

*76th
Annual Report
2010-11*

N.B.I. INDUSTRIAL FINANCE CO. LTD.

BOARD OF DIRECTORS

B. G. BANGUR, CHAIRMAN

ASHOK BHANDARI

R. N. MUNDHRA

B. L. GAGGAR

BANKERS

STATE BANK OF BIKANER & JAIPUR

ALLAHABAD BANK

AUDITORS

LAKHOTIA & CO.

CHARTERED ACCOUNTANTS

KOLKATA

REGISTERED OFFICE

21, STRAND ROAD

KOLKATA - 700 001

TEL : 2230 7905

REGISTRAR & SHARE TRANSFER AGENT

MAHESHWARI DATAMATICS PVT. LTD.

6, MANGOE LANE (2ND FLOOR)

KOLKATA - 700 001

TEL : 2243 5809

NOTICE

NOTICE is hereby given that the Seventy Sixth Annual General Meeting of N.B.I. Industrial Finance Company Limited will be held at Aparna Business Centre, 5, Clive House, Strand Road, Kolkata – 700 001 on Saturday, the 10th September, 2011 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS

- 1) To receive, consider and adopt Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date and the Directors' Report and Auditors' Report thereon.
- 2) To appoint a Director in place of Shri Ashok Bhandari, who retires by rotation and, being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri B.L. Gaggar, who retires by rotation and, being eligible, offers himself for re-appointment.
- 4) To appoint Auditors of the Company for the ensuing year and to fix their remuneration.

Place : 21, Strand Road,
Kolkata – 700 001
Dated : 30th June, 2011

By Order of the Board

(B.L. GAGGAR)
Director

NOTES :

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A MEMBER ENABLE TO ATTEND THE MEETING MAY SEND THE ENCLOSED PROXY FORM DULY COMPLETED SO AS TO REACH THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
- 2 The Register of members and the Share Transfer Books of the Company will remain closed from 3rd September, 2011 to 10th September, 2011 (both days inclusive).
- 3 Members attending the Meeting are requested to bring their copy of the Annual Report.
- 4 The Company has made arrangements with National Securities Depository Limited and Central Depository Services Limited to offer facility of dematerialization of securities to its share-holders. The ISIN code allotted by the depositories to the Company is ISIN – **INE365101012**. The shareholders are again advised to avail the facility of dematerialization of their holding of shares through their depository participants.

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Seventy-Sixth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS :

	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
Profit before Depreciation & Provision	14,180,577	9,278,582
Less : Depreciation	14,308	20,690
: Provision for Contingencies against Standard Assets. (As per RBI Guidelines)	43,212	—
Profit before Taxation	14,123,057	9,257,892
Less : Provision for Deferred Tax	5,793	(49,499)
Profit after Tax	14,117,264	9,307,391
Add : Income Tax Adjustment for Earlier Years	(1,633)	(1,048)
: Balance of Profit from Previous year	32,367,643	54,923,300
	<u>46,483,274</u>	<u>64,229,643</u>
APPROPRIATIONS :		
Transfer to Reserve Fund. (as per RBI Guidelines)	2,823,500	1,862,000
Transfer to General Reserve	—	30,000,000
Balance Carried to Balance Sheet	43,659,774	32,367,643
	<u>46,483,274</u>	<u>64,229,643</u>

DIVIDEND :

To further strengthen the financial position of the Company and to conserve resources your Directors have decided not to recommend dividend for the year ended 31st March, 2011.

PUBLIC DEPOSITS :

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

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Ashok Bhandari and Shri B.L. Gaggar, Directors of the Company retire by rotation and being eligible offer themselves for reappointment.

AUDITORS :

M/s. Lakhota & Co., Chartered Accountants, the Statutory Auditors will retire at the conclusion of the forthcoming Annual General Meeting. They being eligible offer themselves for re-appointment.

PARTICULARS OF REMUNERATION :

None of the employees is drawing remuneration attracting the provisions of Section 217(2A) of the Companies Act, 1956.

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

Since the Company has no manufacturing activity, the requirements of Section 217(1) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

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

AUDITORS' REPORT :

The observation made by the Auditors in Para 2 (f) of their Report has been suitably dealt with in Note No. 1 of the Notes on Accounts.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to sub section 2AA of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- i) in preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any,
- ii) the Directors 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) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts for the period ended 31st March, 2011 on a going concern basis.

OTHER PARTICULARS :

Copy of Compliance certificate from a Secretary (in-Whole-time-Practice) is attached.

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.

For and on behalf of the Board

Place : Kolkata

Dated : 30th June, 2011

(B. G. BANGUR)

Chairman

**ANNEXURE TO DIRECTORS' REPORT
SECRETARIAL COMPLIANCE CERTIFICATE**

REGISTRATION NO. 21-65596
NOMINAL CAPITAL : RS. 1000.00 LACS

To
The Members,
M/s. N.B. I. Industrial Finance Co. Ltd.
21, Strand Road,
Kolkata - 700 001

Dear Sirs,

I have examined the registers, records, books and papers of Messrs. N.B.I. INDUSTRIAL FINANCE CO. LIMITED (the Company) as required to be maintained under the Companies Act, 1956 (the Act), and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, I certify that in respect of the aforesaid financial year.

- 1) The Company has kept and maintained all registers as stated in Annexure – "A" to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
- 2) The Company has duly filed the forms and returns as stated in Annexure – "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
- 3) The Company being a Public Limited Company, has the minimum prescribed Capital.
- 4) The Board of Directors duly met four times respectively on 30.04.2010, 10.08.2010, 10.11.2010 and 10.02.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
- 5) The Company has closed its Register of Members from 20th September, 2010 to 27th September, 2010 and necessary compliance of Section 154 of the Act has been made.
- 6) The Annual General Meeting for the financial year ended 31st March, 2010 was held on 27.09.2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minute Book maintained for the purpose.

- 7) No Extra Ordinary General Meeting was held during the financial year.
- 8) The Company has not advanced any loan to its Directors or persons or firms or companies referred to under Section 295 of the Act during the said financial year.
- 9) According to explanation given by the company, it has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
- 10) The Company has made necessary entries in the register maintained under Section 301 of the Act.
- 11) As there were no instances falling within the purview of Section 314 of the Act, during the financial year, the company has not obtained any approval from the Board of Directors, Members or Central Government as the case may be.
- 12) The Company has not issued any duplicate certificate during the financial year.
- 13) The Company has :
 - i) delivered all the Certificates on lodgment thereof for transfer/transmission or any other purpose in accordance of the provisions of the Act.
 - ii) not posted Warrants to any member of the company as no dividend was declared during the financial year.
 - iii) no amount to the credit of application money due for refund, matured deposits, matured debentures and the interest accrued thereon requiring transfer to Investor Education and Protection Fund.
 - iv) duly complied with the requirements of Section 217 of the Act.
- 14) The Board of Directors of the Company is duly constituted and the appointment of Directors has been duly made.
- 15) The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
- 16) The Company has not appointed any sole selling agents during the financial year.
- 17) On the basis of information available with the Company, it was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
- 18) The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- 19) The Company has not issued any shares during the financial year to its employees.

- 20) The Company has not bought back any shares during the financial year.
- 21) There was no redemption of preference shares or debentures during the financial year.
- 22) There were no transactions necessitating the Company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23) The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
- 24) The Company has borrowed during the year under review within the provisions of Companies Act, 1956.
- 25) The Company has made investments in compliance with provisions of the Companies Act, 1956 and has made necessary entries in the register kept for the purpose.
- 26) The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
- 27) The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
- 28) The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
- 29) The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the year under scrutiny.
- 30) The Company has not altered its Articles of Association during the financial year.
- 31) There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
- 32) The Company has not received any money as security from its employees during the financial year.
- 33) The provision of Section 418 of the Companies Act does not apply to this Company, as the company has not constituted any Provident Fund.

Place : Kolkata
Date : 30th June, 2011

MUKESH CHATURVEDI
Secretary (In Whole-Time Practice)
C. P. No. 3390

ANNEXURE – “A”

Register as maintained by the Company

- | | |
|--|---------|
| 1) Register of Members | u/s 150 |
| 2) Register of Disclosures of Directors | u/s 301 |
| 3) Register of Contracts in which Directors are interested | u/s 301 |
| 4) Register of Directors | u/s 303 |
| 5) Register of Directors' Shareholdings | u/s 307 |
| 6) Books of Accounts | u/s 209 |
| 7) Minutes of Board Meeting | u/s 193 |
| 8) Minutes of General Meeting | u/s 193 |
| 9) Register of Share Transfer | u/s 108 |

ANNEXURE – “B”

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2011.

1. Form No.20B u/s 159 for the year ending 31st March, 2010 efiled vide Challan No.P59497891 dt.12.11.2010
2. Form 23AC & 23ACA u/s 220 for the year ending 31st March, 2010 efiled vide Challan No.P55090633 dated 19.10.2010 with normal fees.
3. Form No.66 u/s 383A for the year ending 31st March, 2010 efiled vide Challan No.P53879045 dated 07.10.2010 with normal fees.

MUKESH CHATURVEDI

Secretary (In Whole-Time Practice)

C. P. No. 3390

AUDITORS' REPORT

TO THE MEMBERS OF N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED

We have audited the attached Balance Sheet of NBI INDUSTRIAL FINANCE COMPANY LIMITED as at 31st March, 2011 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by the Companies Act, 1956 have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) As per the information and explanations given to us, none of the directors of the Company is disqualified from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts *subject to note 1 for payments yet to be made out of General Reserve* and read together with other notes given in Schedule '13' thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011 ;
- ii) in the case of the Profit and Loss Account of the profit of the Company for the year ended on that date ; and
- iii) in the case of the Cash Flow Statement of the cash flows of the Company for the year ended on that date.

Kolkata

Dated : 30th June, 2011

For **LAKHOTIA & CO.**
Chartered Accountants
Firm Registration No.- 313149E

NARESH LAKHOTIA
Partner
Membership No. 51249

ANNEXURE TO THE AUDITORS' REPORT

(Statement referred to in our report of even date to the Members of NBI Industrial Finance Company Limited on the accounts for the year ended 31st March, 2011.)

- i. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- (b) According to information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the company has not disposed of a substantial part of its fixed assets during the year.
- ii. The Company does not have any inventory and as such clauses 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the Order are not applicable to the Company.
- iii. (a) The company has not granted any loan to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses 4(iii)(b), 4(iii)c and 4(iii)d of the order are not applicable to the company.

- (b) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses 4 (iii) (f) and 4 (iii) (g) of the order are not applicable to the company.
- iv. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and there are no purchase of inventory and sale of goods and services during the year. According to information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. According to information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act. Accordingly, clause 4(v) (b) of the Order is not applicable.
- vi. The Company has not accepted deposits from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. The Central Government has not prescribed for the maintenance of cost records under section 209(1) (d) of the Act.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been regular in depositing during the year undisputed statutory dues in respect of provident fund, income-tax and other material statutory dues, as applicable, with the appropriate authorities and during the year there are no undisputed statutory dues relating to investor education and protection fund, employees' state insurance, sales tax, wealth tax, service tax, custom duty, excise duty and cess.

(b) As at 31st March, 2011, according to the records of the Company and the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess that have not been deposited on account of any dispute.
- x. The Company has neither accumulated losses as at 31st March 2011 nor has it incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi. Based on the information and explanations given to us by the management, the Company has not defaulted in repayment of dues to banks. The Company has not taken any loans from financial institutions or against debentures during the year.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- xiii. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to it.
- xiv. In respect of Company's dealing or trading in shares, securities, debentures and other investment proper records have been maintained of the transactions and contracts and timely entries have been made therein. All the shares, securities, debentures and other investments are held by the Company in its own name.
- xv. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. The Company has not taken any term loan and as such clause 4 (xvi) of the order is not applicable to the Company.
- xvii. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short term basis have not been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix. The Company has not issued any debenture and as such clause 4(xix) of the Order is not applicable to the Company.
- xx. The Company has not raised any money by public issue during the year.
- xxi. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the management.

Kolkata
Dated : 10th June, 2011

For **LAKHOTIA & CO.**
Chartered Accountants
Firm Registration No.- 313149E
NARESH LAKHOTIA
Partner
Membership No. 51249

Balance Sheet as at 31st March, 2011

	Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS :			
Shareholders' Fund			
Share Capital	1	12,284,030	12,284,030
Reserves & Surplus	2	129,791,728	115,676,097
		<u>142,075,758</u>	<u>127,960,127</u>
Loan Funds			
Secured Loans	3	27,764	8,112,800
		<u>27,764</u>	<u>8,112,800</u>
		<u>142,103,522</u>	<u>136,072,927</u>
APPLICATION OF FUNDS :			
Fixed Assets	4		
a) Gross Block		104,764	96,369
b) Less : Depreciation		<u>70,560</u>	<u>56,252</u>
c) Net Block		<u>34,204</u>	<u>40,117</u>
Investments (At Cost)	5	108,264,175	117,758,351
Current Assets, Loans & Advances :	6		
a) Cash & Bank Balances		15,109,668	15,132,198
b) Other Current Assets		<u>1,982,539</u>	<u>967,095</u>
c) Loans & Advances		<u>18,526,205</u>	<u>3,685,632</u>
		<u>35,618,412</u>	<u>19,784,925</u>
Less : Current Liabilities & Provisions :	7		
a) Current Liabilities		110,816	99,783
b) Provisions		<u>2,205,701</u>	<u>1,994,724</u>
		<u>2,316,517</u>	<u>2,094,507</u>
Net Current Assets		<u>33,301,895</u>	<u>17,690,418</u>
Miscellaneous Expenditure			
Preliminary Expenses to the extent not written off or adjusted		-	75,000
Deferred Tax Assets	8	503,248	509,041
Accounting Policies & Notes on Accounts	13	<u>142,103,522</u>	<u>136,072,927</u>
Balance Sheet Abstract and General Business Profile	14		

As per our Report of even date attached herewith.

For **LAKHOTIA & CO.**
Chartered Accountants
Firm Registration No. 313149E

NARESH LAKHOTIA
Partner
Membership No. 51249
Kolkata, Dated the 30th June, 2011

B. G. BANGUR
R. N. MUNDHRA
B. L. GAGGAR
Directors

Profit & Loss Account for the year ended 31st March, 2011

	Schedule	31.03.2011 Rs.	31.03.2010 Rs.
INCOME			
Interest (Tax deducted at Source Rs.129338/- Previous year Rs.1,78,620/-)	9	2,056,869	1,612,903
Profit on Sale of Investments		1,220,572	69,260
Dividend		14,582,497	13,542,246
Miscellaneous Income		2,481	3,109
		<u>17,862,419</u>	<u>15,227,518</u>
EXPENDITURE			
Staff Cost	10	2,329,556	1,014,507
Administrative Expenses	11	1,053,174	756,273
Interest	12	193,564	490,128
Loss on Sale of Assets		—	3,613,028
Securities Transaction Tax		30,548	—
Preliminary Expenses Written Off		75,000	75,000
Depreciation		14,308	20,690
Provision for Standard Assets		43,212	—
		<u>3,739,362</u>	<u>5,969,626</u>
Profit Before Tax		14,123,057	9,257,892
Provision : For Deferred Tax		5,793	(49,499)
Profit After Tax		14,117,264	9,307,391
Add: Income Tax Adjustments for Earlier Years		(1,633)	(1,048)
Balance brought forward from Previous Year		32,367,643	54,923,300
		<u>46,483,274</u>	<u>64,229,643</u>
APPROPRIATIONS			
Transfer to Reserve Fund		2823500	1,862,000
Transfer to General Reserve		—	30,000,000
Balance Carried to Balance Sheet		43,659,774	32,367,643
		<u>46,483,274</u>	<u>64,229,643</u>
Earnings per Share (Face Value Rs.10/- each)			
Basic and Diluted		11.49	7.58
Accounting Policies & Notes on Accounts	13		
Balance Sheet Abstract and General Business Profile	14		

As per our Report of even date attached herewith.

For **LAKHOTIA & CO.**
Chartered Accountants
Firm Registration No. 313149E

NARESH LAKHOTIA
Partner
Membership No. 51249
Kolkata, Dated the 30th June, 2011

B. G. BANGUR
R. N. MUNDHRA
B. L. GAGGAR
Directors

Schedules 1 to 14 Forming Part of the Balance Sheet As at 31 March, 2011 and Profit & Loss Account for the year ended on that date.

	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
Schedule - 1		
SHARE CAPITAL :		
AUTHORISED		
100,00,000 Equity Shares of Rs.10/- each	<u>100,000,000</u>	<u>100,000,000</u>
ISSUED		
12,29,529 Equity Shares of Rs.10/- each	<u>12,295,290</u>	<u>12,295,290</u>
SUBSCRIBED, CALLED & PAID UP :		
12,28,403 Equity Shares of Rs. 10/- each	<u>12,284,030</u>	<u>12,284,030</u>
Out of which 1,12,106 Shares have been issued as Bonus Shares		
	<u><u>12,284,030</u></u>	<u><u>12,284,030</u></u>
Schedule - 2		
RESERVES & SURPLUS:		
GENERAL RESERVE		
As per Last Account	76,444,473	46,444,473
Add : Transferred From Profit & Loss Account	<u>—</u>	<u>30,000,000</u>
	<u>76,444,473</u>	<u>76,444,473</u>
CAPITAL RESERVE		
As per Last Account	<u>55,255</u>	<u>55,255</u>
	<u>55,255</u>	<u>55,255</u>
RESERVE FUND		
As per Last Account	5,158,000	3,296,000
Add : Transferred From Profit & Loss Account	<u>2,823,500</u>	<u>1,862,000</u>
	<u>7,981,500</u>	<u>5,158,000</u>
SECURITY PREMIUM		
As per Last Account	<u>1,650,726</u>	<u>1,650,726</u>
PROFIT & LOSS ACCOUNT	<u>43,659,774</u>	<u>32,367,643</u>
	<u><u>129,791,728</u></u>	<u><u>115,676,097</u></u>
Schedule - 3		
SECURED LOANS :		
Overdraft from Bank	27,764	8,112,800
(Secured by Pledge of Fixed Deposit Receipt)		
	<u>27,764</u>	<u>8,112,800</u>

Schedule - 4

FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions	Deductions	Total As At 31.03.2011	Upto 31.03.2010	For the Period	Adjustments	Total 31.03.2011	As at 31.03.2011	As at 31.03.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Furniture & Fixture	22,685	8,395	-	31,080	9,098	3,696	-	12,794	18,286	13,587
Office Equipment	73,684	-	-	73,684	47,154	10,612	-	57,766	15,918	26,530
Total	96,369	8,395	-	104,764	56,252	14,308	-	70,560	34,204	40,117
Previous year	47,909,557	-	47,813,188	96,369	33,395,722	20,690	33,360,160	56,252	40,117	14,513,835

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

Schedule - 5

INVESTMENTS	Face Value Rs.	As at 31.03.2011		As at 31.03.2010	
		Number	Value Rs.	Number	Value Rs.
OTHER THAN TRADE					
CURRENT INVESTMENTS - AT COST					
EQUITY SHARES (FULLY PAID UP)					
QUOTED					
Asahi India Safety Glass Limited	1	17,771	1,926,360	17,771	1,926,360
CESC Limited*	10	1,053	-	-	-
Foseco India Limited	10	8,887	2,854,455	8,887	2,854,455
Glaxo Smith Kline Consumer Health Care Ltd.	10	3,755	2,472,230	3,755	2,472,230
Hindalco Industries Ltd	1	-	-	10,000	1,976,940
Honda Siel Power Products Limited	10	4,229	499,117	4,229	499,117
India Nippon Electricals Limited	10	35980	5,585,230	35980	5,585,230
The Indian Hotels Co. Ltd.	1	118,500	4,121,058	118,500	4,121,058
The Orissa Minerals Development Co. Ltd.*	10	600	-	-	-
The Paper Products Limited	2	122,850	10,399,108	187,850	15,901,281
Whirlpool India Ltd.	10	22,070	5,487,030	-	-
			<u>33,344,588</u>		<u>35,336,671</u>
OTHER THAN TRADE					
LONG TERM - AT COST					
EQUITY SHARES (FULLY PAID UP)					
QUOTED					
J.K. Pharmachem Limited	10	2,500	8,631	2,500	8,631
NEPC India Limited	10	200	6,000	200	6,000
Regency Properties Limited	10	1,000	10,000	1,000	10,000
Sanathana Dharma Gurukulam Ltd.	10	1,000	10,000	1,000	10,000
Shree Capital Services Limited **	10	-	-	1,000	10,000
Shree Cement Limited	10	849,450	23,957,957	247,860	5,064,118
Shree Synthetics Limited	10	12,441	3,483	849,450	23,957,957
Suditi Hosiery Limited	10	100	1,000	12,441	3,484
Western India Commercial Co. Ltd.	100	2,105	116,460	100	1,000
			<u>24,113,531</u>	2,105	116,460
					<u>29,177,650</u>
NON CONVERTIBLE BONDS (FULLY PAID UP) - QUOTED					
State Bank Of India	10000	42	420,000	-	-
Zero Coupon NABARD Bhavishya Nirman Bond 2019	20000	342	2,992,500	1142	9992500
			<u>3,412,500</u>		<u>9992500</u>
NON CONVERTIBLE DEBENTURES (FULLY PAID UP) - QUOTED					
L & T FINANCE LTD	1000	5621	5,621,000	5621	5621000
EQUITY SHARES (FULLY PAID UP)					
UNQUOTED					
Alfa Buildhome Pvt. Ltd.	10	9000	108,270	9000	108270
Aqua infra Projects Ltd.	10	25000	2,500,000	25000	2500000
Asish Creation Pvt. Ltd.	10	42400	510,072	42400	510072
Didu Investments Pvt. Ltd.	10	81333	896,905	81333	896905
Digvijay Finlease Limited	10	165,836	2,037,263	165,836	2,037,263
Mannakrishna Investments Pvt. Ltd.	10	266666	3,643,876	266666	3,643,876
Newa Investments Pvt. Limited	10	150,000	1,500,000	150,000	1,500,000
Ragini Finance Ltd.	10	150,000	1,654,129	150,000	1,654,129
Rajesh Vanijya Pvt. Ltd.	10	342,000	1,323,300	342,000	1,323,300
Shree Cement Marketing Limited	10	9,000	90,450	9,000	90,450

Schedule - 5 Contd..

	Face Value Rs.	As at 31.03.2011		As at 31.03.2010	
		Number	Value Rs.	Number	Value Rs.
Shree Capital Services Limited**	10	247,860	5,064,118	-	-
Tanushree Logistics Private Limited	10	54000	5,400,000	54000	5,400,000
The Laxmi Salt Co. Ltd.	10	150000	1,804,500	150000	1,804,500
The Venkatesh Co. Limited	10	96500	1,161,765	96500	1,161,765
			<u>27,694,648</u>		<u>22,630,530</u>

* Shares obtained & recorded during the year

** The company was delisted on 16.09.2010

EQUITY SHARES (PARTLY PAID UP)

UNQUOTED

Ramgopal Holdings Pvt. Ltd.	10	50,625	4,077,908	-	-
			<u>4,077,908</u>	-	-

MUTUAL FUND UNITS

(FULLY PAID UP) - UNQUOTED

HDFC Mid - Cap Opportunities Fund	10	-	-	500,000	5,000,000
			-		<u>5,000,000</u>

FULLY CONVERTIBLE DEBENTURES

(FULLY PAID UP) - UNQUOTED

Rajesh Vanijya Pvt. Ltd.	100	100000	10,000,000	100000	10,000,000
Aggregate Book Value - Quoted			66,491,619		80,127,821
Aggregate Book Value - Unquoted			41,772,556		37,630,530
			<u>108,264,175</u>		<u>117,758,351</u>
Aggregate Market Value - Quoted			<u>1,844,736,589</u>		<u>2,014,109,574</u>

Schedule - 6

CURRENT ASSETS, LOANS & ADVANCES

a) Cash & Bank Balances

Cash in Hand	101,073	101,073
Balance with Scheduled Banks		
In Current Accounts	8,595	31,125
In Fixed Deposit Account	15,000,000	15,000,000
	<u>15,109,668</u>	<u>15,132,198</u>

b) Other Current Assets

Dividend Receivable On Investments	375,889	-
Interest Accrued		
On Investments	905,682	300,331
On Bank Fixed Deposit	582,612	666,764
On Loans	118,356	-
	<u>1,982,539</u>	<u>967,095</u>

Total (A)

17,092,207	16,099,293
------------	------------

c) LOANS & ADVANCES

(Unsecured - Considered Good)

Loan	15,000,000	-
Advances		
(a) Deposits	30,800	505,800
(b) Advance Income Tax	3,224,075	2,748,198
(c) Application Money	150,000	-
(d) Others	121,330	431,634

Total (B)

18,526,205	3,685,632
------------	-----------

Total (A+B)

<u>35,618,412</u>	<u>19,784,925</u>
-------------------	-------------------

	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
Schedule - 7		
CURRENT LIABILITIES & PROVISIONS :		
(A) Current Liabilities		
Capital Repayable Under Capital Reduction Scheme Unclaimed	36,560	36,560
Liabilities for Expenses	66,954	56,972
T.D.S. Payable	7,302	6,251
	<u>110,816</u>	<u>99,783</u>
(B) Provisions		
For Income Tax	903,534	913,534
For Fringe Benefit Tax	33,550	33,550
For Standard Assets - Contingent	43,212	—
For Gratuity	896,383	756,640
For Leave Salary	329,022	291,000
	<u>2,205,701</u>	<u>1,994,724</u>
	<u>2,316,517</u>	<u>2,094,507</u>
Schedule - 8		
DEFERRED TAX ASSETS		
- On Unabsorbed Losses	87,061	145,013
- Provision for Gratuity	276,982	233,802
- Provision for Leave Salary	101,668	89,919
- Difference between Book and Tax Depreciation	37,537	40,307
	<u>503,248</u>	<u>509,041</u>
	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
Schedule - 9		
INTEREST INCOME		
on Loan	131,507	—
on Application Money	23,577	74,163
on Investments in Bonds	16,179	—
on Investments in Debentures	589,172	300,331
on I.T.Refund	158,172	8,182
on Fixed Deposit with Bank	1,138,262	1,230,227
	<u>2,056,869</u>	<u>1,612,903</u>

	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
Schedule - 10		
STAFF COST		
Salary & Exgratia	1,811,314	736,941
P.F. and F.P. Contribution	124,462	55,550
Staff Welfare	216,016	57,486
Leave Salary Benefit	38,022	35,120
Gratuity	139,742	129,410
	<u>2,329,556</u>	<u>1,014,507</u>
Schedule - 11		
ADMINISTRATIVE EXPENSES		
Rent	96,000	90,000
Rates & Taxes	4,350	4,500
Repairs & Maintenance	41,735	17,945
Stationery and Printing	180,268	102,255
Postage and Telephone	71,155	74,782
Travelling and Conveyance	38,156	50,053
Directors Sitting Fee	16,000	20,000
Legal and Professional Charges	406,111	192,908
Bank Charges	3,073	5,172
Advertisement	42,139	45,024
Listing Fees	5,515	5,515
Depository Charges	16,087	13,788
Other Expenses	96,585	55,331
Auditors Remuneration :		
Statutory Audit Fees	25,000	20,000
Tax Audit Fee	5,000	5,000
For Certification	6,000	54,000
	<u>1,053,174</u>	<u>756,273</u>
Schedule - 12		
INTEREST		
To Bank	193,564	490,128
	<u>193,564</u>	<u>490,128</u>

Schedule – 13

NOTES ON ACCOUNTS AND ACCOUNTING POLICIES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

A. SIGNIFICANT ACCOUNTING POLICIES :

1. METHOD OF ACCOUNTING :

These Accounts have been prepared on historical cost convention and Income & Expenditure have been booked on accrual basis except Income from Interest, Lease Rent, Hire Rent, Hire Purchase Charges and Dividend which have been accounted for on the basis of directions laid down by R.B.I. vide their letter Reference No. DFC (COC) No.2355/174/94-95 dated 19th June, 1995. On the basis of this letter, Interest Hire Purchase Charges and Lease Rent on non-performing assets is accounted for on receipt basis except interest provided on Secured Loans.

2. FIXED ASSETS :

The Gross Block of Fixed Assets is shown at Cost.

3. DEPRECIATION :

Depreciation is provided on the written down value basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

4. INVESTMENTS :

Purchase and Sale of Investments are accounted for as and when deliveries are effected. Current Investments are carried in the financial statement determined by category of Investments. Long term Investments are stated at cost. No provision for diminution in the market value of long term investments is made as the same is not considered of permanent nature.

5. PENAL INTEREST :

Penal Interest for belated payments made by Hire Purchase and Lease Parties are accounted for as and when recovered.

6. TAXATION :

- a) Provision for current taxation is made in accordance with the income tax laws prevailing for the relevant assessment years.
- b) Deferred tax for timing differences between tax profits and book Profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these assets can be realised in future.

7. GRATUITY:

Gratuity is accounted for on accrual basis.

8. LEAVE ENCASHMENT:

Leave Encashment is accounted for on accrual basis.

B. NOTES ON ACCOUNTS

1. The Company has not paid any amount during the year out of General Reserve to the Shareholders who had opted to withdraw under the Scheme of Capital Reduction approved by the High Court. General Reserve will be further reduced by Rs.1,38,928/- as and when payments are claimed.

2. There are no separate reportable segments as per Accounting Standard 17.

3. Particulars required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions 2007 issued by Reserve Bank of India are appended to the Balance Sheet as Schedule 15.

4. Contingent Liability not provided for :

Uncalled liability on Partly Paid up Shares =Rs. 1012500/- (Previous Year Rs. Nil)

5. Staff cost appearing in the Profit & Loss Account are net of service charges received from other.

6. Earnings Per Shares (EPS)

	<u>2010-2011</u>	<u>2009-2010</u>
i) Profit after Tax as per Profit & Loss Account (Rs.)	14117264/-	9307391/-
ii) No of Equity Shares (Face Value of Rs. 10/- each)	1228403	1228403
Basic and Diluted EPS (in Rupees) ((i) / (ii))	11.49	7.58

7. Figures of the previous year have been recast and regrouped wherever necessary.

8. Figures have been rounded off to the nearest rupee.

Schedule - 14

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	21-65596	State Code	21
Balance Sheet Date	31 03 2011		
	Date Month Year		

II. Capital Raised During the Year (Amount in Rs. in Thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. in Thousands)

Sources of Funds

Total Liabilities	142,104	Total Assets	142,104
Paid-Up Capital	12,284	Reserves & Surplus	129,792
Secured Loans	28	Unsecured Loans	—

Application of Funds

Net Fixed Assets	34	Investments	108,264
Net Current Assets	33,302	Deferred Tax Assets	504
Accumulated Losses	Nil	Misc. Expenditure	Nil

IV. Performance of the Company (Amount in Rs. in Thousands)

Turnover (Total Income)	17,862	Total Expenditure	3,739
Profit/(Loss) before Tax	14,123	Profit/(Loss) after Tax	14,117
Earning per Share in Rs.	11.49	Dividend Rate %	Nil

V. Generic Name of Principal Products of Company

Item Code No. (ITC Code)	N.A.	Product Description	N.A.
--------------------------	------	---------------------	------

Signature to Schedules "1" to "14"

As per our Report of even date attached herewith.

For **LAKHOTIA & CO.**
Chartered Accountants
Firm Registration No. 313149E

NARESH LAKHOTIA
Partner
Membership No. 51249
Kolkata, Dated the 30th June, 2011

B. G. BANGUR
R. N. MUNDHRA
B. L. GAGGAR
Directors

Schedule - 15

SCHEDULE TO THE BALANCE SHEET OF A NON - BANKING FINANCIAL COMPANY
(as required in terms of paragraph 13 of Non - Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions , 2007)

PARTICULARS		(Rs. in Lakhs)	
		As on 31.03.2011	
Liabilities side :			
(1) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid :	Amount Outstanding	Amount Overdue	
(a) Debentures :			
Secured	Nil	Nil	
Unsecured	Nil	Nil	
(Other than falling within the meaning of public deposits)			
(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 (specify nature)	Nil	Nil	
From State Bank of Bikaner & Jaipur	0.28	Nil	
(Against Pledge of Fixed Deposit Receipt)			
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	153.02	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

Current Investments

1. Quoted :

(i) Shares : (a) Equity	333.45
(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	Nil
(iv) Government Securities	Nil
(v) Others (Please specify)	Nil

Long Term Investments :

1. Quoted :

(i) Shares : (a) Equity	241.13
(b) Preference	Nil
(ii) Debentures and Bonds	90.33
(iii) Units of Mutual Funds	Nil
(iv) Government Securities	Nil
(v) Others (Please specify)	Nil

2. Unquoted

(i) Shares : (a) Equity	317.73
(b) Preference	Nil
(ii) Debentures and Bonds	100.00
(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	153.02	153.02
Total	Nil	153.02	153.02

(6) Investor group-wise classification of all Investments (Current and Long Term) in shares and securities (both quoted and unquoted)

Category	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provisions)
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	23212.69	1082.64
Total	23212.69	1082.64

(7) Other Information

Particulars	Amount
(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 LAKHOTIA & CO.
Chartered Accountants
Firm Registration No. 313149E

NARESH LAKHOTIA
Partner
Membership No. 51249
Kolkata, Dated the 30th June, 2011

B. G. BANGUR
R. N. MUNDHRA
B. L. GAGGAR
Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 PURSUANT TO
CLAUSE 32 OF THE LISTING AGREEMENT**

	2010-2011	2009-2010
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	14,123,057	9,257,892
Adjustment for :		
Depreciation	14,308	20,690
Interest Received	(2,056,869)	(1,612,903)
Interest Paid	193,564	490,128
(Profit)/Loss on Sale of Investments	(1,220,572)	(69,260)
Dividend Received	(14,582,497)	(13,542,246)
(Profit)/Loss on Sale of Assets	-	3,613,028
Preliminary Expenses Written Off	75,000	75,000
Provision for Standard Asset	43,212	-
Operating Profit Before Working Capital Changes	(3,410,797)	(1,767,671)
Adjustment for :		
Trade Receivables	-	267,775
Loans & Advances	(14,364,696)	9,226,572
Trade Payable	188,798	133,661
Cash Flow from Operations	(17,586,695)	7,860,337
Direct Taxes Received/Paid	(487,510)	(162,049)
Cash flow before Extra Ordinary Items	(18,074,205)	7,698,288
Net Cash from Operating Activities (A)	(18,074,205)	7,698,288
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(8,395)	-
Purchase of Investments	(43,981,055)	(39,745,836)
Sale of Investments	54,695,802	9,769,260
Dividend Received	14,206,608	13,542,246
Sale of Assets	-	10,840,000
Interest Received	1,417,315	1,397,197
Interest Paid	(193,564)	(490,128)
Net Cash from Investing Activities (B)	26,136,711	(4,687,261)

C CASH FLOW FROM FINANCING ACTIVITIES

Proceed from issue of forfeited shares

Proceeds from Borrowings

(8,085,036)

(1,875,268)

Net Cash from Financial Activities

(C)

(8,085,036)

(1,875,268)

Net increase in Cash and Cash Equivalents (A+B+C)

(22,530)

1,135,759

Cash and Cash Equivalents (Opening Balance)

15,132,198

13,996,439

Cash and Cash Equivalents (Closing Balance)

15,109,668

15,132,198

This is the Cash Flow Statement referred to in our report of even date.

For **LAKHOTIA & CO.**
Chartered Accountants
Firm Registration No. 313149E

NARESH LAKHOTIA
Partner
Membership No. 51249
Kolkata, Dated the 30th June, 2011

B. G. BANGUR
R. N. MUNDHRA
B. L. GAGGAR
Directors

Book-Post

If undelivered, please return to :

N.B.I. Industrial Finance Co. Ltd.
21, Strand Road
Kolkata - 700 001