





























**Board of Directors** 

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Simdega Ramgarh Gumla East Singhbhum





































































·Chairman's Message—

#### Dear Readers,

Unfolding yet another successful year, I am honored to present the Annual Report for the FY 2018-19 and pleased to state that the year has been truly a rewarding one in several aspects. Another eventful year of hard work got added to the history of Sambandh. The distinctive culture of Sambandh has helped to evolve as one of the best places to work, where employees are given the flexibility to develop and implement their new ideas into practice and to a greater extent women employee are given the leverage to develop themselves both on personal and professional front. This is the vital factor that drives performance and propels the organization towards excellence, thereby maintaining an equitable gender balance which is achieved by accessing the same rewards and opportunities, equal pay for work of equal or comparable value, regardless of gender. Building a culture that is gender-neutral, motivating men and women to form working relationships and pursue goals equally has been the focal point of Sambandh.

As an organization, Sambandh is committed to create, ensure and enable a dignified and equitable work environment for every employee. Being an employee and client centric organization, it maintains the highest level of professional and ethical standard in the conduct of its business affairs and entrust the highest importance on enduring relationships among the employees, clients and with its stakeholders. The organization has always intended that it's business should be conducted in accordance with the prevailing statutory and regulatory requirements with due focus on efficiency, customer-orientation, principles and integrity. Sambandh believes that integrity is one of the key foundations for ethical behavior and accountability, which is an indispensable factor in the microfinance industry and have ensured that all its employees abide by this.

I think one of the significant factors that makes me feel proud that, Sambandh has believed in having a strong client connect and has focused on the ground voices to guide the strategy and path of the organization. The field staff of Sambandh, who are the bearers of change have always played a pivotal role in implementing the mission of Sambandh by building a strong client connect. And, building up of a strong client connect requires dedication and time. The relentless efforts of our field staff have time and again proved their efficiency and has contributed a larger portion to the Organization's growth. Sambandh has constantly thrived to identify the changing needs of its existing and prospective clients and tried to innovate new products and services to make the ends meet in a responsive and sustainable way. The organization treats all its clients as preferred client abiding the core values, mission and vision, keeping the corporate ethics intact. In the coming year, we are looking forward to larger goals, with new product innovations and exploring new geographies. Several other milestones were achieved during the year and the report outlines some of our key achievements and how we got there.

At the end of this eventful and successful year, I would like to take this opportunity to extend my sincere thanks to our clients, employees, partners, Board of Directors and well - wishers for their unflinching support towards attaining the goals of the Organization and ensuring that the DNA of Sambandh is maintained. I look forward to the same passion to continue in coming days in achieving our mission.

> My Congratulations to All Thank you

> > Mr. Livinus Kindo IAS (Retd.) Chairman





















— Message from MD & CEO —

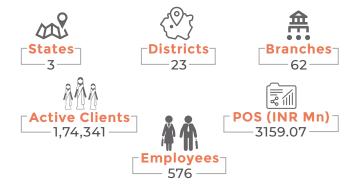
#### Sambandh Johar!!\_

It gives me immense pleasure to present to all our esteemed stakeholders with the annual report for the Financial Year 2018-19.

The Financial Year 2018-19 has been a phenomenal year for Sambandh from many fronts. At the outset, I take this opportunity to convey my deep sense of gratitude and appreciation to all my colleagues across the organization for their untiring efforts in helping the organization scale new heights. We are also blessed to have a strong patronage of a multi-dimensional and experienced Board of Directors whose advise and crucial decisions help in organizational alignment and achieve strategic goals.

Also, we feel privileged to get the guidance and support of various stakeholders to help Sambandh in reaching and serving thousands of clients who reside in difficult terrains with distance access to mainstream finances. I am thankful to our investors, more than 35 Public/Private Sector Banks & Fls who have continuously shown their trust on Sambandh. I reserve my special gratitude towards my Auditors, Rating & Consulting Agencies, Credit Bureaus, Networking Partners and my well-wishers for their timely effort, sharing invaluable suggestions when it was required the most.

As on 31st March 2019, our portfolio and outreach stand at:



The addition of the Odisha State Office at Bhubaneswar last year, has positively helped the fund-raising initiatives and bolstered our overall sustainability.







We have a strategic plan to make it a hub for back-office operations going ahead.

This year we also celebrate in a big way to welcome a new investor in Sambandh. BOPA Pte. Ltd, an impact investor headquartered in Singapore, with major operations in South East Asia, made its first Investment in India. Mr. Christian Andersen the CEO of BOPA has put it on record that the uniqueness of Sambandh in terms of operating Geography, client connect, and employee culture were the key factors for investing in Sambandh. This is a special moment for us and encourages us to work more strategically in taking forward our SEDF (Sustainable Enterprise Development Framework) model in achieving holistic development of the Chhotanagpur Region. Sambandh shall further strengthen its presence by achieving key targets in Social Performance Management (SPM), showing impact and connecting to the larger dimension of the United Nation's Sustainable Development Goals in the coming year(s).

I find it proper to summarize the year gone by as a 'Year of Strategy' at Sambandh. The formulation of a Five-year SBP under the ADB Institutional Development Project, kick started a 'Strategic Deep Dive Exercise', to develop a blue print for the next phase of organizational growth leading to Financial Year 2023. With a vintage of over a decade, Sambandh is very much a unique organization in many aspects. Keeping in line with the philosophy, the Culture and the service DNA, a bottom up approach and clear strategies were perceived across many levels of the organization. Building on the three 'pillars of growth' namely Digital Financial Services, Financial Wellbeing of Clients and Empowering Women, strategic dimension

















on geographic diversification, go to market strategy, talent management and leadership development, scale & impact and regional focus were added.

Buoyed with the infusion of new Capital in tandem with Organisation development initiatives, we strongly marched ahead with an even stronger strategic implementation, which included:

- 1. Field Operations As a part of our growth strategy, we welcomed Mr. Anup Ghosh as our new COO of the organization. Anup brings two decades of experience in the areas of risk and monitoring, rural banking and credit risk assessment. Given his experience in the Risk and MSME verticals, Anup will help in strengthening the overall risk culture in the field operations, the individual lending program and expansion into newer geographies. The Business team will strive to achieve high quality client acquisition whilst having the highest level of productivity at the front-line.
- 2. Strengthening development of risk culture The credit vertical was established and is being headed by one of the members of the Senior Management Team.
- 3. Development of IT and MIS systems To match the increasing challenge of proper Cleint acquisition, scale of operations, ease of review/monitoring and last not the least client satisfaction, we have completed the implementation of our new software - PERDIX, across all our branches. All round appreciation goes to the team handling the same. The IT & MIS team are also in the process to develop a strong back office operation to support our front-line staff in achieving a strong number.
- 4. SPM and Client Connect To further build on the uniqueness of Brand Sambandh, we plan to develop a strong SPM Culture from the top to the bottom. The Board of Directors has established a board committee on SPM to oversee the achievement of the social goals of the company. The score of 80% in SPI4 as on March 2019, shows the commitment under this initiative. We continue to partner with Awaaz.De in a unique way to stay connected with our Clients as we grow.
- 5. HRD and leadership development Our talent management initiatives were further strengthened with the launching of the management trainee program. A clear plan is being put in place to build a strong training team to develop technical and leadership capabilities across various levels in the organization.
- 6. Finance and Resource Mobilisation The finance team under the able leadership of our CFO, Mr. James Raj has scaled new heights. Equity infusion and new debt linkages have been one of the strong points in this record FY. The company has also witnessed a BLR upgrade to BBB- (Stable) which is one of the other key achievements of the team and also of the organization as a whole
- 7. Impact initiatives This year we start a new chapter in our impact initiatives. Sambandh has partnered with the National Skill Development Corporation (NSDC) under Government of India to implement a Skill development project in the state of Rajasthan. This will pave a way to access similar projects in Chhotanagpur region states

and will result in the training of local youth in a sustainable business model.

I would specially like to convey my heartfelt gratitude to 'the ADB team' for their whole heartedly support in developing the 'Strategic Business plan'. We also stand to extensively benefit from the other initiatives namely Institutional Strengthening, Consumer Protection Principles, Risk Management and Digital Financial Literacy.

#### Way forward\_

The micro finance sector in overall terms has made strong strides. The eastern part of the country has shown the most robust growth in numbers, which now accounts for about 40% of total country-wide portfolio (MFIN Micrometer, Q4 FY 2018-19), almost all the MFIs in the country have expanded into this region in the recent past. And our internal studies and industry data suggest that there are an average 23 MFIs per pin code operate in the Eastern Region.

Given the background of this higher-level concentration in our operating geography, our 'deep dive strategy' strongly indicates for geographic de-risking in a phased and sustainable manner. This must be further strengthened with deeper client connect by way enhancing our model of products and services. Sambandh will draw up a robust execution and go to market strategy and start implementing it in the next financial year. The success in implementation of the new structure would be a very crucial aspect for growth in the subsequent years.

The product, services, clients and last be not the least the employee centric approach of Sambandh is unique and makes it stand apart from its peers with a significant number of the work force from the Indigenous Chhotanagpur Community. We are proud of this fact and this balanced approach of Sambandh has worked in favor of building a strong brand and reputation of a Regional Institution. We will ever strive to maintain the highest level of client connect, integrity, excellence in service delivery as we grow and expand to newer geographies.

Our credentials, our credibility and our sincerity speak through this report, which, I must say has been excellently compiled by the members of our Corporate Communications team. I have enjoyed reading through the same and sincerely believe will have lasting effect on the August audience as well.

I once again wish all our patrons and well-wishers that the year ahead be filled with health, happiness, peace and prosperity. God Bless and Sambandh Johar!

Thank you,

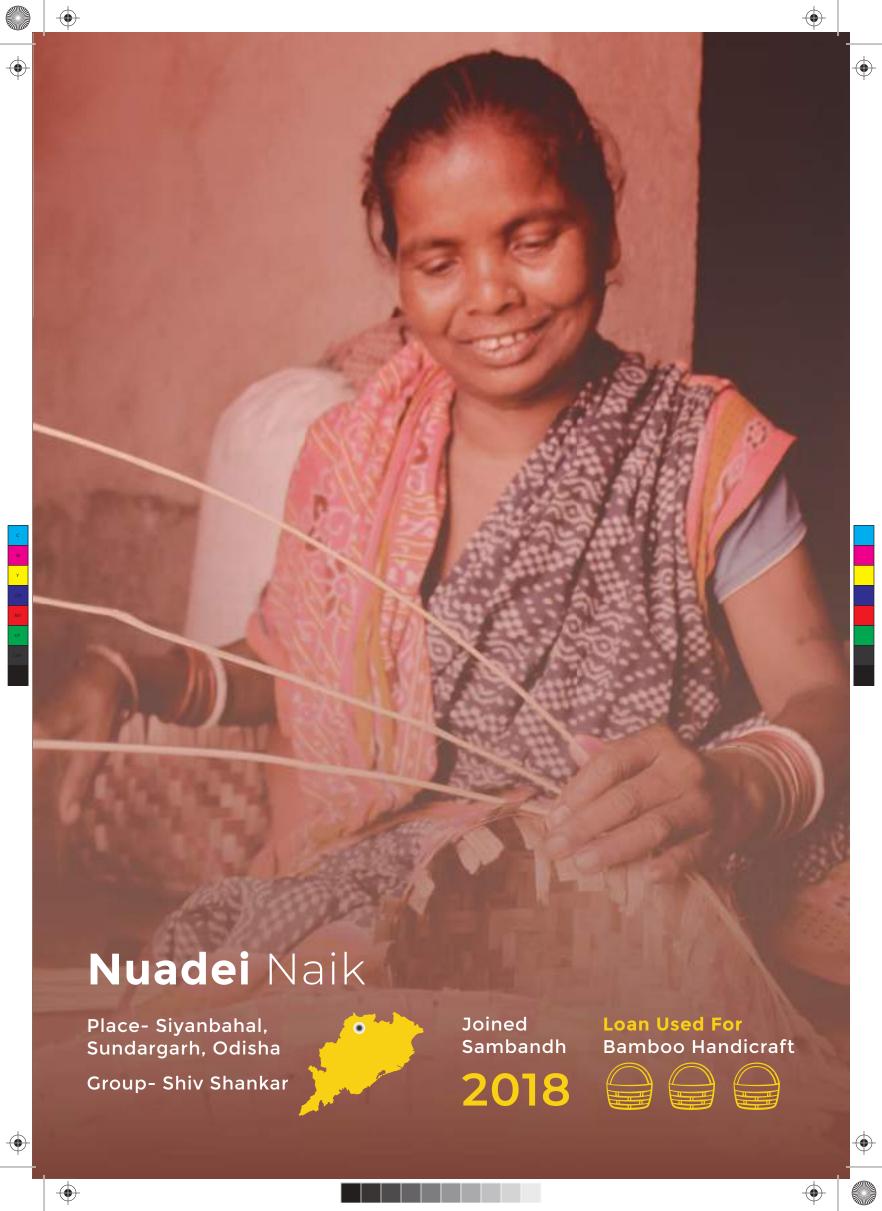
**Deepak Kindo** MD & CEO



















### Board of **Directors**



**Mr. Livinus Kindo** IAS (Retd.) Chairman

Founding member of RRDC, former bureaucrat, philanthropist, eminent socio-economist with rich and varied experience in the area of Co-operatives. He is credited with having intensive working knowledge in the areas of rural and agriculture finance. Mr. Kindo's keen interest area lies in economic development and he has been closely associated with Sambandh since its inception. He pursued Post Graduate in Economics (Gold Medalist). He has experience of 20 years in the Micro-Finance sector.



Mr. Deepak Kindo Managing Director & CEO

Mr. Deepak Kindo is the Founder and Managing Director of SFPL and has extensive experience in the microfinance sector. He is a Post Graduate Diploma in Forest Management from the Indian Institute of Forest Management and has attended numerous courses and training in Rural Finance, Management, Strategy etc. He has also earned a Certificate in Microfinance from the Boulder Institute of Microfinance, USA and recently has been selected to participate in the Harvard Business School - ACCION Program on "Strategic Leadership on Inclusive Finance, Boston, USA.



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Mr. Saurabh Baroi Nominee Director, Dia Vikas Capital Pvt Ltd

Saurabh holds a postgraduate degree in Rural Management and has over 20 years of experience in Microfinance. Prior to his current engagement with Dia he has worked with both international and national organisations like CARE India, Access Development Services and CAPART. Saurabh represents Dia Vikas in the boards of many Microfinance Investee Companies. Saurabh is primarily engaged in identifying suitable investment opportunities, institutional assessments. negotiate equity and debt transactions, research business risks and opportunities, analysis of financial statements, monitoring of investee organisations, valuations, mentoring and capacity building of MFI personnel and partnership management with the Investee Companies.





















Mr. Shreekanta Das Nominee Director, SIDBI

Mr. Das is a seasoned Banker, and has decades of MSME lending experience while acting in various roles at Small Industries Bank of India (SIDBI). He currently serves as Deputy General Manager at SFMC, Lucknow.



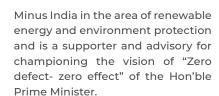
Mr. Vinod Jha **Independent Director** 

Mr. Vinod Jha is an experienced professional providing strategic business advisory solutions in the areas of finance, marketing and business development. A Science Graduate from Mumbai University, he has rich and varied experience in this field for the past 17 years. He is also closely associated with premier organizations like Carbon



Ms. Niroshani Sawanawadu Nominee Director, BOPA Pte Ltd

With an original background as an IT professional and initial career in IT Management, Ms. Sawanawadu has been involved in the microfinance field focusing on IT and MIS implementation since 2007. She has developed a strong operational track record in the microfinance industry and recently she has been responsible for building one of the leading microfinance companies Myanmar - from greenfield to sustainable operation within a short time span of 2 years. Ms. Sawanawadu is also a CGAP certified trainer and have obtained solid experience in Social Performance Management through several social audits of MFIs in Africa and Asia during her time with EDA Rural Systems (India).





Mr. Kuchibhatla Prasad **Independent Director** 

Mr. Prasad has a wide experience of 33 years with Reserve Bank of India in various capacities and retired as Chief General Manager. His experience covers the areas of Supervision and examination of Non-Banking Financial Institutions, Banks & Development Financial Institutions. Prior to his association with RBI, he worked as a Senior Breeder at USAID and Rockefeller Foundation in developing disease resistant & high yield rice varieties.

















## Management **Team**



Mr. Deepak Kindo Managing Director & CEO

Mr. Kindo is the Founder and Managing Director of SFPL and has extensive experience in the microfinance sector. He is a Post Graduate Diploma in Forest Management from the Indian Institute of Forest Management and has attended numerous courses and training in Rural Finance, Management, Strategy etc. He has also earned a Certificate in Microfinance from the Boulder Institute of Microfinance, USA and recently has been selected to participate in the Harvard Business School - ACCION Program on "Strategic Leadership on Inclusive Finance, Boston, USA.

Mr. James Dinesh Raj **Chief Financial Officer** 

Mr. Dinesh Raj is an MBA in Finance from the Loyola Institute of Business administration, Chennai. He has rich experience of the retail consumer financial industry in personal loans, mortgage and insurance with various capacities in sales, credit and branch operations. He also has prior experience in logistics and accounting with in depth knowledge of whole function. Apart from domain expertise he has considerable experience in delivering trainings on soft skill development. In his current role as Chief Financial Officer he is instrumental in the day to day activities of the company. He also heads all the functions of the organization and takes forward its future expansion.



















Mr. Sanjib Puhan Chief Strategy Officer

Mr. Puhan is an MBA from Utkal University and a LLB graduate and also has done his M. Com (Finance & Management) from Utkal University. He has a rich experience of 23 years and has been working at key strategic positions in his vast career span with organisations like ACCION International, ICICI Bank, CARE India and NABARD. Mr. Puhan is instrumental in designing key strategies that supplements the existing operations and the expansions plans the team have in mind in the coming years.



Mr. Ghosh has over 18 years of experience in Microfinance and Rural Banking segments majorly in Credit and Risk Management. Before joining Sambandh Finserve, he had worked for six years with YES Bank as National Credit Manager (NCM) and seven years with FWWB India / Ananya Finance in Senior Management role. In Sambandh, as Chief Operating Officer (COO), he is providing strategic direction on Business Expansion, Product Diversification, Risk Management, MIS & Control and Operational Management. He has done Postgraduate in Rural Management from Xavier Institute of Social Services (XISS) Ranchi and Executive program in Applied Finance from Indian Institute of Management Calcutta (IIMC). During his career, Mr. Ghosh has attended extensive Training and Exposure visits both Nationally and Internationally.





















Mr. Krishna Chandra Mohanta

**Company Secretary** 

Mr. Mohanta is a qualified Company Secretary from the Institute of Company Secretaries of India and an LLB graduate. His looks after Legal and Secretarial Compliance and also a part of the risk management team of the company. He has more than 9 years of experience in the field and has earlier worked in the private sector handling similar responsibilities.



Head - IT & MIS

Mr. Sinha has a rich and vast experience of almost two decades working in the corporate and not for profit sector. Mr. Sinha has been instrumental in managing the IT and non –IT projects in and around Asian and African countries in the domains of retail banking, CBS, internet banking and Anti Money Laundering. His prior experiences in IT management and implementation are helping Sambandh automate critical and non-critical IT & MIS processes in the operations.





Mr. Manoj Felix Ekka Regional Business Leader

Mr. Ekka is an M.Phil. in Mathematics from Sambalpur University, Odisha. He has a wealth of academic experience working as a lecturer of Mathematics in one of the Colleges in Sundargarh District of Odisha. He joined SFPL since its inception and acquired hands-on experience working at the grass-root level. He has strong communication and people management skills and this has helped SFPL in policy formulation and in team building. He currently leads the Operations in the Eastern part.

**Mr. Sanjay Das**Regional Business Leader

Mr. Das, a Rural Management professional, has over 11 years of experience in the field of Microfinance and Rural Banking. In his last associations, he has worked with one of the premier Private Sector Bank and other leading NBFC-MFIs in Risk Monitoring and Business Expansion roles. He has recently joined Sambandh to lead the business expansion plans in the western part of India.





















Mr. Felix Xess Manager - Accounts

Mr. Xess is a Bachelor of Commerce and has in-depth understanding and knowledge in accounting. He has drawn a rich experience from his past service in Christian Missionary organizations at Bangalore and Ranchi. He has an extensive working experience in Tally and supervises the entire book keeping and accounting processes at Sambandh.



Mr. Lugun is an MBA in Marketing from Sambalpur University. Before Internal Audit he had prior experience in the Field Operations department at Sambandh since inception. He is very familiar with the organizational policy and procedures and was part of policy formulation during the early stages of the organization. In his current role as head of Internal Audit and Control, he is accountable for review of internal control system, checking compliance of organizational policy and detection of frauds in the organization. He reports to the audit committee of the Board.





Mr. Manoj Kumar Ekka

Head - Credit

Mr. Ekka has done his Masters in Computer Science from Utkal University. He has handled software development and has focused on implementation of assignments. He holds extensive knowledge and vast experience in the microfinance operations and management. He is responsible for adding value to the organization by playing a critical role in ensuring effective execution of the core operational duties and building quality portfolios across all states of operation. Mr. Ekka currently looks after the Credit vertical of Sambandh.

Ms. Rita Kiro Manager - HR

Ms. Kiro has about 11 years of experience in the field of Human Resource Management. Her last assignment was with a renowned Hotel Chain as a Human Resource Manager and was part of the pre-opening team. She has completed her PGDPM from XISS, Ranchi. She has joined SFPL with focus to strengthen the HR functionalities, trainings, statutory HR compliances and reporting to Board, Investors/Funders and Employees. Her current role also involves setting up the Learning & Development department at Sambandh.





















Mr. Arjun Pagal
Manager - Corporate Communications

Mr. Arjun Pagal holds a PGDMN from EDII Ahmedabad, Gujarat. He has more than 11 years of experience in PR, developing communication materials, creative design, social marketing and event promotional activities in the areas of Financial Inclusion, Financial Literacy, SHG Banking and Microfinance. Along with the excellent skills that he possesses, he has also demonstrated his expertise in documentation & content development while working with a variety of organizations that supports the widening outreach of financial inclusion in the country. He currently engages himself in the areas of internal/external communication, branding and strategic initiatives at Sambandh.

Mr. Rohit Kujur Dy. Manager - SPM & PE

Mr. Kujur is a Masters in Social Work specializing in Labour Welfare & HR. He has worked as an Asst. Professor and has an experience of more than six years in varied functions across the organization. His earlier association with the teaching field helps him proficiently handle the training vertical under his disposal. Presently, he leads the SPM & PE team at the organization and takes avid interest in executing activities that make the workplace more engaging and client connect more deepening.





Mr. Sidhant Mohanty Manager - Finance

Mr. Mohanty, holds a Masters in Finance and Control from Sambalpur University. His financial acumen and negotiation skills have helped Sambandh in closing many deals with leading banks and Fls. He currently looks after fund raising, financial analysis, preparing financial modelling & projections and stakeholder liaisoning.

Mr. Budhnath Oram Dy. Manager - MIS

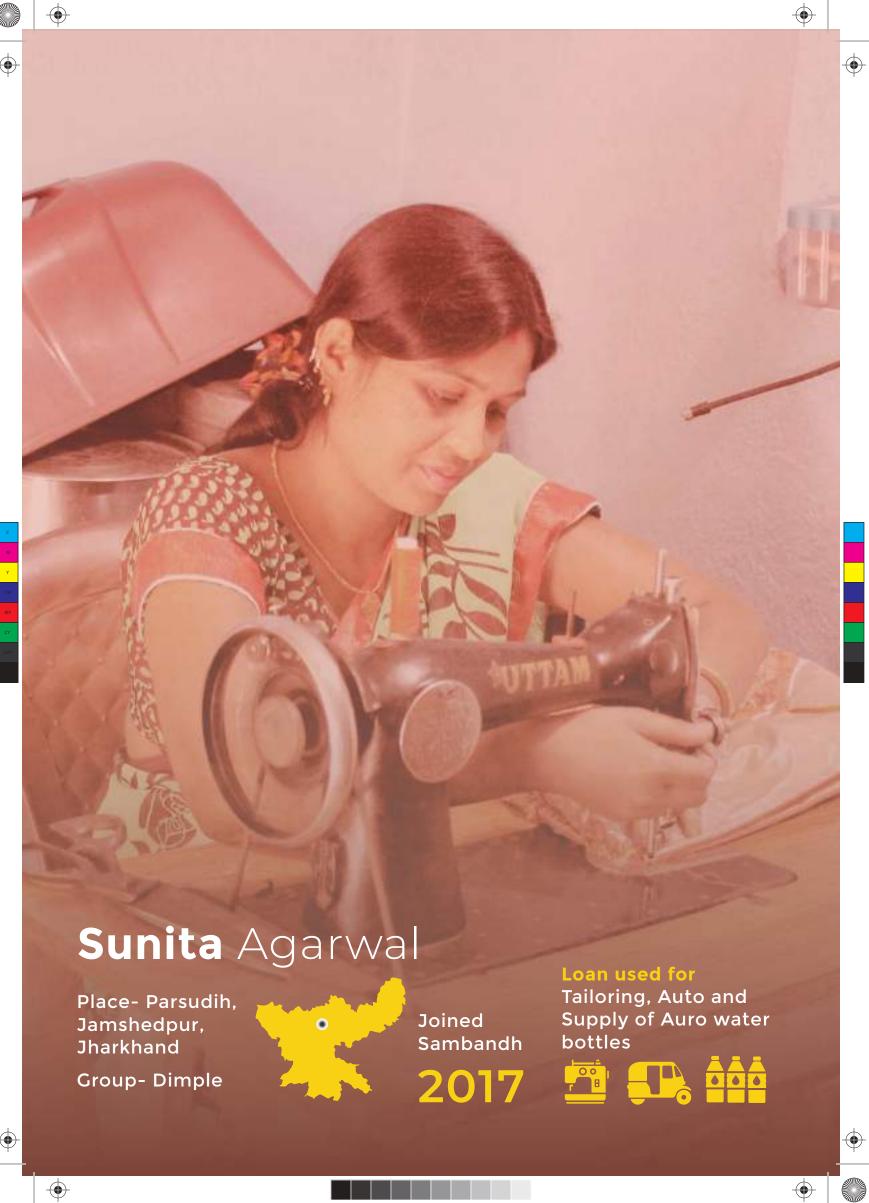
Mr. Oram has done his MCA from Utkal University, Odisha. He has extensive knowledge and experience in software development and implementation. He is in-charge of MIS and has helped develop a fitting & convenient Information System, currently being used in the organisation. He manages the Information Technology integration and its implementation at the organization.















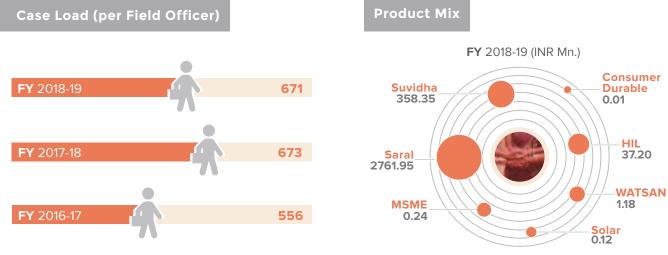




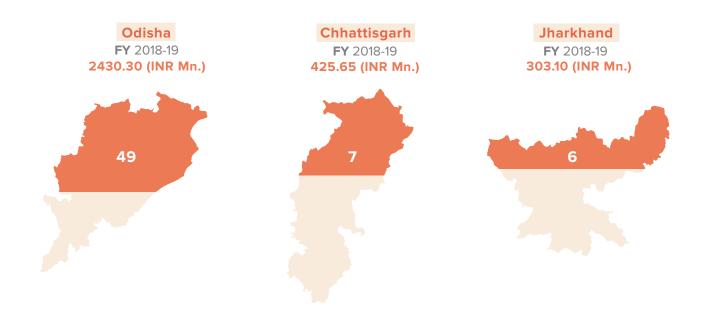


# Financial Spotlight





**GLP & Branches (State-wise Share)** 







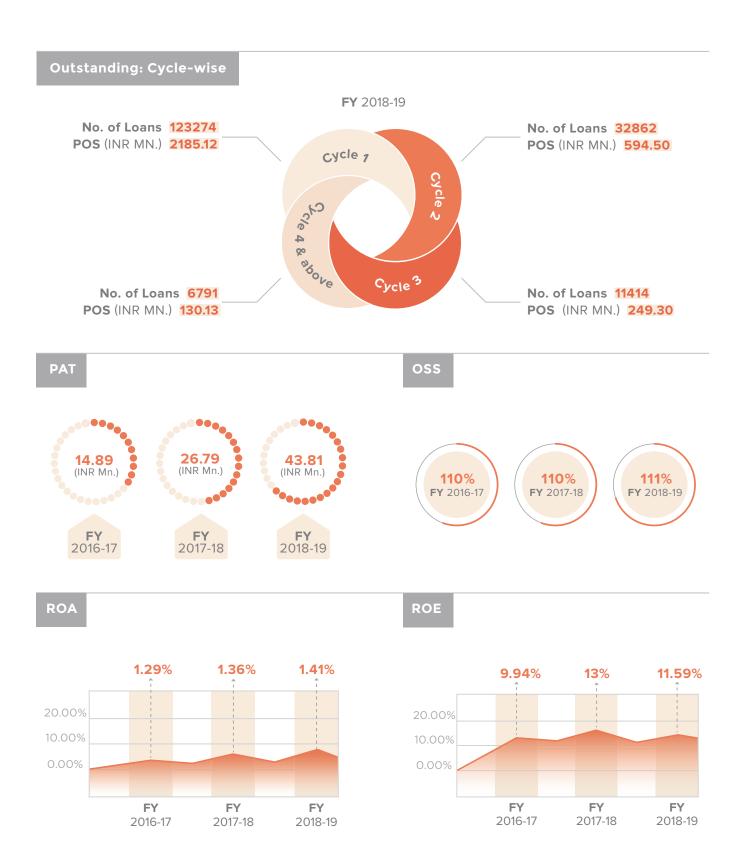
















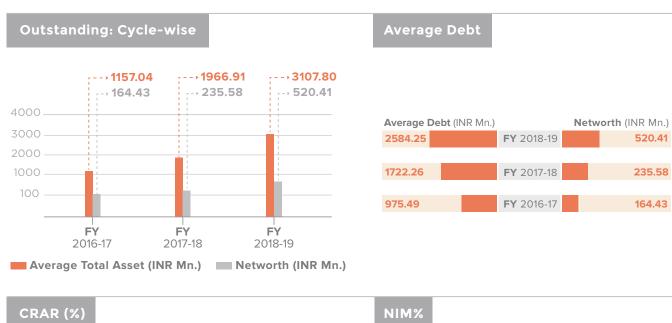


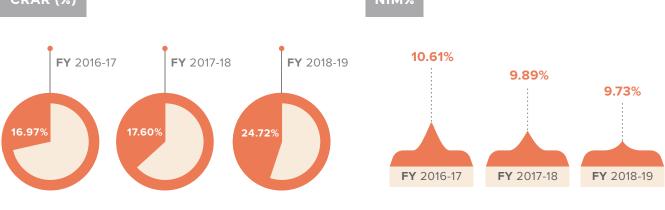


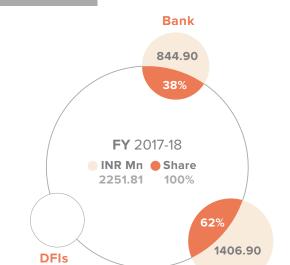




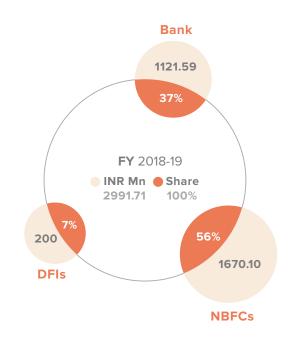








**Funding Mix** 









**NBFCs** 









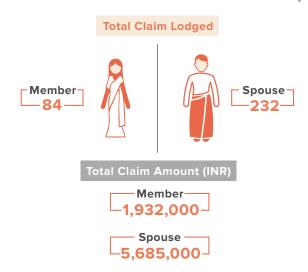
### Portfolio Mix

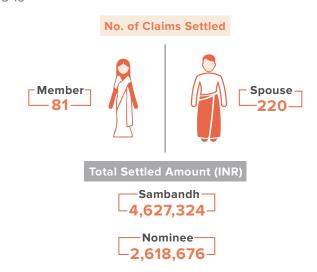




### Credit Linked Life Insurance (CLLI): Status of Claim Settlement

#### **FY** 2018-19













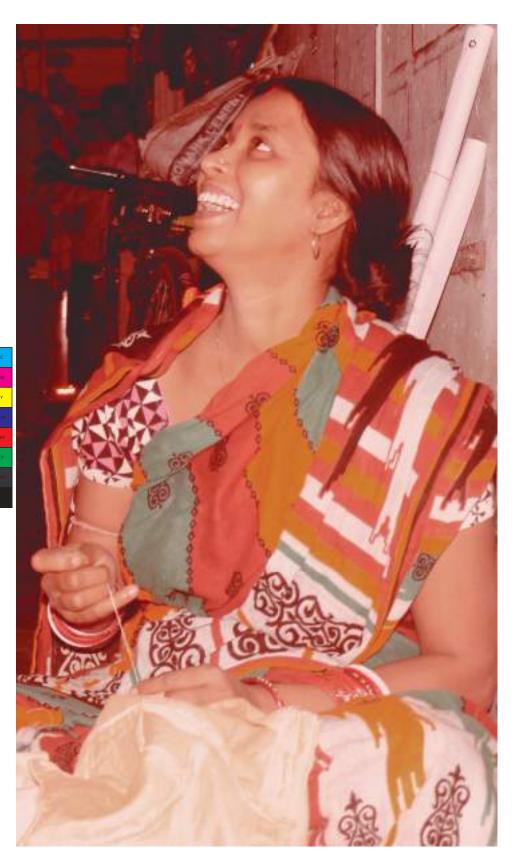




**EMPOWERMENT** GRO ATH



### Our **Products**



Sambandh endeavors to provide its clients wide range of loan products suiting to their needs and preferences so as to transform their livelihoods and household wellbeing. Loan products like SARAL and SUVIDHA are provided to the low-income women entrepreneurs in order to make them financially independent in their respective fields. Socially responsible product like WATSAN loan is designed to improve the hygiene factors of clients who don't have appropriate sanitation facilities at their home and encourages leading a healthy lifestyle. Su-griha (HIL) loan is designed with the purpose of renovating one's dream home. The loan has helped numerous clients in transforming their thatched house to pucca house with appropriate sanitation facilities in it. Loan products like Solar loan is designed with a view to have an alternative source for the erratic power supply condition in the rural and semi-urban pockets. Saksham (MSME) loan is designed for micro-entrepreneurs to enable them to develop small business activities and earn a dignified living.

Saral Loan has been the flagship product of Sambandh which follows the JLG lending methodology. The loan was introduced by Sambandh in order to provide a simplified solution to the business problems faced by the low-income women entrepreneurs in running their business due to lack of capital. The purpose of providing the loan is to meet the working capital requirements for running small and micro-enterprises. Women clients who are engaged in income generating activities but lack finance in order to grow their business or add stocks to their business or sustain their existing business, after availing Saral loan, have countered augmented growth in their business with increased stock and increased sale.

The size of the loan ranges from 10,000 INR - 50,000 INR and is provided @ 24.53% reducing principal balance with a tenure of 12/18/24 months, depending upon the loan requirement and size of the business.

Portfolio Outstanding INR 2762.60 Mn Number of Clients 1,49,001

















#### Suvidha Loan

Getting easy access to finance has always been a cumbersome task for women, especially in village areas. Majority of women face difficulties in getting access to a proper source of finance in order to run or establish their business due to lack of necessary documents and collateral. Suvidha loan is designed in a way that it will be easily accessible to the target client group. Suvidha is a group loan which follows JLG lending model where loan amount ranges from 12,000 INR - 36,000 INR and is provided @ 24% reducing principal balance with a tenure of 12/18/24 months. The loan facility is extended to low income women entrepreneur and to women who are engaged in agriculture, allied and other small economic activities in order to grow their business modestly.

Portfolio Outstanding INR 358.35 Mn Number of Clients 19,789

#### WATSAN (Water & Sanitation)\_

Poor sanitation, contaminated impure water, unhealthy sanitation practices, inappropriate hygiene behavior can be disastrous and detrimental to human health. Individual health and hygiene are largely dependent on adequate availability of drinking water and proper sanitation. Consumption of unsafe drinking water, improper environmental sanitation and lack of personal hygiene have been major causes of many diseases across many parts of the country. Safe water and appropriate sanitation facilities have been a bare necessity for almost every household since ages. WATSAN loan of Sambandh aims to change the hygiene behavior of those clients who don't have appropriate toilet facility and help them continue better hygiene practices in the future by building toilets. The loan is designed to provide financial support for the construction of toilet in rural as well as urban slums for the low-income households. The loan facility is extended to the clients who have successfully completed their 1st loan cycle with the organization, having their own land documents and willing to take loan for construction of toilet. The loan amount





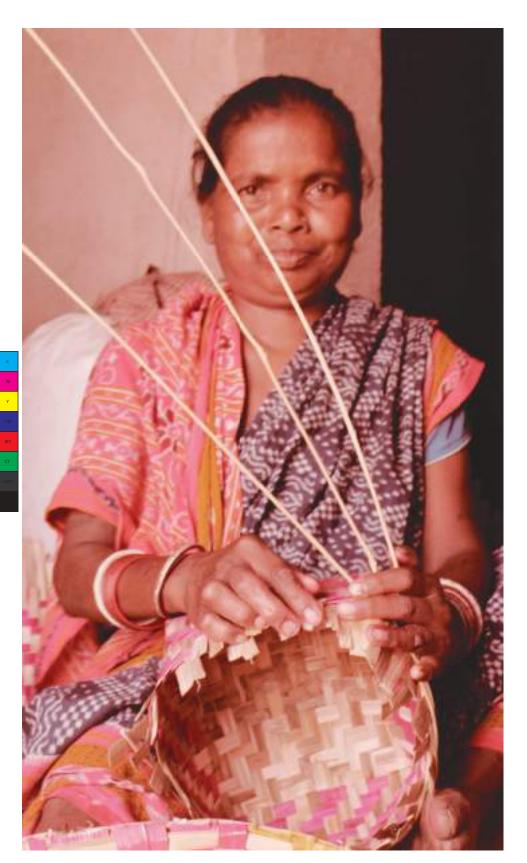








### **EMPOWERMENT** GRO ATH



ranges from 15,000 INR - 20,000 INR and is provided @ 21% reducing principal balance with a tenure of 12/18/24 months. WATSAN loan has helped our clients in realizing the importance of having a toilet facility at home and have encountered prodigious changes in their hygiene habits and living conditions.

Portfolio Outstanding INR 1.18 Mn Number of Clients 188

#### Su-griha (Home Improvement)\_\_\_

Home Improvement (Su-griha) credit support is provided to the existing clients of Sambandh to renovate their dream home. It is a short-term loan advanced for improvements in a residential property, such as additions and alterations, maintenance and repairs, or replacement of structural parts for a comfortable living space. The loan amount ranges from 50,000 INR - 1,00,000 INR and is provided @ 24% reducing principal balance with a tenure of 24/30/36 months. The loan has helped many of our clients by renovating and making additions in their homes and helping them lead a quality life, with appropriate sanitation facilities in it. The loan product follows individual lending methodology and is extended to those clients of Sambandh who have a permanent residential facility.

Portfolio Outstanding INR 37.20 Mn Number of Clients 643

#### **Energy Loan\_**

Much of rural India has little to no access to the electric grid. Most of the rural households rely on kerosene lanterns for light which is hazardous to health as they emit toxic fumes. Keeping the erratic power supply condition that prevails in the rural households in the Chhotanagpur region, the management thought of introducing the Energy loan. The loan amount ranges from 2,399 INR - 3,199 INR and is provided @ 17% reducing principal balance with a tenure between 6-8 months. The solar product under the "Energy Loan" offers various benefits, including reduced air pollution, safety from kerosene lighting led





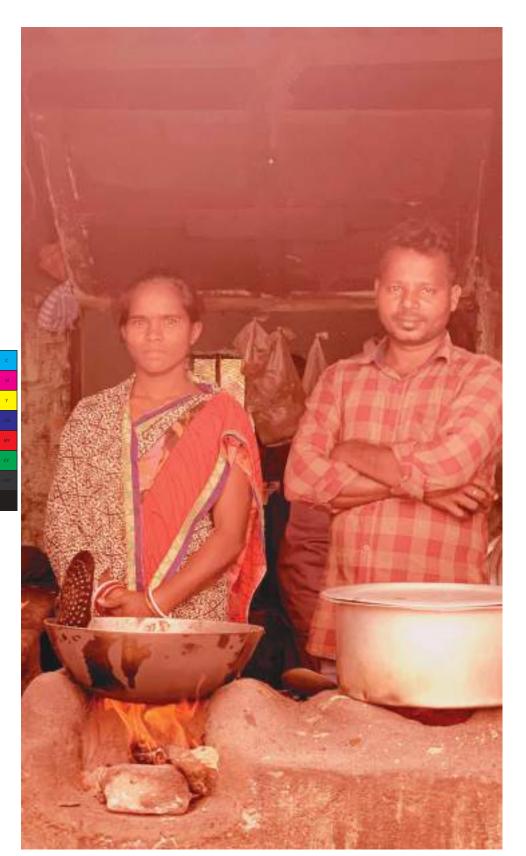












accidents and is cost effective. There is no maintenance required, the water, heat and impact resistant product compete directly with the recurring cost of Kerosene.

Portfolio Outstanding INR 0.12 Mn Number of Clients 123

#### Saksham Loan (MSME Loan)\_

The name of the loan product Saksham means "Be Able". It is a loan product designed for micro-entrepreneurs to enable them to develop small business activities and be self-reliant in their respective fields. Clients having petty businesses like grocery or variety store, hardware shop, mobile repairing store, hotels/dhabas, tailoring business etc. are being reached out with the loan facility. Saksham loan follows the Individual lending methodology. The loan is designed to give a morale boost to women entrepreneur who run businesses to earn livelihood for themselves and for their family. As development of a country relies on the development of the women, if more of women come forward and establish or run small business activities, they can get financial independence and will have the equal rights in making decisions for their households with the male members of the house. The loan amount ranges from 40,000 INR- 10,00,000 INR and is provided @ 24% reducing principal balance with a tenure between 12/24/36 months. The loan amount will depend upon the cash flow of individual trade, a client undertakes. Saksham loan in its initial phase is targeted to the urban clients rather than the rural clients. Existing clients of Sambandh are targeted for this product.













# System Efficiency

Sambandh is currently focusing on implementing 'branchless banking' and working to facilitate online and cashless transaction, for both loan disbursement and collection of the loan. PERDIX being an adaptive technology would be a single unified platform to look after these areas going ahead. The organisation looks forward to route all its activities through the technological platform and the ease of using the software would lead to reduction in the operating expenditure, better tracking system, field force automation, elimination of paperwork, enhanced operational controls and overall increase in the efficiency in the operations.

The Core Banking System (CBS) part of the PERDIX suite, has been successfully implemented at Sambandh - all the own-portfolio branches are Live and the microfinance business is being managed through the system. The client onboarding and repayment collection is being done at the field level using the Mobility Application. The system has been integrated with Credit Bureau check which gets done real time at the time of client onboarding as well. Moreover, QR reader has also been enabled in the system which reads the Aadhaar Card and auto fills the basic details of the client for the CB check.



\* FSOs seen using the PERDIX application at the field level



With the Implementation of Core Banking System, access to real time MIS reports has become easy and is immensely helping the management in taking decisions. The Core Banking System is available at the Branch level over the internet and is being managed by each and every branch independently.

This new technological development at Sambandh would help in being efficient, reducing the TAT, Client delight, command and control structure resulting in standardisation of process. Additionally, the initiative will support in real time tracking of delays & defaults of repayment as well as in scaling up and expansion.









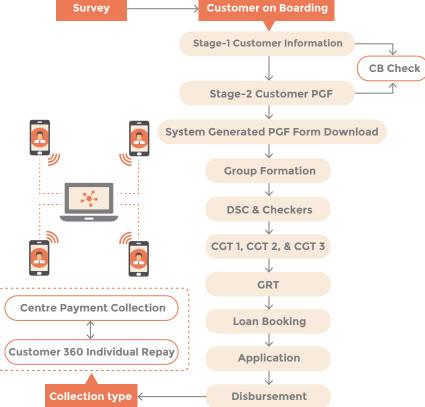








Survey Customer on Boarding

















### Human Capital

Sambandh has laid down many best HR practices to support the employee wellbeing initiatives at the organization. Professional grooming and leadership development, are another two major areas that the organization continue to give emphasis - Human Skill Day (HSD) is conducted every month at the branches to encourage the field staff to come forward and express themselves on certain topics that helps building their confidence level. The HR ensures that the respective team leads of different departments spend time with their colleagues to understand the aspirations and gauge the need for any technical knowledge/skill development.

Other initiatives like Internal Job Postings (IJPs) have become fairly successful, where as many as 12 employees are being promoted to different senior position through a well scrutinized and transparent selection process. Not only this, Sambandh even encourages cross-functional movement, which has given reaping benefits to majority of cases in boosting performance in a new set of challenges and interest



- It has streamlined the process of availing the Maternity Benefit through the ESIC as majority of the women workforce fall under the ESIC. HR representatives have been supportive and guided the women employees from the early stage of pregnancy till post delivery to visit the ESIC dispensary, documentation work and availing the paid leave.
- > HR has also focused on facilitating in posting the women employees closest to their home location so that they can take care of their babies and take breaks to feed the child.
- > Engaged In-house doctors for regular employee health check-up along with conducting Health Camps for the clients and their families.
- Signed the MOU with ICICI Skill Foundation in the month of July 2018 for Placement & Sourcing of Field Officers Pan India.
- > Placement of 26 female staff in Field Operation department for the 1st time in the state of Jharkhand & Chhattisgarh.





**FY** 2017-18

**FY** 2018-19

**Gender balanced workforce** 

















#### **Management Trainee Program**

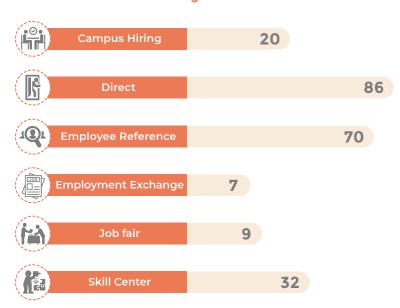
Hiring of Fresh Post Graduate Students as Management Trainee was a new initiative that HR has started during this financial year. This program was designed to mitigate the gap between the positions of Senior loan officer and Branch Manager and to groom the leadership inside the system rather than focusing on lateral hirings. Campus placement were done in 5 renowned universities like Ravenshaw University, Cuttack; Utkal University & Niswas College in Bhubaneswar; Sambalpur University and Indira Gandhi Krishi Vishwa Vidyalaya, Raipur from the stream of MA Rural Development, Master of Social Work, MSC in Agriculture, MBA in Agri Business and MBA in Marketing.

The Management Trainee's underwent Training for a period of one year where they were exposed to Organisation's Corporate Ethics and Values, the detailed knowledge (Classroom training and On the Job Training) in Field Operation, Client Satisfaction, Grievance redressal and many other functional aspects.

There were 9 MTs who underwent this program. 7 have been placed in Field Operation and Credit Team. The other 2 MTs are going to complete their training in August 2019, and after that they'll be placed in designated departments.



#### **Different Sources of Hiring 2018-19**















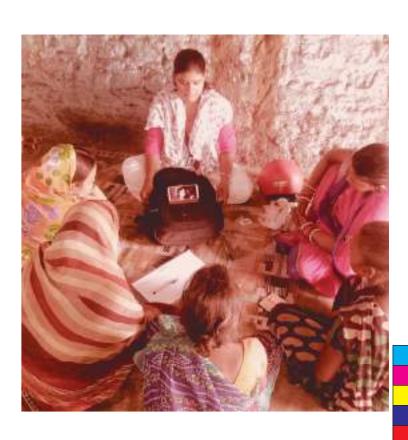






### SPM & PE Social Performance Management & People's Engagement

Sambandh Finserve provides financial services to economically backward section of the society residing in the rural settings who often find it difficult to avail for credit through other organized financial institutions. Being a double bottom line company, it is imperative for Sambandh to be financially and socially responsible towards its clients. Other than providing credit facilities for income generating purposes, Sambandh constantly engages itself with clients with the provisions of different value-added services and responsible financial products. It also organizes financial literacy trainings for the clients to inform them about the benefits of being a part of a group (JLG/SHG), on maintaining cashbook and develop saving, investment habits while opening accounts at banks/post offices and accustom to a culture of regular and timely repayment of their monthly instalments.





#### **Designing Responsible Products\_**

Sambandh integrates credit with that of socially responsible services like WATSAN (Water & Sanitation) – it is a complete package of services given to our clients that includes the awareness building on the use of safe sanitary uses, and providing financial services to build toilets. The clients are offered financial assistance to construct toilets at close quarters of their households through this product.

The Credit Linked Life Insurance is a cover for the loan amount given to the clients, and the client can take the insurance for herself and spouse. In any unfortunate incidents of death of the client or the spouse, the family gets the instalments back that were already been paid to Sambandh, and on the other hand Sambandh gets back the remaining outstanding amount.

















### **Showing Empathy\_**

Apart from engaging with clients, the organisation takes the client-MFI relationship to the next level and provides "Get Well Soon" service. Under this service, in case of any unfortunate accidents of the spouse or the client, the field staff rush to the hospital or to the client's place and present them with health-drinks, assorted fruits and a "Get Well Soon" card signed by the staff in vernacular language. Similarly, in the incident of unfortunate demise of the client or her spouse, funeral ex-gratia amount of INR 1000 or INR 500 is provided to the family.

In every two months, Sambandh organises health camps by inviting its clients to take the benefits like expert advices from the visiting physicians on communicable diseases, developing daily healthy habits, usual health check-ups and getting general medicines without any charge.

Moreover, at the event of natural calamities Sambandh comes forward to support the affected clients and non-clients. It has very recently stood by its clients under its Bhubaneswar branch where the super cyclone Fani had badly affected the livelihoods and properties of some of its clients. Last year also, Sambandh reached out to the people in Kerala which was ravaged by severe floods.





#### Financial Literacy Initiatives

The clients are also upskilled in managing their expenses and given technical input on individual's/group's economic activities to scale up and diversify their sources of income. Another important aspect of regular savings is demonstrated to help them be self-sustainable. Financial Literacy Trainings are organized every month in all our operational branches spread across the operational states. This has been taken upon more systematically with the success of the following SIDBI-PSIG program.

As a part of that program, Sambandh piloted Financial Literacy and Women Empowerment program along with ACCION Technical Advisor India, under SIDBI-PSIG (Poorest States Inclusive Growth) program supported by DFID to improve understanding on financial services of the poor. About 12000 clients were benefited through trainings provided by the Master Trainers in Odisha. These master trainers were provided trainings on application of Information Communication Technology to train the SHGs/JLGs through digital media, interactive games, mass awareness camps, role plays etc by ACCION in partnership with Sambandh. Through this













### **EMPOWERMENT** GRO ATH

program, women's capacity to address financial and gender issues was also addressed by empowering them towards making their own decisions, on their rights and on efficient financial planning.

ADB's (Asian Development Bank) Technical Assistance on imparting digital financial literacy aspects has helped Sambandh in establishing client connect in a much deeper way. Here in this initiative, clients are shown short videos that cover benefits of taking an insurance product, inculcating a savings habit, CB Checks, awareness about different Government Schemes and how the clients can take the benefits out those schemes among many other such aspects. This generally takes place during the CGT/Disbursement/Collection meetings, by the Financial Service Officers (FSOs).





### **Deepening Client Relationships**

Microfinance being a heavily cash dependent sector, in the long run the players who give more emphasis on client engagement and satisfaction would be the favoured entity for delivering financial services to the hard to reach last mile clients - as foreseen by various industry bodies and sector experts. Moreover, client retention is an important objective of any business and MFIs are no exception here to devise strategies so that majority of the clients are retained, and new clients added subsequently. Understanding the importance and its overarching effects on making Sambandh a preferred lender within many, client relationships and engagement are given a prominent space at various levels of the company. However, establishing a periodic personal connection with the clients gives rise to increase in operating costs, hence the team looked for a cost-effective module that would help them continuing with the client engagement activities with more emphasis on building the financial capability of the target clients.

While taking into account all those above aspects, the team thought of using IVRS based push calls to











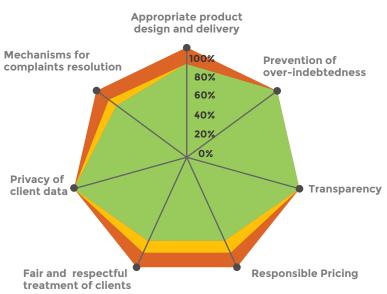






reach out as many clients as possible. And to establish this cost-effective IVRS method of engaging with clients, Sambandh tied-up with Awaaz.De, which has bagged several awards in developing low cost mobile technologies for the benefit of last mile clients. The objective of the association has been to devise mobile-specific technology to increase the level of financial literacy among Sambandh's clients, understand the satisfaction level and seek for feedbacks about the loan application process and products/services from its 1 lakh plus clients. In the current partnership, Awaaz.De develops story-based modules (in Hindi & Odia languages) to enhance the understanding on financial planning, household budgeting, developing savings/banking habit, benefits of investment, and insurance for the clients. The topic specific stories developed by Awaaz.De in consultation with Sambandh team, the same is being delivered to the target clients' mobiles using IVR technology.





The Social Goals and SPM activities are on track and gained momentum, resulting in 80% score as on 31st March 2019 with respect to 66% in December 2018.

The SPI4 score is reviewed and vetted by an experienced resource person from Dia Vikas and is being shared with CERISE, which is a French non-profit organisation and pioneer in the matter of Social Performance Management.



















(Toll-Free)

#### LEVEL 1

If you call us on our helpline no. your issues will be responded within 3 working days and resolved within 15 working days

1800-123-0455

Central Help-Line No. Complaint/Suggestion Box

Branch Manager

If not resolved\_

#### **LEVEL 2**

You can contact our GRO (Grievance Redressal Officer) Mr. Elias Lugun, your queries/complaints shall be addressed/resolved within 15 days.



If not resolved

#### **LEVEL 3**

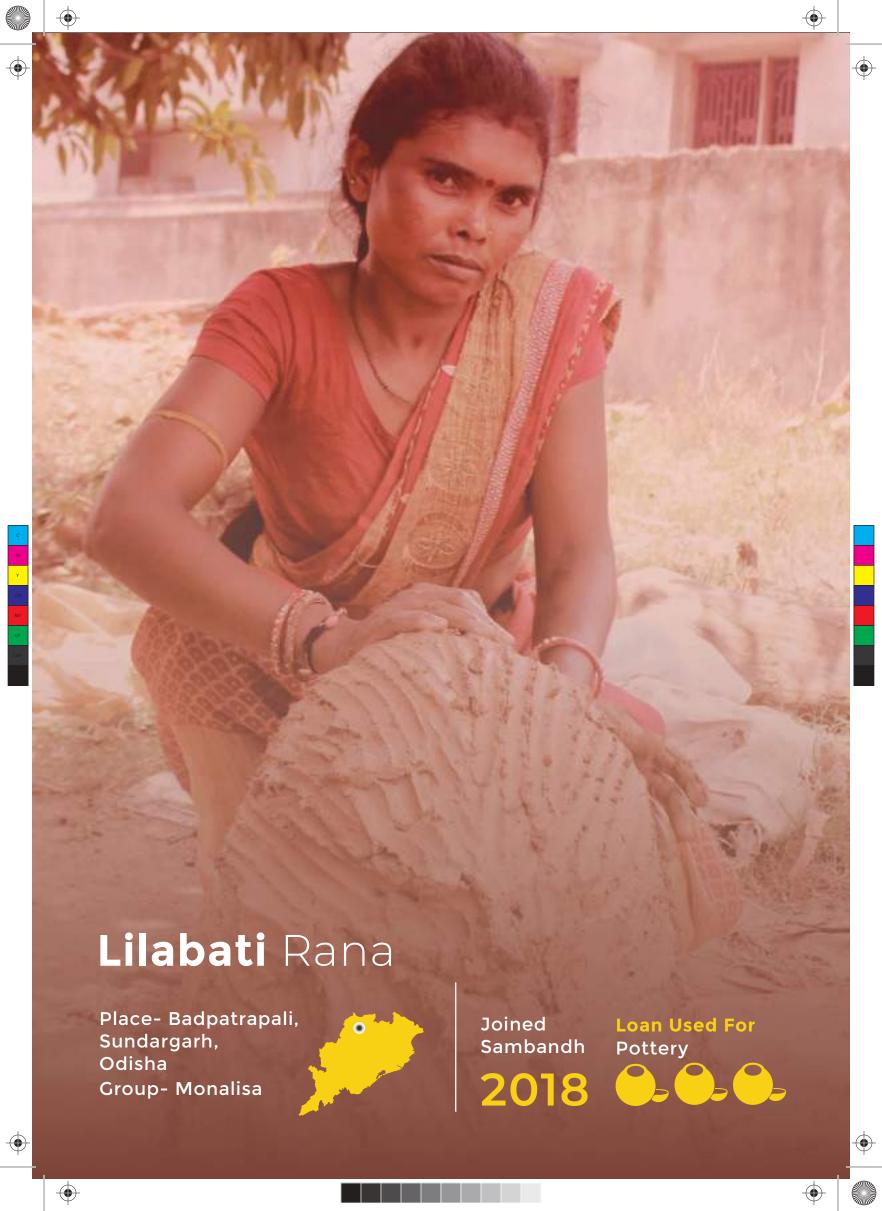
Ilf you're not satisfied with the resolution of GRO, then you can reach out to **RBI or MFIN**.



















# Occasions & Initiatives that Mattered Most

## **ADB TA Initiative**

Sambandh receives consulting assistance under the Asian Development Bank (ADB) technical assistance project "Strengthening Financial Inclusion through Responsible Finance Practices". Institutional Strengthening, Risk Management, Consumer Protection and Financial Education are the key components of the ADB Project.

On the front of Institutional Strengthening, ADB has extended support in preparing the final Strategic Business Plan after doing the market research in the operational areas of Sambandh, conducting workshops for Senior staff for strategic planning and by reviewing the feedbacks/ comments from Senior Management. The team has assisted in the preparation of some of the board approved policies such as- Employee Grievance Redressal policy, NPA Policy, Loan write off policy, Data backup and security policy. The Internal Audit team has been provided with the Risk based Audit Tool and training regarding the same has been provided to the staff.

Risk Management is one of the key components of work under the ADB Project. Under this project, the consultants have provided training to the identified staff on Risk Assessment Tools, Techniques, Methodologies & Measurement, Reporting system & formats and handhold staff for the implementation of Risk Management framework. An assessment of Risk Management system was conducted and according to the recommendation of the consultants the management adopted the Risk Management Framework. The consultants have developed a detailed Risk Management Framework based on the assessment including organizational structure, risk management tools and practices including reporting to Board on periodic basis.

Under Consumer Protection Principle, social indicators for tracking the achievement of mission of the organization, board approved debt restructuring product/program for providing relief to borrowers facing repayment issues is reviewed. Support is extended in developing the tools to monitor the risk of over-indebtedness at Board and Management level in alignment with client protection. ToT is provided on Consumer protection to the staff of Sambandh. Periodical monitoring visit is made by the consultants in order to gauge the progress and provide additional inputs if any.



Digital Financial Literacy under the ADB TA project cover topics in responsible borrowing, savings, insurance, pension and digital transactions. The FE materials in the form of audio-visuals (AV) are found amongst the most effective ways for educating the microfinance clients about the various financial services that are required in their lifecycle. Such audio visuals ensure uniformity in dissemination of key messages about the financial products and services, hence minimizes the possibility of distortion of key messages. Moreover, it is easy for the field staff of the MFIs to show the videos during group/centre meeting of clients. The audio-visuals have been developed taking knowledge from credible sources like the Ministry of Finance, RBI, SBI, MFIN, National Centre for Financial Education (NCFE), IRDAI, National Payments Corporation of India (NPCI). Training on the use & dissemination of the FE have been carried by the ADB team time and again for the field staff. Orientation training under ADB has been provided to 4636 clients in 27 branches.















## Visit by Opportunity International Team\_

A group of 7 dignitaries from Opportunity International (Australia) accompanied by their CEO Ms. Meredith Scott and Mr. Manas Bid of Dia Vikas, which is the Indian subsidiary of the Global Impact Investor visited Sambandh during the period of November 2018. They had a specific agenda to spend more time with the enterprising clients. The team visited some branches, clients and had an engaging discussion with the Sr. Management at the Corporate Office of Sambandh in Rourkela. They found the work and the lasting impact on the lives and livelihoods of the clients very appreciative, and they took home some of fascinating memories from the field as well as from the Corporate Office.

On the next visit, 16 dignitaries from Opportunity International (USA) visited Sambandh in the month of January 2019 and they were all exhilarated to have a great experience as they met many of the economically advancing clients due to their association with Sambandh. The entire visit was smoothly coordinated, and the end-to-end support was well appreciated by the visitors.





Moreover, on the advent of International Women's day, Opportunity International published a blog of our MD & CEO, Mr. Deepak Kindo on "Let's Press for progress and empower indigenous woman in India to live lives free from poverty". In this blog, Mr. Kindo reflected on the way millions of indigenous tribal women in the Chhotanagpur region of India now have sustainable livelihoods and futures filled with opportunities.















## Funder's Meet\_

A well organised Funders Meet helped Sambandh in gaining momentum with respect to the stakeholder management. The time was crucial with the sector going through a temporary financial crunch, the thought of organising an event where all the existing funders can come together and share the ideas on how to overcome the situation proved to be a successful one. The networking dinner event witnessed participation from Banks, SFBs, NBFCs, Consulting Agencies, Audit and Industry Experts. Mr. Deepak Kindo, MD & CEO of Sambandh while welcoming the Guests, acknowledged the support Sambandh has been getting from its funders and well-wishers and stated that, he is confident of the work of Sambandh as well as its team members to receive same kind of backing from the funders and all other related entities in the coming years.





# Exposure Visit to Alliance for Microfinance in Myanmar\_\_\_\_\_

The Senior Management team comprising Mr. James Dinesh Raj, CFO; Mr. Sanjib Puhan, CSO; Mr. P. Elias Lugun, Head - Internal Audit; Mr. Felix Xess, Head -Accounts and Mr. Manoj Kumar Ekka, Head - Credit got the opportunity to visit Alliance for Microfinance, Myanmar between 7th- 10th August 2018. Alliance is one of the investee entities of BOPA, which has made an equity investment in Sambandh. They went to the Head office of Alliance which is situated in Mandalay, where they visited their urban and rural branches, and discerned that they have different set of people for different lending models - individual and group. It was good to see that they have an excellent credit culture as well as no risk of theft or PAR. They also have an advantage of having saving product unlike an MFI in India. The Sr. Team who experienced the new country for the very first time shared that it's a great place to do micro-lending operations due to a conducive environment & minimum regulatory pressures. The key take-aways for them were organized branch set-up, innovative audio-visual training mechanism for the clients and close focus on SPM activities.















# Participation at Boulder MFT Program in Turin, Italy

Mr. Manoj Felix Ekka, who holds the position of Regional Business Leader at Sambandh attended the 24th edition of the Boulder MFT Program in Turin, Italy, where 223 professionals from 60 different countries participated in the workshop. The 2018 program constituted of early morning roundtable discussions surrounding different aspects of financial inclusion, followed by important topics taught by world renowned pedagogies. The topics the training program included were Risk in Credit Cycle, Over-indebtedness, Client Protection, Product Development, Digital Strategy among others. The opportunity to attend the program in the prestigious institute helped Mr. Ekka in gaining valuable insights.





# Executive Education Program jointly organized by SIDBI and IIM Bangalore

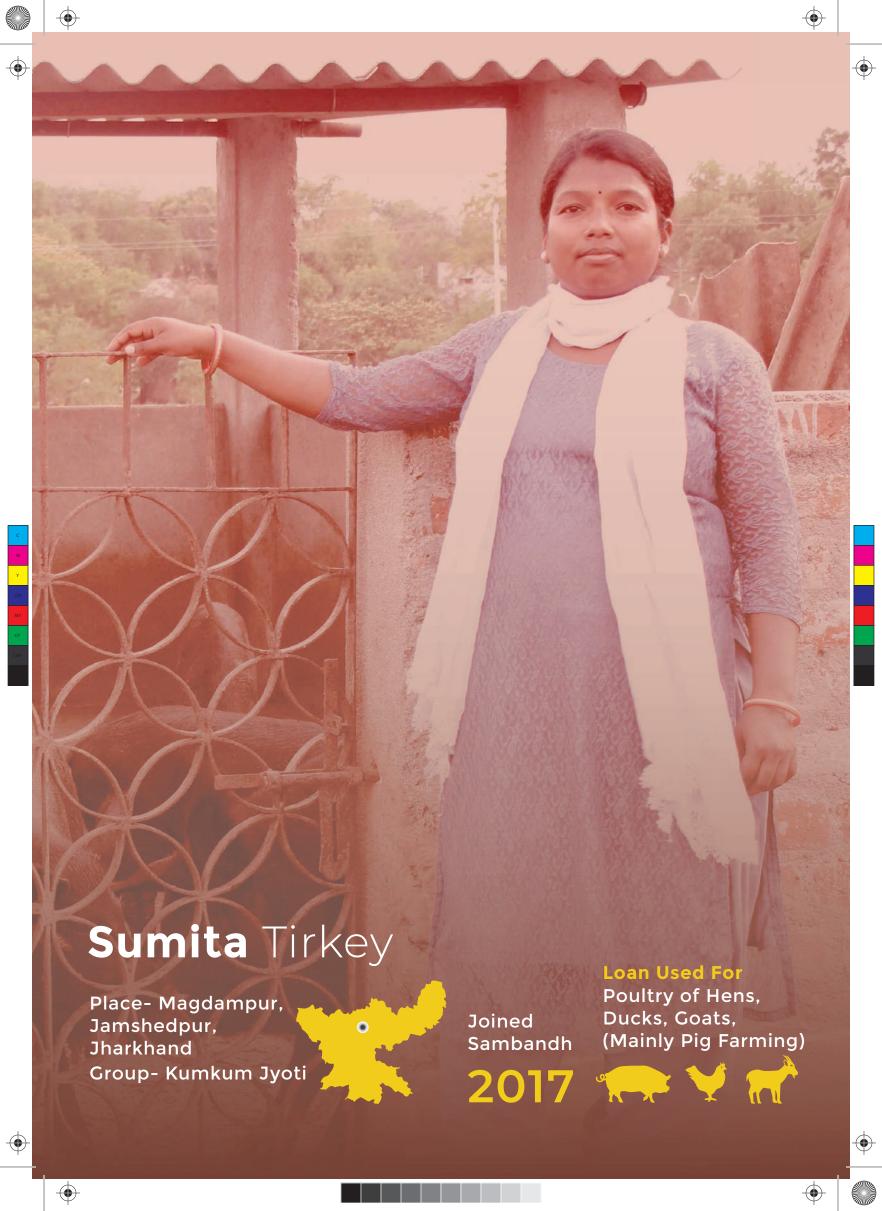
Mr. Sidhant Mohanty, a senior and key member from the finance team participated in the 5 days executive education program on "Challenges of Managing Inclusive Finance in India." The Program objective was to provide high level Management and Leadership training to those shaping the micro finance industry on topics of practical relevance. The training covered the issues pertaining to the larger ecosystem of inclusive finance in India and its changing contours. This became one of the highly acclaimed program looking at the pedagogy, having a very relevant program content with real life cases & analysis and most importantly the institutions - SIDBI & IIM Bangalore, jointly involved in orchestrating such a wonderful curriculum targeting the stakeholders working in the inclusive finance domain. Mr. Mohanty has certainly gained a lot from those analysis of real-life case studies from the industry while attending the program.



















#### **DIRECTOR'S REPORT**

To The Members, Sambandh Finserve Private Limited, Jubilee Villa, 1st Floor, Plot No 7, Sindhi Colony, Mission Hata, Rajgangpur, Orissa, India - 770017.

The Directors have pleasure in presenting before you the Twenty Third Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2019.

#### 1. Financial Highlights

Particulars Year Ended 31st March 2019	(Amount i	n Rupees)
Particulars fear Ended 51St March 2019	FY 2018-19	FY 2017-18
Gross Income	607567673	403,607,992
Profit Before Interest and Depreciation	83089918	55333891
Finance Charges	344515719	238,623,588
Gross Profit	60799509	36,091,334
Provision for Depreciation	6500938	3,035,181
Net Profit	43811492	26,797,816
Proposed Dividend on Preference Shares	4694375	2,585,194
Tax on proposed Dividend	950846	526,285
Transfer to General Reserve	8762298	5,359,563
Surplus carried to Balance Sheet	29403973	18,326,774

#### 2. Present Industry Scenario

The Micro Finance Industry during the year 2018-19 was pressurized due to liquidity crisis in the NBFC sector. But towards the end of the Financial year the liquidity squeeze eased a bit and consolidated strongly for a definite growth. With ardent of technology, the micro finance industry got a fillip to consolidate its business by identifying potential defaulters and loyal clients. The industry started consolidating mainly due to inflow of Private Equity, Bank Credit and the Government's continued thrust on financial inclusion. The Micro Finance Industry has a tremendous growth potential in rural dominated India and will change the rural livelihood by empowering marginalized people with the provision of need-based and affordable financial services at the base of Pyramid.

#### **Highlights:**

- As of 31st Mar 2019, 3.17 Cr clients have loan outstanding from NBFC-MFI, which is an increase of 32% over Q4 FY 17-18.
- The aggregate gross loan portfolio (GLP) of MFIs is Rs 68,207 Cr as on 31st March 2019. This represents a YoY growth of 47% as compared to 3 March 2018 and 13% in comparison to 31 December 2018.
- Loan amount of Rs 82,928 Cr was disbursed in FY 18-19 through 3.25 Cr accounts.
- Average loan amount disbursed per account during FY 18-19 was Rs.25,543 which is an increase of around 13% in comparison to loans disbursed during FY 17-18.
- During FY 18-19, NBFC-MFIs received a total of Rs 35,759 Cr in debt funding, which is an increase of 63% from FY 17-18. Total equity grew by 42% during the same period and is at Rs.14,206 Cr.
- Portfolio at Risk (PAR)>30 as on 31 March 2019 is 1.73%. This does not include BFIL data. PAR>30 has come down from 2.28% in the last quarter (as on December 2018) and is significantly better from 4.03% as on 31st March 2018.
- MFIs now have presence in 33 states/union territories.
- In terms of regional distribution of portfolio (GLP), East and North East accounts for 38% of the total NBFC MFI portfolio, South 24%, North 14%, West 15% and Central contributes 9%.

#### 3. Share Capital

## (I) Authorised Capital

During the year the Authorised Equity Capital of the Company has been increased by Rs.15,00,00,000/- (Rupees Fifteen Crore only). As on March 31, 2019 the Authorized Share Capital of Sambandh Finserve Pvt Ltd is Rs. 42,00,00,000/- (Rupees Forty Two Crores only) divided into 3,40,00,000 (Three Crore Forty Lakh Only) equity shares of Rs. 10/- (Rupees Ten Only) each, and 80,00,000(Eighty Lakh Only) Preference Shares of Rs. 10/- (Rupees Ten Only) each.

















#### (II) Paid Up Capital

During the year, the Paid up share Capital of the Company has been increased by Rs.12,84,81,830/- (Rupees Twelve Crore Eighty Four Lakh Eighty One Thousand Eight Hundred Thirty Only) consisting of Rs.9,84,81,830/- (Rupees Nine Crore Eighty Four lakh Eighty One Thousand Eight Hundred Thirty Only) of equity shares and Rs 3,00,00,000/- (Rupees Three Crore only) of preference shares.

The Paid up share capital of SFPL is Rs. 29,84,52,640/- (Rupees Twenty Nine Crore Eighty Four Lakh Fifty Two Thousand Six Hundred Forty Only) divided into 2,53,45,264 (Two Crore Fifty Three Lakh Forty Five Thousand Two Hundred Sixty Four) nos. of equity shares of Rs. 10/- (Rupees Ten Only) each, and 45,00,000 (Forty Five Lakh Only) paid up Non-Convertible Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each.

#### **Issue of Non-Convertible Redeemable Preference Shares**

During the year the Company has issued 30,00,000 nos. of Non-Convertible Redeemable Preference Shares of Rs.3,00,00,000/- to Scient Capital Pvt Ltd. The issue was made through private placement.

#### Allotment of Equity Shares To BOPA Pte Ltd

During the year your company allotted 73,86,364 nos. of equity shares of face value of Rs.10/- to BOPA Pte ltd, one of the social impact investors. The issue was made through private placement.

#### **Allotment of Equity Shares To Promoters**

During the year your company has allotted 9,09,092 nos of Equity Shares of face value of Rs.10/- each to Promoters of the Company. The issue was made through private placement.

#### Allotment of Equity Shares to Dia Vikas Capital Pvt Ltd.

During the year your company allotted 15,52,727 nos. of equity shares of face value of Rs.10/- to Dia Vikas Capital Pvt Ltd. The issue was made through private placement.

#### Allotment of Equity Shares to Bopa Pte Ltd.

During the year, your company allotted 73,86,364 nos of equity shares of Rs.10/- to BOPA Pte Ltd, one of the social impact investors. The issue was made through private placement.

#### I. Board Of Directors

The present Board of the Directors of the company are:

Name	Designation	Date of Appointment
Mr. Livinus Kindo	Chairman	21/04/2009
Mr. Deepak Kindo	Managing Director & CEO	12/03/2009
Mr. Kuchibhatla Prasad	Independent Director	17/09/2010
Mr. Vinod Kumar Jha	Independent Director	04/12/2015
Mr. Saurabh Baroi	Nominee Director	14/04/2010
Ms. De Silva Niroshani Sawanawadu	Nominee Director	09/10/2018
Mr. Shreekanta Das	Nominee Director	13/02/2019

## II. Number of Board Of Director's Meeting

During the year the Board of Directors held 07 meetings. The meetings were held on dated: 25/05/2018, 23/07/2018, 06/09/2018, 26/11/2018, 07/12/2018, 13/02/2019 and 20/03/2019.















#### III. Director's Responsibility Statement

#### (a) Adherence to applicable Accounting Standards:

In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

#### (b) Selection and Application of Accounting Policies.

The directors had 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 and loss of the company for that period.

#### (c) Safeguarding the assets of the company.

The directors had 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) Going concern basis.

The directors had prepared the annual accounts on a going concern basis.

#### IV. Reservation And Qualification On Auditor Report

There is no qualification reservation made by the Auditors in their report which is self explanatory and attached to this report.

#### V. Loans and Guarantee under Section 186

The Company has not given any loan nor provided any guarantee to any entity coming under the purview of provisions of Section 186 of the Companies Act, 2013.

#### VI. Particular of Contract and Arrangement Under Section 188

Details of contracts or arrangements or transactions not at arm's length basis		Details of material contracts or arrangement or transactions at arm's length basis		
Name(s) of the related party and	Nil	Name(s) of the related party and	NA	
nature of relationship		nature of relationship		
Nature of contracts/	Nil	Nature of contracts/	NA	
arrangements/transactions		arrangements/transactions		
Duration of the contracts /	NA	Duration of the contracts /	NA	
arrangements/transactions		arrangements/transactions		
Salient terms of the contracts or	NA	Salient terms of the contracts or	NA	
arrangements or transactions		arrangements or transactions		
including the value, if any		including the value, if any		
Justification for entering into such	NA	Date(s) of approval by the Board,	NA	
contracts or arrangements or		if any		
transactions				
Date(s) of approval by the Board	NA	Amount paid as advances, if any	NIL	
Amount paid as advances, if any	Nil			
Date on which the special resolution	NA			
was passed in general meeting as				
required under first proviso to section				
188				

### VII. State of the Company's Affairs

The company is a registered NBFC-MFI with Reserve Bank of India with a Rating of BBB- (Stable) and MFI grading of M2 and comprehensive grading as M2C2. The company operates in three States namely Odisha, Jharkhand and Chhattisgarh.

Your Company during FY 2018-19 consolidated its operations which remained robust in terms of operational growth, technology and human resources. This has resulted in steady and stable growth improvement in operating efficiencies. The total portfolio of the company as on 31st March, 2019 stands at Rs.315.91 crore and the company expect to enhance it to more than Rs. 500 crs by end of FY 2019-20. The Company, during the year added around 1,12,267 new borrowers and also opened

















14 new branches in the States of Odisha, Jharkhand and Chhattisgarh. While the employee strength increased to 559 from 451 during the year, that mainly account increase in the frontline field level staff due to expansion in operations and on the other hand there were additions in the senior management team of the company.

During the year of report, the company received FDI in its equity to the tune of USD 2.5 million invested by Singapore based company BOPA Pte Ltd. Further during the year one of our existing investor i.e. Dia Vikas Capital Pvt Ltd has infused Rs. 3.41 Crs in the equity capital of the company.

The Company has put in place a strong system of thoroughly scrutinizing all loan applications so as to ensure that loan sanctions are given only to such clients who do not have multiple borrowings from MFIs, are not over indebted and are not defaulting borrowers. The Company thus has ensured to be compliant as per RBI guidelines. Your Company has maintained high asset quality throughout the year. The Company has put in place PERDIX as its CBS platform for data management from the field and at the head office level. The migration from the earlier existing e-FIMO software has been smooth and completed in all of its owned branches during the period under review. Your Company's organizational highlights for FY 2018-19 are as follows:

Year Ended	FY 2018-19	FY 2017-18
Branches	62	48
Districts	23	20
Active Borrowers	1,77,275	1,45,388
Loans Disbursed (In Rs. Cr)	285.40	185.72
Asset Under Management (In Rs. Cr)	315.91	236.55
Portfolio Outstanding - Own (In Rs. Cr)	259.67	166.54
Portfolio Outstanding - Managed (In Rs. Cr)	56.24	70.01
Total Employees	559	451

### VIII. Reserve

The Company has adequate Reserve and Surplus and total Reserve at the beginning of the year was Rs.2131.98 Lakhs and during the year an amount of Rs.87.62 Lakhs was transferred to reserve account making the total Reserve Rs. 2219.61 Lakhs.

Keeping in mind the future projections of the company and as also the company has made a marginal profit, the directors of your company do not recommend any dividend on equity shares.

## X. Material Changes

There are no significant material changes between the end of the financial year and the date of signing of this report except that the borrowing of Rs. 202.50 crores made by the company in the intermittent Period.

#### XI. Extract Of Annual Return

An extract of the Annual Return in the form of MGT-9 is annexed herein as Annexure-1 which form part of this Board Report.

## XII. Conservation of Energy Technology Absorption and Foreign Exchange

Conservation of energy: Since the company is not in energy intensive industry the particulars as prescribed the Companies Act, 2013, read with the rules made there under are not set out in the report. Nevertheless, the company is taking adequate steps to conserve energy.

Technology Absorption: The Company has put in all efforts to use the latest technology.

Foreign Exchange earnings and outgo: During the year under review there was no earning or expenses in foreign exchange.

#### XIII. Risk Management Framework

The Company has constituted an ALM & Risk Committee in terms of applicable Regulations of RBI with 03 Board Members. The Company has a Risk Mitigation framework and the Board Members are apprised regularly about Risk Assessment and periodical review in order to control and manage risk beforehand.

#### XIV. Corporate Social Responsibility Policy and Its Implementation

Even though CSR is not applicable to the company, we have taken active initiative through our corporate objective to highlight development of social sector, which are like.

- The Company initiated programs on financial literacy, client awareness on health and sanitation in the field operations with support from RRDC. These programs have had a strong impact in generating awareness among the customer segment.
- Water and sanitation: lot many households were supported by way of loans to construct sanitation units which has ensured a safe and hygienic facilities available for them and at their households.















• Life Insurance: the loan members and non-loan members are insured with micro life and health insurance policies.

#### XV. Directors/KMP Appointed/Resigned During the Year

During the year under review, Ms. De Silva Niroshani Sawanawadu, (DIN No. 08227028) was appointed as Nominee Director of BOPA Pte Ltd. Prof. Prabal Kumar Sen, (DIN No. 02594965) resigned from Board of Directors with effect from 13th February, 2019 and Mr. Shreekanta Das, (DIN No. 07306690) was appointed as the Nominee Director of SIDBI in place of Mr. Santanu Sarma Barua with effect from 13th February, 2019.

#### XVI. Details of Subsidiary/ Joint Ventures/ Associate Companies

The Company neither has any subsidiary nor any Associate company as on date. As Dia Vikas Capital Pvt Ltd and BOPA Pte Ltd hold more than 20% in equity share capital, Sambandh is the Associate Company of Dia Vikas Capital Pvt Ltd and BOPA Pte Ltd.

#### **XVII. Deposits**

The company has not accepted any deposits as defined under the provisions of the companies Act and rules made there under from the public and hence there are no unclaimed or unpaid deposits.

#### XVIII. Disclosure Under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made there under, your Company has adopted a Sexual Harassment Policy for women to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment.

The list of the Committee Members is mentioned below:

Sl.No	Name	Designation	Position	
1	Ms. Stella Toppo	Sr. Executive, HR	Chairperson	
2	Ms. Rita S Kiro	HR- Head	Committee Member	
3	Ms. Amrita Patel	Ex-Officio	Committee Member	
4	Ms. Shweta Das	Product Strategist, Corporate Strategy	Committee Member	
5	Mr. Felix Xess	Manager-Accounts	Committee Member	
6	Mr. Krishna Chandra Mohanta	Company Secretary	Committee Member	

#### XIX. Significant and Material Orders Passed by the Regulators or Court

There is no significant material order passed by any Authority under any law affecting the affairs of the company. There is also no litigation pending against the company as on date.

### XX. Adequacy of Internal Financial Controls

The Company has adequate internal control system as per its size and business. The International Audit Department of the company takes care of internal control system and reports to Audit Committee about deviation, if any, and remedial measure for improvement. The System is also monitored by the Board regularly.

#### XXI. Establishment of Vigil Mechanism

The Company is not coming under purview of Vigil Mechanism as defined under the Companies Act, 2013 and hence not implemented it. However, the internal audit department is careful about any possible wrongdoing and always ready to report it to the top management.

#### XXII. Revision of Financial Statement or Board Report

There is no need of any financial statement revision as prescribed under Income Tax Act during the last financial year.

#### **XXIII. Audit Committee**

The Board of Directors has constituted one Audit Committee even though it was not mandatory for the company. The members of the Committee for the year include:















SL No	Name	Designation	Position in the Committee
1	Mr. Kuchibhatla Prasad	Independent Director	Chairman
2	Prof. Prabal Kumar Sen	Independent Director	Member
3	Mr. Vinod Jha	Independent Director	Member
4	Mr. Saurabh Baroi	Nominee Director- Dia Vikas Capital Pvt Ltd.	Member

The Committee meets regularly and reviews the Audit Programme and its findings. The Committee also forms policies and guidelines for implementation of Internal Audit. The committee submits it's report to the Board of Directors. During the year the Committee have met 04 times on dated 24/05/2018, 05/09/2018, 03/11/2018 and 12/02/2019.

#### **XXIV. Nomination And Remuneration Committee**

During the year under review, the details of Nomination and Remuneration Committee is mentioned below:

SL No	Name	Designation	Position in the Committee
1	Mr. Vinod Jha	Independent Director	Chairman
2	Prof. Prabal Kumar Sen	Independent Director	Member
3	Mr. Kuchibhatla. Prasad	Independent Director	Member

The committee meets in the regular interval and discuss the related matter and provide the report to the Board. However, the company has a HR Department which takes care of all appointment and remuneration matters. During the year Committee has met 04 times on dated 24/05/2018, 05/09/2018, 03/11/2018 and 09/02/2019.

## XXV. ALM and Risk Committee

During the year under review, the details of ALM & Risk Committee is mentioned below:

SL No	Name	Designation	Position in the Committee
1	Mr. Kuchibhatla Prasad	Independent Director	Chairman
2	Prof. Prabal Kumar Sen	Independent Director	Member
3	Mr. Vinod Jha	Independent Director	Member
4	Mr. Saurabh Baroi	Nominee Director - Dia Vikas Capital Pvt Ltd.	Member

The Committee meets regularly and provide the report to the Board of Directors. During the year, the Committee met 04 times on dated 24/05/2018, 05/09/2018, 03/11/2018 and 12/02/2019.

#### **XXVI. Corporate Governance**

Your Company is committed to best practices in corporate governance even though it is not applicable to the company in terms of provisions of RBI Regulations. However, the company is adhering to best practice of corporate Governance by way of following adequate transparency, ethical behaviour, integrity and protection of the interests of all the Stakeholders form the keystones of the Governance. As per the Guidelines on Corporate Governance for Non-Banking Financial (Non -Deposit Accepting or Holding) issued by the RBI, the Company has an Audit Committee to ensure strong internal controls and corporate reporting systems including financial reporting in pursuance with provisions of Companies Act, 2013.

To facilitate better corporate governance, the Board is constituted with Independent Directors with diverse experience and constituted various committees for timely compliance.

















Internal Control System: The Company's internal control system comprises audit and compliance by in-house Internal Audit Division. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by the direct reporting of

#### **XXVII. Secretarial Audit**

The Board appointed Gopinath Nayak & Associates, Practising Company Secretaries Firm to conduct the Secretarial Audit for the financial year 2018-19 in terms of Section 204 of the Companies Act, 2013.

Secretarial Audit Report for the year ended March 31, 2019 provided by Gopinath Nayak & Associates, Practicing Company Secretaries Firm, Plot No.186, District Centre, Chandrasekharpur, Bhubaneswar, Odisha-751016, is annexed to this Report as Annexure-2

#### **XXVIII. Statutory Auditor & Their Report**

M/s SRB Associates, Chartered Accountants, Bhubaneswar was appointed as the Statutory Auditor of the Company in the last Annual General Meeting of the Company for the financial year 2018-19.

The observations of the Auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

#### **XXIX. Cost Auditors**

The Cost audit of the Company has not been conducted for the financial year 2018-19 as provisions of Section 148 of the Companies Act, 2013 are not applicable to the Company.

#### XXX. Listing with Stock Exchanges

The Debt instrument of the Company is listed with Bombay Stock Exchange.

Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

#### XXXI. NPA Write Off

During the year, the system identified NPA of Rs. 38,93,177/- which was recommended to the Board for write off in terms of applicable regulations of Reserve Bank of India. However, the operation team will remain vigilant for future NPA and the team will try to collect the NPA in future. Most of the existing NPA's are due to death cases where the company has very less control.

#### **XXXII.** Declaration by Independent Directors

All Independent Directors of the Company have submitted their declarations of independence in terms of Section 149 of the Companies Act, 2013 and their dealation is available at the registered office pf the company with official responsibility of the Company Secretary.

#### **XXXIII. Key Managerial Personnel**

There was no change in the Key Managerial Personnel of the Company during the year of report. As at 31st March, 2019 the company has following Key Managerial Personnel:

- 1. Mr. Deepak Kindo- Managing Director & CEO
- 2. Mr. James Dinesh Raj-CFO
- 3. Mr. Krishna Chandra Mohanta- Company Secretary

## **XXXIV. Statutory Disclaimer**

The Company is having a valid Certificate of Registration dated November 01, 2010 issued by RBI under Section 45-IA of the Reserve Bank of India Act, 1934. However, RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/discharge of liabilities by the company.

#### **Acknowledgement**

SFPL Directors thank the clients, vendors and bankers for their support to the company's growth. SFPL Directors also wish to place on record their sincere appreciation of the devoted and efficient services rendered by all the concerned people of the company. We are also thankful to the Government of Odisha and local Authorities for their continued co-operation and support at all times.

For and on behalf of the Board of Directors

Date:

Place: Rajgangpur Chairman

















ANNEXURE-I EXTRACT OF THE ANNUAL RETURN IN THE FORM MGT-9

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2019
[Pursuant to Section 92(3) of the Companies Act, 2013
and

Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

i)	CIN:	U67120OR1996PTC011931			
ii)	Registration Date [DDMMYY]	03/07/1996			
iii)	Name of the company	Sambandh Finserve Private Limited			
	Category/ Sub Category of the Company	Company limited by Shares/Non-govt company			
iv)	ADDRESS OF REGISTERED OFFICE OF COMPANY:				
	Company Name	Sambandh Finserve Private Limited			
	Address				
	Town / City	Jubilee Villa, 1st Floor, Plot No 7, Sindhi Colony, Mission Hata, Rajgangpur.			
	State	Odisha			
	Pin Code:	770017			
	Country Name :	India			
	Country Code	IN			
	Telephone (With STD Area Code Number)	+91 6612664108			
	Fax Number :	+91 6612664108			
	Email Address	contactus@sambandhfin.com			
	Website	www.sambandhfin.com			
	Vii) Whether listed Company Yes/No	Listed Company- Debt instrument listed in Bombay Stock Exchange.			
	Name of the Police Station having jurisdiction where the registered office is situated	Rajgangpur			
	Address for correspondence, if different from address of registered office:	Plot No.O-4/9, Area 7 &8, Civil Township, Rourkela, Odisha-769004			
Vii)	Name and Address of Registrar & Transfer Agents (RTA):- Full address and contact details to be given.				
	Registrar & Transfer Agents (RTA)	Bigshare Services Private Limited.			

















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

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Activities Auxiliary to Financial Intermediation - NBFC MFI	671	100

III. Particulars Of Holding, Subsidiary And Associate Companies (No. of Companies for which information is being filled)

SN	Name And Address Of The Company	Cin/Gln	Holding/ Subsidiary / Associate
1	NA		

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

i) Category-wise Share Holding

Category of Shareholders				of Shares held at the end of the year [As on 31-March-2019]			% Change		
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	78,22,999	78,22,999	50.49	-	87,32,091	87,32,091	34.45	-16.04
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-		-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	78,22,99 <b>9</b>	78,22,999	50.49	-	87,32,091	87,32,091	34.45	-16.04









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B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	28,36,877	28,36,877	18.30		28,36,87 <b>7</b>	28,36,877	11.20	-7.10
c) Central Govt	-	_	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	28,36,877	28,36,877	18.30		28,36,877	28,36,877	11.20	-7.10
2. Non- Institutions									
a) Bodies Corp.	-				-				
i) Indian	-	48,37,205	48,37,205	31.21	-	63,89,932	63,89,932	25.21	-6.00
ii) Overseas	-	-	-	-	-	73,86,364	73,86,364	29.14	+29.14
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
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	1		I	ı	ı				ı
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	1	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-				-	-	-	-	-
Sub-total (B)(2):-	-	48,37,205	48,37,205	31.21	-	1,37,76,296	1,37,76,296	54.35	+23.14
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1,54,97,081	1,54,97,081	100		2,53,45,264	2,53,45,264	100	

## B) Shareholding of Promoter-

SN	Shareholder's Name	Sharehol	Shareholding at the beginning of the year		Share hold	% change		
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	in share holding during the year
1	Mr. Deepak Kindo	2748636	17.74	-	3503182	13.82	-	-3.92
2	Mr. Livinus Kindo	1352670	8.73	-	1508125	5.95	-	-2.78
3	Mr. Dibvalochan Jena	60000	0.39	-	0	0	-	-0.39
4	Mrs. M. M. Kindo	1411693	9.11	-	1470784	5.80	-	-3.31
5	Mr. Alok Tirkey	2250000	14.52	-	2250000	8.88	-	-5.64

















C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	01		Shareholding at the beginning of the year		e Shareholding g the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 01/04/2018	78,22,999	50.49	-	-
	Allotment on 07/12/2018	9,09,092		87,32,091	34.45
	At the end of the year	-	-	87,32,091	34.45

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

SN 1.			Shareholding at the beginning of the year		ılative ling during year
		No. of shares of the company		No. of shares	% of total shares of the company
	At the beginning of the year 01/04/2018	48,37,205	31.21	1	1
	Allotment on 20/03/2019	15,52,727		63,89,932	25.21
	At the end of the year			63,89,932	25.21

SN		begii	ling at the nning year	Cumulative Shareholding during the year	
2.	BOPA Pte Ltd.	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 01/04/2018	-	-	-	1
	Allotment on 23/07/2018 Allotment on 20/03/2019			36,93,182 73,86,364	19.25 29.14
	At the end of the year			73,86,364	29.14















E) Shareholding of Directors and Key Managerial Personnel: (other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Shareholding of each Directors and	Shareholding at the beginning of the year		Sharehold th	llative ling during ne ear
	each Key Managerial Personnel MR. DEEPAK KINDO	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 01/04/2018	27,48,636	17.74		
	07/12/2018-Allotment			7,54,546	17.43
	At the end of the year 31/03/2019			35,03,182	13.82

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Sharehold th	ılative ling during ne ear
	MR. LIVNUS KINDO	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 01/04/2018	1352670	8.73	13,52,670	8.73
	26/11/2018- Transfer of Shares 07/12/2018- Allotment			14,12,670 15,08,125	7.36 7.50
	At the end of the year			15,08,125	5.95

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Sharehold th	ulative ling during ne ear
	MR. DIBYA LOCHAN JENA	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 01/04/2018	60,000	0.39		
	26/11/2018- Transferred			60,000	
	At the end of the year	Nil	Nil	Nil	Nil

F) Indebtedness -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,164,094,554	87,714,284	-	2,251,808,838
ii) Interest due but not paid				



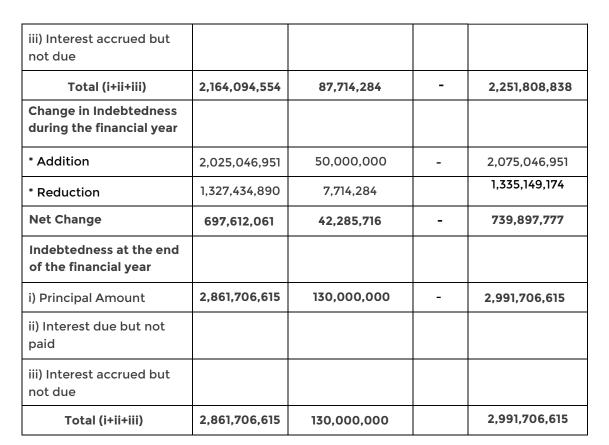












## V. Remuneration Of Directors And Key Managerial Personnel-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager Mr. Deepak Kindo	Total Amount
	Managing Director's Remuneration		
1	Gross salary		45,99,457.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission - as % of profit - others, specify		-
5	Others, please specify		
	Total (A)		45,99,457.00
	Ceiling as per the Act		













## B. Remuneration to other directors

S N.	Particulars of Remuneration	N		Total Amount		
1	Independent Directors	Mr. Kuchibhatla Prasad	Prof. Prabal Kumar Sen	Vinod Jha		
	Fee for attending board/ committee meetings	2,20,000	2,00,000	2,20,000	-	6,40,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	2,20,000	2,00,000	2,20,000	-	6,40,000
2	Other Non- Executive Directors	Mr. Saurabh Baroi	Mr. Livinus Kindo	-		
	Fee for attending board/ committee meetings	1,88,000	1,08,000	-	-	2,96,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	1,88,000	1,08,000	-	-	2,96,000
	Total (B)=(1+2)	4,08,000	3,08,000	2,20,000	-	9,36,000
	Total Managerial Remuneration	4,08,000	3,08,000	2,20,000	-	9,36,000
	Overall Ceiling as per the Act	-	-	-	-	-

## C. Remuneration To Key Managerial Personnel Other Than Md/Manager/Wtd

SN	Particulars of Remuneration	Key Managerial Personnel				
		CEO	CS	CFO	Total	
	Gross salary	-	7,20,000	25,33,336	32,53,336	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	













	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total		7,20,000	25,33,336	32,53,336

CS: Mr. Krishna Chandra Mohanta, CFO: Mr. James Dinesh Raj

## VI. Penalties / Punishment/ Compounding Of Offences:

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

For and on behalf of the Board of Directors

Date:

Place: Rajgangpur Chairman

















#### CORPORATE GOVERNANCE REPORT

Sambandh was set up for a business with a social goal and it believes winning the trust of all stakeholders in its responsibility and duty. Corporate Governance in Sambandh is the hall mark of its essence towards its clients, society and regulatory authority as a whole. Sambandh believes in a standard of Corporate Governance where winning the trust and enduring the values for a long-term relationship. Besides the statutory corporate practices, Sambandh also adheres to some more voluntary Corporate Governance practices in its organisation and commitment.

#### **Board**

The Board of Directors of Sambandh comprises of Executive, Non-Executive, Nominee and Independent Directors having varied experience about the sector. The Board of Directors quarterly meets to review the progress achieved as per the Business Plan of the Company and provide their valuable suggestion for betterment. The Notices for convening the Board Meetings were issued much before the due date. The Minutes of the Meetings were recorded properly and signed by the Chairman of the Meeting in time. SFPL has appointed one woman Board Member in its Board of Directors and believes in gender diversity.

#### Committee

Sambandh has different Board Level Sub-Committees as per the Regulatory Compliances and good governance, which are:

- 1. Finance Committee
- 2. Audit Committee
- 3. ALM & Risk Committee
- 4. Nomination & Remuneration Committee

Most of the members of the Sub-committees are Independent Directors occupying the position of Chairman. The Committee Members meets regularly and review the matters pertaining to them. The Minutes of the Meetings were recorded properly.

#### **Investors of the Company**

Sambandh provides adequate facility to all its investors to oversee the affairs of the company in a very transparent and diligent manner. They appoint Nominee Director in the Board of Sambandh and take part in all the decisions including framing policy for the company.

#### Lenders

Sambandh provide sufficient comfort ground to all its lenders for investing their money in the business of the company. All sort of Governance guidelines applicable to lenders are strictly adhered to and regular information and reports provided to them in a time-bound manner and all the covenants of loan agreements are strictly followed.

### **Regulatory Compliance**

The Company is registered with Companies Act and obtained the Non-Banking Finance Company-Micro Finance Institutions (NBFC-MFI) from Reserve Bank of India. The Company ensures all the compliances are met with under these Regulators from time to time and the same is intimated as per process. Apart from that, the company is complying with all the Acts, Rules and Regulations applicable to the company, following the timeline.

#### **Management of the Company**

The company is being managed and supervised by competent professionals having vast experiences in the Industry. The Work experiences and proper guidance of the Sr. Management Team to the Company provides adequate opportunity for growth and development. The Sr. Management meets in every month and discuss the issues of each department and find out the proposed resolution method within a time period and the same is reviewed in the subsequent period.

#### Audit

The Statutory and Secretarial Audit of the Company provides a furtherance of Corporate Governance in Sambandh by sticking to all possible disclosures required to be made under various statues applicable to the company.

#### **Internal Audit**

A strict reference to Audit guidelines is the hall mark of Sambandh management and the report of the Internal Auditor is regularly reviewed by the Audit Committee and the Board whenever they meet.

#### Conclusion

Sambandh believes in relationship and relationship can sustain with proper disclosure and adopting applicable guidelines in all the sphere. A sustainable Corporate Governance system will always help Sambandh and its team to win the trust of all its stakeholders and society at large.

















#### SECRETARIAL AUDIT REPORT

To The Members, Sambandh Finserve Private Limited Jubilee Villa, 1st Floor, Plot No 7, Sindhi Colony, Mission Hata, Rajgangpur, Orissa, India - 770017.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sambandh Finserve Private 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 ended on 31.03.2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31.03.2019, according to the provisions of:

- I. The Companies Act, 2013/1956(the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 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;
- **V.** The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) 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;
  - e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - **g)** The requirements under the Debt Listing Agreements entered into with BSE Limited and The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
  - h) The Memorandum and Articles of Association.
- VI. RBI Act, 1934 and Rules & Guidelines made there under.

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

The Listing Agreements entered into by the Company with the BSE Limited for its debt instruments. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above subject to the following observations:

- i. Minutes of Board, Committees of Boards, Annual General Meeting and Extra Ordinary General Meeting have been drafted in due time and signed.
- ii. In terms of Regulation 57(1) of the LODR the company need to submit a certificate to the Stock Exchange within two days of payment of interest or principal or both about timely payment. As per the representation made by management, the submission was made on quarterly basis in consultation with BSE.
- iii. Some of the Statutory Returns filed with the ROC were beyond the prescribed date and filed with additional fee.

#### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. During the year Prof. Prabal Kumar Sen, Independent Director resigned from the Board due to his personal pre-occupation and Ms. De Silva Niroshani Sawanwadu was appointed as Nominee Director of BOPA Pte Ltd. The Nominee of SIDBI was also changed during the year by appointment of Mr. Shreekanta Das in place of Mr. Santanu Sarma Barua. Necessary formalities under Companies Act 2013 for appointment and cessation was duly complied.















**\*** | \_

Notice as per the Act was given to all Directors to schedule 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.

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

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.

We further report that during the audit period, the company has issued shares on preferential basis as detailed herein below;

SL No.	Date of Allotment	Amount of Share Capital	Name of Allottees	Date of Filing of Return of Allotment.
1	23/07/2018	3,69,31,820	BOPA Pte Ltd	04/08/2018
		75,45,460	Mr. Deepak Kindo	
2	07/12/2018	9,54,550	Mr. Livinus Kindo	04/01/2019
		5,90,910	Mrs. M.M. Kindo	
		3,69,31,820	BOPA Pte Ltd	
3	20/03/2019	1,55,27,270	Dia Vikas Capital Pvt Ltd	29/03/2019

We further report that during the audit period, the company has issued Non- Convertible Redeemable Preference Shares on private placement as detailed herein below;

SL No.	Date of Allotment	Amount of Share Capital	Name of Allottees	Date of Filing of Return of Allotment.
1	25/05/2018	3,00,00,000	Scient Capital Pvt Ltd	13/06/2018

We further report that during the audit period, the company has borrowed from Banks/FI's as detailed herein below;

SI. No.	Bank Name/Fi's	Amount of Loan (in Rs.)	Date of Filing Of Charge Documents
1.	Suryoday Small Finance Bank Limited	30,000,000	18/04/2018
2.	State Bank of India	10 0,000,000	29/06/2018
3.	Maanaveeya Development & Finance Private Limited	150,000,000	16/07/2018
4.	Shriram City Union Finance Ltd	100,000,000	23/07/2018
5.	Mas Financial Services Limited	100,000,000	31/07/2018
6.	Friends of WWB India	10,000,000	20/08/2018
7.	Samunnati Financial Intermediation & Services Private Limited	50,000,000	26/09/2018
8.	Nabard Financial Services Private limited	30,000,000	25/10/2018















The Company has an overall Borrowing Limit of Rs. 600.00 Crores (Rupees Six Hundred Crores) as approved by the Shareholders in their meeting on 6th September, 2018 and out of which the company has borrowed Rs 299.17 Crore as on 31st March, 2019.

During the period of Audit, the company has filed all statutory returns with Income Tax Authority, ROC, RBI, Service Tax, Authorities under Labour Law and Stock Exchange.

CS Bharat Chandra Das Partner

Gopinath Nayak & Associates

ACS No: 25843

Place: Bhubaneshwar Datew

















#### INDEPENDENT AUDITOR'S REPORT

#### To the Members of Sambandh Finserve Private Limited

Report on the Audit of the Standalone Financial Statements \_

#### **Opinion**

We have audited the standalone financial statements of Sambandh Finserve Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the statement of Profit and Loss, and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, and its cash flows for the year ended on that date.

## **Basis for Opinion**

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

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity)60 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

















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

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure** "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- **b)** In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- **d)** In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - **iii.** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SRB & Associates Chartered Accountants F. Regd. No.310009E

Bhubaneswar 29th June, 2019

Khirod Prasad Swain Partner M.No.306323

















## Annexure -A to the Independent Auditors' Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section 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 Sambandh Finserve Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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, (the 'Standards') 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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

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

> For SRB & Associates **Chartered Accountants** F. Regd. No.310009E

**Khirod Prasad Swain** Partner M.No.306323

Bhubaneswar 29th June, 2019

















## **Annexure-B to the Independent Auditors' Report**

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

The Annexure referred to in our Independent Auditor's Report to the members of Sambandh Finserve Private Limited (the Company) on the standalone financial statements for the year ended March 31, 2019, we report that:

- (I) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner 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) Based on audit procedures and explanation given to us company doesn't have immovable property so reporting under this clause is not applicable
- (II) The Company is a Non Banking Finance Company and does not have any inventory so reporting under this clause is not
- (III) The Company has not granted any loan during the year, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (IV) In our opinion and as per explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies' Act 2013 in respect of loans, investment, guarantees and security.
- (V) The Company has not accepted deposits from public and in our opinion and according to the information and explanation given to us, the directives issued by Reserve Bank of India with respect to relevant provisions of section 73 to 76 or any other relevant provisions of Act and Companies Rules 2015 with regard to deposits from public are not applied.
- (VI) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered and goods sold by the Company.
- (VII) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became
  - (C) According to the information and explanations given to us, the following due of Income Tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of the Dues	Amount (INR)	Period to which the amount relates	Forum where dispute is pending
INCOME TAX Act 1961	INCOME TAX	61,65,854	AY -2016 -17	ACIT,Rourkela
TOTAL		61,65,854		

- (VIII) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and the term loans have been applied by the company during the year for the purposes for which they were raised, other than temporary deployment pending applications of proceeds.
- (X) According to the information and explanations given to us, no fraud by the Company or on by its officers or employees has been noticed or reported during the course of our audit.

















- (XI) According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (XII) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (XIII) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the standalone financial statements of the Company as required by the applicable accounting standards.
- (XIV) Based upon audit procedures performed and the information and explanations given by the management, the company has made private placement of 98,48,183 nos of equity shares at a premium as decided by board of directors and requirement of section 42 of companies act 2013 have complied with.
- (XV) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (XVI) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration

For SRB & Associates Chartered Accountants F. Regd. No.310009E

Bhubaneswar 29th June, 2019

Khirod Prasad Swain Partner M.No.306323



















JUBILEE VILLA, PLOT NO-7, SINDHI COLONY, MISSION HATA **RAJGANGPUR-770017, SUNDERGARH, ODISHA** 

Balance Sheet as at 31st March 2019

(Amount in INR)

	Balance Sheet as at 31	2019	(Amount in INR)	
	Particulars		As at 31st March 2019	As at 31st March 2018
	1		3	4
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital		298,452,640	169,970,810
	(b) Reserves and surplus		221,961,026	65,616,559
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings		1,345,884,417	1,098,077,798
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other Long term liabilities		-	-
	(d) Long-term provisions		26,060,946	16,668,145
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables		-	-
	(c) Other current liabilities		1,748,119,449	1,182,521,722
	(d) Short-term provisions		31,630,949	10,639,929
		TOTAL	3,672,109,427	2,543,494,963
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets			
	(i) Property, Plant & Equipment and		26 225 252	27.557.770
	Intangible assets		26,225,258	21,664,148
	(ii) Capital work-in-progress		-	-
	(b) Non-current investments		_	_
	(c) Deferred tax assets (net)		2,249,853	1,138,706
	(d) Long-term loans and advances		861,996,237	577,357,391
	(e) Other non-current assets		952,000	1,927,822
2	Current assets			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents		944,047,883	777,004,377
	(e) Short-term loans and advances		1,752,962,052	1,107,308,659
	(f) Other current assets		83,676,144	57,093,860
		TOTAL	3,672,109,427	2,543,494,963

For and on behalf of **SRB & Associates** (Chartered Accountants) Firm Regn.No- 310009E

**CA. Khirod Prasad Swain** 

**Partner** M.No.306323

**Bhubaneswar** 29th June, 2019

**Deepak Kindo** MD & CEO

For and on behalf of the Board **Sambandh Finserve Private Limited** 

> **Livinus Kindo** Chairman

Krishna Ch. Mohanta **Company Secretary** 

















JUBILEE VILLA, PLOT NO-7, SINDHI COLONY, MISSION HATA RAJGANGPUR-770017, SUNDERGARH, ODISHA

Profit & loss for the year ended 31st March 2019

(Amount in INR)

	Profit & loss for the year ended sist in		(Amount mink)
		For the Year	For the year
	Particulars	ended 31st March	ended 31st March
		2019	2018
	Income:		
I.	Revenue From Operations	578,671,067	378,805,439
II.	Other income	28,896,607	24,802,553
III.	Total Revenue (I + II)	607,567,674	403,607,992
	,	007,007,07	100,001,002
IV.	Expenses:		
	Employee benefits expense	118,343,389	73,924,219
	Finance costs	344,515,719	238,623,588
	Depreciation and amortization expense	6,500,938	3,035,181
	Provision for Loan loss	13,285,977	8,098,648
		15,265,977	0,090,040
	Miscellaneous Expenditure Written-off	-	
	Other expenses	64,122,142	43,835,022
	Total expenses	546,768,165	367,516,658
٧.	Profit before exceptional and extraordinary items		
	and tax (III-IV)	60,799,509	36,091,334
	Exceptional items		-
VII.	Profit before extraordinary items and tax (V - VI)	60,799,509	36,091,334
	Extraordinary Items		-
	Profit before tax (VII- VIII)	60,799,509	36,091,334
"	, , , , , , , , , , , , , , , , , , , ,	00,700,000	
X.	Tax expense:		
	(1) Current tax	18,099,163	9,509,365
	(2) Additional Income Tax Provision	_	_
	(		
	(3) Deferred tax	-1,111,147	-215,847
	(5) Deferred tax	1,111,147	213,047
XI.	Profit/(Loss) for the period from continuing operations		
	(IX - X)	43,811,493	26,797,816
XII.	Profit/(loss) from discontinuing operations	_	_
	Tax expense of discontinuing operations	_	_
	Profit/(loss) from Discontinuing operations (after tax)		
AIV.	(XII-XIII)	-	
\v\/	Profit (Loss) for the period (XI + XIV)	43,811,493	26,797,816
<b>^v</b> .	Profit (Loss) for the period (XI + XIV)	45,011,495	20,797,010
	Add/(Less): Excess/Short Provision for Income tax for		
	earlier year		-
		-	
	Add/(Less): Differed tax for earlier year	_	-
	Add: Prior Period Income	-	-
		43,811,493	26,797,816
(C)	Special Reserve under 45IC of RBI Act,1934:-	8,762,299	5,359,563
	20% Profit/ loss (XV)		
	Preference Dividend	4,694,375	2,585,194
	Provision for dividend Tax( U/s-115-O )	950,846	526,285
	Profit/ Loss transferred to Reserve & surplus	29,403,972	18,326,774
XVI	Earnings per equity share:		
^*'	Basic & Diluted	1.73	1.73
	Dasic & Diluted	1./3	1./5

For and on behalf of SRB & Associates (Chartered Accountants) Firm Regn.No- 310009E

CA. Khirod Prasad Swain

Partner M.No.306323

Bhubaneswar 29th June, 2019 1

Deepak Kindo MD & CEO For and on behalf of the Board Sambandh Finserve Private Limited

> Livinus Kindo Chairman

Krishna Ch. Mohanta Company Secretary















## **SAMBANDH FINSERVE PRIVATE LIMITED**

JUBILEE VILLA, PLOT NO-7, SINDHI COLONY, MISSION HATA **RAJGANGPUR-770017, SUNDERGARH, ODISHA** 

Cash Flow Statement as at 31st March 2019

(Amount in INR)

Cash Flow Statement as at	As at 31st March	As at 31st March
Particulars	2019	2018
Cash flows from operating activities		
Profit before taxation	60,799,509	36,091,334
Adjustments for:		
Depreciation & Amortizations	6,500,938	3,035,181
Investment income (Int on FD)	(12,027,309)	(7,430,023)
Provision For Loan Loss	9,392,800	8,098,648
	64,665,939	39,795,140
Working capital changes:		
(Increase) / Decrease in Long Term Loans and Advances	(284,638,846)	(429,687,775)
(Increase) / Decrease in Short Term Loans and Advances	(645,653,393)	(342,645,653)
(Increase) / Decrease in Other Assets	(25,606,461)	(21,203,678)
Increase / (Decrease) in Other Current Liabilities	565,597,727	445,190,418
Increase / (Decrease) in Provisions	20,991,020	4,599,183
Cash generated from operations	(304,644,015)	(303,952,365)
Income tax paid	(18,099,163)	(9,509,365)
Net cash from operating activities	(322,743,178)	(313,461,730)
Cash flows from investing activities		
Increase in Investments	-	-
Purchase of Fixed assets	(11,062,050)	(17,892,157)
Investment income (Int on FD)	12,027,309	7,430,023
Net cash used in investing activities	965,260	(10,462,134)
Cash flows from financing activities		
Proceeds from issue of Share capital :		
Issue of Equity Shares	98,481,830	36,956,130
Security Premium	118,178,196	10,508,875
Issue Preference shares	30,000,000	-
Proceeds from Long Term Borrowings	247,806,619	624,111,284
Dividend Paid on Preference Share	(5,645,221)	(3,111,479)
Net cash used in financing activities	/00 001 /0/	660 (6) 630
inet cash used in financing activities	488,821,424	668,464,810
Net increase in cash and cash equivalents	167,043,506	344,540,946
Cash and cash equivalents at beginning of period	777,004,377	432,463,431
Cash and cash equivalents at end of period	944,047,883	777,004,377

For and on behalf of **SRB & Associates** (Chartered Accountants) Firm Regn.No- 310009E

**CA. Khirod Prasad Swain** 

KACOCIM

Partner M.No.306323

Bhubaneswar 29th June, 2019 **Deepak Kindo** MD & CEO

For and on behalf of the Board **Sambandh Finserve Private Limited** 

> **Livinus Kindo** Chairman

Krishna Ch. Mohanta

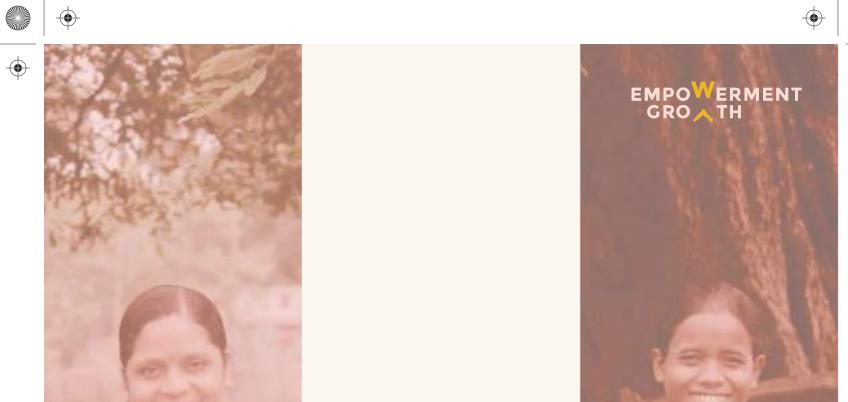


































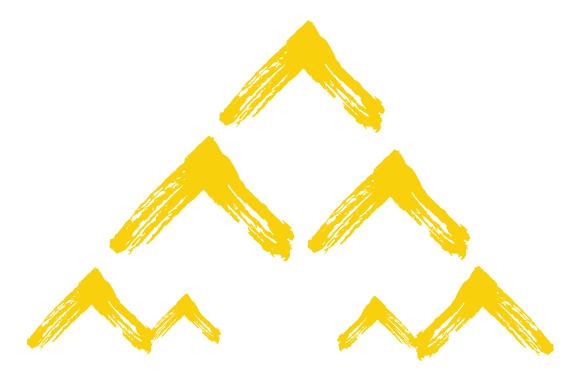














## **Registered Office**

Jubilee Villa, 1st Floor, Plot No-7, Sindhi Colony, Mission Hata, Rajgangpur-770017, Odisha

## **Corporate Office**

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