



**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 31<sup>st</sup> March 2013, 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. 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 31<sup>st</sup> March 2013;
- (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 31<sup>st</sup> March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2013, from being appointed as a director in terms of clause (g) of sub-section (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

30<sup>th</sup> May, 2013

**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, 2013. 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 31<sup>st</sup> March, 2013, 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 31<sup>st</sup> March 2013 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.

**For Lakhotia & Co.**

*Chartered Accountants*

Firm's Registration Number: 313149E

**Naresh Lakhotia**

*Partner*

Membership number: 51249

Kolkata

30<sup>th</sup> May, 2013