objectives of the Company's policies & priorities.
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.
Corporate 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 in place a comprehensive Code of Conduct and Our Code (the Code) is applicable to the Directors and employees. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the core values of the Company viz. Ownership Mindset, Respect, Integrity, One Team and Excellence. All the directors including Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct as on March 31, 2020. 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

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:

- Review of the company's financial reporting process, adequacy of internal control systems 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 of 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), if any, in the draft audit report.
- Reviewing 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;
 - Reviewing and monitoring 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 (including omnibus approval) or any subsequent modification of transactions with related parties;
 - 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 controls;
 - 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 / investment by the holding company in the subsidiary company(ies) exceeding `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 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;
- 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, 2020 is given below:

Sr. No.	Name of the Director	Designation	Meetings Attended	Category
1.	T.K. Bhattacharya	Chairman	5	Non- Executive Independent Director
2.	Debashis Ray	Member	5	Non- Executive Independent Director
3.	J.P. Mundra	Member	5	Non-Executive Non-Independent Director

Meetings of the Audit Committee:

Five Audit Committee Meetings were held during the financial year 2019-20 on the following dates:

- √ 29th May, 2019
- √ 13th August, 2019
- √ 14th September, 2019
- √ 23rd November, 2019
- √ 31st January, 2020

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 identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the board for their appointment and/or removal;
- (d) To formulate the criteria for evaluation of performance of independent directors and of the board of directors as a whole;
- (e) To extent 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.
- (g) To perform such other functions as may be necessary or appropriate for the performance of its duties.

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 2019-20 is given below:

Sr. No.	Name of the Director	Category	Designation	Meetings Attended
1.	T.K. Bhattacharya	Non-Executive Independent Director	Chairman	2
2.	B.L. Gaggar	Non-Executive Non-Independent Director	Member	2
3.	Debashis Ray	Non- Executive Independent Director	Member	1

Meetings of the Nomination and Remuneration Committee (NRC)

Two NRC Meetings were held during the financial year 2019-20 on the following dates:

- √ 26th April, 2019
- √ 13th August, 2019

Performance evaluation criteria for Independent Directors

- Attendance at Board or Committee meetings.
- Contribution at Board or Committee meetings.
- Adherence to ethical standards and code of conduct of the Company.
- Meaningful and constructive contribution and inputs in 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 2019-20. 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, 2020:

Director	Category	Sitting Fees (₹)
B.L. Gagar	Non- Executive Non-Independent Director	34,000
Riya Puja Jain	Non- Executive Non-Independent Director	24,000
J.P. Mundra	Non- Executive Non-Independent Director	41,500
T.K. Bhattacharya	Non- Executive -Independent Director	44,000
Debashis Ray	Non- Executive -Independent Director	41,500
	Total	185,000

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, review measures taken for effective exercise of voting rights by shareholders, review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent, 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 2019-20 is given below:

Sr. No.	Name of the Director	Designation	Category
1	B.L. Gaggar	Chairman	Non- Executive Non -Independent Director
2	J.P. Mundra	Member	Non- Executive Non -Independent Director
3	T.K. Bhattacharya	Member from 14.08.2019	Non- Executive Independent Director

Meetings of the Stakeholders Relationship Committee:

One Stakeholders Relationship Committee Meeting was held during the financial year 2019-20 on 17th February, 2020.

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

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

Details of Pending Investor Grievances and Compliance Officer

Five investor grievances were received and were resolved during the financial year 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:

Sr. No.	Name	Designation in Company	Status in the Committee
1	Shri T.K. Bhattacharya	Independent Director	Chairman
2	Shri Debashis Ray	Independent Director	Member
3	Shri Bankat Lal Gaggar	Director	Member
4	Shri Jagdish Prasad Mundra	Director	Member

The CSR Report as required under the Companies Act, 2013 for the year ended 31st March, 2020 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 2019-20 on 2nd March, 2020.

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, 2019	Saturday, 14th September, 2019 at 10:30 A.M.	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata – 700 017	Yes
31st March, 2018	Saturday, 15th September, 2018 at 10:30 A.M.	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata – 700 017	None
31st March, 2017	Saturday, 16th September, 2017 at 10:30 A.M.	21, Strand Road, Kolkata - 700001	Yes

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 NSDL to provide e-voting facility to all the members. Members whose names appear on the register of members as on the record date 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	Monday, the 28th September, 2020 at 10.30 A.M. at 21, Strand Road Kolkata – 700 001 Book Closure Dates: 21.09.2020 to 28.09.2020 (both days inclusive) E-voting Dates: 25.09.2020 to 27.09.2020
Financial Year	2019-20
Dividend payment date	No dividend has been recommended by the Board this year.
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 The Company has paid the annual listing fee of the exchange for the financial year 2019-20.
Stock Code	Scrip Code:014019 NSE Symbol:NBIFIN
ISIN	INE365I01020

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 14.09.2019 (date of last Annual General Meeting) on the website of the Company (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/fresh issuance.

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 31.03.2020 (₹)	Last date for transfer of unpaid dividend in Investor Education and Protection Fund
2016-17	Final	1/-	15.09.2017	165,953	21.10.2024

10. Market Share Price Data: high, low during each month in last financial year i.e. 2019-20.

Month	High	Low
April, 2019	1180	1021.05
May, 2019	1320	1105.20
June, 2019	1395	1299.60
July, 2019	1410	1290.90
August, 2019	1475	1122.10
September, 2019	1598.80	1361.05
October, 2019	1510	1252.75
November, 2019	1599.90	1320.50
December, 2019	1608	1400
January, 2020	1798	1480
February, 2020	1859.95	1680.60
March, 2020	1824.90	1067

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

Indices	NSE (Nifty 50)	NBI Quote at NSE
01.04.2019 (Open)	11665.20	1040
31.03.2020 (Close)	8597.75	1410.70
Increase / (Decrease)	(3067.45)	370.70

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.

RTA also maintains a website: 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 31/03/2020

Share Holding	No of Holders	% age	No of Shares	% age
Upto 500	5145	96.8562	257595	10.4850
501 to 1000	93	1.7508	70220	2.8582
1001 to 2000	31	0.5836	43296	1.7623
2001 to 3000	11	0.2071	26122	1.0633
3001 to 4000	5	0.0941	17145	0.6979
4001 to 5000	8	0.1506	36594	1.4895
5001 to 10000	3	0.0565	20730	0.8438
Above 10000	16	0.3012	1985104	80.8002
Grand Total	5312	100.0000	2456806	100.0000

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, 2020, 2149712 equity shares, constituting 87.50% 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 2020:

Depository	No. of Shares	% of Paid up Capital
NSDL	17,73,741	72.20
CDSL	3,75,971	15.30
Physical	3,07,094	12.50
Total	24,56,806	100.00

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, 2020 - 31st March, 2021
First quarter results	14th August, 2020
Half-yearly results	14th November, 2020
Third quarter results	14th February, 2021
Fourth quarter & Annual results	End of May, 2021

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	Nisha Laddha
21, Strand Road, Kolkata – 700 001	21, Strand Road, Kolkata – 700 001
Tel: 033 -22309601 Fax: 033-22131650	Tel: 033-22307905, 22314756 Fax: 033-22131650
Email ID: nbifinance@ymail.com Website: www.nbi-india.co.in	

Credit Ratings

No instances have occurred during the financial year 2019-20 which warrant the Company to obtain Credit Rating.

18. Other Disclosures

- a) During the financial year 2019-20 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 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 SEBI 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	http://www.nbi-india.co.in/policies/NBI_Material_Subsiidiary.pdf
Related Party Transactions Policy	http://www.nbi-india.co.in/policies/NBI_Related_Party_Transactions_Policy.pdf

- 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 2020	Fiscal 2019
Audit Fees	44000	42000
Tax Audit Fees	8000	7700
Others	1386	7560

- 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

As reported in Para 18 here in above, 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, 2020, 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: 21st July, 2020

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. Chhajer & 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, 2020, 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, 2020.

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. Chhajer & Co.**

Chartered Accountants

Firm's Registration Number: 304138E

Niraj Kumar Jhunjunwala

Partner

Membership Number: 057170

Kolkata

Dated: 22nd July, 2020

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, 2020. 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: 22nd July, 2020

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 (IMF), Global economy is estimated to have grown at 2.9% in 2019, slower pace compared to 2018. This was primarily driven on the back of increasing trade tensions between US and China which led to decline in global manufacturing activity and trade. The slowdown in activity was severe across emerging market and developing economies, including Brazil, Russia, India, China, and Mexico as well as a few economies suffering from macroeconomic and financial stress. Increasing uncertainty in the economic environment amid rising tariffs and rapid shifts in trade policies resulted in deteriorating business confidence and dampened investment growth across most regions. Sluggish demand for durable goods led to sharp decline in capital spending and international trade flow was severely impacted.

According to the IMF, the global economy is projected to contract sharply by 3.0% in 2020 amid the spread of the novel corona virus which has significantly disrupted economic activity leading to weakening global demand and massive decline in investment and global trade. Consumption growth, in particular, has been downgraded for most economies, reflecting the larger-than-anticipated disruption to domestic activity. The projections of weaker private consumption reflect a combination of a large adverse aggregate demand shock from social distancing and lockdowns, as well as a rise in precautionary savings. Moreover, investment is expected to be subdued as firms defer capital expenditures amid high uncertainty. Policy support partially offsets the deterioration in private domestic demand.

However, the IMF believes that there will be revival in growth after the impact of pandemic fades during the second half of 2020 and that the global economy is projected to grow by 5.8% in 2021. In an attempt to limit the economic and financial fallout from the corona virus pandemic, various countries have adopted monetary easing and fiscal stimulus to revive the economy. Though the economy is likely to remain under stress in the near term, containment of ongoing contagion risk, improving liquidity condition coupled with low oil prices is likely to bring stability to the battered economy.

Indian Economy

Indian economy had shown clear signs of slowing down even before the onset of the pandemic. The country's GDP grew by about 4.2% in the FY 19-20 with a moderate growth of about 4.8% in the first half year. A weak consumer demand, slow private investment and tight credit conditions in the financial sectors were some of the key factors for the decelerated growth during the year which negatively impacted investments, consumption and Exports. Reforms undertaken by the government to revamp the financial sector, address the NBFC crisis, reduce the stress in the real estate sector and speed up the resolution under Insolvency and Bankruptcy Code (IBC) had a marginal impact during the second half year. However, GDP growth tapered significantly to

3.1% in the fourth quarter due to the outbreak of corona virus pandemic and the resultant nationwide lock down.

Several measures announced by the Government to revive the economy included capital infusion into public sector banks to improve liquidity and push credit off take, merger of public sector banks to enhance credit capacity, reduction in policy rates, sharp cut in corporate tax rate, sops for real estate for last mile funding for stalled projects and support to NBFCs under the Partial Credit Guarantee Scheme.

The Covid-19 pandemic has disrupted trade and manufacturing activity and brought the economy to a near standstill. The pandemic came at a time when India's economy was already slowing, due to persistent financial sector weaknesses. The severe disruption of economic activities caused by covid-19, both through demand and supply shocks, has overtaken the incipient recovery in the economy leading to massive job losses. The Central Bank besides reducing the policy rates injected liquidity in the system to counter the looming threat of slowdown and kick-start the economy. The current estimates from various agencies suggest that Indian economy may contract by around 4% to 4.5% in FY21 due to the impact of deadly virus on the manufacturing and trading activity.

NBFC Industry & Business Update

India's financial sector is a highly diversified one comprising commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The sector is predominantly driven by banking and non-banking financial companies ('NBFCs'). Over the past few years NBFCs have emerged as important financial intermediaries, particularly for the small-scale and retail sectors in underserved areas and unbanked sectors. The sector turned out to be growth engine in an environment where significant importance is assigned to financial inclusion and have aided the economy in employment generation and wealth creation by making credit available to the rural segment. However, in recent times the sector is becoming a weaker segment in Indian financial system.

During FY 19-20 the sector continued to witness liquidity challenges which led to certain NBFCs experience stress in their loan books as evidenced by the growing level of non-performing assets ('NPAs'). The onset of COVID-19 during the fourth quarter further weakened NBFCs stance in the economy. Asset quality deterioration in NBFCs is expected to be more severe than banks because of its exposure in riskier segments. To support the economy, the RBI eased monetary policy to maintain adequate liquidity in the system, facilitate smooth bank credit flow and moderate financial strain. Revival measures initiated by the regulator include provision of moratorium on EMI repayments, cut on repo rates from 6.25% to 4.40%, relaxation in classification of loans as NPAs and provision of long-term repo operations (LTRO). Prudential requirements for banks have also been eased to free up liquidity for lending.

The COVID-19 pandemic is also expected to result in deterioration in the asset quality of the financial sector. NBFCs too will face similar pressures. Early indicators of non-delinquent customers opting for moratoriums reflect a considerable level of anxiety from customers. It remains to be seen how this anxiety eases when economic activities resume. A long-drawn lockdown or frequent lockdowns of economic activities may require the RBI to frame forbearance policies for impacted borrowers like a comprehensive one-time restructuring of loans without

impacting asset classification. Such a one-time restructuring framework would enable financial sector to continue to lend and also provide customers adequate time to recover from the economic crisis and honour their obligations.

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, 2020 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. The Company has long-term orientation in its investments and mainly invests in listed equities. The objective of investments portfolio is to balance risk with adequate return.

Sensex closed the year with negative return of 23.8%, while BSE Midcap index was down 31.7%. The sectors which outperformed the Sensex were technology and healthcare, while banks/ financials, infrastructure and automobiles underperformed. Energy sector performed nearly in line with the Sensex.

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. However, 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 could be:

- Unsuccessful strategic engagements and investments
- Declining interest rates
- Liquidity constraints

- Natural and manmade disasters

INTERNAL CONTROL SYSTEM

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

The 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. These controls are regularly reviewed internally for effectiveness.

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	
	2020	2019
GNPA (%)	NIL	NIL
NNPA (%)	NIL	NIL
Return on Assets (%)	0.80	0.25
Return on Equity (%)	0.80	0.25
Net Interest Margin (%)	100	100
Current Ratio	38.18	125.25
Debt-Equity Ratio	0.00	0.00
Net Profit Margin (%)	90.13	67.55
EPS	52.76	17.29
Price Earning Ratio	26.74	60.16

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 Company Limited (the "Company"), which comprise the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (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 the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note 29 to the financial statement which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

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- 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 Refer Note 6 to the Financial Statements	We obtained independent confirmation of the number of units held and net asset value per unit for each of the of mutual fund units and market value for shares as at the yearend date, confirmation of shares and its market vale We have also obtained the most recent set of audited financial statements for unquoted investments.

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.

Other Matter

Due to COVID 19 pandemic and the consequential nationwide lockdown announced by the Central and State Government including the travel restrictions, maintenance of social distancing etc., and the audit team could not visit the Company. We have performed the audit from remote location, on the basis of data, scan copies, documents, management estimates, assumptions, certificates and other information supplied electronically by the management on online platform. We have relied on Management assurance of the authenticity, completeness and accuracy of these records electronically submitted to us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016', 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.
2. As required by Section 143(3) of the Act, we report that:
 - (a) Without prejudice to the situation described under "Other matter" section, 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 (including Other Comprehensive Income), Statement of Changes in Equity 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 31st March, 2020.

Place: Kolkata
Date: 10th July, 2020

For **D K Chhajer & Co**
Chartered Accountants
Firm Registration No. 304138E
Tapan Kumar Mukhopadhyay
Partner
Membership No. 017483
UDIN:20017483AAAAAS5128

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT
N.B.I INDUSTRIAL FINANCE CO. LTD
on the Financial Statements for the year ended 31st March, 2020**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant & equipment).
- (b) The fixed assets (property, plant & equipment) of the Company have been physically verified by the Management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties are held in the name of the Company.
- i. The Company does not have any inventory and as such clause 3(ii) of the Order is not applicable to the Company.
- ii. 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.
- iii. 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.
- iv. 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.
- v. 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.
- vi. (a) The Company is regular in depositing the undisputed statutory dues, including provident fund, Employees' State Insurance, Income tax, Goods and Service tax, Customs Duty, 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 31st March, 2020 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 31st March, 2020 on account of dispute.
- vii. 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.
- viii. 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.

- ix. 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.
- x. 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.
- xi. As the Company is not a Nidhi Company, the provisions of clause 3(xii) of the Order are not applicable.
- xii. 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.
- xiii. 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.
- xiv. 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.
- xv. 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: 10th July, 2020

For D K Chhajer & Co
Chartered Accountants
Firm Registration No. 304138E
Tapan Kumar Mukhopadhyay
Partner
Membership No. 017483
UDIN:20017483AAAAAS5128

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
N.B.I INDUSTRIAL FINANCE CO. LTD
on the Financial Statements for the year ended 31st March, 2020**

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. Limited ("the Company") as at 31st March, 2020 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, read with impact of Covid- 19 stated in Emphasis of Matter paragraph in Independent Auditor's Report,an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata
Date: 10th July, 2020

For **D K Chhajer & Co**
Chartered Accountants
Firm Registration No. 304138E
Tapan Kumar Mukhopadhyay
Partner
Membership No. 017483
UDIN:20017483AAAAAS5128

**Financial Statements for the year
2019-2020**

Balance Sheet as at 31 March, 2020

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
A ASSETS				
1 Financial Assets				
(a) Cash and Cash Equivalent	4	4,873,513	31,321,354	16,509,387
(b) Bank Balance other than (a) above	5	27,165,953	27,166,017	165,258
(c) Investments	6	16,135,832,992	17,036,647,323	14,949,219,338
(d) Other Financial Assets	7	3,405,139	868,766	2,150,237
TOTAL		16,171,277,597	17,096,003,460	14,968,044,220
2 Non-Financial Assets				
(a) Current Tax Assets (net)		2,214,949	2,090,018	1,633,124
(b) Deferred Tax Asset (net)	8	1,281,761	1,114,461	1,019,690
(c) Property, Plant & Equipment	9	55,187	96,186	94,674
(d) Other-Non Financial Assets	10	152,556	228,807	654,372
TOTAL		3,704,453	3,529,472	3,401,860
TOTAL - ASSETS		16,174,982,050	17,099,532,932	14,971,446,080
B LIABILITIES AND EQUITY				
Liabilities				
1 Financial Liabilities				
Other Financial Liabilities	11	922,672	480,956	484,955
2 Non-Financial Liabilities				
(a) Provisions	12	4,877,118	4,239,664	3,910,470
(b) Other Non-Financial Liabilities	13	67,670	11,470	13,740
TOTAL		58,67,460	4,732,090	4,409,165
Equity				
(a) Share Capital	14	12,284,030	12,284,030	12,284,030
(b) Other Equity		16,156,830,560	17,082,516,812	14,954,752,885
TOTAL		16,169,114,590	17,094,800,842	14,967,036,915
TOTAL EQUITY AND LIABILITIES		16,174,982,050	17,099,532,932	14,971,446,080

The accompanying notes are an integral part of the financial statements.

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 : 10th July, 2020

For and on behalf of the Directors

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, 2020

Particulars	Note	Year ended 31st March, 2020 ₹	Year ended 31st March, 2019 ₹
Revenue from Operations			
(a) Interest Income	15	2,488,457	1,908,560
(b) Dividend Income	16	140,048,158	54,846,701
(c) Net Gain on Fair Value Changes	17	105,349	337,834
(d) Net Profit on Sale of Investments	18	1,174,723	1,529,930
(e) Sale of Stock-in-trade		–	4,263,776
(I) Total Income		<u>143,816,687</u>	<u>62,886,801</u>
Expenses			
(a) Purchases of Stock-in-trade		–	4,263,776
(b) Employee Benefit expenses	19	6,315,373	6,128,383
(c) Depreciation, Amortisation and Impairment	9	40,999	34,488
(d) Other Expenses	20	8,001,947	8,591,605
(II) Total Expenses		<u>14,358,319</u>	<u>19,018,252</u>
(III) Profit/(loss) before Tax (I-II)		<u>129,458,368</u>	<u>43,868,549</u>
(IV) Tax Expense			
(1) Current Tax		–	1,484,390
(2) Deferred Tax		(167,300)	(94,771)
(V) Profit/(Loss) for the Year		<u>129,625,668</u>	<u>42,478,930</u>
(VI) Other Comprehensive Income			
(i) Items that will not be reclassified to Profit/(Loss)			
(a) Equity Instruments through OCI	21	(1,050,484,832)	2,085,019,502
(b) Financial Instruments through OCI	21	(4,827,088)	265,494
(ii) Income tax relating to Items that will not be reclassified to Profit/(Loss)		–	–
Other Comprehensive Income for the year(i + ii)		<u>(1,055,311,920)</u>	<u>2,085,284,996</u>
(VII) Total Comprehensive Income for the Year (V+VI)		<u>(925,686,252)</u>	<u>2,127,763,926</u>
(VIII) Earnings per equity share (FV Rs. 5/- each)			
Basic & Diluted (Rs.)	22	52.76	17.29

The accompanying notes are an integral part of the financial statements.

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 : 10th July, 2020

For and on behalf of the Directors

B. L. Gaggar

Chairman

DIN - 00404123

Nisha Laddha
Company Secretary

S.P. Kumar
Manager & CFO

T. K. Bhattacharya
Director
DIN-00711665

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

a. Equity Share Capital

Particulars	Note	Number
Equity shares of Rs. 5 each issued, subscribed and fully paid At 1st April, 2018	14	2,456,806
Issue of Share capital At 31st March, 2019		2,456,806
Issue of Share capital At 31st March, 2020		2,456,806

b. Other Equity

	Capital Reserve	Statutory Reserve	Securities Premium	Retained Earnings	Equity Instruments Through OCI	Financial Instruments Through OCI	Total
Balance as on 1st April, 2018	55,255	201,564,600	1650,726	892,946,632	13,858,535,672		14,954,752,885
Profit/(Loss) for the Year	0	0	0	42,478,930	0	0	42,478,930
Other Comprehensive							
Income for the Year	0	0	0	0	2,085,019,502	265,494	2,085,284,996
Transfer to Reserve Fund	0	12,208,711	0	(12,208,711)	0	0	0
Balance as on 31st March, 2019	55,255	213,773,311	1650,726	923,216,851	15,943,555,175	265,494	17,082,516,812
Profit/(Loss) for the Year	0	0	0	129,625,668	0	0	129,625,668
Other Comprehensive							
Income for the Year	0	0	0	0	(1,050,484,832)	(4,827,088)	(1,055,311,920)
Transfer to Reserve Fund	0	25,925,134	0	(25,925,134)	0	0	0
Balance as on 31st March, 2020	55,255	239,698,445	1650,726	1,026,917,386	14,893,070,343	(4,561,594)	16,156,830,560

Capital Reserve

This reserve represent the amount of share forfeited

Statutory Reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

Securities Premium

This reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Equity Instruments through Other Comprehensive Income

This reserve represents the cumulative gains (net of losses) arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income, net of tax. The same shall be transferred to retained earnings when those instruments are disposed off.

Financial Instruments through Other Comprehensive Income

This reserve represents the cumulative gains (net of losses) arising on the revaluation of preference instruments measured at fair value through Other Comprehensive Income, net of tax. The same shall be transferred to retained earnings when those instruments are disposed off.

The accompanying notes are an integral part of the financial statements.

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 : 10th July, 2020

For and on behalf of the Directors

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, 2020

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	₹	₹	₹	₹
A. Cash Flow From Operating Activities				
Net Profit before Tax		129,458,368		43,868,549
Adjustments for :				
Depreciation		40,999		34,488
Interest Income		(2,488,457)		(1,908,560)
Write off of Investment		3,483		-
Dividend on Investments		(140,048,158)		(54,846,701)
Net Gain on Fair Value Changes		(105,349)		(337,834)
Net (Gain) / Loss on Sale of Investments		(1,174,723)		(1,529,930)
		<u>(143,772,204)</u>		<u>(58,588,537)</u>
Operating Profit/(Loss) before working Capital Changes		(14,313,837)		(14,719,988)
Adjustments for :				
(Increase)/Decrease in Other Financial Assets		150,000		(195,000)
(Increase)/Decrease in Other Non-Financial Assets		76,251		425,565
(Increase)/Decrease in Other Financial Liabilities		441,779		(4,758)
Increase /(Decrease) in Provision		637,454		329,194
Increase /(Decrease) in Other Non-Financial Liabilities		56,200		(2,270)
		<u>1,361,684</u>		<u>5,52730</u>
Cash Generated from Operations		(12,952,153)		(14,167,258)
Net Income Tax (Paid)/Refund		(124,921)		(1,941,284)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)		<u>(13,077,074)</u>		<u>(16,108,542)</u>
B. Cash Flow From Investing Activities				
Purchase of Property, Plant & Equipment		-		(36,000)
Sale of Mutual Funds		149,556,357		90,140,483
Purchase of Mutual Funds		(232,500,000)		(114,300,000)
Purchase of Shares		(71,578,142)		(52,640,916)
Sale of Shares		1,300,777		76,525,211
Investment in Fixed Deposit		-		(27,000,000)
Interest Received		2,710,461		3,385,031
Dividend Received		137,139,780		54,846,700

Contd....

Cash Flow Statement for the year ended 31 March, 2020 (contd.)

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	₹	₹	₹	₹
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)		<u>(13,370,767)</u>		<u>30,920,509</u>
C. Cash Flow From Financing Activities		-		-
NET CASH FROM /(USED IN) FINANCING ACTIVITIES (C)		<u>-</u>		<u>-</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		(26,447,841)		14,811,967
Cash and Cash Equivalents at the beginning of the Year		31,321,354		16,509,387
Cash and Cash Equivalents at the end of the Year		<u>4,873,513</u>		<u>31,321,354</u>

The accompanying notes are an integral part of the financial statements.

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 : 10th July, 2020

For and on behalf of the Directors
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 FOR THE YEAR ENDED 31ST MARCH, 2020**1. Corporate Information**

N.B.I. Industrial Finance Company Limited ("the Company") is a public company limited by shares, incorporated on 21st December, 1936 and domiciled in India. Its shares are listed on the National Stock Exchange (NSE). The Company is carrying on business as a "Non-Banking Financial Company" (NBFC). The Company is engaged mainly in investment in shares in securities & financial activity. The Company is registered with Reserve Bank of India as NBFC. The Company's registered office is 21, Strand Road Kolkata – 700 001.

2. Basis of Preparation of Financial Statements**a. Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other provisions of the Companies Act, 2013 ("the Act").

For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). The financial statements for the year ended March 31, 2020 are the first financials of the Company prepared in accordance with Ind AS. The date of transition to Ind AS is 1st April, 2019. The figures for the year ended March 31, 2019 have now been restated under Ind AS to provide comparability. Refer to note No.28 on First time adoption to Ind AS for information on adoption of Ind AS by the Company.

b. Basis of Measurement

The financial statements have been prepared on historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities that are measured at fair value/ amortised cost. (Refer note 3.3 below). The financial statements are presented in Indian Rupees (INR) which is also its functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES**3.1. Recognition of interest income**

Interest income for all financial instruments are measured at fair value through profit or loss (FVTPL) is recognised using the contractual interest rate.

3.2. Recognition of Dividend Income

Dividend income (including from Investments measured at FVTOCI) is recognised when the Company's right to receive the payment is established. This is established when it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

3.3 Financial Instruments

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

(i) Financial Assets -**⇒ Recognition And Initial Measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

⇒ Classification and Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt Instruments at Amortized Cost;
- Debt Instruments at Fair Value Through Other Comprehensive Income (FVOCI);
- Debt Instruments at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- o Debt Instruments at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- o Debt Instruments at FVOCI: A debt instrument is measured at the FVOCI if both of the following conditions are met:

- The objective of the business model is achieved by collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in Other Comprehensive Income. However, the interest income, losses & reversals, and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Interest calculated using the EIR (Effective Rate Interest) method is recognized in the Statement of Profit and Loss as investment income.

- o Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all

changes recognized in the Statement of Profit and Loss.

Equity Instruments measured at FVOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. In case the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument are recognized in the Other Comprehensive Income. There is no reclassification of the amounts from Other Comprehensive Income to profit or loss, even on sale of investment. Dividends on investments are credited to profit or loss.

- o Equity Investments: Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment, if any.

⇒ Derecognition

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

⇒ Impairment of Financial Assets

The Company assesses at the end of the reporting period whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Financial Liabilities

⇒ Recognition And Initial Measurement

Financial liabilities are initially measured at fair value. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts and derivative financial instruments.

⇒ Subsequent Measurement

Financial liabilities are measured subsequently at amortized cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (Effective Rate Interest) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR (Effective Rate Interest) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or

costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

⇒ **Derecognition**

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

⇒ **Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.4. Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand, term deposits with original maturity of less than three months from the date of acquisition. Term deposits held with bank, with original maturity of more than three months but less than twelve months is a part of bank balance other than cash and cash equivalents.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

3.5. Property, plant and equipment (PPE)

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Advances paid towards the acquisition of PPE, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying

amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.6. Depreciation

Depreciation on Property, Plant and Equipment is provided on written down value method (WDV) to write down their residual values over their estimated useful life specified in Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

3.7. Impairment of non-financial assets

The Company assesses at each reporting date to determine if there is any indication of impairment, based on internal/external factors. If any such indication exists, then an impairment review is undertaken and the recoverable amount is calculated as the higher of fair value less costs of disposal and the asset's value in use.

3.8. Employee Benefits Expenses

3.8.1. Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences, which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

3.8.2. Defined contribution schemes

A defined contribution plan is a post-employment benefit plan under which the Company pays specified monthly contributions to Provident Fund. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

3.9. Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.9.1 Current Tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

3.9.2 Deferred tax

Deferred tax is recognized on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements except when the deferred tax arises from the initial recognition of goodwill or initial recognition of an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profits or loss at the time of transaction. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent it is probable that future taxable profits will be available against which the deductible temporary difference, the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in Other Comprehensive Income or directly in Equity, in which case, the current and deferred tax relating to such items are also recognised in Other Comprehensive Income or directly in Equity respectively.

3.10. Provisions, Contingent Liabilities and assets

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.11. Earnings per Share

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

3.12. Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

3.13 USE OF ESTIMATES, JUDGEMENTS AND ADJUSTMENT

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, and disclosures of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the paragraphs that follow.

(i) Useful Economic Lives and Impairment of Other Assets

The estimated useful life of property, plant and equipment (PPE) is based on a number of factors including the effects of obsolescence, usage of the asset and other economic factors (such as known technological advances).

The Company reviews the useful life of PPE at the end of each reporting date and any changes could affect the depreciation rates prospectively.

The Company also reviews its property, plant and equipment for possible impairment if there are events or changes in circumstances that indicate that the carrying value of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits, such as the Company's business plans and changes in regulatory environment are taken into consideration.

(ii) Contingencies and Commitments

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

(iii) Fair Value Measurements and Valuation Processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company

uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

(iv) Recognition of Deferred Tax Assets For Carried Forward Tax Losses and Unused Tax Credit

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition significant judgement is required in assessing the impact of any legal or economic limits.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	₹	₹	₹
NOTE 4:- CASH & CASH EQUIVALENT			
Cash on Hand	200,143	200,143	200,103
Balances with Banks			
a) in current accounts	4,673,370	1,319,056	196,642
b) in fixed deposit (maturing within a period of three months)	-	29,802,155	16,112,642
	4,873,513	31,321,354	16,509,387

NOTE 5:- BANK BALANCE OTHER THAN CASH & CASH EQUIVALENT

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	₹	₹	₹
Fixed Deposits with Bank (maturing after period of three months)	27,000,000	27,000,000	-
Unpaid (Unclaimed) Dividend Account	165,953	166,017	165,258
	27,165,953	27,166,017	165,258

NOTE 6: INVESTMENT

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	₹	₹	₹
Investment measured at FVTPL			
i) Mutual funds	120,365,220	36,075,874	10,461,991
Investment measured at FVOCI			
i) Preference Shares	38,248,808	17,368,735	2,500,000
ii) Equity Shares	15,977,218,964	16,983,202,714	14,936,257,347
Total	16,135,832,992	17,036,647,323	14,949,219,338
Investment outside India	-	-	-
Investment in India	16,135,832,992	1,703,664,323	14,949,219,338

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

6.1 Details of investments are as follows :-

Mutual funds

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Units	Amount	Units	Amount	Units	Amount
HDFC OVERNIGHT FUND-						
Regular Plan	1,356	4007,956	-	-	-	-
HDFC Arbitrage Fund	2,712,600	63,086,938	-	-	-	-
UTI Floating Rate Fund STP Regular Plan - Growth Plan	-	-	-	-	3,704	10,461,991
UTI Arbitrage Fund	43,047	686,083	1,750,466	28,007,448	-	-
UTI Ultra Short Term Fund	-	-	2,664	8,068,426	-	-
UTI Overnight Fund	19,386	52,584,243	-	-	-	-
Sub Total		<u>120,365,220</u>		<u>36,075,874</u>		<u>10,461,991</u>

Equity Instrument

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Units	Amount	Units	Amount	Units	Amount
Quoted (Fully Paid-Up)						
3 M India Ltd.	1,094	20,597,777	1,094	26,541,370	100	1,941,285
Agro Tech foods Ltd.	6,097	2,330,883	6,097	3,639,299	1500	954,075
Bajaj Auto Ltd.	12,900	26,088,315	12,900	37,553,190	12900	35,406,630
Bata India Ltd.	-	-	-	-	1000	729,950
Bayer Crop Science Ltd.	9,917	34,272,656	-	-	-	-
Blue Dart Express Ltd.	29,350	64,542,118	29,350	105,479,498	29,350	110,612,813
Bosch Ltd.	9,599	90,187,884	9,599	174,556,375	9,932	178,950,307
Cummins India Ltd.	21,500	7,024,050	21,500	16,039,000	21,500	15,055,375
Eicher Motors Ltd.	4	52,384	4	82,191	4	113,491
Foseco India Ltd.	8,887	8,014,741	8,887	12,124,090	8,887	13,263,403
Gillette India Ltd.	-	-	8	52,760	8	52,460
Glaxo Smithkline Consumer Ltd.	26,301	262,332,749	26,301	190,598,087	31,326	191,091,733
HDFC Bank Ltd.	9,400	8,101,860	4,700	10,898,830	4,700	8,864,670
Huhtamaki PPL Limited	122,050	23,872,980	122,050	23,830,263	122,050	39,214,665
JK Pharmachem Ltd.	2,500	-	2,500	25,000	2,500	25,000
Kansai India Ltd.	9,700	3,758,265	9,700	4,447,450	6,200	3,135,960
Kokuyo Camline Ltd.	180,000	7,272,000	180,000	17,379,000	180,000	20,916,000
Motherson Sumi System Ltd.	127,387	7,776,976	127,387	190,69,834	84,925	26,407,429
MRF Ltd.	1,100	63,980,895	1,100	637,85,865	1100	79,764,575
Nestle India Ltd.	2,030	33,090,218	2,030	22,250,729	20,30	16,653,207
P&G Hygiene & Healthcare Ltd.	19,970	205,078,920	19,970	216,345,994	19970	190,828,328
Regency Properties Pvt. Ltd.	1,000	1,000	1,000	1,000	1,000	1,000
Ricoh India Ltd.	-	-	124,131	1,241	124,131	24,013,142
Sanathana Dharma Gurukulam Ltd.	1,000	1,000	1,000	1,000	1,000	1,000
Sanofi India Ltd.	500	3,126,675	500	2,923,925	-	-
SBI Cards & Payment Services Ltd.	1,468	908,178	-	-	-	-
Shree Synthetics Ltd.	12,441	-	12,441	3,110	12,441	3,110
Shree Cement Ltd.	849,450	14,904,747,008	849,450	15,857,235,293	849,450	13,758,074,454
United Spirits Ltd.	45,500	22,049,300	45,500	25,202,450	9,100	28,479,815
Western India Commercial Co. Ltd.	2,105	210,500	2,105	115,775	2,105	115,775
Whirlpool of India Ltd.	30,000	54,567,000	30,000	45,453,000	30,000	45,307,500
Zee Entertainment Enterprises Ltd.	-	-	-	-	67,000	38,558,500
Sub Total (a)		<u>15,853,986,332</u>		<u>16,875,635,616</u>		<u>14,828,535,649</u>

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Units	Amount	Units	Amount	Units	Amount
Unquoted (Fully Paid-Up)						
Alfa Buildhome Pvt. Ltd.	9,000	9,587,250	9,000	8,250,255	9,000	8,250,256
Aqua infra Projects Ltd.	740,000	62,174,800	740,000	43,983,337	740,000	43,983,337
Karmayog Properties Pvt. Ltd.	258,000	28,369,680	258,000	28,371,687	258,000	28,350,369
Ramgopal Holdings Pvt. Ltd.	60,625	2,120,662	60,625	2,107,907	60,625	2,283,826
Shree Cement Marketing Ltd.	9,000	158,130	9,000	164,298	9,000	164,298
Shreecap Holdings Pvt. Ltd.	7,000	75,670	7,000	71,990	7,000	71,990
Tanushree Logistics Pvt. Ltd.	99,000	20,746,440	99,000	24,617,622	99,000	24,617,622
Sub Total (b)		123,232,632		107,567,098		107,721,698
Total (a + b)		15,977,218,964		16,983,202,714		14,936,257,347

Preference Shares**Quoted (Fully Paid-Up)**

2.95% Zee Entertainment Enterprises Ltd - NCPS	12,118,240	35,748,808	2,698,500	14,868,735	-	-
Unquoted (Fully Paid -Up)						
Cem Logistics Pvt Ltd.						
9% NCNCRPS	25,000	2,500,000	25,000	2,500,000	25,000	2,500,000
Sub Total		38,248,808		17,368,735		2,500,000

NOTE 7:-OTHER FINANCIAL ASSETS

Particulars	As at 31st	As at 31st	As at 1st
	March, 2020	March, 2019	April, 2018
	₹	₹	₹
Security Deposits	30,800	30,800	30,800
Interest accrued on Bank Deposits	415,961	637,966	2,114,437
Dividend Receivable on Investments	2,908,378	-	-
Advance to Staff	50,000	200,000	5,000
	3,405,139	868,766	2,150,237

NOTE 8:-DEFERRED TAX ASSET

Particulars	As at 31st	As at 31st	As at 1st
	March, 2020	March, 2019	April, 2018
	₹	₹	₹
Deferred Tax Assets			
- Property, Plant & Equipment	30,971	29,409	29,839
- On Provision for Gratuity	268,100	238,623	770,578
- On Provision for Leave Salary	982,690	846,429	219,273
	1,281,761	1,114,461	1,019,690

In respect of change in fair value loss of investment Deferred tax assets for the year ended 31st March, 2020 amounting to Rs 156.49 lacs and Unabsorbed MAT for which future credit may be available amounting to Rs 57.66 lacs have not been recognised on prudence basis.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**NOTE 9: PROPERTY, PLANT & EQUIPMENT**

Particulars	Furniture & Fixtures	Office Equipments	TOTAL
As at 1st April, 2018 (Deemed cost)	62910	31764	94674
Additions	-	36000	36000
Sale/Deduction	-	-	-
As at 31st March, 2019	62910	67764	130674
Additions	-	-	-
Sale/Deduction	-	-	-
As at 31st March, 2020	62910	67764	130674
Accumulated Depreciation			
As at 1st April, 2018	-	-	-
For the year	16269	18219	34488
Adjustment	-	-	-
As at 31st March, 2019	16269	18219	34488
For the year	11987	29013	40999
Adjustment	-	-	-
As at 31st March, 2020	28256	47232	75487
Net Book Value			
As at 31st March, 2020	34654	20532	55187
As at 31st March, 2019	46641	49545	96186
As at 1st April, 2018	62910	31764	94674

NOTE 10:-OTHER NON FINANCIAL ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	₹	₹	₹
Advance against Expense	152,556	228,807	225,494
Advance against Investment	-	-	428,878
	152,556	228,807	654,372

NOTE 11:-OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	₹	₹	₹
Unclaimed Dividend	165,953	166,017	165,258
Capital Repayable Under Capital Reduction Scheme - Unclaimed	175,488	175,488	175,488
Other Payable-For Expenses	581,231	139,451	144,209
	922,672	480,956	484,955

NOTE 12:-PROVISIONS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	₹	₹	₹
Employee Benefits:			
a) Gratuity	3,779,576	3,255,496	2,992,535
b) Leave Salary	1,031,152	917,779	851,546
c) Contingent Provision against Standard Assets	66,390	66,389	66,389
	4,877,118	4,239,664	3,910,470

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**NOTE 13:-OTHER NON-FINANCIAL LIABILITIES**

<u>Particulars</u>	<u>As at 31st March, 2020</u>	<u>As at 31st March, 2019</u>	<u>As at 1st April, 2018</u>
	₹	₹	₹
Statutory Dues	<u>67,670</u>	<u>11,470</u>	<u>13,740</u>
	67,670	11,470	13,740

NOTE 14:-EQUITY SHARE CAPITAL**14.1 The reconciliation of Equity Shares outstanding at the beginning and at the end of the Year**

<u>Particulars</u>	<u>As at 31st March, 2020</u>	<u>As at 31st March, 2019</u>	<u>As at 1st April, 2018</u>
	₹	₹	₹
Authorised:			
2,00,00,000 Equity Shares of Rs. 5/- each (Previous year 2,00,00,000)	100,000,000	100,000,000	100,000,000
Issued:			
24,59,058 Equity Shares of Rs. 5/- each (Previous year Rs.5/- each)	12,295,290	12,295,290	12,295,290
Subscribed & Fully Paid :			
24,56,806 Equity Shares of Rs. 5/- each fully paid up (Previous year Rs. 5/- each)	12,284,030	<u>12,284,030</u>	<u>12,284,030</u>
	12,284,030	<u>12,284,030</u>	<u>12,284,030</u>

14.2 Terms/ rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 5/- per share (Previous year Rs.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.

14.3 Reconciliation of the number of Equity Shares and of Equity Share Capital amount outstanding

<u>Particulars</u>	<u>In Number</u>	<u>Amount</u>
As at 1st April, 2018	2,456,806	12,284,030
As at 31st March, 2019	2,456,806	12,284,030
As at 31st March, 2020	2,456,806	12,284,030

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**14.4 Details of Shareholders Holding more than 5% Equity shares in the Company**

Name	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of Shares held	% holding in the classes	No. of Shares held	% holding in the classes	No. of Shares held	% holding in the classes
Shree Capital Services Ltd.	472000	19.21	472000	19.21	472000	19.21
Digvijay Finlease Ltd.	471478	19.19	471478	19.19	471478	19.19
The Didwana Investment Co. Ltd.	130788	5.32	130788	5.32	130788	5.32
Asish Creations Pvt Ltd	124478	5.07	124478	5.07	124478	5.07
Shri Prashant Bangur (Note 14.4.1)	208200	8.47	208200	8.47	208200	8.47
Man Made Fibres Pvt Ltd	131900	5.37	131900	5.37	131900	5.37

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

NOTE 15:- INTEREST INCOME

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Interest on Fixed Deposits	2,478,447	1,908,560
Interest on I T Refund	10,010	—
	2,488,457	1,908,560

NOTE 16:- DIVIDEND INCOME

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Dividend Income	140,048,158	54,846,701
	140,048,158	54,846,701

NOTE 17:- NET GAIN ON FAIR VALUE CHANGE

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Net Gain on Financial Instruments at Fair Value through Profit/(Loss)	105,349	337,834
	105,349	337,834

NOTE 18:- NET GAIN ON SALE OF INVESTMENT

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Mutual Fund	1,174,723	1,529,930
	1,174,723	1,529,930

NOTE 19:- EMPLOYEE BENEFIT EXPENSE

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Salaries and Allowances	5,115,841	5,021,894
Contribution to Provident Fund	372,336	348,776
Gratuity	524,080	495,096
Leave Salary	113,373	116,528
Staff Welfare Expenses	189,743	146,089
	6,315,373	6,128,383

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**NOTE 20:- OTHER EXPENSE**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Rent	127,440	127,440
Repairs & Maintenance - Others	38,602	39,282
Rates and Taxes	4,650	4,650
CSR Expense (NOTE-20.1)	5,970,000	5,911,000
Goods & Services Tax	47,930	69,635
Communication Expenses	247,045	488,345
Travelling and Conveyance	28,477	95,280
Printing and Stationery	450,783	437,776
Advertisement	58,206	46,804
Directors Sitting Fee	185,000	193,000
Legal and Professional	254,200	448,168
Custodial Fees	27,140	37,830
Listing Fees	375,240	354,000
Payment to Auditors -		
For - Statutory Audit	44,000	42,000
For - Tax Audit Fees	8,000	7,700
For other Services	1,386	7,560
Investment written off	3,483	-
Securities Transaction Tax	45,288	103,779
Miscellaneous Expenses	85,077	177,356
	8,001,947	8,591,605

NOTE 20.1-Details of CSR expenditure:

Particulars	2019-20	2018-19
(a) Gross amount required to be spent by the Company	5,962,657	5,906,985
(b) Amount spent during the Year	5,970,000	5,911,000

NOTE 21 Other Comprehensive Income**a) EQUITY SHARES MEASURED THROUGH OCI**

Particulars	2019-20	2018-19
Realised Gain / (Loss)	23,992,606	(24,187,274)
Unrealised Gain / (Loss)	(1,074,477,438)	2,109,206,776
	(1,050,484,832)	2,085,019,502

b) PREFERENCE SHARES MEASURED THROUGH OCI

Particulars	2019-20	2018-19
Unrealised Gain / (Loss)	(4,827,088)	265,494
	(4,827,088)	265,494

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**Note 22-EPS**

Earnings Per Share (EPS)	Year Ended 31st March, 2020	Year Ended 31st March, 2019
i) Net Profit after Tax as per Statement of Profit and Loss	129,625,668	42,478,930
ii) Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	2,456,806	2,456,806
iii) Weighted Average Potential Equity Shares	-	-
iv) Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	2,456,806	2,456,806
v) Basic Earnings per Shares (Rs.)	52.76	17.29
vi) Diluted Earnings per Share (Rs.)	52.76	17.29
vii) Face Value per Equity Share (Rs.)	5	5

NOTE 23-Segment Reporting

The Company has only one line of business i.e. Non Banking Financial activities. There are no separate reportable segments as per Ind As 108.

NOTE 24- Related Party Transaction

Name of Related Party

a) Key Management Personnel	Designation
Mr. S. P. Kumar	Manager and CFO

Related Party Transaction during the Year

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Remuneration – Mr S.P. Kumar	1,660,227	1,500,165

NOTE 25-Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Based on the information available with the Company, there is no supplier in the aforesaid company. Thus no disclosures relating to principal amounts unpaid as at the period ended 31st March, 2020 together with interest paid /payable are required to be furnished.

NOTE 26:-CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

NOTE 27:-RISK MANAGEMENT

The Company has a system-based approach to risk management, anchored to policies & procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations. It also seeks to drive accountability in this regard.

The Company's financial liabilities includes Other Financial Liabilities- comprising of general expenses. The Company's principal financial assets include Investments, Cash and Cash Equivalents and Other Financial Assets that are derived directly from its operations.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The management also considers the cash flow projections and level of liquid assets necessary to meet these on a regular basis.

As the Company is an investment company, it is not exposed to credit risk.

Risk	Exposure arising from	Mitigation
Market Risk – Securities Price	Investments in equity securities	Continuous monitoring of performance of investments

NOTE 28:-DISCLOSURE ON FINANCIAL INSTRUMENTS

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of Financial Instruments

Particulars	Notes	As at 31st	As at 31st	As at 1st
		March, 2020	March, 2019	April, 2018
		₹	₹	₹
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	4	4,873,513	31,321,354	16,509,387
ii) Other Bank Balances	5	27,165,953	27,166,017	165,258
iii) Other Financial Assets	7	3,405,139	868,766	2,150,237
Sub-Total		35,444,605	59,356,137	18,824,882
b) Measured at Fair Value through OCI (FVOCI)				
i) Investment in Equity Shares	6	15,977,218,964	16,983,202,714	14,936,257,347
ii) Investment in Preference Shares	6	38,248,808	17,368,735	2,500,000
Sub-Total		16,015,467,772	17,000,571,449	14,938,757,347
c) Measured at Fair Value through Profit and Loss (FVTPL)				
i) Investment in Mutual Fund	6	120,365,220	36,075,874	10,461,991
Sub-Total		120,365,220	36,075,874	10,461,991
Total Financial Assets		16,171,277,597	17,096,003,460	14,968,044,220
Financial Liabilities				
a) Measured at Amortised Cost				
i) Other Financial Liabilities	11	922,672	480,956	484,955
Total Financial Liabilities		922,672	480,956	484,955

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**(i) Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation Methodology

Specific valuation techniques used to value financial instruments include:

- the fair value of investment in quoted equity shares and mutual funds is measured at quoted price of NAV.
- the fair value of level 3 investments is valued using inputs based on information about market participants assumptions and other data that are available.

(iii) Fair value of Financial Assets and Liabilities measured at Fair value - recurring Fair Value Measurements

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial Assets						
Investment in Equity Instruments	15,853,986,332	123,232,633	16,875,635,616	107,567,098	14,828,535,648	107,721,698
Total Financial Assets	15,853,986,332	123,232,633	16,875,635,616	107,567,098	14,828,535,648	107,721,698

(iv) Significant Estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

NOTE 29:-FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31st March, 2020, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by RBI (Indian GAAP or previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31st March, 2020, together with the comparative period data as at and for the year ended 31st March, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2018, the Company's date of transition to Ind AS. These financial results may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01,

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

2018 and the financial statements as at and for the year ended 31st March, 2020.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue the carrying value of all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost after making necessary adjustments to decommissioning liabilities.

Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of facts and circumstances at the date of transition to Ind AS.

Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Para B8-B8C Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract.

Mandatory exceptions

Estimates:

The estimates at 1st April, 2018 and at 31st March, 2019 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

Fair valuation of financial instruments carried at FVTPL

Determination of discounted value for financial instruments carried at amortized cost

Investment in equity instruments carried at FVOCI and FVTPL

Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Statement of Cash Flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Other Comprehensive Income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Investments

Under the Indian GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value through profit or loss. The resulting fair value changes of these investments has to be recognised in retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended 31st March, 2019.

Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Under Ind AS, the Company has designated the investments in unquoted equity shares as FVOCI investments. Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve.

Deferred Tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the Period.

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Notes to Ind As Adjustments:**i) Fair Valuation of Investments**

As required under Ind AS 32, investments are measured at fair value.

Equity Investments have been designated as fair value through OCI. Accordingly, the fair value changes with respect to such investments have been recognised in OCI – 'Equity Investments at FVOCI' and subsequently in other comprehensive income for the year ended 31st March, 2019.

Investments in Preference Share have been designated as fair value through OCI. Accordingly, the fair value changes with respect to such investments have been recognised in OCI – 'Financial Investments at FVOCI' and subsequently in other comprehensive income for the year ended 31st March, 2019.

Other investments have been measured through profit or loss, fair value change is recognised in profit or loss.

ii) Deferred Tax

The various transitional adjustments lead to different temporary differences. Consequently, Ind AS adoption has no input on the Deferred Tax as compared with the previous GAAP.

iii) Statement of Cash Flows

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2019 as compared with the previous GAAP.

NOTE 29.1-Equity Reconciliation

<u>Particulars</u>	<u>As at 1st April 2018</u>
Total Equity (Shareholders' Funds) under previous GAAP	1,096,088,758
Add:- Fair Valuation of Quoted Equity Shares	13,824,698,278
Unquoted Investment	33,837,394
Mutual Fund	128,455
Total Adjustment to Equity	<u>13,858,664,127</u>
Total equity under Ind AS	<u>14,954,752,885</u>

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

<u>Particulars</u>	<u>As at 31st March 2019</u>
Total Equity (Shareholders' Funds) under previous GAAP	1,096,088,758
Ind AS adjustment as on 1st April, 2018	
Add:- Fair Valuation of Quoted Equity Shares	13,824,698,278
Unquoted Investment	33,837,394
Mutual Fund	128,455
	<u>13,858,664,127</u>
Ind AS adjustment for the year ended 31st March, 2019	
Add:- Fair Valuation of Equity instruments through OCI	2,085,019,502
Financial instruments through OCI	265,494
Total Adjustment to Equity	<u>2,085,284,996</u>
Add:-Profit/(Loss) for the Year (Ind As)	42,478,930
Total equity under Ind AS	<u>17,082,516,812</u>

NOTE 30:-

Due to outbreak of COVID 19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as going concern and meeting its liabilities as and when they fall due.

Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

NOTE 31:-

The previous year figures have been reclassified and regrouped where considered necessary to confirm to this year's presentations.

NOTE 32:-

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 : 10th July, 2020

For and on behalf of the Directors

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 32 of the Financial Statements)
SCHEDULE TO THE BALANCE SHEET OF A NON-DEPOSIT TAKING NON - BANKING FINANCIAL COMPANY

(₹ in Lakhs)

Particulars**As on 31.03.2020****Liabilities side:**

	Amount	
	Outstanding	Overdue
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	NIL	NIL
: Unsecured (other than falling within the 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	31.42	NIL

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

(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	NIL	
(b) Operating lease	NIL	
(ii) Stock on hire including hire charges under 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	

(4) Break-up of Investments:	Amount Outstanding
Current Investments:	
1. Quoted:	
(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
2. Unquoted:	
(i) Shares: (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	1,201.91
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL
Long Term investments:	
1. Quoted:	
(i) Shares : (a) Equity	10,060.82
(b) Preference	403.10
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL
2. Unquoted:	
(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 :**

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	31.42	31.42
Total	NIL	31.42	31.42

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

<u>Category</u>	<u>Market Value / Break up/ or fair value or NAV</u>	<u>Book Value (Net of Provisions)</u>
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	161,358.33	12,429.67
Total	161,358.33	12,429.67

(7) Other information

<u>Particulars</u>	<u>Amount</u>
(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 : 10th July, 2020

For and on behalf of the Directors

B. L. Gaggar
Chairman
DIN - 00404123

Nisha Laddha
Company Secretary

S.P. Kumar
Manager & CFO

T. K. Bhattacharya
Director
DIN-00711665

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