



NABKISAN FINANCE LIMITED

A Subsidiary of NABARD

HARVESTING RURAL PROSPERITY

*Advancing Agriculture
Value Chain through
Farmer Collectives*



ANNUAL REPORT 2023-24

"Supporting Livelihoods, Nurturing Enterprises, Fostering Growth"





27th ANNUAL REPORT 2023-24



NABKISAN
FINANCE LIMITED
A Subsidiary of NABARD

Board of Directors

Smt P V Bharathi	Chairperson
Dr. K S Mahesh	Director
Shri C.A Rishab, IAS	Director
Shri V Chandrasekharan	Director
Shri Deepak Singhal	Director
Shri Emmanuvel Murray	Director
Shri Prasad Rao	Managing Director & CEO
Shri Immanuvel Ganesan	Director & Chief Financial Officer

Company Secretary

Smt. M Bhuvaneswari

Auditors

L U Krishnan & Co., Chartered Accountants
Sam's Nathaneal Tower, #3-1, West Club Road,
Shenoy Nagar, Chennai 600 030

Bankers

HDFC Bank	Nungambakkam Branch, Chennai 600 034
Indian Overseas Bank	Nungambakkam Branch, Chennai 600 034
IDFC First Bank	Adayar Branch, Chennai 600 020

Registered Office

Ground Floor, NABARD Tamil Nadu Regional Office
No.48, Mahatma Gandhi Road, Nungambakkam, Chennai 600 034, Tamil Nadu
Tel : 044-28270138, 42138700 | e-mail : finance@nabkisan.org
website : www.nabkisan.org | CIN : U65191TN1997PLC037525

Corporate Office

NABARD Head Office, Ground Floor, 'D' Wing
Plot No. C-24, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
e-mail : corporate@nabkisan.org
Tel: 022-26539415/26539620

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From the Chairperson's Desk

Dear Shareholder,

It gives me immense pleasure to welcome you all to the Twenty Seventh Annual General Meeting of your Company.

The Indian economy has continued to demonstrate strong resilience against significant global challenges during fiscal year 2023-24 and has recorded a solid growth of 8.2%.

In this backdrop, NABKISAN Finance Ltd. (NKFL), with active guidance and support from NABARD, Government of India, State Governments, and other ecosystem players continued to make significant strides in furthering its mission to emerge as a leading ecosystem developer to provide innovative financial solutions to the agri and rural sectors of our country.

During 2023-24, your Company has been able to further cement its position as one of the leading lenders for Farmer Producer Organisations (FPOs) in the country. Your company has financed 905 FPO loans during the year gone by, taking the cumulative position of FPO loans financed to more than 3000 FPO loans, covering more than two million farmers.

Continued collaboration with Government of India and State Governments of Tamil Nadu and Odisha for promotion and financing FPOs has provided visibility to your Company and helped in expanding its footprint in these geographies. Strategic partnerships with schemes of GoI, NABSANRAKSHAN Trustee Pvt. Ltd., etc. have also enabled the company to make significant impact in FPO financing space.

With a view to promoting increased productivity, enhanced market access, improved supply chain efficiency, sustainability and inclusivity in the agriculture sector, your Company has taken various steps to deepen its engagement with various agri, value chain players viz., Primary Agriculture Cooperative Societies (PACS), Agri Corporates, etc. Further, understanding the requirements of the early

birds working in the agri-tech eco system, your Company has also supported Agri Start-ups in expanding their business to ensure that the benefits of agri-tech reach to the maximum number of farmers and rural populace. Your company has also supported small traders and micro borrowers graduate as entrepreneurs by providing them with the timely, but much needed small doses of credit.

I am happy to share that your Company has been able to show a remarkable growth across all verticals during FY 2023-24. Your company crossed a balance-sheet milestone of ₹2,700 crore and registered a PAT of more than ₹60 crore for the very first time.

As part of Corporate Social Responsibility commitments, your company has sanctioned projects that positively impacted the lives of people living in the deep rural pockets in various sectors / areas like natural resources management, health and sanitation.

I am also happy to share that your Company has won prestigious awards during 2023-24 viz., Best Women Customer Engagement Initiative and Best New Application Development Initiative by Banking Frontiers and the prestigious Economic Times BFSI Exceller Awards 2023 for 'Leading Financial Inclusion Initiatives of the year'.

As I look ahead, I feel a great sense of optimism on the vast growth opportunities that lie ahead. Your company will deepen its engagement in the agri value chain space and endeavour to significantly increase agri value chain financing to Primary Agriculture Cooperative Societies (PACS), Agri Corporates/enterprises, Agri Startups, etc. all with the ultimate objective of creating more value for the small and marginal farmers of our country.

While embracing 'digital first' as a corporate strategy, your Company will also be leveraging technology to gain more insights and understanding on the emerging needs of the farmers.

As I conclude, I would like to thank NABARD for its continued support and contribution to the growth of the Company. I would also like to place on record the contribution made by each member of the Board of your company for their active involvement in the strategic planning of the Company. Your support encourages us to continuously move ahead in a more meaningful and impactful manner.

Best wishes

P V Bharathi
Chairperson



Letter from the Managing Director & Chief Executive Officer

Dear Shareholder,

I am delighted to report that NABKISAN has continued its remarkable growth trajectory in FY24, building on the momentum of the previous year. The financial sector, backed by proactive regulatory measures and a strong capital buffer, effectively supported investment demand and enhanced its overall stability. Despite global and geopolitical challenges, the Indian economy continued to show resilience. Your company's performance has also been impressive with a 30% growth, reaching an asset size of ₹2711.32 crore, revenues at ₹232.18 crore, and a profit after tax (PAT) of ₹61.64 crore.

We have expanded our reach, sanctioning 905 FPO accounts, including 539 new to credit FPOs. The total outstanding loan exposure to FPOs stood at ₹187.64 crore. The NBFC and NBFC-MFI portfolio also witnessed a consistent growth. Your Company has shown exceptional growth in this segment by extending credit facilities to the tune of ₹995.00 crore to NBFCs and ₹501 crore to NBFC-MFIs impacting nearly 1.5 lakh rural enterprises and households.

NABKISAN's strategic partnerships with the State Governments of Tamil Nadu and Odisha have significantly enhanced the business prospects of farmer collectives. Through these collaborations, over 300 Farmer Producer Organizations (FPOs) have achieved substantial growth in their turnover, bolstered by equity and working capital support. The NABSANRAKSHAN and credit guarantee schemes, facilitated by the Tamil Nadu and Odisha State Governments, have effectively mitigated risks and enabled FPOs to diversify into allied activities as well.

We have also explored synergies with agri-startups and agri-corporates, providing debt support for various activities in the agri value chain. These synergies, combined with the Central Sector Scheme of Agriculture Infrastructure Fund, have encouraged FPOs to invest in post-harvest infrastructure. Notably, NABKISAN has extended credit facilities worth ₹5.73 crore to 32 FPOs under the AIF Scheme during the year.

Digitalization efforts are ongoing to ensure a seamless credit journey for our customers, with innovations and partnerships underway to achieve end-to-end digital solutions.

I would like to express my sincere gratitude to our shareholders, Board of Directors, and NABARD for their continued support. We look forward to another impactful year ahead.

Prasad Rao

MD & CEO

Board of Directors



Smt. P.V. Bharathi

Smt. P.V. Bharathi was the MD&CEO of Corporation Bank. She holds Post Graduate Degree in Economics and is a Certified Associate of Indian Institute Bankers. Prior to this, she has served in various capacities such as Executive Director, General Manager and Chief Risk Officer heading the Risk Management Wing in Canara Bank. She has also served in the Hong Kong Branch of the Bank. She has a vast and rich experience in handling large Corporate Credit, MSME, Retail and Priority Sector, Risk Management, HR, Financial Inclusion and International operations.

Dr. K.S Mahesh

Dr. K. S. Mahesh is a Chief General Manager of NABARD and Nominee Director on the Board of NABKISAN. He has a Doctorate in Horticulture from Indian Agricultural Research Institute, New Delhi and is a Certified Associate of Indian Institute of Bankers. He has 28 years of experience in appraisal of agricultural and rural development projects, credit planning, project finance, monitoring and evaluation. He has four year stint with NABARD Consultancy Services where he has handled more than 30 consultancy assignments including two International Assignments.



Shri. C. A. Rishab, IAS

Shri C.A Rishab, IAS is the Deputy Secretary to Govt., Finance Department, Govt. of Tamilnadu and Nominee Director on the Board of NABKISAN. He holds a Post Graduate degree in Public Management. Prior to this he had served as Systems Engineer at Infosys, Assistant Collector of Kanyakumari, Sub- Collector of Periyakulam and Cheranmahadevi and as Additional Collector of Tiruvallur and Tiruvannamalai Districts.

Shri Chandrasekaran V

Shri Chandrasekaran V is currently serving as General Manager of Indian Bank and Nominee Director on the Board of NABKISAN. He is an Agriculture Graduate and a Certified Associate of Indian Institute of Bankers. He has successfully completed the IIBF's Certified Credit Professional programme. He has diversified experience of more than 29 years in the field of banking. His business development background comes from his strategic positioning as Zonal Manager in the field for almost 05 years put together in different zones like Mumbai and Chennai. Currently, Shri Chandrasekaran serves as director on the board of Tamil Nadu Grama Bank also.





Shri. Deepak Singhal

Shri. Deepak Singhal is the Ex-Executive Director, RBI. He holds a Post Graduate degree in Business Administration. Prior to this he had served as Regional Director for Delhi, Head of Banking Operations and Development and HR departments of RBI. He has also served as Vice Principal at College of Agriculture Banking at Pune. With over three decades of experience, he has delivered a range of challenging and diverse assignments. He was associated in the issue of guidelines on Basel III norms and was instrumental in introducing modern HR practices in RBI.

Shri. Emmanuel Murray

Shri. Emmanuel Murray works with Caspian Impact Investment Adviser Pvt. Ltd, as a Senior Advisor, supporting the development of the Food and Agribusiness Ecosystem. In this role, he works with numerous Agri Startups and incubators and other Ecosystem players. He is a B. Com (Honours) and Postgraduate in Rural Management from IRMA Anand, and a Fellow of the Indian Institute of Banking and Finance. He has 36 years of work experience, including 25 years with NABARD and 5 years heading the operations of a large impact focussed NBFC.



Shri. Prasad Rao, MD & CEO

Shri. Prasad Rao is a General Manager of NABARD, currently placed as MD & CEO with NABKISAN. He holds a Bachelor's degree in Science, an MBA in Finance and is also a Certified Associate of the Indian Institute of Bankers. He has more than 34 years of experience in NABARD, having served in the Regional Offices of Tamil Nadu, Karnataka Haryana and Head office at Mumbai, spreading across verticals in policy formulation, credit planning, rural development, supervision and regulatory compliances.

Shri. Immanuvel Ganesan, Chief Financial Officer

Shri. Immanuvel Ganesan is a General Manager of NABARD currently placed with NABKISAN. He holds a post graduate degree in Commerce along with triple professional qualification viz. Chartered Accountant, Cost Accountant & Company Secretary and a Certified Associate of Indian Institute of Bankers. He has more than 20 years of work experience spreading across verticals in project finance, costing, tax compliance, accounting policies and framework, finalization of accounts, Ind AS and Basel III implementation etc.





Shri. Satyanarayana Jonnalagadda

Shri. Satyanarayana Jonnalagadda is a retired General Manager of Indian Overseas Bank. He holds a Post Graduate Degree in Agriculture and is a Certified Associate of Indian Institute of Bankers. He has 36 years of experience in Agricultural lending, Corporate Projects, Inspection and Audit, NPA recovery, Human Resources Development etc. He has wide experience in lending to MFIs, Poultry Projects, SHGs, etc. He had headed Zonal office of IOB, Delhi with 525 branches covering major areas of North India. He was a member of Panel for Resolution of Disputes (PRD) of RBI, RO, New Delhi from July 2018 to August 2020.

MANAGEMENT

Smt. Usha Mahesh – Chief Operating Officer

Smt. Usha Mahesh is a Deputy General Manager of NABARD currently placed with NABKISAN. She is a Mathematics Graduate and has more than 28 years of experience in NABARD in areas related to credit planning, micro credit, off farm sector, farmer collectives, infrastructure financing, refinance and risk management.



Smt. M. Bhuvaneswari - Company Secretary & Chief Compliance Officer

Smt. M. Bhuvaneswari is the Company Secretary of NABKISAN for the last fourteen years. She has 17 years of experience in various Secretarial activities of companies including compliances related to Registrar of Companies and Reserve Bank of India. She holds a degree in commerce and she is an Associate Member of the Institute of Company Secretaries of India since 2001.

Shri. Sripadharajan R Senior Vice President

Shri. Sripadharajan R is a Assistant General Manager with NABARD currently placed with NABKISAN. He is an Engineer from Anna University, Chennai and an alumnus of IIM Indore and Certified Associate of the Indian Institute of Bankers. He has more than 8 years of experience in NABARD and has worked in Treasury, handling the investment portfolio of NABARD, and later Alternative Investments of NABARD. Before NABARD, he was with the State Bank of Travancore having 3.5 years of experience across Personal Banking, MSME & Rural banking and Treasury Operations(Forex).



Achieving Greatness: The Remarkable Rise of Girivalam Farmer Producer Company Limited



Date of incorporation

12-07-2021



District - Tiruvannamalai

State - Tamil Nadu



Promoting institution

National Agro Foundation



Shareholder farmers - 640

Share capital - ₹ 22.80 lakh



NABKISAN loan - ₹30.00 lakh

Profit 2023-24 - ₹7.3 lakh



Business activities

- Procurement, processing and value addition of groundnut & gingelly
- Trading of grocery, millets, black gram and vegetables

Convergence – Grants availed

- ₹11.40 lakh equity grant
- ₹10.00 lakh Tamil Nadu Government Mezzanine Capital Assistance

Girivalam Farmer Producer Company Limited, formed under the 10,000 FPC scheme has been awarded “best performing FPC” in Tamil Nadu. FPC aggregates groundnut from members, undertakes processing FPC’s oil unit and the oil is marketed in the brand name “Girivalam foods”. With convergence from Government of Tamil Nadu, FPC has set-up supermarket for sale of grocery items. The steep rise in the turnover from ₹11.43 lakh to ₹1.43 crore has increased the net-income of farmer members.

The affordable interest rate and collateral free working capital loan of NABKISAN has impacted FPC to develop from nascent stage to business expansion stage reaching the level of retail marketing.



Breaking Barriers: The Inspiring Success Story of Hill Range Tribal Farmers Producer Company Limited



Date of incorporation

09/04/2016



District - Idukki

State - Kerala



Promoting institution

NABARD



Shareholder farmers - 683

Women Shareholders - 228

Share capital - ₹12.78 lakh



NABKISAN loan - ₹50 lakh

Turnover - 2022-23 ₹119 lakh

2023-24 ₹189 lakh



Business activities

Procurement, value addition and marketing of agriculture and NTFP products

Hill Range Tribal Farmers Producer Company procures products from the marginal land tribal farmers and processes them at own processing unit. The company mainly deals with their Non-Timber Forest Products, Spices, Honey, Grass Broom and various food products. Their grass brooms are produced from grass sourced by tribal farmers and also forest honey has a bigger market.

The products are marketed under their own Vanasree brand. The company also operates "Prakriti" chain of stores through which all their products are branded and sold. The FPC also has a online store in Amazon and has tie up with IndiaMart for selling their products under the B2B model.

The Working Capital Loan from NABKISAN helped the FPC to increase their turnover significantly, handle multiple products and display an exponential growth through exports of these products.



Management Discussion and Analysis

The Indian agriculture sector is a success story. The country has come a long way from being a food deficit and importing country in the 1960's to being a net exporter of agricultural products. The Economic Survey 2024 has noted that although agriculture and allied sectors hold significant potential for gainful employment, India is yet to fully exploit the potential of agriculture to contribute to economic growth and employment generation.

The rising income levels in rural and urban areas have contributed to an increase in the domestic demand for agricultural products. Further, the market is being stimulated by the growing adoption of cutting-edge techniques including Blockchain, Artificial Intelligence (AI), Geographic Information Systems (GIS), drones, and remote sensing technologies, as well as the release of various e-farming applications. In such an exciting environment, NABKISAN was able to deliver another year of high growth reaching out to newer clients and strengthening our relationships with existing clients. On the back of this, NABKISAN was able to deliver a healthy YoY Credit growth of 39%, surpassing an asset size of ₹2700 crore and recording a net profit of ₹61.64 crore.

Recognizing the tremendous potential across the entire agri value chain, NABKISAN continues to adopt innovative solutions aimed at focused approach to addressing the credit needs of all the stakeholders in the agri-value ecosystem, including, FPOs, PACS, Agri-Corporates and Startups. NKFL continued to deliver on its mandate of transforming farmers' lives and has carved out a niche in financing the Producer Collectives, reaching out to more than 3000 FPOs cumulatively, with credit support of over ₹630 crore.

Operational Highlights

Major operational highlights of the Company during the FY 2023-24 are as under:

- ▶ The total assets of the company have increased from ₹2030.53 crore to ₹2711.32 crore, registering a growth of 34% YoY.
- ▶ Gross loans & advances increased from ₹1907.73 crore to ₹2585.77 crore, registering a robust YoY growth of 36%.
- ▶ Sanctions of loans & advances stood at ₹1779.47 crore (₹1276.98 crore) and disbursements stood at ₹1731.82 crore (₹1293.30 crore). While sanctions made during the year recorded a growth of 39%, disbursements recorded a growth of 34% over the previous year.
- ▶ The revenue from operations grew from ₹166.05 crore during FY23 to ₹232.18 crore during FY24, registering a growth of 40% YoY.
- ▶ PBT and PAT for FY24 stood at ₹82.74 crore (₹68.16 crore) and ₹61.64 crore (₹51.31 crore), respectively. The growth of PBT and PAT during the year showed an increase of 21% and 20%, respectively.
- ▶ Owned funds increased from ₹405.91 cr to ₹461.66 cr during FY 24, registering a YoY growth of 14%.

The operational highlights of the company during the last five years journey of growth gives the following picture:

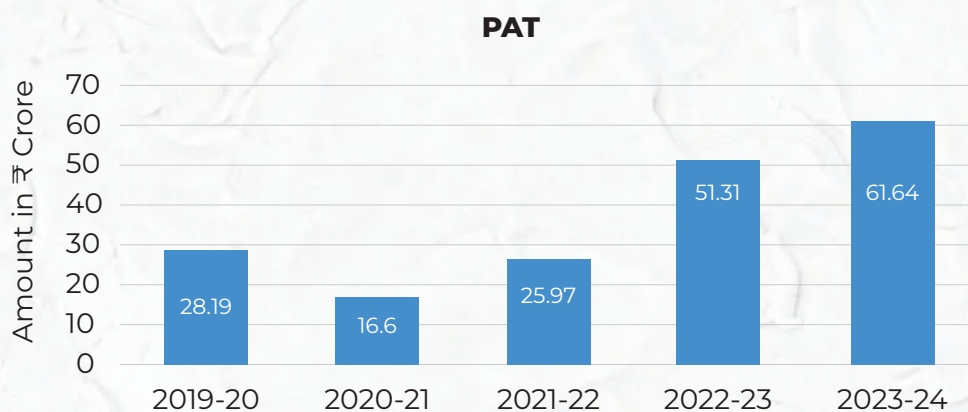
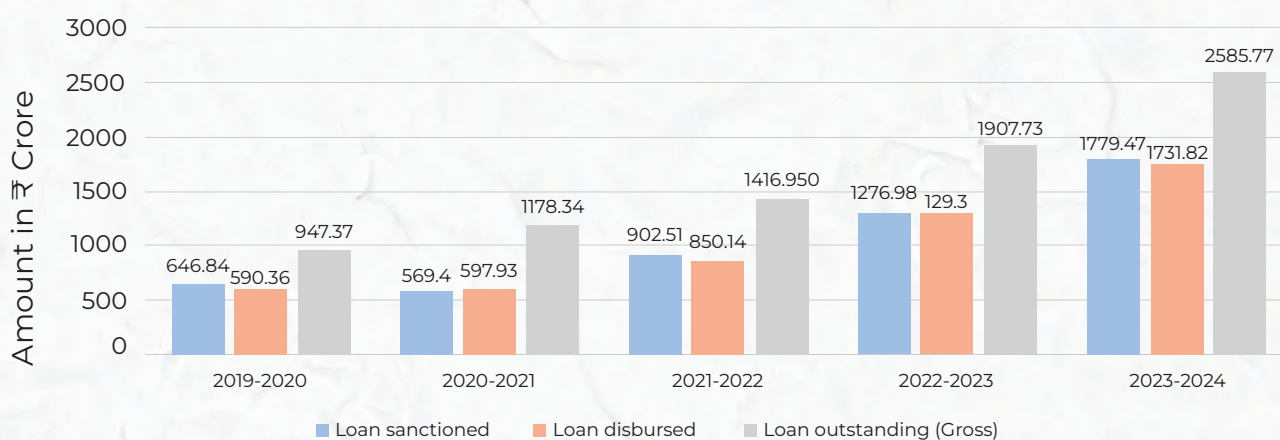
- ◀ Coverage of geography beyond states and entering into Union Territories showing potential for demand of business through collectives.

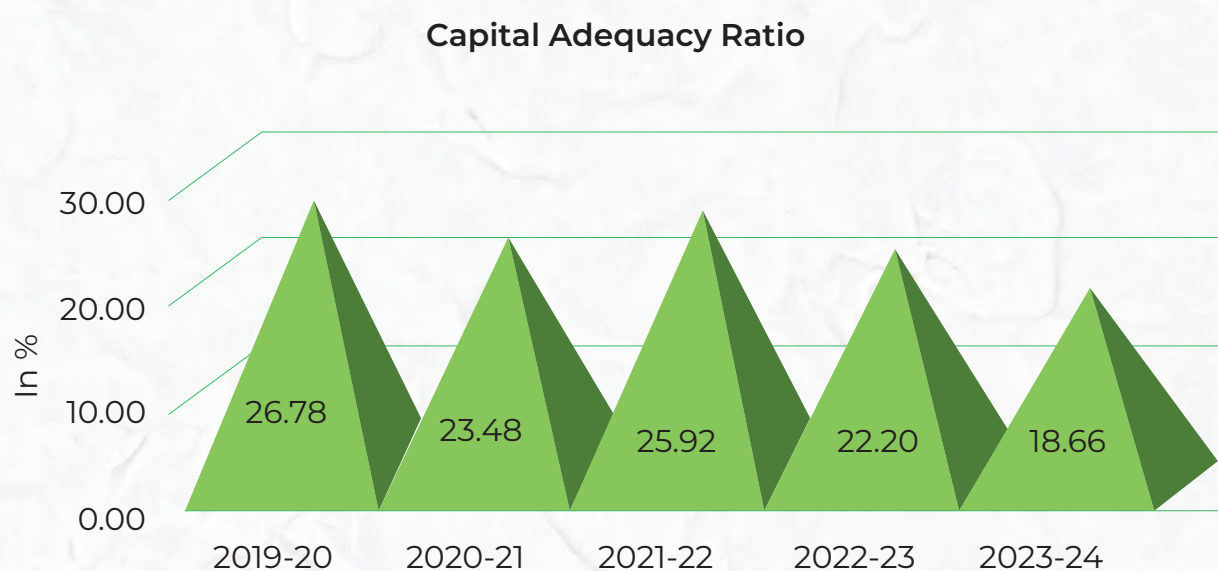
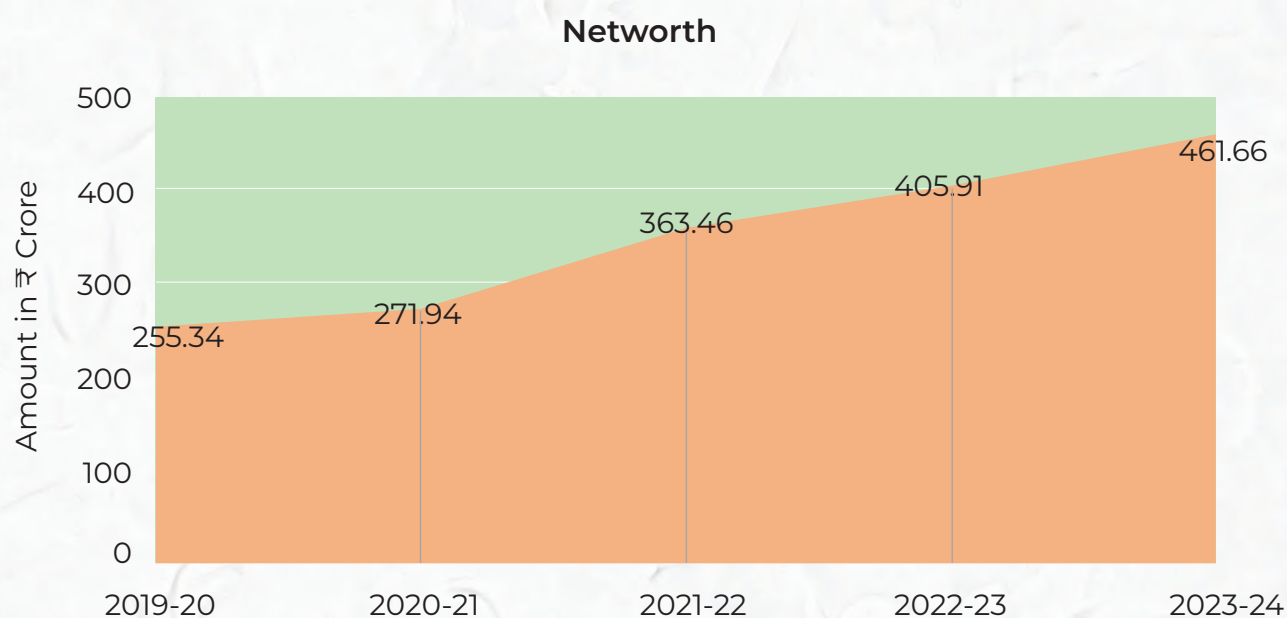
- ◀ The loans sanctions as well as disbursements showed an average growth rate of more than 40% over the last five years.
- ◀ The Profit After Tax (PAT) has also shown a tremendous growth of 56%.
- ◀ The Networth of the company during the period mentioned has grown at an average of 64%.

Snapshot of Business Achievement

(₹ in crore)

Particulars	2019-20 (Ind AS)	2020-21 (Ind AS)	2021-22 (Ind AS)	2022-23 (Ind AS)	2023-24 (Ind AS)
States covered	20	20 & 1 UT	20 & 1 UT	20 & 3 UTs	20 & 3 UTs
Loan sanctioned	646.84	569.40	902.51	1276.98	1779.47
Loan disbursed	590.36	597.93	850.14	1293.30	1731.82
Loan outstanding (Gross)	947.37	1178.34	1416.95	1907.73	2585.77
Profit after Tax	28.19	16.60	25.97	51.31	61.64
Net worth	255.34	271.94	363.46	405.91	461.66
CRAR	26.78	23.48	25.92	22.20	18.66





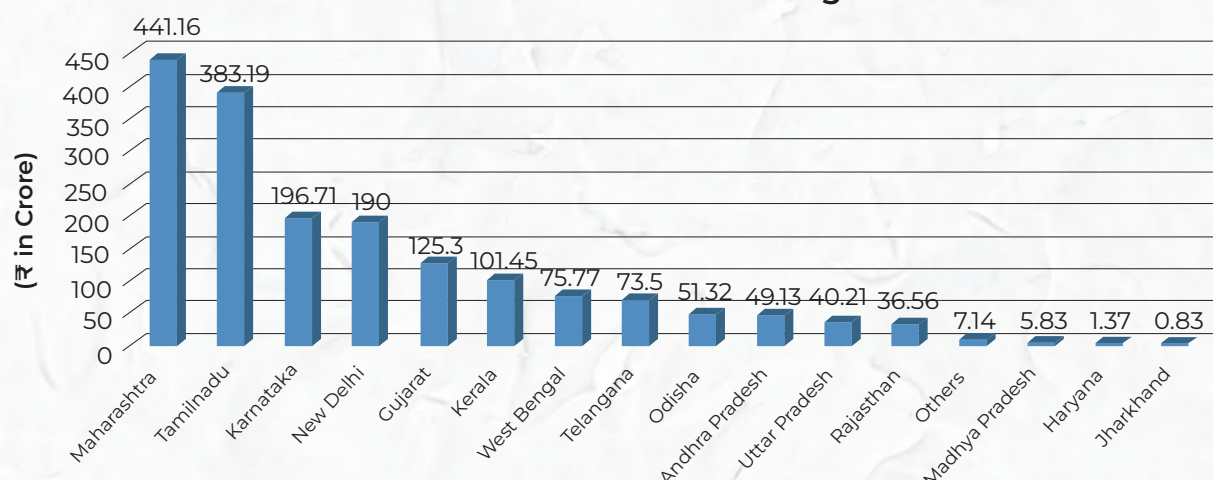
Outreach

NABKISAN has become a pan India Company with the direct credit operations reaching out to 20 States and 3 Union Territories viz., Andhra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttarakhand, Uttar Pradesh, West Bengal and Union Territories of New Delhi, Puducherry and Jammu & Kashmir.

The State wise business portfolio in terms of loan sanctioned, loan disbursed and loan outstanding during the financial year 2023-24 are given below:

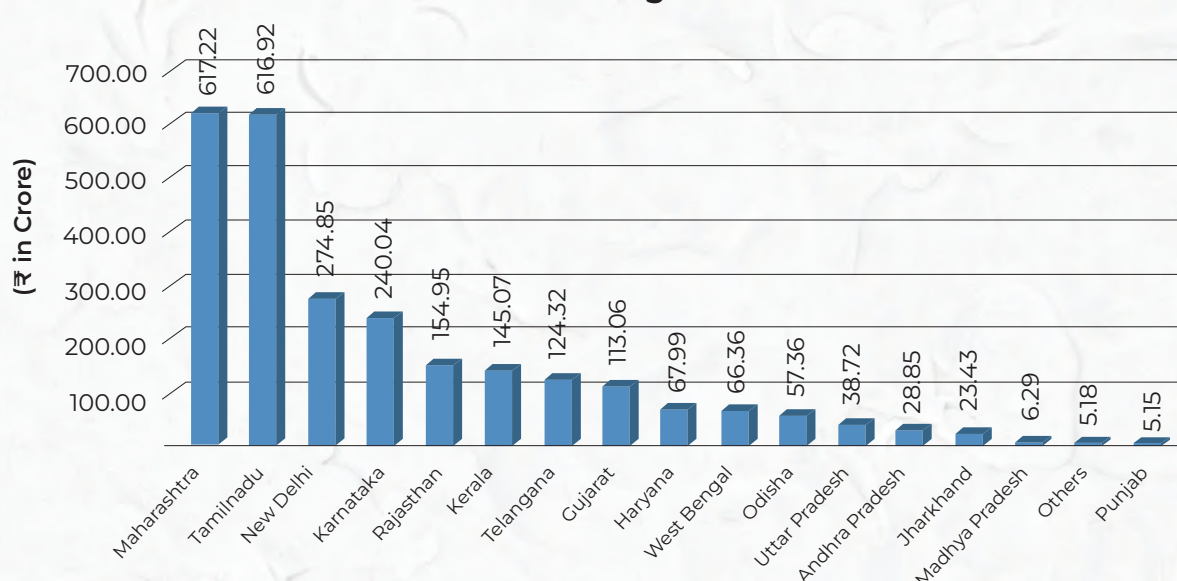
Sl. No.	State	Loan sanctioned (₹ in crore)	Loan disbursed (₹ in crore)	Loan outstanding (₹ in crore)
1	Andhra Pradesh	49.13	23.33	28.85
2	Arunachal Pradesh	0.00	0.10	0.10
3	Bihar	1.99	1.63	1.46
4	Chhattisgarh	1.14	0.40	0.55
5	Gujarat	125.30	106.42	113.06
6	Haryana	1.37	41.25	67.99
7	Himachal Pradesh	1.04	0.84	0.77
8	Jammu & Kashmir	0.00	0.00	0.08
9	Jharkhand	0.83	15.08	23.43
10	Karnataka	196.71	115.23	240.04
11	Kerala	101.45	103.66	145.07
12	Madhya Pradesh	5.83	5.85	6.29
13	Maharashtra	441.16	429.73	617.22
14	New Delhi	190.00	180.00	274.85
15	Odisha	51.32	12.70	57.36
16	Puducherry	0.55	0.75	0.40
17	Punjab	0.10	0.10	5.15
18	Rajasthan	36.56	36.37	154.95
19	Tamil Nadu	383.19	458.81	616.92
20	Telangana	73.50	97.71	124.32
21	Uttar Pradesh	40.21	38.76	38.72
22	Uttarakhand	2.32	2.32	1.82
23	West Bengal	75.77	60.79	66.36
	Total	1779.47	1731.82	2585.76

State-wise loans sanctioned during FY 2023-24



*Others include Arunachal Pradesh, Uttarakhand, Chhattisgarh, Himachal Pradesh, Bihar, Punjab, Puducherry, jammu & Kashmir

State-wise loan outstanding as on 31 March 2024



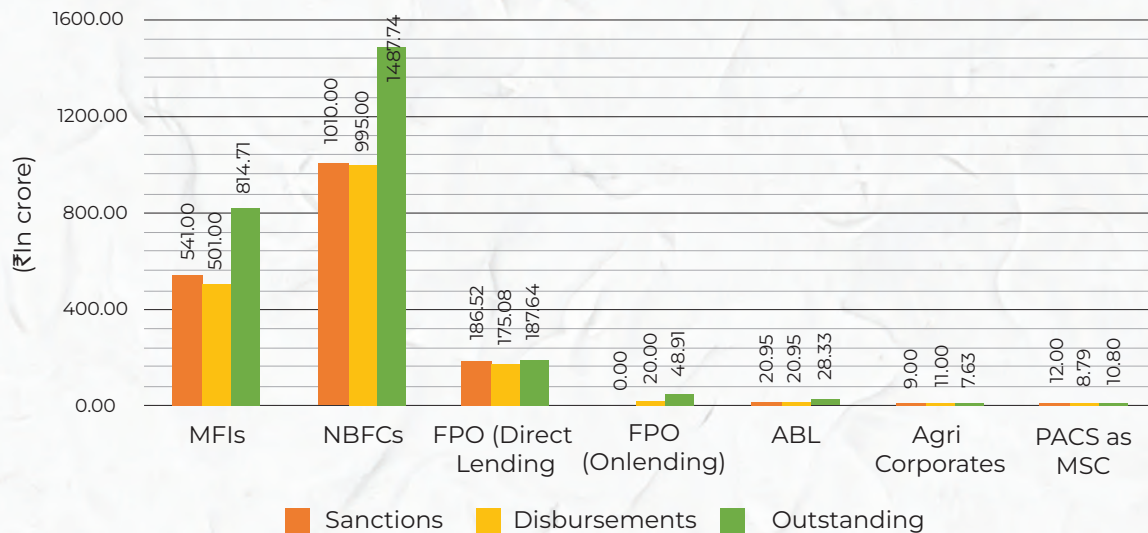
*Others includes Madhya Pradesh, Uttar Pradesh, Puducherry, Jammu & Kashmir, Uttarakhand, Chhattisgarh, Himachal Pradesh, Bihar

Sector wise portfolio

(₹ in crore)

Sector	Sanctions	Disbursements	Outstanding
Activity based lending through NGOs/ Trusts/Sec 8 Companies	20.95	20.95	28.33
Non-Banking Finance Companies (NBFC)	1010.00	995.00	1487.74
Micro Finance Institution (NBFC-MFI)	541.00	501.00	814.71
Farmers' Producer Organizations (FPOs) - Direct lending	186.52	175.08	187.64
FPOs - On-lending	0.00	20.00	48.91
PACS as MSC	12.00	8.79	10.80
Agri Corporates and Others	9.00	11.00	7.63
Total	1779.47	1731.82	2585.76

Sector Wise Portfolio



Expanding Business Opportunities

During the year, 18 MFIs, 30 NBFCs, 4 Agri corporates and 3 Section-8 Companies for activity-based lending were supported under the bulk lending portfolio. Out of this, 5 MFIs and 10 NBFC are new clients. Around 30% of the total sanctions during the year was for MFI clients and support to NBFCs constituted 56% of the total sanctions.

As part of its mandate of strengthening the ecosystem through support to collectives, NABKISAN extended credit assistance to three Primary Agriculture Co-operative Societies (PACS) (2 in Karnataka and 1 in Kerala) to meet their working capital requirements.

Credit assistance of ₹9 Crore was extended to four agri-start ups / corporates for activities viz., IOT for precision farming, tech enabled impact-oriented farmer centric services and value chain services in organic farming.

Forging New Partnerships

As one of the key players in the FPO ecosystem, NABKISAN has firmly believed that facilitating integration of FPOs with agriculture value chain will lead to promotion, expansion and commercialization of enterprises engaged in agriculture and allied sectors, thereby creating a sustainable, equitable and prosperous rural ecosystem. To this end, NABKISAN continues to explore partnerships with other stakeholders in the ecosystem, in order to maximize the benefits to the beneficiaries. NABKISAN has collaborative arrangements with various Government agencies to benefit the FPOs.

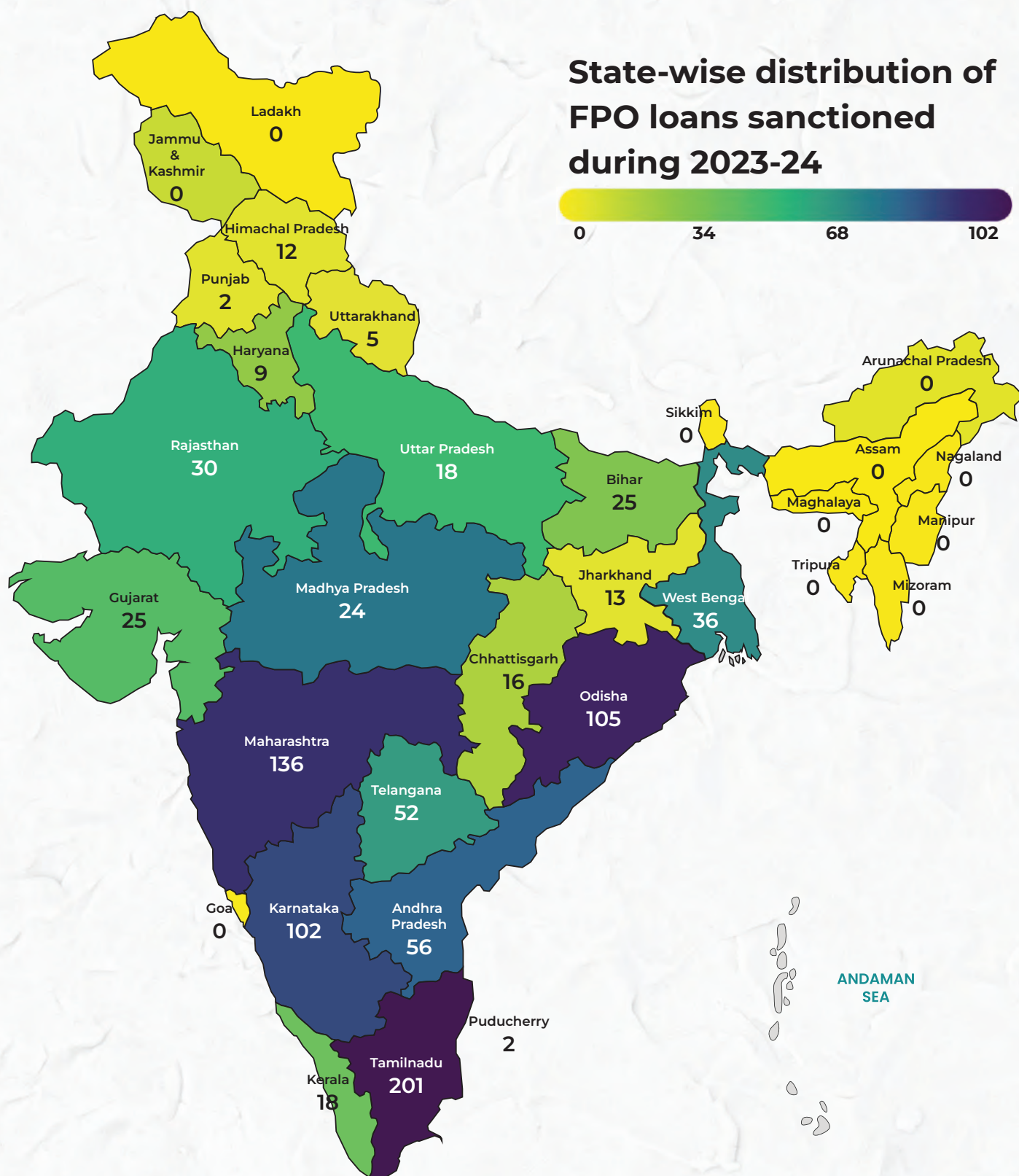
- Adding to its collaborative tie-ups, NABKISAN signed a MoU with Vazhndhu Kattuvom Project (VKP), Government of Tamil Nadu for enabling credit linkage to FPOs promoted and supported by VKP in January 2024. The VKP is a World Bank supported programme to

promote rural enterprises, ensuring access to finance and creating job opportunities in 3994 villages across 31 districts of Tamil Nadu.

- NABKISAN is the implementation partner of Government of Tamil Nadu for three FPC Financing schemes. Though the original MoU was for four years, Government of Tamil Nadu has extended the scheme period till March 2025. Cumulatively, 400 FPCs have been supported with assistance of ₹62.29 crore.
- NABKISAN has also collaborated with the Government of Odisha, as a guarantee channelizing partner for the FPOs promoted in the State. The scheme has been in operation since July 2021. Under the arrangement, 171 FPO loans have been covered since commencement, wherein a fund of ₹10 crore has been sanctioned.
- Debt funding for start-ups pose a unique challenge due to non-availability of adequate collateral, as they follow an asset light business model. NABKISAN has been supporting agri-startups both from its own fund and from NABARD's Catalytic Capital Fund Assistance scheme. As part of expanding support to this ecosystem through more funding avenues by collaborating in innovation, NABKISAN has signed a MoU with Villgro for enabling debt finance for start-ups incubated by Villgro. Under this arrangement, NABKISAN shall provide working capital loans up to ₹5 crore to the start-ups incubated by Villgro, wherein a de-risking cover in the form of a First Loss Default Guarantee (FLDG) between 15-25% of the loan value, will be facilitated by the latter.

NABKISAN continues to be the largest lender in terms of funding Producer Organizations (POs) providing direct credit assistance to the tune of ₹186.52 crore to 905 FPOs during FY24, registering a YoY growth of 30% in terms of amount and 40% growth in terms of number of FPOs sanctioned. 60% (539) of the total FPO clients borrowed for the first time from NABKISAN. Since inception, the Company has cumulatively supported 3004 FPOs with total loan sanction of ₹779.88 crore, creating positive impact to over 20 lakh farmers.

State-wise distribution of FPOs (Direct lending) as on 31 March 2024



Impact through Initiatives

A few initiatives have been taken by NABKISAN during the year which has created positive impact on the lives of rural sector beneficiaries with special focus on farmer collectives. A summary of such initiatives is presented below:

- NABKISAN deepened its presence by renewing the credit assistance to 366 existing clients.
- 539 FPOs have been inducted into the NABKISAN fold as new to credit customers.
- Complementing Government of India's Central Sector Scheme (CSS) of promoting 10,000 FPOs across the country, NABKISAN provided credit assistance of ₹26.48 crore to 308 FPOs promoted under the Central Sector Scheme of 10,000 FPOs. These budding enterprises were able to begin with input business initiatives.
- Under Government of India's Agri Infrastructure Fund, 32 projects for creating post-harvest infrastructure were supported across 7 states with credit assistance of ₹5.73 crore. These projects will enable creation of primary processing centres, custom hiring centres, cold chain and logistics facilities, storage infrastructure and drone facilities. Since the inception of the fund, 110 projects across the country have been supported with credit assistance of ₹16.01 crore. Incidentally, NABKISAN is the leading NBFC lender to FPOs under the scheme.
- During the year, NABKISAN signed a MoU with the Vazhndhu Kattuvom Project (VKP), a World Bank supported initiative of the Government of Tamil Nadu, to extend credit linkage. 2 FPOs were extended credit assistance of ₹1.82 crore under the scheme.
- NABKISAN has been able to extend collateral free loans to FPOs primarily because of the Credit Guarantee arrangements provided by Government of India as well as State Governments. Loans to 755 FPOs amounting to ₹165.80 crore were covered under Gol's Credit Guarantee Scheme for FPO Financing managed by NABSanrakshan Trustee Company Private Limited. Loans to 100 FPOs (₹10.68 crore) in Odisha were covered under the credit guarantee scheme of Government of Odisha. 30 FPOs were extended collateral free lending cover of ₹5.27 crore through NABARD's credit guarantee scheme. 19 FPOs (₹4.62 crore) were covered under Government of Tamil Nadu credit guarantee scheme for FPCs.
- Under the National Scheduled Tribes Finance and Development Corporation (NSTFDC), refinance assistance of ₹8.53 crore availed for 46 accounts during the year. The timely assistance has provided an impetus to support financially, the FPOs with more than 60% tribal farmers / shareholders, who, otherwise would have remained unbanked in the financial system.
- Primary Agriculture Cooperative Societies are an integral part of the agri-value chain. NABKISAN has extended loans to three PACS with a loan of ₹8.79 crore for meeting their working capital requirements.
- During FY24, financial support was extended to three agri-start ups and two agri-corporates with an amount of ₹12 crore, for scaling up their innovative technology solutions in the agriculture sector and to be a partner in the agriculture value chain. Such support has impacted the lives of thousands of farmers.



Status of FPC Financing Schemes of Government of Tamil Nadu

NABKISAN has made considerable progress in implementation of the three FPC Financing schemes of Government of Tamil Nadu. Considering the positive impact created on the ground, the scheme period has been extended till March 2025. Cumulatively, 400 FPCs have been supported with assistance of ₹62.29 crore. Under the Mezzanine Capital Assistance scheme (TNGMCAS), ₹32.38 crore was contributed by way of subscription to debentures of 375 FPCs, impacting 2.75 lakh farmer members. During FY24, 88 FPCs were supported with assistance of ₹7.40 crore under TNGMCAS. Through the Revolving Fund Scheme for FPCs (TRFFPC), ₹23.19 crore has been sanctioned, for providing concessional credit support to 127 FPCs, benefiting 1.25 lakh farmers. During FY24, 48 FPCs were supported with assistance of ₹3.94 crore under TRFFPC. The scheme also has a Credit Guarantee cover wherein, 47 FPCs were extended collateral free lending facility with cover of ₹6.72 crore, thereby creating a positive impact on the lives of 35,000 farmer members. Around 90% FPOs have utilized the amount for meeting their additional working capital requirements for purchasing inputs and aggregating agri-commodities, establishing retail outlets, while 10% FPOs have created long-term physical assets in the form of machineries, custom hiring centres, collection centres, etc. Concessional credit support under Revolving Fund Scheme has reduced the cost of borrowings, allowing the FPOs to expand their business through procurement of inputs, aggregation and trading of agri-commodities, value addition, purchase of vehicle for transportation, storage infrastructure and also allied activities for supplementary income. Nearly 90 FPCs have doubled their turnover and around 85 FPCs have tripled their turnover within one year of credit infusion. The collateral free working capital loan made available through the Credit Guarantee Scheme for FPCs involved in animal husbandry, fisheries and cattle-feed production has given the FPOs working under allied sector, the much needed support to enhance their income and also the farmers members under their fold. The total turnover of the 286 FPCs covered under Mezzanine Capital Assistance for FY 2021-22 is ₹156.30 Crore, averaging around ₹55 lakh per FPC. The total turnover of the 194 FPCs covered under Mezzanine Capital Assistance for FY 2020-21 was ₹90.88 crore, averaging around ₹47 lakh. An increase of 17% in the average year-on-year turnover of the FPCs was observed through these various Schemes.

NABKISAN, apart from extending financial assistance, has been taking up various initiatives for supporting Farmer Producer Companies through policy advocacy, awareness creation, capacity building etc. Some of these developmental activities taken up during the year are as under:

- VP participated in UT level 'Awareness Programme for Bankers and other Stakeholders' on FPO financing/ Bank credit to FPOs organized by NABARD Jammu RO on 01 May 2023 and made a presentation on FPO Financing.
- The 4th meeting of the Committee on FPO Financing of Government of Tamilnadu was held on 22 May 2023, to deliberate on the progress made under the three FPC Financing Schemes. CFO and other officials participated in the meeting.
- The 6th Sub-committee meeting of Tamil Nadu Government Credit Guarantee Fund for FPCs (TCGFPC) was held on 23 May 2023 to sanction new proposals. CFO and other RO officials participated in the meeting.
- MD, CFO, COO and other officials participated in the Bimonthly Structured Meetings of NABARD Regional Offices and addressed the DDMs on the various products of NABKISAN.
- NABKISAN participated in the Agri Business Expo for FPOs organized by Government of Tamil Nadu in July 2023. NABKISAN was provided its own stall and was able to create awareness on its FPO products. CFO and Sr VP participated in two separate panel discussions organized on the sidelines of the Expo.
- The 5th meeting of the Committee on FPO Financing of Government of Tamil Nadu was held on 11 October 2023, to deliberate on the progress made under the three FPC Financing Schemes. CFO and other RO officials participated in the meeting.
- NABKISAN officials from Registered Office participated in various sensitization meetings for CBBOs in Tamil Nadu as well as for CSS FPOs during September-November 2023. NABKISAN officials also provided training on FPO Financing to officials of Government of Tamil Nadu.
- The 4th meeting of the credit guarantee sanctioning committee of Government of Odisha's credit guarantee scheme was held on 28 December 2023 and was attended by MD, COO, VP-CO and other officials.
- COO participated in the Agri Value Chain Partnership (FPO) Meet by convergence through various programmes of Government of Maharashtra (SMART, MAGNET) on 29 January 2024.
- NABKISAN participated in Agri and Food Tech Summit organized by EDII-Periyakulam and Agri Amigos from 4 to 6 February 2024. Sr VP, VP-RO and other officials participated in the Expo and a presentation on NABKISAN products for FPOs and Startups was made by VP.

In addition to the focus segments, as part of supplementing the efforts in the rural economy, NABKISAN has extended financial assistance to NBFCs and NBFC-MFIs which are supporting the lives of small traders and micro borrowers to graduate to entrepreneurs including those in the deep rural pockets. Nearly 1.5 lakh rural enterprises and households have been benefitted of timely credit through these funds.

Technology initiatives

In tune with the regulatory requirements, NABKISAN has put in place a robust IT / cyber security measures and equipped the staff to address the risks involved in the technology sector.

NABKISAN has implemented many digital initiatives to enhance operational efficiency and improve real-time monitoring capabilities for management. The digital lending platform for FPOs has been further enhanced and automated by rolling out API integrations through Ministry of Corporate Affairs portal and Credit Bureau, new modules, for monitoring and disbursement, and various security-related improvements. NABKISAN's Loan Management System and Accounting System is being upgraded with the lending suite provided by Intellect Design Arena, with an expected Go-Live date in September 2024. As part of this project, Treasury and Fixed Asset Management Systems are being introduced. An end-to-end automation spanning from applicant engagement stage to sanction and from documentation to disbursement is also underway to offer solutions for seamless financial experience to the farmer collectives and other borrowing entities will also be rolled out in the next year that will bring down the turn around time and ensure timely credit.

NABKISAN is participating in NABARD's Data Management Analytics and Business Intelligence (DMABI) solution, implemented by HP. This project involves integrating all critical data sources from NABKISAN into NABARD's data warehouse. Additionally, two Analytical Use Cases have been demonstrated utilizing AI/ML technologies.

Human Resources

NABKISAN strengthened its presence in the State of Maharashtra, Tamil Nadu, Andhra Pradesh, Telangana and Rajasthan by increasing the complement of staff in the FPO business vertical. NABKISAN also recruited new Business Development Managers in the State of Assam and Chhattisgarh for expanding the business in these geographies. The Operations, Legal and IT verticals were also strengthened by fresh recruitment during the year.

During the year, the Company revised the HR policy to align with the current industry trend. The Training Need Assessment exercise of the entire staff was undertaken to assess the skill gaps and formulate Training Plan for them. Business Development Managers of the FPO vertical were deputed to various Training Programmes on Marketing Planning of FPOs in Agri and Allied Sector, Digital Marketing and Agri Value Chain Finance, organized by BIRD. IT officers were enrolled in online courses to enhance their skill sets like Cyber Security, GitHub Copilot certification etc. Training on Indian Accounting Standards, KYC and AML Guidelines and Best Practices was organized for Accounts, Audit and Compliance team. Chief Compliance Officer was deputed to a programme on Compliance for Senior Officers of Banks, FIs & NBFCs organized by CAFRAL. HR team had undergone training in HR Payroll & Statutory Compliances to enhance their skill sets.

A Business Plan Meet of NABKISAN was held during the year at Mumbai to brainstorm the staff of NABKISAN in identifying new potential areas, understanding the industry perspective and way forward for the year.

Other Initiatives

- In order to have a first-hand information on the ground realities in FPO funding, field visits were organised for NABKISAN's Board of Directors to two Farmers' Producers' Companies (FPCs) funded by NABKISAN in Pune district – viz. M/s Vaishnavdham Parunde Farmer Producer Company Limited and M/s Virtual AgroFarm Producer Company Limited. The Board of Directors had a detailed interaction with the FPC functionaries to understand the FPCs' business operations, funding requirements and challenges encountered.
- NABKISAN bagged prestigious NBFC Awards instituted by Banking Frontiers during FY24, under the categories “Best Women Customer Engagement Initiative” – for funding women FPOs across the country, “Best New Application Development Initiative” – for developing an inhouse /comprehensive Loan Origination System, for credit linking FPOs.
- The BFSI Exceller Awards 2023 organised by Economic Times BFSI, is an event conceived for recognising excellence in the fields of Banking, Financial Services and Insurance (BFSI) sectors. NABKISAN was adjudged as the winner in the category ‘Leading Financial Inclusion Initiatives of the year’.
- Shri. Shaji KV, Chairman NABARD, addressed the Board members of NABKISAN during the 166th Board Meeting and shared NABARD's expectations from NABKISAN. Commending NABKISAN for financing the highest number of FPOs in the country, Chairman, NABARD underscored the crucial role of NABKISAN in empowering FPOs to realize their full potential and transforming them into robust business enterprises.
- The fifth Business Development meet of the entire staff of NABKISAN was organised in Mumbai from 15 to 17 June 2023 to review the performance during the earlier financial year and set the targets for the current year.
- NABKISAN participated in the credit outreach programs of Government of India across various states where Ms. Nirmala Sitaraman, Hon'ble Finance Minister, Government of India, handed over the sanction letters of NABKISAN to the FPOs. Incidentally, the Hon'ble Finance Minister later shared the same on her official X handle.
- NABKISAN handed over dividend cheque for ₹7.52 crore to Chairman, NABARD on 12 October 2023. On the occasion, NABKISAN also released its 6th Annual Success Stories booklet with special focus on millet based FPOs financed by NABKISAN.
- Structured meetings with Regional Offices of NABARD were held during the year, along with functionaries of credit ready FPOs.
- An online training on Ind AS was organized for the Management and Corporate Teams of NABKISAN on 9 June 2023.
- MD and VP-CO participated in Villgro Incubator Business Synergies meet on 27 June 2023.
- NABKISAN participated in the Global Fintech Fest from 5 to 7 September 2023. The Fest was attended by MD, VP-CO, VP-IT and Sr AVP.
- COO & Sr.AVP participated in Conference on WASH Financing - organised by NABSAMRUDDHI and WATER.ORG on 14 September 2023.
- MD&CEO participated as a panel member in the FPO summit organised by CII on "Creating Economies of Scale for small holder farmers"

- VP-RO made a presentation on “Agri-Startup support from NBFCs” in an online webinar conducted by MANAGE-Centre for Innovation and Agripreneurship on 16 December 2023.
- An awareness programme on POSH was organized for all staff of NABKISAN on 12 January 2024.
- MD attended a workshop with World Bank organized by NABARD on 24 January 2024.
- COO, Sr.VP & VP (IT) attended a Discussion on Public Tech Platform for Frictionless Credit conducted by Reserve Bank of India - Innovation Hub on 24 January 2024.
- As part of CSR initiatives, the Company has extended assistance of ₹93.10 lakh during the year for three projects.

Corporate Governance

Effective Corporate Governance under the Companies Act 2013 is instrumental in achieving the corporate goals in promoting sustainable development, risk management, stakeholder confidence leading to inclusive growth.

The Board of NABKISAN is broad-based, consisting of 11 Directors as on 31 March 2024 including five nominee Directors and six Independent Directors. All the Directors of the Board are highly experienced in the areas of banking, finance, rural development, agri-business management, risk management and regulatory functions whose specialized knowledge, experience and guidance are valuable to the Company. Necessary disclosures have been obtained from all the Directors regarding their Directorship in other companies and have been taken on record by the Board.

The Board met seven times during the financial year 2023-24. The Board of Directors had met with the gap not exceeding one hundred twenty days between two meetings, as per the provisions of the Companies Act, 2013. The details of Board and Committee Meetings during the financial year 2023-24 are as under:

Board/Committee Meetings	No. of meetings held during 2023-24
Board Meeting	07
Audit Committee	02
Corporate Social Responsibility Committee	03
Risk Management Committee	04
IT Strategy Committee	02
Nomination & Remuneration Committee	01
Internal Complaints Committee for Prevention of Sexual Harassment (POSH) at Workplace	01
Independent Directors	01
Asset Liability Committee	07
Loan Committee	07
HR Implementation Committee	02
Investment Committee	NIL

The Management of NABKISAN under the oversight of Board has been actively involved in taking necessary steps in enhancing corporate value creation through strategic planning, risk management and financial reporting.

Way Forward for 2024-25

With a view to nurture enterprises in agri-value chain space, NABKISAN will continue to focus on building sustainable livelihoods in the entire agri-value ecosystem. NABKISAN will deepen its roots in existing geographies and strengthen its partnerships with other stakeholders, opening up newer avenues for financing opportunities. The roadmap ahead for FY 2024-25 includes the following initiatives:

- Value chain financing of FPOs so as to enable small farmer holders to start sustainable business enterprises.
- Step up financing of Primary Agricultural Credit Cooperative Societies, Agri Marketing Cooperative Societies and other societies engaged in agri-related services for both Term loans as well as Short-term loans.
- Building a sizeable portfolio of agri business start-ups in agriculture, allied and identified sectors through the Catalytic Capital Fund (CCF)
- Expanding the credit outreach to new FPOs formed under Central Sector Scheme on formation and promotion of 10,000 FPOs and handhold existing clients to reach newer heights.
- Explore partnerships with other state governments to implement FPO financing schemes on the lines of Government of Tamil Nadu schemes.
- Increase the offtake of pledge financing eNWR product for FPOs.
- Supporting investment in viable projects relating to post-harvest management infrastructure through Agriculture Infrastructure Fund.
- Acquire new clients in the bulk onward lending space of NBFCs & MFIs in focus sectors under WASH, climate / green finance and agri-technology.
- Spread geographical outreach to hitherto uncovered States.
- Support CSR projects in thematic areas like livelihood enhancement, environmental sustainability, Natural Resource Management, Rural development projects, promoting preventive health care and building woman livelihoods.



6th Business Plan Meet of NABKISAN held during 02-04 May 2024



Visit of Board of Directors of NABKISAN to Vaishnavdham Parunde FPC, Maharashtra

Success Beyond Boundaries - Bhoosiri Millets Farmer Producer Company Limited, Karnataka



Established
19-10-2019



District - Haveri
State - Karnataka



Promoted By
NABARD



Shareholder farmers - 370
Share capital - ₹4.6 lakh



NKFL Loan - ₹15.0 lakh
Turnover in FY 2023-24
₹2.00 Cr



Business activities

Agri Input Suply, Aggregation, procurement and processing of Millets

Convergences

With the NABARD and Agri department for PODF grants, BDA grants and CHC.

Bhoosiri millets FPCL has been undertaking activities of agri input trading, procurement, grading, processing and value addition of millets. FPO is doing value addition by making biscuits and selling them under Bhoosiri FPO brand & marketing the same to all over Karnataka. The FPC has exported millets of 25 kg to United States of America. FPO has been awarded as “Best FPO” by NABARD.

With the Support of Nabkisan loan, FPO generated a turnover of ₹2 Crore in FY 2023-24 which helped FPO to increase their business and graduate to a value chain player.

Bhoosiri Millets Farmer Producer Company Limited



Processing Plant



Millet processing units



Colour sorting machine



Millet products

Corporate Social Responsibility – Support for a Sustainable Future in a Meaningful Way

Taking inspiration from the sustainability focussed models created and developed by the parent organization NABARD, NABKISAN has been deploying the CSR funds in the deep rural pockets in various parts of the country with the aim of enhancing the livelihood opportunities through social interventions.

In this endeavour, during the year 2023-24, the following projects were sanctioned with an overall CSR fund of ₹93.10 lakh.

1. Creating sanitation facility at Dhanushkodi, Tamil Nadu

S No	Details	Description
1	Project Name	Creating sanitation facility
2	Implementing Agency	NABFOUNDATION and Hand in Hand Inclusive Development and Services
3	Project Outlay	₹74.68 Lakh
4	CSR fund sanctioned by NABKISAN	₹48.93 Lakh
5	Project Location	Arichal Munai, Dhanushkodi, Ramanathapuram, Tamilnadu
6	Problem/Issues/ Challenges addressed	<ul style="list-style-type: none"> • Arichal Munai in Dhanushkodi, which is 20km from Rameswaram town does not have proper sanitation facilities leading to open urination / defecation. Tourist and pilgrims are forced to access open areas for urination or defecation leading to contamination of the eco system and marring the beauty of the region. • The project will provide a standardised smart sanitation facility in Arichalmunai to the tourists and pilgrims who visit Rameswaram round the year. • The project also aims at building and inculcating habits of using sanitation facilities to prevent diseases and hazards resulting out of open defecation and urination. • The facility will be managed by local SHGs under 'pay and use' model.
7	Impact	<ul style="list-style-type: none"> - An estimated 500 to 1000 pilgrims and tourist individuals will use the facilities on a daily basis. - SHG women will be groomed as entrepreneurs to run the project as a business venture. - Established tech-based Sanitation facilities. - SHGs (15 Members) will become entrepreneur through "One Stop Solution" model on WASH.

2. Restoring irrigation tanks for Augmenting Surface water and to Sustain climate REsilience through people institutions (REASSURE)

S No	Details	Description
1	Project Name	Restoring irrigation tanks for Augmenting Surface water and to Sustain climate REsilience through people institutions (REASSURE)
2	Implementing Agency	NABFOUNDATION and DHAN Foundation
3	Project Outlay	₹33.80 Lakh
4	CSR fund sanctioned by NABKISAN	₹28.80 Lakh
5	Project Location	Nesaneri Tank Cascade system, Kallikudi block, Madurai, Tamilnadu
6	Problem/Issues/Challenges addressed	<p>Nesaneri Tank Cascade system falls under the Goundanathi Sub-basin of Gundar river basin. It has 11 irrigation tanks and 16 Ooranis (drinking water ponds) with well-connected traditional cascading network.</p> <p>Due to lack of investments on desilting, siltation and consequent invasion of weeds have led to a loss of tank capacity and water spread area. Invasive species lead to loss of habitat and decline of native species associated with the ecosystem.</p> <p>The project aims to restore the Nesaneri Tank Cascade system to sustain the irrigation tank-based livelihoods. The project will promote Water Users Association at the village level to implement the project activities by the community.</p>
7	Expected Impact	<ul style="list-style-type: none"> • The chain of tanks (feeder channels) will be restored in the Nesaneri cascade with community governance through people institutions promoted as the tank cascade association. It is estimated that around 5000 cum of soil will be removed from the water spread area and used to strengthen the tank bund. • 5 water user association will be promoted for future sustainability and livelihood support. • An additional water storage capacity of 25000 cu.m. will be created in the tank cascade in which five tanks will be free of Prosopis. This will lead to improved biodiversity around the tank system. • Irrigation water will be ensured for 300+ acres of tank command area benefiting 250+ farming families. • The endowment fund would be used for strengthening the tank bund and for repairing the structural portion of the tank. • The project is estimated to lead to a 25% projected incremental income by the farmers in the tank command.

3. Kuposhan Se Bachav

S No	Details	Description
1	Project Name	Kuposhan Se Bachav
2	Implementing Agency	NABFOUNDATION and Rural Education and Development Society
3	Project Outlay	₹15.37 Lakh
4	CSR fund sanctioned by NABKISAN	₹15.37 Lakh
5	Project Location	10 villages in Jashpur, Chhattisgarh
6	Problem/Issues/ Challenges addressed	<p>Jashpur District in Chattisgarh is predominantly a tribal district with heavy dependence on traditional agriculture for their nutrition requirements. These foods are rich in carbohydrates and lack protein, vitamin, calcium and iron contents. The nutritional chart of Jashpur revealed high level of anemia, underweight and stunted growth in women and children in the region.</p> <p>The project aims at creating awareness among the tribals by conducting Health awareness programmes, medical camps and promote kitchen gardening to encourage nutritious eating habits. This will help to address the issue of malnutrition among women and children.</p>
7	Expected Impact	<p>Awareness on good health: The beneficiaries will understand the importance of inclusion of nutritious food in their daily diet. This will help improve their general well being and ensure a healthier community.</p> <p>Availability of medical facilities: Medical/ health camps will give access of better medical facilities. These camps will enable to identify areas of concern in initial stages itself. Also villagers can get access to medicines to combat deficiencies.</p> <p>Availability of nutritious food: Kitchen gardening would allow the beneficiaries easy availability of nutritious food in their own backyard.</p> <p>Improved health: Rural women have increased knowledge about maintaining good health through good eating habits</p> <p>Financial improvement: The project will bring in financial improvement in the lives of the beneficiaries through better earning capacities.</p>

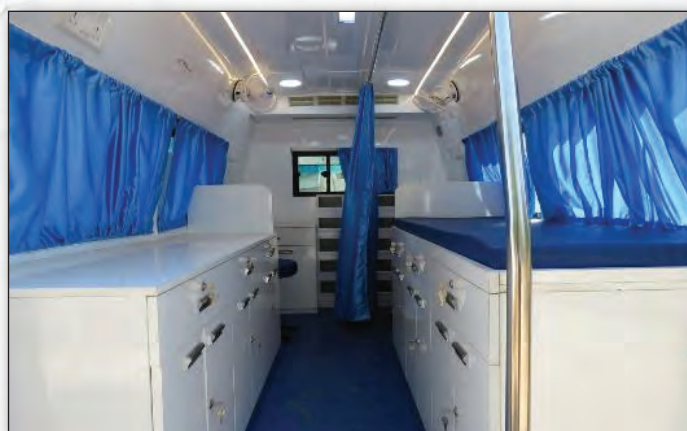
Impact of the Initiatives Undertaken through CSR 2022-23

Rendering doorstep medical services to Tribal population through medical van in Palghar District, Maharashtra - Savali Charitable Trust



Savali has been rendering doorstep medical service for 124 villages covering a population of 1.25 Lakh. It was difficult for patients to walk down more than 2/3 km from the remote tribal villages in Vikramgad-Jawhar taluka of Palghar district, Maharashtra. In the absence of appropriate connecting infrastructure, the villagers found it difficult to commute and thus were deprived of medical facilities. With the support of NABKISAN, Savali purchased a

mobile medical van, which moved around the villages daily on a designated route. The doctors and nurses did blood testing and various other tests on the spot and provide necessary medical advice and medicines to the doctors. On an average, around 800-1000 tribal farmers were able to avail the benefits of the mobile van facility. Detailed screening was carried out for patients needing dental treatment and eye care. The doctors have been able to identify and treat respiratory ailments such as asthma, common cold, skin, gastro-intestinal and ortho diseases.



Maintaining Clean and Hygienic hospital environment through deployment of Scrubber and drier machines in Thiruvananthapuram, Kerala – Regional Cancer Centre



The Regional Cancer Centre (RCC), Thiruvananthapuram is an autonomous body for providing facilities for cancer diagnosis, treatment, palliation and rehabilitation and conducting a wide range of research on various type of cancers. RCC does not have any automated facility for cleaning of its premises as compared to many private hospitals. This results in increased labour time and decreased efficiency in cleaning. The hospital was implementing Green Protocol System and Zero Waste policy, in its premises.

Due to increase in in-patients, covering larger area with lesser time to maintain hygiene was a challenge. The machines purchased through funding support of NABKISAN have revolutionized

the cleanliness and hygiene standards of the hospital in numerous ways. By effectively eliminating dirt, dust, and other allergens from the floors, it improved the air quality and reduced the risk of infections for both patients and staff. These mechanized, man-driven floor cleaning machines has had a profound and positive impact on the overall cleanliness, hygiene, and quality of care provided at RCC.

Facilitating mobility of Tribal Communities through e-rickshaws in Seraikela Kharsawan district, Jharkhand – Ambalika



Before



After



Before



After



Before



After

Ambalika NGO has been working with Particularly Vulnerable Tribal Groups (PVTG) of Jharkhand by providing them skill development & sustainable livelihood since 2002. Ambalika had set up a Common Facility Centre which is used by more than 200 artisans from 11-12 villages within 5 to 15 kms in Nimdih block of Saraikela Kharsawan district in Jharkhand. In order to increase their productive time and also to facilitate marketing, the agency had requested for 3 e-rickshaws. The availability of e-rickshaws has helped reduce the burden of market connectivity to the tribal artisans and resulted in higher productivity and reduced costs. Besides pick up and drop facility for the artisans, the vehicles are also used to transport raw materials, pick up and drop artisans' children to the Centre for nutritious meals and for transporting them to healthcare centers for regular checkup and incase of medical emergencies. Pregnant ladies and ladies with small children started coming to work as they were able to bring their babies to work. As the productivity of the artisans has increased, their incremental income increased by about 50%.

Enabling Sustainable Livelihood & Community Development for tribal Women Weavers in Mayurbhanj, Odisha – Mauna Dhvani Foundation



Mauna Dhvani Foundation has constructed five community centres in Mayurbhanj district to revive the extinct Santhal tribal weaves. These centres serve as both training and production centres. Due to the unpredictable nature of power availability, these centres were either not functioning or not functioning optimally thereby impacting productivity. More than 500 women from local communities are currently associated

with Mauna Dhvani Foundation's handloom weaving and Natural dyeing program to generate their livelihood through working on traditional waving methods. The Foundation approached NABKISAN for installation of solar panels for uninterrupted electricity in the community training centre. With the funding support received from NABKISAN, the electricity issues have been reduced and the women were able to weave Handloom Sarees,



Stoles, bags and other clothes without any electricity issues. There has been a 3-fold increase in efficiency and consequent increase in their income. Naina Patra, a single mother of two, who received training at the Sunapal training centre is now able to work for longer hours at her own flexibility and produce 100% natural handmade products. She has recently received an award for being one of the best weavers in the centre weaving the highest number of fiber in a month.



Providing surgical and health care facilities to marginalized tribal-rural communities in Mysuru district, Karnataka – Swami Vivekananda Youth Movement



Suresh, a vegetable merchant was feeling uncomfortable in his vision for 6 months and finding it difficult to carry out his regular work. He was diagnosed with Hyper Mature Senile Cataract (HMSC) at the screening programme organized at Karimuddanahalli, Primary Health Centre in Hunsur and referred to the Hospital for surgery. Initially hesitant to undertake the surgery he was counselled to prioritize his health needs and his wife came forward to manage his business. After a successful surgery Suresh's vision recovered, and he was able to get back to his normal life.

Swami Vivekananda Youth Movement has been working with such rural-tribal communities in the Mysore district and to provide quality & affordable healthcare services to rural & tribal patients from HD Kote & Saragur taluk in Mysuru district and to reduce out of pocket expenses to the patient, rate of emergency surgical conditions and consequent morbidity and mortality and providing cost-effective safe deliveries using modern technology & hygiene facility, they have approached NABKISAN for funding support, which was extended through CSR. 9 community sensitization cum eye camps covering 350 individuals from different villages in Mysuru district were conducted. Cataract was detected and surgery performed for 95 individuals. Apart from cataract surgery, other secondary care services such as C-Section delivery, Inguinal hernia mesphlasty, Abdominal hysterectomy, Vaginal hysterectomy, Hemaradactomy, Appendectomy & Excisense were also detected and treated.



Shri Srinivasa Ramesh, MD&CEO, NABKISAN, as a panel member in Global Fintech Fest 2023-24



Board of Directors during the First Board meeting for the year 2024-25

Notice of AGM

NABKISAN FINANCE LIMITED

NABARD TNRO Building, No.48, Mahatma Gandhi Road,
Nungambakkam, Chennai 600 034

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the shareholders of the Company will be held at 03:30 p.m. on Thursday, the 26th day of September 2024 at the Conference Hall of NABARD, Tamil Nadu Regional Office (3rd Floor), No. 48, Mahatma Gandhi Road, Nungambakkam, Chennai 600 034 to transact the following business:

Ordinary Business

1. To consider passing, with or without modification, the following Ordinary Resolution:

“RESOLVED THAT the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss, including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of material accounting policy information and other explanatory information for the year ended on that date and the reports of the Board of Directors and Auditors thereon be and are hereby adopted.”

2. To consider and if thought fit to pass, with or without modification, the following Ordinary Resolution:

“RESOLVED THAT the dividend for the year ended 31st March 2024 at the rate of ₹0.20 per Equity Share (2% on the face value of ₹10/- per share) on the amount paid up on the equity capital of the company, in proportion to the period of holding, as recommended by the Board of Directors be and is hereby declared.”

3. To consider and if thought fit to pass, with or without modification, the following Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139 (5) and other applicable provisions, if any, of the Companies Act, 2013, the appointment of Statutory Auditors of the company for the year 2024-25 as proposed by the Comptroller and Auditor General of India (CAG), New Delhi be and is hereby approved, on such remuneration as may be fixed by the Board of Directors of the Company and further resolved that the aforesaid Auditors appointed by the CAG under Section 139 (5) of the Companies Act, 2013 shall hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company”.

4. To re-appoint Shri. Chandrasekaran, Director, who retires by rotation and if thought fit to pass, with or without modification, the following Ordinary Resolution:

“RESOLVED THAT pursuant to Section 152 (6) and other applicable provisions if any of the Companies Act, 2013, Shri. Chandrasekaran, Director who retires by rotation be and is hereby re-appointed as Director of the Company”.

Special Business

5. Re-appointment of Shri Emmanuel Vijayanand Murray as an Independent Director

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

“RESOLVED THAT THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the members hereby approve the re-appointment of Shri Emmanuel Vijayanand Murray (DIN: 06471699), who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act signifying his intention to propose the candidature of Shri. Emmanuel Vijayanand Murray for the office of Director and who is eligible for re-appointment as an Independent Director, not liable to retire by rotation, to hold office for a further period of three years with effect from 26.09.2024 (intent being that the reappointment will be in continuum with the current tenure without any break thereof).”

For and on behalf of the Board
For **NABKISAN Finance Ltd**
Sd/-

Prasad Rao
Managing Director & CEO

Place: Mumbai
Date: 02.09.2024

Notes:

1. The members are requested to inform change of address, if any, to the company.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The instrument appointing proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Corporate Members are requested to send a duly verified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
4. Shareholders desirous of seeking any clarification on the business to be transacted at the 27th Annual General Meeting are requested to forward their queries to the Registered Office of the company, at least 10 days before the date of the meeting.
5. The Register of Members and Share Transfer Books of the Company will be closed from 20.09.2024 to 26.09.2024 (both days inclusive) for the purpose of Annual General Meeting and dividend for Financial Year 2023-24.
6. If dividend on Ordinary Shares as recommended by the Board of Directors is approved at the meeting, payment of such dividends will be made to those members whose names are on the Company's Register of Members as on 19.09.2024 (date before closure from date). Shareholders are requested to provide Bank details to facilitate payment of dividend, etc., either in electronic mode or for printing on the payment instruments.
7. Members are requested to bring their copies of Annual Report for the meeting.
8. Members / Proxies are requested to bring the Attendance Slip sent with the Annual Report duly filled in for attending the meeting.

Place: Mumbai
Date: 02.09.2024

For and on behalf of the Board
For **NABKISAN Finance Ltd**
Sd/-
Prasad Rao
Managing Director & CEO

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.5

Shri Emmanuel Vijayanand Murray was appointed as Independent Director at the Annual General Meeting held on 27th September 2021 for a period of 3 years. The tenure of Shri. Emmanuel Vijayanand Murray is due to expire on 26th September 2024. It is proposed to re-appoint Shri Emmanuel Vijayanand Murray as Independent Director for a further period of three years with effect from 26.09.2024 (intent being that the reappointment will be in continuum with the current tenure without any break thereof).

Shri. Emmanuel Vijayanand Murray, the existing Independent Director of the Company, had given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act and the Rules framed there under for re-appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the proposal for re-appointment of the Independent Director is now being placed before the Members for their approval.

The terms and conditions of re-appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. Except Shri Emmanuel Vijayanand Murray, being the appointee, none of the Directors and Key Managerial Personnel of the Company is concerned or interested, financial or otherwise, in the resolution set out in item no.5.

A brief profile of the Independent Director proposed to be re-appointed is given below:

Name	Shri Emmanuel V Murray
Date of Birth	13 July 1961
Age	63 years
Educational Qualification	<ul style="list-style-type: none"> • B. Com (Honours) (Gold Medalist) • PG Diploma in Rural Management (IRMA) • M. Phil (I) (Development Studies) (CESS) • Fellow of IIBF.
Past Employment	<p>1983 -1985 – Worked with NDDDBs Oilseeds & Vegetable Oil Project in Project Finance.</p> <p>1986 – 2011 - 25 years with NABARD, starting as Grade B officer, and took VRS as GM. Worked across various departments ranging from Project Finance, Planning, Finance and Accounts, Personnel Administration and Training. Was a Faculty Member at NBSC & CAB, RBI. Worked across various geographies including Orissa, Nagaland, Telangana and Himachal Pradesh, including a 3-year stint as DDM.</p> <p>2011 to 2016 - 5 years as head of business operations (ED and later DMD) of Maanaveeya Development & Finance Ltd, the wholly owned Indian subsidiary of Oikocredit of the Netherlands. Handled end-to-end operations from origination to collection, except resource mobilisation. Portfolio of @ ₹600 Crore in MFIs, Education, Renewable Energy, Agri</p>

	<p>and SME Finance with about 100 institutions of various forms, for profit & not for profit.</p> <p>2016 to Ongoing – 7+ years, working as a Consultant (Designation – Senior Advisor) with Caspian Impact Investment Advisor (www.caspian.in) in the Agri Ecosystem Development space, through partnerships with Agri Startups and Incubators, and other agencies in the sector, independent of Caspian's business verticals. Member of the Credit Committee of Caspian Debt, Caspian's NBFC. The portfolio of Caspian Debt includes, MFIs, SME finance cos, Cleantech, Education, Healthcare etc. Helped develop a loan product for Agri Startups in early stage, with a present portfolio of 5 and plans to do about 20 more this year.</p>
Present Employment	Working as a Consultant (Designation – Senior Advisor) with Caspian Impact Investment Advisor (www.caspian.in) in the Agri Ecosystem Development space, through partnerships with Agri Startups and Incubators, and other agencies in the sector, independent of Caspian's business verticals. Member of the Credit Committee of Caspian Debt, Caspian's NBFC.
Career Profile	<ul style="list-style-type: none"> - Worked across various departments of NABARD - Worked as a Faculty Member at NBSC & CAB, RBI. - Handled end-to-end operations from origination to collection, except resource mobilization as head of Business Operations of Manaveeya Development & Finance Ltd.
Key Achievements	<p>Member of evaluation/diagnostic panel & mentor for Pusa Krishi, a-IDEA, SCIFI IIM Lucknow, Bala Vikasa International Centre, AIC IIIT Hyderabad Foundation, Social Alpha, Startup Oasis, ALEAP, IIT Bombay Eureka programme, Villgro Philippines.</p> <p>Member of Advisory Group of SAFIN, Advisory Board of DevBhumi FPC and some Agri Startups.</p> <p>Panel member for evaluation of BIRAC BIG Grant programme. All of these positions/services are pro-bono.</p> <p>Have been part of some NABCONS assignments, notably Evaluation of MANAGE and Study on the Revival of Coop Sector in AP.</p> <p>Prepared a 'Guidebook on Lending to FPOs' for GIZ.</p>

Place: Mumbai
Date: 02.09.2024

For and on behalf of the Board
For NABKISAN Finance Ltd
 Sd/-
Prasad Rao
 Managing Director & CEO



NABKISAN bagged the Economic Times BFSI Excelle Awards 2023 for 'Leading Financial Inclusion Initiatives of the year'.

Directors' Report**NABKISAN FINANCE LIMITED**

Regd. Office: NABARD TNRO Building, No.48, Mahatma Gandhi Road,
Nungambakkam, Chennai 600 034

Directors' Report to the shareholders

It is the privilege of the Directors to present the 27th Annual Report on the business and operations of the company together with the Audited Financial Statements for the year ended March 31, 2024. It gives us immense pleasure to inform that our company has registered improved business performance during the year and has surpassed the targets set for the year under review.

1. Financial Highlights

Our Company's performance during the financial year 2023-24 is summarized below

(₹ Crore)

Particulars	2023-24 (IndAS)	2022-23 (IndAS)	Growth %
Gross Loan Portfolio	2578.20	1907.73	35
Total Income	232.18	166.05	40
Profit before tax	82.58	68.13	21
Profit after tax	61.64	51.31	20

2. Operational Highlights

- Loan outstanding increased to ₹2578.20 Cr (₹1907.73 cr during 2022-23), registering a robust growth of 35%
- While sanctions recorded a growth of 39%, disbursements recorded a growth of 34% over last year with the sanctions being ₹1779.47 cr (₹1276.98 cr) and disbursements being ₹1,731.82 cr (₹1293.30 cr).
- The total income increased from ₹166.05 cr in 2022-23 to ₹232.18 cr in 2023-24 registering a growth of 40%.
- PBT and PAT had increased by 21% and 20% respectively to ₹82.58 cr (₹68.13 cr) and ₹61.64 cr (₹51.31 cr)
- Owned funds increased to ₹461.66 cr (₹408.50 cr) indicating a growth of 13%.

3. Dividend

The Board recommended a dividend of ₹0.20 per Equity Share (2% on the face value of ₹10/- per share) on 17,14,78,213 Equity Shares of ₹10 each for the year ended 31st March 2024, in proportion to the period of holding. The dividend on Equity Shares is subject to the approval of the shareholders at the Annual General Meeting (AGM). The total dividend pay-out works out to 5.56 % of the net profit. The Register of Members and Share Transfer Books will remain closed from 20.09.2024 to 26.09.2024 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31 March 2024.

4. Transfer to Reserve Fund

During FY 2023-24, your Company has transferred an amount of ₹12.35 crore to Reserve Fund in accordance with the requirements of Section 45-IC(1) of the Reserve Bank of India Act, 1934.

5. Share Capital**a. Authorised Share Capital**

The Authorised Share Capital of the Company as on 31 March 2024 was ₹200,00,00,000/- (Rupees Two Hundred Crore only) divided into 20,00,00,000 (Twenty Crore) equity shares of the face value of ₹10/- (Rupees Ten Only) each. There has been no change in the Authorised Capital of the Company for the period under review.

b. Paid up Capital

During the year under review, there was no increase in Paid-up Share Capital of the Company and as on 31 March 2024, it stood at ₹171,47,82,130/- (Rupees One Hundred and Seventy One Crore Forty Seven Lakh Eighty Two Thousand One Hundred and Thirty Only) divided into 17,14,78,213 (Seventeen Crore Fourteen Lakh Seventy Eight Thousand Two Hundred and Thirteen Only) equity shares of the face value of ₹10/- (Rupees Ten Only) each.

The Shareholding pattern as on 31st March 2024 is as under:

Sl. No.	Name of shareholder	No. of shares held	% of total shares of the company
1	National Bank for Agriculture and Rural Development	15,05,00,063	87.77
2	Governor of Tamil Nadu	1,14,75,000	6.69
3	DBS Bank India Limited	2,50,000	0.15
4	Indian Bank	63,00,000	3.67
5	Indian Overseas Bank	5,75,000	0.33
6	Tamilnad Mercantile Bank	8,50,000	0.50
7	Canara Bank	10,34,400	0.60
8	ICICI Bank Ltd.	2,00,000	0.11
9	Federal Bank Ltd.	2,50,000	0.15
10	Corporates & Others	29,500	0.02
11	Investor Education & Protection Fund (IEPF)	14,250	0.01
	Total	17,14,78,213	100.00

6. Non acceptance of Deposits

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

7. Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) of the Companies Act, 2013 read with the Companies (Directors' Responsibility) Rules 2000, the Directors state that:

- The applicable accounting standards have been followed in the preparation of the annual accounts along with proper explanation relating to material departures, if any.
- Accounting policies have been selected and applied consistently and the judgements and estimates made 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.
- Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. Merger of NABSAMRUDDHI Finance Limited ("NABSAMRUDDHI") into NABKISAN Finance Limited ("NABKISAN")

The Board of Directors of NABKISAN at its meeting held on 28th May 2024 have approved the merger of NABSAMRUDDHI Finance Limited ("NABSAMRUDDHI") into NABKISAN Finance Limited ("NABKISAN") (CIN: U65191TN1997PLC037525 having its registered office at 3rd Floor, NABARD Regional Office Building, No.48, Mahatma Gandhi Road, Nungambakkam, Chennai, Tamil Nadu, India, 600034), which is also a subsidiary of National Bank for Agriculture and Rural Development ("NABARD"). The merger is on account of an internal group restructuring approved by the Board of NABARD.

Subsequent to the approval of the scheme by the Board of Directors, NABKISAN filed an application seeking approval from Reserve Bank of India, Department of Supervision, Tamil Nadu Regional Office. RBI vide its letter dated 21st August 2024 conveyed its "No Objection" to the proposed acquisition of NABSAMRUDDHI Finance Limited by NABKISAN Finance Limited. On receipt of no objection from RBI, public notice was issued in one English newspaper and one regional newspaper on 23rd August 2024.

As a next step, NABKISAN is required to file an application before the National Company Law Tribunal (NCLT) after the expiry of public notice period of 30 days. The process for filing of NCLT is being taken up.

9. Management

The Composition of the Board of your Company as on 31 March 2024 is furnished in the following table :-

S. No.	Name of Director	Director since	Capacity	DIN	Number of Board meetings		No. of other Director ships	Remuneration (₹ in lakh)			No. of shares held in and convertible instrument held in the NBFC
					Held (entitled to attend)	Attended		Salary and Other compensation	Sitting fee	Comm-ission	
1	Shri. Alok Bhargava	25.01.2019	Indepen- dent Director	00162746	7	6	3	Nil	Yes	Nil	Nil
2	Shri. Arindom Datta	18.02.2019	Indepen- dent Director	08364437	7	6	Nil	Nil	Yes	Nil	Nil
3	Shri. Deepak Singhal	19.08.2019	Indepen- dent Director	08375146	7	6	3	Nil	Yes	Nil	Nil
4	Shri. Nilay D Kapoor	20.07.2020	Director Nominee Director	07622987	7	6	Nil	Nil	Nil	Nil	Nil
5	Shri. Emmanuel V Murray	20.07.2021	Indepen- dent Director	06471699	7	7	4	Nil	Yes	Nil	Nil
6	Shri. Satyanarayana Jonnalagadda	20.07.2021	Indepen- dent Director	09091020	7	7	1	Nil	Yes	Nil	Nil
7	Shri. Srinivasan Ramesh	11.01.2023	Managing Director & CEO	09844743	7	7	Nil	Yes	Nil	Nil	Nil
8	Smt.Bharathi	25.01.2023	Chairman & Additional Director	06519925	7	7	3	Nil	Yes	Nil	Nil
9	Shri. Immanuvel Ganesan	14.06.2023	Nominee Director	10172988	5	5	Nil	Yes	Nil	Nil	Nil
10	Shri. Pratik Tayal, IAS	07.08.2023	Nominee Director	09422959	4	2	7	Nil	Nil	Nil	Nil
11	Shri. Meenakshi sundaram Venkatesan	29.02.2024	Nominee Director	10518399	-	-	Nil	Nil	Nil	Nil	Nil

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

S. No.	Name of Director	Capacity	Nature of change	Effective Date
1	Shri. B.Suribabu	Nominee Director	Cessation	31.05.2022
2	Shri. Kaniyur Sundararajan Mahesh	Nominee Director – Executive	Cessation	06.07.2022
3	Shri. Stanley Samuel Vaseeharan	Nominee Director – Executive	Appointment	06.07.2022
4	Smt. Suseela Chintala	MD & CEO	Cessation	29.07.2022
5	Shri. Prasad Rao	MD & CEO	Appointment	10.08.2022
6	Shri. Chandrasekaran	Nominee Director	Appointment	21.09.2022
7	Smt.M.Bhuvaneswari	Additional Director	Appointment	28.10.2022
8	Shri. Prasad Rao	MD & CEO	Cessation	16.12.2022
9	Shri. Srinivasan Ramesh	MD & CEO	Appointment	11.01.2023
10	Smt. M.Bhuvaneswari	Additional Director	Cessation	25.01.2023
11	Shri. Shaji Krishnan	Nominee Director	Cessation	25.01.2023
12	Smt. Bharathi	Additional Director	Appointment	25.01.2023
13	Shri. Immanuvel Ganesan	Nominee Director – Executive	Appointment	14.06.2023
14	Shri. Stanley Samuel Vaseeharan	Nominee Director – Executive	Cessation	14.06.2023
15	Shri. Pratik Tayal, IAS	Nominee Director	Appointment	07.08.2023
16	Shri. Sibi Adhithya Senthil Kumar, IAS	Nominee Director	Cessation	07.08.2023
17	Shri. Meenakshisundaram Venkatesan	Nominee Director	Appointment	29.02.2024
18	Shri. Chandrasekaran	Nominee Director	Cessation	29.02.2024
19	Shri. Srinivasan Ramesh	MD & CEO	Cessation	06.05.2024
20	Shri. Prasad Rao	MD & CEO	Appointment	17.05.2024
21	Shri. Chandrasekaran	Nominee Director	Appointment	17.05.2024
22	Shri. Meenakshisundaram Venkatesan	Nominee Director	Cessation	17.05.2024
23	Shri. Alok Bhargava	Independent Director	Retirement	27.05.2024
24	Shri. Arindom Datta	Independent Director	Retirement	27.05.2024

25	Shri. Nilay D Kapoor	Nominee Director	Cessation	30.06.2024
26	Shri. Kaniyur Sundararajan Mahesh	Nominee Director	Appointment	11.07.2024
27	Shri. Pratik Tayal, IAS	Nominee Director	Cessation	21.08.2024
28	Shri. C.A.Rishab, IAS	Nominee Director	Appointment	21.08.2024

Retirement by rotation

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

10. Board and its Committees

Board Meetings

The Board of directors met seven times during the year 2023-24 on 27th April 2023, 01st June 2023, 26th July 2023, 22nd August 2023, 15th September 2023, 19th December 2023 and 29th February 2024.

Committees of the Board and their composition

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

- Audit Committee
- Corporate Social Responsibility (CSR) Committee
- Nomination & Remuneration Committee
- Risk Management Committee
- IT Strategy Committee
- Share Transfer Committee
- Asset Liability Committee (ALCO)

The terms of reference of the Committees are as per the Companies Act, 2013 and the relevant RBI guidelines.

Audit Committee:

The Company has in place an Audit Committee constituted under the provisions of Section 177 of the Companies Act, 2013.

Role and Responsibilities (Terms of Reference):

- To review and monitor the auditor's independence and performance, and effectiveness of audit process.
- To examine the financial statement and the auditors' report thereon.
- To approve transactions of the company with related parties.
- To scrutinise inter-corporate loans and investments.
- To make the valuation of undertakings or assets of the company, wherever it is necessary.
- To evaluate internal financial controls and risk management systems.
- To monitor the end use of funds raised through public offers and related matters.

The Audit Committee met two times during the year 2023-24 on 27th April 2023 and 09th February 2024. The composition of the committee as on 31st March 2024 and the meeting details for 2023-24 are as below:

Sl. No.	Name of Director/ Member	Member of Committee since	Capacity	Number of meetings of the committee		No. of shares held in the NBFC
				Held (entitled to attend)	Attended	
1	Shri. Alok Bhargava	19.08.2019	Independent Director	2	2	Nil
2	Shri. Deepak Singhal	27.08.2021	Independent Director	2	2	Nil
3	Shri. S.S.Vaseeharan	04.07.2022	Nominee Director - Executive	1	1	Nil
4	Shri. Srinivasan Ramesh	11.01.2023	MD & CEO	2	2	Nil
5	Shri. Immanuvel Ganesan	14.06.2023	Nominee Director - Executive	1	1	Nil

Corporate Social Responsibility (CSR) Committee:

The constitution and the terms of reference of the Corporate Social Responsibility Committee shall be in compliance with the provisions of section 135(1) of the Companies Act, 2013 ("the Act") and the Rules framed thereunder and Schedule VII of the Act. The Corporate Social Responsibility Committee shall consist of three or more Directors, out of which at least one Director shall be an Independent Director.

Role and Responsibilities (Terms of Reference):

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The CSR Committee met three times during the year 2023-24 on 23rd May 2023, 09th February 2024 and 26th March 2024. The composition of the committee as on 31st March 2024 and the meeting details for 2023-24 are as below:

Sl. No.	Name of Director/ Member	Member of Committee since	Capacity	Number of meetings of the committee		No. of shares held in the NBFC
				Held (entitled to attend)	Attended	
1	Shri. Alok Bhargava	29.06.2020	Independent Director	3	3	Nil
2	Shri. Nilay Kapoor Nominee Director	22.07.2021	Nominee	3	3	Nil
3	Shri. S.S.Vaseeharan	04.07.2022	Nominee Director - Executive	1	1	Nil
4	Shri. Srinivasan Ramesh	11.01.2023	MD & CEO	3	3	Nil
5	Shri. Arindom Datta	27.04.2023	Independent Director	3	3	Nil
6	Shri. Immanuvel Ganesan	14.06.2023	Nominee Director - Executive	2	2	Nil

Nomination and Remuneration Committee:

The Company has in place a nomination and remuneration committee constituted under the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee shall meet as and when required to discuss matters. The Committee shall meet at least once in every financial year. The Nomination and Remuneration Committee shall comprise of at least three directors and all Directors of the Committee shall be Non- Executive Directors. At least fifty percent of the Members shall be Independent Directors. The quorum shall comprise of any two Directors.

Role and Responsibilities (Terms of Reference):

- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure that—
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

- The policy formulated shall be disclosed in the Board's report.

The Nomination & Remuneration Committee met one time during the year 2023-24 on 09th February 2024. The composition of the committee as on 31st March 2024 and the meeting details for 2023-24 are as below:

Sl. No.	Name of Director/ Member	Member of Committee since	Capacity	Number of meetings of the committee		No. of shares held in the NBFC
				Held (entitled to attend)	Attended	
1	Shri. Deepak Singhal	29.06.2020	Independent Director	1	1	Nil
2	Shri. Nilay Kapoor	22.07.2021	Nominee Director	1	1	Nil
3	Shri. Srinivasan Ramesh	11.01.2023	MD & CEO	1	1	Nil
4	Shri. Emmanuel Vijayanand Murray	27.04.2023	Independent Director	1	1	Nil
5	Shri. Immanuvel Ganesan	14.06.2023	Nominee Director - Executive	1	1	Nil

Risk Management Committee:

Role and Responsibilities (Terms of Reference):

- To ensure that all the current and future risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e., to ensure adequate systems for risk management.
- To establish a framework for the company's risk management process and to ensure its implementation.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.
- To manage the integrated risk and inform the Board from time to time the progress made in putting in place a progressive risk management system, risk management policy and strategy followed by the Company.

The Risk Management Committee met four times during the year 2023-24 on 19th April 2023, 24th August 2023, 19th December 2023 and 16th February 2024. The composition of the committee as on 31st March 2024 and the meeting details for 2023-24 are as below:

Sl. No.	Name of Director/ Member	Member of Committee since	Capacity	Number of meetings of the committee		No. of shares held in the NBFC
				Held (entitled to attend)	Attended	
1	Shri. Arindom Datta	19.06.2020	Independent Director	4	4	Nil
2	Shri. Nilay Kapoor	11.05.2021	Nominee Director	4	2	Nil
3	Shri. Alok Bhargava	22.07.2021	Independent Director	1	1	Nil
4	Shri. S.S.Vaseeharan	04.07.2022	Nominee Director - Executive	1	1	Nil
5	Shri. Srinivasan Ramesh	11.01.2023	MD & CEO	4	4	Nil
6	Smt. Bharathi	27.04.2023	Independent Director	3	3	Nil
7	Shri. Immanuel Ganesan	14.06.2023	Nominee Director - Executive	3	3	Nil

IT Strategy Committee:

As per the RBI Master Directions DNBR.PD.008/03.10.119/2016-17 dated 01 September 2016 (updated as on 23 February 2018) relating to NBFC-NDSI, applicable NBFCs are required to form an IT Strategy Committee. The chairman of the committee shall be an independent director and CIO & CTO should be a part of the committee. The IT Strategy Committee should meet at an appropriate frequency but not more than six months should elapse between two meetings. The Committee shall work in partnership with other Board committees and Senior Management to provide input to them. It will also carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance.

Roles and Responsibilities (Terms of reference):

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources
- Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

The IT Strategy Committee met two times during the year 2023-24 on 17th July 2023 and 11th December 2023. The composition of the committee as on 31st March 2024 and the meeting details for 2023-24 are as below:

Sl. No.	Name of Director/ Member	Member of Committee since	Capacity	Number of meetings of the committee		No. of shares held in the NBFC
				Held (entitled to attend)	Attended	
1	Shri. Alok Bhargava	22.07.2021	Independent Director	2	2	Nil
2	Shri. Sameer Kumar Prayaga	22.07.2021	VP-IT / Chief Technology Officer (CTO)	2	2	Nil
3	Shri. Srinivasan Ramesh	11.01.2023	MD & CEO	2	2	Nil
4	Shri. Immanuvel Ganesan	14.06.2023	Nominee Director - Executive	2	2	Nil

Share Transfer Committee:

Role and Responsibilities (Terms of Reference):

The Share Transfer Committee was constituted to deal with various matters relating to share transfer/transmission, issue of duplicate share certificates, approving the split and consolidation request and other matters relating to transfer and registration of shares.

The Share Transfer Committee met one time during the year 2023-24 on 03rd October 2023. The composition of the committee as on 31st March 2024 and the meeting details for 2023-24 are as below:

Sl. No.	Name of Director/ Member	Member of Committee since	Capacity	Number of meetings of the committee		No. of shares held in the NBFC
				Held (entitled to attend)	Attended	
1	Shri. Nilay Kapoor Nominee Director	11.05.2021	Nominee	1	1	Nil
2	Shri. Srinivasan Ramesh	11.01.2023	MD & CEO	1	1	Nil
3	Shri. Immanuvel Ganesan	14.06.2023	Nominee Director - Executive	1	1	Nil

Asset Liability Management Committee (ALCO):**Role and Responsibilities (Terms of Reference):**

- The constitution and the terms of reference of the Asset Liability Committee shall be in compliance with the Guidelines issued by RBI.
- The ALCO's primary goal is to evaluate, monitor and approve practices relating to risk due to imbalances in the capital structure.
- Liquidity risk management
- Management of market risks
- Funding and capital planning
- Profit planning and growth projection
- Forecasting and analysing 'What if scenario' and preparation of contingency plans

The ALCO Committee met seven times during the year 2023-24 on 17th April 2023, 28th April 2023, 03rd July 2023, 01st August 2023, 04th October 2023, 01st December 2023 and 26th March 2024. The composition of the committee as on 31st March 2024 and the meeting details for 2023-24 are as below:

Sl. No.	Name of Director/ Member	Member of Committee since	Capacity	Number of meetings of the committee		No. of shares held in the NBFC
				Held (entitled to attend)	Attended	
1	Shri. S.S.Vaseeharan	04.07.2022	Nominee Director – Executive & CFO	2	2	Nil
2	Shri. Srinivasan Ramesh	11.01.2023	MD & CEO	7	7	Nil
3	Smt. Usha Mahesh	27.04.2023	COO	6	6	Nil
4	Shri. Immanuvel Ganesan	14.06.2023	Nominee Director – Executive & CFO	5	5	Nil

Other Committees: In addition to the aforesaid Committees, the Company has also constituted the following Committees to oversee specific areas and/ or for the smooth functioning of business/ functional operations.

- Loan Committee
- Investment Committee
- Business Development Committee
- Human Resource Implementation Committee
- POSH Committee

General Body Meetings:

Sl. No.	Type of meeting (Annual / Extra-Ordinary)	Date and Place	Special resolutions passed
1	Annual General Meeting	15.09.2023 / Chennai	One (1)

11. Independent Directors' Declaration

The Independent Directors have confirmed and declared that they are not disqualified to act as Independent Directors in compliance with the provisions of Section 149 of the Companies Act, 2013, and the Board is also of the opinion that the Independent Directors fulfil all the relevant conditions specified in the Companies Act, 2013, making them eligible to act as Independent Directors. Further, the Board is of the opinion that the Independent Directors of the company including those who are appointed / re-appointed during the year have the highest standards of integrity, expertise, experience and proficiency required to fulfil their duties as Independent Directors.

Pursuant to Rule 5 of Companies (Appointment and qualification of Directors) Rules, 2014 as amended w.e.f. 01 December 2019, all Independent Directors of the Company have registered themselves in the Independent Directors databank maintained with the Indian Institute of Corporate Affairs (IICA). Further, the Independent Directors have also cleared / claimed exemption from the proficiency test conducted by IICA.

12. Board Evaluation

The Independent Directors, in their meeting, have reviewed the performance of non-independent directors and the Board as a whole and the performance of the Chairperson of the company taking into account the views of executive directors and non-executive directors and assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation process brought out the fact that the Board of the Company is well diversified with appropriate constitution with active participation of the members in the decision-making process of the Company.

13. Auditors

Internal Audit

Shri.K.Sridhar, Chartered Accountant, Senior Manager- Audit of NABKISAN had carried out the Internal Audit from 01st April 2023 to 31st March 2024. The reports of the internal auditors were placed before the Audit Committee at their meetings at regular intervals.

Statutory Audit

In pursuance of Section 139 of the Companies Act, 2013, the Comptroller & Auditor General of India had appointed M/s. L U Krishnan & Co., Chartered Accountants, Chennai as Statutory Auditors of the Company for the financial year 2023-24.

Supplementary Audit by C&AG

The Comptroller and Auditor General of India (CAG) vide their report dated 10.06.2024 (**Annexure II**) have intimated us that they have decided not to conduct the supplementary audit of the financial statements of NABKISAN for the year ended 31 March 2024.

Secretarial Audit

Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration) Rules, 2014 inter-alia requires every Public Company having a paid-up share capital of fifty crore rupees or more to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board of Directors appointed Smt. P.R.Sudha, Practicing Company Secretary as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2023-24 and her report is annexed to this Board report vide **Annexure III**.

14. Reporting of Frauds by Auditors:

During the year under review, the Statutory Auditors and the Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report.

15. Internal Financial Controls and its adequacy

Your Company has adopted policies and procedures as a part of its Internal Financial Controls for ensuring orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanism, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The internal financial control systems are adequate and operating effectively as at 31 March 2024.

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

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

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

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

18. Compliance with RBI Guidelines

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

19. Related Party Transaction

All the related party transactions are in compliance with the applicable provisions of the Act. The details of the transactions with related party as required under Section 134 (3) (h) of the Companies Act, 2013 are furnished in Form AOC-2 as **Annexure I** (forms part of this Report) and under Indian Accounting Standard 24 which are furnished in Notes to Accounts which forms part of Financial Statements of the Company.

20. Policy on appointment and remuneration of Directors, Key Managerial Personnel and senior management employees

The Nomination and Remuneration Committee of the Board selects and appoints the Directors based on the fit and proper criteria issued by the RBI. The Independent Directors

and Chairperson of the Board are paid remuneration only by way of sitting fee for attending the Board and Committee meetings. The terms of appointment of Independent Directors has been put up on the Company's website at www.nabkisan.org. www.nab

21. Particulars of Employees Benefits

- The Managing Director & CEO is on deputation from NABARD. Remuneration of the Managing Director & CEO including provident fund, gratuity and leave Salary is reimbursed to NABARD on the basis of the advice received from NABARD.
- The services of Officials of NABARD are utilized by NABKISAN on a secondment basis. As per the terms of placement, 100% of the remuneration paid to these officials on placement are being reimbursed to NABARD based on the advice received from NABARD and the same is charged to the Statement of Profit and Loss.
- Liability in respect of leave encashment has been provided as per the policy of the Company amounting to ₹ 22.60 lakhs.
- Defined Contribution Plans** – Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Particulars	Amount (₹ in lakh)
Employer's Contribution to Provident Fund	28.37
Employer's Contribution to Superannuation Fund	-
Employer's Contribution to Pension Scheme	-

e) Defined Benefit Plan –

1. Amounts recognised in the Statement of Profit & Loss –

Particulars	Amount (₹ in lakh)	
	2023 – 24	2022 – 23
Current Service Cost	7.82	3.74
Past service cost	-	-
Loss / (Gain) on Settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	(0.27)	(0.21)
Expenses Recognised in the Income Statement	7.56	3.53

2. Other Comprehensive Income –

Particulars	Amount (₹ in lakh)	
	2023 – 24	2022 – 23
Actuarial (gains) / losses	6.05	1.95
Return on plan assets, excluding amount recognised in net interest expense	-	2.09
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	16.05	4.04

3. Reconciliation of opening and closing balances of Defined Benefit Obligation

Amount (₹ in lakh)

Particulars	2023 – 24	2022 – 23
Defined Benefit Obligation at beginning of the year	31.86	24.47
Current Service Cost	7.82	3.74
Actuarial (Gain)/Loss	16.05	1.95
Interest Cost	2.36	1.70
Benefits Paid	(1.73)	-
Defined Benefit Obligation at end of the year	56.36	31.86

4. Reconciliation of opening and closing balances of fair value of Plan Assets -

Amount (₹ in lakh)

Particulars	2023 – 24	2022 – 23
Fair value of Plan Assets at beginning of the year	35.44	27.50
Return on Plan Assets	2.63	1.91
Employer Contribution	-	8.11
Benefits Paid	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	(2.09)
Fair value of Plan Assets at end of the year	38.06	35.44

5. Net defined benefit obligation –

Amount (₹ in lakh)

Particulars	2023 – 24	2022 – 23
Defined benefit obligation	56.36	31.86
Fair value of plan assets	38.06	35.44
Surplus/(Deficit)	(18.30)	3.58

6. Actuarial Assumptions –

Amount (₹ in lakh)

Particulars	2023 – 24	2022 – 23
Discount Rate (per annum)	7.15 %	7.40 %
Rate of escalation in Salary (per annum)	6.00%	4.00%
Attrition / Withdrawal rate (per annum)		
- Up to 30 years	5.00%	10.00%
- Above 31 years	9.00%	10.00%

22. Policy on Sexual Harassment of Women at Workplace

Your Company has in place a formal policy for prevention of sexual harassment of its employees at workplace. The Company is in compliance with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and has adopted a policy on sexual harassment to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment.

Further, during the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

23. Secretarial Standards

During the year under review, the Company has complied with the provisions of the applicable Secretarial Standards issued by Institute of Companies Secretaries of India. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

24. Particulars of Loans, Guarantees or Investments Under Section 186 of the Companies Act, 2013

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

25. Particulars of Borrowings

The Company raised debt in the form of refinance from NABARD to the tune of ₹1479.18 crore during FY 2023-24 as against ₹ 1192.14 crore during the previous year, taking the refinance outstanding to ₹ 2116.58 crore compared to ₹ 1543.98 crore in the previous year.

26. Maintenance of Cost Records

The Central Government has not specified maintenance of cost records, for any of the products of the Company, under Section 148(1) of the Companies Act, 2013.

27. Code of Conduct

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

28. Extract of Annual Return

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

29. Independent Directors' Meeting

During the year under review, a meeting of Independent Directors was held on December 19, 2023 as required under Companies Act, 2013 and matters as specified therein were discussed.

30. Risk Management Policy

The Board of Directors has adopted the Risk Management Policy based on the recommendation of the Risk Management Committee in order to assess, monitor and manage risk throughout the Company. Risk is an integral part of any business, and sound risk management is critical for the success of any organization. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment to monitor and mitigate the risk through internal audit recommendations including those relating to strengthening of the Company's risk management policies and systems.

31. Credit Risk Management

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

Credit Quality of Financial Loans and Investments

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

(₹ Crore)

Particulars	Corporate vertical	Non-corporate vertical	Total
Neither Past due nor impaired	2309.90	209.71	2519.61
Past due but not impaired	-	-	-
0 - 30 days past due	-	4.76	4.76
31 – 60 days past due	-	2.25	2.25
61 – 90 days past due	-	-	-
Impaired (more than 90 days)	17.28	34.30	51.58
Total Gross Carrying value as at reporting date	2327.18	251.02	2578.20

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the company is not into retail lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

32. Whistle blower Policy

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

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

33. Vigilance Mechanism

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

34. Details of non-compliance with requirements of Companies Act, 2013:

Default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards - Nil

35. Details of penalties and strictures:

Details of penalties or stricture imposed by the Reserve Bank or any other statutory authority – Nil

36. Breach of covenant:

Instances of breach of covenant of loan availed or debt securities issued – Nil

37. Divergence in Asset Classification and Provisioning:

Not Applicable

38. Associate and Subsidiary Companies

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

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

Our company has no activity relating to conservation of energy or technology absorption. The Company has no foreign exchange earnings or outgo during the year

40. Corporate Social Responsibility

As prescribed under the Companies (Corporate Social Responsibility) Rules, 2014, the initiatives undertaken by the Company on CSR activities during FY 2023-24 are set out in the prescribed format under **Annexure IV** and forms part of this report.

41. Change in Nature of Business

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

42. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

As Company has not done any one time settlement during the year under review hence no disclosure is required.

43. Application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016:

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

44. Future Outlook

The Board of Directors of the company has approved the following business plan of the company for the financial year 2024-25:

(Amount in ₹ crore)

S. No	Activity	Target for sanction	Target for disbursement
1	Activity based lending through NGOs/ Trusts / Sec 8 Companies	10.00	10.00
2	NBFCs	1350.00	1350.00
3	Micro Finance Institutions (MFIs)	550.00	550.00
4	Farmers' Producer Organizations (FPOs)	200.00	180.00
5	Agri Corporates and Others	15.00	15.00
6	PACS	20.00	20.00
	TOTAL	2145.00	2125.00

The Company continues to focus on financing FPOs to enable integrating small farmers with the agriculture market and become sustainable business enterprises over a period of time. Thrust will be given to connect all the nodes under the Agri Value Chain, so that investments along with working capital requirements are met. In this line, the Company foresees significant scope for expansion of business during the current year through financing to Agri-corporates and Agri-start ups. Synergies and collaborations are also explored to address the market and price related risks arising out of such business run by the FPOs and Agri Corporates. To leverage technology and give a seamless credit experience to the end customers, the Company is upgrading the existing IT systems in a cost effective manner.

45. Acknowledgement

The Directors wish to place on record their appreciation for the support provided to the company by NABARD, the shareholder banks, the Government of Tamil Nadu, the client institutions and the other shareholders of the company.

For and on behalf of the Board
For **NABKISAN Finance Ltd**
Sd/-

Prasad Rao
Managing Director & CEO

Place: Mumbai
Date: 02.09.2024

FORM NO. AOC -2

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

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

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

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	National Bank for Agriculture and Rural Development (NABARD), Holding Entity NABFOUNDATION & NABSanrakshan Trustee Pvt. Ltd., Subsidiaries of Holding Entity
b)	Nature of contracts/arrangements/transaction	Annexed
c)	Duration of the contracts/arrangements/transaction	---
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Annexed
e)	Date of approval by the Board	29 th April 2024
f)	Amount paid as advances, if any	--

Sd/-
Prasad Rao
Managing Director & CEO

Annexure to Form No. AOC -2**Related Party Transaction**

National Bank for Agriculture and Rural Development (NABARD) is the holding company with 87.77 % of the paid-up equity capital of the company. The following payments have been made / payable by the company to NABARD during the financial year 2023-24.

(Amount in ₹ lakh)

Particulars	2023 – 24	2022 – 23
Office Rent (including Property & Sewage Tax, etc)	5.00	5.68
Professional Charges for staff deputed/posted	480.38	517.60
Of which, for KMP	202.73	358.28
Interest on Loan	12966.95	7222.22
Dividend Paid	752.50	646.12
Credit Guarantee Fee	6.84	16.02
Total (A)	14211.67	8407.64
Credit Guarantee Fee to NABSanrakshan – a subsidiary of NABARD (B)	114.24	87.11
CSR Contribution to NABFOUNDATION – a subsidiary of NABARD (C)	93.10	-
Total (A+B+C)	14419.01	8494.75

The professional charges include 100 % of expenses towards deputation of MD & CEO and officers / staff of NABARD posted to NABKISAN.

Unsecured Loan

The company obtained refinance from NABARD. The transaction during the year is as follows:

(Amount in ₹ lakh)

Particulars	2023 – 24	2022 – 23
Opening Balance	1,54,398.27	96,355.58
Loan received during the year	1,47,917.58	1,19,214.47
Loan repaid during the year	90,657.44	61,171.78
Closing Balance	2,11,658.41	1,54,398.27
Interest paid/payable on above	12,966.95	7,222.22

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF NABKISAN FINANCE LIMITED, CHENNAI
FOR THE YEAR ENDED 31 MARCH 2024**

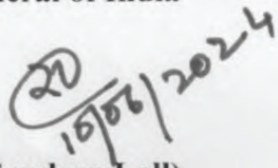
The preparation of financial statements of **NABKISAN Finance Limited, Chennai** for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29.04.2024.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **NABKISAN Finance Limited, Chennai** for the year ended 31 March 2024 under section 143(6)(a) of the Act.

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

Place: New Delhi

Date: 10/06/2024


20
10/06/2024

(Sandeep Lall)

**Director General of Audit, Central Expenditure
(Agriculture, Food & Water Resources)**

Form No.MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To

The Members,

NABKISAN Finance Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NABKISAN Finance Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of NABKISAN Finance Limited's 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2024 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The NABKISAN Finance Limited for the financial year ended on 31.03.2024 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Secretarial standards (SS-1, SS-2) issued by the Institute of Company Secretaries of India;
- (iii) Reserve Bank of India Act, 1934 and notifications issued by RBI from time to time.

NABKISAN Finance Limited is a subsidiary of National Bank for Agriculture and Rural Development (NABARD) holding 87.77% of the shares of NABKISAN Finance Limited as on 31.03.2024

NABKISAN Finance Limited is a subsidiary of National Bank for Agriculture and Rural Development (NABARD) holding 87.77% of the shares of NABKISAN Finance Limited as on 31.03.2024

NABKISAN Finance Limited has been granted certificate of registration No.B-07.00712 dated 25th September 2014 under Section 45 IA of the Reserve Bank of India Act, 1934 to carry on the business of non-banking financial institution without accepting public deposits.

During the period under review and as per the explanations and clarifications given to me and the representation made by the Management, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above except instances which would not materially affect the operations of the Company.

I 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. In the instances where notice is given for less than seven days, the provisions of Companies Act, 2013 and the Rules prescribed therein have been complied with. 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.

Decisions at the Board Meetings, as represented by the Management, were unanimous and therefore there were no dissenting views that were required to be recorded.

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me, 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.

I further report that during the audit period

1. Independent auditors, vide their audit report dated 29.04.24, have emphasized the matter on over-statement of profits for the financial year 21-22 and 22-23 due to changes made in accounting for investments in non-convertible debentures of FPOs under Mezzanine capital assistance scheme as per MOU with Government of Tamilnadu.
2. The company has transferred 14250 equity shares of ₹ 10 each on 01.11.2023 to Investor Education and Protection Fund.
3. Vide AGM held on 15.09.2023, special resolution passed for appointment of Smt. P.V. Bharathi as an Independent Director.
4. Board, vide its meeting held on 28/05/2024 has considered and approved the merger of NABSAMRUDDHI Finance Limited with NABKISAN, the draft scheme of amalgamation and ancillary documents.

I further report that

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and have relied on the report of statutory auditors and financial statements.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The compliance by the Company of the applicable financial laws like direct and indirect taxes and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial audit, CAG and other designated professionals.

Place: CHENNAI
Date: 02.09.2024

Signature:
P.R. SUDHA
FCS No.6046
CP No.:4468
UDIN: F006046F001076929

Corporate Social Responsibility Report

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

With the applicability of Section 135 of the Companies Act, 2013, the Board as its meeting held on the 27th June 2016, had constituted the Corporate Social Responsibility (CSR) Committee to formulate, envisage and oversee the activities to be undertaken by the Company as specified in Schedule VII and to monitor the policy from time to time.

The CSR Committee met on 19th August 2016 to consider and recommended to the Board the CSR policy for their approval. The recommended CSR policy was approved by the Board at its meeting held on the same day.

The CSR policy of the company can be viewed from its website: www.nabkisan.org.

2. Composition of the CSR Committee:

The present constitution of the CSR Committee is as follows:

- Shri.Kaniyur Sundararajan Mahesh, Director
- Shri Satyanarayana Jonnalagadda, Independent Director
- Shri Emmanuel Vijayanand Murray, Independent Director
- Shri.Prasad Rao, Managing Director & CEO and
- Shri.Immanuvel Ganesan, Director & CFO

3. Average net profit of the company for last three financial years:

Particulars	Amount (In ₹)
Profits/(Loss) before Tax for the FY 2020-21	31,51,96,096/-
Profits/(Loss) before Tax for the FY 2021-22	40,61,43,213/-
Profits/(Loss) before Tax for the FY 2022-23	67,50,19,137 /-
Total Profits for 3 years	1,39,63,58,446/-
Average of the Above profits	46,54,52,815/-
Minimum CSR expenditure to be spent as per Sec. 135	93,09,056/-

4. Prescribed CSR expenditure (two percent of the amount as in Item 3 above):

2% of average profit – ₹ 93,09,056/-

5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year – ₹ 93,09,056/- (Rounded off to ₹ 93,10,000/-). Out of the above, an amount of ₹ 20,74,250/- has been spent and the balance of ₹ 72,35,750/- has been provided and shall be utilised before 30th September 2024.
- (b) Amount unspent, if any: NIL
- (c) Manner in which the amount is spent during the financial year is detailed below:

Sl. No.	CSR Projects Identified	Sector	State and district of Project coverage	Project wise outlay	Amt spent		Cumulative Exp	Direct or through agency
					Direct Exp	Overheads		
1	REstoring irrigation tanks for Augmenting Surface water and to Sustain climate Resilience through people institutions (REASURE) in Kallikudi block, Madurai District, Tamil Nadu	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	Madurai, Tamilnadu	₹ 28,79,750/-	₹ 28,79,750/-	-	₹ 28,79,750/-	Through NAB FOUNDATION (DHAN Vayalagam (Tank) Foundation, the water thematic of DHAN Foundation)
2	Implementing the project "Project Kuposhan", in Jashpur District of Chhatisgarh - Creating awareness among the tribals by conducting Health awareness programmes, medical camps and promote kitchen gardening to encourage nutritious eating habits	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health and sanitation including contribution to the Swatch Bharat Kosh for the promotion of sanitation and making available safe drinking water	Jashpur District, Chhatisgarh	₹ 15,37,250/-	₹ 15,37,250/-	-	₹ 15,37,250/-	Through NAB FOUNDATION (Rural Education and Development Society (READS))
3	Implementation of the project 'Creating Sanitation Facility' - Providing basic sanitation facilities at Arichalmunai in Dhanushkodi, Ramanathapuram District of Tamil Nadu	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	Ramanathapuram District, Tamil Nadu	₹ 48,93,000/-	₹ 48,93,000/-	-	₹ 48,93,000/-	Through NAB FOUNDATION ('Hand in Hand Inclusive Development and Services', a group entity of 'Hand in Hand India')

- 6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:**

Not applicable

- 7. A responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company:**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

Sd/-

Prasad Rao
MD & CEO

Sd/-

Kaniyur Sundararajan Mahesh
Director

Sd/-

Satyanarayana Jonnalagadda
Independent Director

Sd/-

Emmanuel Vijayanand Murray
Independent Director

Sd/-

Immanuvel Ganesan
Director & CFO

Place: Mumbai

Date: 02.09.2024



Honourable Finance Minister Smt. Nirmala Seetharaman handing over cheque of NABKISAN Finance Limited to Sri Venkateswara FPC, Tamil Nadu in the presence of Shri Shaji KV, Chairman, NABARD



MD&CEO, NABKISAN participating as panel member in the FPO submit on "Creating Economies of Scale for Smallholder Farmers" organised by CII under the aegis of MoA&FW

INDEPENDENT AUDITORS' REPORT

To the Members of NABKISAN FINANCE LIMITED

Report on the Audit of the Standalone Financial statements

Opinion

We have audited the accompanying standalone financial statements of NABKISAN FINANCE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss, including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to

Note No. 45 to the Standalone financial statements, which describes the changes made by the entity in respect of accounting policies relating to Accounting for Investments in Non-Convertible Debentures (NCD's) of FPO's under Mezzanine Capital Assistance Scheme as per MOU with Government of Tamilnadu. In view of the above, previous two years profit were re-stated higher – by ₹ 47.55 Lakh for FY 2021-22 and by ₹ 66.10 lakh for FY 2022-23 with corresponding increase in Other Equity of the Company (₹47.55 lakh for FY 2021-22 and ₹ 113.65 lakh for FY 2022-23). In effect, it is reversal of changes made in the accounting policy of the Company during FY 2022-23. Our Opinion is not modified in respect of the above matter.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report together with the annexure thereto, Report on Corporate Governance and Business Responsibility Report 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 in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Management and those charged with governance for the Standalone Financial Statements

The Company's Board of Directors are 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India. 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 judgements 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order,

to the extent applicable.

As required by Section 143(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 (including other comprehensive income), the statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) As per notification No GSR 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act 2013 with respect to disqualification of directors is not applicable to the Company.
- 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 B".
- 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 as referred to in the Notes to 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 were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding

Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v.

- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. The Company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

As required by Section 143 (5) of the Companies Act, 2013, refer the "Annexure C", for the report on the Directions issued by the Comptroller and Auditor General of India.

For L U Krishnan & Co.
Chartered Accountants
Firm's Registration No: 001527S

S. Jothirajan
Partner
Membership No. 211121
UDIN No: 24211121BKEAPX4412

Place: Chennai
Date: 29.04.2024

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our report to the members of NABKISAN FINANCE LIMITED ('the Company') on the standalone financial statements for the year ended 31st March 2024. We report that:

i.

- a. 1. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
2. The Company has maintained proper records showing full particulars of Intangible Assets.
- b. The Company has a regular program of physical verification of its Property, Plant and Equipment by which its Property, Plant and Equipment are verified at reasonable intervals. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. According to the information and explanations given to us, no material discrepancies were noticed on such verification of Property, Plant and Equipment
- c. The Company does not have any immovable property and hence reporting under clause 3(i) (c) of the order is not applicable.
- d. The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31,2024.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

- a. The Company does not have any inventory and hence reporting under clause 3 (ii) (a) of the order is not applicable.
- b. The Company during any point of time of the year, has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii) (b) of the order is not applicable.

iii.

- a. The Company is a Non-Banking Finance Company and its principal business is to give loans. Therefore, reporting under clause 3 (iii) (a) of the order is not applicable.
- b. The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie prejudicial to the interest of the Company.
- c. The Company is a Non-Banking Financial Company ('NBFC'), registered under the provisions of the Reserve Bank of India Act, 1934 and rules made thereunder

and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except for certain instances as detailed below.

Outstanding of overdue loan as on 31st March 2024

Particulars	No of Cases	Total amount due (₹ in Lakh)
1-30 Days	33	475.53
31-60 Days	9	225.07
61-90 Days	0	-
More than 90 Days	119	5158.59
Total	161	5859.19

- d. According to the information and explanations given to us, the total amount overdue for more than 90 days in respect of loans and advances in the nature of loans given in the normal course of the business operations of the Company amounts to ₹ 5158.59 lakh as at 31st March 2024 in respect of 119 number of cases and reasonable steps have been taken by the Company for recovery of the principal and interest thereon.
 - e. The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable.
 - f. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv.** In our opinion, and according to the information and explanations given to us, there are no loans, investments, guarantees, security being made /provided by the Company during the year, in respect of which provisions of sections 185 and 186 of The Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable.
- v.** The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of The Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable.
- vi.** The Central Government has not specified maintenance of cost records under sub-section(l) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- vii.**
- a. In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees'

state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

There were no undisputed amounts payable in respect of goods and services tax, Provident Fund, Employees State insurance, Income tax, Sales Tax, Service tax, Custom Duty, Excise duty, Value added tax, cess, or other material statutory dues in arrears as at March 31, 2024, for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there are no statutory dues referred in sub-clause {a) which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

ix.

- a. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.
- d. On an overall examination of the financial statements of the Company and according to the information and explanations given to us, no funds were raised in the short term.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under The Companies Act, 2013.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies (as defined under The Companies Act, 2013). Hence, the requirement to report on clause 3 (ix)(f) of the Order is not applicable.

x.

- a. According to the information and explanations given to us, the Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable.
- b. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable.

xi.

- a. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instances of material fraud by the Company or on the Company, noticed or reported during the year.
- b. As stated in Para (xi) (a) above, we have not come across any instances of material fraud by the Company or on the Company and hence filing of any report u/s 143 (12) of the Companies Act, 2013 does not arise.
- c. According to the information and explanations given to us, no whistle-blower complaints have been received during the year by the Company.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of The Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv.

- a. As represented to us by the management, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion the Company has not entered into any non -cash transactions with its Directors or persons connected with its directors during the year and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi.

- a. The Company has Obtained a Certificate and registered under Section 45-IA of the Reserve Bank of India Act 1934 vide no. B-07.00712
- b. The Company has conducted Non-Banking Financial activities with the Certificate obtained from Reserve Bank of India, as mentioned in sub clause (a) above.

- c. In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.
- xvii.** The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii.** There has been no resignation of the statutory auditors of the Company during the year.
- xix.** On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.**
 - a. The Company has, in respect of other than ongoing projects, unspent amount aggregating to ₹ 72.36 lakh towards Corporate Social Responsibility (CSR), which has not been transferred to a Fund specified in Schedule VII of the Companies Act, 2013, in compliance with the provisions of Section 135(5) of the said Act, till the date of our Report since the time period for such transfer i.e., Six months from the end of the financial year has not elapsed till the date of our report.
 - b. There are no ongoing projects, and hence the clause 3(xx)(b) is not applicable.
- xxi.** The Company does not have any subsidiaries and is not required to prepare Consolidated Financial Statements. Hence, reporting under clause 3(xxi) of the Order is not applicable for the year.

For L U Krishnan & Co.
Chartered Accountants
Firm's Registration No: 001527S

S. Jothirajan
Partner
 Membership No. 211121
 UDIN No: 24211121BKEAPX4412

Place: Chennai
 Date: 29.04.2024

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

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 NABKISAN FINANCE LIMITED ("the Company") as of 31st March 2024 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, 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 judgement, 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 with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to financial statements

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

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March 2024 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For L U Krishnan & Co.
Chartered Accountants
Firm's Registration No: 001527S

S.Jothirajan
Partner

Membership No. 211121
 UDIN No: 24211121BKEAPX4412

Place: Chennai
 Date: 29.04.2024

ANNEXURE - C TO THE INDEPENDENT AUDITORS' REPORT

Comments with regard to Directions under section 143(5) of Companies Act, 2013 issued by the Comptroller and Auditor General of India (CAG)

S.No	Directions	Remarks
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes. There is no accounting transactions outside IT systems.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).	There are no such restructuring of existing Loan or cases of Waiver/write off during the year.
3	Whether funds (grants/subsidy etc..) received/ receivable from specific schemes from Central/State Government or its agencies were properly accounted for/ utilised as per the term and conditions? List the cases of deviation.	Yes. Funds received from Govt of TN under three schemes, Govt of Odisha, and Catalytic Capital Funds have been properly accounted. The utilisation made from the said schemes were as per terms and conditions stipulated. There are no deviations in their utilisations.

For L U Krishnan & Co.
Chartered Accountants
Firm's Registration No: 001527S

S.Jothirajan
Partner
 Membership No. 211121
 UDIN No: 24211121BKEAPX4412

Place: Chennai
 Date: 29.04.2024

NABKISAN FINANCE LIMITED

NABARD Tamil Nadu Regional office building, No.48 Mahatma Gandhi Road,
Nungambakkam, Chennai - 600034

Balance sheet as at 31st March 2024

(₹ in lakh)

	Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
1	ASSETS			
	Financial assets			
	(a) Cash and cash equivalents	2	16,359.95	15,321.84
	(b) Bank balances other than (a) above	3	0.39	0.40
	(c) Loans	4	251,488.10	184,859.90
	(d) Investments	5	3,077.02	2,402.03
	(e) Other financial assets	6	3.25	3.04
2	Non - Financial assets			
	(a) Current Tax assets (net)	7	1.12	263.73
	(b) Deferred tax assets (net)	8	177.36	145.03
	(c) Property, plant and equipment	9	20.92	17.99
	(d) Intangible Assets	10	-	-
	(e) Other non - financial assets	11	4.35	39.24
	TOTAL - ASSETS		271,132.47	203,053.19
1	LIABILITIES AND EQUITY			
	Financial Liabilities			
	(a) Borrowings (Other than Debt Securities)	12	216,433.27	154,851.49
	(b) Other financial liabilities	13	8,025.42	7,141.24
2	Non - Financial Liabilities			
	(a) Provisions	14	40.90	14.83
	(b) Other non-financial liabilities	15	467.17	195.80
3	Equity			
	(a) Equity Share capital	16	17,147.82	17,147.82
	(b) Other Equity	17	29,017.87	23,702.01
	Total Liabilities and Equity		271,132.47	203,053.19

The accompanying notes 1 - 52 form an integral part of the Financial Statements

For and on behalf of the Board

Vide our report of even date
For L. U. Krishnan & Co
Chartered Accountants
Firm Reg No: 001527S

Sd/-
S. Jothirajan
Partner
Membership No. 211121

Place: Chennai
Date: 29.04.2024

Sd/-
P. V. Bharathi
Chairperson & Director
(DIN : 06519925)

Sd/-
Immanuvel Ganesan
Director & Chief Financial Officer
(DIN : 10172988)
(PAN : AALPI1553M)

Sd/-
Srinivasan Ramesh
Managing Director & CEO
(DIN : 09844743)
(PAN : ADDPR1841A)

Sd/-
M Bhuvaneswari
Company Secretary
(PAN : ANAPB3714D)

NABKISAN FINANCE LIMITED

NABARD Tamil Nadu Regional office building, No.48 Mahatma Gandhi Road,
Nungambakkam, Chennai - 600034

Schedule to the Balance Sheet

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

(₹ in lakh)

Particulars			
	Liabilities side:	Amount	Amount
(1)	Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Outstanding	Overdue
	(a) Debentures Secured	Nil	Nil
	Unsecured (other than falling within the meaning of public deposits*)	Nil	Nil
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter-Corporate loans and borrowing	Nil	Nil
	(e) Commercial Paper Nil	Nil	
	(f) Other Loans (Un-secured loan - Refinance from NABARD & NSTFDC)	216,433.27	Nil

	Assets side:	Amount Outstanding	
(2)	Break up of Loans and Advances including bills receivables (other than those included in (4) below):		
	(a) Secured		257,820.03
	(b) Unsecured		-

(3)	Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease Assets including lease rentals under sundry debtors:		
	(a) Financial Lease		Nil
	(b) Operating Lease		
	(ii) Stock on hire including hire charges under sundry debtors:		Nil
	(a) Assets on hire		
	(b) Repossessed Assets		
	(iii) Other loans counting towards AFC activities		Nil
	(a) Loans where assets have been repossessed		
	(b) Loans other than (a) above		

(4) Break-up of investments :**Current investments :****1. Quoted :**

(i) Shares :	(a) Equity	Nil
	(b) Preference	Nil
(ii) Debentures and Bonds		Nil
(iii) Units of mutual funds		Nil
(iv) Government Securities		Nil
(v) Others (Please specify)		Nil

Particulars**2. Unquoted:**

(i) Shares :	(a) Equity	Nil
	(b) Preference	Nil
(ii) Debentures and Bonds		Nil
(iii) Units of mutual funds		Nil
(iv) Government Securities		Nil
(v) Others (Please specify) - Fixed Deposit with Banks		10,370.00

Long Term Investments:**1. Quoted :**

(i) Shares :	(a) Equity	Nil
	(b) Preference	Nil
(ii) Debentures and Bonds		Nil
(iii) Units of mutual funds		Nil
(iv) Government Securities		Nil
(v) Others (Please specify)		Nil

2. Unquoted :

(i) Shares :	(a) Equity	Nil
	(b) Preference	Nil
(ii) Debentures and Bonds		3,224.91
(iii) Units of mutual funds		Nil
(iv) Government Securities		Nil
(v) Others (Please specify)		Nil

(5) Borrower Group-wise classification of assets financed as in (2) and (3) above:			
Category		Amount net of provisions	
		Secured	Unsecured
			Total
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
2.	Other than related parties	251,488.10	-
	Total	251,488.10	251,488.10

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :			
Category		Amount net of provisions	
		Market Value / Break up or fair value or NAV	Book Value (Net) or Provisions)
1.	Related Parties **		
	(a) Subsidiaries		
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
2.	Other than related parties	3,224.91	3,077.02
	Total	3,224.91	3,077.02

Particulars		Amount
(7)	Other Information	
	(i) Gross Non-Performing Assets	
	(a) Related parties	Nil
	(b) Other than related parties	5,158.59
	(ii) Net Non-Performing Assets	
	(a) Related parties	Nil
	(b) Other than related parties	961.67
	(iii) Assets acquired in satisfaction of debt	Nil

For and on behalf of the Board

Vide our report of even date
For L. U. Krishnan & Co
Chartered Accountants
 Firm Reg No: 001527S

Sd/-
S. Jothirajan
Partner
 Membership No. 211121

Place: Chennai
 Date: 29.04.2024

Sd/-
P. V. Bharathi
Chairperson & Director
 (DIN : 06519925)

Sd/-
Immanuvel Ganesan
Director & Chief Financial Officer
 (DIN : 10172988)
 (PAN : AALPI1553M)

Sd/-
Srinivasan Ramesh
Managing Director & CEO
 (DIN : 09844743)
 (PAN : ADDPR1841A)

Sd/-
M Bhuvaneswari
Company Secretary
 (PAN : ANAPB3714D)

NABKISAN FINANCE LIMITED

NABARD Tamil Nadu Regional office building, No.48
Mahatma Gandhi Road, Nungambakkam, Chennai - 600034

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

(₹ in lakh)

	Particulars	Note	For the year ended 31st March 2024	For the year ended 31st March 2023
I	Revenue from Operations			
	Interest Income	18	23,149.82	16,567.80
	Total Revenue from operations		23,149.82	16,567.80
II	Other Income	19	68.30	37.53
III	Total Income (I + II)		23,218.12	16,605.33
IV	Expenses			
	Finance Costs	20	13,063.10	7,387.92
	Impairment on financial instruments	21	418.86	136.48
	Employee Benefits Expenses	22	398.24	263.15
	Depreciation, amortization and impairment	9&10	9.31	5.97
	Other expenses	23	1,054.79	1,995.51
	Total Expenses		14,944.30	9,789.04
V	Profit / (loss) before exceptional items and tax (III - IV)		8,273.82	6,816.29
VI	Exceptional Items		-	-
VII	Profit / (loss) before tax (V - VI)		8,273.82	6,816.29
VIII	Tax Expense:			
	- Current Tax		2,125.79	1,724.58
	- Deferred Tax	8	(28.29)	(42.31)
IX	Profit / (loss) for the period (VII -VIII)		6,176.31	5,134.02
X	Profit/(loss) from discontinued operations			
XI	Profit/(loss) for the period (IX+XII)		6,176.31	5,134.02
XII	Other Comprehensive Income			
(a)	(i) Items that will not be reclassified to profit or loss		(16.05)	(4.04)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.04	1.02
	Sub-total (a)		(12.01)	(3.02)
(b)	(i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Sub-total (b)		-	-
	Other Comprehensive Income (A + B)		(12.01)	(3.02)
XIII	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)		6,164.30	5,131.00
XIV	Earnings per equity share (refer Note - 24)			
	- Basic		2.87	2.39
	- Diluted		2.87	2.39

For and on behalf of the Board

Vide our report of even date
For L. U. Krishnan & Co
Chartered Accountants
Firm Reg No: 0015275

Sd/-
P. V. Bharathi
Chairperson & Director
(DIN : 06519925)

Sd/-
Srinivasan Ramesh
Managing Director & CEO
(DIN : 09844743)
(PAN : ADDPR1841A)

Sd/-
S. Jothirajan
Partner
Membership No. 211121

Sd/-
Immanuel Ganesan
Director & Chief Financial Officer
(DIN : 10172988)
(PAN : AALPI1553M)

Sd/-
M Bhuvaneswari
Company Secretary
(PAN : ANAPB3714D)

Place: Chennai
Date: 29.04.2024

NABKISAN FINANCE LIMITED

NABARD Tamil Nadu Regional office building, No.48 Mahatma Gandhi Road,
Nungambakkam, Chennai - 600034

Cash Flow statement for the year ended 31st March 2024

(₹ in lakh)

	Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
I.	Cash Flows from operating activities		
	Profit before exceptional items and taxes	8,273.82	6,816.29
	Add: Non-cash Expenses		
	Depreciation, amortization and Impairment	9.31	5.97
	Impairment on Financial Instruments	418.86	136.48
	Bad debts written off	233.62	1,193.40
	Net Gain or loss on fair value changes	(16.05)	(4.04)
	(Profit) / Loss on sale of Plant, Property & Equipment, Intangibles	0.03	(0.16)
	Less: Income considered separately		
	Income from Investment activities	(935.68)	(631.62)
	Operating profit before working capital changes	7,983.90	7,516.32
	Changes in -		
	- Loans and Advances	(67,280.69)	(50,397.37)
	- Financial assets & Non-Financial assets	297.28	(81.84)
	- Financial liabilities & Non-Financial Liabilities	1,155.55	713.37
	- Provisions	26.08	3.05
	Cash generated from operations	(57,817.87)	(42,246.46)
	Income tax	(2,116.84)	(1,721.14)
	Net Cash Inflow / (outflow) from operating Activities	(59,934.71)	(43,967.61)
II.	CASH FLOWS FROM INVESTING ACTIVITIES		
	- Purchase of Property, plant and equipment and intangible assets	(12.39)	(12.59)
	- Proceeds from sale of Property, plant and equipment	0.11	0.21
	- Increase in investments	(674.99)	(860.52)
	- Income from Term deposits with Banks	819.65	557.60
	- Income from Investments	116.03	74.02
	- Increase in Earmarked balances with banks	0.02	(5.61)
	Net Cash Inflow / (outflow) from Investment Activities	248.43	(246.88)

III.	Cash Flows from operating activities		
	- Proceeds from issue of Equity shares	-	
	- Net Proceeds from Borrowings (Other than Debt Securities)	61,581.78	58,079.29
	- Dividend paid (including tax on dividend)	(857.39)	(737.76)
	Net Cash Inflow / (outflow) from Financing Activities	60,724.39	57,341.53
	NET Increase / (Decrease) in Cash and Cash Equivalents	1,038.11	13,127.05
	Cash and Cash Equivalents at the beginning of the year	15,321.84	2,194.79
	Cash and Cash Equivalents at the End of the year	16,359.95	15,321.84

For and on behalf of the Board

Vide our report of even date
For L. U. Krishnan & Co
Chartered Accountants
 Firm Reg No: 001527S

Sd/-
S. Jothirajan
Partner
 Membership No. 211121

Place: Chennai
 Date: 29.04.2024

Sd/-
P. V. Bharathi
Chairperson & Director
 (DIN : 06519925)

Sd/-
Immanuvel Ganesan
Director & Chief Financial Officer
 (DIN : 10172988)
 (PAN : AALPI1553M)

Sd/-
Srinivasan Ramesh
Managing Director & CEO
 (DIN : 09844743)
 (PAN : ADDPR1841A)

Sd/-
M Bhuvaneswari
Company Secretary
 (PAN : ANAPB3714D)

NABKISAN FINANCE LIMITED

Regd. Office: NABARD Tamil Nadu Regional office building, No.48 Mahatma Gandhi Road,
Nungambakkam, Chennai - 600034

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

A. Equity Share Capital

(₹ in lakh)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
For current reporting period				
As at 1st April 2023				As at 31st March 2024
17,147.82	-	17,147.82	-	17,147.82
17,147.82	-	17,147.82	-	17,147.82
For current reporting period				
As at 1st April 2022				As at 31st March 2023
17,147.82	-	17,147.82	-	17,147.82
17,147.82	-	17,147.82	-	17,147.82

B. Other Equity

Reserves and Surplus							
Particulars	Statutory reserves	Capital reserves	Securities premium	Special Reserve	Reserve Fund	Retained earnings	Total
Balance as at 01st April 2022	-	-	8,425.05	2,637.56	-	8,195.17	19,257.78
Changes in accounting policy prior period errors				9.51		41.47	50.98
Restated balance at the beginning of the reporting period	-	-	8,425.05	2,647.07	-	8,236.65	19,308.76
Add: Profit for the year	-	-	-	-	-	5,134.02	5,134.02
Add: Other Comprehensive Income for the year	-	-	-	-	-	(3.02)	(3.02)
Total Comprehensive Income for the year	-	-	-	-	-	5,131.00	5,131.00
Dividends	-	-	-	-	-	(737.76)	(737.76)
Appropriation to Statutory Reserve*	-	-	-	1,026.80	-	(1,026.80)	-
Balance at the 31st March 2023	-	-	8,425.05	3,673.87	-	11,603.09	23,702.01
Balance as at 01st April 2023	-	-	8,425.05	3,673.87	-	11,603.09	23,702.01

Changes in accounting policy or prior period errors						8.96	8.96
Restated balance at the beginning of the reporting period	-	-	8,425.05	3,673.87	-	11,612.04	23,710.96
Add: Profit for the year	-	-	-	-	-	6,176.31	6,176.31
Add: Other Comprehensive Income for the year	-	-	-	-	-	(12.01)	(12.01)
Total Comprehensive Income for the year	-	-	-	-	-	6,164.30	6,164.30
Dividends	-	-	-	-	-	(857.39)	(857.39)
Appropriation to Statutory Reserve*	-	-	-	1,235.26	-	(1,235.26)	-
Balance at the 31st March 2024	-	-	8,425.05	4,909.14	-	15,683.69	29,017.87

For and on behalf of the Board

Vide our report of even date
For L. U. Krishnan & Co
Chartered Accountants
 Firm Reg No: 001527S

Sd/-
S. Jothirajan
Partner
 Membership No. 211121

Place: Chennai
 Date: 29.04.2024

Sd/-
P. V. Bharathi
Chairperson & Director
 (DIN : 06519925)

Sd/-
Immanuvel Ganesan
Director & Cheif Financial Officer
 (DIN : 10172988)
 (PAN : AALPI1553M)

Sd/-
Srinivasan Ramesh
Managing Director & CEO
 (DIN : 09844743)
 (PAN : ADDPR1841A)

Sd/-
M Bhuvaneswari
Company Secretary
 (PAN : ANAPB3714D)

NABKISAN FINANCE LIMITED

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

1. A. Brief profile

“NABKISAN FINANCE Limited” (CIN: U65191TN1997PLC037525) is a subsidiary of NABARD and incorporated under the Companies Act 1956. The company is a “Non-banking Financial Company” (NBFC) registered with “Reserve Bank of India” (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The company received the Certificate of Registration from the Reserve Bank of India (RBI) on 18.04.2002, enabling the company to carry on business as a Non-Banking Financial company without accepting public deposits.

The Company’s registered office is at NABARD Tamil Nadu Regional office building, No.48 Mahatma Gandhi Road, Nungambakkam, Chennai - 600034.

1. B. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION :

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

(a) Statement of compliance –

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (“the Act”), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions/expectations issued by RBI or other regulators are implemented as and when they are issued/ applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 (“the Act”) applicable for Non-Banking Finance Companies (“NBFC”). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the RBI regulations.

These standalone or separate financial statements have been approved by the Company’s Board of Directors and authorized for issue on 29th April 2024.

(b) Functional and presentation currency –

These financial statements are presented in Indian Rupees (‘INR’ or ‘₹’) which is also the

Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless indicated otherwise and rounded off to two decimals as permitted by Schedule III to the Companies Act, 2013.

(c) Basis of preparation –

The Financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as required by relevant Ind AS.

(d) Measurement of Fair values –

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

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

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

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

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The Company's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively.

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

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

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

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

- **Impairment of Financial Assets –**

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

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

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

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

- **Provisions and Other Contingent liabilities –**

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

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

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

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

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

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

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

- **Defined Benefit Plans –**

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

- **Going Concern –**

COVID-19 has an adverse impact on the functioning of the financial sector companies, notwithstanding this, the financial statements of the Company are prepared on a going concern basis.

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

1.2 Revenue recognition –

(a) Recognition of interest income on loans –

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

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

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

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset.

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

(b) Dividend and Interest income on investments –

- Dividends are recognized in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(c) Other operational revenue –

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

1.3 Property, Plant and Equipment (PPE) –

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

Buildings	60 Years
Computers and Data processing units	3 to 6 Years
Furniture and Fixtures	10 Years
Office equipments	5 Years

- Assets costing less than ₹5000/- are fully depreciated in the period of purchase.
- PPE is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

- The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets and their value in use.

1.4 Intangible assets –

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

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

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

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

1.5 Financial Instruments –

a) Recognition and Measurement –

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

b) Classification of financial assets-

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

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

Amortized cost - The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that

give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortized cost.

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

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

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

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

c) Subsequent measurement of financial assets –

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

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

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

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

d) Financial liabilities and equity instruments –

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

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

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

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

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

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

e) **Derecognition** –

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

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

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

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

g) **Derivative financial instruments** – The derivative financial instruments include foreign exchange forward contracts, currency swaps and interest rate swaps, to manage borrowing exposure to foreign exchange and interest rate risks.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognised in Statement of profit and loss.

h) Impairment of financial instruments –

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

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

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

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

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

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

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

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

Significant increase in credit risk –

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

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the

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

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

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

Purchased or originated credit impaired (POCI) financial assets –

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Company recognizes all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favorable change for such assets creates an impairment gain.

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

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

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

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

When assessing if the borrower is unlikely to pay its credit obligation, the Company considers both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal, which is not relevant for retail lending.

Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

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

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently to credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

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

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

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

i) Write offs -

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

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

Accounting for Investments – Investments made by the entity are classified in accordance with the principles stated above.

1.6 Employee benefits –

- **Short term employee benefits** – Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.
- **Defined Contribution Plans** – The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment.

- **Defined Benefit Plan –**

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements

- **Remeasurement gains/losses –**

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

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

- **Leave encashment / compensated absences / sick leave –** The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date.

- 1.7 **Finance costs** – Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, Refinance from Financial institutions, non-convertible debentures, fixed deposits mobilized, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

1.8 Taxation - Current and deferred tax –

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

Current tax –

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

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

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

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

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

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

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

1.9 Impairment of assets other than financial assets –

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets

have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

1.10 Provisions –

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

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

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

1.11 Cash and cash equivalents –

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

1.12 Earnings Per Share –

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

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

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

1.13 Dividend –

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

1.14 Operating Cycle –

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

1.15 Prior Period and Exceptional Items –

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

NABKISAN FINANCE LIMITED

Notes forming part of Financial Statements

(₹ in lakh)

Note No	Particulars	As at 31st March, 2024	As at 31st March, 2023
2	Cash and Cash equivalents		
	- Cash on Hand	0.03	0.03
	- Balance with Banks	5,966.13	16.07
	- Deposits with Banks		
	Deposits	10,370.00	15,300.00
	Interest accrued on deposits	23.79	5.75
	Total	16,359.95	15,321.84
3	Bank balance other than cash and cash equivalents		
	- Earmarked balances with banks	0.39	0.40
	- Balances with banks-held as margin money or security deposit against borrowings, gurantee/other commitments	-	-
	Total	0.39	0.40
4	Loans		
	Measured at Amortised cost (refer - Note 28)		
	Secured Loans and Advances		
	- Due within 12 months	129,598.18	92,094.73
	- Due beyond 12 months	128,221.86	98,678.24
		257,820.03	190,772.96
	Less: Impairment allowance	(6,331.93)	(5,913.07)
		251,488.10	184,859.90
	Measured at Fair value through OCI	-	-
	Measured at Fair value through Profit and Loss	-	-
		251,488.10	184,859.90

(₹ in lakh)

Note No	Particulars	As at 31st March, 2024	As at 31st March, 2023
5	Investments (refer - Note 28)		
	- Measured at Amortised cost <i>Unquoted, Unsecured Investments in 4% Non-convertible debentures under Govt of Tamilnadu scheme</i>		
	- Due within 12 months	-	-
	- Due beyond 12 months	3,224.91	2,498.21
	Interest accrued thereon	42.72	17.47
	(Ref - Note No - 28)	3,267.63	2,515.68
	Less: Impairment allowance	(190.61)	(113.65)
		3,077.02	2,402.03
	- Measured at Fair value through OCI	-	-
	- Measured at Fair value through PL	-	-
		3,077.02	2,402.03
6	Other Financial assets		
	Due within 12 months		
	- Deposits and advances	3.25	3.04
		3.25	3.04
	Due beyond 12 months	-	-
		3.25	3.04
7	Current Tax Assets (Net)		
	- Income tax refund due		
	Advance Tax & With holding taxes receivable	2,126.91	1,988.30
	Less: 'Income tax provision	(2,125.79)	(1,724.58)
		1.12	263.73
8	Deferred Tax assets (refer note 25)		
	Opening	145.03	101.70
	C.Y Additions	32.33	43.32
	Closing	177.36	145.03

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

Particulars	Gross Block			Depreciation Block			Net Carrying Value	
	As at 01.04.2023	Additions	Disposal/ Written off	As at 31.03.2024	As at 01.04.2023	Additions	Withdrawn	As at 31.03.2024
Plant, Property and Equipment								
- Land	-			-				-
- Building	-			-				-
- Furniture & Fixtures	24.72		-	24.72	11.53	3.41		14.94
- Office Equipments	1.78	1.09	-	2.87	1.07	0.40		1.47
- Servers & Networks	-	-	-	-	-	-		-
- Laptop & Desktops	19.57	11.30	2.93	27.93	15.48	5.49	2.79	18.19
Subtotal (A)	46.06	12.39	2.93	55.52	28.08	9.31	2.79	34.60
Intangible assets								
- Software	12.84	-	-	12.84	12.84	-		12.84
Subtotal (B)	12.84	-	-	12.84	12.84	-	-	-
Total (A + B)	58.90	12.39	2.93	68.36	40.92	9.31	2.79	20.92
As at 31st March 2023								
Plant, Property and Equipment	34.56	12.59	1.08	46.06	23.14	5.97	1.03	17.99
Intangible assets	12.84	-	-	12.84	12.84	-	-	-

(₹ in lakh)

Note No	Particulars	As at 31st March, 2024	As at 31st March, 2023
11	Other non-financial assets		
	- Goods and Services Tax (GST) Receivable	4.35	35.66
	- Net Asset on defined benefit obligation (refer note - 33)	-	3.58
		4.35	39.24
12	Borrowings (other than Debt Securities)		
	Loan from related parties (unsecured) (Refer - note 29)		
	- Loan from NABARD		
	- Due within 12 months	114,671.08	75,285.21
	- Due beyond 12 months	96,987.33	79,113.06
	Interest Accrued but not due on Borrowings	3,920.18	34.50
		215,578.59	154,432.77
	Loan from unrelated parties (unsecured) (Refer - note 29)		
	- Loan from NSTFDC		
	- Due within 12 months	854.46	403.85
	- Due beyond 12 months	-	14.87
	Interest Accrued but not due on Borrowings	0.22	-
		854.68	418.72
		216,433.27	154,851.49
	Other Financial Liabilities		
	Due beyond 12 months		
13	Government of TamilNadu Scheme (Refer - note 30)		
	- Mezzanine Capital - TN Scheme	3,237.00	2,500.00
	- Redemption amount received	13.00	-
	Less: Impairment allowance on Investments in NCD	(190.61)	(113.65)
	Net Mezzanine Capital	3,059.39	2,386.35
	- Notional Interest on Mezzanine capital - TN scheme	46.24	39.26
	Revolving Fund - TN Scheme		
	- Revolving Fund Utilised	934.98	747.99
	- Revolving Fund Unutilised	1,385.59	1,556.01
	- Notional Interest on the above	231.79	177.12

(₹ in lakh)

Note No	Particulars	As at 31st March, 2024	As at 31st March, 2023
14	Credit Guarantee Fund - TN Scheme		
	- CG Fund Allocated	166.50	167.00
	- CG Fund Unutilised	705.50	705.00
	- Notional Interest on the above	121.06	86.08
	Credit Guarantee Fund - Odisha Scheme (refer Note - 31)		
	- Fund Allocated	500.00	310.70
	- Fund Unutilised	-	189.31
	- Notional Interest on the above	-	41.21
	NABARD - Catalytic Fund Capital (Related party - refer Note - 32)		
	- Catalytic Fund Utilised	319.00	160.00
	- Catalytic Fund Unutilised	181.00	340.00
	- Catalytic Fund Interest earned	13.48	5.32
	- Notional Interest on the above	43.88	28.82
	Subsidy Reserve Fund	219.41	135.89
		7,927.81	7,076.04
	Due within 12 months		
	Guarantee Fee	73.12	61.80
	Guarantee claim	24.11	3.00
	- Unpaid Dividend 2016-17	0.07	0.08
	- Unpaid Dividend 2017-18	0.07	0.08
	- Unpaid Dividend 2018-19	0.07	0.08
	-Dividend Payable 2021-22	0.09	0.08
	-Dividend Payable 2022-23	0.09	0.10
		97.61	65.20
		8,025.42	7,141.24
	Provisions		
	Provision for Employee Benefit		
	<i>Due beyond 12 months</i>		
	Gratuity (refer note - 33)	18.30	5.81
		18.30	5.81
	Due within 12 months		
	Leave Encashment	22.60	9.02
		22.60	9.02
		40.90	14.83
15	Other non-financial liabilities		
	Due within 12 months		
	- Withholding and Other Taxes Payable	39.04	61.88
	- Outstanding Expenses	380.83	93.03
	- Income received in advance	47.31	40.89
		467.17	195.80
	Due beyond 12 months	-	-
		467.17	195.80

(₹ in lakh)

Note No	Particulars	As at 31st March, 2024	As at 31st March, 2023
16	Share Capital		
	Authorized Capital	20,000.00	20,000.00
	20,00,00,000 Equity Shares of ₹10/- each		
	(Previous year 20,00,00,000 Equity Shares of ₹10/- each)		
	Issued,Subscribed & Fully Paid up:	17,147.82	17,147.82
	17,14,78,213 Equity Share of ₹10/-each		
	(Previous year 17,14,78,213 Equity shares of ₹10/- each)		
	TOTAL	17,147.82	17,147.82

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

Number of Shares		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Number of Shares outstanding at the beginning of the year	171,478,213	171,478,213
Add : Issued during the year	-	-
Less: Shares bought back during the year	-	-
Number of Shares outstanding at the end of the year	171,478,213	171,478,213

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

Amount (₹ Lakh)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Equity Share Capital Outstanding at the beginning of the year	17,147.82	17,147.82
Add : Share Capital Issued during the year	-	-
Less: Shares bought back during the year	-	-
Equity Share Capital Outstanding at the end of the year	17,147.82	17,147.82

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

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

d. Details of shareholder holding more than 5 %

Particulars	Number of Shares			
	%	31st March, 2024	%	31st March, 2023
1. National Bank for Agricultural & Rural Development	87.77%	150,500,063	87.77%	150,500,063
2. Government of Tamilnadu	6.69%	11,475,000	6.69%	11,475,000

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

Aggregate number & class of shares :

- Allotted as fully paid up pursuant to contract(s) without payment being received in cash : NIL

- Allotted as fully paid up by way of bonus shares: NIL

- Bought back : NIL

f. Shareholding of Promoters

Shares held by promoters at the end of the year	31st March 2024			31st March 2023		
	No.of Shares	% of Shares	% Change during the year	No.of Shares	% of Shares	% Change during the year
1. National Bank for Agricultural & Rural Development	150,500,063	87.77%	0.00%	150,500,063	87.77%	0.00%

Nabkisan Finance Limited

NABARD Tamil Nadu Regional Office building, No.48 Mahatma gandhi Road, Nungambakkam, Chennai-600 034

Note No - 17 - Other Equity

Particulars	Share applic- ation money pending allot- ment	Equity compo- nent of com- pound financial instru- ments	Reserves and Surplus					Debt instru- ments through OCI	Equity instru- ments through OCI	Effective portion of Cash Flow Hedges	Revalua- tion surplus	Exchange differenc- es on translat- ing the financial state- ments of a foreign operation	Total
			Statutory reserves	Capital reserves	Securities premium	Special Reserve	Reserve fund	Retained earnings					
Opening balance as at 01st April 2023	-	-	-	-	8,425.05	3,673.87	-	11,603.09	-	-	-	-	23,702.01
Prior period items								8.96					8.96
Restated balance					8,425.05	3,673.87	-	11,612.04					23,710.96
Add: Profit for the year	-	-	-	-	-	-	-	6,176.31					6,176.31
Add: Other Comprehensive Income for the year	-	-	-	-	-	-	-	(12.01)					(12.01)
Total	-	-	-	-	8,425.05	3,673.87	-	17,776.34	-	-	-	-	29,875.26
Additions						-							-
Appropriation to Statutory Reserve*						1,235.26		(1,235.26)					-
Transactions with owners in their capacity as owners													-
Less: Dividend distributed during the year								(857.39)					(857.39)
Less: Dividend Distribution Tax (DDT)								-				-	
Balance at the 31st March 2024	-	-	-	-	8,425.05	4,909.14	-	15,683.69	-	-	-	-	29,017.87

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NABARD Tamil Nadu Regional Office building, No.48 Mahatma gandhi Road, Nungambakkam, Chennai-600 034

Other Equity

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus						Debt instruments through OCI	Equity instruments through OCI	Effective portion of Cash Flow Hedges	Revaluation surplus	Exchange differences on translating the financial statements of a foreign operation	Total
			Statutory reserves	Capital reserves	Securities premium	Special Reserve	Reserve fund	Retained earnings						
Opening balance as at 01st April 2022	-	-	-	-	8,425.05	2,637.56	-	8,195.17						19,257.78
Adjustment for changes in accounting policies						9.51		38.04						47.55
Prior period items					-	-		3.43						3.43
Restated balance					8,425.05	2,647.07		8,236.65						19,308.76
Add: Profit for the year	-	-	-	-	-	-	-	5,134.02						5,134.02
Add: Other Comprehensive Income for the year	-	-	-	-	-	-	-	(3.02)						(3.02)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	5,131.00	-	-	-	-	-	5,131.00
Additions														-
Appropriation to Statutory Reserve*						1,026.80		(1,026.80)						-
Transactions with owners in their capacity as owners														-
Less: Dividend distributed during the year								(737.76)						(737.76)
Less: Dividend Distribution Tax (DDT)														-
Balance at the 31st March 2023	-	-	-	-	8,425.05	3,673.87	-	11,603.09	-	-	-	-	-	23,702.01

Nabkisan Finance Limited

NABARD Tamil Nadu Regional Office building, No.48 Mahatma gandhi Road, Nungambakkam, Chennai-600 034

Notes to Statement of Profit and Loss

Note	Particulars	For the year ended 31st March 2024				For the year ended 31st March 2023			
		On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
18	Interest Income								
	- Interest on Loans	-	22,214.14	-	22,214.14	-	15,936.18	-	15,936.18
	- Interest income from investments	-	116.03	-	116.03	-	74.02		74.02
	- Interest on deposits with Banks	-	819.65	-	819.65	-	557.60		557.60
	Total	-	23,149.82	-	23,149.82	-	16,567.80	-	16,567.80
Note	Particulars	For the year ended 31st March 2024				For the year ended 31st March 2023			
		On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
19	Other Income								
	Miscellaneous Income		1.14		1.14		0.48		0.48
	Profit on sale of assets		0.02		0.02		0.16		0.16
	TN - Credit Guarantee Fee		10.05		10.05		-		-
	Prepayment charges		6.16		6.16		36.69		36.69
	Odisha - Credit Guarantee Fee		16.61		16.61		-		-
	Recovery - Written Off Accounts		18.32		18.32		0.20		0.20
	Interest on IT refund		16.00		16.00		-		-
	Total		68.30		68.30		37.53		37.53

Nabkisan Finance Limited

NABARD Tamil Nadu Regional Office building, No.48 Mahatma Gandhi Road, Nungambakkam, Chennai-600 034

Notes to Statement of Profit and Loss

Note	Particulars	For the year ended 31st March 2024		For the year ended 31st March 2023	
		On Financial Liabilities measured at fair value through OCI	On Financial Liabilities measured at Amortised Cost	On Financial Liabilities measured at fair value through OCI	On Financial Liabilities measured at Amortised Cost
20	Finance Costs			-	-
	Interest on Borrowings				
	NABARD Refinance Loans		12,966.95	-	7,222.22
	Interest on NSTFDC Loans		25.67	-	14.71
	Notional Interest on TN Corpus Fund		70.48	-	150.98
	Total	-	13,063.10	-	7,387.92

Note	Particulars	As at 31st March, 2024	As at 31st March, 2023
21	Impairment allowance		
	Impairment allowance on Loans	418.86	136.48
	Total	418.86	136.48

Note	Particulars	As at 31st March, 2024	As at 31st March, 2023
22	Employee Benefit Expenses		
	Salaries and wages	344.86	239.91
	Contribution to provident and other funds	46.98	13.73
	Staff Welfare	6.40	9.51
	Total	398.24	263.15

Note	Particulars	As at 31st March, 2024	As at 31st March, 2023
23	Other expenses		
	Auditors Remuneration		
	- Concurrent Audit Fee		-
	- Statutory Audit Fee	2.25	2.00
	- Tax Audit Fee	0.25	0.20
	- Others		
	Bad Debts Written Off	233.62	1,193.40
	Bank Charges	0.09	0.11

Books and Periodicals	0.03	0.07
Business Promotion	20.52	9.68
Board Meeting Expenses	5.91	0.36
CSR Expenses (Note - 43)	93.10	77.43
Directors Sitting Fee	20.63	14.83
Insurance	0.05	0.04
Legal & Professional Charges	23.72	27.53
Loss on Sale of Fixed Assets	0.05	
Advertisement & Publicity	1.67	0.98
Profession Tax	0.29	0.10
TN Scheme - Operating Expenses	22.16	13.32
Communication charges	1.92	1.60
Printing & Stationery	7.66	6.17
Professional charges - NABARD Dep. Staff	480.38	517.60
Rates & Taxes	64.89	77.68
AGM Expenses	1.08	0.46
Rent	5.00	5.68
Repairs & Maintenance	5.75	2.31
Travelling & Conveyance	56.45	39.83
General expenses	7.35	4.13
Total	1,054.79	1,995.51

Note – 24 – Earnings per Share (EPS) –

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

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

Particulars	2023-24	2022-23
Net Profit after tax as per statement of Profit & Loss	6,164.30	5,131.00
Less : Transfer to Statutory Reserve	(1,235.26)	(1,026.80)
Profit available to Equity Shareholders	4,929.04	4,104.20
Weighted average No. of Equity shares (no.'s)	171,478,213	171,478,213
Basic Earnings per share	2.87	2.39
Diluted Earnings per share	2.87	2.39

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

Note 25 – Disclosure pursuant to Ind AS 12 "Income Taxes"**(a) Major components of tax expense / (income):**

S.no	Particulars	2023-24	2023-24
(a)	Profit or Loss section:		
	(i) Current Income Tax:		
	- Current Income Tax Expense	2,125.79	1,724.58
	- Tax Expense of Prior Periods	(8.96)	(3.43)
		2,116.84	1,721.14
	(ii) Deferred income tax liability / (asset), net		
	Tax expense on origination and reversal of temporary differences	(28.29)	(42.31)
	Effect of previously unrecognised tax losses used to reduce tax expense	-	-
		(28.29)	(42.31)
	Income tax expense reported in Profit or Loss [(i) + (ii)]	2,088.55	1,678.84

(b)	Other Comprehensive Income (OCI) section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods - Remeasurements of defined benefit liability (asset)	4.04	1.02
	(ii) Items to be reclassified to profit or loss in subsequent periods		-
	Income tax expense reported in Other Comprehensive Income [(i) + (ii)]	4.04	1.02
	Retained earnings:		
	- Income Tax	2,116.84	1,721.14
	- Deferred Tax	(24.25)	(41.29)
	Income tax expense reported in retained earnings	2,092.59	1,679.85

(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:

S.no	Particulars	2023-24	2023-24
(a)	Profit before tax	8,257.77	6,812.25
(b)	Corporate tax rate as per Income Tax Act 1961	25.17%	25.17%
(c)	Tax on Accounting profit (c)=(a)*(b)	2,078.31	1,714.51
(d)	(i) Tax on Income exempt from tax	-	-
	(ii) Tax on expenses not tax deductible:		
	(A) CSR expenses	23.43	19.49
	(iii) Tax effect on other items	(70.91)	(29.56)
	Total effect of tax adjustments [(i) + (ii) + (iii)]	(47.48)	(10.07)
(g)	Tax expense recognised during the year (g)=(c)-(d)	2,125.79	1,724.58
(h)	Effective tax Rate (f)=(g)/(a)	25.74%	25.32%

('C) Movement in deferred tax balances

Particulars	As at 31st March, 2024				
	Net Balance as at 31st March 2023	Recognised in Profit or Loss	Recognised in OCI	Net for the period	Deferred Tax Assets (net)
Tax effect of items constituting deferred tax assets /liabilities					
Property, plant and equipment	3.48	0.70	-	0.70	4.18
Intangibles	0.58	-	-	-	0.58
Loans and Advances	141.96	29.03	-	29.03	170.99
Borrowings	-	-	-	-	-
Employee benefits	(11.28)	(3.05)	4.04	0.99	(10.29)
Others	10.29	1.62		1.62	11.91
Total	145.03	28.29	4.04	32.33	177.36

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

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

d) Current Tax Balances

Particulars	2023-24	2023-24
Current Tax Assets (Net)		
Net of provision for tax	1.12	263.73

Note 26 – Contingent Liabilities and Commitments

Particulars	As at 31st March, 2024	As at 31st March, 2023
a) Contingent liabilities		
Claims not acknowledged as debts	--	--
b) Commitments		
Capital commitments	--	--
Loans sanctioned but not disbursed	1,941.24	2,413.84
	1941.24	2,413.84

Note 27 – Auditors' Remuneration (Exclusive of Taxes)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Payment to the auditor's for :		
a) Statutory Audit and related services	2.25	2.00
b) Other services	--	--
c) Reimbursement of expenses	--	--

Note 28 – Financial Instruments – Fair Values and Risk Management

a) Accounting Classification –

	Particulars	As at 31st March, 2024			
		Amortised Cost	FVOCI	FVTPL	Total
1	Financial assets				
(a)	Cash and cash equivalents	16,359.95	-	-	16,359.95
(b)	Bank balances other than (a) above	0.39	-	-	0.39
(c)	Loans	251,488.10	-	-	251,488.10
(d)	Investments	3,077.02	-	-	3,077.02
(e)	Other financial assets	3.25	-	-	3.25
		270,928.72	-	-	270,928.72
2	Financial Liabilities				
(a)	Borrowings (Other than Debt Securities)	216,433.27	-	-	216,433.27
(b)	Other financial liabilities	8,025.42	-	-	8,025.42
		224,458.70	-	-	224,458.70

	Particulars	As at 31st March 2023			
		Amortised Cost	FVOCI	FVTPL	Total
1	Financial assets				
(a)	Cash and cash equivalents	15,321.84	-	-	15,321.84
(b)	Bank balances other than (a) above	0.40	-	-	0.40
(c)	Loans	184,859.90	-	-	184,859.90
(d)	Investments	2,402.03	-	-	2,402.03
(e)	Other financial assets	3.04	-	-	3.04
		202,587.21	-	-	202,587.21
2	Financial Liabilities				
(a)	Borrowings (Other than Debt Securities)	154,851.49	-	-	154,851.49
(b)	Other financial liabilities	7,141.24	-	-	7,141.24
		161,992.74	-	-	161,992.74

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

	Particulars	Carrying Value	Fair value	Fair value		
				Level - I	Level - II	Level - III
	As at 31st March 2024					
	Financial Assets					
a)	Cash and cash equivalents	16,359.95	16,359.95	16,359.95	-	-
b)	Bank Balances other than (a) above	0.39	0.39	0.39	-	-
c)	Loans	251,488.10	251,488.10	-	-	251,488.10
d)	Investments	3,077.02	3,077.02	-	-	3,077.02
e)	Other Financial Assets	3.25	3.25	-	-	3.25
	Total	270,928.72	270,928.72	16,360.34	-	254,568.38
	Financial Liabilities					
a)	Borrowings	216,433.27	216,433.27	-	-	216,433.27
b)	Other Financial Liabilities	8,025.42	8,025.42	-	-	8,025.42
	Total	224,458.70	224,458.70	-	-	224,458.70

	Particulars	Carrying Value	Fair value	Fair value		
				Level - I	Level - II	Level - III
	As at 31st March 2023					
	Financial Assets					
a)	Cash and cash equivalents	15,321.84	15,321.84	15,321.84	-	-
b)	Bank Balances other than (a) above	0.40	0.40	0.40	-	-
c)	Loans	184,859.90	184,859.90	-	-	184,859.90
a)	Investments	2,402.03	2,402.03	-	-	2,402.03
d)	Other Financial Assets	3.04	3.04	-	-	3.04
	Total	202,587.21	202,587.21	15,322.25	-	187,264.96
	Financial Liabilities					
a)	Borrowings	154,851.49	154,851.49	-	-	154,851.49
b)	Other Financial Liabilities	7,141.24	7,141.24	-	-	7,141.24
	Total	161,992.74	161,992.74	-	-	161,992.74

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

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Group has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes listed equity instruments, traded bonds and mutual funds that have

quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued at the closing Net Asset Value (NAV).

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

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

Unobservable inputs used in measuring fair value –

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

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

Credit Quality of Financial Loans and Investments –

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

Particulars	31st March 2024	31st March 2023
Gross carrying value of Loans and Advances - Corporate Vertical		
Neither Past due nor impaired	230,989.96	170,493.95
Past due but not impaired	-	-
0 - 30 days past due	-	146.96
31 – 60 days past due	-	-
61 – 90 days past due	-	-
Impaired (more than 90 days)	1,728.13	2,230.19
Total Gross Carrying value as at reporting date	232,718.09	172,871.09

Particulars	31st March 2024	31st March 2023
Gross carrying value of Loans and Advances - Non-Corporate Vertical		
Neither Past due nor impaired	20,971.18	14,337.87
Past due but not impaired	-	-
0 - 30 days past due	475.53	336.42
31 – 60 days past due	225.07	280.38
61 – 90 days past due	-	56.61
Impaired (more than 90 days)	3,430.47	2,890.61
Total Gross Carrying value as at reporting date	25,102.24	17,901.90

Particulars	31st March 2024	31st March 2023
Gross carrying value of Loans and Advances - Non-convertible debentures		
Neither Past due nor impaired	3,135.93	2,429.98
Past due but not impaired	-	-
0 - 30 days past due	-	-
31 – 60 days past due	-	-
61 – 90 days past due	-	-
Impaired (more than 90 days)	131.70	85.70
Total Gross Carrying value as at reporting date	3,267.63	2,515.68

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

Classification of Loans –

S. no	Particulars	As at 31st March 2024					
		Amor- tised cost	At Fair Value				Total
			Through OCI	Through PL	Designat- ed at FVTPL	Sub-total	
A.	Loans						
(i)	Repayable on demand						
(ii)	Term Loans	238,799.01					238,799.01
(iii)	Others	19,021.32					19,021.32
	Total	257,820.33					57,820.33
	Less: Impairment allowance	(6,331.93)					(6,331.93)
	Total	251,488.40	-	-	-	-	251,488.40
B.							
(i)	Secured by tangible assets	257,820.33					257,820.33
(ii)	Secured by intangible assets	-					-
(iii)	Covered by Guarantees	-					-
(iv)	Unsecured	-					-
	Total	257,820.33	-	-	-	-	257,820.33
	Less: Impairment allowance	(6,331.93)					(6,331.93)
	Total	251,488.40	-	-	-	-	251,488.40
C.							
	Loans in India						
(i)	Public sector						
(ii)	Others	257,820.33					257,820.33
	Total	257,820.33	-	-	-	-	257,820.33
	Less: Impairment allowance	(6,331.93)					(6,331.93)
	Total	251,488.40	-	-	-	-	251,488.40
	Loans outside India	-	-	-	-	-	-

S. no	Particulars	As at 31st March 2023					
		Amor- tised cost	At Fair Value				Total
			Through OCI	Through PL	Designat- ed at FVTPL	Sub-total	
A.	Loans						
(i)	Repayable on demand						
(ii)	Term Loans	179,071.28	-	-	-	-	179,071.28
(iii)	Others	11,701.71	-	-	-	-	11,701.71
	Total	190,772.99	-	-	-	-	190,772.99
	Less: Impairment allowance	(5,913.07)					(5,913.07)
	Total	184,859.92					184,859.92
B.							
(i)	Secured by tangible assets	190,772.99					190,772.99
(ii)	Secured by intangible assets	-					-

(iii)	Covered by Guarantees	-					-
(iv)	Unsecured	-					-
	Total	190,772.99	-	-	-	-	190,772.99
	Less: Impairment allowance	(5,913.07)					(5,913.07)
	Total	184,859.92	-	-	-	-	184,859.92
C.							
	Loans in India						
(i)	Public sector	-					-
(ii)	Others	190,772.99					190,772.99
	Total	190,772.99	-	-	-	-	190,772.99
	Less: Impairment allowance	(5,913.07)	-	-	-	-	(5,913.07)
	Total	184,859.92	-	-	-	-	184,859.92
	Loans outside India	-	-	-	-	-	-

Inputs considered in ECL model –

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

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

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

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

- a) **Default** – The Company considers a financial asset to be in “default” and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.
- b) **Exposure at default** – “Exposure at Default” (EAD) represents the gross carrying amount of the assets subject to impairment calculation. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.
- c) **Estimations and assumptions considered in the ECL model –**
 - “Loss given default” (LGD) is common for all three Stages and is considered based on RBI circular, which suggest for in the absence of credible information for computing LGD, it can be considered at 65%.
 - “Probability of Default” (PD) is applied on Stage 1 and Stage 2 on basis of average of the last 36 months yearly movement of default rates for respective products and no future adjustment are made for macro-economic factors and for Stage 3 considered at 100%.
- d) **Measurement of ECL** – As prescribed under para 5.5 in Ind AS 109, 12-months ECL is computed for financial instruments which are in Stage – I, and Life time ECL for those in Stage – II & III.

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

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

Impairment loss –

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

Particulars	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit Impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31st March 2024	230,989.96	-	1,728.13	232,718.09
Expected credit loss rate	0.60%	-	100.00%	1.34%
Carrying amount as at 31 March 2024 (net of impairment provision)	229,609.13	-	-	229,609.13
Gross Balance as at 31 March 2023	170,640.96	-	2,230.19	172,871.09
Expected credit loss rate	0.75%	-	100.00%	2.03%
Carrying amount as at 31 March 2023 (net of impairment provision)	169,362.78	-	-	169,362.78

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

Particulars	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit Impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31st March 2024	21,446.70	225.07	3,430.47	25,102.24
Expected credit loss rate	3.39%	12.04%	71.97%	12.84%
Carrying amount as at 31 March 2024 (net of impairment provision)	20,719.62	197.98	961.67	21,879.27
Gross Balance as at 31 March 2023	14,674.29	337.00	2,890.61	17,901.90
Expected credit loss rate	2.20%	8.80%	71.00%	13.43%
Carrying amount as at 31 March 2023 (net of impairment provision)	14,351.51	307.33	838.30	15,497.14

The expected credit loss allowance provision for **Investments – Non – Convertible debentures** is determined as follows –

Particulars	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit Impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31st March 2024	3,135.93	-	131.70	3,267.63
Expected credit loss rate	3.50%	-	62.50%	5.83%
Carrying amount as at 31 March 2024 (net of impairment provision)	3,027.64	-	49.39	3,077.02
Gross Balance as at 31 March 2023	2,429.98	-	85.70	2,515.68
Expected credit loss rate	2.47%	-	62.50%	4.52%
Carrying amount as at 31 March 2023 (net of impairment provision)	2,369.89	-	32.14	2,402.03

Analysis and Reconciliation of Exposure and ECL –

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

Gross Exposure Reconciliation –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 1st April 2022	122,567.46	-	3,289.91	125,857.37
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	-	-	-	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognised during the year	(12,105.94)	-	-	(12,105.94)
New Loans originated during the year	104,878.52	-	-	104,878.52
Write-off's	-	-	(1,055.25)	(1,055.25)
Recoveries	(44,699.14)	-	(4.47)	(44,703.61)
Gross carrying amount balance as at 31st March 2023	170,640.90	-	2,230.19	172,871.09
Changes due to loans recognised in the opening balance that have:				

- Transfers to Stage I	-	-	-	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognised during the year	(14,977.70)		(230.07)	(15,207.77)
New Loans originated during the year	142,942.14			142,942.14
Write-off's	-	-	-	-
Recoveries	(67,615.38)	-	(271.99)	(67,887.37)
Gross carrying amount balance as at 31st March 2024	230,989.96	-	1,728.13	232,718.09

Reconciliation of ECL Balance –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 31st March 2022	1,358.60	-	2,467.43	3,826.03
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I				-
- Transfers to Stage II				-
- Transfers to Stage III				-
Loans that have been derecognised during the year	(207.79)	-	-	(207.79)
New Loans originated during the year	662.03	-	-	662.03
Write-off's	-	-	(791.44)	(791.44)
Remeasurement	(534.72)	-	554.19	19.48
Gross carrying amount balance as at 31st March 2023	1,278.13	-	2,230.19	3,508.32
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	-	-	-	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognised during the year	(211.52)	-	(230.07)	(441.59)
New Loans originated during the year	695.38	-	-	695.38
Write-off's	-	-	-	-
Remeasurement	(381.15)	-	(271.99)	(653.14)
Gross carrying amount balance as at 31st March 2024	1,380.83	-	1,728.13	3,108.96

Considering the prudence and the futuristic macro indicators, the entity has made an additional provision of ₹ 604.84 lakh on four of the corporate accounts towards the contingencies.

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

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 1st April 2022	122,567.46	-	3,289.91	125,857.37
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	(807.15)	294.57	512.58	-
- Transfers to Stage II	37.07	(111.63)	74.56	-
- Transfers to Stage III	21.54	-	(21.54)	-
Loans that have been derecognised during the year	(5,878.27)	(202.53)	(147.85)	(6,228.65)
New Loans originated during the year	11,188.38	40.37	80.00	11,308.75
Write-off's	-	-	(108.65)	(108.65)
Recoveries	(112,454.74)	316.21	(788.40)	(112,926.93)
Gross carrying amount balance as at 31st March 2023	14,674.29	337.00	2,890.61	17,901.90
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	(1,242.48)	275.41	967.07	-
- Transfers to Stage II	21.04	(204.80)	183.75	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognised during the year	(8,680.27)	(132.20)	(345.93)	(9,158.40)
New Loans originated during the year	18,078.13	12.10	105.59	18,195.82
Write-off's	-	-	(238.51)	(238.51)
Recoveries	(1,404.00)	(62.44)	(132.12)	(1,598.56)
Gross carrying amount balance as at 31st March 2024	21,446.70	225.07	3,430.47	25,102.24

Reconciliation of ECL Balance –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 31st March 2022	1,358.60	-	2,467.43	3,826.03
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I				-
- Transfers to Stage II				-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognised during the year	(207.79)	-	-	(207.79)
New Loans originated during the year	662.03	-	-	662.03
Write-off's	-	-	(791.44)	(791.44)
Remeasurement	(1,490.07)	29.67	376.32	(1,084.09)
Gross carrying amount balance as at 31st March 2023	322.78	29.67	2,052.31	2,404.75
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	(36.80)	6.27	30.54	-
- Transfers to Stage II	1.72	(17.91)	16.19	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognised during the year	(219.45)	(224.54)	(224.54)	(668.54)
New Loans originated during the year	585.17	1.46	68.63	655.26
Write-off's	-	-	(154.72)	(154.72)
Remeasurement	73.67	232.16	680.39	986.22
Gross carrying amount balance as at 31st March 2024	727.08	27.09	2,468.79	3,222.97

Considering the prudence and the futuristic macro indicators, the entity has made an additional provision of ₹ 238.99 lakh on seventeen of the non-corporate accounts towards the contingencies.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to **Investments – Non-convertible debentures** is, as follows –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 1st April 2022	1,512.56	-	10.40	1,522.96
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	(75.70)	-	75.70	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognised during the year	-	-	-	-
New Loans originated during the year	1,000.27	-	-	1,000.27
Write-off's	-	-	-	-
Recoveries	(7.15)	-	(0.40)	(7.55)
Gross carrying amount balance as at 31st March 2023	2,429.98	-	85.70	2,515.68
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	(66.00)	-	66.00	-
- Transfers to Stage II				-
- Transfers to Stage III	20.00		(20.00)	-
Loans that have been derecognised during the year				-
New Loans originated during the year	764.95			764.95
Write-off's				-
Recoveries	(13.00)	-	-	(13.00)
Gross carrying amount balance as at 31st March 2024	3,135.93	-	131.70	3,267.63

Reconciliation of ECL Balance –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 31st March 2022	41.05	-	6.50	47.55
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	(2.06)	-	2.06	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognised during the year	-	-	-	-
New Loans originated during the year	24.59	-	-	24.59
Write-off's	-	-	-	-
Remeasurement	(3.49)	-	45.01	41.52
Gross carrying amount balance as at 31st March 2023	60.09	-	53.56	113.65
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	(1.63)	-	1.63	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	12.50	-	(12.50)	-
Loans that have been derecognised during the year	-	-	-	-
New Loans originated during the year	24.38	-	-	24.38
Write-off's	-			-
Remeasurement	12.96	-	39.62	52.58
Gross carrying amount balance as at 31st March 2024	108.29	-	82.31	190.61

Concentration of Credit Risk –

Company's loan portfolio is predominantly to finance Agriculture and allied activities. The Company manages concentration of risk primarily by nature of lending.

Note 29 Re-finance Loan from NABARD and NSTFDC –

The company has “Re-finance” arrangements with NABARD and NSTFDC, and the refinance is being availed by the company after disbursement of loan.

The “Re-finance” arrangements are unsecured in nature and there has been no default in repayment of loan installments and also interest. The interest rate wise refinance outstanding as on March 31, 2024 is summarized in the following table.

₹ in lakh

Rate of Interest	2023-24	2022-23
3.00%	21.62	43.03
4.00%	5.27	10.47
4.60%	-	7,715.45
4.65%	-	1,090.91
5.00% - NSTFDC	854.46	418.72
5.30%	4,134.00	11,405.64
5.40%	-	818.18
5.45%	140.00	320.00
5.60%	4,884.00	11,392.00
5.70%	-	1,754.55
5.75%	4,180.00	9,740.00
6.30%	363.70	727.30
7.40%	1,815.00	3,635.00
7.50%	1,896.00	3,784.00
7.60%	2,546.00	4,582.00
7.65%	8,632.00	15,544.00
7.70%	435.00	1,305.00
7.90%	-	10.00
8.05%	332.35	802.35
8.10%	388.61	-
8.20%	-	20.20
8.30%	14,106.55	23,377.02
8.35%	32,157.93	25,979.16
8.40%	12,912.81	20,292.01
8.45%	40,256.76	9,900.00
8.50%	46,349.88	150.00
8.55%	36,100.93	--
Total	2,12,512.87	1,54,816.99

Note 30 – Assistance under various schemes from Government of Tamil Nadu –

The company has entered into a MoU on 21st August 2020 with ‘**Commissioner, Department of Agriculture Marketing and Agri business, Government of Tamilnadu**’ to provide various financial assistance to the Farmer Producer Companies (FPC).

Under the MoU, the Government of Tamilnadu has proposed an aggregate of ₹ 6667.50 Lakh per year to the all the three schemes and grand totalling of ₹ 26670 Lakh to all the three schemes for four years as follows –

a) Mezzanine Capital Assistance –

- An amount of ₹ 1250 Lakh for each year for four years aggregating to ₹ 5000 Lakh, which shall be utilised for long term resources for a period of 5 years are made available for sustainable operations of FPC.
- Contribution shall be made in the form of unsecured, unquoted and non-convertible debentures carrying a coupon rate of 4% p.a and redeemable at the end of 5th year will be appropriated towards share capital of the entity and in the event of shortfall in repayment of principal and interest and for other reasons accepted by Committee on Farmer Producer organisation Financing (CFF), the state Government will have to contribute amount equivalent to shortfall as share capital.
- Till the year under reporting, company has received an amount of ₹ 3250 lakh (previous year – ₹ 2500 lakh) towards Mezzanine capital and has contributed an amount of ₹ 3,237.91 lakh out of which ₹ 13.00 Lakh recovered back (previous year – ₹ 2,498.21 lakh) by way of subscription to debentures of various FPO's. Balance unutilised at the end of the year – ₹ 12.09 lakh (Previous year – ₹ 1.79 lakh).
- Though these non-convertible debentures are classified as investments in the Financial statements, however accounting for these are made based on the economic substance and accordingly the impairment allowance on these investments are made at par with the loans and advances.

Accumulated Impairment allowance provided till the reporting period is ₹ 190.61 lakh (Previous year impairment allowance was ₹ 113.65 lakh)

b) Credit Guarantee –

- An amount of ₹ 1250 Lakh for each year for four years aggregating to ₹ 5000 Lakh to enable FPC's to access credit.
- The corpus of ₹ 1250 Lakh per year is estimated on the basis of FPC's (1000 no's), guarantee cover up to ₹ 100 Lakh, implementation period of four years and Normal NPA (10%). In the event of changes in any of these factors resulting in additional liability by the fund implemented by the company, such additional liability shall be borne by the state government to the extent of their share of 50%.
- Till the year under reporting, entity has received an amount of ₹ 875 lakh (previous year – ₹ 875 lakh) out of which an amount of ₹ 166.50 lakh has been allocated (previous year – ₹ 167.00 lakh), ₹ 3 lakh has been invoked against the default account (Nathagiri) and balance of ₹ 705 lakh (previous year – ₹ 431.75 lakh) was unutilised at the end of the reporting period.

c) Revolving fund assistance –

- An amount of ₹ 4167.50 Lakh for each year for four years aggregating to ₹ 16670 Lakh to provide concessional credit to FPC. The corpus fund will be blended by the company with their own resources to facilitate lending at concessional rate.
- Till the year under reporting, the company has received an amount of ₹ 2,320.57 lakh (previous year – ₹ 2,304 lakh) under the said assistance out of which an amount of ₹ 934.98 lakh (previous year – ₹ 747.99 lakh) was utilised and balance of ₹ 1,385.59 lakh (previous year – ₹ 1,556.01 lakh) was unutilised at the end of the reporting period.

As per the terms and conditions laid down in MoU, the company is supposed to deposit the said amount upfront on receipt in an interest bearable account and such interest accruals shall be added to the corpus. The company, has not deposited the amount received under the scheme in an interest bearable account and therefore the company has provided a notional interest (after netting off interest accrued on Fixed deposits made if any against such receipts if any) on the amount unutilised for the respective periods under the three schemes and the accumulated notional interest till the reporting period as follows –

FY 2023-24

Particulars	Balance the end of previous reporting period	Provided during the reporting period	Balance at the end of the current reporting period
Mezzanine Capital Assistance	39.26	6.98	46.24
Credit Guarantee	86.08	34.98	121.06
Revolving fund assistance	177.12	54.67	231.79
	302.46	96.63	399.09

FY 2022-23

Particulars	Balance the end of previous reporting period	Provided during the reporting period	Balance at the end of the current reporting period
Mezzanine Capital Assistance	26.86	12.39	39.26
Credit Guarantee	51.11	34.97	86.08
Revolving fund assistance	108.80	68.32	177.12
	186.77	115.69	302.46

The accruals under this fund shall be appropriated towards servicing of the scheme, Standard Assets and NPA provisions.

During the period under reporting, the entity has made the Impairment provision on the Loans granted / Investments made under the above schemes based on Expected Credit Loss and No adjustments to the interest accruals was been made.

Note 31 – Credit Guarantee Fund - Odisha Scheme –

The company has entered into a MoU (dated 26th Feb 2019) with Department of Agriculture & Farmer's Empowerment, Government of Odisha for development of Farmer Producer Organisations (FPO's) and to provide collateral free assistance to FPO's in the state of Odisha.

Under the scheme, the State Government of Odisha has to make a contribution of ₹ 1000 Lakh to the company. Till the period under reporting, the company has received an amount of ₹ 500 Lakh, and entire amount of ₹ 500 lakh (Previous year - ₹ 310.70 lakh) has been allocated and no balance is yet to be utilized (Previous year - ₹ 189.31 lakh).

Note 32 – NABARD Catalytic Capital Fund –

During the year, NABARD has granted a Catalytic capital fund of ₹ 700 Lakh to provide financial assistance support to rural and agri-business start-up's. An amount of ₹ 500 Lakh has been received by the company till the reporting period, out of which ₹ 319 lakh (Previous year - ₹ 160 lakh) was utilised and balance of ₹ 181 lakh (Previous year - ₹ 340 lakh) which is yet to be utilised at the end of the reporting period.

The entity has not earmarked such balance unutilised, therefore a notional interest has been provided by the entity on the unallocated balance for the respective periods and the accumulated balance of such interest amounting to ₹ 43.88 lakh till the reporting period.

FY	Particulars	Balance the end of previous reporting period	Provided during the reporting period	Balance at the end of the current reporting period
2023-24	Notional Interest on NABARD Catalytic fund	28.82	15.06	43.88
2022-23		13.52	15.30	28.82

Note 33 – Employee Benefit Expenses

- The Managing Director cum CEO is on deputation from NABARD. Remuneration of the Managing Director cum CEO including provident fund, gratuity and leave Salary is reimbursed to NABARD on the basis of the advice received from NABARD.
- The services of Officials of NABARD are utilized by NABKISAN on a placement basis. As per the terms of placement, 100% of the remuneration paid to these officials on placement are being reimbursed to NABARD based on the advice received from NABARD and the same is charged to the Statement of Profit and Loss.
- Liability in respect of leave encashment has been provided as per the policy of the Company amounting to ₹ 22.60 lakh.
- Defined Contribution Plans** – Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Particulars	Amount (₹ in lakhs)
Employer's Contribution to Provident Fund (#)	28.37
Employer's Contribution to Superannuation Fund	-
Employer's Contribution to Pension Scheme	-

e) Defined Benefit Plan –**1. Amounts recognised in the Statement of Profit & Loss –**

Particulars	2023-24	2022-23
Current Service Cost	7.82	3.74
Past service cost	-	-
Loss / (Gain) on Settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	(0.27)	(0.21)
Expenses Recognised in the Income Statement	7.56	3.53

2. Other Comprehensive Income –

Particulars	2023-24	2022-23
Actuarial (gains) / losses	16.05	1.95
Return on plan assets, excluding amount recognised in net interest expense	-	2.09
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	16.05	4.04

3. Reconciliation of opening and closing balances of Defined Benefit Obligation

Particulars	2023-24	2022-23
Defined Benefit Obligation at beginning of the year	31.86	24.47
Current Service Cost	7.82	3.74
Actuarial (Gain)/Loss	16.05	1.95
Interest Cost	2.36	1.70
Benefits Paid	(1.73)	-
Defined Benefit Obligation at end of the year	56.36	31.86

4. Reconciliation of opening and closing balances of fair value of Plan Assets –

Particulars	2023-24	2022-23
Fair value of Plan Assets at beginning of the year	35.44	27.50
Return on Plan Assets	2.63	1.91
Employer Contribution	-	8.11
Benefits Paid	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	(2.09)
Fair value of Plan Assets at end of the year	38.06	35.44

5. Net defined benefit obligation –

Particulars	2023-24	2022-23
Defined benefit obligation	56.36	31.86
Fair value of plan assets	38.06	35.44
Surplus/(Deficit)	(18.30)	3.58

6. Actuarial Assumptions –

Particulars	2023-24	2022-23
Discount Rate (per annum)	7.15 %	7.40 %
Rate of escalation in Salary (per annum)	6.00%	4.00%
Attrition / Withdrawal rate (per annum)		
- Up to 30 years	5.00%	10.00%
- Above 31 years	9.00%	10.00%

Note 34 – Liquidity Risk Management –

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

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

	Up to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 Months	Over 3 month & up to 6 Month	Over 6 Month & up to 1 Year	Over 1 year & up to 3 Years	Over 3 years & up to 5 Years	Over 5 Years	Total
Liabilities									
Refinance from NABARD			29,938.75	30,357.33	54,375.00	96,987.33			211,658.41
Loan from NSTFDC			59.96	84.99	528.12	181.39			854.46
Total	-	-	29,998.71	30,442.32	54,903.12	97,168.72	-	-	212,512.87
Assets									
Investments							3,224.91		3,224.91
Loans and Advances	5,881.92	3,300.38	13,986.41	35,723.80	70,705.68	87,503.08	38,496.14	2,222.63	257,820.03
Total	5,881.92	3,300.38	13,986.41	35,723.80	70,705.68	87,503.08	41,721.05	2,222.63	261,044.94

Note 35 – Reconciliation of Movement in Borrowings to Cash Flows from Financing Activities

Particulars	1st April 2023	Cash Flows (net)	Exchange fluctuation	Amortisation of loan origination costs	31st March 2024
NABARD refinance	154,398.27	57,260.14	-	-	211,658.41
NSTFDC refinance	418.72	435.74	-	-	854.46
Total	154,816.99	57,695.88	-	-	212,512.87

Particulars	1st April 2022	Cash Flows (net)	Exchange fluctuation	Amortisation of loan origination costs	31st March 2023
NABARD refinance	96,355.57	58,042.69	-	-	154,398.27
NSTFDC refinance	233.94	184.78	-	-	418.72
Total	96,589.52	58,227.47	-	-	154,816.99

Note 36 – Related Party Disclosure –

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

Holding Entity	National Bank for Agriculture and Rural Development (NABARD)
Subsidiaries of the Holding entity (entities with whom the company has transacted)	NABFOUNDATION NABSANRAKSHAN Trusteeship Pvt. Ltd.
Key Management Personnel	Shri. Srinivasan Ramesh, MD & CEO
	Shri. G Immanuel, Director cum CFO
	Smt. M Bhuvaneswari, Company Secretary

The nature and volume of transactions of the company during the year with the above related parties are as follows:

Particulars	Holding entity		Subsidiaries of the Holding entity		Key Management Personnel	
	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2024	For the year ended 31st March 2023
Loans received	147,917.58	1,19,214.47				
Loans repaid	90,657.44	61,171.78				
Interest paid and accrual thereof	12,966.95	7,222.22				
Rent paid	5.00	5.68				
Dividend paid	752.50	646.12				
Catalytic Fund Interest earned	13.48	5.32				
Notional Interest provided on Catalytic fund	15.06	15.29				
Reimbursement of Salaries and allowances of deputed staff	480.38	517.60				
Credit Guarantee fee paid	6.84	16.02				
Credit Guarantee fee paid - NABSANRAKSHAN			114.24	87.11		
CSR Contribution - NABFOUNDATION			93.10	--		
Compensation to Key Managerial person					202.73	358.28

Balance outstanding –

Name(s) of the related party	Particulars	Balance as at 31st March 2024	Balance as at 31st March 2023
NABARD	Loan outstanding (refer note -12)	215,578.59	154,398.27
	Catalytic Fund Capital (refer note - 13)	500.00	500.00
	Notional Interest provided on Catalytic fund	43.88	28.82
	Catalytic Fund Interest earned	13.48	5.32
	Other Payables	228.72	-
	Other Receivables	-	1.20

Note 37 – Operating Segments –

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

Note 38 – Maturity Analysis of Assets and Liabilities –

	Particulars	31st March 2024			31st March 2024		
	ASSETS	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
1	<u>FINANCIAL ASSETS</u>						
a	Cash and Cash Equivalents	16,359.95		16,359.95	15,321.84		15,321.84
b	Bank Balances other than (a) above	0.39		0.39	0.40		0.40
c	Loans	129,598.18	121,889.93	251,488.10	92,094.73	92,765.17	184,859.90
d	Investments	42.72	3,034.30	3,077.02	17.47	2,384.56	2,402.03
e	Other Financial Assets	3.25	-	3.25	3.04	-	3.04
2	<u>NON FINANCIAL ASSETS</u>						
A	Current Tax Assets (Net)	1.12		1.12	263.73		263.73
B	Deferred Tax Assets (Net)		177.36	177.36		145.03	145.03
c	Property, Plant And Equipment		20.92	20.92		17.99	17.99
d	Other Intangible Assets		-	-		-	-
e	Other Non - Financial Assets	4.35		4.35	39.24		39.24
	TOTAL - ASSETS	146,009.96	125,122.51	271,132.47	107,740.45	95,312.74	203,053.19

	LIABILITIES AND EQUITY						-
1	FINANCIAL LIABILITIES						
A	Borrowings (Other Than Debt Securities)	119,445.94	96,987.33	216,433.27	75,723.56	79,127.93	154,851.49
B	Other Financial Liabilities	97.61	7,927.81	8,025.42	65.20	7,076.04	7,141.24
2	NON - FINANCIAL LIABILITIES						
a	Provisions	22.60	18.30	40.90	9.02	5.81	14.83
b	Current Tax Liabilities (Net)	-	-	-	-	-	-
c	Other Non-Financial Liabilities	467.17	-	467.17	195.80	-	195.80
3	EQUITY			-			
a	Equity Share Capital		17,147.82	17,147.82		17,147.82	17,147.82
b	Other Equity		29,017.87	29,017.87		23,702.01	23,702.01
	TOTAL - LIABILITIES AND EQUITY	120,033.33	151,099.13	271,132.46	75,993.58	127,059.61	203,053.19

Note 39 – Consumables

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

Note 40 – Disclosure under MSME

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

Note 41 – Foreign Currency Transactions

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

Note 42 – Capital Management –

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

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

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

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

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

Particulars	31st March 2024	31st March 2023
Tier – I capital	45,985.40	40,701.77
Tier – II capital	2,216.21	1,660.99
Total	48,201.61	42,362.75
Aggregate of Risk Weighted Assets	2,57,777.55	1,90,187.06
Tier – I Capital ratio	17.84%	21.40%
Tier – II Capital ratio	0.86%	0.87%
CRAR	18.70%	22.27%

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

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

“Tier II capital” includes the following –

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

Aggregate Risk Weighted Assets –

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

Note 43 – Disclosure in respect of Corporate Social Responsibility under Section 135 of the Act and Rules thereon:

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

The company is required to spend at least 2% of average profits of preceding three years during F.Y. 2023-24 which amounts to ₹ 93.10 lakh. The following proposals were approved for funding under CSR budget for the year 2023-24:

- a) Restoring irrigation tanks for Augmenting Surface water and to Sustain climate RESilience through people institutions (REASSURE)' in Kallikudi block, Madurai District, Tamil Nadu - ₹ 28.80 lakh
- b) Implementing the project "Project Kuposhan", in Jashpur District of Chhatisgarh - Creating awareness among the tribals by conducting Health awareness programmes, medical camps and promote kitchen gardening to encourage nutritious eating habits - ₹ 15.37 lakh
- c) Implementation of the project 'Creating Sanitation Facility' - Providing basic sanitation facilities at Arichalmunai in Dhanushkodi, Ramanathapuram District of Tamil Nadu - ₹ 48.93 lakh

Total Amount to be spent	₹ 93.10
Amount Sanctioned	₹ 93.10

Out of the total amount sanctioned, an amount of 20.74 lakh has been spent and balance ₹ 72.36 lakh (Previous year ₹ 27.87 lakh) has been provided and shall be utilized before 30th September 2024.

Note 44 – Loan Restructuring –

There are no loan restructured during the year
Disclosure with respect to the restructured accounts are as follows –

Type of Restructuring		Under CDR Mechanism			Under SME debt restructuring			Others			Total		
Asset Classification	Details	Stage – I	Stage – II	Stage – III	Stage – I	Stage – II	Stage – III	Stage – I	Stage – II	Stage – III	Stage – I	Stage – II	Stage – III
Opening Balance of Restructured accounts as at 1st April 2023	No. of borrowers	-	-	-	-	-	-	-	-	3	-	-	3
	Amount Outstanding	-	-	-	-	-	-	-	-	1,253.85	-	-	1,253.85
	Provision thereon	-	-	-	-	-	-	-	-	1,033.77	-	-	1,033.77
Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
Upgradations of restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the Financial Year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
Upgradations of restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
Restructured Accounts as on 31st March 2024	No. of borrowers	-	-	-	-	-	-	-	-	3	-	-	3
	Amount Outstanding	-	-	-	-	-	-	-	-	1,240.30	-	-	1,240.30
	Provision thereon	-	-	-	-	-	-	-	-	914.39	-	-	914.39

Note 45 – Disclosure under Ind AS – 8 –**Changes in Accounting Policies –**

During the period under reporting the entity has made the following changes in accounting policies with respect to Accounting for Investments in Non-Convertible debentures (NCD's) of FPO's under Mezzanine Capital Assistance scheme as per MOU with Government of Tamilnadu and applied the same retrospectively, which provides for a prudent and better presentation.

Accounting for these NCD's (Financial Instruments) are done based on the Economic substance rather than its legal form. Thus the treatment for these are done at par with the Loans and Advances w.r.t Income recognition norms and ECL provisioning. However, the disclosures are continued to be based on the legal form in the Financial statements.

During the previous period under reporting, the entity has made an provision for impairment on these Investments made as per Expect credit Loss method by restating the earlier year comparatives.

However, during the year it was clarified that these Impairment allowance or any unrealized amount shall be adjusted against the balance of the Mezzanine capital fund. Thereby the impact of this impairment allowance has been reversed from the statement of profit and loss and netted off with the fund balance available for the prior period under reporting. Accordingly, the Financial positions and Impact of profit and loss statement has been restated and presented as follows –

	Particulars	As at 31st March, 2023	As at 31st March, 2022
	ASSETS		
1	<u>Financial assets</u>		
(a)	Cash and cash equivalents	15,316.09	2,194.79
(b)	Bank balances other than (a) above	6.15	0.55
(c)	Loans	184,859.90	135,918.86
(d)	Investments	2,402.03	1,475.41
(e)	Other financial assets	3.04	2.41
2	<u>Non - Financial assets</u>	-	-
(a)	Current Tax assets (net)	263.73	204.02
(b)	Deferred tax assets (net)	145.03	101.70
(c')	Property, plant and equipment	17.99	11.42
(d)	Other intangible assets	-	-
(e)	Other non - financial assets	39.24	17.74
	TOTAL - ASSETS	203,053.19	139,926.90

	LIABILITIES AND EQUITY		
1	<u>Financial Liabilities</u>		
(a)	Borrowings (Other than Debt Securities)	154,851.49	96,772.20
(b)	Other financial liabilities	7,141.24	6,517.78
2	<u>Non - Financial Liabilities</u>	-	-
(a)	Provisions	14.83	11.78
(b)	Other non-financial liabilities	195.80	141.44
(c')	Current Tax Liabilities (net)	-	30.56
3	<u>Equity</u>	-	-
(a)	Equity Share capital	17,147.82	17,147.82
(b)	Other Equity	23,702.01	19,305.33
	Total Liabilities and Equity	203,053.19	139,926.90

Reconciliation of the Previous year Retained earnings to Current year comparative Retained earnings reported as below –

Particulars	2022-23	2021-22
Balance of Other Equity as at 31st March	23,588.36	19,257.78
Impairment allowance on NCD's (Investments)	113.65	47.55
Restated Balance	23,702.01	19,305.33

Reconciliation of the Previous year Retained earnings to Current year comparative Retained earnings reported as below –

Particulars	2022-23	2021-22
Profit as per previous year profit and loss statement	5,064.90	2,556.21
Impairment allowance on NCD's (Investments)	66.10	47.55
Restated Profit	5,131.00	2,603.76

Note 46 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA Notification No. DOR(NBFC).CC.PD No.109/22.10.106/2019-20 Dated 13th March 2020

Asset classification as per RBI Norms	Gross carrying amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP Norms
a	b	c	d = b-c	e	f = c - e
A. Performing Assests					
Standard	252,661.43	2,135.01	250,526.43	1,013.32	1,121.69
Total (A)	252,661.43	2,135.01	250,526.43	1,013.32	1,121.69
B. Non-Performing Assets					
Sub-standard	912.56	593.16	319.39	99.25	493.91
Doubtful Assets			-		
- Upto 1 year	413.46	297.07	116.39	413.51	(116.44)
- 1 to 3 years	3,547.15	3,077.30	469.85	2,821.03	256.27
> 3 years	285.42	229.39	56.03	259.32	(29.93)
Total Doubtful	4246.04	3603.76	642.28	3493.86	109.90
Loss Assets	-	-	-	-	-
Total (B)	5,158.59	4,196.92	961.67	3,593.11	603.81
Total (A + B)	257,820.03	6,331.93	251,488.10	4,606.43	1,725.50

Note 47 – Other Disclosures –

- Disclosure with respect to INVESTMENTS** – The company does not have any investment outside India.
- Derivatives** – The company has no transactions/ exposure in derivatives in the current year and previous year. Hence, disclosure requirement as per RBI Master Directions is not applicable.
- Disclosure relating to Securitization** – The company does not have any securitized Assets.
- Details of non-performing financial assets purchased/sold** – The company has not purchased/sold non performing financial assets from other NBFCs during the year.
- Exposure to Real Estate Sector (both direct and indirect)** –

Category	As at 31.03.2024	As at 31.03.2023
Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	414.67	783.48

6. **Exposure to Capital Markets** – The company does not have any exposure to the Capital Markets as at 31 March 2024.
7. **Details of financing of parent company products** – No such financing arrangements are made.
8. **DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC:**
 - i) Lending and Investments exposures to any single borrower / party in excess of 25 per cent of Tier I Capital of the non-banking financial company: Nil
 - ii) Lending and Investments exposure to any single group of borrowers / parties in excess of 40 per cent of the Tier I capital of the nonbanking financial company: Nil
9. **Unsecured Advances** – During the year, the company has not given any advances with intangible collaterals such as charge over the rights, licenses, authority, etc.
10. **Registration obtained from Financial Sector Regulations :**

Regulator	Registration Number	Date of Registration
Reserve Bank of India	B-07.00712	25.09.2014

11. Penalties levied by RBI and any other regulators – Nil
12. Percentage of Loans against Gold jewellery to Total Assets – Nil
13. **Restructuring of loans** – During the financial year, the company has not restructured any loan account.
14. Rating assigned by Credit Rating Agencies and Migration of Rating during the year – Not applicable.
15. Information with regard to joint venture and overseas subsidiary – Nil
16. **Remuneration of Directors** – Total sitting fees paid to the non-executive directors during the year amounting to ₹ 20.62 Lakh

17. Provisions and Contingencies –

Breakup of Provisions and Contingencies	31st March 2024	31st March 2023
Provision for Depreciation on Investment	-	-
Provision towards NPA	4,142.95	4,282.50
Provision made towards Income Tax	2,125.79	1,724.58
Provision for Standard Assets	2,188.98	1,630.57
Other Provisions		
Provision for Gratuity	18.30	5.81
Provision for Leave encashment	22.60	9.02
Provision for CSR expenditure	72.36	27.87
Provision for Outstanding expenses	241.74	20.77

18. Draw Down from Reserves – Draw down from Reserves during the current year is Nil.

19. Concentration of Advances, / Exposures

(₹ in lakh)

Particulars	31.03.2024	31.03.2023
Total Advances to twenty largest borrowers	124532.81	1,18,395.65
Percentage of Advances to twenty largest borrowers to Total Advances	48.30%	62.06%

20. Concentration of NPAs

(₹ in lakh)

Particulars	31.03.2024	31.03.2023
Total Exposure to top four NPA accounts	2033.15	2,029.17

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

Sl. No	Sector	Current Year			Previous Year		
		Total Exposure	Gross NPA	% of Gross NPA to Total exposure	Total Exposure	Gross NPA	% of Gross NPA to Total exposure
1	Agriculture & allied activities	25,102.24	3,430.47	13.67%	17,899.14	2,890.61	16.15%
2	Corporate borrowers	232,718.09	1,728.13	0.74%	1,72,871.08	2,230.19	1.29%

22. Information with regard to Intra-group exposure – Nil
23. Details of Unhedged foreign currency exposure – Nil
24. Information with regard to Off-balance Sheet SPVs sponsored – Nil
25. There are no instances of breach of covenant of loan availed or debt securities issued during the current year.
26. Details of Divergence in Asset Classification and Provisioning – Nil

Note 48 – Public disclosure on liquidity risk for the year ended 31st March 2024

RBI had issued Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 on 19th October 2023 vide notification RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24

As per these directions, NBFCs are required to publicly disclose the below information related to liquidity risk as notes to account that enables market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position. Accordingly, the disclosures on liquidity risk as of March 31, 2024 are as under:

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

Sr. No.	Number of Significant Counterparties	Amount (₹ in lakh)	% of Total deposits	% of Total Liabilities
1	1	2,15,578.59	NA	95.83%

(ii) Top 20 large deposits (amount in ₹ lakh and percent of total deposits)

Not Applicable. The Company being a Systematically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept any public deposits.

(iii) Top 10 borrowings (amount in ₹ lakh and percent of total borrowings)

Amount (₹ Lakh)	2,16,433.27
% of total borrowings	100%

(iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument / product	Amount (₹ in lakh)	% of Total Liabilities
1	Unsecured Loans	2,16,433.27	96.21%

(v) Stock Ratios:

Commercial papers as a percent of total public funds, total liabilities and total assets	NA
Non-convertible debentures (original maturity of less than one year) as a percent of total public funds, total liabilities and total assets	NA
Other short-term liabilities as a percent of:	
Total public funds	NA
total liabilities	53.36%
total assets	44.27%

(vi) Institutional set-up for liquidity risk management

The Company has an Asset Liability Management Committee (ALCO). The ALCO meetings are held at periodic intervals. Also, the Risk Management Committee (RMC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management. The RMC subsequently updates the Board of Directors on the same.

Note :

- 1) A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs
- 2) A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs
- 3) Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

Note 49 – DISCLOSURE OF COMPLAINTS from Customers:

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

Note 50 – Movement of NPA's

	Particulars	2023-24	2023-24
i.	Net NPA's to Net Advances (%)	0.38%	0.45%
ii.	Movement of NPA's (Gross)		
	a) Opening balance	5,120.80	6,579.82
	b) Additions during the year	1,256.41	667.15
	c) Reductions during the year	(1,218.62)	(2,126.16)
	d) Closing balance	5,158.59	5,120.80
iii.	Movement of Net NPA's		
	a) Opening balance	838.30	1,644.95
	b) Additions during the year	1,256.41	667.15
	c) Reductions during the year	(1,133.04)	(1,473.80)
	d) Closing balance	961.67	838.30
iv.	Movement of Provisions for NPA's (excluding provisions on standard assets)		
	a) Opening balance	4,282.50	4,934.86
	b) Provisions made during the year	795.75	930.51
	c) Write-off/Write-back of excess provisions	(881.33)	(1,582.87)
	d) Closing balance	4,196.92	4,282.50

Note – 51 – Declaration of Dividends

For the period under reporting, dividend has been proposed by the Board of Directors at 2% on the paid-up capital amounting to ₹342.96 lakh

Note – 52 – Comparatives

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

For and on behalf of the Board

Vide our report of even date
For L. U. Krishnan & Co
Chartered Accountants
 Firm Reg No: 001527S

Sd/-
S. Jothirajan
Partner
 Membership No. 211121

Place: Chennai
 Date: 29.04.2024

Sd/-
P. V. Bharathi
Chairperson & Director
 (DIN : 06519925)

Sd/-
Immanuvel Ganesan
Director & Chief Financial Officer
 (DIN : 10172988)
 (PAN : AALPI1553M)

Sd/-
Srinivasan Ramesh
Managing Director & CEO
 (DIN : 09844743)
 (PAN : ADDPR1841A)

Sd/-
M Bhuvaneswari
Company Secretary
 (PAN : ANAPB3714D)

Navigating Challenges to Success: Inspiring Journey of Mahamaya Bhauudeshiya Sahakari Samiti Maryadit, Chhattisgarh



Established

31.12.2014



District - Korba

State - Chhattisgarh



Promoted By

Gram Bartori Vikas Shikshan Samiti (GBVSS)



Shareholder farmers - 882

Share capital - ₹5.29 lakh



NKFL Loan - ₹25.0 lakh

Turnover in FY 2023-24

₹1.10 Cr



Business activities

Agri input trading (Pesticides, Seeds Fertilizers) and commodity trading (Chironji, Cashew, Mahua, Black Rice, Ground Nut) Processing of Cashew, Chironji, Oil extraction)

Convergences

FPO has convergence with various ongoing government schemes of line departments, NABARD WADI initiatives, JIVA programme and various CSR projects.

FPO has given a platform for establishment of a local eco-system for small and marginal tribal farmers to reap benefits of collectivization from production to marketing. FPO provides quality inputs for farmers, purchase produce (Black rice, scented rice, Groundnut, Millets, Cashew) and NTFPs like (Mahua, Chironji) from farmers. FPC has enabled farmers by linking their produce to bulk buyers along with value addition facility in cashew, chironji, and groundnut. FPC has also provided facility of cold storage and mini warehouse facility to farmers for storage of their produce.

With NABKISAN continuous support for the last three years, the FPO could increase its scale of business in the above product baskets with optimum utilization of processing and cold storage facilities and achieve revenue figures of more than one crore.

Mahamaya Bhauudeshiya Sahakari Samiti Maryadit



Achievements Unlocked: SUBH VIKALP FATEPUR FARMER PRODUCER COMPANY LIMITED, Uttar pradesh - Success Narrative



Established

10.01.2018



District - Barabanki

State - Uttar Pradesh



Promoted By

Tanager



Shareholder farmers - 1010

Share capital - ₹3.56 lakh



NKFL Loan - ₹1 Cr

Turnover in FY 2023-24

₹10.88 Cr



Business activities

Trading of agri-input (fertiliser, pesticide, menthe stolon) and Commodity (Mentha oil)

Convergences

FPC with support of promoting partner developed its Mentha oil testing GLC lab

SUBH VIKALP FATEPUR FPCL has been undertaking agri-inputs trading and procurement of Mentha oil. The FPC has established marketing tie-ups through a tripartite agreement which involves the FPC, Finance partner, and Mentha oil Traders/oil processors. The end buyer in this setup is MARS Wrigley Confectionery, indicating a specific market focus for the FPC's products. The FPC has also collaborated with Pepsico for Potato trading,

With the support of loan from NABKISAN Finance Ltd, FPC could widen its business activities and play a significant role in the mentha oil and potato value chain thus ensuring better prices to the farmer members .

SUBH VIKALP FATEPUR FARMER PRODUCER COMPANY LIMITED



Bandhutva FPCL, Bhavnagar, Gujarat



Farmgate procurement - Groundnut



Farmgate procurement - Gram

ATTENDANCE SLIP

(To be presented at the entrance)

27th Annual General Meeting at the Conference Hall of NABARD, Tamil Nadu Regional Office
(3rd Floor), New No.48, Mahatma Gandhi Road, Nungambakkam, Chennai 600 034

Folio No.....

Name of the Share Holder :.....

Signature :

Only shareholders / proxies / representatives are allowed to attend the meeting.

NABKISAN FINANCE LIMITED**PROXY FORM**

I / We of in the district ofbeing a member (s) of the
above named NBFC, hereby appoint Shri..... of in the district of
..... or failing which Shri..... of in the district of
as my / our proxy to attend and vote for me / us and on my / our behalf at the 27th
Annual General Meeting of NABKISAN Finance Limited to be held on _____ September 2024.

Folio No.....

No. of Shares Held

Signed this day of _____ 2024

Signature

(affix 1 Re.
Revenue
Stamp)



NABKISAN FINANCE LIMITED
A Subsidiary of NABARD

c/o NABARD, Head Office, Ground Floor, D Wing, Plot No. C-24, G Block, Bandra Kurla Complex,
Bandra East, Mumbai 400051

"Supporting Livelihoods, Nurturing Enterprises, Fostering Growth"