



**30<sup>th</sup> ANNUAL REPORT 2018-2019**



## NPR FINANCE LIMITED

**CIN : L65921WB1989PLC047091**

**REGISTERED OFFICE :**

Todi Mansion, 9<sup>th</sup> Floor  
1, Lu-Shun Sarani,  
Kolkata - 700 073  
Phone : (033) 2237-7201-02  
E-mail : npr1@nprfinance.com  
Website : www.nprfinance.com

**BOARD OF DIRECTORS**

**Managing Director :**

Pawan Kumar Todi

**Directors :**

Nandlal Todi  
Arun Charan Mukherji ( Resigned  
with effect from 2<sup>nd</sup> April, 2018)  
Nitin Guha  
Rajendra Kumar Duggar  
Ashok Bhandari ( Resigned with  
effect from 2<sup>nd</sup> Jan, 2019)  
Sarika Mehra  
Ashok Dhirajlal Kanakia

**COMMITTEES :**

**Audit Committee :**

Arun Charan Mukherji ( Resigned  
with effect from 2<sup>nd</sup> April, 2018)  
Nitin Guha  
Ashok Dhirajlal Kanakia  
Nandlal Todi  
Rajendra Kumar Duggar  
Ashok Bhandari ( Resigned with  
effect from 2<sup>nd</sup> Jan, 2019)

**Stakeholders Relationship  
Committee :**

Nitin Guha  
Nandlal Todi  
Pawan Kumar Todi

**Nomination and Remuneration  
Committee :**

Nitin Guha  
Arun Charan Mukherji ( Resigned  
with effect from 2<sup>nd</sup> April, 2018)  
Rajendra Kumar Duggar  
Ashok Bhandari ( Resigned with  
effect from 2<sup>nd</sup> Jan, 2019)  
Ashok Dhirajlal Kanakia

**Risk Management Committee :**

Pawan Kumar Todi  
Nandlal Todi  
Shankar Birjuka

**Fair Practice Code Committee :**

Pawan Kumar Todi  
Nandlal Todi  
Nitin Guha

**IT Strategy Committee :**

Nitin Guha  
Pawan Kumar Todi  
Sarika Mehra  
Ashim Karmakar

**Company Secretary :**

Rimpa Roy

**Chief Financial Officer :**

Ashok Kumar Shah

**BRANCHES**

**AHMEDABAD BRANCH :**

106-07, 1<sup>st</sup> Floor " Samedh"  
Above Oriental Bank of Commerce  
Near Associated Petroleum  
C. G. Road, Panchavati  
Ahmedabad - 380 006  
Phone : (079) 2640 1482/3

**NEW DELHI BRANCH :**

8C/6, W. E. A. Abdul Aziz Road  
Karol Bagh, (Opp. Shastri Park)  
2<sup>nd</sup> Floor, New Delhi - 110 005  
Phone : (011) 2875 2585/2481/2081

**SILIGURI BRANCH :**

46, Girish Ghosh Sarani,  
Hakim Para,  
Near Jyotsna Bakery,  
Siliguri - 734 001

**BAGDAH BRANCH :**

Halencha 1 No. Colony,  
P.O. Halencha Bazar,  
Police Station - Bagdah  
Dist. North 24 Parganas  
Pincode - 743 270  
Phone : 07407330069

**BARDHAMAN BRANCH :**

Opp. Banerjee Ford  
Bardhaman / Sonalika Tractor,  
Keshabganj Chatti,  
Bardhaman - 713 104  
Phone : 09734170778

**FOREX DIVISION :**

Todi Mansion, 2<sup>nd</sup> Floor  
1, Lu-Shun Sarani,  
Kolkata - 700 073

**AUDITORS**

**STATUTORY AUDITOR :**

M/s. Deoki Bijay & Co.  
Chartered Accountants  
213C, Jaba Kusum House,  
34, Chittaranjan Avenue,  
Kolkata - 700 012  
E-mail : deokinagrawal@gmail.com

**SECRETARIAL AUDITOR :**

Niaz Ahmed  
Practicing Company Secretary  
Todi Mansion, 12<sup>th</sup> Floor  
1, Lu-Shun Sarani,  
Kolkata - 700 073

**INTERNAL AUDITOR :**

Anshika Shroff  
Practicing Company Secretary  
AA/7, Rajarhat Road,  
Kolkata - 700 059

**BANKERS :**

Allahabad Bank  
HDFC Bank Limited  
ICICI Bank Limited  
Federal Bank Limited  
State Bank of India  
Axis Bank Limited



## NPR FINANCE LIMITED

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## NPR FINANCE LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report of the Company together with Financial Statements for the year ended 31<sup>st</sup> March, 2019.

#### 1. Financial Summary or Highlights:

The highlights of the financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2019 as compared to the previous financial year are as under:-

	₹ in Lakhs	
Particulars	2018-2019	2017-2018
Gross Profit before depreciation, interest and Tax	438.81	241.89
(Less) : Depreciation	(67.65)	(64.60)
(Less) : Interest	(61.46)	(61.33)
(Less) : Provision for Current Tax	(63.76)	(23.64)
Add : MAT Credit entitlement	4.11	12.99
Add : Provision for Deferred Tax	12.39	43.84
<b>Net Profit after tax</b>	<b>262.44</b>	<b>149.15</b>
Add : Brought forward from previous year	2,163.47	1,969.55
Add/(Less) : Income Tax adjustment of earlier years	-	74.06
Add/(Less) : Fringe Benefit Tax adjustment of earlier years	-	0.54
<b>Profit available for appropriation</b>	<b>2,425.91</b>	<b>2,193.30</b>
<b>APPROPRIATIONS</b>		
Statutory Reserve under section 45 IA of the Reserve Bank of India Act, 1934.	52.49	29.83
Surplus Carried to balance sheet	2,373.42	2,163.47
<b>Total</b>	<b>2,425.91</b>	<b>2,193.30</b>

#### 2. Dividend.

Company has registered ₹309.69 lakhs towards Profit before taxes during the financial year under review as against ₹115.96 lakhs during the previous financial year. In view of the fact that, the Company is considering business expansion in the finance sector in the near future, the Company shall retain earnings for funding further growth. The Company is also desirous to exploit the opportunities to undertake suitable projects. Therefore, the Board of Directors (hereinafter referred to as "the Board") has decided not to declare any dividend for the financial year under review.

#### 3. The amount proposed to be carried to reserves.

The Company proposes to transfer ₹52.49 lakhs to the Statutory Reserve maintained under section 45 IA of the Reserve Bank of India Act, 1934 out of the amount available for appropriation and an amount of ₹2,373.42 lakhs is proposed to be retained in the profit and loss account.

#### 4. Change in Share Capital.

During the year under review, there has been no change in the Authorised or Paid-up Share Capital.

The Authorised Share Capital of the Company stands at ₹7,00,00,000/- divided into 70,00,000 Equity Shares of ₹10/- each.

The Paid-up Share Capital of the Company is ₹5,98,96,000 divided into 59,89,600 Equity Shares of ₹10/- each.

#### 5. Listing.

The equity shares continue to be listed on the BSE Ltd. which has nation-wide terminals and therefore, shareholders/investors are not facing any difficulty in trading in the shares of the Company from any part of the country. The Company has paid the annual listing fee for the financial year 2018-19 to BSE Ltd.

#### 6. Corporate Governance Report.

Your Company has been complying with all the requirements of the code of Corporate Governance, as specified by SEBI. A separate report on Corporate Governance is furnished as a part of the Directors' Report.

In terms of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Certificate issued by a Company Secretary in whole time practice regarding compliance of condition of Corporate Governance is annexed to the Directors' Report.

#### 7. Extract of the Annual Return.

The Extract of the Annual Return as on the financial year ended on 31<sup>st</sup> March, 2019, in Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 (hereinafter referred to as the "Act") and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is appended to the Directors' Report in **Annexure-I**.

Further, the Annual Return in Form MGT-7 for the financial year ended 31.03.2019 will be uploaded on the website of the Company via the link: <http://www.nprfinance.com/showreport.aspx?prmRsCtg=AR&prmCtgType=S> after the same is filed with the Registrar of Companies.



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### 8. Directors & Key Managerial Personnel.

#### a. Board of Directors

As on 31<sup>st</sup> March, 2019, the composition of the Board is as under:

- a. Mr. Nandlal Todi (DIN-00581581) – Chairperson (Non-Executive Non-independent Director);
- b. Mr. Pawan Kumar Todi (DIN-00590156) – Managing Director;
- c. Mr. Rajendra Kumar Duggar (DIN-00403512) – Independent Non-Executive Director;
- d. Mr. Nitin Guha (DIN-01107480) – Independent Non-Executive Director;
- e. Mr. Ashok Dhirajlal Kanakia (DIN-00738955) – Independent Non-Executive Director;
- f. Ms. Sarika Mehra (DIN-06935192) – Whole time Director.

Mr. Arun Charan Mukherji (DIN-00063975), resigned from the Board as an Independent Non-Executive Director with effect from 2<sup>nd</sup> April, 2018 on account of advancing age and health status. Further, Mr. Ashok Bhandari (DIN-00012210) resigned from the Board as an Independent Non-Executive Director with effect from 2<sup>nd</sup> January, 2019, on account of pre-occupation.

Mr. Ashok Dhirajlal Kanakia (DIN-00738955) was appointed as an Additional Director (Independent Non-executive category) of the Company with effect from 14<sup>th</sup> February, 2019. Accordingly, he holds office till the ensuing 30<sup>th</sup> Annual General Meeting (AGM) where, he is proposed to be appointed for a period of five years from the conclusion of the 30<sup>th</sup> AGM. The Board feels that his association with the Company would be of immense benefit to the Company.

The remaining Independent Directors (i.e.: Mr. Rajendra Kumar Duggar (DIN-00403512) and Mr. Nitin Guha (DIN-01107480)) hold office till the conclusion of the 30<sup>th</sup> AGM to be held in the calendar year 2019. In terms of the provisions of Section 149(10) of the Act, it is proposed to appoint them for a further period of five years. The Board is of the view that, the continued association of Mr. Rajendra Kumar Duggar (DIN 00403512) and Mr. Nitin Guha (DIN-01107480) will benefit the Company, given their knowledge, experience and contribution to Board processes.

In terms of Regulation 17(1A) of the Listing Regulations, the members at the 29<sup>th</sup> AGM accorded consent through special resolution for the continuation of directorship of Mr. Nitin Guha (DIN-01107480) and Mr. Nandlal Todi (DIN-00581581) as, both the Directors are above 75 years of age.

Mr. Nandlal Todi (DIN-00581581), Non-Executive Non-independent Director, retires by rotation at the ensuing 30<sup>th</sup> AGM where he presents himself for re-appointment.

The tenure of Mr. Pawan Kumar Todi (DIN-00590156) and Ms. Sarika Mehra (DIN-06935192) as Managing Director and Whole-time Director respectively, is expiring on 31<sup>st</sup> October, 2019 and 18<sup>th</sup> September, 2019 respectively. Accordingly, in terms of section 196 of the Act, they have presented themselves for re-appointment for a term of three (3) years with effect from 1<sup>st</sup> November, 2019 and 19<sup>th</sup> September, 2019 respectively. Further, at the ensuing Annual General Meeting (AGM) it is also being proposed to make the office of the Managing Director as not liable to retire by rotation.

#### b. Company Secretary.

Considering the enormous responsibilities and duties of both the Whole-time Director and the Company Secretary, Ms. Sarika Mehra (DIN-06935192) resigned from the post of Company Secretary with effect from 1<sup>st</sup> April, 2019, in order to facilitate more efficient discharge of her Directorial duties and responsibilities. She continues to act as the Executive Director.

Mrs. Rimpa Roy has been appointed as the Company Secretary of the Company with effect from 1<sup>st</sup> April, 2019.

#### c. Chief Financial Officer.

Mr. Ashok Kumar Shah is the Chief Financial Officer of the Company.

### 9. Number of Meetings of the Board.

The Board met four (4) times during the Financial Year under review. The details thereof, including the attendance of the Directors, is provided in the Corporate Governance Report which is annexed to this Report.

Further, one exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Act and sub-regulation 3 of Regulation 25 of the Listing Regulations, was held on 14<sup>th</sup> February, 2019.

All the meetings were held in accordance with the provisions of the Act, Listing Regulations and the Secretarial Standard-1 (SS-1).

### 10. Disclosure pursuant to Section 177(8) of the Act - Composition of the Audit Committee.

During the financial year under review, Mr. Arun Charan Mukherji (DIN-00063975) and Mr. Ashok Bhandari (DIN-00012210) ceased to be members of the Audit Committee with effect from 2<sup>nd</sup> April, 2018 and 2<sup>nd</sup> January, 2019 respectively, due to their resignation as the Directors of the Company. Further, Mr. Ashok Dhirajlal Kanakia (DIN-00738955) was appointed as a member of the Audit Committee at the meeting of the Board held on 14<sup>th</sup> February, 2019.



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As on 31<sup>st</sup> March, 2019, the composition of the Audit Committee is as under:

- a. Mr. Rajendra Kumar Duggar (DIN-00403512) – Chairperson (Independent Non-executive Director);
- b. Mr. Nandlal Todi (DIN-00581581) – Non-Independent Non-executive Director
- c. Mr. Nitin Guha (DIN-01107480) – Independent Non-Executive Director;
- d. Mr. Ashok Dhirajlal Kanakia (DIN-00738955) – Independent Non-Executive Director;

Ms. Sarika Mehra (DIN-06935192) was the secretary to the Committee till 31<sup>st</sup> March, 2019. Mrs. Rimpa Roy is the Secretary to the Committee since 1<sup>st</sup> April, 2019.

During the Financial Year under review, the Audit Committee met four (4) times and all such meetings were held in accordance with the provisions of the Act read with the Rules made thereunder and the Listing Regulations. Details of the same, including the meeting dates and the attendance of the Committee members, are provided in the Corporate Governance Report.

Further, the Board has accepted all the recommendations of the Audit Committee in the Financial Year 2018-19.

### 11. Composition of the Nomination and Remuneration Committee.

During the financial year under review, Mr. Arun Charan Mukherji (DIN-00063975) and Mr. Ashok Bhandari (DIN-00012210) ceased to be members of the Nomination and Remuneration Committee with effect from 2<sup>nd</sup> April, 2018 and 2<sup>nd</sup> January, 2019 respectively, due to their resignation as the Directors of the Company. Further, Mr. Ashok Dhirajlal Kanakia (DIN-00738955) was appointed as a member of the Committee at the meeting of the Board held on 14<sup>th</sup> February, 2019.

As on 31<sup>st</sup> March, 2019, the composition of the Nomination and Remuneration Committee is as under:

- a. Mr. Nitin Guha (DIN-01107480) – Chairperson (Independent Non-executive Director);
- b. Mr. Rajendra Kumar Duggar (DIN-00403512) – Independent Non-executive Director;
- c. Mr. Ashok Dhirajlal Kanakia (DIN-00738955) – Independent Non-Executive Director;

Ms. Sarika Mehra (DIN-06935192) was the secretary to the Committee till 31<sup>st</sup> March, 2019. Mrs. Rimpa Roy is the Secretary to the Committee since 1<sup>st</sup> April, 2019.

The detail of the Committee, including the meeting dates and the attendance of the Committee members, is provided in the Corporate Governance Report.

### 12. Composition of the Stakeholders Relationship Committee.

The Stakeholders Relationship Committee comprises of one Non-Executive Independent Director (Mr. Nitin Guha (DIN-01107480)), one Non-Executive Non-independent Promoter Director (Mr. Nandlal Todi (DIN-00581581)) and one Executive Non-independent Promoter Director (Mr. Pawan Kumar Todi (DIN-00590156)). The detail of the Committee is provided in the Corporate Governance Report.

### 13. Directors' Responsibility Statement.

Pursuant to the provisions of Section 134 (3) (c) read with section 134 (5) of the Act, the Directors hereby confirm and state that:

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any.
- b. The Directors have selected such accounting policies and have 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 as at the end of the Financial Year ended on 31<sup>st</sup> March, 2019 and of the profit of the company for the year under review.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the annual accounts on a going concern basis.
- e. The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 14. Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.

No fraud was detected during the financial year under review.



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### 15. Declaration by the Independent Directors and statement on compliance of Code of Conduct.

All the Independent Directors have furnished the Statement on Declaration of Independence under section 149 (6) of the Act and Regulation 16 of the Listing Regulations. Further, the Independent Directors have complied with the Code of Independent Directors prescribed in Schedule IV to the Act.

### 16. Statement on compliance of Code of Conduct for Directors and senior management personnel.

The Corporate Governance Report contains a Declaration on compliance to the Code of Conduct by the Directors and Senior Management Personnel of the Company.

### 17. Policy on Directors' Appointment & Remuneration.

The Company's Nomination and Remuneration Policy contains inter-alia, policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Act and the Listing Regulations.

SEBI vide notification dated 9<sup>th</sup> May, 2018, has introduced the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, vide which, it has inter-alia, enhanced the role of the Nomination and Remuneration Committee with effect from 1<sup>st</sup> April, 2019. In terms of the said amendment, the Nomination and Remuneration Committee will be required to recommend to the Board, all remuneration, in whatever form, payable to senior management (Part D, Para A(6) of Schedule II of the Listing Regulations). The said amendment has revised the definition of senior management to also include: "chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer".

Accordingly, the Company's Nomination and Remuneration Policy has been revised to incorporate the above amendment.

The Policy defines the basic principles and procedure of nomination and determination of remuneration of all the Directors, Key Managerial Personnel and the senior management. It is further intended to ensure that the Company is able to attract, develop and retain high-performing Directors, Key Managerial Personnel and other employees and that their remuneration is aligned with the Company's business strategies, values and goals. The policy is based on the following pillars:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

- b. The relationship of remuneration to performance is clear and meets appropriate benchmarks; and
- c. The remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Policy is available on the website of the Company via the link:

<http://www.nprfinance.com/showreport.aspx?prmRsCtg=NRP&prmCtgType=S>

### 18. Auditors & Auditors' report.

#### A. Statutory Auditor

M/s Deoki Bijay & Co. (Firm Registration No. 313105E), has furnished a certificate of eligibility in terms of section 139 read with section 141 of the Act and the rules framed thereunder.

#### B. Independent Auditors' Report.

The Self Explanatory Independent Auditors' Report does not contain any adverse remarks or qualification.

#### C. Secretarial Auditor.

Mr. Niaz Ahmed (C.P. No. 5965, Membership No. F9432), Company Secretary in whole-time Practice, who was appointed pursuant to the provisions of Section 204 of the Act read with the Rules made thereunder to issue the Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2019, has been further re-appointed to issue the Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2020.

#### D. Secretarial Audit Report.

The Secretarial Audit Report in Form MR-3 does not contain any adverse remarks and is appended to the Directors' Report in **Annexure-II**.

#### E. Internal Auditor.

Ms. Anshika Shroff (C.P. No. 15055, Membership No. A38390), Company Secretary in whole-time Practice is the Internal Auditor of the Company. She has been re-appointed at the meeting of the Board held on 29<sup>th</sup> May, 2019.

#### F. Internal Audit Report.

The Internal Audit Report does not contain any adverse remarks

### 19. Maintenance of Cost Records.

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the



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Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

### 20. Particulars of Loans, guarantees or investments under Section 186 of the Act.

Details pertaining to loans, guarantees or investments are provided in the notes to the Financial Statements.

### 21. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Act in the prescribed form.

All related party transactions, contracts or arrangements that were entered into, during the financial year under review, were on an arms-length basis and in the ordinary course of business. The Company has adhered to its "Policy on Related Party Transactions and Materiality of Related Party Transactions" while pursuing all Related Party transactions.

During the year under review, the Company has entered into material related party transaction as defined in the Listing Regulations and/or section 188 of the Act read with the Rules made thereunder.

The Audit Committee at its meeting held on 13<sup>th</sup> February, 2018 had granted omnibus approval in line with the Company's Policy on Related Party Transactions, to pursue related party transactions subject to a maximum threshold limit of ₹1 Crore per transaction for Related Party Transactions that are repetitive in nature, for the financial year 2018-19. The Committee has, on a quarterly basis, reviewed the details of the Related Party Transactions entered into by the Company pursuant to omnibus approval accorded. In terms of the Listing Regulations and section 177 of the Act read with the Rules made thereunder, such omnibus approval is valid only for one year.

Accordingly, the Audit Committee at its Meeting held on 14<sup>th</sup> February, 2019, has accorded fresh omnibus approval to pursue related party transactions subject to a maximum threshold limit of ₹1 Crore per transaction for Related Party Transactions that are repetitive in nature, for the financial year 2019-20. The Committee on a quarterly basis, reviews the details of the Related Party Transactions entered into by the Company pursuant to each such omnibus approval accorded.

Further, in terms of Regulation 23 of the Listing Regulations and section 188 of the Act, the consent of the members shall be sought at the ensuing 30<sup>th</sup> Annual General Meeting for approval/ratification of various Related Party Transactions.

All the Material Related Party Transactions entered in the ordinary course of business and at arm's length basis have been reported in Form No. AOC-2 by way of **Annexure – III**

in terms of Section 134 of the Act read with the Rules made thereunder.

The Company is of the opinion that, obtaining inter-corporate loans from related parties are easily and quickly available to cater the requirements of Working Capital. Further, inter-corporate loan to related parties, are safe with no risk of default and generate comfortable interest income at arm's length. Also, the amount is repayable on demand and can easily be liquidated. Other related party transactions during the financial year under review include: (i) Salary to Key Managerial Personnel(KMPs) – which are routine-based monthly payments in the form of salary ; (ii) Purchase/Sale of foreign Currency/travellers' cards by Promoter/Promoter group/ other related party entities – on arms length basis.

### 22. State of Company Affairs & Future Outlook.

As on 31<sup>st</sup> March, 2019, the Company, a Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Company, does not have any outstanding public deposits and the Company shall not accept in the Financial Year 2019-2020 and thereafter, any public deposit without obtaining the prior approval in writing of the Reserve Bank of India.

The Company has opened three new Branches for financing under micro finance and personal loan and is following a slow and cautious approach in this regard.

The Company's financial disbursement has increased by ₹79.65 lakhs due to rise in personal loan disbursements. The Company's income from financing has increased due to the following reasons:

- a. Higher recovery on account of bad debt;
- b. Higher generation of interest income resulting from increase in disbursement as mentioned above.

The Company is striving hard to make higher recoveries in the years to come against earlier years' write-off.

Similar to the previous financial year, the Company is expecting consistent profitability on account of interest income on inter-corporate deposits given to bodies corporate.

The income from the Money Changing Business which is operational in Kolkata has gone down marginally by 7.91% due to fall in Commission income and Travel Card sales. The Company expects consistent but modest profitability from this area of business.

Gross Income from power generation has gone up by 14.81% in comparison to previous financial year on account of higher generation. The Wind Energy sector is depicting a positive growth potential in the near future on account of government's active initiatives and participation.



During the period under review, the Company has not generated any income from the Real Estate Division. However, the Company is desirous to explore this arena in the near future, subject to suitable opportunities.

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

No material changes and commitments affecting the financial position of the Company, have occurred between the end of the financial year of the company to which the financial statements relate and the date of this Directors' Report.

**24. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo.**

Disclosure in terms of Rule 8(3) of the Companies (Accounts) Rules, 2014:

**a. Conservation of Energy.**

The Company has no activity relating to conservation of energy.

**b. Technology Absorption.**

The Company has no activity relating to Technology Absorption. Further, the Company has not entered into any technology transfer agreement.

**c. Foreign Exchange earnings and outgo.**

The Company does not have any Foreign Exchange earnings and outgo during the financial year under review.

**25. Risk Management Policy.**

The Company has a Risk Management Policy which provides for the identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company. The details pertaining to various types of risks are described in the Management Discussion and Analysis report which is annexed to the Directors' Report.

Pursuant to Schedule IV (II) (4) of the Act, the Independent Directors, inter-alia amongst others, review the system from time to time to ensure that Risk Management is robust and satisfactory.

The Company is not required to have a Risk Management Committee and has voluntarily complied with the constitution of the Risk Management Committee in terms of the Listing Regulations. Further, in terms of Regulation 17(9)(b) of the Listing Regulations, the Board of Directors is responsible for framing, implementing and monitoring the Risk Management Plan of the Company and has delegated the power of

monitoring and reviewing of the risk management plan to the Risk Management Committee.

The Risk Management Committee is responsible for laying down procedures to inform Board members about the risk assessment and minimization procedures.

**26. Manner of formal annual evaluation of the performance of the Board, its Committees and that of its individual directors.**

The manner of formal annual evaluation of the performance of the Board, its committees and that of the individual directors is morefully described in the Corporate Governance Report which is annexed to the Directors' Report. The evaluation is perused on the basis of the Company's performance evaluation policy.

**27. Change in the nature of business.**

There has been no change in the nature of business of the Company in the Financial Year under review.

**28. Disclosures relating to Subsidiaries, Associates and Joint ventures.**

The Company does not have any Subsidiary or associate companies (as defined in Section 2(6) of the Act) nor is associated with any joint ventures and therefore the disclosure requirement pursuant to Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable for the Company.

**29. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.**

The Audit Committee of the Company ensures that there is a direct relationship between the Company's objectives and the internal financial controls it implements, to provide reasonable assurance about their achievement.

In this connection, the Audit Committee in coordination with the Internal Audit Department periodically reviews the following:

- a. Transactions are executed in accordance with the management's general or specific authorization;
- b. All transactions are promptly recorded in the correct amount in the appropriate accounts and in the accounting period in which they are executed so as to permit preparation of financial information within a framework of recognized accounting policies and practices and relevant statutory requirements, if any;
- c. Accountability of assets is adequately maintained and assets are safeguarded from unauthorized access, use or disposition.



## NPR FINANCE LIMITED

Further, during the financial year under review, the Internal Financial Control Policy was reconstituted in terms of various amendments in applicable laws in force. Also, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, has introduced Regulation "9A", whereby, the provision for an Institutional Mechanism for Prevention of Insider Trading is required. In this connection, inter-alia, an adequate and effective system of internal controls was required to ensure compliance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, to prevent insider trading. Thus, the Internal Financial Control Policy was modified to the above extent.

There is a proper allocation of functional responsibilities within the Company and it is ensured that the quality of personnel commensurate with their responsibilities and duties. Further, proper accounting and operating procedures are followed to confirm the accuracy and reliability of accounting data, efficiency in operation and safety of the assets. The regular review of work of one individual by another, minimizes the possibility of fraud or error in the absence of collusion.

A reference is made in this connection to the CEO & CFO Certification which forms part of the Annual Report.

### 30. Disclosure pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Company has no employee whose remuneration exceeds the limit prescribed under Section 197 of the Act read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### I. The disclosure pursuant to Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided herein below:

In computing the various parameters, the remuneration is as per the Income Tax Act, 1961.

#### (i) Ratio of Remuneration of each director to the median remuneration of the employees of the company for the financial year

Directors	Ratio of Remuneration to Median Remuneration
Nandlal Todi	Paid Sitting Fees only
Pawan Kumar Todi	17.61 times(approx.)
Arun Charan Mukherjee (resigned with effect from 2 <sup>nd</sup> April, 2018, hence, not entitled to attend any meeting of the Board or Committee).	N.A.

Nitin Guha	Paid Sitting Fees only
Rajendra Kumar Duggar	Paid Sitting Fees only
Ashok Bhandari (resigned with effect from 2 <sup>nd</sup> January, 2019).	Paid Sitting Fees only
Sarika Mehra	7.29 times(approx.)
Ashok Dhirajlal Kanakia (Appointed with effect from 14 <sup>th</sup> February, 2019)	Paid Sitting Fees only

#### (ii) The percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the Financial Year
Nandlal Todi - Non-executive Director	-Paid Sitting Fees only
Nitin Guha - Non-executive Director	-Paid Sitting Fees only
Rajendra Kumar Duggar - Non-executive Director	-Paid Sitting Fees only
Ashok Bhandari - Non-executive Director (resigned with effect from 2 <sup>nd</sup> January, 2019).	-Paid Sitting Fees only
Ashok Dhirajlal Kanakia (Appointed with effect from 14 <sup>th</sup> February, 2019)	-Paid Sitting Fees only
Pawan Kumar Todi - Managing Director	11.90%
Sarika Mehra - Executive Director & Company Secretary	0.00%
Ashok Kumar Shah - Chief Financial Officer of the Company	7.78%

#### (iii) The percentage increase in the median remuneration of the employees in the financial year.

There has been a decrease of 12.71% in the median remuneration of the employees in the Financial Year.