



NABSAMRUDDHI FINANCE LIMITED
A subsidiary of NABARD



Annual Report 2018-19

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Annual Report 2018-19



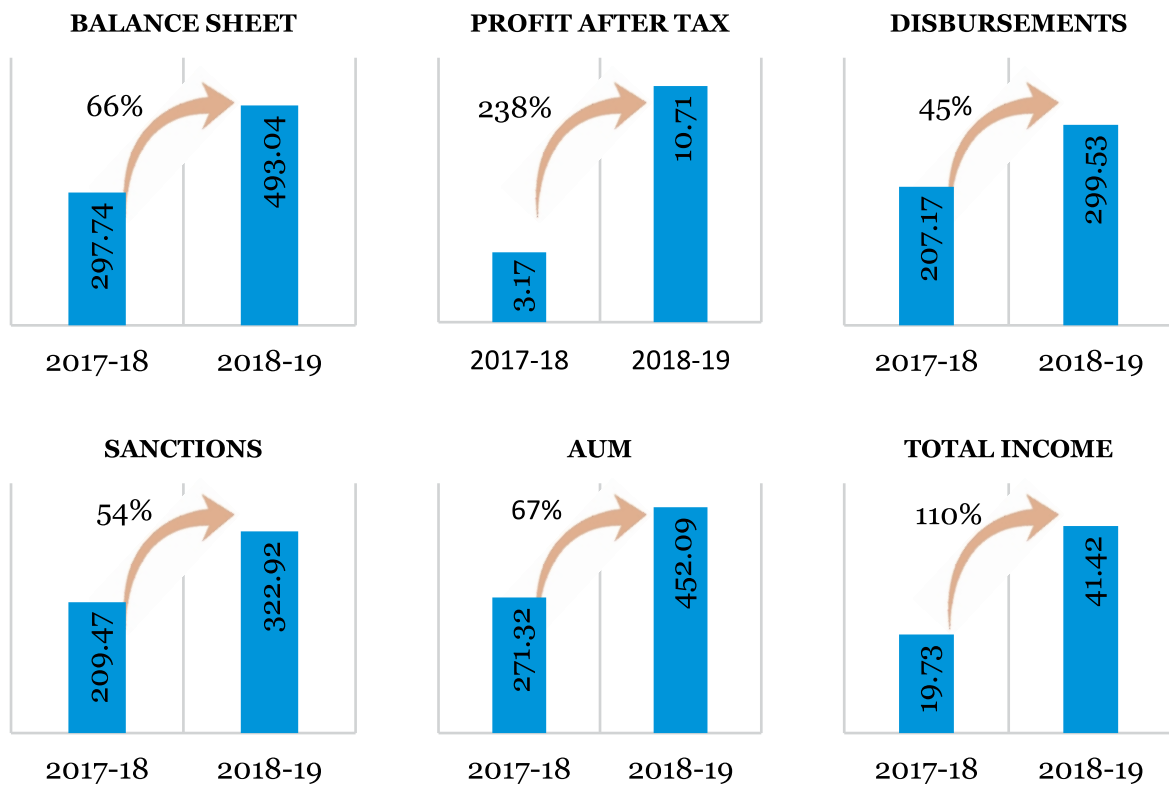
NABSAMRUDDHI FINANCE LIMITED
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Highlights



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	Suparna Tandon
6.	Chief Operating Officer	Bhupesh Kumar Singhal
7.	Chief Financial Officer	Murali K Misra
8.	Statutory Auditors	M/s Sunil & Sanjay Chartered Accountants 1-7-264, 2016, 2017, Second Floor, Emerald house, S D Road, Secunderabad – 500 003
9.	Secretarial Auditors	M/s Marthi & Co. Company Secretaries # 6-2-941, Flat No. 201, IIIrd Floor Moghal's Emami Mansion, Chintalbasti Road Khairatabad, Hyderabad – 500 004
10.	Internal Auditors	M/s SPAD & Associates Chartered Accountants H.No.6-3-609/195, Anand Nagar, Khairatabad, Hyderabad – 500 004

BOARD OF DIRECTORS AND SUB COMMITTEES (Latest Position)

BOARD OF DIRECTORS	
S Selvaraj	Nominee Director
Jiji Mammen	Nominee Director
R V Ramana Rao	Nominee Director
K Dharmiah	Nominee Director
P Sudhakar	Nominee Director
Dr. N Muralidhar	Nominee Director
K Tulasi Prasad	Nominee Director
Srinath S Mukherji	Independent Director
Vinay Kumar Verma	Independent Director
Suparna Tandon	Managing Director

AUDIT COMMITTEE	
Vinay Kumar Verma	Chairman
Srinath S Mukherji	Member
Suparna Tandon	Member

NOMINATION AND REMUNERATION COMMITTEE	
Srinath S Mukherji	Chairman
Vinay Kumar Verma	Member
Jiji Mammen	Member
Suparna Tandon	Member

RISK MANAGEMENT COMMITTEE	
Vinay Kumar Verma	Chairman
S Selvaraj	Member
Suparna Tandon	Member

LOAN COMMITTEE	
Vinay Kumar Verma	Chairman
S Selvaraj	Member
R V Ramana Rao	Member
Suparna Tandon	Member
B K Singhal	Member

IT STRATEGY COMMITTEE	
Srinath S Mukherji	Chairman
Jiji Mammen	Member
SDP Sharma	Member
Suparna Tandon	Member

PROFILES OF DIRECTORS



S. Selvaraj

Shri S. Selvaraj is presently the Chief General Manager heading the Andhra Pradesh Regional Office, NABARD. He is a Post Graduate in Agriculture and a Diploma holder in Business Administration and has 34 years of vast experience in development banking. He has worked in various States—Tamil Nadu, Maharashtra, Uttar Pradesh and Madhya Pradesh in different capacities and has headed the Uttarakhand Regional Office of NABARD. Before taking over Andhra Pradesh Regional Office, he was heading the Risk Management Department in the Head Office at Mumbai.

Shri Jiji Mammen is presently the Chief General Manager heading the Business Initiatives Department and Corporate Communications Department at NABARD. He is a Post Graduate in Agriculture and holds a Bachelors Degree in Law. He is also a Certified Associate of the Indian Institute of Banking and Finance. Shri Mammen has more than three decades of experience in Finance, development, corporate planning including heading NABARD offices in Manipur, Rajasthan and Andhra Pradesh & Telangana.

Shri Jiji Mammen was the Founder CEO and MD of Micro Units Development and Refinance Agency Ltd (MUDRA).



Jiji Mammen



R V Ramana Rao

Shri R V Ramana Rao is presently the General Manager heading Priority Sector Department at Andhra Bank. He is a Graduate in Agriculture and is a Certified Associate of the Indian Institute of Banking and Finance.

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



K. Dharmiah



P. Sudhakar

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



Dr N. Muralidhar

Dr. Nethi Muralidhar is the Managing Director of Telangana State Cooperative Apex Bank, Hyderabad. He holds a Masters Degree in Veterinary Science and a Bachelors Degree in Law. He has over three decades of experience spanning Cooperative Banking and Rural Agricultural Credit covering both policy and operations.

Over the course of his career, he has worked in coordination with the World Bank, National Cooperative Development Corporation, Rabo Bank, International Finance Corporation, etc., for implementing micro-credit and poverty alleviation programmes as also for strengthening the rural agricultural credit mechanism by way of improved product design, sustainable practices and training and empowerment.

Shri K Tulasi Prasad is the Managing Director of Andhra Pradesh State Cooperative Bank, Vijayawada. He is a Post Graduate and also holds a graduate degree in Law. Shri Tulasi Prasad is also a Certified Associate of the Indian Institute of Banking and Finance. During his long career, he had worked in various capacities with several DCCBs enabling their growth. Further, he was appointed as a member of the Committee on HR Policy for PACS and is a member of the Committee on Imbalances constituted by the Government of Andhra Pradesh.



K Tulasi Prasad



S. Mukherji

Shri Srinath Mukherji is an entrepreneur and management advisor, with over 35 years of experience in building businesses and assisting leadership teams transform their business. He is an expert in business strategy and information technology.

Shri Mukherji has been a co-founder or angel investor in a number of businesses, including housing finance, executive talent search, business intelligence and software development and has held senior leadership positions at Andersen Consulting (now Accenture), Arthur D. Little, Stern Stewart, Gartner Consulting and Deloitte Consulting.

He is associated with CanKids, an Indian NGO that provides holistic support to families of children suffering from cancer.

Mr Mukherji is a B.Tech from IIT Kanpur and a PGDM from IIM Ahmedabad.

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



Vinay Verma



Suparna Tandon

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

Letter from the Managing Director

Dear Shareholders

I am delighted to present to you the financial results of your Company for the year 2018-19. During the Financial year 2018-19, the size of the balance sheet grew by 65.60 %, while the Profit after Tax grew at a rate of 237.85%. The sanctions for the year have increased by 54.16% while disbursements increased by 44.58%. The Return on Assets increased from 1.67% to 2.84%. Further, we entered the new Financial Year with a loan book of Rs.452.09 Crore, which is 66% higher than last year.

During the year, the Company focussed on financing key areas which are growth drivers for the economic development of the country such as Renewable Energy, Sanitation, Rural Tourism, School Infrastructure, Small Business, Milk Processing, Poultry, Transportation, etc. It gives me immense pleasure to inform you that, with concerted efforts, 17 new NBFC clients were added during the year. I am happy to share that our growth bettered the industry parameters in both NBFC & NBFC-MFI segments.

During the year, the Company also invested significantly in building technology platform, augmentation of manpower, and strengthening credit risk management and mitigation mechanism.

During the current financial year, the Company is gearing to achieve the status of a Systemically Important NBFC and be in full compliance with all the relevant regulatory norms. As a part of business strategy, our focus will be on financing OFPOs (Off-Farm Producer Organisations), along with the introduction of new Loan products catering to a wider range of activities.

Looking forward, we aspire to build in last year's growth by targeting another year of impactful performance. We see great opportunities ahead and will strive to use them to the advantage of your Company through team work, shared expertise and focused efforts.

I take this opportunity to express my gratitude and appreciation to all the Directors, clients, employees and shareholders for their continued trust in the Company.

There is much still to do and with your encouragement and support, we can!

Best Wishes

Suparna Tandon
Managing Director



DIRECTORS' REPORT

Dear Members,

Your Board of Directors is pleased to present the Twenty-Second Annual Report of NABSAMRUDDHI Finance Limited (“Company”) together with the Annual Audited Accounts for the financial year ended 31 March 2019.

1. Financial Results

The Company's performance during the year ended 31 March 2019 as compared to the previous year, is summarised below:

	(Rs. in Crore)	
	2018-19	2017-18
Total Income	41.42	19.73
Profit/(Loss) before Financial Charges & Depreciation	36.99	16.39
Less : Financial Charges	21.99	10.38
Less : Depreciation	0.01	0.01
Profit/ (Loss) before tax	14.99	6.00
Less: Provision for Tax	4.58	2.07
Add/ Less: Deferred Tax Asset/ Liability	0.30	0.76
Profit/(Loss) after tax	10.71	3.17

2. Review of Financials

- a. The total income of the Company was Rs. 41.42 crore during 2018-19 against Rs. 19.73 crore during 2017-18, indicating a y.o.y growth of 110%;
- b. The net profit after tax during 2018-19 was Rs. 10.71 crore as compared to net profit after tax of Rs. 3.17 crore during 2017-18, indicating a y.o.y growth of 238%;
- c. The total assets of the Company increased to Rs. 493.04 crore as on 31 March 2019 from Rs. 297.74 crore as on 31 March 2018, indicating a y.o.y growth of 66%.

3. Dividend

On the basis of the financial performance of your Company, the Directors are pleased to recommend for approval of the members, a dividend of Rs. 0.70 per equity share on pro-rata basis for the financial year 2018-19. The dividend on equity shares, if approved by the members, will involve a cash outflow of Rs. 4,06,90,884/- (including dividend distribution tax).

4. 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.

5. Internal Financial Controls

The Company has put in place adequate internal control systems and procedures designed to effectively control its operations. The internal control systems are designed to ensure that the financial and other records are correct and reliable for the preparation of financial statements and for maintaining its assets.

The Internal Auditors of the Company conduct audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out by Internal Audit. The findings of Internal Audit are reviewed by the Top Management and by the Audit Committee of the Board of Directors.

6. Reserves

The Company proposes to transfer for the financial year 2018-19, Rs. 2,14,50,000/- to the Reserve Fund as per the extant guidelines of RBI under Section 45 IC of RBI Act, 1934.

7. Share Capital

a. Authorised Share Capital

The Authorised Share Capital of the Company was increased from Rs. 50,00,00,000 (Rupees Fifty Crore only) to Rs. 75,00,00,000 (Rupees Seventy Five Crore only) during the year under review.

Consequent to the above, the Authorised Share Capital of the Company as on 31 March 2019 was Rs. 75,00,00,000/- (Rupees Seventy Five Crore only) divided into 7,50,00,000 (Seven Crore Fifty Lakh) equity shares of the face value of Rs. 10/- (Rupees Ten Only) each.

b. Paid up Capital

During the year under review, the Paid up share capital of the Company increased from Rs. 33,39,10,000/- (Rupees Thirty Three Crore Thirty Nine Lakh Ten Thousand only) to Rs.

63,04,58,000/- (Rupees Sixty Three Crore Four Lakh Fifty Eight Thousand only) pursuant to Right Issue of equity shares at book value of Rs. 12.70 as approved by the Board of Directors of the Company in their meeting held on 24 August 2018.

Consequent to the above, the Paid-up Share Capital of the Company as on 31 March 2019 stood at Rs. 63,04,58,000/- (Rupees Sixty Three Crore Four Lakh Fifty Eight Thousand only) divided into 6,30,45,800 (Six Crore Thirty Lakh Forty Five Thousand Eight Hundred) equity shares of the face value of Rs. 10/- (Rupees Ten Only) each.

The following allotments were made on Right Basis

S.no.	Name of Subscriber	No. of Shares
1.	National Bank for Agriculture and Rural Development	2,63,22,000
2.	Government of Andhra Pradesh	23,32,800
3.	The Andhra Pradesh State Co-operative Bank Limited	5,83,200
4.	Telangana State Co-operative Apex Bank Limited	4,16,800

The Shareholding pattern after the right issue as on 31 March 2019 is as under:

Sl. No.	Name of Shareholder	No. of shares held	% of total shares of the company
1.	NABARD	5,26,44,000	83.50
2.	Government of AP	34,99,200	5.55
3.	Andhra Bank	20,00,000	3.17
4.	Government of AP (unified)	20,00,000	3.17
5.	Andhra Pradesh State Co-operative Bank (APCOB)	11,66,400	1.85
6.	Telangana State Co-operative Apex Bank Limited (TSCAB)	8,33,600	1.32
7.	Canara Bank	8,00,000	1.26
8.	IMC Limited	50,000	0.08
9.	KCP Sugars and Industries Corporation Limited	50,000	0.08
10.	Individuals	2600	Negligible
	TOTAL	6,30,45,800	100

8. Particulars of Investments

The total term deposits of the Company with various Commercial Banks aggregated Rs. 22.28 crore as on 31 March 2019.

9. Particulars of Borrowings

The Company raised debt in the form of refinance from NABARD. The Company availed Rs. 202.56 crore during the year 2018-19 as against Rs. 185.68 crore during the previous year. The refinance outstanding as on 31 March 2019 vis-a-vis the previous year is given below:

(Rs. Crore)

Product	31 March 2019	31 March 2018
NABARD Refinance (Under GRA)	382.86	239.30
Total	382.86	239.30

The Debt Equity Ratio as of 31 March 2019 was 4.23. The Company has been regular in servicing all its debt obligations.

10. Particulars of Loans and Advances

The quantum of sanctions accorded during the year touched Rs. 322.92 crore in respect of 39 accounts, with an average loan size of Rs. 8.28 crore as on 31 March 2019. 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:

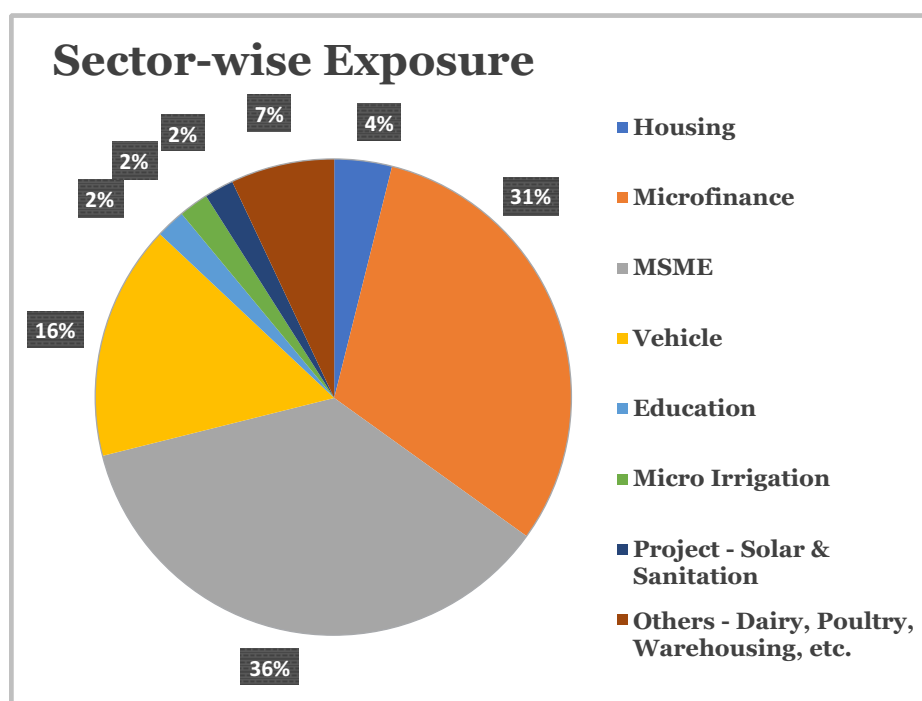


Chart 1

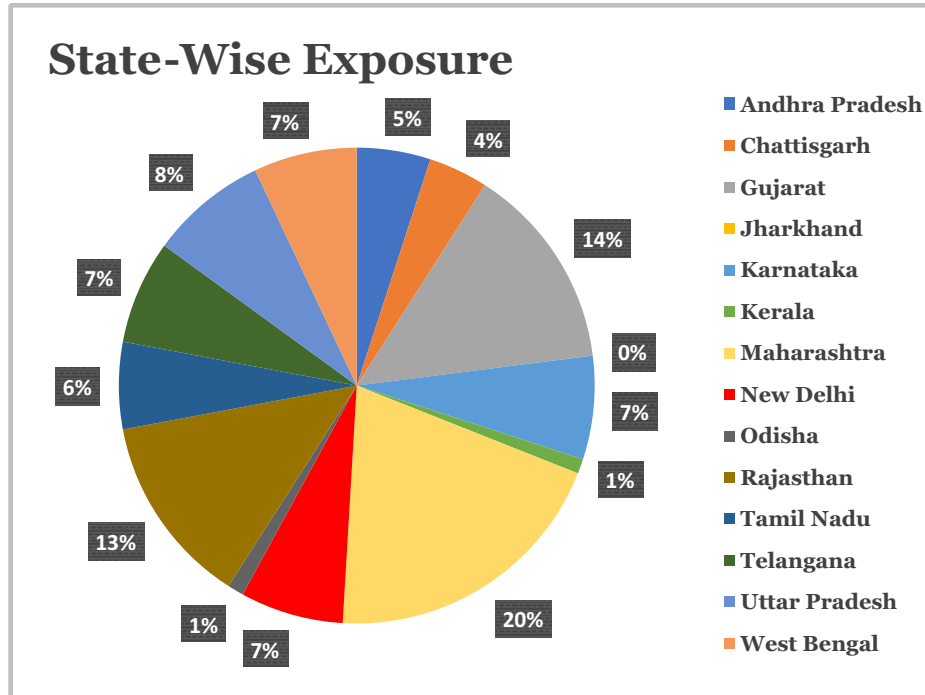


Chart 2

The quantum of loans disbursed during the year touched Rs. 299.53 crore as against Rs. 207.16 crore disbursed during the previous year. As on 31 March 2019, the loans and advances outstanding stood at Rs. 452.09 crore. Year-wise sanctions, disbursements and outstanding for the last 3 years is tabulated below and represented graphically in Chart 3–

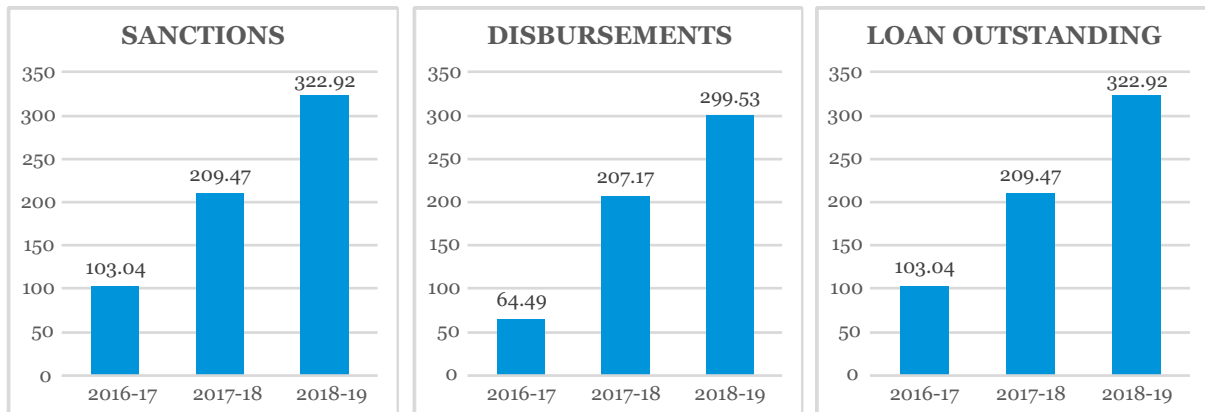


Chart 3

(Rs. Crore)

Financial Year	Sanctions	Disbursements	Outstanding
2016-17	103.04	64.49	124.55
2017-18	209.47	207.17	271.32
2018-19	322.92	299.53	452.09

11. Asset Quality

The outstanding of Non-Performing Assets (NPAs) as on 31 March 2019 was Rs. 12.02 crore. Provisions to the extent of Rs. 5.59 crore have been made against the NPAs as on 31 March 2019, as required under applicable IRAC norms. To further strengthen the provisioning base, provision @ 0.50% was made for standard assets as against the regulatory prescription of 0.25%.

12. Extract of the Annual Return

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies, 2013, the extract of Annual Return in Form. No. MGT-9 for the financial year ended on 31 March 2019 is annexed with this report as Annexure I.

13. Directors and Key Managerial Personnel

As on 31 March 2019, the Board comprised of 11 Directors including 2 Independent Directors.

During the year under review, Shri Jiji Mammen, Shri Sudhakar Patnana and Shri Suresh Kumar Koppineni were appointed as an Additional Directors of the Company on various dates and Shri Nilay D Kapoor as Managing Director (Additional Director) of the Company on 08 October 2018 to hold office upto the date of ensuing Annual General Meeting.

Shri Ramesh Kumar Ganta was appointed as Chief Financial Officer of the Company w.e.f. 21 May 2018 in place of Shri H R Srivatsa.

Smt. M. Usha Rani, Dr. P Radhakrishnan, Shri PVS Suryakumar, Shri Hemant B Songadkar and Shri KVG Subrahmanyam ceased to be Directors on the Board of the Company. The Board places on record its appreciation for the contributions made by the aforementioned Directors.

Further, the members are hereby informed about the resignation of Shri Nilay D Kapoor from the post of Managing Director and appointment of Smt. Suparna Tandon as new Managing Director w.e.f. 23 April 2019.

14. Meetings of the Board & its Committees

The details of the Meetings of the Board and its Committees (for the year ending 31 March 2019) are reported as part of the Corporate Governance Report published in this Annual Report.

15. Independent Directors' Declaration

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

16. Directors' Responsibility Statement

In terms of Section 134 (3) of the Companies Act, 2013, the Directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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 or loss of the Company for that period;
- iii) 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;
- iv) The Directors have prepared the annual accounts on a going concern basis;
- v) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

17. Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, M/s Sunil & Sanjay, Chartered Accountants (Firm Registration No. 06144S), Hyderabad have been appointed by the Office of the Comptroller and Auditor General of India as Statutory Auditors of the Company for the Financial Year 2018-19.

18. Auditor's Report

There are no qualifications, reservations or adverse remarks made by M/s Sunil & Sanjay, Statutory Auditors in their report for the Financial Year ended 31 March 2019. The Statutory

Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

19. 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 2018-19. The Company has obtained a Secretarial Audit Report for the financial year 2018-19 which is self-explanatory. The Secretarial Audit Report is published in this Annual Report. There are no qualifying remarks in the Secretarial Audit Report.

20. 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.

21. Subsidiary Companies

The Company does not have any subsidiary or associate company.

22. 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 cover 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.

23. Conservation of Energy, Technology, Absorption, Foreign Exchange Earning and Outgo

The Company had not undertaken any activity relating to conservation of energy or technology absorption during the year 2018-19.

The company did not have any foreign exchange earnings or outgo during the year under review.

24. Corporate Social Responsibility

The Company is presently not covered under the provisions of Section 135 of Companies Act, 2013 for the Financial Year 2018-19.

25. Policy on Sexual Harassment of Women at Workplace

The Company has put in place 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.

26. Acknowledgement

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

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

**For and on behalf of the
Board of Directors
For NABSAMRUDDHI Finance Limited**

Sd/-

Sd/-

Place: Mumbai

Date: 04 September 2019

**Suparna Tandon
Managing Director
DIN: 08429718**

**Jiji Mammen
Director
DIN:06808988**

ANNEXURE – I

FORM NO. MGT 9

**EXTRACT OF ANNUAL RETURN
As on financial year ended on 31 March 2019**

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

I. Registration & Other Details:

1.	CIN	U65910TG1997PLC026442
2.	Registration Date	17/02/1997
3.	Name of the Company	NABSAMRUDDHI Finance Limited
4.	Category/Sub-category of the Company	Public Company/NBFC
5.	Address of the Registered office & contact details	Ground Floor, NABARD Regional Office, 1-1-61, RTC X Roads, Musheerabad, Hyderabad-500020
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 Phone No: 040-33211500

II. Principal Business Activities of the Company: (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the company
1	Other financial service activities except other insurance and pension funding activities viz. Term Loan & Working Capital loans to Agri & Allied activities, On lending to NBFC/MFIs/MACS/SHGs/JLGs/Producer Companies for Income Generating Activities.	649	100%

III. Particulars of Holding, Subsidiary and Associate Companies

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	National Bank for Agriculture and Rural Development	N.A.	Holding	83.50	An apex development financial institution, formed under an Act of Parliament, Govt. of India

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

A. Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 April 2018]				No. of Shares held at the end of the year [As on 31 March 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	100	100	Negligible	-	100	100	Negligible	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	3166400	3166400	9.48	-	5499200*	5499200	8.72	(0.76)
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	30122000	-	30122000	90.21	30122000	27322000*	57444000	91.11	0.90
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	30122000	3166500	33288500	99.69	30122000	32821300	62943300	99.84	0.15
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+ (A)(2)	30122000	3166500	33288500	99.69	30122000	32821300	62943300	99.84	0.15
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-

g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	100000	100000	0.30	-	100000	100000	0.16	(0.14)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	2500	2500	0.01	-	2500	2500	Negligible	(0.01)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	102500	102500	0.31	-	102500	102500	0.16	(0.15)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	102500	102500	0.31	-	102500	102500	0.16	(0.15)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	30122000	3269000	33391000	100	30122000	32923800	63045800	100	-

* During the FY 18-19, the Board had approved the allotment of 2,96,54,800 equity shares of Rs. 10 each to NABARD, Govt. of AP, APCOB, TSCOB on rights basis. The shares are yet to be credited into demat accounts of respective allottees.

B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01 April 2018]			Shareholding at the end of the year [As on 31 March 2019]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	The National Bank for Agriculture and Rural Development	26322000	78.83	-	52644000	83.50	-	4.67
2	Govt of Andhra Pradesh & Telangana	3166400	9.48	-	5499200	8.72	-	(0.76)
3	Andhra Bank	2000000	5.99	-	2000000	3.17	-	(2.82)
4	Canara Bank	800000	2.40	-	800000	1.27	-	(1.13)
5	Andhra Pradesh State Cooperative Bank Limited	583200	1.75	-	1166400	1.85	-	0.10
6	Telangana State Co-operative Apex Bank Limited	416800	1.25	-	833600	1.32	-	0.07
	Total	33288400	99.69	-	62943200	99.84	-	0.15

C) Change in Promoters' Shareholding –

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year (As on 01 April 2018)	33288400	99.69	62943200	99.84
2	Date wise Increase / Decrease in Promoters Share-holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Reduction in cumulative shareholding of the Promoter is on account of allotment of equity shares to NABARD, Govt. of AP, APCOB, TSCOB on rights basis.			
3	At the beginning of the year (As on 31 March 2019)	33288400	99.69	62943200	99.84

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

S.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01 April 2018)		Shareholding at the end of the year (As on 31 March 2019)		Reasons for increase/decrease in Shareholding
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	M/s. IMC Limited	50000	0.15	50000	0.15	Reduction in shareholding of the top 10 shareholders, is on account of allotment of equity shares to NABARD, Govt. of AP, APCOB, TSCOB on rights basis.
2	M/s KCP Sugars and Industries Corporation Limited	50000	0.15	50000	0.15	
3	Shri J Sri Krishna Murthy	2000	0.01	2000	0.01	
4	Shri K S Rao	100	Negligible	100	Negligible	
5	Shri M Venkataratnam	100	Negligible	100	Negligible	
6	Shri M Purushothama Chary	100	Negligible	100	Negligible	
7	Shri V Jalma Rao	100	Negligible	100	Negligible	
8	Shri A Krishna Moorthy	100	Negligible	100	Negligible	
	Total	102500	0.31	102500	0.16	

E) Shareholding of Directors and Key Managerial Personnel: NIL

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	239,30,47,696	-	239,30,47,696
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,58,67,607	-	2,58,67,607
Total (i+ii+iii)	-	241,89,15,303	-	241,89,15,303
Change in Indebtedness during the financial year				
* Addition	-	2,02,56,82,018	-	2,02,56,82,018
* Reduction	-	59,01,01,000	-	59,01,01,000
Net Change	-	1,43,55,81,018	-	1,43,55,81,018
Indebtedness at the end of the financial year				
i) Principal Amount	-	382,86,28,714	-	382,86,28,714
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	4,80,03,200	-	4,80,03,200
Total (i+ii+iii)	-	387,66,31,914	-	387,66,31,914

I. Remuneration of Directors and Key Managerial Personnel

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

(Amount in Rs.)

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri Hemant B Songadkar* Managing Director (until 08 October 2018)	Shri Nilay D. Kapoor* Managing Director (from 08 October 2018 to 31 March 2019)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28,28,575	27,92,765	56,21,340
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	28,28,575	27,92,765	56,21,340
	Ceiling as per the Act	-	-	-

* The Managing Director is placed on deputation from NABARD (holding entity) and his/her entire remuneration is borne by NABARD. However, the Company reimbursed the entire remuneration of Managing Director for FY 2018-19 to NABARD as per the terms and conditions of deputation.

B. Remuneration to other Directors

(Amount in Rs.)

S.No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Shri Srinath S Mukherji	Shri Vinay Kumar Verma	
	Fee for attending board committee meetings	92,500	1,15,000	2,07,500
	Commission	-	-	-
	Others, please specify (Travelling allowance)	19,549	9,168	28,717
	Total (1)	1,12,049	1,24,168	2,36,217
2	Other Non-Executive Directors	-	-	-
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	1,12,049	1,24,168	2,36,217
	Total Managerial Remuneration			2,36,217

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

(Amount in Rs.)

S.No.	Particulars of Remuneration	Key Managerial Personnel		
		Ramesh Kumar Ganta** Chief Financial Officer	Sneha Chaudhari* Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,33,871	4,33,871
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	-	4,33,871	4,33,871

* Ms. Sneha Chaudhari, ceased to be Company Secretary w.e.f. 21 November 2018.

** CFO is deputed from NABARD and his entire remuneration for FY 2018-19 is currently borne by NABARD.

VI. Penalties / Punishment/ Compounding of Offences: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

CORPORATE GOVERNANCE REPORT

NABSAMRUDDHI Finance Limited is committed to adopting and maintaining good Corporate Governance practices for attaining sustainable and reliable corporate growth while nurturing mutually beneficial relationships with its stakeholders. The Company's Corporate Governance practices emphasise the need for full transparency and accountability in all transactions. As such, the practices are designed to burnish the reputation of excellent practices of its parent, NABARD and other major shareholders while enabling the Company to attract and retain talent. The Company believes that a strong professionally balanced Board of Directors representative of the shareholders, is necessary to ensure the highest standards of Corporate Governance. The Company professes strong inclination for inducting adequate Independent Directors on the Board with expertise in niche areas and thus creating an appropriate mix of non-executive and independent Directors in the Board. The current Board of Directors represents the interest of various shareholders and their valuable contribution to the various aspects of the Company.

1. 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 aims to be categorised as NBFC-ND-SI in the Financial Year 2019-20, it has already initiated several steps in the direction.

2. Company's Philosophy on Corporate Governance

In terms of corporate governance philosophy, all statutory and significant material information is placed before the Directors to enable them to effectively supervise the Company. NABSAMRUDDHI's Corporate Governance philosophy is based on the following principles:

- Compliance to extant regulations and laws applicable to the Company;
- Maintaining absolute transparency in its dealings with stakeholders;
- Dispensing external communications in clear, concise and truthful manner;
- Devising and maintaining simple, transparent and efficient corporate structures driven solely by the business needs of the Company;
- Creating value for all shareholders and uphold the mandate assigned to the Company.

3. Board of Directors (As on 31 March 2019)

The Company's Board consists of 11 (Eleven) members. The composition of the Board is in conformity with the provisions of the Companies Act, 2013 and Corporate Governance Directions issued by Reserve Bank of India.

Composition and Category of Directors:

BOARD OF DIRECTORS		Number of Meetings held during Directorship	Number of Board Meetings attended
H R Dave	Chairman	6	6
Jiji Mammen	Nominee Director	3	3
K Suresh Kumar	Nominee Director	3	3
M Satyanarayana Reddy	Nominee Director	6	4
K Dharmiah	Nominee Director	6	5
P Sudhakar	Nominee Director	2	0
Dr. N Muralidhar	Nominee Director	6	4
Dr. A V Bhavani Shankar	Nominee Director	5	3
Srinath S Mukherji	Independent Director	6	6
Vinay Kumar Verma	Independent Director	6	6
Nilay D Kapoor	Managing Director	2	2

During the FY 2018-19 the following members ceased to be Directors on the Board:

BOARD OF DIRECTORS		Number of Meetings held during Directorship	Number of Board Meetings attended
P Radhakrishnan	Nominee Director	2	1
P V S Surya Kumar	Nominee Director	3	3
KVGV Subrahmanyam	Nominee Director	2	1
M Usha Rani	Nominee Director	2	0
Hemant B Songadkar	Managing Director	4	4

Meetings of the Board

During the year, the Board met 6 (Six) times on the following dates; 11 May 2018, 09 July 2018, 24 August 2018, 08 October 2018, 19 December 2018 and 06 February 2019 respectively. The quorum was established in all the Meetings.

Further, none of the Directors of the Company have exceeded the maximum number of Directorship as specified under Section 165 of the Companies Act, 2013.

4. Committees of the Board (As on 31 March 2019)

To focus effectively on various strategic and business related issues and to ensure expedient resolution of diverse matters, the Board has constituted the following set of Committees with specific terms of reference / scope.

The Committees are operating as empowered agents of the Board as per their Charter / terms of reference.

a) Audit Committee

The Audit Committee, being a Sub-Committee of the Board, has an important role to play in the process of financial monitoring and reporting. The reports submitted by both the internal and external auditors are submitted directly to the Audit Committee.

The Terms of Reference of the Audit Committee include:

- To monitor and review the Company's financial statements and internal controls;
- To supervise the financial reporting process;
- To review the financial results before placing them before the Board, along with related disclosures and filing requirements;
- To review the adequacy of internal controls and the performance of the internal audit function;
- To discuss with the management, the Company's major policies with respect to risk assessment and risk management;
- To ensure compliance with accounting standards with respect of financial statements.

The Audit Committee met four times during the year on 11 May 2018, 09 July 2018, 08 October 2018 and 06 February 2019, respectively.

Audit Committee		Number of Meetings held during tenure	Number of Meetings attended
Vinay Kumar Verma	Member	4	4
Srinath S Mukherji	Member	4	4
K Suresh Kumar	Member	1	1
Nilay D Kapoor	Member	1	1

During the FY 2018-19 the following members ceased to be members of the Committee:

Audit Committee		Number of Meetings held during tenure	Number of Meetings attended
P Radhakrishnan	Member	2	1
Hemant B Songadkar	Member	3	3

b) Nomination and Remuneration Committee

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 recommend to the Board their appointment and removal;
- To evaluate the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate Directors and staff of the Company.

The Nomination and Remuneration Committee met five times during the year on 11 May 2018, 09 July 2018, 24 August 2018, 08 October 2018 and 28 February 2019, respectively.

Nomination and Remuneration Committee		Number of Meetings held during tenure	Number of Meetings attended during tenure
Srinath S Mukherji	Member	5	5
Vinay Kumar Verma	Member	5	5
K Suresh Kumar	Member	1	1
Nilay D Kapoor	Member	1	1

During the FY 2018-19 the following members ceased to be members of the Committee:

Nomination and Remuneration Committee		Number of Meetings held during tenure	Number of Meetings attended during tenure
P Radhakrishnan	Member	2	1
Hemant B Songadkar	Member	4	4

c) Risk Management Committee

The Board has constituted a Risk Management 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:

- review of risk profile of the Company;
- review risk exposure limits/ covenants under credit risk, market risk, operational risk and compliance risk, etc.;
- approve relevant risk related policies;
- review and approve/sanction OTS proposals recommended by the NPA Management Committee;

The Risk Management Committee met three times during the year on 10 April 2018, 02 July 2018 and 05 December, 2018, respectively.

Risk Management Committee		Number of Meetings held during tenure	Number of Meetings attended during tenure
Vinay Kumar Verma	Member	3	3
K Suresh Kumar	Member	1	1
Nilay D Kapoor	Member	1	1

During the FY 2018-19 the following members ceased to be members of the Committee:

Risk Management Committee		Number of Meetings held during tenure	Number of Meetings attended during tenure
P Radhakrishnan	Member	2	1
Hemant B Songadkar	Member	2	2

Details of General Meeting

During the financial year 2018-19, the Twenty-First Annual General Meeting was held on 26 September 2018 and 1 (One) Extra Ordinary General Meeting (EGM) was held on 18 June 2018. The details are given below:

S.No	Meeting	Time	Venue
1	Annual General Meeting	12.00 PM	NABARD Telangana Regional Office, 2nd Floor Conference Hall, 1-1-61, Yeduguri Chambers, RTC 'X' Roads, Hyderabad - 500020
2	Extra-ordinary General Meeting	11.00 AM	NABARD Telangana Regional Office, 2nd Floor Conference Hall, 1-1-61, Yeduguri Chambers, RTC 'X' Roads, Hyderabad - 500020

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

SECRETARIAL AUDIT REPORT

(For The Financial Year ended on 31 March 2019)

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

To
The Members 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 conduct / statutory compliances and expressing our 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31 March 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s NABSAMRUDDHI FINANCE LIMITED (“the Company”) for the financial year ended on 31 March 2019, according to the provisions of:
 - i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder - Not applicable for the period under review;
 - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not applicable for the period under review;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - Not applicable for the period under review;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 - Not applicable for the period under review;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable for the period under review;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable for the period under review;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable for the period under review;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable for the period under review;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable for the period under review; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable for the period under review;
- (vi) We 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:
- (a) The Income Tax Act, 1961;
 - (b) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
 - (c) The Reserve Bank of India (RBI) Directions, Guidelines and Circulars applicable to Non-Systemically Important Non-Deposit Accepting or Holding NBFCs.

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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/s and for ensuring meaningful participation at the Meeting/s.
 - (c) Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes.
4. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

5. We further report that:

- (a) The Company has issued and allotted 2,96,54,800 Equity Shares of Rs.10/- each at a premium of Rs. 2.70/- per share aggregating to Rs.37,66,15,960/- on rights basis.

**For MARTHI & CO.
COMPANY SECRETARIES**

Sd/-

**S.S. MARTHI
COMPANY SECRETARY
F.C.S-1989 CP-1937**

**Place: Hyderabad
Date: 28 June 2019**

INDEPENDENT AUDITOR'S REPORT

To the Members of
M/s. NABSAMRUDDHI FINANCE LIMITED
(CIN NO: U65910TG1997PLC026442)

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **M/s. NABSAMRUDDHI FINANCE LIMITED** ("the Company") which comprises the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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 implementation and maintenance of accounting policies: making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 Of the Order, to the extent applicable.

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

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

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c. The Company is not having any branches.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 Of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the Directors as on 31 March 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place: Hyderabad
Date: 29 April 2019

Sd/-
Ashish Kumar Jain
Partner
M. No.229285

ANNEXURE A TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets;
 - (b) As explained to us, some of the fixed assets were verified during the year by the management. The Company has a programme of verification, which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals;
 - (c) As per information provided, the Company does not hold any immovable property hence this clause is not applicable.
2. As the Company is into the business of Lending of Term Loans and Cash Credits, thereby the provisions of clause 3(ii) of the order are not applicable to the Company;
3. As per the information and explanation given to us, during the year, the Company has not granted or taken any loan, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 189 of the Act other than the loans taken from National Bank for Agriculture and Rural Development towards refinance against advances made by the Company to its customers in the course of its business. The rate of interest paid to National Bank for Agriculture and Rural Development is reasonable;
4. The Company has not given any loan, investments, guarantees and security within the provision of Section 185 and 186 of the Companies Act, 2013;
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public and therefore, the provision of section 73 to 76 Of the Companies Act, 2013 and rules there under are not applicable to the Company;
6. The Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013;
7. According to the records of the Company and information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues wherever applicable with the appropriate authorities during the year.
8. According to the information and explanations given to us by the management, the Company is regularly making payments to the loans taken from the "National Bank for Agriculture and Rural Development".
9. During the period under reference, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans

were raised from "National Bank for Agriculture and Rural Development" towards refinance under General Refinance Agreement against advances made by the Company to its customers in the course of its business. The funds raised are deemed to have been utilised for the intended purpose for which those were raised.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. Being a Government Company, the provisions of Section 197 read with Schedule V of the Companies Act are not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable and hence not commented upon.
13. According to the information and explanations given to us, transactions with the related parties are as identified by the management and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable and hence not commented upon.
15. 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 it. Accordingly, paragraph 3(xv) of the order is not applicable and hence not commented upon.
16. The Company is required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and accordingly the Company has obtained Certificate of Registration under this Act.

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

Place: Hyderabad
Date: 29 April 2019

Sd/-
Ashish Kumar Jain
Partner
M. No.229285

Annexure B to the Auditor's report

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

1. The Company is not having any freehold and leasehold land and hence this clause is not applicable to the Company.
2. During the year, the Company has written off 49 SHG NPA loan Accounts amounting to Rs. 1,09,95,779/- for which 100 % provision was created as on 31 March 2018.
3. As informed by the management there is no such inventory lying with any third party and no such assets are received as gift from government or other authorities.

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

Place: Hyderabad
Date: 29 April 2019

Sd/-
Ashish Kumar Jain
Partner
M. No.229285

Annexure C to the Auditor's Report

(Referred to in of our report of even date)

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

We have audited the internal financial controls over financial reporting of M/s NABSAMRUDDHI FINANCE LIMITED ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Hyderabad
Date: 29 April 2019

Sd/-
Ashish Kumar Jain
Partner
M. No.229285

**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 2019**

The preparation of financial statements of Nabsamruddhi Finance Limited for the year ended 31 March 2019 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 Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 April 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Nabsamruddhi Finance Limited for the year ended 31 March 2019. 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 Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's report.

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

Sd/-

(M. S. Subrahmanyam)

**Director General of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad**

**Place: Hyderabad
Date: 16 July 2019**

BALANCE SHEET AS AT 31 MARCH 2019

Particulars	Note.No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		(Amt. in Rs.)	(Amt. in Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	630,458,000	333,910,000
(b) Reserves and Surplus	2	228,827,966	83,198,745
(c) Reserve Fund		45,073,000	23,623,000
(2) Share Application money pending allotment			
		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	2,882,245,578	1,819,818,248
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	4	21,348,700	32,284,400
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	5	996,581,515	599,302,515
(d) Short-Term Provisions	6	125,857,034	85,306,539
Total		4,930,391,792	2,977,443,447
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	7		
i) Tangible Assets			
Gross Block		2,503,308	2,459,266
Depreciation		2,131,841	2,062,947
Net Block		371,467	396,319
ii) Intangible Assets			
Gross Block		300,000	300,000
Depreciation		285,000	285,000
Net Block		15,000	15,000
iii) Capital work-in-progress			
		-	-
iv) Intangible assets under development			
		-	-
		386,467	411,319
(b) Non-current investments			
		-	-
(c) Deferred tax assets (net)		19,488,461	16,508,919
(d) Long term loans and advances	8	2,836,137,898	1,812,519,362
(e) Other non-current assets	9	5,800	21,302,187

(2) Current Assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	10	308,628,188	178,318,909
(e) Short-term loans and advances		-	-
(f) Other current assets	11	1,765,744,979	948,382,752
Total		4,930,391,792	2,977,443,447
Significant Accounting Policies	19		
Notes on Accounts	20		

As per our Report of Even Date

For SUNIL & SANJAY

Chartered Accountants

FRN: 06144S

Sd/-

Ashish Jain

Partner

M.No.229285

For and on behalf of the Board

Sd/-

H.R.Dave

Chairman

Sd/-

Jiji Mammen

Director

Sd/-

Suresh Kumar

Director

Sd/-

K.Dharmaiah

Director

Sd/-

P.Sudhakar

Director

Sd/-

Srinath Mukherji
Independent Director

Sd/-

Vinay Kumar Verma

Independent Director

Sd/-

Nilay D Kapoor
Managing Director

Sd/-

Ramesh Kumar Ganta

Chief Financial Officer

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

Sr. No	Particulars	Note. No.	Figures as at the end of current reporting period (Amt. in Rs.)	Figures as at the end of previous reporting period (Amt. in Rs.)
I	Revenue from operations	12	404,200,670	192,202,217
II	Other Income	13	9,979,379	5,097,718
III	Total Revenue (I + II)		414,180,049	197,299,935
IV	Expenses:			
	Employee Benefit Expense	14	11,125,992	10,864,630
	Financial Costs	15	219,895,661	103,752,413
	Depreciation and Amortization Expense	16	71,034	95,810
	Other Administrative Expenses	17	7,297,059	4,011,645
	Other Expenses	18	25,873,596	18,564,951
	Total Expenses (IV)		264,263,342	137,289,449
V	Profit before exceptional and extraordinary items and tax	(III - IV)	149,916,707	60,010,486
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		149,916,707	60,010,486
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		149,916,707	60,010,486
X	Tax expense:			
	(1) Current tax		45,828,550	20,700,000
	(2) Excess Provision for Income tax for 2017-18		70,871	-
	(2) Deferred tax Asset		2,979,542	7,558,898
XI	Profit/(Loss) for the period from continuing operations	(IX-X)	107,138,570	31,751,588
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-

XV	Profit/(Loss) for the period (XI + XIV)		107,138,570	31,751,588
	Less: Reserve Fund		21,450,000	6,400,000
	Proposed Equity Dividend		-	-
	Provision for Dividend Distribution Tax for 2016-17		-	98,419
	Surplus/(Deficit) carried to Balance Sheet		85,688,570	25,253,169
XVI	Earning per equity share:			
	(1) Basic		1.78	0.76
	(2) Diluted		1.78	0.76
	Significant Accounting Policies	19		
	Notes on Accounts	20		

As per our Report of Even Date

For SUNIL & SANJAY

Chartered Accountants

FRN: 06144S

Sd/-

Ashish Jain

Partner

M.No.229285

For and on behalf of the Board

Sd/-

H.R.Dave

Chairman

Sd/-

Suresh Kumar

Director

Sd/-

P.Sudhakar

Director

Sd/-

Vinay Kumar Verma

Independent Director

Sd/-

Ramesh Kumar Ganta

Chief Financial Officer

Sd/-

Jiji Mammen

Director

Sd/-

K.Dharmaiah

Director

Sd/-

Srinath Mukherji

Independent Director

Sd/-

Nilay D Kapoor

Managing Director

Schedules Forming Integral Part of the Balance Sheet as at 31 March 2019

Note : 1 Share Capital

(Amt. in Rs.)

Sr. No	Particulars		Current Year	Previous Year
	AUTHORIZED CAPITAL			
	7,50,00,000 Equity shares of Rs.10/ each		750,000,000	500,000,000
			750,000,000	500,000,000
	Issued, Subscribed & Called up Capital			
	6,30,45,800 Equity shares of Rs.10/- each		630,458,000	333,910,000
	Paid up Capital		630,458,000	333,910,000
	6,30,45,800 Equity shares of Rs.10/- each			
	(Previous year 33391000 Equity Shares of Rs.10/- each)			
	Less: Allotment Money unpaid		-	-
	Calls unpaid		-	-
	Total		630,458,000	333,910,000

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

Particulars		Current Year	Previous Year
Number of shares outstanding at the beginning of the year		33,391,000	33,391,000
Add : Equity shares issued during the year		29,654,800	-
Number of shares outstanding at the end of the year		63,045,800	33,391,000

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

Particulars		Current Year	Previous Year
Equity Share Capital outstanding at the beginning of the year		333,910,000	333,910,000
Add : Equity share capital issued during the year		296,548,000	-
Equity share capital outstanding at the end of the year		630,458,000	333,910,000

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

Particulars		Current Year	Previous Year
		% of holding	% of holding
National Bank for Agriculture and Rural Development			
(No of shares 52644000) (Pr. Yr.26322000)		83.50	78.83
Government of Andhra Pradesh (No of shares 4665600) (Pr. Yr. 3166400)		7.40	9.48

Note : 2 Reserve & Surplus

(Amt. in Rs.)

Sr. No	Particulars		Current Year	Previous Year
a.	Securities Premium Account			
	Balance at the beginning of the account		-	-
	Add: Premium on issue of equity shares		80,067,960	-
	Balance at the end the year		80,067,960	-
b.	Surplus in the statement of Profit & Loss Account		168,887,315	83,198,745
	Balance brought forward from previous year	83,198,745		
			83,198,745	57,945,576
	Add: Profit for the period		85,688,570	25,253,169
	Less: Dividend for the year 2017-18		20,127,309	
	Total		228,827,966	83,198,745

Note : 3 Long Term Borrowings

(Amt. in Rs.)

Sr. No	Particulars		Current Year	Previous Year
1	Bonds / Debentures		-	-
2	Term Loan			
	- From NABARD (Refinance)		2,882,245,578	1,819,818,248
	Total		2,882,245,578	1,819,818,248

Note : 4 Other Long Term Liabilities

(Amt. in Rs.)

Sr. No	Particulars		Current Year	Previous Year
1	Subsidy Reserve Fund		21,348,700	32,284,400
	Total		21,348,700	32,284,400

Note : 5 Other Current Liabilities

(Amt. in Rs.)

Sr. No	Particulars		Current Year	Previous Year
1	Accrued Interest on Refinance		48,003,200	25,867,607
2	Interest received in Advance		249,040	-
3	Professional Tax Payable		1,400	1,600
4	Goods & Service Tax Payable		640,347	3,600
5	GST reverse charge payable		102,832	
6	Current Maturities of Long Term Debts*		946,383,136	573,229,448
7	Dividend payable for 2016-17		200,260	200,260
8	Dividend payable for 2017-18		1,001,300	-
	Total		996,581,515	599,302,515

*Non current maturities of long term debts have been reported separately under Note - 3

Note : 6 Short Term Provisions

(Amt. in Rs.)

Sr. No	Particulars		Current Year	Previous Year
1	Provision for Income Tax		45,828,550	20,700,000
2	Provision for Gratuity		1,717,227	1,321,378
3	Provision for Outstanding Expenses		399,064	250,801
4	Provision for Standard Assets		22,003,567	6,415,070
5	Provision for Sub-Standard Assets		-	270,609
6	Provision for Doubtful Assets		55,908,626	56,348,681
	Total		125,857,034	85,306,539

Note : 7 Fixed Asset

I. Fixed Assets

(Amount in Rs.)

Sl. No.	Particulars	Gross Block			Depreciation			Net Block as on 31 March 2019	as on 31 March 2018
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year		
I	Tangible Assets								
1	Furniture & Fixtures	146,085	-	-	146,085	59,598	11,679	71,277	74,808
2	Vehicles (Cars)	488,022	-	-	488,022	463,621	-	463,621	24,401
3	Office Equipment	298,343	-	26,147	272,196	200,848	28,146	226,854	45,342
4	Computer	335,834	70,189	-	406,023	278,663	19,818	298,481	107,542
5	Interiors	1,190,982	-	-	1,190,982	1,060,217	11,391	1,071,608	119,374
	SUB TOTAL (A)	2,459,266	70,189	26,147	2,503,308	2,062,947	71,034	2,131,841	371,467
II	Intangible Assets								
1	Leasing & Accounting Software	300,000	-	-	300,000	285,000	-	285,000	15,000
	SUB TOTAL (B)	300,000	-	-	300,000	285,000	-	285,000	15,000
III	Capital Work-in-progress								
1	Building Under Construction	-	-	-	-	-	-	-	-
	SUB TOTAL (C)	-	-	-	-	-	-	-	-
IV	Intangible Assets Under Development								
	SUB TOTAL (D)	-	-	-	-	-	-	-	-
	Total [A + B + C + D] (Current Year)	2,759,266	70,189	26,147	2,803,308	2,347,947	71,034	2,416,841	386,467
									411,319

Note : 8 Long Term Loans and Advances

(Amt. in Rs.)

Sr. No	Particulars		Current Year	Previous Year
	a) Secured, Considered Good :			
	Term Loans & Working Capital			
	Standard		2,715,901,735	1,665,229,818
	Sub-Standard		-	2,736,092
	Doubtful		120,233,163	144,526,452
			2,836,134,898	1,812,492,362
	b) Unsecured, Considered Good :			
	Advance Recoverable in cash or in kind or for value to be considered good			
	Salary Advance		3,000	27,000
	Advances		-	-
	Total		2,836,137,898	1,812,519,362

Note : 9 Other Non Current Assets

(Amt. in Rs.)

Sr. No	Particulars		Current Year	Previous Year
1	Deposits			
	Bank Deposits more than 12 months		-	21,296,387
	Telephone Deposits		4,700	4,700
	Cylinder Deposit		1,100	1,100
	Total		5,800	21,302,187

Note : 10 Cash & Cash Equivalent

(Amt. in Rs.)

Sr. No	Particulars		Current Year	Previous Year
1	Cash-in-Hand			
	Cash Balance		-	25,632
	Sub Total (A)		-	25,632
2	Bank Balance			
	1. In Current Account		85,791,844	70,293,348
	2. In Deposit Accounts		222,836,344	107,999,928
	Sub Total (B)		308,628,188	178,293,277
	Total [A + B]		308,628,188	178,318,909

Note : 11 Other Current Assets

(Amt. in Rs.)

Sr. No	Particulars		Current Year	Previous Year
1	Income tax			
	Prepaid Taxes		9,090,000	13,450,000
2	TDS			
	TDS on Interest from Deposits		878,604	456,470
	TDS on Front end Fee		1,780,000	1,062,500
	TDS on Ledger Folio charges		800	300
	TDS on Interest on Loans and Advances		32,196,376	11,201,627
	Income Tax Receivable for A.Y.2018-19		6,013,380	-
	Income Tax Receivable for earlier years		2,142,398	2,142,398
3	Accrued Interest			
	On Deposits	1,832,870		
	On Term Loans	26,850,696		
	On Working Capital Loans	-	28,683,566	19,093,018
4	Current maturities of Loans*		1,684,811,998	900,798,600
5	Prepaid Expenses		96,441	87,783
6	GST Input Reverse charge		51,416	90,056
	Total		1,765,744,979	948,382,752

* Long Term loans have been reported separately under Note - 8

Note : 12 Revenue from Operations

(Amt. in Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Interest on Term Loan	383,909,308	177,345,345
2	Interest on Working Capital	1,049,053	2,905,481
3	Interest on WDF	-	1,075
4	Front end fee	19,166,190	11,887,840
5	Ledger Folio Charges	70,383	57,476
6	Documentation charges	5,736	5,000
7	Monitoring Charges	-	-
	Total	404,200,670	192,202,217

Note : 13 Other Income

(Amt. in Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Interest on FDR's	9,440,579	4,490,802
2	Other Receipts	538,800	600,000
3	Interest on Vehicle Loan	-	297
4	Profit on Sale of Fixed Asset	-	5,135
5	Excess provision for Income Tax 2016-17	-	1,484
6	IT Refund	-	-
	Total	9,979,379	5,097,718

Note : 14 Employment Benefit Expenses

(Amt. in Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Salaries, Wages, PF	9,340,246	9,447,952
2	Staff Welfare Expenses	99,151	44,162
3	Conveyance Allowance	712,307	669,976
4	Gratuity	395,864	265,578
5	Leave Salary & Leave Fare Concession	578,424	436,962
	Total	11,125,992	10,864,630

Note : 15 Financial Cost

(Amt. in Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Interest on Refinance	219,895,661	103,687,342
2	Interest on Refinance - WDF	-	65,071
	Total	219,895,661	103,752,413

Note : 16 Depreciation & Amortised Cost

(Amt. in Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Depreciation	71,034	95,810
	Total	71,034	95,810

Note : 17 Other Administrative Expenses

(Amt. in Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Directors sitting fee	207,500	87,500
2	Travelling expenses	1,172,850	1,090,891
3	Electricity charges	-	65,081
4	Insurance Premium	143,688	97,568
5	Repairs and Maintenance	9,964	12,420
6	Printing & Stationery	182,261	140,624
7	Postage & Telegrammes	51,146	38,376
8	Telephone Expenses	46,029	95,883
9	Duties & Taxes	2,274,300	15,000
10	Office Maintenance	233,473	116,076
11	News Papers & Subscriptions	58,253	56,418
12	Demat Charges	78,540	37,500
13	Bank Charges	18,155	6,559
14	Maintenance of Vehicles	80,225	123,224
15	Tea & Refreshment	73,709	66,671
16	Professional fees	499,808	180,000
17	General expenses	241,966	109,933
18	Legal Charges - Courtfee	289,694	-
19	Audit fee	125,000	125,000
20	Advertisement Expenses	54,520	12,400
21	Board Meeting Expenses	179,606	85,024
22	Service Tax	-	2,913
23	Loss on Discarded Assets	11,007	-
24	Prior Period Item	-	99,975
25	Professional Charges	621,467	653,555
26	Interest on TDS	940	-
27	Goods & Service Tax	642,958	693,055
	Total	7,297,059	4,011,645

Note : 18 Other Expenses

(Amt. in Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Provision for Non Performing Assets	10,285,099	14,859,634
2	Provision for Standard Assets	15,588,497	3,705,317
	Total	25,873,596	18,564,951

Cash flow statement for the year ended 31 March 2019

Particulars	2018-19	2017-18
(a) Cash flow from Operating Activities		
Net profit as per Profit and Loss a/c before tax	14.99	6.00
Adjustment for:		
Depreciation	0.01	0.01
Provisions and Amortizations		
Provision for Non performing Assets	-	-
Provision for Standard Assets	-	-
Provision for Sacrifice in interest element of restructured loan		
Interest credited to various funds		
Other expenses		
Income from Investment		
Profit / Loss on sale of Fixed Asset		
Expenditure from various funds		
Operating profit before working capital changes	15.00	6.01
Adjustment for net change in:		
Current Assets	(81.73)	(71.84)
Current liabilities	42.70	30.04
Increase / Decrease in Loans and Advances	(102.36)	(77.79)
Cash generated from operating activities	(126.39)	(113.58)
Payment towards Income tax	(4.58)	(2.07)
Taxes of earlier years provided	-	(0.0001)
Net cash flow from operating activities (A)	(130.97)	(115.65)
(b) Cash flow from Investing Activities		
Income from Investment		
Purchase of Fixed Assets	(0.01)	(0.01)
Sale of Fixed Assets	0.002	0.01
Increase / Decrease in Investments	-	-
Net cash used in Investing activities (B)	(0.005)	(0.005)
(c) Cash flow from Financing Activities		
Proceeds of Bonds / Shares	37.65	-
Increase / Decrease in Borrowings	106.24	128.36
Increase / Decrease in Deposits		
Grants / contributions received	-	-
Dividend paid	(1.66)	-
Tax on Dividend	(0.34)	-
Net cash raised from financing activities (C)	141.89	128.36
Net increase in cash and cash equivalent (A)+(B)+(C)	10.91	12.71

Cash and cash equivalent at the beginning of the period	19.95	7.25
Cash and cash equivalent at the end of the period	30.86	19.96
Cash and cash equivalent at the end of the period includes :		
Cash in hand	-	0.003
Balance with Reserve Bank of India		
Balances with other Banks in India	30.86	19.95
Remittances in Transit	-	-
Collateralised Borrowing and Lending Obligations	-	-
Total	30.86	19.95

As per our Report of Even Date

For SUNIL & SANJAY

Chartered Accountants

FRN: 06144S

Sd/-

Ashish Jain

Partner

M.No.229285

For and on behalf of the Board

Sd/-

H.R.Dave

Chairman

Sd/-

Suresh Kumar

Director

Sd/-

P.Sudhakar

Director

Sd/-

Vinay Kumar Verma

Independent Director

Sd/-

Ramesh Kumar Ganta

Chief Financial Officer

Sd/-

Jiji Mammen

Director

Sd/-

K.Dharmaiah

Director

Sd/-

Srinath Mukherji

Independent Director

Sd/-

Nilay D Kapoor

Managing Director

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2019**

Note 19

Nature of Business

NABSAMRUDDHI Finance Limited 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 Agriculture and allied Activities.

Significant Accounting Policies

1. Basis of preparation of Financial Statements

The accompanying financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards as per the provisions of Companies Act, 2013 and confirm to the statutory requirements, circulars and guidelines issued by RBI from time to time to the extent they have an impact on the financial statements. The financial statements have been prepared on accrual basis under the historical cost convention method and as a going concern. The accounting policy adopted in the preparation of the financial statements is consistent with those of the previous 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 issued by RBI.
- b) Interest income on bank deposits is recognized on accrual basis on a time proportions taking into account the amount outstanding and rate applicable.
- c) All other incomes are recognized on accrual basis, except in case of bad debts recovered, which are accounted as and when received.

5. Advances and Provisions for Standard and doubtful debts

All the advances have been classified into performing and Non-Performing Advances and Provision for probable loan losses has been made as per the guidelines issued by the Reserve Bank of India. As per the guidelines issued by RBI, provisions for Standard Assets shall be 0.25% of the outstanding. However, the company has decided to make a provision of 0.5% 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.

The Depreciation has been provided as per the Companies Act, 2013.

7. Retirement Benefits

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

8. Taxation

Current Tax

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with 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. Declaration of Dividend

The company proposed to declare dividend at 7% on the paid up equity share capital.

10. Earnings Per Share

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

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

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

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

Note 20

Notes on Accounts

1. The Twenty Second Year of accounts of the Company consists of the period from 01 April 2018 to 31 March 2019.
2. During the year, additional 2,96,54,800 shares @ Rs.12.70/- per share (Face value – Rs.10/- per share) were allotted to existing Shareholders through Rights issue.
3. Auditors Remuneration
Administrative expenses include Auditors remuneration towards:

	<u>31 March 2019</u>	<u>31 March 2018</u>
Statutory Audit fee	Rs. 1,25,000	Rs. 1,25,000
Tax Audit Fee	Rs. 20,000	Rs. 20,000

4. Contingent Liabilities as on 31 March 2019 is nil.
5. Provision for Taxation:

Provision for taxation has been calculated on the basis of income recognized as per the RBI guidelines for Non Banking Finance Companies. The tax on the income from Non- Performing Assets will be provided as and when actually received.
6. There are no SSI units to whom the Company owes a sum exceeding Rs.1.00 lakh which is outstanding for more-than 30 days as on 31 March 2019.
7. Subsidy Reserve Fund represents the direct subsidy received from Govt of India (through NABARD) in respect of Fifty-Nine Dairy Projects, One Rural Godown project, Two Sheep projects, One Horticulture project and three MACS projects. The amount will be adjusted towards last installments of the loan accounts.
8. As per the Accounting Standard 22 “Accounting for Taxes on Income” the Company has recorded the Deferred Tax Asset as at 31 March 2019. The Deferred Tax Asset of Rs.194.88 lakh after adding net Deferred Tax Asset of Rs. 29.79 lakh for the year ended 31 March 2019 provided at the applicable rate for the Assessment Year 2019-20 by crediting to profit and loss account.
9. The Company has made a provision for Rs.102.85 lakh during the current year (Previous year Rs.148.59 lakh) towards provision for NPA and Rs.155.88 Lakh (Previous year Rs.37.05 lakh) towards provision for Standard Assets.
10. During the year, the company has written off 49 NPA loan Accounts amounting to Rs.1.09 crore, for which 100 % provision was created as on 31 March 2018.

11. Remuneration to Managing Director

Year ended 31 March 2019
Rs.56,21,340/-

Year ended 31 March 2018
Rs.50,33,412/-

12. Names of Related parties and Nature of Relationship

Description of Relationship	As at March 2019	As at March 2018
Holding Company	NABARD	NABARD
Managing Director	Shri Hemant B Songadkar / Shri Nilay D Kapoor (Deputed by NABARD)	Shri H R Srivatsa/ Shri Hemant B Songadkar (Deputed by NABARD)

Transactions with the Related Parties

(Rs. in Lakh)

Transaction	Related Party	For the year ended 31 March 2019	For the year ended 31 March 2018
Other Transactions			
Loan Received	NABARD	20256.82	18568.23
Loan Repaid	NABARD	5901.01	3025.36
Expenses			
Interest Payment	NABARD	1977.60	873.91
Managerial Remuneration	Shri H R Srivatsa	--	6.49
Managerial Remuneration	Shri Hemant B Songadkar	28.28	43.84
Managerial Remuneration	Shri Nilay D Kapoor	27.93	--

13. Licensed Capacity and installed Capacity's

Licensed Capacity : Not Applicable

14. Value of Imports calculated on CIF basis

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

15. Contribution to Statutory Reserve Fund

Statutory Reserve Fund of Rs.214.50 lakh has been created under Section 45IC of RBI Act, 1934 for the financial year 2018-19 @ 20% on Profit as per Profit and Loss Account, which is in addition to the existing Statutory Reserve Fund of Rs.236.23 lakh created for the Financial Years from 2006-07 to 2017-18.

16. Earnings per Share

(Rs. in Lakh)

Particulars	2018-19	2017-18
Net Profit after Tax as per Profit & Loss Account	1071.38	317.52
Less: Transfer to Statutory Reserve Fund	214.50	64.00
Profit available to Equity Share Holders	856.88	252.53
Weighted Average No. of Equity Shares	482.18	333.91
Basic Earnings per share	1.78	0.76
Diluted Earnings per share	1.78	0.76

17. The net interest margin for the year 2018-19 is 5.18%.
18. Legal suits have been filed in respect of 117 NPA accounts where the borrowers have not responded positively for settling the accounts. In respect of other NPA accounts, where the borrowers have shown willingness to settle the accounts by requesting for OTS or making certain payments, no legal action has been initiated.
19. Expenditure in Foreign Currency:
 Travel : - Nil-
 Others : - Nil-
20. Personal balances of the parties are subject to confirmation.
21. Previous year's figures have been regrouped wherever necessary.
22. Figures have been rounded off to the nearest rupee.

Notes 1 to 20 referred to above form part of the Balance Sheet and Profit & Loss Account.

As per our Report of Even Date

For SUNIL & SANJAY

Chartered Accountants

FRN: 06144S

Sd/-

Ashish Jain

Partner

M.No.229285

For and on behalf of the Board

Sd/-

H.R.Dave

Chairman

Sd/-

Suresh Kumar

Director

Sd/-

P.Sudhakar

Director

Sd/-

Vinay Kumar Verma

Independent Director

Sd/-

Ramesh Kumar Ganta

Chief Financial Officer

Sd/-

Jiji Mammen

Director

Sd/-

K.Dharmaiah

Director

Sd/-

Srinath Mukherji

Independent Director

Sd/-

Nilay D Kapoor

Managing Director

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	State Code		
26442	01		
Balance Sheet Date	Date	Month	Year
	31	03	2019

II. Capital Raised During the Year

Public Issue	Right Issue
-----	376615960
Bonus Issue	Private Placement
-----	-----

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs.thousands)

Total Liabilities	Total Assets	
4930391	4930391	
Sources of Funds:		
Paid-up Capital	Reserve & Surplus	Reserve Fund
630458	228827	45073
Non-Current Liabilities	Current Liabilities	
2903594	1122438	

Application of Funds:

(Amount in Rs.thousands)

Net Fixed Assets	Investments
386	NIL
Non Current Assets	Current Assets
2838285	2072231
Accumulated Losses	Deferred Tax Asset
-----	19488

IV. Performance of Company

(Amount in Rs. Thousands)

Turnover	Total Expenditure
414180	264263
Profit/(Loss) Before tax	Profit/(Loss) after tax
149916	107138
Earnings per share in Rs.	Dividend (%)
1.78	7

v. Generic Names of Three Principal Products/services of Company

(As per monetary terms)

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

NOTICE

NOTICE is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING** of the Members of **NABSAMRUDDHI FINANCE LIMITED** will be held on **27 September 2019** at **12.00 Noon** at **NABARD Regional Office, 1-1-61, Yeduguri Chambers, RTC 'X' Roads, Hyderabad 500020** to transact the following businesses:

ORDINARY BUSINESS

1. ADOPTION OF AUDITED ACCOUNTS AND REPORTS

To receive, consider and adopt the Audited Balance Sheet as at 31 March 2019, Profit and Loss Account and Cash flow statement on that date together with Directors' Report and Auditors' Report thereon.

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

“RESOLVED THAT final dividend @ 7% i.e. (Rs. 0.70/equity share of FV Rs.10/- each) on the paid up equity share capital of Rs. 63,04,58,000/- amounting to Rs. 3,37,52,880 /- (Rupees Three Crore Thirty-Seven Lakh Fifty-Two Thousand Eight Hundred and Eighty only) on pro-rata basis for the Financial Year 2018-19 as recommended by the Board of Directors, be and is hereby declared.”

- 3.** To appoint a Director in place of Shri Nethi Muralidhar (DIN: 06454918), who retires by rotation and, being eligible, offers himself for re-appointment.

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

“RESOLVED THAT pursuant to the provisions of Section 139(5) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, and letter No./CA. V/COY/CENTRAL GOVERNMENT, ABFL(o)/52 dated 31 July 2019 received from the Comptroller and Auditor General of India for appointment of M/s Sunil & Sanjay, Chartered Accountants (Firm Registration No. 006144S), as Statutory Auditors of the Company for the FY 2019-20, be and is hereby approved to hold office until the conclusion of the next Annual General Meeting at a remuneration fixed by the Board of Directors”.

SPECIAL BUSINESS

5. APPOINTMENT OF SMT. SUPARNA TANDON (DIN: 08340838) AS MANAGING DIRECTOR:

To consider and if thought fit to pass with or without modification(s) the following resolution 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 Smt. Suparna Tandon (DIN:08340838) as Managing Director of the Company (whose office shall not be liable for retirement by rotation), under the Companies Act, 2013, with effect from 23 April 2019, subject to the superintendence, control and direction of Board of Directors, and that Smt Suparna Tandon, 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 him by the Board. Smt. Suparna Tandon shall be paid remuneration as per the terms and conditions of deputation from National Bank for Agriculture & Rural Development (NABARD).”

6. INCREASE IN AUTHORIZED SHARE CAPITAL OF THE COMPANY:

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

“**RESOLVED THAT** pursuant to provision of Section 13 and 61(1)(a) of the Companies Act, 2013 and any other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Rules framed thereunder, consent of the shareholders be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs. 75,00,00,000/- (Rupees Seventy-Five Crore only) divided into 7,50,00,000 (Seven Crore Fifty Lakhs) equity shares of Rs. 10 each to Rs. 150,00,00,000/- (Rupees One Hundred Fifty Crore only) divided into 15,00,00,000 (Fifteen Crore) equity shares of Rs. 10 each, ranking pari-passu in all respects with the existing Equity shares of the Company.

7. AMENDMENT IN THE MEMORANDUM OF ASSOCIATION:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-

enactment(s) thereof for the time being in force), consent of the shareholders be and is hereby accorded to substitute the first para of Clause V of the Memorandum of Association of the Company by the following:

V. The authorised share capital of the Company is Rs. 150 Crore (Rupees One Hundred Fifty Crore only) consisting of 15,00,00,000 (Fifteen Crore) equity shares of Rs. 10 (Rupees Ten) each.

8. APPOINTMENT OF SHRI JIJI MAMMEN (DIN: 06808988) AS NOMINEE DIRECTOR:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 152 read with all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Jiji Mammen (DIN: 06808988), who was appointed as an Additional Director up to the conclusion of this Annual General Meeting and being eligible, and upon recommendation of Nomination and Remuneration Committee, be and is hereby appointed as a Nominee Director of the Company, not liable to retire by rotation.

9. APPOINTMENT OF SHRI SUDHAKAR PATNANA (DIN: 08340838) AS NOMINEE DIRECTOR:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 152 read with all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Sudhakar Patnana (DIN: 08340838), who was appointed as an Additional Director up to the conclusion of this Annual General Meeting and being eligible, and upon recommendation of Nomination and Remuneration Committee, be and is hereby appointed as a Nominee Director of the Company, liable to retire by rotation.

10. APPOINTMENT OF SHRI K TULASI PRASAD (DIN: 08496631) AS NOMINEE DIRECTOR:

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

“RESOLVED THAT pursuant to the provisions of Sections 152 read with all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri K Tulasi Prasad (DIN: 08496631), who was appointed as an Additional Director up to the conclusion of this Annual General Meeting and being eligible, and upon recommendation of Nomination and Remuneration Committee, be and is hereby appointed as a Nominee Director of the Company, liable to retire by rotation.

11. APPOINTMENT OF SHRI S SELVARAJ (DIN: 07886662) AS NOMINEE DIRECTOR:

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

“RESOLVED THAT pursuant to the provisions of Sections 152 read with all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri S Selvaraj (DIN: 07886662), who was appointed as an Additional Director up to the conclusion of this Annual General Meeting and being eligible, and upon recommendation of Nomination and Remuneration Committee, be and is hereby appointed as a Nominee Director of the Company, not liable to retire by rotation.

12. APPOINTMENT OF SHRI R V RAMANA RAO (DIN: 08553245) AS NOMINEE DIRECTOR:

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

“RESOLVED THAT pursuant to the provisions of Sections 152 read with all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri R V Ramana Rao (DIN : 08553245), who was appointed as an Additional Director up to the conclusion of this Annual General Meeting and being eligible, and upon recommendation of Nomination and Remuneration Committee, be and is hereby appointed as Nominee Director of the Company, liable to retire by rotation.

13. CHANGE IN DESIGNATION OF SHRI NETHI MURALIDHAR (DIN: 06454918) AS NOMINEE DIRECTOR:

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

“RESOLVED THAT pursuant to the provisions of Sections 152 read with all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Nethi Muralidhar (DIN: 06454918), who was appointed as a Director and upon recommendation of Nomination and Remuneration Committee, be and is hereby appointed as a Nominee Director of the Company, liable to retire by rotation.

14. CHANGE IN DESIGNATION OF SHRI K DHARMAIAH (DIN: 06750302) AS NOMINEE DIRECTOR:

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

“RESOLVED THAT pursuant to the provisions of Sections 152 read with all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri K Dharmiah (DIN: 06750302), who was appointed as a Director and upon recommendation of Nomination and Remuneration Committee, be and is hereby appointed as a Nominee Director of the Company, liable to retire by rotation.

By order of the Board
For NABSAMRUDDHI Finance Limited

Date: 04 September 2019
Place: Mumbai

Suparna Tandon
Managing Director
DIN: 08429718

NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to special business at the meeting is annexed and forms part of the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/IES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A BLANK FORM OF PROXY IS ATTACHED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AND SIGNED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF TWENTY SECOND ANNUAL GENERAL MEETING.
3. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 IN NUMBERS AND HOLDING IN AGGREGATING NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS A PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.
4. Corporate Members are requested to send Board resolution duly certified, authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
6. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
7. Members are requested to bring their copy of the Annual Report for the meeting.
8. Members/Proxies are requested to bring the attendance slip sent with Annual Report duly filled in for attending the meeting.
9. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5:

NABARD vide their letter No.NB.HRMD.PA/50/ST-34 (DEP -NABSAM)/2018-19 dated 01 April 2019 deputed Smt. Suparna Tandon, General Manager, NABARD, to be appointed as Additional Director on the Board of the Company.

Smt. Suparna Tandon was appointed as an Additional Director (Managing Director) on the Board of the Company on 23 April 2019.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Articles of Association of the Company, Smt. Suparna Tandon holds office upto the date of this Twenty Second Annual General Meeting. The Nomination and Remuneration Committee recommended the appointment of Smt. Suparna Tandon as a Managing Director of the Company.

Smt. Suparna Tandon 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.

The Board recommends appointment of Smt. Suparna Tandon as Managing Director and propose to pass the resolution set out in Item No. 5 of the notice as an Ordinary Resolution.

Except Smt. Suparna Tandon, 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 Smt. Suparna Tandon is enclosed.

Item No. 6 & 7:

The Company proposes to raise additional equity amounting to Rs. 75 crore to diversify and scale-up the operations of the company. In view of this, the Board of Directors in their meeting held on 18 July 2019 proposes to increase the existing authorised share capital from Rs. 75,00,00,000/- (Rupees Seventy Five Crore only) divided into 7,50,00,000 (Seven Crore Fifty Lakhs) equity shares of Rs. 10 each to Rs. 150,00,00,000/-(Rupees One Hundred Fifty Crore only) divided into 15,00,00,000 (Fifteen Crore) equity shares of Rs. 10 each.

The Ordinary Resolution is therefore proposed at Item no. 5 of the Notice to increase the Authorised Capital of the Company and Ordinary Resolution is proposed at item no. 6 of the Notice for making necessary alteration in authorised Capital in terms of Clause V of the Memorandum of Association of the Company.

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. 6 & 7 of the Notice.

The Directors recommend these resolutions at Item No. 6 & 7 of the Notice for the approval of the members of the Company.

Item No. 8:

NABARD vide their letter NB.DSSI/55/NABSAMRUDDHI/2018-19 dated 26 September 2018 has nominated Shri Jiji Mammen, Chief General Manager, NABARD as their nominee on the Board of Directors of the Company, in place of Shri PVS Suryakumar, Chief General Manager.

Shri Jiji Mammen was appointed as an Additional (Nominee) Director on the Board of the Company on 10 October 2018.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company, Shri Jiji Mammen holds office upto the date of this Twenty-Second Annual General Meeting.

Shri Jiji Mammen is not disqualified from being appointed as a Nominee Director in terms of Section 164 of the Act and has given his consent to be appointed as a Nominee Director.

The Board recommends appointment of Shri Jiji Mammen as Nominee Director and proposes to pass the resolution set out in Item No. 8 of the notice as an Ordinary Resolution.

Except Shri Jiji Mammen, 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. 8 of the Notice.

Brief profile of Shri Jiji Mammen is enclosed.

Item No. 9:

Government of Andhra Pradesh vide their Order no. GORt.No.1764 Finance(OP.I) Department dated 12 September 2018 has nominated Shri P. Sudhakar, Deputy Secretary to Government of Andhra Pradesh Finance (OP.I) as their nominee on the Board of Directors of the Company in place of Shri KGVV Subrahmanyam.

Shri P. Sudhakar was appointed as an Additional (Nominee) Director on the Board of the Company on 19 December 2018.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company, Shri P. Sudhakar holds office upto the date of this Twenty Second Annual General Meeting.

Shri P. Sudhakar is not disqualified from being appointed as a Nominee Director in terms of Section 164 of the Act and has given his consent to be appointed as a Nominee Director.

The Board recommends appointment of P. Sudhakar as Nominee Director and proposes to pass the resolution set out in Item No. 9 of the notice as an Ordinary Resolution.

Except Shri P. Sudhakar, 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. 7 of the Notice.

Brief profile of Shri P.Sudhakar is enclosed.

Item No. 10:

Andhra Pradesh State Cooperative Bank vide their letter no. Bkg/Invst/F-78/2017-18 dated 02 April 2019 has nominated Shri K Tulasi Prasad, Managing Director, as their nominee on the Board of Directors of the Company in place of Shri A V Bhavani Shankar.

Shri K Tulasi Prasad was appointed as an Additional (Nominee) Director on the Board of the Company on 18 July 2019.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company, Shri K Tulasi Prasad holds office upto the date of this Twenty Second Annual General Meeting.

Shri K Tulasi Prasad is not disqualified from being appointed as a Nominee Director in terms of Section 164 of the Act and has given his consent to be appointed as a Nominee Director.

The Board recommends appointment of Shri K Tulasi Prasad as Nominee Director and proposes to pass the resolution set out in Item No. 10 of the notice as an Ordinary Resolution.

Except Shri K Tulasi Prasad, 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. 7 of the Notice.

Brief profile of Shri K Tulasi Prasad is enclosed.

Item No. 11:

NABARD vide their letter no. NB.DSSI/30/Nomination BOD/S33-A/2019-20 dated 21 June, 2019 has nominated Shri S Selvaraj, Chief General Manager, NABARD as their nominee on the Board of Directors of the Company in place of Shri K Suresh Kumar.

Shri S Selvaraj was appointed as an Additional (Nominee) Director on the Board of the Company on 18 July 2019.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company, Shri S Selvaraj holds office upto the date of this Twenty Second Annual General Meeting.

Shri S Selvaraj is not disqualified from being appointed as a Nominee Director in terms of Section 164 of the Act and has given his consent to be appointed as a Nominee Director.

The Board recommends appointment of Shri S Selvaraj as Nominee Director and proposes to pass the resolution set out in Item No. 11 of the notice as an Ordinary Resolution.

Except Shri S Selvaraj, 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. 7 of the Notice.

Brief profile of Shri S Selvaraj is enclosed.

Item No. 12:

Shri R V Ramana Rao was appointed as an Additional (Nominee) Director on the Board of the Company on 04 September 2019.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company, Shri R V Ramana Rao holds office upto the date of this Twenty Second Annual General Meeting.

Shri R V Ramana Rao is not disqualified from being appointed as a Nominee Director in terms of Section 164 of the Act and has given his consent to be appointed as a Nominee Director.

The Board recommends appointment of Shri R V Ramana Rao as Nominee Director and proposes to pass the resolution set out in Item No. 9 of the notice as an Ordinary Resolution.

Except Shri R V Ramana Rao, 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. 7 of the Notice.

Brief profile of Shri R V Ramana Rao is enclosed.

Item No. 13 & 14:

The Board of Directors in their meeting held on 18 July 2019 approved the change in designation of Shri N Muralidhar and Shri K Dharmiah from Director to Nominee Director, as they are Nominees of Telangana State Cooperative Bank and Government of Telangana respectively.

By order of the Board
For NABSAMRUDDHI Finance Limited

Date: 04 September 2019
Place: Mumbai

Suparna Tandon
Managing Director
DIN: 08429718

ANNEXURE

DETAILS OF DIRECTORS SEEKING APPOINTMENT AT TWENTY-SECOND ANNUAL GENERAL MEETING

Name of the Directors	Smt.Suparna Tandon	Shri Jiji Mammen	Shri P. Sudhakar
DIN	08429718	06808988	08340838
Date of Birth	05 August 1965	14 May 1962	03 June 1961
Designation	Managing Director	Nominee Director	Nominee Director
Date of Appointment in the Company	23 April 2019	08 October 2018	19 December 2018
Qualification	MA (Economics), Executive MBA	B.Sc & M.Sc (Agriculture), LLB	B.Com
Expertise in specific area	Finance and Risk Management	Agriculture & MSME Finance Corporate Governance	Government Administration
List of Outside Directorship held	-	-	Andhra Pradesh Handicrafts Development Corporation Ltd
Chairman / Member of the Committees of the Board of Directors of other Companies	-	-	-
No. of Equity Shares held	-	-	-

Name of the Directors	Shri K Tulasi Prasad	Shri S Selvaraj	Shri R V Ramana Rao
DIN	08496631	07886662	08553245
Date of Birth	26 December 1959	30 August 1961	15 July 1960
Designation	Nominee Director	Nominee Director	Nominee Director
Date of Appointment in the Company	18 July 2019	18 July 2019	04 September 2019
Qualification	M.A, LLB, CAIIB	M.Sc (Agri), CAIIB, PG Diploma (Business Admin and Finance) PG Diploma in Financial Management	B.Sc (Agri), CAIIB
Expertise in specific area	Banking	Risk Management, Agriculture	Banking
List of Outside Directorship held	-	-	-
Chairman / Member of the Committees of the Board of Directors of other Companies	-	-	-
No. of Equity Shares held	-	-	-

Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U65910TG1997PLC026442

Name of the Company: NABSAMRUDDHI Finance Limited

Registered Office: Ground Floor, 1-1-61, RTC X Roads, Musheerabad, Hyderabad - 500020.

Name of the Member:

Registered Address:

E-mail ID:

Folio No.

I/We, being the member(s) of _____ shares of the above named company,
hereby appoint

1. Name:
Address:
E-mail ID:
Signature:

or failing him

2. Name:
Address:
E-mail ID
Signature:

as my proxy to attend and vote (on a poll) for me and on my behalf at the Twenty Second Annual General Meeting of the company, to be held on the 27 day of September 2019 at 12.00 noon at NABARD Regional office, 1-1-61, Yeduguri Chambers, RTC X Roads, Hyderabad -500020 and at any adjournment thereof.

Signed this _____ day of _____ 2019

Signature of Shareholder

Signature of Proxy holders

Affix Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

NABSAMRUDDHI FINANCE LIMITED

**Registered Office: Ground Floor, 1-1-61, RTC 'X' Road,
Musheerabad, Hyderabad - 500 020**

ATTENDANCE SLIP

Twenty Second Annual General Meeting – 27 September 2019

Regd.Folio No. _____

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the Twenty Second Annual General Meeting of the Company at NABARD Telangana Regional Office, 1-1-61, Yeduguri Chambers, RTC 'X' Roads, Hyderabad - 500 020 at 12.00 noon on Friday the 27 September 2019.

**Member's/ Proxy name in
BLOCK LETTERS**

**Member's/ Proxy's
Signature**

NOTE: Please fill in this attendance slip and hand it over at the MEETING HALL.

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Publisher : Smt. Suparna Tandon, Managing Director

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Annual Report 2018-19



NABSAMRUDDHI FINANCE LIMITED
A subsidiary of NABARD

Registered Office

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Hyderabad
Tel. : 040 2324 1156

Corporate Office

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