

# ANNUAL REPORT

## 2020 - 21



**NABSAMRUDDHI  
FINANCE LIMITED**

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





Cover page / Inside page / Content Page / Impact Stories

- @Ananya Finance for Inclusive Growth Private Limited
- @Annapurna Mahila Coop Credit Society Limited
- @Ashv Finance Limited (Jain Sons Finance Ltd.)
- @Caspian Impact Investment Pvt. Ltd.
- @Ess Kay Fincorp Limited
- @Friends of WWB
- @Light Microfinance Private Limited
- @Satya Micro Capital Limited
- @Sonata Finance Private Limited
- @Visage Holding and Finance Pvt. Ltd. (Kinara Capital)
- @Vistaar Financial Services Pvt. Ltd.
- @Qasab - Kutch Craftswomen' Producer Co. Ltd.





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FINANCE LIMITED**

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## About the Company

NABSAMRUDDHI Finance Limited (NSFL) was incorporated under the Companies Act, 1956 on 17 February, 1997 under the name of Agri Business Finance Limited (ABFL) and was registered as a Non-Banking Financial Company with the Reserve Bank of India. It was promoted with equity participation from the National Bank for Agriculture and Rural Development (NABARD), Union Bank of India (erstwhile Andhra Bank), Canara Bank, Government of Andhra Pradesh, Government of Telangana, 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 legal entities in the off farm sector, microfinance, MSME and for the promotion, expansion, commercialization and modernization of agriculture and allied activities.

## 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
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	Dr. Ushamani P.
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.	Chief Technology Officer	Shri Kaushik N. Sethna
10.	Statutory Auditors	*M/s S R Mohan & Co. 3rd Floor, North Block, R R Towers, Chirag Lane, Hyderabad 500001
11.	Internal Auditor	Shri Ramesh Kumar Neralla

*\*The Statutory Auditors for FY 2021-22 have been appointed by CAG whose ratification is subject to approval of Shareholders in ensuing AGM.*





## Board of Directors

Shri P V S Suryakumar – *Nominee Director & Chairman*

Shri K S Raghupathi - *Nominee Director*

Shri Goverdhan Singh Rawat- *Nominee Director*

Shri Ravi Krishan Takkar- *Independent Director*

Shri Arvind Kumar Jain- *Independent Director*

Shri Vinay Kumar Verma- *Independent Director*

Shri Subrata Gupta- *Non-Executive Director*

Dr. Nethi Muralidhar - *Nominee Director*

Shri Lal Singh- *Nominee Director*

Shri Kapudasi Dharmiah- *Nominee Director*

Dr. R Shreenath Reddy - *Nominee Director*

Dr. Ushamani P. - *Managing Director*

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## Management Team

Smt. Bonani Roychoudhury- *Chief Operating Officer*

Shri M Prashanth Babu- *Chief Financial Officer*

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## Company Secretary

Smt. Puja Shah

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## Registrar and Share Transfer Agents

KFin Technologies Private Limited

Selenium Tower B, Plot 31-32, Gachibowli,

Financial District, Nanakramguda, Hyderabad – 500 032

## Audit Committee

Shri Ravi Krishan Takkar- *Chairman*

Shri Arvind Kumar Jain

Dr. Ushamani P.

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## Nomination and Remuneration Committee

Shri Arvind Kumar Jain- *Chairman*

Shri Vinay Kumar Verma

Shri Goverdhan Singh Rawat

Dr. Ushamani P.

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## Corporate Social Responsibility Committee

Shri K S Raghupathi- *Chairman*

Shri Arvind Kumar Jain

Shri Subrata Gupta

Dr. Ushamani P.

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## Risk Management Committee

Shri Subrata Gupta - *Chairman*

Shri Ravi Krishan Takkar

Shri K S Raghupathi

Dr. Ushamani P.

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## IT Strategy Committee

Shri Vinay Kumar Verma - *Chairman*

Shri Ravi Krishan Takkar

Shri Subrata Gupta

CGM, DIT NABARD-*Ex-officio*

Shree Goverdhan Singh Rawat

Dr. Ushamani P.

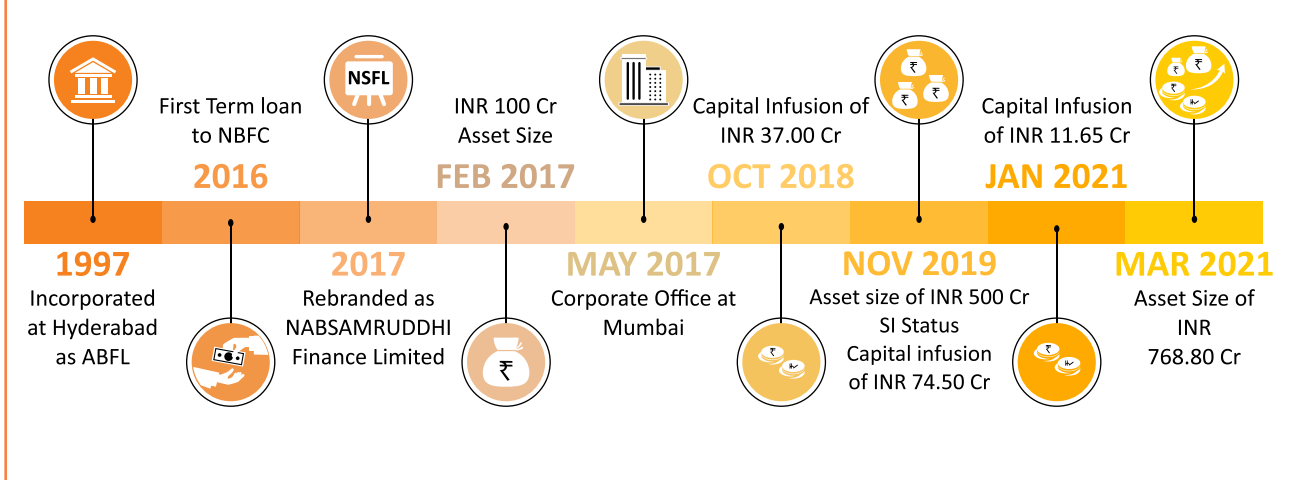
Smt. Bonani Roychoudhury

Shri Kaushik Sethna





# JOURNEY SO FAR



# MAJOR HIGHLIGHTS (FY 2020-21)

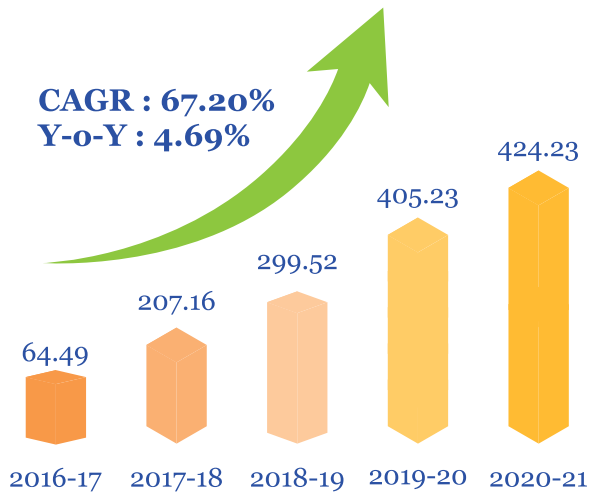




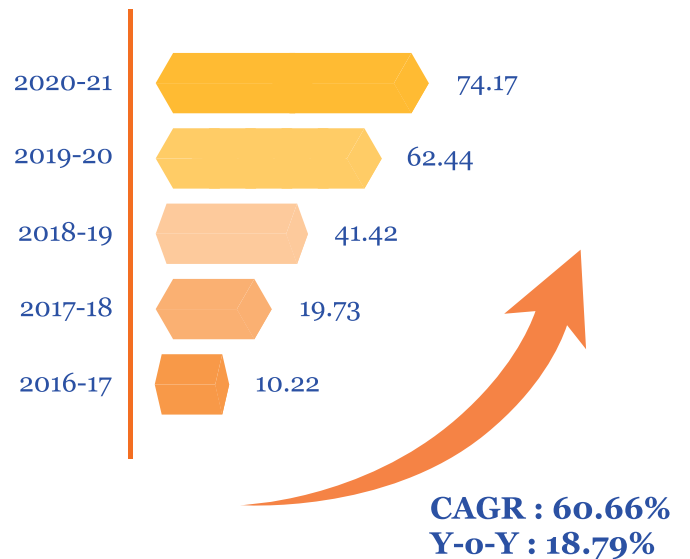
# Key Performance Indicators

(INR in Cr)

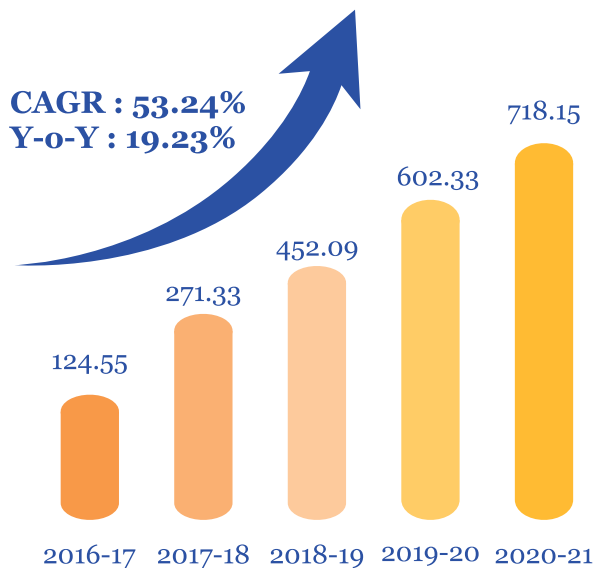
## LOAN DISBURSED



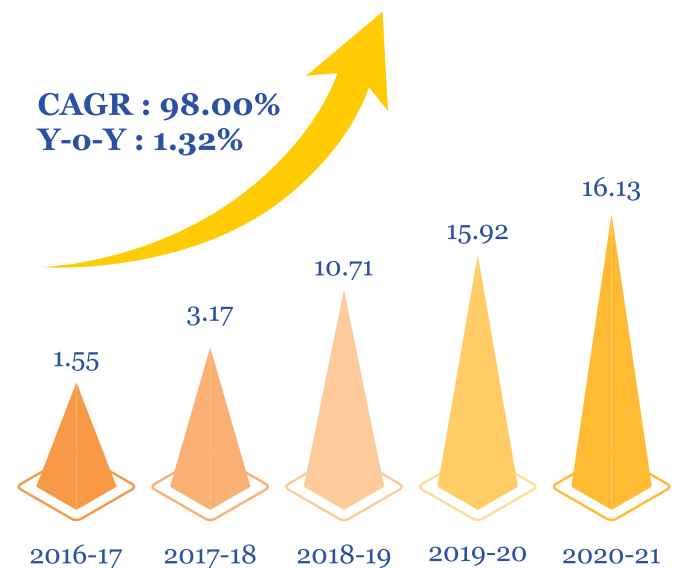
## TOTAL INCOME



## TOTAL AUM



## PAT





## TOTAL ASSET SIZE



**INR  
768.80 Cr**

## AUM

**INR  
718.15 Cr**



## REVENUE



**INR  
74.17 Cr**

## DISBURSEMENT



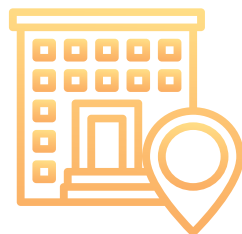
**INR  
424.23 Cr**

## NO. OF OFFICES

**1 CO**

**1 RO**

**2 Branches**



## TOTAL EMPLOYEES

**26**



# C O N T E N T S

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## FROM THE CHAIRMAN'S DESK

Dear Shareholders,

I have great pleasure in inviting you to the Twenty Fourth Annual General Meeting of your Company.

The NBFC/ NBFC-MFI sector, battling the ill-effects of the IL&FS-led funding crisis of FY 2018-19 and the economic slowdown the following year, was stung by the COVID-19 pandemic in early 2020. I would like to believe that the worst is over.

Every year, your Company has endeavoured to prove its mettle, but the pandemic has made it a bit harder this year. Your Company continued to script a good performance during the year 2020-21, attaining a balance sheet size of INR 768.80 crore, registering a growth of more than 18%, while recording marginal increase in the Profit After Tax (PAT) at INR 16.13 crore.

During the year, your Company could secure 'AA' rating (Stable Outlook) from India Rating, yet another testimony to its strong parent-organisation (read, NABARD) support, sound capital structure and well-diversified asset base.

Your Company has its presence in 25 States and 2 Union Territories. The asset portfolio assumed the required granularity and spanned various sectors including MSME, Microfinance and Sanitation/Hygiene. Along the way, your Company has also built a sound financial and operational base, ably augmented by a responsive and effective risk management framework. I am particularly happy to inform you that your Company has recently spread its wings by opening new offices in Delhi and Chennai.

I take this opportunity to thank NABARD for extending necessary co-operation 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, wise counsel and continued support.

Tough situations don't last, but tough organisations do. Your Company is fundamentally, functionally and financially strong while being ethically well-endowed. With this innate strength, we continue to dream...of reaching out to the poor in the rural areas with our products and services, directly and through our valued stakeholders. The Covid-induced stress is only a speed-breaker, not a show-stopper.

Let's stay trusted, and stay together.

We shall..and We will.

Best Wishes  
**P V S Suryakumar**



## LETTER FROM THE MANAGING DIRECTOR

Dear Shareholders,

On behalf of the Board of NABSAMRUDDHI Finance Limited, it is my pleasure to present the Annual Report of your Company for FY 2020-21 and share the key highlights and the strategic roadmap, going forward.

The year just gone by was not only about new challenges and concerns, but also about the courage and conviction displayed by many, in the face of an unseen adversary. The economy, in general, and the micro finance sector, in particular, is slowly finding its feet, in the new post-pandemic normal.

True to its name, your Company continued to grow and bring 'Samruddhi' to all its stakeholders, even amidst the pandemic. During the year, our AUM touched INR 718.15 crore, growing at more than 19%, while total disbursements at INR 424 crore (including PTCs) increased by nearly 5%. This performance has to be seen in the backdrop of delay in commencing sanctions and disbursements as Covid-19 forced us to re-engineer our work processes to take care of enhanced credit risk as also address the information asymmetry arising out of the lagged effect of the pandemic on the NBFC sector. When travel restrictions introduced in the wake of the pandemic impeded physical due diligence, my team responded quickly by developing appropriate on-line processes for the same.

During the year, the Company focused on product and market diversification through two new initiatives: the Pooled Loan Issuance (PLI) facility and a credit product for supporting Water, Sanitation & Hygiene (WASH) activities. Under PLI, INR 50 Crore was disbursed to five NBFCs/NBFC-MFIs, while INR 10 Crore was extended under WASH. Our unceasing efforts have enabled the Company widen its client base (NBFCs, NBFC-MFIs and others) to 86, by adding 8 more clients during the year.

Your Company continued its efforts to effectively address the challenges of economic slowdown due to Covid-19 by scripting a well-thought out strategy which spanned the entire spectrum from Pricing and Pitching to Product and Positioning.

We also continued to strengthen our Corporate Governance Framework by putting in place major policies, SOPs and systems in sync with statutory, regulatory and good corporate governance practices. These enabled us to stand in good stead.

To counter the spill-over effects of the pandemic in FY 2022, focus will be laid on structured and guaranteed products, along with forging collaboration with robust partner institutions. Going forward, your Company will be unceasing in its efforts to contribute in still larger measure to our resurgent and resolute rural economy.

I am grateful to all our clients, employees and shareholders for their unwavering faith in the Company. I seek your continued support and guidance as we move forward to fully realise the organisational goals, in our customary steadfast manner.

Best Wishes,

**Dr. Ushamani P**





# BOARD OF DIRECTORS

*Leadership meets good governance*



**P V S Suryakumar**  
Chairman &  
Nominee Director



**K S Raghupathi**  
Nominee Director  
from NABARD



**Goverdhan Singh Rawat**  
Nominee Director  
from NABARD



**Ravi Krishan Takkar**  
Independent Director



**Arvind Kumar Jain**  
Independent Director



**Vinay Kumar Verma**  
Independent Director



**Subrata Gupta**  
Non Executive  
Director



**K. Dharmiah**  
Nominee Director



**Lal Singh**  
Nominee Director



**Dr. Nethi Muralidhar**  
Nominee Director



**Dr. R. Shreenath Reddy**  
Nominee Director



**Dr. Ushamani P.**  
Managing Director

## Dear Members,

Optimism is slowly coming back in our midst, post the pandemic. While on this path of recovery, we would like to pause for a moment, and remember the sacrifices made by one and all, in countering the impact of the pandemic.

Your Board of Directors is pleased to present the Twenty-Fourth Annual Report of NABSAMRUDDHI Finance Limited (“Company”) together with the Annual Audited Accounts for the financial year ended 31 March 2021. The Report read with Management Discussion & Analysis includes the details of macro- economic scenario, Company's performance, various initiatives undertaken by the Company as well as its approach to risk management.

## Circulation of Annual Reports in electronic form

The Ministry of Corporate Affairs (MCA), through circulars dated 08 April 2020, 13 April 2020, 05 May 2020 and 13 January 2021 have provided an option to companies to conduct AGM during the calendar year through 'VC or OAVM' and send financial statements (including Director's report, Auditors' Report and other documents to be attached therewith) through email.

Accordingly, the financial statements (including Director's Report, Corporate Governance Report, Management Discussion & Analysis, Auditors' Report and other documents to be attached therewith) are being sent through electronic mode to shareholders.

### 1. Financial Results

The Company's performance during the year ended 31 March 2021 as compared to the previous year is summarised below:

(INR in Crore)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Total Income	74.17	62.44
Profit/(Loss) before Financial Charges & Depreciation	56.63	52.99
Less: Financial Charges	34.27	31.51
Less: Depreciation	0.01	0.01
Profit/(Loss) before Tax	21.87	21.47
Less: Provision for Tax	6.27	4.54
Add/Less: Deferred Tax Asset/Liability	(0.54)	1.00
Profit/(Loss) after Tax	16.13	15.92

### 2. Review of Financials

- a. The total income of the Company was INR 74.17 crore during 2020-21 as against INR 62.44 crore during 2019-20, indicating a y.o.y growth of 18%;
- b. The net profit after tax during 2020-21 was INR 16.13 crore as compared to net profit after tax of INR 15.92 crore during 2019-20, indicating a y.o.y growth of 1.32%;
- c. The total assets of the Company increased to INR 768.79 crore as on 31 March 2021 from INR 648.82 crore as on 31 March 2020, indicating a y.o.y growth of 18%.



### 3. Impact of COVID 19

The financial year ended 31 March 2021 marked a full year since World Health Organisation declared the outbreak of COVID 19 as a pandemic. Countries across the globe continued to face drastic economic and social disruptions along with tragic loss of lives and livelihoods. New strains and variants of the virus necessitated several lockdowns and restrictions within the country. Wading through the thick of the pandemic showed resilience of your Company in the Q3 and Q4 of f.y. 2020-21, inspite of induced economic slowdown and weak demand. However, the Company was able to cushion the impact of the pandemic on its balance sheet through technological improvement, policy reviews, adoption of a cautious approach, intensified risk management and reasonably strong fundamentals.

In April 2021, India witnessed the second wave of infections. Details of the impact of COVID-19 are elucidated in the Management Discussion and Analysis Report.

### 4. 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 its likely impact for a longer period, the Directors of your Company decided to retain the profit and plough back the profit after tax for growth of business activities during the Financial Year.

### 5. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as no dividend remained unclaimed / unpaid during the preceding financial year 2020-21.

### 6. Transfer to Reserves fund

During financial year 2020-21, your Company has transferred an amount of INR 3,22 Cr to reserves fund in accordance with the requirements of Section 45-IC(1) of the Reserve Bank of India Act, 1934.

### 7. 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.

### 8. Compliance with RBI Guidelines

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

## 9. Internal Financial Controls

Your Company has maintained adequate internal financial controls over financial reporting, which are constantly assessed and strengthened with new/revised standard operating procedures. The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies and to statutory and regulatory requirements, safeguarding of its assets, prevention and detection of frauds, strengthening error reporting mechanisms, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The Company's internal control system is commensurate with its size, scale and complexities of operations and 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.

## 10. Share Capital

### a. Authorised Share Capital

The Authorised Share Capital of the Company as on 31 March 2021 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. There has been no change in the Authorised Capital of the Company for the period under review.

### b. Paid up Capital

During the year under review, the Paid Up Share Capital of the Company increased from INR 1,16,10,66,000/- (Rupees One Hundred and Sixteen Crore Ten Lakh Sixty Six Thousand only) to INR 1,23,82,19,880/- (Rupees One Hundred and Twenty Three Crore Eighty Two Lakh Nineteen Thousand Eight Hundred and Eighty Only) pursuant to Right Issue of equity shares at book value of INR 15.10/- as approved by the Board of Directors of the Company in their meeting held on 09 December 2020.

Consequent to the above, the Paid-up Share Capital of the Company as on 31 March 2021 stood at INR 1,23,82,19,880/- (Rupees One Hundred and Twenty Three Crore Eighty Two Lakh Nineteen Thousand Eight Hundred and Eighty Only) divided into 12,38,21,988 (Twelve Crore Thirty Eight Lakh Twenty One Thousand Nine Hundred and Eighty Eight Only) 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	75,00,000
2	Government of Telangana	2,15,388

The Shareholding pattern after the right issue as on 31 March 2021 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	11,27,88,000	91.09
2	Government of Andhra Pradesh	46,65,600	3.77
3	Union Bank of India	20,00,000	1.62
4	Telangana State Co-operative Apex Bank Limited (TSCAB)	12,50,400	1.00
5	Andhra Pradesh State Co-operative Bank (APCOB)	11,66,400	0.94
6	Government of Telangana	10,48,988	0.85
7	Canara Bank	8,00,000	0.65
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>12,38,21,988</b>	<b>100</b>

## 11. 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 9 of Notes forming part of the Financial Statements for the year ended 31 March 2021.

## 12. 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.

### 13. Particulars of Borrowings

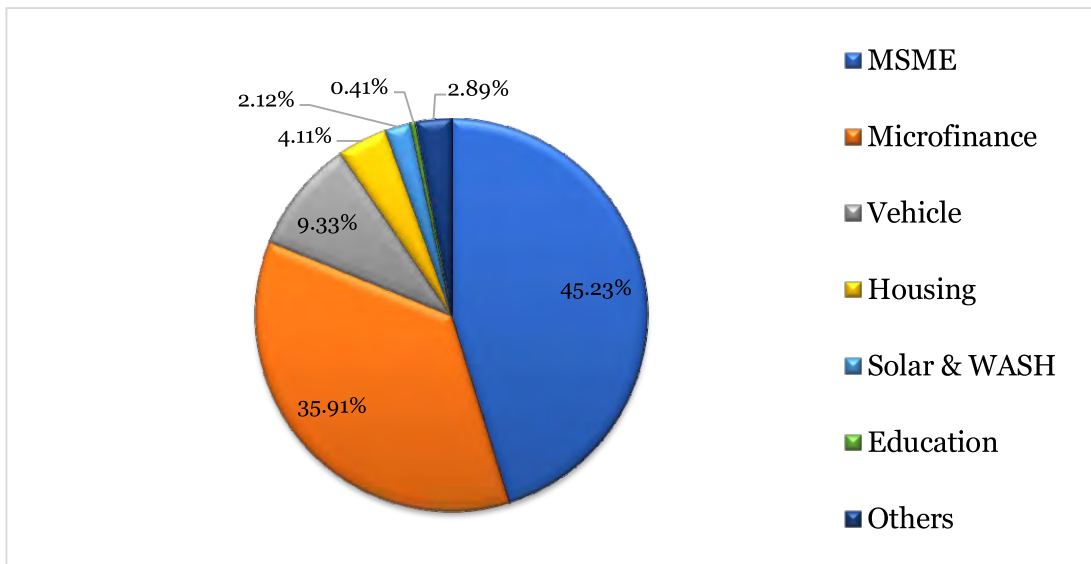
The Company raised debt in the form of refinance from NABARD. The Company availed INR 238.15 crore during the year 2020-21 as against INR 173.78 crore during the previous year. The refinance outstanding as on 31 March 2021 vis-a-vis the previous year is given below:

(INR in Crore)

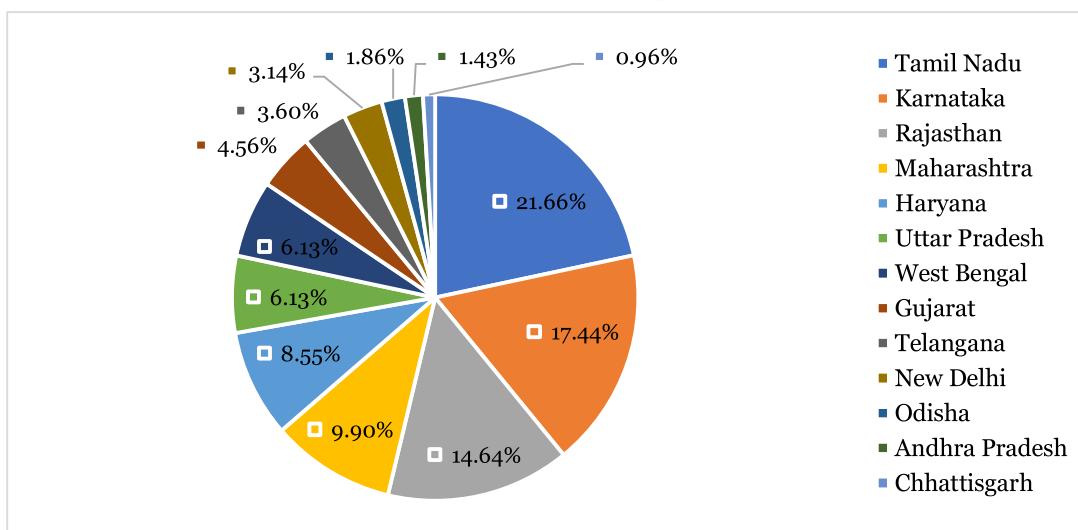
Product	31 March 2021	31 March 2020
NABARD Refinance (Under GRA)	544.17	454.43

### 14. Particulars of Loans and Advances

The sanctions accorded during the year touched INR 404.60 crore in respect of 31 accounts, with an average loan size of INR 13.05 crore as on 31 March 2021. 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:



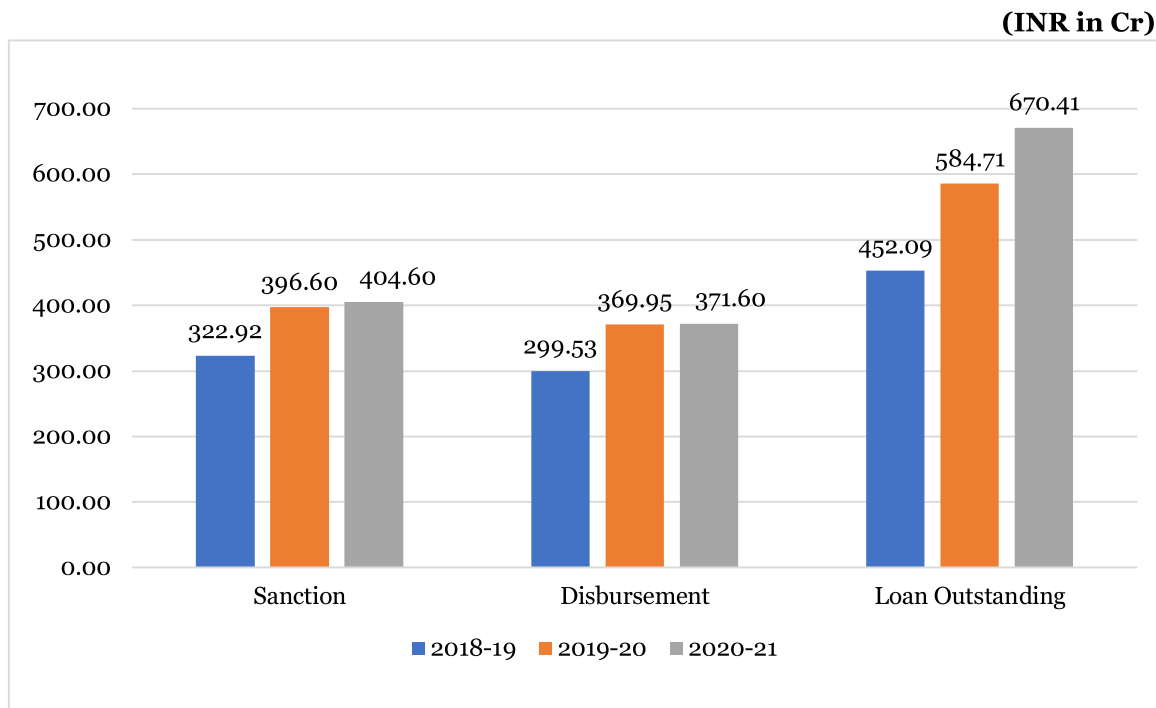
**Chart 1: Sectoral Exposure**



**Chart 2: State wise Exposure**

(Based on location of NBFC's)

The quantum of loans disbursed during the year touched INR 371.60 crore as against INR 369.95 crore disbursed during the previous year. As on 31 March 2021, the loans and advances outstanding stood at INR 670.41 crore. Year-wise sanctions, disbursements and outstanding for the last 3 years is represented graphically in Chart 3 below:



**Chart 3: Year wise Sanctions, Disbursements and Loan Outstanding**

## 15. Asset Quality

The outstanding of Non-Performing Assets (NPAs) as on 31<sup>st</sup> March 2021 was INR 18.31 crore. Provisions to the extent of INR 5.26 crore have been made against the NPAs as on 31<sup>st</sup> March 2021. This includes additional provisions ranging between 10% and 30%, over and above the minimum statutory requirement as per IRAC norms, in respect of all NPA accounts, involving an amount of INR 2.51 Crore. To further strengthen the provisioning base, provision @ 0.5% was made for standard assets as against the regulatory prescription of 0.4%.

## 16. Related Party Transactions

The Company has put in place a Board approved Policy for Related Party Transactions (RPT), which is displayed on the website of the Company at <https://www.nabsamruddhi.in/reports-policies>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

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 Financial Statement of the Company.



## 17. Extract of Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended from time to time, an extract of Annual Return in form MGT-9 is made available on the Company's website at <https://www.nabsamruddhi.in/reports-policies>

## 18. 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 Jiji Mammen, Chief General Manager, NABARD ceased to be a Nominee Director w.e.f. 12 June 2020;
- Shri S Selvaraj, Chief General Manager, NABARD ceased to be a Nominee Director w.e.f. 17 June 2020;
- Shri P V S Suryakumar, Deputy Managing Director, NABARD was appointed as Chairman and Nominee Director w.e.f. 26 June 2020;
- Shri K S Raghupathi, Chief General Manager, NABARD was appointed as Nominee Director w.e.f. 26 June 2020;
- Shri Goverdhan Singh Rawat, General Manager, NABARD was appointed as Nominee Director w.e.f. 25 August 2020;
- Shri M Prashanth Babu, Assistant General Manager, NABARD was appointed as Chief Financial Officer in place of Shri Murali K Misra w.e.f. 10 July 2020;
- Shri Lal Singh, General Manager, Union Bank of India was appointed as Nominee Director in place of Shri R V Ramana Rao, Nominee Director w.e.f. 24 September 2020;
- Smt. Suparna Tandon, General Manager, NABARD ceased to be Managing Director of the Company w.e.f. 06 May 2021 pursuant to her repatriation to NABARD;
- Dr. Ushamani P., General Manager, NABARD was appointed as Managing Director of the Company w.e.f. 06 May 2021.

The Board places on record its appreciation and gratitude for the invaluable contributions made by Shri Jiji Mammen, Shri S Selvaraj, Shri R V Ramana Rao and Smt. Suparna Tandon during their tenure as Directors of the Company.

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

Ten (10) meetings of the Board of Directors were held during the year under review as against the statutory requirement of four meetings. Details of Meetings of Board and its Committees along with attendance thereat forms part of the Corporate Governance Report.

## 20. Code of Conduct

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

## 21. 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 fulfil all the relevant conditions specified in the Companies Act, 2013, making them eligible to act as Independent Directors. Pursuant to Rule 5 of Companies (Appointment and qualification of Directors) Rules, 2014 as amended w.e.f. 01 December 2019, all Independent Directors of the Company have registered themselves in the Independent Directors databank maintained with the Indian Institute of Corporate Affairs (IICA). Further, all the Independent Directors have also cleared the proficiency test conducted by IICA.

## 22. Board Evaluation

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors as a whole, its Committees, the Non-Executive Directors, Executive Directors on the basis of structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects.

The manner in which formal annual evaluation of performance was carried out by the Board is given below:

- i. On the basis of Board approved set criteria of evaluation, questionnaire was circulated for seeking feedback of the directors with regards to the performance of the Board, its Committees, Chairperson and individual Directors;
- ii. Based on the individual ratings received from the directors, a report on summary of ratings in respect of performance evaluation of the Board, its Committees, Chairperson and individual Directors for the year 2021 and a consolidated report was arrived at.
- iii. The report of the performance evaluation so arrived at was then noted and discussed by the Board of Directors at its meeting held on 06 May 2021.

The evaluation process brought out the fact that the Board of the Company is well diversified with appropriate constitution and active participation of the members in the decision making process of the Company.

## 23. Independent Directors Meeting

During the year under review, a meeting of Independent Directors was held on 24 March 2021 as required under Companies Act, 2013 and matters as specified therein were discussed.

## 24. Auditors

### a. Internal Audit

M/s Siddharth Golecha & Associates, Chartered Accountants were appointed as your Company's Internal Auditors for the financial year 2020-21. The reports of the internal auditors were placed before the Audit Committee at 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 GPHK & Associates, Chartered Accountants (Firm Registration No. 008053S), 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 2020-21.

**25. Auditor's Report**

There are no qualifications, reservations or adverse remarks made by M/s GPHK & Associates, Statutory Auditors in their report for the Financial Year ended 31 March 2021. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

**26. 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 2020-21. The Secretarial Audit Report (MR-3) is published in this Annual Report. There are no qualifying remarks in the Secretarial Audit Report.

**27. 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.

**28. Supplementary Audit by C&AG**

The Comptroller and Auditor General of India, vide their report dated 13 August 2021, have forwarded 'Nil Comments' certificate under 143(6)(b) of the Companies Act, 2013 on the accounts of the Company for the year ended 31 March 2021. *(The Certificate is appended and forms part of this report.)*

**29. Secretarial Standards**

The Directors state that 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.

**30. Subsidiary Companies**

The Company does not have any subsidiary or associate company.



### 31. Risk Management Policy

Your Company has adopted the Risk Management Policy based on the recommendation of the Risk Management Committee in order to assess, monitor and manage enterprise risk. 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 internal risk management policies and systems.

### 32. 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 2020-21. The Company did not have any foreign exchange earnings or outgo during the year under review.

### 33. Corporate Social Responsibility

The Company's Corporate Social Responsibility (CSR) is not limited to philanthropy, but encompasses holistic community development, institution-building and sustainability related initiatives. Accordingly, the 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 comprises the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Shri K S Raghupathi	Chairman	Nominee Director
Shri Arvind Kumar Jain	Member	Non-Executive, Independent Director
Shri Subrata Gupta	Member	Non-Executive Director
Dr. Ushamani P.	Member	Managing Director

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. During the year under review, the Company assisted a project titled "NEW (NER Entrepreneurs' World)" which aims at providing an 'end to end solution' to address the challenges of unemployment in the North Eastern Region (NER). The Company also assisted a project titled 'AAPNO PANI' which aims to set up a central solar power based RO-UV filtration plant and unique ID-based water delivery system, which is expected to assist in self-collection and home-delivery of water to both domestic and commercial clients, for which electric vehicles powered by the centralized solar grid will be used. The Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached to this report as Annexure I.

### 34. Management Discussion and Analysis Report

Attached as Annexure II.

### 35. 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.

### 36. 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.

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

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

### 38. Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable Indian Accounting Standards had been followed. 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.

### 39. Acknowledgments

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, Government of Andhra Pradesh, Government of Telangana, Union Bank of India, Canara Bank, 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 rendered by the staff and executives at all levels during the unprecedented situation of COVID 19 pandemic.

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

**P V S Suryakumar**  
**Chairman**  
**DIN: 06694864**  
**Date: 01 September 2021**  
**Place: Mumbai**

**Dr. Ushamani P.**  
**Managing Director**  
**DIN: 09138953**



## CORPORATE GOVERNANCE REPORT

### Our philosophy on Corporate Governance

Our Corporate Governance practices are a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Corporate Governance is about maximizing shareholder value legally, ethically and sustainably. At NABSAMRUDDHI, the Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in Corporate Governance. We also endeavour to enhance long-term shareholder value and respect in all our business decisions.

### 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 Ref.No. DNBR (PD) CC.No.053/03.10.119/2015-16 dated 01 July 2015. As the Company is categorised as NBFC-ND-SI, the applicable practices with respect to the said guidelines are adhered to by the Company.

### Board of Directors

As on 31 March 2021, the Board consisted of 13 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 2021:

Board of Directors	Designation	Date of Appointment
Shri P V S Suryakumar	Chairman and Nominee Director	26/06/2020
Shri Ravi Krishan Takkar	Independent Director	02/11/2019
Shri Arvind Kumar Jain	Independent Director	25/03/2020
Shri Vinay Kumar Verma	Independent Director	18/10/2017
Shri Subrata Gupta	Non-Executive Director	26/11/2019
Shri K S Raghupathi	Nominee Director	26/06/2020
Shri Goverdhan Singh Rawat	Nominee Director	25/08/2020
Shri Lal Singh	Nominee Director	24/09/2020
Dr. Nethi Muralidhar	Nominee Director	16/11/2012
Dr R Shreenath Reddy	Nominee Director	30/12/2019
Shri Sudhakar Patnana	Nominee Director	19/12/2018
Shri K Dharmaiah	Nominee Director	22/11/2013
Dr.Ushamani P.	Managing Director	06/05/2021

## Meetings of the Board of Directors

During the year, the Board met 10 (Ten) times on the following dates: 11 May 2020, 26 June 2020, 25 August 2020, 4 September 2020, 20 October 2020, 09 December 2020, 22 January 2021, 18 February 2021, 08 March 2021 and 31 March 2021 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 in the Meetings of the Board of Directors are furnished below:

Names of Directors	Total Attendance (in %)	11 May 2020	26 June 2020	25 Aug 2020	4 Sept. 2020	20 Oct. 2020	9 Dec. 2020	22 Jan 2021	18 Feb 2021	8 Mar 2021	31 Mar 2021	AGM held on 25 Sept. 2020
Shri Selvaraj S	100	Yes	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Shri Jiji Mammen	100	Yes	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Shri R V Ramanarao	100	Yes	Yes	NA	NA	NA	NA	NA	NA	NA	NA	NA
Dr. R Shreenath Reddy	60	Yes	Yes	Yes	LOA	Yes	LOA	Yes	LOA	Yes	LOA	Yes
Shri Ravi Krishan Takkar	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Arvind Kumar Jain	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Vinay Kumar Verma	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Subrata Gupta	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Smt. Suparna Tandon	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Nethi Muralidhar	40	LOA	LOA	Yes	Yes	LOA	LOA	LOA	LOA	Yes	Yes	LOA
Shri K Dharmiah	60	LOA	Yes	Yes	Yes	Yes	LOA	LOA	Yes	LOA	Yes	Yes
Shri Sudhakar Patnana	30	LOA	LOA	Yes	Yes	LOA	LOA	LOA	LOA	Yes	LOA	Yes
Shri P V S Suryakumar	100	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	LOA
Shri K S Raghupathi	100	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Goverdhan Singh Rawat	100	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Lal Singh	67	NA	NA	NA	NA	LOA	Yes	LOA	Yes	Yes	Yes	Yes

LOA- Leave of Absence

NA- Not Applicable

## Committees of the Board

The Board has inter alia constituted below named committees as required under Companies Act, 2013 and RBI Guidelines as amended from 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 role and composition of the Committees are given hereunder:

### 1) Audit Committee:

The main objective of Audit Committee is to monitor and provide an effective supervision of highest levels of transparency, integrity and quality of financial reporting. The Audit Committee oversees the financial reporting process and reviews 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 4 times during the year 2020-21 on 17 June 2020, 24 August 2020, 29 December 2020 and 24 March 2021.

Name of Committee Members	Designation	Category	Number of Meetings held during tenure	Number of Meetings Attended
Shri Ravi Krishan Takkar	Chairman	Independent Director	4	4
Shri Arvind Kumar Jain	Member	Independent Director	4	4
Smt Suparna Tandon (Ceased to be a director w.e.f 06 May 2021)	Member	Managing Director	4	4



The Terms of Reference of the Audit Committee include:

- To make recommendation for remuneration and terms of appointment of statutory auditors of the Company.
- To review and monitor the Statutory Auditor's Independence and performance, and effectiveness of audit process;
- To examine the financial statements of the Company and the Auditors' report thereon before submission to the Board for approval;
- To make recommendation for appointment, remuneration and terms of appointment of Tax Auditors of the company.
- To approve transactions of the Company with related parties;
- To scrutinise inter-corporate loans and investments;
- To make the valuation of undertakings or assets of the Company, wherever it is necessary;
- To evaluate internal financial controls and risk management systems;
- To monitor the end use of funds raised through public offers and related matters;
- Reviewing performance of the Statutory and Internal auditors and adequacy of the internal control system;
- To examine the Internal Audit Report on Quarterly basis and discussion with internal auditors regarding any significant findings and follow-up thereon;
- To review the function of whistle blower mechanism in case the same exists;
- 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 is decided by Nomination and Remuneration Committee constituted as per the 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, Key Managerial Personnel and staff of the Company.

### **Composition of Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee met four times during the year on 26 June 2020, 24 August 2020, 29 December 2020 and 24 March 2021, respectively.

<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 Arvind Kumar Jain	Chairman	Independent Director	4	4
Shri Vinay Kumar Verma	Member	Independent Director	4	4
Shri Goverdhan Singh Rawat (Appointed as Member w.e.f 25.08.2020)	Member	Nominee Director	2	2
Smt. Suparna Tandon (Ceased as Member w.e.f 06.05.2021)	Member	Managing Director	4	4

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 each 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.
- iv. The Committee shall act as Grievance Redressal Committee in respect of grievance raised by the employees during their performance appraisal.

### 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 five times in the year 2020-21 on 24 August 2020, 29 December 2020, 31 December 2020, 19 January 2021 and 24 March 2021 respectively. The Committee comprises of following members:

Name of Committee Members	Designation	Category	Number of Meetings held during tenure	Number of Meetings Attended
Shri K S Raghupathi (Appointed as Member w.e.f 25.08.2020)	Chairman	Nominee Director	4	4
Shri Arvind Kumar Jain	Member	Independent Director	5	5
Shri Subrata Gupta	Member	Non-Executive Director	5	5
Smt Suparna Tandon (Ceased to be Director w.e.f 06 may 2021)	Member	Managing Director	5	5

The terms of reference of CSR Committee include:

- i. Formulation and review of the CSR Policy for approval by the Board from time to time;
- ii. Formulate and recommend to the Board an annual action plan indicating the following:
  - the list of CSR projects or programmes approved to be undertaken in areas or subjects as per Schedule VII of the Act;
  - manner of execution of such projects or programmes;
  - modalities of utilisations of funds and implementation schedules for the projects or programmes;
  - monitoring and reporting mechanism;
  - details of need and impact assessment for the projects undertaken by the Company, if any.
- iii. Identification of eligible institutions/ activities and ensuring implementation of the annual CSR action plan;
- iv. Monitoring the implementation of CSR Activities;
- v. Recommending the amount of expenditure to be incurred on activities indicated in the CSR Policy;
- vi. 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 procedures to deal with the various business related risk arising in the day to day activities. The Board Members and Senior Executives have been timely monitoring and reviewing the risk management plan in order to overcome risk related issues at appropriate time.



## Composition of Risk Management Committee

The committee met four times in the year 2020-21 on 16 June 2020, 24 August 2020, 29 December 2020 and 24 March 2021 respectively.

Name of Committee Members	Designation	Category	Number of Meetings held during tenure	Number of Meetings Attended
Shri S Selvaraj (Appointed as Member w.e.f. 18.07.2019 and Chairman w.e.f. 11.05.2020, Ceased to be member w.e.f. 17.06.2020)	Chairman	Nominee Director	1	1
Shri Ravi Krishan Takkar	Member	Independent Director	4	4
Shri Subrata Gupta (Appointed as Chairman w.e.f. 25.08.2020)	Member	Non-Executive Director	4	4
Shri K S Raghupathi (Appointed w.e.f. 25.08.2020)	Member	Nominee Director	2	2
Smt. Suparna Tandon (Ceased to be Member w.e.f. 06 May 2021)	Member	Managing Director	4	4

The terms of reference of the 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;
- iv. To review and approve/sanction of OTS proposals recommended by the NPA Management Committee.

## 5) IT Strategy Committee

In accordance with the provisions of Reserve Bank of India's Master Direction on the Information Technology Framework for the NBFC Sector, the Board has constituted an IT Strategy Committee as per the composition stipulated in the RBI guidelines. The Committee met thrice in the financial year 2020-21 on 21 June 2020, 29 December 2020 and 04 February 2021. 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	Chairman	Independent Director	3	3
CGM DIT, NABARD	Member	CGM, NABARD	2	2
Shri Ravi Krishan Takkar	Member	Independent Director	3	3
Shri Subrata Gupta	Member	Non-Executive Director	3	3
Shri Goverdhan Singh Rawat (Appointed as Member w.e.f 25.08.2020)	Member	Nominee Director	2	2
Smt. Bonani Roychoudhury (Appointed as Member w.e.f 25.08.2020)	Member	Chief Information Officer	2	2
Smt Suparna Tandon (Ceased to be Member w.e.f. 06 May 2021)	Member	Managing Director	3	3
Shri Kaushik Sethna (Appointed as Member w.e.f 25.08.2020)	Member	Chief Technology Officer	2	2

The functions of IT Strategy Committee include approval of 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 method 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 2020-21, the Twenty-Third Annual General Meeting was held on 25 September 2020 and the details are given below:

Meeting type	Time	Venue
23 <sup>rd</sup> Annual General Meeting	12.00 Noon	Through Video Conferencing facility, therefore deemed venue: NABARD Regional Office, 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.

## Annexure I

## Annual Report on CSR Activities for the financial year ended 31 March 2021

## 1. Brief outline of the Company's CSR Policy:

## Introduction

NABSAMRUDDHI Finance Limited (NSFL) has been providing CSR assistance to various organisations from f.y. 2019-20 onwards. The Company's Corporate Social Responsibility (CSR) is not limited to philanthropy, but encompasses holistic community development, institution-building and sustainability related initiatives. The CSR policy aims to lay down norms to enable the Company to create a social impact by constantly giving back to the community through development activities for the marginalized / under privileged / poor in rural areas. The Company acknowledges that macroeconomic development is linked, among other factors, to improvement in quality of human life through provision of basic healthcare, control of water borne diseases, education and skill development, so as to improve life expectancy/ major health indicators as also to improve labour productivity. The Company is directing its efforts, to contribute to the national efforts towards improvement in health and education.

## Brief Contents of CSR Policy

Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, have been amended with effect from 22 January 2021. Accordingly, the CSR Policy which was framed by the Company was last reviewed on 23 June 2021, with approval of the CSR Committee and Board of Directors, inter alia, covers the following:

- ✓ Guiding Principles for selection, implementation and monitoring of activities
- ✓ Guiding Principles for formulation of Annual Action Plan

## 2. Composition of CSR Committee:

Sl. No	Name of Director	Designation/ Nature of Director	Number of Meeting of CSR Committee held during year	Number of Meetings attended during the year
1	Shri K S Raghupathi (appointed w.e.f 25 August 2021)	Chairman	4	4
2	Shri Arvind Kumar Jain	Member	5	5
3	Shri Subrata Gupta	Member	5	5
4	Dr. Ushamani P. (appointed w.e.f 06 May 2021)	Member	-	-



3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** <https://www.nabsamruddhi.in/about-us>
4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**  
*Since the average CSR obligation of the Company is less than INR 10 Crore or more, need to carry impact assessment of its CSR Projects through an independent agency is not required.*
5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Nil
6. **Average Net profit of the Company as per Section 135(5):** INR 14,15,31,786/-
7. **a. Two percent of average net profit of the Company as per section 135(5) of the Companies Act, 2013:** INR 28,30,636/-  
**b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil  
**c. Amount required to be set off for the financial year, if any:** Nil  
**d. Total CSR obligation for the financial year (7a+7b-7c):** INR 28,30,636/-
8. **(a) Details of CSR spent or unspent for the financial year:**

Total Amt. spent for the financial year (in INR)	Amount Unspent (in INR)				
	Total Amt. transferred to Unspent CSR a/c as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amt.	Date of transfer	Name of fund	Amt.	Date of transfer
26,30,636	2,00,000	27.04.2021	-	-	-

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

1 Sl. No	2 Name of the Project	3 Item from the list of activities in Schedule VII to the Act.	4		5 Location of the project.	6 Project duration.	7 Amt. allocated for the project (in Rs.).	8 Amt. spent in the current financial Year (in Rs.).	9 Amt. transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	10 Mode of Implementation - Direct (Yes/No)	11 Mode of Implementation - Through Implementing Agency	
			Local Area (Yes/No)	State /District							Name	CSR Reg. No
1	NEW (New Entrepreneurs World)	Employment (ii)	No	A.P, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.	North East Region	1 year	14 lakh	12 lakh	2 lakh	No	NABFOUNDATION	CSR00004589

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

1 Sl. No	2 Name of the Project	3 Item from the list of activities in Schedule VII to the Act.	4		5 Location of the project.	6 Project duration.	7 Amt. allocated for the project (in Rs.).	8 Amt. spent in the current financial Year (in Rs.).	9 Amt. transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	10 Mode of Implementation - Direct (Yes/No)	11 Mode of Implementation - Through Implementing Agency	
			Local Area (Yes/No)	State /District							Name	CSR Reg. No
2	AAPNO PAANI	Sanitation (i)	No	Rajasthan	Village: Kharabera, Bheemwatan, Lumiblock, Jodhpur, Rajasthan	1 year	14,30,636	14,30,636	-	No	NABFOUNDATION	CSR00004589

**(d) Amount spent in Administrative Overheads: Nil**

**(e) Amount spent on Impact Assessment, if applicable**

**(f) Total amount spent for the Financial Year (8b+8c+8d): INR 26,30,636/-**

**(g) Excess amount for set off, if any: Nil**

**9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable**

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable**

- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Nil**
- 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable**

**Dr. Ushamani P.  
Managing Director**

**KS Raghupathi  
Chairman of CSR Committee**

**Place: Mumbai  
Date: 01 September 2021**



## Annexure II

### Management Discussion and Analysis Report

#### 1. Economic Overview

##### 1.1. Macro-Economic Scenario in India

In response to the COVID 19 pandemic, Government and the Reserve Bank of India has taken several monetary and fiscal policy measures to support vulnerable sectors, firms and households, expand service delivery (with increased spending on health and social protection) and cushion the impact of the crisis on the economy.

The second wave of the Pandemic does not seem to have impacted economic activity as hard as the first wave did. However, the lockdowns are likely to be more prolonged, especially to preclude a third wave. The pace of recovery hereon will be influenced by how the third wave pans out and more importantly, the pace of vaccination.

Following a 3.3 percent contraction caused by the COVID-19 pandemic in 2020, IMF's World Economic Outlook (WEO) released in April 2021 projected the global economic growth at 6 percent in 2021, moderating to 4.4 percent in 2022. As per Govt. of India, during FY 2020-21, GDP contracted by 7.3 percent. It is the most severe contraction from the time India got its independence. The reasons behind this trajectory are obvious – lockdowns leading to the temporary or even permanent closing of business units, increasing unemployment rate and a significant decline in domestic consumption.

For the current financial year, the Reserve Bank of India has anticipated GDP growth of 10.5%. World Bank projected India's economy to grow at 7.5% in 2022, even as its recovery is being hampered by an unprecedented second wave of COVID, the largest outbreak in the world since the beginning of the deadly pandemic.

Within the domestic financial system, credit flow from banks and capital expenditure of corporates remain muted. There are incipient signs of stress in the micro, small and medium enterprises (MSMEs) and retail segments. The demand for consumer credit across banks and non-banking financial companies (NBFCs) has dampened, with some deterioration in the risk profile of retail borrowers becoming evident.

#### 2. NBFC Sector in India

The Non-Banking Financial Companies (NBFC) sector has, over the years, evolved considerably in terms of size, operations, technological sophistication and their entry into newer areas of financial services and products. The importance of the NBFCs lies in last mile credit delivery and niche segment support in the Indian financial system. The number of NBFCs as well as the size of the sector has grown significantly. There is an increasingly complex web of inter-linkages of the sector with banks, capital markets and other financial sector entities, on both sides of the balance sheet. The sector has also seen advent of many non-traditional players leveraging technology to adopt tech-based business models. Over the last decade, NBFCs have witnessed phenomenal growth. From being 12% of the balance

sheet size of banks (2010), they now have a share of more than 18%.

As per the Report on Trend and Progress of Banking in India 2019-20, a total of 9,618 NBFCs were registered with the RBI as at end-March 2020, of which 64 were deposit-taking (NBFCs-D) and 292 were systemically important non-deposit taking 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 managed to maintain their share of credit against banks. Slower growth in outstanding book can be attributed to the IL&FS crisis in 2018, portfolio securitisation by NBFCs and adverse impact of the pandemic on the underlying real sectors.

As per the Financial Stability Report (RBI), July 2021, the GNPA ratio for the sector declined from 6.8% to 6.4% with a more than commensurate fall in the NNPA ratio from 3.4% to 2.7% attesting to higher provisioning, while their capital adequacy improved marginally.

NBFC-MFIs have been undergoing asset quality stress during the pandemic. Their GNPA ratio ballooned from 2.0% of total advances in March 2020 to 4.9% in March 2021 as business dislocation dampened recoveries. Furthermore, their SMA-2 advances increased from 0.2% to 1.3% of total advances. Decline in collection efficiency could impact the liquidity position of NBFC-MFIs negatively.

Further, a number of NBFCs have raised capital and increased provisioning levels in the past two fiscals, and thus enhanced buffers for asset-side risks. Such steps should limit the negative impact on balance sheets and help NBFCs regain investor confidence once economic recovery takes root.

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

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

NABSAMRUDDHI Finance Limited (NSFL) is a subsidiary of NABARD and is registered as a Non-Banking Financial Company with the Reserve Bank of India. It is promoted with equity participation from National Bank for Agriculture and Rural Development (NABARD), Union Bank of India (erstwhile Andhra Bank), Canara Bank, Government of Andhra Pradesh, Government of Telangana, 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 to NABSAMRUDDHI Finance Limited during FY 2016-17. At around the same time, the Company decided to expand its operations from Telangana/ Andhra Pradesh to pan India, reoriented its business model from retail to largely wholesale model and its Corporate Office was opened in Mumbai. The Company attained Systemically Important (SI) status during FY 2019-20.

#### **3.2. Credit Rating assigned to NABSAMRUDDHI**

For FY 2020-21, India Ratings and Research (Ind-Ra) assigned NSFL 'IND AA' Rating with

a Stable Outlook. NSFL's Credit Rating is driven by continued support from its majority shareholder, i.e., NABARD, 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 loan book, etc..

### 3.3 Business Performance

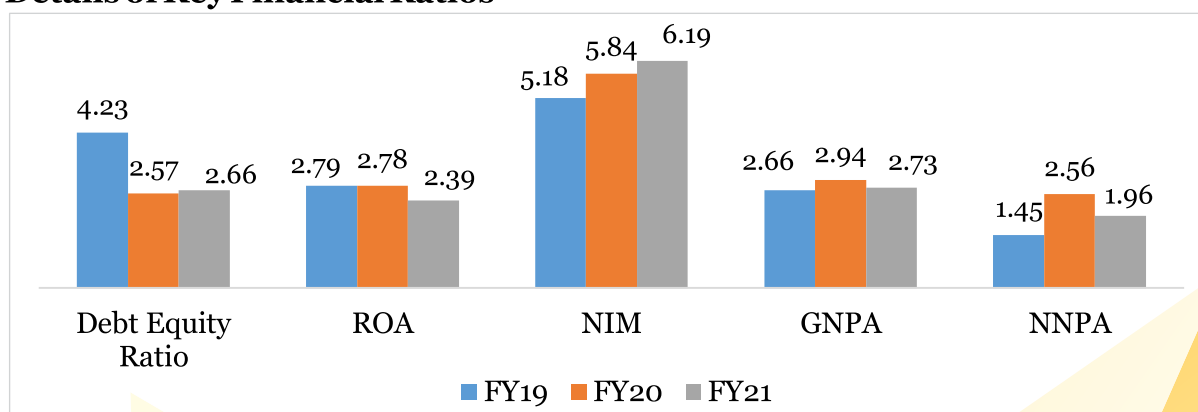
NSFL continued to perform well during FY 2020-21 following the trajectory of the previous year, despite the challenging macro-economic factors and evolvment of pandemic during the year, with a balance sheet size of INR 768.80 crore, recording a y-o-y growth of 18.49%. The AUM touched INR 718.15 crore (INR 602.33 crore in FY '20), showing y-o-y growth of 19.23%. The Company has reported a Profit After Tax (PAT) of INR 16.13 Crore during 2020-21 as against INR 15.92 Crore during 2019-20, registering a growth of 1.32% over the previous year. With the continued support of NABARD & few other shareholders, the share capital of the Company increased from INR 116.11 Crore in FY20 to INR 123.82 Crore in FY 21.

Other important highlights of the Company during financial year 2020-21 are as under:

- Loans and Advances outstanding as on 31 March 2021 was INR 670.41 Crore as against INR 584.71 crore as on 31 March 2020, indicating a growth of 14.66%;
- Owned Funds increased from INR 176.79 Cr to INR 204.58 Cr, contributed through fresh infusion of capital amounting to INR 11.65 Cr by NABARD and the Government of Telangana, and augmentation of reserves through appropriation of profits;
- Gross Revenue as on 31 March 2021 was INR 74.17 Crore as against INR 62.44 Crore as on 31 March 2020, indicating a positive growth of 18.79%;
- Operating profit as on 31 March 2021 was INR 34.49 Crore as against INR 28.59 Crore, indicating a positive growth of 33.49%;
- Higher provision of 0.50% was made for standard assets as against minimum statutory requirement of 0.40%. Further, Additional provisions ranging between 10% and 30%, over and above the minimum statutory requirement, was undertaken in respect of all NPA accounts, involving an amount of INR 2.51 Crore.

A snapshot of key business parameters and key financial ratios during the last three years is given below.

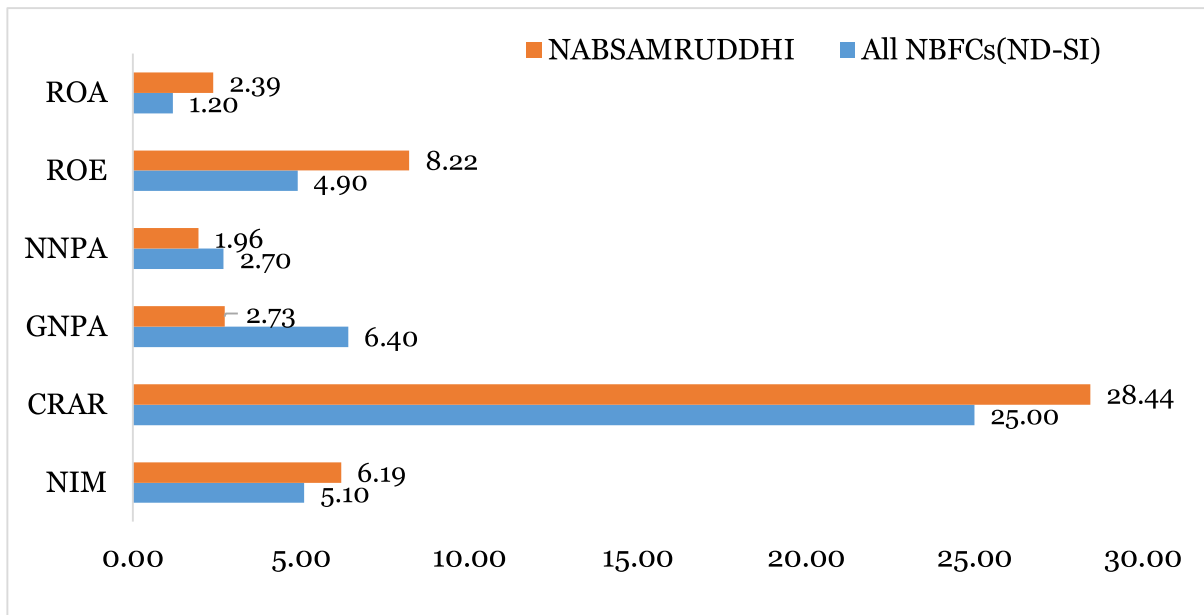
#### Details of Key Financial Ratios





## 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: RBI, Trends and Progress in Banking FY 2019-20 and Financial Stability Report, July 2021)

### 3.4 Diversification of Business and Other developments

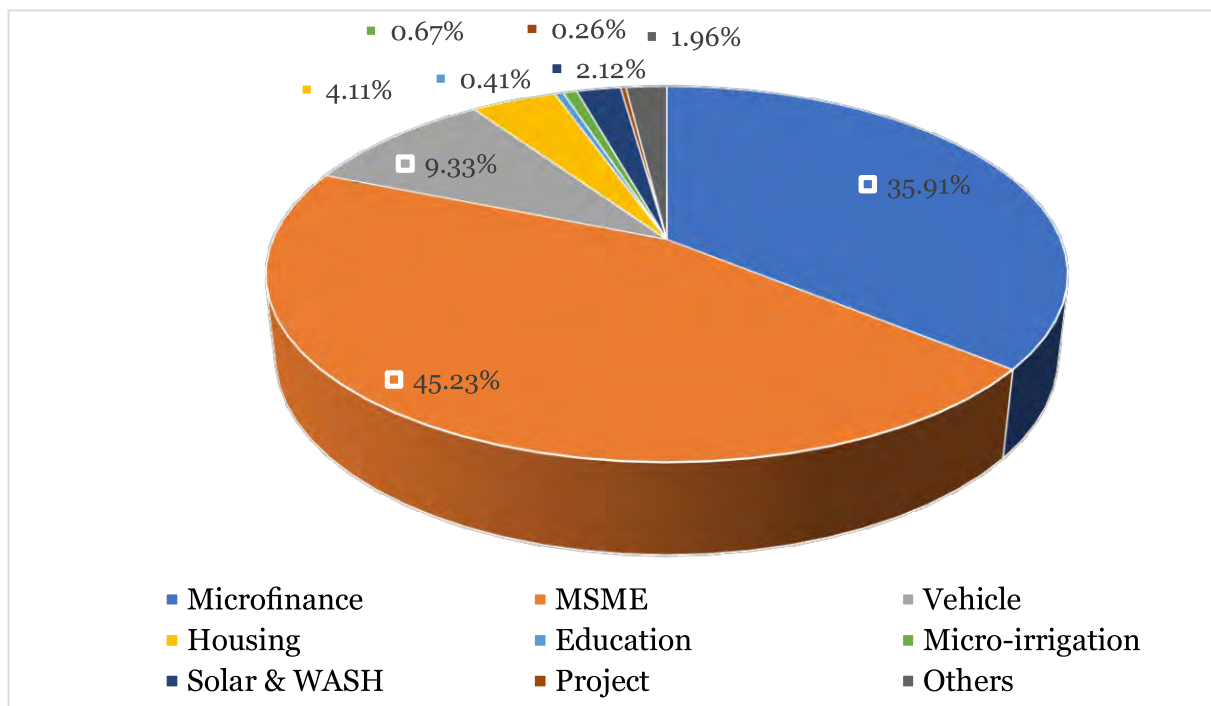
- NABSAMRUDDHI Finance Limited has now 86 NBFCs, NBFC-MFIs and other institutional clients spread over 25 States and 2 Union Territories in its portfolio.
- During the year, the Company launched a structured finance product, i.e., 'Pooled Loan Issuance' (PLI) involving credit enhancement through a partial Corporate Credit Guarantee to mitigate the enhanced credit risk emanating from the volatile macro-economic scenario. An amount of INR 50 Crore was disbursed to five NBFCs/ NBFC-MFIs. The PLI allowed risk mitigation through diversification across originators, sectors and geographies.
- To improve its impact footprint and in keeping with the global, national as well as the major stakeholder, i.e., NABARD's commitment to Sustainable Development Goals, the Company supported the 'WASH' financing segment by providing term loans to MFIs exclusively for WASH activities. An amount of INR 10.00 Crore was sanctioned to two entities for financing WASH projects targeted at 'BPL' women beneficiaries.
- Investments of INR 52 Crore were made in the Pass Through Certificates (PTCs) involving three NBFCs (2 MFIs and 1 Fintech NBFC) with substantial credit enhancement.
- A Term Loan of INR 10 lakh was disbursed to an OFPO engaged in handicrafts in Gujarat.

- f. Total disbursements, including PTCs, increased from INR 405 Crore to INR 424 Crore. While 8 new entities were on-boarded during the year, disbursements/investments in PTCs were made in respect of 33 entities under various products with adequate sectoral and geographical diversification.

### 3.5 Sectoral Exposure

The company has been providing credit facilities to clients in the off farm sector, microfinance, MSME and for promotion, expansion, commercialization and modernisation of agriculture and allied activities.

The percentage share of various sectors in the total loans outstanding is depicted as below:



Around 80% of the portfolio is under MSME and Microfinance.

### 3.6 Technology Interventions

- The Company has successfully migrated its corporate domain from nabsamruddhi.org to nabsamruddhi.in;
- The Company has successfully implemented online Job Application and Management Portal thereby assisting the Company in effectively and efficiently performing the recruitment related activities;
- The Company had the provision of official Email IDs on nabsamruddhi.in domain for all employees thereby enforcing use of official IDs only for business communication;

- d. “Integrated Loan Management and Accounting System (ILMAS)” was migrated from Cloud to NABARD SDDC thereby saving considerable costs to the Company;
- e. There was a successful migration of Broadband Network to Corporate Network at Registered Office and Systems upgrade with the help of NABARD.
- f. IT policies, IT SOPs and IT Governance Framework of the Company were adopted during the year.

The Company projects to use technology for administrative purposes also and thus move towards being a fully tech-enabled organization.

### **3.7 Human Resource Management**

NABSAMRUDDHI Finance Limited believes that Human Resource Management plays a very important role in achieving the Company's objective. During FY 2020-21, the Company augmented its manpower by recruitment of specialists for its Credit & Monitoring, Audit & Risk Management, Human Resources and Administration verticals. Going forward, the Company will continue to focus on nurturing the right talent to achieve the business goal.

The Company adopted 'Work From Home' Strategy during the lockdown as per its Business Continuity Plan. The Company was able to undertake all its critical as well as regular functions, including conduct of Board Meetings, finalisation of accounts, Audit, Business/Product Development, etc., with the help of technology.

### **3.8 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.

### **3.9 Internal Controls and adequacy**

The Company has adequate internal control system and procedures in place to safeguard assets and protect against losses from any unauthorised use or disposition. The Company's internal control system are supplemented by internal audits, inspection by NABARD, reviews by the management, and 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 has recently adopted a Board approved Whistle Blower Policy.

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

The Company adopted a range of measures to address the concerns arising from the COVID 19 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 based 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 2021-22**

The Company is planning to extend its operations PAN India and has opened its new offices at Chennai and New Delhi. Further, the Company has formulated its Human Resource plan and is recruiting more employees in line with the projected business plan. 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 also factoring in systemic risks. While aiming at significant market penetration, organic growth has been 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 with focus on impact and sustainability.

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

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**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<sup>st</sup> MARCH, 2021**

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 31-03-2021 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 31-03-2021, 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 Take overs) 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;

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 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.

3. 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.

4. We further report that :

(i) The company has issued and allotted 7715388 Equity Shares of Rs.10/- each at a premium of INR 5.10 per share aggregating to INR 11,65,02,359/- on rights basis.

Place: Hyderabad,  
Date:17-08-2021

UDIN: F001989C000793406

**For MARTHI & Co.,  
Company Secretaries  
S S MARTHI  
PROPRIETOR  
FCS 1989, CP 1937**

Note: This report is to be read with letter of even date which is annexed as “ANNEXURE A” and forms an integral part of this report

**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, 2021** 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, 2021** 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.

Place: Hyderabad,  
Date: 17-08-2021

UDIN: F001989C000793406

**For MARTHI & Co.,  
Company Secretaries  
S S MARTHI  
PROPRIETOR  
FCS 1989, CP 1937**





*True progress quietly and persistently moves along without notice.*

*- St. Francis of Assisi*



*“The only limit to your impact is your imagination and commitment.”*

*- Anthony Robbins.*

## Impact Stories

NABSAMRUDDHI Finance Limited provides credit facilities to legal entities in the off farm, microfinance and MSME sectors and for the promotion, expansion, commercialization and modernization of agriculture and allied activities. The Company's lending portfolio constitutes MSME sector followed by microfinance, vehicles, housing, sanitation, solar power and others.

NABSAMRUDDHI is mindful of the impact of its operations at the ground level, snippets of which are captured in the following success stories of our beneficiaries:



**Stitching Together A Livelihood**

### Shyamali Mallick

ASA International India Microfinance

*Shyamali Mallick had lost her husband very early in her life and she had no means to manage her family and working part-time to make the ends meet. With the support of our Client 'ASA International', She opened a small tailoring shop and further completed a skill development training program. With expansion of her business, she is now 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.*

*Having started off selling vegetables out of an autorickshaw, Kanakaraju from Andhra Pradesh had big dreams of owning his own business. He started his own sweet shop called Sri Sumangali Sweets and Bakery, and he would buy sweets wholesale to sell at his store, at very low margin. With the financial support from our Client 'Kinara Capital', he was able to set up his own bakery, thus increasing his business by 30-35%.*

### Madagala Kanakraju

Kinara Capital



**The Sweet Aroma of Success**



**Roofing Over the Problems**

### Tehsin

Sonata Microfinance

*Tehsin lives with her husband and three children in a village in Faizabad. She runs a small time bangle shop and with a collective income of INR 12,000 / per month, including her husband's earnings, she thought she would never able to save money to construct proper house to live. Our Client Sonata's Home Improvement Loan of INR 79000 / came as a relief and she completed construction of house, which has improved her standard of living.*

*Nasreenbano always wanted to support her family financially but didn't have the means to do so. She availed the loan from our client 'Light Microfinance' and was able to set up power loom business which now contributes handsomely to the family's monthly income and gives her a say in family decision making also.*

**Nasreenbano**  
Light Microfinance



*Em'powering' the weft of her life*

### Qasab Kutch Craftswomen' Producer Co. Ltd., Bhuj, Gujarat



*"Every success story is a tale of constant adaption, revision and change."  
-Richard Branson*

*Qasab is known for its outstanding quality of authentic Kutch embroidery, appliqué and patchwork products. Due to lockdown restrictions, the OFPO faced a difficult situation as all pending orders from their major buyer were deferred/cancelled, and no sales were possible in the first few months. Due to loan provided by NABSAMRUDDHI, they were able to support a few local artisans which boosted their morale in this tough year and helped them to carry on with the business.*

#### **Impact in Water, Sanitation and Hygiene (WASH) Sector :**

In keeping with the global, national as well as the major stakeholder, i.e., NABARD's commitment to Sustainable Development Goals, NSFL extended its support towards financing activities under the 'WASH' category during the year. Accordingly, an amount of INR 10.00 Crore was disbursed to two entities for on lending for Water, Sanitation and Hygiene (WASH) programmes/products. Around 13,000 women are expected to be covered under sanitation and drinking water supply projects in the States of Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Bihar, West Bengal, Odisha and Manipur through these loans. WASH segment caters to 3 SDGs, i.e., 'SDG 6' – Clean Water and Sanitation, 'SDG 3' – Good Health & Well Being, and 'SDG 11' – Sustainable Cities and Communities.



*“Reinvention of daily life means marching off the edge of our maps.”  
- Bob Black*

An impact story from FWWB, one of the entities funded by the Company under WASH is given below:

**Arhula Devi**

Friends of WWB (FWWB), India



*Smt. Arhula Devi, a resident of Darbhanga district in Bihar, says that there was no toilet at home and they had to go outside in open for defecation. However, after availing toilet loan through our client FWWB, Arhula along with other women in her village were able to build toilets and now they feel more safe and secure as previously they had to cover long distance in and around village looking for desolate place and had fear of safety and security.*

Further, a few pictorial depiction of impact under WASH financing by the Company are depicted below:





## INDEPENDENT AUDITOR'S REPORT

To  
The Members of NABSAMRUDDHI Finance Limited

### Report on the audit of the financial statements

#### Opinion

We have audited the accompanying financial statements of NABSAMRUDDHI Finance Limited (“the Company”), which comprise the balance sheet as at March 31, 2021, 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 financial statements gives the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and its cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with the standards on auditing 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 Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

#### Information Other than the financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of management for financial statements**

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether 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 Standards on Auditing (SA's) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **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 Companies act, 2013 with regard to directions issued by Comptroller and Auditor General (CAG) of India, refer “Annexure C”.

Additional Report as per Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 is given in “Annexure D”.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) Company does not have any branch offices.
- (d) 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;
- (e) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (f) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “Annexure B” and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - a. The Company does not have any pending litigations which would impact its financial position;
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and



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

**For GPHK & ASSOCIATES**

Chartered Accountants

[Firm Registration No. 008053S]

G.Padmakar

Partner

M.No. 203432

UDIN : 21203432AAAADM6195

Place: Hyderabad

Date: 06 May 2021

## Annexure-A to the Independent Auditor's Report

a. In respect of its fixed assets:

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

(b) The fixed assets have been physically verified during the year by the management at reasonable intervals having regard to the size of the company and the nature of its assets. According to the information and explanations given to us there were no discrepancies noticed on such verification.

(c) There are no immovable properties held by the company.

b. According to the information and explanation given to us, the company does not hold any Inventory during the year. Hence, paragraph 3 (ii) of the Order is not applicable.

c. According to the information and explanation given to us, the Company has not granted loans, Secured or Unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

d. According to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of granting of loans, making investments and providing guarantee and securities, as applicable.

e. The Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.

f. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the services of the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

g. According to the information and explanations given to us, in respect of Statutory dues:

(a) The company has been regular in depositing undisputed statutory dues income tax, Goods & Service Tax, value added tax and other material statutory dues as applicable to it with appropriate authorities during the year and there were no arrears of such dues outstanding for a period of more than six months from the date they became payable as on March 31, 2021.

(b) There are no dues of Goods and Service tax, Income Tax, Provident Fund, Value Added Tax, Custom duty, Service tax, cess which have not been deposited on account of any dispute as on 31st March 2021 except the following: -

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in INR
The Income Tax Act, 1961.	Income Tax	CIT (A), Hyderabad	F.Y 2015 - 16	Rs.10,31,760*

\*As per the assessment order passed by A.O., Income assessed is INR 1,77,94,494 by disallowing an amount of INR 23,291 to the returned Income of INR 1,77,71,203. Whereas, Income considered in computation sheet is INR 2,01,36,631. Tax Demand is calculated on the difference amount and accordingly notice u/s 156 issued for the same. Company has filed appeal against the Demand.

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

i. The Company during the period did not raise any money by way of initial public offer or further public offer (including debt instruments). Term loans were raised from 'National Bank for Agriculture and Rural Development (NABARD)' 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 utilized for the intended purpose for which those were raised.

j. 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.

k. 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 the managerial remuneration to Directors of the company and is in compliance of section 197 of Companies act, 2013.

l. In our opinion and according to the information and explanation 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

m. 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

n. 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.

o. 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.

p. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly the company has obtained certificate of Registration under this act.

**For GPHK & ASSOCIATES**

Chartered Accountants

[Firm Registration No. 008053S]

G.Padmakar

Partner

M.No. 203432

Place: Hyderabad

Date: 06 May 2021



## **Annexure – B to the Auditor's Report**

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

We have audited the internal financial controls over financial reporting of NABSAMRUDDHI FINANCE LIMITED (“the Company”) as of March 31, 2021 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 (the “Guidance Note”). These responsibilities include design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and 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 standards on Auditing prescribed under section 143(10) of the Companies Act, 2013 and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Notes 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 controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial 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, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 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.

### For GPHK & ASSOCIATES

Chartered Accountants

[Firm Registration No. 008053S]

G.Padmakar

Partner

M.No. 203432

Place: Hyderabad

Date: 06 May 2021

## Annexure – C to the Auditor's Report

### Directions under section 143(5) of Companies Act, 2013

1. As per Information and explanation given to us by the company, the company is using accounting software for processing of accounting transactions except Classification of Loans and advances, calculation of Interest and Provisions. Based on our audit, we observed that such processing of transactions outside IT system does not have any adverse implications on integrity of accounts.
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 GPHK & ASSOCIATES

Chartered Accountants

[Firm Registration No. 008053S]

G.Padmakar  
Partner  
M.No. 203432

Place: Hyderabad  
Date: 06 May 2021

**Annexure-D****Additional Report on the NBFC (Auditor's Report Reserve bank) Directions, 2016**

To  
The Board of Directors,  
**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 31.03.2021.
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 2020-21
2. The company has not accepted any public deposits during the financial year 2020-21.
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 - 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 DNBSO3 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 (DNBSO3) within the stipulated period.



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

**For GPHK & ASSOCIATES**

Chartered Accountants

[Firm Registration No. 008053S]

G.Padmakar

Partner

M.No. 203432

Place: Hyderabad

Date: 06 May 2021

By Speed post



भारतीय लेखापरीक्षा और लेखा विभाग  
महा निदेशक वाणिज्यिक लेखापरीक्षा एवं  
पदेन सदस्य लेखापरीक्षा बोर्ड का कार्यालय, हैदराबाद

**INDIAN AUDIT AND ACCOUNTS DEPARTMENT**  
OFFICE OF THE DIRECTOR GENERAL OF  
COMMERCIAL AUDIT AND EX-OFFICIO MEMBER,  
AUDIT BOARD, HYDERABAD

DGCA/A/c/Desk/2020-21/NFL/1.11/140

13 August 2021

To  
The Managing Director,  
Nabsamruddhi Finance Limited,  
1-1-61 Ground Floor, Nabard Regional Office  
Rtc X Roads, Musheerabad  
Hyderabad-500020

**Sub: - Comments of the C&AG of India under Section 143(6)(b) of the Companies Act, 2013  
on the accounts of Nabsamruddhi Finance Limited for the year ended on 31 March 2021**

Sir,

I forward herewith the 'Nil Comments' Certificate of Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Nabsamruddhi Finance Limited for the year ended on 31 March 2021.

2. The date of placing the comments along with Annual Accounts and Auditor's Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting may be furnished.

3. The date of forwarding the Annual Report and Annual Accounts of the Company together with Auditor's Report and comments of the Comptroller and Auditor General of India to the Central Government for being placed before the Parliament may please be intimated.

4. Ten copies of the Annual Report for the year 2020-21 may please be furnished in due course.

The receipt of this letter along with the enclosures may please be acknowledged.

Encl:- As above

Yours faithfully,

*M. S. Subrahmanyam*  
(M. S. Subrahmanyam) 13/08/21  
Director General

महालेखाकार का कार्यालय परिसर, सैफाबाद, हैदराबाद - 500 004.  
A.G.'s Office Complex, Saifabad, Hyderabad - 500 004  
e-mail : mabhyderabad@cag.gov.in

Grams : DIRCOMIT Fax : 040-23231318  
Phone : 23233315, 23230415

**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  
YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of Nabsamruddhi Finance Limited for the year ended 31 March 2021 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 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 06 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Nabsamruddhi Finance Limited for the year ended 31 March 2021 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 143(6)(b) of the Act.

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

*M. S. Subrahmanyam*  
13/08/21

**(M. S. Subrahmanyam)**

**Director General of Commercial Audit  
Hyderabad**

**Place: Hyderabad  
Date: 13 August 2021**



## NABSAMRUDDHI FINANCE LIMITED

### BALANCE SHEET AS AT 31st MARCH, 2021

Particulars	Note. No.	As at 31.03.2021 (Amount in INR)	As at 31.03.2020 (Amount in INR)
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	1	1,238,219,880	1,161,066,000
(b) Reserves and Surplus	2	698,269,640	529,886,879
(c) Reserve Fund	3	109,181,570	76,923,000
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	3,206,872,260	3,149,137,136
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	5	4,981,000	20,061,200
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	6	2,276,209,400	1,450,314,447
(d) Short-Term Provisions	7	154,228,771	100,891,653
<b>Total</b>		<b>7,687,962,521</b>	<b>6,488,280,315</b>
<b>II. ASSETS</b>			
(1) Non-Current Assets			
(a) Property, Plant & Equipment and Intangible assets	8		
i) Property, Plant & Equipment			
Gross Block		1,328,473	2,688,990
Depreciation		806,000	2,129,379
Net Block		522,473	559,611
ii) Intangible Assets		-	-
Gross Block		-	300,000
Depreciation		-	285,000
Net Block		-	15,000
iii) Capital work-in-progress		-	-
iv) Intangible assets under development		1,245,000	1,245,000
		1,767,473	1,819,611
(b) Non-current investments	9	69,663,376	42,829,916
(c) Deferred tax assets (net)	23	14,912,854	9,483,530
(d) Long term loans and advances	10	3,534,585,061	3,505,610,719
(e) Other non-current assets	11	5,800	4,905,800
(2) Current Assets			
(a) Current investments	12	407,694,120	133,382,967



(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	13	399,287,186	335,859,962
(e) Short-term loans and advances		-	-
(f) Other current assets	14	3,260,046,650	2,454,387,811
<b>Total</b>		<b>7,687,962,521</b>	<b>6,488,280,315</b>
Significant Accounting Policies	22		
Notes on Accounts	23		

**As per our Report of Even Date**  
**For GPHK & Associates**  
**Chartered Accountants**  
**Firm Registration Number 008053S**

**G. Padmakar**  
 Partner  
 Membership Number 203432

Place: Hyderabad  
 Date: 06 May 2021

For NABSAMRUDDHI Finance Limited

**P V S Suryakumar**      **Suparna Tandon**  
 Chairman                      Managing Director  
 DIN: 06694864              DIN: 08429718  
 Date: 06 May 2021        Date: 06 May 2021

**M Prashanth Babu**      **Puja Shah**  
 Chief Financial Officer      Company Secretary  
 Date: 06 May 2021        Membership No.: A46987  
 Date: 06 May 2021

**NABSAMRUDDHI FINANCE LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2021**  
(Amount in INR)

Sr. No	Particulars	Note. No.	For the year ended 31.03.2021	For the year ended 31.03.2020
I	Revenue from operations	15	726,537,416	607,917,408
II	Other Income	16	15,205,457	16,503,498
<b>III</b>	<b>Total Revenue (I +II)</b>		<b>741,742,873</b>	<b>624,420,906</b>
IV	Expenses:			
	Employee Benefit Expense	17	38,052,286	14,356,965
	Finance Cost	18	342,665,029	315,180,880
	Depreciation and Amortization Expense	19	129,061	106,466
	Other Administrative Expenses	20	11,030,969	8,829,389
	Provisions and Bad Debts written off	21	126,303,314	71,279,041
	<b>Total Expenses (IV)</b>		<b>518,180,659</b>	<b>409,752,741</b>
V	Profit before prior period, exceptional and extraordinary items and tax <b>Prior period items</b>	(III - IV)	223,562,214	214,668,165
	Write off of unamortised expenditure		4,900,000	-
VI	Profit before exceptional and extraordinary items and tax		<b>218,662,214</b>	<b>214,668,165</b>
VII	Exceptional Items		-	-
VIII	Profit before extraordinary items and tax (VI - VII)		218,662,214	214,668,165
IX	Extraordinary Items		-	-
<b>X</b>	<b>Profit before tax (VIII -IX)</b>		<b>218,662,214</b>	<b>214,668,165</b>
XI	Tax expense:			
	(1) Current tax		62,798,686	45,446,331
	(2) Prior period taxes		-	17,262
	(3) Deferred tax Asset		(5,429,324)	10,004,931
<b>XII</b>	<b>Profit/(Loss) for the year from continuing operations</b>	<b>(X-XI)</b>	<b>161,292,852</b>	<b>159,234,165</b>
XIII	Profit/(Loss) from discontinuing operations		-	-
XIV	Tax expense of discounting operations		-	-
XV	Profit/(Loss) from Discontinuing operations (XIII - XIV)		-	-
XVI	Profit/(Loss) for the year (XII + XV)		161,292,852	159,234,165
	Less: Reserve Fund		32,258,570	31,850,000
			-	-
	<b>Surplus/(Deficit) carried to Balance Sheet</b>		<b>129,034,282</b>	<b>127,384,165</b>
XVII	Earning per equity share:			
	(1) Basic		1.10	1.50
	(2) Diluted		1.10	1.50
	Significant Accounting Policies	22		
	Notes on Accounts	23		

**As per our Report of Even Date**  
**For GPHK & Associates**  
**Chartered Accountants**  
**Firm Registration Number 008053S**

**G. Padmakar**  
Partner  
Membership Number 203432

Place: Hyderabad  
Date: 06 May 2021

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For NABSAMRUDDHI Finance Limited

**P V S Suryakumar**      **Suparna Tandon**  
Chairman                      Managing Director  
DIN: 06694864              DIN: 08429718  
Date: 06 May 2021          Date: 06 May 2021

**M Prashanth Babu**      **Puja Shah**  
Chief Financial Officer      Company Secretary  
Date: 06 May 2021          Membership No.: A46987  
Date: 06 May 2021



## NABSAMRUDDHI FINANCE LIMITED

### Schedules Forming Integral Part of the Balance Sheet as at 31 March, 2021

#### Note : 1 Share Capital

(Amount in INR)

Sr. No	Particulars	March 31, 2021	March 31, 2020
	<b>AUTHORIZED CAPITAL</b>		
	15,00,00,000 Equity shares of Rs.10/ each (Previous year 15,00,00,000 Equity Shares of Rs.10/- each)	1,500,000,000	1,500,000,000
		1,500,000,000	1,500,000,000
	<b>Issued, Subscribed &amp; Called up Capital</b>		
	12,38,21,988 Equity shares of Rs.10/- each (Previous year 11,61,06,600 Equity Shares of Rs.10/- each)	1,238,219,880	1,161,066,000
	<b>Paid up Capital</b>		
	12,38,21,988 Equity shares of Rs.10/- each (Previous year 11,61,06,600 Equity Shares of Rs.10/- each)	1,238,219,880	1,161,066,000
	Less: Allotment Money unpaid	-	-
	Calls unpaid	-	-
	<b>Total</b>	<b>1,238,219,880</b>	<b>1,161,066,000</b>

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

Particulars	March 31, 2021	March 31, 2020
Number of shares outstanding at the beginning of the year	116,106,600	63,045,800
Add : Equity shares issued during the year	7,715,388	53,060,800
Less: Shares bought back during the year	-	-
<b>Number of shares outstanding at the end of the year</b>	<b>123,821,988</b>	<b>116,106,600</b>

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

Particulars	March 31, 2021	March 31, 2020
Equity Share Capital outstanding at the beginning of the year	1,161,066,000	630,458,000
Add : Equity share capital issued during the year	77,153,880	530,608,000
Equity share capital outstanding at the end of the year	1,238,219,880	1,161,066,000

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

Particulars	March 31, 2021	March 31, 2020
National Bank for Agriculture and Rural Development (NABARD) (No of shares 11,27,88,000) (Pr. Yr.10,52,88,000)	% of holding 91.09	% of holding 90.68

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

During the year, additional 77,15,388 Shares @ Rs 15.10/- per share (Face Value: Rs 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 Rs 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, 2021	March 31, 2020
a.	<b>Securities Premium Account</b>		
	Balance at the beginning of the account	294,433,592	80,067,960
	Add: Premium on issue of equity shares	39,348,479	214,365,632

	<b>Balance at the end the year</b>	<b>333,782,071</b>	<b>294,433,592</b>
<b>b.</b>	<b>Surplus in the statement of Profit &amp; Loss Account</b>		
	Balance brought forward from previous year	235,453,287	148,760,006
	Add: Profit for the year	129,034,282	127,384,165
	Less: Dividend paid	-	40,690,884
	<b>Balance at the end the year</b>	<b>364,487,569</b>	<b>235,453,287</b>
	<b>Total (a+b)</b>	<b>698,269,640</b>	<b>529,886,879</b>

**Note : 3 Reserve Fund**

(Amount in INR)

Sr. No	-	March 31, 2021	March 31, 2020
	Balance at the beginning of the account	76,923,000	45,073,000
	Add: Reserve Fund during the year	32,258,570	31,850,000
	<b>Total</b>	<b>109,181,570</b>	<b>76,923,000</b>

**Note : 4 Long Term Borrowings**

(Amount in INR)

Sr. No	Particulars	March 31, 2021	March 31, 2020
1	Bonds / Debentures	-	-
2	Term Loan - From NABARD (Refinance)	3,206,872,260	3,149,137,136
	<b>Total</b>	<b>3,206,872,260</b>	<b>3,149,137,136</b>

Note: (i) Current maturities of long term debts have been reported separately under Note - 6

(ii) Terms and conditions mentioned at point no.11 of Note no. 23

**Note : 5 Other Long Term Liabilities**

(Amount in INR)

Sr. No	Particulars	March 31, 2021	March 31, 2020
1	Subsidy Reserve Fund	4,981,000	20,061,200
	<b>Total</b>	<b>4,981,000</b>	<b>20,061,200</b>

**Note : 6 Other Current Liabilities**

(Amount in INR)

Sr. No	Particulars	March 31, 2021	March 31, 2020
1	Accrued Interest on Refinance	37,864,580	54,358,349
2	Statutory payables	121,470	694,401
3	Current Maturities of Long Term Debts	2,234,855,107	1,395,190,597
4	Other Payables	6,000	67,720
5	Interest on Interest for Moratorium (Ref. point no.24 of Note no.23)	3,358,863	-
6	Dividend payable for earlier years	3,380	3,380
	<b>Total</b>	<b>2,276,209,400</b>	<b>1,450,314,447</b>

**Note : 7 Short Term Provisions**

(Amount in INR)

Sr. No	Particulars	March 31, 2021	March 31, 2020
1	Provision for Income Tax	62,798,686	45,446,331
2	Provision for Gratuity	5,737,544	2,105,425
3	Provision for Outstanding Expenses	318,150	376,500
4	Provision for CSR expenditure	200,001	1,552,789
5	Provision for Standard Assets	32,605,109	28,375,147
6	Provision for Sub-Standard Assets	18,384,860	16,063,851
7	Provision for Doubtful Assets	34,184,422	6,971,611
	<b>Total</b>	<b>154,228,771</b>	<b>100,891,653</b>

As per our Report of Even Date

For GPHK &amp; Associates

Chartered Accountants

Firm Registration Number 008053S

**G. Padmakar**

Partner

Membership Number 203432

Place: Hyderabad

Date: 06 May 2021

For NABSAMRUDDHI Finance Limited

**P V S Suryakumar**

Chairman

DIN: 06694864

Date: 06 May 2021

**Suparna Tandon**

Managing Director

DIN: 08429718

Date: 06 May 2021

**M Prashanth Babu**

Chief Financial Officer

Date: 06 May 2021

**Puja Shah**

Company Secretary

Membership No.: A46987

Date: 06 May 2021





## NABSAMRUDDHI FINANCE LIMITED

### Notes Forming Integral Part of the Balance Sheet as at 31st March, 2021

Note : 8 Property, Plant & Equipment and Intangible assets

(Amount in Rs.)

Sr.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 31.03.2021	as on 31.3.2020
I	Property, Plant & Equipment										
1	Furnitures & Fixtures	125,567	-	9,220	116,347	68,853	10,497	870	78,480	37,867	56,714
2	Vehicles (Cars)	488,022	-	-	488,022	463,621	-	-	463,621	24,401	24,401
3	Office Equipment	478,396	41,916	126,391	393,921	175,519	71,005	117,988	128,536	265,386	302,877
4	Computer	406,023	140,090	335,834	210,279	338,387	36,169	316,058	58,498	151,781	67,636
5	Interiors	1,190,982	-	1,071,078	119,904	1,082,999	11,391	1,017,524	76,866	43,038	107,983
	<b>SUB TOTAL (A)</b>	<b>2,688,990</b>	<b>182,006</b>	<b>1,542,523</b>	<b>1,328,473</b>	<b>2,129,379</b>	<b>129,061</b>	<b>1,452,440</b>	<b>806,000</b>	<b>522,473</b>	<b>559,611</b>
II	Intangible Assets										
1	Loaning & Accounting Software	300,000	-	300,000	-	285,000	-	285,000	-	-	15,000
	<b>SUB TOTAL (B)</b>	<b>300,000</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>285,000</b>	<b>-</b>	<b>285,000</b>	<b>-</b>	<b>-</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	1,245,000	-	-	1,245,000	-	-	-	-	1,245,000	1,245,000
	<b>SUB TOTAL (D)</b>	<b>1,245,000</b>	<b>-</b>	<b>-</b>	<b>1,245,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,245,000</b>	<b>1,245,000</b>
	<b>Total [A + B + C + D] (Current Year)</b>	<b>4,233,990</b>	<b>182,006</b>	<b>1,842,523</b>	<b>2,573,473</b>	<b>2,414,379</b>	<b>129,061</b>	<b>1,737,440</b>	<b>806,000</b>	<b>1,767,473</b>	<b>1,819,611</b>
	Previous year	2,803,308	1,548,114	117,432	4,233,990	2,416,841	106,466	108,928	2,414,379	1,819,612	386,467

As per our Report of Even Date  
For GPHK & Associates  
Chartered Accountants  
Firm Registration Number 008053S

**G. Padmakar**  
Partner  
Membership Number 203432

Place: Hyderabad  
Date: 06 May 2021

For NABSAMRUDDHI Finance Limited

**P V S Suryakumar**  
Chairman  
DIN: 06694864  
Date: 06 May 2021

**Suparna Tandon**  
Managing Director  
DIN: 08429718  
Date: 06 May 2021

**M Prashanth Babu**  
Chief Financial Officer  
Date: 06 May 2021

**Puja Shah**  
Company Secretary  
Membership No.: A46987  
Date: 06 May 2021

## NABSAMRUDDHI FINANCE LIMITED

### Notes Forming Integral Part of the Balance Sheet as at 31st March, 2021

#### Note : 9 Non Current Investments (Amount in Rs.)

Sr. No	Particulars		March 31, 2021	March 31, 2020
1	Investment in Securitisation-PTC		69,663,376	42,829,916
	<b>Total</b>		<b>69,663,376</b>	<b>42,829,916</b>

Note: Current Maturities of the Securitisation-PTC have been shown in Note no 12

#### Note : 10 Long Term Loans and Advances (Amount in INR)

Sr. No	Particulars		March 31, 2021	March 31, 2020
	<b>a) Secured, Considered Good :</b>			
	Term Loans & Working Capital Loans			
	Standard		3,351,507,746	3,333,502,096
	Sub-Standard		91,924,300	160,638,494
	Doubtful		91,153,015	11,470,129
			<b>3,534,585,061</b>	<b>3,505,610,719</b>
	<b>b) Unsecured, Considered Good :</b>			
	Advance Recoverable in cash or in kind or for value to be considered good			
	<b>Total</b>		<b>3,534,585,061</b>	<b>3,505,610,719</b>

Note: Current Maturities of Loans & Advances have been shown in Note no 14

#### Note : 11 Other Non Current Assets (Amount in INR)

Sr. No	Particulars		March 31, 2021	March 31, 2020
1	<b>Deposits</b>			
	Telephone Deposits		4,700	4,700
	Cylinder Deposit		1,100	1,100
2	Misc. Assets (Unamortised Expenses)		-	4,900,000
	<b>Total</b>		<b>5,800</b>	<b>4,905,800</b>

#### Note : 12 Current Investments (Amount in Rs.)

Sr. No	Particulars		March 31, 2021	March 31, 2020
1	Investment in Securitisation-PTC		407,694,120	133,382,967
	<b>Total</b>		<b>407,694,120</b>	<b>133,382,967</b>

#### Note : 13 Cash & Cash Equivalent (Amount in INR)

Sr. No	Particulars		March 31, 2021	March 31, 2020
1	<b>Cash-in-Hand</b>			
	Cash Balance		-	-
	<b>Sub Total (A)</b>		<b>-</b>	<b>-</b>
2	<b>Bank Balance</b>			
	1. In Current Account		12,334,846	1,954,428
	2. In Deposit Accounts		386,952,340	333,905,534
	<b>Sub Total (B)</b>		<b>399,287,186</b>	<b>335,859,962</b>
	<b>Total [ A + B ]</b>		<b>399,287,186</b>	<b>335,859,962</b>

**Note : 14 Other Current Assets**

(Amount in INR)

Sr. No	Particulars		March 31, 2021	March 31, 2020
1	<b>Income tax</b>			
	Prepaid Taxes		6,650,000	3,879,000
2	<b>TDS</b>			
	TDS Receivable during the year		55,446,821	60,394,842
	Income Tax Receivable for earlier years		10,517,037	8,090,241
3	<b>Accrued Interest</b>			
	On Deposits	7,467,184		
	On Term Loans	7,896,126		
	On Investment-Securitisation PTC	1,114,164	16,477,474	40,211,586
4	Current maturities of Loans & Advances		3,169,514,042	2,341,527,645
5	Prepaid Expenses		182,794	101,022
6	Ex-gratia receivable		4,447	-
7	Salary Advance		36,000	7,500
8	Other Current Assets		13,918	-
9	GST Credit Balances		1,204,118	175,975
	<b>Total</b>		<b>3,260,046,650</b>	<b>2,454,387,811</b>

**As per our Report of Even Date  
For GPHK & Associates  
Chartered Accountants  
Firm Registration Number 008053S**

**G. Padmakar**  
Partner  
Membership Number 203432

Place: Hyderabad  
Date: 06 May 2021

For NABSAMRUDDHI Finance Limited

**P V S Suryakumar**      **Suparna Tandon**  
Chairman                      Managing Director  
DIN: 06694864              DIN: 08429718  
Date: 06 May 2021              Date: 06 May 2021

**M Prashanth Babu**      **Puja Shah**  
Chief Financial Officer      Company Secretary  
Date: 06 May 2021              Membership No.: A46987  
Date: 06 May 2021

**NABSAMRUDDHI FINANCE LIMITED****Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2021****Note : 15 Revenue from Operations**

(Amount in INR)

Sr. No	Particulars	March 31, 2021	March 31, 2020
1	Interest on Term Loan	683,346,784	570,420,078
2	Interest on Working Capital	-	286,245
3	Interest on Securitisation	19,967,078	9,059,202
4	Front end fee	21,480,000	20,312,500
5	Ledger Folio Charges	118,148	36,072
6	Documentation charges	25,405	5,760
7	Prepayment Charges	1,600,000	7,797,551
	<b>Total</b>	<b>726,537,416</b>	<b>607,917,408</b>

**Note : 16 Other Income**

(Amount in INR)

Sr. No	Particulars	March 31, 2021	March 31, 2020
1	Interest on FDR's	13,803,657	16,500,079
2	Other Receipts	1,401,800	-
3	Profit on Sale of Fixed Asset	-	3,419
	<b>Total</b>	<b>15,205,457</b>	<b>16,503,498</b>

Note: Other receipts includes amount received from technically written off accounts.

**Note : 17 Employment Benefit Expenses**

(Amount in INR)

Sr. No	Particulars	March 31, 2021	March 31, 2020
1	Salaries, Wages, PF	21,132,629	7,787,599
2	Payments to Contract Staff	8,244,549	4,650,310
3	Staff Welfare Expenses	503,282	360,228
4	Conveyance Allowance	2,112,265	715,240
5	Gratuity (Ref. point no.7 of Note no.22)	4,295,537	388,198
6	Leave Salary & Leave Fare Concession	1,764,024	455,390
	<b>Total</b>	<b>38,052,286</b>	<b>14,356,965</b>

**Note : 18 Finance Cost**

(Amount in INR)

Sr. No	Particulars	March 31, 2021	March 31, 2020
1	Interest on Refinance	342,665,029	315,180,880
	<b>Total</b>	<b>342,665,029</b>	<b>315,180,880</b>

**Note : 19 Depreciation & Amortised Cost**

(Amount in INR)

Sr. No	Particulars	March 31, 2021	March 31, 2020
1	Depreciation	129,061	106,466
	<b>Total</b>	<b>129,061</b>	<b>106,466</b>



**Note : 20 Other Administrative Expenses**

(Amount in INR)

Sr. No	Particulars	March 31, 2021	March 31, 2020
1	Directors sitting fee	1,370,000	580,000
2	Travelling expenses	995,709	1,336,286
3	Insurance Premium	28,853	17,714
4	Repairs and Maintenance	1,875	2,400
5	Printing & Stationery	268,093	225,982
6	Postage & Telegrammes	29,720	32,119
7	Telephone Expenses	24,656	31,602
8	Duties & Taxes	15,100	1,266,300
9	Office Maintenance	223,540	226,917
10	News Papers & Subscriptions	387,362	381,785
11	Demat Charges	85,915	75,000
12	Bank Charges	9,118	10,678
13	Maintenance of Vehicles	22,760	110,441
14	Tea & Refreshment	23,380	92,487
15	Professional fees	522,500	408,000
16	General expenses	433,443	201,553
17	Legal Expenses	20,900	103,983
18	Payment to Auditors (Ref Note below)	157,500	162,500
19	Advertisement Expenses	128,318	80,058
20	Board Meeting Expenses	21,380	413,121
21	Loss on write off of Fixed Assets	105,083	-
22	Professional Charges	263,500	162,779
23	Interest on TDS	1,750	20
24	CSR Expenses	2,830,646	1,552,789
25	Computer Software Charges	34,959	-
26	Cloud DC Hosting Charges	665,000	535,000
27	Goods & Service Tax	2,359,908	819,875
	<b>Total</b>	<b>11,030,969</b>	<b>8,829,389</b>

Note	Payment to Auditors	March 31, 2021	March 31, 2020
	Towards Statutory Audit fee	150,000	125,000
	Towards Certification	7,500	7,500
	Towards Tax Audit	-	30,000

**Note : 21 Provisions and Bad Debts written off**

(Amount in INR)

Sr. No	Particulars	March 31, 2021	March 31, 2020
1	Provision for Non Performing Assets (Refer Note no.23)	42,613,241	15,642,803
2	Provision for Standard Assets (*Refer Note no 22 Pt. No 5)	4,229,962	6,371,580
3	Provision for Non Performing Assets reversal	(13,079,420)	(48,515,968)
4	Bad Debts written off	92,539,531	97,780,626
	<b>Total</b>	<b>126,303,314</b>	<b>71,279,041</b>

**As per our Report of Even Date**  
**For GPHK & Associates**  
**Chartered Accountants**  
**Firm Registration Number 008053S**

**G. Padmakar**  
 Partner  
 Membership Number 203432

Place: Hyderabad  
 Date: 06 May 2021

For NABSAMRUDDHI Finance Limited

**P V S Suryakumar** **Suparna Tandon**  
 Chairman Managing Director  
 DIN: 06694864 DIN: 08429718  
 Date: 06 May 2021 Date: 06 May 2021

**M Prashanth Babu** **Puja Shah**  
 Chief Financial Officer Company Secretary  
 Date: 06 May 2021 Membership No.: A46987  
 Date: 06 May 2021

## Cashflow Statement for the year ended 31 March 2021

<b>NABSAMRUDDHI FINANCE LIMITED</b>		
(Amount in Rs.)		
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>(a) Cash flow from Operating Activities</b>		
Net profit as per Profit and Loss a/c before tax	218,662,214	214,668,165
<b>Adjustment for:</b>		
Depreciation	129,061	106,466
Loss on write off of Fixed Assets	105,083	(3,409)
Prior Period Expenditure	4,900,000	-
Provision for Non performing Assets	29,533,821	(32,873,165)
Provision for Standard Assets	4,229,962	6,371,580
Bad Debts written off	92,539,531	97,780,626
Provision for Gratuity	3,632,119	388,198
<b>Operating profit before working capital changes</b>	<b>353,731,791</b>	<b>286,438,461</b>
Adjustment for net change in:		
(Increase)/Decrease in Current Assets	22,577,331	(16,561,659)
(Increase)/Decrease in Current Liabilities	(15,180,695)	6,455,696
(Increase)/Decrease in other Long term liabilities	(15,080,200)	(1,287,500)
Increase / (Decrease) in Loans and borrowings	897,399,634	715,699,019
Increase / Decrease in Loans and Advances	(949,500,270)	(1,423,972,094)
<b>Cash generated from operating activities</b>	<b>293,947,591</b>	<b>(433,228,077)</b>
Payment towards Income tax	(45,696,106)	(66,091,075)
Taxes of earlier years provided	-	17,262
<b>Net cash flow from operating activities (A)</b>	<b>248,251,485</b>	<b>(499,301,890)</b>
<b>(b) Cash flow from Investing Activities</b>		
Income from Investment		
Purchase of Fixed Assets	(182,006)	(1,548,114)
Sale of Fixed Assets	-	11,913
Increase / Decrease in Investments	(301,144,613)	(176,212,883)
<b>Net cash used in Investing activities (B)</b>	<b>(301,326,619)</b>	<b>(177,749,084)</b>
<b>(c) Cash flow from Financing Activities</b>		
Proceeds of Bonds / Shares	116,502,359	744,973,632
Increase / Decrease in Borrowings	-	-
Dividend paid	-	(33,752,880)
Tax on Dividend	-	(6,938,004)
<b>Net cash raised from financing activities (C)</b>	<b>116,502,359</b>	<b>704,282,748</b>
<b>Net increase in cash and cash equivalent (A)+(B)+(C)</b>	<b>63,427,224</b>	<b>27,231,774</b>
Cash and cash equivalent at the beginning of the period	335,859,962	308,628,188
<b>Cash and cash equivalent at the end of the period</b>	<b>399,287,186</b>	<b>335,859,962</b>
<b>Cash and cash equivalent at the end of the period includes :</b>		
Cash in hand	-	-
Balances with other Banks in India	399,287,186	335,859,962
Collateralised Borrowing and Lending Obligations	-	-
<b>Total</b>	<b>399,287,186</b>	<b>335,859,962</b>

As per our Report of Even Date  
For GPHK & Associates  
Chartered Accountants  
Firm Registration Number 008053S

**G. Padmakar**  
Partner  
Membership Number 203432

Place: Hyderabad  
Date: 06 May 2021

For NABSAMRUDDHI Finance Limited

**P V S Suryakumar**      **Suparna Tandon**  
Chairman                      Managing Director  
DIN: 06694864              DIN: 08429718  
Date: 06 May 2021              Date: 06 May 2021

**M Prashanth Babu**      **Puja Shah**  
Chief Financial Officer      Company Secretary  
Date: 06 May 2021              Membership No.: A46987  
Date: 06 May 2021



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### Note - 22

#### 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 and is 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 conform 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 years.

##### 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 on Income recognition and Asset classification 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 receipt 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 on Income recognition and Asset classification 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 Straight Line Method based on the estimated life of the Assets. Depreciation is calculated on a pro rata 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 NABARD. In respect of Company staff, provision for gratuity is calculated as per the Gratuity Act 1972.



## 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 up to twelve months 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 net realizable 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.

The 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 earnings 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 IND AS is not applicable to the Company, as its net worth is less than INR250 crore as on 31 March 2021. Further, NABARD, the parent entity continued to

prepare its financials as per I-GAAP during the financial year on account of deferment of IND AS applicability.

**As per our Report of Even Date  
For GPHK & Associates  
Chartered Accountants  
Firm Registration Number 008053S**

**G. Padmakar**  
Partner  
Membership Number 203432

Place: Hyderabad  
Date: 06 May 2021

For NABSAMRUDDHI Finance Limited

<b>P V S Suryakumar</b> Chairman DIN: 06694864 Date: 06 May 2021	<b>Suparna Tandon</b> Managing Director DIN: 08429718 Date: 06 May 2021
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<b>M Prashanth Babu</b> Chief Financial Officer Date: 06 May 2021	<b>Puja Shah</b> Company Secretary Membership No.: A46987 Date: 06 May 2021
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**Note - 23****Notes on Accounts**

- The Twenty Fourth Year of accounts of the Company consists of the period from 01.04.2020 to 31.03.2021.
- During the year, additional 77,15,388 shares @ INR15.10/- per share (Face value – INR10/- per share) were allotted to existing Shareholders through Rights issue.
- Auditors Remuneration  
Administrative expenses include Auditors remuneration towards:

	<u>31.03.2021</u>	<u>31.03.2020</u>
Statutory Audit fee	INR1.50 lakh	INR1.25 lakh

- Contingent Liabilities as on 31 March 2021 is nil.
- 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.
- 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 31.03.2021.
- Subsidy Reserve Fund represents the direct subsidy received from Govt of India (through NABARD) in respect of one Rural Godown project. The amount will be adjusted towards last installments of the loan account.
- As per the Accounting Standard 22 “Accounting for Taxes on Income” the Company has recorded the Deferred Tax Asset as at 31 March 2021. The details are as under:

(INR in Lakh)

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Deferred Tax Asset at the beginning of the year	94.84	194.88
Add/Less: Adjustments during the year	54.29	(100.04)
Deferred Tax Asset at the end of the year	149.13	94.84

- The Company has made a provision of INR 426.13 lakh on NPA accounts. Further, provisions amounting to INR130.79 lakh has been reversed during the current year and INR925.40 lakh has been technically written off and been debited to P&L

Account. The Company has also made a provision of INR42.30 Lakh on Standard Assets during the year.

10. During the year, the company has technically written off of INR 925.40 lakh in respect of five loan accounts as per the details indicated below :

(INR In lakh)

No. of loan accounts technically written off during the year	05
Technically written off amount during the year	925.395
Provision available for the above accounts as on 31.03.2020	130.794
Additional provision created during FY 2020-21	794.601

#### 11. Re-finance from NABARD

The company has “Refinance” arrangements with NABARD, and the refinance is being availed by the company after disbursement of loan.

The Refinance arrangements are secured in nature by way of security of loans and advances and there was no default in repayment of loan installments or interest payments. The following are the repayment terms:

Sl.No.	Rate of Interest (%)	Outstanding (INR in Lakh)
1.	9.90	2.83
2.	9.70	38.09
3.	9.65	2.47
4.	9.20	2400.37
5.	9.10	126.25
6.	8.80	19.39
7.	8.75	8909.32
8.	8.50	1318.91
9.	8.20	3928.00
10.	8.00	12.50
11.	7.90	1399.43
12.	7.80	4441.11
13.	7.75	2878.00
14.	7.70	1576.00
15.	7.65	289.09
16.	7.60	768.80
17.	7.55	1734.00
18.	7.20	1647.19
19.	6.00	484.13
20.	5.70	8635.36
21.	4.60	13806.03
	<b>Total</b>	<b>54417.27</b>



The current maturities (payable within the period of 12 months) of “Refinance” commitments, are classified as Current Liabilities amounting to INR 22348.55 lakh and the remaining commitments are classified under long term borrowing amounting to INR32068.72 lakh (Note Ref 4 & 6).

12. Remuneration to Managing Director

Year ended 31.03.2021  
INR 53.43 Lakh

Year ended 31.03.2020  
INR 50.43 Lakh

13. Related Party transactions

**Names of Related parties and Nature of Relationship**

Description of Relationship	As at March 2021	As at March 2020
Holding Company	NABARD	NABARD
Managing Director	Smt. Suparna Tandon (Deputed by NABARD)	Shri Nilay D Kapoor / Smt. Suparna Tandon (Deputed by NABARD)
Chief Financial Officer	Shri Murli Misra / Shri M Prashanth Babu	--
Fellow Subsidiary (Subsidiary of NABARD)	NABFOUNDATION	--

**Details of transactions with the Related Parties**

(INR in Lakh)

Transaction	Related Party	For the year ended 31.03.2021	For the year ended 31.03.2020
Other Transactions			
Loan Received	NABARD	23815.96	17377.67
Loan Repaid	NABARD	14841.96	10220.67
<b>Expenses</b>			
Interest Payment	NABARD	3426.65	3151.81
Managerial Remuneration	Shri Nilay D Kapoor	--	8.29
Managerial Remuneration	Smt. Suparna Tandon	53.43	42.14

Remuneration to Chief Financial Officer	Shri Murli Misra (upto 10.07.2020)	12.77	--
	Shri M Prashanth Babu (w.e.f. 06.07.2020)	30.79	--
Office Maintenance charges	NABARD	2.16	2.16
CSR payment	NABFOUNDATION	26.31	--

14. Licensed Capacity and installed Capacity's

Licensed Capacity : Not Applicable

15. Value of Imports calculated on CIF basis

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

16. Contribution to Statutory Reserve Fund

Statutory Reserve Fund of INR 322.59 lakh has been created under Section 45IC of RBI Act, 1934 for the financial year 2020-21 @ 20% on Profit as per Profit and Loss Account, which is in addition to the existing Statutory Reserve Fund of INR 769.23 lakh created for the Financial Years from 2006-07 to 2019-20.

17. Earnings per Share

(INR in Lakh)

Particulars	2020-21	2019-20
Net Profit after Tax as per Profit & Loss Account	1612.93	1592.34
Less: Transfer to Statutory Reserve Fund	322.59	318.50
Profit available to Equity Share Holders	1290.34	1273.84
Weighted Average No. of Equity Shares	1176.92	851.54
Basic Earnings per share	1.10	1.50
Diluted Earnings per share	1.10	1.50

18. The net interest margin for the year 2020-21 is 6.19%.

19. Legal suits have been filed in respect of 115 NPA accounts out of total 156 NPA Accounts (including written off accounts), where the borrowers have not responded positively for settling the accounts. In respect of 41 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.

20. Expenditure in Foreign Currency:  
Travel : - Nil-  
Others : - Nil-
21. Balances of the parties are subject to confirmation.
22. Previous year's figures have been regrouped wherever necessary and figures have been rounded off to the nearest rupee.
23. Disclosure in respect of Corporate Social Responsibility under Section 135 of the Act and Rules thereon:

The Management of the Company has formulated 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 INR 28.31 lakh.
- b. Amount spent during the year is INR 26.31 lakh.

The company kept aside the unspent CSR amount of INR 2.00 lakh in respect of on-going CSR projects, to be carried forward to the next financial year 2021-22.

24. Disclosure requirement as per RBI Circular on Asset Classification and Provisioning dated 07 April 2021 -

Reserve Bank of India issued a notification no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated 07 April 2021 on Asset Classification and Income recognition following the expiry of Covid-19 regulatory package. As per the notification, the company is required to refund/adjust the interest on interest charged on loans during moratorium period and make necessary disclosure in the Financial Statements for the year ending 31 March 2021.

During the year company created a provision of INR 33.59 lakh for refund/adjustment of Interest on Interest charged on loans during moratorium period.

**As per our Report of Even Date  
For GPHK & Associates  
Chartered Accountants  
Firm Registration Number 008053S**

**G. Padmakar**  
Partner  
Membership Number 203432

Place: Hyderabad  
Date: 06 May 2021

For NABSAMRUDDHI Finance Limited

<b>P V S Suryakumar</b> Chairman DIN: 06694864 Date: 06 May 2021	<b>Suparna Tandon</b> Managing Director DIN: 08429718 Date: 06 May 2021
---	--

<b>M Prashanth Babu</b> Chief Financial Officer Date: 06 May 2021	<b>Puja Shah</b> Company Secretary Membership No.: A46987 Date: 06 May 2021
---	--

**DISCLOSURE REQUIRED AS PER NBFC-SI NON DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016.**

**1. Capital to Risk Asset Ratio (CRAR):**

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
(i) CRAR (%)	28.44	29.09
(ii) CRAR – Tier I Capital (%)	28.44	29.09
(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)

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Value of Investment</b>		
(i) Gross Value of Investments	4773.57	1762.13
(a) In India	4773.57	1762.13
(b) Outside India	--	--
(ii) Provision for Depreciation	--	--
(a) In India	--	--
(b) Outside India	--	--
(iii) Net Value of Investments	4773.57	1762.13
(a) In India	4773.57	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 March 31, 2021

(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	2416.10	559.00	--	--	--	--	--	894.42	3869.52
Advances	1909.71	3690.73	2729.03	8270.03	15095.65	32511.13	1915.08	919.63	67040.99
Investments	461.36	458.29	453.42	1303.40	1400.47	696.63	--	--	4773.57
Borrowings	--	141.67	2692.04	8328.20	11186.65	30434.07	1549.95	84.69	54417.27
Foreign Currency assets	--	--	--	--	--	--	--	--	--
Foreign Currency liabilities	--	--	--	--	--	--	--	--	--

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

(INR in Lakh)

Category	As at 31.03.2021	As at 31.03.2020
<b>Indirect Exposure</b>		
Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	2754.35	5474.49

### 7. Exposure to Capital Markets

The company does not have any exposure to the Capital Markets as at 31 March 2021.

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 – During the year, the Company got its Loans rated by India Rating (IND RA) which assigned a rating of 'IND AA' /Stable.

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

#### 16. Provisions and Contingencies

(INR in Lakh)

Breakup of Provisions and Contingencies	31.03.2021	31.03.2020
Provision for Depreciation on Investment	--	--
Provision towards NPA	525.69	230.35
Provision made towards Income Tax	627.99	454.46
Provision for Standard Assets	326.05	283.75
Other Provisions	62.56	40.35

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

##### Concentration of Advances

(INR in lakh)

Particulars	31.03.2021	31.03.2020
Total Advances to twenty largest borrowers	39460.50	32553.00
Percentage of Advances to twenty largest borrowers to Total Advances	58.86%	55.67%

**Concentration of Exposures**

Particulars	31.03.2021	31.03.2020
Total Advances to twenty largest borrowers/Customers	39460.50	32553.00
Percentage of Exposure to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	58.86%	55.67%

**Concentration of NPAs**

(INR in Lakh)

Particulars	31.03.2021	31.03.2020
Total Exposure to top four NPA accounts	1501.72	1205.39

**Sector wise NPAs (percentage of NPAs to total advances in that sector)**

Sector	31.03.2021	31.03.2020
Agriculture & Allied activities	49.14	65.30
MSME	--	--
Corporate borrowers	1.93	1.90
Services	--	--
Unsecured Personal Loans	--	--
Auto Loans	--	--
Other Personal Loans	--	--
Others	7.69	6.94

**Movement of NPAs**

(INR in Lakh)

<b>Particulars</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
(i) Net NPAs to Net Advances(%)	2.19	2.56
(ii) Movement of NPAs(Gross)		
(a) Opening balance	1721.08	1202.33
(b) Additions during the year	1131.03	1681.63
(c) Reductions during the year	1021.34	1162.88
(d) Closing balance	1830.77	1721.08
(iii) Movement of Net NPAs		
(a) Opening balance	1490.73	643.25
(b) Additions during the year	737.86	1513.47
(c) Reductions during the year	923.51	665.99
(d) Closing balance	1305.08	1490.73
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	230.35	559.09
(b) Provisions made during the year	1232.19	695.98
(c) Write of / write back of		

excess provisions	936.85	1024.72
(d) Closing balance	525.69	230.35

### 18. Disclosure of Complaints

Particulars	31.03.2021	31.03.2020
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	--	--

Notes 1 to 23 referred to above form part of the Balance Sheet and Profit & Loss Account.

**As per our Report of Even Date**  
**For GPHK & Associates**  
**Chartered Accountants**  
**Firm Registration Number 008053S**

For NABSAMRUDDHI Finance Limited

**G. Padmakar**  
 Partner  
 Membership Number 203432

**P V S Suryakumar**  
 Chairman  
 DIN: 06694864  
 Date: 06 May 2021

**Suparna Tandon**  
 Managing Director  
 DIN: 08429718  
 Date: 06 May 2021

Place: Hyderabad  
 Date: 06 May 2021

**M Prashanth Babu**  
 Chief Financial Officer  
 Date: 06 May 2021

**Puja Shah**  
 Company Secretary  
 Membership No.: A46987  
 Date: 06 May 2021



## NABSAMRUDDHI FINANCE LIMITED

### Schedule to the Balance Sheet

(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 (Secured loan – Refinance from NABARD)	54417.27	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
	<b>Assets side:</b>	<b>Amount Outstanding</b>	
3.	Break up of Loans and Advances including bills receivables (other than those included in (4) below):		
	(a) Secured		67040.99
	(b) Unsecured		--
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

	<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) – Investment in PTC Fixed Deposit with Banks	4076.94 3869.52
	<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)	Nil
	<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) Investment in PTC	Nil  696.63

<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 samegroup (c) Other relatedparties	Nil	Nil	Nil
2. Other than related parties	<b>67040.99</b>	--	<b>67040.99</b>	
	<b>Total</b>	<b>67040.99</b>	--	<b>67040.99</b>
<b>(7)</b>	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b>			
	<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 samegroup (c) Other relatedparties	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	1830.77
	(ii) Net Non-Performing Assets	
	(a) Related parties	Nil
	(b) Other than related parties	1305.08
	(iii) Assets acquired in satisfaction of debt	Nil
<p><b>As per our Report of Even Date</b>  <b>For GPHK &amp; Associates</b>  <b>Chartered Accountants</b>  <b>Firm Registration Number 008053S</b></p> <p><b>G. Padmakar</b>  Partner  Membership Number 203432</p> <p>Place: Hyderabad  Date: 06 May 2021</p>		
<p>For NABSAMRUDDHI Finance Limited</p> <p><b>P V S Suryakumar</b>      <b>Suparna Tandon</b>  Chairman                      Managing Director  DIN: 06694864              DIN: 08429718  Date: 06 May 2021        Date: 06 May 2021</p> <p><b>M Prashanth Babu</b>      <b>Puja Shah</b>  Chief Financial Officer      Company Secretary  Date: 06 May 2021        Membership No.: A46987  Date: 06 May 2021</p>		

## BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No.		State Code	
26442		01	
Balance Sheet Date	Date	Month	Year
	31	03	2021

### II. Capital raised during the Year

( Amount in INR Thousands)

Public Issue	Right Issue
-----	116502
Bonus Issue	Private Placement
-----	-----

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

( Amount in INR Thousands)

Total Liabilities		Total Assets	
7687963		7687963	
Sources of Funds:			
Paid-up Capital	Reserve & Surplus	Reserve Fund	
1238220	698270	109182	
Non-Current Liabilities		Current Liabilities	
3211853		2430438	

### IV. Application of Funds:

(Amount in INR Thousands)

Net Fixed Assets	Investments
1767	477357
Non Current Assets	Current Assets
3534591	3659334
Accumulated Losses	Deferred Tax Asset
-----	14913

### V. Performance of Company

( Amount in INR Thousands)

Turnover	Total Expenditure
741743	518181
Profit/(Loss) before Tax	Profit/(Loss) after Tax
218662	161293
Earning per share in INR	Dividend(%)
1.10	Nil

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

(As per monetary terms)

Item Code No. (ITC code) : NA
Product Description : Term Loan, Pooled Loan Issuance(PLI), Investment in Pass Through Certificates(PTC)



# NABSAMRUDDHI FINANCE LIMITED

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

**Mumbai Office:**

C/o. NABARD, Ground Floor, 'D' Wing, Plot No. C-24, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051

**E-mail :** [nabsamruddhi@nabard.org](mailto:nabsamruddhi@nabard.org) **Web :** [www.nabsamruddhi.in](http://www.nabsamruddhi.in)

**Hyderabad Office :**

NABARD Regional Office, 1-1-61, RTC X Road P.B No. 1863, Hyderabad 500020, Telangana

**Tel :** 040-23241155/56 **Telefax :** 040- 23241156 **E-mail :** [nabsamruddhi@nabard.org](mailto:nabsamruddhi@nabard.org)

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of **NABSAMRUDDHI Finance Limited** will be held **on Thursday, 30 September 2021 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 2021 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. R Shreenath Reddy (DIN: 08701074) who retires by rotation and being eligible, offers himself for re-appointment.

**“RESOLVED THAT** appointment of Dr. R Shreenath Reddy (DIN: 08701074) as Nominee Director, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby approved.

3. To authorize the Board of Directors to fix the remuneration payable to M/s. S R Mohan & Co., Chartered Accountants, Hyderabad, the Statutory Auditors appointed by the Comptroller & Auditor General of India for f.y. 2021-22:

**“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)/1765 dated 02 September 2021 received from the Comptroller and Auditor General of India for appointment of M/s. S R Mohan & Co., Chartered Accountants as Statutory Auditors of the Company for the FY 2021-22, 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 on the recommendation of the Audit Committee”.

**SPECIAL BUSINESS****5. Appointment of Dr. Ushamani P. (DIN: 09138953) as the Managing Director of the Company:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V, Articles of Association of the Company and recommendation of the Nomination and Remuneration Committee and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any re-enactment thereof, the shareholders hereby approve the appointment of Dr. Ushamani P. (DIN: 09138953) as Managing Director of the Company (whose office shall not be liable for retirement by rotation), under the Companies Act, 2013, with effect from 06 May 2021, subject to the superintendence, control and direction of Board of Directors, and that Dr. Ushamani P., Managing Director be entrusted with substantial powers of management in respect of the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may be entrusted from time to time to or conferred upon her by the Board. Dr. Ushamani P. shall be paid remuneration as per the terms and conditions of staff on deputation from National Bank for Agriculture & Rural Development (NABARD) subject to the limits provided under Schedule V of the Companies Act, 2013.”

**Place: Mumbai**

**Date: 08 September 2021**

By Order of the Board of Directors  
**FOR NABSAMRUDDHI Finance Limited**

**Corporate Office:**

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

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

**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 No. 5 above as Ordinary Resolution 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 05 May 2020 read with General Circular No. 14/2020 dated 08 April, 2020 and General Circular No. 17/2020 dated 13 April 2020 and General Circular No. 02/2021 dated 13 January 2021, has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2021. In accordance with the said circulars of MCA, the 24<sup>th</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 and General Circular No. 2/2021 dated 13 January 2021, 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 2020-21, 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 either contact Mr. Kaushik Sethna, Chief Technology Officer at [it.nabsamruddhi@nabard.org](mailto:it.nabsamruddhi@nabard.org) (contact number +91-9619348563); or Contact Mrs. Puja Shah, Company Secretary at [cs.nabsamruddhi@nabard.org](mailto:cs.nabsamruddhi@nabard.org) (contact 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 Wednesday, 29 September 2021 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).

**Place: Mumbai**  
**Date: 08 September 2021**

By Order of the Board of Directors  
**FOR NABSAMRUDDHI Finance Limited**

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

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

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

### **Item No. 5**

NABARD, vide their letter No.NB.HRMD.PA/4638/ST-34 (DEP -NABSAM)/2021-22 dated 19 April 2021, deputed Dr. Ushamani P, General Manager, NABARD, to take charge as Managing Director on the Board of the Company in place of Smt. Suparna Tandon who had since been repatriated to NABARD vide Office Order No. 933-950/ ST-51 (AT- 2021)/ 2021-22 dated 05 April 2021.

Pursuant to recommendation of the Nomination and Remuneration Committee and provisions of Sections 196, 197 and 203 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the Board of Directors in its 134<sup>th</sup> Meeting held on 06 May appointed Dr. Ushamani P. as Managing Director of the Company with effect from 06 May 2021.

Dr. Ushamani P. is not disqualified from being appointed as a Managing Director in terms of Section 164 of the Act and has given her consent to be appointed as a Managing Director. She meets the Fit and Proper Criteria expressly set out by RBI and Company's Policy on Fit and Proper Criteria for Directors. The Board recommends appointment of Dr. Ushamani P. as Managing Director and propose to pass the resolution set out in Item No. 5 of the notice as an Ordinary Resolution on a remuneration and perquisites, allowances and such other terms and conditions as specified by NABARD vide its letter dated No.NB.HRMD.PA/4638/ST-34 (DEP -NABSAM)/2021-22 dated 19 April 2021 together with facilities/incentives including any modifications from time to time provided that the total remuneration shall not exceed the applicable limit specified under section 197 read with Schedule V and any other applicable provisions of the Companies Act, 2013. Except Dr. Ushamani P., none of the other Directors / Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 5 of the Notice.

### **Brief profile of Dr.Ushamani P.**

Dr. Ushamani P., a PhD in Agriculture, with specialization in Horticulture, is an alumni of the renowned Indian Agriculture Research Institute (IARI), Pusa, New Delhi. A seasoned subject-matter specialist, she is also a Certified Associate of the Indian Institute of Banking and Finance (IIBF). She is a development banking professional, with nearly three decades of Pan-India experience with NABARD, in various capacities. Her expertise spans technical/financial appraisal of agri-development projects, decentralised credit planning, natural resources management, climate-resilient agriculture, direct lending for rural infrastructure and development of rural financial institutions. She also has rich field experience working with community-level stakeholders including self-help groups, farmers' organisations and NGOs.

**Place: Mumbai**

**Date: 08 September 2021**

### **Corporate Office:**

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

By Order of the Board of Directors  
**FOR NABSAMRUDDHI Finance Limited**

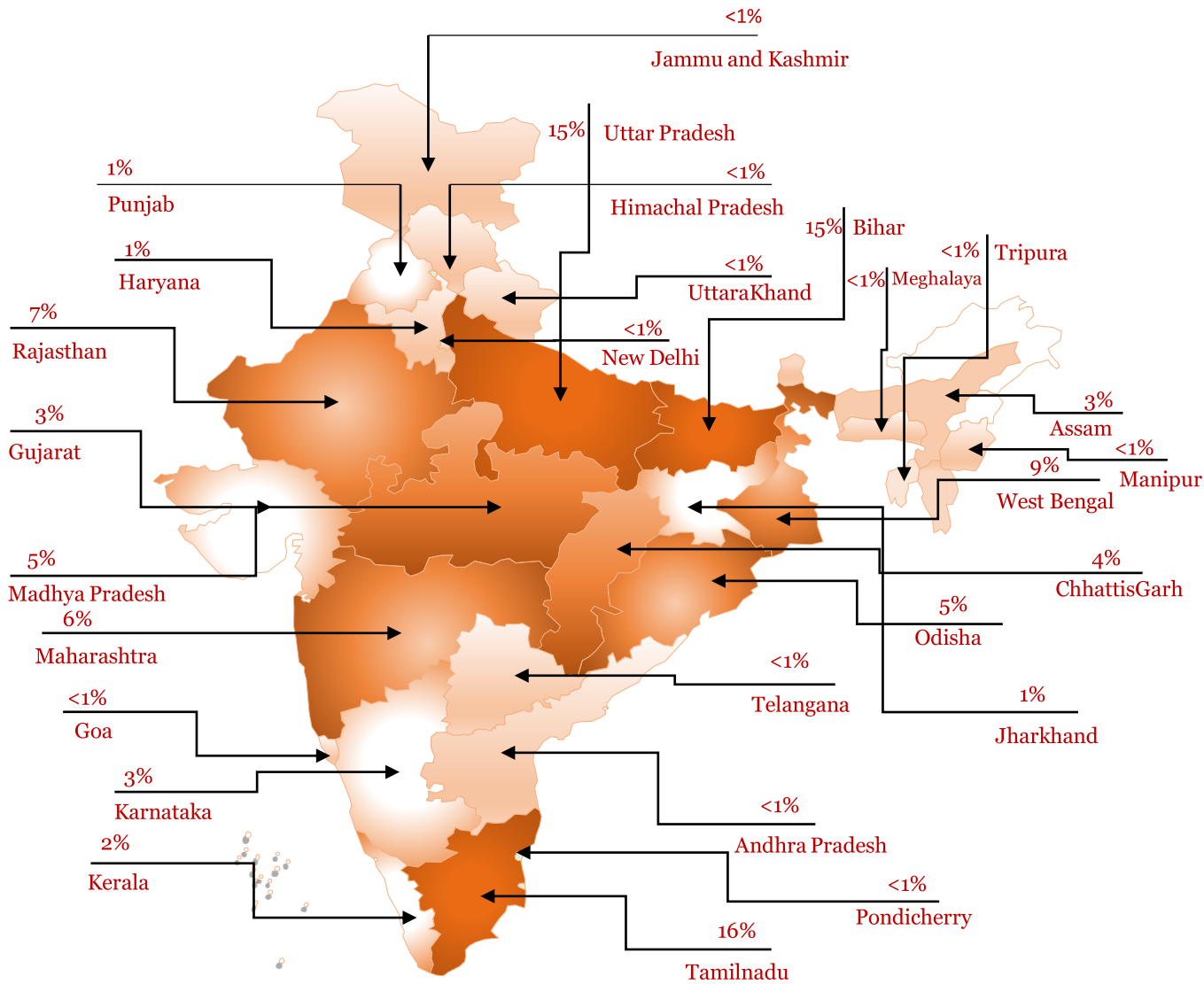
**Puja Shah**  
**Company Secretary**  
**Membership No. A46987**



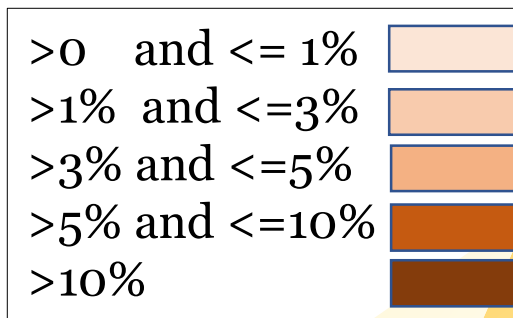




# Geographical Concentration of Beneficiaries 31st March 2021



***NABSAMRUDDHI's financing has impacted 1,24,783 ultimate beneficiaries across 25 States and 2 Union Territories***







# **NABSAMRUDDHI FINANCE LIMITED**

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

E-mail : [nabsamruddhi@nabard.org](mailto:nabsamruddhi@nabard.org)  
Web : [www.nabsamruddhi.in](http://www.nabsamruddhi.in)