

BOARD OF DIRECTORS

ASHOK BHANDARI - CHAIRMAN & INDEPENDENT DIRECTOR
B. L. GAGGAR
RIYA PUJA JAIN
PRIYANKA MOHTA - INDEPENDENT DIRECTOR
T. K. BHATTACHARYA - INDEPENDENT DIRECTOR
DEBASISH RAY - INDEPENDENT DIRECTOR
J. P. MUNDRA

MANAGER AND CHIEF FINANCIAL OFFICER

S. P. KUMAR

COMPANY SECRETARY

ASHISH KEDIA

BANKERS

STATE BANK OF INDIA
HDFC BANK LTD.

AUDITORS

CHATURVEDI & COMPANY
CHARTERED ACCOUNTANTS
KOLKATA

REGISTERED OFFICE

21, STRAND ROAD
KOLKATA - 700 001
Phone : 033-2230 9601-03
e-mail : nbifinance@ymail.com
CIN : L65923WB1936PLC065596
Website : www.nbi-india.co.in

REGISTRAR & SHARE TRANSFER AGENT

MAHESHWARI DATAMATICS PVT. LTD.
23, R.N. MUKHERJEE ROAD (5TH FLOOR)
KOLKATA - 700 001
TEL : 033 2243 5029
e-mail : mdpldc@yahoo.com

DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors have pleasure in presenting the 87th Annual Report of your Company along with the Audited Financial Statements of the Company for the year ended 31st March, 2022. This report read with the Management Discussion and Analysis include details of the macro-economic scenario, Company's performance and it's approach to risk management.

The Annual Report for FY 2021-22 is also available on the website of the Company.

FINANCIAL HIGHLIGHTS

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

	Year ended 31.03.2022	(Rs. in lakhs) Year ended 31.03.2021
Profit before Depreciation & Provisions	1089.25	98.45
Less : Depreciation	0.44	0.46
Profit before Taxation	1088.81	97.99
Less : Provision for Current Tax	265.24	-
Provision for Deferred Tax	29.09	(63.36)
Profit after Tax	794.48	161.35
Add: Transfer from OCI: sale of shares	156.80	-
Add : Balance of Profit from Previous year	10,398.25	10,269.17
	<u>11,349.53</u>	<u>10,430.52</u>

APPROPRIATIONS

Transfer to Reserve Fund (as per RBI Guidelines)	158.90	32.27
Balance Carried to Balance Sheet	11,190.63	10,398.25
	<u>11,349.53</u>	<u>10,430.52</u>

WORKING RESULTS AND STATE OF COMPANY'S AFFAIRS

Total income during the year under review amounted to ₹ 1,228.24 Lac as against ₹ 216.00 Lac in the preceding year. Profit before tax amounted to ₹ 1,088.81 Lac as against ₹ 97.99 Lac in the preceding year. Profit after tax stood at ₹ 794.48 Lac as against ₹ 161.35 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.

COVID-19

The COVID-19 pandemic, continued to be a global challenge, creating disruption across the world. In the first three months of FY 2022, the second wave of the pandemic overwhelmed India's medical infrastructure.

DIVIDEND

In view of the current uncertainty and threat of pandemic looming large, the Board has decided to retain the earnings and does not propose any dividend.

In terms of Regulation 43A of SEBI Listing Regulations, the Company has adopted Dividend Distribution Policy as approved by the Company's Board. The Policy is hosted on the Company's website and can be accessed at http://www.nbi-india.co.in/policies/20211227_NBI_Dividend_Distribution_Policy.pdf.

SHARE CAPITAL

The Authorised Share Capital of the Company stands at ₹10 crore divided into 2 crore equity shares of ₹5/- each. The paid-up equity share capital of the Company stood at ₹122.84 Lac as at 31st March, 2022. During the year under review, the Company has not issued any new shares.

TRANSFER TO RESERVE FUND

Pursuant to section 45-IC of Reserve Bank of India Act, 1934, non-banking financial companies (NBFCs) are required to transfer a sum not less than 20% of their net profit every year to reserve fund before declaration of any dividend. Accordingly, the Board proposes to transfer ₹ 158.90 Lac to Reserve Fund and the balance profit is retained in the Profit and Loss Account.

PUBLIC DEPOSITS

Your Company has not accepted any deposit from the public during the year, nor does it hold any such deposits as at the end of the year.

PARTICULARS OF LOANS AND GUARANTEES

The Company, being a Non-Banking Financial Company (NBFC) registered under Chapter IIIB of the Reserve Bank of India Act, 1934 (2 of 1934), is exempt from complying with the provisions of Section 186 of the Companies Act, 2013 with respect to loans.

ASSOCIATE COMPANIES

The Company does not have any associate.

UNCLAIMED DIVIDEND

Members are advised to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their unpaid dividends from the Company, within the stipulated timeline. However, no such amount of unpaid / unclaimed dividend and shares were transferable by the Company to "IEPF" during the year, being not applicable to it presently.

RELATED PARTY TRANSACTIONS

During the year, the Company had not entered into any significantly material contract / arrangement / transactions 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 and sitting fees paid to directors in the ordinary course of business pursuant to Ind AS 24 which is suitably disclosed in Note No.29 of the Financial Statements forming part of this Annual Report. There were no transaction requiring disclosure under section 134(3)(h) of the Act except as aforesaid.

All related party transactions entered during FY2022 were on arm's length basis and in the

ordinary course of business of the Company under the Act as aforesaid and not material within the meaning of the SEBI Listing Regulations or extant RBI guidelines. None of the transactions required members' prior approval under the Act or SEBI Listing Regulations.

The Company has formulated a policy on materiality of related party transactions and on dealing with related party transactions. The policy is available on the website of the Company and also forms a part of the Corporate Governance Report. Related Party Disclosures as required under the Listing Regulations is annexed to this report.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate financial controls commensurate with its size, scale, nature of business and operations with reference to its financial statements. The Company has appointed internal auditors who review the internal financial control system. These have been designed to provide reasonable assurance about recording and providing reliable financial information, ensuring integrity in conducting business, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

RISK MANAGEMENT

The Board of Directors have adopted a risk management policy for the Company which provides for identification, assessment, control and governance of risks which, in the opinion of the Board, may pose significant loss or threat to the Company. The Policy is formulated in compliance with Regulation 21 and Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and relevant provisions of the Companies Act, 2013. The policy is available on the website of the Company and also forms a part of the Corporate Governance Report.

The main identified risks at the Company are Commercial Risks, Financial Risks, Operational Risks and Legal & Regulatory Risks. The constitution of Risk Management Committee has become mandatory for the Company as per Regulation 21 of the Listing Regulations as the company has come within the top 1000 listed entities based on market capitalization. Accordingly, the Risk Management Committee has been constituted and the details of the Committee are given in the Corporate Governance Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

The Company has seven directors on its Board. Detailed composition about the Board is disclosed in the Corporate Governance Report. All Directors have submitted relevant declarations / disclosures as required under the Act and the Listing Regulations.

Re-appointment of Director

Shri Bankat Lal Gagar (DIN: 00404123) and Smt. Riya Puja Jain (DIN: 01559454), Directors of the Company, retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors), Rules 2014 and the Articles of Association of your Company and being eligible, have offered themselves for re- appointment as Directors.

As required by Regulation 36(3) of the Listing Regulations and provisions of the Secretarial Standards, brief resume and other details of the above-mentioned Director(s) seeking appointment/re-appointment, is attached to the Notice of the ensuing Annual General Meeting.

None of the Directors proposed for appointment / reappointment at the ensuing Annual General meeting are disqualified from being appointed /reappointed as Directors under the provisions of the Act, the SEBI Listing Regulations or any other order, directions of MCA, SEBI or any other statutory authorities.

Shri Ashok Bhandari, Shri Tapas Kumar Bhattacharya, Shri Debashis Ray and Smt. Priyanka Mohta continue to be Independent Directors of the Company appointed for a period of five years from their respective dates of appointment.

The Independent Directors have appropriate skill, knowledge and experience in their respective fields. The Company has received declarations from the Independent Directors confirming that they meet the criteria of Independence as prescribed under the Companies Act, 2013 and SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Companies Act, 2013, the Rules made thereunder and SEBI Listing Regulations and are independent of the management, and are persons of high integrity, expertise and experience. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board is also of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of strategy, business management, accounts & finance, auditing and taxation and they hold highest standards of integrity.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs ('IICA'). Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended vide Notification No. GSR.774(E), dated 18.12.2020, wherever required, Independent Directors of the Company have undertaken to complete online proficiency self-assessment test conducted by the said Institute.

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

Sudha Jain the Company Secretary resigned from the services of the Company from 31st May 2022. The Board has appointed Mr. Ashish Kedia, an Associate Member of the Institute of Company Secretaries of India as the Company Secretary of your Company.

The Independent Directors, Directors and Senior Management including the employees have complied with their obligations as mentioned under Regulations 25 and 26 of the Listing Regulations.

ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of non-executive directors. The Independent Directors 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 the management outside the Board / Committee meetings.

Performance evaluation of Board and Committees:

- Board structure and composition
- Degree of fulfilment of key responsibilities
- 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.

DECLARATION BY INDEPENDENT DIRECTORS

The independent directors have submitted declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act, as amended, and regulation 16 of the SEBI Listing Regulations. The independent directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

The Board took on record the declaration and confirmation submitted by the independent directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of regulation 25 of the SEBI Listing Regulations.

ANNUAL RETURN

Pursuant to the provisions of the Companies Act, 2013 as amended upto date, the extract of annual return is no longer required to be part of the Board Report. However, in Compliance to the provisions of Section 92 and Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the financial year ended 31st March, 2022 and other policies of the Company is placed on the Company's website at www.nbi-india.co.in

AUDITORS:

Statutory Auditors

M/s Chaturvedi & Co., Chartered Accountants having Firm Registration No. 302137E, who are Statutory Auditors of the Company, were appointed by the Company at the Extraordinary General Meeting ("EGM") held on 27th January, 2022, to hold office from the date of passing of resolution until the conclusion of the 89th Annual General Meeting to be held in the year 2024. In accordance with the RBI directives, the Board and the Audit Committee have reviewed the performance of the statutory auditors and recommended their continuation as statutory auditors for the year 2022-23. The Members are required to fix remuneration of the Statutory Auditors for the financial year ending 31st March, 2023.

The Statutory Auditors have confirmed that they satisfy the eligibility / independence criteria

required under the Companies Act, 2013 and The Code of Ethics issued by the Institute of Chartered Accountants of India.

The audit report by M/s Chaturvedi & Co., for the FY2022 is unmodified, i.e., it does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor and Secretarial Audit Report

Section 204 of the Act, inter-alia requires every listed company to undertake Secretarial Audit and annex with its Board's Report a Secretarial Audit Report given by a Company Secretary in practice in the prescribed form.

In line with the requirement of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Listing Regulations and other applicable provisions, if any, the Secretarial Audit for the financial year 2021-22 has been conducted by Shri Mukesh Chaturvedi, Practicing Company Secretary (PCS).

The Secretarial Audit Report for the financial year ended 31st March, 2022 is annexed to this Report. The report does not contain any qualification, reservation or adverse remark requiring explanation or clarification from the Board.

Cost Audit

Pursuant to provisions of section 148 of the Companies Act, 2013 cost audit as specified by the Central Government is not applicable to the Company.

Tax Auditor

The Board of Directors has appointed M/s Chaturvedi & Co., Chartered Accountants, to carry out the Tax Audit for the Assessment Year 2022-23.

Internal Auditor

The Board of Directors on the recommendation of the Audit Committee had appointed M/s D. K. Parmanandka & Co., Chartered Accountants, to carry out the Internal Audit of the Company for the Financial Year 2021-22.

REPORTING OF FRAUDS BY AUDITORS

During the reporting period, neither the statutory auditors nor the secretarial auditor has reported to the audit committee/Board, under section 143(12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, and hence the requirement to mention the same in this report is not applicable.

NUMBER OF MEETINGS:

Meetings of Board and its Committees are held as per statutory requirements and as per business needs. Due to business exigencies, the Board and Committees have also been approving several proposals by circulation from time to time.

Board Meeting

During the year, five Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act, Secretarial Standards-1 (SS-1) issued by the Institute of Company Secretaries of India and Listing Regulations.

The Company has the following five (5) Committees, which have been established in compliance with the relevant provisions of applicable laws and as per business requirements:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Risk Management Committee
4. Stakeholders' Relationship Committee
5. Corporate Social Responsibility (CSR) Committee

AUDIT COMMITTEE

The Audit Committee comprises of three Independent Directors namely, Shri Tapas Kumar Bhattacharya (Chairman), Shri Ashok Bhandari and Shri Debasish Ray and a Non Independent Director Shri Jagdish Prasad Mundra. The Committee met five times during the year.

NOMINATION & REMUNERATION COMMITTEE

The Company has a Nomination & Remuneration Committee comprising of three independent directors and one non-independent director namely, Shri Tapas Kumar Bhattacharya (Chairman), Shri Ashok Bhandari, Shri Debasish Ray and Shri Bankat Lal Gaggar. The Committee met thrice during the year.

RISK MANAGEMENT COMMITTEE

Pursuant to Regulation 21 of the SEBI Listing Regulations your Company was required to constitute Risk Management Committee. Accordingly, the Risk Management Committee was formed comprising of three members, namely Shri Ashok Bhandari (Chairman), Shri Bankat Lal Gaggar (Director) and Shri S P Kumar. The Committee met twice during the year.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders' Relationship Committee of Directors comprises of three members, namely Shri Bankat Lal Gaggar (Chairman), Shri Jagdish Prasad Mundra and Shri Tapas Kumar Bhattacharya. The Committee held four meetings during the year.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee comprises of four members, of which two are independent directors and two non-executive directors namely Shri Tapas Kumar Bhattacharya (Chairman), Shri Debasish Ray, Shri Bankat Lal Gaggar and Shri Jagdish Prasad Mundra respectively. The Committee met once during the reporting period.

This year the Company was not required to spend any amount as the average net profits before tax of the previous three financial years calculated as per Section 198 of the Companies Act, 2013 was negative.

The Annual Report on CSR activities of FY 2021-22 with requisite details in the specified format as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed hereto and forms part of this report.

The CSR Policy of the Company is also annexed hereto and forms part of this Report. The same is also available on the website of the Company viz. http://www.nbi-india.co.in/policies/20211109_NBI_CSR_Policy_2021.pdf

More details about all the Committees of the Board, including details of the role and responsibilities of Committees, the particulars of meetings held and attendance of the Members at such meetings are stated in the Corporate Governance Report, which forms part of the Annual Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

The Board of Directors of the Company follows the criteria for determining qualification, positive attributes, independence of Directors as per applicable policies of the Company.

Directors are appointed /re-appointed with the approval of the Members for a term in accordance with the provisions of the law and the Articles of Association of the Company. All Directors, other than Independent Directors, are liable to retire by rotation, unless otherwise specifically provided under the Articles of Association or under any statute or terms of appointment.

MATERIAL CHANGES AND COMMITMENTS

There have not been any material changes and commitments in terms of Section 134(3)(l) of the Act, affecting the financial position of the Company between the end of the financial year of the Company as on 31st March, 2022 and the date of this report i.e. 31st May, 2022.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has always provided a congenial atmosphere for work that is free from discrimination and harassment, including sexual harassment. Keeping in view the problem of sexual harassment the company has framed a policy to prevent incidents of sexual harassment as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed there under. However, constitution of Internal Committee as required under the Act is not applicable to the Company since the company has less than 10 employees. All employees are covered under this Policy. During the year under review, the Company has not received any complaints of sexual harassment, hence no disclosures are applicable. This Policy is available on our website.

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

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values pursuant to the provisions of the Act and guidelines issued by SEBI. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy. These form part of the Notes to the financial statements.

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby states and confirms that:

- i) in the preparation of the Annual Accounts for the financial year 2021-22, the applicable accounting standards have been followed along with 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 FY 21-22;
- 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 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 are operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and are operating effectively.

PARTICULARS OF EMPLOYEES AND REMUNERATION

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 the 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 are 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, disclosures 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 OF EQUITY SHARES

The Company's equity shares are listed on the National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fee to the stock exchange upto the financial year 2022-23.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report forms an integral part of this Report, as annexed hereto, together with the Certificate from the Practicing Company Secretary regarding compliance with the conditions of Corporate Governance as stipulated in Part E of Schedule V to the Listing Regulations. There are no demat suspense account/ unclaimed suspense account as on the date of this Report as required in Part F of Schedule V of the SEBI Listing Regulations.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Regulation 34 of the SEBI Listing Regulations, the Management Discussion and Analysis Report is set out hereunder and forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as required under National Guidelines on Responsible Business Conduct formulated by Ministry of Corporate Affairs, Government of India, and under Regulation 34(2)(f) of the SEBI Listing Regulations, describing the initiatives taken by the

Company from an environmental, social and governance perspective, is annexed hereto and forms an integral part of this Annual Report.

MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:

Vigil Mechanism (Whistle Blower Policy) and Code of Conduct

Creating a fraud and corruption free culture has always been the core factor of your Company. In view of the potential risk of fraud, corruption and unethical behavior that could adversely impact the Company's business operations, performance and reputation, NBI has emphasized even more on addressing these risks. To meet this objective, a comprehensive "Vigil Mechanism and Whistle Blower Policy", in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of SEBI Listing Regulations, is in place. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and posted on the website of the Company.

The Company's "Code of Business Conduct and Ethics (Code of Conduct)" is applicable to the employees including directors of the Company and is available on the Company's website. All employees including directors of the Company have affirmed compliance to the Code of Conduct as on March 31, 2022.

Code of Conduct to Regulate, Monitor and report trading by Insiders

In terms of SEBI (Prohibitions of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted a Code of Conduct for Prevention of Insider Trading (Insider Code) as approved by the Company's Board. Insiders (as defined in Insider Code) including designated employees & persons and their relatives are, inter-alia, prohibited from trading in the shares and securities of the Company or counsel any person during any period when the "unpublished price sensitive information" are available with them.

The Insider Code also requires pre-clearance for dealing in the Company's shares and prohibits dealing in Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

TRANSFER OF SHARES ONLY IN DEMAT MODE

As per SEBI norms, all requests for transfer of securities including transmission and transposition shall be processed only in dematerialised form. Further vide Notification no. SEBI/LAD-NRO/GN/2022/66 dated 24th January, 2022, SEBI has notified that all requests for duplicate issuance, splitting and consolidation requests too will be processed in demat mode only.

UPDATING KYC DETAILS

Efforts are underway to update Permanent Account Number (PAN) and bank account details of shareholder(s) as required by SEBI. The regulator, vide circular dated 3rd November, 2021 and 15th December, 2021, has mandated furnishing of PAN, KYC details and nomination by holders of physical securities by 31st March, 2023. Members are requested to submit their PAN, KYC and nomination details to the Company's registrars.

Pursuant to aforesaid SEBI Circular, in case a holder of physical securities fails to furnish these details or link their PAN with Aadhar before the due date, our registrars are obligated to freeze such folios. The holders of securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. In case the securities continue to remain frozen as on 31st December, 2025, the registrar/ the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibition) Act, 1988, and/or Prevention of Money Laundering Act, 2002.

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
Policy on Materiality of Related Party Transactions	http://www.nbi-india.co.in/policies/20220518_NBI_Policy_on_Materiality_of_RPT.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
Prohibition of Insider Trading	http://www.nbi-india.co.in/policies/NBI_Prohibition_of_Insider_Trading_Policy.pdf
Corporate Social Responsibility Policy	http://www.nbi-india.co.in/policies/NBI_CSR_Policy.pdf
Prohibition of Sexual Harassment Policy	http://www.nbi-india.co.in/policies/NBI_Prohibition_of_Sexual_Harassment_Policy.pdf
Dividend Distribution Policy	http://www.nbi-india.co.in/policies/20211227_NBI_Dividend_Distribution_Policy.pdf
Risk Management Policy	http://www.nbi-india.co.in/policies/20220518_NBI_Risk_Management_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: 31st May, 2022

For and on behalf of the Board
(Ashok Bhandari)
Chairman
DIN: 00012210

Annexure to the Director's Report**RELATED PARTY DISCLOSURE**

Format for disclosure of transactions with related parties as referred to in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Details of transactions with related parties:

Nature of Transactions	Name of related party	Description of Relationship	Amount (Rs. in Lacs)
Remuneration	Mr. S.P. Kumar	Key Management Personnel	22.60
Remuneration	Sudha Jain (from 16th December, 2021)	Key Management Personnel	0.70
Remuneration	Nisha Laddha (upto 18th June, 2021)	Key Management Personnel	0.36

For and on behalf of the Board

Place: Kolkata
Dated: 31st May, 2022

(Ashok Bhandari)
Chairman
DIN: 00012210

SECRETARIAL AUDIT REPORT

(Form MR -3)

FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

To,

The Members,

N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED,

(CIN: L65923WB1936PLC065596)

21, Strand Road, Kolkata – 700 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED(hereinafter called as '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 the Company's 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 31 March 2022, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place 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 31.03.2022 according to the provisions of:

- (i) The Companies Act, 2013 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;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings -**Not Applicable**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not Applicable**
 - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **Not Applicable;**
 - h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - **Not Applicable;**
 - i) The Securities and Exchange Board of India (Shares based Employee Benefits) Regulations, 2014; **Not Applicable**
 - j) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
 - k) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable**
 - l) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and 2018
- (vi) Rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to Non- Banking Financial Companies, which are specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors & Independent Directors. Though the Company has no Executive Director but they have Manager, CFO and Company Secretary. The change in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of account have not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings are carried out unanimously as recorded in the Minutes of the Meeting of the Board of Directors.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Kolkata
Date: 10.05.2022

Signature: Sd/-
Practising Company Secretary - Mukesh Chaturvedi
FCS No.:11063
CP No.:3390
UDIN : F011063D000297921

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**1. Brief outline on CSR Policy of the Company**

In today's context, the 'Corporate Social Responsibility' (CSR) is defined as a mandatory way for a Company to balance its Economic, Social and Environmental objectives while enhancing the Shareholders' value and Stakeholders expectations.

The Company aims to focus on environment preservation, spreading education, sports and supporting needy people of the society for their overall upliftment. Though its social activities are to focus primarily on areas surrounding its operations, which may include people / programs which may not be so related strictly considering overall upliftment objectives.

2. Composition of CSR Committee:

The CSR Committee comprises 4 members, of which two are Independent Directors. The Committee met once during the reporting period on 02nd February, 2022. The details of members and the meeting are as under:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Tapas Kumar Bhattacharya	Chairman (Independent Director)	1	1
2.	Mr. Debasish Ray	Member (Independent Director)	1	1
3.	Mr. B L Gaggar	Member (Non-executive Non-Independent Director)	1	1
4.	Mr. J P Mundra	Member (Non-executive Non-Independent Director)	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The Company has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and the said Policy along with composition of CSR Committee and CSR Projects are placed on the website of the Company and the web link for the same is: http://www.nbi-india.co.in/policies/20211109_NBI_CSR_Policy_2021.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

(Rs Lacs)

Sl No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
		NIL	

6. Average net profit of the company as per section 135(5) : Rs. (134.76) Lacs
7. (a) Two percent of average net profit of the company as per section 135(5) : -2.69 Lacs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- (c) Amount required to be set off for the financial year, if any: NIL
- (d) Total CSR obligation for the financial year (7a+7b- 7c): NIL
8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No.)	Location of the project.		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transfer to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration No.
NIL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No.)	Location of the project.		Amount spent for the project (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration No.
NIL									

- (d) Amount spent in Administrative Overheads – NIL
- (e) Amount spent on Impact Assessment, if applicable – NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)- Not Applicable
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	(2.69)
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs. Lacs)	Amount spent in the reporting Financial Year (in Rs. Lacs).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs. Lacs)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.	2018-19	NIL	59.11	NIL	NIL	Not Applicable	NIL
2.	2019-20	NIL	59.70	NIL	NIL	Not Applicable	NIL
3.	2020-21	NIL	NIL	NIL	NIL	Not Applicable	NIL
	TOTAL		118.81				

(b) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project- Completed /Ongoing.
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details)**.

(a) Date of creation or acquisition of the capital asset(s): Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset : Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : Not Applicable

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

Place: Kolkata
Date: 31st May, 2022

J.P. Mundra
Director
DIN:00630475

T.K. Bhattacharya
Chairman of
CSR Committee
DIN: 00711665

Corporate Social Responsibility Policy (CSR Policy)

N.B.I. Industrial Finance Company Limited (NBI) believes that for its operation and growth to be sustainable, it has to be responsive to social needs. Its progress is thus underlined by strict adherence to environment preservation, social upliftment etc. NBI believes in making social development as an integral part of its business activities so as to bring about a meaningful change in the lives of people. NBI considers social responsibility as a voluntary act rather than an additional activity mandated by statute.

NBI has in line with / in conformity with the statutory requirement, prepared its CSR Policy. NBI will maintain that all the activities that will be undertaken by it will be in accordance with the policy and that the projects and activities that will be undertaken are in full compliance with Schedule VII of the Companies Act, 2013.

The contents of NBI's CSR Policy are given below:-

1. Vision, Objective and Scope of the Policy

NBI Programmes will focus on supporting needy people of the society for their overall upliftment. Though its social activities will be focusing primarily on areas surrounding its operations, it may include people / programs which may not be so related strictly considering overall upliftment objectives.

2. Mandate of Corporate Social Responsibility

NBI is committed to spend 2% of its Average Net Profits of last three financial years as defined in the Rules towards its social initiatives.

3. Board Committee

The CSR Committee of the Board will oversee the social activities to be undertaken by the Company.

4. Identification of Projects and Modalities of Project Execution

The projects to be undertaken by the Company shall conform to the guidelines formulated or laid down by the Government from time to time under Schedule VII to the Companies Act, 2013.

5. Organisational Mechanism

NBI has co-promoted a Section 8 Company alongwith other Companies to undertake activities relating to development of sports in fulfilling its CSR objectives.

6. Implementation

CSR Committee of the Board is entrusted with implementing the social activities / initiatives and establishing a monitoring mechanism in line with the policy of the company.

7. Budget – CSR Corpus

NBI will allocate necessary budget after the beginning of relevant accounting year for social initiatives. Fund allocation for various activities will be made on suitable and/or progressive basis.

8. Performance Management

NBI will adopt suitable approach for measuring the actual performance of the projects undertaken and Audit Committee of the Board of the Company shall review the performance.

9. Information Dissemination and Policy Communication

The Company's engagement in this domain shall be disseminated on its website and through its Annual Reports etc.

10. Management Commitment

Our Board of Directors, Management and all of employees subscribe to the philosophy of compassionate care. We believe and act on ethos of generosity and compassion, characterised by a willingness to build a society that works for everyone. This is the cornerstone of our CSR Policy.

11. Review of Policy

CSR Committee of the Board of N.B.I. Industrial Finance Company Limited will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

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

Place : Kolkata
Date: 31st May, 2022

J.P. Mundra
Director
DIN -00630475

T. K. Bhattacharya
Chairman of CSR
Committee
DIN-00711665

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, including any alternate directorship, 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/Managing Director in any Listed entity.

A Director shall not be a member in more than 10 committees or act as Chairperson of more than 5 committees across all listed entities in which he/she is a director.

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, high value debt listed entities and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

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

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) **Ratio of the remuneration of each Director to the median remuneration of all 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**
9.62%.

- iii) **Percentage increase in the median remuneration of employees in the financial year**
10.12%.

- iv) **Number of permanent employees on the rolls of Company**
5 (Five)

- v) **Average percentile increase already made in the salaries of employees other than the 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 2021-22 was 9.80%. Percentage increase in the managerial remuneration for the year was 9.62%.

- vi) **It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for directors, key managerial personnel and other employees.**

Business Responsibility Report**Section A General Information about the Company**

1	Corporate Identification Number (CIN) of the Company	L65923WB1936PLC065596
2	Name of the Company	N.B.I. INDUSTRIAL FINANCE CO. LTD.
3	Registered Address	21, Strand Road, Kolkata 700 001
4	Website	www.nbi-india.co.in
5	Email id	nbifinance@ymail.com
6	Financial year reported	1st April 2021 to 31st March 2022
7	Sector(s) that the company is engaged in	Non-Banking Financial Activity
8	Key services provided by the company	Investment Activity
9	Total number of locations where business activity is undertaken by the company	Kolkata
10	Market served by the company	India

Section B Financial details of the company

1	Paid up Capital	Rs. 122.84 lacs
2	Total Turnover	Rs. 1228.24 lacs
3	Profit after tax	Rs. 794.48 lacs
4	Total spending on CSR as percentage of Profit after Tax (%)	This year there was no need for spending on CSR activities. Refer Annual Report on CSR activities.
5	List of the activities in which expenditure in 4 above has been incurred	Not Applicable this year.

Section C Other details

1	Does the Company has any Subsidiary Company/Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	No

Section D BR information

1	Details of director(s)/ Officer responsible for BR	
(a)	Details of the Director/Directors responsible for implementation of the BR policy/policies :	
	DIN	00012210
	Name	Ashok Bhandari
	Designation	Chairman
(b)	Details of BR head :	
	DIN (if applicable)	Not Applicable
	Name	Ashish Kedia
	Designation	Company Secretary
	Telephone number	033-22309601-03
	E-mail id	nbifinance@ymail.com
2	Principle - wise (as per NGRBC) BR policy/policies	Included in this report
3	Governance related to BR	Included in this report

Section E Principle-wise performance

1	Principle-wise performance	Included in this report
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Preface

As mandated by the Securities and Exchange Board of India (SEBI), India's top 1000 listed entities based on market capitalisation on BSE Limited (BSE) and National Stock Exchange of India Limited. (NSE), are required to submit a 'Business Responsibility Report' (BRR) along with their Annual Report. Your Company's Business Responsibility Report follows the National Guidelines on Responsible Business Conduct (NGRBC) as formulated by Ministry of Corporate Affairs (MCA) and includes Company's responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), covering topics across environment, governance, social responsibility and stakeholder relationships.

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

NBI endeavours to adopt high standards of corporate governance and adheres to all applicable guidelines with transparent disclosures about the Company's performance. The values of ethics, transparency and accountability are ingrained into its daily operations. NBI has a Code of Conduct for the Company's Directors and Senior Management, which supports the functioning of the Company in an ethical manner. NBI follows the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). The Code of Conduct applies to the Directors and the Senior Management and all employees of the Company.

A Whistle Blower Policy/Vigil Mechanism is also in place, which provides opportunity to all stakeholders to report any concerns/issues/incidents about unethical behaviour, actual or suspected fraud or violation of the Code and Policies of the Company.

Any employee can report to the management regarding instances of unethical behaviour, suspected fraud or violation of the Code of Conduct or ethics policy. In order to safeguard employees, who report any unethical behaviour, against victimization, sufficient measures have also been put in place.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

NBI is an investment company and is not involved in any manufacturing activity or services under the purview of BRR.

Principle 3: Businesses should promote the well-being of all employees

The Company did not have any specially-abled employee or recognized employee association. NBI is aware that employees are an essential part of a company's success. The Company aims to attract qualified personnel and invests in their growth and development. NBI regularly engages its employees and sponsors them to attend various seminars and other educational programmes to keep them updated. NBI has various policies and procedures in place to prevent any kind of discrimination. The 'Policy on Prevention of Sexual Harassment at Workplace' ensures the safety and security of its female employees. The Company did not have any child labour nor did it received any complaint relating to child labour, forced labour, involuntary labour or sexual harassment in FY 2021-22 and none are pending as of 31st March 2022.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

NBI is an equal opportunity employer and ensures that its remuneration practices are based on merit, irrespective of the person's ethnic background or gender. These are regularly updated and are in line with the market benchmarks. In addition, the Company practices affirmative action and ensures there is no discrimination of any type against socially disadvantaged sections at the workplace. The Company has a well-established CSR policy which reflects the objective of economic and social development to create a positive impact.

Principle 5: Businesses should respect and promote human rights

NBI ensures strict compliance with all applicable laws of the land that pertain to human rights and is dedicated to safeguarding the human rights of all its employees. The Company did not receive any complaint relating to violation of human rights in FY 2021-22.

Principle 6: Business should respect, protect, and make efforts to restore the environment

NBI endeavours to manage its business in a manner that conserves the environment. The Company does not have any significant direct environmental impact as it is an investment company with no manufacturing operations.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company is active in putting forward its views on formulation of new industry standards and regulatory developments pertaining to the non-banking finance sector. Furthermore, the Company strives to balance the interests of various stakeholders while proposing any recommendations.

Principle 8: Businesses should support inclusive growth and equitable development

NBI believes that measurement of growth and success lies beyond balance sheets and conventional economic indices, rather it is best reflected in the difference that business and industry make in the lives of people. The CSR initiatives of the Company are aimed at overall development of the society.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Being an investment company, NBI does not have any direct customer or consumer interface.

CORPORATE GOVERNANCE REPORT

The Board of N.B.I. Industrial Finance Company Limited ("Company") is pleased to present the Company's Report on Corporate Governance for the year ended 31st March, 2022. This Report includes a review of how corporate governance acts as the foundation for our corporate activity and is embedded in our business and the decisions we make. Corporate governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interests while conducting business. It is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and amendments thereto. It contains the Corporate Governance policies and practices of N.B.I. Industrial Finance Co. Ltd.

(A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

We believe that corporate governance is a continuous journey towards sustainable value creation for all the stakeholders, which is driven by our values and built on the foundation of Assurance. It encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. Our Corporate Governance principles are a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values and built on the foundation of assurance. The Board of Directors ("Board") helps to ensure that we have appropriate governance in place, both to support our operations and protect our Members' interest. As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long-term success. The requirements under the Listing Regulations mandated by the Securities and Exchange Board of India ("SEBI") have been fully complied with. We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive to achieve. The Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. We are committed to meet the aspirations of all our stakeholders. In keeping with this commitment, the Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavors to review, strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its business.

(B) Board of Directors

The members of the Board of the Company are eminent personalities from various fields. We believe 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. Keeping with the commitment to the principles of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management. The Board's actions and decisions are aligned with the Company's best interests. The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company. The Board is committed to the goal of sustainably elevating the Company's value creation. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

Composition

The composition of the Board is in conformity with Regulation 17 and Regulation 17A of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013. In terms of the provisions of the Act and the SEBI Listing Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies with changes therein, if any, on a periodical basis. The Board comprises of Independent and Non- Independent Directors. The directors are persons of eminence in areas such as profession, business, industry, finance, law, administration, etc. and bring with them experience/skills which add value to the performance of the Board. The directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality. The present composition broadly meets this objective. The strength of the Board as on 31st March, 2022 was seven (7) members all of whom are Non-Executive Directors. Out of them four (4) are Independent Directors (including one-woman independent director) and three (3) are Non- Independent Directors (including one Woman Director). Shri Ashok Bhandari an Independent Director is the Chairman of the Board.

The Independent Directors on the Board are competent and respected professionals from their respective fields and have vast experience in general corporate management, finance, investment and other allied fields which enable them to contribute effectively to the Company. All Independent Directors make annual disclosure of their Independence to the Company. The day to day management of the Company is conducted by the Manager subject to the supervision, direction and control of the Board of Directors. The Independent Directors have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and their relatives and the company which could have potential conflict of interest with the company at large. In the opinion of the Board, the independent directors fulfill the conditions specified in the Listing Regulations and the Companies Act, 2013 and are independent of the management.

Board Meetings and Attendance of Directors:

Five Board Meetings were held during the financial year 2021-22 on the following dates:

Sl No.	Date of Board Meeting	No. of Directors attended
1	18th June, 2021	6
2	14th August, 2021	6
3	15th November, 2021	6
4	16th December, 2021	6
5	14th February, 2022	7

Details of the Board of Directors and External Directorships

Particulars of the Board's Composition, Directors' Attendance at Board Meetings and at the previous Annual General Meeting, number of other Directorships and Board-Committee memberships held as on 31st March, 2022, are given below:

SI No.	Name of the Director	Category	No. of Board Meetings attended	Attended last AGM	No. of other Directorship (*)	Number of other Board Committee positions (@)	
						As Chairman	As Member
1	Ashok Bhandari	Independent	5	Yes	7	1	7
2	B.L. Gaggar	Non-Executive	5	Yes	3	-	1
3	Riya Puja Jain	Non-Executive	1	No	0	-	-
4	J.P. Mundra	Non-Executive	5	Yes	5	1	-
5	T.K. Bhattacharya	Independent	5	Yes	1	-	2
6	Debasish Ray	Independent	5	Yes	0	-	-
7	Priyanka Mohta	Independent	5	Yes	0	-	-

Notes:

- (*) includes directorships held in public limited Companies only.
(Directorships held in Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013 are excluded)
- (@) includes only positions held in Audit Committee and Stakeholders' Relationship Committee of the Board of Directors as per Regulation 26 of the Listing Regulations.

None of the directors hold office as a director, including as an alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary companies of a public company are included; while directorships in dormant companies are excluded. For the purpose of reckoning the directorships in listed companies, only equity listed companies have been considered.

As per declarations received, no director serves as an independent director in more than seven equity listed companies or in more than three equity listed companies if he/she is a whole-time director/managing director in any listed company.

None of the directors was a member in more than ten committees, nor a chairperson in more than five committees across all public companies in which he/she was a director.

Notwithstanding the number of directorships, as highlighted herein, the outstanding attendance record and participation of the directors in Board/Committee meetings indicates their commitment and ability to devote adequate time to their responsibilities as Board/Committee members.

Web link for Familiarisation Program for Independent Directors is http://www.nbi-india.co.in/policies/NBI_Familiarisation_Program.pdf

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Names of the other listed entities where the director is a director alongwith category of directorship:

SI No.	Name of the Director	Category	
1	Ashok Bhandari	1) Maharashtra Seamless Ltd 2) Maithan Alloys Ltd 3) Rupa & Co. Ltd. 4) Skipper Ltd. 5) IFB Industries Ltd.	1)Independent Director 2)Independent Director 3)Independent Director 4)Independent Director 5)Independent Director
2	Riya Puja Jain	NIL	NIL
3	B.L. Gaggar	NIL	NIL
4	J.P. Mundra	Western India Commercial Co. Ltd.	Non-Executive Non-Independent Director
5	T.K. Bhattacharya	Western India Commercial Co. Ltd.	Non-Executive-Independent Director
6	Debasish Ray	NIL	NIL
7	Priyanka Mohta	NIL	NIL

None of the Non-executive Directors holds any shares or convertible instruments in the Company.

None of the directors of the Company are related *inter-se*

Skills/Expertise/Competencies of Directors

As per the SEBI Listing Regulations, the Board of Directors of the Company has identified the below mentioned skills / expertise / competencies in the context of the business and the sector in which the Company is operating, for the Company to function effectively:

Financial, Regulatory / Legal & Risk Management	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in financial management, capital allocation and financial reporting process or experience in actively supervising various functions
Strategy and strategic planning	Ability to think strategically, identify and assess strategic opportunities & threats and contribute towards developing effective strategies in the context of the strategic objectives of the Company's policies & priorities.

Business Exposure	Experience in driving business success with an understanding of diverse business environments, economic conditions, culture, regulatory framework and a broad perspective on market opportunities including exposure in the secondary market.
Leadership	Extended leadership experience for a significant enterprise, resulting in practical understanding of organisations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning successions and driving change and long-term growth.
Mergers and Acquisitions	A history of leading growth through acquisitions and other business combinations with the ability to assess 'build or buy' decisions.
Corporate Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices

The above skills / expertise / competencies identified by the Company are also actually available with the Board as under:-

Name of the Director	Financial, Regulatory / Legal & Risk Management	Strategy and strategic planning	Business Exposure	Leadership	Mergers and Acquisitions	Corporate Governance
Ashok Bhandari	✓	✓	✓	✓	✓	✓
Riya Puja Jain	✓			✓		✓
B.L. Gagar	✓	✓	✓	✓		✓
J.P. Mundra	✓	✓	✓		✓	✓
T.K. Bhattacharya	✓		✓		✓	✓
Debasish Ray	✓		✓		✓	✓
Priyanka Mohta	✓	✓			✓	✓

Independent Directors

Eminent people having an independent standing in their respective profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee (NRC) of the Company, for appointment as Independent Director on the Board. The NRC, inter alia, considers qualifications, positive attributes, area of expertise, duties as Directors or Committee members.

Other Directorships

None of the Directors is a director in more than 10 public limited companies or acts as an independent director in more than 7 listed companies. Further, none of the Directors acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all public limited companies in which he/she is a director.

Code of Conduct

The Company has in place a comprehensive Code of Conduct and the Code (the Code) is applicable to the Directors and employees. The Code gives the guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the core values of the Company viz. Ownership Mindset, Respect, Integrity, One Team and Excellence. All the directors including Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct as on March 31, 2022. A declaration to this effect, signed by the Manager and Chief Financial Officer (CFO), annexed hereto forms part of this report. The code is available on the official website of the company: www.nbi-india.co.in

(A) Committees of the Board

In order to enable Board to focus on specific areas and make informed decisions within the authority delegated to each of the Committees, Board has constituted following committees. Each Committee of the Board is guided by its charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information or approval.

The Board has constituted following Committees of Directors:

- 1) Audit Committee,
- 2) Nomination and Remuneration Committee,
- 3) Stakeholders Relationship Committee,
- 4) Risk Management Committee and
- 5) Corporate Social Responsibility Committee

1. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations read with Section 177 of the Act. The Audit Committee as on 31st March, 2022 comprises of three Independent Directors and one Non-Independent director. All members of the Audit Committee are financially literate and have accounting or related financial management expertise. The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") of N.B.I. Industrial Finance Company Limited, (the "Company") in fulfilling its oversight responsibilities with respect to:

- a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stakeholders, the public, the stock exchange and others,
- b) the Company's compliances with legal and regulatory requirements,

- c) the Company's independent auditors' qualification and independence,
- d) the audit of the Company's financial statements, and the performance of the Company's internal audit function and its Independent Auditors.

Terms of Reference:

The role and terms of reference of Audit Committee covers areas mentioned under Part C of Schedule II [See Regulation 18(3)] of the Listing Regulations and section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. All the Members of the Audit Committee are qualified and having insight to interpret and understand financial statements. The brief terms of reference of the Audit Committee are outlined here under:

- Review of the company's financial reporting process, adequacy of internal control systems and the disclosure of its financial information;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:-
 - a. matters required to be included in the Director's Responsibility Statement of the Board's Report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s), if any, in the draft audit report.
- Reviewing the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in the matter;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Approval (including omnibus approval) or any subsequent modification of transactions with related parties;
- Reviewing the adequacy of internal audit function including frequency of internal audit reports;
- Reviewing the findings of any observations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board;

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- Evaluation of internal financial controls;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control system;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the utilization of loans and/or advances / investment by the holding company in the subsidiary company(ies) exceeding Rs.100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Management discussion and analysis of financial condition and results of operations;
- Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
- Reviewing the appointment, removal and terms of remuneration of the internal auditor;
- Discussion with internal auditors on any significant findings and follow up thereon;
- To review the functioning of whistle blower / vigil mechanism;
- Scrutiny of inter-corporate loans and investments;
- Reviewing valuation of undertakings or assets of the company, wherever necessary.
- Statement of deviations:
- (a) Quarterly statement of deviation(s) including report of monitoring agency, wherever applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (b) Annual Statement of funds utilised for purpose other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee or as may be referred/assigned by the Board.

Constitution of the Audit Committee

The Composition of the Committee, together with the details of the attendance of each member as at 31st March, 2022 is given below:

SI No.	Name of the Director	Designation	Meetings Attended	Category
1.	T.K. Bhattacharya	Chairman	5	Non- Executive Independent Director
2.	Ashok Bhandari	Member	5	Non- Executive Independent Director
3.	Debasish Ray	Member	5	Non- Executive Independent Director
4.	J.P. Mundra	Member	5	Non- Executive Non-Independent Director

Meetings of the Audit Committee

Five Audit Committee Meetings were held during the financial year 2021-22 on the following dates:

- ✓ 18th June, 2021
- ✓ 14th August, 2021
- ✓ 15th November, 2021
- ✓ 16th December, 2021
- ✓ 14th February, 2022

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The committee formulates the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy relating to the remuneration for the Directors and Key Managerial Personnel. The Committee reviews and recommends payment of annual salaries, commission and other conditions of the Directors and Key Managerial Personnel. The remuneration policy is directed towards rewarding performance based on review of performance / achievements on a periodical basis. No Stock option has been granted to any of the Directors during the financial year 2021-22. The remuneration policy forms part of the Directors Report. The Company doesn't have any pecuniary relationship or transaction with any of the non-executive directors. None of the Directors have been given any remuneration during the financial year under review except Meeting Fees.

The brief terms of reference of the Committee are as follows :

- (a) To formulate and review the criteria that must be followed for determining qualifications, positive attributes/experience for appointment and independence of a director;
- (b) To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and to ensure compliance with the remuneration policy set forth by the Company;
- (c) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the board for their appointment and/or removal;
- (d) To formulate the criteria for evaluation of performance of independent directors and of the board of directors as a whole;
- (e) To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (f) To report on the systems and on the amount of the annual remuneration, in whatever form, of directors and key managerial/senior management personnel to the Board.
- (g) To perform such other functions as may be necessary or appropriate for the performance of its duties.

Constitution and Attendance of members at the meetings of the Nomination and Remuneration Committee

The Composition of the Committee together with the details of the attendance of each member at the meetings during the financial year 2021-22 is given below:

SI No.	Name of the Director	Category	Designation	Meetings Attended
1.	T.K. Bhattacharya	Non- Executive Independent Director	Chairman	3
2.	Ashok Bhandari	Non- Executive Independent Director	Member	3
3.	B.L. Gaggar	Non- Executive Non-Independent Director	Member	3
4.	Debasish Ray	Non- Executive Non-Independent Director	Member	3

Meetings of the Nomination and Remuneration Committee (NRC)

Three NRC Meetings were held during the financial year 2021-22 on the following dates:

- ✓ 26th April, 2021
- ✓ 14th August, 2021
- ✓ 15th November, 2021

Performance evaluation criteria for Independent Directors

- Attendance at Board or Committee meetings.
- Contribution at Board or Committee meetings.
- Adherence to ethical standards and code of conduct of the Company.
- Meaningful and constructive contribution and inputs in the Board/ Committee meetings.

Details of meeting fees paid to the Directors for the year ended 31st March, 2022:

Director	Category	Sitting Fees (Rs.)
Ashok Bhandari	Non- Executive -Independent Director	65,000
B.L. Gaggar	Non- Executive Non-Independent Director	65,000
Riya Puja Jain	Non- Executive Non-Independent Director	5,000
J.P. Mundra	Non- Executive Non-Independent Director	65,000
T.K. Bhattacharya	Non- Executive -Independent Director	77,000
Debasish Ray	Non- Executive -Independent Director	61,000
Priyanka Mohta	Non- Executive -Independent Director	25,000
	Total	3,63,000

3. Stakeholders Relationship Committee

The composition of the Stakeholders' Relationship Committee (SRC) of the Board is in line with the prescribed provisions of Section 178 of the Companies Act, 2013 and the

Listing Regulations and inter alia approves transfer & transmission of shares, issue of duplicate/re-materialised shares and consolidation & splitting of certificates, review measures taken for effective exercise of voting rights by shareholders, review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent, redressal of complaints from investors including inter-alia non-receipt of annual reports and non-receipt of declared dividends etc.

Constitution of the Stakeholders Relationship Committee

The Composition of the Committee during the year 2021-22 is given below:

Sl No.	Name of the Director	Designation	Category
1.	B.L. Gaggar	Chairman	Non- Executive Non-Independent Director
2.	J.P. Mundra	Member	Non- Executive Non-Independent Director
3.	T.K. Bhattacharya	Member	Non- Executive Independent Director

Meetings of the Stakeholders Relationship Committee

Four Stakeholders Relationship Committee Meetings were held during the financial year 2021-22 on-

- 1) 21st June, 2021
- 2) 14th August, 2021
- 3) 21st October, 2021
- 4) 16th December, 2021

Further the details of the Compliance Officer designated for handling of the Investor grievances is provided here under:

Name	Ashish Kedia
Address	21, Strand Road, Kolkata- 700 001 (West Bengal).
Telephone No	033- 2230 7905
E-mail	nbifinance@ymail.com

Details of Pending Investor Grievances and Compliance Officer

The grievances received were resolved during the financial year and all the queries from the stakeholders were attended promptly except in cases of deficiency in documents. Further there were no pending transfers for the year under review.

4. Risk Management Committee

The Risk Management Committee has been constituted in line with Regulation 21 of the Listing Regulations. The Company has come within the top 1000 listed entities by market capitalization as on 31st March, 2021 and the requirement to comply with Regulation 21 of the Listing Regulations has become mandatory.

Constitution of the Risk Management Committee

The Composition of the Committee during the year 2021-22 is given below:

SI No.	Name of the Member	Designation	Category
1.	Ashok Bhandari	Chairman	Non- Executive Independent Director
2.	B.L. Gaggar	Member	Non- Executive Non-Independent Director
3.	S.P. Kumar	Member	Manager & CFO

The primary role and responsibility of the Risk Management Committee is:

- i. To formulate risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- ii. To review that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems and processes;
- iv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vi. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and
- vii. Such other aspects as the Board may consider appropriate and required from the Committee from time to time.
- viii. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

Terms of Reference:

The brief terms of reference of the Risk Management Committee are outlined here under:

- review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes;
- review of operational risks;
- review of financial and reporting risks;

- review of compliance risks;
- review or discuss the Company's risk philosophy and the quantum of risk, on a broad level that the Company, as an organization, is willing to accept in pursuit of stakeholder value;
- inquiring about existing risk management processes and review the effectiveness of those processes in identifying, assessing and managing the Company's most significant enterprise-wide risk exposures;
- review periodically key risk indicators and management response thereto.

5. Corporate Social Responsibility (CSR) Committee

Corporate Social Responsibility (CSR) Committee has been constituted by the Board for formulating and overseeing the execution of the Company's CSR Policy as prescribed under the Companies Act, 2013 and Rules made thereunder. The CSR Committee comprises of two independent directors and two non-executive directors. The members of the CSR Committee are:

Sl No.	Name	Designation in Company	Status in the Committee
1.	Shri T.K. Bhattacharya	Independent Director	Chairman
2.	Shri Debasish Ray	Independent Director	Member
3.	Shri Bankat Lal Gaggar	Director	Member
4.	Shri Jagdish Prasad Mundra	Director	Member

The Annual Report on CSR Activities as required under the Companies Act, 2013 for the year ended 31st March, 2022 is attached to the Board's Report.

Meeting of the Corporate Social Responsibility (CSR) Committee

One CSR Committee Meeting was held during the financial year 2021-22 on 2nd February, 2022.

(D) Details of General Body Meeting

Annual General Meeting

The details of last 3 Annual General Meetings together with the details of the special resolution, if any, passed thereat is provided hereunder:

Year Ended	Day, Date and Time	Venue	Special Resolutions Passed
31st March, 2021	Thursday, 23rd September, 2021 at 10:30 A.M.	21, Strand Road, Kolkata - 700 001	Yes
31st March, 2020	Monday, 28th September, 2020 at 10:30 A.M.	21, Strand Road, Kolkata - 700 001	Yes
31st March, 2019	Saturday, 14th September, 2019 at 10:30 A.M.	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	Yes

Extraordinary General Meeting

An Extraordinary General Meeting of the members of the Company was called for appointing the Statutory Auditors of the Company, on 27th January, 2022 at 10.30 A.M. at 21, Strand Road, Kolkata -700001 to comply with the requirements of the Circular no. RBI/2021-22/25 - Ref.No.DoS.CO.ARG/ SEC.01/ 08.91.001/2021- 22 dated 27 April 2021 [(Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)] issued by the Reserve Bank of India ('RBI Guidelines'). The members have appointed M/s. Chaturvedi & Co., Chartered Accountants, (Firm Registration No. 302137E) as the Statutory Auditors of the Company to hold office until the conclusion of the 89th Annual General Meeting of the Company.

Remote e-voting and ballot at the AGM

SEBI has issued a circular dated 9 December 2020 for increase in the participation by the public non-institutional shareholders/retail shareholders. It has been decided to enable e-voting to all the demat account holders, via a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders will be able to cast their vote without having to register again with the e-voting service providers (ESPs). This will not only facilitate seamless authentication but also enhance the ease and convenience of participating in the e-voting process.

The Company has engaged CDSL to provide e-voting facility to all the members. Members whose names appear on the register of members as on the record date shall be eligible to participate in the e-voting.

The facility for voting through ballot will also be made available at the AGM. Members who have not already cast their votes by remote e-voting can exercise their vote at the AGM.

(E) Means of Communication

The Quarterly, Half-Yearly and Annual Financial Results of the Company are forwarded to Stock Exchange immediately upon approval by the Board of Directors and are simultaneously published in newspapers in English and Bengali (regional language) namely Business Standard and Sukhabar.

In accordance with the Listing Regulations, data pertaining to Shareholding Pattern, Quarterly Financial Results and Other Details are forwarded to the Stock Exchange and are also disseminated on the website of the Company.

During the year under review, no presentation was made to the institutional investors or analysts.

General Shareholders' Information

Annual General Meeting	Tuesday, the 30th August, 2022 at 4.00 P.M. at 21, Strand Road, Kolkata - 700 001 Book Closure Dates: 24.08.2022 to 30.08.2022 (both days inclusive) E-voting Dates: 27.08.2022 to 29.08.2022
Financial Year	2021-22
Dividend payment date	No dividend has been recommended by the Board this year.
Listing on Stock Exchange	The Equity Shares of the Company are listed on: National Stock Exchange of India Limited (NSE). Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 The Company has paid the annual listing fee of the exchange for the financial year 2022-23.
Stock Code	NSE Symbol:NBIFIN
ISIN	INE365I01020

Unclaimed Dividend

Pursuant to provisions of Section 124 of the Companies Act, 2013 and rules framed there under, the Company has transferred the total amount of dividend which remained unpaid or unclaimed for the year 2016-17 to the Unpaid Dividend Account of the Company.

Further, as per provisions of Section 124(5) of the Companies Act, 2013, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called the Investor Education and Protection Fund (the 'Fund') set up by the Central Government. The members who have not yet encashed the dividend warrant(s) for the year 2016-17 (Final Dividend) are requested to approach the Company with their warrants for re-validation/fresh issuance.

The details of unpaid dividend and last date of transfer to IEPF are given hereunder:

Year	Type of Dividend	Dividend per share of ₹ 10/- (₹)	Date of declaration of Dividend	Dividend amount unpaid as on 31.03.2022 (₹)	Last date for transfer of unpaid dividend in Investor Education and Protection Fund
2016-17	Final	1/-	16.09.2017	1,63,453	21.10.2024

Transfer of shares to IEPF

Pursuant to Section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the IEPF, within 30 days of such shares becoming due for transfer. As provided under these Rules, the shareholder would be allowed to claim such unpaid dividends and the shares transferred to the Fund by following the procedure prescribed under the said IEPF Rules, 2016.

GENERAL INFORMATION TO SHAREHOLDERS

Tentative Financial Calendar for the year 2022-23

Financial Year	1st April, 2022- 31st March, 2023
First quarter results	Within 45 days of the end of the quarter
Second Quarter and Half-yearly results	
Third quarter results	
Fourth quarter & Annual results	Within 60 days of the end of the financial year

Listing of Shares:

The Equity shares of the Company are listed at the National Stock Exchange of India Ltd. (NSE).

The Company's Stock code is : NBIFIN

The security of the Company was never suspended from trading during the year 2021-22.

Corporate Identity Number (CIN): L65923WB1936PLC065596

Market Price Data during financial year 2021-2022:

Month	High	Low
April, 2021	2040	1625.45
May, 2021	3200	1860
June, 2021	2475	2050
July, 2021	2384.10	2115.15
August, 2021	2975.45	2249
September, 2021	2899	2601
October, 2021	2798	2366.65
November, 2021	2590	2055
December, 2021	2797	2065.10
January, 2022	2688	2181.15
February, 2022	2360	1979
March, 2022	2325.75	2075

Performance in comparison to broad-based indices i.e. NSE

Indices	NSE (Nifty 50)	NBI Quote at NSE
01.04.2021	14631	1934
31.03.2022	17465	2219.80
Increase / (Decrease)	2834	285.80

Registrar and Share Transfer Agents (RTA)

Maheshwari Datamatics Pvt. Ltd. acts as Registrar and Share Transfer Agent (RTA) of the Company having its registered office at 23, R.N. Mukherjee Road, 5th Floor, Kolkata – 700 001. Contact No.033-22482248, 22435029, Fax:033-22484787. Email Id: mdpldc@yahoo.com.

RTA also maintains a website: www.mdpl.in

Share Transfer System**a) Transfer of Securities held in physical Mode**

As per SEBI norms, all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. Further, vide circular dated 24th January, 2022, SEBI has notified that all request for duplicate issuance, splitting and consolidation requests too will be processed in a demat mode only.

b) Nomination facility for shareholding

As per the provision of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form by writing to the Company Secretary of the Company or RTA. Members holding shares in dematerialized form should contact their Depository Participant (DP) in this regard.

c) Permanent Account Number (PAN) and Bank Account details:

As required by SEBI. The regulator, vide circular dated 3rd November, 2021, and 15th December, 2021, has mandated furnishing of PAN, KYC details and nomination by holders of physical securities by 31st March, 2023. Members are requested to submit their PAN, KYC and nomination details to the Company's registrars.

d) Reconciliation of Share Capital

As required by the Securities & Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by an independent external Auditor (Practicing Company Secretary) with a view to reconcile the total share capital admitted with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and shares held in physical form, with the issued and listed capital. The Auditors Certificate in regard to the same is submitted to NSE.

Distribution of Shareholding as on 31/03/2022				
Share Holding	No of Holders	% age	No of Shares	% age
Upto 500	5,567	97.44	2,52,085	10.26
501 to 1000	85	1.49	63,388	2.58
1001 to 2000	29	0.51	41,126	1.67
2001 to 3000	10	0.18	24,446	1.00
3001 to 4000	1	0.02	3,642	0.15
4001 to 5000	2	0.04	8,800	0.36
5001 to 10000	6	0.11	42,430	1.73
Above 10000	13	0.23	20,20,889	82.26
Grand Total	5,713	100.00	24,56,806	100.00

Dematerialisation of Shares and Liquidity

As on 31st March, 2022, 88.55% of the Company's total equity shares representing 21,75,560 equity shares were held in dematerialized form and the rest were in physical form. The Company's equity shares are available for trading in the depository systems of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Status of total number of shares dematerialized and in physical form as on **31st March 2022:**

Depository	No. of Shares	% of Paid up Capital
NSDL	21,00,264	85.49
CDSL	75,296	3.06
Physical	2,81,246	11.45
Total	24,56,806	100.00

Outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments

The Company has not issued any GDRs / ADRs / Warrants or any Convertible Instruments.

Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 and Rules framed thereunder, Mr. Mukesh Chaturvedi, Practicing Company Secretary was appointed by the Company to conduct Secretarial Audit of records and documents of the Company. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 2013, Depositories Act, 1996, Listing Agreement with the Stock Exchange, and all the relevant Regulations and Guidelines of the SEBI, as applicable to the Company. The audit also covers the reconciliation of share capital on quarterly basis to reconcile the total admitted capital with NSDL & CDSL and total paid up and listed capital. The audit confirms that the total paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

Address for Correspondence

Company Secretary
Ashish Kedia
21, Strand Road, Kolkata - 700 001
Tel: 033 -22309601
Fax: 033-22131650
Email ID: nbifinance@ymail.com
Website: www.nbi-india.co.in

Share transfer are processed by the Registrar & Share Transfer Agent and approved by the Stakeholders Relationship Committee, if the documents are complete in all respects, within 15 days from the date of lodgment. The same is examined by a Practicing Company Secretary on half yearly basis and a Certificate as required under Regulation 40(9) of the Listing Regulations is obtained and forwarded to NSE where the Company's shares are listed.

SEBI Complaints Redress System (SCORES)

SEBI vide circular dated 3rd June, 2011 introduced SCORES, i.e., "SEBI Complaints Redress System" the system of processing of investors complaints in a centralized web based complaints redressal portal known as 'SCORES'. The salient features of this system are: centralized database of all Complaints, online upload of Action Taken Reports (ATRs) by the concerned Company and online viewing by investors of action taken on the complaints and their current status.

The Company is registered with SEBI under the SCORES system.

Credit Ratings

No instances have occurred during the financial year 2021-22 which warrant the Company to obtain Credit Rating.

(F) Other Disclosures

- a) During the financial year 2021-22 there was no materially significant Related Party Transaction, with the Directors, or the Management, their relatives etc. having potential conflict with the interests of the Company at large except those disclosed in the Board's Report.
- b) The Company has adopted the Code of Ethics and Business principles for the members of Board and senior management personnel.
- c) The Company has adopted a 'Code of Conduct for Prevention of Insider Trading ("the Code") in accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended upto date. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, by the directors and the senior management personnel while dealing with the shares of the Company on the bourse and cautioning them on the consequences of non-compliance thereof. The Company has also formed Whistle Blower Policy. Further, we affirm that no personnel have been denied access to the Audit Committee. Employees can report to the Management concerns regarding unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy.
- d) The Company is in compliance with all the mandatory requirements of the Listing Regulations.

e) Certificate from Company Secretary in Practice

Mukesh Chaturvedi, Practicing Company Secretary, has issued a certificate as required under clause 10 of Part C of Schedule V of the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the company by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report.

f) Details of total fees paid to statutory auditors:-

The details of total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor are as follows:

Type of service	FY 2021-22	FY 2020-21
Audit Fees	80,000	46,000
Tax Audit Fees	8,000	8,000
Others	-	-

- g) No complaint pertaining to sexual harassment was filed by any woman during the financial year under report, hence no disclosures are applicable.

Non-Mandatory / Discretionary requirements of regulation 27(1) & Part E of Schedule II of the SEBI Listing Regulations:**Shareholders Rights:**

The quarterly/half yearly results are not sent to the shareholders. However, the same are sent to the NSE and are also posted on the Company's website.

Auditor's Opinion:

The Company's financial statements for the financial year 2021-22 do not contain any audit qualification.

Reporting of internal auditor:

The internal auditors report to the Audit Committee.

Code for Prohibition of Insider Trading:

As reported here in above, 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 disclosures. The Board reviews the Policy / Code on a need-to-know basis. This Policy is available on our website. The Company Secretary is the "Compliance Officer". The Code of Conduct is applicable to all Directors and designated persons as defined in the Code of Conduct.

Compliance Certificate on Corporate Governance

As required by provisions of Chapter IV of the Listing Regulations, the *Compliance Certificate on Corporate Governance* is annexed to this Report.

CEO and CFO Certification

The CFO acts as Manager of the Company as well. The *Manager and CFO Certification* is provided in this Annual Report as required by the Listing Regulations.

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
N.B.I. Industrial Finance Company Limited
(CIN:L65923WB1936PLC065596)

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), I hereby certify that:

On the basis of the written representation / declaration received from the directors as on March 31, 2022, none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the company by the SEBI / Ministry of Corporate Affairs or any other statutory authority.

Place: Kolkata
Date: 10th May, 2022

Mukesh Chaturvedi
Practising Company Secretary
FCS No. : 11063
CP No. : 3390
UDIN : F011063D000297901

CERTIFICATE ON COMPLIANCE WITH THE REGULATIONS OF CORPORATE GOVERNANCE

To

The Members of **N.B.I. Industrial Finance Company Limited**

I, Mukesh Chaturvedi, Company Secretary in Practice, the Secretarial Auditor of N.B.I. Industrial Finance Company Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (collectively referred to as "Listing Regulations").

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

My responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations referred to in above paragraph. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

Based on my examination of the relevant records and according to the information and explanations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C, D and E of Schedule V of the Listing Regulations during the year ended 31st March, 2022.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Mukesh Chaturvedi
Practicing Company Secretary
FCS: 11063
CP No.: 3390
UDIN : F011063D000298306

Place: Kolkata
Date: 10th May, 2022

Manager and CFO Certification

To,
The Board of Directors,
N.B.I. INDUSTRIAL FINANCE CO. LTD.
Kolkata

Dear members of the Board,

I, S.P. Kumar, Manager and Chief Financial Officer of the Company, to the best of my knowledge and belief, certify that:

1. I have reviewed the financial statements and the cash flow statement of **N.B.I. INDUSTRIAL FINANCE CO. LTD** and a summary of the significant accounting policies and other explanatory information of the Company and the Board's Report for the financial year ended March 31, 2022. I state that:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs for the period presented in this report and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and confirm that there have been no material weakness in internal controls over financial reporting including any corrective actions with regard to deficiencies.
4. I have indicated to the Auditors and the Audit Committee:
 - a. that there were no significant changes in internal control over financial reporting during the year;
 - b. All significant changes in accounting policies made during the year, if any, and that the same have been disclosed suitably in the notes to the financial statements; and
 - c. that there were no instances of significant fraud that involve management or other employees who have a significant role in the Company's internal control system over financial reporting.
5. I further declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this Report.

Place: Kolkata
Date: 31st May 2022

S.P. Kumar
Manager and
Chief Financial Officer

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMIC SCENARIO AND OUTLOOK

The global economy grew by 5.9% in 2021 following a contraction of 3.1% in 2020. Countries across the globe focused on vaccination coverage and implemented various economic stimuli to minimise the impact of COVID-19 and hasten economic recovery. The growth momentum started slowing towards the end of 2021, as the effects of fiscal and monetary stimuli dissipated along with the onset of the Omicron variant of COVID-19.

While the early forecast for global economic growth in 2022, the recent geo-political tensions and conflict in Ukraine will weigh on global growth projections and also lead to high inflation in the short term. The conflict is a major blow to the global economy that will hurt growth and raise prices.

The International Monetary Fund in its recent report slashed its forecast for global economic growth by nearly a full percentage point, citing Russia's war in Ukraine, and warning that inflation was now a "clear and present danger" for many countries.

The war is expected to further increase inflation, the IMF said in its latest World Economic Outlook, warning that a further tightening of Western sanctions on Russia to target energy exports would cause another major drop in global output.

According to IMF, other risks to the outlook include a sharper- than expected deceleration in China prompted by a flare-up of COVID-19 lockdowns. Rising prices for food, energy and other goods could trigger social unrest, particularly in vulnerable developing countries.

Downgrading its forecasts for the second time this year, IMF said it now projects global growth of 3.6% in both 2022 and 2023, a drop of 0.8 and 0.2 percentage point, respectively, from its January forecast due to the war's direct impact on Russia and Ukraine and global spillovers. Medium-term global growth is expected to decline to about 3.3% over the medium- term, compared to an average of 4.1% in the period from 2004 to 2013, and growth of 6.1% in 2021.

INDIAN ECONOMY

Among above global economy backdrop, strong economic fundamentals will likely help India avoid the long-term impacts of the ongoing conflict in Ukraine. However, the crisis has clouded India's growth outlook as well. Crude oil prices are lingering much above US\$100 per barrel and edible oil prices are up 20% - all of which are critical imports from the two warring nations. India also partly meets its fertilizer needs from the region. For India, which has been battling inflation for a while now, this situation is making matters worse. Higher fuel and fertilizer prices will increase subsidy costs. Furthermore, capital outflows and rising import bills will weigh on the current account balance and currency valuation.

The successful rollout of the world's largest vaccination drive, pick-up in government expenditure and better preparedness compared with the first wave of the pandemic limited the negative economic impact of the second wave.

India's gross domestic product (GDP) is expected to have grown around 8.7% in the financial year 2021-22, which is the highest among the leading economies, and the growth is likely to be around 7-7.5% in the current financial year, according to some of the latest estimates. India's

growth trajectory is expected to remain steady in 2022-23, barring prolonged geo-political tensions, supported by various dynamic reforms undertaken by the government during the past few years.

The overall Consumer Price Index (CPI) inflation has been hovering around 7%, i.e. beyond the upper end of RBI's tolerance and could remain elevated in the near future due to high input cost pressures, largely stemming from supply chain disruptions and upward pressure on crude oil.

NBFC INDUSTRY & BUSINESS UPDATE

India's financial sector is a highly diversified one comprising commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The sector is predominantly driven by banking and non-banking financial companies ('NBFCs'). Over the past few years NBFCs have emerged as important financial intermediaries, particularly for the small-scale and retail sectors in underserved areas and unbanked sectors. The sector turned out to be growth engine in an environment where significant importance is assigned to financial inclusion and have aided the economy in employment generation and wealth creation by making credit available to the rural segment. However, in recent times the sector is becoming a weaker segment in Indian financial system.

COMPANY'S POSITION

The Company NBI is registered with the RBI as a Non-Banking Financial Institution and is categorized as "Non-Deposit taking NBFC" (NBFC-ND). The operations of the company during the year were centered mainly around investments in shares and securities. Additionally the company was investing in Mutual Funds too. The main income of the Company is dividend income on long-term investments, interest on fixed deposit and profit from sale of investments. The results of the Company's operations for the financial year ended 31st March, 2022 have been dealt with in the Director's Report.

The Company, being into finance and investment activity, the impact of movement of stock markets affects its profitability. The Company has long-term orientation in its investments and mainly invests in listed equities. The objective of investments portfolio is to balance risk with adequate return.

OUTLOOK

A significant portion of the Company's income arises from investment and share trading operation, which are largely dependent on the condition of the stock market. The stock market activity depends largely upon the economic growth momentum and a combination of other factors like inflation, domestic savings, surging portfolio investments into India etc. The unusual developments in the global economy may pose uncertainties and challenges for the emerging market economies like India. However, the Company has investment policy wherein it invests in those securities which have easy liquidity, better yield and potential for price appreciation in medium to long run.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

The system is aimed at covering all areas of operations. All transactions entered into by the Company are duly authorized and recorded correctly. The internal financial controls within the Company are commensurate with the size, scale and complexity of its operations. It has implemented suitable controls to ensure that financial transactions are reported with accuracy and that there is strict compliance with applicable laws and regulations. These controls are regularly reviewed internally for effectiveness. The Company has robust policies and procedures which, inter alia, ensure integrity in conducting its business, the safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and the prevention and detection of frauds and errors.

KEY FINANCIAL RATIOS

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, the details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios are as follows:-

Particulars	Financial Year	
	2022	2021
GNPA (%)	NIL	NIL
NNPA (%)	NIL	NIL
Return on Assets (%)	0.36	0.06
Return on Equity (%)	0.37	0.06
Net Interest Margin (%)	100	100
Current Ratio	65	543
Debt-Equity Ratio	0.00	0.00
Net Profit Margin (%)	64.68	74.70
EPS	32.34	6.57
Price Earnings Ratio	69	298

CAUTIONARY STATEMENT

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, 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, events or information.

INDEPENDENT AUDITOR'S REPORT

To,

The Members of

N. B. I. Industrial Finance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **N. B. I. Industrial Finance Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standard (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, the profit and other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT (Continued)**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	The Key audit matter	Auditor's Response
	Valuation and Existence of Investments – We have focused on the valuation and existence of the investments in Equity, Preference Shares and Mutual Funds because these represent a principal element on the net assets in the Financial Statements. Refer Note 6 to the Financial Statements.	We obtained independent confirmation of the number of units held and net asset value per unit for each of the mutual fund units and market value for shares as at the year-end date, confirmation of shares and its market value. We have also obtained the most recent set of audited financial statements for unquoted investments.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information obtained at the date of this auditor's report is the Director's report but does not include financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management responsibility for the financial statements

The Company's Management and Board of Directors are responsible for the matter stated in Section 134(5) of the Act with respect to preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with IndAS prescribed under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds

INDEPENDENT AUDITOR'S REPORT (Continued)

and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and the Board of Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by management.

INDEPENDENT AUDITOR'S REPORT (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The figures for the year ended 31st March 2021 are based on the annual financial statements that were audited by the erstwhile auditors whose report dated 18th June, 2021, expressed an unmodified opinion. Our opinion is not modified in respect of this matter. Our appointment as Statutory Auditors was approved by the shareholder on 27th January, 2022.

INDEPENDENT AUDITOR'S REPORT (Continued)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report 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 my audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rules made thereunder.
 - e. On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 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 the operating effectiveness of such controls, refer to our separate report given in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
 - h. 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, as amended, in our opinion and to the best of my information and according to the explanations given to us:

INDEPENDENT AUDITOR'S REPORT (Continued)

- i. The Company has no pending litigations which would impact its financial position in its standalone financial statements;
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2022.
- iv. As per the management representation provided, we report,
 - no funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("intermediaries"), with the understanding that the intermediaries shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
 - no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.
 - Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given by management under the above sub-clauses contain any material mis-statement.
 - As per the records of the Company no dividend has been declared or paid during the year

For Chaturvedi & Co.
Chartered Accountants
Firm Registration: 302137E

Nilima Joshi
Partner
Membership No. 52122
UDIN :22052122AISFZB9326

Place : Kolkata
Date :07/05/2022

INDEPENDENT AUDITOR'S REPORT (Continued)

**Annexure-'A' to the Independent Auditor's Report for the year
ended 31st March 2022**

[Referred to in para 1 of the heading 'Report on other legal and regulatory requirements' of our report]

- (i) (a)(A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant & Equipment.
- (B) The company has no intangible assets, hence para 3(i)(a)(B)a of the Order is not applicable to the Company.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified every year. In accordance with this programme, all the Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not have any immovable properties. Accordingly, para 3(i)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) The Company has no inventory hence para 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees at any point of time of the year in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the requirement to report on para 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that since the company is in the business of making investments including granting loans in the normal course of its

INDEPENDENT AUDITOR'S REPORT (Continued)

business and further, as it has not provided any guarantee or security to companies, firms, limited liability partnerships or any other parties, the provisions of paragraph 3(iii)(a) to (f) or the Order are not applicable.

- (iv) According to the information and explanations given to us and based on the audit procedures performed by us, the Company being a Non-banking Finance company, provisions of section 185 and 186 of the Act is not applicable. Thus paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not accepted any deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder apply. Thus paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Thus paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no undisputed statutory dues payable in respect of above statutes outstanding as at 31st March 2022 for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of income tax, Goods & service tax, cess etc. which have not been deposited as at 31st March, 2022 on account of any dispute
- (viii) According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on para 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any loan or other borrowing, hence there is no requirement to report under clause (ix)(a) of the Order.

INDEPENDENT AUDITOR'S REPORT (Continued)

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not been declared will full defaulter by any bank or financial institution or other lender.
- (c) The company has not raised any funds by way of term loan, hence para 3(ix)(c) of the Order is not applicable to the Company.
- (d) As no funds have been raised during the year, hence no reporting is required under para 3(ix)(d) of the Order.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on paragraph 3(ix)(e) and (f) of the Order are not applicable to the Company.
- (x) (a) According to the information and explanation given to us and based on the audit procedures performed by us, the Company has not raised any money during the year by way of further public offer (including debt instruments). Hence reporting under clause (x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Hence reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on the examination of the books and records of the Company and according to the information and explanation given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report
- (c) According to the information and explanation given to us, there were no whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on the audit procedures performed by us, transactions with the related parties are in

INDEPENDENT AUDITOR'S REPORT (Continued)

compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

- (xiv) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business and report of the Internal Auditors have been considered by us.
- (xv) In our opinion and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, the provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)(a) The Company has obtained registration under Section 45-IA of the Reserve Bank of India Act, 1934.
 - (b) According to the information and explanation given to us and based on the audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Hence reporting under paragraph 3(xvi)(b) of the Order is not applicable.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence reporting under paragraph 3(xvi)(c) of the Order is not applicable.
 - (d) According to the information and explanation given to us, none of the group companies are CIC and hence reporting under paragraph 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) According to the information and explanation given to us, during the year, the outgoing auditor has given their resignation pursuant to guidelines issued by Reserve Bank of India for appointment of Statutory central auditors (SCA's) /Statutory auditors (SA's) of commercial bank (excluding RRB's), UCB and NBFC's (including HFC) dated 27th of April, 2021 and no objections, issues or concerns were raised by the outgoing auditor.
- (xix) According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting

INDEPENDENT AUDITOR'S REPORT (Continued)

its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanation given to us, with respect to obligations under Corporate social responsibility (CSR), the company is not required to spend towards CSR based on criteria as specified under section 134(5) of the act during the year and there are no such ongoing projects and unspent amount related to it, hence no reporting is required to be reported under the clause (xx)(a) and (xx)(b) of the order.
- (xxi) The preparation of consolidated financial statements is not applicable to the Company. Hence reporting under paragraph (xxi) of the Order is not applicable to the Company.

For Chaturvedi & Co.
Chartered Accountants
Firm Registration: 302137E

Nilima Joshi
Partner
Membership No. 52122
UDIN : 22052122AISFZB9326

Place : Kolkata
Date : 07/05/2022

INDEPENDENT AUDITOR'S REPORT (Continued)

Annexure B to the Independent Auditor's Report

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

[Referred to in para 2(f) of the heading 'Report on other legal and regulatory requirements' of our report]

Opinion

We have audited the internal financial controls over financial reporting of **N. B. I. Industrial Finance Co. Limited** ('the Company') as of 31st March 2022 in conjunction with our audit of the financial statements of the Company for the year then ended.

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 31st March 2022, 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 (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's management and Board of Directors are 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. 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 Act.

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 Act, to the extent applicable to an audit of internal financial controls. 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

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 auditor's judgment, 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.

For Chaturvedi & Co.
Chartered Accountants
Firm Registration: 302137E

Nilima Joshi
Partner
Membership No. 52122
UDIN :22052122AISFZB9326

Place : Kolkata
Date :07/05/2022

Balance Sheet as at 31 March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
A ASSETS			
1 Financial Assets			
(a) Cash and Cash Equivalents	4	610.20	3,688.55
(b) Bank Balance other than cash and cash equivalents	5	1.63	271.66
(c) Investments	6	219,533.43	262,373.79
(d) Other Financial Assets	7	17.55	55.41
TOTAL		220,162.81	266,389.41
2 Non-Financial Assets			
(a) Current Tax Assets (Net)	8	40.59	60.08
(b) Property, Plant & Equipment	9	0.47	0.92
(c) Other-Non Financial Assets	10	0.74	4.76
TOTAL		41.80	65.76
TOTAL - ASSETS		220,204.61	266,455.17
B LIABILITIES AND EQUITY			
1 Liabilities			
Financial Liabilities			
a) Payables			
Trade Payables	11		
i) Total outstanding dues of micro enterprises and small enterprises		-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1.04	-
b) Other Financial Liabilities	12	5.70	6.82
2 Non-Financial Liabilities			
(a) Provisions	13	53.53	55.32
(b) Deferred Tax Liability (Net)	14	6,286.93	12,271.68
(c) Other Non-Financial Liabilities	15	4.16	1.97
TOTAL		6,351.36	12,335.79
Equity			
(a) Share Capital	16	122.84	122.84
(b) Other Equity	17	213,730.41	253,996.54
Total		213,853.25	254,119.38
TOTAL EQUITY AND LIABILITIES		220,204.61	266,455.17

The accompanying notes are an integral part of the financial statements.

In terms of our report attached.
For **Chaturvedi & Company**
Chartered Accountants
Firm Registration No. 302137E

Nilima Joshi
Partner
Membership No. 052122
Place : Kolkata
Date: 7th May 2022

B. L. Gaggar
Director
DIN -00404123

S. P. Kumar
Manager & CFO

T. K. Bhattacharya
Director
DIN-00711665

Sudha Jain
Company Secretary

Statement of Profit and Loss for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
Revenue from Operations			
(a) Interest Income	18	42.37	41.74
(b) Dividend Income	19	1,089.73	147.19
(c) Net Gain on Fair Value Changes	20	94.02	27.05
I Total Revenue from operations		1,226.12	215.99
II Other Income	21	2.12	0.01
III Total Income (I+II)		1,228.24	216.00
Expenses			
(a) Employee Benefit expenses	22	82.40	73.60
(b) Depreciation, Amortisation and Impairment	9	0.44	0.46
(c) Other Expenses	23	56.59	43.95
IV Total Expenses		139.43	118.01
V Profit/(loss) before Tax (III-IV)		1,088.81	97.99
VI Tax Expense	24		
(a) Current Tax		265.24	-
(b) Deferred Tax		29.09	(63.36)
		294.33	(63.36)
VII Profit/(Loss) for the Year		794.48	161.35
VIII Other Comprehensive Income			
(i) Items that will not be reclassified to Profit/(Loss)			
(a) Equity Instruments through OCI	25	(46,997.66)	104,499.62
(b) Tax impacts on above		6,004.48	(12,339.76)
(ii) Items that will be reclassified to Profit/(Loss)			
(a) Debt Instruments through OCI	25	4.83	115.12
(b) Tax impacts on above		9.36	(8.10)
Other Comprehensive Income for the year (i + ii)		(40,978.99)	92,266.88
IX Total Comprehensive Income for the Year (V+VI)		(40,184.51)	92,428.23
X Earnings per equity share (FV Rs. 5/- each)			
Basic & Diluted (Rs.)	26	32.34	6.57

The accompanying notes are an integral part of the financial statements.

In terms of our report attached.
For **Chaturvedi & Company**
Chartered Accountants
Firm Registration No. 302137E

Nilima Joshi
Partner
Membership No. 052122
Place : Kolkata
Date: 7th May 2022

For and on behalf of the Board of Directors

B. L. Gaggar
Director
DIN -00404123

S. P. Kumar
Manager & CFO

T. K. Bhattacharya
Director
DIN-00711665

Sudha Jain
Company Secretary

Cash Flow Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
A. Cash Flow From Operating Activities		
Net Profit before Tax	1,088.81	97.99
Adjustments for :		
Depreciation	0.44	0.46
Net Gain on Fair Value Changes	(94.02)	(27.05)
Liabilities no longer required written back	(1.95)	-
Interest income on investment-FVTOCI	(1.59)	-
	<u>(97.12)</u>	<u>(26.59)</u>
Operating Profit/(Loss) before working Capital Changes	991.69	71.40
Adjustments for :		
(Increase)/Decrease in Other Financial Assets	37.86	(21.36)
(Increase)/Decrease in Other Non-Financial Assets	4.02	(3.23)
Increase / (Decrease) in Trade Payable	1.04	-
Increase / (Decrease) in Other Financial Liabilities	0.83	(2.41)
Increase /(Decrease) in Provision	(1.79)	6.55
Increase /(Decrease) in unpaid claimed dividend account	0.03	-
Increase /(Decrease) in Other Non-Financial Liabilities	2.19	1.29
	<u>44.18</u>	<u>(19.17)</u>
Cash Generated from Operations	1,035.87	52.23
Net Income Tax (Paid)/Refund	(245.75)	(37.93)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	<u>790.12</u>	<u>14.31</u>
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment	-	(0.83)
Sale of Mutual Funds	661.49	539.07
Purchase of Mutual Funds	-	-
Purchase of Shares	(5,906.00)	(1,120.07)
Sale of Shares	863.68	3,964.97
Redemption of preference share	242.36	242.36
Realisation of fixed deposit	270.00	-
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	<u>(3,868.47)</u>	<u>3,625.50</u>
C. Cash Flow From Financing Activities		
NET CASH FROM /(USED IN) FINANCING ACTIVITIES (C)	-	-
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(3,078.35)	3,639.81
Cash and Cash Equivalents at the beginning of the Year	<u>3,688.55</u>	<u>48.74</u>
Cash and Cash Equivalents at the end of the Year	<u>610.20</u>	<u>3,688.55</u>

Note:

The above statement of cash flow has been prepared under the 'Indirect Method' as set out in IND AS 7-'Statement of Cash Flows'.

The accompanying notes are an integral part of the financial statements.

In terms of our report attached.

For **Chaturvedi & Company**

Chartered Accountants

Firm Registration No. 302137E

Nilima Joshi

Partner

Membership No. 052122

Place : Kolkata

Date: 7th May 2022

For and on behalf of the Board of Directors

B. L. Gaggar

Director

DIN -00404123

T. K. Bhattacharya

Director

DIN-00711665

S. P. Kumar

Manager & CFO

Sudha Jain

Company Secretary

Statement of Change in Equity for the year ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

a. Equity Share Capital

For the FY 2021-22

Balance as at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at 31st March, 2022
122.84	-	-	-	122.84

For the FY 2020-21

Balance as at 1st April, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at 31st March, 2021
122.84	-	-	-	122.84

b. Other Equity

(All amounts in Rs. lacs, unless otherwise stated)

	Reserve & Surplus					Debt Instruments Through OCI	Equity Instruments Through OCI	Total
	Capital Reserve	Securities Premium	Statutory Reserve	General Reserve	Retained Earnings			
Balance as at 1st April, 2020	0.55	16.51	2,396.99	4,913.06	5,356.11	(45.62)	148,930.70	161,568.30
Profit/(Loss) for the Year	-	-	-	-	161.35	-	-	161.35
Other Comprehensive Income for the Year	-	-	-	-	-	107.03	92,159.86	92,266.89
Transfer to Reserve Fund	-	-	32.27	-	(32.27)	-	-	-
Balance as on 31st March, 2021	0.55	16.51	2,429.26	4,913.06	5,485.19	61.41	241,090.56	253,996.54
Profit/(Loss) for the Year	-	-	-	-	794.48	-	-	794.48
Other Comprehensive Income for the Year	-	-	-	-	-	14.19	(40,993.18)	(40,978.98)
Reclassification of gain on sale FVTOCI debt instruments	-	-	-	-	-	(81.63)	-	(81.63)
Transfer from Equity instrument through OCI to retained earnings: on account of sale of share	-	-	-	-	156.80	-	(156.80)	-
Transfer to Reserve Fund	-	-	158.90	-	(158.90)	-	-	-
Balance as on 31st March, 2022	0.55	16.51	2,588.16	4,913.06	6,277.58	(6.03)	199,940.59	213,730.41

In terms of our report attached.
For **Chaturvedi & Company**
Chartered Accountants
Firm Registration No. 302137E

Nilima Joshi
Partner
Membership No. 052122
Place : Kolkata
Date: 7th May 2022

For and on behalf of the Board of Directors

B. L. Gaggar
Director
DIN -00404123

T. K. Bhattacharya
Director
DIN-00711665

S. P. Kumar
Manager & CFO

Sudha Jain
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1. Corporate Information

N.B.I. Industrial Finance Company Limited ("the Company") is a public company limited by shares, incorporated on 21st December, 1936 and domiciled in India. Its shares are listed on the National Stock Exchange (NSE). The Company is carrying on business as a "Non-Banking Financial Company" (NBFC). The Company is engaged mainly in investment in shares in securities & financial activity. The Company is registered with Reserve Bank of India as NBFC. The Company's registered office is 21, Strand Road Kolkata – 700 001.

The financial statements of the Company as on 31st March, 2022 were approved and authorised for issue by the Board of Directors on 7th May, 2022.

2. Basis of Preparation of Financial Statements

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other provisions of the Companies Act, 2013 ("the Act").

b. Basis of Measurement

The financial statements have been prepared on historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities that are measured at fair value/ amortised cost as explained in the accounting policies below.

c. Functional and Presentation Currency

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and presentation currency. All amounts have been denominated in lacs and rounded off to the nearest two decimals, except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets -

➤ **Recognition And Initial Measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

➤ Classification and Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt Instruments at Amortized Cost;
- Debt Instruments at Fair Value Through Other Comprehensive Income (FVOCI);
- Debt Instruments at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- o Debt Instruments at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- o Debt Instruments at FVOCI: A debt instrument is measured at the FVOCI if both of the following conditions are met:
 - The objective of the business model is achieved by collecting contractual cash flows and selling the financial assets; and
 - The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in Other Comprehensive Income. However, the interest income, losses & reversals, and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Interest calculated using the EIR (Effective Rate Interest) method is recognized in the Statement of Profit and Loss as investment income.

- o Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVOCI, is classified as FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Instruments measured at FVOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. In case the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument are recognized in the Other Comprehensive Income. There is no reclassification of the amounts from Other Comprehensive Income to profit or loss, even on sale of investment. Dividends on investments are credited to profit or loss.

- o *Equity Investments:* Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment, if any.

➤ *Derecognition*

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➤ *Impairment of Financial Assets*

The Company assesses at the end of the reporting period whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Financial Liabilities

➤ *Recognition And Initial Measurement*

Financial liabilities are initially measured at fair value. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

➤ *Subsequent Measurement*

Financial liabilities are measured subsequently at amortized cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a

derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (Effective Rate Interest) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR (Effective Rate Interest) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

➤ *Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

➤ *Offsetting Financial Instruments*

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.2 Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand, term deposits with original maturity of less than three months, which are subject to insignificant risk of changes in values.

3.3 Property, plant and equipment (PPE)

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Advances paid towards the acquisition of PPE, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.4 Depreciation

Depreciation on Property, Plant and Equipment is provided on written down value method (WDV) to write down their residual values over their estimated useful life specified in Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

3.5 Impairment of non-financial assets

The Company assesses at each reporting date to determine if there is any indication of impairment, based on internal/external factors. If any such indication exists, then an impairment review is undertaken and the recoverable amount is calculated as the higher of fair value less costs of disposal and the asset's value in use.

3.6. Employee Benefits Expenses

3.6.1. Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences, which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

3.6.2. Defined contribution schemes

A defined contribution plan is a post-employment benefit plan under which the Company pays specified monthly contributions to Provident Fund. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

3.7. Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.7.1 Current Tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

3.7.2 Deferred tax

Deferred tax is recognized on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements except when the deferred tax arises from the initial recognition of goodwill or initial recognition of an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profits or loss at the time of transaction. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent it is probable that future taxable profits will be available against which the deductible temporary difference, the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period. Section 115BAA provides a domestic company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%). The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in Other Comprehensive Income or directly in Equity, in which case, the current and deferred tax relating to such items are also recognised in Other Comprehensive Income or directly in Equity respectively.

3.8 Provisions, Contingent Liabilities and assets

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.9 Recognition of interest income

Interest income for all financial instruments measured at fair value through profit or loss (FVTPL) is recognised using the contractual interest rate.

3.10 Recognition of Dividend Income

Dividend income (including from Investments measured at FVTOCI) is recognised when the Company's right to receive the payment is established. This is established when it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

3.11 Leases

i) Arrangements where the Company is the lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognises a Right-of-use Asset and a corresponding Lease Liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less ('short-term leases') and low value leases. For these short-term and low value leases, the Company recognises the rent as an operating expense in the Statement of Profit and Loss.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of-use Assets and Lease Liabilities includes these options when it is reasonably certain that they will be exercised.

The Right-of-use Assets are initially recognised at cost, which comprises the initial amount of the lease liabilities i.e. present value of future lease payments adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related Right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Right-of-use Assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

ii) Arrangements where the Company is the lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease.

3.12 Segment reporting

The Company is primarily engaged in the business of investment in Companies. As such the Company's financial statements are largely reflective of the investment business and there is no separate reportable segment.

Pursuant to Ind AS 108 - Operating Segments, no segment disclosure has been made in these financial statements, as the Company has only one geographical segment and no other separate reportable business segment.

3.13 Earnings per Share

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

3.14 Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

3.15 USE OF ESTIMATES, JUDGEMENTS AND ADJUSTMENT

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, and disclosures of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the paragraphs that follow.

(i) Useful Economic Lives and Impairment of Other Assets

The estimated useful life of property, plant and equipment (PPE) is based on a number of factors including the effects of obsolescence, usage of the asset and other economic factors (such as known technological advances).

The Company reviews the useful life of PPE at the end of each reporting date and any changes could affect the depreciation rates prospectively.

The Company also reviews its property, plant and equipment for possible impairment if there are events or changes in circumstances that indicate that the carrying value of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits, such as the Company's business plans and changes in regulatory environment are taken into consideration.

(ii) Fair Value Measurements and Valuation Processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

(iii) Recognition of Deferred Tax Assets For Carried Forward Tax Losses and Unused Tax Credit

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition significant judgement is required in assessing the impact of any legal or economic limits.

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Note: 4 Cash and Cash Equivalents		
Cash on Hand	2.01	2.00
Balances with Banks		
a) in current accounts	0.69	28.76
b) in flexi fixed deposit	607.50	3,657.79
	<u>610.20</u>	<u>3,688.55</u>

Note: 5 Bank Balance other than cash and cash equivalents

	As at 31st March, 2022	As at 31st March, 2021
Fixed Deposits with Bank (maturing after period of three months)	-	270.00
Unpaid (Unclaimed) Dividend Account	1.63	1.66
	<u>1.63</u>	<u>271.66</u>

Note: 6 Investments

	As at 31st March, 2022	As at 31st March, 2021
Investment measured at FVTPL		
i) Mutual funds(unquoted)	42.54	691.64
Investment measured at FVOCI		
i) Preference Shares	19.31	255.24
ii) Equity Shares	219,471.58	261,426.91
Total	<u>219,533.43</u>	<u>262,373.79</u>
Investment outside India	-	-
Investment in India	219,533.43	262,373.79

	As at 31st March, 2022	As at 31st March, 2021
6.1 Book value of the above investments are as follows:		
i) Debt/Equity Mutual Funds	40.00	670.00
ii) Quoted Equity Instruments	12,455.49	7,118.25
iii) Unquoted Equity Instruments	738.94	738.84
iv) Quoted Preference Instruments	-	160.74
v) Unquoted Preference Instruments	25.00	25.00

6.2 Of the total dividend recognised during the year from investment in equity share designated at FVOCI Rs.3.65 Lacs (Previous year Rs.14.41 Lacs) is relating to investment derecognised during the period and Rs.1,072.57 lacs (Previous year Rs. 104.66 lacs) pertains to investment held at the end of reporting period.

6.3 The other disclosure regarding fair value and risk arising from financial instruments are explained in Note No.31 & 32.

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

6.4 Details of investments are as follows :-

Mutual funds-

Particulars	Face Value	As at 31st March,2022		As at 31st March,2021	
		Units	Amount	Units	Amount
Unquoted-FVTPL					
HDFC OVERNIGHT FUND-Regular Plan	1,000.00	1,356.40	42.54	1,356	41.24
HDFC Arbitrage Fund	10.00	-	-	2,712,600	650.40
Sub Total			42.54		691.64
Equity Instrument					
(Others,Fully Paid Up,FVOCI)					
Quoted					
3 M india Ltd.	10.00	1,094.00	215.49	1,094	333.08
Bosch Ltd.	10.00	9,599.00	1,385.95	9,599	1,352.35
Eicher motors Ltd.	1.00	-	-	4	0.10
Foseco Ltd	10.00	8,887.00	123.00	8,887	101.59
Gillette Ltd	10.00	38,350.00	1,859.84	-	-
GE Power India Ltd	10.00	266,455.00	405.14	-	-
HDFC Bank Ltd.	2.00	-	-	56,000	836.44
Hindustan Unilever Ltd.	1.00	115,461.00	2,365.39	115,461	2,807.53
Huhtamaki PPL Ltd.	2.00	122,050.00	184.17	122,050	341.72
ICICI Bank Ltd	2.00	110,500.00	806.98	-	-
ITC Limited	1.00	465,000.00	1,165.52	-	-
JK Pharmachem Ltd.	10.00	2,500.00	0.04	2,500	0.25
Kansai Nerolac Paints Ltd.	1.00	9,700.00	45.37	9,700	58.30
Nestle Ltd.	10.00	2,030.00	352.83	2,030	348.45
Orient Cement Ltd.	1.00	260,000.00	369.98	260,000	254.28
Procter & Gamble Hygeine & Health Care Ltd.	10.00	19,970.00	2,878.80	19,970	2,532.09
Pfizer Ltd	10.00	17,177.00	746.88	-	-
Regency Industries Ltd.	10.00	1,000.00	0.01	1,000	0.01
Sanathana Dharma Gurugulam Ltd.	10.00	1,000.00	0.01	1,000	0.01
Shree Cement Ltd.	10.00	849,450.00	204,144.92	849,450	250,293.84
United Spirits Ltd.	2.00	45,500.00	404.20	45,500	253.14
Western India Commercial Co. Ltd.	100.00	2,105.00	316.25	2,105	1.16
Whirlpool India Ltd.	10.00	30,000.00	471.86	30,000	667.98
Sub Total(a)			218,242.63		260,182.32

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

6.4 Details of investments are as follows :-

Particulars	Face Value	As at 31st March, 2022		As at 31st March, 2021	
		Units	Amount	Units	Amount
Unquoted					
Alfa Buildhome Pvt. Ltd.	10.00	9,000	106.92	9,000	110.67
Aqua infra Projects Ltd.	10.00	740,000	590.45	740,000	621.85
Karmayog Properties Pvt. Ltd.	10.00	258,000	276.87	258,000	280.83
Ramgopal Holdings Pvt. Ltd.	10.00	60,625	21.19	60,625	21.29
Shree Cement Marketing Ltd.	10.00	9,000	1.74	9,000	1.58
Shree Cement East Bengal Foundation	10.00	1,000	0.01	1,000	0.10
Shreecap Holdings Pvt. Ltd.	10.00	7,000	0.84	7,000	0.80
Tanushree Logistics Pvt. Ltd.	10.00	99,000	230.92	99,000	207.46
Sub Total(b)			1,228.94		1,244.59
Sub Total(a+b)			219,471.57		261,426.91

Particulars	Face Value	As at 31st March, 2022		As at 31st March, 2021	
		Units	Amount	Units	Amount
Preference Shares					
Others, Fully Paid Up, FVOCI					
Quoted					
2.95% Zee Entertainment Enterprises Ltd - NCPS	-(2)	-	-	12,118,240	230.25
Unquoted					
CEM Logistics Pvt Ltd.-9 % NCNCRPS	100.00	25,000	19.30	25,000	25.00
Sub Total			19.30		255.25

As at 31st **As at 31st**
March, 2022 **March, 2021**

Note: 7 Other Financial Assets**Unsecured, Considered Good**

Security Deposits	0.31	0.31
Interest accrued on Bank Deposits	2.19	24.10
Dividend Receivable on Investments	-	13.45
Advance to Staff	15.05	17.55
	<u>17.55</u>	<u>55.41</u>

Note: 8 Current Tax Assets (Net)

Advance Tax	285.59	74.68
Less: Provision for Tax	(245.00)	(14.60)
	<u>40.59</u>	<u>60.08</u>

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Furniture & Fixtures	Office Equipments	TOTAL
Note: 9 Property, Plant & Equipment			
As at 1st April, 2020	0.63	0.68	1.31
Additions	-	0.83	0.83
Deletions	-	-	-
As at 31st March, 2021	0.63	1.51	2.14
As at 1st April, 2021	0.63	1.51	2.14
Additions -	-	-	-
Deletions	-	-	-
As at 31st March, 2022	0.63	1.51	2.14
Accumulated Depreciation			
As at 1st April, 2020	0.28	0.47	0.76
For the year	0.09	0.38	0.46
As at 31st March, 2021	0.37	0.85	1.22
As at 1st April, 2021	0.37	0.85	1.22
For the year	0.06	0.39	0.45
As at 31st March, 2022	0.43	1.24	1.67
Net Book Value			
As at 31st March, 2022	0.20	0.27	0.47
As at 31st March, 2021	0.26	0.66	0.92

As at 31st March, 2022	As at 31st March, 2021
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Note: 10 Other-Non Financial Assets

Advance against Expense	0.61	1.25
Advance Depository Charges	0.03	0.03
National Stock Exchange of India Ltd.	-	3.48
Balances / deposits with government authorities	0.10	-
	0.74	4.76

As at 31st March, 2022	As at 31st March, 2021
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Note: 11 Trade Payables

a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1.04	-
	1.04	-

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Note: 11 (a) Ageing schedule for Trade Payables as at 31st March, 2022-due for payment

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	-	-	-	-	-
(ii) Others	1.04	-	-	-	1.04
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note: 11 (b) Ageing schedule for Trade Payables as at 31st March, 2021-due for payment

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note: 11 (c) Disclosure with regard to dues to Micro Enterprises and Small Enterprises

(I) The Ministry of micro, small and medium enterprises has issued an office memorandum dated 26 August 2008 which recommends that the micro and small enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on the information received and available with the Company.

(ii) Based on the information / documents available with the company, no interest provisions / payments has to be made by the Company to micro enterprises and small enterprises creditors and thus, no related disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are made in these accounts.

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Note: 12 Other Financial Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unclaimed Dividend	1.63	1.66
Capital Repayable Under Capital Reduction Scheme - Unclaimed	1.75	1.75
Other expenses payable	2.32	3.40
	<u>5.70</u>	<u>6.82</u>

Note: 13 Provisions

Employee Benefits:

a) Gratuity	42.56	43.15
b) Leave Salary	10.31	11.52
Contingent Provision against Standard Assets	0.66	0.66
	<u>53.53</u>	<u>55.33</u>

13.1 Movement in provisions:

	Provision for Gratuity	Provision for Leave Salary	Provision for Standard Assets
Balance as at 31st March 2020	37.80	10.31	0.66
Provision Utilised	-	-	-
Provision Reversed	-	-	-
Provision Created	5.35	1.21	-
Balance As At 31st March, 2021	<u>43.15</u>	<u>11.52</u>	<u>0.66</u>
Provision Utilised	5.74	1.53	-
Provision Reversed	-	0.61	-
Provision Created	5.16	0.93	-
Balance As At 31st March, 2022	<u>42.56</u>	<u>10.31</u>	<u>0.66</u>

Note: 14 Deferred Tax Liability (Net)

	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities		
- On Fair value Gain of investment (FVTOCI)	6,334.02	12,347.86
- On Fair value Gain of investment (FVTPL)	0.42	3.78
	<u>6,334.44</u>	<u>12,351.64</u>
Deferred Tax Assets		
- Property, Plant & Equipment	0.31	0.31
- On Provision for Gratuity	11.84	12.56
- On Provision for Leave Salary	2.87	3.36
- On MAT credit	21.61	30.36
- On Long Term Loss Carried forward	10.88	-
- On Business Loss Carried forward	-	33.37
	<u>47.51</u>	<u>79.96</u>
Deferred Tax Liabilities/(Assets) (Net)	<u>6,286.93</u>	<u>12,271.68</u>

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Note: 15 Other Non-Financial Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Dues	4.16	1.97
	<u>4.16</u>	<u>1.97</u>

Note: 16 Share Capital**16.1 Equity Shares Capital****Authorised:**

2,00,00,000 Equity Shares of Rs. 5/- each (Previous Year: 2,00,00,000) 1,000.00 1,000.00

Issued:

24,59,058 Equity Shares of Rs. 5/- each (Previous year Rs.5/- each) 122.95 122.95

Subscribed & Fully Paid :

24,56,806 Equity Shares of Rs. 5/- each fully paid up (Previous year Rs. 5/- each)	122.84	122.84
	<u>122.84</u>	<u>122.84</u>

16.2 Terms/ rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 5/- per share (Previous year Rs.5/- each) . Each holder of equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to approval of the shareholders in the ensuing AGM. In the event of liquidation of the company, the holders of equity shares will be entitled to any of the remaining assets of the company after distribution of all preferential amounts in proportion to the no. of equity shares held by them.

16.3 Reconciliation of the number of Equity Shares and of Equity Share Capital amount outstanding at the beginning and at the end of the Year

Particular	In Number	Amount
As at 1st April, 2020	24,56,806	122.84
Add: during the year	-	-
As at 31st March, 2021	24,56,806	122.84
Add: during the year	-	-
As at 31st March, 2022	24,56,806	122.84

16.4 Details of Shareholders Holding more than 5% Equity shares in the Company

Name	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares held	% holding	No. of Shares held	% holding
Shree Capital Services Ltd.	472,000	19.21%	472,000	19.21%
Digvijay Finlease Ltd.	471,478	19.19%	471,478	19.19%
The Didwana Investment Co. Ltd.	130,788	5.32%	130,788	5.32%
Asish Creations Pvt Ltd	124,478	5.07%	124,478	5.07%
Shri Prashant Bangur*	208,200	8.47%	208,200	8.47%
Mannakrishna Investments Pvt Ltd	165,472	6.74%	165,472	6.74%

* Beneficial interest in 2,08,000 Equity Shares is held by Shree Venkatesh Ayurvedic Aushdhalaya.

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

16.5**i) Shareholding of Promoters-**

Sl No Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2021]		Shareholding at the end of the year [As on 31/Mar/2022]		% change in share holding during the Year
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1 SHREE CAPITAL SERVICES LTD	472000	19.21	472000	19.21	-
2 DIGVIJAY FINLEASE LTD	471478	19.19	471478	19.19	-
3 PRASHANT BANGUR	208200	8.47	208200	8.47	-
4 MANNAKRISHNA INVESTMENTS PVT LTD	165472	6.74	165472	6.74	-
5 THE DIDWANA INVESTMENT COMPANY LIMITED	130788	5.32	130788	5.32	-
6 ASISH CREATIONS PRIVATE LIMITED	124478	5.07	124478	5.07	-
7 NEWA INVESTMENTS PVT LTD	2	0.00	119223	4.85	4.85
8 DIDU INVESTMENTS PVT LTD	2	0.00	17252	0.70	0.70
9 RAGINI FINANCE LIMITED	422	0.02	1873	0.08	0.06
10 HARIMOHAN BANGUR	4	0.00	4	0.00	-
11 RAJKAMAL DEVI BANGUR	2	0.00	2	0.00	-
12 RAJESH VANIJYA P LTD	2	0.00	2	0.00	-
13 THE LAXMI SALT CO LTD	2	0.00	2	0.00	-
14 THE VENKTESH CO LTD	2	0.00	2	0.00	-
15 RANU BANGUR	2	0.00	2	0.00	-
16 WESTERN INDIA COMMERCIAL CO LTD	17250	0.70	0	0.00	-0.70
17 BENU GOPAL BANGUR	0	0.00	0	0.00	-
18 SHREE BANGUR FAMILY TRUST	0	0.00	0	0.00	-
19 SHREE BANGUR FAMILY WELFARE TRUST	0	0.00	0	0.00	-
20 SHREE BANGUR FAMILY HERITAGE TRUST	0	0.00	0	0.00	-
TOTAL	1590106	64.72	1710778	69.63	4.91

ii) Shareholding of Promoters-

Sl No Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2020]		Shareholding at the end of the year [As on 31/Mar/2021]		% change in share holding during the Year
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1 SHREE CAPITAL SERVICES LTD	472000	19.21	472000	19.21	-
2 DIGVIJAY FINLEASE LTD	471478	19.19	471478	19.19	-
3 PRASHANT BANGUR	208200	8.47	208200	8.47	-
4 MANNAKRISHNA INVESTMENTS PVT LTD	50405	2.05	165472	6.74	4.68
5 THE DIDWANA INVESTMENT COMPANY LIMITED	130788	5.32	130788	5.32	-
6 ASISH CREATIONS PRIVATE LIMITED	124478	5.07	124478	5.07	-
7 WESTERN INDIA COMMERCIAL CO LTD	17250	0.70	17250	0.70	-
8 RAGINI FINANCE LIMITED	422	0.02	422	0.02	-
9 HARIMOHAN BANGUR	2	0.00	4	0.00	-
10 RANU BANGUR	2	0.00	2	0.00	-
11 RAJKAMAL DEVI BANGUR	2	0.00	2	0.00	-
12 RAJESH VANIJYA P LTD	2	0.00	2	0.00	-
13 DIDU INVESTMENTS PVT LTD	2	0.00	2	0.00	-
14 NEWA INVESTMENTS PVT LTD	2	0.00	2	0.00	-
15 THE LAXMI SALT CO LTD	2	0.00	2	0.00	-
16 THE VENKTESH CO LTD	2	0.00	2	0.00	-
17 BENU GOPAL BANGUR	2	0.00	0	0.00	-
TOTAL	1475039	60.04	1590106	64.72	4.68

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Note: 17 Other Equity		
Reserve & Surplus		
A) Capital Reserve	0.55	0.55
B) Securities Premium	16.51	16.51
C) Statutory Reserve		
Opening Balance	2,429.26	2,396.99
Add: Transfer from retained earnings	158.90	32.27
Closing Balance	2,588.16	2,429.26
D) General Reserve		
Opening Balance	4,913.06	4,913.06
Add: Transfer from retained earnings	-	-
Closing Balance	4,913.06	4,913.06
E) Retained Earnings		
Opening Balance	5,485.19	5,356.11
Add: Profit for the year	794.48	161.35
Add: Transfer from Equity instrument through OCI on realisation	156.80	-
Less: Transfer to Statutory Reserve	(158.90)	(32.27)
Closing Balance	6,277.58	5,485.19
Sub Total (I)	13,795.86	12,844.56
F) Debt Instruments Through OCI		
Opening Balance	61.41	(45.62)
Add:- Fair Value Gain/(Loss) during the Year (Net of Tax)	14.19	107.03
Less:-Reclassification of gain on sale of FVTOCI debt instruments	-81.63	-
Closing Balance (II)	(6.03)	61.41
G) Equity Instruments Through OCI		
Opening Balance	241,090.56	148,930.70
Add:- Fair Value Gain/(Loss) during the Year (Net of Tax)	(40,993.18)	92,159.86
Less: Transfer to retained earning on realization	(156.80)	-
Closing Balance (III)	199,940.59	241,090.56
TOTAL (I+II+III)	213,730.41	253,996.54

Notes to Financial Statement for the Year Ended 31st March, 2022

A) Capital Reserve

This reserve represent the amount of share forfeited

B) Securities Premium

This reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

C) Statutory Reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

D) General reserve

This Reserve is created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

E) Retained Earnings

This reserve represents the cumulative profits of the Company. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

F) Debt Instruments through Other Comprehensive Income

This reserve represents the cumulative gains (net of losses) arising on the revaluation of debt instruments measured at fair value through Other Comprehensive Income, net of tax. The amount is transferred from this reserve to the statement of profit and loss when the debt instrument is derecognised.

G) Equity Instruments through Other Comprehensive Income

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of tax, under an irrevocable option, net of amount reclassified to retained earnings when such assets are disposed off, if any.

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Note: 18 Interest Income

Particulars	As at 31st March, 2022	As at 31st March, 2021
On Financial Assets measured at Amortised Cost		
Interest on deposits with bank	40.78	41.75
On Financial Assets measured at FVTOCI		
Interest on investment	1.59	-
	<u>42.37</u>	<u>41.75</u>

Note: 19 Dividend Income

	As at 31st March, 2022	As at 31st March, 2021
Dividend Income	1,089.73	147.19
	<u>1,089.73</u>	<u>147.19</u>

Note: 20 Net Gain on Fair Value Changes

	As at 31st March, 2022	As at 31st March, 2021
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On financial instruments designated at fair value through profit or loss	12.39	27.05
Others		
Gain/(loss) on sale of debt instrument at FVTOCI	81.63	-
Total net gain on fair value changes	<u>94.02</u>	<u>27.05</u>
Fair Value Changes		
Realised	92.72	6.36
Unrealised	1.30	20.69
	<u>94.02</u>	<u>27.05</u>

Note: 21 Other Income

	As at 31st March, 2022	As at 31st March, 2021
Liability no longer required written back	1.95	-
Interest on income tax refund	0.17	-
Miscellaneous Income	-	0.01
	<u>2.12</u>	<u>0.01</u>

Note: 22 Employee Benefit expenses

	As at 31st March, 2022	As at 31st March, 2021
Salaries and Allowances	69.09	60.48
Contribution to Provident Fund and other fund	5.34	4.09
Gratuity	5.91	5.35
Leave Salary	1.06	1.21
Staff Welfare Expenses	1.00	2.47
	<u>82.40</u>	<u>73.60</u>

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Note: 23 Other Expenses

Particulars	As at 31st March, 2022	As at 31st March, 2021
Rent	1.27	1.27
Repairs & Maintenance - Others	0.46	0.35
Rates and Taxes	0.05	0.05
Goods & Services Tax (under RCM)	3.61	3.10
Communication Expenses	4.71	2.03
Travelling and Conveyance	1.73	0.28
Printing and Stationery	5.41	4.64
Advertisement	0.37	0.33
Directors Sitting Fee	3.63	3.76
Legal and Professional	19.35	12.47
Custodial Fees	0.47	0.27
Listing Fees	3.42	3.33
Payment to Auditors - For - Statutory Audit	0.80	0.46
For - Tax Audit Fees	0.08	0.08
Securities Transaction Tax	6.76	5.09
Miscellaneous Expenses	4.47	6.44
	56.59	43.95

Note 23.1-Details of CSR expenditure:

	As at 31st March, 2022	As at 31st March, 2021
(a) Gross amount required to be spent by the Company during the Year	-	-
(b) Amount spent during the Year	-	-
(c) Shortfall at the end of the year	-	-
(d) total of the previous year shortfall	-	-
(e) reason for shortfall	-	-
(f) nature of CSR activities	-	-
(g) details of related parties transaction, e.g., contribution to a trust controlled by the company in relation to the CSR expenditure as per relevant accounting standard.	-	-
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	-	-

Note: 24 Tax Expense**(i) Amount recognised in profit or loss**

	As at 31st March, 2022	As at 31st March, 2021
Current tax:		
Income tax for the year	245.00	-
Charge/(credit) in respect of current tax for earlier years	20.24	-
Total Current Tax expenses	265.24	-
Deferred tax:		
Origination and reversal of temporary differences	20.34	(33.00)
MAT Credit Utilised	8.75	(30.36)
Total Deferred Tax Expenses/(Benefit)	29.09	(63.36)
Total tax expenses	294.33	(63.36)

(ii) Amount recognised in other comprehensive income

The tax charge / (credit) arising on income and expenses recognised in other comprehensive income is as follows:

Deferred tax

On items that will not be reclassified to profit or loss

Equity Instruments measured through OCI

(6,004.48) 12,339.79

On items that will be reclassified to profit or loss

Financial Instruments measured Through OCI

(9.36) 8.10

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

(iii) Reconciliation of effective tax rate

Particulars	As at 31st March, 2022	As at 31st March, 2021
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	1,088.81	97.99
Income tax expense calculated	302.91	25.48
Expenses disallowed	1.88	1.33
Effect of MAT credit	(27.30)	(30.36)
Effect of carried forward business loss	-	(33.37)
Income tax relating to earlier years	20.24	-
Effect of rounding off Taxes	3.35	-
Other	(6.75)	(26.44)
Tax expenses	294.33	(63.36)

The effective income tax rate for 31.03.2022 is 27.03 % (31.03.2021: NA)

(iv) Movement in deferred tax liabilities for year ended 31st March, 2022:

Particulars	As at 1st April, 2021	Statement of Profit or Loss	Other comprehensive Income	As at 31st March, 2022
Deferred tax liabilities for taxable temporary differences on:				
- On Fair value Gain of investment (FVTOCI)	12,347.86	-	(6,013.84)	6,334.02
- On Fair value Gain of investment (FVTPL)	3.78	(3.36)	-	0.42
Deferred tax liabilities	12,351.64	(3.36)	(6,013.84)	6,334.44

Movement in deferred tax asset for year ended 31st March, 2022:

Particulars	As at 1st April, 2021	Statement of Profit or Loss	Other comprehensive Income	As at 31st March, 2022
Deferred tax assets for taxable temporary differences on:				
- Property, Plant & Equipment	0.31	(0.00)	-	0.31
- On Provision for Gratuity	12.57	(0.73)	-	11.84
- On Provision for Leave Salary	3.35	(0.48)	-	2.87
- On MAT credit	30.36	(8.75)	-	21.61
- On Long Term Loss Carried forward	-	10.88	-	10.88
- On Business Loss Carried forward	33.37	(33.37)	-	-
	79.96	(32.45)	-	47.51
Net Deferred Tax (Assets)/liabilities	12,271.68	29.09	(6,013.84)	6,286.93

Movement in deferred tax liabilities for year ended 31st March, 2021:

Particulars	As at 1st April, 2020	Statement of Profit or Loss	Other comprehensive Income	As at 31st March, 2021
Deferred tax liabilities for taxable temporary differences on:				
- On Fair value Gain of investment (FVTOCI)	-	-	12,347.86	12,347.86
- On Fair value Gain of investment (FVTPL)	-	3.78	-	3.78
Deferred tax liabilities	-	3.78	12,347.86	12,351.64

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Movement in deferred tax asset for year ended 31st March, 2021:

Particulars	As at 1st April, 2020	Statement of Profit or Loss	Other comprehensive Income	As at 31st March, 2021
Deferred tax assets for taxable temporary differences on:				
- Property, Plant & Equipment	0.31	-	-	0.31
-On Provision for Gratuity	9.83	2.74	-	12.57
-On Provision for Leave Salary	2.68	0.67	-	3.35
-On MAT credit	-	30.36	-	30.36
-On Long Term Loss Carried forward	-	-	-	-
-On Business Loss Carried forward	-	33.37	-	33.37
			-	
Deferred tax assets	12.82	67.14	-	79.96
Net Deferred Tax (Assets)/liabilities	(12.82)	(63.36)	12,347.86	12,271.68

(V) Tax losses

	As at 31st March, 2022	As at 31st March, 2021
Unused Tax Losses & unabsorbed depreciation for which no deferred tax assets has been created		
-Business Loss	171.53	-
-Unabsorbed depreciation	1.00	1.00
Potential tax benefit @ applicable tax rate		
-Business Loss	47.72	-
-Unabsorbed depreciation	0.28	0.26
Business losses will lapse between	Asst. year 2023-24 to Asst. year 2029-30	NA

Deferred tax assets and deferred tax liability have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

NOTE 26:- Other Comprehensive Income

	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Equity shares measured through OCI		
Net gain on sale of investment	27.13	144.46
Change in fair value	(47,024.79)	104,355.16
	(46,997.66)	104,499.62

(b) Preference Shares measured through OCI

	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Net gain on sale of investment	2 -	
Change in fair value	(7.29)	115.12
	4.83	115.12

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Note 27-Basic and Diluted earnings per share		
Particulars		
a) Net Profit after Tax as per Statement of Profit and Loss	794.48	161.35
b) Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	2,456,806	2,456,806
c) Weighted Average Potential Equity Shares		
d) Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	2,456,806	2,456,806
e) Basic Earnings per Shares (Rs.) {a/b}	32.34	6.57
f) Diluted Earnings per Share (Rs.) {a/d}	32.34	6.57
g) Face Value per Equity Share (Rs.)	5.00	5.00

Note :28 Segment Reporting

The Company has only one line of business i.e. Non Banking Financial activities. There are no separate reportable segments as per Ind As 108.

NOTE 29- Related Party Transaction**I) Particulars of relationship**

Key Managerial Personal	Names of Related Parties	Designation
	Ashok Bhandari (w.e.f 21st July, 2020)	Chairman, Non Executive Director
	B L Gaggar	Director
	J P Mundra	Director
	Riya Puja Jain	Director
	T K Bhattacharya	Director
	Debasish Ray	Director
	Priyanka Mohta (w.e.f 29th August, 2020)	Director
	S. P. Kumar	Manager & CFO
	Nisha Laddha (ceased w.e.f 18th June, 2021)	Company Secretary
	Sudha Jain(w.e.f 16th December,2021)	Company Secretary

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

II) Disclosures of transactions between the companies and related parties with status of outstanding closing balances:

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
(A) Particulars of transactions with related parties (Key Managerial Personnel)		
i) Remuneration of Key Managerial Personnel		
S. P. Kumar		
Short term employee benefits	19.95	18.20
Post-employment benefits	2.65	2.38
Sudha Jain		-
Short term employee benefits	0.70	-
Nisha Laddha		
Short term employee benefits	0.36	1.85
ii) Advances		
Paid	-	8.00
Received back	1.85	0.90
iii) Directors Sitting Fees		
Ashok Bhandari	0.65	0.50
B L Gaggar	0.65	0.71
J P Mundra	0.65	0.75
Riya Puja Jain	0.05	0.05
T K Bhattacharya	0.77	0.91
Debasish Ray	0.61	0.59
Priyanka Mohta	0.25	0.25
B) Outstanding balance at the end of year (Key Managerial Personnel)		
Closing balance of advances	5.25	7.10

Note 30: Disclosure of Ratios

Ratios	Numerator	Denominator	Current period	Previous period	% Variance	Reason for Variance
a) Capital to risk-Weighted assets ratio (CRAR)	Tier I Plus Tier II Capital	Risk Weighted Assets	104.57	145.44	(28.10)	Increase in the risk weighted assets
b) Tier I CRAR	Tier I Capital	Risk Weighted Assets	104.56	145.43	(28.10)	
c) Tier II CRAR	Tier II Capital	Risk Weighted Assets	0.01	0.01	(34.09)	
d) Liquidity Coverage Ratio	Highly Liquid Assets	Net cash outflows over next 30 days	8,652.98	81,224.71	(89.35)	Liquid assets deployed in investment

Ratio is calculated as per formula prescribed by the regulatory authority.

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Note: 31 Disclosure of financial instrument

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

a) Fair Value Measurement**Categories of Financial Instruments**

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
Financial Assets			
a) Measured at Amortised Cost			
i) Cash and Cash Equivalents	4	610.20	3,688.55
ii) Other Bank Balances	5	1.63	271.66
iii) Other Financial Assets	7	17.55	55.41
Sub-Total		629.38	4,015.62
b) Measured at Fair Value through OCI (FVOCI)			
i) Investment in Equity Shares	6	219,471.58	261,426.91
ii) Investment in Preference Shares	6	19.31	255.24
Sub-Total		219,490.89	261,682.15
c) Measured at Fair Value through Profit and Loss (FVTPL)			
i) Investment in Mutual Fund	6	42.54	691.64
Sub-Total		42.54	691.64
Total Financial Assets		220,162.81	266,389.41
Financial Liabilities			
a) Measured at Amortised Cost			
i) Trade Payable	11	1.04	-
ii) Other Financial Liabilities	12	5.70	6.82
Total Financial Liabilities		6.74	6.82

(I) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to Financial Statement for the Year Ended 31st March, 2022**(ii) Valuation Methodology**

Specific valuation techniques used to value financial instruments include:

- the fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.
- the fair value of level 3 instruments is valued on the basis of valuation reports provided by external valuers with the exception of certain instruments, where cost/breakupvalue has been considered as an approximate estimates of fair value because of wide range of possible fair value investment and cost/break-up value represents the best estimate of fair values with in that range.

(iii) Fair value of Financial Assets and Liabilities measured at Fair value - recurring Fair Value Measurements

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Level 1	Level 3	Level 1	Level 3
Financial Assets				
Investment in Equity Instruments*	218,242.63	1,228.94	260,182.32	1,244.59
Investment in Mutual Fund	42.54	-	691.64	-
Investment in Debt instrument	-	19.30	-	255.25
Total Financial Assets	218,285.17	1,248.24	260,873.96	1,499.84

Investment in equity instruments includes a instrument listed on calcutta stock exchange(CSE). As trading on CSE is not active, quotes are not available. Hence, the said investment has been valued at level 3.

(iv) Significant Estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

31 Fair value measurement (cont'd)**(v) Fair value of assets and liabilities measured at cost/amortised cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, other bank balances, Other financial assets and other financial liabilities approximate their carrying amounts of these instruments, as discussed below:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial assets:				
Cash and cash equivalents	610.20	610.20	3,688.55	3,688.55
Other bank balances	1.63	1.63	271.66	271.66
Other financial assets	17.55	17.55	55.41	55.41
Financial liabilities				
Trade Payables	1.04	1.04	-	-
Other financial liabilities	5.70	5.70	6.82	6.82

(VI) Maturity Analysis of assets and liabilities

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Within 12 Months	After 12 Months	Within 12 Months	After 12 Months
ASSETS				
Financial Assets				
Cash and cash equivalents	610.20	-	3,688.55	-
Other Bank Balances	1.63	-	271.66	-
Investments	42.54	219,490.89	691.64	261,682.15
Other financial assets	17.55	-	55.41	-
Total Financial Assets	671.92	219,490.89	4,707.26	261,682.15
Non-financial Assets				
Current tax assets (Net)	40.59	-	60.08	-
Property, Plant & Equipment		0.47		0.92
Other non-financial assets	0.74	-	4.76	-
Total Non Financial Assets	41.33	0.47	64.84	0.92
Total Assets	713.25	219,491.36	4,772.10	261,683.07
Liabilities				
Financial Liabilities				
Trade Payables	1.04	-	-	-
Other financial liabilities	5.70	-	6.82	-
Total Financial Liabilities	6.74	-	6.82	-
Non-Financial Liabilities				
Provisions	53.53	-	55.32	-
Deferred tax liabilities (Net)	0.42	6,286.51	3.78	12,267.89
Other non-financial liabilities	4.16	-	1.97	-
Total Non Financial Liabilities	58.11	6,286.51	61.07	12,267.89
Total Liabilities	64.85	6,286.51	67.89	12,267.89
Net Equity	648.40	213,204.85	4,704.21	249,415.18

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

32 Financial risk management

The Company is a Non-Banking Financial Company registered with the Reserve Bank of India. On account of its business activities it is exposed to various financial risks associated with financial products such as credit or default risk, market risk, interest rate risk, liquidity risk and inflationary risk. However, the Company has a robust financial risk management system in place to identify, evaluate, manage and mitigate various risks associated with its financial products to ensure that desired financial objectives are met. The Company's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies, as approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Company's risk management objectives and policies needs prior approval of its Board of Directors.

(I) Credit risk

This risk is common to all investors who invest in bonds and debt instruments and it refers to a situation where a particular bond/debenture issuer is unable to make the expected principal payment interest rate payment, or both. Similarly, a lender bears the risk that the borrower may default in the payment of contractual interest or principal on its debt obligation, or both. The entity continuously monitors defaults of the customers and other counterparties and incorporates this information into its credit risk control.

(II) Market risk:

Market risk is a form of systematic risk associated with the day-to-day fluctuation in the market prices of shares and securities and such market risk affects all securities and investors in the same manner. These daily price fluctuations follow its own broad trends and cycles and are more news and transaction driven rather than fundamentals and many a times, it may affect the returns from an investment. Market risks majorly comprises of two types - interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risks include borrowings and investments.

Interest rate risk

Interest rate risk is a type of systematic risk that particularly affects fixed rate debt instruments like bonds and debentures. The value of the fixed-rate debt instruments generally decline due to rise in interest rates and vice versa. The rationale is that a bond is a promise of a future stream of payments; an investor will offer less for a bond that pays-out at a rate lower than the rates offered in the current market. A rising interest rate scenario also affects the Company's interest expenditure on borrowed funds.

The Company monitors the interest rate scenarios on a regular basis and accordingly takes investment decisions as to whether to invest in fixed rate debt instruments, shares and securities at a particular point of time.

Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds, mutual funds etc. The Company is exposed to price risk arising mainly from investments carried at FVOCI which are valued using quoted prices in active markets. A sensitivity analysis demonstrating the impact of the change in market prices of these instruments from the prices existing as at the reporting date is given below:

Particulars	Carrying Value as at	
	31-Mar-22	31-Mar-21
Investments carried at FVOCI valued using quoted prices in active market	218,242.64	260,182.32
Particulars	Sensitivity analysis on total comprehensive income upon fluctuation of market prices	
	Increase by 10 %	Decrease by 10 %
Impact on total comprehensive income for year ended 31 March 2022	21,824.26	(21,824.26)
Impact on total comprehensive income for year ended 31 March 2021	26,018.23	(26,018.23)

Equity instrument through OCI being a component of other equity would increase/decrease as a result of gain/loss on equity securities classified as fair value through Other Comprehensive Income

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

(III) Liquidity risk:

Liquidity refers to the readiness of the Company to sell and realise its financial assets. Liquidity risk is one of the most critical risk factors for Companies which is into the business of investments in shares and securities. It is the risk of not being able to realise the true price of a financial asset, or is not being able to sell the financial asset at all because of non-availability of buyers. Unwillingness to lend or restricted lending by Banks and Financial Institutions may also lead to liquidity concerns for the entities.

The Company maintains a well-diversified portfolio of investments in shares and securities. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities. The management ensures to manage its cash flows and asset liability patterns to ensure that the financial obligations are satisfied in timely manner.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis.

Particulars	Less than 1 year	Between 1 to 5 years	"Over 5 years"	Total
As at 31 March 2022				
Trade Payables	1.04	-	-	1.04
Other financial liabilities	5.70	-	-	5.70
	6.74	-	-	6.74
As at 31 March 2021				
Trade Payables	-	-	-	-
Other financial liabilities	6.82	-	-	6.82
	6.82	-	-	6.82

(IV) Inflationary risk:

Inflationary or purchasing power risk refers to the variation in investor returns caused by inflation. It is the risk that results in increase of the prices of goods and services which results in decrease of purchasing power of money, and likely negatively impact the value of investments. The two important sources of inflation are rising costs of production and excess demand for goods and services in relation to their supply. Inflation and interest rate risks are closely related as interest rates generally go up with inflation.

The Company closely monitors the inflation data and analyses the reasons for wide fluctuations thereof and its effect on various sectors and businesses. The main objective is to avoid inflationary risk and accordingly invest in securities and debt instruments that provides higher returns as compared to the inflation in long-term.

33 Capital management

For the purpose of Company's capital management, capital includes issued equity share capital, other equity reserves and borrowed capital less cash and cash equivalents. The primary objective of capital management is to maintain an efficient capital structure to reduce the cost of capital, support corporate expansion strategies and to maximize shareholder's value.

The entity manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the entity may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The entity monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The entity's policy is to keep an optimum gearing ratio. The entity includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Notes to Financial Statement for the Year Ended 31st March, 2022

(All amounts in Rs. lacs, unless otherwise stated)

Following table summarizes the capital structure of the Company.

Particulars	As at 31-Mar-22	As at 31-Mar-21
Borrowings	-	-
Less: Cash and cash equivalents	610.20	3,688.55
Adjusted net debt	(610.20)	(3,688.55)
Total equity (*)	213,853.25	254,119.38
Net debt to equity ratio	-	-

(*) Equity includes capital and all reserves of the Company that are managed as capital.

** As negative kept Nil.

Note 34:

The Company entered into cancellable lease arrangements for certain accommodations. Terms of such lease include upto three month's notice by either party for cancellation, option for renewal on mutually agreed terms and there are no restrictions imposed by such lease arrangements. The Company has applied the 'short-term lease' exemptions for these leases. Rental expenses incurred are disclosed in Note 23 as Rent Expenses.

Note 35:

The previous year figures have been reclassified and regrouped where considered necessary to confirm to this year's presentations.

Note 36:

Particulars required under Paragraph 18 of the Master Direction Non-Banking Financial Company- Non-Sytemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 are given in the Annexure appended hereto.

The accompanying notes are an integral part of the financial statements.

In terms of our report attached.

For Chaturvedi & Company

Chartered Accountants

Firm Registration No. 302137E

For and on behalf of the Board of Directors

Nilima Joshi

Partner

Membership No. 052122

B L Gaggar

Director

DIN -00404123

T. K. Bhattacharya

Director

DIN-00711665

Place : Kolkata

Date: 7th May 2022

S. P. Kumar
Manager & CFO

Sudha Jain
Company Secretary

SCHEDULE TO THE BALANCE SHEET OF A NON-DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY

Particulars	As at 31st March, 2022	
Liabilities side:	Amount Outstanding	Amount Overdue
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	NIL	NIL
: Unsecured	NIL	NIL
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans-	NIL	NIL
Assets side:		
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured	NIL	NIL
(b) Unsecured	15.97	NIL
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	NIL	NIL
(b) Operating lease	NIL	NIL
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	NIL	NIL
(b) Repossessed Assets	NIL	NIL
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	NIL	NIL
(b) Loans other than (a) above	NIL	NIL

ANNEXURE (REFERRED TO IN NOTE 36 OF THE FINANCIAL STATEMENTS)

SCHEDULE TO THE BALANCE SHEET OF A NON-DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Amount Outstanding	Amount Overdue	
(4) Break-up of Investments:			
Current Investments:			
1. Quoted:			
(i) Shares: (a) Equity	NIL	NIL	
(b) Preference	NIL	NIL	
(ii) Debentures and Bonds	NIL	NIL	
(iii) Units of mutual funds	NIL	NIL	
(iv) Government Securities	NIL	NIL	
(v) Others (please specify)	NIL	NIL	
2. Unquoted:			
(i) Shares: (a) Equity	NIL	NIL	
(b) Preference	NIL	NIL	
(ii) Debentures and Bonds	NIL	NIL	
(iii) Units of mutual funds	40.00	NIL	
(iv) Government Securities	NIL	NIL	
(v) Others (Please specify)	NIL	NIL	
Long Term investments:			
1. Quoted:			
(i) Share: (a) Equity	12455.49	NIL	
(b) Preference	0.00	NIL	
(ii) Debentures and Bonds	NIL	NIL	
(iii) Units of mutual funds	NIL	NIL	
(iv) Government Securities	NIL	NIL	
(v) Others (Please specify)	NIL	NIL	
2. Unquoted:			
(i) Shares: (a) Equity	738.94	NIL	
(b) Preference	25.00	NIL	
(ii) Debentures and Bonds	NIL	NIL	
(iii) Units of mutual funds	NIL	NIL	
(iv) Government Securities	NIL	NIL	
(v) Others (Please specify)	NIL	NIL	
(5) Borrower group-wise classification of assets financed as in (2) and (3) above :			
Category	Amounts net of Provisions		Total
	Secured	Unsecured	
1. Related Parties			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	15.97	15.97
Total	NIL	15.97	15.97

ANNEXURE (REFERRED TO IN NOTE 36 OF THE FINANCIAL STATEMENTS)

SCHEDULE TO THE BALANCE SHEET OF A NON-DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY

(All amounts in Rs. lacs, unless otherwise stated)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value / Break up/ or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	219,533.43	13,259.43
Total	219,533.43	13,259.43

(7) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(ii) Net Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debt	NIL

As per our Report of even date attached herewith.

For Chaturvedi & Company

Chartered Accountants

Firm Registration No. 302137E

Nilima Joshi
Partner
Membership No. 052122

B L Gaggar
Director
DIN -00404123

T. K. Bhattacharya
Director
DIN-00711665

Place : Kolkata
Date: 7th May 2022

S. P. Kumar
Manager & CFO

Sudha Jain
Company Secretary