



NABSAMRUDDHI FINANCE LIMITED
A Subsidiary of NABARD

ANNUAL REPORT 2022-23

IMPACT THROUGH FOCUS

~40% of total
Disb. & AUM

>1.6 lakh
ultimate beneficiaries

>16k ton annual
CO₂ reduction

Income &
employment

=

7.5 lakh trees
planted

Quality
of life



Fabrics & textiles



Green & Wellness Finance



Handicrafts





NABSAMRUDDHI FINANCE LIMITED

A Subsidiary of NABARD

ANNUAL REPORT 2022-23

About the Company

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



Corporate Information

1.	Company	NABSAMRUDDHI FINANCE LIMITED
2.	Corporate Identification Number	U65910TG1997PLC026442
3.	Registered Office	Ground Floor, NABARD Regional Office, 1-1-61, RTC X Roads, Musheerabad, Hyderabad
4.	Corporate Office	Ground Floor, D Wing, NABARD Head Office, Plot. No. C24, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051
5.	Managing Director	Dr. Ushamani P.
6.	Chief Operating Officer	Smt. Bonani Roychoudhury
7.	Chief Financial Officer	Shri Vijay Turumella (till 28 April 2023) Shri LS Naveenkumar (w.e.f 02 May 2023)
8.	Company Secretary and Compliance Officer	Smt. Suzette Pereira
9.	Chief Technology Officer	Shri Sumit Gupta
10.	Statutory Auditors	M/s Tukaram & Co LLP H No- 3-6-69/209,409, Venkatarama Towers, Basheerbagh, Hyderabad 500029
11.	Internal Auditor	Shri Ramesh Kumar Neralla (till 28 April 2023) Smt. A Laxmi Bai

Board of Directors

Shri P V S Suryakumar	- Nominee Director & Chairman
Shri KS Raghupathi*	- Nominee Director
Shri Goverdhan Singh Rawat	- Nominee Director
Shri Manikumar S@	- Nominee Director#
Shri Kapudasi Dharmiah	- Nominee Director
Shri Ravi Krishan Takkar	- Addl Independent Director#
Shri Arvind Kumar Jain	- Addl Independent Director #
Shri Lalit Kumar Vaid	- Addl Independent Director#
Shri Subrata Gupta	- Non-Executive Director#
Dr. Ushamani P.	- Managing Director#

#Regularisation of Director subject to approval of Shareholders in the ensuing AGM.

** resigned w.e.f. 30 June 2023*

@ appointed w.e.f. 26 July 2023

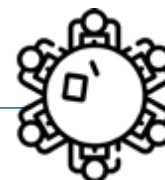
Management Team

Smt. Bonani Roychoudhury	- Chief Operating Officer
Shri Vijay Turumella	- Chief Financial Officer (till closure of business hours on 28 April 2023)
Shri LS Naveenkumar	- Chief Financial Officer (w.e.f. 02 May 2023)
Smt. Suzette Pereira	- Company Secretary

Registrar and Share Transfer Agents

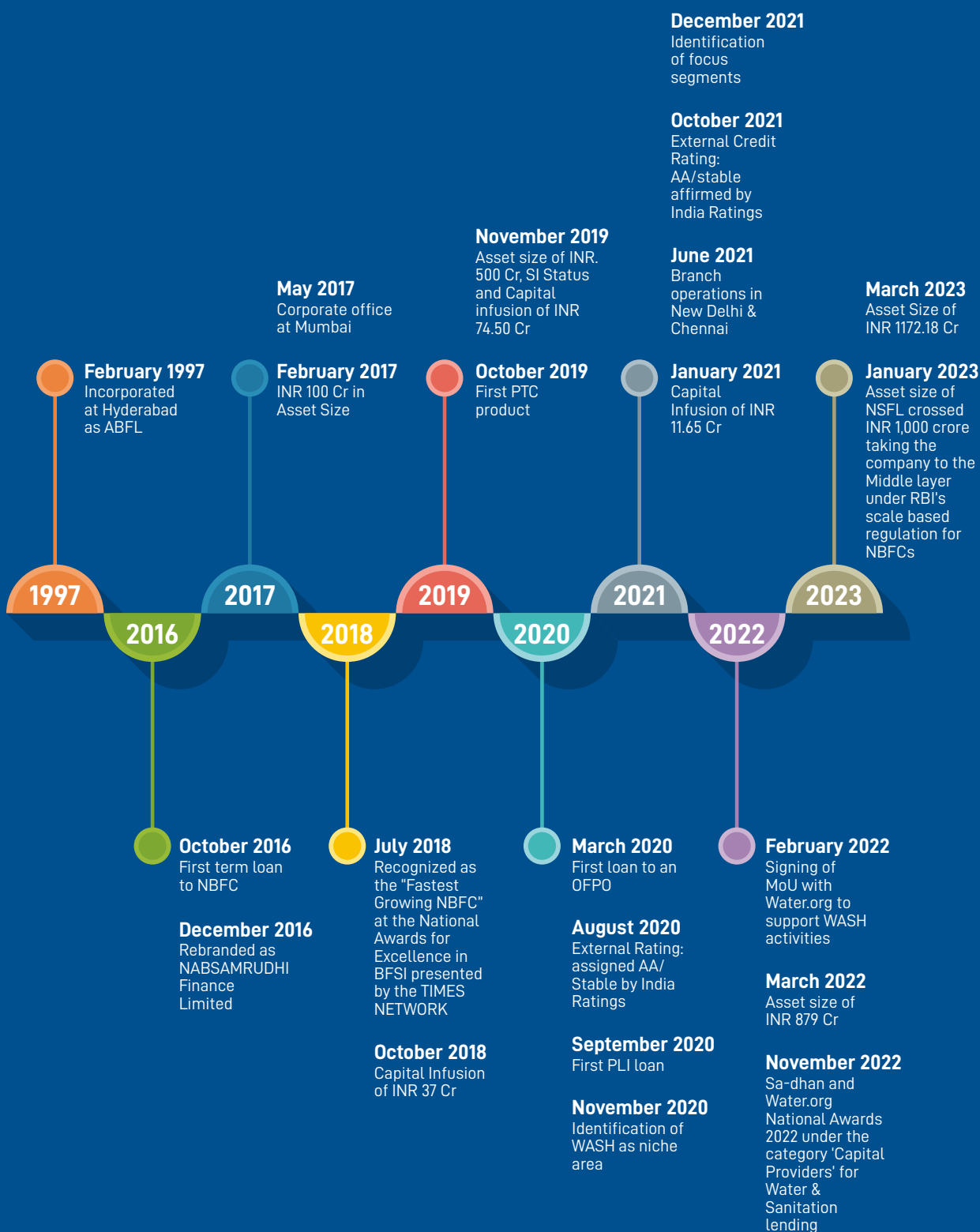
KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032

Committee composition



Committee	Member
Audit Committee	Shri Ravi Krishan Takkar- Chairman Shri Lalit Kumar Vaid Dr. Ushamani P
Nomination and Remuneration	Shri Arvind Kumar Jain - Chairman Shri Lalit Kumar Vaid Shri Goverdhan Singh Rawat Dr. Ushamani P
Corporate Social Responsibility Committee	Shri K.S. Raghupathi- Chairman (till 30 June 2023) Shri Lalit Kumar Vaid-Chairman (w.e.f 26 July 2023) Shri Arvind Kumar Jain Shri Subrata Gupta Dr. Ushamani P
Risk Management Committee	Shri Subrata Gupta- Chairman Shri Ravi Krishan Takkar Shri K. S. Raghupathi (till 30 June 2023) Shri Manikumar S (w.e.f 26 July 2023) Dr. Ushamani P
IT Strategy Committee	Shri Ravi Krishan Takkar- Chairman Shri Subrata Gupta Shri Goverdhan Singh Rawat Chief General Manager, DIT, NABARD, as Ex Officio Member Dr. Ushamani P Smt. Bonani Roychoudhury Shri Sumit Gupta

Journey

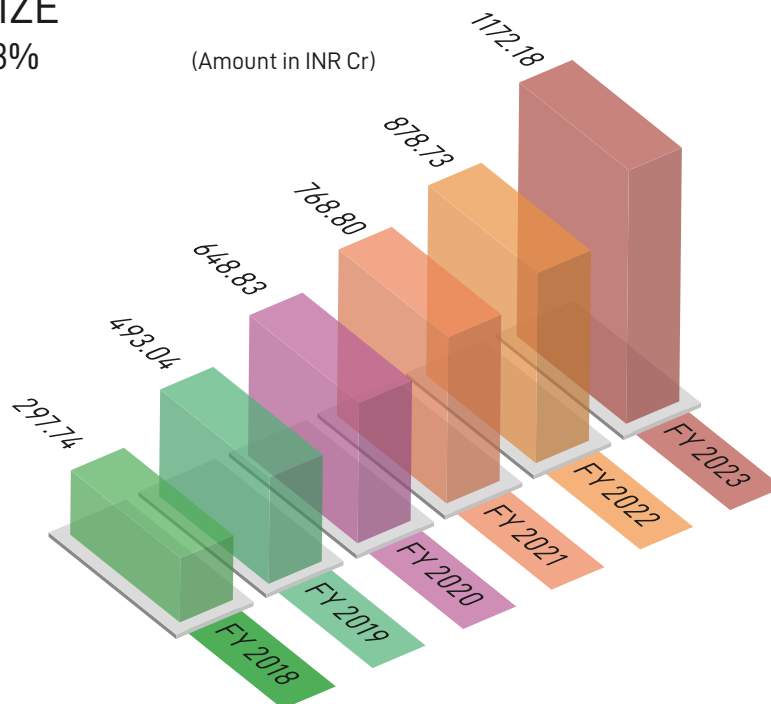


Business highlights

ASSET SIZE

CAGR: 31.53%

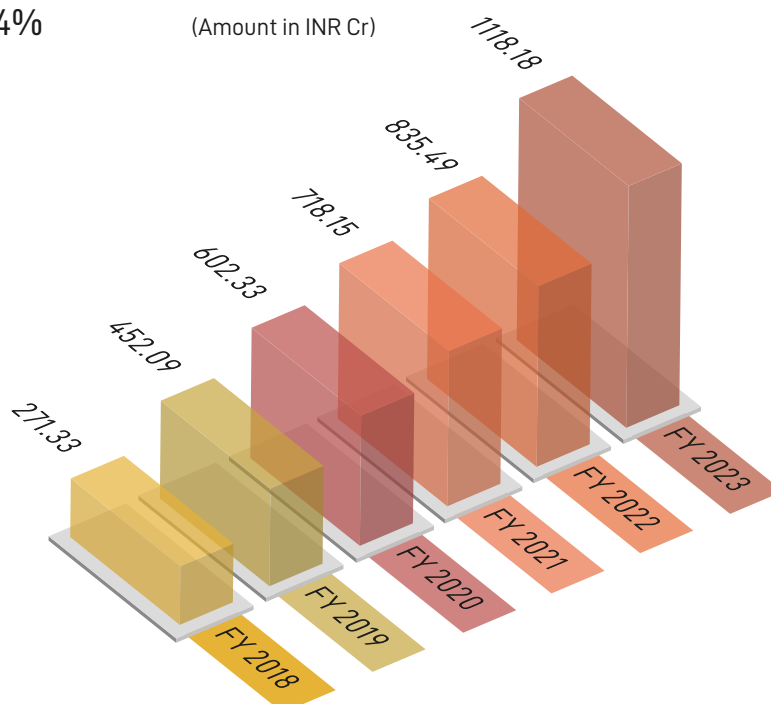
(Amount in INR Cr)



ASSET UNDER MANAGEMENT

CAGR: 32.74%

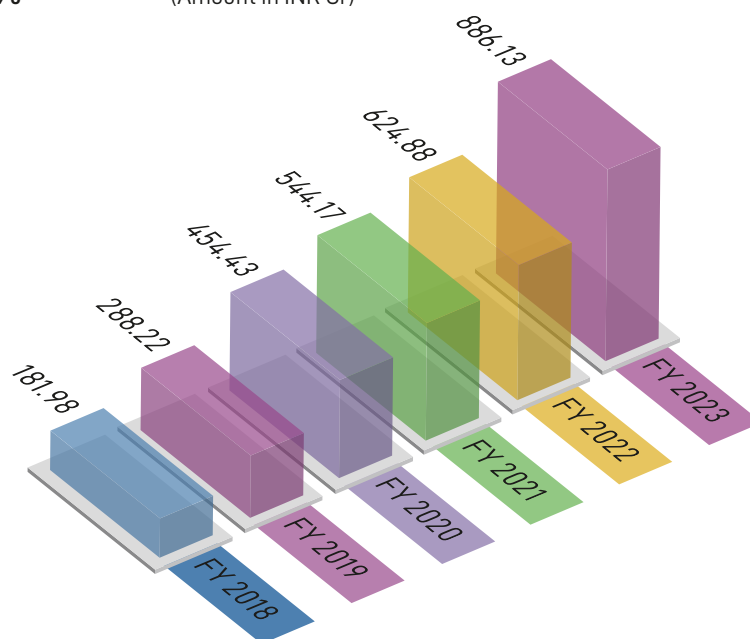
(Amount in INR Cr)



BORROWINGS

CAGR: 37.24%

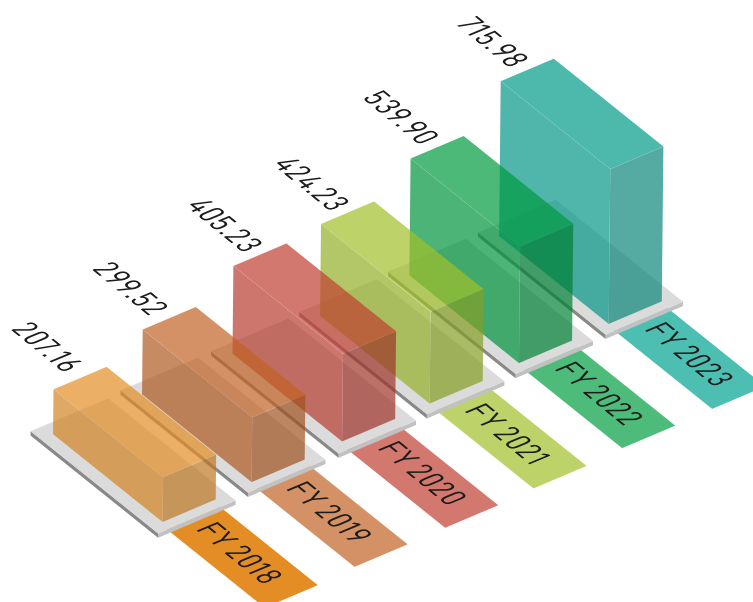
(Amount in INR Cr)



DISBURSEMENT

CAGR: 28.15%

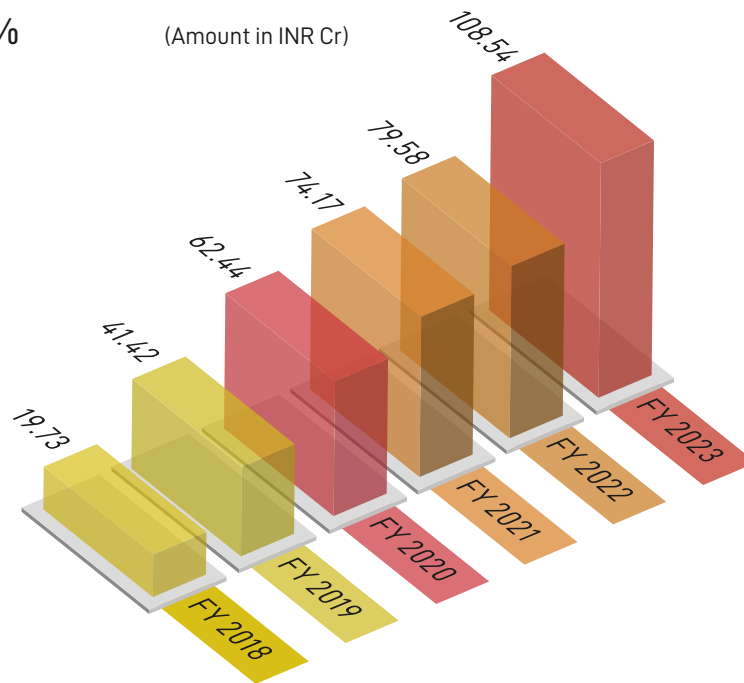
(Amount in INR Cr)



GROSS REVENUE

CAGR: 40.63%

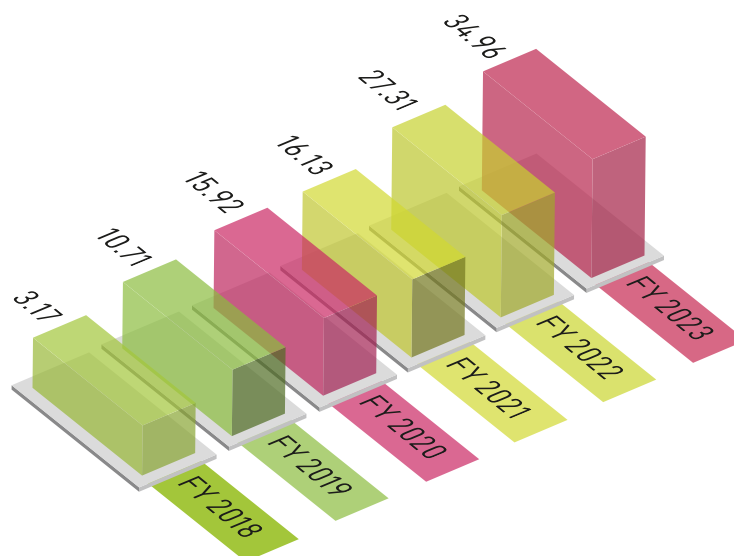
(Amount in INR Cr)



PAT

CAGR: 61.62%

(Amount in INR Cr)



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From the Chairman's Desk

Dear Shareholders,

It gives me an immense pleasure in addressing you on the Twenty Sixth Annual General Meeting of your Company.

The year that has just gone by has provided many achievements to NSFL. Our asset size went up by a third (YoY) and crossed INR 1,000 Cr, while our net worth went past INR 250 Cr! Humbly put, we are a part of a transformational journey of >1.6 lakh beneficiaries across 25 States and 5 UTs.

You will be happy to note that during the year, we continued to deliver under our three focus segments viz., *Green Financing & Wellness, Fabrics & Textile value chain and Handicraft value chain*; which, put together, now account for 36% of our AUM as on 31 March 2023. We began this focus in the financial year 2021-22.

While these changes were happening, I am proud of the fact that we did not waver from our core values of good corporate governance, without which we would not have been where we are today! Your Company is constantly reviewing its policies, SOPs and systems to ensure that they continue to stay relevant to the current and emerging statutory, regulatory and governance requirements.

While presenting these achievements before you, I do fondly recall and cherish the unstinting support and whole-hearted co-operation so readily extended by NABARD, not only in terms of funding, but also infrastructure and human-power.

Our Board has been a pillar of strength for me and the Company alike. Their wise counsel has helped the Company tide over testing circumstances and challenges, while remaining agile to tap eco-system opportunities. I thank them for their valuable guidance and contribution in steering the Company to present levels of achievement, while also looking forward to more of such support in the years ahead.

I wish to convey my sincere thanks to our valued Shareholders for their continuous support and trust in us.

As we move ahead, I assure all of you that the Company will remain committed to create sustainable value and continue its impact strategy in FY 2023-24 also. The only request is stay with us and support us deliver.

Best Wishes,

P V S Suryakumar
Chairman



Letter from the Managing Director

Dear Shareholders,

Yet another year has gone by! Another year of achievements and accolades!

Yes, NABSAMRUDDHI is continuing its stellar run in 2022-23 also.

It is in this backdrop, and with immense pleasure and a sense of gratitude, that I present before you, on behalf of the Board of NABSAMRUDDHI Finance Limited (NSFL), the 26th Annual Report of your Company for FY 2022-23.

During the year, the asset size of your Company crossed INR 1,000 Cr taking it to the Middle layer under RBI's scale based regulation for NBFCs. As at the end of March 2023, the Company's Assets Under Management (AUM) stood at INR 1,118 Cr, up by more than a third, from INR 835 cr. in the previous year. And we did this profitably too: our PAT was nearly INR 35 cr., registering a healthy YoY growth of 28%.

Not only did we do more business, we also did it with more partners. I am happy to inform you that your Company has been able to provide direct credit facilities to 51 institutional clients (including 21 new entities), taking the total number of such partners to 85, spread over 16 States and Union Territories, but who, put together, are catering to more than 1.6 lakh ultimate beneficiaries.

All this was achieved on the back of phenomenal increase in disbursements, which went up to INR 716 Crore from INR 540 Crore previously. Disbursement towards our focus segments, viz., Green & Wellness finance, Fabrics & Textiles value chain and Handicrafts value chain were INR 278 Cr (including INR 89 cr. disbursed for financing WASH activities).

As they say, good deeds, done with sincerity of purpose and the noblest of intent, rarely goes unnoticed; recognition invariably comes in search of you! Your Company has been awarded the Sa-Dhan Water.org 'Water and Sanitation (WASH) Financing Award, 2022' under the category of '*Capital providers*' in recognition of its contribution in providing supportive finance for WASH segment.

While forging ahead on the business front, NABSAMRUDDHI carried on its role as a '*sector developer and influencer*' in right earnest too. Your Company supported awareness generation on the focus segments through participation in various panel discussions and workshops. On the impact side, our financial interventions have enabled the ultimate beneficiaries to contribute to reduction in total CO₂ emission, increase in annual household income & consequently, savings, improved health resulting in reduced health cost, gender equity & empowerment and improved access to education.

True to our institutional philosophy, we are not the ones to rest on our laurels. We know that there's more to achieve out there, more opportunities to explore and to 'make a difference'. We @ NSFL shall continue to deliver on our promise to perform: in a bigger way, with larger impact, ceaselessly and with our customary cheerfulness.

Since the past few months, your Company has started the preparations for adhering to the processes stipulated for a Middle Layer NBFC and also migration from IGAAP to Ind-AS mode of accounting in FY 2023-24, considering that the AUM and Net Worth of the Company has crossed the mark of INR 1000 Cr and INR 250 Cr respectively. We have kept specific timelines and have planned the Human Resources suitably and I assure you that the transition would be smooth. The Company is also streamlining the IT processes which are expected to be operationalised during this year.

Let me also take this opportunity to express my humble and sincere gratitude to all our partners, Board of Directors and shareholders for their resolute faith in the Company through all these years. You all have been our bedrock of support and strength. I seek your continued support, so that we consistently improve our performance and more fully realise our goals in a steadfast manner.

Best Wishes,

Dr. Ushamani P
Managing Director

Board of Directors



Shri PVS Suryakumar



Shri Goverdhan Singh Rawat



Shri Ravi Krishan Takkar



Shri Arvind Kumar Jain



Shri Lalit Kumar Vaid



Shri Subrata Gupta



Shri Kapudasi Dharmaiah



Shri Manikumar S.



Dr. Ushamani P

Directors' report

Dear Members,

Your Board of Directors are pleased to present the Twenty-Sixth Annual Report of NABSAMRUDDHI Finance Limited ("Company") together with the Annual Audited Accounts for the financial year ended 31 March 2023. The Report read with Management Discussion Analysis includes the details of macro-economic scenario, Company's performance, various initiatives undertaken by the Company as well as its approach to risk management.

1 Financial Results

The Company's performance during the year ended 31 March 2023 as compared to the previous year is summarised below:

Particulars	(INR in Crore)		
	2022-23	2021-22	Growth %
Total Asset Size	1172.18	878.73	33.39
Total AUM	1118.18	835.49	33.83
Total Income	108.54	79.58	36.39
Profit/(Loss) before Tax	47.44	36.14	31.26
Less: Tax expenses	12.48	8.83	41.33
Profit/(Loss) after Tax	34.96	27.31	28

*Figures have been rounded off, wherever necessary, to the nearest decimal.

2 Dividend

The Board of Directors have recommended a dividend @ 2%, i.e., (INR 0.20/equity share of Face Value INR 10/- each) on the paid up equity share capital of INR 123,82,19,880/- (Rupees One Hundred and Twenty Three Crore Eighty Two lakh Nineteen thousand Eight Hundred and Eighty only) amounting to INR 2,47,64,398/- (Rupees Two Crore Forty Seven Lakh Sixty Four Thousand Three Hundred and Ninety Eight only) as Dividend for Financial Year 2022-23 for approval of the shareholders in the ensuing Annual General Meeting of the Company.

3 Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The provisions of Section 125(2) of the Companies Act, 2013 have been complied with for the year FY 22-23.

4 Transfer to Reserve Fund

During financial year 2022-23, your Company has transferred an amount of INR 6.99 crore to reserve fund in accordance with the requirements of Section 45-IC(1) of the Reserve Bank of India Act, 1934.

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

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

6 Compliance with RBI Guidelines

Your Company, a Systemically Important Non Deposit taking NBFC, is compliant with all the applicable RBI regulatory norms.

7 Internal Financial Controls and its adequacy

Your Company has adopted policies and procedures as a part of its Internal Financial Controls for ensuring orderly and

efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanism, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The internal financial control systems are adequate and operating effectively as at March 31, 2023.

8 Share Capital

a. Authorised Share Capital

The Authorised Share Capital of the Company as on 31 March 2023 was INR 150,00,00,000/- (Rupees One Hundred and Fifty Crore only) divided into 15,00,00,000 (Fifteen Crore) equity shares of the face value of INR 10/- (Rupees Ten Only) each. There has been no change in the Authorised Capital of the Company for the period under review.

b. Paid up Capital

During the year under review, there was no increase in Paid-up Share Capital of the Company and as on 31 March 2023, it stood at INR 1,23,82,19,880/- (Rupees One Hundred and Twenty Three Crore Eighty Two Lakh Nineteen Thousand Eight Hundred and Eighty Only) divided into 12,38,21,988 (Twelve Crore Thirty Eight Lakh Twenty One Thousand Nine Hundred and Eighty Eight Only) equity shares of the face value of INR 10/- (Rupees Ten Only) each.

The Shareholding pattern as on 31 March 2023 is as under:

Sr. No	Name of Shareholder	No. of Shares held	Amount (INR)	% of Share Capital
1	National Bank for Agriculture and Rural Development	11,27,88,000	1,12,78,80,000	91.09
2	Government of Andhra Pradesh	46,65,600	4,66,56,000	3.77
3	Government of Telangana	34,65,788	3,46,57,880	2.80
4	Union Bank of India	20,00,000	2,00,00,000	1.62
5	Canara bank	8,00,000	80,00,000	0.65
6	IMC Limited	50000	500000	0.04
7	KCP Sugars Limited	50000	500000	0.04
8	Secretary, IF, Govt of AP	100	1000	0.00
9	Shri K S Rao	100	1000	0.00
10	Shri M Venkataratnam	100	1000	0.00
11	Shri M Purushothama Chary	100	1000	0.00
12	Shri V Jalma Rao	100	1000	0.00
13	Shri A Krishna Murthy	100	1000	0.00
14	Shri J Krishna Murthy	2000	20000	0.00
	Total	12,38,21,988	1,23,82,19,880	100%

**APCOB and TSCAB cease to be shareholders w.e.f 09 November 2022 and 31 October 2022 respectively and have transferred the shares to Govt of Telangana.*

9 Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

Pursuant to Section 186(11)(a) of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loans made, guarantee given or security provided in the ordinary course of business by a Non- Banking Financial Company (NBFC) registered with the Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such, the particulars of loans and guarantees have not been disclosed in this Report. The details of the Investments of the Company are furnished under Note 12, 15 and 16 of Notes forming part of the Financial Statements for the year ended 31 March 2023.

10 Non acceptance of Deposits

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

11 Particulars of Borrowings

The Company raised debt in the form of refinance from NABARD to the tune of INR 578.86 crore during 2022-23 as against INR 317.35 crore during the previous year, taking the refinance outstanding to INR 836.12 crore compared to INR 624.88 crore in the previous year. The Company has also raised debt of INR 100 crore from M/s Bajaj Finance Limited primarily for investment in Pass through certificates.

12 Particulars of Loans and Advances

The Particulars on loans and advances are given in the Management Discussion and Analysis Report as Annexure IV.

13 Asset Quality

The outstanding of Non-Performing Assets (NPAs) as on 31 March 2023 was INR 4.81 crore. In respect of non-performing assets, the Company reckoned to make higher provision of 30% for Doubtful assets(D1 category) against the norm of 20%. The Company has made a provision of INR 1.18 Cr for NPA accounts, (including a higher provision of INR 0.32 Cr). Further, provisions amounting to INR 3.33 Cr has been reversed during the current year and INR 11.52 Cr has been technically written off and debited to P&L account. The Company has also made a provision of INR 0.96 Cr on Standard Assets during the year.

14 Related Party Transactions (RPT)

The Company has put in place a Board approved Policy for RPT, which is displayed on the website of the Company at <https://www.nabsamruddhi.in/resources/images/RPT-Policy-approved-by-the-Board.pdf>. The details of the transactions with related party as required under Section 134 (3) (h) of the Companies Act, 2013 are furnished in Form AOC-2 as Annexure III (forms part of this Report) and under Accounting Standard 18 which are furnished in Notes to Accounts which forms part of Financial Statements of the Company.

15 Extract of Annual Return

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

16 Changes in Directors and Key Managerial Personnel

During the financial year, the following changes occurred in the Board of Directors:

- Dr. Ushamani P, Chief General Manager, NABARD was re-appointed as Managing Director of the Company w.e.f. 06 May 2023. The approval and ratification of the members is being sought for the same at the upcoming Annual General Meeting.
- Shri Vinay Kumar Verma resigned as Independent Director on completion of his second term as independent Director w.e.f 18 October 2022.
- Shri Ravi Krishan Takkar and Shri Arvind Kumar Jain were re-appointed for a second term of 5 years as Independent Directors w.e.f 02 December 2022 and 25 March 2023 respectively.
- Shri Subrata Gupta was appointed as Non-Executive Director for a period of 2 years w.e.f 02 December 2022.
- Shri Lal Singh Tanwar, Nominee Director of Union Bank of India resigned w.e.f 27 October 2022.
- Shri Shreenath Reddy, nominee Director of Andhra Pradesh State Co-operative Bank Limited and Shri Nethi Muralidhar, nominee Director of Telangana State Apex Co-operative Bank Limited resigned w.e.f 26 December 2022 and 27 December 2022 respectively, upon transfer of shares of Andhra Pradesh State Co-operative Bank Limited (APCOB) and Telangana State Apex Co-operative Bank Limited (TSCAB) to Government of Telangana.

The Board places on record its appreciation and gratitude for the invaluable contributions made by Shri Vinay Kumar Verma, Shri Lal Singh Tanwar, Shri R. Shreenath Reddy and Shri Nethi Muralidhar during their tenure as Directors of the Company.

The re-appointment of Shri Ravi Krishan Takkar and Shri Arvind Kumar Jain for second term of 5 years is being placed for approval of the members at the upcoming Annual General Meeting.

The appointment of Shri Subrata Gupta as a Non-Executive Director for a period of 2 years is being placed for approval of the members at the upcoming Annual General Meeting.

Shri Lalit Kumar Vaid was appointed as Additional Independent Director w.e.f. 28 April 2023 and Shri Manikumar S, Nominee of NABARD was appointed as Additional Nominee Director w.e.f. 26 July 2023 (i.e. the date of signing of this report). The appointment of Shri Manikumar S as Nominee Director of the Company and Shri Lalit Kumar Vaid as Independent Director of the Company both not liable to retire by rotation are being placed for the approval of the members at the upcoming Annual General Meeting.

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

- Shri M Prashanth Babu, ceased to be the Chief Financial Officer of the Company w.e.f. 20 May 2022.
- Shri Vijay Turumella was appointed as Chief Financial Officer of the Company w.e.f. 20 May 2022.

The Board places on record its appreciation and gratitude for the invaluable contributions made by Shri M Prashanth Babu during his tenure as Chief Financial Officer of the Company.

Retirement by Rotation of the Directors

Mr. Kapudasi Dharmiah retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

17 Meetings of Board of Directors and its Committees

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

18 Code of Conduct

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

19 Independent Directors' Declaration

The Independent Directors have confirmed and declared that they are not disqualified to act as Independent Directors in compliance with the provisions of Section 149 of the Companies Act, 2013, and the Board is also of the opinion that the Independent Directors fulfil all the relevant conditions specified in the Companies Act, 2013, making them eligible to act as Independent Directors. Pursuant to Rule 5 of Companies (Appointment and qualification of Directors) Rules, 2014 as amended w.e.f. 01 December 2019, all Independent Directors of the Company have registered themselves in the Independent Directors databank maintained with the Indian Institute of Corporate Affairs (IICA). Further, all the Independent Directors have also cleared the proficiency test conducted by IICA.

20 Board Evaluation

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors as a whole, its Committees, the Non-Executive Directors, Executive Directors on the basis of structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. The performance evaluation so arrived at was then noted and discussed by the Board of Directors in its meeting held on 28 April 2023.

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

21 Independent Directors Meeting

During the year under review, a meeting of Independent Directors was held on 08 March 2023 as required under Companies Act, 2013 and matters as specified therein were discussed.

22 Particulars of Employee Benefits

The Managing Director is on deputation from NABARD. Remuneration of the Managing Director including Provident Fund, Gratuity and Leave Salary is reimbursed to NABARD on the basis of the advice received from NABARD. The services of one General Manager, one Deputy General Manager, one Assistant General Manager, one Manager and one Assistant Manager of NABARD are utilized by the Company on a placement basis. As per the terms of placement, 100% of the remuneration paid to these officials on placement are being reimbursed to NABARD based on the advice received from NABARD and the same is charged to the Statement of Profit and Loss.

23 Auditors

A. Internal Audit

Shri N Ramesh Kumar, Chartered Accountant was appointed as your Company's Internal Auditor w.e.f from 01 April 2021. He resigned from the Company on 28 April 2023. Pursuant to the provisions of Section 138(1) of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and as per Reserve Bank of India, vide its Master Direction on NBFCs ND SI, DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016, Smt. A Laxmi Bai was appointed as the Internal Auditor of the Company from FY24 onwards.

The reports of the internal auditor were placed before the Audit Committee at their meetings at regular intervals.

B. Statutory Audit

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, M/s. Tukaram & Co. LLP, Chartered Accountants, Hyderabad (Firm Registration No. 004436S/S200135), were appointed by the Office of the Comptroller and Auditor General of India as Statutory Auditors of the Company for the Financial Year 2022-23.

There are no qualifications, reservations or adverse remarks made by M/s. Tukaram & Co. LLP, Chartered Accountants, Statutory Auditors in their report for the Financial Year ended 31 March 2023. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

C. Secretarial Audit

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 2022-23. The Secretarial Audit Report (MR-3) is published in this Annual Report. There are no qualifying remarks in the Secretarial Audit Report.

During the year under review, the Reserve Bank of India (RBI) conducted the first ever inspection of the Company. The Compliance report to the observations made has been submitted to RBI.

National Bank for Agriculture and Rural Development (NABARD) had conducted its yearly inspection for the FY 2021-22 during the year under review. The Compliance for the observations made in the report have been furnished to NABARD.

24 Reporting of Frauds by Auditors

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

25 Audit by C&AG

During the year under review, the Comptroller and Auditor General of India (CAG) had conducted the Compliance Audit for the financial years 2019-20, 2020-21 and 2021-22. The Company has submitted the Compliance report to the CAG on observations made in its report.

Further, the CAG vide their report dated 06 June 2023, have forwarded 'Non-Review' certificate under 143(6)(b) of the Companies Act, 2013 on the accounts of the Company for the year ended 31 March 2023. *(The Certificate is appended and forms part of this report.)*

26 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.

27 Associate and Subsidiary Companies

The Company does not have any subsidiary or associate company. Hence AOC-1 is not applicable to the Company.

28 Risk Management Policy

Your Company has adopted the Risk Management Policy based on the recommendation of the Risk Management Committee in order to assess, monitor and manage enterprise risk. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment to monitor and mitigate the risk through internal audit recommendations including those relating to strengthening of the Company's internal risk management policies and systems.

29 Whistle blower Policy

Your Company has formulated a vigil mechanism through Whistle Blower Policy to deal with instances of unethical behaviour, actual or suspected fraud or violation of Company's code of conduct and the policy is also available on the Company's website.

The said mechanism can also be availed by the Directors of the Company.

30 Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo

The Company had not undertaken any activity relating to conservation of energy or technology absorption during the year 2022-23. The Company did not have any foreign exchange earnings or outgo during the year under review.

31 Corporate Social Responsibility

Your Company has a CSR Policy committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013 and has constituted a Corporate Social Responsibility (CSR) Committee and the present Committee comprises of Shri K S Raghupathi, Nominee Director (till 30 June 2023), Shri Lalit Kumar Vaid, Independent Director (w.e.f. 26 July 2023), Shri Arvind Kumar Jain, Independent Director, Shri Subrata Gupta, Non-Executive Director and Dr Ushamani P, Managing Director.

The Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached to this report as Annexure II.

32 Management Discussion and Analysis Report

Attached separately as Annexure IV.

33 Vigilance Mechanism

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

34 Policy on Sexual Harassment of Women at Workplace

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

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

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

36 Change in Nature of Business

There has been no change in the nature of business of the Company during the year under review.

37 Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable Indian Accounting Standards had been followed. There are no material departures from applicable Indian Accounting Standards;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

38 Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016:

During the year under review, the Company has not made any application nor any of the proceedings are pending under the Insolvency and Bankruptcy Code, 2016.

39 Details of difference in the amount of valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.:

The Company has not availed any one-time settlement from any banks or financial institutions, during the year under review.

40 Acknowledgment

The Directors wish to thank the Reserve Bank of India and other statutory authorities for their continued support and guidance. The Board of Directors would like to express its sincere appreciation to the National Bank for Agriculture and Rural Development, Government of Andhra Pradesh, Government of Telangana, Union Bank of India, Canara Bank, Andhra Pradesh State Cooperative Bank, Telangana State Cooperative Apex Bank Limited, IMC Limited, KCP Sugars & Industries Limited, the client institutions, M/s Bajaj Finance Limited and other 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 executives during this year.

On behalf of the Board

For NABSAMRUDDHI Finance Limited

Sd/-

P V S Suryakumar
Chairman
DIN: 06694864

Date: 26 July 2023
Place: Mumbai

Sd/-

Dr. Ushamani P.
Managing Director
DIN: 09138953

Attendance of Directors at Board Meetings held in 2022-23

Annexure I

Names of Directors	Total Attendance (in %)	29 April 2022	20 May 2022	15 July 2022	05 September 2022	10 October 2022	02 December 2022	10 January 2023	14 February 2023	08 March 2023	24 March 2023	AGM held on 29 Sept. 2022
Shri PVS Suryakumar	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Shri Govardhan Singh Rawat	90	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Dr. Shreenath Reddy@	66.67	No	Yes	Yes	Yes	No	Yes	NA	NA	NA	NA	Yes
Shri Lal Singh%	60	No	Yes	Yes	Yes	No	NA	NA	NA	NA	NA	No
Shri Kapudasi Dharmiah	80	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Shri Subrata Gupta	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri KS Raghupathi	60	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No	No	Yes
Shri Nethi Muralidhar#	0	No	No	No	No	No	No	NA	NA	NA	NA	Yes
Shri Ravi Krishan Takkar	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Arvind Kumar Jain	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Vinay Verma*	100	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	NA	NA	Yes
Dr. Ushamani P	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

NA- Not Applicable

@ resigned w.e.f 26 December 2022 pursuant to withdrawal of nomination

resigned w.e.f 27 December 2022 pursuant to withdrawal of nomination

% resigned w.e.f 27 October 2022 pursuant to withdrawal of nomination

* Resigned w.e.f 18 October 2022 due to completion of second term of appointment as an Independent Director.

Annexure -II

Annual Report on CSR Activities for the financial year ended 31 March 2023

1. Brief outline on CSR Policy of the Company.

Keeping in view the applicability of Section 135 of the Companies Act, 2013 NABSAMRUDDHI Finance Limited (NSFL) has been providing CSR assistance to various organisations from FY 2019-20 onwards. Further, the CSR Policy of the Company was also revised based on the amendments in Companies (Corporate Social Responsibility Policy) Rules, 2014, with effect from 31 March 2021. The detailed CSR Policy is placed in the Company's website www.nabsamruddhi.in. The focus areas identified by the Company for CSR support during 2022-23 included:

Education and Skill Development;

Health Care, including facilities for COVID related activities;

Water, Sanitation and Hygiene (WASH);

Climate Change mitigation & adaptation and

Sustainable livelihood

2. Composition of CSR Committee:

Sl. No	Name of Director	Designation/ Nature of Director	Number of meetings during year	
			Held	Attended
1	Shri K S Raghupathi (resigned w.e.f 30 June 2023)	Chairman	3	3
2	Shri Lalit Kumar Vaid (appointed as a Director in the Company w.e.f 28 April 2023 and as Chairman of the Committee w.e.f 26 July 2023)	Chairman	0	0
3	Shri Arvind Kumar Jain	Member	3	3
4	Shri Subrata Gupta	Member	3	3
5	Dr. Ushamani P.	Member	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:- <https://www.nabsamruddhi.in/who-we-are>

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

Since the average CSR obligation of the Company is less than INR 10 Crore or more, impact assessment of its CSR Projects through an independent agency is not required.

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

NIL for FY 22-23. However, the excess amount of INR 2,07,511 incurred during FY 22-23 will be set-off against the immediately succeeding three financial years starting from FY 23-24 onwards.

6. Average net profit of the company as per section 135(5) - INR 26,49,28,729/-

7. (a) Two percent of average net profit of the company as per section 135(5) - INR 52,98,575/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL

(c) Amount required to be set off for the financial year, if any - NIL for FY 22-23.

However, the excess amount of INR 2,07,511 will be set-off against the immediately succeeding three financial years starting from FY 23-24 onwards.

(d) Total CSR obligation for the financial year (7a+7b-7c)- INR 52,98,575/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amt. spent for the financial year (in INR)	Amount Unspent (in INR)				
	Total Amt. transferred to Unspent CSR a/c as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amt.	Date of transfer	Name of fund	Amt.	Date of transfer
12,74,480	40,24,095	20 April 2023	-	-	-

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

1	2	4	5	6	7	8	9	10	11		
Sl. No	Name of the Project	Local Area (Yes/No)	State / District	Location of the project.	Project duration.	Amount allocated for the Project (in Rs)	Amt. spent in the current financial Year (in Rs.).	Amt. transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
										Name	CSR Reg. No
3. Item from the list of activities in Schedule VII to the Act.			i. Promoting preventive health care & sanitation & making available safe drinking water								
1	Sulabh International Social Service Organisation	No	Bhojpur, Bihar	Bhojpur	1 year	INR 23,62,868	-	INR 23,62,868	No	Sulabh International Social Service Organisation	CSR00000185
3. Item from the list of activities in Schedule VII to the Act.			ii. Promoting preventive health care & sanitation & making available safe drinking water								
2	Kokan Kala Va Shikshan Vikas Sanstha	No	Raigad, Maharashtra	Village Kegaon, Taluka Uran, District Raigad, Maharashtra	1 year	INR 15,93,100	INR 12,74,480	INR 3,18,620	No	Kokan Kala Va Shikshan Vikas Sanstha	CSR00004014
3. Item from the list of activities in Schedule VII to the Act			i. Promoting preventive health care & sanitation & making available safe drinking water								
3.	Sulabh International Social Service Organisation	No	Varanasi, Uttar Pradesh	Varanasi	1 year	INR 15,50,118*	-	INR 15,50,118*	No	Sulabh International Social Service Organisation	CSR00000185

*Amount of INR 2,07,511 will be spent from 2023-24 CSR budget

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

(d) Amount spent in Administrative Overheads-NIL

(e) Amount spent on Impact Assessment, if applicable-NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)-INR 12,74,480

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	52,98,575
(ii)	Total amount spent/sanctioned for the Financial Year	55,06,086*
(iii)	Excess amount spent/sanctioned for the financial year [(ii)-(i)]	2,07,511
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,07,511

*Amount of INR 2,07,511 will be spent from 2023-24 CSR budget

9. (a) Details of Unspent CSR amount for the preceding three financial years: INR 44,19,394/-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year 2022-23 (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	FY 22	38,88,314	44,19,394 [^]	38,88,314	-	-	5,31,080	-
2	FY 21	2,00,000	2,00,000	-	-	-	2,00,000	-
3	FY 20	15,52,789	15,52,789	-	15,52,789*	13 April 2020	-	-

[^]including an amount of INR 3,31,080 due to non-expenditure of CSR amount by implementing agency

* amount transferred to PM Cares Fund.

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

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

The amount for CSR expenditure for projects were duly sanctioned in March 2023. However due to extenuating circumstances, the same was unable to be disbursed within the given timeframe. The unspent amount has been transferred to the unspent CSR account within the timelines specified. The amounts will be released in tranches based on progress in implementation of CSR projects.

Sd/-

Dr. Ushamani P
Managing Director

Sd/-

Shri Lalit Kumar Vaid
Chairman of CSR Committee

Place: Mumbai

Date: 26 July 2023

Annexure III

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Annexed
b)	Nature of contracts/arrangements/transaction	Annexed
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Annexed
e)	Date of approval by the Board	28 April 2023/ 26 July 2023
f)	Amount paid as advances, if any	-

Annexure to AOC-2

A. National Bank for Agriculture and Rural Development (NABARD) is the holding company with 91.09 % of the paid up equity capital of the Company. The following payments have been made / payable by the Company to NABARD during the financial year 2022-23.

(Amount in INR crores)

Payments*	Office Rent	0.05
	Professional charges for staff deputed/posted	3.86
	Interest on loans	43.05

*Approved by the Board of Directors on 28 April 2023

The professional charges include 100 % of expenses towards deputation of officers/ staff of NABARD posted to the Company.

The Company obtained refinance from NABARD. The transactions during the year is as follows:

(Amount in INR crores)

Unsecured Loans*	Opening Balance	624.88
	Loans recd during the year	578.86
	Loans repaid during the year	367.62
	Closing balance	836.12

*Approved by the Board of Directors on 28 April 2023

B. The Company made the following payments to its Directors

(Amount in INR)

Directors	1) Availing or rendering of services and; 2) Related party's appointment to any office or place of profit in the Company.	
	Shri Vinay Kumar Verma	
	Professional Charges	45,000
	Sitting Fees	2,55,000
	Total	3,00,000
	Shri Subrata Gupta	
	Professional Charges	15,000
	Sitting Fees	6,30,000
	Total	6,45,000
	Shri Arvind Kumar Jain	
	Professional Charges	-
	Sitting Fees	5,70,000
	Total	5,70,000
	Shri Ravi Krishan Takkar	
	Professional Charges	-
	Sitting Fees	4,65,000
Total	4,65,000	

Approved by the Board of Directors on 28 April 2023 and 26 July 2023

On behalf of the Board

For NABSAMRUDDHI Finance Limited

Sd/-

P V S Suryakumar
Chairman
DIN: 06694864

Date: 26 July 2023
Place: Mumbai

Sd/-

Dr. Ushamani P.
Managing Director
DIN: 09138953

Corporate governance report

1 Our philosophy on Corporate Governance

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

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

2 RBI Guidelines on Corporate Governance

The Company is categorised as NBFC-ND-SI (Middle Layer) and the applicable practices with respect to RBI Master Circular Ref. No. DNBR (PD) CC.No.053/03.10.119/2015-16 dated 01 July 2015 and RBI Master Circular RBI/2021-22/112DOR.CRE.REC. No.60/03.10.001/2021-22 dated 21 October 2022 are adhered to by the Company.



1) Composition of the Board (as on 31 March 2023)

Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings			No. of other Director ships (excluding Nabsamrudhi)	Remuneration (in Lakhs)			No. of shares held in and convertible instruments held in the NBFC
				Held	Eligible to attend	Attended		Salary and other compensation	Sitting Fee	Commission	
Shri PVS Suryakumar	26-06-2020	Chairman and Nominee Director	06694864	10	10	10	1	NIL	NIL	NIL	NIL
Shri K S Raghupathi	26-06-2020	Nominee Director	08769228	10	10	6	0	NIL	NIL	NIL	NIL
Shri Goverdhan Singh Rawat	25-08-2020	Nominee Director	08814874	10	10	9	1	NIL	NIL	NIL	NIL
Shri K Dharmiah	22-11-2013	Nominee Director	06750302	10	10	8	1	NIL	NIL	NIL	NIL
Shri Lal Singh%	24-09-2020	Nominee Director	08221094	10	5	3	1	NIL	NIL	NIL	NIL
Dr. Shreenath Reddy@	30-12-2019	Nominee Director	08701074	10	6	4	0	NIL	NIL	NIL	NIL
Shri Nethi Muralidhar#	16-11-2012	Nominee Director	06454918	10	6	0	1	NIL	NIL	NIL	NIL
Shri Vinay Verma*	18-10-2017	Independent Director	07603237	10	5	5	1	NIL	2.55	NIL	NIL
Shri Ravi Krishan Takkar	02/11/2019 (first term) 02/12/2022 (second term)	Addl. Independent Director	07734571	10	10	10	1	NIL	4.65	NIL	NIL
Shri Arvind Kumar Jain	24/03/2020 (first term) 25/03/2023 (second term)	Addl. Independent Director	07911109	10	10	10	7	NIL	5.7	NIL	NIL
Shri Subrata Gupta	02-12-2022	Addl. Non-Executive Director	06833844	10	10	10	1	NIL	6.3	NIL	NIL
Dr.Ushamani P.	06-05-2021	Managing Director	09138953	10	10	10	0	88.17	NIL	NIL	NIL

@ resigned w.e.f 26 December 2022 pursuant to withdrawal of nomination

resigned w.e.f 27 December 2022 pursuant to withdrawal of nomination

% resigned w.e.f 27 October 2022 pursuant to withdrawal of nomination

* Resigned w.e.f 18 October 2022 due to completion of second term of appointment as an Independent Director.

Details of change in composition of the Board during the current and previous financial year.

Sr no	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Smt Suparna Tandon	Managing Director	Resignation	06-05-2021
2	Dr. Ushamani P	Managing Director	Appointment	06-05-2021
3	Shri Sudhakar Patnana	Nominee Director	Resignation	30-06-2021
4	Shri Lal Singh	Nominee Director	Resignation	27-10-2022
5	Dr. Shreenath Reddy	Nominee Director	Resignation	26-12-2022
6	Shri Nethi Muralidhar	Nominee Director	Resignation	27-12-2022
7	Shri Vinay Kumar Verma	Independent Director	Resignation	18-10-2022

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/him shall be disclosed.-NA

Details of any relationship amongst the directors inter-se shall be disclosed-NA

2) Committees of the Board and their composition**3 Committees of the Board**

The Board has, *inter alia*, constituted below named committees as required under Companies Act, 2013 and RBI Guidelines, as amended time to time, to delegate particular matters that require more focused attention:

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

The Terms of Reference of the Committees are as per the Companies Act.2013 and the relevant RBI Guidelines.

3(a) Audit Committee

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

The Terms of Reference of the Audit Committee include:

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

- xii. To look into the reasons for substantial defaults in the payments to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and credit

The Audit Committee met 5 times during the year, i.e., on 21 April 2022, 11 May 2022, 24 August 2022, 15 December 2022 and 07 February 2023.

Name of the Directors	Member of Audit Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
			Held	Attended	
Shri Ravi Krishan Takkar	11-May-20	Addl Independent Director (Chairman)	5	5	NIL
Shri Arvind Kumar Jain	11-May-20	Addl Independent Director	5	5	NIL
Dr. Ushamani P	06-May-21	Managing Director	5	5	NIL

3(b) Nomination and Remuneration Committee

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

- To identify persons who are qualified to become Directors and who also may be appointed in senior management positions in accordance with the criteria laid down and 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 terms of reference of Nomination and Remuneration Committee include:

- The Nomination and Remuneration Committee shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- The Nomination and Remuneration Committee shall formulate the policy to ensure that—
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Nomination and Remuneration Committee met twice during the year, i.e., on 21 April 2022 and 20 May 2022

Name of the Directors	Member of NRC Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
			Held	Attended	
Shri Arvind Kumar Jain	11-May-20	Addl Independent Director (Chairman)	2	2	NIL
Shri Vinay Kumar Verma	11-05-2018 (ceased to be a member w.e.f 18 October 2022)	Independent Director	2	2	NIL
Shri Ravi Krishan Takkar	18-Oct-22	Addl Independent Director	2	0	NIL
Shri Goverdhan Singh Rawat	25-Aug-20	Nominee Director	2	2	NIL
Dr. Ushamani P	06-May-21	Managing Director	2	2	NIL

3 (c) Risk Management Committee

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

The terms of reference of Committee include

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

The Risk Management Committee met 4 times during the year, i.e., on 11 May 2022, 24 August 2022, 25 November 2022 and 07 February 2023.

Name of the Directors	Member of RMC Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
			Held	Attended	
Shri Subrata Gupta	16-Jun-20	Non-Executive Director	4	4	NIL
Shri Ravi Krishan Takkar	16-Jun-20	Addl Independent Director	4	3	NIL
Shri KS Raghupathi	26-Jun-20	Nominee Director	4	3	NIL
Dr. Ushamani P	06-May-21	Managing Director	4	4	NIL

3(d) Corporate Social Responsibility Committee

In compliance with the requirements of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility Committee. The Committee evaluates and recommend the CSR proposals to the Board for approval.

The terms of reference of CSR Committee include:

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

The Corporate and Social Responsibility Committee met thrice during the year, i.e., on 09 July 2022, 27 February 2023 and 28 March 2023

Name of the Directors	Member of CSR Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
			Held	Attended	
Shri KS Raghupathi	29-Dec-20	Nominee Director	3	3	NIL
Shri Arvind Kumar Jain	24-Aug-20	Addl Independent Director	3	3	NIL
Shri Subrata Gupta	24-Aug-20	Non Executive Director	3	3	NIL
Dr. Ushamani P	06-May-21	Managing Director	3	3	NIL

3(e) IT Strategy Committee

In accordance with the provisions of Reserve Bank of India's Master Direction on the Information Technology Framework for the NBFC Sector, the Board has constituted an IT Strategy Committee as per the composition stipulated in the RBI guidelines.

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

The IT Strategy Committee met twice during the year, i.e., on 11 May 2022 and 15 December 2022

Name of the Directors	Member of ITSC Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
			Held	Attended	
Shri Ravi Krishan Takkar	21-Jun-20	Addl Independent Director (Chairman)	2	2	NIL
Shri Vinay Kumar Verma	21-06-2020 (resg w.e.f 18 Oct 2022)	Independent Director	2	1	NIL
Shri Subrata Gupta	21-Jun-20	Non Executive Director	2	2	NIL
Shri Goverdhan Singh Rawat	29-Dec-20	Nominee Director	2	2	NIL
Chief General Manager, DIT, NABARD	20-Nov-18	Ex-officio member	2	2	NIL*
Dr. Ushamani P	06-May-21	Managing Director	2	2	NIL
Smt Bonani Roychoudhury	29-Dec-20	COO	2	2	NIL
Shri Kaushik Sethna	29-12-2020 (resg w.e.f 17 August 2022)	CTO	2	1	NIL
Shri Sumit Gupta	15-Dec-22	CTO	2	1	NIL

*NABARD holds 11,27,88,000 equity shares in the Company

Details of General Meeting

Meeting type	Time	Date and Place	Special resolution passed
25 th Annual General Meeting	3:00 pm	Held on 29 September 2022 through Video Conferencing facility, therefore deemed venue: NABARD Regional Office, 1-1-61, Yeduguri Chambers, RTC 'X' Roads, Hyderabad-500020.	NIL
5 th Extraordinary General Meeting	12:00 pm	Held on 24 March 2023 through Video Conferencing facility, therefore deemed venue: NABARD Regional Office, 1-1-61, Yeduguri Chambers, RTC 'X' Roads, Hyderabad-500020.	Creation of Charge/ security for borrowings under Section 180(1) a of the Companies Act2013 and the rules framed thereunder.

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

2) Details of non-compliance with requirements of Companies Act, 2013

Give details and reasons of any default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.- **Not Applicable**

3) Details of penalties and strictures

NBFCs should disclose details of penalties or stricture imposed on it by the Reserve Bank or any other statutory authority.- **Not Applicable**



Management Discussion and Analysis Report

1 Economic Overview

1.1 Macro-Economic Scenario in India

After the impact of the pandemic resulting in significant GDP contraction in FY2020-21, the quick recovery from the third wave of Omicron contributed to minimising the loss of economic output in the January-March quarter of 2022. Consequently, output in FY2021-22 went past its pre-pandemic level in FY2019-20, with the Indian economy staging a full recovery ahead of many nations. However, the conflict in Europe necessitated a revision in expectations for economic growth and inflation in FY2022-23.

The country's retail inflation had crept above the RBI's tolerance range in January 2022. It remained above the target range for ten months before returning to below the upper end of the target range of 6% in November 2022. According to the latest data from the Ministry of Statistics and Programme Implementation, the retail inflation declined to 4.25% in May, from 4.70% in April, 5.66% in March, 6.44% in February, and 6.52% in January, this year. The declining inflation rate indicates improved price stability.

According to the latest National Statistics Office's (NSO) data released in May 2023, India's GDP at factor cost (real GDP) grew 6.1% in the fourth quarter of fiscal year 2022-23. For the entire FY23, the growth rate was 7.2 % which was stronger than expected owing to underlying momentum in the economy. Despite the multiple headwinds arising from economic and geo-political uncertainties caused by the Russia-Ukraine conflict, resilience in the domestic demand, easing of domestic supply chain pressures, the government's capex push, and strengthening of bank credit helped India to remain as one of the fastest growing economies in the world.

Further, dwelling on the Outlook for 2023-24, the Economic Survey says, India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment.

The higher rabi crop production in FY 23, the expected normal monsoon, and the sustained buoyancy in services is expected to support private consumption and overall economic activity in FY 2023-24. Going forward, government's thrust on capital expenditure, moderation in commodity prices and robust credit growth are expected to nurture investment activity. The headwinds from weak external demand, volatility in global financial markets, protracted geopolitical tensions and intensity of El Nino impact, however pose risks to the outlook. Keeping in view the above factors, RBI has projected real GDP growth for 2023-24 at 6.5%.

As per the Global Economic Prospects of World Bank, India will remain the fastest-growing economy (in terms of both aggregate and per capita GDP) among the largest Emerging Markets and Developing Economies (EMDEs).

2 NBFC Sector in India

Non-Banking Financial Companies (NBFCs) have been at the forefront of financial inclusion in India. Over the years, the NBFC sector in India has made rapid strides, furthering financial inclusion by offering tailored financial products to segments underserved by banks. A total of 9,640 NBFCs were registered with the RBI as on 31 July 2022, of which 49 were deposit-taking (NBFCs-D) and 9,467 non-deposit taking (NBFC-ND), including 415 systemically important non-deposit taking NBFCs (NBFCs-ND-SI)¹.

In recent years, however, many NBFCs have assumed systemic significance with inter-linkages across the financial system. In keeping with the principle of proportionality, the Reserve Bank introduced scale-based regulation (SBR) for NBFCs on 22 October 2021, thereby narrowing the regulatory arbitrage between banks and large NBFCs while preserving operational flexibility. The framework categorised NBFCs into four layers namely Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL) and Top Layer (NBFC-TL) based on their size, activity, and perceived riskiness.

For the last few years, NBFCs have faced multiple headwinds like failure of major players, liquidity stress, the pandemic hit and competition from banks. Despite all these challenges, NBFCs maintained robust credit growth during 2022-23, supported by the broad-based revival in economic activity and targeted policy initiatives. The sector strengthened its financial soundness during the year through robust capital buffers, improved asset quality and consolidation of balance sheet.

NBFCs' credit to Gross Domestic Product (GDP) ratio increased from 8.6% in 2012-13 to 12.3 % in 2021-22.¹ Aggregate credit extended by NBFCs stood at INR 31.5 lakh crore as of September 2022.² However, the balance sheet size of NBFCs grew at a subdued pace in 2021-22, reflecting both weak demand and risk aversion amid disruptions caused by the second wave of COVID-19. The continuous improvement in asset quality is seen in the declining GNPA ratio of NBFCs from the peak of 7.2% in June 2021 to 4.3% in March 2023, close to the pre-pandemic level.³ The improved business conditions, the deferment in the NPA upgradation norms by the Reserve Bank, better recovery and lower fresh accretions facilitated the decline in NPAs during the period.

NBFCs continued to deploy the largest quantum of credit from their balance sheets to the industrial sector, followed by retail, services and agriculture. NBFCs also played a crucial role in bridging the credit needs of micro, small and medium enterprises (MSMEs), primarily those engaged in services.

3 NABSAMRUDDHI Finance Limited (NSFL)

3.1 A brief overview

NSFL is a subsidiary of NABARD and is registered as a Non-Banking Financial Company with the Reserve Bank of India. It is promoted with equity participation from National Bank for Agriculture and Rural Development (NABARD), erstwhile Andhra Bank (now merged with Union Bank of India), Canara Bank, Government of Andhra Pradesh, Government of Telangana, and others. NSFL as an organisation has grown considerably since its inception in 1997.

As a part of its rebranding exercise, the name of the Company was changed from Agri Business Finance Limited to NABSAMRUDDHI Finance Limited during FY 2016-17. At around the same time, the Company expanded its operations from Telangana/ Andhra Pradesh to pan India, reoriented its business model from retail to a largely wholesale model and its Corporate Office was set up in Mumbai while the registered Office continued in Hyderabad. Today NSFL has its registered office in Hyderabad, Corporate office in Mumbai and two offices, one each in Chennai and Delhi.

NSFL provides credit facilities to legal entities for promotion, expansion, commercialization and modernization in off farm sector including microfinance, MSME, housing, education, transport, etc. With a view to differentiate and to have a brand identity, during FY 2021-22, NSFL identified 3 segments, viz., Green Finance & Wellness (including Renewable energy, Electric Vehicles, Wellness, WASH etc.), Fabrics & textiles value chain and Handicrafts value Chain, as focus segments for business.

3.2. Affirmation of Credit Rating

For FY2022-23, India Ratings and Research (Ind-Ra) affirmed NSFL 'IND AA' Rating with a Stable Outlook. The rating is driven by continued support from its majority shareholder, i.e., NABARD, towards capital, liquidity, operations and Board/ Management support as well as Company's alignment with the corporate vision of NABARD, adequate capitalisation levels, etc.

3.3 Business Performance

During FY 2022-23, the asset size of NSFL crossed INR 1,000 Cr taking the company to the Middle layer under RBI's scale based regulation for NBFCs. The Company has achieved Asset Under Management (AUM) of INR 1118.18 Cr as on 31 March 2023 as against INR 835.50 Cr as on 31 March 2022, registering a Y-o-Y growth of 34%.

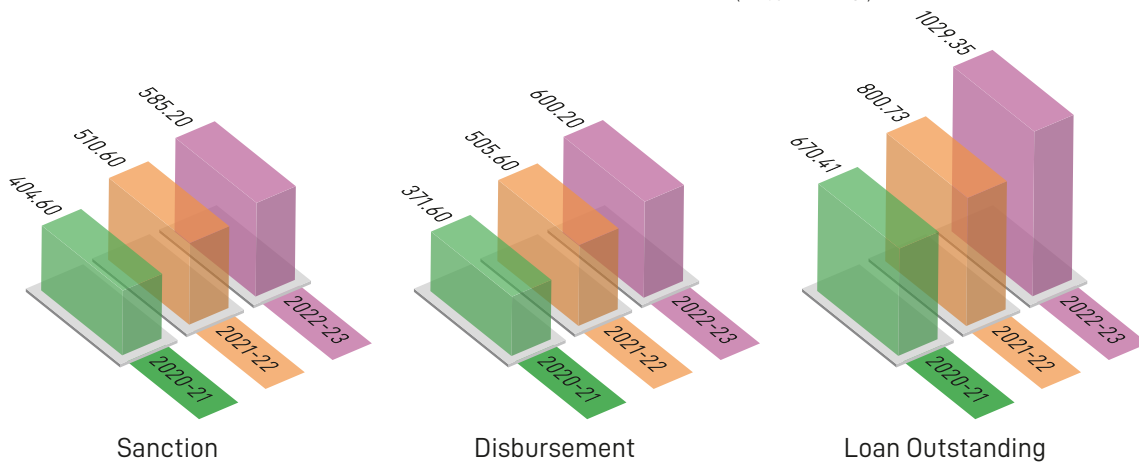
Other important highlights of the Company during financial year 2022-23 are as under:

- Loan and Advances outstanding as on 31 March 2023 was INR 1029.35 Cr as against INR 800.73 Cr as on 31 March 2022, indicating a growth of 29%;
- Owned Funds increased from INR 231.88 Cr to INR 264.36 Cr, contributed through augmentation of reserves through appropriation of profits;
- Gross Revenue as on 31 March 2023 was INR 108.54 Cr as against INR 79.58 Cr as on 31 March 2022, indicating a positive growth of 36%;
- PAT as on 31 March 2023 was INR 34.96 Cr as against INR 27.31 Cr as on 31 March 2022, indicating a positive growth of 28%;
- For this year, the Company has recommended a dividend of 2% of profits with a dividend payout ratio of 8.85%.
- GNPA% and NNPA % reduced from 2.09% and 1.51% as on 31 March 2022 to 0.47% and 0.22 % as on 31 March 2023 respectively.

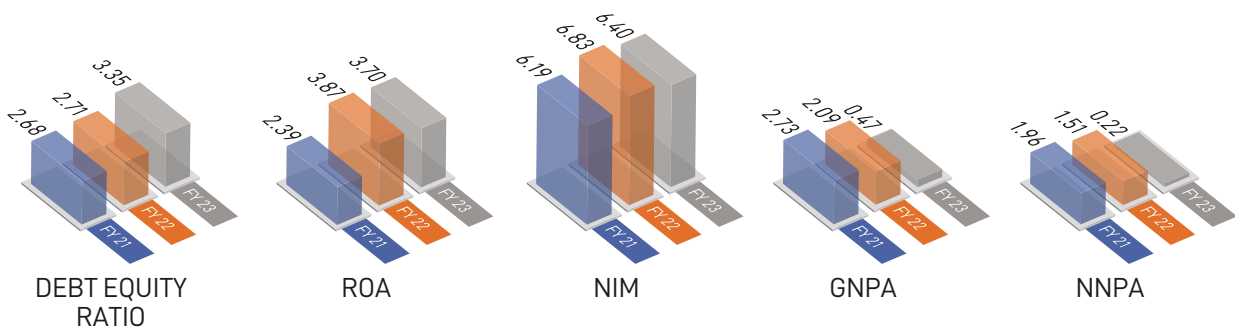
A snapshot of key business parameters and key financial ratios during the last three years is given below.

Year wise Sanctions, Disbursements and Loan Outstanding

(Amount in INR Cr)



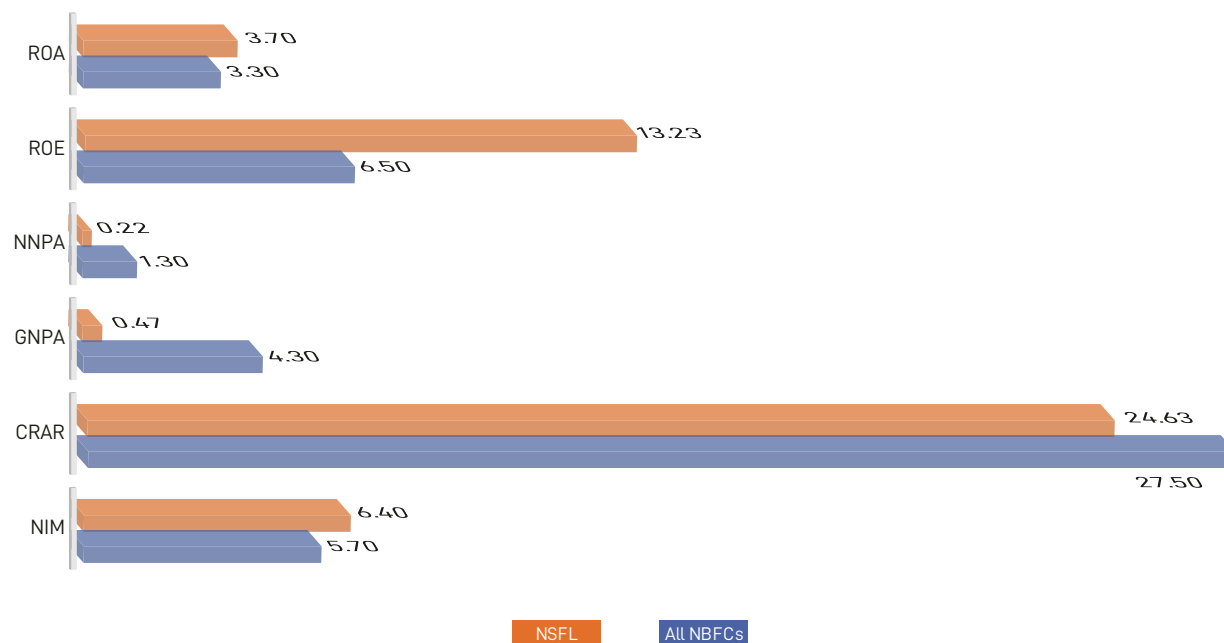
Details of Key Financial Ratios



Industry Benchmark vs NSFL

A Comparison of the key financial ratios of NSFL vis-à-vis the Industry average is indicated in the diagram below. As may be seen therefrom, the financial ratios of the Company compare favourably with those of the industry as a whole.

(Source: RBI, Trends and Progress in Banking FY 2021-22 and Financial Stability Report, June 2023)



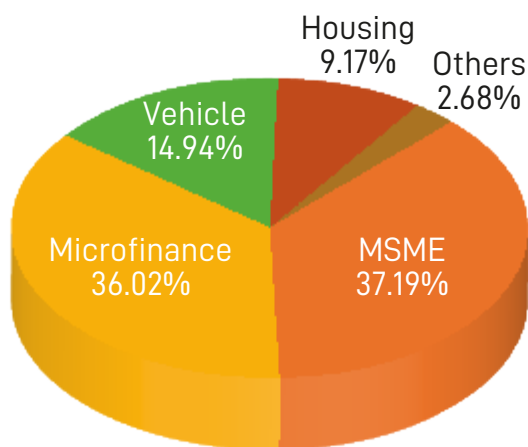
3.4 Diversification of Business and Other developments

- i. Total disbursements of the Company across all products increased from INR 540 Cr in FY 2021-22 to INR 716 Cr in FY 2022-23. Disbursements of loans (INR 600.20 Cr) and investments in PTCs (INR 115.78 Cr) were made in respect of 51 entities under various products with adequate sectoral and geographical diversification.
- ii. The Company disbursed INR 278 Cr (39% of total disbursement) towards on-lending for Focus segments, viz., Green Finance & Wellness, Fabrics & textile Value Chain and Handicraft Value Chain.
- iii. Water, Sanitation and Hygiene (WASH), one of the areas under the Focus Segment 'Green Finance and Wellness', was introduced as a niche product during FY2020-21. NSFL has been financing this segment through bulk loans to MFIs and other NBFCs. During FY2022-23, an amount of INR 88.95 Cr. was disbursed to 15 entities for activities like construction of toilet, toilet improvement, drinking water facilities, hygiene products value chain etc., taking the cumulative disbursement to INR 183.45 Cr.
- iv. The Company has been awarded the Sa-Dhan Water.org 'Water and Sanitation (WASH) Financing Award, 2022' – category 'Capital providers' in recognition of its contribution to providing supportive finance for the WASH segment.
- v. NSFL also supported awareness generation for the focus segments through participation in various panel discussions and workshops. Regarding the impact at the ground level, the financial interventions of NSFL have enabled the ultimate beneficiaries to contribute to reduction in total CO2 emission, increase in annual household income & consequently, savings, improved health and hygiene resulting in reduced health cost, gender equity & empowerment and improved access to education.
- vi. NSFL participated as panellists/speakers at various conclaves and workshops conducted by Sa-dhan, BIRD, Water.org, India Sanitation Coalition and Dalberg, among others and to support one of its focus segments, i.e., Green finance, NSFL partnered with an NBFC, viz., Caspian Debt, in conducting a climate risk awareness workshop for CXOs of MSMEs and FIs with grant support from FSDD, NABARD.
- vii. During the year, the Company broad-based its liability by availing a credit facility from Bajaj Finance for investing in PTCs.

Major Segments	Total beneficiaries	Impact
Green Finance & Wellness	EV 6,715	<ul style="list-style-type: none"> • CO₂ reduction/year: EV ~ 15,000 ton Solar ~730 ton • Reduced expenditure; increase in annual income & savings of the ultimate beneficiary by 40%-50%
	Solar & Others 10,816	
	WASH 36,140	<ul style="list-style-type: none"> • Improved Health & reduced health cost • Improvement in quality of life • Gender equity and empowerment- >60% women beneficiaries • Annual Increase in income ~INR 21 Crore
Textiles & Fabrics and Handicrafts	5,494	<ul style="list-style-type: none"> • 10-15% increase in income • ~20% increase in employment
Other Segments (General Business Loan-MSME, Microfinance, Vehicle, housing & others)	1,03,097	<ul style="list-style-type: none"> • Business Growth • Improvement in income • Increase in employment • Women empowerment • Improved Access to education

3.5 Sectoral Exposure

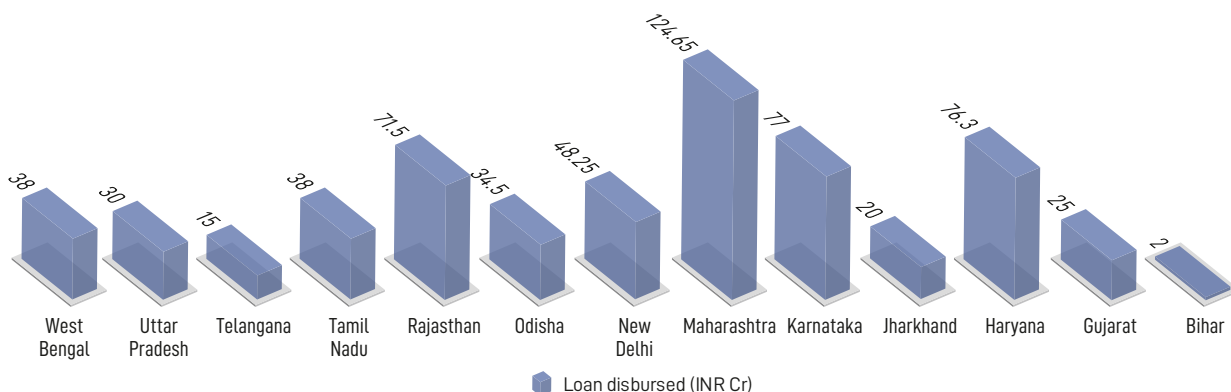
The company has been providing credit facilities to clients in the off farm sector, microfinance, MSME and for promotion, expansion, commercialization and modernisation of agriculture and allied activities. The percentage share of various sectors in the total AUM as on 31 March 2023 is depicted below:



3.6 Growing Outreach

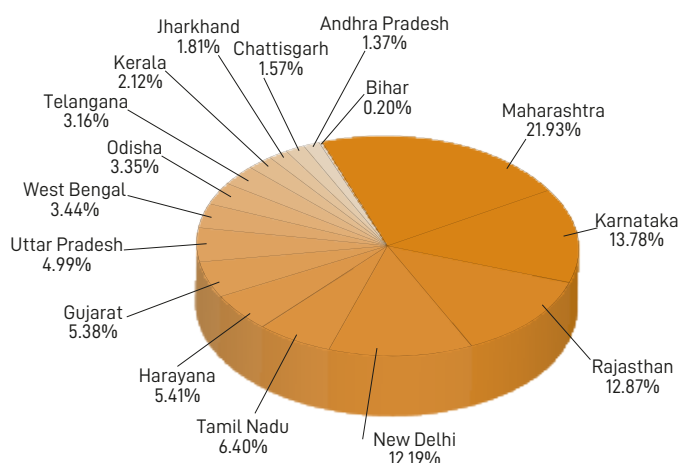
During FY2022-23, the Company has been able to provide direct credit facilities to 51 institutional clients (including 21 new entities) spread over 13 states.

3.6.1 State wise loan disbursed during FY 2022-23:



Cumulatively, the Company has been able to reach out to more than 1.6 lakh ultimate beneficiaries in 25 states and 5 Union Territories through NBFCs, NBFC-MFIs and other institutional clients who have headquarters in 16 States.

3.6.2 State wise loan outstanding as on 31 March 2023:



3.7 Technology Interventions

IT initiatives undertaken by the Company included, *inter alia*, conduct of IS Audit, process for implementation of CLMAS, Successful Disaster Recovery Setup & DR Drill and Agreement with Zing HR for digitising HR processes.

3.8 Human Resource Management

The Company believes that Human Resource Management plays a very important role in achieving the Company's objective. During FY 2022-23, the Company augmented its manpower by recruitment of specialists for Credit, Accounts and Administration verticals. Going forward, the Company will continue to focus on nurturing the right talent to achieve the business goal.

Further, several initiatives were taken to strengthen training and capacity building of NSFL's employees.

3.9 Risks and Concerns

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

3.10 Internal Controls and adequacy

The Company has adequate internal control systems and procedures in place to safeguard its assets and protect against losses from any unauthorised use or disposition. The internal control system is supplemented by internal audits, inspection and review by NABARD, reviews by the management and documented policies. The Company has also adopted a Board approved Internal Audit Policy during FY 2022-23.

4 Way Forward for 2023-24

To support higher levels of business and also to maintain capital adequacy, the company expects fresh equity infusion. Further, the Company has formulated its Human Resource plan and is recruiting employees in line with the projected business plan. The Company has plans for diversification of its lending products in line with the current macro-economic scenario. Further, the Company plans to deepen its support to its focus segments through varied interventions including widening stakeholder outreach and support for capacity building to augment credit absorption capacity of clients and underlying borrowers. In keeping with its mandate, the Company aspires to become the model NBFC in its focus segments through its financial and promotional roles.

5 Cautionary Statement

Certain statements in the "Management Discussion and Analysis" section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Management envisages in terms of future performance and outlook due to various external and internal risks and uncertainties. Readers are cautioned not to place undue reliance on these forward-looking statements.

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

Bibliography:

1. *Report on Trend and Progress of Banking in India 2021-22, Reserve Bank of India*
2. *Financial Stability Report, Issue No. 26, Reserve Bank of India, December 2022*
3. *Financial Stability Report, Issue No. 27, Reserve Bank of India, June 2023*
4. *Economic Survey, 2022-23*

Secretarial audit report

MARTHI & CO
COMPANY SECRETARIES

*[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. NABSAMRUDDHI FINANCE LIMITED** (hereinafter called the company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31-03-2023** 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 made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s **NABSAMRUDDHI FINANCE LIMITED** ("the Company") for the financial year ended on **31-03-2023**, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder - Not applicable for the period under review;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- Not applicable for the period under review;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011-Not applicable for the period under review;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 - Not applicable for the period under review;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable for the period under review;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable for the period under review;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable for the period under review;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

- Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable for the period under review;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable for the period under review; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable for the period under review;
- (vi) I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
- i) Income Tax Act, 1961
 - ii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - iii) Reserve Bank of India (RBI) Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs.
2. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
3. We further report that:
- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
4. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. We further report that the company has complied with the provisions of Section 135 of the Companies Act, 2013 read with Companies (CSR) Policy Rules, 2014.

For **MARTHI & CO.**,
Company Secretaries

Sd/-

S S MARTHI
PROPRIETOR
FCS 1989, CP 1937

Place: Hyderabad,
Date: 12-07-2023

UDIN: F001989E000593351

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

Annexure – A to Secretarial Audit Report of even date

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

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended **March 31, 2023** is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after **March 31, 2023** but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MARTHI & CO.**,
Company Secretaries

Sd/-
S S MARTHI
PROPRIETOR
FCS 1989, CP 1937

Place: Hyderabad,
Date:12-07-2023

UDIN: F001989E000593351



Success Stories: Focus on Impact

The world pledged to fulfil the global goals- 'leaving no one behind' by adopting the 17 Sustainable Development Goals (SDGs) in 2015. India too, along with the United Nations Member States, embraced the global goals to be achieved in a phased manner by 2030. Aligned to the global, national and parent NABARD's commitment towards this end, NSFL in FY 22 adopted three focus segments viz., Green & Wellness Finance, Fabric & textiles value chain and Handicrafts Value chain in order to carve a niche and fine-tune our impact footprint.

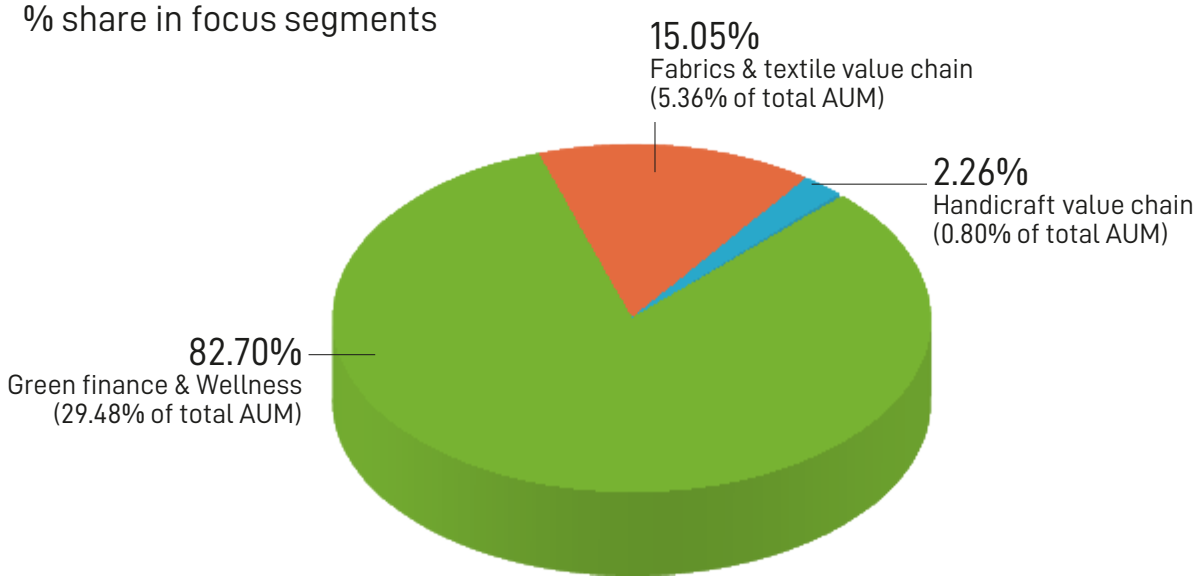
Overview of Focus Segments

During FY 22-23, the Company disbursed INR 278 Cr towards on-lending for the focus segments (39% of total disbursement) resulting in total exposure to these segments to INR 399 Cr (36% of our AUM). These focus segments contribute towards the following SDGs:



NSFL also supported awareness generation for interventions under the focus segments through panel representation and conducting /enabling focussed workshops. Regarding the impact at ground level, NSFL's support towards the financial infrastructure of its clients has enabled the ultimate beneficiaries reduce CO2 emissions, increase annual household income and consequently, savings, improve health and hygiene resulting in reduced health cost, promote gender equality and empowerment and improved access to education.

Detailed breakup of contribution of each segment is presented below:



The achievement and impact created in these segments are presented in the following pages.

1. Green Finance & Wellness

The challenge of climate change can be tackled by adopting practices and processes that reduce the carbon footprint, which are facilitated by green financing. According to the updated NDC, India now stands committed to reducing emissions intensity of its GDP by 45 per cent by 2030, from 2005 level; achieving about 50 per cent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030 and has set its long-term mission to achieve net-zero emissions by 2070. As per the estimates by the International Finance Corporation, India will need finance of around \$403 billion by 2030 to achieve its renewable targets.

Further, green mobility is going to play a major role in decarbonisation of India's transport sector. According to the report prepared by NITI Aayog and Rocky Mountain Institute (RMI) India in 2022, banks and non-banking financial companies (NBFCs) have the potential to achieve electric vehicle financing market size of INR 40,000 crore by 2025 and INR 3.7 lakh crore by 2030.

Our health is closely linked to the environment we live in. Access to safe water, sanitation and hygiene (WASH) is the most basic human need for health and well-being. As per various reports, it has been observed that there is sufficient market potential for WASH financing.

Further, India is committed to achieving Universal Health Coverage as part of the Sustainable Development Goals. The improving Indian economy has given opportunity for the lower and middle class consumers to spend more on their health and well-being. And the Indian Government's role in inviting key players to invest in wellness under the flagship "Make in India" scheme, the Production Linked Incentive scheme for Pharma sector and establishing the Ministry of AYUSH are also indicative of boosting the health and wellness market in the country.

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Considering that mankind can only thrive in healthy ecosystems, NSFL has clubbed 'Green Finance and Wellness' as one of the focus segments as these are intertwined.

NSFL, as part of its lending strategy, has identified the following sub-segments under 'Green Finance & Wellness':

- Climate Action: Clean Energy Value Chain (Renewable Energy, Electric vehicle & Other Clean energy products), other green/sustainable/energy efficient processes, climate change mitigation and adaptation;
- Pharma and Wellness Value Chain;
- Water, Sanitation and Hygiene (WASH).

During FY 2022-23, the Company has disbursed an amount of INR 239 Cr under Green Finance & Wellness (86% of total disbursement under focus segments) contributing 29.48% of total AUM of the company, the contribution of the sub-segments being WASH (12.68%), Electric Vehicle (4.81%), Renewable Energy (2.57%), Pharma & Wellness (0.82%) and Others (8.60%).

Under WASH, a niche product of NSFL, the Company has cumulatively disbursed INR 183.45 Cr (including ~INR 89 crore disbursed during FY 2022-23 to 15 entities) through bulk loans to MFIs and other NBFCs.

While Green finance may not be a one-stop solution for addressing environmental and social challenges, it is critical to promote sustainable and responsible investment practices and encourage companies to prioritize these issues. During FY23, NSFL also participated as panellists/speakers at various conclaves and workshops conducted by Sa-dhan, BIRD, and Water.org, India Sanitation Coalition, among others, to support this segment. NSFL also partnered with an NBFC, viz., Caspian Debt, in conducting a climate risk awareness workshop for CXOs of MSMEs and FIs with grant support from NABARD.

NSFL is mindful of the impact of its operations at the ground level, snippets of which has been captured through impact stories in the coming pages:

i. Solar Energy



Solar Pulse Energy Pvt. Ltd.
- Ashv Finance Ltd.

Founded by Mr Prashant Parmar, this Delhi-based solar engineering, procurement & construction (EPC) and project development company specializes in installation of turnkey solar energy solutions. With the support of our client Ashv Finance Limited, the company was able to deliver their services for a Rajkot project within promised deadlines. With over 7 years of vintage and many tenders in their pipeline, Solar Pulse Energy is looking forward to champion the change for reducing carbon footprint.



“The loan amount sanctioned by NSFL for financing Solar Power appliances and Water Sanitation and Hygiene (WASH) has greatly helped SDS in reaching and attaining Solar Power & hygiene related goals”.

- Mr. Raman Shyam Singh,
Promoter & Director, Sahyog Development Services (SDS)

ii. Green Mobility



Impact under EV segment by NSFL through our client 'CI IPL' and 'UCIC' is depicted here:

Charge Up
- Caspian Impact Investment Pvt. Ltd. (CI IPL)

Founded by Varun Goenka (in pic), Charge Up is a Delhi based driver-first company building India's first Fi-Ne-Tech platform in the EV sector, which will enable higher earnings, access to credit and a sustainable livelihood for EV drivers. The startup offers battery-as-a-service through smart network of swap stations. With the financial support of our client 'CI IPL', the Company has been able to create more assets and till date, Charge Up has 290 Swap Stations and 3000 registered drivers; while powering ~6 Crore emission-free kms.



“The Company has been long time partner of NSFL and feels encouraged and values support of NSFL in deepening its impact especially for investments in climate smart technologies. The Company would further like to strengthen the partnership with NSFL.”

- Mr. Avishek Gupta,
Managing Director, Caspian Debt

ii. Green
Mobility



EMotorad
- UC Inclusive Credit Private Ltd. (UCIC)

Founded with a spirit of revolution by four friends, Rajib Gangopadhyay, Kunal Gupta, Aditya Oza and Sumedh Battewar (in pic), **EMotorad** is a company providing electric mobility options across the globe. Established in 2020, the company has since expanded its operations with 3 distinct ranges of ebikes shipped not only to every state of India but also across 18+ countries around the world. With the financial support of our client 'UCIC' for operations in India, the Company has been able to create more assets. EMotorad has made a community of 70,000+ riders, 130+ dealerships and an ever-growing dynamic team of talented employees.



RACEnergy
- UC Inclusive Credit Private Ltd. (UCIC)

Founded in 2019 by two BITSians (in pic), RACEnergy is a deep-tech company building the World's most advanced battery swapping tech. The tech is backed by 13 patents and is deploying this in vehicles which are used to generate revenue, such as auto-rickshaws, 2-wheelers for food delivery drivers, etc. It does this by retrofitting existing IC engine vehicles or fixed battery EVs and brings them to their battery swapping platform. With the financial assistance of our client 'UCIC', RACE has been able to scale further by deploying more batteries to be used by these drivers and helped achieve its targets much faster. RACE has partnered with HPCL and BPCL to setup swap stations and has access to over 40,000 locations.



“The Company is fortunate to receive financial support of NSFL over the last 3 years and the relationship is becoming stronger and deeper every year. NSFL’s financial assistance has enabled the Company to support many impactful businesses out of the 192 companies till date. The Company believes that NSFL’s client centric approach coupled with comprehensive financial support is paving the way for many companies like UC inclusive Credit (UCIC) to provide broader and deeper financial inclusion in India.”

- Mr. Abhijit Ray,
Co-founder & MD, UC Inclusive Credit Pvt. Ltd.

iii. Water,
Sanitation &
Hygiene
(WASH)



Mrs Narsabai
- Sanghamitra Rural Financial Services

Mrs. Narsabai, w/o Dasarath, is a resident of Vibutihalli village in Sindagi Taluka of Vijayapura District, Karnataka. This village, housing 180 families, struggles with subpar drainage infrastructure, paucity of drinking water facilities and toilets. Narsabai would often compromise on her domestic and farm chores as she had to fetch water from the public water supply system away from her home. Not only conflicts arose between villagers on account of water paucity, the children had to often skip school in order to support their parents with the water crisis. With the financial support of our client 'Sanghamitra Rural Financial Services', Narsabai was able to have direct water pipeline and safe water storage tank with tap facilities in her home, ensuring availability of clean and safe water for drinking purpose. This resolved the issues of the water supply timings, loss of work and water conflicts.



Ms. Urmila
- M/s Mitrata Inclusive Financial Services Pvt. Ltd. (MIFSPL)

Urmila, aged 58, belongs to a village in Maharajganj district of UP. She already had a rudimentary toilet infrastructure which lacked basic facilities like toilet seat/pan, door, water supply, etc., and hence it was not functional. However, through financial assistance received from our client 'MIFSPL' for toilet improvement, her toilet has now become functional. This example has created a wave of change into the mind set of the village women prompting them to improve their toilets.



“The Company feels proud of its long association with NSFL as it shares the common purpose of making a positive impact to the Indian economy by empowering MSMEs especially in the healthcare sector”.

- Mr. Rakesh Kaul,
CEO, Clix Capital

2. Fabric & textile Value Chain

The Indian textile industry is one of the largest in the world with an unmatched raw material base and manufacturing strength across the value chain. India is the 6th largest exporter of Textiles & Apparel in the world. This segment, being the second-largest employer in India after agriculture, provides direct and indirect employment and source of livelihood for millions of people including a large number of women and rural population across the country thereby contributing to the economy in line with the government's key initiatives of Make in India, PLI scheme, Skill India, Women's Empowerment and Rural Youth Employment.

The growth potential of the Indian fabric value chain and its current contribution to industrial output, employment generation and export earnings, paints a promising future for the industry.

NSFL has disbursed INR 34.79 Cr during FY 2022-23 for fabric and textile value chain. Few of the impact stories of the ultimate beneficiaries is appended below:

Fabric & Textile



Fulbahar Bibi - ASA International

Fulbahar Bibi belongs to Baduria town in West Bengal. She had dreamt of a better future for herself and her family. With her skill for tailoring, she started tailoring business. However, due to financial constraints, limited access to markets and business knowledge, she was not able to expand her business. With the support of our Client 'ASA International' for financial assistance and financial literacy, she was able to expand her business, which increased her confidence, improved her living standard and instilled a sense of empowerment.



Rajesh Kumar Devnath Mahato - Trucap Finance Limited

(earlier Dhanvarsha Finvest Limited)

With a family of 4 children to feed, Rajesh decided to expand his manufacturing unit called 'RR Kurti and Collection'. To sustain in the market, he needed more funds. With the financial support and guidance from our client 'Trucap Finance Ltd.', Rajesh was able to expand his business, invest in additional machinery and hire more employees. He is now able to produce more Kurtis and supply them to a wider market. With his business flourishing, Rajesh is able to provide good education to his children.



Mr. Saravanan Nadesan - Vistaar Financial Services Pvt. Ltd.

Mr. Saravanan started his business in power loom with the support of a few employees but he was not able to manage their salary expenses. So he decided to shut down this business and find new opportunities in Dhoti trading. However, he had difficulty in getting financial assistance from banks and other financial institutions. But with the support of our client 'Vistaar Financial Services Pvt Ltd.', he was able to do this business successfully resulting in increased income due to which he is able to buy land and support his children's education.



3. Handicrafts Value Chain

The Handicraft industry is a major source of income for rural communities and employs over seven million artisans including a large number of women and people belonging to the weaker sections of the society. It is a highly labor intensive, cottage based and de-centralized industry.

Significant advances in the availability of handicraft products on various online portals are bolstering market growth in India. Furthermore, rising demand for handmade décor accessories in homes, offices, and restaurants and rising demand from the gifting industry are propelling market growth.

NSFL has adopted this as a niche segment for on-lending to MSMEs for Production, distribution and marketing of raw materials, finished products in respect of handicraft items and all other associated Income Generating Activities. During FY 2022-23, the Company has disbursed an amount of INR 4.23 Cr under this segment.

One of the impact stories of the beneficiaries in the segment is presented below:

Handicrafts Value Chain



Smt. Rathna – Sanghamitra Rural Financial Services

Mrs. Rathna, aged 34 years, is an active member of Spandana SHG and has been a good crafts-woman. However, her plans for setting up her own handicraft business had to be postponed for want of finances. With the financial support of our client 'Sanghamitra Rural Financial Services', she with her husband Ravikumar started the wood handicraft work and inlay carving at their house. With good demand in the market, she is getting sufficient orders from nearby handicraft shops, which enables the family earn a decent income.

Few pictorial depiction of the above activities is presented below:

Overview of Other Segments

Apart from the focus segments, the Company has disbursed an amount of INR 438 Cr to NBFCs, Trust and Section 8 Companies for on-lending to segments like general business loan, housing, microfinance, vehicle, etc.

Impact of our lending on the ultimate beneficiaries are captured in the following success stories:



Anamika Devi -Arohan Financial Services Limited

Anamika Devi, a resident of Bihar, has studied till Class X and runs her family of six members comprising her husband, two daughters and two sons. It was Anamika's will to support the education of her children that made her want to start a grocery business, for which she started looking for finances. With the financial support of our client 'Arohan Financial Services Limited', she was able to start her grocery business. With her business gaining scale, she has been able to send her children to schools and colleges and aid their education.



Hirenbhai Radadiya -Kinara Capital

Hirenbhai started his company manufacturing machinery required to make disposable products in Surat, Gujarat. His business started small, with just 4-5 employees working on a shop floor with an area of around 2,000 sq. ft. As his company grew, he felt the need to expand his operations with the increasing demand for his products, but for that, he was in dire need of financing. With the support of our client 'Kinara Capital', he was able to expand his business viz., expand his premises to 3,000 sq. ft. and upping his workforce to 30. While his monthly turnover stood at around INR 10 lakh, now his company makes around INR 2 crores each year, marking an incredible growth trajectory.



Neetu Goswami - Fusion Microfinance Limited

Neetu Goswami, a 45-year-old homemaker from Rajgarh village of Lakhimpur, Uttar Pradesh, has come a long way from being a farmer's wife to an entrepreneur. Her husband's earnings as a farmer were insufficient to meet the basic expenses of the family, and Neetu was always worried about their children's education and other financial needs. With the financial assistance received from our client 'Fusion Microfinance Ltd.', she opened a cosmetic shop near her home. With her hard work and dedication, her shop is a thriving enterprise today and she contributes significantly to her family's income, be it for meeting the household expenses or supporting her children's tuition fees. She has not only achieved financial security but has also gained recognition as a role model in her family and community.



Other Segments



Muskaan - Satya Micro Capital Limited

Muskaan, a resident of a small village in Ropar, Punjab and her family were living in extremely deprived conditions for the past few years. Her husband's income was insufficient to meet the basic household requirements. She had a knack for makeup and styling, so she thought about utilising her skills to fulfill her responsibilities. With the financial assistance received from our client 'Satya MicroCapital Limited', Muskaan was able to start her beauty parlor. She now successfully runs her beauty parlor with an average business of INR 2,000-3,000 per day, which gives her a daily income of INR 1,700-Rs 1,800. At present, she is able to enjoy a good lifestyle and provide quality education to her children.



Kishanbhai U Vasava - Kanakdurga Finance Limited(KFL)

Kishan vasava belongs to a tribal area in Gujarat. In this area, there are not many facilities for passenger transportation. Mr. Kishan owns a small house and agriculture land and had saved some funds. He planned to purchase 'M & M Bolero plus' for passenger transportation. With the financial support of our client 'Kanakdurga Finance Limited', he was able to buy the vehicle and managed passenger transportation in the village. The financial assistance from KFL has not only helped Mr. Kishan in increasing his income but also provided easy transportation to the villagers.



Sabina Biwi - Jagaran Microfin Pvt. Ltd.

Living with her husband Akbar Ali in Rajarhat, West Bengal, 39-year-old Sabina Bibi was battling for survival and wanted to supplement her husband's income in the midst of rising household expenses. Due to financial support received from our client 'Jagaran Microfin Pvt. Ltd.', she started her poultry farming business. She is now financially secure and plans to further strengthen her business. Her weekly income is approximately INR 5000. She has not only grown her poultry farming but has been able to provide better future to her children. She is an inspiration to women in her village.



Corporate Social Responsibility Initiatives

NSFL has been providing CSR assistance to various organizations from FY 2019-20 onwards. The Company has been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover business but also the communities around it. The Company is directing its efforts, albeit in a small way, to contribute to the national efforts towards improvement in health and education.

During FY 2022-23, NSFL, under its CSR activities, sanctioned three projects with financial assistance amounting to INR 55.06 Lakh, the key highlights are projected below:

1. Safe Drinking Water facility in Kegaon Village, Uran taluk, Raigad district of Maharashtra



Water Purification Plant

“People of Kegaon village were using the water from the well which was not clean and hygienic. But after the installation of the Water Purification Plant, they seemed quite happy. One of the old ladies (in pic) was extremely delighted to see the clean water and expressed her feelings about this change and told that she had never seen the colour of water as clear as it is now (white water in place of brown water, in her own words..)”

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Water ATM

The project titled “Safe Drinking Water” was supported under CSR during the year. The project involves the Installation of “1 no. of 1000 LPH Water ATM and 1 no. of 5000 LPH Water Purifier System” at Kegaon, Uran, Raigad District, and is expected to ensure clean water for drinking, cooking and other household activities for a population of 17,000 including the migrant labourers in this village.

An amount of INR 15.93 Lakh was sanctioned to Kokan Kala Va Shikshan Vikas Sanstha from the Company's CSR Fund for this project.

The **water ATM** having water purification facility provides safe drinking water at affordable charges to villagers and migrant labour who are fishermen engaged in high sea fishing.

The **water purification system** provides safe water for cooking and other purposes free of cost. Both these units are maintained by the Gram Panchayat, Kegaon.

2. Resolving sanitation concerns for two schools at Bhojpur, Bihar

Project titled "Construction of 02 No. of Six Seated School Toilets in two schools at Bhojpur, Bihar" was supported under CSR. These toilets (2 WC and 4 Urinals each) will be constructed in two schools of the Bhojpur district of Bihar, viz.,

- Higher Secondary School, Barka Dumra, Ara; and
- Rajkiya Adarsh Middle School, Nawada, Ara

An amount of INR 23.63 Lakh was sanctioned to Sulabh International Social Service Organisation from the Company's CSR Fund for this project.

The existing toilet blocks in these two schools were in a very shabby state and were inadequate to serve the present strength of students. Hence, the provision of these new toilet blocks was a necessity and the same will provide neat, clean, and hygienic sanitation facilities to the students as well as teachers.

3. WASH Project, supporting Hygiene and Sanitation, resolving sanitation concerns for the Public at Hanuman Ghat, Varanasi

Project titled "Reconstruction of 5-Seated Sulabh Shauchalaya Complex (public toilet with bath) with Sewer Line" at Hanuman Ghat, Varanasi was supported with a CSR grant of INR 15.50 Lakh to Sulabh International Social Service Organisation.

The project involves reconstruction of 5-Seated Sulabh Shauchalaya Complex, comprising of 2 WC for Gents, 1 WC and 1 WC cum bath for ladies, and 1 WC cum Bath for specially-abled persons. It will also have 2 urinals (Gents), 1 Lobby, and 1 caretaker room;

Being in an unusable state, the existing public toilet block at Hanuman Ghat, Varanasi is inadequate to serve the present strength of the visitors. Hence, the provision of reconstruction of the public toilet block is a necessity and will provide neat, clean and hygienic sanitation facilities to pilgrims and visitors, thus eradicating the problem of open defecation in the area and improving the condition of sanitation and the environment.



Independent auditor's report

To the Members of

NABSAMRUDDHI FINANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s. NABSAMRUDDHI FINANCE LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2023, the statement of Profit and Loss and the 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, 2013 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 March 31, 2023, and its profits, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report of the Company which forms part of this Annual Report.

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

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

Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the

accounting records, relevant to the preparation and presentation of the financial 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, the Board of Directors 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 the Board of Directors 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 Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (5) of the Companies Act, 2013, we give in '**Annexure B**', a statement on the matters specified by the Comptroller and Auditor General of India.
3. Additional Report as per Master direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 is given in "**Annexure C**"
4. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the Directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 D**" to this report;
 - 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), 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. The Company has no pending litigations which would impact its financial position except as mentioned in Note No 24 (Point 14) of Notes to financial statements.
 - ii. In our opinion and as per the information and explanations provided to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
 - iii. The Company has no amount due to be transferred to the Investor Education and Protection Fund as at the end of the financial year under review.

iv.

- Management has represented that other than those disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- Management has represented that other than those disclosed in the notes to accounts, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

For Tukaram & Co LLP
Chartered Accountants
FRN: 004436S/S200135

Sd/-
J Poornachandar
Partner
M. No. 221627
UDIN:23221627BGWOCJ5019

Place : Hyderabad
Date : 28.04.2023



“ANNEXURE-A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements, of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)
- (a)
- A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- B. The Company has maintained proper records showing full particulars of Intangible assets.
- (b) The Property Plant and Equipment of the company have been physically verified by the management during the year as per a programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There are no immovable held in the name of the company. Hence, the requirement to report on Clause 3(i)(c) of the Order is not applicable to the company.
- (d) The Company has not revalued its Property, Plant and Equipment during the year.
- (e) There are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.
- (ii)
- (a) The company does not hold any inventory during the year. Hence, the requirement to report on Clause 3(ii)(a) of the Order is not applicable to the company.
- (b) During any point of the time the company has not been sanctioned working capital limits in excess of five crores, in aggregate, from banks or financial institutions on the basis of security of current assets.
- (iii) During the year the company has sanctioned secured loans to various companies, firms, or any other parties as part of their Principal business.
- (a) The company's principal business is to give loans. Hence the requirement to report on clause 3(iii)(a) of the Order is not applicable to the company.
- (b) The investments made and the terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest.
- (c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except for the list mentioned below:
- | S.No | Name of the NPA Account | Amount outstanding (Rs. In Lakhs) |
|------|-------------------------|-----------------------------------|
| 1 | Keshalu Rural Godown | 156.24 |
| 2 | SAFL | 324.89 |
| | Total | 481.14 |
- (d) The total amount overdue for more than ninety days is amounting to Rs.481.14 lakh and in our opinion and according to the information and explanation given to us reasonable steps have been taken by the company for the recovery of the principal and interest.

- (e) The company's principal business is to give loans. Hence the requirement to report on clause 3(iii)(a) of the Order is not applicable to the company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or provide any guarantees or securities to parties covered under Section 185 of the Act. Further being a non - banking financial company the provisions covered under section 186 is not applicable to the company. Accordingly, the requirement to report on Clause 3(iii) of the Order is not applicable to the company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, Service Tax, custom duty, cess and any other statutory dues as applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, Service Tax, custom duty, cess and any other statutory dues were in arrears, wherever applicable, as at 31st March, 2023 for a period of more than six months from the date they became payable.

- (b) There are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, Service Tax, custom duty, cess and any other statutory dues were in arrears, wherever applicable that have not been deposited with the appropriate authorities on account of any dispute as on 31-03-2023 except for the following:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which amount relates	Amount (Rs.in Lakhs)
The Income Tax Act, 1961	Income Tax	CIT(A), Hyderabad	F.Y 2015-16	10.32

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)
- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.

- (d) The Company, did not raise any short-term loans during the period. Hence the requirement to report on clause 3(ix)(d) of the order is not applicable to the company.
- (e) The Company does not have any subsidiaries, joint ventures or associates. Hence the requirement to report on clause 3(ix)(e) of the order is not applicable to the company.
- (f) The Company does not have any subsidiaries, joint ventures or associates. Hence the requirement to report on clause 3(ix)(e) of the order is not applicable to the company.
- (x)
- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Hence the requirement to report on clause 3(x)(a) of the order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)
- (a) To the best of our knowledge and 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.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the Company.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) All the transactions with the related parties are in compliance with the provisions of section 177 and section 188 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements as required by the applicable accounting standards.
- (xiv)
- (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the order is not applicable to the company.
- (xvi)
- (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are applicable to the Company. Accordingly, the company has obtained certificate of registration under this Act.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

- (d) As represented by the management, the Group does not have Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016. Accordingly, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) Based on the audit procedures conducted we are of opinion that the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of this clause 3(xvii) of the Order are not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

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

- (xx)
- (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) Remaining unspent amounts in respect of ongoing projects, are transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
- (xxi) The company is not a holding company and does not have consolidated financial statements. Accordingly reporting under clause 3(xxi) is not applicable.

For Tukaram & Co LLP
Chartered Accountants
FRN: 004436S/S200135

Sd/-
J Poornachandar
Partner
M. No. 221627
UDIN:23221627BGWOCJ5019

Place : Hyderabad
Date : 28.04.2023

“ANNEXURE-B” TO THE INDEPENDENT AUDITOR’S REPORT*(Referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements, of our report of even date)***Report on the Directions of the Comptroller and Auditor General of India required under sub-section 5 of section 143 of the Companies Act, 2013 (“the Act”)**

S.No	Points	Reply
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per the explanations and information provided the company is using accounting software for processing of accounting transactions except classification of loans and advances, calculation of interest and Provisions. Based on our audit, we observed that such processing of transactions outside IT System does not have any adverse implication on integrity of accounts.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	During the FY 2022-23, There are no cases of restructuring of an existing loan or cases of waiver/ write off of bad debts/loans/interest etc on account of company's inability to repay the loan.
3	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation	As per the information and explanations provided to us, there are no such funds received or receivable from central/state agencies for specific schemes.

For Tukaram & Co LLP
Chartered Accountants
Firm's Registration No. : 004436S/S200135

66

Sd/-
J Poornachandar
Partner
M. No. 221627
UDIN:23221627BGWOCJ5019

Place : Hyderabad

Date : 28.04.2023

“ANNEXURE-C” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 of Report on Other Legal and Regulatory Requirements, of our report of even date)

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

To

The Board of Directors,

NABSAMRUDDHI FINANCE LIMITED

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

A. General Matters

The company has obtained the Certificate of Registration (COR) from the Reserve Bank of India for conducting the business of non-banking financial activity.

- 1) The company is entitled to hold the Certificate of Registration in terms of Principal business criteria (Financial Asset/ income pattern) as of the year ended 31.03.2023.
- 2) The company is meeting the required net owned fund requirement as laid down in RBI master directions (NBFC - Systemically Important Non deposit taking company 2016).

B. Matters Specific to NBFC not accepting Public deposits

- 1) The Board of Directors of the company has passed the resolution for non-acceptance of any public deposits during the financial year 2022-23.
- 2) The company has not accepted any public deposits during the financial year 2022-23.
- 3) The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- 4)
 - The capital adequacy ratio as disclosed in the return submitted to the Reserve bank in form DNBS03 is in accordance with Non-Banking Financial company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and also satisfying the minimum Capital to Risk Weighted Assets Ratio.
 - The company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (DNBS03) within the stipulated period.
- 5) As the company is not a Micro Finance Institution, this clause is not applicable to the company.

For Tukaram & Co LLP
Chartered Accountants
Firm's Registration No. : 004436S/S200135

Sd/-

J Poornachandar

Partner

M. No. 221627

UDIN:23221627BGWOCJ5019

Place : Hyderabad

Date : 28.04.2023

“ANNEXURE – D” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 4(f) of Report on Other Legal and Regulatory Requirements 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 31st March 2023 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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

authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, 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 Tukaram & Co LLP
Chartered Accountants
Firm's Registration No. : 004436S/S200135

Sd/-
J Poornachandar
Partner
M. No. 221627
UDIN:23221627BGWOCJ5019

Place : Hyderabad

Date : 28.04.2023

C & AG Report



भारतीय लेखापरीक्षा और लेखा विभाग
महानिदेशक वाणिज्यिक लेखापरीक्षा का कार्यालय, हैदराबाद

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL
OF COMMERCIAL AUDIT, HYDERABAD

No.:DGCA/A/c/Desk/2022-23/NFL/1.11/ 79

Date: 06-06-2023

To
Smt. P. Ushamani,
Managing Director,
NABSAMRUDDHI Finance Limited
1-1-61, Ground Floor, NABARD Regional Office,
RTC 'X' Road, P.B. No. 1863,
Musheerabad, Hyderabad – 500 020

Sub: - Comments of the C&AG of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Nabsamruddhi Finance Limited for the year ended on 31 March 2023

Madam,

I forward herewith the 'Non-review' Certificate of Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Nabsamruddhi Finance Limited for the year ended on 31 March 2023.

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

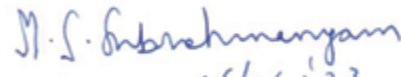
3. The date of forwarding the Annual Report and Annual Accounts of the Company together with Auditor's Report and comments of the Comptroller and Auditor General of India to the Central Government for being placed before the Parliament may please be intimated.

4. Ten copies of the Annual Report for the year 2022-23 may please be furnished in due course.

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

Yours faithfully,

Encl:- As above


06/06/23
(M. S. Subrahmanyam)
Director General

**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 2023**

The preparation of financial statements of Nabsamruddhi Finance Limited, for the year ended 31 March 2023 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 28 April 2023.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Nabsamruddhi Finance Limited, for the year ended 31 March 2023 under Section 143(6)(a) of the Act.

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

M. S. Subrahmanyam

06/06/23
(M. S. Subrahmanyam)

**Director General of Commercial Audit
Hyderabad**

**Place: Hyderabad
Date: 06 June 2023**



Financial Statements

NABSAMRUDDHI FINANCE LIMITED BALANCE SHEET AS AT 31 MARCH, 2023

(INR in Lakh)

Particulars	Note. No.	As at 31.03.2023	As at 31.03.2022
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	12,382.20	12,382.20
(b) Reserves and Surplus	3	11,717.04	9,167.63
(c) Reserve Fund	4	2,337.31	1,638.05
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	45,062.37	29,942.33
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	6	49.81	49.81
(d) Long Term Provisions	7	60.78	42.72
(4) Current Liabilities			
(a) Short-Term Borrowings	8	43,550.62	32,546.02
(b) Trade Payables		-	-
(c) Other Current Liabilities	9	166.01	360.12
(d) Short-Term Provisions	10	1,892.23	1,744.34
Total		117,218.37	87,873.22
II. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment and Intangible assets	11		
i) Property, Plant & Equipment			
Gross Block		15.60	15.34
Depreciation		11.95	9.99
Net Block		3.66	5.35
ii) Intangible Assets			
Gross Block		24.90	24.90
Depreciation		13.26	4.96
Net Block		11.64	19.94
iii) Capital work-in-progress		-	-
iv) Intangible assets under development		-	-
Total Net Block		15.30	25.29

(b) Non-current investments	12	1,322.03	1,015.05
(c) Deferred tax assets (net)	24	7.42	129.04
(d) Long term loans and advances	13	57,474.02	48,617.84
(e) Other non-current assets	14	0.06	0.06
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	15	4,057.64	3,187.80
(e) Short-term loans and advances		-	-
(f) Other current assets	16	54,341.90	34,898.14
Total		117,218.37	87,873.22
Significant Accounting Policies	1		
Notes on Accounts	24		

**As per our Report of even Date
For Tukaram & Co LLP
Chartered Accountants
Firm Registration No.004436S/S200135**

For NABSAMRUDDHI Finance Limited

Sd/-
J Poornachandar
Partner
M.No. 221627
UDIN: 23221627BGWOCJ5019
Place: Hyderabad
Date: 28 April, 2023

Sd/-
Ravi Krishan Takkar
Independent Director
DIN: 07734571
Date: 28 April, 2023

Sd/-
Ushamani P
Managing Director
DIN: 09138953
Date: 28 April, 2023

Sd/-
Vijay Turumella
Chief Financial Officer
PAN: ADBPT2833L
Date: 28 April, 2023

Sd/-
Suzette Pereira
Company Secretary
M No. A46491
Date: 28 April, 2023

NABSAMRUDDHI FINANCE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2023

(INR in Lakh)

Sr. No	Particulars	Note. No.	For the year ended 31.03.2023	For the year ended 31.03.2022
I	Revenue from operations	17	10,410.75	7,789.92
II	Other Income	18	442.86	167.99
III	Total Income (I +II)		10,853.61	7,957.91
IV	Expenses:			
	Employee Benefit Expense	19	585.63	575.68
	Finance Cost	20	4,315.33	2,981.24
	Depreciation and Amortization Expense	21	10.25	6.89
	Other Administrative Expenses	22	165.08	117.06
	Provisions and Bad Debts written off	23	1,033.04	662.48
	Total Expenses (IV)		6,109.33	4,343.35
V	Profit before prior period, exceptional and extraordinary items and tax	(III - IV)	4,744.28	3,614.56
	Prior period items			
	Write off of unamortised expenditure		-	-
VI	Profit before exceptional and extraordinary items and tax		4,744.28	3,614.56
VII	Exceptional Items		-	-
VIII	Profit before extraordinary items and tax (VI - VII)		4,744.28	3,614.56
IX	Extraordinary Items		-	-
X	Profit before tax (VIII -IX)		4,744.28	3,614.56
XI	Tax expense:			
	(1) Current tax		1,124.04	863.23
	(2) Prior period taxes		2.31	0.08
	(3) Deferred tax		121.62	20.09
XII	Profit/(Loss) for the year from continuing operations	(X-XI)	3,496.31	2,731.16
XIII	Profit/(Loss) from discontinuing operations		-	-
XIV	Tax expense of discounting operations		-	-
XV	Profit/(Loss) from Discontinuing operations (XIII - XIV)		-	-
XVI	Profit/(Loss) for the year (XII + XV)		3,496.31	2,731.16
	Less: Reserve Fund		699.26	546.23
			-	-
	Surplus/(Deficit) carried to Balance Sheet		2,797.05	2,184.93

XVII	Earning per equity share in INR:			
	(1) Basic		2.26	1.76
	(2) Diluted		2.26	1.76
Significant Accounting Policies		1		
Notes on Accounts		24		

**As per our Report of even Date
For Tukaram & Co LLP
Chartered Accountants
Firm Registration No.004436S/S200135**

For NABSAMRUDDHI Finance Limited

Sd/-
J Poornachandar
Partner
M.No. 221627
UDIN: 23221627BGWOCJ5019
Place: Hyderabad
Date: 28 April, 2023

Sd/-
Ravi Krishan Takkar
Independent Director
DIN: 07734571
Date: 28 April, 2023

Sd/-
Ushamani P
Managing Director
DIN: 09138953
Date: 28 April, 2023

Sd/-
Vijay Turumella
Chief Financial Officer
PAN: ADBPT2833L
Date: 28 April, 2023

Sd/-
Suzette Pereira
Company Secretary
M No. A46491
Date: 28 April, 2023

NABSAMRUDDHI FINANCE LIMITED
CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

(INR in Lakh)

Particulars	March 31, 2023	March 31, 2022
(a) Cash flow from Operating Activities		
Net profit as per Profit and Loss a/c before tax	4,744.28	3,614.56
Adjustment for:		
Depreciation	10.25	6.89
Loss on write off of Fixed Assets	-	-
Prior Period Expenditure	-	-
Provision for Non performing Assets	(215.02)	(56.95)
Provision for Standard Assets	96.21	(12.45)
Bad Debts written off	1,151.85	731.88
Provision for Gratuity & Leave encashment	29.61	30.17
Interest on Investment	(723.82)	(411.40)
Operating profit before working capital changes	5,093.36	3,902.70
Adjustment for net change in:		
(Increase)/Decrease in Current Assets	(38.61)	87.29
(Increase)/Decrease in Current Liabilities	(199.78)	(4.65)
(Increase)/Decrease in other Long term liabilities	-	-
Increase / (Decrease) in Loans and borrowings	26,124.64	8,071.08
Increase / Decrease in Loans and Advances	(24,014.37)	(13,763.82)
Cash generated from operating activities	6,965.24	(1,707.40)
Payment towards Income tax	(1,163.26)	(790.81)
Taxes of earlier years provided	(2.31)	(0.08)
Net cash flow from operating activities (A)	5,799.67	(2,498.29)
(b) Cash flow from Investing Activities		
Income from Investment	723.82	411.40
Purchase of Fixed Assets	(0.26)	(14.51)
Sale of Fixed Assets	-	-
Increase / Decrease in Investments	(5,405.75)	1,296.33
Net cash used in Investing activities (B)	(4,682.19)	1,693.22
(c) Cash flow from Financing Activities		
Proceeds of Bonds / Shares	-	-
Increase / Decrease in Borrowings	-	-
Dividend paid	(247.64)	-
Tax on Dividend	-	-

Net cash raised from financing activities (C)	(247.64)	-
Net increase in cash and cash equivalent (A)+(B)+(C)	869.84	(805.07)
Cash and cash equivalent at the beginning of the period	3,187.80	3,992.87
Cash and cash equivalent at the end of the period	4,057.64	3,187.80
Cash and cash equivalent at the end of the period includes :		
Cash in hand	-	-
Balances with other Banks in India	4,057.64	3,187.80
Collateralised Borrowing and Lending Obligations	-	-
Total	4,057.64	3,187.80

As per our Report of even Date
For Tukaram & Co LLP
Chartered Accountants
Firm Registration No.004436S/S200135

For NABSAMRUDDHI Finance Limited

Sd/-
J Poornachandar
Partner
M.No. 221627
UDIN: 23221627BGWOCJ5019
Place: Hyderabad
Date: 28 April, 2023

Sd/-
Ravi Krishan Takkar
Independent Director
DIN: 07734571
Date: 28 April, 2023

Sd/-
Ushamani P
Managing Director
DIN: 09138953
Date: 28 April, 2023

Sd/-
Vijay Turumella
Chief Financial Officer
PAN: ADBPT2833L
Date: 28 April, 2023

Sd/-
Suzette Pereira
Company Secretary
M No. A46491
Date: 28 April, 2023

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note - 1

Nature of Business

NABSAMRUDDHI Finance Limited ("the company") (CIN: U65910TG1997PLC026442) is a subsidiary of NABARD and incorporated under Companies Act, 1956 on 17 February 1997. The Company is registered as a non-deposit accepting Non Banking Financial Company (NBFC- ND) with the Reserve Bank of India (RBI) under Section 45-IA of the Reserve Bank of India Act, 1934 and is engaged in lending for off farm activities.

Significant Accounting Policies

1. Basis of preparation of Financial Statements:

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

An asset or Liability is respectively classified as current when it is expected to be realized or settled in the Company's normal operating cycle or within 12 months after the reporting date. Current assets and liabilities include current portion of non-current assets and non-current liabilities respectively. All other assets and liabilities are classified as non-current as required by Schedule III of the Companies Act, 2013.

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 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 extant guidelines for prudential norms on Income Recognition and Asset Classification (IRAC) issued by Reserve Bank of India.
- b. Interest income on bank deposits is recognized on accrual basis taking into account the amount outstanding and rate applicable.
- c. Upfront/Processing fees are collected and recognized on receipt basis from the customer for processing loans are for appraisal, disbursement, monitoring of the project till the closure of the account.
- d. Prepayment charges are collected and recognized on receipt basis from the customer towards prepayment of loan amount.
- e. Ledger Folio and other charges are collected and recognized on receipt basis from the customer.
- f. 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 extant guidelines on Income Recognition and Asset Classification (IRAC) issued by the Reserve Bank of India.

Receivables under financing activities are classified as Standard, Sub-standard, Doubtful assets and Non cooperative Borrowers and provided as per the management estimates, subject to the minimum classification and provisioning norms as per the RBI Master Direction – Non Banking Financial Company – Systemically Important Non-Deposit Company (Reserve Bank) Directions, 2016 dated 01 September 2016.

In respect of Non-Performing Assets, the company reckoned to make higher provision of 30% for Doubtful assets (D1 Category) against the norm of 20%.

Non-performing assets are technically written-off, when the prospect for recovery is considered remote as per management estimate/policy of the company. However the recovery measures will be continued.

6. Recoveries from Non-performing Assets has been appropriated in the following order:

- i. Cost & Charges
- ii. Interest (including Penal & Overdue Interest)
- iii. Principal

Appropriation of recoveries in respect of NPAs under One time settlement has been done as per management direction.

7. Contingent Liabilities:

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

8. Property, Plant and equipment :

All property, plant and equipment are carried at cost of acquisition less accumulated depreciation. The cost comprises the purchase price, duties, freight and any other incidental cost bringing the asset to its working condition for its intended use.

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

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

9. Intangible assets:

- Identifiable intangible assets are recognized when, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.
- At initial recognition, the separately acquired intangible assets are recognized at cost. Following initial recognition, the intangible assets are accounted at cost less any accumulated amortization & accumulated impairment loss, if any.
- Amortization is recognized in the statement of profit and loss on straight line method over the estimated useful lives of intangible assets from the date they are available for use. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Asset Category	Useful Life (Years)
Intangible assets	3 years

10. Borrowing Cost :

Borrowing cost includes interest which are recognized, taking into account the amount outstanding and the rate applicable on borrowings.

11. Employee Benefit expenses:

- i. Post- employment benefits
Defined Contribution Plan

The Company's contribution to provident fund is considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employee.

Provident fund contribution is accounted on actual liability basis and paid to the Government managed Employees Provident Fund Organization. PF contribution from employee and employer is calculated on the basic salary of the employee. The treatment for the Provident fund is given as per the Employees Provident Fund and Miscellaneous Provisions Act – 1952.

Defined benefit Plans

A defined benefit plan is post-employment benefit plan other than a defined contribution plan. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Gratuity is applicable to the company as per Payment of gratuity Act, 1972. The Company estimates gratuity liability based on an external actuarial valuation done using projected unit credit method.

- ii. Other long-term employee benefits
Compensated absences

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long term and short term employee benefit based on the actuarial valuation report. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

12. Taxation:**Current Tax:**

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

Deferred tax:

Deferred tax charge reflects the tax effects of timing difference between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Current and deferred tax is recognized in profit or loss account.

13. Investments:

Investments which are readily realizable and intended to be held up to twelve months from the date on which such investments are made are classified as Current Investments. All other investments are classified as long term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under current assets as "Current maturities of Non-current investments"

Non-current investments (including current portion thereof) are carried at cost less other temporary diminution value.

Current investments are to be carried at the lower of cost and fair value. However, there are no such investments in the books of the Company.

14. Earnings Per Share :

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

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

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

NABSAMRUDDHI FINANCE LIMITED
SCHEDULES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31 MARCH, 2023

Note : 2 Share Capital

(INR in Lakh)

Particulars	March 31, 2023	March 31, 2022
Authorised Capital		
15,00,00,000 Equity shares of Rs.10/- each (Previous year 15,00,00,000 Equity Shares of Rs.10/- each)	15,000.00	15,000.00
	15,000.00	15,000.00
Issued, Subscribed & fully paid up Capital		
12,38,21,988 Equity shares of Rs.10/- each (Previous year 12,38,21,988 Equity Shares of Rs.10/- each)	12,382.20	12,382.20
Paid up Capital	12,382.20	12,382.20
12,38,21,988 Equity shares of Rs.10/- each (Previous year 12,38,21,988 Equity Shares of Rs.10/- each)		
Less: Allotment Money unpaid	-	-
Calls unpaid	-	-
Total	12,382.20	12,382.20

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

(INR in Lakh)

Particulars	March 31, 2023	March 31, 2022
Number of shares outstanding at the beginning of the year	123,821,988	123,821,988
Add : Equity shares issued during the year	-	-
Less: Shares bought back during the year	-	-
Number of shares outstanding at the end of the year	123,821,988	123,821,988

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

(INR in Lakh)

Particulars	March 31, 2023	March 31, 2022
Equity Share Capital outstanding at the beginning of the year	12,382.20	12,382.20
Add : Equity share capital issued during the year	-	-
Equity share capital outstanding at the end of the year	12,382.20	12,382.20

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

Particulars	March 31, 2023	March 31, 2022
	% of holding	% of holding
National Bank for Agriculture and Rural Development (NABARD) (No of shares 11,27,88,000) (Pr. Yr.11,27,88,000)	91.09	91.09

Details of Shareholding of Promoters**Shares held by the promoters at the end of the year**

S. No.	Promoter's name	No. of shares	% of total shares	% change during the year
1	NABARD	112,788,000	91.09	-
2	Govt of Andhra Pradesh	4,665,600	3.77	-
3	Govt of Telangana	3,465,788	2.80	1.95
4	Telangana State Cooperative Bank	-	-	(1.01)
5	AP State Cooperative Bank	-	-	(0.94)
6	Union Bank of India	2,000,000	1.62	-
7	Canara Bank	800,000	0.65	-
8	IMC Limited	50,000	0.04	-
9	KCP Sugars Ltd	50,000	0.04	-
10	Individuals	2,600	Negligible	-

Shares of Telangana State Co-operative Bank and Andhra Pradesh State Co-operative Bank have been purchased by Government of Telangana during the year.

Note : 3 Reserve & Surplus

(INR in Lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
a.	Securities Premium		
	Balance at the beginning of the year	3,337.82	3,337.82
	Add: Premium on issue of equity shares	-	-
	Balance at the end the year	3,337.82	3,337.82
b.	Surplus in the statement of Profit & Loss Account		
	Balance brought forward from previous year	5,829.81	3,644.88
	Add: Profit for the year	2,797.05	2,184.93
	Less: Dividend paid	247.64	-
	Balance at the end the year	8,379.22	5,829.81
	Total (a+b)	11,717.04	9,167.63

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Note : 4 Reserve Fund

(INR in Lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
	Balance at the beginning of the year	1,638.05	1,091.82
	Add: Reserve Fund during the year	699.26	546.23
	Total	2,337.31	1,638.05

Note : 5 Long Term Borrowings

(INR in Lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Bonds / Debentures	-	-
2	Term Loan		
	- Secured loan from NABARD (Refinance)	42,354.04	29,942.33
	- Secured loan from Bajaj Finance Ltd.	2,708.33	-
	Total	45,062.37	29,942.33

Note: (i) Current maturities of long term debts have been reported separately under Note - 8
(ii) Terms and conditions mentioned at point no.9 of Note no. 24

Note : 6 Other Long Term Liabilities

(INR in Lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Subsidy Reserve Fund	49.81	49.81
	Total	49.81	49.81

Note : 7 Long term Provisions

(INR in Lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Provision for Gratuity	48.48	37.54
2	Provision for Leave encashment	12.30	5.18
	Total	60.78	42.72

Note : 8 Short term Borrowings

(INR in Lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Current Maturities of Long Term Borrowing (Refinance from NABARD-Secured)	41,258.95	32,546.02
2	Current Maturities of Long Term Borrowing (Loan from Bajaj Finance Ltd.- Secured)	2,291.67	-
	Total	43,550.62	32,546.02

Note : 9 Other Current Liabilities

(INR in Lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Accrued Interest on Refinance	116.19	239.31
2	Accrued Interest on Borrowing	4.55	-
3	Statutory payables	18.36	7.37
4	Dividend payable for earlier years	0.04	0.03
5	Excess TDS received from borrowers	21.25	21.11
6	Outstanding Expenses payable	5.36	91.58
7	Other Payables	0.26	0.72
	Total	166.01	360.12

Note : 10 Short Term Provisions

(INR in Lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Provision for Income Tax	1,124.04	863.23
2	Provision for Gratuity	56.37	44.83
3	Provision for Leave encashment	2.73	9.75
4	Provision for CSR expenditure	45.55	44.19
5	Contingent Provision for Standard Assets	409.82	313.60
6	Provision for Sub-Standard Assets	-	134.34
7	Provision for Doubtful Assets	253.72	334.40
	Total	1,892.23	1,744.34

NABSAMRUDDHI FINANCE LIMITED
NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31 MARCH, 2023

(INR in Lakh)

Note : 11 Property, Plant & Equipment and Intangible assets

Sr. No	Particulars	Gross Block			Depreciation			Net Block			
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	as on 31.3.2022	as on 31.3.2023
I	Property, Plant & Equipment										
1	Furnitures & Fixtures	1.16	-	-	1.16	0.89	0.10	0.99	0.17	0.27	0.27
2	Vehicles (Cars)	4.88	-	-	4.88	4.64	-	4.64	0.24	0.24	0.24
3	Office Equipment	4.47	0.26	-	4.73	2.08	0.81	2.89	1.84	2.39	2.39
4	Computer	3.63	-	-	3.63	1.50	0.93	2.43	1.20	2.12	2.12
5	Interiors	1.20	-	-	1.20	0.88	0.11	1.00	0.20	0.32	0.32
	SUB TOTAL (A)	15.34	0.26	-	15.60	9.99	1.95	11.95	3.65	5.35	5.35
II	Intangible Assets										
1	Loaning & Accounting Software	24.90	-	-	24.90	4.96	8.30	13.26	11.64	19.94	19.94
	SUB TOTAL (B)	24.90	-	-	24.90	4.96	8.30	13.26	11.64	19.94	19.94
III	Capital Work-in-progress										
	SUB TOTAL (C)	-	-	-	-	-	-	-	-	-	-
IV	Intangible Assets Under Development										
	SUB TOTAL (D)	-	-	-	-	-	-	-	-	-	-
	Total [A + B + C + D] (Current Year)	40.24	0.26	-	40.50	14.95	10.25	25.20	15.29	25.29	25.29

Property, Plant & Equipment and Intangible assets as at 31st March, 2022

Sr. No	Particulars	Gross Block			Depreciation			Net Block			
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	as on 31.3.2021	as on 31.3.2022
I	Property, Plant & Equipment										
1	Furnitures & Fixtures	1.16	-	-	1.16	0.78	0.10	0.88	0.28	0.38	0.38
2	Vehicles (Cars)	4.88	-	-	4.88	4.64	-	4.64	0.24	0.24	0.24
3	Office Equipment	3.94	0.53	-	4.47	1.29	0.79	2.08	2.39	2.65	2.65
4	Computer	2.10	1.53	-	3.63	0.58	0.93	1.51	2.12	1.52	1.52
5	Interiors	1.20	-	-	1.20	0.77	0.11	0.88	0.32	0.43	0.43
	SUB TOTAL (A)	13.28	2.06	-	15.34	8.06	1.93	9.99	5.35	5.22	5.22
II	Intangible Assets										
1	Loaning & Accounting Software	-	24.90	-	24.90	4.96	4.96	4.96	19.94	-	-
	SUB TOTAL (B)	-	24.90	-	24.90	-	4.96	4.96	19.94	-	-
III	Capital Work-in-progress										
	SUB TOTAL (C)	-	-	-	-	-	-	-	-	-	-
IV	Intangible Assets Under Development	12.45	-	12.45	-	-	-	-	-	12.45	12.45
	SUB TOTAL (D)	12.45	-	12.45	-	-	-	-	-	12.45	12.45
	Total [A + B + C + D]	25.73	26.96	12.45	40.24	8.06	6.89	14.95	25.29	17.67	17.67

NABSAMRUDDHI FINANCE LIMITED
NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31 MARCH, 2023

Note : 12 Non Current Investments

(INR in Lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Investment in Securitisation-PTC	1,322.03	1,015.05
	Total	1,322.03	1,015.05

Note : 13 Long Term Loans and Advances

(INR in Lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
	a) Secured, Considered Good :		
	Term Loans & Working Capital Loans		
	Standard	56,992.88	46,944.80
	Sub-Standard	-	610.40
	Doubtful	481.14	1,062.64
	Sub-Total	57,474.02	48,617.84
	b) Unsecured, Considered Good :		
	Advance Recoverable in cash or in kind or for value to be considered good	-	-
	Total	57,474.02	48,617.84

Note: Current Maturities of Loans & Advances have been shown in Note no 16

Note : 14 Other Non Current Assets

(INR in Lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Deposits		
	Telephone Deposits	0.05	0.05
	Cylinder Deposit	0.01	0.01
	Total	0.06	0.06

Note : 15 Cash & Cash Equivalents

(INR in Lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Cash-in-Hand		
	Cash Balance	-	-
	Sub Total (A)	-	-
2	Bank Balance		
	1. In Current Account	322.66	119.33
	2. In Deposit Accounts	3,734.98	3,068.47
	Sub Total (B)	4,057.64	3,187.80
	Total [A + B]	4,057.64	3,187.80

Note : 16 Other Current Assets

(INR in lakh)

Sr. No	Particulars		March 31, 2023	March 31, 2022
1	Income tax			
	Prepaid Taxes		-	-
2	TDS			
	TDS Receivable during the year		1,147.57	829.66
	Income Tax Receivable for earlier years		41.42	59.31
3	Accrued Interest			
	On Deposits	96.66		
	On Term Loans	3.43		
	On Investment-Securitisation PTC	24.79	124.88	89.75
4	Current maturities of Non current Investments in Securitisation -PTC		7,560.97	2,462.19
5	Current maturities of Loans & Advances (Secured)		45,461.44	31,455.09
6	Prepaid Expenses		3.96	1.95
7	Salary Advance		1.66	0.19
	Total		54,341.90	34,898.14



NABSAMRUDDHI FINANCE LIMITED
NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNTS AS AT 31 MARCH, 2023

Note : 17 Revenue from Operations

(INR in lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Interest on Term Loan	9,529.28	7,104.46
2	Interest on Investment in Securitisation - PTC	548.49	284.17
3	Processing fee	330.63	282.17
4	Ledger Folio Charges	1.00	0.89
5	Documentation charges	1.35	1.26
6	Prepayment Charges	-	116.97
	Total	10,410.75	7,789.92

Note : 18 Other Income

(INR in lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Interest on FDR's	175.33	127.23
2	Other Receipts	267.53	40.76
	Total	442.86	167.99

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

Note : 19 Employment Benefit Expenses

(INR in lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Salaries and Wages	474.40	473.56
2	Provident Fund	7.38	8.00
3	Staff Welfare Expenses	15.10	7.14
4	Conveyance Allowance	25.41	27.08
5	Gratuity	26.32	24.99
6	Leave Salary & Leave Fare Concession	37.02	34.91
	Total	585.63	575.68

Note : 20 Finance Cost

(INR in lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Interest on Refinance	4,305.33	2,981.24
2	Interest on Borrowing	4.55	-
3	Processing fee on Borrowing	5.45	-
	Total	4,315.33	2,981.24

Note : 21 Depreciation & Amortised Cost

(INR in lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Depreciation	10.25	6.89
	Total	10.25	6.89

Note : 22 Other Administrative Expenses

(INR in lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Directors sitting fee	21.42	21.12
2	Travelling expenses	22.66	4.48
3	Insurance Premium	0.16	0.16
4	Repairs and Maintenance	0.17	0.06
5	Printing & Stationery	3.59	2.62
6	Postage & Telegrammes	0.68	0.26
7	Telephone & Internet expenses	0.31	0.19
8	Duties & Taxes	0.23	0.21
9	Office Maintenance	5.66	5.70
10	News Papers & Subscriptions	5.60	3.75
11	Demat Charges	0.82	0.86
12	Bank Charges	0.24	0.07
13	Maintenance of Vehicles	0.97	0.71
14	Tea & Refreshment	1.43	0.47
15	Professional fees	3.56	2.73
16	General expenses	3.37	7.39
17	Legal Expenses	21.55	10.91
18	Payment to Auditors	2.68	1.50
19	Advertisement Expenses	1.34	1.94
20	Board Meeting Expenses	0.13	0.04
21	Professional Charges	5.28	9.50
22	CSR Expenses	52.99	38.88
23	Computer Software Charges	0.19	0.18
24	Website Renewal fee	0.30	0.30
25	Software maintenace charges	-	1.30
26	Training fee	8.86	1.73
27	HR Software charges	0.90	-
	Total	165.08	117.06

Note : 23 Provisions and Bad Debts written off

(INR in lakh)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Provision for Non Performing Assets	118.26	233.34
2	Provision for Standard Assets	96.22	(12.45)
3	Provision for Non Performing Assets reversal	(333.29)	(290.29)
4	Bad Debts written off	1,151.85	731.88
	Total	1,033.04	662.48

Note - 24**Notes on Accounts**

- The Twenty Sixth Year of accounts of the Company consists of the period from 01.04.2022 to 31.03.2023.
- During the FY 2022-23 the shares of 12,50,400 and 11,66,400 held by Telangana state Co-operative Bank Apex Limited and Andhra Pradesh State Co - operative Bank respectively have been purchased by Government of Telangana.

3. 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.

4. Micro, Small and Medium Enterprises :

The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on March 31, 2023.

- Subsidy Reserve Fund represents the direct subsidy received from Government of India (through NABARD) in respect of one Rural Godown project. The amount will be adjusted towards last installments of the loan account.
- As per the Accounting Standard 22 "Accounting for Taxes on Income" the Company has recognized the Deferred Tax Asset as at 31 March 2023. The details are as under:

(INR in Lakh)

Particulars	2022-23	2021-22
Deferred Tax Asset at the beginning of the year	129.04	149.13
Add/Less: Adjustments during the year	(121.62)	(20.09)
Deferred Tax Asset at the end of the year	7.42	129.04

- The Company has made a provision of INR 118.26 lakh on NPA accounts, (including a higher provision of INR 32.49 lakh as indicated in point no.5 of Note 1). Further, provisions amounting to INR 333.29 lakh has been reversed during the current year and INR 1151.85 lakh has been technically written off and debited to P&L Account. The Company has also made a provision of INR 96.22 Lakh on Standard Assets during the year.
- During the year, the company has technically written off INR 1151.85 lakh in respect of three loan accounts as per the details indicated below :

(INR In lakh)

No. of loan accounts technically written off during the year	03
Technically written off amount during the year	1151.85
Provision available for the above accounts as on 31.03.2022	333.29
Amount debited to P&L for FY 2022-23	818.56

9.

(i) Re-finance from NABARD

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

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

Sl.No.	Rate of Interest (%)	Outstanding (INR in Lakh)
1.	9.20	800.00
2.	8.75	3,552.34
3.	8.50	7,809.38
4.	8.45	4,968.00
5.	8.40	6,356.31
6.	8.35	15,244.05
7.	8.30	1,428.32
8.	8.25	950.00
9.	8.20	588.00
10.	8.15	690.91
11.	8.05	4,350.47
12.	8.00	3,192.62
13.	7.95	475.00
14.	7.90	40.71
15.	7.70	788.00
16.	7.65	27.55
17.	7.65	2,137.24
18.	7.60	5,712.76
19.	7.40	973.40
20.	7.20	6.70
21.	7.15	62.20
22.	6.00	268.97
23.	5.75	3,247.45
24.	5.70	1,727.07
25.	5.65	4,583.23
26.	5.45	3,659.00
27.	5.30	6,603.67
28.	5.15	187.01
29.	4.60	3,182.63
	Total	83,612.99

The current maturities (payable within the period of 12 months) of "Refinance" commitments, are classified as Current Liabilities amounting to INR 41258.95 lakh and the remaining commitments are classified under long term borrowing amounting to INR 42354.04 lakh (Note Ref 5 & 8).

(ii) Term loan from Bajaj Finance Ltd.

The company has availed Term loan of INR 5,000 lakh, out of the sanctioned loan of INR 10,000 lakh at an interest rate of 8.30% p.a. from Bajaj Finance Limited during FY 2022-23. The first installment is due from May 2023. The loan is secured by hypothecation of book debts at 110% of the loan outstanding.

The current maturities (payable within the period of 12 months) of term loan, are classified as Current Liabilities amounting to INR 2291.67 lakh and the remaining commitments are classified under long term borrowing amounting to INR 2708.33 lakh (Note Ref 5 & 8).

10. Remuneration to Managing Director
Year ended 31.03.2023 Year ended 31.03.2022
INR 88.17 Lakh INR 77.42 Lakh

11. Related Party transactions

Details of Related parties and Nature of Relationship

Description of Relationship	As at March 2023	As at March 2022
Holding Company	NABARD	NABARD
Managing Director	Dr Ushamani P (Deputed by NABARD)	Smt. Suparna Tandon (up to 28.05.2021)/ Dr Ushamani P (w.e.f 22.04.2021) (Deputed by NABARD)
Chief Financial Officer	Shri M Prashanth Babu (up to 20.05.2022)/ Shri Vijay Turumella (w.e.f.16.05.2022) (Deputed by NABARD)	Shri M Prashanth Babu (Deputed by NABARD)
Company Secretary	Smt Suzette Pereira	Smt Puja Shah (up to 09.02.2022) / Smt Suzette Pereira (w.e.f 08.02.2022)
Fellow Subsidiary (Subsidiary of NABARD)	--	NABFOUNDATION

Details of transactions with the Related Parties

(INR in Lakh)

Transaction	Related Party	For the year ended 31.03.2023	For the year ended 31.03.2022
Other Transactions			
Loan Received	NABARD	57886.89	31735.10
Loan Repaid	NABARD	36762.25	23664.02
Expenses			
Interest Payment	NABARD	4305.33	2981.24
Managerial Remuneration (Reimbursement to NABARD)	Smt. Suparna Tandon	--	19.24
Managerial Remuneration (Reimbursement to NABARD)	Dr. Ushamani P	88.17	58.18
Remuneration to Chief Financial Officer (Reimbursement to NABARD)	Shri M Prashanth Babu Shri Vijay Turumella	26.60 50.99	42.53 --
Company Secretary	Smt Puja Shah Smt Suzette Pereira	-- 9.60	9.49 1.31
Reimbursement of salary of other Deputed Staff	NABARD	221.07	126.83
Office Maintenance charges	NABARD	5.00	5.00
(Refund)/Contribution of CSR amount	NABFOUNDATION	--	(3.31)

Balance outstanding as at 31.03.2023

(INR in Lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Refinance	83612.99	62488.35

12. Auditors Remuneration

Administrative expenses include Auditors remuneration towards:

	<u>31.03.2023</u>	<u>31.03.2022</u>
Statutory Audit fee	INR 2.00 lakh	INR 1.50 lakh

13. Employee benefit expenses

- The Managing Director is on deputation from NABARD. His/her remuneration including provident fund, gratuity and leave Salary is reimbursed to NABARD on the basis of the advice received from NABARD.
- The services of one General Manager, one Deputy General Manager, one Manager and one Assistant Manager of NABARD are utilized by the company on a placement basis. As per the terms of placement, 100% of the remuneration paid to these officials on placement are being reimbursed to NABARD based on the advice received from NABARD and the same is charged to the Statement of Profit and Loss.
- Gratuity
Provision for gratuity has been calculated as per the Deputation terms and conditions communicated by NABARD in respect of NABARD employees deputed to the company.

In respect of Company staff, provision for gratuity is calculated as per the Defined benefit-Gratuity plan, Accounting Standard-15.

The following tables summarize the components of net benefit expense recognized in statement of profit and loss and amount recognized in the balance sheet for the gratuity plan.

Financial Assumptions :

The principal financial assumptions used in the valuation are shown in the Table below:

Particulars	For the year ended 31.03.2023
Discount Rate (Per Annum)	7.52%
Salary Growth Rate (Per Annum)	15.00%
Expected Rate of Return on Plan Assets (Per Annum)	0.00%

Changes in the Present Value of Obligation

(INR in lakh)

Particulars	For the year ended 31.03.2023
Defined Benefit Obligation at the beginning	42.24
Current Service Cost	5.56
Interest Cost	3.13
Prior Service Cost – Vested benefit	-
Prior Service Cost – Non Vested benefit	-
Curtailments	-
Benefits Paid directly by the Company	-
Benefits Paid from Fund	-

Net transfer in/(out) (including the effect of any business combinations/divestitures)	-
Actuarial Loss / (Gain) on Obligation	2.33
Defined Benefit Obligation at the end	53.26

Expenses Recognized in the Profit and Loss Account

(INR in lakh)

Particulars	For the year ended 31.03.2023
Current Service cost	5.56
Interest Cost on Obligation	3.13
Past Service Cost	-
Expected Return on Plan Assets	-
Amortization of Prior Service Cost	-
Net Actuarial (Gain) / Loss to be recognized	2.33
Transfer In / Out	-
Curtailement (Gain) / Loss recognized	-
Settlement (Gain) / Loss recognized	-
Actuarial Loss / (Gain) on Obligation	-
Expense recognized in Profit and Loss Account	11.02

Movement in the Liability recognized in the Balance Sheet

(INR in lakh)

Particulars	For the year ended 31.03.2023
Present Value of Obligations as at the beginning	42.24
Expenses Recognized in P & L Statement	11.02
Benefits Paid	-
Actual Return on Plan Assets	-
Acquisition Adjustment	-
Present Value of Obligations as at the end	53.26

Bifurcation of Present Value of Obligations at the end of the current period as per Schedule III of the Companies Act, 2013

(INR in lakh)

Particulars	For the year ended 31.03.2023
Current Liability (Short Term)	4.78
Non-Current Liability (Long Term)	48.48
Present Value of Obligation as at the end	53.26

d) Compensated absences

In respect of Company staff, provision for leave encashment is calculated as per the Leave encashment plan – Other Long term Employee benefits, Accounting Standard-15.

The following tables summarize the components of net benefit expense recognized in statement of profit and loss and amount recognized in the balance sheet for the leave encashment plan.

The principal financial assumptions used in the valuation are shown in the Table below:

	For the year ended 31.03.2022	For the year ended 31.03.2023
Discount Rate (Per Annum)	7.41%	7.52%
Salary Growth Rate (Per Annum)	13.00%	15.00%
Expected Rate of Return on Plan Assets (Per Annum)	0.00%	0.00%

Expenses Recognized in the Profit and Loss Account

(INR in lakh)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2023
Defined Benefit Obligation at the beginning	-	6.59
Current Service cost	2.32	7.18
Interest Cost	-	0.12
Past Service Cost	4.27	-
Expected Return on Plan Assets	-	-
Amortization of Prior Service Cost	-	-
Net Actuarial (Gain) / Loss to be recognized	-	-
Transfer In / Out	-	-
Curtailment (Gain) / Loss recognized	-	-
Actuarial (Gain) / Loss recognized	-	1.14
Expense recognized in Profit and Loss Account	6.59	15.03

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Movement in the Liability recognized in the Balance Sheet

(INR in lakh)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2023
Present Value of Obligations as at the beginning	-	6.59
Expenses Recognized in P & L Statement	6.59	8.44
Benefits Paid	-	-
Actual Return on Plan Assets	-	-
Acquisition Adjustment	-	-
Present Value of Obligations as at the end	6.59	15.03

Bifurcation of Present Value of Obligations at the end of the valuation period as per Schedule III of the Companies Act, 2013

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2023
Current Liability (Short Term)	1.41	2.73
Non-Current Liability (Long Term)	5.19	12.30
Present Value of Obligation as at the end	6.59	15.03

14. Contingent Liabilities

(INR in Lakh)

Description	For the year ended 31.03.2023	For the year ended 31.03.2022
Demand/claims by various Government authorities not acknowledged as debts and contested by the Company: Income Tax*	10.32	10.32
Total	10.32	10.32

*Company has filed an appeal against the demand raised by Income Tax Department. The details are as under:

Description	Date of appeal	Status as on 31.03 2023
Income Tax Demand raised by IT Department, not acknowledged as debt and contested by the Company	10/02/2020 for the AY 2016-17	A notice under section 250 of the income tax Act 1961 was received as on 20 July 2022 and requested to furnish ground wise written submissions along with supporting documentary evidence. The same was submitted on 25/07/2022. Resolution of the appeal is pending from Income Tax department.

15. Licensed Capacity and installed Capacity's

Licensed Capacity : Not Applicable

16. Value of Imports calculated on CIF basis

Capital Assets : Nil

Raw Materials : NA

17. Contribution to Statutory Reserve Fund

Statutory Reserve Fund of INR 699.26 lakh has been created under Section 45IC of RBI Act, 1934 for the financial year 2022-23 @ 20% on Profit as per Profit and Loss Account, which is in addition to the existing Statutory Reserve Fund of INR 1638.05 lakh created for the Financial Years from 2006-07 to 2021-22.

18. Earnings per Share

(INR in Lakh)

Particulars	2022-23	2021-22
Net Profit after Tax as per Profit & Loss Account (a)	3496.31	2731.16
Less: Transfer to Statutory Reserve Fund (b)	699.26	546.23
Profit available to Equity Share Holders (a-b=c)	2797.05	2184.93
No. of Equity Shares (Face of value of share INR 10/-)	1238.22	1238.22
Weighted Average No. of Equity Shares (d)	1238.22	1238.22
Basic Earnings per share (c ÷ d)	2.26	1.76
Diluted Earnings per share (c ÷ d)	2.26	1.76

19. The net interest margin for the year 2022-23 is 6.40%.

20. Ratios for 2022-23

Particulars	Formula Components	2022-23	2021-22	% Of Change	Explanation
Current Ratio	Current Assets/Current Liabilities	1.28	1.10	16%	
Debt-Equity Ratio	Total debt /Tangible Net worth (Tangible Net worth =Share Capital + reserves - DTA - Intangible Assets)	3.35	2.71	24%	--

Debt Service Coverage Ratio	Net Profit+ Depreciation+ Interest on Borrowings+ loan repayments (including interest)/Total amount of Interest and Principal of long term loan payable (or) paid during the year	1.30	1.85	-30%	There is significant increase in long term loan payable/paid during the year and also in finance cost as compared to interest income.
Return on Equity Ratio	PAT/Average Net worth	13.23	11.78	12%	
Net Profit Ratio	PAT/Total Income	32.21	34.32	-6%	
Return on Capital Employed	(i) Return = PBIT (ii) Total capital employed = Net worth + Total long term Debt or Total Assets – Current Liabilities	12.67	12.41	2%	--
Return on Investment	Total interest earned on Investments /Average Investments	7.52	7.23	4%	--
Net Capital Turnover Ratio	Revenue from Operations / Current Assets- Current Liabilities	0.81	2.27	-64%	As compared to previous FY 2021-22, there is a significant increase in current maturities of loans and PTCs in FY 2022-23
Inventory Turnover Ratio	Not Applicable				
Trade receivable Turnover Ratio	Not Applicable				
Trade payable Turnover Ratio	Not Applicable				

(Explanation has been provided for change in the ratio by more than 25% as compared to the preceding year)

21. Legal suits have been filed in respect of 120 NPA accounts out of total 156 NPA Accounts (including technically written off accounts), where the borrowers have not responded positively for settling the accounts. In respect of 33 NPA accounts, where the borrowers are responding and have shown willingness to settle the accounts by requesting for OTS or making certain payments, no legal action has been initiated.
22. Expenditure in Foreign Currency:

Travel	: - Nil-
Others	: - Nil-
23. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

24. Relation with Struck off companies

Name of Struck off company	Nature of transactions with Struck off companies	Balance Outstanding	Relationship with the Struck off company. If any, to be disclosed
Not Applicable	Investment in Shares	Nil	Not Applicable
Not Applicable	Receivables	Nil	Not Applicable
Not Applicable	Payables	Nil	Not Applicable
Not Applicable	Shares held by Struck off companies	Nil	Not Applicable
Not Applicable	Other outstanding Balances to be specified	Nil	Not Applicable

25. There were no transactions relating to previously unrecorded Income that have been surrendered or disclosed as Income during the year in the Tax assessments under the Income Tax Act, 1961 (43 of 1961).

26. The dividend @ 2% of face value i.e. INR 247.64 lakh as declared in the AGM for the FY 2021-22 was distributed in the FY 2022-23.

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

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

Amount required to be spent by the company during the year	INR 52.99 Lakh
Amount of expenditure incurred	An expenditure of INR 55.06 Lakh has been sanctioned. The excess of the sanctioned budget of INR 2.07 Lakh will be spent from FY 2023-24 CSR budget. INR 12.74 lakh has been incurred and provision has been made for an unspent CSR amount of INR 40.24 lakh towards ongoing projects sanctioned during FY 2022-23.
Shortfall at the end of the year	INR 40.24 lakh to be disbursed during FY 2023-24 towards ongoing projects sanctioned during FY 2022-23
Total of previous year shortfall	Unspent CSR amount of INR 5.31 lakh pertaining to ongoing projects sanctioned during FY 2020-21.
Reason for shortfall	Sanctioned expenditure to be incurred and released in tranches based on progress in implementation of CSR projects (Ongoing projects)
Nature of CSR activities	Sanitation, Hygiene and making available safe drinking water under WASH segment
Details of related party transactions	Nil

Movement of provisions for CSR Expenditure

(INR in Lakh)

Opening Balance as on 01.04.2022	44.19
Add: Unspent CSR amount towards ongoing projects sanctioned in FY 2022-23	40.24
Less: Spent towards ongoing projects sanctioned in FY 2022-23	38.88
Closing Balance as on 31.03.2023	45.55

28. Segment Reporting

The company is engaged primarily in the business of financing and all its operations are in India only. Accordingly, there are no separate reportable segments as per Accounting Standard 17.

29. Previous year's figures have been regrouped/rearranged wherever necessary to confirm with the current year classification.

30. Amounts have been rounded off to INR lakh.

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

1. Capital to Risk Asset Ratio (CRAR):

Particulars	As at 31.03.2023	As at 31.03.2022
(i) CRAR (%)	24.63	28.26
(ii) CRAR – Tier I Capital (%)	24.63	28.26
(iii) CRAR – Tier II Capital (%)	--	--
(iv) Amount of subordinated debt raised as Tier-II capital	--	--
(v) Amount raised by issue of Perpetual Debt Instruments	--	--

2. Investments

(INR in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Value of Investment		
(i) Gross Value of Investments	8883.00	3477.24
(a) In India	8883.00	3477.24
(b) Outside India	--	--
(ii) Provision for Depreciation	--	--
(a) In India		
(b) Outside India		
(iii) Net Value of Investments	8883.00	3477.24
(a) In India	8883.00	3477.24
(b) Outside India	--	--
Movement of Provisions held towards depreciation on investments		
(i) Opening Balance	--	--
(ii) Add: Provision made during the year	--	--
(iii) Less: Write-off/write back of excess provisions during the year	--	--
(iv) Closing Balance	--	--

3. Derivatives

The company has no transactions/ exposure in derivatives in the current year and previous year. Hence, disclosure requirement as per RBI Master Directions is not applicable.

4. Disclosure relating to Securitization

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

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

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

5. Asset Liability Management Maturity Pattern

Maturity pattern of certain items of Assets and Liabilities

As on 31 March 2023

(INR in lakh)

Particulars	1 day to 30 /31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	1800.00	--	--	--	--	--	--	1934.98	3734.98
Advances	3445.51	3821.02	3453.50	12311.44	22429.97	52296.18	4696.69	481.14	102935.45
Investments	888.64	901.14	943.28	2302.89	2525.02	1322.03	--	--	8883.00
Borrowings	203.32	208.33	9694.95	13218.54	20225.47	41763.37	2941.81	357.20	88612.98
Foreign Currency assets	--	--	--	--	--	--	--	--	--
Foreign Currency liabilities	--	--	--	--	--	--	--	--	--

As on 31 March 2022

(INR in lakh)

Particulars	1 day to 30 /31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	--	1761.00	--	2.66	--	--	--	1304.81	3068.47
Advances	2037.36	3351.68	2329.97	7952.23	15783.84	42140.27	5414.93	1062.64	80072.92
Investments	255.65	256.20	260.25	590.83	1099.26	1015.05	--	--	3477.24
Borrowings	203.32	141.67	5293.35	10720.37	16187.31	29634.46	307.87	--	62488.35
Foreign Currency assets	--	--	--	--	--	--	--	--	--
Foreign Currency liabilities	--	--	--	--	--	--	--	--	--

6. Exposures

6.1 Exposure to Real Estate Sector (both direct and indirect)

(INR in Lakh)

Category	As at 31.03.2023	As at 31.03.2022
Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	10257.89	7784.25

6.2 Exposure to Capital Markets

The company does not have any exposure to the Capital Markets as at 31 March 2023.

6.3 Details of financing of parent company products

No such financing arrangements are made.

6.4 During the year there are no instances of Single Borrower Limit/Group Borrower Limit exceeding the prudential limit stipulated in respect of sanctioned limit or entire outstanding.

6.5 Unsecured Advances

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

7. Registration obtained from Financial Sector Regulations :

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

8. Penalties levied by RBI and any other regulators – Nil

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

10. Restructuring of loans

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

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

During the year, Credit Rating of the company "IND AA/Stable" was reaffirmed by India Ratings.

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

13. Provisions and Contingencies

(INR in Lakh)

Breakup of Provisions and Contingencies	31.03.2023	31.03.2022
Provision for Depreciation on Investment	--	--
Provision towards NPA	253.72	468.74
Provision made towards Income Tax	1124.04	863.22
Provision for Standard Assets	409.82	313.60
Other Provisions		
Provision for Gratuity	104.85	82.37
Provision for Leave encashment	15.03	14.93
Provision for CSR expenditure	45.55	44.19
Provision for Outstanding expenses	5.36	91.58
Contingent Liabilities	10.32	10.32

14. Draw Down from Reserves

Draw down from Reserves during the current year is Nil.

15. Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Advances

(INR in lakh)

Particulars	31.03.2023	31.03.2022
Total Advances to twenty largest borrowers	57186.63	48852.94
Percentage of Advances to twenty largest borrowers to Total Advances	55.56%	61.01%

Concentration of Exposures

Particulars	31.03.2023	31.03.2022
Total Exposure to twenty largest borrowers/Customers	57186.63	48852.94
Percentage of Exposure to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	55.56%	61.01%

Concentration of NPAs

(INR in Lakh)

Particulars	31.03.2023	31.03.2022
Total Exposure to top four NPA accounts	481.14	1672.79

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

Sector	31.03.2023	31.03.2022
Agriculture & Allied activities	68.38	47.58
MSME	--	--
Corporate borrowers	0.32	1.90
Services	--	--
Unsecured Personal Loans	--	--
Auto Loans	--	--
Other Personal Loans	--	--
Others	--	--

16. Sectoral exposure

(INR in Lakh)

Sectors	31.03.2023			31.03.2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	228.49	156.25	68.38	328.56	156.33	47.58
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans	-	-	-	-	-	-
5. Others	102706.97	324.89	0.32	79744.37	1516.71	1.90
Microfinance	34697.47	-	-	26970.20	245.25	-
MSME	38218.63	-	-	34243.52	906.57	-
Vehicle	16701.12	-	-	10367.47	-	-
Housing	10257.89	-	-	7784.25	-	-
Others	2831.86	324.89		378.93	364.89	

17. Information with regard to Intra-group exposure – Nil

18. Details of Unhedged foreign currency exposure – Nil

19. Movement of NPAs

(INR in Lakh)

Particulars	31.03.2023	31.03.2022
(i) Net NPAs to Net Advances (%)	0.22	1.51
(ii) Movement of NPAs(Gross)		
(a) Opening balance	1673.04	1830.77
(b) Additions during the year	0.20	766.89
(c) Reductions during the year	1192.10	924.62
(d) Closing balance	481.14	1673.04
(iii) Movement of Net NPAs		
(a) Opening balance	1204.30	1305.08
(b) Additions during the year	-	593.68
(c) Reductions during the year	976.88	694.46
(d) Closing balance	227.42	1204.30
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	468.74	525.69
(b) Provisions made during the year	936.88	683.00
(c) Write of/write back of excess provisions	1151.90	739.95
(d) Closing balance	253.72	468.74

20. Information with regard to Off-balance Sheet SPVs sponsored - Nil

21. Disclosure of Complaints

21.1 Customer Complaints

Particulars	31.03.2023	31.03.2022
No. of complaints pending at the beginning of the year	Nil	Nil
No. of complaints received during the year	Nil	Nil
No. of complaints redressed during the year	Nil	Nil
No. of complaints pending at the end of the year	Nil	Nil

22. There are no instances of breach of covenant of loan availed or debt securities issued during the current year.

23. Details of Divergence in Asset Classification and Provisioning – Nil

24. Related Party Disclosure for the F.Y.2022-23

Items / Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Borrowings	83612.99	62488.35	--	--	--	--	--	--	--	--	--	--	83612.99	62488.35
Deposit	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Placement of deposits	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Advances	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Investments	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Purchase of fixed/other assets	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Sale of fixed/other assets	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Interest paid	4305.33	2981.24	--	--	--	--	--	--	--	--	--	--	4305.33	2981.24
Interest received	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Others	226.07	131.83	--	--	--	--	175.36	111.51	--	--	--	3.31	401.43	246.65

Disclosure required in terms of Appendix I of Annexure II relating to Guidelines on Liquidity Risk Management Framework of Master Direction – Non Banking Financial Company - Systematically Important Non-Deposit taking company (Reserve Bank) Directions, 2016

PUBLIC DISCLOSURE ON LIQUIDITY RISK

- i. Funding Concentration based on significant counterparty
(both deposits and borrowings)

(INR in Lakh)

Sr No.	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	NABARD	83,612.99	-	71.33
2	Bajaj Finance Limited	5,000.00	-	4.27

- ii. Top 20 large deposits – Not applicable
The company has not accepted deposits during this year or previous years

- iii. Top 10 borrowings

(INR in Lakh)

Sr No.	Lender	Amount	% of Total Borrowings
1	NABARD	83,612.99	94.36%
2	Bajaj Finance Limited	5,000.00	5.64%

- iv. Funding Concentration based on significant instrument/product

(INR in Lakh)

Sr No.	Name of the instrument / product	Amount	% of Total Liabilities
1	Term Loans	1,02,935.46	87.82%
2	Investment in Securitization – PTC	8,883.00	7.58%

- v. Stock Ratios:

(INR in Lakh)

Sr No.	Name of the instrument / product	Amount	% of Total Liabilities
(a)	Commercial papers as a % of total public funds, total liabilities and total assets	-	0.00%
(b)	Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets	-	0.00%
(c)	Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets	45608.86	38.91%

vi. Institutional set-up for liquidity risk management

(INR in Lakh)

Sr No.	Lender	Amount	% of Total Borrowings
1	Financial Institutions	88612.99	100.00%

Notes 1 to 24 referred to above form part of the Balance Sheet and Profit & Loss Account.

As per our Report of even Date
For Tukaram & Co LLP
Chartered Accountants
Firm Registration No.004436S/S200135

For NABSAMRUDDHI Finance Limited

Sd/-
J Poornachandar
Partner
M.No. 221627
UDIN: 23221627BGWOCJ5019
Place: Hyderabad
Date: 28 April, 2023

Sd/-
Ravi Krishan Takkar
Independent Director
DIN: 07734571
Date: 28 April, 2023

Sd/-
Ushamani P
Managing Director
DIN: 09138953
Date: 28 April, 2023

Sd/-
Vijay Turumella
Chief Financial Officer
PAN: ADBPT2833L
Date: 28 April, 2023

Sd/-
Suzette Pereira
Company Secretary
M No. A46491
Date: 28 April, 2023



SCHEDULE TO THE BALANCE SHEET OF NABSAMRUDDHI FINANCE LIMITED

(as per Annexure IV of Master Directions on NBFC-ND-SI (Reserve Bank), 2016)

(Rs. in Lakh)

Particulars			
LIABILITIES SIDE		Amount Outstanding	Amount Overdue
1.	Loans and Advances availed by the NBFCs Inclusive of interest accrued there on but not paid:		
	(a) Debentures Secured		
	Unsecured (other than falling within the meaning of public deposits*)	Nil	Nil
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter – Corporate loans and borrowing	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Other Loans (Secured loan – Refinance from NABARD and term loan Bajaj Finance Ltd.)	88612.99	Nil
2.	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued there on but not paid)		
	(a) In the form of Unsecured Debentures	Nil	Nil
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of the security	Nil	Nil
	(c) Other public deposits	Nil	Nil
	Assets side:	Amount Outstanding	
3.	Break up of Loans and Advances including bills receivables (other than those included in (4) below):		
	(a) Secured		102935.46
	(b) Unsecured		--
4.	Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease Assets including lease rentals under sundry debtors:		
	(a) Financial Lease		Nil
	(b) Operating Lease		
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		Nil
	(b) Repossessed Assets		
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		Nil
	(b) Loans other than (a) above		

(Rs. in Lakh)

Particulars		Amount Outstanding
ASSETS SIDE		
(5)	Break-up of investments : Current investments : 1. Quoted :	
	(i) Shares : (a) Equity (b) Preference	Nil
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (Please specify)	
	2. Unquoted:	
	(i) Shares : (a) Equity (b) Preference	
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (Please specify) – Fixed Deposit with Banks	3734.98

<p>Long Term Investments:</p> <p>1. Quoted :</p> <p>(i) Shares : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds</p> <p>(iii) Units of mutual funds</p> <p>(iv) Government Securities</p> <p>(v) Others (Please specify)</p> <p>2. Unquoted :</p> <p>(i) Shares : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds</p> <p>(iii) Units of mutual funds</p> <p>(iv) Government Securities</p> <p>(v) Others (Please specify)</p> <p style="text-align: center;">Securitisation – PTC</p>	<p>Nil</p> <p>Nil</p> <p>8883.00</p>
--	--------------------------------------

(b)	Borrower Group-wise classification of assets financed as in (2) and (3) above:		
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties** (a) Subsidiaries (b) Companies in the same group (c) Other related parties	Nil	Nil	Nil
2. Other than related parties	102935.46	--	102935.46
Total	102935.46	--	102935.46

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :		
Category	Market Value / Break up or fair value or NAV	Book Value (Net or Provisions)	
1. Related Parties** (a) Subsidiaries (b) Companies in the same group (c) Other related parties	Nil	Nil	
2. Other than related parties	Nil	Nil	
Total	Nil	Nil	

(8)	Other Information	
	(i) Gross Non-Performing Assets	
	(a) Related parties	Nil
	(b) Other than related parties	481.14
	(ii) Net Non-Performing Assets	
	(a) Related parties	Nil
	(b) Other than related parties	227.42
	(iii) Assets acquired in satisfaction of debt	Nil

As per our Report of even Date
For Tukaram & Co LLP
Chartered Accountants
Firm Registration No.004436S/S200135

Sd/-
J Poornachandar
Partner
M.No. 221627
UDIN: 23221627BGWOCJ5019
Place: Hyderabad
Date: 28 April, 2023

For NABSAMRUDDHI Finance Limited

Sd/-
Ravi Krishan Takkar
Independent Director
DIN: 07734571
Date: 28 April, 2023

Sd/-
Ushamani P
Managing Director
DIN: 09138953
Date: 28 April, 2023

Sd/-
Vijay Turumella
Chief Financial Officer
PAN: ADBPT2833L
Date: 28 April, 2023

Sd/-
Suzette Pereira
Company Secretary
M No. A46491
Date: 28 April, 2023

Balance sheet abstract and general business profile

I. Registration Details

Registration No.		State Code	
26442		01	
Balance Sheet Date	Date	Month	Year
	31	03	2023

II. Capital raised during the Year

(Amount in INR Thousands)

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

III. Position of Mobilisation and Deployment of Funds

(Amount in INR Thousands)

Total Liabilities	Total Assets
11721837	11721837

IV. Sources of Funds:

(Amount in INR Thousands)

Paid-up Capital	Reserve & Surplus	Reserve Fund
1238220	1171704	233731
Non-Current Liabilities	Current Liabilities	
4517296	4560886	

V. Application of Funds:

(Amount in INR Thousands)

Net Fixed Assets	Investments
1530	888299
Non Current Assets	Current Assets
5747408	5083858
Accumulated Losses	Deferred Tax Asset
-----	742

VI. Performance of the Company

(Amount in INR Thousands)

Turnover	Total Expenditure
1085361	610933
Profit/(Loss) before Tax	Profit/(Loss) after Tax
474428	349631
Earning per share in INR	Dividend(%)
2.26	2

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

(As per monetary terms)

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



Notice to shareholders

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of **NABSAMRUDDHI Finance Limited** will be held **on Monday, 28 August 2023 at 12.30 pm** through Video Conference/Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at NABARD Regional Office, 1-1-61, Yeduguri Chambers, RTC 'X' Roads, Hyderabad-500020.

ORDINARY BUSINESS

1. To receive, consider, and adopt the audited financial statements for the financial year ended 31 March 2023 and the Reports of the Board of Directors and Auditors thereon.
2. To approve Final Equity Dividend for the Financial Year ended 31 March 2023.

"RESOLVED THAT a final dividend @ 2% i.e. (Rs. 0.20/equity share of FV Rs.10/- each) on the paid up equity share capital of INR 123,82,19,880/- (Rupees One Hundred and Twenty-Three crores Eighty Two lakh Nineteen thousand Eight Hundred and Eighty only) amounting to INR 2,47,64,398/- (Rupees Two Crores Forty Seven Lakh Sixty Four Thousand Three Hundred and Ninety Eight only) on pro-rata basis for the Financial Year ended 31 March 2023 as recommended by the Board of Directors be and is hereby declared."

3. To appoint a Director in place of Shri Kapudasi Dharmiah (DIN: 06750302) who retires by rotation and being eligible, offers himself for re-appointment.

"RESOLVED THAT appointment of Shri Kapudasi Dharmiah (DIN: 06750302) as Nominee Director, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby approved.

4. To appoint the Statutory Auditors of the Company for FY 2023-24:

"RESOLVED THAT pursuant to Section 139 (5) and other applicable provisions, if any, of the Companies Act, 2013, the appointment of Statutory Auditors of the Company for the year 2023-24 as may be proposed by the Comptroller and Auditor General of India (CAG) be and is hereby approved, on such remuneration as may be fixed by the Board of Directors of the Company and further resolved that the aforesaid Auditors as may be appointed by the CAG under Section 139 (5) of the Companies Act, 2013 shall hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company"

SPECIAL BUSINESS

5. Re-appointment of Dr. Ushamani P. (DIN: 09138953) Managing Director

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the shareholders hereby approve the re-appointment of Dr. Ushamani P (DIN: 09138953) as Managing Director of the Company (whose office shall not be liable for retirement by rotation), under the Companies Act, 2013, with effect from 06 May 2023, subject to the superintendence, control and direction of Board of Directors, and that Dr. Ushamani P, Managing Director be entrusted with substantial powers of

management in respect of the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may be entrusted from time to time to or conferred upon her by the Board. Dr. Ushamani P shall be paid remuneration as per the terms and conditions of staff on deputation from National Bank for Agriculture & Rural Development (NABARD) subject to the limits provided under Schedule V of the Companies Act, 2013."

6. Re-appointment of Shri Ravi Krishan Takkar (DIN: 07734571) as Independent Director for a second term

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time, Shri Ravi Krishan Takkar (DIN: 07734571), who was appointed as an Independent Director of the Company for a term of 3 (three) consecutive years commencing from 2 November 2019 to 1 November 2022 (both days inclusive) and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company commencing from 02 December 2022 to 01 December 2027 (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

7. Re-appointment of Shri Arvind Kumar Jain (DIN: 07911109) as Independent Director for a second term

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time, Shri Arvind Kumar Jain (DIN: 07911109), who was appointed as an Independent Director of the Company for a term of 3 (three) consecutive years commencing from 25 March 2020 to 24 March 2023 (both days inclusive) and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company commencing 25 March 2023 to 24 March 2028 (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

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

"RESOLVED THAT in accordance with, the provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the Rules made thereunder, (including any statutory modification(s) or re-

enactment thereof for the time being in force), and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Shri Subrata Gupta (DIN : 06833844), who was appointed as an Additional Director of the Company with effect from 02 December 2022 pursuant to Section 161 of the Act and Article 103 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a term up to 2 (two) consecutive years with effect from 02 December 2022 to 01 December 2024 (both days inclusive)."

9. Appointment of Shri Lalit Kumar Vaid (DIN: 10065080) as Independent 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 149, 152 and 161(1) of the Companies Act, 2013 (the Act), read with the Articles of Association of the Company and other applicable provisions (including any statutory modification or re-enactment thereof for the time being in force); Shri Lalit Kumar Vaid (DIN: 10065080), who was appointed by the Board of Directors as an Additional Independent Director of the Company with effect from 28 April 2023 and who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for a term of three (03) years, with effect from 28 April 2023 to 27 April 2026 (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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10. Appointment of Shri S Manikumar (DIN: 08956660) as Nominee 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 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), and as per Articles of Association of the Company, Shri S Manikumar (DIN: 08956660), who was appointed as Director up to the conclusion of this Annual General Meeting and being eligible, and upon recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, be and is hereby appointed as a Nominee Director of the Company, not liable to retire by rotation."

By the order of the Board
For NABSAMRUDDHI Finance Limited

Place: Mumbai
Date: 26 July 2023

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

Sd/-
Dr. Ushamani P
Managing Director
DIN No. 09138953

Notes

- 1) The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 05 May 2020 read with General Circular No. 14/2020 dated 08 April, 2020 and General Circular No. 17/2020 dated 13 April 2020 and General Circular No. 02/2021 dated 13 January 2021 and General Circular No 2/2022 dated 05 May 2022 and General Circular No 10/2022 dated 28 December 2022, has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) upto 30 September 2023. In accordance with the said circulars of MCA, the 26th AGM of the Company shall be conducted through VC / OAVM. The procedure for participating in the meeting through VC / OAVM is explained below.
- 2) As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
- 3) Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Authorised Letter authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at cs.nabsamruddhi@nabard.org.
- 4) The Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act, the Register of Contracts with Related party, and contracts and bodies etc. in which Directors are interested under Section 189 of the Act will remain available for inspection through electronic mode during the AGM, for which purpose Members are required to send an e-mail to cs.nabsamruddhi@nabard.org.

ELECTRONIC DISPATCH OF ANNUAL REPORT:

- 5) In accordance with the General Circular No. 20/2020 dated 5 May 2020, General Circular No. 2/2022 dated 05 May 2022 and General Circular No. 10/2022 dated 28 December 2022, issued by MCA owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members to their e-mail address.
- 6) Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at cs.nabsamruddhi@nabard.org along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to cs.nabsamruddhi@nabard.org.
- 7) The Notice of AGM, along with Annual Report for the financial year 2022-23, is available on the website of the Company at www.nabsamruddhi.in
- 8) Members will be provided with a facility to attend the AGM through VC / OAVM. The link for VC / OAVM will be sent via email to the Members.
- 9) For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.

- 10) Members who need assistance before or during the AGM with use of technology, can either contact Shri. Sumit Gupta, Chief Technology Officer at it.nabsamruddhi@nabard.org (contact number +91-8280027380); or contact Smt Suzette Pereira, Company Secretary at cs.nabsamruddhi@nabard.org (contact number +91-9892318600);
- 11) Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches;
- 12) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act;

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

- 13) As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at cs.nabsamruddhi@nabard.org. Questions / queries received by the Company till 5.00 p.m. on Friday, 25 August 2023 shall be considered and responded during the AGM.
- 14) The Members, whose names appear in the Register of Members are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on that date should treat this Notice of AGM for information purpose only.
- 15) All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection on the basis of the request being sent on cs.nabsamruddhi@nabard.org.

BOOK CLOSURE & PAYMENT OF DIVIDEND

- 1) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 18 August, 2023 to Thursday, 24 August, 2023 (both days inclusive) for purposes of payment of dividend, if approved by the Members at the said AGM to those Members whose names appears in the Register of Members as on 17 August, 2023. Shareholders are requested to provide Bank details to facilitate payment of dividend, etc., either in electronic mode or for printing on the payment instruments.
- 2) Pursuant to Finance Act, 2020, Dividend income will be taxable in the hands of the Members w.e.f April 01, 2020, and hence the Company is required to deduct tax at source (TDS) under sections 194/195 /196D of the Income Tax Act, 1961 (the I.T Act) at the time of distribution or payment of the said dividend. TDS rate depends upon the residential status and category of the Shareholder as well as documents submitted to the Company/RTA/Depository Participant.
- 3) Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends for 7 consecutive years are also liable to be transferred to the Demat account of the IEPF Authority. Members who have so far not claimed the dividends are requested to make claim with the Company immediately as no claim shall lie against the Company in respect of individual amounts/ shares once credited to the said IEPF.

DEMATERIALIZATION OF SHARES

- 1) As per the Ministry of Corporate Affairs notification dated 10th September 2018, Sub rule 3 of Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014 states that-

Every holder of securities of an unlisted public company,

- (a) who intends to transfer such securities on or after 2nd October, 2018, shall get such securities dematerialised before the transfer; or
- (b) who subscribes to any securities of an unlisted public company (whether by way of private placement or bonus shares or rights offer) on or after 2nd October, 2018 shall ensure that all his existing securities are held in dematerialized form before such subscription.

Members holding shares in physical form are requested to consider converting their holding to dematerialized form at the earliest.

By Order of the Board of Directors
FOR NABSAMRUDDHI Finance Limited

Sd/-

Dr. Ushamani P
Managing Director
DIN No. 09138953

Date: 26 July 2023

Place: Mumbai

Corporate Office:

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

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

NABARD vide their letter No.NB.HRMD.PA/4638/ST-34 (DEP -NABSAM)/2021-22 dated 19 April 2021 deputed Dr. Ushamani P., General Manager, NABARD, to take charge as Managing Director on the Board of the Company and subsequently vide letter No. NB.HRMD.PA/2743/ST-34 (DEP-NABSAM) 2023-24 dated 24 April 2023 have advised that the term of service of Dr. Ushamani P as Managing Director of the Company be further extended till 31 August 2023.

Pursuant to the recommendation of the Nomination and Remuneration Committee and provisions of Sections 196, 197 and 203 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the Board of Directors extended the appointment of Dr. Ushamani P. as Managing Director of the Company till 31 August 2023 subject to the approval of the shareholders.

Dr. Ushamani P. has given her consent to be re-appointed as a Managing Director. She meets the Fit and Proper Criteria expressly set out by RBI and Company's Policy on Fit and Proper Criteria for Directors. The Board recommends extension of appointment of Dr. Ushamani P. as Managing Director and propose to pass the resolution set out in Item No. 5 of the notice as an Special Resolution on a remuneration and perquisites, allowances and such other terms and conditions as specified by NABARD vide its letter dated No.NB.HRMD.PA/4638/ST-34 (DEP -NABSAM)/2021-22 dated 19 April 2021 together with facilities/incentives including any modifications from time to time provided that the total remuneration shall not exceed the applicable limit specified under section 197 read with Schedule V and any other applicable provisions of the Companies Act, 2013. The terms and conditions of appointment shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday.

Except Dr. Ushamani P., none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 5 of the Notice.

Item No. 6

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, reappointed Shri Ravi Krishan Takkar (DIN : 07734571) as an Additional Director (Non-Executive and Independent Director) of the Company, with effect from 02 December 2022 under Section 149, 150 and 152 of the Companies Act, 2013 and Article 103 of the Articles of Association of the Company. Shri Ravi Krishan Takkar shall hold office up to the date of forthcoming Annual General Meeting and is eligible to be reappointed as an Independent Director for a term up to (5) five consecutive years.

The Nomination and Remuneration Committee recommended the reappointment of Shri Ravi Krishan Takkar as an Independent Director of the Company. The Company has also received a declaration of independence from Shri Ravi Krishan Takkar. In the opinion of the Board, Shri Ravi Krishan Takkar fulfills the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 for being eligible for his reappointment. Shri Ravi Krishan Takkar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. The terms and conditions of appointment shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday. A brief profile of Shri Ravi Krishan Takkar, including nature of his expertise, is enclosed below. The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, the Board recommends the resolution in relation to reappointment of Shri Ravi Krishan Takkar as an Independent Director for period up to 5 (five) consecutive years with effect from 02 December 2023 for the approval by the Members of the Company. Except Shri Ravi Krishan Takkar, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice. The Board recommends the Special Resolution set out at Item No. 6 for the approval of Members.

Brief profile of Shri Ravi Krishan Takkar

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

Item No. 7

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, reappointed Shri Arvind Kumar Jain (DIN : 07911109) as a Director (Non-Executive and Independent Director) of the Company, with effect from 25 March 2023 under Section 149, 150 and 152 of the Companies Act, 2013 and Article 103 of the Articles of Association of the Company. Shri Arvind Kumar Jain shall hold office up to the date of forthcoming Annual General Meeting and is eligible to be reappointed as an Independent Director for a term up to (5) five consecutive years.

The Nomination and Remuneration Committee recommended the reappointment of Shri Arvind Kumar Jain as an Independent Director of the Company. The Company has also received a declaration of independence from Shri Arvind Kumar Jain. In the opinion of the Board, Shri Arvind Kumar Jain fulfills the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 for being eligible for his reappointment. Shri Arvind Kumar Jain is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. A brief profile of Shri Arvind Kumar Jain, including nature of his expertise, is enclosed below. The terms and conditions of appointment shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday. The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, the Board recommends the resolution in relation to reappointment of Shri Arvind Kumar Jain as an Independent Director for period up to 5 (five) consecutive years with effect from 25 March 2023 for the approval by the Members of the Company. Except Shri Arvind Kumar Jain, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice. The Board recommends the Special Resolution set out at Item No. 7 for the approval of Members.

Brief profile of Shri Arvind Kumar Jain

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

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

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

Item No. 8

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Shri Subrata Gupta (DIN : 06833844) as an Additional Director (Non-Executive Director) of the Company, with effect from 02 December 2022 under Section 152 and 161 of the Companies Act, 2013 and Article 103 of the Articles of Association of the Company. Shri Subrata Gupta shall hold office up to the date of forthcoming Annual General Meeting and is eligible to be appointed as an Non-Executive Director for a term up to (2) two consecutive years.

The Nomination and Remuneration Committee recommended the appointment of Shri Subrata Gupta as a Non-Executive Director of the Company. The Company has also received a declaration of independence from Shri Subrata Gupta. In the opinion of the Board, Shri Subrata Gupta is not disqualified from being appointed as a Director in terms of Section 164 of

the Companies Act, 2013 and has given his consent to act as a Director. A brief profile of Shri Subrata Gupta, including nature of his expertise, is enclosed below. The terms and conditions of appointment shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday. The Board considers that his association would be of immense benefit to the Company. Accordingly, the Board recommends the resolution in relation to appointment of Shri Subrata Gupta as a Non-Executive Director of the Company w.e.f 02 December 2022 for the approval by the Members of the Company. Except Shri Subrata Gupta, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 8 for the approval of Members.

Brief Profile of Shri Subrata Gupta

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

Item No. 9

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Shri Lalit Kumar Vaid (DIN : 10065080) as an Additional Director (Non-Executive and Independent Director) of the Company, with effect from 28 April 2023 under Section 149, 150 and 152 of the Companies Act, 2013 and Article 103 of the Articles of Association of the Company. Shri Lalit Kumar Vaid shall hold office up to the date of forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to (3) three consecutive years.

The Nomination and Remuneration Committee recommended the appointment of Shri Lalit Kumar Vaid as an Independent Director of the Company. The Company has also received a declaration of independence from Shri Lalit Kumar Vaid. In the opinion of the Board, Shri Lalit Kumar Vaid fulfills the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 for being eligible for his appointment. Shri Lalit Kumar Vaid is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. A brief profile of Shri Lalit Kumar Vaid, including nature of his expertise, is enclosed below. The terms and conditions of appointment shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday. The Board considers that his association would be of immense benefit to the Company. Accordingly, the Board recommends the resolution in relation to appointment of Shri Lalit Kumar Vaid as an Independent Director for period up to 3 (three) consecutive years with effect from 28 April 2023 for the approval by the Members of the Company. Except Shri Lalit Kumar Vaid, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 9 for the approval of Members.

Brief profile of Shri Lalit Kumar Vaid

Shri Lalit Kumar Vaid, M.Sc.(Chemistry) and CAIIB, is a retired General Manager of Canara Bank and was the Chairman in Shreyas Grameen Bank. He also worked as the Chief Vigilance Officer in The New India Assurance Company Ltd. He has approximately 36 years of experience in the Banking and Finance sector.

Item No. 10

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Shri S. Manikumar (DIN :0008956660), nominee of NABARD, as Director of the Company, with effect from 26 July 2023 under Section 152 and 161 of the Companies Act, 2013 and Article 103 of the Articles of Association of the Company. Shri S. Manikumar shall hold office up to the date of forthcoming Annual General Meeting.

Shri S. Manikumar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. A brief profile of Shri S. Manikumar, including nature of his expertise, is enclosed below. Except Shri S. Manikumar, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 10 for the approval of Members.

Brief profile of Shri S. Manikumar

Shri S. Manikumar is a Fellow Member of the Institute of Cost Accountants of India, he also holds an MBA (Finance), MS (Banking), Advanced PG Diploma in Computer Applications and is a Certified Associate of the Indian Institute of Banking and Finance.

He has more than 3 decades' experience in the Banking and Financial Services space, especially in the areas of decentralized credit planning, financial management, rural innovations, microfinance and financial inclusion, integrated risk management, HR transformation, banking technologies and structuring of new financial products.

PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING

i.) Dr. Ushamani P

Name of Director	Dr. Ushamani P
DIN	09138953
Age	59 years
Qualification	PhD in Agriculture, CAIIB
Experience (including experience in specific function areas)	31 years approx
Date of first appointment on the Board	06 May 2021
Shareholding in the Company as on date of the Notice	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Boards as attended during the financial year	10
Directorships of other Boards as on date	NIL
Membership/Chairmanship of Committees of other Boards as on date	NIL

ii.) Sri Ravi Krishan Takkar

Name of Director	Shri Ravi Krishan Takkar
DIN	07734571
Age	64 years
Qualification	BCom (Hons), LLB, CAIIB, PGDIBM
Experience (including experience in specific function areas)	42 years approx
Date of first appointment on the Board	02 November 2019 to 01 November 2022 (first term)
Shareholding in the Company as on date of the Notice	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the financial year	10
Directorships of other Boards as on date	1. LIC Housing Finance Limited
Membership/Chairmanship of Committees of other Boards as on date	LIC Housing Finance Limited <ul style="list-style-type: none"> • Executive Committee • Chairman of Nomination and Remuneration Committee • Chairman of Risk Management Committee

iii.) **Sri Arvind Kumar Jain**

Name of Director	Shri Arvind Kumar Jain
DIN	07911109
Age	66 years
Qualification	Bsc (Hons), Msc Statistics, LLB, CAIIB
Experience (including experience in specific function areas)	44 years approx
Date of first appointment on the Board	25 March 2020 to 24 March 2023 (first term)
Shareholding in the Company as on date of the Notice	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the financial year	10
Directorships of other Boards as on date	<ol style="list-style-type: none"> 1. ICAI Registered Valuers Organisation 2. PNB Metlife India Insurance Company Limited 3. SIDBI Venture Capital Limited 4. PNB Investment Services Limited 5. IFCI Limited 6. Bank of India Trustee Services 7. IFCI Venture Capital Funds 8. Usha Financial Services Limited
Membership/Chairmanship of Committees of other Boards as on date	<p>PNB Metlife India Insurance Company Limited</p> <ul style="list-style-type: none"> • Investment Committee- Member <p>SIDBI Venture Capital Limited</p> <ul style="list-style-type: none"> • Nomination and Remuneration Committee- Member • CSR Committee- Member <p>IFCI Venture Capital Funds</p> <ul style="list-style-type: none"> • Audit Committee- Member • Nomination and Remuneration Committee- Member • Executive Committee and NPA review Committee- Member • Risk and ALM Committee- Chairman • NPA review Committee- Member <p>PNB Investment Services Limited</p> <ul style="list-style-type: none"> • Audit Committee- Chairman • Nomination and Remuneration Committee- Member • CSR Committee- Member • RMC Committee- Member <p>IFCI Limited</p> <ul style="list-style-type: none"> • Audit Committee- Member • Nomination and Remuneration Committee- Chairman • Stakeholders Relationship Committee- Chairman • Review Committee on Willful Defaulters - Member • Review on Non-Cooperative borrowers and Recovery/ NPA management Committee- Member • Executive Committee- Member <p>Bank of India Trustee Services Private Limited</p> <ul style="list-style-type: none"> • Audit Committee, Member • RMC Committee, Member <p>Usha Financial Services Limited</p> <ul style="list-style-type: none"> • Audit Committee, Member • Nomination and Remuneration Committee, Member.

iv.) **Shri Subrata Gupta**

Name of Director	Shri Subrata Gupta
DIN	06833844
Age	64 years
Qualification	MSc degree in Agriculture and PGDM from IIM Ahmedabad
Experience (including experience in specific function areas)	38 years approx
Date of first appointment on the Board	26 November 2019 till 25 November 2022
Shareholding in the Company as on date of the Notice	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the financial year	10
Directorships of other Boards as on date	1. Jagaran Microfinance Limited
Membership/Chairmanship of Committees of other Boards as on date	Jagaran Microfinance Limited <ul style="list-style-type: none"> • Risk Management Committee- Chairman • IT Strategy Committee-Chairman

v.) **Shri Lalit Kumar Vaid**

Name of Director	Shri Lalit Kumar Vaid
DIN	10065080
Age	66 years
Qualification	MSc (Chemistry), CAIIB
Experience (including experience in specific function areas)	36 years approx
Date of first appointment on the Board	NA
Shareholding in the Company as on date of the Notice	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the financial year	NIL (FY 22-23)
Directorships of other Boards as on date	NIL
Membership/Chairmanship of Committees of other Boards as on date	NIL

vi.) **Shri Manikumar S**

Name of Director	Shri Manikumar S
DIN	08956660
Age	53 years
Qualification	ICMAI, MBA (Finance), MS(Banking), Advanced PG Diploma in Computer Applications, CAIIB.
Experience (including experience in specific function areas)	30 years approx.
Date of first appointment on the Board	Nil
Shareholding in the Company as on date of the Notice	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the financial year	NIL
Directorships of other Boards as on date	1. National Commodity and Derivatives Exchange of India
Membership/Chairmanship of Committees of other Boards as on date	1. National Commodity and Derivatives Exchange of India <ul style="list-style-type: none"> • Capital Raising Committee – Member • Business Strategy Committee- Member • Corporate Social Responsibility Committee- Member • Stakeholders Relationship Committee- Member • Farmers' Engagement Group- Chairman



Events & Celebrations

25th AGM



Climate Risk Awareness Workshop



Dividend



Motivational Workshop



Sa-dhan & Water.org WASH award



Various conclaves / workshops





PHOTO CREDITS:

@Annapurna Finance Pvt. Ltd.

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@AVIOM India Housing Finance Private Limited

@Cashpor Micro Credit

@Caspian Impact Investment Pvt. Ltd.

@ Credit Wise Capital Private Limited

@ Digamber Capfin Limited

@Grameen Shakti Microfinance Services Pvt. Ltd.

@Jagaran Microfin Pvt. Ltd.

@ Lok Suvidha Finance Limited

@ Mitrata Inclusive Financial Services Pvt. Ltd.

@Muthoot Micofin Limited

@Sahayog Development Services

@Sanghamitra Rural Financial Services

@ Unitus Capital Inclusive Credit Private Limited





NABSAMRUDDHI FINANCE LIMITED

A Subsidiary of NABARD

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