

NOTICE

NOTICE is hereby given that the 81st Annual General Meeting of N.B.I. Industrial Finance Co. Ltd. will be held on Saturday, the 24th September, 2016 at 10.30 A.M. at 21, Strand Road, Kolkata – 700 001 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2016 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Bankat Lal Gaggar (DIN: 00404123), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Smt. Riya Puja Jain (DIN: 01559454), who retires by rotation at this Annual General Meeting and, being eligible, offers herself for re-appointment.
4. To ratify appointment of M/s Lakhotia & Co., Chartered Accountants, having Firm Registration No.313149E, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of next Annual General Meeting to be held after this meeting, and to fix their remuneration for the financial year ending 31st March, 2017.

SPECIAL BUSINESS:

5. To appoint Shri Mukesh Chaturvedi as Secretarial Auditor of the Company and in this regard to consider and if thought fit, to pass, with or without modifications(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri Mukesh Chaturvedi (CP No.3390), a Secretary in Whole-time Practice (CSP), be and is hereby appointed as the Secretarial Auditor of the Company in terms of the provisions of Section 204 of the Companies Act, 2013 to hold the office till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board and agreed to by him.”

Registered Office:
21, Strand Road,
Kolkata – 700 001

By order of the Board



(BANKAT LAL GAGGAR)
Director
DIN: 00404123

Date: 30th May, 2016

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED

AND SIGNED, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE MEETING IS ENCLOSED. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 17th September, 2016 to 24th September, 2016 (both days inclusive).
3. Members are requested to bring the attendance slip along with their copy of the Annual Report to the Meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc. to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents (RTA), Maheshwari Datamatics Pvt. Ltd. (MDPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.
6. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate risks associated with physical shares and for ease of portfolio management. The Company has made arrangements with NSDL and CDSL to offer facility of dematerialisation of securities to its shareholders. The ISIN allotted by the depositories to the Company is – INE365I01012. Members may contact the RTA for assistance in this regard.
7. Members holding shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the details of such folios together with the share certificates to RTA, for consolidation into single folio.
8. Pursuant to Section 108 of the Companies Act, 2013 read with the relevant Rules of the Act, the Company is pleased to provide to Members the facility to exercise their right to vote by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting'). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Saturday, 17th September, 2016, i.e. the date of commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach the Company/RTA for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 10.00 A.M. on Wednesday, 21st September, 2016 and will end at 5.00 P.M. on Friday, 23rd September, 2016. The Company has appointed Mr. Mahesh Agrawal, Practising Chartered Accountant, to act as the Scrutiniser, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

PROCEDURE FOR E-VOTING

The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting for Annual General Meeting. The instructions for e-voting are as under:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field – Sequence number is communicated in the Attendance Slip/ Covering Letter.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> i.e. N.B.I. Industrial Finance Co. Ltd. on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy of the Notice:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

- (A) The voting period begins at 10.00 A.M. on Wednesday, 21st September, 2016 and will end at 5.00 P.M. on Friday, 23rd September, 2016. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, 17th September, 2016, may cast their vote electronically. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.
 - (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - (C) The facility for voting through ballot paper shall be made available at the AGM and the members as on the “cut-off date” i.e. 17th September, 2016, attending the meeting who have not cast their vote by e-voting shall be able to exercise their right to vote at the meeting through ballot paper.
9. Additional information, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking re-appointment at the Annual General Meeting, is furnished as annexure to the Notice.
10. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item no.5 of the Notice is annexed hereto and forms part of the Notice.

ANNEXURE TO THE NOTICE

Additional information on directors recommended for re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Item No.2

Shri Bankat Lal Gaggar

Shri B.L. Gaggar is a Non-Executive Director of the Company.

Mr. Gaggar is B.Com, LL.B. He joined the Company's Board in 2004 and has skill, knowledge and experience in Corporate Management and also in the business carried on by the Company. Mr. Gaggar has given a declaration that he is not disqualified from being re-appointed as a Director in terms of Section 164(2) of the Companies Act, 2013 and rules framed thereunder.

Disclosure of relationship between directors *inter-se*

NIL

Listed Companies (other than this Company) in which he holds directorship and committee membership

NIL

Shareholding in the Company

NIL

Item No.3

Smt. Riya Puja Jain

Smt. Riya Puja Jain is a Non-Executive Director of the Company.

Smt. Riya Puja Jain is a Commerce graduate and is an Associate Member of the Institute of Chartered Accountants of India. Smt. Jain joined the Company's Board in 2014 and has appropriate skill, knowledge and experience in Corporate Management and also in the business carried on by the Company. Smt. Jain has given a declaration that she is not disqualified from being re-appointed as a Director in terms of Section 164(2) of the Companies Act, 2013 and rules framed thereunder.

Disclosure of relationship between directors *inter-se*

NIL

Listed Companies (other than this Company) in which she holds directorship and committee membership

NIL

Shareholding in the Company

NIL

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (the Act), the following explanatory statement sets out all material facts relating to the business mentioned under item No. 5 of the accompanying Notice.

Item No.5

The Company intends to have its secretarial audit conducted for the fiscal 2017 and for the purpose the Company is required to appoint a Secretary in Whole-time Practice (CSP).

Shri Mukesh Chaturvedi (CP No.3390), a Secretary in Whole-time Practice (CSP) has consented to act as Secretarial Auditor of the Company in terms of Section 204 of the Act to hold office till the conclusion of the next Annual General Meeting on such remuneration as the Board of Directors may determine and agreed to by him.

The Board recommends the resolution for approval of Members as set out in the Notice convening the Meeting.

Shri Mukesh Chaturvedi is concerned in the Resolution of the accompanying Notice relating to his own appointment. No other Director or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution.

N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 81st Annual Report of your Company together with the Audited Accounts of the Company for the year ended 31st March, 2016.

FINANCIAL RESULTS

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

	Year ended 31.03.2016 (₹)	Year ended 31.03.2015 (₹)
Profit before Depreciation & Provision	33,210,769	43,034,507
Less : Depreciation	21,673	30,869
Profit before Taxation	33,189,096	43,003,638
Less : Provision for Current Tax	77,000	4,620,000
Tax relating to earlier years	(890,139)	-
Provision for Deferred Tax	(125,519)	(104,827)
Profit after Tax	34,127,754	38,488,465
Add : Balance of Profit from Previous year	24,594,960	83,804,195
	<u>58,722,714</u>	<u>122,292,660</u>
APPROPRIATIONS :		
Transfer to Reserve Fund (as per RBI Guidelines)	6,825,600	7,697,700
Transfer to General Reserve	25,000,000	90,000,000
Balance Carried to Balance Sheet	26,897,114	24,594,960
	<u>58,722,714</u>	<u>122,292,660</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, 2016.

SHARE CAPITAL

The Company has only one class of shares – equity shares of par value ₹10/- each. Its authorised capital as on 31st March, 2016 was ₹10 crore divided into 1 crore equity shares of ₹10/- each. The paid-up equity capital of the Company stood at ₹122.84 Lac as at 31st March, 2016. During the year under review, the Company has not issued any shares.

TRANSFER TO RESERVES

The Board proposes to transfer ₹68.256 Lac to Reserve Fund pursuant to RBI Guidelines, ₹250 Lac to the General Reserve out of the amount available for appropriations and an amount of ₹268.97 Lac is proposed to be retained in the Profit and Loss Account.

REVIEW OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Standalone total income during the year under review amounted to ₹383.01 Lac as against ₹493.57 Lac in the preceding year. Standalone Profit after tax stood at ₹341.28 Lac as against ₹384.88 Lac in the previous year.

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

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

ASSOCIATE COMPANIES

The Venkatesh Co. Ltd. and The Laxmi Salt Co. Ltd. are the associates of this company.

CONSOLIDATED FINANCIAL STATEMENTS

The Company has two Associate Companies wherein it holds more than 20% of their paid-up capital. In accordance with the Companies Act, 2013 ("the Act") read with Companies (Accounts) Rules, 2014 and Accounting Standards (AS – 21) on Consolidated Financial Statements, the audited consolidated financial statements are provided in the Annual Report.

In terms of proviso to sub section (3) of Section 129 of the Companies Act, 2013, the salient features of the financial statements of the associates is set out in the prescribed form AOC – 1, which forms part of the annual report and attached at the end of the Financial Statements. Separate Report on the performance and financial position of each of the associate companies is annexed forming part of this report.

PUBLIC DEPOSITS

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

PARTICULARS OF LOANS AND GUARANTEES

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year, the Company had not entered into any contract / arrangement / transaction with related parties, attracting the requirement of disclosure in this report as per provisions of Section 188 of the Act except for remuneration to the key managerial personnel which is disclosed suitably in Notes to Accounts.

INTERNAL FINANCIAL CONTROL

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

RISK MANAGEMENT

The main identified risks at the Company are Commercial Risks, Financial Risks, Operational Risks and Legal & Regulatory Risks. The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Audit Committee ensures that risks to the Company's continued existence as a going concern and to its development are identified and addressed on timely basis.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Shri Bankat Lal Gaggar (DIN:00404123) and Smt. Riya Puja Jain (DIN:01559454), Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

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

Shri Ram Narain Mundhra and Shri Babu Lal Surana are the Independent Directors of the Company.

The Company has received declarations from both the Independent Directors confirming that they meet the criteria of Independence as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has practice of conducting familiarisation program for the independent directors.

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

Priyanka Mishra a qualified Company Secretary has been appointed as Company Secretary effective 1st June, 2016. She has also been designated to act as the Compliance Officer of the Company.

BOARD EVALUATION

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

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

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

Performance evaluation of Directors:

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

Performance evaluation of Board and Committees:

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

AUDITORS AND AUDITORS' REPORT

M/s 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, members are required to ratify the appointment of M/s Lakhota & Co. as Statutory Auditors of the Company from the conclusion of the ensuing AGM till the conclusion of the next 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 re-appointed as auditors.

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

SECRETARIAL AUDIT REPORT

The Secretarial Audit for the financial year 2015-16 has been conducted by Shri Mukesh Chaturvedi, Practising Company Secretary. The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark requiring explanation or clarification from the Board except for comment of not having a Company Secretary. The Company was not able to appoint a Company

Secretary till 31st March, 2016 as it could not find a suitable candidate fitting in its overall criteria. However, Priyanka Mishra a qualified Company Secretary has since been appointed as Company Secretary w.e.f 1st June, 2016.

MEETINGS OF THE BOARD

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

AUDIT COMMITTEE

The Audit Committee was constituted by the Board of Directors and comprises two Independent Directors namely Shri Ram Narain Mundhra (Chairman) and Shri Babu Lal Surana and Shri Jagdish Prasad Mundra as other member.

VIGIL MECHANISM

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

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee was constituted by the Board of Directors consisting of two Independent Directors namely Shri Ram Narain Mundhra and Shri Babu Lal Surana and one Non-Executive Director namely Shri Ashok Bhandari.

REMUNERATION POLICY

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the provisions of Section 178 of the Companies Act, 2013, Stakeholders Relationship Committee was constituted by the Board consisting of Directors Shri Ashok Bhandari and Shri Bankat Lal Gaggar for the purpose of attending to investors' grievances including transfer / transmission of shares of the Company.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 is annexed hereto in the prescribed form and forms part of this Report.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in preparation of the Annual Accounts for the financial year 2015-16, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the Annual Accounts for the period ended 31st March, 2016 on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating properly;
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provisions relating to Corporate Social Responsibility (CSR) are not applicable to the Company since the net profit of the company excluding dividend income is less than rupees five crores.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

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

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

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

LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company has executed Listing Agreement with National Stock Exchange of India Limited where the Company has applied for listing of its securities as The Delhi Stock Exchange Limited where the securities of the Company were earlier listed has been derecognised by SEBI.

CORPORATE GOVERNANCE

In terms of the provisions of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance for fiscal 2016 is not applicable to the Company. The Company will start compliance thereof within 6 months of the same being applicable to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the management discussion and analysis as set out hereunder and forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

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

CODE OF CONDUCT

Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presently not applicable to the Company. However the Company has voluntarily complied with the regulation by framing Code of Business Conduct and Ethics ("Code of Conduct"). The Code of Conduct is applicable to the employees including directors of the Company and is available on the Company's website.

PREVENTION OF INSIDER TRADING

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

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

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

POLICIES

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

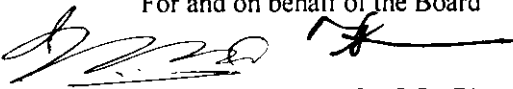
Name of the Policy	Web link
Policy for selection and appointment of Directors, Senior Management including criteria for determining qualifications, positive attributes and independence of the directors	http://www.nbi-india.co.in/policies/NBIAppointment_Policy.pdf
Archival Policy for Website content	http://www.nbi-india.co.in/policies/NBI_Archival_Policy.pdf
Policy on Determination of Materiality	http://www.nbi-india.co.in/policies/NBI_Determination_of_Materiality.pdf
Familiarisation Program for Independent Directors	http://www.nbi-india.co.in/policies/NBI_Familiarisation_Program.pdf

Insider Trading Code	http://www.nbi-india.co.in/policies/NBI Insider Trading Code.pdf
Policy for Determining Material Subsidiary	http://www.nbi-india.co.in/policies/NBI Material Subsidiary.pdf
Related Party Transactions Policy	http://www.nbi-india.co.in/policies/NBI Related Party Transactions Policy.pdf
Policy relating to remuneration for the directors, key managerial personnel and other employees	http://www.nbi-india.co.in/policies/NBI Remuneration Policy.pdf
Vigil Mechanism and Whistle Blower Policy	http://www.nbi-india.co.in/policies/NBI Whistle Blower Policy.pdf

ACKNOWLEDGEMENTS

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

Place: Kolkata
Dated: 30th May, 2016

For and on behalf of the Board

(J.P. MUNDRA) **(B.L. GAGGAR)**
DIN:00630475 DIN:00404123
Directors

Report on the performance of the Associate Companies

<u>Particulars</u>	<u>The Venkatesh Company Limited</u> (in ₹ Lac)	<u>The Laxmi Salt Company Limited*</u> (in ₹ Lac)
Period ended	31 st March, 2016	31 st March, 2015
Total Income	349.18	105.74
Net Profit	243.07	72.04
Net Worth	3956.61	2031.29
Book Value per share (in ₹)	942	322

* See Note 23 to the Consolidated Financial Statements

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

Introduction

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

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

Scope and Exclusion

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

Terms and References

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

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

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

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

Policy

Qualifications and Criteria

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

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

- General understanding of the Company’s business dynamics and social perspective;

- Educational and professional background;
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and zeal in carrying out their duties and responsibilities effectively.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number (DIN);
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent in prescribed form to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the ethics policy established by the Company for Directors, employees and Senior Management Personnel;
- Shall disclose his concern or interest in any Company or Companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.

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

Criteria of Independence

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

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

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

Other directorships / committee memberships

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

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

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

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

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


Director.


Director.

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

Introduction

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

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

Scope and Exclusion

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

Terms and References

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

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

“**Key Managerial Personnel**” means

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

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

Policy

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

The Board, on the recommendation of the Nomination & Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel and other Employees of the Company. Employee individual remuneration shall be determined according to their qualifications, and work experience as well as their roles and responsibilities and shall be based on various factors such as job profile, skill sets, seniority and experience.

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

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


Director.


Director.

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

- i) **Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year**
Not Applicable, as none of the directors draw remuneration except sitting fees for Board / Committee meetings.
- ii) **Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year**
13.97%
- iii) **Percentage increase in the median remuneration of employees in the financial year**
15.42%
- iv) **Number of permanent employees on the rolls of Company**
5 (Five)
- v) **Explanation on the relationship between average increase in the remuneration and company performance**
On an average, employees received an increase of 15.42%. The Company's Profit After Tax for the year decreased by 11.33% over the previous financial year. The increase in remuneration is in line with the market trends. In order to ensure that the remuneration reflects company performance, the increase in pay is linked to organisation performance and market trend.

- vi) **comparison of the remuneration of the Key Managerial Personnel against the performance of the company**

Particulars	₹/Lac
Remuneration of Key Managerial Personnel during the financial year 2015-16	9.31
Revenue from operations	383.01
Remuneration (as % of Revenue)	2.43%
Profit Before Tax (PBT) -	331.90
Remuneration (as % of PBT)	2.80%

- vii) **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year**

Particulars	Unit	As at 31 st March, 2016	As at 31 st March, 2015	Variation
Closing rate of share at DSE	₹	Not applicable as the stock exchange was not operational.	Not applicable as the stock exchange was not operational.	-
EPS	₹	27.78	31.33	-11.33%
Market Capitalisation	₹/Lac	See note below	See note below	-
Price Earning Ratio	Ratio	See note below	See note below	-

Note: In absence of data relating to closing price of shares, Market Capitalisation and Price Earning Ratio cannot be computed as the Stock Exchange where the shares were earlier listed has been de-recognised by SEBI.

- viii) **Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**
The average increase in salaries of employees other than managerial personnel in 2015-16 was 16.05%. Percentage increase in the managerial remuneration for the year was 13.97%.

ix) **Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company**

Particulars	Manager and Chief Financial Officer
	₹/Lac
Remuneration of Key Managerial Personnel during the financial year 2015-16	9.31
Revenue from operations	383.01
Remuneration (as % of Revenue)	2.43%
Profit Before Tax (PBT) -	331.90
Remuneration (as % of PBT)	2.80%

- x) **Key parameters for any variable component of remuneration availed by the directors**
These parameters are considered by the Board of Directors based on the recommendations of the Nomination & Remuneration Committee as per the Remuneration Policy for directors, key managerial personnel and other employees. However, directors have not availed any variable remuneration during the two previous financial years.
- xi) **Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid directors during the year**
Not applicable.
- xii) **It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for directors, key managerial personnel and other employees.**


Director.


Director.

EXTRACT OF ANNUAL RETURNas on the financial year ended on 31st March, 2016

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

I REGISTRATION AND OTHER DETAILS		
i)	CIN	L65923WB1936PLC065596
ii)	Registration Date	21 st December, 1936
iii)	Name of the Company	N.B.I. Industrial Finance Company Limited
iv)	Category / Sub-Category of the Company	Public Company / Limited by Shares
v)	Address of the Registered Office and contact details	21, Strand Road, Kolkata – 700 001 Tel: +9133 2230 9601 (3 Lines), +9133 2243 7725 Fax: +9133 2213 1650
vi)	Whether listed Company	No – Applied for Listing
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2 nd Floor, Kolkata – 700 001 Tel: +9133 2243 5809
II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY		
All the business activities contributing 10% or more of the total turnover of the Company		
	Name and Description of main products / services	NIC Code of the products / services
		% of total turnover of the Company
	NBFC Activity	9971
		100%
III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES		
		Two Associates
	Name , Address and CIN of the Associates	% of shares held
		Applicable Section of the Companies Act, 2013
1.	The Laxmi Salt Co. Ltd. 21, Strand Road, Kolkata – 700 001 U24298WB1999PLC088753	23.81%
		Section 2(6) and 129
2.	The Venktesh Co. Ltd. 21, Strand Road, Kolkata – 700 001 U67120WB1941PLC093923	27.75%
		Section 2(6) and 129
IV SHARE HOLDING PATTERN (Equity Share Breakup as percentage of Total Equity)		
i)	Category-wise Shareholding	As per Attachment A
ii)	Shareholding of Promoters	As per Attachment B
iii)	Change in Promoters' Shareholding	As per Attachment C
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment D
v)	Shareholding of Directors and Key Managerial Personnel	None of the Directors and Key Managerial Personnel holds any share in the Company.
V INDEBTEDNESS		
	Indebtedness of the Company including interest outstanding / accrued but not due for payment	As per Attachment E
VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		
A	Remuneration to MD/WTD and/or Manager	As per Attachment F
B	Remuneration to other Directors	As per Attachment G
C	Remuneration to Key Managerial Personnel other than MD/WTD/Manager	Included in remuneration of Manager in Attachment F
VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES		
		None


Director.

Director

Attachment A

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2015]				No of Shares held at the end of the year [As on 31-March-2016]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	104100	0	104100	8.47	104100	0	104100	8.47	0.00
b) Central Govt									
c) State Govt(s)									
d) Bodies Corporate	633002	0	633002	51.53	633002	0	633002	51.53	0.00
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	737102	0	737102	60.00	737102	0	737102	60.00	0.00
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corporate									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	737102	0	737102	60.00	737102	0	737102	60.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI	0	792	792	0.06	0	792	792	0.06	0.00
c) Central Govt	0	7	7	0.00	0	7	7	0.00	0.00
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1):-	0	799	799	0.07	0	799	799	0.07	0.00
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	251	164361	164612	13.40	111	164361	164472	13.39	-0.08
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	34167	247093	281260	22.90	37490	243910	281400	22.91	0.05
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	44630	0	44630	3.63	44630	0	44630	3.63	0.00
c) Others (Specify)									
Non Resident Indians									
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies-D R									
Sub-total(B)(2):-	79048	411454	490502	39.93	82231	408271	490502	39.93	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	79048	412253	491301	39.99	82231	409070	491301	40.00	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	816150	412253	1228403	100.00	819333	409070	1228403	100.00	0.00


Director.


Director.


Attachment B**ii) Shareholding of Promoters-**

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/04/2015]			Shareholding at the end of the year [As on 31/03/2016]			% change in share holding during the Year	PAN
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares		
1	SHREE CAPITAL SERVICES LTD.	236000	19.21	0.0000	236000	19.21	0.0000	0.0000	AAGCS5082D
2	DIGVIJAY FINLEASE LTD.	235739	19.19	0.0000	235739	19.19	0.0000	0.0000	AAACD6998D
3	BENU GOPAL BANGUR *	104100	8.47	0.0000	104100	8.47	0.0000	0.0000	ADRPB5687N
4	THE DIDWANA INVESTMENT CO. LTD.	65394	5.32	0.0000	65394	5.32	0.0000	0.0000	AABCT1524C
5	THE LAXMI SALT CO. LTD.	62244	5.07	0.0000	62244	5.07	0.0000	0.0000	AAACT9721G
6	MANNKRISHNA INVESTMENTS PVT. LTD.	25000	2.04	0.0000	25000	2.04	0.0000	0.0000	AACCM2323H
7	WESTERN INDIA COMMERCIAL CO. LTD.	8625	0.70	0.0000	8625	0.70	0.0000	0.0000	AAACW2354C
	TOTAL	737102	60.00	0.0000	737102	60.00	0.0000	0.0000	

* Shri Benu Gopal Bangur disclaims the beneficial ownership of 104000 shares held by Shree Venkatesh Ayurvedic Aushdhalaya.



Director.



Director.

Attachment C						
iii) Change in Promoters' Shareholding (please specify, if there is no change)						
Sl No	Name	Shareholding at the beginning [01/04/2015]/end of the year [31/03/2016]		Cumulative Shareholding during the year [01/04/2015 to 31/03/2016]		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	DIGVIJAY FINLEASE LTD					AAACD6998D
	01/04/2015	235739	19.19			
	31/03/2016	235739	19.19	235739	19.19	
2	THE LAXMI SALT CO LTD					AAACT9721G
	01/04/2015	62244	5.07			
	31/03/2016	62244	5.07	62244	5.07	
3	WESTERN INDIA COMMERCIAL CO LTD					AAACW2354C
	01/04/2015	8625	0.70			
	31/03/2016	8625	0.70	8625	0.70	
4	THE DIDWANA INVESTMENT COMPANY LIMITED					AABCT1524C
	01/04/2015	65394	5.32			
	31/03/2016	65394	5.32	65394	5.32	
5	MANNAKRISHNA INVESTMENTS PVT LTD					AACCM2323H
	01/04/2015	25000	2.04			
	31/03/2016	25000	2.04	25000	2.04	
6	SHREE CAPITAL SERVICES LTD					AAGCS5082D
	01/04/2015	236000	19.21			
	31/03/2016	236000	19.21	236000	19.21	
7	BENU GOPAL BANGUR *					ADRPB5687N
	01/04/2015	104100	8.47			
	31/03/2016	104100	8.47	104100	8.47	

Note: There is no change in Promoters' shareholding.

* Shri Benu Gopal Bangur disclaims the beneficial ownership of 104000 shares held by Shree Venktesh Ayurvedic Aushdhalaya.


Director.


Director.

Attachment D

iv) Shareholding Pattern of top ten Shareholders

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

Sl No	Name	Shareholding at the beginning [01/04/2015]/end of the year [31/03/2016]		Cumulative Shareholding during the year [01/04/2015 to 31/03/2016]		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	MAHENDRA GIRDHARILAL					AAAPW1327L
	01/04/2015	44630	3.63			
	31/03/2016	44630	3.63	44630	3.63	
2	AJAY KUMAR					AAJPK4138N
	01/04/2015	6365	0.52			
	30/06/2015 - Transfer	55	0.00	6420	0.52	
	28/08/2015 - Transfer	459	0.04	6879	0.56	
	30/09/2015 - Transfer	-500	0.04	6379	0.52	
	31/12/2015 - Transfer	88	0.01	6467	0.53	
	31/03/2016 - Transfer	-1285	0.10	5182	0.42	
3	MEENAKSHI BANGUR					AGNPB6137C
	01/04/2015	6000	0.49			
	31/03/2016	6000	0.49	6000	0.49	
4	PLACID LIMITED					D00334
	01/04/2015	10600	0.86			
	31/03/2016	10600	0.86	10600	0.86	
5	KEEN INVESTMENT & LEASING LTD.					K00547
	01/04/2015	51688	4.21			
	31/03/2016	51688	4.21	51688	4.21	
6	MAN MADE FIBRES LTD.					M00499
	01/04/2015	60950	4.96			
	31/03/2016	60950	4.96	60950	4.96	
7	RESHMAN RESHA PVT. LTD.					R00650
	01/04/2015	15500	1.26			
	31/03/2016	15500	1.26	15500	1.26	
8	S.M.SHETI SEVA PVT. LTD.					S00840
	01/04/2015	7800	0.64			
	31/03/2016	7800	0.64	7800	0.64	
9	SAURABH BANGUR					S01141
	01/04/2015	4000	0.33			
	31/03/2016	4000	0.33	4000	0.33	
10	SMT. SURBHI BANGUR					S01166
	01/04/2015	6000	0.49			
	31/03/2016	6000	0.49	6000	0.49	



Director.


Director.

Attachment E

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as at the beginning of the financial year (01.04.2015)				
i) Principal Amount	303,452	-	-	303,452
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	303,452	-	-	303,452
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	303,452	-	-	303,452
Net Change	303,452	-	-	303,452
Indebtedness as at the end of the financial year (31.03.2016)				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

Attachment F

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	S.P. Kumar	Total Amount (₹)
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	673,386	673,386
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others	-	-
5	Others	-	-
	TOTAL (A)	673,386	673,386
	Ceiling as per the Act	₹16.96 Lacs (being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)	


Director.

Director.

Attachment G**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****B. Remuneration to other Directors**

Sl. No.	Particulars of Remuneration	Ashok Bhandari	Ram Narain Mundhra	Bankat Lal Gaggar	Jagdish Prasad Mundra	Babu Lal Surana	Riya Puja Jain	Total Amount
1	Independent Directors							
	• Fee for attending board / committee meetings	-	11,750	-	-	11,750	-	23,500
	• Commission	-	-	-	-	-	-	-
	• Others	-	-	-	-	-	-	-
	TOTAL (1)	-	11,750	-	-	11,750	-	23,500
2	Other Non-Executive Directors							
	• Fee for attending board / committee meetings	8,700	-	9,350	11,150	-	3,750	32,950
	• Commission	-	-	-	-	-	-	-
	• Others	-	-	-	-	-	-	-
	TOTAL (2)	8,700	11,750	9,350	11,150	-	3,750	32,950
	TOTAL (B)= (1)+(2)	8,700	11,750	9,350	11,150	11,750	3,750	56,450
	Total Managerial Remuneration							729,836*
	Overall ceiling as per the Act	₹37.31 Lac (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

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

**Director.****Director.**

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

INDUSTRY & ECONOMY OVERVIEW

Global Economy

According to World Bank, global GDP is expected to grow at about 2.9 percent in 2016, after growing at about 2.4 percent in 2015. During 2015-16, global economic growth continued at a slow pace. Some of the factors for the lacklustre growth include slowdown in China; financial turmoil in emerging markets; Euro zone crisis; slump in oil prices etc.

Indian Economy

India is presently the fastest growing major economy in the world. International Monetary Fund (IMF)'s global economic forecast has identified India as the "bright spot". This year's Economic Survey describes India as a "refuge of stability and an outpost of opportunity". India grew 7.2 percent in 2014-15 and 7.6 percent in 2015-16. For 2016-17, the Survey pegs the GDP growth at between 7 and 7.75 percent. The factors contributing to this positive outlook were controlled inflation, rise in domestic demand, decline in oil prices and the boost to reforms, among others.

With the global economy fraught with uncertainties, the Indian Government is sticking to its fiscal deficit target while pursuing the growth agenda. Government targets to narrow the central fiscal deficit to 3.5% in 2016-17, after having comfortably met its 3.9% target for 2015-16.

NBFC Sector

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

(Source: The Boston Consulting Group – NBFC 2.0)

The success of NBFCs has been driven by factors like their ability to control risks, to adapt to changes and create demand in markets that are likely to remain unexplored by banks and other bigger players. Thus the need for uniform practices and level playing field for NBFCs in India is important. NBFCs, in India, are today operating in a dynamic scenario especially after the revised regulatory framework by the RBI launched with the objective of harmonising working of NBFCs with banks and financial institutions and address regulatory gaps.

Over the years their activities have kept on expanding so much that the difference between the banks and NBFCs is getting minimised. The biggest contribution of NBFCs is their ability to cater to the needs of the Micro, Small & Medium Enterprises (MSMEs) which account for nearly 40 percent of India's total employment and form the backbone of the India Growth Story.

Government Initiatives

Several measures have been outlined in the Union Budget that aim at reviving and accelerating investment:-

- The Prime Minister has launched the Micro Unit Development and Refinance Agency (MUDRA) to fund and promote Micro Finance Institutions (MFIs), which would provide loans to smaller sections of the business community.
- Government 'Jan Dhan' initiative for financial inclusion has been successful and is gaining further momentum.
- NBFCs will be eligible for deduction to the extent of 5% of their income in respect of provision for bad and doubtful debts (NPAs).

- The Pradhan Mantri Mudra Yojana (PMMY) was launched for the benefit of the smaller entrepreneurs.
- The first time home buyer will be entitled to deduction for additional interest of upto ₹50,000 per annum for loans upto ₹35 Lacs sanctioned during the current financial year provided the value of the house does not exceed ₹50 Lacs.

COMPANY'S POSITION

The Company is registered with the RBI as a Non-Banking Financial Institution and is categorized as Non-Deposit taking NBFC" (NBFC-ND). The operation of the company during the year was centered in dividend income; interest income and Share Trading. The company was investing in shares, securities etc. The main income of the Company is dividend income on long-term investments & interest on fixed deposit and profit from sale of investments.

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

OPPORTUNITIES AND THREAT

The year FY 2015-16 started on a note of optimism. However, slow pace of reforms, sluggish recovery of US economy and continued Euro zone crisis soon led to the sliding of Indian GDP growth. Despite various adverse factors it is believed that Indian economy will sustain its growth momentum and hence the growth of financial services sector presents exciting opportunities like India's long-term growth story remains intact notwithstanding declining growth in the past year or two. This presents good opportunities for us to grow our business in the medium to long term. We further believe the policy liberalization, Government emphasis on infrastructure spending and forward-looking regulatory changes will help markets grow in size.

At the same time, there could be some threats for growth of financial services sector like high inflation, high interest rates, liquidity issues, global commodities prices, current account deficit and Euro zone crisis which can play spoilsport with the India growth story. While positive Government policies and regulatory changes do enlarge the scope of opportunities for financial sector companies, lack of or delay in reforms or certain regulatory changes can significantly impact the performance of NBFCs business. A thorough due diligence is conducted at our end through market enquiries before making investments. The investment portfolio of the Company is managed by Investment Committee comprising members from the management and approved by the board. The execution of investment transactions is monitored on regular basis with reference to target price.

OUTLOOK

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

The growth in the sector is good and Management expects sustained and better results in forth coming years. The Company is exploring various options to improve its margins, by having tight control on expenses & exploring various business opportunities. The Company has investment policy wherein it invests in those securities which have easy liquidity, better yield and price appreciation.

RISK & CONCERNS

Many developing countries including India have reaped handsome rewards from surging capital inflows in recent years. This is regarded as a welcome phenomenon. But surging capital inflows can also be something of a double-edged sword, inflicting destabilizing side effects, undermining the competitiveness of export industries, and potentially giving rise to inflation.

INTERNAL CONTROL SYSTEM

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

The Company has employed appropriate and adequate internal controls systems to ensure that it covers all areas of operations. The transactions entered into by the Company are duly authorized and recorded correctly. A regular review is done in respect of the financial and operating controls of the Company. It has also implemented suitable controls to ensure all the resources are utilized optimally, that financial transactions are reported with accuracy and that there is strict compliance with applicable laws and regulations.

CAUTIONARY STATEMENT

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


Director.


Director.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

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

21 Strand Road , Kolkata - 700 001

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

Based on my verification of N.B.I. INDUSTRIAL FINANCE CO. LTD books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there-under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;



