



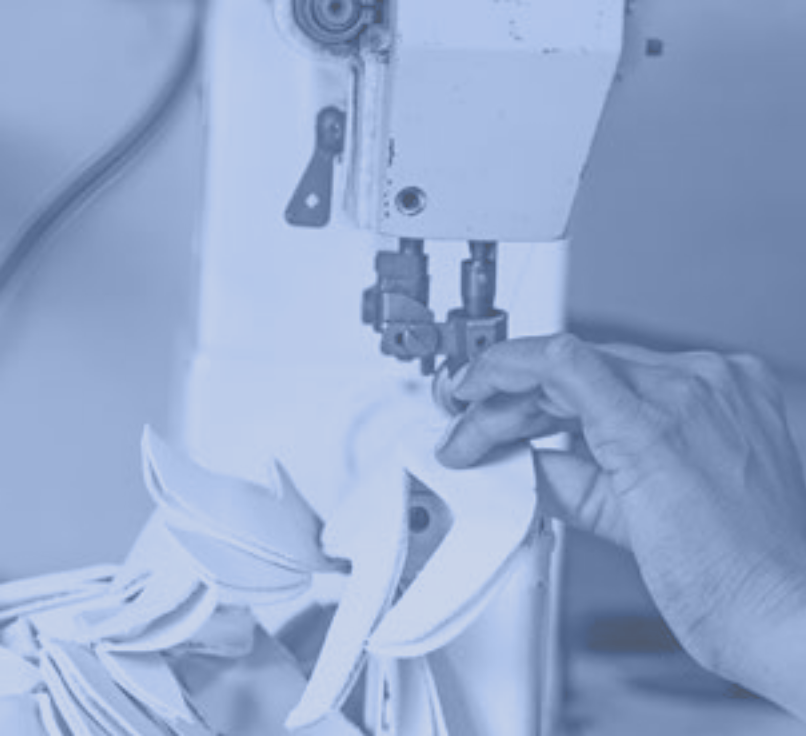
NABSAMRUDDHI FINANCE LIMITED
A Subsidiary of NABARD

ANNUAL REPORT 2023-24

Empowering Resilience







NABSAMRUDDHI FINANCE LIMITED
A Subsidiary of NABARD

ANNUAL REPORT 2023-24

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 has equity participation from the National Bank for Agriculture and Rural Development (NABARD), Union Bank of India, Canara Bank, Government of Andhra Pradesh, Government of Telangana 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	Smt. Bonani Roychoudhury
6.	Chief Operating Officer	Shri Maheep Panwar
7.	Chief Financial Officer	Shri L S Naveenkumar
8.	Company Secretary and Compliance Officer	Smt. Suzette Pereira
10.	Statutory Auditors	M/s Tukaram & Co LLP H No- 3-6-69/209,409, Venkatarama Towers, Basheerbagh, Hyderabad 500029

Board of Directors

Shri Ravi Krishan Takkar	- Independent Director & Chairman
Shri Manikumar S	- Nominee Director
Shri Subrat Kumar Nanda	- Nominee Director#
Shri Partho Saha	- Nominee Director#
Shri Kapudasi Dharmiah	- Nominee Director
Shri Arvind Kumar Jain	- Independent Director
Shri Lalit Vaid	- Independent Director
Shri Subrata Gupta	- Non-Executive Director
Smt. Bonani Roychoudhury	- Managing Director#

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

Management Team

Shri. Maheep Panwar	- Chief Operating Officer
Shri L S Naveenkumar	- Chief Financial Officer
Smt. Alisha Varghese	- Senior Vice President- Business Strategy & Product Development
Smt. Forum Parekh	- Senior Vice President- Credit
Smt. Arti	- Vice President
Smt. Rajitha A.	- Assistant Vice President- Accounts and Finance
Shri. Sumit Gupta	- Chief Information Security Officer/ Chief Technical Officer
Smt. A. Laxmi Bai	- Internal Auditor

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. Lalit Kumar Vaid-Chairman Shri.Ravi Krishan Takkar Smt. Bonani Roychoudhury

Committee	Member
Nomination and Remuneration	Shri. Arvind Kumar Jain - Chairman Shri. Lalit Kumar Vaid Shri. Partho Saha Smt. Bonani Roychoudhury

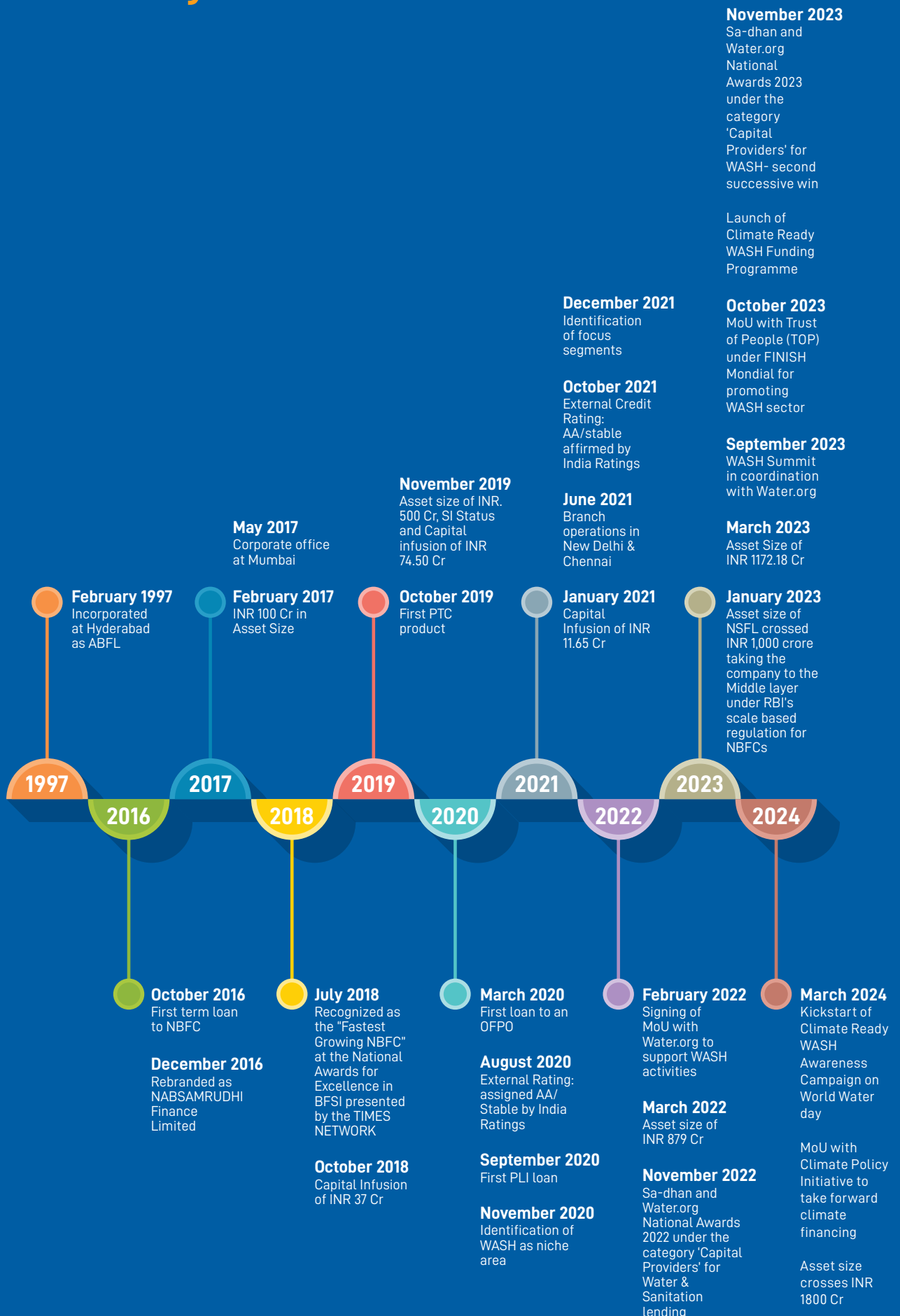
Committee	Member
Corporate Social Responsibility Committee	Shri. Lalit Kumar Vaid-Chairman Shri. Arvind Kumar Jain Shri. Subrat Kumar Nanda Smt. Bonani Roychoudhury

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Committee	Member
Risk Management Committee	Shri. Subrata Gupta- Chairman Shri. Ravi Krishan Takkar Shri. Manikumar S Smt Arpita Bhattacharjee, Authorized Representative of RMD, NABARD Smt. Bonani Roychoudhury

Committee	Member
IT Strategy Committee	Shri. Ravi Krishan Takkar- Chairman Shri. Subrata Gupta Shri. Partho Saha Smt. Savita VCRS, Authorized Representative of DIT, NABARD Smt. Bonani Roychoudhury Shri. Maheep Panwar Shri. Sumit Gupta

Journey

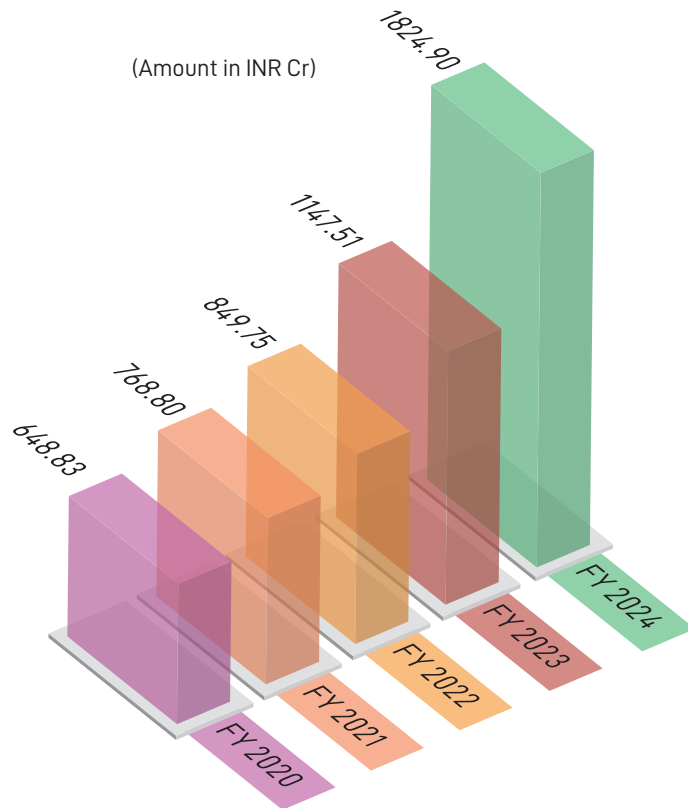


Business Highlights

ASSET SIZE

CAGR: 29.50%

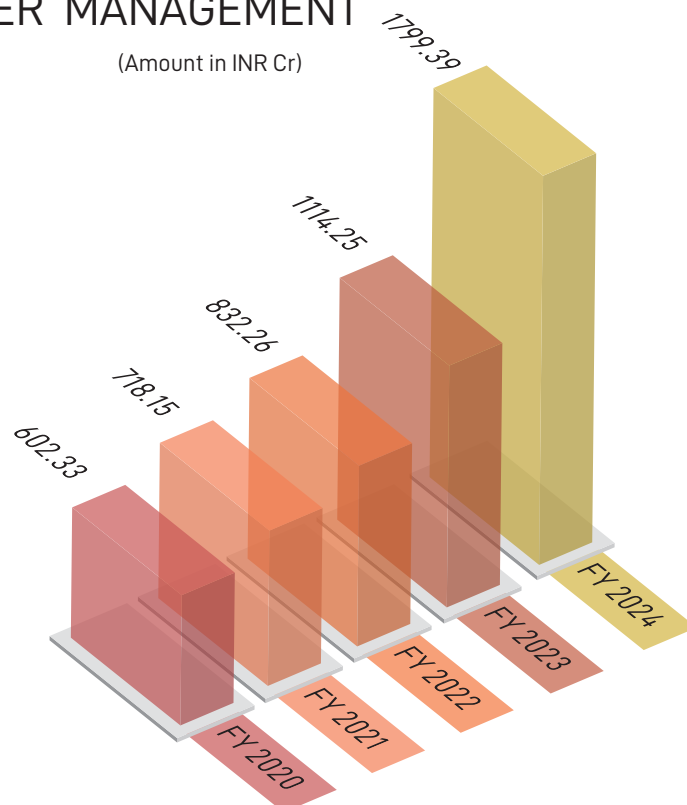
(Amount in INR Cr)



ASSET UNDER MANAGEMENT

CAGR: 31.47%

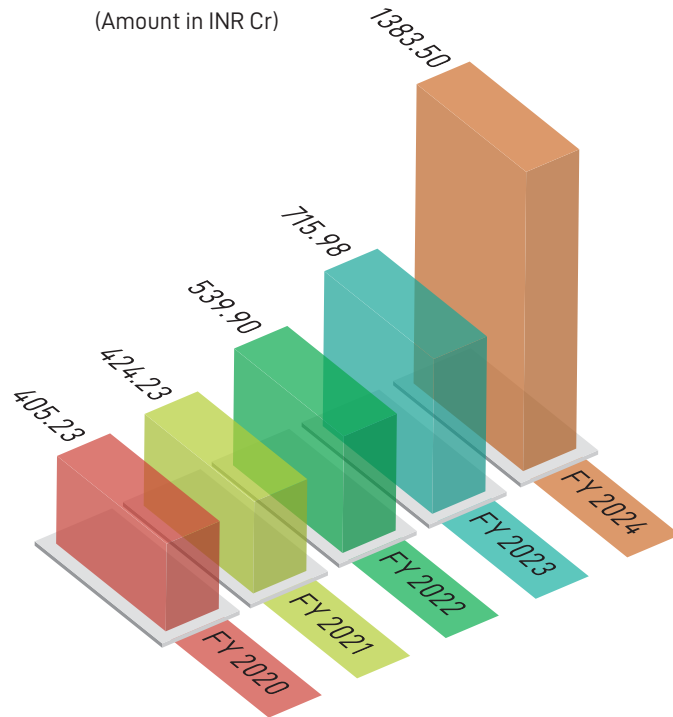
(Amount in INR Cr)



DISBURSEMENTS (Loan + PTC)

CAGR: 35.93%

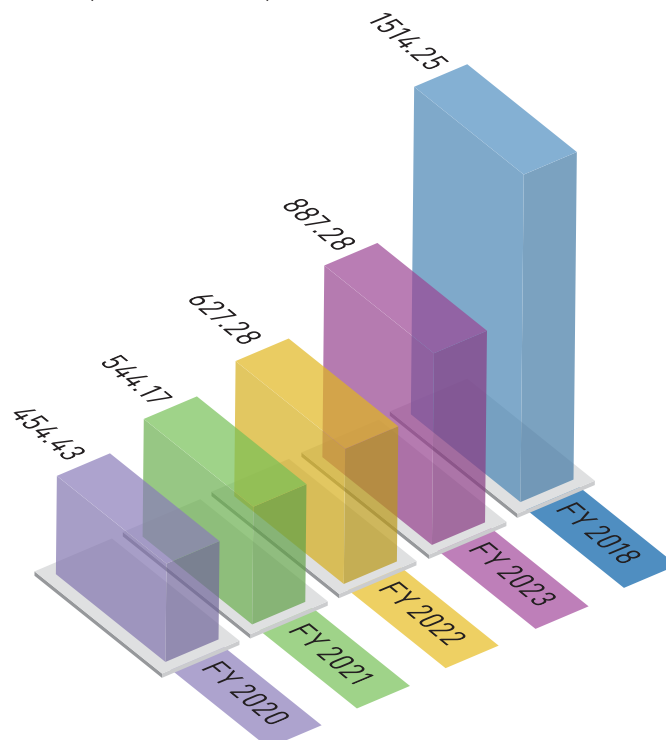
(Amount in INR Cr)



BORROWINGS

CAGR: 35.11%

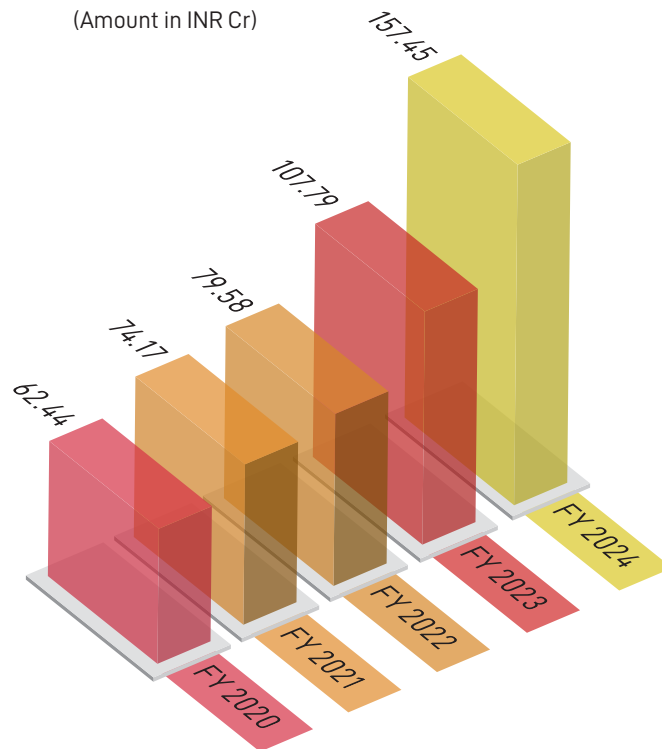
(Amount in INR Cr)



GROSS REVENUE

CAGR: 26.01%

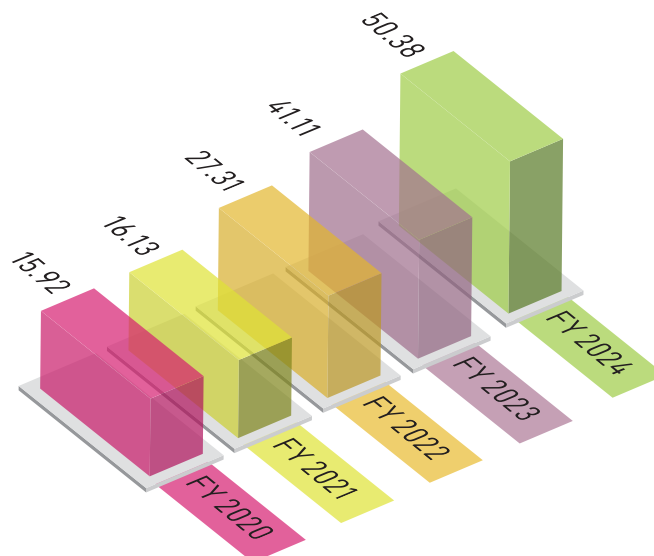
(Amount in INR Cr)



PAT

CAGR: 33.38%

(Amount in INR Cr)



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From the Chairman's Desk

Dear Shareholders,

As we gather for the Twenty Seventh Annual General Meeting of your Company, it is my privilege to present a year that has been truly transformative for our company.

Our journey over the past year has been marked by remarkable growth and achievement. Our asset base has expanded by an impressive 60%, surpassing the asset size of INR 1800 Cr. This growth is not just about numbers; it signifies our commitment to making a meaningful impact on the lives of over 3 lakh end beneficiaries through more than 80 Financial Institution partners across 25 States and 5 UTs.

Water, Sanitation & Hygiene (WASH), identified as a key focus area during FY 2021-22, has emerged as a champion segment and now constitutes for 15% of our total AUM as on 31 March 2024. More significantly, we take pride in NSFL's role as a pioneering eco-system builder in WASH funding, encompassing all sectors and covering the last mile.

Throughout this transformative journey, we have remained steadfast in upholding the principles of exemplary corporate governance. We continuously reviewed our policies, Standard Operating Procedures (SOPs) and systems to align with evolving statutory, regulatory and governance requirements.

I am grateful for the unwavering support and collaboration extended by NABARD, which has been pivotal in our growth trajectory, providing not just financial backing but also essential infrastructure and human resources.

Behind every milestone achieved stands our Board of Directors, whose strategic guidance and unwavering support have been indispensable. Their collective wisdom and vision have steered NSFL through challenges and positioned us to capitalize on opportunities within our ecosystem.

I express my sincere thanks to our valued shareholders for their unwavering trust and confidence in NSFL. Your support motivates us to push boundaries, innovate and deliver sustainable value.

Thank you for your continued partnership and belief in our shared mission.

Best Wishes,

Ravi Krishan Takkar
Chairman



Letter from the Managing Director

Dear Shareholders,

I am delighted to share that NABSAMRUDDHI has once again demonstrated stellar performance reflected in exceptional business growth as well as impact creation during the financial year 2023-24. It is with immense pleasure and deep appreciation that I present, on behalf of the Board of NABSAMRUDDHI Finance Limited (NSFL), the 27th Annual Report for the financial year 2023-24.

During the year, our Assets Under Management (AUM) reached INR 1800 Crore, marking a significant 60% increase from INR 1114 Crore the previous year. Our profitability has been robust, with a profit after tax (PAT) of nearly INR 50 Crore, reflecting a strong year-on-year growth of 23%.

Our growth extends beyond just numbers; we have broadened our network of partners significantly and widened our ultimate client base. We are pleased to share that we have extended direct credit facilities to 50 institutional clients, including 18 new entities, bringing our total to 94 partners across 16 States and 1 Union Territory. These partnerships collectively have impacted over 3,00,000 ultimate beneficiaries.

This progress is underpinned by a remarkable increase in disbursements, which surged to INR 1384 Crore from INR 716 Crore the year before. Noteworthy is our focus on Green & Wellness finance, Fabrics & Textiles value chain, and Handicrafts value chain, with disbursements of approximately INR 350 Crore, including INR 160 Crore disbursed towards WASH activities.

In addition to our business achievements, NSFL has played a pivotal role as an ecosystem builder in WASH funding by connecting with relevant partners, enhancing the market for the sector while also pioneering the Climate Ready WASH Funding Programme during the year. We have actively supported this initiative through awareness campaigns, exposure visits and participation in various panel discussions and workshops. Our financial interventions have significantly contributed to reducing CO2 emissions, increasing household incomes and savings, improving health outcomes, promoting gender equity and enhancing access to education.

Our dedication to excellence has been recognized with the Sa-Dhan Water.org 'Water and Sanitation (WASH) Financing Award, 2023' under the capital providers category, marking this our second consecutive win.

True to our ethos, we remain committed to continual growth and exploration of new avenues to make a meaningful impact. At NSFL, we are driven to fulfil our promise with even greater impact and enthusiasm.

Additionally, we have successfully transitioned from IGAAP to Ind-AS accounting standards for FY 2023-24 and are in the process of streamlining our IT systems, which we expect to fully operationalize within this year.

I wish to convey my sincere appreciation to all our partners, the Board of Directors, and our shareholders for your unwavering support and trust in NSFL. Your steadfast confidence has been instrumental to our success. We look forward to your ongoing support as we continue to improve our performance and reach our shared objectives.

Best Wishes,

Bonani Roychoudhury
Managing Director

Board of Directors



Shri Ravi Krishan Takkar



Shri Manikumar S



Shri Subrat Kumar Nanda



Shri Partho Saha



Shri Arvind Kumar Jain



Shri Lalit Kumar Vaid



Shri Subrata Gupta



Shri Kapudasi Dharmiah



Smt. Bonani Roychoudhury

Directors' Report

Dear Members,

Your Board of Directors are pleased to present the Twenty-Seventh Annual Report of NABSAMRUDDHI Finance Limited ("Company") together with the Annual Audited Accounts for the financial year ended 31 March 2024. 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 2024 as compared to the previous year is summarised below:

(INR in Crore)			
Particulars	2023-24	2022-23	Growth/Decline %
Total Asset Size	1824.90	1147.51	59.03
Total AUM	1799.39	1114.25	61.49
Total Income	157.45	107.79	46.07
Profit/(Loss) before Tax	66.51	54.49	22.05
Less: Tax expenses	16.07	13.36	20.28
Profit/(Loss) after Tax	50.44	41.13	22.63

**Figures have been rounded off, wherever necessary, to the nearest decimal and are as per IND AS.*

2. Review of Financials

The Company has prepared its financials in accordance with IndAS accounting standards. For the purposes of transition to IndAS, the Company has followed the guidance prescribed in IndAS 101, First-Time Adoption of Indian Accounting Standards with 1 April 2022 as the transition date.

- The total income of the Company was INR 157.44 crore during 2023-24 as against INR 107.79 crore during 2022-23, indicating a y.o.y growth of 46.07%;
- The net profit after tax during 2023-24 was INR 50.44 crore as compared to net profit after tax of INR 41.13 crore during 2022-23, indicating a y.o.y growth of 22.63%;
- The total assets of the Company increased to INR 1824.90 crore as on 31 March 2024 from INR. 1147.51 crore as on 31 March 2023, indicating a y.o.y growth of 59.03%.

3. 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 2023-24 for approval of the shareholders in the ensuing Annual General Meeting of the Company.

4. 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 23-24.

5. Transfer to Reserve Fund

During financial year 2023-24, your Company has transferred an amount of INR 10.08 crore to reserve fund in accordance with the requirements of Section 45-IC(1) of the Reserve Bank of India Act, 1934.

6. 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.

The Board of Directors of the Company have approved the merger of the Company with Nabkisan Finance Limited (both subsidiaries of NABARD). The Company is in process of taking the necessary approvals for the same before filing the Scheme with the National Company Law Tribunal at Hyderabad.

7. Compliance with RBI Guidelines

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

8. 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, 2024.

9. Share Capital

a. Authorised Share Capital

The Authorised Share Capital of the Company as on 31 March 2024 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 2024, 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 2024 is as under:

Sr. No	Name of Shareholder	No. of Shares held	Amount (INR)	% of Share Capital
1	National Bank of 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	Sri K S Rao	100	1000	0.00
10	Sri M Venkataratnam	100	1000	0.00
11	Sri M Purushothama Chary	100	1000	0.00
12	Sri V Jalma Rao	100	1000	0.00
13	Sri A Krishna Murthy	100	1000	0.00
14	Sri J Krishna Murthy	2000	20000	0.00
	Total	12,38,21,988	1,23,82,19,880	100%

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

Pursuant to Section 186(11)(a) of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loans made, guarantee given or security provided in the ordinary course of business by a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such, the particulars of loans and guarantees have not been disclosed in this Report. The details of the Investments of the Company are furnished under Note 5 of Notes forming part of the Financial Statements for the year ended 31 March 2024.

11 Non acceptance of Deposits

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

12 Particulars of Borrowings

The Company raised debt in the form of refinance from NABARD to the tune of INR 1019.61 crore during 2023-24 as against INR 578.86 crore during the previous year, taking the refinance outstanding to INR 1365.38 crore compared to INR 836.12 crore in the previous year. The Company has also raised debt of INR 100 crore during 2023-24 from M/s Bajaj Finance Limited primarily for investment in Pass through certificates.

13. Particulars of Loans and Advances

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

14. Asset Quality

The outstanding of Non-Performing Assets (NPAs) as on 31 March 2024 was INR 2.16 crore. The Company has made a provision of INR 1.94 Cr for NPA accounts, (including a higher provision of INR 0.67 Cr). The Company has also made a cumulative provision of INR 10.79 Cr on Standard Assets.

15. 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.

16. 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>

17. Changes in Directors and Key Managerial Personnel

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

- Shri Lalit Kumar Vaid was appointed as an Independent Director for a first term of 3 years w.e.f. 28 April 2023. The appointment of Shri Lalit Kumar Vaid as an Independent Director for a period of 3 years was approved by the members at the 26th Annual General Meeting.

- Shri KS Raghupathi resigned as Nominee Director of the Company pursuant to withdrawal of nomination in view of superannuation from NABARD on 30 June 2023.
- Shri P V S Suryakumar, DMD NABARD resigned as Chairman and Director of the Company pursuant to superannuation on 31 July 2023.
- Dr. Ushamani Payyamballikandy, Chief General Manager, NABARD resigned as Managing Director of the Company pursuant to superannuation w.e.f. 30 August 2023.
- Smt. Bonani Roychoudhury, General Manager, NABARD was appointed as Additional Director and subsequently as Managing Director of the Company w.e.f. 11 September 2023. The approval of the members is being sought for the same at the upcoming Annual General Meeting.
- Shri Subrat Kumar Nanda, Chief General Manager, NABARD was appointed as Additional Nominee Director w.e.f. 29 September 2023. The approval of the members is being sought for the same at the upcoming Annual General Meeting.
- Shri Manikumar S, Chief General Manager, NABARD was appointed as Additional Nominee Director w.e.f. 26 July 2023 and approved by the members at the 26th Annual General Meeting.
- Shri Goverdhan Singh Rawat resigned as Nominee Director of the Company pursuant to withdrawal of nomination w.e.f. 15 February 2024.
- Shri Partho Saha, Chief General Manager, NABARD was appointed as Additional Nominee Director w.e.f. 26 February 2024. The approval of the members is being sought for the same at the upcoming Annual General Meeting.
- Shri Ravi Krishan Takkar was appointed as Chairman of the Company w.e.f. 28 August 2023.

The Board places on record its appreciation and gratitude for the invaluable contributions made by Shri PVS Suryakumar, Shri KS Raghupathi, Dr. Ushamani Payyamballikandy and Shri Goverdhan Singh Rawat during their tenure as Directors of the Company.

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

- Shri Vijay Turumella, ceased to be the Chief Financial Officer of the Company w.e.f. closure of business hours of 28 April 2023 pursuant to repatriation to NABARD.
- Shri LS Naveenkumar was appointed as Chief Financial Officer of the Company w.e.f. 02 May 2023.

The Board places on record its appreciation for the invaluable contributions made by Shri Vijay Turumella during his tenure as Chief Financial Officer of the Company.

Retirement by Rotation of the Directors

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

18. Meetings of Board of Directors and its Committees

Thirteen (13) meetings of the Board of Directors were held during the year under review. Details of Meetings of Board and its Committees along with attendance (Annexure I) thereat forms part of the Corporate Governance Report.

19. 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.

20. Independent Directors' Declaration

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

21. 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 30 April 2024.

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.

22. Independent Directors Meeting

During the year under review, a meeting of Independent Directors was held on 26 February 2024 as required under Companies Act, 2013 and matters as specified therein were discussed.

23. 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.

24. Auditors

A. Internal Audit

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 2023-24.

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 2024. 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 2023-24. The Secretarial Audit Report (MR-3) is published in this Annual Report. There are no qualifying remarks in the Secretarial Audit Report.

The Reserve Bank of India (RBI) had conducted the first ever inspection of the Company in FY 2022-23. The Compliance report to the observations made has been submitted to RBI.

National Bank of Agriculture and Rural Development (NABARD) had conducted its yearly inspection for the FY 2022-23 during the year under review. The Compliance for the observations made in the report have been furnished to NABARD.

25. Reporting of Frauds by Auditors

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

26. Audit by C&AG

Comptroller and Auditor General of India have forwarded their Comments certificate No. DGCA/A/c/Desk/2023-24,NFL/1.11/504 dated 02 September 2024 under Section 143(6)(b) of the Companies Act, 2013 on the accounts of the Company for the year ended 31st March 2024.

Comments by CAG and Management replies:

Comments on Cash Flow Statement

Adjustment for finance cost of INR 82.46 crore (including accrued amount of INR 47.54 lakh) was not made under Operating Activities as well as Financing Activities that resulted in understatement of cash flow from operating activities by INR 82.46 crore and overstatement of cash flow from investing activities by INR 81.98 crore.

Para 21 of Ind-As 7 says that an entity shall report separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities. Therefore, non-depiction of above amount under Financing Activities is not in accordance with provisions of Ind-AS 7. Hence the cash flow statement is deficient to that extent.

Management Reply:

Cash flow statement has been prepared as per the Indirect method by considering Profit before exceptional items and taxes. The finance cost has already been included while arriving at the Profit as an operating activity.

Para 21 of Ind AS – 7 read as 'An entity shall report separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities, except to the extent that cash flows described in paragraphs 22 and 24 are reported on a net basis'.

Para 31 of Ind AS – 7 read as 'Cash flows arising from interest paid and interest and dividends received in the case of a financial institution should be classified as cash flows arising from operating activities'

Para 21 requires the entities to report the interest expenses vs interest income on gross basis instead of net to net basis.

Para 31, specifically requires the financial institutions to classify the interest as operating activities instead of financing activities.

Therefore, we hereby confirm that the Cash flow statement presented by the company is in accordance with Ind AS – 7.

27. 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.

28. Associate and Subsidiary Companies

The Company does not have any subsidiary or associate company. Hence A0C-1 is not applicable to the Company.

29. 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.

30. 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.

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

The Company had not undertaken any activity relating to conservation of energy or technology absorption during the year 2023-24. The Company did not have any foreign exchange earnings or outgo during the year under review.

32. 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. The details of CSR expenditure and the Composition of the CSR Committee may be found in Annexure II.

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

33. Management Discussion and Analysis Report

Attached separately as Annexure IV.

34. Vigilance Mechanism

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

35. Policy on Sexual Harassment of Women at Workplace

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

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

37. Change in Nature of Business

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

38. Directors' Responsibility Statement

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

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

39. 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 are any of the proceedings pending under the Insolvency and Bankruptcy Code, 2016.

40. 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.

Attendance of Directors at Board Meetings held in 2023-24

Annexure I

Names of Directors	Total Attendance (in %)	28 April 2023	06 June 2023	15 June 2023	26 July 2023	28 August 2023	11 September 2023	29 September 2023	20 October 2023	29 November 2023	21 December 2023	30 January 2024	26 February 2024	20 March 2024	AGM held on 28 August 2023
Shri PVS Suryakumar	75	No	Yes	Yes	Yes	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Shri Goverdhan Singh Rawat	66.67	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	NA	NA	Yes
Shri KS Raghupathi	33.33	No	No	Yes	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Shri Manikumar S	80	NA	NA	NA	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes
Shri Subrat Kumar Nanda	85.71	NA	NA	NA	NA	NA	NA	Yes	No	Yes	Yes	Yes	Yes	Yes	NA
Shri Partho Saha	100	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Yes	Yes	NA
Shri Kapudasi Dharmiah	69.23	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	Yes
Shri Subrata Gupta	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Ravi Krishan Takkar	100	Yes	Yes	Yes	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	Yes	Yes	Yes
Shri Latit Kumar Vaid	92.31	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dr. Ushamani Payyambalikkandy	100	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	NA	NA	NA	NA	NA	Yes
Smt. Bonani Roychoudhury	100	NA	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA

41. 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, 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 rendered by the staff and executives during this year.

On behalf of the Board

For NABSAMRUDDHI Finance Limited

Sd/-

Ravi Krishan Takkar
Chairman
DIN: 07734571

Date: 04 September 2024

Place: Mumbai

Sd/-

Bonani Roychoudhury
Managing Director
DIN: 10305089

Annexure II

Annual Report on CSR Activities for the financial year ended 31 March 2024

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 (NABSAMRUDDHI) 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 2023-24 included:

- Water, Sanitation and Hygiene (WASH);
- Climate Change mitigation & adaptation;
- Education and Skill Development;
- Health Care
- Sustainable livelihoods

2. Composition of CSR Committee:

Sl. No	Name of Director	Designation/ Nature of Director	Number of meetings during year	
			Held	Attended
1.	Shri Lalit Kumar Vaid	Chairman	2	2
2.	Shri Arvind Kumar Jain	Member	2	2
3.	Shri Manikumar S*	Member	2	1
4.	Shri Subrata Gupta#	Member	2	0
5.	Shri Subrat Kumar Nanda^	Member	2	1
6.	Dr. Ushamani Payyambalikandy**	Member	2	1
7.	Smt. Bonani Roychoudhury^^	Member	2	1

* appointed as member w.e.f. 26 July 2023 and ceased to be member w.e.f. 20 October 2023

^ appointed as member w.e.f. 20 October 2023

ceased to be member w.e.f. 26 July 2023

** ceased to be member w.e.f. 30 August 2023

^^ appointed as member w.e.f. 11 September 2023

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.(a) Average net profit of the company as per section 135(5).

INR 35,15,14,,853/-

5.(b) Two percent of average net profit of the company as per section 135(5)-

INR 70,30,297/-

5.(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.-

NIL

5.(d) Amount required to be set off for the financial year, if any-

INR 2,07,511

5.(e) Total CSR obligation for the financial year (b+c-d)-

INR 68,22,786/-

6.(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)-

INR 30,45,564

i. Details of CSR amount spent against ongoing projects for the financial year:

1	2	4	5	6	7	8	9	10	11		
									Name	CSR Reg. No	
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	
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	WASH Project for Construction of Toilets in three schools	No	Surguja, Chattisgarh	Ambikapur, Surguja district	1 year	28,90,200	14,45,100	14,45,100	No	Sulabh International Social Service Organisation	CSR00000185
3. Item from the list of activities in Schedule VII to the Act		i. Promoting preventive health care & sanitation & making available safe drinking water ii. promoting education, including special education and employment enhancing vocation skills especially among children									
2.	Empowering Schools- Improved facility for improved Learning at Govt. Lower Primary School (GLPS)	No	Chikkmagaluru, Karnataka	Karnataka	1 year	24,11,509*	-	23,32,122	No	NABFOUNDATION	CSR00004589
		Total				53,01,709*	14,45,100	37,77,222			

*Excess amount of INR 79,387 will be spent from FY 2024-25 CSR budget.

ii. Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
			State.	District.			Name.	CSR registration number.
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.	Community Drinking water project	No	Sindhudurgh,	Maharashtra	16,00,464	No	Kokan Kala Va Shikshan Vikas Sanstha	CSR00004014
		Total				16,00,464		

(b) Amount spent in Administrative Overheads-NIL

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

(d) Total amount spent for the Financial Year (a+b+c)

-INR 30,45,564

(e) 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
30,45,564	37,77,222	26 April 2024	-	-	-

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in INR.)
(i)	Two percent of average net profit of the company as per section 135(5)	70,30,297/-
(ii)	Total amount spent/sanctioned for the Financial Year	71,09,684/- (including set off amount of INR 2,07,511/- for the financial year)
(iii)	Excess amount spent for the financial year [(ii)-(i)]	79,387/-
(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)]	79,387/-

7.(a) Details of Unspent CSR amount for the preceding three financial years:

(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 2023-24 (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 2021	5,31,080	5,31,080	5,31,080	-	-	NIL	-
2	FY 2022	38,88,314	NIL	NIL	-	-	NIL	-
3	FY 2023	40,24,095	40,24,095	40,24,095	-	-	NIL	-
	Total	84,43,489	45,55,175	45,55,175	-	-	NIL	-

8. 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

9. 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 by March 2024. However due to extenuating circumstances, the same could not 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/-

Bonani Roychoudhury
Managing Director

Sd/-

Lalit Kumar Vaid
Chairman of CSR Committee

Place: Mumbai

Date: 04 September 2024

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	30 April 2024
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 2023-24.

(Amount in INR crores)

Payments*	Maintenance charges	0.05
	Professional charges for staff deputed/posted	3.19
	Interest on loans	73.98

*Approved by the Board of Directors on 30 April 2024

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	836.13
	Loans received during the year	1019.61
	Loans repaid during the year	490.36
	Closing balance	1365.38

**Approved by the Board of Directors on 30 April 2024*

B. The Company made payments to its Directors by way of sitting fees and professional charges which is provided in notes to financial statements which was approved by the Board of Directors on 30 April 2024.

On behalf of the Board

For NABSAMRUDDHI Finance Limited

Sd/-

Ravi Krishan Takkar

Chairman

DIN: 07734571

Sd/-

Bonani Roychoudhury

Managing Director

DIN: 10305089

Date: 04 September 2024

Place: Mumbai

Corporate Governance Report

1. Our philosophy on Corporate Governance

At NABSAMRUDDHI, our corporate governance practices are a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Professionalism, integrity, transparency and ethical behaviour 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 Middle layer Non Deposit taking NBFC 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, RBI Master Circular RBI/2021-22/112DOR.CRE.REC.No.60/03.10.001/2021-22 dated 21 October 2022 and RBI Master Directions RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated 19 October 2023 are adhered to by the Company.



1) Composition of the Board as 31 March 2024

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 Nabsamruddhi)	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	Comm ission	
Shri PYSuryakumar*	26-06-2020	Chairman and Nominee Director	06694864	13	4	3	2	NIL	NIL	NIL	NIL
Shri K S Raghupathi**	26-06-2020	Nominee Director	08769228	13	3	1	0	NIL	NIL	NIL	NIL
Shri Goverdhan Singh Rawat***	25-08-2020	Nominee Director	08814874	13	13	9	1	NIL	NIL	NIL	NIL
Shri Manikumar S~	26-07-2023	Nominee Director	08956660	13	10	8	1	NIL	NIL	NIL	NIL
Shri K Dharmiah	22-11-2013	Nominee Director	06750302	13	13	9	1	NIL	NIL	NIL	NIL
Shri Subrat Kumar Nanda@	29 September 2023	Nominee Director	10334685	13	7	6	1	NIL	NIL	NIL	NIL
Shri Partho Saha #	26 February 2024	Nominee Director	10515390	13	2	2	0	NIL	NIL	NIL	NIL
Shri Ravi Krishan Takkar	02/11/2019 (first term) 02/12/2022 (second term)	Independent Director	07734571	13	13	13	2	NIL	6.75	NIL	NIL
Shri Arvind Kumar Jain	24/03/2020 (first term) 25/03/2023 (second term)	Independent Director	0791109	13	13	13	7	NIL	7.25	NIL	NIL
Shri Lalit Kumar Vaid##	28/04/2023 (first term)	Independent Director	10065080	13	12	11	0	NIL	4.90	NIL	NIL
Shri Subrata Gupta	02-12-2022	Addl. Non-Executive Director	06833844	13	13	13	1	NIL	6.3	NIL	NIL
Dr. Ushamani Payyamballickandy***	06-05-2021	Managing Director	09138953	13	5	5	0	51.58	NIL	NIL	NIL
Smt. Bonani Roychoudhury	11-09-2023	Managing Director	10305089	13	8	8	0	51.76	NIL	NIL	NIL

*Resigned w.e.f 31 July 2023 pursuant to withdrawal of nomination pursuant to superannuation. ** Resigned w.e.f 30 June 2023 pursuant to withdrawal of nomination by NABARD

***Resigned w.e.f 30 August 2023 pursuant to withdrawal of nomination by NABARD

~ Appointed w.e.f 26 July 2023 pursuant to nomination by NABARD

#Appointed w.e.f 26 February 2024 pursuant to nomination by NABARD

****Resigned w.e.f 15 February 2024 pursuant to withdrawal of nomination by NABARD

@ Appointed w.e.f 29 September 2023 pursuant to nomination by NABARD

##Appointed w.e.f 28 April 2023

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.	Shri Lal Singh	Nominee Director	Resignation	27-10-2022
2.	Dr. Shreenath Reddy	Nominee Director	Resignation	26-12-2022
3.	Shri Nethi Muralidhar	Nominee Director	Resignation	27-12-2022
4.	Shri Vinay Verma	Independent Director	Resignation	18-10-2022
5.	Shri Ravi Krishan Takkar	Independent Director	Resignation (on completion of First term)	01-11-2022
6.	Shri Subrata Gupta	Non-Executive Director	Resignation (on completion of term)	25-11-2022
7.	Shri Ravi Krishan Takkar	Independent Director	Appointment (Second term)	02-12-2022
8.	Shri Subrata Gupta	Non-Executive Director	Appointment (Second term)	02-12-2022
9.	Shri Arvind Kumar Jain	Independent Director	Appointment (Second term)	25 -03-2023
10.	Shri KS Raghupathi	Nominee Director	Resignation	30-06-2023
11.	Shri Manikumar S	Nominee Director	Appointment	26-07-2023
12.	Shri PVS Suryakumar	Nominee Director and Chairman	Resignation	31 -07-2023
13.	Shri Ravi Krishan Takkar	Chairman	Appointment	28-08-2023
14.	Dr. Ushamani Payyambalikandy	Managing Director	Resignation	30-08-2023
15.	Smt. Bonani Roychoudhury	Managing Director	Appointment	11-09-2023
16.	Shri Goverdhan Singh Rawat	Nominee Director	Resignation	15-02-2024
17.	Shri Subrat Kumar Nanda	Nominee Director	Appointment	29-09-2023
18.	Shri Partho Saha	Nominee Director	Appointment	26-02-2024

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**

3. Committees of the Board and their Composition

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 4 times during the year, i.e., on 27 April 2023, 21 August 2023, 16 November 2023 and 21 February 2024.

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 Lalit Kumar Vaid	06-June-23	Independent Director (Chairman)	4	3	NIL
Shri Ravi Krishan Takkar	11-May-22	Independent Director	4	4	NIL
Shri Arvind Kumar Jain	11-May-22 (ceased to be a member w.e.f 06 June 2023)	Independent Director	4	1	NIL
Dr. Ushamani Payyamballikandy	06-May-21 (ceased to be a member w.e.f 30 August 2023)	Managing Director	4	2	NIL
Smt. Bonani Roychoudhury	11-September-23	Managing Director	4	2	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—
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Nomination and Remuneration Committee met thrice during the year, i.e., on 27 April 2023, 21 July 2023 and 16 November 2023.

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-22	Independent Director (Chairman)	3	3	NIL
Shri Lalit Kumar Vaid	26-07-23	Independent Director	3	2	NIL
Shri Ravi Krishan Takkar	18-Oct-22 (ceased to be a member w.e.f 26 July 2023)	Independent Director	3	1	NIL
Shri Goverdhan Singh Rawat	29-12-2020	Nominee Director	3	2	NIL
Dr. Ushamani Payyamballikandy	06-May-21 (ceased to be a member w.e.f 30 August 2023)	Managing Director	3	2	NIL
Smt. Bonani Roychoudhury	11-September 23	Managing Director	3	1	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 6 times during the year, i.e., on 30 May 2023, 17 August 2023, 22 September 2023, 17 November 2023, 19 January 2024 and 12 March 2024

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 (Chairman)	6	6	NIL
Shri Ravi Krishan Takkar	16-Jun-20	Independent Director	6	6	NIL
Shri KS Raghupathi	26-Jun-20 ((ceased to be a member w.e.f 30 June 2023)	Nominee Director	6	2	NIL
Shri Manikumar S	26-July-23	Nominee Director	6	2	NIL
Smt Arpita Bhattarcharjee	20-Oct-23	Authorized Representative, NABARD	6	3	NIL*
Dr. Ushamani Payyamballikandy	06-May-21 ((ceased to be a member w.e.f 30 August 2023)	Managing Director	6	2	NIL
Smt. Bonani Roychoudhury	11-September-23	Managing Director	6	4	NIL

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

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 twice during the year, i.e., on 18 August 2023 and 21 February 2024

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 (ceased to be a member w.e.f 30 June 2023)	Nominee Director (Chairman)	2	0	NIL
Shri Lalit Kumar Vaid	26-Jul-23	Independent Director (Chairman)	2	2	NIL
Shri Arvind Kumar Jain	24-Aug-20	Independent Director	2	2	NIL
Shri Subrata Gupta	24-Aug-20 (ceased to be a member w.e.f 26 July 2023)	Non Executive Director	2	0	NIL
Shri Subrat Kumar Nanda	20 October 23	Nominee Director	2	1	NIL
Shri Manikumar S	26 July 2023	Nominee Director	2	1	NIL
Dr. Ushamani Payyamballikandy	06-May-21 (ceased to be a member w.e.f 30 August 2023)	Managing Director	2	1	NIL
Smt. Bonani Roychoudhury	11-09-23	Managing Director	2	1	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 thrice during the year, i.e., on 30 May 2023, 17 November 2023 and 12 March 2024

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	Independent Director (Chairman)	3	3	NIL
Shri Subrata Gupta	21-Jun-20	Non-Executive Director	3	3	NIL
Shri Goverdhan Singh Rawat	29-Dec-20 (ceased w.e.f 26 Feb 24)	Nominee Director	3	1	NIL
Shri Partho Saha	26 February 24	Nominee Director	3	0	NIL
Chief General Manager, DIT, NABARD	20-Nov-18 (ceased w.e.f 20 Oct 23)	Ex-Officio member	3	1	NIL*
Smt Savita VCRS Authorised Representative, DIT, NABARD	20 Oct 23	Member	3	1	NIL*
Dr. Ushamani Payyamballickandy	06-May-21 (ceased to be a member w.e.f 30 August 2023)	Managing Director	3	1	NIL
Smt Bonani Roychoudhury	29-Dec-20 (ceased w.e.f. 11 September 23)	COO	3	1	NIL
Shri Maheep Panwar	11 September 2023	COO	3	2	NIL
Smt. Bonani Roychoudhury	11 September 23	Managing Director	3	2	NIL
Shri Sumit Gupta	15-Dec-22	CTO/CISO	3	3	NIL

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

Details of General Meeting

During the financial year 2023-24, the Twenty-Sixth Annual General Meeting was held on 28 August 2023 and the details are given below:

Meeting type	Time	Date and Place	Special resolution passed
26 th Annual General Meeting	12:30 pm	Held on 28 August 2023 through Video Conferencing facility, therefore deemed venue: NABARD Regional Office, 1-1-61, Yeduguri Chambers, RTC 'X' Roads, Hyderabad-500020.	<ul style="list-style-type: none"> Reappointment of Dr. Ushamani Payyamballickandy as Managing Director Re-appointment of Shri Ravi Krishan Takkar as Independent Director for a second term Re-appointment of Shri Arvind Kumar Jain as Independent Director for a second term

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. Macro-Economic Scenario in India

In the fiscal year 2023-24, despite challenging global economic conditions and multiple headwinds, the Indian economy demonstrated remarkable resilience. According to the latest National Statistics Office's (NSO) data released in May 2024, real GDP expanded by 8.2%, marking the third consecutive year of growth at 7% or higher. On the supply side, real gross value added (GVA) recorded a growth of 7.2% in 2023-24.

As per the provisional data released by the NSO on June 12, 2024, Headline inflation, as measured by y-o-y changes in the all-India CPI, softened to 4.7% in May 2024 – the lowest in the last 12 months. The Monetary Policy Committee (MPC) has projected real GDP to grow by 7.2 % during 2024-25.

The International Monetary Fund (IMF) raised its growth projection for India's GDP in the current fiscal year 2024-25 to 6.8% and forecast a 6.5% expansion next year.

The near-term economic outlook for India is marked by several positive developments. Domestic demand conditions are strengthening, driven by robust business optimism which is at its highest among major economies of the world. The government's sustained focus on capital expenditure is expected to stimulate additional private investment through multiplier effects. Concurrently, firms are utilising high profits to augment investible resources while bringing down leverage. Real estate activity is gathering pace which, alongside public investment on infrastructure, is driving a construction activity cycle. Additionally, exports of services are rising, and their prospects remain bright. Credit growth is deepening, supported by healthier bank balance sheets.

2. Industry Overview

NBFCs are an integral part of the Indian financial system. They have consolidated their position in recent years, as reflected in a gradual rise in their credit intensity (credit to Gross Domestic Product (GDP) ratio) as well as the relative importance in credit provision vis-à-vis scheduled commercial banks (SCBs).

With the implementation of Scale Based Regulation (SBR) from October 2022, NBFCs have been segregated into four layers, namely, a Base Layer (NBFC-BL), a Middle Layer (NBFC-ML), an Upper Layer (NBFC-UL) and a Top Layer (NBFC-TL), based on size, activity, and the perceived level of riskiness. The top ten eligible NBFCs in terms of asset size shall always reside in the upper layer, along with other NBFCs that are identified on the basis of a set of parameters and scoring methodology.

A total of 9,327 NBFCs were registered with the RBI as on 31 March 2024, of which 10 were Upper layer NBFCs (NBFC-UL), 405 Middle Layer NBFCs (NBFC-ML) and 8,912 Base Layer NBFCs (NBFC-BL).

To ensure adequate capital to mitigate risks and strengthen internal risk management techniques, NBFC-ML and NBFC-UL are required to make internal capital assessments on lines similar to the Internal Capital Adequacy Assessment Process (ICAAP) prescribed for commercial banks under Pillar 2 of Basel-III norms. While Pillar 2 capital has not been made mandatory, NBFCs are expected to factor in credit risk, market risk, operational risk, and all other residual risks to decide the level of capital, as per an internally determined methodology.

NBFCs are large net borrowers of funds from the financial system, with the highest exposure to banks. The Indian banking system and NBFCs remain sound and resilient, backed by high capital ratios, strengthening asset quality and robust earnings growth.

NBFCs maintained robust credit growth in 2023-24 despite some moderation in the second half of the year. The GNPA ratio of NBFCs (including those under resolution) continued its downward trajectory in the post-pandemic period to reach 4.0 % in March 2024. The capital position of NBFCs remains healthy: their CRAR stood at 26.6 % in March 2024, well above the regulatory minimum requirement. On the profitability front, RoA and net interest margin (NIM) stood strong and cost-to-income ratio has maintained a declining trend in the post-pandemic period.

In the sectoral distribution of NBFC credit, industry accounted for around two-fifth of the overall lending portfolio at end-March 2023, attributable to infrastructure lending by large government-owned NBFCs, followed by retail lending with a share of around 31%.

NBFCs have steadily expanded their micro, small and medium enterprises (MSMEs) portfolio, addressing the credit needs of the sector and contributing to overall financial inclusion and economic growth. The co-lending framework for priority sector lending has also facilitated flow of credit by NBFCs to the MSME sector, leveraging on the low cost of funds of banks and greater reach of NBFCs.

Several regulatory and supervisory guidelines were issued during the year in line with global best practices towards strengthening of governance, risk management practices and capital buffers.

According to ICRA, NBFC's AUM growth is expected to moderate to 17-19% in the base case and 14-16% in the stress cases for FY 25. Profitability of NBFCs would moderate by 20- 40 bps on a YoY basis in FY2025. Further downside risks for AUM growth in FY2025 could emerge from the impact of the series of regulatory measures which have occurred recently or could be brought about by the regulators going forward based on their risk perception of the sector.

Given that the share of bank credit to the NBFCs is likely to remain constrained, entities would have to increase funding from other sources, including via market issuances and securitisation to meet the envisaged growth. The current sectoral capitalisation profile is adequate for meeting the growth targets in the near term. Some entities with tighter capital positions would, however, be required to raise capital. This could also be partly driven by the new regulatory requirements (risk weight on consumer credit, any other)

3. The Company

NABSAMRUDDHI Finance Limited (NSFL), incorporated under Companies Act, 1956 in 1997, is pre-dominantly a B2B finance NBFC subsidiary of NABARD, catering to the non- agriculture sector with an ESG focus.

During 2021-22, the strategy of the company was revisited whereby Green & Wellness finance, Fabrics & Textiles and Handicrafts value chain were identified as focus areas so as to give it a more distinct character. These segments are aligned to NABARD's mandate as well as National and Global priorities. Water Sanitation and Hygiene (WASH), which is a major sub-segment under Wellness finance, has emerged as champion segment for the Company.

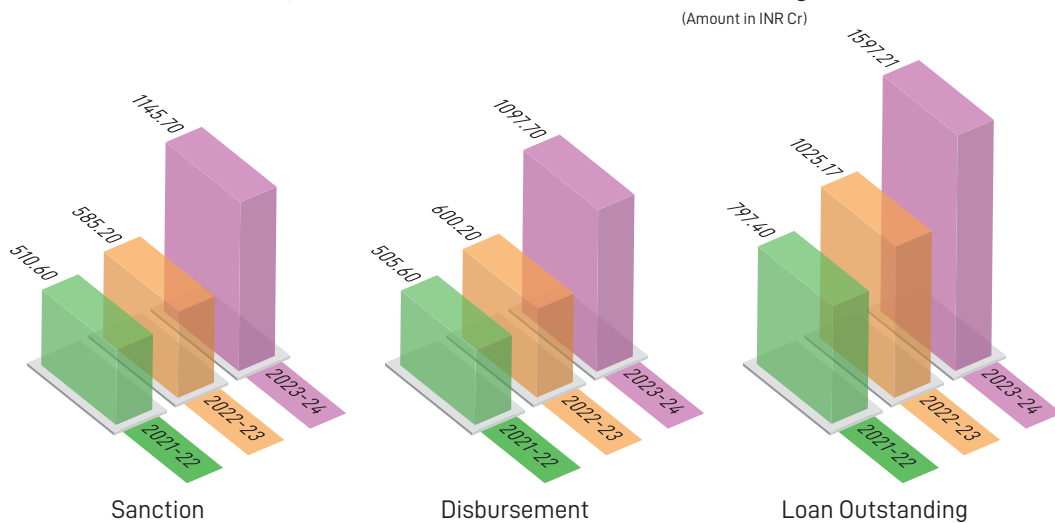
During FY 24, NSFL witnessed a stellar financial performance with 60% YoY growth in Balance sheet and AUM to INR 1825 crore and INR 1800 crore respectively. During the year, the Company has successfully migrated from IGAAP to Ind-AS mode of accounting.

3.1. Performance Highlights of the Company:

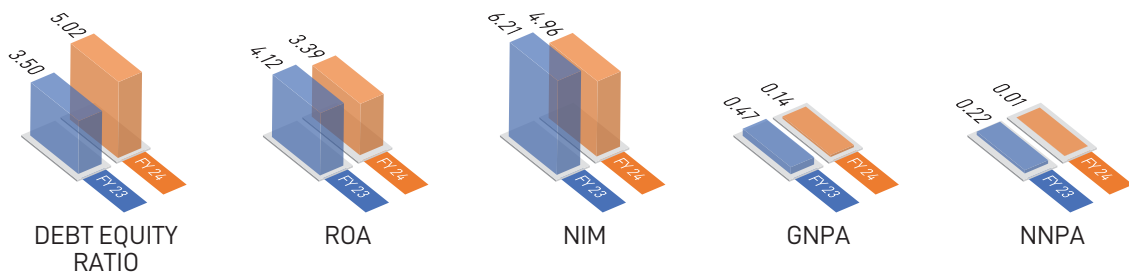
- Loan and Advances outstanding as on 31 March 2024 was INR 1597.21 Cr as against INR 1025.17 Cr as on 31 March 2023, indicating a growth of 56%;
- Owned Funds increased from INR 257.60 Cr as on 31 March 2023 to INR 305.79 Cr as on 31 March 2024, contributed through augmentation of reserves through appropriation of profits;
- Gross Revenue as on 31 March 2024 was INR 157.45 Cr as against INR 107.79 Cr as on 31 March 2023, indicating a growth of 46%;
- PAT as on 31 March 2024 was INR 50.44 Cr as against INR 41.13 Cr as on 31 March 2023, indicating a growth of 23%.

A snapshot of key business parameters is as under:

Year wise Sanctions, Disbursements and Loan Outstanding

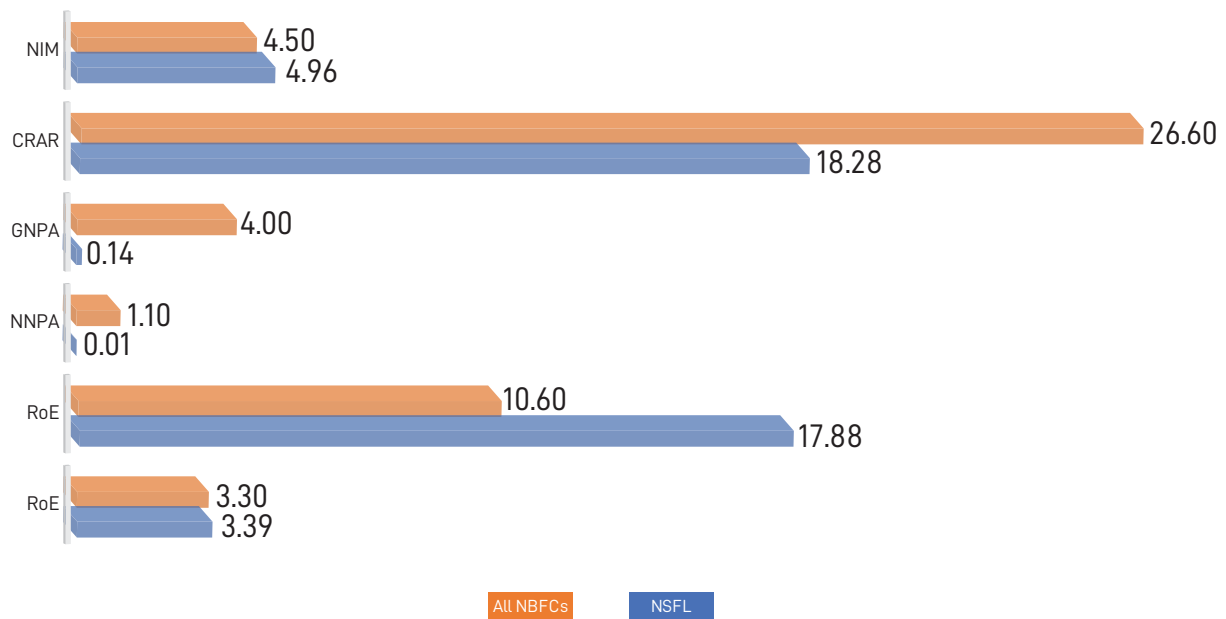


Details of Key Financial Ratios



Note:

- The debt-to-equity ratio of the company increased significantly due to substantial increase in borrowings aimed at supporting expanded business operations, which was not offset by any fresh capital infusion during the year.
- Although RoA decreased due to a substantial increase in asset size outpacing PAT growth, the Company's increased asset base positions it for future growth and improved profitability.
- NIM decreased due to the Company's strategic focus on quality lending to low-risk entities at competitive rates, combined with an increase in interest rate on borrowing and higher leverage.
- The asset quality of the company improved to its best ever, with GNPA as a percentage of loan outstanding reducing from 0.47% as on 31 March 2023 to 0.14% as on 31 March 2024 through collections and expansion in loan book. The company managed second successive year of NIL delinquencies.
- Further, NNPA reduced to 0.01% as on 31 March 2024 due to lower GNPA and adequate provisions, indicating improved asset quality.



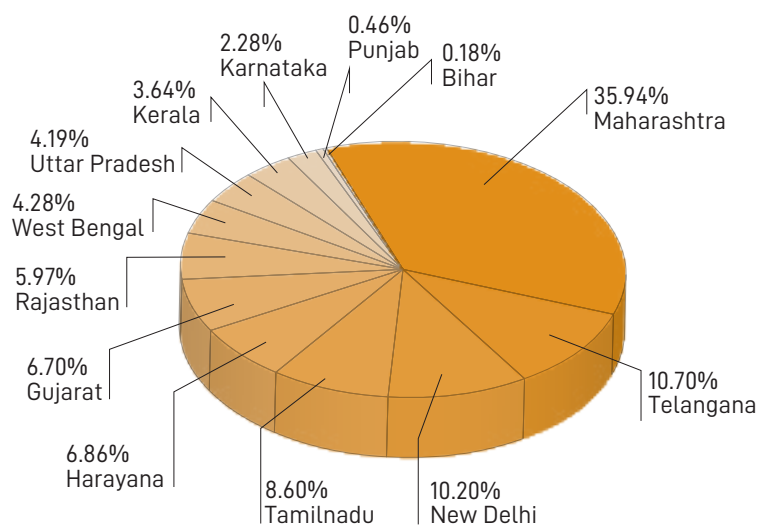
Note: The Company has outperformed industry benchmarks in key financial metrics, including NIM, NPA, RoE and RoA. The CRAR, although lower than industry peers, comfortably exceeds regulatory requirements. The Company's CRAR has decreased due to significant growth in its loan book and investment in PTCs, without corresponding capital infusion.

3.2 Diversification of Business and Other developments

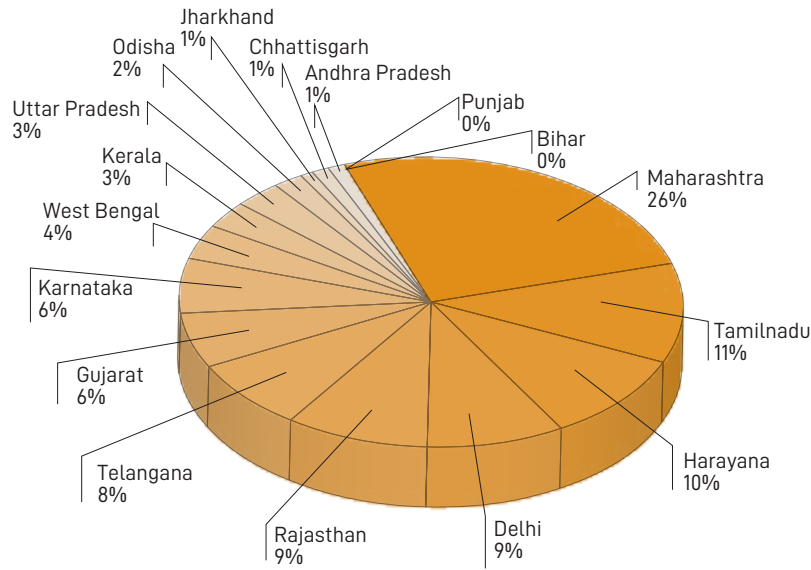
3.2.1 Business Developments

i. Total disbursements including PTCs increased from INR 716 crore in FY 23 to INR 1384 crore in FY 24. While 18 new entities were on-boarded during the year, disbursements of loans and investments in PTCs were made in respect of 50 entities under various products with adequate sectoral and geographical diversification.

a. State wise loan disbursed during FY 2023-24



b. State wise loan outstanding as on 31 March 2024

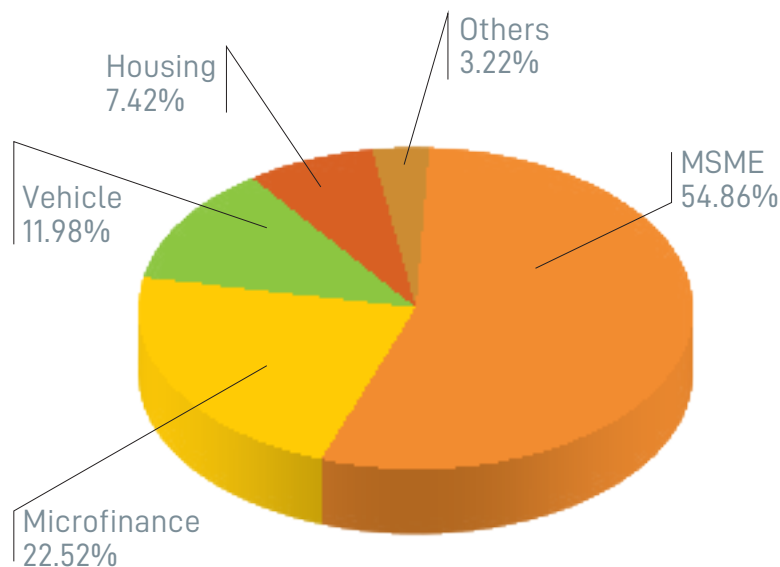


Cumulatively, the Company has been able to reach out to more than 3 lakh ultimate beneficiaries in 25 states and 5 Union Territories through NBFCs, NBFC-MFIs, HFCs and other institutional clients who have headquarters in 16 States and 1 UT.

ii. 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 2024 is depicted as under:



iii. Focus segments viz., Green Finance and Wellness, Fabrics & textiles and Handicraft Value Chain accounted for 35% of total disbursements during the year.

iv. Cumulatively ~INR 350 crore of WASH (Water, Sanitation & Hygiene) loans have been disbursed through 32 partners, while disbursements during the year stood at ~INR 160 crore, recording ~80% YoY growth.

3.2.2 Other Initiatives

- i. NSFL jointly with Water.org organised a WASH Summit in September 2023 to bring together experts from the WASH and financial sectors to discuss the guidelines, opportunities and challenges as well as ESG aspects in climate ready WASH lending and find effective solutions.
- ii. Further, NSFL co-sponsored the Sa-Dhan National Conference on Inclusive Growth held on 08 and 09 November 2023 and instituted the first WASH finance panel session in this annual event.
- iii. During the event, NSFL's pioneering Climate Ready WASH funding program was launched by Shri Shaji K.V., Chairman, NABARD. The pilot program is supported by Special Concessional refinance from NABARD and technical support from knowledge partners such as Sa-dhan, Water.org, FINISH Mondial, among others.
- iv. NSFL signed an MoU for collaborating with FINISH Mondial through Trust of People for promoting Climate Resilient WASH lending.
- v. Further, NSFL built its own capacities by participating in Water.org's 'Water Credit forum' at Dhaka, Bangladesh during 18 to 19 December 2023 and 'Cross learning visit' on WASH financing to Kenya during 05 to 09 February 2024, where the WASH financing model of the company was presented to international stakeholders and was highly appreciated as a replicable model. During 12-13 January 2024, the company participated in a climate smart wash exposure visit organised by WASH Innovation hub of ASCI in Hyderabad.
- vi. A high-level panel discussion on climate and WASH was instituted by the company at the Livelihoods India summit hosted by ACCESS Development Services on 19 January 2024 to take forward blended finance action planning for climate smart WASH funding.
- vii. NSFL participated as panellist/speaker at various conclaves and workshops conducted by Sa-dhan, BIRD, Water.org, WASH innovation Hub, AMFI, DLAI, Access Development Services, Impact Investors Council, among others, to support its champion segment "Water, Sanitation & Hygiene".
- viii. The Company, in association with its technical partner Trust of People (FINISH Mondial), had organized a 2-day exposure visit during 09 to 10 March 2024, for its NBFC/MFI partners and core WASH team for a study of the climate resilient WASH structures at Tiruchirappalli, with grant support from DCAS, NABARD.
- ix. With the grant support from OFDD, NABARD, NSFL in collaboration with Trust of People, has launched a Climate Ready WASH awareness Campaign under its pilot programme for underlying rural borrowers of MFIs in climate vulnerable districts spread over 7 States, starting from 22 March 2024.
- x. The first phase of the campaign was kickstarted by Shri Shaji K.V., Chairman, NABARD, during an event held jointly with NABARD, to commemorate World Water Day on 22 March 2024, at NABARD Head Office, Mumbai. The first camp was organised at Nadia branch of Grameen shakti MFI and attended by 100 end borrowers.
- xi. Further, an MOU was also signed with Climate Policy Initiative on World Water Day to take forward climate financing.
- xii. A shared values workshop on water conservation was organised for internal stakeholders during 23 to 24 March 2024 at Matheran.

3.3 Brand equity and Recognition

NSFL has emerged as an Eco-system builder and champion of WASH funding, being the

largest wholesale debt provider for SDG6 among homegrown NBFCs,

largest wholesale debt funder for last mile WASH

- # pioneer in climate ready WASH funding, and
- # only homegrown wholesale debt provider covering all sectors (microfinance, MSME, affordable/rural Housing) and entire risk rating spectra (including unrated NBFCs, Non-profits & trusts) under WASH.

In recognition, the Company was awarded the Sa-Dhan Water.org 'Water and Sanitation (WASH) Financing Award, 2023' under the capital providers category second time in a row.

3.4. Affirmation of Credit Rating

For FY2023-24, 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.

3.5. 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 data migration and UAT for Xing HR-HRMS for digitising HR processes.

3.6. Human Resource Management

The Company believes that Human Resource Management plays an important role in achieving the Company's objective. During FY 2023-24, the Company augmented its manpower by recruitment of specialists for Credit, Business Development, Structured Products & Analytics, Risk Management & monitoring, IT, Compliance, Accounts and Operations 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.

3.7. Risks and Concerns

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

3.8. 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.

4. Way Forward for 2024-25

This year, the company's strategic focus centres on leveraging its diverse product suite to meet evolving market demands effectively. It aims to establish itself as a leader in niche segment-WASH and climate-ready wash solutions, leading sustainable innovation. Furthermore, the company plans to develop a marketplace platform for climate financing, taking a leadership role in driving impactful investments. Aligned with its mission, the company strives to make substantial strides in environmental sustainability and socio-economic resilience through its financial and promotional initiatives.

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 2022-23, Reserve Bank of India*
2. *Financial Stability Report, Issue No. 29, Reserve Bank of India, June 2024*
3. *RBI Bulletin, 2024*
4. *NBFC Outlook by ICRA, April 2024*

Secretarial Audit Report

MARTHI & CO **COMPANY SECRETARIES**

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

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 **31-03-2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s **NABSAMRUDDHI FINANCE LIMITED** ("the Company") for the financial year ended on **31-03-2024**, 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;

Digitally signed by SOMA SEKHAR
MARTHI
Date: 2024.06.13 14:55:01 +05'30'

Membership No. F-1989, CP No.1937

6-2-941, Flat No. 201, 11th Floor, Moghal's Emami Mansion, Chintalbasti Road, Khairatabad,
Hyderabad-500 004, India Telefax : +91-40-23374169

MARTHI & CO **COMPANY SECRETARIES**

- (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, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 applicable to Middle Layer Non-Deposit taking NBFCs.

SOMA SEKHAR
MARTHI

Digitally signed by SOMA SEKHAR
MARTHI
Date: 2024.08.13 16:55:37 +05'30'

Membership No. F-1989, CP No.1937

MARTHI & CO **COMPANY SECRETARIES**

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.

Place: Hyderabad,

Date: 13-08-2024

UDIN: F001989F000966876

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

For MARTHI & CO.
Company Secretaries

SOMA SEKHAR
MARTHI

S S MARTHI
PROPRIETOR
FCS 1989, CP 1937

MARTHI & CO

COMPANY SECRETARIES

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, 2024** 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, 2024** 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.

UDIN: F001989F000966876

Place: Hyderabad,
Date: 13-08-2024

For MARTHI & CO,
Company Secretaries

SOMA SERRAR
MARTHI
Digitally signed by
SOMA SERRAR
Date: 2024.08.13
18:36:58 +05'30'

S S MARTHI
PROPRIETOR
FCS 1989, CP 1937

6-2-941, Flat No. 201, IIIrd Floor, Moghal's Emami Mansion, Chintalbasti Road, Khairatabad,
Hyderabad-500 004, India Telefax : +91-40-23374169

Climate-Ready WASH Funding Building Resilience, Sustaining Livelihoods



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 NABARD's commitment towards this end, NABSAMRUDDHI Finance Limited (NSFL) in FY 22 adopted three focus segments viz., Green & Wellness Finance, Fabric & textiles and Handicrafts Value chain, in order to carve a niche and fine-tune our impact footprint.

Apart from the focus segments, NSFL is also supporting other segments like, microfinance, general business loans, affordable housing vehicles etc.

These segments contribute towards the following SDGs:



NSFL has clubbed 'Green Finance and Wellness' as one of the focus segments as these are intertwined since mankind can only thrive in healthy ecosystems. The following indicative sub-segments have been identified under 'Green Finance & Wellness':

- Climate Action: Clean Energy Value Chain (Renewable Energy, Green Mobility & 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)

Of the above sub-segments, Water Sanitation and Hygiene (WASH), has emerged as champion segment for the Company contributing ~15% of total loan outstanding as on 31 March 2024. The Company has cumulatively disbursed an amount of ~INR 350 Cr for WASH activities through 32 NBFC/MFI partners. During FY2023-24, the Company has disbursed ~INR 160 crore to 14 entities towards WASH financing.

Access to clean water, adequate sanitation, and proper hygiene (WASH) facilities are fundamental for human health, dignity, gender empowerment, income and socio-economic development. Financing safe WASH ensures sustainability of the real sector which in the long run can support sustainability and upscaling of the financial sector.

This has been recognized by Microfinance Institutions (MFIs) and Housing Finance Companies (HFCs) and substantial financing for WASH activities are being provided to end borrowers at household level.

But while financing generic WASH solutions, it was realized that such structures are vulnerable to climate risks and are therefore not long term or sustainable solutions. Further, the intricate interconnectedness between climate change and unsafe water and sanitation is evidenced by the fact that 'a climate crisis is a water crisis' as climate change manifests majorly through the medium of water.

Realising the interconnectedness between WASH and Climate change, NABSAMRUDDHI pioneered the Climate Ready WASH Funding programme at the Sa-dhan National conference on 08 November 2023, focusing on Climate vulnerable districts based on CEEW report, supported by Special concessionary refinance from NABARD and in collaboration with technical partners such as Sa-dhan, Water.org, FINISH Mondial- Trust of People, among others. The initiative is being taken forward through diversified financial products supported with capacity building, awareness generation and community engagement. The NABARD supported nationwide campaign to generate awareness among end borrowers of MFIs through Trust of People was kickstarted by Chairman, NABARD during NSFL's World Water Day event held on 22 March 2024 and several camps have been organized along with focused exposure visits to projects.

Climate Ready WASH Funding Programme (CRWFP)

The program entails an Inclusive, participatory approach involving community level stakeholders, women, disabled and the marginalized in customizing location specific solutions through PRA, exposure visits and consultations, focusing on climate-resilient sanitation systems, rainwater harvesting, groundwater recharge, and renewable energy-based WASH solutions. It represents a proactive approach to integrating climate resilience into the WASH sector. Although it is in pilot mode, it is focused on nationwide rollout, with priority being given to those regions with more pressing climatic conditions which affect their access to clean water and sanitation.

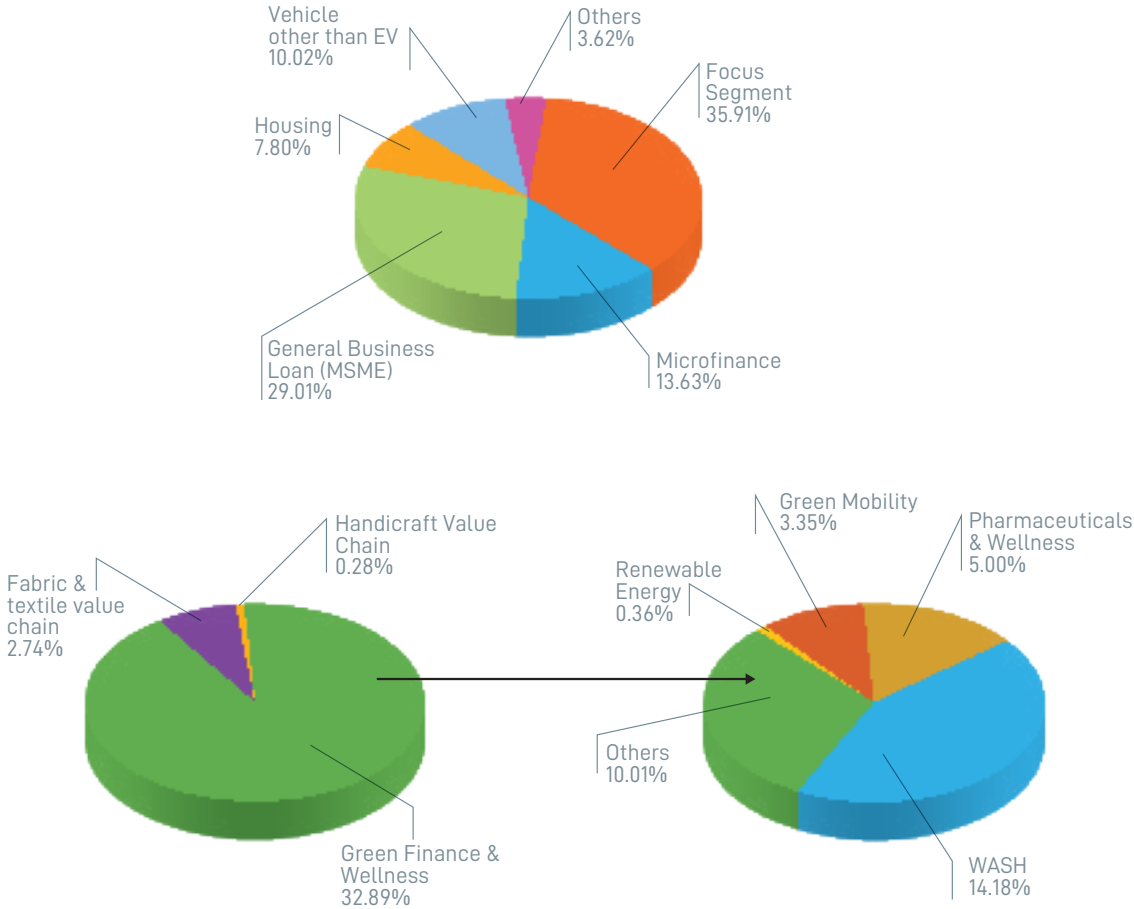
In flood-prone areas, the initiative promotes modified models of the Shankar Balram toilet, designed to withstand flooding and prevent contamination. Similarly, Ecosan toilets, which require minimal water, are being advocated in water-scarce regions. These toilets treat and recycle human waste, turning it into a resource rather than a health hazard.

Moreover, the initiative supports the adoption of various rainwater harvesting models for storage and bore well recharge at the household level. These systems collect and store rainwater for later use, providing a reliable water source for drinking water, sanitation and other needs while also replenishing the ground water tables. This is particularly beneficial for microfinance clients who may not have access to regular water supplies.

Solar pumps are another focus of the Climate-ready WASH funding initiative. By encouraging the use of solar energy for water pumping, the initiative promotes a sustainable and cost-effective solution for both household and agricultural water needs. Solar pumps reduce reliance on erratic electricity supplies and fossil fuels, offering a clean and renewable energy source while also contributing to energy saving, cost saving and reduction in GHG.

Segment wise Exposure

Detailed breakup of contribution of each segment as on 31 March 2024 is presented below:



During FY 23-24, the Company has disbursed more than INR 1,000 cr of which ~INR 350 Cr has been disbursed towards on-lending for the focus segments (~32% of total disbursement) resulting in total exposure to the focus segments at INR 575 Cr (36% of total loan outstanding).

As depicted in the above table, Green Finance & Wellness constitutes ~92% of total focus segments (contributing ~33% of total Loan Outstanding).

Impact

Cumulatively, the Company has been able to reach out to more than 3 lakh ultimate beneficiaries in 25 states and 5 Union Territories through NBFCs, NBFC-MFIs, HFCs and other institutional clients who have headquarters in 16 States and 1 UT.

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 improve access to education.

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

i. Climate Smart WASH



Smt. Bychamma- Sanghamithra Rural Financial Services (SRFS)

Hosmatnalli village, located in Kolar Taluk, Karnataka, grapples with a severely depleted groundwater table, exacerbated by unreliable public water supply from a tubewell prone to chemical contamination. Smt. Bychamma, a longstanding member of Sri Baireshwari SHG and from an agricultural background, resides with her husband and son and having 2 acre of dry land and growing ragi crop. In addition to agriculture, she runs dairy and sheep rearing operations for supplemental income. Faced with ongoing water quality issues, Bychamma sought solutions after attending an awareness program on Rooftop Rainwater Harvesting (RRWH) conducted by our WASH partner 'SRFS'. With INR 25,000 WASH loan from 'SRFS', she installed a RRWH unit in 2023, harvesting 6000 liters of rainwater. Bychamma now uses this filtered rainwater for drinking and cooking, finding it enhances food flavour and cooking efficiency compared to tube well water. Her successful adoption of RRWH has inspired five other families in Hosmatnalli to follow suit, improving local water access and quality for the community while also replenishing the ground water table



Since launching our WASH loan products in 2011, Sanghamithra Rural Financial Services (SRFS) has significantly improved sanitation and safe drinking water access for approximately 60,000 families. With this experience, SRFS partnered with NSFL since 2021 and realized the importance of innovating and introducing Climate Resilient WASH (CRW) products for protecting the environment and contribute to climate adaptation. NSFL's continued support and encouragement motivated us to move forward to broaden our vision of the WASH domain rather than just a loan product. SRFS has utilized 7% of its portfolio for WASH initiatives and has 28% of its active customers involved in WASH.

- Sunil Jadli, CEO, Sanghamithra Rural Financial Services

ii. Water, Sanitation & Hygiene (WASH)



Smt. Karmina Bibi – Grameen Shakti Microfinance SPL

Smt. Karmina Bibi, like many others in her community, previously lacked access to proper sanitation facilities, leading to health risks and discomfort.

When Nabsamruddhi gave a concessional loan to Grameen Shakti Microfinance, the first unrated entity in its WASH portfolio, the latter provided a loan to Karmina for building a new toilet. Through WASH lending initiatives, Karmina was empowered to change her circumstances. With access to affordable financing, she embarked on the journey of building a new toilet facility for her household. This not only improved her family's hygiene practices but also enhanced their overall well-being and dignity.

Today, Karmina's story serves as a beacon of hope, illustrating the transformative power of WASH finance in communities like hers. By providing financial support for essential sanitation infrastructure, we can make a tangible difference in the lives of individuals and families, promoting health, dignity, and prosperity.



Before

After

Smt. Sushmita Sahu- Annapurna Finance Private Limited

Sushmita Sahu is a proud owner of a new toilet facility. When the NABSAMRUDDHI team visited her house, it had traces of a home that had just experienced a wedding. When asked about it, she mentioned how her daughter had just gotten married few months ago. With equal pride she showed off her rose-pink painted bathroom cum toilet constructed within her home premises. A luxury she didn't enjoy earlier, the construction enabled by a loan from Annapurna, NABSAMRUDDHI's client partner in WASH finance, which came in as a blessing ahead of the wedding.

She also sews in her free time and has been up to date in all her payments. Apart from the fact that she hoped for a slightly bigger loan amount to cover almost entire part of the construction, she is very indebted to Annapurna for their timely support and convenience, most importantly for her dignity and sanitation which was otherwise not possible when she visited the common bathroom which was at a distance from her home.



Smt. Sushmita (1st from Right) with NSFL & Annapurna team

ii. Water, Sanitation & Hygiene (WASH)



Smt. Tara Devi- Satya MicroCapital Limited

Tara Devi, a 36-year-old from Sadulpur Village in Rajasthan, lives with her husband and two sons in a small, modest home. Tara runs a cosmetic shop while her husband works as a laborer in the village. Despite their hard work, the family struggled financially to cover basic living expenses. Their income barely covered essentials like food, clothing, and shelter, leaving no surplus for crucial needs such as a toilet. Recognizing the importance of sanitation for health and safety, Tara learned about microloan options through our client 'SATYA MicroCapital Ltd.'. She secured INR 45,000 Water & Sanitation Loan to construct a hygienic toilet at home, greatly improving their living conditions. Tara and her husband now manage repayments responsibly, benefiting from SATYA's support in enhancing their family's well-being through accessible financial solution.



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M/S ABS Watertech India Pvt. Ltd. - Ugro Capital

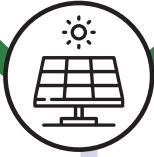
Based out of Chennai, M/S ABS Watertech India Pvt. Ltd. is transforming water management with its innovative solutions. Originally founded by Mr. Venkateshkumar, Martin, and Bhoopathy, the company now thrives under the leadership of Mr. Venkateshkumar and his wife, Mrs. Sarasu, who is a co-director.

Specializing in the trading of water treatment chemicals, M/S ABS Watertech plays a crucial role in various sectors, including Reverse Osmosis (RO), desalination, and sewage treatment. Their products are essential for maintaining water quality in industrial and municipal settings, contributing significantly to environmental sustainability.

With 22 dedicated employees and a monthly salary commitment of INR 2.7 lakhs, M/S ABS Watertech showcases strong financial health with a stock worth INR 30 lakhs and a 10% net margin. From a turnover of INR 1.77 Cr at the time of funding received from our client 'Ugro Capital', the company has shown a growth of 14.43%, with an expected turnover of INR 2.75 Cr. Their achievements reflect a powerful blend of financial success, operational excellence, and positive community impact.



iii. Solar Energy



Mr. Lakshmi Singh- Choice Finserv Pvt. Ltd. (CFPL)

Mr. Lakshmi Singh has been operating a flour mill in Bulandshahr, Uttar Pradesh for the past 7 years, facing significant electricity expenses due to daily operations. With the support of our client 'CFPL', he installed a 20KW solar panel system, completely eliminating his electricity costs leading to increased profits and financial stability. Lakshmi's switch to solar power not only saved money but also showed his commitment to sustainability, ensuring a brighter future for his business.



"The company highly appreciates NABSAMRUDDHI's initiative in supporting solar ecosystem financing through on-lending to NBFCs. This initiative will greatly benefit the unserved and underserved semi-urban and rural populations, playing a crucial role in India's journey towards 100% solarization."

- CA Vijendra Singh Shekhawat
CEO, Choice Finserv Pvt. Ltd.

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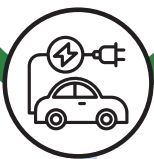
Smt. Shivamma.- Sanghamitra Rural Financial Services (SRFS)

Smt. Shivamma, residing in Tholsikere village within Karnataka's Chamarajanagar district, overcame rural challenges and the absence of electricity by securing a INR 50,000 loan from our partner 'SRFS' in 2023. With this support, she revived a solar-powered flour mill, ensuring a stable daily income of INR 300 while managing her small farm. This initiative not only sustains her family but also benefits the community by providing essential local services, reducing risks associated with forest travel for flour, and nurturing her dream of securing a better future for her children amidst the rugged terrain of Malai Mahadeswhara Hills tiger reserve forest area.



Solar Panel system supported to flour mill

iv. Green Mobility



Smt. Maya Bunkar- Namdev Finvest Pvt. Ltd.

Maya Bunkar, a mother of two from Jaisinghpura Khor, Jaipur, Rajasthan, faced financial challenges despite her sewing work and her husband's income. As their children grew, expenses rose, straining their finances. To boost their situation, Maya opted to invest in an electric rickshaw. She obtained a loan from our client 'Namdev', appreciating the loan's swift approval process. Using the loan, she purchased the EV rickshaw and rented it out daily, earning INR 400. This additional income not only covered the loan's EMI but also supported her family's needs, marking a significant step towards financial stability for Maya and her loved ones.



v. Fabrics & Handicrafts



Smt. Bhagya- Sanghamithra Rural Financial Services (SRFS):

Bhagya, wife of Ravi, is a member of the Lakshmi MSS in HD Kote, Mysore district, formed in 2016. Leaving school after 10th grade, she learned tailoring, stitching blouses at home and was earning INR.300 daily revenue. Joining an SHG linked with Sanghamithra, she accessed loans to expand from stitching to selling clothes. Further, with the loan amount of INR 125,000 from our client 'Sanghamithra Rural Financial Services' in 2023, she opened a cloth shop beside her tailoring business. Now, Bhagya owns a profitable shop with two employed tailors, earning INR 3,000 daily revenue. Her goal is to provide her children with excellent education and expand her business in town.



Bhagya with her cloth shop with workers

v. Fabrics & Handicrafts



Smt. Jabi Devi- Sindhuja Microcredit Pvt. Ltd.

Jabi Devi from Bhalni village, Rajasthan, transformed her life through strategic loans. Initially borrowing for a sewing machine, she diversified into dairy farming with a second loan. After repaying that loan, she secured a larger loan from our client 'Sindhuja Microcredit' to buy additional sewing machines and start a training center. Now, she supports her family and empowers local women by teaching them tailoring skills. Jabi Devi's entrepreneurial spirit has turned her challenges into opportunities, creating economic growth for herself and her community.



vi. MSME



Usha Devi- Sindhuja Microcredit Pvt. Ltd.

Usha Devi, residing in Rampur Tilak, Purnia district of Bihar, faced financial challenges with her husband's daily wage as their only income. Determined to educate their three sons, she approached our client 'Sindhuja' for a business loan. With an initial loan of INR 30,000, she opened a small kirana shop in their village, initially earning modestly. With subsequent loans, Usha Devi expanded her shop, diversified into selling essentials, and invested in a cow for additional income. Their earnings multiplied, providing stability and resilience. The loans empowered her to build a thriving business, secure her family's future, and ensure her sons receive the education she dreamed of for them.



"The Company is predominantly focused on rural market and was seeking partners who deeply understands its needs. Sindhuja believes in sustained long-term growth while maintaining strong fundamentals. The Company found alignment with NABSAMRUDDHI, and its journey so far has been quite enriching. The Company looks forward to nurturing this relationship for the years to come."

Mr. Abhisheka Kumar
Co-founder & MD, Sindhuja Microcredit Pvt. Ltd.

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 2023-24, NABSAMRUDDHI Finance Ltd., under its CSR activities, sanctioned three projects with financial assistance amounting to INR 69.02 lakh.

The key highlights of the CSR activities undertaken by the Company are:

1. **WASH: Project for Construction of Toilets in three schools at Ambikapur, Surguja District, Chhattisgarh**

Project titled 'WASH Project for Construction of Toilets in three schools at Ambikapur, Surguja District, Chhattisgarh' was supported under CSR. These toilet block having 4 WC (2 WC for boys and 2 WC for girls) and 2 Urinals (for boys) be constructed in three schools of Ambikapur block of Surguja district, Chhattisgarh.

There was no existing toilet block for boys and girls in two schools and in one school, the existing toilet block was in very shabby state, inadequate to serve the present strength of students. Hence, provision of this new toilet block is a necessity and will provide neat, clean and hygienic sanitation facilities to the students as well as teachers.

An amount of INR 28.90 Lakh was sanctioned to Sulabh International Social Service Organisation from the Company's CSR Fund for this project.

2. **Empowering Schools- Improved facility for improved Learning**

Project titled 'Empowering Schools-Improved facility for improved learning' was supported under CSR. An amount of INR 24.11 Lakh was sanctioned to NABFOUNDATION from the Company's CSR Fund for this project. The project aims to improve the basic facilities like toilet (2WC+9 Urinal) and provision of clean drinking water, school building painting, computers and smart TV at the school.

The present toilet of the school is in dilapidated condition, and it is very difficult for the students and teachers to use the same. The unhygienic condition of the toilet is a source of many diseases among the toilet users and surrounding area.

It creates an unpleasant atmosphere in the school and discourages students to attend the school specially the girl children.

Further, provision of these improved facilities will empower the school to provide a good environment to the students for improved learnings.

3. WASH: Community Drinking water project in Sindhudurg district of Maharashtra

Project titled 'Community drinking water in Sindhudurg district of Maharashtra' was supported under CSR. An amount of INR 16.00 Lakh was sanctioned to Kokan Kala Va Shikshan Vikas Sanstha from the Company's CSR Fund for this project.

The project involved the installation of a 1000 LPH Water Station (Water ATM) and 3000 LPH water purifier system at Redi Village, Vengurla block, Sindhudurg district, Maharashtra. The project is now ensuring clean water for drinking, cooking and other household activities for a population of 17,000 including the migrant labourers in this village.

The **water ATM** having water purification facility provides safe drinking water at affordable charges to the villagers. It is being used by ~7,000 beneficiaries.

The **water purification system** provides safe water on continuous basis, free of cost. This water can be used for cooking and other purposes.

Both these units are maintained by the Gram Panchayat, Redi.



Water Purifier



Water ATM



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 2024, the statement of Profit and Loss (including Other Comprehensive Income), The Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, the changes in equity 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 Ind AS 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 obtained by us 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, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards prescribed 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 are 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.

The Company's 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 – Reserve Bank of India (Non-Banking Financial Companies – Scale Based Regulation) Directions, 2023 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 (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian 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, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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 disclosed the impact of pending litigations on its financial position in its financial statements (Refer note no. 38 to the 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 Indian 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. a. The 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;
- b. The 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
- c. 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 final dividend proposed with respect to previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
- vi. The company has not declared any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- vii. The Company has enabled the audit trail (edit log) facility w.e.f. 21 April 2024. With regard to Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1 April 2023.

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

Sd/-

J Poornachandar
Partner
M. No. 221627
UDIN:24221627BKARQV2537

Place: Hyderabad
Date: 30-04-2024

“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 property 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	155.18
2	SAFL	61.29
	Total	216.48

- (d) The total amount overdue for more than ninety days is amounting to Rs.216.48 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)(e) 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(iv) 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, income tax, 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, 2024 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 31-03-2024.
- (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.
- (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 Indian accounting standards.
- (xiv)
- (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit has been carried out by employee of the company and 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. Hence, the provisions of this clause 3(xvii) of the Order are not applicable.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of this clause 3(xviii) 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) Unspent amounts in respect of ongoing projects, has been transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
- (c) The company is not a holding company and is not required to prepare 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: 24221627BKARQV2537
Place: Hyderabad
Date: 30-04-2024

“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. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	During the FY 2023-24, 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 (grants/subsidy etc.) 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 that were not properly accounted for/ utilized as per its term and conditions.

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

Sd/-

J Poornachandar

Partner

Membership No. 221627

UDIN: 24221627BKARQV2537

Date: 30-04-2024

Place: Hyderabad

"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 Reserve Bank of India (NBFC - Scale Based Regulation) Directions, 2023

To

The Board of Directors,

NABSAMRUDDHI FINANCE LIMITED

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

A. General Matters

- 1) The company has obtained the Certificate of Registration (COR) from the Reserve Bank of India for conducting the business of non-banking financial activity.
- 2) The company is entitled to hold the Certificate of Registration in terms of Principal business criteria (Financial Asset/income pattern) as of the year ended 31.03.2024.
- 3) The company is meeting the required net owned fund requirement as laid down in RBI master directions (Reserve Bank of India (NBFC - Scale Based Regulation) Directions, 2023).

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 2023-2024.
- 2) The company has not accepted any public deposits during the financial year 2023-24.
- 3) The company has complied with the prudential norms relating to income recognition, Indian accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Reserve Bank of India (NBFC - Scale Based Regulation) Directions, 2023.
- 4) The capital adequacy ratio as disclosed in the return submitted to the Reserve bank in form DNBS03 is in accordance with Reserve Bank of India (NBFC - Scale Based Regulation) Directions, 2023 and also satisfying the minimum Capital to Risk Weighted Assets Ratio.
- 5) 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.
- 6) 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

Membership No. 221627

UDIN: 24221627BKARQV2537

Date: 30-04-2024

Place: Hyderabad

“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 2024 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 accounting principles generally accepted in India, including the Indian accounting Standards prescribed under section 133 of the Act. 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 accounting principles generally accepted in India, including the Indian accounting Standards prescribed under section 133 of the Act, 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 2024, 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
FRN: 004436S/S200135

J Poornachandar
Partner
M. No. 221627
UDIN: 24221627BKARQV2537

Place: Hyderabad
Date: 30-04-2024

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/2023-24/NFL/1.11/504

Date: 02.09.2024

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

Sub: - Comments of the C&AG of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of NABSAMRUDDHI Finance Limited for the year ended on 31 March 2024

Sir/Madam,

I forward herewith the 'Comments' Certificate of Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of NABSAMRUDDHI Finance Limited for the year ended on 31 March 2024

2. The date of placing the comments along with Annual Accounts and Auditors' 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 Auditors' 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 2023-24 may please be furnished in due course.

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

Encl:- As above

Yours faithfully,


(M. S. Subrahmanyam)
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 2024

The preparation of financial statements of Nabsamruddhi Finance Limited (Company) for the year ended on 31 March 2024 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 these 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 30 April 2024.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act, of the financial statements of Nabsamruddhi Finance Limited for the year ended on 31 March 2024. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

Comments on Cash Flow Statement

Adjustment for finance cost of ₹ 82.46 crore (including accrued amount of ₹ 47.54 lakh) was not made under Operating Activities as well as Financing Activities that resulted in understatement of cash flow from operating activities by ₹ 82.46 crore and overstatement of cash flow from investing activities by ₹ 81.98 crore.

Para 21 of Ind-AS 7 says that an entity shall report separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities. Therefore, non-depiction of above amount under Financing Activities is not in accordance with provisions of Ind-AS 7. Hence the cash flow statement is deficient to that extent.

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



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

**Place: Hyderabad
Date: 02 September 2024**

Financial Statements

NABSAMRUDDHI Finance Limited

(CIN : U65910TG1997PLC026442)

Balance sheet as at 31st March 2024

(INR lakh)

	Particulars	Note	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
	ASSETS				
1	Financial assets				
(a)	Cash and cash equivalents	2	3,097.27	4,148.96	3,249.65
(b)	Bank balances other than (a) above	3	0.04	5.35	5.35
(c)	Loans	4	158,448.22	101,186.00	77,518.38
(d)	Investments	5	20,218.13	8,907.78	3,486.23
(e)	Other financial assets	6	6.05	0.06	0.06
2	Non - Financial assets				
(a)	Current Tax assets (net)	7	238.03	23.53	-
(b)	Deferred tax assets (net)	8	429.49	417.04	628.64
(c')	Property, plant and equipment	9	13.40	3.66	5.35
(d)	Intangible assets	10	3.34	11.64	19.94
(e)	Other non - financial assets	11	36.38	47.05	61.45
	TOTAL - ASSETS		182,490.35	114,751.07	84,975.05
	LIABILITIES AND EQUITY				
1	Financial Liabilities				
(a)	Borrowings (Other than Debt Securities)	12	151,424.93	88,728.34	62,727.66
(b)	Other financial liabilities	13	244.13	0.30	0.75
2	Non - Financial Liabilities				
(a)	Current Tax Liabilities (net)	14	-	-	33.56
(b)	Provisions	15	151.30	165.44	141.50
(c')	Other non-financial liabilities	16	90.49	96.58	171.79
3	Equity				
(a)	Equity Share capital	17	12,382.20	12,382.20	12,382.20
(b)	Other Equity	18	18,197.30	13,378.21	9,517.59
	Total Liabilities and Equity		182,490.35	114,751.07	84,975.05

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Significant Accounting Policies and Notes on Accounts

1

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-24221627BKARQX4203
Place: Hyderabad
Date: 30 April, 2024

Sd/-
Ravi Krishan Takkar
Chairman and Independent Director
DIN: 07734571
Date: 30 April, 2024

Sd/-
Bonani Roychoudhury
Managing Director
DIN: 10305089
Date: 30 April, 2024

Sd/-
L S Naveenkumar
Chief Financial Officer
PAN: AIUPK2404Q
Date: 30 April, 2024

Sd/-
Suzette Pereira
Company Secretary
M No. A46491
Date: 30 April, 2024

NABSAMRUDDHI Finance Limited
(CIN : U65910TG1997PLC026442)

Statement of Profit and Loss for the year ended 31st March 2024

(INR lakh)

Particulars	Note No	For the year ended 31st March 2024	For the year ended 31st March 2023
I Revenue from Operations			
Interest Income	19	15,693.25	10,508.81
Fees and commission Income	20	6.69	-
Total Revenue from operations		15,699.94	10,508.81
II Other Income	21	44.80	269.88
III Total Income (I + II)		15,744.74	10,778.69
IV Expenses			
Finance Costs	22	8,246.04	4,309.94
Impairment on financial instruments	23	(58.26)	261.58
Employee Benefits Expenses	24	693.57	582.06
Depreciation, amortization and impairment	9&10	11.42	10.25
Others expenses	25	200.49	165.56
Total Expenses		9,093.26	5,329.39
V Profit / (loss) before exceptional items and tax (III - IV)		6,651.48	5,449.30
VI Exceptional Items		-	-
VII Profit / (loss) before tax (V - VI)		6,651.48	5,449.30
VIII Tax Expense:			
- Current Tax		1,617.84	1,124.04
- Deferred Tax	8	(10.35)	212.37
IX Profit / (loss) for the period (VII -VIII)		5,043.99	4,112.89
X Other Comprehensive Income			
(a) <i>Items that will not be reclassified to profit or loss</i>			
(i) Re-measurements of the defined benefit plans		(8.33)	(3.10)
(ii) Income tax relating to items that will not be reclassified to profit or loss	8	2.10	0.78
Sub-total (a)		(6.23)	(2.32)
(b) <i>(i) Items that will be reclassified to profit or loss</i>		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Sub-total (b)		-	-
Other Comprehensive Income (A + B)		(6.23)	(2.32)

XIII	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)		5,037.76	4,110.57
XIV	Earnings per equity share (refer Note - 26)			
	- Basic		3.25	2.66
	-Diluted		3.25	2.66

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-24221627BKARQX4203
Place: Hyderabad
Date: 30 April, 2024

Sd/-
Ravi Krishan Takkar
Chairman and Independent Director
DIN: 07734571
Date: 30 April, 2024

Sd/-
Bonani Roychoudhury
Managing Director
DIN: 10305089
Date: 30 April, 2024

Sd/-
L S Naveenkumar
Chief Financial Officer
PAN: AIUPK2404Q
Date: 30 April, 2024

Sd/-
Suzette Pereira
Company Secretary
M No. A46491
Date: 30 April, 2024

NABSAMRUDDHI Finance Limited

(CIN : U65910TG1997PLC026442)

Cash Flow statement for the year ended 31st March 2024

(INR lakh)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before exceptional items and taxes	6,651.48	5,449.30
Add: Non-cash Expenses		
Depreciation, amortization and Impairment	11.42	10.25
Impairment on Financial Instruments net off Bad debts written off	(58.26)	261.58
Prior period expenses	26.87	-
Remeasurements of the defined benefit plans	(8.33)	(3.10)
Less: Income considered separately		
Income from Investment activities	(1,791.46)	(723.82)
Operating profit before working capital changes	4,831.72	4,994.21
Changes in -		
(Increase) / Decrease in Bank Balance other than cash and cash equivalent	5.31	(0.00)
(Increase) / Decrease in Loans and Advances	(57,203.96)	(23,929.20)
(Increase) / Decrease in Other Financial Assets	(5.99)	0.01
(Increase) / Decrease in Other Non - Financial Assets	10.66	14.41
Increase / (Decrease) in Financial Liabilities	62,696.59	26,000.68
Increase / (Decrease) in Other Financial Liabilities	243.83	(0.45)
Increase / (Decrease) in Provisions	(14.14)	23.94
Increase / (Decrease) in Other non-financial Liabilities	(6.09)	(75.21)
Cash generated from operations	10,557.96	7,028.38
Income tax during the year	(1,830.27)	(1,183.43)
Net Cash Inflow / (outflow) from operating Activities	8,727.69	5,844.94
II. CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of Property, plant and equipment and intangible assets	(12.87)	(0.26)
- Proceeds from sale of Property, plant and equipment	-	-
- Increase in investments	(11,310.35)	(5,421.55)
- Income from Investments	1,791.46	723.82
Net Cash Inflow / (outflow) from Investment Activities	(9,531.76)	(4,697.99)

III. CASH FLOWS FROM FINANCING ACTIVITIES		
- Proceeds from issue of Equity shares	-	-
- Dividend paid (including tax on dividend)	(247.64)	(247.64)
Net Cash Inflow / (outflow) from Financing Activities	(247.64)	(247.64)
Net Increase / (Decrease) in Cash and Cash Equivalents	(1,051.69)	899.31
Cash and Cash Equivalents at the beginning of the year	4,148.96	3,249.65
Cash and Cash Equivalents at the End of the year	3,097.27	4,148.96

As per our Report of even Date
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For **NABSAMRUDDHI Finance Limited**

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M No. A46491
Date: 30 April, 2024

NABSAMRUDDHI Finance Limited
(CIN : U65910TG1997PLC026442)

Statement of changes in Equity for the year ended 31st March 2024

A. Equity Share Capital

(INR lakh)

Particulars	As at 31st March 2024	As at 31st March 2023	As at 1st April 2022
Balance at the beginning of the year	12,382.20	12,382.20	12,382.20
<i>Changes in Equity Share Capital due to prior period errors</i>	-	-	-
Restated balance at the beginning of the current reporting period	12,382.20	12,382.20	12,382.20
Changes in equity share capital during the year	-	-	-
Balance at the end of the year	12,382.20	12,382.20	12,382.20

B. Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Securities premium	General Reserve	Statutory reserve fund	Retained earnings		
Balance as at 01st April 2022	3,337.82	-	1,638.05	4,541.73		9,517.59
Adjustment for Changes in Accounting policies and Prior period items				(2.31)		(2.31)
Restated balance as a 01st April 2022	3,337.82		1,638.05	4,539.42		9,515.29
Add: Profit for the year				4,112.89		4,112.89
Add: Other Comprehensive Income for the year				(2.32)		(2.32)
Total Comprehensive Income for the year	-		-	4,110.57		4,110.57
Dividends Paid				(247.64)		(247.64)
Appropriation to Statutory Reserve*			822.11	(822.11)		-
Balance at the 31st March 2023	3,337.82		2,460.16	7,580.23		13,378.21
Balance as at 01st April 2023	3,337.82		2,460.16	7,580.23		13,378.21
Adjustment for Changes in Accounting policies and Prior period items				28.97		28.97
Restated balance as at 01st April 2023	3,337.82		2,460.16	7,609.20		13,407.18
Add: Profit for the year				5,043.99		5,043.99
Add: Other Comprehensive Income for the year				(6.23)		(6.23)
Total Comprehensive Income for the year	-		-	5,037.76		5,037.76
Dividends Paid				(247.64)		(247.64)
Appropriation to Statutory Reserve*			1,007.55	(1,007.55)		-
Balance at the 31st March 2024	3,337.82		3,467.71	11,391.76	-	18,197.29

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

For NABSAMRUDDHI Finance Limited

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PAN: AIUPK2404Q
Date: 30 April, 2024

Sd/-
Suzette Pereira
Company Secretary
M No. A46491
Date: 30 April, 2024

NABSAMRUDDHI FINANCE LIMITED

Notes forming part of Financial statements for the year ended 31st March 2024

Brief profile –

“NABSAMRUDDHI FINANCE LIMITED” (CIN: U65910TG1997PLC026442) is a subsidiary of NABARD and incorporated under the Companies Act 1956. The company is a “Non-banking Financial Company” (NBFC) registered with “Reserve Bank of India” (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending for off farm and related activities.

The Company's registered office is at NABARD Telangana Regional office building, Ground Floor, 1-1-61, RTC-X road, Musheerabad, Hyderabad, Telangana, India, 500020.

1. MATERIAL ACCOUNTING POLICY INFORMATION:

1.1 Statement of compliance and basis for preparation and presentation of Financial Statements

The company's financial statements up to and for the year ended 31st March 2023 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 (“the Act”) read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs to the extent applicable, collectively referred as “Previous GAAP”.

The Net worth of NABSAMRUDDHI as at 31 March 2023 stood at INR 264.17 crore. As per the Notification of Ministry of Corporate Affairs dated 18 January 2016, NBFCs having net worth of INR 250 crore or more are required to prepare and present the financial statements in accordance with the Indian Accounting Standard (Ind AS).

Accordingly, Financial statements for the FY 2023-24 is prepared and presented based on Ind-AS along with the comparatives as at 31st March 2023 and 1st April 2022.

(a) Statement of compliance –

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (“the Act”), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated 19 October 2023. Any application guidance/ clarifications/ directions/expectations issued by RBI or other regulators are implemented as and when they are issued/ applicable.

(b) Functional and presentation currency –

These financial statements are presented in Indian Rupees (‘INR’ or ‘₹’) which is also the Company's functional currency. All amounts are rounded-off to the nearest lakh, unless indicated otherwise and rounded off to two decimals as permitted by Schedule III to the Companies Act, 2013.

(c) Basis of preparation –

The financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- Certain financial instruments are measured either at fair value or at amortized cost depending on the classification;
- Employee defined benefit assets/(liabilities) are remeasured at the net total of the fair value of plan assets, adjusted for actuarial gains and losses and the present value of the defined benefit obligation.

(d) Measurement of Fair values –

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair value measurements under Ind AS 113 are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

(e) Use of estimates and judgements and Estimation uncertainty –

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The Company's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities –

- **Effective Interest Rate (EIR) Method –**

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by

nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

EIR is nothing but the rate of interest which equates the discounted contractual cash flows with the net present value of cash outflows of a financial instrument.

- **Impairment of Financial Assets –**

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- Development of ECL model, including the various formulae and the choice of inputs
- Management overlay used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

- **Provisions and Other Contingent liabilities –**

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

The reliable measure of the estimates and judgments pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

- **Provision for income tax and deferred tax assets –**

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

- **Defined Benefit Plans –**

The cost of the defined benefit gratuity and leave encashment plan and the present value of the gratuity & leave encashment obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Going Concern –**

Management is of the view that it is considered appropriate to prepare these financial statements on a going concern basis as the Company expects to generate sufficient cash flows from operating activities and unused lines of credit to meet its obligations in the foreseeable future.

1.2 Revenue recognition –

(a) Recognition of interest income on loans –

Interest income is recognized in Statement of profit and loss using the effective interest method for all financial instruments measured at amortized cost, debt instruments measured at Fair Value through Other Comprehensive Income (FVOCI) and debt instruments designated at Fair Value through Profit or Loss (FVTPL). The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired, the Company recognizes the interest income on actual basis.

If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

(b) Dividend and Interest income on investments –

- Dividends are recognized in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

- Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(c) Other operational revenue –

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

- Prepayment charges are collected and recognized on receipt basis from the customer towards prepayment of loan amount.
- Ledger Folio and other charges are collected and recognized on receipt basis from the customer.
- All other incomes are recognized on accrual basis, except in case of bad debts recovered, which are accounted as and when received
- Recoveries from Non-performing Assets has been appropriated in the following order:
 - a) Cost & Charges
 - b) Interest (including Overdue Interest)
 - c) Principal

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

1.3. Property, Plant and Equipment (PPE) –

- PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any.
- Cost includes all direct costs related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy.
- Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.
- Assets held for sale or disposal are stated at the lower of their net book value and net realizable value.
- Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured
- Depreciation on PPE is provided on Straight line method (SLM) basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.
- The estimated useful lives used for computation of depreciation is as follows :

Nature of the Asset	Estimated useful life
Computers	3 Years
Furniture and Fixtures	10 Years
Office equipment	5 Years
Vehicles	8 Years

- Assets costing Rs.5,000 or less are treated as Revenue expenditure.
- PPE is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.
- The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets and the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

1.4 Intangible assets –

Intangible assets are identified non-monetary assets without physical existence. Intangible assets with finite useful lives that are acquired separately are capitalized and carried at cost less accumulated amortization and accumulated impairment losses.

Amortization is recognised on Straight Line Method basis over the estimated useful life of the asset. Intangible assets are recognised in books only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost can be measured reliably.

The cost of the intangible asset shall include the purchase price, including non-refundable duties and taxes, all the directly attributable costs to bring the intangible to the present location, working condition and intended use. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an assets net selling price and the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

1.5 Financial Instruments –

a) Recognition and Measurement –

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the

financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

b) Classification of financial assets-

On initial recognition, a financial asset is classified as measured at

- Amortized cost; - Debt instruments
- FVTPL – debt instruments
- FVOCI - debt instruments;
- FVOCI - equity instruments;

Amortized cost - The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortized cost.

FVOCI - debt instruments - The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments - The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 109 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all investments in Pass Through Certificates (PTC's) designated at Fair value through Profit and Loss. (FVTPL).

The Company purchased retail loans/receivables (under securitization of debts) from Special Purpose Vehicle (SPV vide Pass Through Certificates (PTCs), a financial instrument issued to the investors (company) by the SPVs evidencing the beneficial ownership of the investors in the receivables. The financial instruments are rated by an independent credit rating agency. On the recommendation of the credit rating agency, additional credit support is provided in order that the instrument may receive the desired level of rating. Typically, the servicing of the receivables is continued by the seller. Cash flows as and when they are received are passed onto the investors.

Accordingly, the company classified such PTCs purchases under the "Investment" in accordance with Ind AS 32, and classified the same as 'Fair Value Trough Profit and Loss' (FVTPL) no provision for Expected Credit Loss (ECL) is made in accordance with Ind AS 109 as long as the contractual cash inflows remains intact as per contractual terms with the SPVs.

Any default in such PTC's shall be recognised in the statement of Profit and Loss Statement immediately

c) Subsequent measurement of financial assets –

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss and OCI. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments.

Dividend income received on such equity investments are recognised in Statement of profit and loss. Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss. Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

d) Financial liabilities and equity instruments –

Classification as debt or equity – Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments – An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities – Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is a derivative or is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

Financial guarantee contracts – A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue Recognition.

e) Derecognition –

Financial assets – The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which all of the risks and rewards of ownership of the financial asset are transferred substantially or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities – A financial liability is derecognized when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

f) Offsetting – Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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g) Impairment of financial instruments –

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognizes loss allowances for ECLs on the following financial instruments that are not measured at FVTPL.

Credit-impaired financial assets – A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit impaired. The Company assesses whether debt

instruments that are financial assets measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikelihood to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Significant increase in credit risk –

The Company monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default (PD) will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when loan asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e., the loss allowance is measured as the lifetime ECL in respect of all retail assets.

Definition of default – Definition of default is critical for determination of ECL. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company or
- the borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 1.5.1** 12-month ECL, that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- 1.5.2** Full lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

h) Write offs -

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/ borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

1.6 Employee benefits –

- **Short term employee benefits** – Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.
- **Defined Contribution Plans** – 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 Plan-**

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.

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.

Remeasurement gains/losses –

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

1.7 Finance costs – Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, Refinance from Financial institutions, non-convertible debentures, fixed deposits mobilized, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost . Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

1.8 Taxation - Current and deferred tax –

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax –

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Significant judgments are involved in determining the provision for

income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax – Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

1.9 Provisions –

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.10 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

1.11 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.12 Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

1.13 Operating Cycle

Based on the nature of products/activities of the company and normal time between the acquisition of assets and their realisation in cash and cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.14 Prior Period and Exceptional Items

Items of Income or Expenditure pertaining to the previous reporting period has been adjusted to Reserves and Surplus of the corresponding reporting period. Exceptional items having material impact on the financial statements of the Company are disclosed separately.

FIRST TIME ADOPTION OF IND AS

First time adoption –

The accounting policies set out above have been applied in preparing these financial statements for the year ended 31 March 2024, this disclosure explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and optional exemptions and mandatory exceptions that are availed.

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed –

1. Property plant and equipment and intangible assets - As per Ind AS 101 an entity may elect to:
 - measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its "deemed cost" at that date
 - use a Previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to: - fair value; - or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections stated above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

- use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with Previous GAAP) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under Previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

B. Mandatory exceptions –

Accounting estimates - As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 01 April 2022 and the financial statements as at and for the year ended 31 March 2023 to comply with Ind AS.

a) Comparative Balance sheet as at 01 April 2022 and 31 March 2023 –

(INR Lakh)

Particulars No.	Note	As at 31 March 2023			As at 01 April 2022		
		Previous-GAAP	Adjustments	Ind AS	Previous-GAAP	Adjustments	Ind AS
ASSETS							
Financial assets							
Cash and cash equivalents	2	4,148.96	-	4,148.96	3,249.65	-	3,249.65
Bank balances other than (a) above	3	5.35	-	5.35	5.34	-	5.34
Loans	4	102,277.14	(1,091.14)	101,186.00	79,306.06	(1,787.68)	77,518.38
Investments	5	8,907.78	-	8,907.78	3,486.23	-	3,486.23
Other financial assets	6	0.06	-	0.06	0.06	-	0.06
Non - Financial assets		-	-	-	-	-	-
Current Tax assets (net)	7	23.54	-	23.54	-	-	-
Deferred tax assets (net)	8	7.41	409.63	417.04	129.04	499.60	628.64
Property, plant and equipment	9	3.66	-	3.66	5.35	-	5.35
Other intangible assets	10	11.64	-	11.64	19.94	-	19.94
Other non - financial assets	11	47.05	-	47.05	61.45	-	61.45
TOTAL - ASSETS		115,432.58	(681.51)	114,751.07	86,263.13	(1,288.08)	84,975.05
LIABILITIES AND EQUITY							
Financial Liabilities							
Borrowings (Other than Debt Securities)	12	88,733.73	(5.39)	88,728.34	62,727.66	-	62,727.66
Other financial liabilities	13	0.30	-	0.30	0.75	-	0.75
Non - Financial Liabilities		-	-	-	-	-	-
Provisions	14	165.44	-	165.44	141.50	-	141.50
Other non-financial liabilities	15	96.58	-	96.58	171.78	-	171.78
Current Tax Liabilities (net)	16	-	-	-	33.56	-	33.56
Equity		-	-	-	-	-	-
Equity Share capital	17	12,382.20	-	12,382.20	12,382.20	-	12,382.20
Other Equity	18	14,054.33	(676.12)	13,378.21	10,805.67	(1,288.08)	9,517.59
Total Liabilities and Equity		115,432.58	(681.51)	114,751.07	86,263.13	(1,288.08)	84,975.05

b) Comparative Statement of profit and loss for the year ended 31 March 2023

(INR Lakh)

Particulars	Note No	Previous- GAAP	Adjustments	Ind AS
Revenue from Operations				
Interest Income	19	10,583.73	(74.92)	10,508.81
Others		-	-	-
Total Revenue from operations		10,583.73	(74.92)	10,508.81
Other Income	21	269.88	-	269.88
Total Income (I + II)		10,853.61	(74.92)	10,778.69
Expenses				
Finance Costs	22	4,315.33	(5.39)	4,309.94
Impairment on financial instruments	23	1,033.04	(771.46)	261.58
Employee Benefits Expenses	24	585.15	(3.09)	582.06
Depreciation, amortization and impairment	9&10	10.25	-	10.25
Others expenses	25	165.56	-	165.56
Total Expenses		6,109.33	(779.94)	5,329.39
Profit / (loss) before exceptional items and tax (III - IV)		4,744.28	705.02	5,449.30
Exceptional Items		-	-	-
Profit / (loss) before tax (V - VI)		4,744.28	705.02	5,449.30
Tax Expense:			-	-
- Current Tax		1,124.04	-	1,124.04
- Prior period taxes		2.31	(2.31)	-
- Deferred Tax		121.62	90.75	212.37
Profit / (loss) for the period (VII -VIII)		3,496.31	616.58	4,112.89
Profit/(loss) from discontinued operations				
Profit/(loss) for the period (IX+XII)		3,496.31	616.58	4,112.89
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
(i) Re-measurements of the defined benefit plans		-	(3.10)	(3.10)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	0.78	0.78
Sub-total (a)		-	(2.32)	(2.32)

(i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Sub-total (b)		-	-	-
Other Comprehensive Income (A + B)		-	(2.32)	(2.32)
Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)		3,496.31	614.26	4,110.57

c) Material adjustments to the Statement of cash flows for the year ended 31 March 2023 –

(INR Lakh)

Particulars	Previous- GAAP	Adjustments	Ind AS
Net cash flows from Operating activities	5,799.67	45.27	5,844.94
Net cash flows from Investing activities	(4,682.19)	(15.80)	(4,697.99)
Net cash flows from Financing activities	(247.64)	-	(247.64)
Net increase/(decrease) in cash and cash equivalents	869.84	29.47	899.31
Cash and cash equivalents at the beginning of the year	3,187.80	61.85	3,249.65
Cash and cash equivalents at the end of the year	4,057.64	91.32	4,148.96

d) Reconciliations between Ind-AS and Previous GAAP for equity and profit or loss are given below –

i) **Profit reconciliation –**

Particulars	Year ended 31 March 2023
Profit after tax as reported under Previous GAAP	3,496.31
Adjustments :	-
a) Impact on recognition of financial assets and financial liabilities at amortised cost by application of EIR	-
- Financial Assets	(74.92)
- Financial Liabilities	5.39
b) Impact on application of Expected Credit Loss method for loan loss provisions	771.46
c) Tax impact on above adjustments	(90.76)
d) Others	3.09
e) Adjustment of Prior period items	2.31
Profit after tax as per Ind AS	4,112.89
Other Comprehensive Income /(loss) (net of tax)	(2.32)
Total Comprehensive Income as per Ind AS	4,110.57

ii) **Equity Reconciliation –**

Particulars	As at 31 March 2023	As at 01 April 2022
Balance of retained earnings under Other Equity as reported under Previous GAAP	8,379.22	5,829.81
Adjustments :	-	-
a) Impact on recognition of financial assets and financial liabilities at amortised cost by application of EIR	-	-
- Financial Assets	(423.27)	(348.36)
- Financial Liabilities	5.39	-
b) Impact on application of Expected Credit Loss method for loan loss provisions	(667.87)	(1,439.32)
c) Other items	2.32	-
d) Impact on reserve fund	(122.86)	-
e) Tax impact on above adjustments	409.62	499.60
Total	(796.67)	(1,288.08)
Other Comprehensive Income /(loss) (net of tax)	(2.32)	-
Balance of retained earnings under Other Equity as per Ind AS	7,580.23	4,541.73

Material adjustments on adoption of Ind AS are explained below –

1. Interest income and expense measured using effective interest method –

- Under Previous GAAP, origination fees and transaction costs charged to customers was recognised upfront. Under Ind AS, such fees and costs are amortised over the expected life of the loan assets and recognised as interest income using effective interest method.
- Under Previous GAAP, the transaction costs related to borrowings were recognised upfront in the Statement of profit and loss. Under Ind AS, such costs are amortised over the contractual term of the borrowing and recognised as interest expense using effective interest method in the Statement of profit and loss.

2. Impairment allowance for Expected Credit loss –

Under Previous GAAP, the provisioning on overdue assets was as per management estimates, subject to the minimum provision required as per Master Directions of Reserve Bank of India for Non Deposit taking - Non Banking Financial Companies. Under Ind AS, impairment allowance is calculated as per expected credit loss method.

3. Deferred tax adjustments – Deferred tax effect of all possible timing differences has been recognised on transition date and during the year ended 31 March 2023.

NABSAMRUDDHI Finance Limited

Notes forming part of Financial Statements

(INR lakh)

Note No	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
2	Cash and Cash equivalents			
	- Cash on Hand	-	-	-
	- Balances with Banks (of the nature of cash and cash equivalents)			
	Current Accounts	1,137.58	317.32	113.98
	- Deposits with Banks			
	Deposits	1,959.00	3,734.98	3,068.47
	Interest accrued on deposits	0.69	96.66	67.19
	Total	3,097.27	4,148.96	3,249.65

3	Bank balance other than cash and cash equivalents			
	- Earmarked balances with banks (towards unclaimed dividend and unspent CSR expenditure)	0.04	5.35	5.35
	Total	0.04	5.35	5.35

4	Loans (Ref - Note 31)			
	Measured at Amortised cost			
	Secured Loans and Advances			
	- Due beyond 12 months	92,460.23	57,237.63	48,406.12
	- Due within 12 months	67,261.13	45,279.77	31,333.93
		159,721.36	102,517.40	79,740.05
	Less: Impairment allowance	(1,273.14)	(1,331.40)	(2,221.67)
		158,448.22	101,186.00	77,518.38
	Measured at Fair value through Profit and Loss		-	-
	Measured at Fair value through OCI		-	-
		158,448.22	101,186.00	77,518.38

5	Investments (Ref - Note 32)			
	- Measured at Amortised cost	-	-	-
	- Measured at Fair value through PL			
	- Due within 12 months	16,060.07	7,560.97	2,462.19
	- Due beyond 12 months	4,080.37	1,322.03	1,015.05
	- Interest accrued thereon	77.69	24.79	8.99
		20,218.13	8,907.78	3,486.23
	- Measured at Fair value through OCI	-	-	-
		20,218.13	8,907.78	3,486.23

6	Other Financial assets			
	Due within 12 months			
	Grant to be received from NABARD	5.98	-	-
		5.98	-	-
	Due beyond 12 months			
	Telephone Deposits	0.05	0.05	0.05
	Cylinder Deposit	0.01	0.01	0.01
		6.05	0.06	0.06

7	Current Tax Assets (Net)			
	Advance Tax & With holding taxes receivable	1,855.87	1,147.57	-
	Less: Income tax provision	(1,617.84)	(1,124.04)	-
		238.03	23.53	-

8	Deferred Tax assets (Ref - Note 27)			
	Opening	417.04	628.64	628.64
	Additions during the year	12.45	(211.59)	
	Closing	429.49	417.04	628.64

11	Other non-financial assets			
	Income Tax Receivable for earlier years	29.84	41.42	59.31
	Prepaid Expenses	4.08	3.97	1.96
	Salary Advance	2.46	1.66	0.19
		36.38	47.05	61.45

NABSAMRUDDHI Finance Limited

Note - 9 & 10 - Plant, Property and Equipment & Intangible assets Schedule as at 31st March 2024

(INR lakh)

Particulars	Gross Carrying Value			Depreciation Block				Net Carrying Value	
	As at 01.04.2023	Additions	Disposal/ Written off	As at 31.03.2024	As at 01.04.2023	Additions	Withdrawn	As at 31.03.2024	As at 31.03.2023
<i>Plant, Property and Equipment</i>									
Furnitures & Fixtures	2.36	1.83	-	4.19	1.99	0.32	-	2.30	0.38
Vehicles (Cars)	4.88	-	-	4.88	4.64	-	-	4.64	0.24
Office Equipment	4.73	1.11	-	5.85	2.89	0.83	-	3.72	1.84
Computer	3.63	9.92	-	13.55	2.43	1.98	-	4.40	1.20
Subtotal (A)	15.60	12.87	-	28.47	11.95	3.12	-	15.07	3.66
<i>Intangible assets</i>									
ILMAS Software	24.90	-	-	24.90	13.26	8.30	-	21.56	11.64
Subtotal (B)	24.90	-	-	24.90	13.26	8.30	-	21.56	11.64
Total (A + B)	40.50	12.87	-	53.37	25.20	11.42	-	36.63	15.30

Particulars	Gross Carrying Value			Depreciation Block				Net Carrying Value	
	As at 01.04.2022	Additions	As at 31.03.2023	As at 01.04.2022	Additions	Withdrawn	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
<i>Plant, Property and Equipment</i>									
Furnitures & Fixtures	2.36	-	2.36	1.77	0.21	-	1.99	0.38	0.59
Vehicles (Cars)	4.88	-	4.88	4.64	-	-	4.64	0.24	0.24
Office Equipment	4.47	0.26	4.73	2.08	0.81	-	2.89	1.84	2.39
Computer	3.63	-	3.63	1.50	0.93	-	2.43	1.20	2.12
Subtotal (A)	15.34	0.26	15.60	9.99	1.95	-	11.95	3.66	5.35
<i>Intangible assets</i>									
ILMAS Software	24.90	-	24.90	4.96	8.30	-	13.26	11.64	19.94
Subtotal (B)	24.90	-	24.90	4.96	8.30	-	13.26	11.64	19.94
Total (A + B)	40.24	0.26	40.50	14.95	10.25	-	25.20	15.30	25.29

As at 31st March 2022

<i>Plant, Property and Equipment</i>	13.28	2.06	-	15.34	8.06	1.93	-	9.99	5.35	5.22
<i>Intangible assets</i>	-	24.90	-	24.90	-	4.96	-	4.96	19.94	-

Note - The Management did not find any indications triggering the impairment of assets as per Ind AS-36. Hence there is no impairment of PPE & Intangible Asset for FY 2023-24.

NABSAMRUDDHI Finance Limited
Notes forming part of Financial Statements

(INR lakh)

Note No	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
12	Borrowings (other than Debt Securities) <i>(refer note no - 42)</i>			
	- Measured at Amortised cost			
	Loan from related parties (secured)			
	- Loan from NABARD			
	- Due within 12 months	63,342.17	41,258.95	32,546.02
	- Due beyond 12 months	73,195.91	42,354.04	29,942.33
	Accrued Interest on Refinance	75.62	116.19	239.31
		136,613.70	83,729.19	62,727.66
	Loan from unrelated parties (secured)			
	- Loan from Bajaj Finance Ltd.			
	- Due within 12 months	9,992.76	2,289.17	-
	- Due beyond 12 months	4,725.74	2,705.38	-
	Accrued Interest on Borrowing - Bajaj	92.72	4.61	-
		14,811.23	4,999.16	-
	<i>Measured at Fair value through Profit and Loss</i>	-	-	-
	<i>Measured at Fair value through OCI</i>	-	-	-
		151,424.93	88,728.34	62,727.66

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13	Other Financial Liabilities			
	Due beyond 12 months	-	-	-
	Due within 12 months			
	Other Payables (refer note no - 39)	244.09	0.26	0.72
	Dividend payable for earlier years	0.04	0.04	0.03
		244.13	0.30	0.75

14	Current Tax Liabilities (net)			
	Income tax provision	-	-	863.22
	Less: Advance Tax & With holding taxes receivable	-	-	(829.66)
		-	-	33.56

15	Provisions			
	Provision for Employee Benefit			
	<i>Due beyond 12 months</i>			
	Leave Encashment	14.33	12.30	5.19
	Gratuity			
	- For Deputed staff	-	-	-
	- For Company staff	61.60	48.48	37.54
		75.94	60.78	42.72
	<i>Due within 12 months</i>			
	Leave Encashment	3.62	2.73	9.75
	Gratuity			
	- For Deputed staff	26.62	51.61	40.13
	- For Company staff	7.36	4.77	4.70
		37.59	59.11	54.58
	Other provisions			
	<i>Due within 12 months</i>			
	Provision for CSR expenditure	37.77	45.55	44.19
		37.77	45.55	44.19
				-
		151.30	165.44	141.50

16	Other non-financial liabilities			
	<i>Due within 12 months</i>			
	- Excess TDS received from borrowers	21.14	21.25	21.11
	- Statutory payables	15.66	18.38	7.37
	- Outstanding Expenses	2.94	5.36	91.58
	- Income received in advance	0.94	1.79	1.91
		40.68	46.77	121.98
	<i>Due beyond 12 months</i>			
	Subsidy Reserve Fund (refer note no - 44)	49.81	49.81	49.81
		49.81	49.81	49.81
		90.49	96.58	171.79

(INR lakh)

Note No	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
17	Share Capital			
	Authorized Capital	15,000.00	15,000.00	15,000.00
	15,00,00,000 Equity shares of Rs.10/ each (Previous year 15,00,00,000 Equity Shares of Rs.10/- each)			-
	Issued, Subscribed & "Fully-paid up"	12,382.20	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)			
	TOTAL	12,382.20	12,382.20	12,382.20

a. Reconciliation of the number of equity shares outstanding at the beginning and end of the year

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Number of Shares outstanding at the beginning of the year	123,821,988	123,821,988	123,821,988
Add : 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	123,821,988

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

(INR Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 01st April, 2022
Equity Share Capital Outstanding at the beginning of the year	12,382.20	12,382.20	12,382.20
Add : Share Capital Issued during the year	-	-	-
Less: Shares bought back during the year	-	-	-
Equity Share Capital Outstanding at the end of the year	12,382.20	12,382.20	12,382.20

c. Rights, preferences and restrictions attaching to each class of shares including restrictions on distribution of dividends and repayment of capital

The Company has only one class of equity shares having par value of Rs. 10 per share. Each share holder is entitled to one vote per share. The distribution of dividend is in proportion to the number of equity shares held by each share holders.

Repayment of capital will be in proportion to number of equity shares held.

d. **Details of shareholder holding more than 5 %**

National Bank for Agriculture and Rural Development (NABARD)

Number of Shares					
%	31st March 2024	%	31st March 2023	%	01st April 2022
91.09%	112,788,000	91.09%	112,788,000	91.09%	112,788,000

e. **For a period of years, immediately preceding the Balance sheet**

Aggregate number & class of shares :

- Allotted as fully paid up pursuant to contract(s) without payment being received in cash : NIL
- Allotted as fully paid up by way of bonus shares: NIL
- Bought back : NIL

f. **Shareholding of Promoters**

Shares held by promoters at the end of the reporting period	For the year ended 31st March 2024			For the year ended 31st March 2023			As at 01st April 2022	
	Promoter Name	No.of Shares	% of Shares	% Change during the year	No.of Shares	% of Shares	% Change during the year	No. of Shares
National Bank for Agriculture and Rural Development (NABARD)	112,788,000	91.09	-	112,788,000	91.09	-	112,788,000	91.09
Govt of Andhra Pradesh	4,665,600	3.77	-	4,665,600	3.77	-	4,665,600	3.77
Govt of Telangana	3,465,788	2.80	-	3,465,788	2.80	1.95	1,048,988	0.85
Telangana State Cooperative Bank	-	-	-	-	-	(1.01)	1,250,400	1.01
AP State Cooperative Bank	-	-	-	-	-	(0.94)	1,166,400	0.94
Union Bank of India	2,000,000	1.62	-	2,000,000	1.62	-	2,000,000	1.62
Canara Bank	800,000	0.65	-	800,000	0.65	-	800,000	0.65
IMC Limited	50,000	0.04	-	50,000	0.04	-	50,000	0.04
KCP Sugars Ltd	50,000	0.04	-	50,000	0.04	-	50,000	0.04
Individuals	2,600	Negligible	-	2,600	Negligible	-	2,600	Negligible

Note No - 18 - Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Securities premium	General Reserve	Statutory reserve fund	Retained earnings		
Opening balance as at 01 April 2023	3,337.82	-	2,460.16	7,580.23	-	13,378.21
Adjustment for changes in accounting policies & Prior period items				28.97		28.97
Restated balance as at 01 April 2023	3,337.82	-	2,460.16	7,609.20	-	13,407.18
Add: Profit for the year	-	-	-	5,043.99		5,043.99
Add: Other Comprehensive Income for the year	-	-	-	(6.23)		(6.23)
Total Comprehensive Income for the year	-	-	-	5,037.76	-	5,037.76
Additions		-				-
Appropriation to Statutory Reserve*			1,007.55	(1,007.55)		-
Transactions with owners in their capacity as owners						-
Less: Dividend distributed during the year				(247.64)		(247.64)
Balance at the 31 March 2024	3,337.82	-	3,467.71	11,391.76	-	18,197.30

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Securities premium	General Reserve	Statutory reserve fund	Retained earnings		
Opening balance as at 01 April 2022	3,337.82	-	1,638.05	4,541.73	-	9,517.59
Adjustment for changes in accounting policies & Prior period items				(2.31)		(2.31)
Restated balance as at 01 April 2022	3,337.82	-	1,638.05	4,539.42	-	9,515.29
Add: Profit for the year	-	-	-	4,112.89		4,112.89
Add: Other Comprehensive Income for the year	-	-	-	(2.32)		(2.32)
Total Comprehensive Income for the year	-	-	-	4,110.57	-	4,110.57
Additions		-				-
Appropriation to Statutory Reserve*			822.11	(822.11)		-
Transactions with owners in their capacity as owners						-
Less: Dividend distributed during the year				(247.64)		(247.64)
Balance at the 31 March 2023	3,337.82	-	2,460.16	7,580.23	-	13,378.21

NABSAMRUDDHI Finance Limited
Notes to Statement of Profit and Loss

(INR lakh)

Note	Particulars	For the year ended 31st March 2024				For the year ended 31st March 2023			
		On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	Total	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	Total
19	Interest Income								
	Interest on Term Loan	13,901.78			13,901.78	9,784.99	-	-	9,784.99
	Interest on Securitisation		1,545.41		1,545.41	-	548.49	-	548.49
	Interest on Deposits	246.05			246.05	175.33	-	-	175.33
	Total	14,147.84	1,545.41	-	15,693.25	9,960.32	548.49	-	10,508.81
Note	Particulars	For the year ended 31st March 2024		For the year ended 31st March 2023					
20	Fees and Commission Income								
	- Arrangement fees on PTCs			6.69	-				
				6.69	-				
Note	Particulars	For the year ended 31st March 2024		For the year ended 31st March 2023					
21	Other Income								
	'Ledger Folio Charges			1.23	1.00				
	Miscellaneous Income			1.21	1.35				
	Prepayment charges			19.03	-				
	Other Receipts								
	- Interest on Income Tax refund			10.11	-				
	- Recoveries from bad debts written off earlier			13.22	267.53				
	Total			44.80	269.88				

NABSAMRUDDHI Finance Limited

Notes to Statement of Profit and Loss

(INR lakh)

Note	Particulars	For the year ended 31st March 2024		For the year ended 31st March 2023	
		On Financial Liabilities measured at Amortised Cost	On Financial Liabilities measured at Fair value through profit and loss	On Financial Liabilities measured at Amortised Cost	On Financial Liabilities measured at Fair value through profit and loss
22	Finance Costs				
	Interest on Refinance	7,397.54	-	4,305.33	-
	Interest on Borrowing - Bajaj	848.51	-	4.61	-
	Total	8,246.04	-	4,309.94	-

Note	Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
23	Impairment allowance on		
	- Assests measured at amortised cost	(58.26)	261.58
	- Measured at Fair value through Profit and Loss	-	-
	- Measured at Fair value through OCI	-	-
	Total	(58.26)	261.58

Note	Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
24	Employee Benefit Expenses (Refer Note - 35)		
	Salaries and wages	590.73	474.40
	Contribution to provident Fund	11.45	6.90
	Staff Welfare	15.56	15.10
	Conveyance Allowance	23.34	25.41
	Leave Salary & Leave Fare Concession	27.68	36.25
	Gratuity for current year		
	- For Deputed staff	11.56	15.30
	- For Company staff	13.26	8.69
	Total	693.57	582.06

Note	Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
25	Other expenses		
	Auditors Remuneration (Refer - Note - 29)		
	- Statutory Audit Fee	2.18	2.18
	- Tax Audit Fees	0.50	0.40
	- Other Expenses	-	-
	Directors sitting fee	28.85	21.42
	Travelling expenses	30.32	22.67
	Insurance Premium	0.21	0.16
	Repairs and Maintenance	-	0.17
	Printing & Stationery	4.52	3.59
	Postage & Telegrammes	0.51	0.68
	Telephone Expenses	0.33	0.31
	Duties & Taxes	3.22	0.71
	Office Maintenance	6.15	5.66
	News Papers & Subscriptions	8.20	5.02
	Demat Charges	0.86	0.82
	Bank Charges	0.10	0.24
	Maintenance of Vehicles	0.66	0.97
	Tea & Refreshment	0.70	1.43
	Professional fees	4.43	3.16
	General expenses	6.02	3.38
	Promotional Expenses	11.48	0.58
	Legal Expenses	11.34	21.55
	Advertisement Expenses	2.07	1.34
	Board Meeting Expenses	0.17	0.13
	Professional Charges	3.08	5.78
	CSR Expenses (Refer - Note - 46)	70.30	52.99
	Computer Software Charges	0.21	0.19
	Website Renewal fee	0.30	0.30
	Training fee	3.23	8.86
	HR Software charges	0.54	0.90
	Total	200.49	165.56

Note – 26 – Earnings per Share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(INR Lakh)

Particulars	2023-24	2022-23
Total Comprehensive Income as per statement of Profit and loss	5,037.75	4,110.57
Less : Transfer to Statutory Reserve	(1,007.55)	(822.11)
Net profit attributable to Equity Share holders (A)	4,030.20	3,288.46
Weighted average No. of Equity shares (no.'s in lakh) (B)	1,238.22	1,238.22
Basic Earnings per share (A/B)	3.25	2.66
Diluted Earnings per share (A/B)	3.25	2.66

The entity neither have any financial liabilities nor issued any stock options issued which are potentially convertible into equity shares and hence the Diluted earnings remains same as Basic earnings per share.

Note 27 – Disclosure pursuant to Ind AS 12 “Income Taxes”

A. Major components of tax expense / (income):

(INR Lakh)

S.no	Particulars	2023-24	2022-23
(a)	Profit or Loss section:		
	(i) Current Income Tax:		
	- Current Income Tax Expense	1,617.84	1,124.04
	- Tax Expense of Prior Periods	(2.10)	2.31
		1,615.74	1,126.35
	(ii) Deferred income tax liability / (asset), net	-	-
	Tax expense on origination and reversal of temporary differences	(10.35)	212.37
	Effect of previously unrecognized tax losses used to reduce tax expense	-	-
		(10.35)	212.37
	Income tax expense reported in Profit or Loss [(i) + (ii)]	1,605.39	1,338.72
(b)	Other Comprehensive Income (OCI) section:	-	-
	(i) Items not to be reclassified to profit or loss in subsequent periods '- Remeasurements of defined benefit liability (asset)	(2.10)	(0.78)
	(ii) Items to be reclassified to profit or loss in subsequent periods	-	-
	Income tax expense reported in Other Comprehensive Income [(i) + (ii)]	(2.10)	(0.78)
	Retained earnings:	-	-
	- Current Income Tax	1,615.74	1,126.35
	- Deferred Tax	(12.45)	211.59
	Income tax expense reported in retained earnings	1,603.29	1,337.94

B. Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:

S.no	Particulars	2023-24	2022-23
(a)	Profit before tax (including OCI component)	6,643.15	5,446.20
(b)	Corporate tax rate as per Income Tax Act 1961	25.17%	25.17%
(c)	Tax on Accounting profit (c)=(a)*(b)	1,671.95	1,370.70
(d)	(i) Tax effect on items which are tax deductible (Deductions)	-	-
	(A) Unamortized expenditure	(3.08)	(3.08)
	(B) Impairment allowances	(85.44)	(349.06)
	(ii) Tax effect on items which are non-tax deductible (Disallowances)	-	-
	(A) CSR expenses	17.69	13.34
	(B) Other items	16.72	92.14
	Total effect of tax adjustments [(i) + (ii)]	(54.11)	(246.66)
(g)	Tax expense recognised during the year (g)=(c)+(d)	1,617.84	1,124.04
(h)	Effective tax Rate (f)=(g)/(a)	24.35%	20.64%

C. Movement in deferred tax balances

Particulars	As at 31 March 2024				
	Net Balance as at 31 March 2023	Recognised in Profit or Loss	Recognised in OCI	Net for the period	Deferred Tax Assets (net)
<i>Tax effect of items constituting deferred tax assets</i>					
Property, plant and equipment	0.57	(0.15)	-	(0.15)	0.42
Intangibles	0.59	1.21	-	1.21	1.80
Loans and Advances	441.62	11.73	-	11.73	453.35
Borrowings	1.36	1.13	-	1.13	2.49
Unamortized expenditure	3.08	(3.08)	-	(3.08)	-
	447.22	10.84	-	10.84	458.06
<i>Tax effect of items constituting deferred tax liabilities</i>					
Employee benefits	(30.17)	3.70	(2.10)	1.60	(28.57)
	(30.17)	3.70	(2.10)	1.60	(28.57)
Total	417.04	14.54	(2.10)	12.45	429.49

Particulars	As at 31 March 2023				
	Net Balance as at 01 April 2022	Recognised in Profit or Loss	Recognised in OCI	Net for the period	Deferred Tax Assets (net)
Tax effect of items constituting deferred tax assets					
Property, plant and equipment	0.46	0.11	-	0.11	0.57
Intangibles	(0.32)	0.91	-	0.91	0.59
Loans and Advances	646.82	(205.21)	-	(205.21)	441.62
Borrowings	-	1.36	-	1.36	1.36
Unamortized expenditure	6.17	(3.08)	-	(3.08)	3.08
	653.13	(205.91)	-	(205.91)	447.22
Tax effect of items constituting deferred tax liabilities					
Employee benefits	(24.49)	(4.90)	(0.78)	(5.68)	(30.17)
	(24.49)	(4.90)	(0.78)	(5.68)	(30.17)
Total	628.64	(210.81)	(0.78)	(211.59)	417.04

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

D) Current Tax Balances

Particulars	2023-24	2022-23
Current Tax Assets (Net)		
Net off provision for tax	238.03	23.53

Note 28 – CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 March 2024	As at 31 March 2023
a) Contingent liabilities		
Demand/claims by various Government authorities not acknowledged as debts and contested by the Company: Income Tax*	-	10.32
b) Commitments		
Capital commitments		
Others – Loan commitments pending disbursement	1,700.00	500.00

* During the current year, an order favouring the company has been received and accordingly the contingent liabilities is Nil for the year.

Note 29 – AUDITORS' REMUNERATION (EXCLUSIVE OF TAXES)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Payment to the auditor's for : (exclusive of taxes)		
a) Statutory Audit and related services	2.00	2.00
b) Tax Audit Fees*	0.50	0.40
c) Other services	-	-

* Tax Audit fees to be paid for other than Statutory Auditors.

Note 30 – MEASUREMENT OF FAIR VALUES

Accounting Classification –

Classification of financial assets and financial liabilities

Particulars	As at 31st March 2024			
	Amortised Cost	FVTPL	FVOCI	Total
1 Financial assets				
(a) Cash and cash equivalents	3,097.27	-	-	3,097.27
(b) Bank balances other than (a) above	0.04	-	-	0.04
(c) Loans	1,58,448.22	-	-	1,58,448.22
(d) Investments	-	20,218.13	-	20,218.13
(e) Other financial assets	6.05	-	-	6.05
	1,61,551.58	20,218.13	-	1,81,769.71
2 Financial Liabilities	-			-
(a) Borrowings	1,51,424.93	-	-	1,51,424.93
(b) Other financial liabilities	244.13	-	-	244.13
	1,51,669.06	-	-	1,51,669.06

Particulars	As at 31st March 2023			
	Amortised Cost	FVTPL	FVOCI	Total
1 Financial assets				
(a) Cash and cash equivalents	4,148.96	-	-	4,148.96
(b) Bank balances other than (a) above	5.35	-	-	5.35
(c) Loans	1,01,186.00	-	-	1,01,186.00
(d) Investments	-	8,907.78	-	8,907.78
(e) Other financial assets	0.06			0.06
	1,05,340.37	8,907.78	-	1,14,248.15
2 Financial Liabilities				
(a) Borrowings	88,728.34	-	-	88,728.34
(b) Other financial liabilities	0.30	-	-	0.30
	88,728.64	-	-	88,728.64

	Particulars	As at 1st April 2022			
		Amortised Cost	FVTPL	FVOCI	Total
1	Financial Assets				
(a)	Cash and cash equivalents	3,249.65	-	-	3,249.65
(b)	Bank balances other than (a) above	5.35	-	-	5.35
(c)	Loans	77,518.38	-	-	77,518.38
(d)	Investments	-	3,486.23	-	3,486.23
(e)	Other financial assets	0.06	-	-	0.06
		80,773.44	3,486.23	-	84,259.67
2	Financial Liabilities	-			-
(a)	Borrowings	62,727.66	-	-	62,727.66
(b)	Other financial liabilities	0.75	-	-	0.75
		62,728.41	-	-	62,728.41

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

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Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued at the closing Net Asset Value (NAV).

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instruments are included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The entity develops Level 3 inputs based on the best information available in the circumstances.

Fair values of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy, and Fair value of Statement of Financial Position are presented below:

Particulars	Carrying Value	Fair value	Fair value		
			Level - I	Level - II	Level - III
As at 31 March 2024					
Financial Assets					
a) Cash and cash equivalents	3,097.27	3,097.27	3,097.27	-	-
b) Bank Balances other than (a) above	0.04	0.04	0.04	-	-
c) Loans	1,58,448.22	1,58,448.22	-	-	1,58,448.22
d) Investments	20,218.13	20,218.13	-	-	20,218.13
e) Other Financial Assets	6.05	6.05	-	-	6.05
Total	1,81,769.71	1,81,769.71	3,097.31	-	1,78,672.40
Financial Liabilities					
a) Borrowings	1,51,424.93	1,51,424.93	-	-	1,51,424.93
b) Other Financial Liabilities	244.13	244.13	-	-	244.13
Total	1,51,669.06	1,51,669.06	-	-	1,51,669.06

Particulars	Carrying Value	Fair value	Fair value		
			Level - I	Level - II	Level - III
As at 31 March 2023					
Financial Assets					
a) Cash and cash equivalents	4,148.96	4,148.96	4,148.96	-	-
b) Bank Balances other than (a) above	5.35	5.35	5.35	-	-
c) Loans	1,01,186.00	1,01,186.00	-	-	1,01,186.00
d) Investments	8,907.78	8,907.78	-	-	8,907.78
e) Other Financial Assets	0.06	0.06	-	-	0.06
Total	1,14,248.15	1,14,248.15	4,154.31	-	1,10,093.84
Financial Liabilities					
a) Borrowings	88,728.34	88,728.34	-	-	88,728.34
b) Other Financial Liabilities	0.30	0.30	-	-	0.30
Total	88,728.64	88,728.64	-	-	88,728.64

Particulars	Carrying Value	Fair value	Fair value		
			Level - I	Level - II	Level - III
As at 01 April 2022					
Financial Assets					
a) Cash and cash equivalents	3,249.65	3,249.65	3,249.65	-	-
b) Bank Balances other than (a) above	5.35	5.35	5.35	-	-
c) Loans	77,518.38	77,518.38	-	-	77,518.38
d) Investments	3,486.23	3,486.23	-	-	3,486.23
e) Other Financial Assets	0.06	0.06	-	-	0.06
Total	84,259.667	84,259.67	3,255.00	-	81,004.67
Financial Liabilities					
a) Borrowings	62,727.66	62,727.66	-	-	62,727.66
b) Other Financial Liabilities	0.75	0.75	-	-	0.75
Total	62,728.41	62,728.41	-	-	62,728.41

Unobservable inputs used in measuring fair value –

Type of financial instrument	Valuation technique	Significant unobservable input	Fair value measurement sensitivity to unobservable inputs
Loans	Discounted cash flow	Interest rate to discount future cash flows	Significant decrease in discount factor would result in higher fair value
Investments	Discounted cash flow	Interest rate to discount future cash flows	Significant decrease in discount factor would result in higher fair value
Borrowings	Discounted cash flow	Interest rate to discount future cash flows	Significant increase in discount factor would result in lesser fair value

Note 31 – FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Company's activities expose it to a variety of risks namely :

- Credit risk ;
- Liquidity risk ; and
- Interest rate risk

Risk management framework –

Risk Management policy outlines the approach and mechanisms of risk management in the company, including identification, reporting and measurement of risk in various activities undertaken by the company. The general objective of risk management is to support business units by ensuring risks are timely identified and adequately considered in decision-making, and are viewed in conjunction with the earnings.

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how the management monitors compliance with the Company risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Risk Management committee of Board exercises supervisory power in connection with the risk management of the company, monitoring of the exposures, reviewing adequacy of risk management process, reviewing internal control systems, ensuring compliance with the statutory/regulatory framework of the risk management process.

The note below explains the sources of risk which the entity is exposed to and how the entity manages the risk in its financial statements –

Risk	Exposure arising from	Management of Risk
Credit Risk	<p>Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from loans and advances and Investments.</p> <p>Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.</p>	<p>The Company adheres to high standards of credit risk management and mitigation. The lending proposals are subjected to assessment of promoters; group financial strength and leverage; operational and financial performance track record; client cash flows; The company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for Group of Counterparties and by monitoring exposures in relation to such limits.</p>
Liquidity Risk	<p>Liquidity risk is the risk that the Company is unable to meet its financial obligations when they fall due without adversely affecting its financial condition. Liquidity risk arises because of mismatches in the timing of the cash flows</p>	<p>Board of Directors (the Board) of the company defines its liquidity risk management strategy and sets the overall policy and risk tolerances.</p> <p>In order to manage/mitigate liquidity risk, in addition to regulatory limits on liquidity gaps, the company has also defined prudential internal limit for Liquidity Gap tolerance for its time bucket which is approved by the Board.</p> <p>Treasury is responsible for managing liquidity under the liquidity risk management framework as approved by the Board .</p> <p>ALCO is responsible for ensuring adherence to the risk tolerance/ limits set by the Board.</p> <p>Liquidity risk management strategies and practices are reviewed to align with changes to the external environment, including regulatory changes, business conditions and market developments. Actual and anticipated cash flows generated are monitored to ensure compliance with limits.</p> <p>The Company has formulated a policy on Liquidity Risk Management Framework which covers liquidity risk management, stress testing, maturity profiling and liquidity risk measurement, interest Rate Risk and liquidity risk monitoring tools.</p>

Interest rate risk	Interest rate risk consists primarily of risk inherent in ALM activities and relates to the potential adverse impact of changes in market interest rates on future net interest income. Interest rate risk arises from mismatches in re-pricing of interest rate sensitive assets (RSA) and rate sensitive liabilities (RSL)	<p>Board of Directors (the Board) of the Company is the guiding body for management of its interest rate risk and sets the overall policy and risk limits.</p> <p>In order to manage/mitigate interest rate risk, the Company has defined Interest Rate Sensitive Gap tolerance limits for each time bucket, which is approved by the Board.</p> <p>Finance Department is entrusted with the responsibility of managing interest rate risk within the overall risk limits as approved by the Board. ALCO is responsible for ensuring adherence to the risk tolerance/limits set by the Board.</p>
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Credit Risk –

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its loans primarily based on days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow-ups and legal recourse.

Credit Quality of Financial Loans and Investments –

The following table sets out information about credit quality of loans and investments measured at amortised cost based on days past due information. The amount represents gross carrying amount.

Particulars	31 st March 2024	31 st March 2023	1 st April 2022
Gross carrying value of Loans and Advances			
Neither Past due nor impaired	1,59,504.88	1,02,037.98	78,075.30
Past due but not impaired	-	-	-
0 - 30 days past due	-	-	-
31 – 60 days past due	-	-	-
61 – 90 days past due	-	-	-
Impaired (more than 90 days)	216.48	479.42	1,664.75
Total Gross Carrying value as at reporting date	1,59,721.36	1,02,517.40	79,740.05

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the company is into lending activities, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

Inputs considered in ECL model –

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorises loan assets into stages primarily based on the Months Past Due status.

Stage 1: 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company as per simplified approach specified in Ind AS 109.

- a) **Default** – The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.
- b) **Exposure at default** – "Exposure at Default" (EAD) represents expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the entity.
- c) **"Loss given default"** (LGD) is an estimate of loss from a transaction given that a default occurs.
- d) **Estimations and assumptions considered in the ECL model** –
 - "Loss given default" (LGD) is common for all three Stages and is considered based on RBI circular, DBOD.No. BP.BC.67/21.06.202/2011-12 dated 22 December 2011, which suggest for in the absence of credible information for computing LGD, it can be considered at 65%.
 - "Probability of Default" (PD) is applied on Stage 1 and Stage 2 on basis of average of past 36 to 48 months yearly movement and no future adjustment are made for macro-economic factors and for Stage 3 considered at 100%.
- e) **Measurement of ECL** – As prescribed under para 5.5 in Ind AS 109, 12-months ECL is computed for financial instruments which are in Stage – I, and Life time ECL for those in Stage – II & III.

Policy for write off of Loan Assets – The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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Classification of Loans –

S.no	Particulars	As at 31 March 2024				Total
		Amortised cost	At Fair Value			
			Through PL	Through OCI	Sub-total	
A.	Loans					
(i)	Repayable on demand	-	-	-	-	-
(ii)	Term Loans	1,59,721.36	-	-	-	1,59,721.36
(iii)	Others	-	-	-	-	-
	Total	1,59,721.36	-	-	-	1,59,721.36
	Less: Impairment allowance	(1,273.14)				(1,273.14)
	Total	1,58,448.22				1,58,448.22
B.		-				-
(i)	Secured by tangible assets and Book Debts	1,59,721.36	-	-	-	1,59,721.36
(ii)	Secured by intangible assets	-				-
(iii)	Covered by Guarantees	-				-

(iv)	Unsecured	-				-
	Total	1,59,721.36	-	-	-	1,59,721.36
	Less: Impairment allowance	(1,273.14)				(1,273.14)
	Total	1,58,448.22				1,58,448.22
C.		-				-
	Loans in India	-				-
(i)	Public sector	-				-
(ii)	Others	1,59,721.36	-	-	-	1,59,721.36
	Total	1,59,721.36	-	-	-	1,59,721.36
	Less: Impairment allowance	(1,273.14)				(1,273.14)
	Total	1,58,448.22				1,58,448.22
	Loans outside India	-	-	-	-	-

S.no	Particulars	As at 31 March 2023				
		Amortised cost	At Fair Value			Total
			Through PL	Through OCI	Sub-total	
A.	Loans					
(i)	Repayable on demand	-	-	-	-	-
(ii)	Term Loans	1,02,517.40				1,02,517.40
(iii)	Others	-				-
	Total	1,02,517.40				1,02,517.40
	Less: Impairment allowance	(1,331.40)				(1,331.40)
	Total	1,01,186.00				1,01,186.00
B.		-				-
(i)	Secured by tangible assets and Book Debts	1,02,517.40				1,02,517.40
(ii)	Secured by intangible assets	-				-
(iii)	Covered by Guarantees	-				-
(iv)	Unsecured	-				-
	Total	1,02,517.40				1,02,517.40
	Less: Impairment allowance	(1,331.40)				(1,331.40)
	Total	1,01,186.00				1,01,186.00
C.		-				-
	Loans in India	-				-
(i)	Public sector	-				-
(ii)	Others	1,02,517.40				1,02,517.40
	Total	1,02,517.40				1,02,517.40
	Less: Impairment allowance	(1,331.40)				(1,331.40)
	Total	1,01,186.00				1,01,186.00
	Loans outside India	-				-

S.no	Particulars	As at 01 April 2022				
		Amortised cost	At Fair Value			Total
			Through PL	Through OCI	Sub-total	
A.	Loans					
(i)	Repayable on demand	-	-	-	-	-
(ii)	Term Loans	79,740.05				79,740.05
(iii)	Others	-				-
	Total	79,740.05				79,740.05
	Less: Impairment allowance	(2,221.67)				(2,221.67)
	Total	77,518.38				77,518.38
B.		-				-
(i)	Secured by tangible assets and Book Debts	79,740.05				79,740.05
(ii)	Secured by intangible assets	-				-
(iii)	Covered by Guarantees	-				-
(iv)	Unsecured	-				-
	Total	79,740.05				79,740.05
	Less: Impairment allowance	(2,221.67)				(2,221.67)
	Total	77,518.38				77,518.38
C.		-				-
	Loans in India	-				-
(i)	Public sector	-				-
(ii)	Others	79,740.05				79,740.05
	Total	79,740.05				79,740.05
	Less: Impairment allowance	(2,221.67)				(2,221.67)
	Total	77,518.38				77,518.38
	Loans outside India	-				-

Impairment Allowance –

The expected credit loss allowance provision for **Loans and Advances** is determined as follows –

Particulars	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit Impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31 March 2024	1,59,504.88	-	216.48	1,59,721.36
Expected credit loss rate	0.68%	-	89.64%	0.80%
Carrying amount as at 31 March 2024 (net of impairment provision)	1,58,425.80	-	22.43	1,58,448.22
Gross Balance as at 31 March 2023	1,02,037.98	-	479.42	1,02,517.40
Expected credit loss rate	0.95%	-	75.21%	1.30%

Carrying amount as at 31 March 2023 (net of impairment provision)	1,01,067.14		118.86	1,01,186.00
Gross Balance as at 01 April 2022	78,075.30	-	1,664.75	79,740.05
Expected credit loss rate	1.60%	-	58.48%	2.79%
Carrying amount as at 01 April 2022 (net of impairment provision)	76,827.17	-	691.21	77,518.38

Analysis and Reconciliation of Exposure and ECL –

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to **Loans and Advances** is, as follows –

Gross Exposure Reconciliation –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 01 April 2022	78,075.30	-	1,664.75	79,740.05
Changes due to loans recognised in the opening balance that have:	-		-	-
- Transfers to Stage I	-	-	-	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognized during the year	(4,889.77)	-	-	(4,889.77)
New Loans originated during the year	54,123.80		-	54,123.80
Write-off's	-		(1,145.26)	(1,145.26)
Recoveries	(25,271.34)	-	(40.07)	(25,311.41)
Gross carrying amount balance as at 31 March 2023	1,02,037.98	-	479.42	1,02,517.40
Changes due to loans recognised in the opening balance that have:	-		-	-
- Transfers to Stage I	-	-	-	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognized during the year	(11,123.72)		-	(11,123.72)
New Loans originated during the year	1,03,043.37		-	1,03,043.37
Write-off's	-	-	-	-
Recoveries	(34,452.76)	-	(262.94)	(34,715.69)
Gross carrying amount balance as at 31 March 2024	1,59,504.88	-	216.48	1,59,721.36

Reconciliation of ECL Balance –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 01 April 2022	1,248.12	-	973.54	2,221.67
Changes due to loans recognised in the opening balance that have:	-		-	-
- Transfers to Stage I	-	-	-	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	-	-	-	-

Loans that have been derecognised during the year	(172.02)	-	-	(172.02)
New Loans originated during the year	412.61	-	-	412.61
Write-off's	-	-	(653.97)	(653.97)
Remeasurement	(517.87)	-	40.99	(476.88)
Gross carrying amount balance as at 31st March 2023	970.84	-	360.56	1,331.40
Changes due to loans recognised in the opening balance that have:	-	-	-	-
- Transfers to Stage I	-	-	-	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognized during the year	(211.33)	-	-	(211.33)
New Loans originated during the year	543.50	-	-	543.50
Write-off's	-	-	-	-
Remeasurement	(223.93)	-	(166.51)	(390.43)
Gross carrying amount balance as at 31 March 2024	1,079.08	-	194.05	1,273.14

An amount of INR 761.39 lakh was prepaid by the customer (Loan no – MF-286) and accordingly repayment schedules were amended. Interest income has been recognised in accordance with the revised repayment schedules. The balance INR 144.71 lakh outstanding as at reporting date was pre-closed post the reporting period.

Considering the prudence and the futuristic macro indicators, the entity has made an additional cumulative provision of INR 66.67 lakh till the end of current reporting period (*previous year – INR 66.42 lakh*).

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Liquidity Risk –

Liquidity risk is the risk that the Company is unable to meet its financial obligations when they fall due without adversely affecting its financial condition. Liquidity risk arises because of mismatches in the timing of the cash flows.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of non-derivative Financial liabilities and Financial Assets –

As on 31 March 2024									
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	1,959.69	--	--	--	--	--	--	--	1,959.69
Advances	5,043.74	5,518.61	5,750.83	17,461.58	33,486.18	9,196.94	3,193.71	69.78	159,721.36
Investments	1,734.71	1,702.63	1,783.34	5,192.51	5,724.56	4,080.38	--	--	20,218.13
Total	8,738.14	7,221.24	7,534.17	22,654.09	39,210.74	83,277.32	13,193.71	69.78	181,899.19
Borrowings	925.23	833.28	17,856.62	9,063.45	34,826.36	76,134.34	1,785.64	-	151,424.93

As on 31 March 2023									
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	3,831.64	--	--	--	--	--	--	-	3,831.64
Advances	3,436.54	3,805.31	3,439.30	12,260.82	22,337.74	52,081.15	4,677.39	479.16	102,517.40
Investments	913.43	901.14	943.28	2,302.89	2,525.02	1,322.02	--	--	8,907.78
Total	8,181.61	4,706.45	4,382.58	14,563.71	24,862.76	3,403.18	4,677.39	479.16	115,256.82
Borrowings	207.92	208.32	9,810.54	13,217.73	20,224.23	41,760.80	2,941.63	357.18	88,728.34

Market Risk / Price Risk –

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

The Company is exposed to market risk which primarily includes risk of change in market value of investments.

Thus, exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. Objective of Market risk management is to minimize impact of change in Market value of lending/investments.

Currency risk –

Company's operating currency is Indian Rupee only and not exposed to Foreign currency risk.

Operational Risks –

The Company has an internal framework for reporting and capturing operational risk incidents. Significant incidents reported are investigated to assess weaknesses in controls and identify areas for improvement. The Company also has a Whistle Blower policy and platform, which is open to employees and vendors for raising their concerns, with full confidentiality, on any fraud, malpractice or any other untoward activity or event. Disaster recovery and Business Continuity Plans (BCP) have been established for significant businesses to ensure continuity of operations and minimal disruption to customer services.

The Company has internal policies and processes in place for managing operational risk in material products, activities and systems.

Interest rate risk –

The aim of managing interest-rate risk is to limit the sensitivity of the balance sheet to interest rate fluctuations. ALCO is the guiding body for management of interest rate risk and sets the overall policy and risk limits with approvals from RMC and the Board. The treasury team is entrusted with the responsibility of managing the same.

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing instruments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating rate bearing instruments will fluctuate because of fluctuations in the interest rates.

Sensitivity analysis w.r.t Interest rate risk as follows –

Particulars	Carrying value	Fair Value	Impact of interest income in Profit & Loss statement	
			1% increase	1% decrease
Term loans measured at amortised cost	1,59,721.36	1,59,721.36	1,183.51	(1,183.51)
Investments (PTCs) measured at FVTPL	20,218.13	20,218.13	140.45	(140.45)

Note – 32 – Investment in Pass Trough Certificates

The Company purchased retail loans/receivables (under securitization of debts) from Special Purpose Vehicle (SPV vide Pass Through Certificates (PTCs), a financial instrument issued to the investors (company) by the SPVs evidencing the beneficial ownership of the investors in the receivables. The financial instruments are rated by an independent credit rating agency. On the recommendation of the credit rating agency, additional credit support is provided in order that the instrument may receive the desired level of rating. Typically, the servicing of the receivables is continued by the seller. Cash flows as and when they are received are passed onto the investors.

Accordingly, the company classified such PTCs purchases under the "Investment" in accordance with Ind AS 32, and classified the same as 'Fair Value Trough Profit and Loss' (FVTPL) no provision for Expected Credit Loss (ECL) is made in accordance with Ind AS 109 as long as the contractual cash inflows remains intact as per contractual terms with the SPVs.

Any default in such PTC's shall be recognised in the statement of Profit and Loss Statement immediately.

The details of the such investments as at end of the reporting period is as follows:

Particulars	31 March 2024			31 March 2023		
	Credit rating	Amount O/s	%	Credit rating	Amount O/s	%
PTC -1	A (SO)	1,069.66	5.29	A(SO)	1,459.67	16.39
PTC - 2	-	-	-	A+ (SO)	261.02	2.93
PTC - 3	A (SO)	388.26	1.92	A(SO)	1,654.38	18.57
PTC - 4	A (SO)	1,604.36	7.94	A+ (SO)	2,566.50	28.81
PTC - 5	A (SO)	2,054.47	10.16	A+(SO)	1,744.57	19.58
PTC - 6	A (SO)	1,143.65	5.66	-	-	-
PTC - 7	A (SO)	3,200.89	15.83	-	-	-
PTC - 8	A+ (SO)	2,925.95	14.47	-	-	-
PTC - 9	A (SO)	2,331.41	11.53	-	-	-
PTC - 10	AA- (SO)	5,499.49	27.20	-	-	-
PTC - 11		-	-	A(SO)	311.41	3.50
PTC - 12		-	-	A- (SO)	910.23	10.22
	-	20,218.13	100%	-	8,907.78	100
Out of the above						
- Current		16,137.76	80%		7,585.75	85%
- Non current		4,080.37	20%		1,322.03	15%

Note – 33 – Related Party Disclosure

As per Ind AS 24 on 'Related Party disclosures', the related parties of the company are as follows:

Holding Entity	National Bank for Agriculture and Rural Development (NABARD)
Subsidiaries of the Holding entity	NABFOUNDATION
	NABKISAN
	NABFINS
	NABVENTURES
	NABCONS
	NABSANRAKSHAN
Key Management Personnel	Smt. Bonani Roychoudhury , Managing Director & CEO
	Smt. Dr. Ushamani P (Managing Director up to 30 August 2023)
	Shri LS Naveenkumar, Chief Financial Officer (w.e.f 02 May 2023)
	Smt. Suzette Pereira , Company Secretary
	Shri Ravi Krishan Takkar , Non-Executive Chairman & Independent Director
	Shri Subrata Gupta, Non-executive Director
	Shri Lalit Kumar Vaid, Independent Director
	Shri Arvind Kumar Jain, Independent Director
	Shri Subrat Nanda, Nominee Director
	Shri K Dharmaiah, Nominee Director
	Shri Manikumar S, Nominee Director
	Shri Partho Saha, Nominee Director

(Independent directors are classified as Key Management Personnel as per definition of Ind AS 24, however directors continue to be Independent Director as defined in section 149 (b) of the Companies Act, 2013)

During the year following transaction were entered into with related parties in the ordinary course of business –

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
I. Holding Company		
Transactions during the year		
Loans received	1,01,960.60	57,886.89
Loans repaid	49,035.51	36,762.25
Interest paid on loans	7,397.54	4,305.33
Interest accrued on loans	75.62	116.19
Dividend paid	225.58	225.58
Office Maintenance charges	5.00	5.00
Reimbursement of Salaries and allowances of deputed staff	158.36	221.07
II Fellow Subsidiaries - NABFOUNDATION		
CSR Contribution	5.31	-
III Key Managerial Personnel		
Compensation to Key Managerial person#	197.43	195.16

#Compensation to Key Managerial person –

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Short-term employee benefits	170.98	175.36
Other Contribution to funds	-	-
Sitting fees and commission	26.45	19.80
Total	197.43	195.16

Details of Key Managerial Remuneration Paid

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Smt Bonani Roychoudhury	51.76	-
Dr. Ushamani P	51.58	88.17
Shri M Prashanth Babu	-	26.60
Shri Vijay Turumella	8.55	50.99
Shri L S Naveen Kumar	48.94	-
Smt Suzette Pereira	10.15	9.60
Shri Arvind Kumar Jain	7.25	5.70
Shri Ravi Krishan Takkar	6.75	4.65
Shri Subrata Gupta	7.55	6.45
Shri Lalit Kumar Vaid	4.90	-
Shri Vinay Verma	-	3.00
Total	197.43	195.16

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Balance outstanding –

Name of the related party	Particulars	Balance as at 31 March 24	Balance as at 31 March 23
NABARD	Loan outstanding	1,36,538.08	83,612.99
	Interest accrued on above	75.62	116.19
	Other receivables	5.98	-
	Other payables	-	-

NOTE – 34 – OPERATING SEGMENTS

- There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets, which require disclosure.
- No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2024 or 31 March 2023.

Note – 35 – Employee Benefit Expenses

- 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 a Deputy General Manager, an Assistant General Manager, a Manager and an Assistant Manager are utilised by the company on 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.

- c) Liability in respect of leave encashment has been provided as per the policy of the Company amounting to INR 17.95 lakh and has the same made in accordance with Actuarial valuation. The summary of the same is indicated below -

Particulars	2023-24	2022-23
Defined benefit obligation – Opening	15.03	6.59
Current service cost	5.65	7.17
Interest Expense	0.78	0.49
Defined benefit cost included in P&L	6.43	7.66
Benefit payments from Employer	(9.40)	-
Remeasurements - Due to Demographic assumptions	(0.61)	0.37
Remeasurements - Due to Financial Assumptions	0.21	1.10
Remeasurements - Due to Experience Adjustments	6.29	(0.70)
Net Actuarial Loss/(Gain) recognised in the Other Comprehensive Income	5.89	0.77
Defined benefit obligation - at the end	17.95	15.03
Total defined benefit cost recognized in P&L	24.38	8.43
Discount Rate	7.23%	7.52%
Salary Escalation Rate	15%	15%

As per the modified HR Policy of the Company, the maximum carry forward limit of earned leave balance of the employees has been restricted to 54 from 240 leave. Accordingly, provision for leave encashment of INR 8.34 lakh was created in the books for the leave balance, over and above the maximum limit as on 31 March 2022. Subsequently, the amount was paid to the employees in the FY 2022-23.

- d) **Defined Contribution Plans** – Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Particulars	2023-24 Amount (INR)	2022-23 Amount (INR)
Employer's Contribution to Provident Fund (#)	11.45	6.90
Employer's Contribution to Superannuation Fund	-	-
Employer's Contribution to Pension Scheme	-	-

There is no legal or constructive obligation to pay further contributions in respect of above.

- e) **Defined Benefit Plan (Gratuity)-**

1. **Movement in defined benefit Obligations –**

Particulars	2023 – 24	2022 – 23
Defined Benefit Obligation at beginning of the year	53.26	42.24
Current Service Cost	9.26	5.56
Actuarial (Gain)/Loss	-	-
- Due to Demographic Assumptions	(2.16)	1.16
- Due to Financial Assumptions	1.09	3.46
- Due to Experience Adjustments	3.51	(2.29)
Interest Cost	4.00	3.13
Benefits Paid	-	-
Defined Benefit Obligation at end of the year	68.96	53.26

2. Movement in plan assets –

Particulars	2023 – 24	2022 – 23
Fair value of Plan Assets at beginning of the year	-	-
Return on Plan Assets	-	-
Employer Contribution	-	-
Benefits Paid	-	-
Fair value of Plan Assets at end of the year	-	-

3. Amounts recognized in the Statement of Financial Position –

Particulars	2023 – 24	2022 – 23
Defined Benefit Obligation at the beginning of the period	53.26	42.24
- Current Service Cost	9.26	5.56
- Past Service Cost	-	-
- Interest Cost	4.00	3.13
Actuarial (Gain)/Loss (as per 1 above)	2.44	2.33
Defined Benefit Obligation at the end of the period	68.96	53.26
Fair Value of Plan Assets	-	-
Funded Status	-	-
Effect of Asset Ceiling / Onerous Liability	-	-
Net Defined Benefit Liability / (Asset)	68.96	53.26
Of which, Short term Liability	7.36	4.77

4. Recognised in statement of profit and loss –

Particulars	2023 – 24	2022 – 23
Current Service Cost	9.26	5.56
Past service cost	-	-
Loss / (Gain) on settlement	-	-
Interest Expense on obligation	4.00	3.13
Interest (Income) on Plan Assets	-	-
Recognised in Statement of Profit and loss	13.26	8.69

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5. Remeasurement (gains)/losses in Other Comprehensive Income –

Particulars	2023 – 24	2022 – 23
Actuarial (Gain)/Loss		
- Due to Demographic Assumptions	(2.16)	1.16
- Due to Financial Assumptions	1.09	3.46
- Due to Experience Adjustments	3.51	(2.29)
Return on plan assets excluding interest income	-	-
Recognised in OCI	2.44	2.33

6. Summary –

Particulars	2023 – 24	2022 – 23
Defined benefit obligation	53.26	42.24
Defined Benefit Cost included in P & L	13.26	8.69
Total Remeasurements included in OCI	2.44	2.33
Net Defined Benefit Liability / (Asset) at the end	68.96	53.26

7. **Key actuarial assumptions –**

Particulars	2023 – 24	2022 – 23
Discount rate	7.23%	7.52%
Salary Escalation	15.00%	15.00%

8. **Sensitivity analysis for significant assumptions**

Discount Rate, and Salary Escalation Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below :

Scenario	Defined benefit obligation	% Change
Under Base Scenario	68.96	0.00%
Salary Escalation - Up by 1%	71.20	3.25%
Salary Escalation - Down by 1%	66.73	-3.23%
Discount Rates - Up by 1%	65.35	-5.24%
Discount Rates - Down by 1%	72.97	5.82%

9. **Maturity Profile - Expected benefits for year 1 to Expected benefits for year 10 and above**

Year 1	7.36
Year 2	7.49
Year 3	13.06
Year 4	7.22
Year 5	7.12
Year 6	12.39
Year 7	5.56
Year 8	5.87
Year 9	9.23
Year 10	3.58
Year 11 +	33.42

Besides, the above the company has an accumulated provision of INR 26.61 lakh towards the NABARD deputed staff at the end of the current reporting period (Previous year INR 51.61 lakh).

Note – 36 – Maturity Analysis of Assets and Liabilities

Particulars	31 March 2024			31 March 2023			01 April 2022			
	ASSETS	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
1 FINANCIAL ASSETS										
a Cash and Cash Equivalents	3,097.27	-	3,097.27	4,148.96	-	4,148.96	3,249.65	-	3,249.65	
b Bank Balances other than (a) above	0.04	-	0.04	5.35	-	5.35	5.35	-	5.35	
c Loans	67,261.13	91,187.09	158,448.22	45,279.77	55,906.23	101,186.00	31,333.93	46,184.45	77,518.38	
d Investments	16,137.76	4,080.37	20,218.13	7,585.75	1,322.03	8,907.78	2,471.18	1,015.05	3,486.23	
e Other Financial Assets	5.98	0.06	6.04	-	0.06	0.06	-	0.06	0.06	
2 NON-FINANCIAL ASSETS										
A Current Tax Assets (Net)	238.03	-	238.03	23.53	-	23.53	-	-	-	
B Deferred Tax Assets (Net)	-	429.49	429.49	-	417.04	417.04	-	628.64	628.64	
c Property, Plant And Equipment	-	13.40	13.40	-	3.66	3.66	-	5.35	5.35	
d Intangible Assets	-	3.34	3.34	-	11.64	11.64	-	19.94	19.94	
e Other Non - Financial Assets	36.38	-	36.38	47.05	-	47.05	61.45	-	61.45	
TOTAL - ASSETS	86,776.59	95,713.76	182,490.35	69,048.27	45,702.80	114,751.07	54,193.75	30,781.30	84,975.05	
LIABILITIES AND EQUITY										
1 FINANCIAL LIABILITIES										
A Borrowings	73,503.28	77,921.66	151,424.93	43,668.92	45,059.42	88,728.34	32,785.33	29,942.33	62,727.66	
B Other Financial Liabilities	244.13	-	244.13	0.30	-	0.30	0.75	-	0.75	
2 NON - FINANCIAL LIABILITIES										
a Provisions	75.36	75.94	151.30	104.66	60.78	165.44	98.77	42.72	141.50	
b Current Tax Liabilities (Net)	-	-	-	-	-	-	33.56	-	33.56	
c Other Non-Financial Liabilities	40.68	49.81	90.49	46.77	49.81	96.58	121.97	49.81	171.78	
3 EQUITY										
a Equity Share Capital	-	12,382.20	12,382.20	-	12,382.20	12,382.20	-	12,382.20	12,382.20	
b Other Equity	-	18,197.30	18,197.30	-	13,378.21	13,378.21	-	9,517.59	9,517.59	
TOTAL - LIABILITIES AND EQUITY	73,863.45	108,626.90	182,490.35	43,820.65	70,930.42	114,751.07	33,040.39	51,934.66	84,975.05	

Note – 37 – Consumables

All the purchases towards stationery and other consumables have been made as per the requirement and consumed immediately, hence no material Inventory of consumables is available with the company. Accordingly all the purchases made towards consumables has been charged off in the statement of profit & loss.

Note – 38 - Legal suits filed by company

Legal suits have been filed in respect of 120 NPA accounts amounting to INR 2626.28 lakh (including interest accrued till date of suit filed) out of total 149 NPA Accounts (including technically written off accounts), where the borrowers have not responded positively for settling the accounts. In respect of 29 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.

Note – 39 - One-time settlement arrangements

During the period under reporting the company has received an amount of INR 190.00 lakh under One time settlement from the borrower, however the same was yet to be approved by the board at the end of the reporting period. Hence the same was parked under the other financial liabilities (refer note no - 13).

Note – 40 - 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

Note No - 41 - Disclosure under Benami Transactions (Prohibition) Act, 1988

No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

Note – 42 – Details of Borrowings

Refinance 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 instalments or interest payments. The following are the repayment terms:

Sl.No.	Rate of Interest (%)	Outstanding (INR in Lakh)
1	8.75%	873.50
2	8.55%	9819.58
3	8.50%	49359.17
4	8.45%	15986.24
5	8.40%	4237.55
6	8.35%	17903.58
7	8.30%	6173.73

8	8.25%	604.56
9	8.20%	6604.43
10	8.15%	4716.82
11	8.10%	2331.82
12	8.05%	2465.03
13	8.00%	2764.87
14	7.95%	1286.42
15	7.90%	13.57
16	7.70%	394.00
17	7.65%	1195.06
18	7.60%	3152.48
19	7.40%	324.60
20	7.15%	34.60
21	6.00%	161.38
22	5.75%	1072.02
23	5.65%	2262.34
24	5.45%	1575.00
25	5.30%	1188.33
26	5.15%	37.40
	Total	1,36,538.08

The current maturities (payable within the period of 12 months) of "Refinance" commitments, are classified as Current Liabilities amounting to INR 63,342.17 lakh and the remaining commitments are classified under Non-current Liabilities amounting to INR 73,195.91 lakh (Note Ref 12). Interest accrual on the same amounts to INR 75.62 lakh.

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(ii) Borrowing other than Refinance

The company has availed secured Term loan by hypothecation of book debts at 110% of the loan outstanding and there was no default in repayment of loan instalments or interest payments. The following are the repayment terms:

Sl. No.	Rate of Interest (%)	Outstanding (INR in Lakh)
1	8.50%	8,888.42
2	8.35%	5,830.09
	Total	14,718.51

The current maturities (payable within the period of 12 months) of term loan, are classified as Current Liabilities amounting to INR 9,992.76 lakh and the remaining commitments are classified under Non-current liabilities borrowing amounting to INR 4,725.74 lakh. Interest accrual on the same amounts to INR 92.72 lakh. (Refer note no - 12)

Note - 43 - Disclosure under MSME

There are no dues to any Micro and Small Enterprises to whom the company owes outstanding for more than 45 days as at the Balance Sheet date. The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

Note - 44 - Subsidy Reserve Fund

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.

Note – 45

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).

Note – 46 – Foreign Currency Transactions

Particulars	2023-24	2022-23
a. Earnings in Foreign Currency	Nil	Nil
b. Expenditure in Foreign Currency	Nil	Nil

Note – 47 – CAPITAL

Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term/long term debt as may be appropriate.

The company determines the amount of capital required based on operations, capital expenditure and strategic investment plans. The capital structure is monitored based on net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital.

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The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The Company has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by RBI.

Particulars	31 March 2024	31 March 2023	01 April 2022
Tier – I capital	30,146.67	25,331.72	21,251.21
Tier – II capital	1,079.08	970.84	1,017.73
Total	31,225.75	26,302.56	22,268.94
Aggregate of Risk Weighted Assets	170,768.09	106,965.37	81,418.75
Tier – I Capital ratio	17.65%	23.68%	26.10%
Tier – II Capital ratio	0.63%	0.91%	1.25%
CRAR	18.28%	24.59%	27.35%

Tier I Capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned Fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"Tier II capital" includes the following –

- a) preference shares other than those which are compulsorily convertible into equity.
- b) revaluation reserves at discounted rate of fifty five percent;
- c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets hybrid debt capital instruments; and
- d) subordinated debt to the extent the aggregate does not exceed Tier I capital.

Aggregate Risk Weighted Assets –

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off-balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be considered for reckoning the minimum capital ratio.

Note – 48 – Disclosure in respect of Corporate Social Responsibility under Section 135 of the Act and Rules thereon:

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

a. Amount required to be spent by the company during the year	INR 70.30 Lakh Available CSR Budget after set-off of INR 2.07 Lakh - INR 68.23 Lakh.
b. Amount of expenditure incurred	An expenditure of INR 69.02 Lakh has been sanctioned. The excess amount of INR 0.79 lakh over and above the sanctioned budget will be set-off against next year's CSR budget as per CSR rules and regulations. INR 32.53 lakh has been incurred and provision has been made for an unspent CSR amount of INR 37.77 lakh towards ongoing projects sanctioned during FY 2023-24.
c. Shortfall at the end of the year	INR 37.77 lakh to be disbursed during FY 2024-25 towards ongoing projects sanctioned during FY 2023-24.
d. Total of previous year shortfall	Nil
e. Reason for shortfall	Sanctioned expenditure to be incurred and released in tranches based on progress in implementation of CSR projects (Ongoing projects)
f. Nature of CSR activities	Education & Skill Development, Water, Sanitation & Hygiene
g. Details of related party transactions	Unspent CSR amount of INR 5.31 lakh pertaining to FY 2020-21 sanctioned to NABFOUNDATION has been incurred during FY 2023-24. INR 24.12 lakh sanctioned to NABFOUNDATION in FY 2023-24. However, sanctioned expenditure to be incurred and released in tranches based on progress in implementation of CSR projects.

Movement of provisions for CSR Expenditure

(INR Lakh)

Particulars	2023-24	2022-23
Opening Balance	45.55	44.19
Add: Unspent during the year	37.77	40.24
Less: Spent during the year	45.55	38.88
Closing Balance	37.77	45.55

Details of CSR allocation and spending –

Particulars	2023-24	2022-23
Amount required to be spent (A)	70.30	52.99
Budgeted and allocated		
Budget available from the previous year_(amount set-off during the year) (B)	2.07	-
Allocated during the year (C)	69.02	55.06
Total Budget available (D=A-B)	68.23	52.99
Excess / (Short) allocation of funds (E = C - D) (to be set off in the next year)	0.79	2.07
CSR expenses incurred pertains to the current year including previous year's set off (F)	32.53	12.74
CSR expenses incurred pertains to the previous year (G)	45.55	38.88
Balance to be spent in the next year (H = A - F)	37.77	40.24
Balance amount pertaining Previous year's (I)	-	5.31
Closing Balance of Provision (J=H+I)	37.77	45.55

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Note – 49 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA Notification No. RBI/ DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated 19 October 2023

Assest classification as per RBI Norms	Gross carrying amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP Norms
a	b	c	d = b-c	e	f = c - e
A. Performing Assets					
Standard	1,59,504.88	1,079.08	1,58,425.80	638.02	441.06
Total (A)	1,59,504.88	1,079.08	1,58,425.80	638.02	441.06
B. Non-Performing Assets					
Sub-standard					-
Doubtful Assets			-		
- Upto 1 year			-		-
- 1 to 3 years	61.29	38.87	22.43	18.39	20.48
> 3 years	155.19	155.19	-	155.19	
Total Doubtful	216.48	194.05	22.43	173.58	20.48
Loss Assets	-	-	-	-	-
Total (B)	216.48	194.05	22.43	173.58	20.48
Total (A + B)	1,59,721.36	1,273.14	1,58,448.22	811.60	461.54

Note – 50 – Ratios

Particulars	Formula Components	2023-24	2022-23	% Of Change	Explanation
Current Ratio	Current Assets/Current Liabilities	1.17	1.30	-10%	--
Debt-Equity Ratio	Total debt/Tangible Networth (Tangible Networth =Share Capital + reserves - DTA - Intangible Assets)	5.02	3.50	43%	Leverage ratio is increased due to increase in business operations and no equity infusion during year
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	1.27	1.31	-3%	--
Return on Equity (%)	PAT/Average Networth	17.88	17.25	3.65%	--
Net Profit (%)	PAT/Total Income	32.00	38.14	-16%	--
Return on Capital employed (%)	(i) Return = PBIT (ii) Total capital employed = Net worth + Total long term Debt or Total Assets - Current liabilities	12.24	11.89	3%	--
Return on Investment (%)	Total interest earned on Investments/Average Investments	10.40	7.52	38%	Increased due to increase in Investment in Pass through Certificates during the year.
Net Capital Turnover Ratio	Revenue from Operations / Current Assets- Current Liabilities	1.22	0.79	54%	As compared to previous FY 2022-23, there is a significant increase in Revenue from Operations in FY 2023-24
Inventory Turnover Ratio	Not applicable				
Trade Receivable Turnover Ratio	Not applicable				
Trade Payable Turnover Ratio	Not applicable				

Note – 51 – Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Note – 52 – Other Disclosures

a) Investments –

Particulars	As at 31.03.2024	As at 31.03.2023
Value of Investment		
(i) Gross Value of Investments	20,218.13	8,907.78
(a) In India	20,218.13	8,907.78
(b) Outside India	-	-
(ii) Provision for Depreciation	-	-
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments	20,218.13	8,907.78
(a) In India	20,218.13	8,907.78
(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	-	-

b) 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.

c) Disclosure relating to Securitization –

The company does not have any securitized Assets in terms of the RBI Master Direction No. RBI/DoR/2023-24/106 DoR. FIN.REC.No.45/03.10.119/2023-24 dated 19 October 2023.

d) Details of non-performing financial assets purchased/sold –

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

e) Exposure to Real Estate Sector (both direct and indirect) –

Category	As at 31.03.2024	As at 31.03.2023
Direct Exposure	-	-
Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	13,339.17	10,208.51

f) Exposure to Capital Markets –

The company does not have any exposure to the Capital Markets as at 31 March 2024.

g) Details of financing of parent company products – No such financing arrangements are made.

h) 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.

i) **Unsecured Advances** – During the year, the company has not given any advances with intangible collaterals such as charge over the rights, licenses, authority, etc.

j) **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

k) There are no Penalties levied by RBI and any other regulators.

l) Percentage of Loans against Gold jewellery to Total Assets – NA

m) **Restructuring of loans** – During the financial year, the company has not restructured any loan account.

n) **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 affirmed by India Ratings.

o) Information with regard to joint venture and overseas subsidiary – NA

p) **Provisions and Contingencies –**

Breakup of Provisions and Contingencies	31.03.2024	31.03.2023
Provision for Depreciation on Investment	--	--
Provision towards NPA	194.05	360.56
Provision made towards Income Tax	1,617.84	1,124.04
Provision for Standard Assets	1,079.09	970.84
Other Provisions		
Provision for Gratuity	95.58	104.86
Provision for Leave encashment	17.95	15.03
Provision for CSR expenditure	37.77	45.55
Provision for Outstanding expenses	2.94	5.36
Contingent Liabilities	-	10.32

**During the current year, an order favouring the company has been received and accordingly the contingent liabilities is Nil for the year.*

q) **Draw Down from Reserves** – Draw down from Reserves during the current year is Nil.

r) **Concentration of Deposits, Advances, Exposures and NPAs**

s) Concentration of Advances

(INR in lakh)

Particulars	31.03.2024	31.03.2023
Total Advances to twenty largest borrowers	96,830.55	56,965.71
Percentage of Advances to twenty largest borrowers to Total Advances	60.62%	55.57%

t) Concentration of Exposures

Particulars	31.03.2024	31.03.2023
Total Advances to twenty largest borrowers/Customers	96,830.55	56,965.71
Percentage of Exposure to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	60.62%	55.57%

u) Concentration of NPAs

(INR in Lakh)

Particulars	31.03.2024	31.03.2023
Total Exposure to top four NPA accounts	216.48	479.42

v) Movement of NPA's -

Particulars		2023-24	2022-23
i.	Net NPA's to Net Advances (%)	0.01%	0.12%
ii.	Movement of NPA's (Gross)		
	a) Opening balance	479.42	1,664.75
	b) Additions during the year	-	-
	c) Reductions during the year	(262.94)	(1,185.33)
	d) Closing balance	216.48	479.42
iii.	Movement of Net NPA's	-	-
	a) Opening balance	118.86	691.21
	b) Additions during the year	-	-
	c) Reductions during the year	(96.43)	(572.35)
	d) Closing balance	22.43	118.86
iv.	Movement of Provisions for NPA's (excluding provisions on standard assets)	-	-
	a) Opening balance	360.56	973.54
	b) Provisions made during the year	-	40.99
	c) Write-off/Write-back of excess provisions	(166.51)	(653.97)
	d) Closing balance	194.05	360.56

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

Sector	31.03.2024	31.03.2023
Agriculture & Allied activities	100.00	68.46
MSME	--	--
Corporate borrowers	0.04	0.32
Services	--	--

Unsecured Personal Loans	--	--
Auto Loans	--	--
Other Personal Loans	--	--
Others	--	--

w) Sectoral exposure –

Sectors	31.03.2024			31.03.2023		
	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	155.19	155.19	100.00%	228.24	156.25	68.46%
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans	-	-	-	-	-	-
5. Others	159,566.17	61.29	0.04%	102,289.17	324.89	0.32%
Microfinance	33,969.47	-	-	34,557.06	-	-
MSME	85,096.68	-	-	38,072.62	-	-
Vehicle	21,529.23	-	-	16,633.30	-	-
Housing	13,339.17	-	-	10,208.51	-	-
Others	5,631.62	61.29		2,817.67	324.89	

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x) Information with regard to Intra-group exposure – Nil

y) Details of Unhedged foreign currency exposure – Nil

z) Information with regard to Off-balance Sheet SPVs sponsored – Nil

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

ab) Details of Divergence in Asset Classification and Provisioning – Nil

Disclosure required in terms of Guidelines on Liquidity Risk Management Framework of Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated 19 October 2023

Public disclosure on liquidity risk

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

(INR in lakh)

Number of Significant Counterparties	Total Amount	% of Total deposits	% of Total Liabilities
02	151,424.93	Not Applicable	82.98%

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.	Particulars	Amount	% of Total Borrowings
1	Refinance from NABARD	136,613.70	90.22%
2	Borrowing other than Refinance	14,811.23	9.78%

iv. Funding Concentration based on significant instrument/product (net of impairment allowance)

(INR in Lakh)

Sr No.	Name of the instrument / product	Amount	% of Total Liabilities
1	Term Loans	159,721.36	87.52%
2	Investment in Securitization – PTC	20,218.13	11.08%

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	73,695.11	40.38%

vi. Institutional set-up for liquidity risk management

(INR in Lakh)

Sr No.	Lender	Amount	% of Total Borrowings
1	Financial Institutions	151,424.93	100.00%

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Note – 53 – DISCLOSURE OF COMPLAINTS:

	Particulars	2023-24 (No.)	2022-23 (No.)
(a)	No. of complaints pending at the beginning of the year	Nil	Nil
(b)	No. of complaints received during the year	Nil	Nil
(c)	No. of complaints redressed during the year	Nil	Nil
(d)	No. of complaints pending at the end of the year	Nil	Nil

Note – 54 – Comparatives

Previous Year figures are regrouped / reclassified wherever necessary to make them comparable with current year's classification / disclosure.

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-24221627BKARQX4203
Place: Hyderabad
Date: 30 April, 2024

Sd/-
Ravi Krishan Takkar
Chairman and Independent Director
DIN: 07734571
Date: 30 April, 2024

Sd/-
Bonani Roychoudhury
Managing Director
DIN: 10305089
Date: 30 April, 2024

Sd/-
L S Naveenkumar
Chief Financial Officer
PAN: AIUPK2404Q
Date: 30 April, 2024

Sd/-
Suzette Pereira
Company Secretary
M No. A46491
Date: 30 April, 2024

Schedule to the Balance Sheet

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

(INR in lakh)

Particulars			
Liabilities side:		Amount	Amount
(1)	Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Outstanding	Overdue
	(a) Debentures	Nil	Nil
	Secured		
	Unsecured	Nil	Nil
	(other than falling within the meaning of public deposits*)		
	(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 & Borrowing from other Agencies)	151,424.93	Nil
Assets side:		Amount Outstanding	
(2)	Break up of Loans and Advances including bills receivables (other than those included in (4) below):		
	(a) Secured		159,721.36
	(b) Unsecured		-
(3)	Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease Assets including lease rentals under sundry debtors:	Nil	
	(a) Financial Lease	Nil	
	(b) Operating Lease		
	(ii) Stock on hire including hire charges under sundry debtors:	Nil	
	(a) Assets on hire		
	(b) Repossessed Assets		
	(iii) Other loans counting towards AFC activities	Nil	
	(a) Loans where assets have been repossessed		
	(b) Loans other than (a) above		
(4)	Break-up of investments :		
	Current investments :		
	1. Quoted :		
	(i) Shares :		
	(a) Equity	Nil	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (Please specify)	Nil	

Particulars				
2. Unquoted:				
(i) Shares :	(a) Equity			Nil
	(b) Preference			Nil
(ii) Debentures and Bonds				Nil
(iii) Units of mutual funds				Nil
(iv) Government Securities				Nil
(v) Others (Please specify) - Fixed Deposit with Banks				1,959.00
Long Term Investments:				
1. Quoted :				
(i) Shares :	(a) Equity			Nil
	(b) Preference			Nil
(ii) Debentures and Bonds				Nil
(iii) Units of mutual funds				Nil
(iv) Government Securities				Nil
(v) Others (Please specify)				Nil
2. Unquoted :				
(i) Shares :	(a) Equity			Nil
	(b) Preference			Nil
(ii) Debentures and Bonds				Nil
(iii) Units of mutual funds				Nil
(iv) Government Securities				Nil
(v) Others (Please specify) - Investments in PTCs				20,218.13
(5)	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	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	159,721.36	-	159,721.36
	Total	159,721.36	-	159,721.36
(6)	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	Nil		
	(b) Companies in the same group	Nil		Nil
	(c) Other related parties	Nil		Nil
	2. Other than related parties			-
	Total	-		-

(Rs. in lakhs)

Particulars		Amount
(7)	Other Information	
	(i) Gross Non-Performing Assets	216.48
	(a) Related parties	Nil
	(b) Other than related parties	216.48
	(ii) Net Non-Performing Assets	22.43
	(a) Related parties	Nil
	(b) Other than related parties	22.43
	(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

For NABSAMRUDDHI Finance Limited

Sd/-
J Poornachandar
Partner
M.No. 221627
UDIN-24221627BKARQX4203
Place: Hyderabad
Date: 30 April, 2024

Sd/-
Ravi Krishan Takkar
Chairman and Independent Director
DIN: 07734571
Date: 30 April, 2024

Sd/-
Bonani Roychoudhury
Managing Director
DIN: 10305089
Date: 30 April, 2024

Sd/-
L S Naveenkumar
Chief Financial Officer
PAN: AIUPK2404Q
Date: 30 April, 2024

Sd/-
Suzette Pereira
Company Secretary
M No. A46491
Date: 30 April, 2024

Notice of AGM

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of **NABSAMRUDDHI Finance Limited** will be held on **Friday, 27 September 2024 at 10.00 am** 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 2024 and the Reports of the Board of Directors and Auditors thereon.
2. To approve Final Equity Dividend for the Financial Year ended 31 March 2024.
"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 2024 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 2024-25:
"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 2024-25 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. **Appointment of Smt. Bonani Roychoudhury (DIN No 10305089) as Director of the Company**
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, 161 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), Smt. Bonani Roychoudhury (DIN : 10305089), who was appointed as an Additional Director of the Company with effect from 11 September, 2023 pursuant to Section 161 of the Act and 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 Director of the Company for a period of 2 years, not liable to retire by rotation."
6. **Appointment of Smt. Bonani Roychoudhury (DIN: 10305089) as the Managing Director of the Company:**
To consider and if thought fit to pass the following resolution with or without modification(s) as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V, Articles of Association of the Company and recommendation of the Nomination and Remuneration Committee and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any re-enactment thereof, the shareholders hereby approve the appointment of Smt. Bonani Roychoudhury (DIN: 10305089) as Managing Director of the Company (whose office shall not be liable for retirement by rotation), under the Companies Act, 2013, for a period of 2 years with effect from 11 September 2023, subject to the superintendence, control and direction of Board of Directors, and that Smt. Bonani Roychoudhury, 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. Smt. Bonani Roychoudhury 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."

7. Appointment of Shri Subrat Kumar Nanda (DIN No 10334685) 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), Shri Subrat Kumar Nanda (DIN: 10334685), who was appointed as an Additional Director up to the conclusion of this Annual General Meeting and being eligible, and upon recommendation of Nomination and Remuneration Committee, be and is hereby appointed as a Nominee Director of the Company, not liable to retire by rotation."

8. Appointment of Shri Partho Saha (DIN No 10515390) 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), Shri Partho Saha (DIN: 10515390), who was appointed as an Additional Director up to the conclusion of this Annual General Meeting and being eligible, and upon recommendation of Nomination and Remuneration Committee, be and is hereby appointed as a Nominee Director of the Company, not liable to retire by rotation."

By the order of the Board
For NABSAMRUDDHI Finance Limited

Sd/-
Bonani Roychoudhury
Managing Director
DIN No. 10305089

Place: Mumbai
Date: 04 September 2024

Corporate Office:

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

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 and General Circular No 09/2023 dated 25 September 2023, has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) upto 30 September 2024. In accordance with the said circulars of MCA, the 27th 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 2023-24, 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 Wednesday, 25 September 2024 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, 13 September, 2024 to Thursday, 19 September, 2024 (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 12 September, 2024. 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.

DEMATERIALISATION 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 the order of the Board
For NABSAMRUDDHI Finance Limited

Sd/-
Bonani Roychoudhury
Managing Director
DIN No. 10305089

Place: Mumbai
Date: 04 September 2024

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/13166/ST-34 (DEP -NABSAM)/2023-24 dated 30 August 2023 deputed Smt. Bonani Roychoudhury, General Manager, NABARD, to the Company for a period of 2 years.

Pursuant to the recommendation of the Nomination and Remuneration Committee and pursuant to Section 161(1) of the Companies Act, 2013 read with Rule 8, 9 and 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any modification or re-enactment thereof), and provisions of Article of Association of the Company, the Board of Directors appointed Smt. Bonani Roychoudhury as Additional Director of the Company on 11 September 2023 subject to the approval of the shareholders.

In the opinion of the Board, Smt. Bonani Roychoudhury is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director. A brief profile of Smt. Bonani Roychoudhury, including nature of her 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 her association would be of immense benefit to the Company.

Accordingly, the Board recommends the resolution in relation to appointment of Smt. Bonani Roychoudhury as Director of the Company w.e.f. 11 September 2023 for the approval by the Members of the Company. Except Smt. Bonani Roychoudhury, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 5 for the approval of Members.

Item No. 6

NABARD vide their letter No. NB.HRMD.PA/13166/ST 34(DEP-NABSAM)/2023-24 dated 30 August 2023 deputed Smt. Bonani Roychoudhury, General Manager, NABARD, to take charge as Managing Director on the Board of the Company in place of Dr. Ushamani Payyamballikandy.

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, in its 159th Meeting held on 11 September 2023, appointed Smt. Bonani Roychoudhury as Managing Director of the Company with effect from 11 September 2023.

Smt. Bonani Roychoudhury is not disqualified from being appointed as a Managing Director in terms of Section 164 of the Act and has given her consent to be appointed as a Managing Director. She meets the Fit and Proper Criteria expressly set out by RBI and Company's Policy on Fit and Proper Criteria for Directors. The Board recommends appointment of Smt. Bonani Roychoudhury as Managing Director and propose to pass the resolution set out in Item No. 6 of the notice as an Ordinary Resolution on a remuneration and perquisites, allowances and such other terms and conditions as specified by NABARD vide its letter dated No. NB.HRMD.PA/13166/ST 34(DEP-NABSAM)/2023-24 dated 30 August 2023 together with facilities/incentives including any modifications from time to time provided that the total remuneration shall not exceed the applicable limit specified under section 197 read with Schedule V and any other applicable provisions of the Companies Act, 2013. Except Smt. Bonani Roychoudhury, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 6 of the Notice.

Brief profile of Smt. Bonani Roychoudhury

Smt. Bonani Roychoudhury holds a Master of Business Administration (MBA) degree in Finance from ICFAI University, complemented by a Master of Arts (MA) in Economics from the University of Guwahati. She is also a Certified Associate of the Indian Institute of Banking and Finance (IIBF). Smt. Roychoudhury commenced her career

with NABARD in the year 1992 and her three-decade-long career has been marked by diverse and extensive pan India experience within the organization.

Her professional proficiency encompasses the realm of institutional finance, with a pronounced emphasis on areas such as Green and wellness finance, WASH (Water, Sanitation, and Hygiene) financing, infrastructure project financing, microfinance, and the critical sphere of financial inclusion. Moreover, she has been actively involved in the development and enhancement of rural financial institutions, thus contributing significantly to the financial landscape of rural India.

In her preceding capacity, Smt. Roychoudhury served as the Chief Operating Officer (COO) of Nabsamruddhi Finance Limited for an accomplished three-year term, where she made significant contributions to the organization's operations and strategic direction while championing the WASH financing cause of the organisation.

Item No. 7

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Shri Subrat Kumar Nanda (DIN : 10334685), nominee of NABARD, as Director of the Company, with effect from 29 September 2023 under 152 and 161 of the Companies Act, 2013 and Article 103 of the Articles of Association of the Company. Shri Subrat Kumar Nanda shall hold office up to the date of forthcoming Annual General Meeting.

Shri Subrat Kumar Nanda 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 Subrat Kumar Nanda, including nature of his expertise, is enclosed below. Except Shri Subrat Kumar Nanda, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 7 for the approval of Members.

Brief profile of Shri Subrat Kumar Nanda

Shri Subrat Kumar Nanda has done Masters in Fisheries Science (M. F. Sc), with specialisation in fresh water aquaculture from Orissa University of Agriculture & Technology (OUAT).

He joined NABARD as a direct recruit officer in the year 1992 and has more than 32 years of experience in NABARD in various departments and assignments. He has majorly worked in departments dealing with agriculture-based project financing, rural infrastructure financing, promotion of various developmental interventions of NABARD, project consultancy, supervision of Rural Financial Institutions, purveyal of capital subsidy in central sector schemes, institutional development & strengthening especially of RRBs & Rural Co-operative banks, supervision of supervised entities etc.

He is currently heading the Institution Development Department (IDD) in NABARD's Head Office as Chief General Manager.

Item No. 8

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Shri Partho Saha (DIN : 10515390), nominee of NABARD, as Director of the Company, with effect from 29 September 2023 under 152 and 161 of the Companies Act, 2013 and Article 103 of the Articles of Association of the Company. Shri Partho Saha shall hold office up to the date of forthcoming Annual General Meeting.

Shri Partho Saha 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 Partho Saha, including nature of his expertise, is

enclosed below. Except Shri Partho Saha, 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 Partho Saha

Shri Partho Saha has completed his BA, Diploma in Computer Management and CAIIB. He is currently heading the 'Off Farm Development Department' at NABARD as Chief General Manager. He has around 36 years of experience in NABARD working in Farm sector and off farm sector development, Micro-Credit Interventions, Supervision of Co-operatives, Direct Financing for Infrastructure creation etc. He is also Visiting Faculty in National Bank Staff College, Bankers' Institute for Rural Development and a resource person to various institutions in different states.

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

i) Smt. Bonani Roychoudhury

Name of Director	Smt. Bonani Roychoudhury
DIN	10305089
Age	59 years
Qualification	Master of Business Administration (MBA) degree in Finance Master of Arts (MA) in Economics Certified Associate of the Indian Institute of Banking and Finance (IIBF).
Experience (including experience in specific function areas)	32 years approx
Date of first appointment on the Board	11 September 2023
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	8 out of 8
Directorships of other Boards as on date	NIL
Membership/Chairmanship of Committees of other Boards as on date	NIL

ii) Shri Subrat Kumar Nanda

Name of Director	Shri Subrat Kumar Nanda
DIN	10334685
Age	56 years
Qualification	MSc (Fisheries), MBA(HR), CAIIB
Experience (including experience in specific function areas)	32 years approx
Date of first appointment on the Board	29 September 2023
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	6 out of 7
Directorships of other Boards as on date	CSC E-Governance Services India Limited
Membership/Chairmanship of Committees of other Boards as on date	NIL

iii) Shri Partho Saha

Name of Director	Shri Partho Saha
DIN	10515390
Age	59 years
Qualification	BA, Diploma in Computer Management and CAIIB
Experience (including experience in specific function areas)	36 years approx
Date of first appointment on the Board	26 February 2024
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	2 out of 2
Directorships of other Boards as on date	Nil
Membership/Chairmanship of Committees of other Boards as on date	Nil

Events & Celebrations

ANNUAL GENERAL MEETING



26th Annual General Meeting



Handing over of dividend for FY 2022-23 to NABARD, the largest shareholder of NSFL

WASH SUMMIT



WASH Summit organized by NSFL in coordination with water.org

SA-DHAN AND WATER.ORG NATIONAL AWARDS 2023



Sa-Dhan and Water.org National Awards 2023 to NSFL under the category- The Capital Providers for Water & Sanitation Lending

LAUNCH OF CLIMATE READY WASH



162



Launch of Climate Ready WASH Funding Program (CRWFP)

MOU



MoU signed with Climate Policy Initiative



MoU signed with Trust of People

WORLD WATER DAY-2024



164



Kickstarting Climate Ready WASH Awareness Campaign

WORLD WATER DAY 2024



Shared Value Workshop

EXPOSURE VISITS



Exposure Visit to Climate Ready WASH projects organised by WASH Innovation Hub of ASCI at Hyderabad



Trichy Exposure Visit for study of Climate Resilient WASH structures

EXPOSURE VISIT



International Exposure Visit to Kenya- Cross Learning on WASH Funding

PANEL DISCUSSIONS/CONCLAVES/FORUMS/ WORKSHOP



NABSAMRUDDHI at various panel discussions/Conclaves/Forums

PANEL DISCUSSIONS/CONCLAVES/FORUMS/ WORKSHOP



PANEL DISCUSSIONS/CONCLAVES/FORUMS/ WORKSHOP





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A Subsidiary of NABARD

