

83rd
ANNUAL
REPORT **17**

**NEW INDIA RETAILING
&
INVESTMENT LIMITED**



BOARD OF DIRECTORS

Mr. Chandra Shekhar Nopany, Chairman
 Mrs. Shalini Nopany, Vice-Chairperson
 Mr. Ramesh Chandra Tapuriah
 Mr. Shrikant Mantri
 Mr. Rajiv Singhi
 Mrs. Pooja Goenka, Executive Director

COMMITTEES OF DIRECTORS

AUDIT COMMITTEE

Mr. Rajiv Singhi, Chairman
 Mr. Ramesh Chandra Tapuriah
 Mr. Shrikant Mantri

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Ramesh Chandra Tapuriah, Chairman
 Mrs. Shalini Nopany
 Mr. Shrikant Mantri

NOMINATION & REMUNERATION COMMITTEE

Mr. Ramesh Chandra Tapuriah, Chairman
 Mrs. Shalini Nopany
 Mr. Rajiv Singhi

FINANCE & CORPORATE AFFAIRS COMMITTEE

Mr. Chandra Shekhar Nopany, Chairman
 Mrs. Shalini Nopany
 Mr. Ramesh Chandra Tapuriah

RISK MANAGEMENT COMMITTEE

Mr. Shrikant Mantri
 Mrs. Pooja Goenka

EXECUTIVES

Mr. S. Subramanian, Company Secretary*
 Mr. Rajes Gupta, Chief Financial Officer

* Resigned w.e.f. 29th March, 2017

AUDITORS

Messrs Doshi, Chatterjee, Bagri & Co., LLP
 Chartered Accountants

ADVOCATES & SOLICITORS

Messrs Khaitan & Co., LLP

REGISTRAR & SHARE TRANSFER AGENT

Messrs Link Intime India Private Limited
 59C, Chowringhee Road,
 3rd Floor, Kolkata - 700 020.
 Telephone : 91-33-2289 0540
 Fax : 91-33-2289 0539
 e-mail : kolkata@linkintime.co.in

REGISTERED OFFICE

Birla Building, 5th Floor,
 9/1, R.N. Mukherjee Road,
 Kolkata - 700 001
 Telephone : 91-33-2243 0497/8
 Fax : 91-33-2248 6369
 e-mail : birlasugar@birla-sugar.com
 website : www.niril.in

CONTENTS

Page No.

Performance at a Glance	2
Directors' Report	3
Management Discussion & Analysis	9
Report on Corporate Governance	15
Secretarial Audit Report	28
Auditors' Report	39
Balance Sheet	45
Statement of Profit & Loss	46
Cash Flow Statement	47
Notes to Financial Statements	49

New India Retailing & Investment Limited

PERFORMANCE AT A GLANCE

	(Rs. in lacs)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Turnover / Total Revenue	576.74	342.48	621.43	640.41	686.16
Operating Profit	153.09	(2.21)	199.11	174.08	266.79
Interest (net)	14.59	26.25	43.98	25.71	19.34
Depreciation	7.57	9.15	20.50	32.61	33.05
Profit / (Loss) before Tax	129.35	(116.11)	134.63	115.76	214.40
Profit / (Loss) after Tax	103.40	(186.04)	132.51	118.78	223.72
Net Worth	3,799.71	3,590.11	3,616.75	3,669.90	3,893.62
Net Worth per Equity Share (Rs.)	227.10	212.67	214.51	218.16	233.56
Dividend per Equity Share (Rs.)	1.00	—	0.50	1.00	1.00
Earning per Equity Share (Rs.)	3.90	(16.01)	5.82	4.86	12.08

DIRECTORS' REPORT

To

The Members,

Your Directors take pleasure in presenting their Eighty Third Annual Report and the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2017.

2. Financial Results

	<u>2016-17</u>		<u>2015-16</u>	
Gross Sales	387.27		399.01	
Commission Income	17.68		25.42	
Other Income	281.21	686.16	215.98	640.41
Profit / (Loss) before Tax		214.40		115.76
To which is added / (deducted) :				
Balance brought forward from the previous year	938.04		884.89	
Deferred Tax Charge / (Credit) for the year	(9.32)	947.36	(1.99)	886.88
Leaving a credit balance of		1,161.76		1,002.64
Out of this provisions have been made for :				
Current Tax		—		(1.03)
Amount available for Appropriations		1,161.76		1,003.67
Appropriations :				
Proposed Dividend				
On Equity Shares	—		14.53	
On Preference Shares	—		40.00	
Dividend Tax				
On Equity Shares	—		2.96	
On Preference Shares	—	—	8.14	65.63
Balance carried to Balance Sheet		1,161.76		938.04

3. Dividend

The Board of Directors recommend the dividend on 5,00,000 - 8% Non Convertible Cumulative Redeemable Preference Shares of Rs. 100 from 1st April, 2016 to 31st March, 2017 and on 14,52,995 Equity Shares @ 10% i.e Re. 1/- per Equity Share for the year ended 31st March, 2017.

4. Operations

A detailed analysis of the Company's operations, future expectations and business environment has

been given in the Management Discussion & Analysis, which is attached to and made an integral part of this Report.

5. Public Deposits

The Company has not accepted any deposits from the public and as such there are no outstanding fixed deposits in terms of Companies (Acceptance of Deposit Rules) 2014.

DIRECTORS' REPORT (Contd.)

6. Share Capital

During the year there were no changes in either the Equity Share capital of the Company or the Preference Share Capital of the Company, as the paid up Equity Share Capital as on 31st March, 2017 stood at Rs. 145.47 lacs and whereas the paid up Preference Share Capital of the Company stood at Rs. 500.00 lacs.

7. Corporate Governance

Pursuant to Regulation 34 of the SEBI (LODR) Regulations 2015 the Management Discussion & Analysis, the report on Corporate Governance, Declaration of Executive Director on Code of Conduct and Practicing Company Secretaries' Certificate on compliance of conditions of Corporate Governance are all attached and marked as Annexure "A", "B", "C" and "D", respectively and form integral parts of this Report.

8. Directors

During the year 2016-17 the composition of the Board of Directors was optimum and it comprises of five Non-Executive Directors having considerable professional experience in varied fields and a Executive Director. Out of five non executive Directors, three of them are Independent Directors.

Mr. Dilip Patodia was Wholetime director of the company till 12th May, 2016 and Mrs. Pooja Goenka, has been appointed by the Board as Wholetime Director designated as an Executive Director based on the recommendation of the Nomination and Remuneration Committee w.e.f. 13th May, 2016 which was duly approved by the shareholders at the Annual General Meeting held on 14th September, 2016.

Mr. Chandra Shekhar Nopany will retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment as Director of the Company. Mr. Nopany is proposed

to be re-appointed as Director and will be liable to retire by rotation.

The Independent Directors have confirmed and declared that they are not disqualified to act as an independent director in compliance with the provisions of section 149 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is also of the opinion that independent directors fulfills all the conditions specified in the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to making them eligible to act as Independent Director.

Other information on the Directors including required particulars of Directors retiring by rotation is provided in the Report of Corporate Governance annexed to this Report as Annexure "B".

9. Key Managerial Personnel

The following three persons are Key Managerial Personnel of the Company in compliance with section 203 of the Companies Act, 2013 viz :

- a) Mr. Rajes Gupta, Chief Financial Officer
- c) Mr. S. Subramanian, Company Secretary upto 29th March, 2017
- d) Mrs. Pooja Goenka, Executive Director w.e.f. 13th May, 2016

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct & Ethics applicable to Directors & employees of the Company and a declaration to the said effect by the Executive Director is made part of Corporate Governance Report which is integral part of this report. The Code is available on the company's website at www.niril.in. All Directors have confirmed compliance with the provisions of section 164 of the Companies Act, 2013.

DIRECTORS' REPORT (Contd.)

10. Annual Evaluation of Board's Performance

In pursuance of the provisions of the Companies Act, 2013 and according to Regulation of 25(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Performance Evaluation Criteria has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairman of the Board. Based on the criteria set by the Nomination and Remuneration Committee, the Board at its meeting critically adjudged the performance of the Independent Directors as well as has also carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. Again, a meeting of the Independent Directors is required to be held to review the performance of the Non-Independent Directors and the Board as a whole, to review the performance of the chairperson, and to assess the quality, quantity and timeliness of flow of information from the company management to the Directors. Accordingly, a meeting of Independent Directors was held wherein the performance of the non-independent directors, including the Chairman was evaluated.

11. Familiarization Programme

Periodic presentations are made at the Board Meetings, on business, performance updates & business strategy of the Company.

12. Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year under review four Board Meetings, four Audit Committee Meetings, four Stakeholders' Relationship Committee Meeting and two Nomination &

Remuneration Committee Meeting 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 Companies Act, 2013.

The Independent Directors of the Company have had a separate meeting on 30th March, 2017 to review the performance and evaluation of Non Independent Directors and Board as a whole, chairperson and assess the quality, quantity and timeliness of flow of information from the company management to the Directors.

13. Audit Committee

The Audit Committee was constituted on 11th September, 2001 and the Committee now comprises of Mr. Rajiv Singhi, Mr. Ramesh Chandra Tapuriah, Mr. Shrikant Mantri, Directors and Mrs. Pooja Goenka, Executive Director. The Company Secretary acts as a Secretary to the Committee and the Chief Financial Officer is invitee to the meetings. During the year there were no instances where Board has not accepted the recommendation of Audit Committee.

The Company has established a vigil mechanism and had adopted whistle blower policy, pursuant to which whistle blowers can report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides adequate safeguards against victimization of persons who use this mechanism. The brief detail about this mechanism may be accessed on the Company's website at the web link www.niril.in.

The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

DIRECTORS' REPORT (Contd.)

14. Stakeholders Relationship Committee

The Investors Grievance Committee was constituted on 11th September, 2001 and was renamed as Stakeholders Relationship Committee w.e.f. 15th May, 2014 to comply with the requirements of the Companies Act, 2013 and the Listing Agreement. The Committee now comprises of Mr Ramesh Chandra Tapuriah, Mrs. Shalini Nopany and Mr. Shrikant Mantri. The Company Secretary acts as Secretary to the Committee. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

15. Nomination & Remuneration Committee

The Remuneration Committee was constituted on 11th May, 2011 and was renamed as Nomination and Remuneration Committee w.e.f. 15th May, 2014 to comply with the requirements of the Companies Act, 2013 and the Listing Agreement. The Committee now comprises of Mr. Ramesh Chandra Tapuriah, Mrs. Shalini Nopany and Mr. Rajiv Singhi. The Company Secretary acts as Secretary to the Committee. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

16. Internal Complaints Committee

An Internal Complaints Committee was constituted on 13th May, 2013 in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Act aims at protecting women's right to gender equality, life and liberty at workplace to encourage women participation at work. The Committee meets all the criteria including its composition mentioned in the Act and relevant Rules. No complaint has been received by the Committee during the year under review.

17. Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report. The Committee has also framed criteria for performance evaluation of every director and accordingly has carried out the performance evaluation.

18. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 :

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2017 the applicable accounting standards had been followed along with proper explanations relating to material departures; if any;
- b) that the Directors had 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 / loss of the Company for that period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors had prepared the annual accounts on a going concern basis.

DIRECTORS' REPORT (Contd.)

- e) that the Directors had laid out internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

19. **Auditors, Audit Qualifications and Board's Explanations Statutory Auditors**

The Auditors, Messrs Doshi, Chatterjee, Bagri & Co. LLP, Chartered Accountants, hold office as Auditors of the Company till the conclusion of ensuing Annual General Meeting and being eligible, offered themselves for re-appointment. According to the certificate submitted to the Company by the said firm of Auditors the said re-appointment, if made by the Shareholders, will be well within the limits and in accordance with the conditions prescribed in Section 139(1) of the Companies Act, 2013 and Rule 4 of Companies (Audit & Auditors) Rules, 2014.

The Board, on the recommendation of the Audit Committee, proposed that Messrs Doshi, Chatterjee, Bagari & Co. LLP, Chartered Accountants, be re-appointed as the Statutory Auditors of the Company for the period beginning the conclusion of the ensuing Annual General Meeting of the Company and ending on the conclusion of the 88th Annual General Meeting to be held thereafter.

The Auditors' Report is self explanatory and does not require any further clarification / explanations.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs Vinod Kothari & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as Annexure "E".

20. **Investor Education and Protection Fund**

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 14th September, 2016 (date of the last Annual General Meeting) on the website of the Company i.e. www.niril.in as also on the website of the Ministry of Corporate Affairs www.mca.gov.in.

21. **Particulars of Employees**

There was no employee in the Company who was in receipt of remuneration as required to be disclosed under section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

22. **Energy Conservation, Technology Absorption And Foreign Exchange Earning & Outgo**

Your Company is engaged in running a fashion retail store and investing in securities as and by way of core/strategic investment. As regards conservation of energy, there is not enough scope for such conservation except economical use of electricity at the showroom of the Company.

The Company has nothing to report as regards technology absorption as the Company has not purchased any technology or technical support from any entity. During the year under review the Company did not have any foreign exchange earning and outgoes.

DIRECTORS' REPORT (Contd.)

23. Internal Financial Controls

The Company has laid down internal financial control's, through a combination of Entity level controls, Process level controls and IT General controls inter-alia to ensure orderly and efficient conduct of business, including adherence to the Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements / information, safeguarding of assets, prevention and detection of frauds and errors. The evaluations of these internal financial controls were done through the internal audit process and were also reviewed by the Statutory Auditors. Based on the review of these reported evaluations, the directors confirm that, for the preparation of financial accounts for the financial year ended March 31, 2017, the applicable Accounting Standards have been followed and the internal financial controls are generally found to be adequate and were operating effectively & that no significant deficiencies were noticed.

24. Loans, Guarantee and Investments

It is the Company's policy not to give any loans, directly or indirectly, to any person (other than to employees under contractual obligations) or to other body corporate or person. In compliance with section 186 of the Companies Act, 2013, loans to employees, if any, bear applicable interest rates.

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

25. Related Party Contracts / Arrangements

There are no any related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the

interest of the Company at large and as such disclosure pursuant to Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

However, Company has developed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions.

26. Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure "F".

27. CEO / CFO Certification

Mrs. Pooja Goenka, Executive Director and Mr. Rajes Gupta, Chief Financial Officer of the Company have submitted certificates to the Board as contemplated under Regulation 17(8) of the SEBI (LODR) Regulations, 2015.

28. Acknowledgements

Your Directors wish to place on record their appreciation for the services rendered to the Company by its employees and shareholders. Your Directors also wish to express their sincere thanks to various fashion designers who are associated with the Company's store in different capacities and bankers and other lenders for their continued co-operation and assistance.

For and on behalf of the Board

Chandra Shekhar Nopany

Kolkata

Chairman

Dated the 29th May, 2017

DIN : 00014587

Cautionary Statement

The statements in the Management Discussion and Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. As these statements are based on certain assumptions and expectations of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global or domestic demand and supplies of fashion design wears-both branded and non-branded, political and economic developments in India or other countries, government regulations and taxation policies, prices and availability of raw materials, prices of finished goods. The company assumes no responsibility in respect of forward looking statements made herein that may be revised or modified in the future on the of subsequent developments, information or events.

Industry Scenario-Indian and Global perspective

The Indian luxury market is estimated at USD 14 billion in 2016. It includes products such as high-end apparel, accessories, home décor, pens, watches, wines and spirits, jewellery, services such as fine dining, concierge services, travel, hotels and spas; as well as assets such as fine art, yachts and automobiles.

Despite having the smallest luxury goods market share, globally, India is amongst the top emerging markets and has tremendous potential. With a population of 1.2 billion, 17.5% of the worldwide population: among them 125,000 people are HNWI (High Net Worth Individuals) and 7,700 are UHNWI (ultra High Net Worth Individuals).

The 2016 drive at demonetization, stricter tax norms and stringent measures introduced by the government

to curb black money and cash transactions did affect sales in the luxury segment but this effect was temporary. Euromonitor records a significant growth in designer apparel and footwear sales at 21.3%, luxury jewellery at 19.4% and fine wines and champagne and spirits at 17.4%. Growth was driven by high lifestyle segments, growing at 30 to 35% as the luxury consumer refused to compromise on the 'luxe' life. The growth of the Indian luxury market is driven by an ever-increasing base of ultra high net worth households, which is likely to grow at a CAGR of 27 per cent through 2017-18.

The most important retail centres continue to be Delhi and Mumbai, but other cities are growing in importance thanks to their large base of potential luxury consumers. Thus, Kolkata, Chennai, Hyderabad, Bangalore and Pune are emerging as important retail hubs.

The average annual sales of luxury goods for Top 100 companies globally is \$2.2 billion. For these companies, the strength of the dollar has increased the purchasing power of US consumers. But, this had resulted in higher import prices for consumers in other countries, especially those in the emerging markets. However, the dollar has retreated since the start of 2016, providing relief to emerging markets and that has boosted sales.

Over the next year growth in India will remain strong, although the country still has challenges to overcome before it becomes a major market for luxury brands. Japan is also set to perform well, particularly as it boosts numbers ahead of the 2020 Tokyo Olympic Games. South Korea, meanwhile will see further steady growth as the market matures further.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Emergence of New Markets-Digital and Tier II cities

The domestic online fashion market in India is estimated to reach \$12-\$14 billion by 2020 according to a joint study by Boston Consulting Group (BCG) and social media giant Facebook.

The sudden spurt of Smartphone penetration, improved logistics infrastructure, convenient payment gateways and evolved online shoppers has resulted in this quick phenomenal growth.

While online fashion shoppers will more than double and touch 130 million mark, fashion e-commerce will constitute 11-12 per cent of the total domestic fashion market. Currently 55-60 million are buying fashion products online.

While the fashion market in India is currently estimated at \$70 billion - online contributes 5% at around \$4 billion - \$30 billion of this market will be digitally influenced by 2020.

“Fashion is at the forefront of Facebook in India. It dominates the top 10 interest categories on Facebook and same is true for Instagram,” Umang Bedi, MD, India & South Asia Facebook said. Bedi added Facebook drove value to top brands and advertisers in the market by connecting them with the people.

“The spurt of new fashion shoppers will bring with it a fundamental shift in the profile of online fashion shoppers. The 2020 shopper will no longer be the typical young, metro residing male of today,” said Rohit Ramesh, Partner and MD, BCG.

“By 2020, nearly half the shopper base will be women, more than 50% will come from lower tiers (tier II or even lower) and 37% will be older than 35 years of age,” adds Ramesh.

This shift in the online shopper profile will require e-tailers to rethink their offers across several dimensions, including assortment, pricing and discounts, delivery options and return policies.

“By 2020, 33% of all urban fashion consumers will buy online, which means for a mobile-first country like India, we will witness a high number of purchases taking place on the mobile,” says Bedi.

A key finding of the report is around the interplay of online and offline channels in consumer paths to purchase. The online shoppers are using a number of channels to discover, research and purchase apparel. As of today, only 10-15 percent of ad spends are on digital media despite the magnitude of digital influence on fashion spends. It calls for a need for shift in media spending towards digital where further scope exists for brands and retailers.

With the gradual economic growth tier I cities in India getting saturated, tier II and III cities seem to be emerging as growth engines of the future. High business investments in these regions are leading to faster industrial and service sector growths which translate into higher disposable incomes and rapidly changing lifestyles.

The growth of tier II cities is reflected in the evolving FDI landscape of India where smaller cities surged by 79% compared to 21% in metropolises in total FDI. The growth story of tier II cities in India feature 10 Indian states which account for more than 75% of India's aggregate GDP. Tier II cities like Surat, Pune, Jaipur, Indore, Patna have economic growth rates exceeding 40%, much higher than Kolkata or even Mumbai.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

The trend in the tier II and tier III cities show the ever increasing sale of luxury goods, which is twice that much of metros. Fashion consciousness is increasing across India and socio-economic segments. Key cities contributing to rising luxury and premium goods consumption are Ahmedabad, Pune, Nagpur, Hyderabad and Ludhiana which collectively account for 16% of the total luxury sales in India.

SWOT

Strength

- In comparison to increasingly ageing populations in the West, Japan and even China, India is expected to become the world's youngest emerging economy by 2020, with around 64% of its population in the working age group. This young consuming class has new aspirations and is more open to experimenting with fashion brands and modern designs.
- One of the most radical and reform-oriented retail-specific policies by the government has been to allow Foreign Direct Investment (FDI) in multi-brand retail. This will open up opportunities to learn international best practices and thus improve India's overall business performance. In the fashion and accessories industries specifically it will be improve quality and product design and improved deployment of technology.
- E-commerce has had a tremendous impact on luxury fashion retail. It has created aspirational awareness and opened up newer segments and markets.
- Indian fashion consumer is undergoing an evolution and is rapidly adapting to international tastes and seasons with exposure to international

events and style icons along with increasing disposable incomes, rising confidence levels and a conscious shift from need-based purchasing to aspiration-based purchasing.

Weakness

- Lack of efforts in building luxury brands in India
- The government decision to allow FDI necessitates substantial investment in back end infrastructure and also requires retailers to source at least 30% of their products from domestic suppliers.
- Tapping consumer's buying behaviour is becoming extremely complex
- The average Indian fashion products buyer is now cautious, demanding value for money spent and lowering purchase frequency and volumes.

Opportunities

- Educating and outreach programmes for creating awareness for niche luxury fashion in India. Education institutes imparting knowledge and information are ultimately driving demand.
- Measures to curb black money and demonetization drive has given a long term effect of boosting luxury buying in quick way of dispensing cash – lower per product transaction value, has been easier to buy than high-ticket products.
- Designer fashion and accessories is the easiest way for people to experience a luxury product- giving rise in demand.
- Increasing acceptance of technology – has invaded consumer lifestyles with great access to high end fashion products and information through the internet and digital devices.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- The distinct trends in macroeconomic scenario, along with favourable demography and triggered consumer buying behaviour will lead to evolution of fashion retail – to modernization, corporatization of businesses, customization of product portfolios to specific consumer segment needs and growing focus on success of private labels.

Threat

- Government measures such as the requirement to give the permanent account number for specified transactions, collection of luxury tax at source for goods exceeding Rs. 2 lakh.
- Implementation of the GST regime and its impact on the luxury fashion industry
- Easy access to technology has led to inevitable influence on consumer buying patterns with product comparisons, quality and pricing in brand offerings, service levels/fellow consumer opinions adding to making a purchase decision
- Worsening political environment and lack of trust in institutionalised machinery of government is negatively impacting the country's overall business competitiveness, lowering growth prospects

Future Outlook of the Industry

The Indian fashion landscape has changed in leaps and bounds in the recent past. This is fuelled by increased mobile penetration and faster internet networks in the country. Slated to become the youngest country on the planet by as early as 2021, India already has a sizeable chunk of millennials. This young, highly lucrative and influential demographic makes India a ripe market for global fashion players and niche designer stores to operate in.

According to Whitepaper, a proprietary retail analytics platform, the dynamics of the flourishing high-end fashion market in India will be on the basis of the key findings like:

- 69% of the Indian fashion catalog caters to women.
- Ethnic wear occupies 42% of the Indian apparel catalog.
- Ethnic wear has the highest average selling price as well as the highest average discount
- 51% of the footwear catalog is reserved for men

It is predicted that organized retail will grow at a CAGR of 21% between 2015 and 2020 reaching an overall figure of US\$180 billion. The growth will be equally driven by online and offline organized sectors. High fashion is expected to contribute nearly 50% of the staggering growth in e-tail revenues.

We are now entering the second half of the decade. The external environment is changing in a number of crucial areas: an evolution in consumer buying behaviour, an increase in international travel, the growing importance of the millennial consumer and the continued impact of the global economy. All of these actually create opportunities for the luxury segment.

The Indian retail segment is expected to demonstrate promising year-on-year growth of 6% to reach US\$ 865 billion by 2023. The share of apparel in India's retail market is 8%, corresponding to a value of US\$ 40 billion. In addition to fashion apparel, the growing demand for fashion accessories makes the Indian fashion market both interesting and lucrative.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Strategy and Performance of 85 Lansdowne

85 Lansdowne has established itself as a leading Indian brand multi brand store. The name today is synonymous with both style as well as strong ethics in business practice. It houses an illustrious list of top Indian designers along with young and fresh new talent.

In the past year it has continued realigning and restructuring to cater to the evolving needs of the dynamic market. The store has been able to attract consumers of different age groups and belonging to niche socioeconomic strata. This involves excellence in packaging a “mixed bag brilliance” and prudent structuring of designer portfolios. The store started tracking buying behaviour of regular customers and has customized, promoted and offered seasonal discounts based on specific requirements. Curating edgy shows and product displays has also garnered more attention as a means of engaging consumers.

To satisfy the surge in demand for private labels, better control over trends and continue being profitable, the brand has been a pioneer in innovative events and promotions for top of the mind recognition, introducing new brands and focusing on marketing activities to increase loyalty and sales.

In a world rapidly adapting to information technology and digital services, 85 Lansdowne has successfully deployed a full fledged social media team to drive not only customer relationship management but also to encourage continuous customer engagement. It has been a process of learning, unlearning and relearning – tuning into evolving customer needs, rediscovering the different segments of customers within a short time span.

This has been a perfect year of “Mixed Bag Brilliance” – a journey of contemporary curated showings vs. classic combination of traditional seasonal fanfare.

What with the tell-tale twist in the collection of Raw Mango launching its apparels line in Kolkata and Shymal-Bhumika launching their exquisite bridal wear all in the same breath. Today, it is the destination brand store in Eastern India for premier luxury fashion.

It has been a rage with the fashion conscious, discerning buyer from all parts of India and international market beyond (Bangladesh), who keeps calling in for more at the store. Add to that appeasing a voracious fashion appetite of the younger, professional women of today.

Company Review

Operating and Financial Performance

“85 Lansdowne” being a torch bearer of haute couture retail in Kolkata, has carved a niche in the fashion industry in Eastern India, as a premier luxury fashion destination.

Working with around 50 designers from all parts of the country the Store not only carries apparel from high profile Indian designers but also trades in accessories to complete the shopping experience. The merchandising team at the Store is always on the look-out for emerging talents to give customers a new experience each time they pay visit to the Store which is followed by up the personalized service to customer satisfaction.

Apart from operations of 85 Lansdowne the Company continues to be engaged in business of investment in securities and trading in commodities. There has been no change during the year under review in the nature of business pursued by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

The aforesaid performance has resulted in a profit before tax of Rs. 214.40 lacs and a profit after tax of Rs. 223.72 lacs as against the corresponding profit of Rs. 115.76 lacs and profit after tax Rs. 118.78 lacs respectively. The EBIDTA stood at Rs. 266.79 lacs as against a corresponding figure of Rs. 174.08 lacs in the previous year.

During the year under review the Company's income from investments in the form of dividend was Rs. 247.59 lacs as against a dividend income of Rs. 199.37 lacs during the immediately preceding year.

Neither any revenue has been earned in foreign exchange nor was there any outgo of foreign exchange during the year.

De-risking the Business

The Company has in place a plan to mitigate the risks described in the preceding paragraphs. The Board has laid down a well defined risk identification and mitigation policy to de-risk the business besides creating awareness across the organisation about such risks. The risk management process involves risk identification, risk management, risk prioritization, risk monitoring, risk escalation and risk mitigation.

Internal Control

The Company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliances of various internal controls and other regulatory and statutory compliances, commensurate with the size, scale and complexity of its operations. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditors

function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. The Committee reviews the effectiveness of internal controls and compliance controls, financial and operational risks. Self certification exercises are conducted by which senior management certifies effectiveness of internal control system, their adherence to the Company's code and policies for which they are responsible.

Human Resources and Industrial Relation

Human Resources Management at the Company plays a pivotal role in achieving organizational goals / objectives. In order to leverage the actual potential of every employee the Company has created a congenial work environment besides nurturing and appreciating individual talents to enable an individual employee to grow professionally as well as personally.

Vigorous efforts are made to upgrade and improve skills and knowledge of Company's employee and to fill up the specific knowledge and skill gaps. The Company continues to maintain cordial relations with its employee across the organization.

Apart from the above there is no material development in human resources front. The Company employs eight number of people.

1. COMPANY'S PHILOSOPHY

New India Retailing & Investment Limited (NIRIL), a part of K. K. Birla Group of Companies, is of firm conviction that a corporate house remaining committed to core values of corporate governance can achieve its objects more effectively and responsibly and in the process not only adds to its own sustained growth but also enhances the stakeholders' values. With this concept clear in its mind the Company continues to adhere to globally accepted corporate governance practices and norms. The core values of transparency, empowerment, accountability and independent monitoring has been the fulcrum of business operations of NIRIL which is commitment to uphold and nurture the core values of integrity, passion, responsibility, quality and respect in dealing with its customers and other stake holders of the Company.

2. BOARD OF DIRECTORS

The Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders. Based on the reports / certifications received from the Company's functional heads, Key Managerial Personnel and the Auditors, the Executive Director periodically informs the Board about compliance with respect to laws applicable to the Company.

Composition

- i) The Board of Directors comprised of Six Directors with considerable professional experience in divergent areas connected with corporate functioning. Out of these 6 directors, 3 (50%) are Independent Directors. The composition of the Board is in conformity with SEBI (LODR) Regulations, 2015. The Board is headed by the Mr Chandra Shekhar Nopany Non Executive Chairman of the Company. Mrs. Shalini Noapny was designated as Non Executive Vice Chairperson of the Company. Mrs. Pooja Goenka is the Executive Director and is entrusted with substantial powers of management of the Company subject to superintendence, control and directions of the Board.
- ii) The Independent Directors take part in the proceedings of the Board and Committee meetings which enables qualitative decision-making. They receive sitting fees for attending the meetings and do not have any other material or pecuniary relationship or transaction with the Company, its promoters, its directors or management.
- iii) In accordance with the disclosure received by the Company from the Directors, none of them is member in more than ten committees, nor as Chairman of more than five committees across all companies in which they are Directors.
- iv) The Independent Directors have confirmed that they satisfy the 'criteria of independence'. Independent Directors do not serve in more than 7 listed companies.

New India Retailing & Investment Limited

REPORT ON CORPORATE GOVERNANCE (Contd.)

- v) Except Shri Chandra Shekhar Nopany and Smt. Shalini Nopany, no Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

Board meetings

The meetings of the Board of Directors are scheduled in advance. The Company Secretary prepares the agenda for the meetings in consultation with the Executive Director and other concerned persons in the senior management. The detailed agenda and other relevant notes are circulated to the Directors well in advance. All material back up information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the

meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.

During the year under review four Board Meetings were held on 12th May, 2016, 12th August, 2016, 9th November, 2016 and 7th February, 2017. The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also the number of directorships held by directors are mentioned below. The number of directorships held by the Directors do not include Private Limited Companies, Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013 :

Name of Director	Category of Director	No. of Board meetings attended	Attendance at last AGM	No. of Directorships in other bodies corporate	No. of Chairmanship/ Membership of Board Committees in other Companies		No. of Equity Shares held in the Company
					Chairman	Member	
Mr. Chandra Shekhar Nopany DIN : 00014587	NED	4	No	9	2	—	—
Mrs. Shalini Nopany DIN : 00077299	NED	3	No	7	—	—	—
Mr. Ramesh Chandra Tapuriah DIN : 00395997	I/NED	2	No	7	4	2	—
Mr. Rajiv Singhi DIN : 00071285	I/NED	3	Yes	1	—	—	—
Mr. Shrikant Mantri DIN : 01240147	I/NED	2	Yes	1	—	—	—
Mrs. Pooja Goenka* DIN : 00544791	ED	3	NA	—	—	—	—
Mr. Dilip Patodia** DIN : 00482435	WTD	1	NA	NA	NA	NA	NA

* appointed as Whole time Director designated as an Executive Director w.e.f. 13th May, 2016 ** resigned as an Whole time Director w.e.f. 12th May, 2016

I - Independent

NED - Non Executive Director

ED - Executive Director

REPORT ON CORPORATE GOVERNANCE (Contd.)

Mr. Chandra Shekhar Nopany is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

While stating as aforesaid only the Audit Committees and Stakeholder's Relationship / Investors' Grievance Committees of the other companies in which the Directors of the Company are Chairmen and Members / Chairperson have been considered as is required in terms of the requirements of the Regulations SEBI (LODR) Regulations, 2015 with the Stock Exchange.

3. AUDIT COMMITTEE

The Audit Committee of the Company has been constituted and aligned with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The purpose of the Audit Committee is to assist the Board of Directors ("the Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of independent accountants / internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

a) Terms of Reference

The terms of reference of the Audit Committee are broadly as under :

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.

- Discussion with statutory auditors before the audit commences of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the quarterly financial statements before submission to the Board for approval.
- Reviewing with management the annual financial statements and draft auditor's report before submission to the Board for approval, focusing primarily on :
 - i. any changes in accounting policies and practices and reasons for the same;
 - ii. major accounting entries based on exercise of judgment by management;
 - iii. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 (3)(c) of the Companies Act, 2013
 - iv. qualifications, if any, in draft audit report;
 - v. significant adjustments made in the financial statements arising out of audit;
 - vi. compliance with listing and legal requirements concerning financial statements;
 - vii. disclosures of any related party transactions.
- 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

REPORT ON CORPORATE GOVERNANCE (Contd.)

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 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;
- 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;

- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the Executive Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

b) **Composition**

The Audit Committee at present comprises of four Directors out of which three are Non Executive Independent Directors viz. Mr. Rajiv Singhi (Chairman), Mr. Shrikant Mantri and Mr. Ramesh Chandra Tapuriah. The other member is Mrs. Pooja Goenka, who is a Executive Director. During the year ended 31st March, 2017, the Committee met four times on 12th May, 2016, 10th August, 2016, 9th November, 2016 and 4th February, 2017 and the attendance of the members at the Audit Committee meetings in these meetings was as follows :

Name of the Member	Status	No. of meetings attended
Mr. Rajiv Singhi	Chairman	4
Mr. Ramesh Chandra Tapuriah	Member	3
Mr. Shrikant Mantri	Member	1
Mrs. Pooja Goenka	Member	3
Mr. Dilip Patodia	Member	1

The Audit Committee meeting is also attended by the Internal Auditors and Statutory Auditors to answer and clarify the queries raised at the Meetings. The Company Secretary acts as the Secretary of the Audit Committee also. The Chief Financial Officer is an invitee to the meeting. The Chairman of the Audit Committee Mr Rajiv Singhi attended the last Annual General Meeting held on 14th September, 2016.

REPORT ON CORPORATE GOVERNANCE (Contd.)

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Investors' Grievance Committee of the Company constituted in terms of Clause 49 of the Listing Agreement has been renamed as the "Stakeholders Relationship Committee" and has been aligned with the provisions of Section 178 of the Companies Act, 2013 and Regulations 20(1) and(2) of the SEBI (LODR) Regulations, 2015.

a) Terms of Reference

The "Stakeholders Relationship Committee" oversees the redressal of complaints and grievances of the security holders of the Company including complaints related to transfer or credit of shares to demat accounts, non-receipt of dividend/annual reports, approval of physical shares above 1000 shares, etc.

b) Composition

At present the Committee comprises of three Non-Executive Directors viz. Mr. Ramesh Chandra Tapuriah (Chairman), Mrs. Shalini Nopany and Mr. Shrikant Mantri

During the year ended 31st March, 2017, the Committee met four times on 12th May, 2016, 12th August , 2016, 9th November, 2016 and 19th January, 2017 the attendance of the members at the Committee meetings was as follows :

Name of the Member	Status	No. of meetings attended
Mr. Ramesh Chandra Tapuriah	Chairman	3
Mrs. Shalini Nopany	Member	4
Mr. Shrikant Mantri	Member	2

The "Stakeholders Relationship Committee" under the chairmanship of Mr Ramesh Chandra Tapuriah oversees the performance of Link Intime India Pvt. Ltd., the Registrar & Share Transfer Agent of the Company and recommends measures to improve the level of investor related services. The Committee also keeps a close watch on all complaints / grievances of shareholders.

E Mail Id earmarked for redressing Investors queries in terms of Regulation 46(2) (j) of SEBI (LODR) Regulations, 2015 is sstccal@cal2.vsnl.net.in During the year under review the Company did not receive any complaint from the members. The average period of redressal of grievances, when received, is 7 days from the date of receipt of letters / complaints. There was no unresolved complaint as on 31st March, 2017. There were no share transfer applications pending for registration as on 31st March, 2017.

5. NOMINATION AND REMUNERATION COMMITTEE

The Remuneration Committee of the Company has been renamed as the "Nomination and Remuneration Committee" and has been aligned with the provisions of Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

a) Objectives

The Nomination and Remuneration Committee formulates the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board policies relating to the remuneration for the directors, key managerial personnel and other employees.

The Committee has all the powers and authority as may be necessary for implementation, administration and superintendence of various fringe benefits for managerial remuneration.

REPORT ON CORPORATE GOVERNANCE (Contd.)

b) Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying 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 their appointment and removal.
- Formulation of the evaluation criteria for performance evaluation of the Independent Directors

c) Composition and Meetings

The Nomination & Remuneration Committee comprises of three Directors all of whom are non executive director viz. Mr. Ramesh Chandra Tapuriah, Chairman, Mrs. Shalini Nopany and Mr. Rajiv Singhi. Two meeting of the Committee were held on 28th April, 2016 and 12th May, 2016 during the year which was attended by all members.

d) Remuneration Policy

The Board of Directors of the Company had at its meeting held on 25th July, 2014 adopted the Remuneration Policy as recommended by the Nomination and Remuneration Committee of the Company. The Remuneration Policy is available at company website at www.niril.in.

e) Remuneration of Directors

The Non-Executive Directors are paid remuneration by way of commission besides sitting fees, if approved by the Board, on the net profit of the Company at the rate not exceeding 1% of the net profit of the Company determined in accordance with the terms and provisions of the Companies Act. The distribution of such commission amongst the non-executive directors is placed before the Board for its decision.

The Company pays sitting fees @ Rs. 5000 and Rs. 2500 respectively to each Director for attending meetings of the Board of Directors and Committees thereof. The detail of sitting fees paid to the Directors including for attending the committee meetings, wherever applicable, during the year are as follows :

Sl. No.	Name of the Director	Amount (Rs.)
1.	Mr. Chandra Shekhar Nopany	14,500
2.	Mrs. Shalini Nopany	19,000
3.	Mr. Ramesh Chandra Tapuriah	18,000
4.	Mr. Rajiv Singhi	17,500
5.	Mr. Shrikant Mantri	3,000
6.	Mrs. Pooja Goenka	—

6. RISK MANAGEMENT COMMITTEE

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises :

- Oversight of risk management performed by the executive management;

REPORT ON CORPORATE GOVERNANCE (Contd.)

- Reviewing the risk & its mitigation plans within framework and in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee reviews risks trends, exposure, potential impact analysis and mitigation plan. The Committee comprises Mrs. Pooja Goenka, Executive Director and Mr. Shrikant Mantri as its members.

7. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 30th March, 2017 inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

8. PERFORMANCE EVALUATION

In pursuance of the provisions of the Companies Act, 2013 and According to Regulation of 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Performance Evaluation Criteria has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairman of the Board. After detailed

discussion at Board level as well as taking input from each director, Nomination and Remuneration Committee finalized the proformas / questionnaires containing various parameters to evaluate the performance of Board and its committee(s), Individual Directors and Chairman of the Company. The performance evaluation parameters are based on their roles and responsibilities, contribution to the Company's goals, decision making process, flow of information and various other aspects. The evaluation of performance of the Board as a whole, Committees of the Board, Individual Directors and Chairman of the Company was carried out for the Financial Year 2016-17. Nomination and Remuneration Committee evaluated the performance of each director. The Independent Directors in their separate meeting carried out the evaluation of the Board of Directors as a whole, Chairman of the Company and Non-Independent Directors. The Chairperson of Nomination and Remuneration Committee has submitted report of the respective evaluations to the Chairperson of the Company. Based on the questionnaires received from the Directors and considering the reports of Chairman of Nomination and Remuneration Committee, the Board evaluated its own performance and that of its committees and individual directors including independent directors.

9. RELATED PARTY TRANSACTIONS

There are no related party transactions with related parties as defined under the Companies Act, 2013 and Regulation of the SEBI (LODR) Regulations, 2015 during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website and such Policy has been disclosed on the company website at www.niril.in.

REPORT ON CORPORATE GOVERNANCE (Contd.)

10. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility and accordingly has formulated Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained while dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

11. GENERAL BODY MEETINGS

The last three Annual General Meetings (AGM) of the Company were held as under :

Financial Year	Date	Time	Location
2015-16	14.09.2016	3.00 P.M.	Registered Office : 9/1, R.N. Mukherjee Road Kolkata - 700 001
2014-15	04.09.2015	3.00 P.M.	Registered Office : 9/1, R.N. Mukherjee Road Kolkata - 700 001
2013-14	29.08.2014	3.00 P.M.	Registered Office : 9/1, R.N. Mukherjee Road Kolkata - 700 001

The last Annual General Meeting was held on 14th September, 2016 which was attended by Mr. Rajiv Singhi, Chairman of the Audit Committee.

Special resolution was passed for appointment of Mrs. Pooja Goenka as an Executive Director of the Company .

Special Resolution was passed for approval under Section 180(1)(c) of the Companies Act, 2013.

All the resolutions were passed through e-voting pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

Postal Ballot

No special resolution was passed through Postal Ballot during the Financial Year 2016-17. At the last AGM Pursuant to the provisions of Section 110 of the Companies Act 2013, read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions.

12. DISCLOSURES

- i) There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large.
- ii) No penalties or strictures has been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market for non-compliance by the Company during the last three years.
- iii) The company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- iv) The Company has complied with all the applicable mandatory requirements of the Listing Agreement.
- v) The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India in preparation of its financial statements.

13. MEANS OF COMMUNICATION

- i) Since the financial results in respect of each quarter and annual audited financial results of the Company are sent to the Stock

REPORT ON CORPORATE GOVERNANCE (Contd.)

Exchange immediately after they are approved by the Board/Committee and also published in 'The Financial Express', in English and 'Arthik Lipi', in Bengali in Kolkata editions, the same were not separately sent to the shareholders.

- ii) The Company operates a website under the domain name of www.niril.in in which appropriate section are there for official releases
- iii) No presentation was made to any Institutional Investors or to any Analyst during the year under review.

14. GENERAL SHAREHOLDERS' INFORMATION

i) 83rd Annual General Meeting

Date : 15th September, 2017

Time : 3.00 P.M.

Venue : Registered Office :
9/1, R. N. Mukherjee Road
Kolkata - 700 001

ii) Tentative Financial Calendar for the year 2016-17

Approval of Audited Annual Results (2016-17)	29th May, 2017
Annual General Meeting	15th September, 2017
First quarter results	On or before the 14th August, 2017
Second quarter results	On or before the 14th November, 2017
Third quarter results	On or before the 14th February, 2018
Audited Annual Results (2017-18)	May, 2018

iii) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 8th September, 2017 to Friday, 15th September, 2017 (both days inclusive) for the purpose of holding 83rd Annual General Meeting of the Company to be convened on Friday, 15th September, 2017.

iv) Listing on Stock Exchange and Stock Code

The Equity Shares of the Company are listed on The Calcutta Stock Exchange Ltd. The Stock Code is 10024004. Under the depository system, International Securities Identification Number (ISIN) allotted to the Equity Shares of the Company is INE260C01018. Annual listing fee for the year 2017-18 has been paid by the Company.

v) Market Price Data

The Equity Shares of the Company were last traded in September, 2003 at a price of Rs. 30 per share and since then there has been no trading of the Equity Shares of the Company on the Stock Exchange. Accordingly the question of comparison of the prices of Company's shares with the broad-based indices does not arise.

vi) Registrar & Share Transfer Agent

The Company has appointed Link Intime India Pvt. Ltd. as its Registrar & Share Transfer Agent (RTA) for handling work related to share registry in terms of both physical and electronic modes. Accordingly, all correspondences, shares for transfer, transmission, demat / remat requests and other communications in relation thereto should be mailed / hand delivered to the said RTA directly at the following address :

Link Intime India Private Limited

Unit : New India Retailing & Investment Limited

59C, Chowringhee Road, 3rd Floor,
Kolkata - 700 020.

Tel : 91 - 33 - 2289 0540

Fax : 91 - 33 - 2289 0539

e-mail : kolkata@linkintime.co.in

New India Retailing & Investment Limited

REPORT ON CORPORATE GOVERNANCE (Contd.)

vii) Share Transfer System

After the requests for transfer / transmission of shares in physical form are approved by the “Stakeholders Relationship Committee” the same is sent to the Registrar & Share Transfer Agent for completing the necessary procedural formalities and despatch to the shareholders. The Board of Directors have authorised the Company Secretary to approve transfer / transmission of upto 1000 shares in consultation with the Chairman of the Shareholder’s Relationship Committee. Share transfer requests, if found valid and complete in all respect, are effected within a period of 15 days from the date of receipt. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required Regulation of SEBI (LODR) Regulations, 2015 and files the same with the Stock Exchange.

viii) Distribution of Shareholding

The Distribution of Shareholding as on 31st March, 2017 was as follows :

No. of Equity Shares	No. of Share holders	% of total share holders	No. of Shares held	% of total shares
Upto 500	798	91.26	63,969	4.40
501 to 1000	25	2.87	17,286	1.19
1001 to 2000	17	1.96	24,127	1.66
2001 to 3000	9	1.04	23,973	1.65
3001 to 4000	1	0.11	3,375	0.23
4001 to 5000	1	0.11	4,100	0.29
5001 to 10000	4	0.46	28,511	1.96
10000 and above	19	2.19	12,87,654	88.62
Total	874	100.00	14,52,995	100.00

b) Detail of Shareholding as on 31st March, 2017 were as follows :

Sl. No.	Category	No. of Equity Shares held	% of Share holding
1.	Promoters	9,97,195	68.63
2.	Banks, Financial Institutions, Mutual Funds, Insurance Companies, etc.	1,30,606	8.99
3.	Indian Public :		
	a. Bodies Corporate	86,582	5.96
	b. Individuals	2,38,500	16.41
	c. NRIs/ Foreign Nationals	112	0.01
	Total	14,52,995	100.00

ix) Dematerialization of Shares and Liquidity

The Equity Shares of the Company are compulsorily traded in dematerialized form at The Calcutta Stock Exchange Ltd. under depository systems with both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 13,49,942 Equity Shares (92.91%) of the Equity Shares of the Company have already been dematerialized.

x) Outstanding GDRs / ADRs / Warrants or Convertible Instrument

The Company had never issued any GDRs / ADRs / Warrants or Convertible Instrument.

xi) Location of the Store

The Company is having a store namely “85 Lansdowne” at 85 B, Sarat Bose Road, Kolkata - 700 026 which is a Fashion Design Store displaying collections of renowned fashion designers of India.

REPORT ON CORPORATE GOVERNANCE (Contd.)

xii) Address for Correspondence

New India Retailing & Investment Ltd.

Registered Office :

9/1, R. N. Mukherjee Road,

5th Floor, Birla Building

Kolkata - 700 001, India

Tel : 91 - 33 - 2243 0497/8

Fax : 91 - 33 - 2248 6369

e-mail : sstccal@cal2.vsnl.net.in

Link Intime India Pvt. Ltd.

Unit : New India Retailing & Investment Ltd.

59C, Chowringhee Road, 3rd Floor

Kolkata - 700 020, India

Tel : 91 - 33 - 2289 0540

Fax : 91 - 33 - 2289 0539

e-mail : kolkata@linkintime.co.in

xiii) Transfer of unpaid / unclaimed amounts to Investor Education and Protection Fund

During the period under review, the Company was not required to credit any sum to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

15. CEO/CFO CERTIFICATION

The Executive Director (CEO), Mrs. Pooja Goenka and the Chief Financial Officer (CFO), Mr. Rajes Gupta have certified that all the requirements of SEBI (LORD) Regulations, 2015, inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2017, transactions entered into by the

Company during the said year, their financial reporting and evaluation of the effectiveness of the internal control system and making necessary disclosures to the auditors and the audit committee have been duly complied with.

16. APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

Mr. Chandra Shekhar Nopany is due for retirement by rotation at the forthcoming Annual General Meeting.

Mr. Chandra Shekhar Nopany is a Member of the Institute of Chartered Accountants of India and Masters in Science of Industrial Administration from Carnegie Mellon University, Pittsburgh, USA. 1989. He is an eminent industrialist having vast experience in diverse fields like sugar, tea, shipping, textiles, fertilizers and chemicals, etc. He is the past President of Indian Chambers of Commerce and was member of the Executive Committee of FICCI.

Directorships	Committee Memberships, if any with position
Avadh Sugar & Energy Limited	—
Magadh Sugar & Energy Ltd.	—
SIL Investments Limited	Chairman-Stakeholders Relationship Committee
Yashovardhan Investment & Trading Company Limited	—
Ronson Traders Ltd.	Chairman-Stakeholders Relationship Committee
New India Retailing & Investment Limited	—
Sutlej Textiles And Industries Limited	—
Chambal Fertilisers And Chemicals Limited	—
Palash Securities Limited	—
Ganges Securities Limited	—

REPORT ON CORPORATE GOVERNANCE (Contd.)

18. PREVENTION OF INSIDER TRADING

The Company has in place a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders as envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015 for its promoters, employees and directors. The Company also has in place a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. This Code is available on Company's website at www.niril.in. The Code ensures the prevention of dealing in Company's shares / securities by persons having access to unpublished price sensitive information. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company 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. The Company Secretary is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

19. CODE OF CONDUCT & ETHICS

The Company has also adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors and Senior Management Personnel of the Company. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors and Senior Management Personnel have affirmed compliance with the Code, and a

declaration to this effect, signed by the executive Director, is attached to this report. The code is posted on the website of the company at www.niril.in.

20. LEGAL COMPLIANCES

The Board reviews periodically compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non compliances, if any.

21. COMPLIANCES WITH CORPORATE GOVERNANCE NORMS

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated in Regulation of SEBI (LODR) Regulations, 2015 with the Stock Exchange. The Company has submitted the compliance report in the prescribed format to the Stock Exchange for the quarters ended June 30, 2016, September 30, 2016, December 31, 2016 and March 31, 2017. Messrs D. Raut & Associates, Practicing Company Secretaries have certified that the Company has complied with the conditions of Corporate Governance. The said certificate is annexed to this Report and will be forwarded to the Stock Exchange and the Registrar of Companies, West Bengal along with the Annual Report.

22. SHAREHOLDERS' RIGHTS

The quarterly financial results are published in leading financial newspapers, uploaded on the Company's website and any major developments are covered in the press releases / intimation to stock exchange by the Company. The Company therefore has not been sending the half yearly financial results to the shareholders.



Annexure - C

DECLARATION ON CODE OF CONDUCT

To
The Members
New India Retailing & Investment Limited
9/1, R. N. Mukherjee Road,
Kolkata - 700 001

Pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations, 2015, I Pooja Goenka, Executive Director of New India Retailing & Investment Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the financial year 2016-17.

Place : Kolkata
Dated, 29th May, 2017

Pooja Goenka
Executive Director

Annexure - D

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members
New India Retailing & Investment Limited
9/1, R. N. Mukherjee Road,
Kolkata - 700 001

1. We have examined the compliance of conditions of Corporate Governance by New India Retailing & Investment Limited (the Company) for the year ended 31st March, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulations 46(2) and para C, D and E of Schedule V of SEBI (Listing obligations and Disclosure Requirement) Regulation, 2015.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our Examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further 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.

Commerce House
7th Floor, Room No. 10
2A, Ganesh Chandra Avenue
Kolkata - 700 013
Date : 29th May, 2017

For D. Raut & Associates
Company Secretaries
Debendra Raut
Proprietor
C.P. No. 5232
ACS No. 16626

SECRETARIAL AUDIT REPORT

FOR THE PERIOD FROM APRIL 1, 2016 TO MARCH 31, 2017 ("AUDIT PERIOD")

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

To,

The Members,

New India Retailing and Investment Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by New India Retailing and Investment Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as specified in Annexure I, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers maintained by the Company for the Audit Period according to the provisions of :

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") :-
 - 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, 2009;
 - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (herein after referred to as "the Listing Regulations, 2015");
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
6. Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India :
7. According to the management of the Company, the Company does not have any specific law applicable to the industry to which the Company belongs. We have accordingly relied on the management representation and the certificate from the internal auditor with respect to compliance of the general laws.

Management Responsibility :

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that

Form No. MR-3

SECRETARIAL AUDIT REPORT (Contd.)

- correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;
 4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
 5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
 6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

During the Audit Period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above subject to the following observations :

We report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The charges in the composition of the Board of Directors the took place during the Period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while dissenting members views were not required to be captured and recorded as part of the minutes as there were no such instance.

We further report that based on the information provided by the Company during the conduct of the audit and also on the review of quarterly compliance reports by Company Secretary taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanisms exist in the Company to monitor and ensure compliance with applicable other general laws.

We further report that during the Audit Period, the Company has not incurred any specific event action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Annexure I

List of Documents

1. Corporate Matters
 - 1.1 Minutes books of the following Meetings were provided :
 - 1.1.1 Board Meeting
 - 1.1.2 Audit Committee
 - 1.1.3 Nomination and Remuneration Committee
 - 1.1.4 Corporate Social Responsibility Committee
 - 1.1.5 General Meeting
 - 1.1.6 Stakeholder Relationship Committee
 - 1.2 Annual Report (2014-15)
 - 1.3 Financial Results up to quarter ended December 31, 2015
 - 1.4 Memorandum and Articles of Association
 - 1.5 Disclosures under Act, 2013
 - 1.6 Policies framed under Act, 2013 and the Listing Regulations, 2015
 - 1.7 Forms and returns filed with the ROC
 - 1.8 Registers maintained under Act, 2013

Vinod Kothari & Company

Practising Company Secretaries

1006-1009, Krishna Building
224, A.J.C. Bose Road
Kolkata - 700 017

Sd/- A. K. Maitra
ACS : 3010

Dated the 27th May, 2017

CP No. : 14490

EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31st March, 2017**

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

I. REGISTRATION AND OTHER DETAILS

CIN	L15421WB1933PLC023070
Registration Date	4th May, 1933
Name of the Company	NEW INDIA RETAILING & INVESTMENT LIMITED
Category / Sub-Category of the Company	Public Company having Share Capital
Address of the Registered Office and contact details	9/1, R. N. Mukherjee Road, 5th Floor Birla Building, Kolkata - 700 001 Telephone : 91-33-2243 0497/8 Fax : 91-33-2248 6369 e-mail : birlasugar@birla-sugar.com website : www.niril.in
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Messrs Link Intime India Private Limited 59C, Chowringhee Road 3rd Floor, Kolkata - 700 020 Telephone : 91-33-2289 0540 Fax : 91-33-2289 0539 E-mail : kolkata@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1.	Readymade Garments	47711	—

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
NOT APPLICABLE					

Form No. MGT-9
EXTRACT OF ANNUAL RETURN (Contd.)
IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter and Promoter Group									
Indian									
Individuals/Hindu Undivided Family	250	—	250	0.017	250	—	250	0.017	—
Central Government/State Government(s)	—	—	—	—	—	—	—	—	—
Bodies Corporate	996945	—	996945	68.613	996945	—	996945	68.613	—
Financial Institutions/Banks	—	—	—	—	—	—	—	—	—
Any Other (Total)	—	—	—	—	—	—	—	—	—
Sub Total (A) (1)	997195	—	997195	68.63	997195	—	997195	68.63	—
Foreign									
Individuals (Non-Resident Individuals / Foreign Individuals)	—	—	—	—	—	—	—	—	—
Bodies Corporate	—	—	—	—	—	—	—	—	—
Institutions	—	—	—	—	—	—	—	—	—
Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
Any Other (Total)	—	—	—	—	—	—	—	—	—
Sub Total (A) (2)	—	—	—	—	—	—	—	—	—
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	997195	—	997195	68.63	997195	—	997195	68.63	—
Public shareholding³									
Institutions									
Mutual Funds / UTI	—	—	—	—	—	—	—	—	—
Financial Institutions / Banks	—	1125	1125	0.077	—	1125	1125	0.077	—
Central Government / State Government(s)	—	—	—	—	—	—	—	—	—
Venture Capital Funds	—	—	—	—	—	—	—	—	—

New India Retailing & Investment Limited

Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Insurance Companies	129481	—	129481	8.911	129481	—	129481	8.911	—
Foreign Institutional Investors	—	—	—	—	—	—	—	—	—
Foreign Venture Capital Investors	—	—	—	—	—	—	—	—	—
Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
Any Other (Total)	—	—	—	—	—	—	—	—	—
Sub-Total (B)(1)	129481	1125	130606	8.989	129481	1125	130606	8.989	—
Non-institutions									
Bodies Corporate	85992	590	86582	5.959	85992	590	86582	5.959	—
Individuals - i. Individual Shareholders Holding Nominal Share Capital Up to > Rs. 1 Lakh	51044	78066	129110	8.886	51149	77961	129110	8.886	—
Individuals - ii. Individual Shareholders Holding Nominal Share Capital in Excess of Rs. 1 Lakh	85950	23440	109390	7.529	85950	23440	109390	7.529	—
Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
Clearing Member	—	—	—	—	—	—	—	—	—
Directors / Relatives	—	—	—	—	—	—	—	—	—
Foreign Company	—	—	—	—	—	—	—	—	—
Foreign National	—	—	—	—	—	—	—	—	—
HUF	—	—	—	—	—	—	—	—	—
Non Resident Indians (Non Repat)	—	112	112	0.008	—	112	112	0.008	—
Non Resident Indians (Repat)	—	—	—	—	—	—	—	—	—
Office Bearers	—	—	—	—	—	—	—	—	—
Trust	—	—	—	—	—	—	—	—	—
Sub-Total (B)(2)	222986	102208	325194	22.381	223074	102120	325194	22.381	—
Total Public Shareholding (B) = (B)(1) + (B)(2)	352467	103333	455800	31.370	352555	103245	455800	31.370	—
Total (A) + (B)	1349662	103333	1452995	100.00	1349767	103228	1452995	100.00	—
Shares held by Custodians and against which Depository Receipts have been issued	—	—	—	—	—	—	—	—	—
Promoter and Promoter Group	—	—	—	—	—	—	—	—	—
Public	—	—	—	—	—	—	—	—	—
Grand Total (A)+ (B) + (C)	1349662	103333	1452995	100.00	1349767	103228	1452995	100.00	—

Form No. MGT-9
EXTRACT OF ANNUAL RETURN (Contd.)
ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
Nandini Nopany	250	0.02	—	250	0.02	—	—
Upper Ganges Sugar and Industries Limited	202500	13.94	—	202500	13.94	—	—
Hargaon Investment & Trading Co. Ltd.	134448	9.25	—	134448	9.25	—	—
RTM Investment and Trading Co. Ltd.	139910	9.22	—	139910	9.22	—	—
SCM Investment & Trading Co. Ltd.	132852	9.14	—	132852	9.14	—	—
Champaran Marketing Co. Ltd.	94077	6.47	—	94077	6.47	—	—
Uttar Pradesh Trading Co. Ltd.	83073	5.72	—	83073	5.72	—	—
Sidh Enterprises Ltd.	75405	5.19	—	75405	5.19	—	—
Sonali Commercial Ltd.	50000	3.44	—	50000	3.44	—	—
OSM Investment & Trading Co. Ltd.	38349	2.64	—	38349	2.64	—	—
Pavapuri Trading and Investment Company Limited	35000	2.41	—	35000	2.41	—	—
Yashovardhan Investment & Trading Co. Ltd.	13050	0.90	—	13050	0.90	—	—
Ronson Traders Limited	2374	0.16	—	2374	0.16	—	—
Deepshikha Trading Co. Private Limited	1907	0.13	—	1907	0.13	—	—
Total	997195	68.63	—	997195	68.63	—	—

New India Retailing & Investment Limited

Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

iii) Change in Promoters' Shareholding

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	No change during the year			
Changes during the year	No change during the year			
At the end of the year	No change during the year			

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters) :

For Each of the Top Ten Shareholders		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Life Insurance Corporation of India	1,28,131	8.82	1,28,131	8.82
2.	Navjeevan Medical Institute	52,200	3.59	52,200	3.59
3.	Hindusthan Discounting Company Limited	25,057	1.73	25,057	1.73
4.	R. Mangalam	23,440	1.61	23,440	1.61
5.	Rukmani Birla Educational Society	20,000	1.38	20,000	1.38
6.	New Eros Tradecom Limited	17,837	1.23	17,837	1.23
7.	Central India Industries Limited	14,575	1.00	14,575	1.00
8.	Shri Jagannath Educational Institute	13,750	0.95	13,750	0.95
9.	Earthstone Holding (Two) Limited	7,961	0.55	7,961	0.55
10.	Hitashi Investments Limited	7,500	0.52	7,500	0.52

Form No. MGT-9
EXTRACT OF ANNUAL RETURN (Contd.)
v) Shareholding of Directors and Key Managerial Personnel :

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Dilip Patodia, Wholetime Director upto 12th May, 2016 Mrs. Pooja Goenka Executive Director w.e.f. 13th May, 2016				
At the beginning of the year	Nil			
Changes during the year	No changes during the year			
At the end of the year	Nil			

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Subramanian Satyamurthi upto 29th March, 2017 Company Secretary and Compliance Officer				
At the beginning of the year	Nil			
Changes during the year	No changes during the year			
At the end of the year	Nil			

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Rajes Gupta Chief Financial Officer				
At the beginning of the year	Nil			
Changes during the year	No changes during the year			
At the end of the year	Nil			

New India Retailing & Investment Limited

Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	126.99	—	—	126.99
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not	—	—	—	—
Total (i + ii + iii)	126.99	—	—	126.99
Change in Indebtedness during the financial year				
Addition	—	—	—	—
Reduction	40.14	—	—	40.14
Net Change	40.14	—	—	40.14
Indebtedness at the end of the financial year				
i) Principal Amount	86.85	—	—	86.85
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not	—	—	—	—
Total (i + ii + iii)	86.85	—	—	86.85

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager :

Sl. No.	Particulars of Remuneration	Mrs. Pooja Goenka Executive Director	Total Amount Lacs
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	8.25	8.25
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		
2.	Stock Options	—	—
3.	Sweat Equity	—	—
4.	Commission		
	- As % of profit	—	—
	- As others specify		
5.	Others please specify	—	—
	Total (A)		
		8.25	8.25

Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

B. Remuneration to other Directors :

1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. Ramesh Chandra Tapuriah	Mr. Rajiv Singhi	Mr. Shrikant Mantri	
	Fee for attending Board / Committee Meetings	18,000	17,500	3,000	38,500
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	Total B (1)				38,500

2. Other Non-Executive Directors

Sl. No.	Particulars of Remuneration	Name of Director		Total Amount
		Mr. Chandra Shekhar Nopany	Mrs. Shalini Nopany	
	Fee for attending Board / Committee Meetings	14,500	19,000	33,500
	Commission	—	—	—
	Others, please specify	—	—	—
	Total B (2)	—	—	33,500
	Total (B) = (B)(1) + (B)(2)			72,000

New India Retailing & Investment Limited

Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Mr. Rajes Gupta Chief Financial Officer	Mr. S. Subramanian Company Secretary upto 29th March, 2017	Total Amount Lacs
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961			
2.	Stock Options	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	- As % of profit	—	—	—
	- As others specify			
5.	Others please specify	—	—	—
	Total (A)	Nil	Nil	Nil

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act.	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding			None		
B. DIRECTORS Penalty Punishment Compounding			None		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			None		

INDEPENDENT AUDITOR'S REPORT

To

The Members of

New India Retailing & Investment Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of New India Retailing & Investment Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - B a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
 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 our 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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 in Annexure- A; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us :
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There was a Liability as on 31.03.2017 for Redemption of 5.5% Preference share of Rs. 1,07,700 which has since being deposited to Investors Education and Protection Fund
 - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management;

For Doshi, Chatterjee, Bagri & Co. LLP

Chartered Accountants

Firm Registration Number : 325197E/E300020

Chandi Prosad Bagchi

Place : Kolkata

Partner

Date : 29th May, 2017

Membership No. : 52626

Annexure ‘A’ To The Independent Auditors’ Report

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

(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF NEW INDIA RETAILING & INVESTMENT LIMITED AS AT AND FOR THE YEAR ENDED MARCH 31, 2017)

We have audited the internal financial control over financial reporting of New India Retailing & Investment Limited (“the Company”) as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year then ended.

Management Responsibility for Internal Financial Control

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of

Internal Financial Control 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, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial control 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 procedure selected depend on the auditor’s judgment, including the assessment of the risk of material misstatements 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 control system over financial reporting.

Annexure 'A' To The Independent Auditors' Report (Contd.)

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls 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 controls over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the 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 (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of 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 policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Doshi, Chatterjee, Bagri & Co. LLP

Chartered Accountants

Firm Registration Number : 325197E/E300020

Chandi Prosad Bagchi

Place : Kolkata

Partner

Date : 29th May, 2017

Membership No. : 52626

Annexure 'B' To The Independent Auditors' Report

(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF NEW INDIA RETAILING & INVESTMENT LIMITED AS AT AND FOR THE YEAR ENDED MARCH 31, 2017)

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of phase wise verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.</p> <p>c) According to information and explanations given by the management, the Title Deeds of immovable properties included in fixed assets are held in the name of the Company except in respect of land situated at Industry House and Ballygunge Place at Kolkata and Anangpur Tehsil at Haryana for a total sum of Rs. 2,01,754/- where the original Title Deeds were not made available to us for verification.
Building aggregating Rs. 42,85,327 at Birla Building, Kolkata and at Haridwar, are held under Co-ownership, hence Title Deeds are not available with the Company.</p> | <p>c) The Company is maintaining proper records of inventory and discrepancies noticed were properly dealt with in the books of accounts.</p> |
| <p>(ii) a) The physical verification of inventory has been conducted at reasonable intervals by the management.</p> <p>b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> | <p>(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraphs 3 (a) and (b) of the Order are not applicable.</p> <p>(iv) In our opinion and according to the information and explanations given to us, the company has not entered in to such transaction during the year which required to be complied under the provision of section 185 and 186 of the Act, with respect to loans and investments.</p> <p>(v) The Company has not accepted any deposits from the public within the meaning of Section 73 or any other relevant provision of the Companies Act, 2013. Accordingly paragraph 3(v) of the order is not applicable.</p> <p>(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) the, for any of the operations of the company.</p> <p>(vii) a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Income-tax, sales-tax / value added tax, service tax, cess and other applicable statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, custom duty and excise duty are not applicable to the</p> |

Annexure 'B' To The Independent Auditors' Report (Contd.)

- Company. No undisputed amounts payable in respect of the statutory dues as aforesaid were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax and cess which have not been deposited on account of any dispute
- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution and bank. Further, the Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standard.
- (xiv) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Doshi, Chatterjee, Bagri & Co. LLP

Chartered Accountants

Firm Registration Number : 325197E/E300020

Chandi Prosad Bagchi

Place : Kolkata

Partner

Date : 29th May, 2017

Membership No. : 52626



BALANCE SHEET

as at 31st March, 2017

	Notes	31st March, 2017	(Rs. in '000) 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	64,547	64,547
Reserves & Surplus	4	3,24,815	3,02,443
Non Current Liabilities			
Deferred Tax Liability (Net)	5	3,231	4,163
Long Term Provisions	6	406	310
Current Liabilities			
Short Term Borrowings	7	8,685	12,699
Trade Payables	8	1,141	1,599
Other Current Liabilities	9	2,344	2,342
Short Term Provisions	6	12	6,573
		<u>4,05,181</u>	<u>3,94,676</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	10	37,551	39,974
Capital work in Progress		31	—
Non Current Investments	11	3,40,947	3,40,977
Long Term Loans and Advances	12	1,951	2,391
Other Non Current Assets	13	—	741
Current Assets			
Current Investments	14	—	2
Inventories	15	4,303	6,351
Cash and Bank Balances	16	17,656	1,572
Short Term Loans and Advances	12	2,567	2,567
Other Current Assets	13	175	101
		<u>4,05,181</u>	<u>3,94,676</u>

Summary of Significant Accounting Policies

2

The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date.

For DOSHI, CHATTERJEE, BAGRI & CO., LLP

Chartered Accountants

Firm registration number : 325197E/E300020

Chandi Prosad Bagchi

Partner

Membership No. 52626

Place : Kolkata

Dated : 29th May, 2017

Rajes Gupta

Chief Financial Officer

For and behalf of the Board of Directors

Chandra Shekhar Nopany

Chairman

DIN : 00014587

Pooja Goenka

Executive Director

DIN : 00544791

New India Retailing & Investment Limited

STATEMENT OF PROFIT & LOSS

for the year ended 31st March, 2017

	Notes	For the year ended 31st March, 2017	(Rs. in '000) For the year ended 31st March, 2016
INCOME			
Revenue from operations	18	40,495	42,443
Other Income	19	28,121	21,598
Total Revenue (I)		68,616	64,041
EXPENSES			
Purchase of traded goods-Readymade garments		27,392	30,846
(Increase) / Decrease in inventories of traded goods	20	3,023	1,062
Employee Benefit expenses	21	3,441	3,198
Other Expenses	22	8,081	11,527
Total (II)		41,937	46,633
Earnings before Finance Cost, Depreciation & amortisation, Exceptional Item and Tax (I - II)		26,679	17,408
Depreciation	10	3,305	3,261
Finance Costs	23	1,934	2,571
Profit / (Loss) before Exceptional Item and Tax		21,440	11,576
Exceptional Item		—	—
Profit / (Loss) before Tax		21,440	11,576
Tax Expense			
Current Tax			
Net Current Tax Expenses		—	(103)
		—	(103)
Deferred Tax Charge/(Credit)		(932)	(199)
Total Tax Expenses		(932)	(302)
Profit / (Loss) for the year		22,372	11,878
Earnings per Equity Share			
[Nominal Value of Rs. 10/- (Rs. 10/-)]	29	12.08	4.86
Basic & Diluted			

Summary of Significant Accounting Policies

2

The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date.

For DOSHI, CHATTERJEE, BAGRI & CO., LLP

Chartered Accountants

Firm registration number : 325197E/E300020

Chandi Prosad Bagchi

Partner

Membership No. 52626

Place : Kolkata

Dated : 29th May, 2017

Rajes Gupta

Chief Financial Officer

For and behalf of the Board of Directors

Chandra Shekhar Nopany

Chairman

DIN : 00014587

Pooja Goenka

Executive Director

DIN : 00544791



CASH FLOW STATEMENT

for the year ended 31st March, 2017

	31st March, 2017	(Rs. in '000) 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax	21,440	11,576
Adjustments for :		
Depreciation	3,305	3,261
Interest	1,407	2,335
Profit in Commodities Future Transactions (net)	(474)	(855)
Liabilities / Advances / Provision no longer required written back	(1,072)	(377)
Advances / Sundry Balances Written off	352	1,790
Dividend Income	(24,759)	(19,937)
Interest Income	(752)	(180)
Operating Profit before Working Capital Changes	(552)	(2,387)
Adjustments for :		
Increase / (Decrease) in Trade Payables and Other Liabilities	644	(2,666)
(Increase) / Decrease in Trade & Other Receivables	1,003	3,195
(Increase) / Decrease in Inventories	2,049	1,160
Cash Generated from / (used in) Operations :	3,143	(698)
Direct Taxes (paid) / refund (net)	(248)	(330)
Net Cash flow from / (used in) Operating Activities (A)	2,895	(1,028)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Profit in Commodities Future Transactions (net)	474	855
Purchase of Fixed Assets	(882)	(474)
Interest Received	752	180
Dividend Received	24,759	19,937
Net Cash Flow from Investing Activities (B)	25,103	20,498
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Short Term Borrowings	(4,014)	(6,975)
Interest Paid	(1,407)	(3,025)
Dividend Paid	(5,383)	(8,690)
Dividend Tax Paid	(1,110)	(1,777)
Net Cash Flow used in Financing Activities (C)	(11,914)	(20,467)

New India Retailing & Investment Limited

CASH FLOW STATEMENT

for the year ended 31st March, 2017 (Contd.)

	31st March, 2017	(Rs. in '000) 31st March, 2016
Net Increase / Decrease in Cash and Cash Equivalents (A+B+C)	16,084	(997)
Cash & Cash Equivalents at the beginning of the year	<u>1,572</u>	<u>2,569</u>
Cash & Cash Equivalents at the end of the year	<u>17,656</u>	<u>1,572</u>
Components of Cash and Cash equivalents		
Balances with banks :		
On Current Accounts	17,385	1,292
On Unpaid Dividend Account*	219	149
Cash on Hand	52	131
Total Cash and Cash equivalents (Note 17)	<u>17,656</u>	<u>1,572</u>

* the Company can utilize the balances only towards payment of the respective unpaid dividend

As per our attached report of even date.

For DOSHI, CHATTERJEE, BAGRI & CO., LLP

Chartered Accountants

Firm registration number : 325197E/E300020

Chandi Prosad Bagchi

Partner

Membership No. 52626

Place : Kolkata

Dated : 29th May, 2017

Rajes Gupta

Chief Financial Officer

For and behalf of the Board of Directors

Chandra Shekhar Nopany

Chairman

DIN : 00014587

Pooja Goenka

Executive Director

DIN : 00544791

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017

1. CORPORATE INFORMATION

The Company is engaged in retailing operations having a designer store which has showcased Worldwide fashion exhibiting the products of international brands. It provides a perfect blend of leading Indian designers products as well. This iconic fashion store is one of the few haute couture stores in eastern India to showcase the spectrum of contemporary Indian fashion.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation :

The financial statements have been prepared to comply in all material aspects with the Accounting Standards Notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in the previous year.

b. Use of estimates :

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

c. Revenue Recognition :

- (i) Revenue from sale of goods is recognised on passage of title thereof to the customers, which generally coincides with delivery. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and , therefore, these are not economic benefits flowing to the Company. Hence these are excluded from revenue.
- (ii) Income from Services is recognised on performance of the contract and acceptance of the services by the customers. The Company collects service taxes on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence these are excluded from revenue.
- (iii) Claims / Refunds, due to uncertainty in realization, are accounted for on acceptance / actual receipt basis.
- (iv) Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date.
- (v) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

New India Retailing & Investment Limited

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

d. Fixed Assets :

Fixed assets are stated at cost, 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.

The carrying amounts of assets are reviewed at each balance sheet date to determine wherever there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price and 'Value in use' of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

e. Depreciation :

- (i) Depreciation is provided under straight line method over the estimated useful life as specified in Schedule II of the Companies Act, 2013.
- (ii) Depreciation in respect of fixed assets added/disposed off during the year is provided on pro-rata basis, with reference to the date of addition/disposal.
- (iii) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

f. Investments :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current Investments are stated at lower of cost or market rate on individual investment basis. Long Term Investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in value thereof, in which case adequate provision is made against such diminution in the value of investments.

g. Borrowing Costs :

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

h. Inventories :

Inventories are valued at lower of cost (computed on first-in-first-out basis) and net realisable value.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017 *(Contd.)*

i. Foreign Currency Transactions :

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

(iv) Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

j. Employee Benefits :

(i) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

(ii) Liability for Compensated Absences is provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary and charged to the Statement of Profit & Loss of the year. The actuarial method used for measuring the liability is the Projected Unit Credit method.

(iii) Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

k. Earning per Share :

Basic earning per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity share holders and the weighted average no. of shares outstanding during the period, and adjusted for the effect of all dilutive potential equity shares.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017 *(Contd.)*

i. Income taxes :

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtually certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date.

m. Derivative Instruments :

As per the announcement made by the Institute of Chartered Accountants of India, derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item, is charged to the income statement. Net gains are ignored as a matter of prudence.

n. Provisions :

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

o. Contingent Liabilities :

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.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

p. Cash and Cash equivalents :

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term investments with an original maturity of three months or less.

	31st March, 2017	(Rs. in '000) 31st March, 2016
3. Share Capital		
Authorised shares		
5,000,000 (5,000,000) Equity Shares of Rs. 10 each	50,000	50,000
2,000,000 (2,000,000) Preference Shares of Rs. 100 each	2,00,000	2,00,000
	2,50,000	2,50,000
Issued, subscribed and fully paid-up shares		
1,452,995 (1,452,995) Equity Shares of Rs. 10 each	14,530	14,530
Add : Forfeited Shares (amount originally paid up)	17	17
500,000 (500,000) 8% Non-convertible Cumulative Redeemable Preference Share of Rs.100 each	50,000	50,000
	64,547	64,547

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31st March, 2017		31st March, 2016	
	No. of shares	(Rs. in '000)	No. of shares	(Rs. in '000)
Equity Shares				
At the beginning of the year	14,52,995	14,530	14,52,995	14,530
Outstanding at the end of the year	14,52,995	14,530	14,52,995	14,530
Preference Shares				
At the beginning of the year	5,00,000	50,000	5,00,000	50,000
Add : Issued during the year	—	—	—	—
Less : Redeemed during the period	—	—	—	—
Outstanding at the end of the year	5,00,000	50,000	5,00,000	50,000

New India Retailing & Investment Limited

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

(b) Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The Company has proposed equity dividend of Re. 1.00 (Re. 1.00) per share which is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms / Rights of redemption of Non Convertible Cumulative Preference Shares

The Non Convertible Cumulative Preference Shares of Rs. 100 each issued in the year 2009-10 carry a dividend @ 8% p.a. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Non Convertible Cumulative Preference Shares shall be redeemable at par at any time within a period of 10 years from the date of allotment i.e. before 1st December, 2019, as may be decided by the Board of Directors.

Each holder of Non Convertible Cumulative Preference Shares has a right to vote at every resolution placed before the General Meeting of the Company if the dividend due on such shares or any part of such dividend remains unpaid for a period of 2 years ending with the expiry of the financial year immediately preceding the commencement of the General Meeting.

(d) Details of shareholders holding more than 5% shares in the Company

	31st March, 2017		31st March, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares				
Upper Ganges Sugar & Industries Ltd.	2,02,500	13.94	2,02,500	13.94
Hargaon Investment & Trading Co. Ltd.	1,34,448	9.25	1,34,448	9.25
RTM Investment & Trading Co. Ltd.	1,33,910	9.22	1,33,910	9.22
SCM Investment & Trading Co. Ltd.	1,32,852	9.14	1,32,852	9.14
Champanan Marketing Co. Ltd.	94,077	6.47	94,077	6.47
Uttar Pradesh Trading Co. Ltd.	83,073	5.72	83,073	5.72
Sidh Enterprises Ltd.	75,405	5.19	75,405	5.19
Life Insurance Corporation of India	1,28,131	8.82	1,28,131	8.82
Preference Shares				
OSM Investment & Trading Co. Ltd.	2,50,000	50.00	2,50,000	50.00
Hargaon Investment & Trading Co. Ltd.	2,50,000	50.00	2,50,000	50.00

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	31st March, 2017	(Rs. in '000) 31st March, 2016
4. Reserve & Surplus		
Capital Reserve		
Balance as per the last Financial Statements	<u>6,216</u>	<u>6,216</u>
Capital Redemption Reserve		
Balance as per the last Financial Statements	<u>54,049</u>	<u>54,049</u>
Securities Premium Account		
Balance as per the last Financial Statements	<u>67,831</u>	<u>67,831</u>
General Reserve		
Balance as per the last Financial Statements	<u>80,543</u>	<u>80,543</u>
 Surplus in the Statement of Profit & Loss		
Balance as per the last Financial Statements	<u>93,804</u>	<u>88,489</u>
Add :- Profit / (Loss) for the Year	<u>22,372</u>	<u>11,878</u>
Proposed equity dividend		
[amount per share Re. 1.00 (Re. 1.00)]	—	1,453
Tax on Proposed Equity Dividend	—	296
Dividend on Non convertible Cumulative Redeemable Preference Shares		
[amount per share :- Rs. 8/- (Rs. 8/-)]	—	4,000
Tax on Proposed Preference Dividend	—	814
Net Surplus in the Statement of Profit and Loss	<u>1,16,176</u>	<u>93,804</u>
Total Reserves and Surplus	<u>3,24,815</u>	<u>3,02,443</u>
 5. Deferred Tax Liability (Net)		
Deferred Tax Liability		
Timing difference in depreciable assets	<u>3,369</u>	<u>4,294</u>
Deferred Tax Asset		
Expenditure allowable against taxable income in future years	<u>138</u>	<u>131</u>
Net Deferred Tax Liability	<u>3,231</u>	<u>4,163</u>

New India Retailing & Investment Limited

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	(Rs. in '000)			
	Non current portion		Current portion	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
6. Provisions				
Provisions for Employee Benefits				
Gratuity (Note 24)	230	184	6	5
Leave Benefits	176	126	6	5
	<u>406</u>	<u>310</u>	<u>12</u>	<u>10</u>
Other Provisions				
Proposed Equity Dividend	—	—	—	1,453
Provision for tax on proposed equity dividend	—	—	—	296
Proposed Preference Dividend	—	—	—	4,000
Provision for tax on proposed preference dividend	—	—	—	814
	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,563</u>
	<u>406</u>	<u>310</u>	<u>12</u>	<u>6,573</u>

	(Rs. in '000)	
	31st March, 2017	31st March, 2016
7. Short -term borrowings		
Bank Overdraft		
Indian Rupee Loan from Bank - Secured	8,685	12,699
	<u>8,685</u>	<u>12,699</u>
8. Trade Payables		
Trade Payable (Refer Note 31 for details of dues to Micro and Small Enterprises)	1,141	1,599
	<u>1,141</u>	<u>1,599</u>
9. Other Current Liabilities		
Advance received from Customers	629	778
Preference Share Redemption amount	110	110
Fractional Entitlements of Ordinary / Bonus Shares	2	2
Investors Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid Dividend	219	149
Statutory dues	55	52
Other Payable	1,328	1,251
	<u>2,344</u>	<u>2,342</u>

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

10. Tangible Assets

(Rs. in '000)

	Freehold Land	Buildings	Plant & Machinery	Furniture & Fixtures	Computer & Data Processing	Vehicles	Total
Cost or Valuation							
At 1st April, 2015	3,054	40,655	7,458	2,234	377	23	53,801
Additions	—	—	—	7	8	—	15
Disposal	—	—	—	—	—	—	—
At 31st March, 2016	3,054	40,655	7,458	2,241	385	23	53,816 #
Additions	—	—	882	—	—	—	882
Disposal	—	—	—	—	—	—	—
At 31st March, 2017	3,054	40,655	8,340	2,241	385	23	54,698 #
Depreciation							
At 1st April, 2015	—	6,857	2,183	1,177	344	20	10,581
Charge for the year	—	2,561	559	110	30	1	3,261
Disposal	—	—	—	—	—	—	—
Adjustments	—	—	—	—	—	—	—
At 31st March, 2016	—	9,418	2,742	1,287	374	21	13,842
Charge for the year	—	2,562	634	106	4	—	3,305
Disposal	—	—	—	—	—	—	—
At 31st March, 2017	—	11,980	3,376	1,393	378	21	17,147
Net Block							
At 31st March, 2016	3,054	31,237	4,716	954	11	2	39,974
At 31st March, 2017	3,054	28,675	4,964	848	7	2	37,551

Includes co-ownership properties at Delhi, Kolkata, Shillong, Mussorie and Haridwar of the aggregate value of Rs. 8,987 thousands (Rs. 8,987 thousands) as per the details given below :

New India Retailing & Investment Limited

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	31st March, 2017	(Rs. in '000) 31st March, 2016
Freehold Land	202	202
Buildings	5,426	5,426
Plant & Machinery	2,110	2,110
Furniture & Fixtures	1,228	1,228
Vehicles	21	21
Total	8,987	8,987

Land includes land given on operating lease

Gross Block Rs. 57 thousand (Rs. 57 thousand)

Building includes Building given on operating lease

Gross Block Rs. 1,432 thousand (Rs. 1,432 thousand)

Depreciation charge for the year Rs. 23 thousand (Rs. 23 thousand)

Accumulated depreciation Rs. 368 thousand (Rs. 345 thousand)

Net Book value Rs. 1,064 thousand (Rs. 1,087 thousand)

	No. of Shares/ Debentures	Face Value (Rs.)	31st March, 2017	(Rs. in '000) 31st March, 2016
11. Non Current Investments				
Non Trade				
(valued at Cost unless stated otherwise)				
Quoted (Fully Paid)				
Investment in Equity Shares				
Upper Ganges Sugar & Industries Ltd.	9,69,021	10	85,390	85,390
Chambal Fertilisers & Chemicals Ltd.	5,81,163	10	11,804	11,804
Haryana Oxygen Ltd.	5,000	10	50	50
SIL Investments Ltd.	11,56,550	10	38,907	38,907
Sutlej Textiles & Industries Ltd.	17,06,304	10	47,580	47,580
The Oudh Sugar Mills Ltd.	27,78,044	10	1,40,298	1,40,298
Gujarat State Fertilizers & Chemicals Ltd.	295	2	13	13
Mangalore Chemicals & Fertilizers Ltd.	135	10	2	2
ICICI Bank Ltd.	—	—	—	30
	(3,865)	(10)		
Central India Spg. Wvg. & Mfg. Co. Ltd.	1 (a)	100	—	—
Kohinoor Mills Co. Ltd.	1 (a)	100	—	—
Bengal Paper Mills Co. Ltd.	35 (a)	10	—	—
Burrakur Coal Co. Ltd.	1 (a)	10	—	—
Fort Gloster Industries Ltd.	10	10	1	1
Kankinarrah Company Ltd.	1 (a)	100	—	—
The India Jute & Industries Ltd.	10 (a)	12.50	—	—

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	No. of Shares/ Debentures	Face Value (Rs.)	31st March, 2017	31st March, 2016
(Rs. in '000)				
Non Current Investments (Contd.)				
GKW Ltd.	1 (a)	10	—	—
Mafatlal Engineering Industries Ltd.	5 (a)	100	—	—
Gloster Ltd.	4 (a)	10	—	—
Shubh Shanti Ltd.	3 (a)	10	—	—
Manbhawani Investment Ltd.	73,500	10	225	225
Manavta Holdings Ltd.	1,37,500	10	539	539
Sidh Enterprises Ltd.	3,70,000	10	1,001	1,001
			3,25,810	3,25,840
Debentures :				
12.5% Non-Convertible of Cimmco Ltd.	20	34	1	1
			3,25,811	3,25,841
Unquoted				
Investment in Equity Shares (Fully Paid)				
Birla Buildings Ltd.	4,680	10	46	46
Moon Corporation Ltd.	18,710	5	87	87
Shobhana Traders Ltd.	63,000	100	6,236	6,236
The Bengal Coal Co. Ltd.	5 (a)	100	—	—
Taparia Ltd.	3,500	10	40	40
Bihar State Financial Corporation	120	100	12	12
Shree Vihar Properties Ltd.	7,47,692	10	6,577	6,577
Modern Dia-Gen Services Ltd.	13,196	10	132	132
GMB Investments Pvt. Ltd.	1,40,000	10	1,400	1,400
Rajpur Farms Ltd.	30,000	10	302	302
Narkatiaganj Farms Ltd.	30,000	10	302	302
Bombay Lubricants & Fuel Distribution Pvt. Ltd.	1,250	10	—	—
[at cost less provision for other than temporary diminution Rs. 13 thousands (Rs. 13 thousands)]			15,134	15,134
Investment in Equity Shares (Partly Paid)				
Minoil Distributors & Agents Pvt. Ltd. (Rs. 5 paid up)	2,400	10	—	—
[at cost less provision for other than temporary diminution Rs. 12 thousands (Rs. 12 thousands)]			—	—

New India Retailing & Investment Limited

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	No. of Shares/ Debentures	Face Value (Rs.)	31st March, 2017	(Rs. in '000) 31st March, 2016
Non Current Investments (Contd.)				
Preference Shares : (Fully Paid)				
0.01% Cumulative Redeemable				
Preference Shares of Mukund Ltd.	10	10	2	2
			15,136	15,136
			3,40,947	3,40,977
Aggregate Value of Quoted Investments [Market value : Rs. 23,45,768 thousands (Rs. 11,94,455 thousands)]			3,25,811	3,25,841
Aggregate Value of Unquoted Investments			15,161	15,161
Aggregate Provision for diminution in Value of Investments			25	25

Notes :

- (a) In case of all the above Investments, where the figure appears as NIL, the cost happens to be less than Rs. 500 individually.
- (b) The cost of following unquoted investments in Equity Shares (Fully Paid) has been written off , though the quantity thereof appears in the books.

	No. of Shares	Face Value (Rs.)	31st March, 2017	(Rs. in '000) 31st March, 2016
Name of the Company				
Leas Communications Ltd.	42,000	10	—	—
Chandausi Rice Mills Ltd.	2,000	10	—	—
Maruti Ltd. (in liquidation)	50,000	10	—	—
APV Texmaco Ltd. (in liquidation)	85,700	10	—	—
Jaihind Publishing Co. Ltd. (in liquidation)	40	25	—	—
Akhil Bharat Printers Ltd. (in liquidation)	130	100	—	—
Swadeshi Jute Machinery Corp. Ltd. (in liquidation)	15,000	10	—	—



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

(Rs. in '000)

	Non current portion		Current portion	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
12. Loans and Advances				
Capital Advances				
Unsecured, Considered good	—	488	—	—
Security Deposits				
Unsecured, Considered good	411	611	—	—
Advances recoverable in cash or kind				
Unsecured, Considered good	—	—	2,144	2,192
Other Loans and Advances				
Advance income tax(net of provision for taxation)	1,140	892	—	—
Prepaid Expenses	—	—	35	46
Balance with Revenue Authorities	400	400	388	329
	<u>1,951</u>	<u>2,391</u>	<u>2,567</u>	<u>2,567</u>
13. Other Assets				
Unsecured, Considered good				
Non- Current bank balances (Note 17)	—	741	—	—
	<u>—</u>	<u>741</u>	<u>—</u>	<u>—</u>
Rent receivable	—	—	96	77
Interest Accrued on Deposits	—	—	79	24
	<u>—</u>	<u>—</u>	<u>175</u>	<u>101</u>
	<u>—</u>	<u>741</u>	<u>175</u>	<u>101</u>

(Rs. in '000)

	No. of units	31st March,	31st March,
		2017	2016
14. Current Investments			
Government Securities (Unquoted)			
6 years National Savings Certificates (lodged with Government Department, matured but pending encashment)	2,000	—	2
		<u>—</u>	<u>2</u>

New India Retailing & Investment Limited

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	(Rs. in '000)	
	31st March, 2017	31st March, 2016
15. Inventories		
At lower of cost and net realisable value :		
Traded Goods	4,128	7,150
Less : Provision on Old Stock	—	1,072
	<u>4,128</u>	<u>6,078</u>
Packing Materials	175	273
	<u>4,303</u>	<u>6,351</u>

	(Rs. in '000)			
	Non current portion		Current portion	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
16. Cash and Bank Balances				
Cash and cash equivalents				
Balances with banks :				
On Current Accounts	—	—	1,385	392
Fixed Deposits with Original Maturity less than 3 months	—	—	500	900
On Unpaid Dividend Account	—	—	219	149
Cash on Hand	—	—	52	131
	<u>—</u>	<u>—</u>	<u>2,156</u>	<u>1,572</u>
Other bank balances :				
Fixed Deposit with original maturity of more than 3 months	—	—	—	—
Fixed Deposit with original maturity of more than 12 months	—	741	15,500	—
	<u>—</u>	<u>741</u>	<u>15,500</u>	<u>—</u>
Amount disclosed under Non Current Assets (Note 13)	—	(741)	—	—
	<u>—</u>	<u>—</u>	<u>17,656</u>	<u>1,572</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	For the year ended 31st March, 2017	(Rs. in '000) For the year ended 31st March, 2016
17. Revenue from Operations		
Sale of Products		
Traded Goods - Readymade Garments	38,727	39,901
Sale of Services - Commission	1,768	2,542
	40,495	42,443
18. Other Income		
Interest Income on :		
Bank & other deposits	752	180
Refund from Income Tax Department	—	—
Liabilities / Advances / Provision no longer required written back	1,072	377
Reversal of Excess Payment of Earlier Year	45	—
Dividend on Long Term Investments	24,759	19,937
Rent and Electricity recovered	107	112
Profit in Commodities Future Transactions (net)	474	855
Profit on Sale of Investments	912	—
Miscellaneous Income	—	137
	28,121	21,598
19. (Increase) / decrease in Inventories		
Inventories at the end of the year		
Traded Goods -Readymade Garments	4,128	7,151
Less : Provision on Old Stock	—	1,072
	4,128	6,079
Inventories at the beginning of the year		
Traded Goods - Readymade Garments	7,151	7,141
	7,151	7,141
	3,023	1,062
20. Employee benefit expenses		
Salaries, wages & bonus	2,969	2,807
Gratuity & Leave Expenses	167	207
Staff Welfare Expenses	305	184
	3,441	3,198

New India Retailing & Investment Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	For the year ended 31st March, 2017	(Rs. in '000) For the year ended 31st March, 2016
21. Other Expenses		
Repairs & Maintenance :		
Machinery	31	20
Others	41	27
Rent	149	141
Insurance	118	240
Rates & Taxes (including Wealth Tax)	200	344
Travelling & Conveyance	233	331
Payment to Auditors		
Audit Fee	100	100
Limited Review	92	92
Professional and Consultancy Fees	1,031	987
Advertisement & Sales Promotion	1,547	1,673
Service Charges	1,478	1,328
Telephone Expenses	206	215
Electricity Charges	599	649
Printing & Stationery	181	126
Courier Charges	201	195
Packing Materials consumed	146	83
Security Charges	747	691
Directors' Sitting Fees	72	20
Sundry Balances Written off	352	1,790
Item Pertaining to Previous Year	—	1,751
Miscellaneous Expenses	557	724
	<u>8,081</u>	<u>11,527</u>
22. Finance Cost		
Interest	1,407	2,335
Bank Charges	527	236
	<u>1,934</u>	<u>2,571</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

23. Commitments

- (i) Uncalled capital on partly paid shares held as Investments Rs. 12 thousands (Rs. 12 thousands)

24. (a) Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The Scheme is unfunded.

The following tables summarize the components of net benefit expenses recognized in the Statement of Profit & Loss Account and amounts recognized in the Balance Sheet for the gratuity plans.

	31st March, 2017	(Rs. in '000) 31st March, 2016
(i) Net Employee Expense / (benefit)		
Current service cost	42.00	37.00
Interest cost on benefit obligation	15.00	11.00
Expected return on plan assets	—	—
Net Actuarial gain /loss recognised in the year.	58.00	7.00
Net Benefit Expense	115.00	55.00
(ii) Benefit Asset / (Liability)		
Defined benefit obligation	(236.00)	(189.00)
Fair value of Plan Assets	—	—
Benefit Asset / (Liability)	(236.00)	(189.00)
(iii) Movement in benefit liability		
Opening defined benefit obligation	189.00	134.00
Interest cost	15.00	11.00
Current service cost	42.00	37.00
Benefits paid	(68.00)	—
Actuarial (gains) /losses on obligation	58.00	7.00
Closing benefit obligation	236.00	189.00
(iv) The principal actuarial assumptions are as follows		
Discount rate	7.40%	7.90%
Salary increase	5.00%	5.00%
Expected Rate of Return on Plan Assets	N.A.	N.A.
Mortality	IALM 06-08	IALM 06-08
	Ultimate	Ultimate
Attrition Rate	2.00% p.a.	2.00% p.a.

- (v) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.

New India Retailing & Investment Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

(vi) Amounts for the current and previous years are as follows for leave :

Gratuity	2016-17	2015-16	2014-15	2013-14	2012-13
Defined Benefit Obligation	(236)	(189)	(134)	(96)	(73)
Plan Assets	—	—	—	—	—
Surplus / (Deficit)	(236)	(189)	(134)	(96)	(73)

Experience adjustments on plan liabilities*

*The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustments on plan liabilities are not readily available and hence not disclosed.

	31st March, 2017	(Rs. in '000) 31st March, 2016
(b) The principal actuarial assumptions are as follows for leave :		
Discount Rate	7.90% p.a.	7.40% p.a.
Rate of increase in salaries	5.00% p.a.	5.00% p.a.
Expected Rate of Return on Plan Assets	N.A.	N.A.
Mortality	IALM 06-08 Ultimate	IALM 06-08 Ultimate
Attrition Rate	2.00% p.a.	2.00% p.a.
Rate of Availment of Leave	0.00% p.a.	0.00% p.a.
Rate of Encashment of Leave	0.00% p.a.	0.00% p.a.

25. Contingent Liability

Disputed Value Added Tax demand Rs. 750 (Rs. 750)

26. Earning per Share (EPS)

The following reflects the profit / (loss) and share data used in basic and diluted EPS computations :

Profit / (Loss) after tax	22,372	11,878
Less : Dividend on Preference Shares and tax thereon	4,814	4,814
Net profit / (loss) for calculation of basic / diluted EPS	17,558	7,063
	Nos	Nos
Weighted average number of equity shares in calculating basic EPS	14,52,995	14,52,995
Effect of dilution	—	—
Weighted average number of equity shares in calculating diluted EPS	14,52,995	14,52,995
EPS (Basic & Diluted) (In Rs.)	12.08	4.86

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

27. Leases

Operating Lease : Company as Lessee

Certain office premises and guest house are obtained on operating lease. The lease term is renewable either mutually or at the option of the Company. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no sub-leases. The leases are cancellable.

	31st March, 2017	(Rs. in '000) 31st March, 2016
Lease Payments made for the year	<u>149</u>	<u>141</u>

Operating Lease : Company as Lessor

The company has leased certain office on operating leases. The lease term is renewable. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. The leases are cancellable.

28. The Company has pledged 27,78,044 no. of shares of Oudh Sugar Mills Limited, a promoter Group Company against the loan facility availed by the said promoter group company.

29. The Company has only one business segment viz. trading of goods and related activities and its operations are also confined to one geographical segment i.e. India. As such, no further disclosure under Accounting Standard 17 "Segment Reporting" is required.

30. Related Party Disclosures

(a) Key Managerial Personnel

- (i) Mrs. Pooja Goenka Executive Director
- (ii) Mr. Rajes Gupta Chief Financial Officer

(b) Transaction with related party during the year and balance outstanding at the year end :

	31st March, 2017	(Rs. in '000) 31st March, 2016
With the Executive Director referred to in (a)(i) above		
Salaries	<u>825</u>	<u>750</u>
Balance payable at the year end	<u>825</u>	<u>750</u>

31. No amount is due to Micro, Small and Medium Enterprises (identified on the basis of information made available by such enterprise to the company).

No interest in terms of Micro, Small and Medium Enterprises (Development) Act, 2006, has either paid or accrued during the year.

New India Retailing & Investment Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

32. Details of specified bank notes (SBN) held and transacted during the period 08.11.2016 to 31.12.2016

	(Rupees)		
	Specified Bank Notes	Other Notes	Total
Balance as on 08.11.2016	55,50,000	57,857	56,07,857
Receipt from 09.11.2016 to 31.12.2016			
Cash Sales	—	19,63,253	19,63,253
Cash Withdrawal from Bank	—	10,000	10,000
	55,50,000	20,31,110	75,81,110
Payments from 09.11.2016 to 31.12.2016			
Bank Deposit	55,50,000	15,39,000	70,89,000
Sales Return	—	95,136	95,136
Other Expenses	—	1,51,766	1,51,766
Cash Balance as on 31.12.2016	—	2,45,208	2,45,208

33. Previous years figure including those given in brackets have been regrouped and/or rearranged wherever necessary.

As per our attached report of even date.

For DOSHI, CHATTERJEE, BAGRI & CO., LLP

Chartered Accountants

Firm registration number : 325197E/E300020

Chandi Prosad Bagchi

Partner

Membership No. 52626

Place : Kolkata

Dated : 29th May, 2017

Rajes Gupta

Chief Financial Officer

For and behalf of the Board of Directors

Chandra Shekhar Nopany

Chairman

DIN : 00014587

Pooja Goenka

Executive Director

DIN : 00544791

BOOK POST



If undelivered, please return to :

New India Retailing & Investment Limited

Regd. Office :

9/1, R. N. Mukherjee Road, 5th Floor

Kolkata - 700 001