



Independent Auditors' Report

To the Members of N.B.I Industrial Finance Company Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **N.B.I Industrial Finance Company Limited** (hereinafter referred to as "the Company") and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statements of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the preparation of these consolidated statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014. The Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. The respective Board of Directors of the Company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing, specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Company and its associates as at 31st March, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

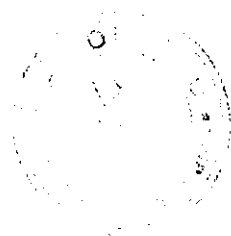
Other Matter

8. The consolidated financial statements include the share of net profits of Rs. 67,45,110/- for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate - The Venkatesh Company Limited, based on the unaudited financial statements/financial information as provided to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements/ financial information. The share of profit/loss of another associate- The Laxmi Salt Company Limited for the year ended 31st March, 2016 has not been incorporated in these consolidated financial statements due to the non availability of its financial statements for the financial year 2015-16 as on the date of signing of the consolidated financial statements as explained in Note No.23 to the Financial Statements.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to the financial statements, financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
- (a). We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b). In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the financial statements/financial information certified by the management.
 - (c). The Consolidated Balance Sheet, the Consolidated Statement Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d). In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e). On the basis of the written representations received from the directors of the Company as on 31st March, 2016 taken on record by the Board of Directors of the Company and the information and explanations provided to us by the management in respect of the associates, none of the directors of the Company and its associates is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f). With respect to the adequacy of the internal financial controls over financial reporting of the Company and its associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
- (g). With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Lakhotia & Co.
Chartered Accountants
Firm's Registration Number: 313149E

Naresh Lakhotia
Partner
Membership Number: 51249
Kolkata
Dated: 30th May, 2016

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements for the year ended 31st March, 2016, We have audited the internal financial controls over financial reporting of **N.B.I. Industrial Finance Company Limited** (herein referred to as "the Company").

As regards 2 associate companies, incorporated in India, namely The Laxmi Salt Company Limited and The Venkatesh Company Limited, the corresponding report of the auditors and the audited financial statements for the year ended 31st March, 2016 are not available as on that date of signing the consolidated financial statements and as such this report does not cover the internal financial controls over financial reporting of the said associate companies.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Lakhota & Co.
Chartered Accountants
Firm's Registration Number: 313149E

Naresh Lakhota
Partner
Membership Number: 51249
Kolkata
Dated: 30th May, 2016.

N.B.L.INDUSTRIAL FINANCE COMPANY LIMITED
Consolidated Balance Sheet as at 31 March, 2016

Particulars	Note	As at 31st March,2016 ₹	As at 31st March,2015 ₹
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	2	12,284,030	12,284,030
Reserves and Surplus	3	297,714,595	218,321,886
		309,998,625	230,605,916
Non-Current Liabilities			
Long-Term Provisions	4	2,645,417	2,241,212
		2,645,417	2,241,212
Current Liabilities			
Short-Term Borrowings	5	-	303,452
Other Current Liabilities	6	293,774	295,228
Short-Term Provisions	7	66,311	66,311
		360,085	664,991
TOTAL		313,004,127	233,512,119
ASSETS			
Non-Current Assets			
Fixed Assets	8	58,417	80,000
Tangible Assets			
Non-Current Investments	9	241,773,134	192,288,337
Deferred Tax Assets	10	852,055	726,576
Long-Term Loans and Advances	11	30,800	30,800
		242,714,406	193,125,713
Current Assets			
Current Investments	12	24,536,822	21,701,611
Cash and Bank Balances	13	16,750,282	16,312,482
Short-Term Loans and Advances	14	27,789,273	1,265,611
Other Current Assets	15	1,213,344	1,106,618
		70,289,721	40,386,322
TOTAL		313,004,127	233,512,119

Significant Accounting Policies
Notes forming part of the financial statements

1
2-34

in terms of our report attached
For LAKHOTIA & CO.
Chartered Accountants
Firm Registration No. 313149F

NARESH LAKHOTIA
Partner
Membership No. 51249
Kolkata, Dated the 30th May, 2016

(Signature)
(Signature)
(Signature)
Director

(Signature)
S.P. Venmar
Manager & CFO

N.B.I.INDUSTRIAL FINANCE COMPANY LIMITED

Consolidated Statement of Profit and Loss for the year ended 31 March, 2016

Particulars	Note	For the year ended 31 March 2016 ₹	For the year ended 31 March 2015 ₹
INCOME			
Revenue from Operations	16	38,300,761	49,357,538
Total Revenue		38,300,761	49,357,538
Expenses			
Employee Benefits Expense	17	3,960,353	3,561,945
Finance Costs	18	2,063	7,542
Depreciation and Amortisation Expense	19	21,673	30,869
Other Expenses	20	1,122,130	1,209,113
Donation		-	1,500,000
Securities Transaction Tax		5,446	44,431
Total Expenses		5,111,665	6,353,900
Profit before tax		33,189,096	43,003,638
Tax Expense:			
Current Tax		77,000	4,620,000
Tax relating to earlier years		(890,139)	-
Deferred Tax		(125,519)	(104,827)
		(938,658)	4,515,173
Profit After Tax for the year		34,127,754	38,488,465
Share of Net Profit of Associates		6,745,110	-
Profit After Tax and Share of Associates		40,872,864	38,488,465
Basic & Diluted Earnings per share (of Rs.10/- each):	21	33.27	31.33

Significant Accounting Policies 1
 Notes forming part of the Consolidated Financial Statements 2-34
 In terms of our report attached.

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

NARESH LAKHOTIA
 Partner
 Membership No. 51249
 Kolkata, Dated the 30th May, 2016

(Signature)
 Directors

(Signature) S.P. V. Kumar
 Manager & CFO



N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE-1 SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of preparation**

- i These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis and comply in all material aspects with the accounting standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Act (to the extent notified) and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Finance Company ('NBFC').
- 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 :**

- i Tangible Assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties and other incidental expenses related to acquisition net of accumulated depreciation.
- ii DEPRECIATION on Tangible Assets is provided on written down value basis over estimated useful life of the assets in accordance with Schedule II to the Act.

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.

f) Consolidation

- i. Investment in associates where the Company holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements. The difference between the cost of investment in the associates and the share of net assets in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be and included in the carrying amount of the investment as well as disclosed separately. Only share of net profits/losses of Associates is considered in Consolidated Statement of Profit and Loss. The carrying amount of the Investment in Associates is adjusted by the share of net profits/losses in the Consolidated Balance Sheet.

This being the first occasion when investment in associates is accounted for in Consolidated Financial Statements, the carrying amount of investment in associates has been brought to the amount that would have resulted had the equity method of accounting been followed since the acquisition of the associates. The corresponding adjustment in this regard has been made in the retained earnings in the consolidated financial statements.

- ii. List of Associates included in the consolidation are:

Sl. No.	Name of Associate Company	Ownership Interest
1	The Laxmi Salt Company Limited	23.81%
2	The Venkatesh Company Limited	27.75%

N.B.L INDUSTRIAL FINANCE COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2	SHARE CAPITAL	As at	
		31st March, 2016	31st March, 2015
		₹	₹
Authorised :			
1,00,00,000	(1,00,00,000) Equity Shares of ₹ 10/- each	100,000,000	100,000,000
		100,000,000	100,000,000
Issued			
1,229,529	(1,229,529) Equity Shares of ₹ 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 ₹ 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.	Rs.	Nos.	Rs.
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 one 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 of Shareholder	No. of Shares held	No. of Shares held
1	Shree Capital Services Pvt. Ltd.	236000	236000
2	Digvijay Finance Ltd.	235739	235739
3	Shri Benu Gopal Bang	104100	104100
4	The Didwana Investment Co. Ltd.	65394	65394
5	The Laxmi Salt Co. Ltd.	62244	62244

d) **No shares have been allotted during the period of five years immediately preceding March 31, 2016 pursuant to contracts without payment being received in cash or in way of bonus shares and there has been no buy back during the said period.**

N.B.L INDUSTRIAL FINANCE COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31st March,2016 ₹	As at 31st March,2015 ₹
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		
As per last account	166,305,545	76,305,545
Add: Transfer from Surplus in Statement of Profit & Loss Account	25,000,000	90,000,000
	<u>191,305,545</u>	<u>166,305,545</u>
(d) Reserve Fund		
(As per Section 45-IC of RBI Act)		
Opening balance	25,715,400	18,017,700
Add: Transferred from Surplus in Statement of Profit & Loss	6,825,600	7,697,700
Closing balance	<u>32,541,000</u>	<u>25,715,400</u>
(e) Surplus in the Statement of Profit and Loss		
Opening balance	24,594,960	83,804,195
Add: Profit for the year	40,872,864	38,488,465
Add: Share of Post-acquisition profits of Associates upto 31.03.2015	38,519,845	-
Less: Appropriations		
Transferred to Reserve Fund	6,825,600	7,697,700
Less: Transfer to General Reserve	25,000,000	90,000,000
Closing balance	<u>72,162,069</u>	<u>24,594,960</u>
Total:	<u>297,714,595</u>	<u>218,321,886</u>

N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4 - Long-Term Provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Employee benefits:		
Gratuity	2,062,642	1,714,092
Leave Salary	582,698	527,043
Contingent Provision against Standard Assets	77	77
Total	2,645,417	2,241,212

Note 5 Short-Term Borrowings

Secured

Loans repayable on demand from Bank (Secured by Pledge of Fixed Deposit Receipts)	-	303,452
Total	-	303,452

Note 6 Other Current Liabilities

Other Payables:

Provision for Expenses	108,135	110,181
Capital Repayable Under Capital Reduction Scheme - Unclaimed	175,488	175,488
Statutory Dues	10,151	9,559

Total	293,774	295,228
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Note 7 Short - Term Provisions

Contingent Provision against Standard Assets	66,311	66,311
Total	66,311	66,311

N.B.INDUSTRIAL FINANCE COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note - 8
FIXED ASSETS

TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Addition	Deductions	As At	Upto	For the	Adjustments	Upto	As At	As At
	01.04.2015			31.03.2016	31.03.2015	Period		31.03.2016	31.03.2016	31.03.2015
	₹	₹	₹	₹	₹	(Refer Note 25 & 26)	₹	₹	₹	₹
Furniture & Fixtures	143,325	-	-	143,325	68,041	20,587	-	88,628	54,697	75,284
Office Equipments	81,087	-	-	81,087	76,281	1,086	-	77,367	3,720	4,806
Total	224,412	-	-	224,412	144,322	21,673	-	165,995	58,417	80,090
Previous year	208,485	15,927	-	224,412	133,453	26,867	-	160,320	58,417	80,090



N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9 - Non-Current Investments

Rs. Crores

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Face Value Rs.	Number	Value Rs.	Number
Other Investments				
Investment in Equity Shares:				
Quoted (Fully Paid-Up)				
Arcelormittals Ltd.	10	1,500	657,962	1,500
Avan Industries Ltd.	5	1,000	453,084	500
Chennai Chemicals and Ind. Ltd.	10	3,641	2,371,877	4,150
Coalite Petrochemicals India Ltd.	1	5,000	4,979,712	-
East India Limited*	10	8,887	2,854,455	-
Essar Steel-Khane Cement (India) Ltd.*	10	3,905	2,930,539	-
ICICI Bank Ltd.	2	4,700	4,970,269	4,700
Industial PPI Limited (The Paper Products Ltd.)*	2	122,050	10,331,389	-
India Support Services Limited	10	50,372	5,585,230	-
J. K. Pharmaceuticals Ltd.	10	2,500	8,631	2,500
Moring Industries Systems Ltd.	1	49,950	12,498,470	33,300
Shree Cement (India) Ltd. (Formerly Shree Cement Ltd.)	10	1,000	10,000	1,000
Sundaram Organics (India) Ltd.	10	1,000	10,000	1,000
Sulco Cement Limited	10	849,450	23,957,957	849,450
Sulco Synthetics Limited	10	12,441	3,483	12,441
Western India Cement Co. Ltd.	10	2,105	116,460	2,105
Total			71,739,518	45,390,061
Unquoted (Fully Paid-Up)				
Joint Venture				
Equity Associates				
East India Steel Co. Ltd.	10	150,000		150,000
Cost of Acquisition			1,804,500	
Net of Capital Reserve & Reserves (Ref. Note 1)				
Acc. Share of Post-Acquisition Profits upto 31.03.2016			7,529,891	
Acc. Share of Profit/(Loss) till 31.03.2015 (Refer Note 1)			-	
			9,334,391	
The Venkatesh Co. Ltd. (JV)	10	116,550		116,550
Cost of Acquisition			7,693,054	
Net of Capital Reserve & Reserves (Ref. Note 1)				
Acc. Share of Post-Acquisition Profit/(Loss) upto 31.03.2016			30,989,954	
Acc. Share of Profit/(Loss) till 31.03.2015 (Refer Note 1)			6,745,110	
			45,428,118	
Total (A)			54,762,509	9,497,554
Other				
Adi Promalliance Pvt. Ltd.	10	9,000	108,270	9,000
Acc. Share of Profits upto 31.03.2016			24,555,001	
Acc. Share of Profits upto 31.03.2015			510,072	
Other Investments Pvt. Ltd.	10	81,333	896,905	81,333
Omniway Finance Limited	10	282,551	4,886,477	282,501
Kumhoosang Properties (Private) Ltd. (JV)	10	168,000	18,480,000	168,000
Mahindra Investments Pvt. Ltd.	10	266,666	3,643,876	266,666
Newa Investments Pvt. Ltd.	10	150,000	1,500,000	150,000
Shree Finance Ltd.	10	221,000	20,872,055	221,000
Shree Vinayak Pvt. Ltd.	10	442,000	11,323,300	442,000
Ramkrishna Holdings Pvt. Ltd.	10	60,625	5,470,408	50,625
Shree Cement Massey Pvt. Ltd.	10	9,000	90,450	9,000
Sulco Holdings Pvt. Ltd.	10	7,000	70,175	7,000
Sulco Capital Services India Pvt. Ltd.	10	247,860	5,064,118	247,860
Sulco Infrastructure Pvt. Ltd. (JV)	10	99,000	15,300,000	99,000
Total (B)			112,771,107	112,387,097
Total (A+B)			167,533,616	121,884,651

Investment in Preference Shares

Unquoted (Fully Paid-Up)

Coimbatore Power & Light Co. Ltd. NCDRPS	100	25,000	<u>2,500,000</u>	25,000	<u>2,500,000</u>
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Investment in Bonds - Debenture

Quoted (Fully paid up)

0.7% NABARD Bharatya Natna Bonds - 2018	24000	-	-	1,300	20,005,700
0.7% NABARD Bharatya Natna Bonds - 2019	24000	-	-	175	2,507,925

Total			<u>-</u>		<u>22,513,625</u>
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GRAND TOTAL			<u><u>241,773,134</u></u>		<u><u>192,288,337</u></u>
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Aggregate amount of quoted investments			71,739,518		67,903,686
Aggregate amount of unquoted investments			170,033,616		124,384,651
Aggregate market value of quoted investments			10,654,687,816		4,819,978,063

N.B.L.INDUSTRIAL FINANCE COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Note 10 Deferred Tax Assets		
Deferred Tax Asset		
Provision for Gratuity	637,356	529,654
Provision for Leave Salary	180,054	162,856
Difference between Book and Tax Depreciation	34,645	34,026
Deferred Tax Asset	852,055	726,536
Note 11 Long Term Loans and Advances (Unsecured, considered good)		
Security deposits	30,800	30,800
Total	30,800	30,800
Note 13 Cash and Bank Balances		
Cash and Cash Equivalents		
(a) Cash on hand	201,073	201,073
(b) Balances with Scheduled banks		
(i) In current accounts	28,214	72,193
(c) In Fixed deposit accounts - maturity less than three months.	16,520,995	16,039,219
Total	16,750,282	16,312,485

N.B.L. INDUSTRIAL FINANCE COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12 Current Investments

Particulars	As at 31st March, 2016			As at 31st March, 2015	
	Face Value Rs.	Number	Value Rs.	Number	Value Rs.
Investment in Equity Shares					
Quoted (Fully Paid-Up)					
Graxo Summit Kine Consumer Health Care Ltd.	10	-	-	3,908	2,950,839
India Nippon Electicals Limited *	10	-	-	50,372	5,585,230
Huhtamaki PPF Limited (The Paper Products Ltd) *	2	-	-	122,050	10,331,389
			-		21,701,613
* Inter - Class transfer to Non-current Investments on 01.10.2015					
Unquoted					
Investment in Mutual Funds					
UTI Floating Rate Fund SIP Regular Plan - Growth Plan	1,000	10,137.023	24,536,822	-	-
			24,536,822	-	-
Total of Current Investments			24,536,822		21,701,613
Aggregate amount of quoted investments			-		21,701,613
Aggregate amount of unquoted investments			24,536,822		-
Aggregate market value of quoted investments			-		57,797,436



N.B.I.INDUSTRIAL FINANCE COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March. 2016	As at 31st March, 2015
	₹	₹
Note 14 Short-Term Loans and Advances		
(Unsecured, considered good)		
Loan to Body Corporates	25,500,000	-
Income Tax Advances(Net of Provisions)	1,613,891	854,449
Advances to employees	133,000	120,250
Advance for Expenses	542,382	290,911
Total	27,789,273	1,265,610
Note 15 Other Current Assets		
(Unsecured, considered good)		
Dividend Receivable On Investments	-	88,870
Interest accrued on deposits	1,112,741	1,017,778
Interest accrued On Loans	100,603	
Total	1,213,344	1,106,648

N.B.INDUSTRIAL FINANCE COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
Note 16 Revenue From Operations		
INTEREST INCOME		
on Loan	1,139,014	241,127
on Income Tax Refund	11,096	22,680
on Fixed Deposits with Bank	1,358,999	1,470,316
	<u>2,509,109</u>	<u>1,734,123</u>
Net gain on sale of Investments:		
current investments	836,822	810,249
long-term investments	1,198,931	25,963,055
	<u>2,035,753</u>	<u>26,773,304</u>
Dividend income:		
from current investments	885,390	1,232,441
from long-term investments	32,870,509	19,617,670
	<u>33,755,899</u>	<u>20,850,111</u>
Total	<u>38,300,761</u>	<u>49,357,538</u>
Note 17 Employee Benefits Expense		
Salaries and Allowances	3,089,027	2,860,235
Contributions to Provident Fund	224,242	194,268
Gratuity	348,550	267,617
Leave Salary	55,654	63,693
Staff Welfare expenses	242,880	176,132
Total	<u>3,960,353</u>	<u>3,561,945</u>
Note 18 Finance Costs		
Interest Expenses		
Borrowings from Bank	2,063	7,542
Total	<u>2,063</u>	<u>7,542</u>

N.B.INDUSTRIAL FINANCE COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
Note 19 Depreciation and Amortisation Expenses		
Depreciation on Tangible Assets	21,673	30,869
Total	21,673	30,869
Note 20 Other Expenses		
Rent	111,480	110,966
Repairs - Others	11,890	12,166
Rates and Taxes	4,350	4,350
Service Tax	8,186	4,481
Communication Expenses	213,028	269,599
Travelling and Conveyance	24,002	18,794
Printing and stationery	228,383	261,763
Advertisement	49,240	36,437
Directors Sitting Fee	56,450	36,250
Legal and professional	174,546	150,012
Custodial Fees	26,310	13,482
Listing Fees	-	16,854
Payments to auditors		
For - statutory audit	37,950	37,620
For - tax audit fees	7,475	7,410
For other services	39,968	13,000
Miscellaneous expenses	128,872	215,929
Total	1,122,130	1,209,113
Note 21 Earnings Per Share (EPS)		
Nominal value per equity share	10/-	10/-
Net Profit after Tax	40,872,864	38,488,465
Weighted average number of Equity Shares	1,228,403	1,228,403
Basic and diluted Earning per share	33.27	31.33

N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 22 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or (Loss)	
	As % of consolidated net assets	Amount (Rs.)	As % of consolidated Profit or (Loss)	Amount (Rs.)
Investor				
N.B.I. Industrial Finance Company Limited	82.33%	255,236,116	83.50%	34,127,754
Associates				
The Laxmi Salt Company Limited (Refer Note 23)	3.01%	9,331,391	-	-
The Venkatesh Company Limited	14.66%	45,428,118	16.50%	6,745,110
Sub-total	17.67%	54,762,509	16.50%	6,745,110
Grand Total	100.00%	309,998,625	100.00%	40,872,864

Note 23 This is the first occasion that Consolidated Financial Statements are being prepared. Consolidation has been done on the basis of last available audited financial statements of the associate companies upto 31st March, 2015. As regards the share of net profits of an associate namely The Venkatesh Company Limited for the year ended 31st March, 2015, the same has been considered on the basis of the unaudited financial statements/financial information and the share of profit/loss of another associate namely The Laxmi Salt Co. Limited has not been considered due to non availability of its financial statements for the financial year 2015-16 on account of pendency of the Scheme of Demerger filed by the said company before the Hon'ble High Court at Calcutta effective from 1st April, 2015.

Note 24 The Company does not have a subsidiary. However, Consolidated Financial Statements have been prepared for its associates in view of Explanation to Section 129(3) of the Companies Act, 2013.

N.B.INDUSTRIAL FINANCE COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Depreciation for the previous year includes a sum of Rs. 201/- on account of transition to Schedule-II of Companies Act, 2013 where the remaining useful life of the asset was nil.
26. Effective 1st April, 2014, the estimated useful lives of fixed assets were revised in keeping with the provisions of Schedule II to the Companies Act, 2013. Pursuant to the said revision in useful lives, depreciation expense for the previous year was higher and the profit before tax was lower by Rs. 10985/-.
27. There are no separate reportable segments as per Accounting Standard 17.
28. Related Party Disclosures (In accordance with AS-18)
- | <u>Name</u> | <u>Relationship</u> | |
|--------------------------------|---|----------------|
| Key Management Personnel- | | |
| Mr. S. P. Kumar | Manager and CFO with effect from 27.09.2014 | |
| <u>Details of Transactions</u> | | |
| | <u>2015-16</u> | <u>2014-15</u> |
| Remuneration | Rs. 9,30,527 | Rs. 4,89,170 |
29. Employee Benefit expenses appearing in the Statement of Profit and Loss are net of service charges received from others Rs. 24000/- (Previous year- 24000/-)
30. Unabsorbed MAT for which future credit may be available amounts to Rs. 5067713/- (Previous Year Rs. 5168949/-)
31. Contingent Provision for Standard Assets was created in the earlier years at 0.25% 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.
32. There is no amount due to Micro, Medium and Small enterprises nor there has been any delay in payment to such enterprises.
33. Previous year's figures have been regrouped/rearranged wherever necessary.
34. This being the first occasion that Consolidated Financial Statements are prepared, consolidated figures for the previous period are not presented and the figures for previous year relate only to the standalone entity and are therefore not comparable.

In terms of our report of even date

For LAKHOTIA & CO.
 Chartered Accountants
 Firm Registration No. 313149I

NARESH LAKHOTIA
 Partner
 Membership No. 51249
 Kolkata, Dated the 30th May, 2016

Directors

S.P. Kumar
Manager & CFO

N.B.L. INDUSTRIAL FINANCE COMPANY LIMITED
Consolidated Cash Flow Statement for the year ended 31 March, 2016

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / Loss before tax		33,189,096		43,003,638
<i>Adjustments for:</i>				
Depreciation and Amortisation Expenses	21,673		30,869	
Finance costs	2,063		7,542	
Interest income	(2,509,109)		(1,734,123)	
Dividend income	(33,755,899)		(20,850,111)	
Net gain / loss on sale of investments	(2,035,753)	(38,277,025)	(26,773,304)	(49,319,127)
Operating profit / loss before working capital changes		(5,087,929)		(6,315,489)
<i>Changes in working capital:</i>				
<i>Adjustments for increases / decrease in operating assets:</i>				
Short-term loans and advances	(25,764,221)		752,181	
Other current assets	-		-	
<i>Adjustments for increases / decrease in operating liabilities:</i>				
Other Current Liabilities	(1,454)		22,614	
Long term Provisions	404,205	(25,361,470)	331,309	1,106,104
Cash generated from operations		(30,449,399)		(5,209,385)
Net income tax paid / refunds		53,697		(4,344,124)
Net cash flow from / (used in) operating activities (A)		(30,395,702)		(9,553,509)
B. Cash flow from investing activities				
Purchase of Fixed Assets		-		(15,927)
Sale of Current investments		52,700,000		87,137,104
Purchase of Current investments		(6,400,000)		(84,150,000)
Purchase of long term investments		(5,363,722)		(40,302,994)
Sale of long term investments		24,044,424		26,696,339
Interest received		2,313,543		1,450,060
Dividend received on investments		33,844,769		20,761,241
Net cash flow from / (used in) investing activities (B)		31,139,014		11,575,823
C. Cash flow from financing activities				
Increase / (decrease in) Short Term Loans / borrowings		(303,452)		(883,703)
Finance Costs		(2,063)		(7,542)
Net cash flow from / (used in) financing activities (C)		(305,515)		(891,245)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		437,797		1,131,069
Cash and cash equivalents at the beginning of the year (Note -13)		16,312,485		15,181,416
Cash and cash equivalents at the end of the year (Note -13)		16,750,282		16,312,485

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statements".

Accounting Standard-3 "Cash Flow Statements"

In terms of our report attached
For LAKHOTIA & CO.
Chartered Accountants
Firm Regn. No. 313145E

NARESH LAKHOTIA
Partner
Membership No. 51249
Kolkata, Dated the 5th May, 2016

Directors

Manager & CFO