

**79th
ANNUAL REPORT
2013 - 2014**

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

BOARD OF DIRECTORS

ASHOK BHANDARI
R. N. MUNDHRA
B. L. GAGGAR
J. P. MUNDRA

BANKERS

STATE BANK OF BIKANER & JAIPUR
ALLAHABAD BANK
HDFC BANK LTD.

AUDITORS

LAKHOTIA & CO.
CHARTERED ACCOUNTANTS
KOLKATA

REGISTERED OFFICE

21, STRAND ROAD
KOLKATA – 700 001
TEL : 2230 7905
e-mail : nbifinance@ymail.com

REGISTAR & SHARE TRANSFER AGENT

MAHESHWARI DATAMATICS PVT. LTD.
6, MANGOE LANE (2ND FLOOR)
KOLKATA - 700 001
TEL : 033 2243 5809
e-mail : mdpl@cal.vsnl.net.in

DIRECTORS' REPORT**TO THE SHAREHOLDERS :**

Your Directors have pleasure in presenting the 79th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS :

	Year Ended 31.03.2014 ₹	Year Ended 31.03.2013 ₹
Profit before Depreciation & Provision	24,303,543	12,052,382
Less : Depreciation	20,776	10,418
Profit before Taxation	24,282,767	12,041,964
Less : Provision for Current Tax	—	—
Tax relating to earlier years	(116,801)	(3,940)
Provision for Deferred Tax	(84,449)	1,443
Profit after Tax	24,484,017	12,044,461
Add : Balance of Profit from Previous year	64,216,978	54,581,417
	88,700,995	66,625,878

APPROPRIATIONS :

Transfer to Reserve Fund (as per RBI Guidelines)	4,896,800	2,408,900
Balance Carried to Balance Sheet	83,804,195	64,216,978
	88,700,995	66,625,878

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, 2014.

REVIEW OF OPERATIONS:

Total income during the year under review amounted to ₹ 289.65 Lac as against ₹ 174.75 Lac in the preceding year. The Company continues to remain registered as a Non-Banking Financial Company with the Reserve Bank of India.

DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Shri Bankat Lal Gaggar (DIN:00404123), a Director of the Company retires by rotation and being eligible offers himself for re-appointment.

AUDITORS AND AUDITORS' REPORT:

M/s Lakhota & Co., Chartered Accountants having Firm Registration No.313149E, who are Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting (AGM) and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s Lakhota & Co. as Statutory Auditors of the Company from the conclusion of the ensuing AGM till the conclusion of the Eighty Second AGM to be held in the year 2017, subject to ratification by the members of their appointment at every AGM.

The Company has received a certificate from M/s Lakhota & Co. to the effect that their re-appointment, if made, would be in accordance with the provisions of section 141 of the Companies Act, 2013 and that they are not disqualified from being for re-appointed as auditors.

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

SECRETARIAL AUDIT REPORT:

The Companies Act, 2013 has mandated every listed public company to have secretarial audit conducted by a practicing Company Secretary. Necessary proposal has been included in the agenda of the Notice for approval of the members.

PUBLIC DEPOSITS:

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

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.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217(2AA) 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, 2014 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: 29th May, 2014

(J.P. MUNDRA) (B.L. GAGGAR)
Directors

COMPLIANCE CERTIFICATE

CIN : L65923WB1936PLC065596
Nominal Capital : ₹ 1000 Lacs
Paid-up Capital : ₹ 122.8403 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 applicable provisions of the Companies Act, 2013 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, 2014. 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 five times respectively on 30.04.2013, 30.05.2013, 13.08.2013, 13.11.2013 and 13.02.2014 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 30th August, 2013 to 7th September, 2013 and necessary compliance of Section 154 of the Act has been made.
- 6) The Annual General Meeting for the financial year ended 31st March, 2013 was held on 7th September, 2013 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 no appointment of Directors was made during the financial year.
 - 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 : 29th May, 2014

Signature : sd/-
Name of the
Company Secretary : **MUKESH CHATURVEDI**
C.P. No. : **3390**

ANNEXURE – “A”

Register as maintained by the Company

Statutory Registers

Sl. No.	Name of Register	Under Section
1.	Register of Transfer	108
2.	Register of Members and Share Ledger	150 & 151
3.	Directors' Minute Book	193
4.	Shareholders' Minute Book	193
5.	Register of Directors etc.	303
6.	Register of Directors Shareholding	307
7.	Register of Contracts	301

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, 2014

Sl. No.	(Form No.)/ Return	Filed u/s	For	Date of Filing	Receipt No./Challan	Whether filed within prescribed time Yes/No	If delay in filing whether requisites additional fees paid Yes/No
1	66	383A	31-03-2013	18.09.2013	Q11337789	Yes	N.A.
2	23AC/ 23ACA	220	31-03-2013	18.09.2013	Q11342938	Yes	N.A.
3	20B	159	07-09-2013	15.10.2013	Q13684253	Yes	N.A.

Forms and returns as filed by the company with Regional Director during the financial year ending 31st March, 2014

NIL

Forms and returns as filed by the company with Central Government or other Authorities during the financial year ending 31st March, 2014

NIL

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
N.B. I. INDUSTRIAL FINANCE COMPANY LIMITED**

Report on the Financial Statements

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 2014, the Statement of Profit and Loss and the Cash Flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (iii) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
- e. on the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

For **LAKHOTIA & CO.**

Chartered Accountants

Firm's Registration Number: 313149E

NARESH LAKHOTIA

Partner

Membership number: 51249

Kolkata
29th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

The annexure referred to in our report to the Members of N.B. I. Industrial Finance Company Limited ("the Company") for the year ended 31st March, 2014. We report that:

- 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) During the year the Company has not disposed off a substantial part of its fixed assets.
- 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. According to the records of the Company and information and explanations given to us, the Company's activities during the year do not include purchase of inventory and fixed assets and sale of goods and services and as such clause 4(iv) of the Order is not applicable to the Company.
- v. According to information and explanations given to us, there have been no transactions exceeding the value of five lakh rupees in respect of any party during the year in pursuance of contracts or arrangements which are required to be entered in the register maintained under 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, 2014, 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 2014 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
29th May, 2014

For **LAKHOTIA & CO.**
Chartered Accountants
Firm's Registration Number: 313149E
NARESH LAKHOTIA
Partner
Membership number: 51249

Balance Sheet as at 31 March, 2014

Particulars	Note	As at 31.03.2014 ₹	As at 31.03.2013 ₹
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	2	12,284,030	12,284,030
Reserves and Surplus	3	179,833,421	155,349,404
		192,117,451	167,633,434
Non-Current Liabilities			
Long- Term Provisions	4	1,909,903	1,636,592
		1,909,903	1,636,592
Current Liabilities			
Short -Term Borrowings	5	1,187,155	99,190
Other Current Liabilities	6	272,614	262,655
Short- Term Provisions	7	66,311	60,687
		1,526,080	422,532
TOTAL		195,553,434	169,692,558
ASSETS			
Non-Current Assets			
Fixed Assets	8	95,032	35,582
Tangible Assets			
Non-Current Investments	9	152,219,510	108,683,955
Deferred Tax Assets (Net)	10	621,709	537,260
Long-Term Loans and Advances	11	30,800	30,800
Other Non-Current Assets	12	—	2,249,549
		152,967,051	111,537,146
Current Assets			
Current Investments	13	24,377,585	38,989,664
Cash and Bank Balances	14	15,181,416	15,182,542
Short-Term Loans and Advances	15	2,293,667	1,446,454
Other Current Assets	16	733,715	2,536,752
		42,586,383	58,155,412
TOTAL		195,553,434	169,692,558
Significant Accounting Policies	1		
Notes forming part of the financial statements	2-30		

In terms of our report attached

For **LAKHOTIA & CO.**

Chartered Accountants

Firm Registration No. 313149E

NARESH LAKHOTIA

Partner

Membership No. 51249

Kolkata, Dated the 29th May, 2014

B. L. GAGGAR**J. P. MUNDRA**

Directors

Statement of Profit and Loss for the year ended 31 March, 2014

Particulars	Note	For the year ended 31st March 2014 ₹	For the year ended 31st March 2013 ₹
INCOME			
Revenue from Operations	17	28,965,192	17,474,686
Total Revenue		28,965,192	17,474,686
Expenses			
Employee Benefits Expense	18	2,914,627	2,778,192
Finance Costs	19	143,809	10,919
Depreciation and Amortisation Expense	20	20,776	10,418
Other Expenses	21	1,031,776	772,382
Net Loss on Sale of Long Term Investments		559,679	858,628
Donation		—	1,000,000
Securities Transaction Tax		11,758	2,183
Provision For Standard Assets		—	—
Total Expenses		4,682,425	5,432,722
Profit before tax		24,282,767	12,041,964
Tax Expense:			
Current Tax		—	—
Tax relating to earlier years		(116,801)	(3,940)
Deferred Tax		(84,449)	1,443
		(201,250)	(2,497)
Profit / (Loss) After Tax for the year		24,484,017	12,044,461
Basic & Diluted Earnings per share (of Rs.10/- each):	22	19.93	9.80
Significant Accounting Policies	1		
Notes forming part of the financial statements	2-30		

In terms of our report attached

For **LAKHOTIA & CO.**

Chartered Accountants

Firm Registration No. 313149E

NARESH LAKHOTIA

Partner

Membership No. 51249

Kolkata, Dated the 29th May, 2014

B. L. GAGGAR**J. P. MUNDRA**

Directors

Cash Flow Statement for the year ended 31 March, 2014

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		24,282,766		12,041,964
Adjustments for:				
Depreciation and Amortisation Expenses	20,776		10,418	
Finance costs	143,809		10,919	
Interest income	(1,713,278)		(3,637,601)	
Dividend income	(26,596,403)		(13,273,958)	
Net (gain) / loss on sale of investments	59,373		295,501	
Provision for Standard Assets	-	(28,085,723)	-	(16,594,721)
Operating profit / (loss) before working capital changes		(3,802,957)		(4,552,757)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Short-term loans and advances	(643,587)		22,079,037	
Long-term loans and advances	-		-	
Other Non- Current Assets	-		-	
Current assets	15,000,000		-	
Adjustments for increase / (decrease) in operating liabilities:				
Other Current Liabilities	9,959		11,701	
Long Term Provisions	278,935	14,645,307	218,403	22,309,141
Cash generated from operations		10,842,350		17,756,384
Net income tax (paid) / refunds		(86,825)		59,440
Net cash flow from / (used in) operating activities(A)		10,755,525		17,815,824
B. Cash flow from investing activities				
Purchase of Fixed Assets		(80,226)		-
Sale of Current Investments		55,302,708		21,504,042
Purchase of Current Investments		-		(28,512,351)
Purchase of long-term investments		(99,686,516)		(27,991,962)
Sale of long-term investments		15,400,960		1,067,732
Interest received		5,527,930		2,821,483
Finance Costs		(143,809)		(10,919)
Dividend received on Long Term Investments		26,834,337		12,063,900
Dividend received on Current Investments		-		1,165,758
Net cash flow from / (used in) investing activities (B)		3,155,384		(17,892,317)

Cash Flow Statement for the year ended 31 March, 2014 (contd.)

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
	₹	₹	₹	₹
C. Cash flow from financing activities				
Increase / (Decrease) in short-term borrowings		1,087,965		19,607
Net cash flow from / (used in) financing activities(C)		<u>1,087,965</u>		<u>19,607</u>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		14,998,874		(56,886)
Cash and cash equivalents at the beginning of the year (Note -14)		182,542		239,428
Cash and cash equivalents at the end of the year (Note -14)		<u>15,181,416</u>		<u>182,542</u>

In terms of our report attached

For **LAKHOTIA & CO.**

Chartered Accountants

Firm Registration No. 313149E

NARESH LAKHOTIA

Partner

Membership No. 51249

Kolkata, Dated the 29th May, 2014

B. L. GAGGAR**J. P. MUNDRA**

Directors

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

- i. The financial statements are prepared under the historical cost convention and in accordance with the accounting principles generally accepted in India and comply with the accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules 2006, relevant provisions of the Companies Act, 1956 and other guidelines issued by the Reserve Bank of India (RBI) as applicable to a Non- Banking Finance Company.
- ii The Company has classified all its assets / liabilities into current / non-current based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realized /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current.

b) Fixed Assets and Depreciation

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Depreciation on fixed assets is provided on the written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

c) Investments

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

d) Recognition of Income and Expenditure

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

e) Accounting for Taxes on Income

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

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

NOTES TO THE FINANCIAL STATEMENTS

		As at 31st March 2014	As at 31st March 2013
		₹	₹
NOTE 2 : SHARE CAPITAL			
Authorised :			
1,00,00,000	(1,00,00,000) Equity Shares of Rs. 10/- each	100,000,000	100,000,000
		100,000,000	100,000,000
Issued :			
1,229,529	(1,229,529) Equity Shares of Rs. 10/- each	12,295,290	12,295,290
		12,295,290	12,295,290
Subscribed & Fully Paid :			
1,228,403	(1,228,403) Equity Shares of Rs. 10/- each fully paid up	12,284,030	12,284,030
		12,284,030	12,284,030

a) Reconciliation of the number of Equity shares outstanding

Equity shares	Nos.	₹	Nos.	₹
Balance as at the beginning of the year	1,228,403	12,284,030	1,228,403	12,284,030
Balance as at the end of the year	1,228,403	12,284,030	1,228,403	12,284,030

b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. Dividend, if any, proposed by the board of directors is subject to approval of the shareholders in the ensuing AGM. In the event of liquidation of the company, the holders of equity shares will be entitled to any of the remaining assets of the company after distribution of all preferential amounts in proportion to the no. of equity shares held by them.

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

S.No.	Name	No. of Shares held	No. of Shares held
1	Digvijay Finlease Ltd.	235739	235739
2	Shree Capital Services Ltd.	236000	236000
3	The Laxmi Salt Co. Ltd.	62244	62244
4	Shri Benu Gopal Bangur	104100	104100
5	The Didwana Investment Co. Ltd.	65394	65394

d) No shares have been allotted during the period of five years immediately preceding March 31, 2014 pursuant to contracts without payment received in cash or by way of bonus shares and there has been no buy back during the said period.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2014 ₹	As at 31.03.2013 ₹
NOTE 3 : RESERVES AND SURPLUS		
(a) Capital Reserve		
As per last account	55,255	55,255
(b) Securities premium account		
As per last account	1,650,726	1,650,726
(c) General Reserve		
Opening balance	76,305,545	76,444,473
Less :- Transfer for payment under Capital Reducton Scheme	—	138,928
Closing balance	76,305,545	76,305,545
(d) Reserve Fund		
(As per Section 45-IC of RBI Act)		
Opening balance	13,120,900	10,712,000
Add: Transferred from Surplus in Statement of Profit & Loss	4,896,800	2,408,900
Closing balance	18,017,700	13,120,900
(e) Surplus in the Statement of Profit and Loss		
Opening balance	64,216,978	54,581,417
Add: Profit for the year	24,484,017	12,044,461
Less: Appropriations		
Transferred to Reserve Fund	4,896,800	2,408,900
Closing balance	83,804,195	64,216,978
Total	179,833,421	155,349,404
NOTE 4 : LONG-TERM PROVISIONS		
Employee benefits:		
Gratuity	1,446,475	1,222,003
Leave Salary	463,351	408,888
Contingent Provision against Standard Assets	77	5,701
Total	1,909,903	1,636,592
NOTE 5 : SHORT-TERM BORROWINGS		
Secured		
Loans repayable on demand from Bank (Secured by Pledge of Fixed Deposit Receipts)	1,187,155	99,190
Total	1,187,155	99,190
NOTE 6 : OTHER CURRENT LIABILITIES		
Liability for Expenses	88,750	79,685
Capital Repayable Under Capital Reduction Scheme - Unclaimed	175,488	175,488
Statutory Dues	8,376	7,482
Total	272,614	262,655
NOTE 7 : SHORT - TERM PROVISIONS		
Contingent Provision against Standard Assets	66,311	60,687
Total	66,311	60,687

NOTES TO THE FINANCIAL STATEMENTS
NOTE 8 : FIXED ASSETS

TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013 ₹	Addition ₹	Deductions ₹	As At 31.03.2014 ₹	Upto 31.03.2013 ₹	For the Period ₹	Adjustments ₹	Upto 31.03.2014 ₹	As At 31.03.2014 ₹	As At 31.03.2013 ₹
Furniture & Fixtures	54,575	72,823	—	127,398	24,724	16,180	—	40,904	86,494	29,851
Office Equipments	73,684	7,403	—	81,087	67,953	4,596	—	72,549	8,538	5,731
Total	128,259	80,226	—	208,485	92,677	20,776	—	113,453	95,032	35,582
Previous year	128,259	—	—	128,259	82,259	10,418	—	92,677	35,582	46,000

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 9 : NON-CURRENT INVESTMENTS

Particulars	As at 31.03.2014		As at 31.03.2013	
	Face Value ₹	Number	Number	Value ₹
Other Investments				
Investment in Equity Shares :				
Quoted (Fully Paid-Up)				
Agro Tech Foods Ltd.	10	1,500	1,500	657,962
Bata India Ltd	10	500	-	453,084
Clariant Chemicals (India) Ltd.	10	4,150	4,150	2,703,745
J.K. Pharmachem Limited	10	2,500	2,500	8,631
Regency Properties Limited	10	1,000	1,000	10,000
Sanathana Dharma Gurukulam Ltd.	10	1,000	1,000	10,000
Shree Cement Limited	10	849,450	849,450	23,957,957
Shree Synthetics Limited	10	12,441	12,441	3,483
Western India Commercial Co. Ltd.	100	2,105	2,105	116,460
				<u>27,921,322</u>
				<u>27,468,238</u>
Unquoted (Fully Paid-Up)				
Alfa Buildhome Pvt. Ltd.	10	9,000	9,000	108,270
Aqua infra Projects Ltd.	10	740,000	245,000	4,705,501
Asish Creation Pvt. Ltd.	10	42,400	42,400	510,072
Didu Investments Pvt. Ltd.	10	81,333	81,333	896,905
Digvijay Finlease Limited	10	279,226	165,871	2,039,963
Karmayog Properties Private Limited	10	168,000	-	-
Mannakrishna Investments Pvt. Ltd.	10	266,666	266,666	3,643,876
Newa Investments Pvt. Limited	10	150,000	150,000	1,500,000
Ragini Finance Ltd.	10	221,000	194,200	13,588,129
Rajesh Vanijya Pvt. Ltd.	10	100,000	342,000	1,323,300
Ramgopal Holdings Pvt. Ltd.	10	50,625	-	-
Shree Cement Marketing Limited	10	9,000	9,000	90,450
Shree Capital Services Limited	10	247,860	247,860	5,064,118
Tanushree Logistics Private Limited	10	99,000	124,000	20,800,000
The Laxmi Salt Co. Ltd.	10	150,000	150,000	1,804,500
The Venktesh Co. Limited	10	116,500	96,500	1,161,765
				<u>57,236,849</u>
Unquoted (Partly Paid -Up)				
Ramgopal Holdings Pvt. Ltd.	10	-	50,625	4,077,908
Investment in Preference Shares				
Unquoted (Fully Paid -Up)				
Cem Logistics Pvt Ltd.-9 % NCNCRPS	100	25,000	-	-
				<u>2,500,000</u>

NOTES TO THE FINANCIAL STATEMENTS (contd.)**NOTE 9 : NON-CURRENT INVESTMENTS**

<u>Particulars</u>	<u>As at 31st March, 2014</u>		<u>As at 31st March, 2013</u>	
	Face Value ₹	Number	Value ₹	Number
Investment in Bonds/Debentures				
Quoted(Fully paid up)				
8.2 % NHAI Tax Free Bonds 2022	1000	—	—	3,783
9.5 % State Bank Of India Bonds 2025	10000	—	—	42
9.95 % L & T Finance Ltd. NCD 2017	1000	—	—	5,621
				9,900,960
Unquoted(Fully paid up)				
Rajesh Vanijya Pvt. Ltd. -FCD 2015	100	100,000	10,000,000	100,000
			10,000,000	10,000,000
GRAND TOTAL			152,219,510	108,683,955
Aggregate amount of quoted investments			27,921,322	37,369,198
Aggregate amount of unquoted investments			124,298,188	71,314,757
Aggregate market value of quoted investments			4,819,978,063	3,452,443,583

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
	₹	₹
NOTE 10 : DEFERRED TAX ASSETS		
Deferred Tax Asset		
On Unabsorbed Losses	—	—
Provision for Gratuity	446,961	377,599
Provision for Leave Salary	143,175	126,347
Difference between Book and Tax Depreciation	31,573	33,314
Total	<u>621,709</u>	<u>537,260</u>

NOTE 11 : LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)

Security deposits	30,800	30,800
Total	<u>30,800</u>	<u>30,800</u>

NOTE 12 : OTHER NON-CURRENT ASSETS

(Unsecured, considered good)

Interest accrued on investments	—	2,249,549
In Fixed Deposits maturity more than 12 months	—	—
Total	<u>—</u>	<u>2,249,549</u>

NOTES TO THE FINANCIAL STATEMENTS**NOTE 13 : CURRENT INVESTMENTS**

Particulars	Face Value	As at 31st March, 2014		As at 31st March, 2013	
		Number	Value ₹	Number	Value ₹
Investment in Equity Shares :					
Quoted (Fully Paid-Up)					
Foseco India Limited	10	8,887	2,854,455	8,887	2,854,455
Glaxo Smith Kline Consumer Health Care Ltd.	10	3,905	2,930,539	3,905	2,930,539
Honda Siel Power Products Limited	10	4,229	499,117	4,229	499,117
India Nippon Electricals Limited	10	50,372	5,585,230	50,372	5,585,230
The Indian Hotels Co. Ltd.	1	—	—	118,500	4,121,058
The Orissa Minerals Development Co. Ltd.	1	5,500	—	6,000	—
The Paper Products Limited	2	122,050	10,331,389	122,850	10,399,108
Whirlpool India Ltd.	10	—	—	22,070	5,487,030
			22,200,730		31,876,537
Unquoted					
Investment in Mutual Funds					
UTI Floating Rate Fund STP					
Regular Plan - Growth Plan	1,000	1,062.564	2,176,855	2,512.293	4,655,003
UTI Liquid Cash Plan Regular Growth Option	1,000	—	—	1,160.115	2,034,403
UTI Treasury Advantage Fund	1,000	—	—	150.672	423,721
			2,176,855		7,113,127
Total of Current Investments			24,377,585		38,989,664
Aggregate amount of quoted investments			22,200,730		31,876,537
Aggregate market value of quoted investments			57,797,436		63,685,717
			As at 31.03.2014 ₹		As at 31.03.2013 ₹

NOTE 14 : CASH AND BANK BALANCES**Cash and Cash Equivalents**

(a) Cash on hand	101,073	101,073
(b) Balances with Scheduled banks		
(i) In current accounts	80,343	81,469
(c) In Fixed deposit accounts - maturity less than three months.	15,000,000	—
(Pledged with bank against overdraft)		
	15,181,416	182,542

Other Bank balances

In Fixed deposit accounts- maturity more than three months but less than twelve months	—	15,000,000
(Pledged with bank against overdraft)		
	15,181,416	15,182,542
Less : Fixed Deposits disclosed as Non Current assets (Note No 12)	—	—
Total	15,181,416	15,182,542

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2014 ₹	As at 31.03.2013 ₹
NOTE 15 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances to employees	229,250	196,000
Loan to Body Corporates	700,000	—
Income Tax Advances (Net of Provisions)	1,130,325	926,699
Other Advances	234,092	323,755
Total	2,293,667	1,446,454
NOTE 16 : OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Dividend Receivable On Investments	—	237,934
Interest accrued on deposits	733,715	2,104,240
Interest accrued on investments	—	194,578
Total	733,715	2,536,752
	For the year ended 31st March 2014 ₹	For the year ended 31st March 2013 ₹
NOTE 17 : REVENUE FROM OPERATIONS		
INTEREST INCOME		
on Loan	233,425	1,011,068
on Investments in Bonds	—	371,847
on Investments in Debentures	—	712,251
on Income Tax Refund	5,873	33,289
on Fixed Deposits with Bank	1,473,980	1,509,146
	1,713,278	3,637,601
Net gain on sale of Investments:		
current investments	500,306	563,127
	500,306	563,127
Dividend income:		
from current investments	983,778	1,210,058
from long-term investments	25,612,625	12,063,900
	26,596,403	13,273,958
Miscellaneous Income	155,205	—
Total	28,965,192	17,474,686

NOTES TO THE FINANCIAL STATEMENTS

Particulars	For the year ended 31st March 2014 ₹	For the year ended 31st March 2013 ₹
NOTE 18 : EMPLOYEE BENEFITS EXPENSE		
Salaries and Allowances	2,344,982	2,164,176
Contributions to Provident Fund	171,258	152,518
Gratuity	224,473	175,058
Leave Salary	54,462	43,345
Staff Welfare expenses	119,452	243,095
Total	2,914,627	2,778,192
NOTE 19 : FINANCE COSTS		
Interest Expenses		
Borrowings from Bank	65,562	10,919
Others	78,247	—
Total	143,809	10,919
NOTE 20 : DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on Tangible Assets	20,776	10,418
Total	20,776	10,418
NOTE 21 : OTHER EXPENSES		
Rent	108,000	108,000
Repairs - Others	46,574	29,701
Rates and taxes	4,350	4,350
Service Tax	2,936	1,854
Communication Expenses	72,140	70,289
Travelling and Conveyance	16,543	20,498
Printing and stationery	197,249	175,131
Advertisement	41,117	46,983
Directors Sitting Fee	23,750	27,000
Legal and professional	327,077	126,256
Payments to auditors		
For - statutory audit	30,000	25,000
For - tax audit fees	6,000	6,000
For other services	9,000	14,000
Miscellaneous expenses	147,040	117,320
Total	1,031,776	772,382

NOTES TO THE FINANCIAL STATEMENTS

Particulars	For the year ended 31st March 2014 ₹	For the year ended 31st March 2013 ₹
NOTE 22 : EARNINGS PER SHARE (EPS)		
Nominal value per Equity share	10/-	10/-
Net Profit after Tax	24,484,017	12,044,461
Weighted average number of Equity Shares	1,228,403	1,228,403
Basic and diluted Earning per share	19.93	9.80

- 23 There are no separate reportable segments as per Accounting Standard 17.
- 24 Contingent Liability not provided for Uncalled liability on Partly Paid up Shares =Rs. Nil/- (Previous Year Rs.1012500/-)
- 25 Employee Benefit Expenses appearing in the Statement of Profit and Loss are net of service charges received from others.
- 26 Unabsorbed MAT for which future credit may be available amounts to Rs. 558469/- (Previous Year Rs. 558469/-)
- 27 Contingent Provision for Standard Assets was created at 0.25% in the previous year of the standard assets in terms of the Notification No. DNBS. 223/CGM (US) – 2011 dated 17th January 2011, issued by the Reserve Bank of India.
- 28 Micro, Small and Medium Enterprises Development Act, 2006
There is no amount due to Micro, Medium and Small enterprises nor there has been any delay in payment to such enterprises.
- 29 Previous year's figures have been regrouped/ rearranged wherever necessary.
- 30 Statement required under paragraph 13 of Non Banking (Non- Deposit Acceptance or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is enclosed.

In terms of our report even date

For **LAKHOTIA & CO.**

Chartered Accountants

Firm Registration No. 313149E

NARESH LAKHOTIA

Partner

Membership No. 51249

Kolkata, Dated the 29th May, 2014

B. L. GAGGAR

J. P. MUNDRA

Directors

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)

(₹ in Lakhs)

Particulars**As on 31.03.2014****Liabilities side:**

	Amount Outstanding	Amount 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 (specify nature)		
From State Bank Of Bikaner & Jaipur	11.87	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	11.95	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:**

	Amount Outstanding	Amount Overdue
(i) Shares: (a) Equity	222.01	
(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	21.77	
(iv) Government Securities	NIL	
(v) Others (Please specify)	NIL	

Long Term investments:**1. Quoted:**

(i) Share: (a) Equity	279.21	
(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	1117.98	
(b) Preference	25.00	
(ii) Debentures and Bonds	100.00	
(iii) Units of mutual funds	NIL	
(iv) Government Securities	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	11.95	11.95
Total	NIL	11.95	11.95

**(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	55390.37	1765.97
Total	55390.37	1765.97

(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 Report of even date attached herewith

For **LAKHOTIA & CO.**
Chartered Accountants
Firm Registration No. 313149E
NARESH LAKHOTIA
Partner
Membership No. 51249
Kolkata, Dated the 29th May, 2014

B. L. GAGGAR
J. P. MUNDRA
Directors

