



# NABSAMRUDDHI FINANCE LIMITED

*(A subsidiary of NABARD)  
(Formerly Agri Business Finance Limited)*



**Annual Report  
2019-20**



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# Annual Report 2019-20



## NABSAMRUDDHI FINANCE LIMITED

*(A subsidiary of NABARD)  
(Formerly Agri Business Finance Limited)*

*Publisher:*

*Smt. Suparna Tandon, Managing Director*

*Address: Ground Floor, D Wing, NABARD Head Office, C-24, G Block,  
Bandra Kurla Complex, Bandra East, Mumbai 400 051.*

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## KEY NUMBERS 2019-20

### Total Asset Size

(INR Crore)

648.83

↑ 31.60

### Revenue

(INR Crore)

62.44

↑ 50.75

### AUM

(INR Crore)

602.33

↑ 33.23

### PAT

(INR Crore)

15.92

↑ 48.65

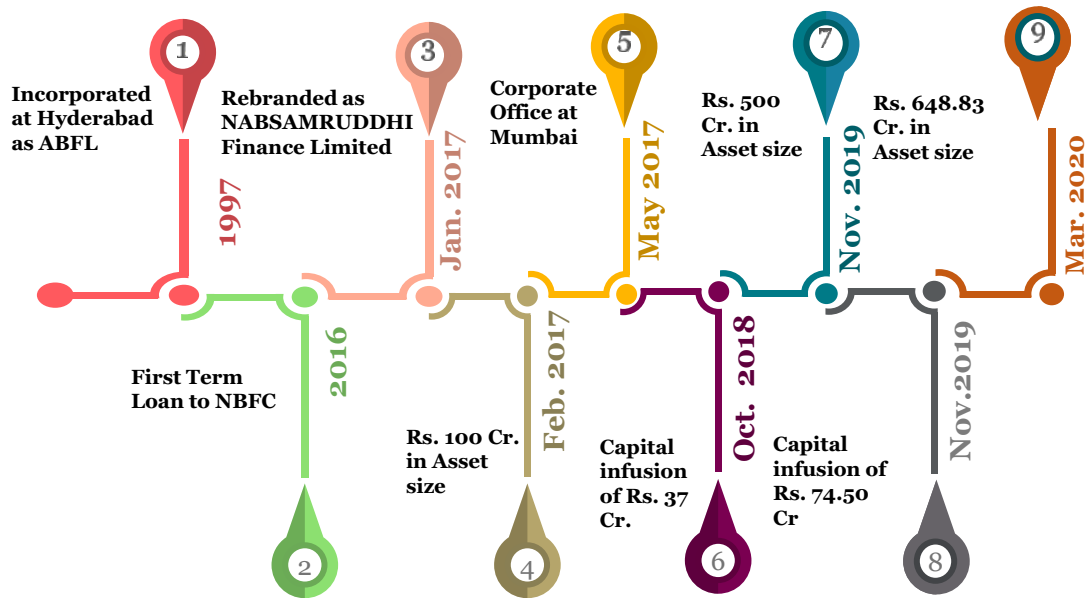
↑ % increase y-o-y

## NSFL AT A GLANCE

NABSAMRUDDHI Finance Limited (NSFL) was incorporated under the Companies Act, 1956 on 17 February, 1997 under the name of Agri Business Finance (AP) Limited (ABFL) and registered as a Non-Banking Financial Company with the Reserve Bank of India. It is promoted with equity participation from the National Bank for Agriculture and Rural Development (NABARD), erstwhile Andhra Bank, Canara Bank, the Government of Andhra Pradesh, the Government of Telangana, The Andhra Pradesh State Cooperative Bank Limited, Telangana State Cooperative Apex Bank Limited, and a few Industrial Houses/individuals.

NABSAMRUDDHI Finance Limited provides credit facilities to individuals and legal entities for promotion, expansion, commercialisation and modernisation of enterprises engaged in off-farm activities including microfinance, MSME, housing, education, transport, etc.

# MILESTONES ACHIEVED SO FAR

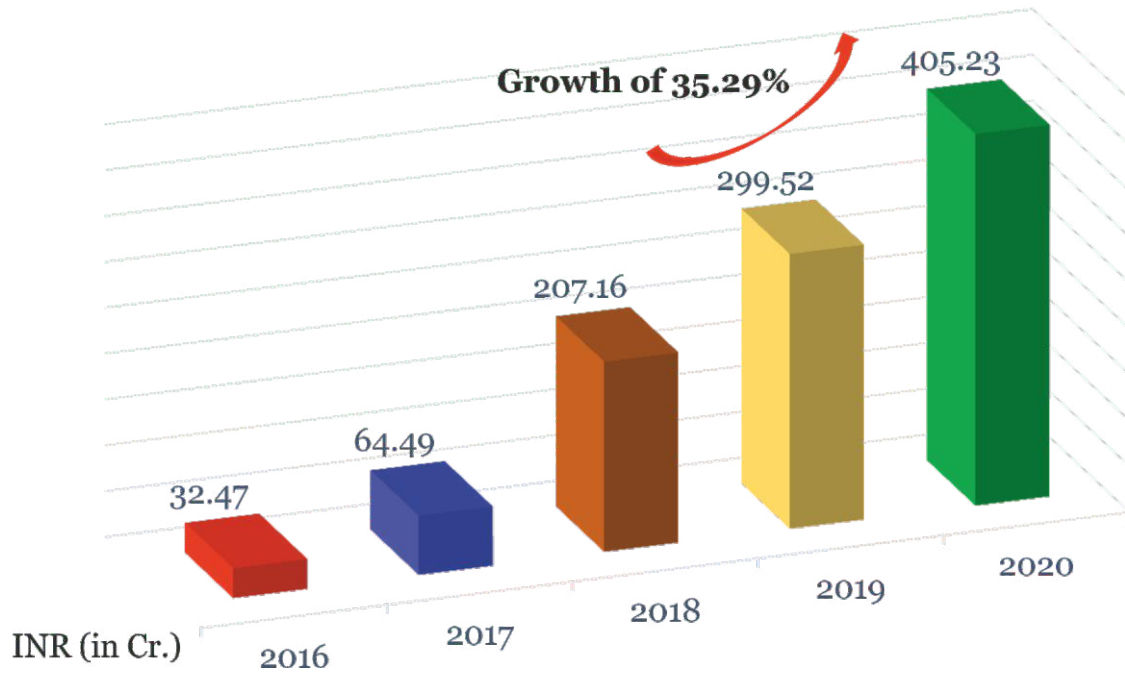


# MAJOR ACHIEVEMENTS DURING 2019-20

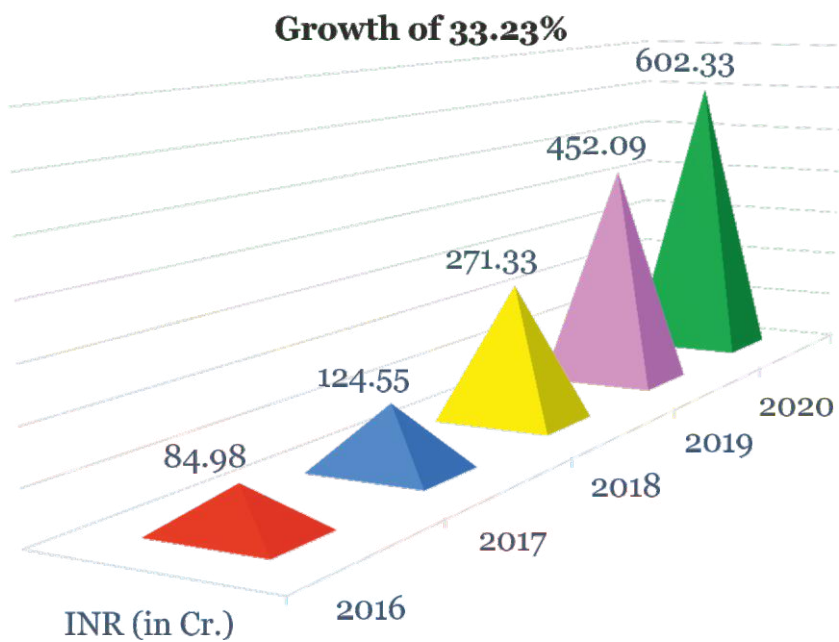


# BUSINESS HIGHLIGHTS

## Disbursements (CAGR 88%)



## AUM (CAGR 63%)

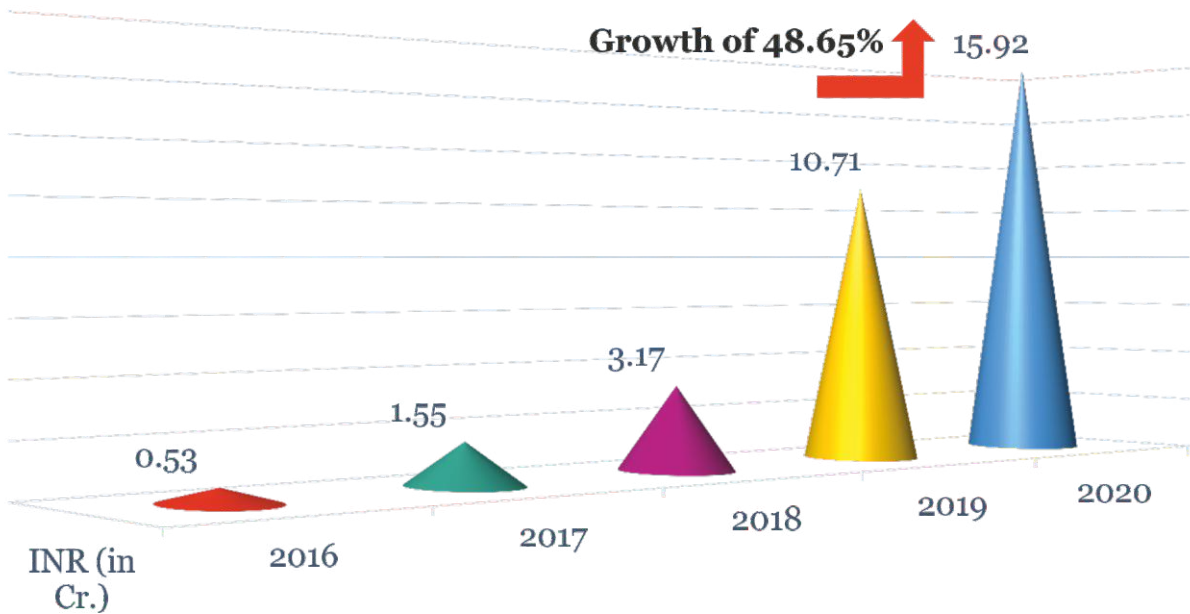


# BUSINESS HIGHLIGHTS

## Net Interest Income (CAGR 92%)



## PAT (CAGR 134%)





# CORPORATE INFORMATION

1.	Company	NABSAMRUDDHI FINANCE LIMITED
2.	Corporate Identification Number	U65910TG1997PLC026442
3.	Registered Office	Ground Floor, NABARD Regional Office, 1-1-61, RTC X Roads, Musheerabad, Hyderabad Pincode : 500020.
4.	Corporate Office	Ground Floor, D Wing, NABARD Head Office, Plot. No. C24, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051
5.	Managing Director	Smt. Suparna Tandon
6.	Chief Operating Officer	Smt. Bonani Roychoudhury
7.	Chief Financial Officer	Shri M. Prashanth Babu
8.	Company Secretary and Compliance Officer	Smt. Puja Shah
9.	Statutory Auditors	*M/s. G P H K & ASSOCIATES 3-6-199, 501, Dr Narsimha Reddy Shamantha Reddy Estate, Himayathnagar Main Road, Himayathnagar HYDERABAD - 500029, TELANGANA
10.	Secretarial Auditors	M/s Marthi & Co. Company Secretaries # 6-2-941, Flat No. 201, IIIrd Floor Moghal's Emami Mansion, Chintalbasti Road Khairatabad, Hyderabad – 500 004
11.	Internal Auditors	M/s Siddharth Golecha & Associates Chartered Accountants Plot No. 90, Ashoka Capitol, Road No. 2, Banjara Hills, Hyderabad 500034

*\*The Statutory Auditors for FY 2020-21 have been appointed by CAG whose ratification is subject to approval of shareholders in ensuing AGM.*



## From the Chairman's Desk



Dear Shareholders,

I have great pleasure in inviting you to the Twenty Third Annual General Meeting of your Company, which continued to script a spectacular performance during the year 2019-20, attaining a balance sheet size of INR 648.83 crore, recording a y-o-y growth of 31.59%. Robust business strategies yielded a Profit After Tax (PAT) of INR 15.92 crore, registering a 48.65% growth over the previous year. The year 2019-20 was also a landmark year for the Company, as it attained the status of NBFC-ND-SI, during the year. I am happy to inform you that the Company was recently awarded a 'AA' rating (Stable Outlook) by India Rating, mainly on the basis of strong parent support, sound capital structure, and a well diversified asset base.

The year also saw the Company expanding its geographical presence to 25 States and 3 Union Territories. The asset portfolio assumed the required granularity and spanned various sectors including MSME, Education, Health, Rural Housing, Transportation, Micro-finance, etc. Along the way, the Company has also built a sound financial and operational base further augmented by an effective risk management framework.

I take this opportunity to thank NABARD for extending the necessary cooperation and support to the Company by way of infrastructure and manpower. I place on record my appreciation to all the Directors on the Board of NABSAMRUDDHI Finance Limited for their active contribution and continued support.

I would like to assure you that the Company has a well balanced strategy to overcome the challenges induced by the stressed macroeconomic environment further aggravated by the impact of COVID19 in the market segments that we operate in. In the coming year therefore, we are poised for balanced growth, while maintaining asset quality. I look forward to continually rewarding your trust and encouragement with outstanding performance in the future too.

Best Wishes

**P V S Suryakumar**



## Letter from the Managing Director



Dear Shareholders

I am privileged to present to you NABSAMRUDDHI Finance Limited's business and financial performance for the year 2019-20. The Company's AUM touched INR 602.33 crore, scripting a y-o-y growth of 33.23%. Further, the sanctions for the year increased by 22.51%, while disbursements increased by 23.51%. Income has also grown by 50.82%, with Profit After Tax (PAT) reaching INR 15.92 Crore during the year, registering a growth of 48.65% over the previous year.

During the year, the Company focused on product and market diversification by introducing two new products. Accordingly, the Company invested in Pass Through Certificates and also extended Working Capital Term Loan to an Off Farm Producers' Company. With constant efforts, the Company has now 80 NBFCs, NBFC-MFIs and other institutional clients spread over 25 States and 3 Union Territories.

The Company has scripted a well thought out strategy to meet the challenges of the economic slowdown coupled with the impact of COVID 19 on the real economy, with accompanying spill-over effects in the financial sector. Focus will therefore be laid on structured and guaranteed products, along with forging collaboration with strong partner institutions.

I take this opportunity to express my gratitude and appreciation to our clients, employees and shareholders for their continued support and encouragement enabling us to pursue our goals in a steadfast manner.

Best Wishes

Suparna Tandon

## Board of Directors



**Shri P V S Suryakumar** is presently Deputy Managing Director, NABARD. He has handled a variety of functions : appraisal, funding & monitoring of projects, headed & implemented various types of programs, training, policy, advocacy & corporate communications at NABARD. He has worked across diverse geographies : Madhya Pradesh, Uttar Pradesh, Maharashtra, Andhra Pradesh, Gujarat, West Bengal, New Delhi and Karnataka.

Shri Suryakumar has a Masters Degree (1986) in Plant Genetics from the Indian Agricultural Research Institute, New Delhi. He is a Commonwealth Scholar and obtained Masters in Sustainable Development from the Staffordshire University, Stoke-on-Trent, UK in 2010. He undertook the 25<sup>th</sup> Management Education Program at the Indian Institute of Management, Ahmedabad in 2001. He is also an Associate of the Indian Institute of Banking & Finance. He is an author of cases, has been regularly contributing to leading newspapers on policy issues and has published two books on Cases and Sustainable Agriculture.



**Shri K S Raghupathi** is presently Chief General Manager, heading the Department of Supervision at NABARD. He has completed Leadership Programme from Harvard and holds a Bachelors Degree in Commerce. He is also a Certified Associate of the Indian Institute of Banking and Finance. Shri K S Raghupathi has more than three decades of experience in Development Banking, Project Finance and Bank Supervision.



**Shri Goverdhan Singh Rawat** is a Graduate in Agriculture & Animal Husbandry, CAIIB, and Post Graduate Diploma in Banking and Finance. Presently he is serving as General Manager, Human Resource Management Department, NABARD. He has around three decades of experience in working with NABARD in Project Appraisal, Infrastructure Financing, District Credit Planning, Rural Development, Consultancy Services, Board Secretariat and HR besides experience of Faculty and Guest Faculty in Training Institutions of various banks.



**Shri Kapudasi Dharmiah** is an Additional Secretary with the Finance Department, Government of Telangana at Hyderabad. He holds Graduate Degrees in Arts and Law. Shri Dharmiah was involved in the First Pay Revision Committee instituted by the Government of Telangana after creation of the State. As a part of the Committee, he was involved in studying the pay structure and business rules, capacity building of Human Resources in Government Departments.





**Shri Sudhakar Patnana** is a Deputy Secretary with the Finance Department, Government of Andhra Pradesh at Vijayawada. He holds a Graduate Degree in Commerce. Shri Sudhakar is presently posted in the Cash & Debt Management and Expenditure (Home), Fundamental Rules Sections of the Finance Department.

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**Dr. Nethi Muralidhar** is the Managing Director of Telangana State Cooperative Apex Bank, Hyderabad. He holds a Masters Degree in Veterinary Science and a Bachelors Degree in Law. He has over three decades of experience spanning Cooperative Banking and Rural Agricultural Credit covering both policy and operations. Over the course of his career, he has worked in coordination with the World Bank, National Cooperative Development Corporation, Rabo Bank, International Finance Corporation, etc., for implementing micro-credit and poverty alleviation programmes as also for strengthening the rural agricultural credit mechanism by way of improved product design, sustainable practices and training and empowerment.

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**Dr. Shreenath Reddy** is currently heading The A.P. State Cooperative Bank (APCOB), driving the cooperative credit system in Andhra Pradesh. Prior to his appointment as MD/CEO, APCOB, he was a Faculty Member in Bankers Institute of Rural Development, a premier training institute promoted by NABARD. He received his graduate degree from CVSc., Tirupathi and MVSc., in Poultry Science from CVSc., Rajendranagar. After a brief stint as Veterinary Assistant Surgeon in the Department of Animal Husbandry, Andhra Pradesh, Dr. Reddy joined NABARD in 1992 and has continued with NABARD since then (he is currently on deputation from NABARD to APCOB).

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**Shri Ravi Krishan Takkar** has been a professional banker with over 30 years of experience in various banks with wide and varied experience in field and administrative offices. He is a retired Managing Director and CEO of UCO Bank. He is an alumni of Shri Ram College of Commerce, Delhi University and NIBM, Pune. He has been on the Board of the National Insurance Company Ltd and also Member of the Governing bodies of various institutes like NIBM, IIBM, SIBSTC, IBA, IBPS. Presently he holds partnership in an Advisory/Consultancy legal firm in Delhi.





**Shri Arvind Kumar Jain** served as an Executive Director of Punjab & Sind bank till January 2017, prior to which he served in the Oriental Bank of Commerce, upto the rank of Chief General Manager. He holds a strong professional banking experience of over 38 years in Treasury, Corporate Credit, International Banking, Equity & Debt Capital raising, Compliances and Risk Management.

Currently, he is a Director on the Boards of various NBFCs, Asset Management, Insurance & other companies besides being Member of a Review Rating Committee of a Renowned Rating Agency.

By qualification he is B.Sc. (Hons), M.Sc., LLB & CAIIB and is empanelled with Independent Directors Databank (IICA Certified).

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**Shri Vinay Kumar Verma** was General Manager heading the Priority Sector Department in Andhra Bank. Through his long career spanning 35 years with Andhra Bank, he has held various field level assignments including Corporate Finance, Government Business, Priority Sector, Policy Planning, etc. He was also the State Level Bankers Committee Convenor for the State of Andhra Pradesh. He is currently Chief Executive Officer of the Vardhaman Mahila Cooperative Urban Bank Limited, Hyderabad.

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**Shri Subrata Gupta** holds an MSc degree in Agriculture and PGDM from IIM Ahmedabad. He was former Managing Director of NABFINS LTD (subsidiary of NABARD) and Chief General Manager at NABARD. He joined NABARD in the year 1985 and has varied experience in areas like micro finance, economic analysis, resource mobilisation as well as Faculty in Training Establishment of NABARD. He has also been the in-charge of the Sikkim Regional Office of NABARD.

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**Smt. Suparna Tandon** is General Manager in NABARD and currently on deputation to NABSAMRUDDHI Finance Ltd. as Managing Director with effect from 23 April 2019. She is a Post Graduate in Economics and holds an Executive MBA from NMIMS. During her career spanning more than three decades in NABARD, she has worked in various sectors namely Corporate Planning, Off-Farm Sector, Economic Analysis and Research, Risk Management, Project Finance, etc.



## DIRECTORS' REPORT

Dear Members

Your Board of Directors is pleased to present the Twenty-Third Annual Report of NABSAMRUDDHI Finance Limited ("Company") together with the Annual Audited Accounts for the financial year ended 31 March, 2020.

### 1. Financial Results

The Company's performance during the year ended 31 March, 2020 as compared to the previous year is summarised below:

(INR Crore)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Total Income	62.44	41.42
Profit/(Loss) before Financial Charges & Depreciation	52.99	36.99
Less: Financial Charges	31.51	21.99
Less: Depreciation	0.01	0.01
Profit/(Loss) before Tax	21.46	14.99
Less: Provision for Tax	4.54	4.58
Add/Less: Deferred Tax Asset/Liability	(1.00)	0.30
Profit/(Loss) after Tax	15.92	10.71

### 2. Review of Financials

- a. The total income of the Company was INR 62.44 crore during 2019-20 as against INR 41.42 crore during 2018-19, indicating a y.o.y growth of 51%;
- b. The net Profit after Tax during 2019-20 was INR 15.92 crore as compared to net Profit after Tax of INR 10.71 crore during 2018-19, indicating a y.o.y. growth of 49%;
- c. The total assets of the Company increased to INR 648.83 crore as on 31 March, 2020 from INR 493.03 crore as on 31 March, 2019, indicating a y.o.y. growth of 32%.

### 3. Dividend

With a view to conserving capital and to strengthen its capacity to absorb potential losses in the heightened uncertain market scenario caused by COVID-19 pandemic and in view of similar guidelines notified by the Reserve Bank of India via Circular No. DOR. BP. BC. No. 64/ 21.02.067/ 2019-20 dated April 27, 2020 for Banks, the Directors of your Company decided to plough back the Profit after Tax for growth of business activities during the Financial Year.

### 4. Transfer to Reserves

During financial year 2019-20, your Company has transferred an amount of INR 3,18,50,000/- to reserves in accordance with the requirements of s. 45-IC(1) of the Reserve Bank of India Act, 1934.



**5. Material Changes and Commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of report.**

There are no material changes after the balance sheet date and no significant orders passed by any regulators / Courts which may materially affect the financial position of the Company.

**6. Compliance with RBI Guidelines**

Your Company is compliant with all the applicable RBI regulatory norms. Since the Company has become a Systemically Important Non Deposit taking NBFC, it has been complying with all the provisions of the Master Directions in this regard.

**7. Material Changes and Commitments affecting the Financial Position of the Company**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements and the date of the report relate.

**8. Internal Financial Controls**

The Company has put in place adequate internal control systems and procedures designed to effectively control its operations. The internal control systems are designed to ensure that the financial and other records are correct and reliable for the preparation of financial statements and for maintaining its assets. The Internal Auditors of the Company conduct audit covering a wide range of operational matters and ensure compliance with specified standards. The findings of Internal Audit are reviewed by the Top Management and by the Audit Committee of the Board of Directors. The Audit Committee undertakes an evaluation of the adequacy and effectiveness of internal control systems. It also oversees the implementation of audit recommendations especially involving the risk management measures.

**9. Share Capital**

**a. Authorised Share Capital**

The Authorised Share Capital of the Company increased from INR 75,00,00,000 (Rupees Seventy Five Crore only) to INR 150,00,00,000 (Rupees One Hundred and Fifty Crore only) during the year under review.

Consequent to the above, the Authorised Share Capital of the Company as on 31 March, 2020 was INR 150,00,00,000/- (Rupees One Hundred and Fifty Crore only) divided into 15,00,00,000 (Fifteen Crore) equity shares of the face value of INR 10/- (Rupees Ten Only) each.



## b. Paid up Capital

During the year under review, the Paid Up Share Capital of the Company increased from INR 63,04,58,000/- (Rupees Sixty Three Crore Four Lakh Fifty Eight Thousand only) to INR 1,16,10,66,000/- (Rupees One Hundred and Sixteen Crore Ten Lakh Sixty Six Thousand only) pursuant to Right Issue of equity shares at book value of INR 14.04 as approved by the Board of Directors of the Company in their Meeting held on 27 September, 2019.

Consequent to the above, the Paid-up Share Capital of the Company as on 31 March, 2020 stood at INR 1,16,10,66,000/- (Rupees One Hundred and Sixteen Crore Ten Lakh Sixty Six Thousand only) divided into 11,61,06,600 (Eleven Crore Sixty One Lakh Six Thousand Six Hundred) equity shares of the face value of INR 10/- (Rupees Ten Only) each.

The following allotments were made on Right Basis:

Sl. No	Name of Shareholder	No. of Shares
1	National Bank for Agriculture and Rural Development	5,26,44,000
2	Telangana State Cooperative Apex Bank Limited	4,16,800

The shareholding pattern after the right issue as on 31 March, 2020 is as under:

Sl. No	Name of Shareholder	No. of Shares held	% of total shares of the Company
1	National Bank for Agriculture and Rural Development	10,52,88,000	90.68
2	Government of Andhra Pradesh	46,65,600	4.02
3	Andhra Bank*	20,00,000	1.72
4	Telangana State Co-operative Apex Bank Limited (TSCAB)	12,50,400	1.08
5	Andhra Pradesh State Co-operative Bank (APCOB)	11,66,400	1.00
6	Government of Telangana	8,33,600	0.72
7	Canara Bank	8,00,000	0.69
8	IMC Limited	50,000	0.04
9	KCP Sugars and Industries Corporation Limited	50,000	0.04
10	Individuals	2,600	Negligible
	<b>TOTAL</b>	<b>11,61,06,600</b>	<b>100</b>

\*Andhra Bank has since merged with the Union Bank of India.

### 10. Particulars of Loans, Guarantees or Investments Under Section 186 of The Companies Act, 2013

Pursuant to Section 186(11)(a) of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loans made, guarantee given or security provided in the ordinary course of business by a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such, the particulars of loans and guarantees have not been disclosed in this Report. The details of the Investments of the Company are furnished under Note 8 of 'Notes' forming part of the Financial Statements for the year ended 31 March, 2020.

### 11. Non acceptance of Deposits

Being a Non-Deposit taking Non-Banking Financial Company, your Company has not accepted any deposits from the public under Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

### 12. Particulars of Borrowings

The Company raised debt in the form of refinance from NABARD. The Company availed INR 173.78 crore during the year 2019-20 as against INR 202.56 crore during the previous year. The refinance outstanding as on 31 March, 2020 vis-a-vis the previous year is given below:

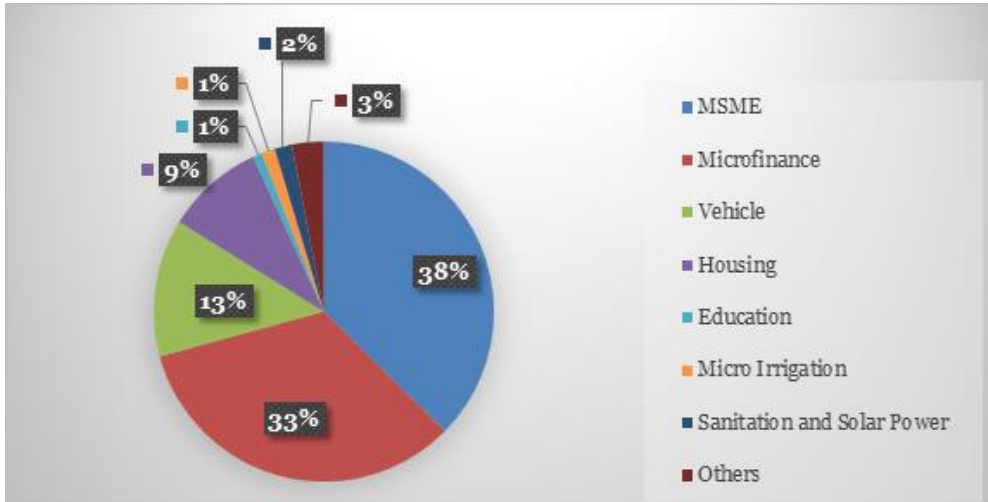
Product	(INR Crore)	
	31 March, 2020	31 March, 2019
NABARD Refinance (Under GRA)	454.43	382.86

The Debt Equity Ratio as of 31 March, 2020 was 2.57. The Company has been regular in servicing all its debt obligations.

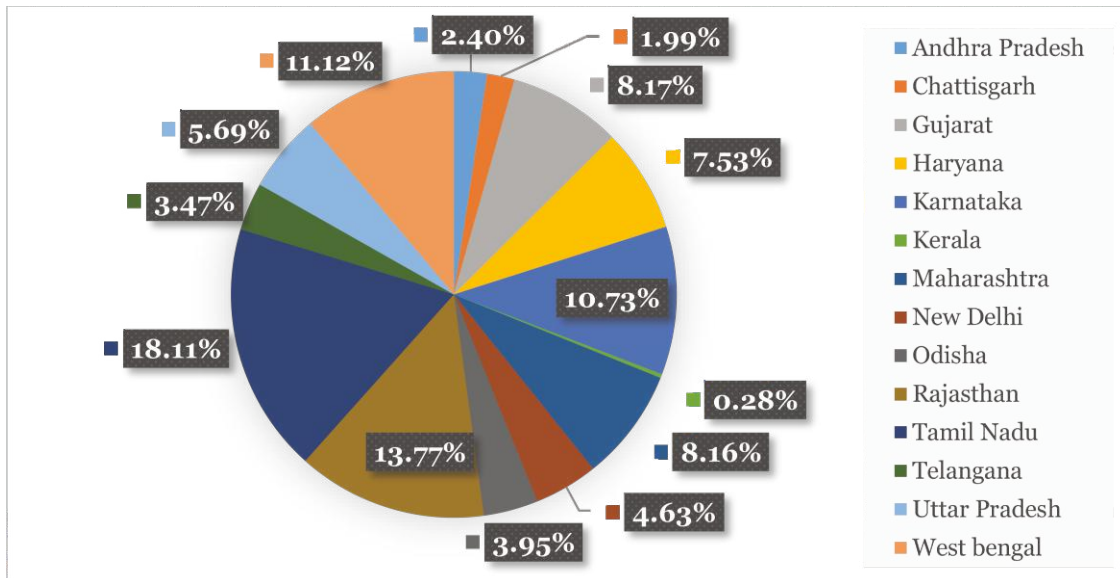
### 13. Particulars of Loans and Advances

The quantum of sanctions accorded during the year touched INR 396.60 crore in respect of 36 accounts, with an average loan size of INR 11.02 crore as on 31 March, 2020. The percentage share of various sectors in the total loans outstanding is depicted in Chart 1 and the State wise exposure is depicted in Chart 2:

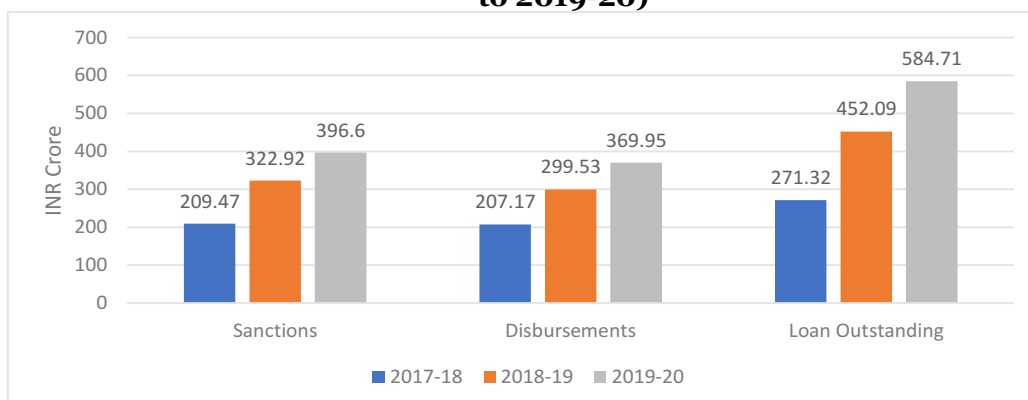
**Chart 1 : Sector Wise Exposure As on 31 March, 2020**



**Chart 2 : State Wise Exposure As on 31 March, 2020**



The quantum of loans disbursed during the year touched INR 369.95 crore as against INR 299.53 crore disbursed during the previous year. As on 31 March, 2020, the loans and advances outstanding stood at INR 584.71 crore. Year-wise sanctions, disbursements and outstanding for the last 3 years is represented graphically in Chart 3 below :

**Chart 3 : Trends in Sanctions, Disbursements & Loans Outstanding (2017-18 to 2019-20)****14. Asset Quality**

The outstanding of Non-Performing Assets (NPAs) as on 31 March, 2020 was INR 17.21 crore. Provisions to the extent of INR 2.30 crore have been made against the NPAs as on 31 March, 2020, as required under applicable IRAC norms. To further strengthen the provisioning base, provision @ 0.5% was made for standard assets as against the regulatory prescription of 0.4%.

**15. Related Party Transactions**

During the year, the Company had not entered into any contract/ arrangement/ transaction with related party under Section 134 (3) (h) of the Companies Act, 2013. However, all the related party transactions entered into by the Company under Accounting Standard 18 are furnished in Notes to Accounts which forms part of the Financial Statements of the Company.

**16. Extract of Annual Return**

Pursuant to the provisions of Section 134(3)(a) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return in form MGT-9 forms part of this Report as Annexure I.

**17. Changes in Directors and Key Managerial Personnel**

During the financial year, the following changes occurred in the Board of Directors and Key Managerial Personnel of the Company:

- Shri Nilay Kapoor resigned from the post of Managing Director with effect from 23 April, 2019;
- Smt. Suparna Tandon, General Manager, NABARD was appointed as Managing Director with effect from 23 April, 2019;
- Dr. A V Bhavani Shankar, Managing Director, APCOB ceased to be Nominee Director w.e.f. 23 April, 2019 on withdrawal of nomination by the nominating authority;



- Ms. Neha Gupta was appointed as Company Secretary w.e.f. 23 April, 2019;
- Shri H R Dave ceased to be Nominee Director and Chairman of NABSAMRUDDHI Finance Limited w.e.f. 18 July, 2019;
- Shri S Selvaraj, Chief General Manager, NABARD, was appointed Nominee Director in place of Shri K Suresh Kumar w.e.f. 18 July, 2019;
- Shri Murali K Misra, Assistant General Manager, NABARD was appointed as Chief Financial Officer in place of Shri Ramesh Kumar Ganta w.e.f. 18 July, 2019;
- Shri K Tulasi Prasad, Managing Director, APCOB was appointed as Nominee Director w.e.f. 18 July, 2019;
- Shri R V Ramanarao, General Manager, Andhra Bank was appointed as Nominee Director in place of Shri M Satyanarayana Reddy, Nominee Director w.e.f. 4 September, 2019;
- Ms. Neha Gupta resigned as Company Secretary with effect from 23 September, 2019;
- Smt. Puja Shah was appointed as Company Secretary and Compliance Officer of w.e.f. 26 September, 2019;
- Shri Vinay Kumar Verma was reappointed as Additional Director (Non-Executive & Independent) w.e.f. 19 October, 2019;
- Shri Ravi Krishan Takkar was appointed as Additional Director (Non-Executive & Independent) w.e.f. 2 November, 2019;
- Shri Subrata Gupta was appointed as Additional Director (Non-Executive) w.e.f. 26 November, 2019;
- Dr. Shreenath Reddy, Managing Director, APCOB was appointed as Nominee Director in place of Shri K Tulasi Prasad w.e.f. 31 December, 2019;
- Shri Srinath Mukherji, Independent Director resigned from the Board of Directors w.e.f. 19 February, 2020;
- Shri Arvind Kumar Jain was appointed as Additional Director (Non-Executive & Independent) w.e.f. 25 March, 2020.
- Shri P V S Suryakumar, Deputy Managing Director, NABARD, took over as Chairman, NABSAMRUDDHI Finance Limited w.e.f. 26 June, 2020.

## 18. Meetings of Board of Directors and its Committees

The details of the Meetings of the Board of Directors and its Committees (for the year ending 31 March, 2020) are reported as part of the Corporate Governance Report published in this Annual Report.

## 19. Code of Conduct

Your Company has in place a comprehensive Code of Conduct (“the Code”) applicable to Directors, Key Managerial Personnel and Senior Management Personnel. The Code gives guidance and support needed for ethical conduct of business and compliance of law.



## 20. Independent Directors' Declaration

The Independent Directors have confirmed and declared that they are not disqualified to act as Independent Directors in compliance with the provisions of Section 149 of the Companies Act, 2013, and the Board is also of the opinion that the Independent Directors fulfill all the relevant conditions specified in the Companies Act, 2013, making them eligible to act as Independent Directors.

## 21. Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 with regard to Directors' Responsibility Statement, the Directors state that :

- (a) the applicable Indian Accounting Standards have been followed in the preparation of the annual accounts. There are no material departures from applicable Indian Accounting Standards;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors have 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) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 22. Auditors

### A. Internal Audit

M/s. SPAD & Associates, Chartered Accountants were appointed as your Company's Internal Auditors for the financial year 2019-20. The reports of the Internal Auditors were placed before the Audit Committee in their Meetings at regular intervals.

## **B. Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, M/s Sunil & Sanjay, Chartered Accountants (Firm Registration No. 06144S), Hyderabad have been appointed by the Office of the Comptroller and Auditor General of India as Statutory Auditors of the Company for the Financial Year 2019-20.

### **23. Auditor's Report**

There are no qualifications, reservations or adverse remarks made by M/s Sunil & Sanjay, Statutory Auditors in their report for the Financial Year ended 31 March, 2020. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

### **24. Secretarial Audit and its Report**

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed M/s Marthi & Co., Company Secretaries (CP No. 1937) to undertake the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report (MR-3) is published in this Annual Report. There are no qualifying remarks in the Secretarial Audit Report.

### **25. Reporting of Frauds by Auditors:**

During the year under review, the Internal Auditors, Statutory Auditors and the Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees under section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report.

### **26. Supplementary Audit by C&AG**

The Comptroller and Auditor General of India, vide their letter dated 27 July, 2020, have intimated to the Company that, for the financial year ended 31 March, 2020, the Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Companies Act, 2013 shall be responsible for expressing their opinion on the financial statement under Section 143 of the Companies Act, 2013 on the accounts of the Company for the year ended 31 March, 2020. Therefore, on the basis of the Audit Report dated 26 June, 2020 submitted by the Statutory Auditor of the Company, the Comptroller and Auditor General of India have intimated their non-conduct of Supplementary Audit of the Financial Statements of the Company for year ended 31 March, 2020.

### **27. Secretarial Standards**

The Directors state that the applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively, have been duly followed by the Company.



## 28. Subsidiary Companies

The Company does not have any subsidiary or associate company.

## 29. Risk Management Policy

The Board of Directors has adopted a Risk Management Policy based on the recommendation of the Risk Management Committee in order to assess, monitor and manage risk throughout the Company. Risk is an integral part of any business, and sound risk management is critical for the success of any organisation. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment to monitor and mitigate the risk through internal audit recommendations including those relating to strengthening of the Company's risk management policies and systems.

## 30. Employee Benefits

The Company has voluntarily contributed 10% of Basic Pay to staff towards Public Provident Fund though the provisions of the Employee Provident Fund Act are not applicable to the employees of the Company. The Gratuity in respect of MD is being reimbursed to NABARD.

## 31. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company had not undertaken any activity relating to conservation of energy or technology absorption during the year 2019-20. The Company did not have any foreign exchange earnings or outgo during the year under review.

## 32. Corporate Social Responsibility

Your Board has constituted a Corporate Social Responsibility (CSR) Committee to support the Company in achieving the CSR objectives of the Company. The CSR Committee of the Board of Directors comprised of the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Shri Jiji Mammen*	Chairman	Nominee Director
Shri Arvind Kumar Jain	Member	Non Executive, Independent Director
Shri Subrata Gupta	Member	Non Executive Director
Smt. Suparna Tandon	Member	Managing Director

*\*Shri Jiji Mammen has resigned w.e.f. 12<sup>th</sup> June, 2020*

The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The details of the CSR Policy of the Company are available on its website. The Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached to this report as Annexure II.

**33. Management Discussion and Analysis Report** – Attached as Annexure III.

### **34. Vigilance Mechanism**

Pursuant to Section 177(9) of the Companies Act, 2013, the Company has established due Vigilance Mechanism for Directors, employees and other stakeholders of the Company. The purpose and objective of the Vigilance Policy is to address serious concerns that may have a larger impact on the image and values of the Company due to incorrect financial reporting or serious improper conduct. No such complaints were received during the year.

### **35. Policy on Sexual Harassment of Women at Workplace**

The Company has put in place a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No such complaints were reported during the year.

### **36. Details of Significant and Material Orders passed by the regulators or Courts or Tribunals impacting the going concern status and Company's future operation**

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's future operation.

### **37. Acknowledgment**

The Directors wish to thank the Reserve Bank of India and other statutory authorities for their continued support and guidance. The Board of Directors would like to express its sincere appreciation to the National Bank for Agriculture and Rural Development, the Government of Andhra Pradesh, the Government of Telangana, Andhra Bank, Canara Bank, The Andhra Pradesh State Cooperative Bank, Telangana State Cooperative Apex Bank Limited, IMC Limited, KCP Sugars & Industries Limited, the client institutions, bankers and other financial institutions for their consistent support, cooperation and encouragement to the Company.

Your Directors also express their deep appreciation for the devoted and unstinted services tendered by the staff and executive at all levels.

**On behalf of the Board  
For NABSAMRUDDHI Finance Limited**

**P V S Suryakumar**  
**Chairman**  
**DIN: 06694864**

**Suparna Tandon**  
**Managing Director**  
**DIN: 08429718**

**Date: 25 August 2020**  
**Place: Mumbai**





## CORPORATE GOVERNANCE REPORT

### Our philosophy on Corporate Governance

NABSAMRUDDHI Finance Limited has set itself the objective of achieving excellence in all facets of its business. As a part of its sustainable growth strategy, the Company believes in adopting the 'best practices' in Corporate Governance. The Company emphasises the need for full transparency and accountability and has been conducting its business in a highly professional and ethical manner, thereby enhancing trust and confidence of all its stakeholders. The Company believes in pursuing holistic growth and realizes its responsibility towards its stakeholders and environment.

The comprehensive Corporate Governance practices ensure that the Company always works optimally, protecting the best interests of the stakeholders and withholding the reputation and status of the Company.

### RBI Guidelines on Corporate Governance

In order to enable NBFCs to adopt best practices and ensure greater transparency in their operations, RBI has stipulated all NBFC-ND-SIs to frame internal guidelines on Corporate Governance vide its Master Circular No. DNBR (PD) CC.No.053/ 03.10.119/ 2015-16 dated 1 July,2015. As the Company is categorised as NBFC-ND-SI in the Financial Year 2019-20, the applicable practices with respect to the said guidelines are adhered to by the Company.

### Board of Directors

As on 31 March, 2020, the Board consisted of 12 Members. The composition of the Board is in conformity with the Companies Act, 2013 and Corporate Governance Directions issued by Reserve Bank of India.

Composition and Category of Directors as on 31 March, 2020:

Board of Directors	Designation	Date of Appointment
Shri S Selvaraj	Nominee Director	18/07/2019
Shri Jiji Mammen	Nominee Director	08/10/2018
Shri Nethi Muralidhar	Nominee Director	16/11/2012
Shri R V Ramanarao	Nominee Director	04/09/2019
Shri K Dharmaiah	Nominee Director	22/11/2013
Shri Sudhakar Patnana	Nominee Director	19/12/2018
Dr R Shreenath Reddy	Nominee Director	30/12/2019
Shri Ravi Krishan Takkar	Additional Director (Non-Executive & Independent)	02/11/2019
Shri Arvind Kumar Jain	Additional Director (Non-Executive & Independent)	25/03/2020
Shri Vinay Kumar Verma*	Additional Director (Non-Executive & Independent)	19/10/2019

Shri Subrata Gupta	Additional Director (Non-Executive)	26/11/2019
Smt Suparna Tandon	Managing Director	23/04/2019

*\*Shri Vinay Kumar Verma is re-appointed for a second term of three consecutive years w.e.f 19/10/2019*

### Meetings of the Board of Directors

During the year, the Board met 8 (Eight) times on the following dates: 23 April, 2019, 18 July 2019, 4 September, 2019, 27 September, 2019, 23 October, 2019, 26 November, 2019, 10 January, 2020 and 18 February, 2020 respectively. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under the Companies Act, 2013. Necessary quorum was present in all the Board meetings. Further, none of the Directors of the Company have exceeded the maximum number of Directorships as specified under Section 165 of the Companies Act, 2013.

Details of Attendance of Directors for the Meetings of the Board of Directors are furnished below:

Name of Director	Total Attendance (in %)	April 23, 2019	July 17, 2019	Sept. 4, 2019	Sept. 27, 2019	Oct. 23, 2019	Nov. 26, 2019	Jan. 10, 2020	Feb, 18, 2020	AGM held on Sept, 27, 2019
Shri H R Dave	100	Yes	NA	NA	NA	NA	NA	NA	NA	NA
Shri Nilay Kapoor	100	Yes	NA	NA	NA	NA	NA	NA	NA	NA
Shri A V Bhavani Shankar	-	LOA	NA	NA	NA	NA	NA	NA	NA	NA
Shri K Suresh Kumar	100	Yes	NA	NA	NA	NA	NA	NA	NA	NA
Shri M Satyanarayana Reddy	50	LOA	Yes	NA	NA	NA	NA	NA	NA	NA
Shri K Tulasi Prasad	20	NA	Yes	LOA	LOA	LOA	LOA	NA	NA	NA

Shri Srinath Mukherji	88	Yes	Yes	Yes	LOA	Yes	Yes	Yes	Yes	LOA
Shri S Selvaraj	86	NA	LOA	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Jiji Mammen	75	Yes	Yes	Yes	Yes	Yes	Yes	LOA	LOA	Yes
Shri Nethi Muralidhar	50	LOA	Yes	Yes	LOA	LOA	Yes	Yes	LOA	LOA
Shri R V Ramana Rao	67	NA	NA	Yes	LOA	Yes	Yes	Yes	LOA	LOA
Shri K Dharmiah	88	Yes	LOA	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Sudhakar Patnana	38	Yes	LOA	LOA	LOA	LOA	Yes	LOA	Yes	LOA
Dr R Shreenath Reddy	-	NA	NA	NA	NA	NA	NA	NA	NA	NA
Shri Ravi Krishan Takkar	100	NA	NA	NA	NA	NA	Yes	Yes	Yes	NA
Shri Arvind Kumar Jain	-	NA	NA	NA	NA	NA	NA	NA	NA	NA
Shri Vinay Kumar Verma	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Subrata Gupta	100	NA	NA	NA	NA	NA	NA	Yes	Yes	NA
Smt Suparna Tandon	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

LOA- Leave of Absence

NA- Not Applicable

### Committees of the Board

The Board has, inter alia, constituted the following Committees as required under the Companies Act, 2013 and RBI Guidelines as amended time to time to delegate particular matter that require more attention:

- Audit Committee
- Corporate Social Responsibility committee
- Nomination and Remuneration Committee
- Risk Management Committee
- IT Strategy Committee

The detailed roles and composition of the Committees are given hereunder:

### 1) Audit Committee

The main objective of the Audit Committee is to monitor and provide an effective supervision of the highest levels of transparency, integrity and quality of financial reporting. The Audit Committee oversees the financial reporting process and reviews, with the Management, the financial statements to ensure that the same are correct and credible. The Audit Committee also reviews performance of the Statutory Auditors, the Internal Auditors and adequacy of the internal control system.

### Composition of Audit Committee

The Audit Committee consists of 3 Directors of which 2 are Independent Directors. The Committee met 3 times during 2019-20 on 23 April, 2019, 3 September, 2019, and 10 January, 2020.

<b>Names of Committee Members</b>	<b>Designation</b>	<b>Category</b>	<b>Number of Meetings held during tenure</b>	<b>Number of Meetings Attended</b>
Shri Srinath Mukherji (Resigned w.e.f. 19.02.2020)	Chairman	Independent Director	3	3
Shri Vinay Kumar Verma (Ceased to be Member w.e.f. 11.05.2020)	Member	Independent Director	3	3
Shri K Suresh Kumar (Ceased to be Member w.e.f. 18.07.2019)	Member	Nominee Director	1	1
Shri Nilay Kapoor (Ceased to be Member w.e.f. 23.04.2019)	Member	Managing Director	1	1
Shri Jiji Mammen (Ceased to be Member w.e.f. 03.09.2020)	Member	Nominee Director	1	1
Shri Ravi Krishan Takkar (Appointed as Chairman w.e.f. 11.05.2020)	Chairman	Independent Director	NA	NA
Shri Arvind Kumar	Member	Independent Director	NA	NA

Jain (Appointed as Member w.e.f. 11.05.2020)				
Smt Suparna Tandon (Appointed as Member w.e.f. 18.07.2019)	Member	Managing Director	2	2

The Terms of Reference of the Audit Committee include:

- i. To make recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- ii. To review and monitor the auditor's independence and performance, and effectiveness of the audit process;
- iii. To examine the financial statement and the auditors' report thereon;
- iv. To approve transactions of the Company with related parties;
- v. To scrutinise inter-corporate loans and investments;
- vi. To make the valuation of undertakings or assets of the Company, wherever it is necessary;
- vii. To evaluate internal financial controls and risk management systems;
- viii. To monitor the end use of funds raised through public offers and related matters;
- ix. Reviewing performance of the statutory and internal auditors and adequacy of the internal control system;
- x. To examine the Internal Audit Report on Quarterly basis and discussion with internal auditors regarding any significant findings and follow-up thereon;
- xi. To review the functioning of the whistle blower mechanism in case the same exists;
- xii. To look into the reasons for substantial defaults in the payments to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.

## 2) Nomination and Remuneration Committee

The process of selection, appointment and remuneration of Directors and other Key Managerial Personnel (except staff on deputation from NABARD) is decided by the Nomination and Remuneration Committee constituted as per Section 178 of the Companies Act, 2013. The Board has constituted a Nomination and Remuneration Committee pursuant to the provisions of the Companies Act, 2013. The primary purpose of the Committee, among other things, is to determine and propose the following for Board's approval:

- To identify persons who are qualified to become Directors and who also may be appointed in senior management positions in accordance with the criteria laid down and to recommend to the Board their appointment and removal;
- To evaluate the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate Directors and staff of the Company.



### Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee met six times during the year on 23 April, 2019, 18 July, 2019, 3 September, 2019, 27 September, 2019, 26 November, 2019 and 18 February, 2020, respectively :

Names of Committee Members	Designation	Category	Number of Meetings held during tenure	Number of Meetings Attended
Shri Srinath Mukherji (Resigned w.e.f. 19.02.2020)	Chairman	Independent Director	6	5
Shri Vinay Kumar Verma (Ceased to be Member w.e.f. 11.05.2020)	Member	Independent Director	6	6
Shri K Suresh Kumar (Ceased to be Member w.e.f. 18.07.2019)	Member	Nominee Director	1	1
Shri Nilay Kapoor (Ceased to be Member w.e.f. 23.04.2019)	Member	Managing Director	1	1
Shri Jiji Mammen (Appointed as Member w.e.f. 18.07.2020)	Member	Nominee Director	5	4
Shri Arvind Kumar Jain (Appointed as Member w.e.f. 11.05.2020)	Chairman	Independent Director	NA	NA
Smt Suparna Tandon (Appointed as Member w.e.f. 18.07.2019)	Member	Managing Director	5	5

The terms of reference of Nomination and Remuneration Committee include:

- i. The Nomination and Remuneration Committee shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall undertake evaluation of every Director's performance.

- ii. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- iii. The Nomination and Remuneration Committee shall formulate the policy to ensure that—
- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### 3) Corporate Social Responsibility Committee

In compliance with the requirements of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility Committee. The Committee evaluates and recommend the CSR proposals to the Board for approval. The Committee met twice in the year 2019-20 on 25 September, 2019 and 9 January, 2020. The Committee comprises of following members:

Name of Committee Members	Designation	Category	Number of Meetings held during tenure	Number of Meetings Attended
Shri Vinay Kumar Verma (Ceased to be Member w.e.f. 11.05.2020)	Chairman	Independent Director	2	2
Shri Jiji Mammen	Member	Nominee Director	2	1
Shri Arvind Kumar Jain (Appointed as Member w.e.f. 11.05.2020)	Member	Independent Director	NA	NA
Shri Subrata Gupta (Appointed as Member w.e.f. 11.05.2020)	Member	Non-Executive Director	NA	NA
Smt Suparna Tandon	Member	Managing Director	2	2

The terms of reference of CSR Committee include:

- i. Formulation and review of the CSR Policy for approval by the Board;
- ii. Identification of institutions/ activities and ensuring implementation of the annual CSR programme;
- iii. Monitoring the implementation of CSR Activities;
- iv. Recommending the amount of expenditure to be incurred on activities indicated in the CSR Policy;
- v. Ensure periodic reporting to the Board on the progress of CSR Activities.

#### 4) Risk Management Committee

The Board has constituted a Risk Management Committee pursuant to the provisions of the Companies Act, 2013. The Committee has been formed to frame properly defined procedure to deal with the various business related risks arising in the day to day activities. The Board Members and Senior Executives have been monitoring and reviewing the risk management plan regularly, in order to overcome risk related issues at appropriate time.

#### Composition of Risk Management Committee

The committee met five times in the year 2019-20 on 16 April, 2019, 4 September, 2019, 18 November, 2019, 2 January, 2020 and 16 March, 2020

Name of Committee Members	Designation	Category	Number of Meetings held during tenure	Number of Meetings Attended
Shri Vinay Kumar Verma (Ceased to be Member w.e.f. 11.05.2020)	Chairman	Independent Director	5	5
Shri Nilay Kapoor (Ceased to be Member w.e.f. 23.04.2019)	Member	Managing Director	1	1
Shri K Suresh Kumar (Ceased to be Member w.e.f. 18.07.2019)	Member	Nominee Director	1	1
Shri S Selvaraj (Appointed as Member wed 18.07.2019 and Chairman w.e.f. 11.05.2020)	Member	Nominee Director	4	4
Shri Ravi Krishan Takkar (Appointed as Member w.e.f. 11.05.2020)	Member	Independent Director	NA	NA
Shri Subrata Gupta	Member	Non-Executive	NA	NA

<i>(Appointed as Member w.e.f. 11.05.2020)</i>		Director		
Smt Suparna Tandon <i>(Appointed as Member w.e.f. 18.07.2019)</i>	Member	Managing Director	4	4

The terms of reference of Committee include

- i. To review the risk profile of the Company;
- ii. To review risk exposure limits/ covenants under credit risk, market risk, operational risk and compliance risk, etc.;
- iii. To recommend to the Board, relevant risk related policies for approval;
- iv. To review and approve/sanction of OTS proposals recommended by the NPA Management Committee.

### 5) IT Strategy Committee

During the financial year 2019-20, the Board, in accordance with the provisions of Reserve Bank of India's Master Direction on the Information Technology Framework for the NBFC Sector, constituted an IT Strategy Committee. The Committee met twice in the financial year 2019-20 on 25 June, 2019 and 9 January, 2020. The Committee comprises of the following members:

<b>Name of Committee Members</b>	<b>Designation</b>	<b>Category</b>	<b>Number of Meetings held during tenure</b>	<b>Number of Meetings Attended</b>
Shri Srinath Mukherji <i>(Resigned w.e.f. 19.02.2020)</i>	Chairman	Independent Director	2	2
CGM DIT, NABARD	Member	CGM, NABARD	2	2
Shri Jiji Mammen	Member	Nominee Director	2	1
Shri Vinay Kumar Verma <i>(Appointed as Chairman w.e.f. 11.05.2020)</i>	Chairman	Independent Director	NA	NA
Shri Ravi Krishan Takkar <i>(Appointed as Member w.e.f. 11.05.2020)</i>	Member	Independent Director	NA	NA
Shri Subrata Gupta <i>(Appointed as Member w.e.f. 11.05.2020)</i>	Member	Non-Executive Director	NA	NA
Smt Suparna Tandon	Member	Managing Director	2	2

The functions of the IT Strategy Committee include recommending to the Board, IT strategies and policy documents, to ascertain whether the Company's management has implemented processes / practices which ensure that IT delivers value to business, ensure that the budgets allocated vis-à-vis IT investments are commensurate, monitor the methods adopted to ascertain the IT resources needed to achieve strategic goals of the Company and to provide high-level directions for sourcing and use of IT resources.

### **Details of General Meeting**

During the financial year 2019-20, the Twenty-Second Annual General Meeting was held on 27 September, 2019 and the details are given below:

<b>Meeting type</b>	<b>Time</b>	<b>Venue</b>
22 <sup>nd</sup> Annual General Meeting	12.00 Noon	NABARD Telangana Regional Office, 2nd Floor Conference Hall, 1-1-61, Yeduguri Chambers, RTC 'X' Roads, Hyderabad - 500020

All the proposed resolutions, including special resolutions were passed by the shareholders as set out in their respective notices.



**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U65910TG1997PLC026442
2.	Registration Date	17/02/1997
3.	Name of the Company	NABSAMRUDDHI Finance Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/Non-Government Company
5.	Address of the Registered office & contact details	Ground Floor, NABARD Regional Office, 1-1-61, RTC-X Road, Musheerabad, Hyderabad-500020
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Private Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Phone No: +91 40 6716 1602

**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	Other financial service activities except other insurance and pension funding activities viz. Non Banking Finance Company engaged in Loan Business	K-649	100%

**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
1.	National Bank for Agriculture and Rural Development	N.A.	Holding	90.68	2(87)

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

##### A. Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2019]				No. of Shares held at the end of the year [As on 31-03-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	100	100	Negligible	-	100	100	Negligible	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)		5499200	5499200	8.72	2332800	3166400	5499200	4.74	(3.98)
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	30122000	27322000	57444000	91.11	110504800	-	110504800	95.18	4.07
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	30122000	32821300	62943300	99.84	112837600	3166500	116004100	99.92	0.08
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	30122000	32821300	62943300	99.84	112837600	3166500	116004100	99.92	0.08
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-

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b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	100000	100000	0.16	-	100000	100000	0.08	(0.08)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto INR 1 lakh	-	2500	2500	0.00	-	2500	2500	0.00	0
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	102500	102500	0.16	-	102500	102500	0.08	0.08
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	102500	102500	0.16	-	102500	102500	0.08	0.08
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>30122000</b>	<b>32923800</b>	<b>63045800</b>	<b>100</b>	<b>112837600</b>	<b>3269000</b>	<b>116106600</b>	<b>100</b>	<b>0</b>

**B) Shareholding of Promoter-**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% 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	
1	The National Bank for Agriculture and Rural Development	52644000	83.50	-	105288000	90.68	-	7.18
2	Govt of Andhra Pradesh	4665600	7.40	-	4665600	4.02	-	(3.38)
3	Govt of Telangana	833600	1.32	-	833600	0.72	-	(0.60)
4	Andhra Bank	2000000	5.99	-	2000000	1.72	-	(4.27)
5	Andhra Pradesh State Cooperative Bank	1166400	1.85	-	1166400	1	-	(0.85)
6	Canara Bank	800000	1.27	-	800000	0.69	-	(0.58)
7	Telangana State Co-operative Apex Bank Limited	833600	1.32	-	1250400	1.08	-	(0.24)
8	Secretary(IF)	100	Negligible	-	100	Negligible	-	-
	<b>TOTAL</b>	<b>62943300</b>	<b>99.84</b>		<b>116004100</b>	<b>99.92</b>		<b>0.08</b>

## C) Change in Promoters' Shareholding

Sl.No.	Particulars	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
1	At the beginning of the year (As on 01 April 2019)	62943200	99.84	62943200	99.84
2	Date wise Increase / Decrease in Promoters Share-holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Change in cumulative shareholding of the Promoter is on account of allotment of equity shares to NABARD, TSCAB on rights basis dated November 6, 2019.			
3	At the end of the year (As on 31 March, 2020)	116004100	99.92	116004100	99.92



**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Reasons for increase/decrease in Shareholding
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	M/s. IMC Limited	50,000	0.15	50,000	0.04	Reduction in shareholding of the top 10 shareholders, is on account of allotment of equity shares to NABARD, TSCAB on rights basis
2	M/s KCP Sugars and Industries Corporation Limited	50,000	0.15	50,000	0.04	
3	Shri K S Rao	100	Negligible	100	Negligible	
4	Shri J Sri Krishna Murthy	2,000	0.01	2,000	Negligible	
5	Shri M Venkataratnam	100	Negligible	100	Negligible	
6	Shri M Purushothama Chary	100	Negligible	100	Negligible	
7	Shri V Jalma Rao	100	Negligible	100	Negligible	
8	Shri A Krishna Moorthy	100	Negligible	100	Negligible	
	<b>TOTAL</b>	<b>102500</b>	<b>0.31</b>	<b>102500</b>	<b>0.08</b>	

**E) Shareholding of Directors and Key Managerial Personnel: NIL**

**V. INDEBTEDNESS-** Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness

	excluding deposits			
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	382,86,28,714	-	382,86,28,714
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	4,80,03,200	-	4,80,03,200
<b>Total (i+ii+iii)</b>	-	<b>387,66,31,914</b>	-	<b>387,66,31,914</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	173,77,66,650	-	173,77,66,650
* Reduction	-	102,20,67,631	-	102,20,67,631
<b>Net Change</b>	-	<b>71,56,99,019</b>	-	<b>71,56,99,019</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	454,43,27,733	-	454,43,27,733
ii) Interest due but not paid	-	543,58,349	-	543,58,349
iii) Interest accrued but not due	-	-	-	
<b>Total (i+ii+iii)</b>	-	<b>459,86,86,082</b>		<b>459,86,86,082</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole Time Directors and/or Manager:

Sl. No	Particulars of	Name of MD/WTD/ Manager	Total Amount (INR)
		<i>Shri Nilay Kapoor (Managing Director until 23<sup>rd</sup> April, 2019)</i>	-- -
		<i>Smt Suparna Tandon (Managing Director w.e.f. 23<sup>rd</sup>)</i>	-- -

			<b>April, 2019</b>			
1	Gross salary	8,29,000	42,14,000			50,43,000
	(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 Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - Others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>8,29,000</b>	<b>42,14,000</b>	-	-	<b>50,43,000</b>
	Ceiling as per the Act	5% of Net Profits				

Note - The Managing Director is placed on deputation from NABARD (holding entity) and his/her entire remuneration is borne by NABARD. However, the Company reimbursed the entire remuneration of Managing Director for FY 2019-20 to NABARD as per the terms and conditions of deputation.

#### B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (INR)
1	<b>Independent Directors</b>	<b>Shri Srinath S Mukherji</b>	<b>Shri Vinay Kumar Verma</b>	<b>Shri Ravi Krishan Takkar</b>		
	Fee for attending board and committee meetings	1,75,000	2,95,000	60,000	-	5,30,000
	Commission		-	-	-	-
	Others, please specify (Re-imbursment of travelling & other incidental expenses)	7087	81405	-		88,492
	<b>Total (1)</b>	<b>1,82,087</b>	<b>3,76,405</b>	<b>60,000</b>	-	<b>6,18,492</b>
2	<b>Other Non-Executive Directors</b>	<b>Shri Subrata</b>				

		<b>Gupta</b>				
	Fee for attending board and committee meetings	60,000	-	-	-	60,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>60,000</b>	-	-	-	<b>60,000</b>
	<b>Total (B)=(1+2)</b>	<b>2,42,087</b>	<b>3,76,405</b>	<b>60,000</b>	-	<b>6,78,492</b>
	<b>Total Managerial Remuneration</b>					
	Overall Ceiling as per the Act	The Company is paying only sitting fees to Non-Executive Directors which is below the ceiling of 1,00,000/- per meeting as prescribed under the Companies Act, 2013.				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD-**

(Amount in INR)

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		<i>Vijay Khandelwal- Company Secretary</i>	<i>Puja Shah- Company Secretary</i>	<i>Murali K Misra- Chief Financial Officer</i>	Total
1	Gross salary	1,12,984	4,57,500	-	570484
	(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 Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	<b>Total</b>	<b>1,12,984</b>	<b>4,57,500</b>	<b>-</b>	<b>5,70,484</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**On behalf of the Board  
For NABSAMRUDDHI Finance Limited**

**P V S Suryakumar  
Chairman  
DIN: 06694864**

**Suparna Tandon  
Managing Director  
DIN: 08429718**

**Date: 25 August, 2020  
Place: Mumbai**



## Annexure II

### Corporate Social Responsibility (CSR)

*[Pursuant to Clause (o) of sub section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]*

#### 1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link in respect of the CSR Policy and projects or programs:

The NABSAMRUDDHI CSR policy aims to lay down norms to enable the Company to contribute to the wellbeing of general society in India, through the activities it envisages from time to time. CSR activities taken up by the Company shall include the activity / activities amongst and relating to the list provided under Schedule VII of the Companies Act, 2013, or any relevant Act/ provisions as envisaged by the Government of India from time to time.

The CSR Policy gives an overview of the projects which are proposed to be undertaken by the Company in the future years. The CSR Policy is placed on the Company's website at [www.nabsamruddhi.in](http://www.nabsamruddhi.in)

#### 2. Composition of CSR Committee

The present constitution of the CSR Committee is as follows:

Committee	Member	Designation
Corporate Social Responsibility Committee	Shri Jiji Mammen#	Chairman (Nominee Director)
	Shri Arvind Kumar Jain	Member (Non-Executive, Independent)
	Shri Subrata Gupta	Member (Non-Executive Director)
	Smt. Suparna Tandon	Member (Managing Director)

# Shri Jiji Mammen has resigned w.e.f. 12 June, 2020.

#### 3. Average net profit of the Company for last three financial years for the purpose of computation of CSR:

Particulars	Amount (INR)
Profits/Loss before Tax for the FY 2016-17	2,29,91,199
Profits/(Loss) before Tax for the FY 2017-18	6,00,10,486
Profits/(Loss) before Tax for the FY 2018-19	14,99,16,707
<b>Total Profit for the past 3 years</b>	<b>23,29,18,392</b>
Average Profit for the purpose of section 135 of Companies Act, 2013	7,76,39,464
Prescribed CSR Expenditure for the year 2019-20 i.e., 2 % of Average Net Profit	15,52,789
<b>GROSS amount to be spent for the year 2019-20</b>	<b>15,52,789</b>



**4. Details of CSR spent during the financial year 2019-20:**

- (a) Total amount to be spent for the financial year 2019-20 – INR 15,52,789/-;
- (b) Total amount spent in the financial year 2019-20– NIL;
- (c) Amount unspent, if any: INR 15,52,789/-;
- (d) Amount Carried forward to the next financial year- INR 15,52,789/-;
- (e) Reasons for not spending the amount: NABSAMRUDDHI considers social responsibility as an integral part of its business activities and endeavors to utilise allocable CSR budget for the benefit of society. NABSAMRUDDHI's CSR initiatives are on the focus areas mentioned in the CSR Policy as approved by the Board benefitting the community. However, the Company has just embarked on the journey of ascertaining eligible CSR programs. For this reason, during the year, the Company could not spend the stipulated amount on CSR. Moving forward, the Company is well poised to spend the complete amount on CSR activities in accordance with the statutory requirements.

**5. Status update (as on the date of Directors' Report) on manner in which the CSR amount pertaining to FY2019-20 is spent :**

CSR Project or Activity Identified	Sector in which the project is covered	Amount Sanctioned (INR)	Amount Released (INR)	Amount Spent : Direct or Implementing Agency	Carried forward Amount Spent for the year 2019-20
PM CARES FUND	COVID-19 pandemic in India	15,52,789	15,52,789	Direct	15,52,789

**6. A responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company:**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

**On behalf of the Board  
For NABSAMRUDDHI Finance Limited**

**P V S Suryakumar**  
Chairman  
DIN: 06694864

**Suparna Tandon**  
Managing Director  
DIN: 08429718

**Date: 25 August 2020**  
**Place: Mumbai**



## Annexure III

### Management Discussion and Analysis Report

#### 1. NBFC Sector in India

Non Banking Financial Companies (NBFCs) provide an alternative to bank financing, and thus, bridge the “last mile” credit gap emanating from traditional banks limitations to reach out to the financially active but underbanked segments of the economy. NBFCs have become an important catalyst in the credit market of India and has also been increasing their share in the market during the past several years. Their role in financing the so called “missing middle”, which banks are more risk averse to, is also well documented. Although the combined balance sheet size of the NBFCs is about one fifth of that of SCBs, the importance of the former lies in the last mile credit delivery and niche segment support in the Indian financial system.

As per the Financial Stability Report (RBI), July 2020, a total of 9,601 NBFCs were registered with the RBI at end-March, 2020 of which 66 were Deposit-Accepting (NBFCs-D) and 278 were Systemically Important Non-Deposit accepting NBFCs (NBFCs-ND-SI). All NBFC-D and NBFCs-ND-SI are subject to prudential regulations such as capital adequacy requirements and provisioning norms along with reporting requirements.

Due to slower growth during the last two years, NBFCs just about managed to maintain their share of credit against banks. Slower growth in the outstanding book can be attributed to the IL&FS crisis in 2018, followed by crises in some other major NBFCs, and portfolio securitisation by NBFCs.

With tight liquidity in debt capital markets and lower appetite from mutual funds (which were hitherto one of the major funding sources for NBFCs), Bank borrowings constituted the key fund-raising avenue for NBFCs. Banks’ credit exposure to the NBFC segment witnessed a 25.9% (29.2%<sup>\*1</sup>) growth in fiscal 2020 reaching INR 8,07,383 crore, compared with overall Non Food Bank credit growth of 6.7% (12.3%<sup>\*2</sup>).

Banks have also played an active role in securitising NBFCs assets, in turn providing liquidity to NBFCs. As most NBFCs (non-deposit taking) are not allowed to raise retail deposits, they largely rely on wholesale funding for capital requirements. As a result, NBFCs’ cost of funds are higher than that of banks.

#### 2. Macroeconomic Scenario

FY 2021 is expected to be a challenging year for financial institutions including NBFCs on account of the impact of COVID-19 and the resultant nationwide lockdown. There are various macroeconomic stress indicators which are expected to impact both the real and

<sup>1</sup> Growth during F.Y. 2019

<sup>2</sup> Growth during F.Y. 2019

the financial sectors of the economy. The International Monetary Fund (IMF) recently has predicted that Indian economy will contract 4.5 % during financial year 2020-21 on the back of extended coronavirus lockdown while according to the World Bank, India's economy in the current financial year is expected to contract by 3.2%, downgraded from its previous forecast of 1.5-2.8% positive growth. Further, certain sectors, such as automobiles, construction, housing, textiles, hospitality, travel, etc., are expected to be more adversely impacted as compared to others. Since all sectors and markets are interconnected, the stress in the real sector is expected to spill over to the financial sector also. Accordingly, CRISIL Research has revised its credit growth forecast for NBFCs. Assets under Management (AUM) of NBFCs are expected to de-grow 1-3% in the current fiscal as fresh disbursements drop sharply. Secondly, CRISIL Research has projected growth expectations of NBFC credit growth in the vehicle finance in the range of (-5 to -3) %, real estate and structured credit (-12 to -10) %, MSME finance (-5 to -3) %, housing finance (0-2)% for FY 2021.

On the risk front, Moody's Investors Services has initiated action to revise creditworthiness of few local NBFCs citing economic disruptions amid an outbreak of COVID19. The rating entity has indicated that the Indian NBFC industry has been adversely affected given disruptions to the country's economic activity from the coronavirus outbreak, which is expected to weaken these companies' credit profiles. Similarly, few other higher rated NBFCs have also attracted downgrades in the rating outlook from 'Stable' to 'Negative' from Indian Credit Rating Agencies (CRAs), on account of the Covid 19 scenario. According to the CRAs/ industry reports, the asset quality of NBFCs are likely to deteriorate on the back of rising loan delinquencies and defaults as some customers and businesses will struggle with payments given declining earnings due to lockdown across India. The profitability of the NBFCs will also come under pressure because of lower revenues, higher credit charges and higher cost-to-income ratios as business activity declines.

On the positive side, the Government of India and RBI, and AIFIs such as NABARD, SIDBI and NHB have initiated steps to ameliorate some of the stress in the NBFC sector, through a special TLTRO 2.0 window, grant of moratorium for six months to clients of NBFCs, special concessional liquidity window, modification in the partial credit guarantee scheme for NBFCs and so on.

### **2.1. Post COVID-19 Response**

As per the Financial Stability Report (RBI), July, 2020, Banks and market borrowings account for over 70% of total outside liabilities of the NBFC sector. With the waning of market confidence, the share of long-term market debt [i.e., non-convertible debentures (NCDs)] in total borrowings of the NBFC sector declined from 49.1% at end-March 2017 to 40.8% at end-December 2019. The consequent funding gap was met through bank borrowings, which rose from 23.1 % of total borrowings to 28.9% over this period.

The declining share of market funding for NBFCs is a concern as it has the potential to

accentuate liquidity risk for NBFCs as well as for the financial system. Smaller / mid-sized and AA or lower rated / unrated NBFCs have been shunned by both banks and markets, accentuating the liquidity tensions faced by NBFCs which was also reflected in the lacklustre response to the Targeted Long-Term Repo Operations 2.0 (TLTRO 2.0).

In the aftermath of the IL&FS crisis, NBFCs have been facing differentiation in market access and financial conditions, with only the higher rated entities able to raise funds. They have also started maintaining liquidity cover of two to three months, despite the higher costs. In the context of COVID-19, however, risks to the sector and consequently, systemic risks can intensify. IndAS accounting could impinge on the balance sheet risks, especially asset quality and provisioning, on the liability side the finances of NBFC-MFIs are expected to be further impacted by contagion from Mutual Funds due to redemption pressures and customer confidence.

As indicated above, the GoI and RBI have implemented a series of measures to address the concerns of the financial sector. These include successive reductions in the policy repo rate coupled with several TLTRO auctions and Operation Twist to infuse much needed liquidity, to facilitate transmission of the rate cuts and to help ease bond yields. The Reserve Bank of India also announced a Special Liquidity Facility of INR 50,000 crore for NBFCs, HFCs and MFIs to be routed through NABARD, SIDBI and NHB, along with a Special Liquidity Window of INR 30,000 crore to address the short term liquidity needs of NBFCs. In addition to these Monetary Policy interventions by RBI, the GoI also announced a one-time Partial Credit Guarantee upto INR 45,000 crore for Public Sector Banks for purchase of Bonds or Commercial Papers NBFCs /HFCs/MFIs.

### **3. NABSAMRUDDHI Finance Limited**

#### **3.1 A brief overview**

NABSAMRUDDHI Finance Limited is a subsidiary of NABARD registered as a Non-Banking Financial Company with the Reserve Bank of India. It is promoted with equity participation from the National Bank for Agriculture and Rural Development (NABARD), Andhra Bank\*, Canara Bank, the Government of Andhra Pradesh, the Government of Telangana, The Andhra Pradesh State Cooperative Bank, Telangana State Cooperative Apex Bank and others. As a part of its rebranding exercise, the name of the Company was changed from Agri Business Finance Limited (ABFL) to NABSAMRUDDHI Finance Limited on 2 December, 2016. At around the same time, the Company decided to expand its operations from Telangana/ Andhra Pradesh to that of pan India, reoriented its business model from retail to that of a largely wholesale model and its Corporate Office was shifted from Hyderabad to Mumbai.

NABSAMRUDDHI Finance Limited continued to script a spectacular performance during the year 2019-20, with a balance sheet size of INR 648.83 crore, recording a y-o-y growth of 31.60%, while also attaining the status of NBFC-ND-SI, during the year. The AUM touched INR 602.33 crore (INR 452.09 crore in FY '19), a y-o-y growth of 33.23%. The Company has reported a Profit After Tax (PAT) of INR 15.92 Crore during 2019-20 as against INR 10.71 Crore during 2018-19, registering a growth of 48.65% over the

previous year. With the continued support of NABARD & few other shareholders, the share capital of the Company increased from INR 63.05 Crore in FY19 to INR 116.11 Crore in FY 20.

### 3.2 Credit Rating Awarded to NABSAMRUDDHI Finance Limited:

The Company has been recently awarded a credit rating of 'AA' by India Ratings. The credit rating is driven by the expectation of continued support from its majority shareholder, i.e., NABARD ('IND AAA'/Stable) towards capital, liquidity operations and Board/ Management support as well as Company's alignment with the corporate vision of NABARD, adequate capitalisation levels, geographical and entity wise diversification of credit risk, granularity in the loan book, etc.

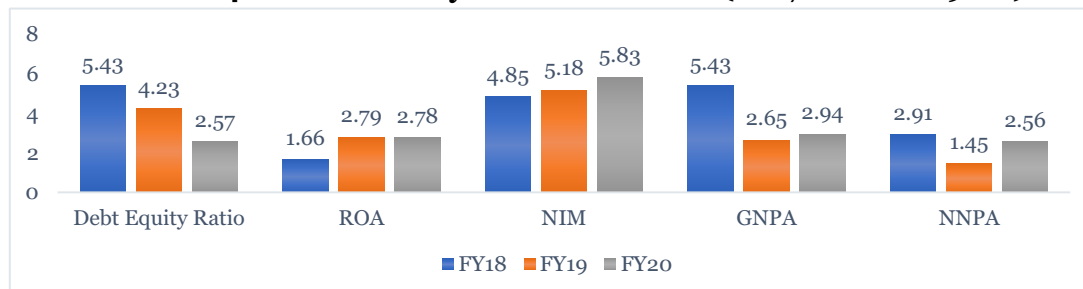
### 3.3 Operational Highlights (2019-20)

Some of the operational highlights of the Company during financial year 2019-20 are as under:

- Balance sheet size as on 31 March, 2020 was INR 648.83 crore as against INR 493.04 crore as on 31 March, 2019, indicating a positive growth of 31.60%;
- Loan and Advances outstanding as on 31 March, 2020 were INR 584.71 crore as against INR 452.09 crore as on 31 March, 2019, indicating a growth of 29.33%;
- Gross NPAs as on 31 March, 2020 were INR 17.21 crore as against INR 12.02 crore as on 31 March, 2019 growing by 43.18%;
- Gross Revenue as on 31 March, 2020 was INR 62.44 crore as against INR 41.42 crore as on 31 March, 2019, indicating a positive growth of 50.75%;
- Operating profit as on 31 March, 2020 was INR 21.47 crore as against INR 14.99 crore, indicating a positive growth of 43.23%;
- PAT as on 31 March, 2020 was INR 15.92 crore as against INR 10.71 crore as on 31 March 2019, indicating a positive growth of 48.65%;
- EPS as on 31 March, 2020 was INR 1.50 as against INR 1.78 as on 31 March, 2019. The Debt to Equity Ratio as on 31 March, 2020 was 2.57 as against 4.23 as on 31 March, 2019.

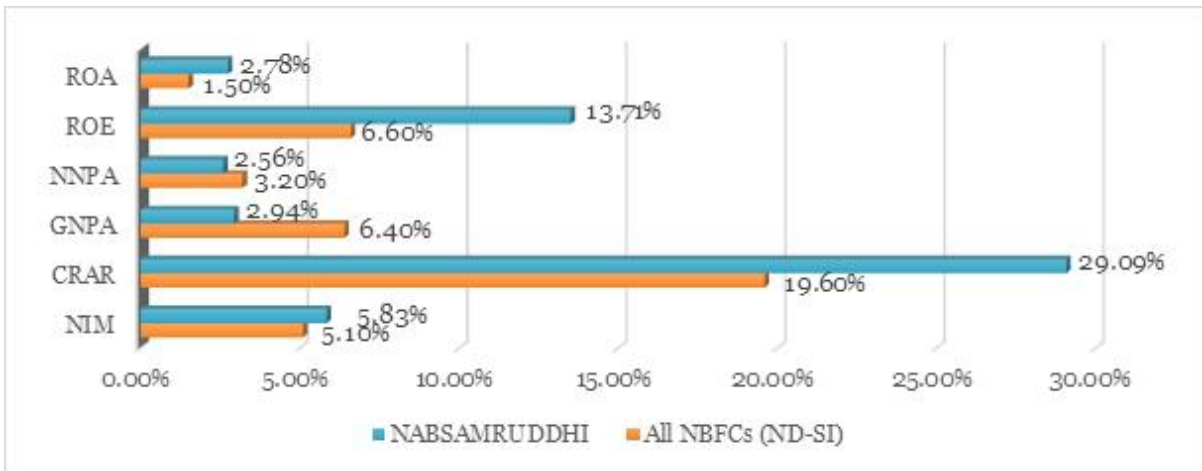
A snapshot of key business parameters and key financial ratios during the last three years is given in Chart 4 :

**Chart 4: Trends in Key Financial Ratios (2017-18 to 2019-20)**



### Industry Benchmark vs NABSAMRUDDHI

A comparison of the key financial ratios of NABSAMRUDDHI Finance Limited vis-à-vis the Industry average is indicated in the diagram below. As may be seen therefrom, the financial ratios of NABSAMRUDDHI Finance limited compare favourably with those of the industry as a whole.



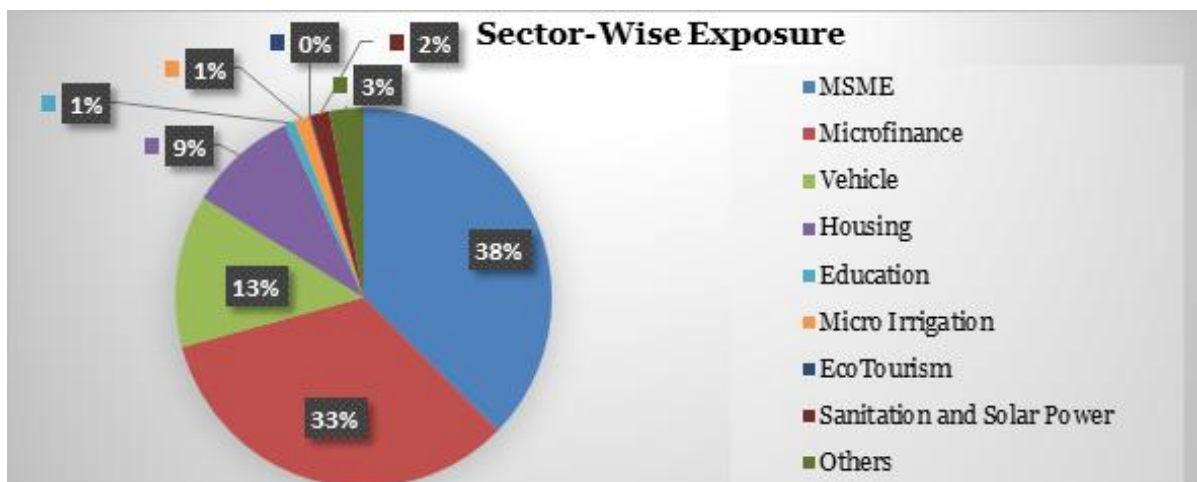
**Source: Trends and Progress in Banking; RBI – Dec. 19 and Financial Stability Report, July 2020**

Note : RoA , RoE and NIM are for the period ending December, 2019, and GNPA, NNPA and CRAR are for the period ending 30 June, 2020

### 3.4 Sectoral Exposure

The Company is financing NBFCs/ NBFC MFIs and other entities for on-lending to off farm, microfinance sectors as well as affordable housing, agro processing, education, renewable energy, etc. The percentage share of various sectors in the total loans outstanding is depicted as below:

**Chart 5 : Sector Wise Loans Outstanding (As on 31 March, 2020)**



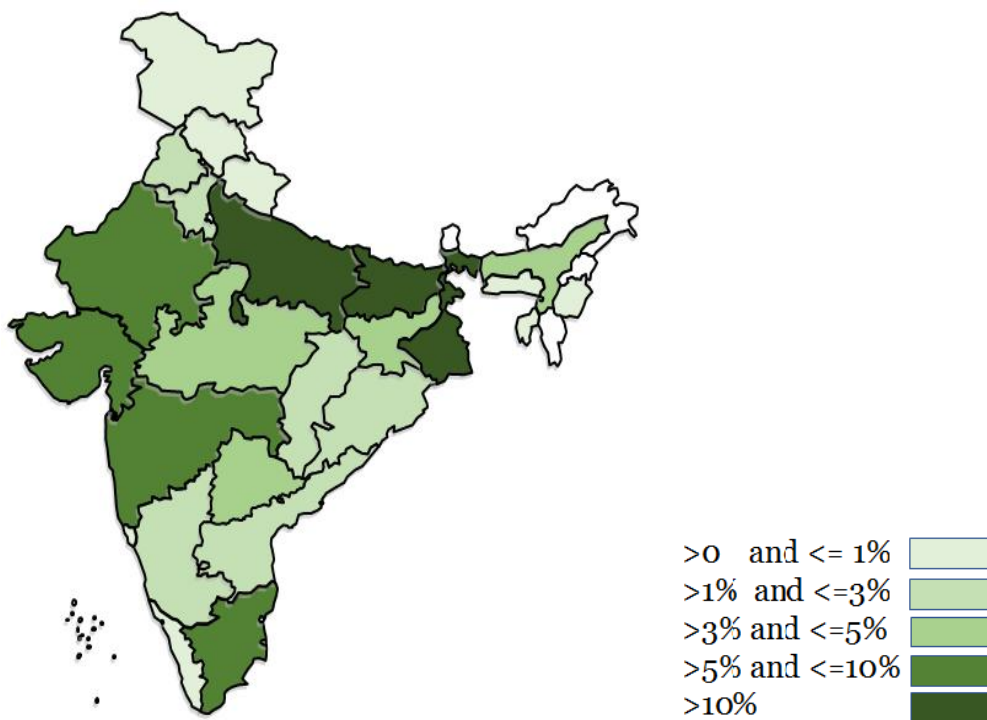


The Company is exploring the feasibility of expanding to Fintech/ Computer Software, Agri/ food processing, agri business, healthcare (including pathology/ radiology centres, eye clinics), solid waste management, etc., going forward.

### 3.5 Clients Outreach and Diversification of Business

- a. NABSAMRUDDHI Finance Limited currently has 80 NBFCs, NBFC-MFIs and other institutional clients. During the year, 16 new NBFC clients were added, notable among which are Northern Arc Capital Ltd., Annapurna Finance Pvt. Ltd., Arohan Financial Services Ltd., Asirvad Microfinance Ltd., Five Star Business Finance, India Shelter Finance Corporation Ltd., etc. ;
- b. NABSAMRUDDHI's financing has so far impacted 1,08,287 ultimate beneficiaries across 25 States and 3 Union Territories. The geographical spread of the Company is illustrated in the Diagram given below :

**Map 1 : Statewise Share of Loan outstanding (as on 31 March, 2020)**



- c. The Company invested INR 35 Crore in two Pass Through Certificates (PTCs) involving underlying pools of Microfinance and MSME loans respectively, which is expected to help the Company mitigate its credit risk, while diversifying the balance sheet, impart pricing flexibility, etc.;

- d. The Company launched a new product for financing of OFPOs during FY20 and sanctioned Working Capital Term Loan to 'Qasab'- Kutch Craftswomen Producers Company Limited, Bhuj, Gujarat benefitting 900 women engaged in embroidery/ traditional handmade products.

### **3.6 Technology Initiatives and Human Resources**

- a. The Company has embarked on the journey towards implementation of appropriate software solutions and has proactively initiated the process of complying with the extant guidelines on IT Framework stipulated by the Reserve Bank of India, as applicable to Systemically Important NBFCs by formulating and implementing appropriate policies.
- b. The Company has currently implemented an end-to-end solution for handling the entire credit processing and servicing including accounting known as 'Integrated Loan Management and Accounting Solution (ILMAS)'. Further, a Customer Relationship Management solution is set to undergo trial in the coming months. The Company projects to use technology for administrative purposes also and thus move towards being a fully tech-enabled organisation.
- c. During the year, the Company augmented its manpower by recruitment of specialists for its Credit and Technology verticals.

### **3.7 Risks and Concerns**

The Company has implemented a Board approved Risk Management Policy in order to assess, monitor and manage various risks in business operations. The Company also manages its Business Continuity risks by building suitable risk mitigation strategies.

### **3.8 Adequacy of Internal Controls**

The Company has adequate internal control systems and procedures in place to safeguard assets and protect against losses from any unauthorised use or disposition. The Company's internal control systems are supplemented by internal audits, inspection by NABARD, reviews by the management, and well documented policies. The scope of internal audit covers examination of efficiency and effectiveness in implementation of internal financial controls. The findings of Internal Audit are reviewed by the Top Management and by the Audit Committee of the Board of Directors. The Company also has a Board approved Whistle Blower Policy.

### **3.9 Initiatives to mitigate the COVID-19 scenario**

The Company adopted a series of measures to address the concerns arising from the Covid19 scenario which resulted in a series of lockdowns since March, 2020 and also severely impacted all sectors of the economy :

- As a part of the invocation of the Business Continuity Plan, the Company adopted a 'Work From Home' strategy during the entire period of lockdown, which enabled continuance of its operations;
- The Company extended need base moratorium to its clients under both Moratorium 1.0 as well as Moratorium 2.0 to help them overcome the incipient stress;
- The Company intends to adopt a cautious approach to lending, going forward, by building in adequate credit backstop measures and heightened due diligence processes so as to maintain asset quality.

#### **4 Way Forward for 2020-21**

The Company has plans for diversification of its lending, investment and borrowing products in line with the current macro-economic scenario, which necessitates reorientation of business strategies to factor in the current macro-economic and systemic risks. While aiming at significant market penetration, organic growth is being targeted by way of new products and customer segments, simultaneously sustaining its core specialisation in bulk finance. In keeping with its mandate, the Company aspires to become one of the top lenders in the NBFC & NBFC MFI sector.

This report should be read in conjunction with the financial statements included herein and the notes thereto.



IMPACT STORIES

During the year, the Company launched a new product for financing of OFPOs and sanctioned a Working Capital Term Loan to ‘Qasab’- Kutch Craftswomen Producers Company Limited, Bhuj, Gujarat which is intended to benefit 900 women engaged in embroidery/ traditional handmade products. A few of the products which have a good niche export and domestic market are shown below:

Embroidered Linen



Embroidered Silk cushion covers



Kutchi Rag Dolls



Clutch Bags





**NABSAMRUDDHI is also mindful of the impact of its operations at the ground level, snippets of which are captured in the following success stories of some of our ultimate cliets:**



**Vaishali Pandurang Hingmire - M/s. Annapurna Mahila Coop Credit Society Ltd.**

Vaishali is a single mother raising two children, in Pune . After her husband's death she has had to single-handedly run the family and her business of selling flowers. After availing loan from our business client, Annapurna Mahila Coop Credit Society Ltd., she has been able to expand her business and educate her children who also help her in the business.

**Moor Saleem - M/s. Shubham Housing Development Finance Co. Ltd.**

Moor Saleem, a wholesale vegetable vendor, was facing problems in availing home loan due to the lack of income proof. However, on approaching our Client, M/s Shubham Housing Development Finance Co. Ltd., he was able to understand the loan operations smoothly and he could get the loan. He now proudly owns a home in Ankur Vihar, Ghaziabad.



**Vandana Kumbhar - M/s. Madura Microfinance Limited**

Vandana started off as a housemaid and then moved to the traditional pottery business in Daund, Maharashtra, making Diwali diyas, idols of gods and goddesses, and earthen toys. Initially her business was small but after availing loan from our business client Madura Microfinance Ltd., her business expanded due to which there was increase in her income. She has been able to employ more workers, creating employment opportunities for others; thus bringing about a positive impact on the livelihoods of the people in her village.



**Madhu Rathore- M/s. Pahal Financial Services Private Limited**

Madhu Rathod had a small beauty parlour business in Udaipur but it was making losses. However, on availing loan under JLG group from our client 'Pahal', she started her business in jewellery designing. She made good profits from the business and is also able to provide employment to other women in the area.



**C. Siddhamuni - M/s. Rashtriya Seva Samiti**

Siddhamuni belongs to a small farming community in Chinnigepalli village in Chittoor District in Andhra Pradesh, who are dependent on dairy for their livelihoods. Initially, he possessed 2 cows which yielded very low income. But, after availing loan from our client RASS, he was able to purchase more number of cows (currently-30). Thus, the milk production increased from 5 to 100 litres /day. The revenue of the family has since increased significantly, the monthly income being around INR 1,20,000/- which is highly lucrative for the entire family.

**Green Valley Public School- M/s. Thirumeni Finance Private Limited (Varthana)**

Founded in 2014 by Mr. Velu, Green Valley Public School aims to give students in the Natrampalli area a high quality of education and equip them with skills to face a competitive world. Our Client-Varthana has successfully connected the school to external education solution providers who have fulfilled the school's needs in digital learning and English Communication support tools, thus, enhancing the quality of education for the students.





**SECRETARIAL AUDIT REPORT**

[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2020**

To  
The Members of  
M/s. **NABSAMRUDDHI FINANCE LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. NABSAMRUDDHI FINANCE 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 my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31 March, 2020** 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s NABSAMRUDDHI FINANCE LIMITED (“the Company”) for the financial year ended on 31 March, 2020 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder - Not applicable for the period under review;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) 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 - Not applicable for the period under review;
  - (v) 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 - Not applicable for the period under review ;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 - Not applicable for the period under review;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable for the period under review;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable for the period under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable for the period under review;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable for the period under review;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable for the period under review; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable for the period under review;
- (vi) I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
- i) Income Tax Act, 1961;
  - ii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - iii) Reserve Bank of India (RBI) Directions, Guidelines and Circulars applicable to Non-Systemically Important Non-Deposit Accepting or Holding NBFCs.

2. We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;

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

3. We further report that:

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

(c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

5. We further report that:

(i) The company has issued and allotted 53060800 Equity Shares of INR 10/- each at a premium of INR 4.04 per share aggregating to INR 21,43,65,632/- on rights basis.

**For Marthi & Co.  
Company Secretaries**

**S.S.Marthi  
Company Secretary  
FCS- 1989 COP- 1937**

**Place: Hyderabad  
Date : 4 August, 2020  
UDIN: Foo1989B000548183**



**Annexure – A to Secretarial Audit Report of even date**

To  
The Members of  
M/s. **NABSAMRUDDHI FINANCE LIMITED**

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2020 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2020 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our 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.

**For Marthi & Co.  
Company Secretaries**

**S.S.Marthi  
Company Secretary  
COP-1937 FCS-1989**

**Place: Hyderabad  
Date : 4<sup>th</sup> August, 2020  
UDIN: F001989B000548183**

## INDEPENDENT AUDITOR'S CERTIFICATE

To the Members of  
M/s. NABSAMRUDDHI FINANCE LIMITED  
(CIN NO: U6591OTG1997PLC026442)

Report on the standalone Financial Statements

### Opinion

We have audited the accompanying Standalone financial statements of M/s. NABSAMRUDDHI FINANCE LIMITED ("the Company") which comprises the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies 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 31 March, 2020, and profit and its cash flows for the year ended on that date.

### Basis for opinion

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibility of Management 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 assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable' matters related to



going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

### **Report on Other Legal and Regulatory Requirements**

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 Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(5) of the Act, with regard to the directions issued by the Comptroller and Audit General of India, we give in the "**Annexure B**".

1. As required by Section 143(3) of the Act, we report that:

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.

a. 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.

b. 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.

c. Company is not having any branches.

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the Directors as on 31 March 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2020 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 C".

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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Sunil & Sanjay**  
**Chartered Accountants**  
Firm Regn. No 006144S

**N Deepak Jain**  
Partner  
M.No. 230855  
Date: 26<sup>th</sup> June, 2020  
Place: Hyderabad  
UDIN: 20230855AAAAAP4854



**ANNEXURE A TO THE AUDITOR'S REPORT**  
(Referred to in paragraph 3 of our report of even date)

**1. FIXED ASSETS:**

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets;

(b) As explained to us, some of the fixed assets were verified during the year by the management. The Company has a programme of verification, which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals;

(c) As per information provided, the Company does not hold any immovable property hence this clause is not applicable.

**2. INVENTORY:**

(a) Inventory is not applicable to the Company since it is Non-Banking Finance Company and hence conduction of physical verification of Inventory by Management at reasonable intervals does not arise.

(b) Inventory is not applicable to the company since it is Non-Banking Finance Company and hence material discrepancy on physical verification does not arise.

**3. LOANS GIVEN BY THE COMPANY:**

As per the information and Explanation given to us, during the year, the Company has not granted or taken any loan, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 189 of the Act other than the loans taken from National Bank for Agriculture and Rural Development towards Refinance against advances made by the Company to its customers in the course of its business. The rate of interest paid to National Bank for Agriculture and Rural Development is reasonable;

**4. LOANS TO DIRECTORS AND INVESTMENTS BY THE COMPANY:**

The Company has not given any loan, investments, guarantees and security within the provision of Section 185 and 186 of the Companies Act, 2013;

**5. DEPOSITS:**

The Company has not accepted deposits from public and has followed RBI's directives as under:

(a) The provisions regarding acceptance of deposits under Section 73 to 76 of the Companies Act" 2013 have been followed.

(b) No order passed by the Court or any other tribunal like RBI, CLB etc.

(c) No cases of non-compliance.

**6. COST RECORDS:**

We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 148 (l) of the Companies Act, 2013 in respect of the Company's products to which the said rules are not applicable to the company.

**7. STATUATORY DUES:**

According to the records of the Company and information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues wherever applicable with the appropriate authorities in India.

**8. REPAYMENT OF LOANS:**

According to the information and explanations given to us by the management, the Company is regularly making payments to the loans taken from the "National Bank for Agriculture and Rural Development".

**9. UTILISATION OF FUNDS:**

(a) The Company during the period did not raise any money by way of initial public offer or further public offer (including debt instruments).

(b) The Company has raised money by way of rights offer to the existing shareholders of the company and the same has been applied for the purposes for which it was raised by the company.

(c) Term loans were raised from 'National Bank for Agriculture and Rural Development' towards Refinance under General Refinance Agreement against advances made by the company to its customers in the course of its business. The funds raised are deemed to have been utilised for the intended purpose for which those were raised.

**10. REPORTING OF FRAUD:**

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.

**11. APPROVAL OF MANGERIAL REMUNERATION:**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/reimbursed for managerial remuneration to Directors of the company/NABARD.

**12. NIDHI COMPANY:**

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable and hence not commented upon.

**13. RELATED PARTY TRANSACTIONS**

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

**14. PRIVATE PLACEMENT OF PREFERENTIAL ISSUES:**

According to the information and explanations give 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 debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable and hence not commented upon.



15. **NON-CASH TRANSACTIONS**

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 him. Accordingly, paragraph 3(xv) of the order is not applicable and hence not commented upon.

16. **REGISTRATION UNDER RBI ACT**

The Company is required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and accordingly the Company has obtained Certificate of Registration under this Act.

**For Sunil & Sanjay**  
**Chartered Accountants**  
Firm Regn. No 006144S

**N Deepak Jain**  
Partner  
M. No.230855  
Date: 26<sup>th</sup> June, 2020  
Place: Hyderabad  
UDIN: 2023085AAAAAP4854

**Annexure B to the Auditor's report**

(Directions under Section 143 (5) of the Companies Act 2013)

1. As per Information and explanation given to us by the company, the company is using accounting software for process of accounting transactions. At present there is no Integrated IT System to process all the accounting transaction. However the company is under the process of switching over to the same.
2. During the year no such instance of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. has been made on account of company's inability to repay the loan.
3. As informed by the company there are no such funds received/receivable from central/state agencies for specific schemes.

**For Sunil & Sanjay**  
**Chartered Accountants**  
Firm Regn. No 006144S

**N Deepak Jain**  
Partner  
M. No.230855  
Date: 26<sup>th</sup> June, 2020  
Place: Hyderabad  
UDIN: 2023085AAAAAP4854



### **Annexure C to the Auditor's Report** (Referred to in of our report of even date)

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

We have audited the internal financial controls over financial reporting of **M/s NABSAMRUDDHI FINANCE LIMITED** ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Sunil & Sanjay**  
**Chartered Accountants**  
Firm Regn. No 006144S

**N Deepak Jain**  
Partner  
M. No.230855  
Date: 26<sup>th</sup> June, 2020  
Place: Hyderabad  
UDIN: 2023085AAAAAP4854

**Additional Report on the NBFC (Auditor's Report Reserve Bank)  
Directions, 2016**

**To,  
The Board of Directors,  
M/s Nabsamruddhi Finance Limited,**

As per the RBI directions on Additional Report on the following matters specified in the paragraphs 3 of the directions, we report that;

**A. General Matters**

- 1) The company has obtained the Certificate of Registration (COR) from the Reserve Bank of India for conducting the business of non-banking financial activity.
- 2) The company is entitled to hold the Certificate of Registration in terms of Principal business criteria (Financial Asset/income pattern) as on the year ended 31 March 2020.
- 3) The company is meeting the required net owned fund requirement as laid down in RBI master directions (NBFC -Systemically Important Non deposit taking company 2016).

**B. Matters Specific to NBFC not accepting Public deposits**

- 1) The Board of Directors of the company has passed the resolution for non-acceptance of any public deposits during the financial year 2019-20.
- 2) The company has not accepted any public deposits during the financial year 2019-20.
- 3) The company has complied with the prudential norms relating to income recognition; accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company - Nonbanking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
- 4) a. The capital adequacy ratio as disclosed in the return submitted to the Reserve bank in form NBS 7 is in accordance with Non-Banking Financial company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and also satisfying the minimum Capital to Risk Weighted Assets Ratio.

b. The company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period.

5) As the company is not a Micro Finance Institution, this clause is not applicable to the company.

**For Sunil & Sanjay**  
**Chartered Accountants**  
Firm Regn. No 006144S

Sd/-  
**N Deepak Jain**  
Partner  
M. No.230855  
Date: 26<sup>th</sup> June, 2020  
Place: Hyderabad  
Udin: 2023085AAAAAP4854



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NABSAMRUDDHI FINANCE LIMITED FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2020**

The provisions of financial statements of NABSAMRUDDHI Finance Limited for the year ended 31 March, 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26<sup>th</sup> June, 2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of NABSAMRUDDHI Finance Limited for the year ended 31 March, 2020 under Section 143(6)(a) of the Act.

**For and on behalf of the Comptroller and Auditor General of India**

**(M.S. Subrahmanyam)**  
**Director General of Commercial Audit**  
**Hyderabad**

**Place: Hyderabad**  
**Date: 27 July, 2020**

**NABSAMRUDDHI FINANCE LIMITED**  
**BALANCE SHEET AS AT 31 MARCH, 2020**

Particulars	Note. No.	As at 31 March, 2020	As at 31 March, 2019
		(Amount in INR.)	(Amount in INR.)
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	1	1,16,10,66,000	63,04,58,000
(b) Reserves and Surplus	2	52,98,86,879	22,88,27,966
(c) Reserve Fund		7,69,23,000	4,50,73,000
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	3,14,91,37,136	2,88,22,45,578
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	4	2,00,61,200	2,13,48,700
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	5	1,45,03,14,447	99,65,81,515
(d) Short-Term Provisions	6	10,08,91,653	12,58,57,034
<b>Total</b>		<b>6,48,82,80,315</b>	<b>4,93,03,91,792</b>
<b>II. ASSETS</b>			
(1) Non-Current Assets			
(a) Fixed Assets	7		
i) Tangible Assets			
Gross Block		26,88,990	25,03,308
Depreciation		21,29,379	21,31,841
Net Block		5,59,612	3,71,467
ii) Intangible Assets			
Gross Block		3,00,000	3,00,000
Depreciation		2,85,000	2,85,000
Net Block		15,000	15,000
iii) Capital work-in-progress		-	-
iv) Intangible assets under development		12,45,000	-
		18,19,612	3,86,467

(b) Non-current investments	8	4,28,29,916	-
(c) Deferred tax assets (net)		94,83,530	1,94,88,461
(d) Long term loans and advances	9	3,50,56,18,219	2,83,61,37,898
(e) Other non-current assets	10	49,05,800	5,800
<b>(2) Current Assets</b>			
(a) Current investments	11	13,33,82,967	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	12	33,58,59,962	30,86,28,188
(e) Short-term loans and advances		-	-
(f) Other current assets	13	2,45,43,80,310	1,76,57,44,979
<b>Total</b>		<b>6,48,82,80,315</b>	<b>4,93,03,91,792</b>
Significant Accounting Policies	21		
Notes on Accounts	22		

**As per our Report of Even Date**  
**For Sunil & Sanjay**  
Chartered Accountants

FRN:06144S

**N Deepak Jain**  
Partner  
M.No. 230855

**Date : 26 June 2020**  
**Place : Hyderabad**

**For NABSAMRUDDHI Finance Limited**

**P V S Suryakumar**  
Chairman  
DIN:06694864

**Murali K .Misra**  
Chief Financial Officer

**Suparna Tandon**  
Managing Director  
DIN: 08429718

**Puja Shah**  
Company Secretary  
Place : Mumbai  
M.No: 46987



## NABSAMRUDDHI FINANCE LIMITED

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31 MARCH, 2020

Sr. No	Particulars	Note. No.	For the year ended 31 March, 2020	For the year ended 31 March, 2019
			(Amount in INR.)	(Amount in INR.)
I	Revenue from operations	14	60,79,17,408	40,42,00,670
II	Other Income	15	1,65,03,498	99,79,379
<b>III</b>	<b>Total Revenue (I +II)</b>		<b>62,44,20,906</b>	<b>41,41,80,049</b>
IV	Expenses:			
	Employee Benefit Expense	16	1,42,20,556	1,11,25,992
	Financial Costs	17	31,51,80,880	21,98,95,661
	Depreciation and Amortization Expense	18	1,06,466	71,034
	Other Administrative Expenses	19	89,65,798	72,97,059
	Other Expenses	20	7,12,79,041	2,58,73,596
	<b>Total Expenses (IV)</b>		<b>40,97,52,741</b>	<b>26,42,63,342</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	21,46,68,165	14,99,16,707
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		21,46,68,165	14,99,16,707
VIII	Extraordinary Items		-	-
<b>IX</b>	<b>Profit before tax (VII - VIII)</b>		<b>21,46,68,165</b>	<b>14,99,16,707</b>
X	Tax expense:			
	(1) Current tax		4,54,46,331	4,58,28,550
	(2) Excess Provision for Income tax for 2018-19		17,262	70,871
	(2) Deferred tax Asset		(1,00,04,931)	29,79,542
<b>XI</b>	<b>Profit/(Loss) for the period from continuing operations</b>	<b>(IX-X)</b>	<b>15,92,34,165</b>	<b>10,71,38,570</b>
XII	Profit/(Loss) from discontinuing operations		-	-

XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		15,92,34,165	10,71,38,570
	Less: Reserve Fund		3,18,50,000	2,14,50,000
			-	-
	<b>Surplus/(Deficit) carried to Balance Sheet</b>		<b>12,73,84,165</b>	<b>8,56,88,570</b>
XVI	Earning per equity share:			
	(1) Basic		1.50	1.78
	(2) Diluted		1.50	1.78
	Significant Accounting Policies	21		
	Notes on Accounts	22		

**As per our Report of Even Date  
For Sunil & Sanjay**  
Chartered Accountants

FRN:06144S

**N Deepak Jain**  
Partner  
M.No. 230855

**Date : 26 June 2020**  
**Place : Hyderabad**

**For NABSAMRUDDHI Finance Limited**

**P V S Suryakumar**  
Chairman  
DIN:06694864

**Murali K .Misra**  
Chief Financial Officer

**Suparna Tandon**  
Managing Director  
DIN: 08429718

**Puja Shah**  
Company Secretary  
Place : Mumbai  
M.No: 46987

**NABSAMRUDDHI FINANCE LIMITED**  
**Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2020**

**Note : 1 Share Capital**

(Amount in INR.)

Sr. No	Particulars	March 31, 2020	March 31, 2019
	AUTHORIZED CAPITAL 15,00,00,000 Equity shares of INR.10/ each	1,50,00,00,000	75,00,00,000
	Issued, Subscribed & Called up Capital 11,61,06,600 Equity shares of INR10/- each	1,50,00,00,000	75,00,00,000
	Paid up Capital 11,61,06,600 Equity shares of INR10/- each (Previous year 63045800 Equity Shares of INR. 10/- each)	1,16,10,66,000	63,04,58,000
	Less: Allotment Money unpaid	-	-
	Calls unpaid	-	-
	<b>Total</b>	<b>1,16,10,66,000</b>	<b>63,04,58,000</b>

**Reconciliation of No. of shares outstanding at the beginning and end of the year:**

Particulars	March 31, 2020	March 31, 2019
Number of shares outstanding at the beginning of the year	6,30,45,800	3,33,91,000
Add : Equity shares issued during the year	5,30,60,800	2,96,54,800
Less: Shares bought back during the year	-	-
<b>Number of shares outstanding at the end of the year</b>	<b>11,61,06,600</b>	<b>6,30,45,800</b>

**Reconciliation of equity share capital outstanding at the beginning and end of the year:**

Particulars	March 31, 2020	March 31, 2019
Equity Share Capital outstanding at the beginning of the year	63,04,58,000	33,39,10,000
Add : Equity share capital issued during the year	53,06,08,000	29,65,48,000
Equity share capital outstanding at the end of the year	1,16,10,66,000	63,04,58,000

**Details of shareholders holding more than 5% shares in the company**

Particulars	March 31, 2020	March 31, 2019
	% of holding	% of holding
National Bank for Agriculture and Rural Development (No of shares 105288000) (Pr. Yr.52644000)	90.68	83.50
Government of Andhra Pradesh (No of shares 4665600) (Pr. Yr. 3166400)	4.02	7.40

**Details of Equity Shares Issued during the year**

During the year, additional 5,30,60,800 Shares @ Rs 14.04/- per share(Face Value: INR 10/- per share) were allotted to existing Shareholders through Rights Issue.



### Terms/Rights Attached to Equity Shares

The Company has one class of equity shares having a par value of INR 10 per share. Each share holder is eligible for one vote per share held.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, except in case of interim dividend. In the event of liquidation of the company, the equity shareholders will be entitled to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

#### Note : 2 Reserve & Surplus

(Amount in INR)

Sr. No	Particulars		March 31, 2020	March 31, 2019
a.	<b>Securities Premium Account</b>			
	Balance at the beginning of the account		8,00,67,960	-
	Add: Premium on issue of equity shares		21,43,65,632	8,00,67,960
	<b>Balance at the end the year</b>		<b>29,44,33,592</b>	<b>8,00,67,960</b>
b.	<b>Surplus in the statement of Profit &amp; Loss Account</b>			
	Balance brought forward from previous year	14,87,60,006	14,87,60,006	8,31,98,745
	Add: Profit for the period		12,73,84,165	8,56,88,570
	Less: Dividend paid		4,06,90,884	2,01,27,309
	<b>Total (a+b)</b>		<b>52,98,86,879</b>	<b>22,88,27,966</b>

#### Note : 3 Long Term Borrowings

(Amount in INR)

Sr. No	Particulars		March 31, 2020	March 31, 2019
1	Bonds / Debentures		-	-
2	Term Loan - From NABARD (Refinance)		3,14,91,37,136	2,88,22,45,578
	<b>Total</b>		<b>3,14,91,37,136</b>	<b>2,88,22,45,578</b>

\*Current maturities of long term debts have been reported separately under Note - 5

#### Note : 4 Other Long Term Liabilities

(Amount in INR)

Sr. No	Particulars		March 31, 2020	March 31, 2019
1	Subsidy Reserve Fund		2,00,61,200	2,13,48,700
	<b>Total</b>		<b>2,00,61,200</b>	<b>2,13,48,700</b>

#### Note : 5 Other Current Liabilities

(Amount in INR)

Sr. No	Particulars		March 31, 2020	March 31, 2019
1	Accrued Interest on Refinance		5,43,58,349	4,80,03,200
2	Interest received in Advance		-	2,49,040
3	Statutory payables		6,94,401	7,44,579
4	Current Maturities of Long Term Debts*			94,63,83,136

			1,39,51,90,597	
5	Other Payables		67,720	-
6	Dividend payable for earlier years		3,380	12,01,560
	<b>Total</b>		<b>1,45,03,14,447</b>	<b>99,65,81,515</b>

**Note : 6 Short Term Provisions**

(Amount in INR)

Sr. No	Particulars		March 31, 2020	March 31, 2019
1	Provision for Income Tax		4,54,46,331	4,58,28,550
2	Provision for Gratuity		21,05,425	17,17,227
3	Provision for Outstanding Expenses		3,76,500	3,99,064
4	Provision for CSR expenditure		15,52,789	-
5	Provision for Standard Assets		2,83,75,147	2,20,03,567
6	Provision for Sub-Standard Assets		1,60,63,851	-
7	Provision for Doubtful Assets		69,71,611	5,59,08,626
	<b>Total</b>		<b>10,08,91,653</b>	<b>12,58,57,034</b>

**NABSAMRUDDHI FINANCE LIMITED**  
**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2020**

**Note : 7 Fixed Asset**

		(Amount in INR.)													
Sl. No	Particulars	Gross Block				Depreciation				Net Block					
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	as on 31.03.2020	as on 31.3.2019				
I	Tangible Assets														
1	Furniture & Fixtures	1,46,085	-	20,518	1,25,567	71,277	10,497	12,921	68,853	56,714	74,808				
2	Vehicles (Cars)	4,88,022	-	-	4,88,022	4,63,621	-	-	4,63,621	24,401	24,401				
3	Office Equipment	2,72,196	3,03,114	96,914	4,78,396	2,26,854	44,672	96,007	1,75,519	3,02,878	45,342				
4	Computer	4,06,023	-	-	4,06,023	2,98,481	39,906	-	3,38,387	67,636	1,07,542				
5	Interiors	11,90,982	-	-	11,90,982	10,71,608	11,391	-	10,82,999	1,07,983	1,19,374				
	<b>SUB TOTAL (A)</b>	<b>25,03,308</b>	<b>3,03,114</b>	<b>1,17,432</b>	<b>26,88,990</b>	<b>21,31,841</b>	<b>1,06,466</b>	<b>1,08,928</b>	<b>21,29,379</b>	<b>5,59,612</b>	<b>3,71,467</b>				
II	Intangible Assets														
1	Leasing & Accounting Software	3,00,000	-	-	3,00,000	2,85,000	-	-	2,85,000	15,000	15,000				
	<b>SUB TOTAL (B)</b>	<b>3,00,000</b>	<b>-</b>	<b>-</b>	<b>3,00,000</b>	<b>2,85,000</b>	<b>-</b>	<b>-</b>	<b>2,85,000</b>	<b>15,000</b>	<b>15,000</b>				
III	Capital Work-in-progress														
		-	-	-	-	-	-	-	-	-	-				
	<b>SUB TOTAL (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>				
IV	Intangible Assets Under Development														
		-	12,45,000	-	12,45,000	-	-	-	-	12,45,000	-				
	<b>SUB TOTAL (D)</b>	<b>-</b>	<b>12,45,000</b>	<b>-</b>	<b>12,45,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,45,000</b>	<b>-</b>				
	<b>Total [A + B + C + D] (Current Year)</b>	<b>28,03,308</b>	<b>15,48,114</b>	<b>1,17,432</b>	<b>42,33,990</b>	<b>24,16,841</b>	<b>1,06,466</b>	<b>1,08,928</b>	<b>24,14,379</b>	<b>18,19,612</b>	<b>3,86,467</b>				



## NABSAMRUDDHI FINANCE LIMITED

## Notes Forming Integral Part of the Balance Sheet as at 31st March, 2020

**Note : 8 Non Current Investments**

(Amount in INR)

Sl. No	Particulars		March 31, 2020	March 31, 2019
1	Investment in Securitisation-PTC		4,28,29,916	-
	<b>Total</b>		<b>4,28,29,916</b>	<b>-</b>

\*Current Maturities of the Securitisation-PTC have been shown in Note no 11

**Note : 9 Long Term Loans and Advances**

(Amount in INR)

Sl. No	Particulars		March 31, 2020	March 31, 2019
	<b>a) Secured, Considered Good :</b> Term Loans & Working Capital Loans			
	Standard		3,33,35,02,096	2,71,59,01,735
	Sub-Standard		16,06,38,494	-
	Doubtful		1,14,70,129	12,02,33,163
			<b>3,50,56,10,719</b>	<b>2,83,61,34,898</b>
	<b>b) Unsecured, Considered Good :</b> Advance Recoverable in cash or in kind or for value to be considered good			
	Salary Advance		7,500	3,000
	<b>Total</b>		<b>3,50,56,18,219</b>	<b>2,83,61,37,898</b>

\*Current Maturities of Loans &amp; Advances have been shown in Note no. 13

**Note : 10 Other Non Current Assets**

(Amount in INR)

Sl. No	Particulars		March 31, 2020	March 31, 2019
1	<b>Deposits</b>			
	Telephone Deposits		4,700	4,700
	Cylinder Deposit		1,100	1,100
2	Misc. Assets (Unamortised Expenses)		49,00,000	-
	<b>Total</b>		<b>49,05,800</b>	<b>5,800</b>

**Note : 11 Current Investments**

(Amount in INR)

Sl. No	Particulars		March 31, 2020	March 31, 2019
1	Investment in Securitisation-PTC		13,33,82,967	-
	<b>Total</b>		<b>13,33,82,967</b>	<b>-</b>



**Note : 12 Cash & Cash Equivalent**

(Amount in INR)

Sl. No	Particulars		March 31, 2020	March 31, 2019
1	<b>Cash-in-Hand</b>			
	Cash Balance		-	-
	<b>Sub Total (A)</b>		-	-
2	<b>Bank Balance</b>			
	1. In Current Account		19,54,428	8,57,91,844
	2. In Deposit Accounts		33,39,05,534	22,28,36,344
	<b>Sub Total (B)</b>		33,58,59,962	30,86,28,188
	<b>Total [ A + B]</b>		<b>33,58,59,962</b>	<b>30,86,28,188</b>

**Note : 13 Other Current Assets**

(Amount in INR)

Sl. No	Particulars		March 31, 2020	March 31, 2019
1	<b>Income tax</b>			
	Prepaid Taxes		38,79,000	90,90,000
2	<b>TDS</b>			
	TDS Receivable during the year		6,03,94,842	3,48,55,780
	Income Tax Receivable for A.Y.2018-19		60,13,380	60,13,380
	Income Tax Receivable for earlier years		20,76,861	21,42,398
3	<b>Accrued Interest</b>			
	On Deposits	33,92,230		
	On Term Loans	3,62,76,921		
	On Investment-Securitisation PTC	5,42,435	4,02,11,586	2,86,83,566
4	Current maturities of Loans & Advances		2,34,15,27,645	1,68,48,11,998
5	Prepaid Expenses		1,01,021	96,441
6	GST Input Reverse charge		1,75,975	51,416
	<b>Total</b>		<b>2,45,43,80,310</b>	<b>1,76,57,44,979</b>

## NABSAMRUDDHI FINANCE LIMITED

## Notes Forming Part of the Profit &amp; Loss Accounts as at 31 March, 2020

## Note : 14 Revenue from Operations

(Amount in INR)

Sl. No	Particulars	31 March, 2020	March 31, 2019
1	Interest on Term Loan	57,04,20,078	38,39,09,308
2	Interest on Working Capital	2,86,245	10,49,053
3	Interest on Securitisation	90,59,202	-
4	Front end fee	2,03,12,500	1,91,66,190
5	Ledger Folio Charges	36,072	70,383
6	Documentation charges	5,760	5,736
7	Prepayment Charges	77,97,551	-
	<b>Total</b>	<b>60,79,17,408</b>	<b>40,42,00,670</b>

## Note : 15 Other Income

(Amount in INR)

Sl. No	Particulars	31 March, 2020	March 31, 2019
1	Interest on FDR's	1,65,00,079	94,40,579
2	Other Receipts	-	5,38,800
4	Profit on Sale of Fixed Asset	3,419	-
	<b>Total</b>	<b>1,65,03,498</b>	<b>99,79,379</b>

## Note : 16 Employment Benefit Expenses

(Amount in INR)

Sl. No	Particulars	31 March, 2020	March 31, 2019
1	Salaries, Wages, PF	1,24,37,909	93,40,246
2	Staff Welfare Expenses	2,23,819	99,151
3	Conveyance Allowance	7,15,240	7,12,307
4	Gratuity	3,88,198	3,95,864
5	Leave Salary & Leave Fare Concession	4,55,390	5,78,424
	<b>Total</b>	<b>1,42,20,556</b>	<b>1,11,25,992</b>

## Note : 17 Financial Cost

(Amount in INR)

Sl. No	Particulars	31 March, 2020	March 31, 2019
1	Interest on Refinance	31,51,80,880	21,98,95,661
2	Interest on Refinance - WDF	-	-
	<b>Total</b>	<b>31,51,80,880</b>	<b>21,98,95,661</b>



**Note : 18 Depreciation & Amortised Cost**

(Amount in INR)

Sl. No	Particulars	31 March, 2020	March 31, 2019
1	Depreciation	1,06,466	71,034
	<b>Total</b>	<b>1,06,466</b>	<b>71,034</b>

**Note : 19 Other Administrative Expenses**

(Amount in INR)

Sl. No	Particulars	31 March, 2020	March 31, 2019
1	Directors sitting fee	5,80,000	2,07,500
2	Travelling expenses	13,36,286	11,72,850
3	Insurance Premium	1,54,123	1,43,688
4	Repairs and Maintenance	2,400	9,964
5	Printing & Stationery	2,25,982	1,82,261
6	Postage & Telegrammes	32,119	51,146
7	Telephone Expenses	31,602	46,029
8	Duties & Taxes	12,66,300	22,74,300
9	Office Maintenance	2,26,917	2,33,473
10	News Papers & Subscriptions	3,81,785	58,253
11	Demat Charges	75,000	78,540
12	Bank Charges	10,678	18,155
13	Maintenance of Vehicles	1,10,441	80,225
14	Tea & Refreshment	92,487	73,709
15	Professional fees	4,45,500	4,99,808
16	General expenses	2,01,553	2,30,767
17	Legal Expenses	1,03,983	3,00,893
18	Audit fee	1,25,000	1,25,000
19	Advertisement Expenses	80,058	54,520
20	Board Meeting Expenses	4,13,121	1,79,606
21	Loss on Discarded Assets	-	11,007
22	Professional Charges	1,62,779	6,21,467
23	Interest on TDS	20	940
24	CSR Expenses	15,52,789	-
25	Cloud DC Hosting Charges	5,35,000	-
26	Goods & Service Tax	8,19,875	6,42,958
	<b>Total</b>	<b>89,65,798</b>	<b>72,97,059</b>

**Note : 20 Other Expenses**

(Amount in INR)

Sl. No	Particulars	31 March, 2020	March 31, 2019
1	Provison for Non Performing Assets	6,49,07,461	1,02,85,099
2	Provison for Standard Assets (*Refer Note no 21 Pt. No 5)	63,71,580	1,55,88,497
	<b>Total</b>	<b>7,12,79,041</b>	<b>2,58,73,596</b>

**As per our Report of Even Date**  
**For Sunil & Sanjay**  
Chartered Accountants

FRN:06144S

**N Deepak Jain**  
Partner  
M.No. 230855

**Date : 26 June 2020**  
**Place : Hyderabad**

**For NABSAMRUDDHI Finance Limited**

**P V S Suryakumar**  
Chairman  
DIN:06694864

**Murali K .Misra**  
Chief Financial Officer

**Suparna Tandon**  
Managing Director  
DIN: 08429718

**Puja Shah**  
Company Secretary  
Place : Mumbai  
M.No: 46987

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### Note - 21

#### Nature of Business

NABSAMRUDDHI Finance Limited (NSFL) is a subsidiary of NABARD and incorporated under Companies Act, 1956 on 17 February 1997. The Company is registered as a non-deposit accepting Non Banking Financial Company (NBFC- ND) with the Reserve Bank of India (RBI) under Section 45-IA of the Reserve Bank of India Act, 1934.

The company has become Systemically Important Non -Banking Finance Company not accepting public deposit during the financial year 2019-20 engaged in lending for Off farm activities.

#### Significant Accounting Policies

##### 1. Basis of preparation of Financial Statements:

The accompanying financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards as per the provisions of Companies Act, 2013 and confirm to the statutory requirements, circulars and guidelines issued by RBI from time to time to the extent they have an impact on the financial statements. The financial statements have been prepared on accrual basis under the historical cost convention method and as a going concern. The accounting policy adopted in the preparation of the financial statements is consistent with those of the previous year.

##### 2. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### 3. Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard 3.

##### 4. Revenue Recognition:

- a) Interest on Loans & Advances is recognized on accrual basis except in the case of non-performing advances, where in interest is accounted on realization and any interest income recognized before the asset became NPA and remaining unrealized income if any, is reversed as per guidelines for prudential norms issued by RBI.
- b) Interest income on bank deposits is recognized on accrual basis taking into account the amount outstanding and rate applicable.



- c) Upfront/Processing fees collected and recognized on cash basis from the customer for processing loans are for appraisal, disbursement, monitoring of the project till the end of the account.
- d) All other incomes are recognized on accrual basis, except in case of bad debts recovered, which are accounted as and when received.

5. Advances and Provisions for Standard and doubtful debts:

All the advances have been classified into performing and Non-performing Advances and Provision for probable loan losses has been made as per the guidelines issued by the Reserve Bank of India. As per the guidelines issued by RBI, provisions for Standard Assets shall be 0.40% of the outstanding. However the company had made a provision of 0.50% of outstanding.

6. Fixed Assets & Depreciation

Fixed Assets are carried at cost of acquisition less accumulated depreciation. The cost of fixed assets comprises the purchase price, duties, taxes, freight and any other incidental cost bringing the asset to its working condition for its intended use.

Depreciation is provided under the Strait Line Method based on the estimated life of the Assets. Depreciation is calculated on a prorata basis from the date of installation till the date the assets are sold or disposed. The management estimates the useful life of the Assets as per the indicative useful life prescribed under Part C of Schedule II of the Companies Act 2013.

Asset Category	Useful Life (Years)
Furniture & Fittings	10 years
Vehicles	8 years
Office equipment	5 years
Computers	3 years

7. Retirement Benefits:

Provision for gratuity has been calculated as per the Deputation terms and conditions communicated by the NABARD.

8. Taxation:

Current Tax

Current tax is the amount payable on the taxable income for the accounting year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax expenses or benefits are recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable or virtually certain to be realized.

## 9. Investments

Investments which are readily realizable and intended to be held from the date on which such investments are made are classified as Current Investments. All other investments other than current investments are classified as long term investments.

Current Investments are carried in the financial statements at lower of cost and face value determined on an individual basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of investment, the difference between the carrying amount and net disposal proceeds are charged or credited to the Statement of Profit and Loss.

During the year, company has made Investments in Pass through Certificates which are classified under Current and Non-Current based on their Payout Schedule accordingly.

## 10. Earnings Per Share

Basic and diluted earnings per share are computed in accordance with Accounting Standard (AS) – 20 Earnings per Share.

Basic earning per share is calculated by dividing the net profit or loss after tax for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

Diluted earning per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year if any.

11. The company has not adopted IND AS, as the parent entity NABARD continues to prepare their financials as per I-GAAP during the current financial year due to deferment of Implementation of IND AS to Banks.

12. Disclosure in respect of Corporate Social Responsibility under Section 135 of the Act and Rules thereon.

The Management of the Company has devised a policy for Corporate Social Responsibility, and the following are the disclosure for the financial year.

- a. Gross amount required to be spent by the company for the year INR15.53 lakh.
- b. Amount spent during the year is Nil.

The company has decided to keep aside the amount of CSR and to be carry forward to the next financial year 2020-21. The CSR fund of INR.15.53 lakh was given to PM CARES FUND during April 2020.

**Note - 22****Notes on Accounts**

1. The Twenty Third Year of accounts of the Company consists of the period from 1 April, 2019 to 31 March, 2020
2. During the year, additional 5,30,60,800 shares @ INR14.04/- per share (Face value – INR10/- per share) were allotted to existing Shareholders through Rights issue.
3. Auditors Remuneration  
Administrative expenses include Auditors remuneration towards:

	<u>31 March, 2020</u>	<u>31 March 2019</u>
Statutory Audit fee	INR1.25 lakh	INR1.25 lakh
Tax Audit Fee	INR0.30 lakh	INR0.20 lakh

4. Contingent Liabilities as on 31 March 2020 is nil.
5. Provision for Taxation:  
  
Provision for taxation has been calculated on the basis of income recognized as per the RBI guidelines for Non Banking Finance Companies. The tax on the income from Non Performing Assets will be provided as and when actually received.
6. There are no SSI units to whom the Company owes a sum exceeding INR1.00 lakh which is outstanding for more-than 30 days as on 31 March 2020 .
7. Subsidy Reserve Fund represents the direct subsidy received from Govt. of India (through NABARD) in respect of Forty nine Dairy Projects, One Rural Godown project, Two Sheep projects, One Horticulture project and three MACS projects. The amount will be adjusted towards last instalments of the loan accounts.
8. As per the Accounting Standard 22 'Accounting for Taxes on Income' the Company has recorded the Deferred Tax Asset as at 31 March 2020. The Deferred Tax Asset of INR94.84 lakh after deducting net Deferred Tax liability of INR 100.05 lakh for the year ended 31 March 2020 provided at the applicable rate for the Assessment Year 2020-21 by debiting to profit and loss account.
9. The Company has made a provision for INR649.07 lakh during the current year (Previous year INR102.85 lakh) towards provision for NPA and INR63.72 Lakh (Previous year INR155.88 lakh) towards provision for Standard Assets.

10. During the year, the company has undertaken write off of INR977.80 lakh (technical write off of INR974.48 lakh in respect of 72 accounts and normal write off of INR3.33 lakh in respect of one account).

11. Remuneration to Managing Director

Year ended 31 March, 2020	Year ended 31 March, 2019
INR 50.43 Lakh	INR 56.21 Lakh



**12. Related Party transactions****Names of Related parties and Nature of Relationship**

Description of Relationship	As at March 2020	As at March 2019
Holding Company	NABARD	NABARD
Managing Director	Shri Nilay D Kapoor / Smt Suparna Tandon (Deputed by NABARD)	Shri Hemant B Songadkar / Shri Nilay D Kapoor (Deputed by NABARD)

**Details of transactions with the Related Parties**

(INR in Lakh)

Transaction	Related Party	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Other Transactions			
Loan Received	NABARD	17377.67	20256.82
Loan Repaid	NABARD	10220.67	5901.01
<b>Expenses</b>			
Interest Payment	NABARD	3150.19	2198.95
Managerial Remuneration	Shri Hemant B Songadkar	--	28.28
Managerial Remuneration	Shri Nilay D Kapoor	8.29	27.93
Managerial Remuneration	Smt Suparna Tandon	42.14	--
Office Maintenance charges	NABARD	2.16	2.16

**13. Licensed Capacity and installed Capacity's**

Licensed Capacity : Not Applicable

**14. Value of Imports calculated on CIF basis**

Capital Assets : - Nil-  
Raw Materials : - Nil-

**15. Contribution to Statutory Reserve Fund**

Statutory Reserve Fund of INR318.50 lakh has been created under Section 45IC of RBI Act, 1934 for the financial year 2019-20 @ 20% on Profit as per Profit and Loss Account, which is in addition to the existing Statutory Reserve Fund of INR450.73 lakh created for the Financial Years from 2006-07 to 2018-19.

## 16. Earnings per Share

(INR in Lakh)

Particulars	2019-20	2018-19
Net Profit after Tax as per Profit & Loss Account	1592.34	1071.38
Less: Transfer to Statutory Reserve Fund	318.50	214.50
Profit available to Equity Share Holders	1273.84	856.88
Weighted Average No. of Equity Shares	851.54	482.18
Basic Earnings per share	1.50	1.78
Diluted Earnings per share	1.50	1.78

17. The net interest margin for the year 2019-20 is 5.83%.

18. Legal suits have been filed in respect of 115 NPA accounts out of total 149 NPA Accounts (including written off accounts), where the borrowers have not responded positively for settling the accounts. In respect of 34 NPA accounts, where the borrowers are responding and have shown willingness to settle the accounts by requesting for OTS or making certain payments, no legal action has been initiated.

19. Expenditure in Foreign Currency:

Travel : - Nil-  
Others : - Nil-

20. Sundry balances of the parties are subject to confirmation.

21. Previous year's figures have been regrouped wherever necessary and figures have been rounded off to the nearest rupee.

22. Disclosure requirement as per RBI Circular on Asset Classification and Provisioning dated 17<sup>th</sup> April, 2020 -

(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended as per RBI, in terms of paragraph 2 and 3 - Nil

(ii) Respective amount where asset classification benefits is extended – INR 40498.67 lakh. (INR 21127.77 lakh upto 31 March, 2020 and INR 19370.90 lakh from 1 April, 2020 to 31 May, 2020)

(iii) Provisions made during the Q4FY 2020, in respect of Accounts default but Standard and Asset Classification benefit extended by granting moratorium – Nil

**DISCLOSURE REQUIRED AS PER NBFC-SI NON DEPOSIT TAKING COMPANY  
(RESERVE BANK) DIRECTIONS, 2016.****1. Capital to Risk Asset Ratio (CRAR):**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(i) CRAR (%)	29.09	18.69
(ii) CRAR – Tier I Capital (%)	29.09	18.69
(iii) CRAR – Tier ii Capital (%)	--	--
(iv) Amount of subordinated debt raised as Tier-II capital	--	--
(v) Amount raised by issue of Perpetual Debt Instruments	--	--

**2. Investments**

(INR. in Lakh)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Value of Investment</b>		
(i) Gross Value of Investments	1762.13	--
(a) In India	1762.13	
(b) Outside India	--	
(ii) Provision for Depreciation	--	--
(a) In India		
(b) Outside India		
(iii) Net Value of Investments	1762.13	--
(a) In India	1762.13	
(b) Outside India	--	
<b>Movement of Provisions held towards depreciation on investments</b>		
(i) Opening Balance	--	--
(ii) Add: Provision made during the year	--	--
(iii) Less: Write-off/write back of excess provisions during the year	--	--
(iv) Closing Balance	--	--

**3. Derivatives**

The company has no transactions/ exposure in derivatives in the current year and previous year.

**4. Disclosure relating to Securitization**

The company does not have any securitized Assets in terms of the RBI Master Direction Ref. No. DNBR (PD) CC No.008/03.10.119/2016-17 dated September 2016, as amended, as at 31 March 2020.

#### 4.1. Details of non-performing financial assets purchased/sold

The company has not purchased/sold, non performing financial assets from other NBFCs during the year.

#### 5. Asset Liability Management Maturity Pattern

##### Maturity pattern of certain items of Assets and Liabilities, as on 31 March, 2020

(INR in lakh)

Particulars	1 day to 30 /31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	--	--	--	2779.52	--	--	--	559.54	3339.06
Advances	368.30	472.09	2850.15	6701.86	13022.89	29037.78	5664.76	353.55	58471.38
Investments	285.10	201.73	160.11	258.21	428.61	428.30	--	--	1762.13
Borrowings	--	141.67	651.58	6245.58	6913.08	25008.06	6229.23	254.08	45443.28
Foreign Currency assets	--	--	--	--	--	--	--	--	--
Foreign Currency liabilities	--	--	--	--	--	--	--	--	--

#### 6. Exposure to Real Estate Sector (both direct and indirect)

(INR in Lakh)

Category	As at 31 March, 2020	As at 31 March, 2019
<b>Indirect Exposure</b>		
Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	5474.49	1993.44

#### 7. Exposure to Capital Markets

The company does not have any exposure to the Capital Markets as at 31 March, 2020.

8. During the year there are no instances of Single Borrower Limit/Group Borrower Limit exceeding the sanctioned limit or outstanding or entire outstanding whichever higher.

#### 9. Unsecured Advances

During the year, the company has not given any advances with intangible collaterals such as charge over the rights, licenses, authority, etc.





## 10. Registration obtained from Financial Sector Regulations :

Sl.No.	Regulator	Registration Number
1.	Ministry of Corporate Affairs	U65910TG1997PLC026442
2.	Reserve Bank of India	B – 09.00004

11. Penalties levied by any regulator – Nil

12. Percentage of Loans against Gold jewelry to Total Assets – Nil

13. Restructuring of loans

During the financial year, the company has not restructured any loan account.

14. Rating assigned by Credit Rating Agencies and Migration of Rating during the year – Nil

15. Information with regard to joint venture and overseas subsidiary – Nil

## 16. Provisions and Contingencies

(INR in Lakh)

Breakup of Provisions and Contingencies	31 March, 2020	31 March, 2019
Provision for Depreciation on Investment	--	--
Provision towards NPA	230.35	559.08
Provision made towards Income Tax	454.46	458.28
Provision for Standard Assets	283.75	220.03
Other Provisions	40.35	21.16

## 17. Concentration of Deposits, Advances, Exposures and NPAs

## Concentration of Advances

(INR. in lakh)

Particulars	31 March, 2020	31 March, 2019
Total Advances to twenty largest borrowers	32553.00	23535.77
Percentage of Advances to twenty largest borrowers to Total Advances	55.67%	52.06%

## Concentration of Exposures

Particulars	31 March, 2020	31 March, 2019
Total Advances to twenty largest borrowers/Customers	32553.00	23535.77
Percentage of Exposure to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	55.67%	52.06%

## Concentration of NPAs

(INR in Lakh)

Particulars	31.03.2020	31.03.2019
Total Exposure to top four NPA accounts	1205.39	362.23

**18. Sector wise NPAs (percentage of NPAs to total advances in that sector)**  
(INR in Lakh)

Sector	31 March, 2020	31 March, 2019
Agriculture & Allied activities	65.30	38.69
MSME	--	--
Corporate borrowers	1.90	0.19
Services	--	--
Unsecured Personal Loans	--	--
Auto Loans	--	--
Other Personal Loans	--	--
Others	6.94	27.17

**Movement of NPAs**

(INR in Lakh)

<i>Particulars</i>	31 March, 2020	31 March, 2019
(i) Net NPAs to Net Advances (%)	2.56	1.45
(ii) Movement of NPAs (Gross)		
(a) Opening balance	1202.33	1472.62
(b) Additions during the year	1681.63	373.49
(c) Reductions during the year	1162.88	643.78
(d) Closing balance	1721.08	1202.33
(iii) Movement of Net NPAs		
(a) Opening balance	643.25	906.43
(b) Additions during the year	1513.47	330.26
(c) Reductions during the year	665.99	593.44
(d) Closing balance	1490.73	643.25
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	559.09	566.19
(b) Provisions made during the year	695.98	167.37
(c) Write of / write back of excess provisions	1024.72	174.47
(d) Closing balance	230.35	559.09

**19. Disclosure of Complaints**

Particulars	31 March, 2020	31 March, 2019
No. of complaints pending at the beginning of the year	--	--
No. of complaints received during the year	--	--
No. of complaints redressed during the year	--	--
No. of complaints pending at the end of the year	--	--

**20. Reporting on frauds as per RBI Master direction vide DNBS PPD.01/66.05.001/2016-17 dated September 26, 2016.**

No frauds have been noted by the management during the year 2019-20.

Notes 1 to 22 referred to above form part of the Balance Sheet and Profit & Loss Account.

**As per our Report of Even Date  
For Sunil & Sanjay**  
Chartered Accountants

FRN:06144S

**N Deepak Jain**  
Partner  
M.No. 230855

**Date : 26 June 2020**  
**Place : Hyderabad**

**For NABSAMRUDDHI Finance Limited**

**P V S Suryakumar**  
Chairman  
DIN:06694864

**Murali K .Misra**  
Chief Financial Officer

**Suparna Tandon**  
Managing Director  
DIN: 08429718

**Puja Shah**  
Company Secretary  
Place : Mumbai  
M.No: 46987

## Cashflow Statement for the year ended 31 March 2020

<b>NABSAMRUDDHI Finance Limited</b>		
(Amount in INR.)		
<b>Particulars</b>	<b>31 March, 2020</b>	<b>31 March, 2019</b>
<b>(a) Cash flow from Operating Activities</b>		
Net profit as per Profit and Loss a/c before tax	21,46,68,165	14,99,16,707
Adjustment for:		
Depreciation	1,06,466	71,034
<b>Operating profit before working capital changes</b>	<b>21,47,74,631</b>	<b>14,99,87,741</b>
Adjustment for net change in:		
Current Assets	(69,35,35,331)	(81,73,62,227)
Current liabilities	42,74,80,051	42,68,93,795
Increase / Decrease in Loans and Advances	(66,94,80,321)	(1,02,36,18,536)
<b>Cash generated from operating activities</b>	<b>(72,07,60,970)</b>	<b>(1,26,40,99,227)</b>
Payment towards Income tax	(4,54,46,331)	(4,58,28,550)
Taxes of earlier years provided	17,262	70,871
<b>Net cash flow from operating activities (A)</b>	<b>(76,61,90,039)</b>	<b>(1,30,98,56,906)</b>
<b>(b) Cash flow from Investing Activities</b>		
Income from Investment		
Purchase of Fixed Assets	(15,48,114)	(70,189)
Sale of Fixed Assets	8,504	24,008
Increase / Decrease in Investments	(17,62,12,883)	-
<b>Net cash used in Investing activities (B)</b>	<b>(17,77,52,493)</b>	<b>(46,181)</b>
<b>(c) Cash flow from Financing Activities</b>		
Proceeds of Bonds / Shares	74,49,73,632	37,66,15,960
Increase / Decrease in Borrowings	26,68,91,558	1,06,24,27,330
Dividend paid	(3,37,52,880)	(1,66,95,500)
Tax on Dividend	(69,38,004)	(34,31,810)
<b>Net cash raised from financing activities (C)</b>	<b>97,11,74,306</b>	<b>1,41,89,15,980</b>
<b>Net increase in cash and cash equivalent (A)+(B)+(C)</b>	<b>2,72,31,774</b>	<b>10,90,12,893</b>
Cash and cash equivalent at the beginning of the period	30,86,28,188	19,96,15,295
<b>Cash and cash equivalent at the end of the period</b>		



	33,58,59,962	30,86,28,188
<b>Cash and cash equivalent at the end of the period includes</b>		
:		
Cash in hand	-	-
Balances with other Banks in India	33,58,59,962	30,86,28,188
<b>Total</b>	<b>33,58,59,962</b>	<b>30,86,28,188</b>

**As per our Report of Even Date**  
**For Sunil & Sanjay**  
Chartered Accountants

FRN:06144S

**N Deepak Jain**  
Partner  
M.No. 230855

**Date : 26 June 2020**  
**Place : Hyderabad**

**For NABSAMRUDDHI Finance Limited**

**P V S Suryakumar**  
Chairman  
DIN:06694864

**Murali K .Misra**  
Chief Financial Officer

**Suparna Tandon**  
Managing Director  
DIN: 08429718

**Puja Shah**  
Company Secretary  
Place : Mumbai  
M.No: 46987

## NABSAMRUDDHI FINANCE LIMITED

## Schedule to the Balance Sheet of a NBFC

(as required in terms of Paragraph 9BB of Non – Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998)

(INR in Lakh)

Particulars			
LIABILITIES SIDE			
		Amount Outstanding	Amount Overdue
1.	Loans and Advances availed by the NBFCs Inclusive of interest accrued there on but not paid:		
	(a) Debentures Secured		
	Unsecured (other than falling within the meaning of public deposits*)	Nil	Nil
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter – Corporate loans and borrowing	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Other Loans (Un-Secured loan – Refinance & Interim Finance from NABARD)	45443.27	Nil
2.	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued there on but not paid)		
	(a) In the form of Unsecured Debentures	Nil	Nil
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of the security	Nil	Nil
	(c) Other public deposits	Nil	Nil
Assets side:		Amount Outstanding	
3.	Break up of Loans and Advances including bills receivables (other than those included in (4) below):		
	(a) Secured	58446.65	
	(b) Unsecured	24.73	
4.	Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease Assets including lease rentals under sundry debtors:		Nil
	(a) Financial Lease		
	(b) Operating Lease		
	(ii) Stock on hire including hire charges under sundry debtors:		Nil
	(a) Assets on hire		
	(b) Repossessed Assets		
	(iii) Other loans counting towards AFC activities		Nil
	(a) Loans where assets have been repossessed		
	(b) Loans other than (a) above		

(INR. in Lakh)

Particulars		
	Assets side:	Amount Outstanding
(5)	<b>Break-up of investments :</b> <b>Current investments :</b> <b>1. Quoted :</b> (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please specify)	Nil

<p><b>2. Unquoted:</b>                  (i) Shares : (a) Equity                                    (b) Preference                  (ii) Debentures and Bonds                  (iii) Units of mutual funds                  (iv) Government Securities                  (v) Others (Please specify) –                                    Securitisation - PTC                                    Fixed Deposit with Banks</p> <p><b>Long Term Investments:</b>  <b>1. Quoted :</b>                  (i) Shares : (a) Equity                                    (b) Preference                  (ii) Debentures and Bonds                  (iii) Units of mutual funds                  (iv) Government Securities                  (v) Others (Please specify)</p> <p><b>2. Unquoted :</b>                  (i) Shares : (a) Equity                                    (b) Preference                  (ii) Debentures and Bonds                  (iii) Units of mutual funds                  (iv) Government Securities                  (v) Others (Please specify)</p>	<p>1762.13 3339.06</p> <p>Nil</p> <p>Nil</p>
---	--

<b>(b)</b>	<b>Borrower Group-wise classification of assets financed as in (2) and (3) above:</b>			
	<b>Category</b>	<b>Amount net of provisions</b>		
		<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	1. Related Parties ** (a) Subsidiaries (b) Companies in the same group (c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	<b>58446.65</b>	<b>24.73</b>	<b>58471.38</b>
	<b>Total</b>	<b>58446.65</b>	<b>24.73</b>	<b>58471.38</b>
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :			
	<b>Category</b>	<b>Market Value / Break up or fair value or NAV</b>	<b>Book Value (Net or Provisions)</b>	
	1. Related Parties ** (a) Subsidiaries (b) Companies in the same group (c) Other related parties	Nil	Nil	
	2. Other than related parties	Nil	Nil	
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>	
(8)	Other Information			
	(i) Gross Non-Performing Assets			
	(a) Related parties			Nil
	(b) Other than related parties			1721.09



(ii) Net Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	1490.73
(iii) Assets acquired in satisfaction of debt	Nil

**As per our Report of Even Date  
For Sunil & Sanjay**  
Chartered Accountants

FRN:06144S

**N Deepak Jain**  
Partner  
M.No. 230855

**Date : 26 June 2020**

**Place : Hyderabad**

**For NABSAMRUDDHI Finance Limited**

**P V S Suryakumar**  
Chairman  
DIN:06694864

**Murali K .Misra**  
Chief Financial Officer

**Suparna Tandon**  
Managing Director  
DIN: 08429718

**Puja Shah**  
Company Secretary  
Place : Mumbai  
M.No: 46987

**BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE****I. Registration Details**

Registration No.		State Code	
26442		01	
Balance Sheet Date	Date	Month	Year
	31	03	2020

**II. Capital raised during the Year**

(Amount in INR. Thousands)

Public Issue	Right Issue
-----	744973632
Bonus Issue	Private Placement
-----	-----

**III. Position of Mobilisation and Deployment of Funds**

(Amount in INR Thousands)

Total Liabilities		Total Assets	
6488280		6488280	
Sources of Funds:			
Paid-up Capital	Reserve & Surplus	Reserve Fund	
1161066	529886	76923	
Non-Current Liabilities		Current Liabilities	
3169198		1551206	

**IV. Application of Funds:**

(Amount in INR Thousands)

Net Fixed Assets	Investments
1819	176212
Non Current Assets	Current Assets
3510524	2790240
Accumulated Losses	Deferred Tax Asset
-----	9483

**V. Performance of Company**

(Amount in INR . Thousands)

Turnover	Total Expenditure
624420	409752
Profit/(Loss) before Tax	Profit/(Loss) after Tax
214668	159234
Earning per share in INR	Dividend(%)
1.50	7

**VI. Generic Names of Three Principal Products/services of Company**

(As per monetary terms)

Item Code No. (ITC code) : NA
Product Description : Term Loan, Working Capital Loans

## NABSAMRUDDHI FINANCE LIMITED

**Registered Office:** Ground Floor, 1-1-61, RTC-'X' ROAD, Musheerabad, Hyderabad Telangana, 500020.

**CIN:** U65910TG1997PLCo26442 **Email:** cs.nabsamruddhi@nabard.org

**Website:** www.nabsamruddhi.in **Phone:** +91 040 23241155/+91 022 26539486

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### NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of **NABSAMRUDDHI FINANCE LIMITED** will be held **on Friday, 25<sup>th</sup> September, 2020 at 12.00 Noon** through Video Conference/ Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at NABARD Regional Office, 1-1-61, Yeduguri Chambers, RTC 'X' Roads, Hyderabad-500020.

#### **ORDINARY BUSINESS**

1. To receive, consider, and adopt the audited financial statements for the financial year ended 31 March, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sudhakar Patnana (DIN: 08340838) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Kapudasi Dharmiah (DIN: 06750302) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit to pass the following resolution with or without modification(s) as special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139(5) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, and letter No./CA. V/COY/CENTRAL GOVERNMENT, ABFL(O)/205 dated 13<sup>th</sup> August, 2020 received from the Comptroller and Auditor General of India for appointment of M/s G P H K & Associates, Chartered Accountants as Statutory Auditors of the Company for the FY 2020-21, be and is hereby approved to hold office until the conclusion of the next Annual General Meeting at a remuneration fixed by the Board of Directors”.



**SPECIAL BUSINESS****5. Reappointment of Shri Vinay Kumar Verma (DIN: 07603237) as Independent Director**

To consider and if thought fit to pass the following resolution with or without modification(s) as a Special Resolution:

**“RESOLVED THAT** in accordance with, the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Vinay Kumar Verma (DIN : 07603237), who was reappointed as an Additional Director of the Company with effect from October 19, 2019 pursuant to Section 161 of the Act and Article 103 of the Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and who holds office up to the date of this Annual General Meeting, be and is hereby reappointed as an Independent Director of the Company to hold office for a term of up to 3 (three) consecutive years with effect from October 19, 2019 to October 18, 2022.”

**6. Appointment of Shri Ravi Krishan Takkar (DIN: 07734571) as an Independent Director**

To consider and if thought fit to pass the following resolution with or without modification(s) as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with, the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Ravi Krishan Takkar (DIN : 07734571), who was appointed as an Additional Director of the Company with effect from November 2, 2019 pursuant to Section 161 of the Act and Article 103 of the Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of up to 3 (three) consecutive years with effect from November 2, 2019 to November 1, 2022.”

**7. Appointment of Shri Subrata Gupta (DIN: 06833844) as a Non-Executive Director**

To consider and if thought fit to pass the following resolution with or without modification(s) as Ordinary Resolution:

**“RESOLVED THAT** in accordance with, the provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘ the Act’), and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Subrata Gupta (DIN : 06833844), who was appointed as an Additional Director of the Company with effect from November 26, 2019 pursuant to Section 161 of the Act and Article 103 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Non-Executive Director of the Company to hold office for a term of up to 3 (three) consecutive years with effect from November 26, 2019 to November, 25, 2022.”

**8. Appointment of Shri Arvind Kumar Jain (DIN: 07911109) as an Independent Director**

To consider and if thought fit to pass the following resolution with or without modification(s) as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with, the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Arvind Kumar Jain (DIN : 07911109), who was appointed as an Additional Director of the Company with effect from March 25, 2020 pursuant to Section 161 of the Act and Article 103 of the Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of up to 3 (three) consecutive years with effect from March 25, 2020 to March 24, 2023.”

By the order of the Board

**For NABSAMRUDDHI FINANCE LIMITED**

Place: Mumbai  
Date: 03.09.2020

**Puja Shah**  
**Company Secretary**  
**Membership No. A46987**

**Corporate Office:**  
Ground Floor, D Wing, NABARD HO,  
C-24, G Block, BKC, Mumbai – 400 051.



**NOTES**

- 1) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 5 to 8 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
- 2) In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5 May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13 April, 2020, has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, the 23<sup>rd</sup> AGM of the Company shall be conducted through VC / OAVM. The procedure for participating in the meeting through VC / OAVM is explained below.
- 3) As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
- 4) Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Authorised Letter authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at [cs.nabsamruddhi@nabard.org](mailto:cs.nabsamruddhi@nabard.org).

**ELECTRONIC DISPATCH OF ANNUAL REPORT:**

- 5) In accordance with, the General Circular No. 20/2020 dated 5 May, 2020 issued by MCA owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members to their e-mail address.
- 6) Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at [cs.nabsamruddhi@nabard.org](mailto:cs.nabsamruddhi@nabard.org) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to [cs.nabsamruddhi@nabard.org](mailto:cs.nabsamruddhi@nabard.org).
- 7) The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at [www.nabsamruddhi.in](http://www.nabsamruddhi.in)
- 8) Members will be provided with a facility to attend the AGM through VC / OAVM. The link for VC / OAVM will be sent via email to the Members.
- 9) For convenience of the Members and proper conduct of AGM, Members can login

and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.

- 10)** Members who need assistance before or during the AGM with use of technology, can: - Send a request at [it.nabsamruddhi@nabard.org](mailto:it.nabsamruddhi@nabard.org) or - Contact Mr. Kaushik Sethna, Chief Technology Officer at telephone number +91-9619348563; or - Contact Mrs. Puja Shah, Company Secretary at [cs.nabsamruddhi@nabard.org](mailto:cs.nabsamruddhi@nabard.org) or at telephone number +91-9892671969;
- 11)** Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches;
- 12)** Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act;

**PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:**

- 13)** As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at [cs.nabsamruddhi@nabard.org](mailto:cs.nabsamruddhi@nabard.org). Questions / queries received by the Company till 5.00 p.m. on Thursday, 24<sup>th</sup> September, 2020 shall be considered and responded during the AGM.
- 14)** The Members, whose names appear in the Register of Members are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on that date should treat this Notice of AGM for information purpose only.
- 15)** All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection on the basis of the request being sent on [cs.nabsamruddhi@nabard.org](mailto:cs.nabsamruddhi@nabard.org).

By Order of the Board of Directors  
**FOR NABSAMRUDDHI FINANCE LIMITED**

**Puja Shah**

**Company Secretary**  
**Membership No. A46987**

**Date: 03.09.2020**  
**Place: Mumbai**

**Corporate Office:**  
Ground Floor, D Wing, NABARD HO,  
C-24, G Block, Bandra Kurla Complex,  
Mumbai – 400 051.





## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No. 5

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, reappointed Shri Vinay Kumar Verma (DIN : 07603237) as an Additional Director (Non-Executive and Independent Director) of the Company, with effect from October 19, 2019 under Section 149, 150 and 152 of the Companies Act, 2013 and Article 103 of the Articles of Association of the Company. Shri Vinay Kumar Verma shall hold office upto the date of forthcoming Annual General Meeting and is eligible to be reappointed as an Independent Director for a term upto (3) three consecutive years.

The Nomination and Remuneration Committee recommended the reappointment of Shri Vinay Kumar Verma as an Independent Director of the Company. The Company has also received a declaration of independence from Shri Vinay Kumar Verma. In the opinion of the Board, Shri Vinay Kumar Verma fulfills the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 for being eligible for his reappointment. Shri Vinay Kumar Verma is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. A brief profile of Shri Vinay Kumar Verma, including nature of his expertise, is enclosed below. The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, the Board recommends the resolution in relation to reappointment of Shri Vinay Kumar Verma as an Independent Director for period upto 3 (three) consecutive years with effect from October 19, 2020 for the approval by the Members of the Company. Except Shri Vinay Kumar Verma, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice. The Board recommends the Special Resolution set out at Item No. 5 for the approval of Members.

### Item No: 6

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Shri Ravi Krishan Takkar (DIN : 07734571) as an Additional Director (Non-Executive and Independent Director) of the Company, with effect from November 2, 2019 under Section 149, 150 and 152 of the Companies Act, 2013 and Article 103 of the Articles of Association of the Company. Shri Ravi Krishan Takkar shall hold office upto the date of forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to (3) three consecutive years.

The Nomination and Remuneration Committee recommended the appointment of Shri Ravi Krishan Takkar as an Independent Director of the Company. The Company has also received a declaration of independence from Shri Ravi Krishan Takkar. In the opinion of the Board, Shri Ravi Krishan Takkar fulfills the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 for being eligible for his appointment. Shri Ravi Krishan Takkar is not disqualified from being appointed as a

Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. A brief profile of Shri Ravi Krishan Takkar, including nature of his expertise, is enclosed below. The Board considers that his association would be of immense benefit to the Company. Accordingly, the Board recommends the resolution in relation to appointment of Shri Ravi Krishan Takkar as an Independent Director for period up to 3 (three) consecutive years with effect from November 2, 2020 for the approval by the Members of the Company. Except Shri Ravi Krishan Takkar, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 6 for the approval of Members.

#### **Item No: 7**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Shri Subrata Gupta (DIN : 06833844) as an Additional Director (Non-Executive Director) of the Company, with effect from November 26, 2019 under 152 and 161 of the Companies Act, 2013 and Article 103 of the Articles of Association of the Company. Shri Subrata Gupta shall hold office up to the date of forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to (3) three consecutive years.

The Nomination and Remuneration Committee recommended the appointment of Shri Subrata Gupta as a Non-Executive Director of the Company. The Company has also received a declaration of independence from Shri Subrata Gupta. In the opinion of the Board, Shri Subrata Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. A brief profile of Shri Subrata Gupta, including nature of his expertise, is enclosed below. The Board considers that his association would be of immense benefit to the Company. Accordingly, the Board recommends the resolution in relation to appointment of Shri Subrata Gupta as a Non-Executive Director of the Company to hold office for a term of up to 3 (three) consecutive years with effect from November 26, 2019 for the approval by the Members of the Company. Except Shri Subrata Gupta, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 7 for the approval of Members.

#### **Item No.8**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Shri Arvind Kumar Jain (DIN : 07911109) as an Additional Director (Non-Executive and Independent Director) of the Company, with effect from March 25, 2020 under Section 149, 150 and 152 of the Companies Act, 2013

and Article 103 of the Articles of Association of the Company. Shri Arvind Kumar Jain shall hold office up to the date of forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to (3) three consecutive years.

The Nomination and Remuneration Committee recommended the appointment of Shri Arvind Kumar Jain as an Independent Director of the Company. The Company has also received a declaration of independence from Shri Arvind Kumar Jain. In the opinion of the Board, Shri Arvind Kumar Jain fulfills the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 for being eligible for his appointment. Shri Arvind Kumar Jain is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. A brief profile of Shri Arvind Kumar Jain, including nature of his expertise, is enclosed below. The Board considers that his association would be of immense benefit to the Company. Accordingly, the Board recommends the resolution in relation to appointment of Shri Arvind Kumar Jain as an Independent Director for period up to 3 (three) consecutive years with effect from March 25, 2020 for the approval by the Members of the Company. Except Shri Arvind Kumar Jain, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 8 for the approval of Members.

By Order of the Board of Directors  
**FOR NABSAMRUDDHI FINANCE LIMITED**

**Puja Shah**  
**Company Secretary**  
**Membership No. A46987**

**Date: 03.09.2020**  
**Place: Mumbai**

**Corporate Office:**  
Ground Floor, D Wing, NABARD HO,  
C-24, G Block, Bandra Kurla Complex,  
Mumbai – 400 051.

## **Profile of Directors seeking appointment/re-appointment in forthcoming Annual General Meeting**

### **Shri Vinay Kumar Verma**

Shri Vinay Kumar Verma joined the Company in 2016. He is the former General Manager of Andhra Bank and retired on superannuation. He has an employment record of 35 years in Andhra Bank. He has done his graduation in Science and is specialised in the fields of strategic and policy planning, risk management, corporate finance and resource management. He is presently associated with Vardhaman (Mahila) Urban Co-Operative Urban Bank Ltd, Hyderabad as Chief Executive Officer (CEO). He is also associated with Alphageo (India) Limited as an Independent Director and Jan Chetna Trust of Andhra Bank as Managing Trustee. He is also a Member of the Loan Committee and Nomination and Remuneration Committee of the Company and holds Chairmanship of IT Strategy Committee of the Company.

### **Directorship in other Companies**

Listed: Alphageo (India) Limited (Independent Director)

### **Membership / Chairmanship of Board Committees in other Companies**

Listed: Alphageo (India) Limited

- Audit Committee (Member)
- Nomination and Remuneration Committee (Member)

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### **Shri Ravi Krishan Takkar**

Shri Ravi Kishan Takkar has joined the Company in 2019. Shri Takkar is B.Com (Hons.) CAIIB, LLB, PGDIBM from NIBM is a professional banker with 39 years of experience in working with various banks. He is the former Managing Director and Chief Executive Officer of UCO Bank and retired on superannuation. He was also a Board Member of National Insurance Company Ltd. Presently he is partner in Advisory/ Consultancy Legal firm. He is also a Member of the IT Strategy Committee and Risk Management Committee of the Company and holds Chairmanship of Audit Committee of the Company.

Shri Ravi Kishan Takkar does not hold and directorship in other Companies nor holds any Membership / Chairmanship of the Board Committees in other Companies.



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### **Shri Subrata Gupta**

Shri Subrata Gupta joined the Company in 2019. He holds an MSc degree in Agriculture and PGDM from IIM Ahmedabad. He was former Managing Director of NABFINS Ltd., Subsidiary of NABARD and retired as Chief General Manager at NABARD. He holds professional experience of more than 35 years in areas like micro finance, economic analysis, resource mobilization at NABARD. He is also a Member of the IT Strategy Committee, Risk Management Committee and Corporate Social Responsibility Committee of the Company.

Shri Subrata Gupta does not hold and directorship in other Companies nor does he hold any Membership / Chairmanship of the Board Committees in other Companies.

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### **Shri Arvind Kumar Jain**

Shri Arvind Kumar Jain joined the Company in 2020. By qualification he is B.Sc. (Hons), M.Sc., LLB & CAIIB. He was former Executive Director of Punjab & Sind Bank till and also served as Chief General Manager in Oriental Bank of Commerce. He holds professional banking experience of over 38 years in Treasury, Corporate Credit, International Banking, Equity & Debt Capital raising, Compliances and Risk Management. Presently he holds Directorship on the Board of NBFCs, Asset Management, Insurance & other companies besides being a Member of Review Rating Committee of a Renowned Rating Agency. He is also a Member of the Audit Committee and Corporate Social Responsibility Committee of the Company and holds Chairmanship of Nomination and Remuneration Committee of the Company.

#### ***Directorship in other Companies:***

Unlisted:

IDBI Asset Management Limited (Independent Director)

Micro Units Development & Refinance Agency Limited (Independent Director)

INMACS Finance Private Limited (Non-Executive Director)

IFCI Factors Limited (Non-Executive Director)

ICMAI Registered Valuers Organisation (Independent Director)

PNB Metlife India Insurance Company Limited (Nominee Director)

SIDBI Venture Capital Limited (Independent Director)

#### ***Membership/Chairmanship of Board Committees in other Companies***

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Unlisted:

Micro Units Development & Refinance Agency Limited

IT Strategy Committee (Chairman)

Audit Committee (Member)

Executive Committee (Member)

Nomination and Remuneration Committee (Member)

Risk Management Committee (Member)

IFCI Factors Limited

Audit Committee (Chairman)

Nomination and Remuneration Committee (Chairman)

Risk Management and ALM (Chairman)

Loan Committee (Member)

Recovery Committee (Member)

IDBI AMC Ltd

Audit Committee (Member)

Nomination and Remuneration Committee (Member)

Corporate Social Responsibility Committee (Member)

PNB Metlife India Insurance Company Ltd

Investment Committee (Member)

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# NABSAMRUDDHI FINANCE LIMITED

*(A subsidiary of NABARD)  
(Formerly Agri Business Finance Limited)*