NABKISAN FINANCE LIMITED

A Subsidiary of NABARD

ANNUAL REPORT

2022-2023


NABKISAN
FINANCE LIMITED
A Subsidiary of NABARD

Board of Directors

Smt P.V. Bharathi	Chairperson
Shri Nilay Kapoor	Director
Shri V. Chandrasekaran	Director
Shri Pratik Tayal, I.A.S	Director
Shri Arindom Datta	Director
Shri Alok Bhargava	Director
Shri Deepak Singhal	Director
Shri Satyanarayana Jonnalagadda	Director
Shri Emmanuel Murray	Director
Shri Srinivasan Ramesh	Managing Director & CEO
Shri Immanuvel Ganesan	Director & CFO

Company Secretary

Smt. M. Bhuvaneswari

Auditors

G Balu & Associates LLP	Jammi Building, No. 123, Royapettah High Road,
Chartered Accountants	Mylapore, Chennai – 600 004

Bankers

Indian Overseas Bank	Nungambakkam Branch, Chennai 600 034.
Axis Bank Ltd.	BKC Branch, Mumbai- 400 051.
HDFC Bank Ltd.	Nungambakkam Branch, Chennai 600 034.

Registered Office

Ground Floor, NABARD Tamil Nadu Regional Office Building, No.48, Mahatma Gandhi Road, Nungambakkam, Chennai 600 034, Tamil Nadu.
Ph. No. (044) 2827 0138, 42138700
E-mail: finance@nabkisan.org
Website: www.nabkisan.org

CIN: U65191TN1997PLC037525

Corporate Office

NABARD Head Office, Ground Floor, 'D' Wing, C-24, 'G' Block,
Bandra Kurla Complex, Bandra (East), Mumbai- 400 051.
E-mail : corporate@nabkisan.org

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From the Chairperson's Desk

Dear Shareholder,

I am pleased to extend a warm welcome to you for the Twenty-Sixth Annual General Meeting of your Company. The past financial year, 2023, has been a remarkable period marked by substantial growth across all operational segments despite the challenges presented by the prevailing macroeconomic conditions. Through technology-driven processes, our Company has successfully expanded its credit offerings, making a significant impact on rural sectors, and delivering enduring value to our esteemed shareholders.

Reflecting upon our journey, we can take pride in our initial balance sheet, which displayed an asset size of ₹ 10.81 crore during the 1997-98 period. Now, we have achieved a substantial asset size of ₹ 2030.53 crore, underscoring the considerable progress we have made. Our growth trajectory has been guided by sustainable business strategies, enabling us to navigate through various economic cycles. It is noteworthy that the Company's net profit has surged to an all-time high of ₹ 50.68 crore, reflecting a remarkable 98% increase from the previous year.

Your Company has truly fulfilled its mission of becoming a premier ecosystem developer for fostering the growth and advancement of farmer collectives and rural cooperative farmer enterprises. We have effectively harnessed the power of FPO networks across the nation, successfully credit linking through 2100 FPO loans, resulting in a credit flow of ₹ 594 crore, so far. In line with our commitment to foster quality investments in the agricultural sector, we have forged collaborations with key stakeholders such as National E-Repository Limited (NERL), National Scheduled Tribe Finance Development Corporation (NSTFDC), NABSanrakshan Trustee Company Private Limited and State Governments of Tamil Nadu and Odisha to facilitate affordable and hassle-free financing for FPOs.

Your Company continues to lead in providing financial support to FPOs under the Government of India's Agri Infrastructure Fund scheme (AIF), while also intensifying our efforts to support start-ups through catalytic capital assistance. I am delighted to share that your Company has garnered significant recognition, securing three prestigious NBFC Awards, for 2022-23, from Banking Frontiers, for Best Financial Inclusion Initiative,' 'Best Group Synergy Initiative,' and 'Best CSR Initiatives.'

However, our commitment extends beyond economic accomplishments. NABKISAN has fulfilled its Corporate Social Responsibility (CSR) commitments by contributing to projects focused on livelihood enhancement, environmental sustainability, preventive healthcare and sanitation.

As we look forward, I wish to reiterate our unwavering dedication to innovative business models and growth anchored in purpose. This commitment serves as the foundation for creating sustainable value for our shareholders. I firmly believe that our growth is intricately tied to the investments we make in our people, processes and technology.

In closing, I would like to extend my heartfelt gratitude to NABARD, the esteemed members of our Board of Directors, our shareholders and all stakeholders for their unwavering commitment, engagement and encouragement throughout this journey. Your unstinted support is invaluable as we continue this path of growth and success.

With Best Wishes,

P V Bharathi

Letter from the Managing Director & Chief Executive Officer

Dear Shareholder,

As we reflect on the significant achievements of the past fiscal, I am pleased to share that FY 2023 has been an iconic period for your Company, NABKISAN. The year witnessed an exceptional all-round performance, marked by substantial top-line growth, exemplary asset quality and robust returns.

Your Company has reached a significant milestone in terms of asset size crossing the ₹ 2000 crore mark for the first time and is perched at ₹2030.53 crore, signifying a remarkable y-o-y growth of 45%. Your company achieved its highest-ever Profit after Tax (PAT) of ₹ 50.68 crore, complemented by an impressive revenue growth of 34 %, amounting to ₹ 166.05 crore.

The trajectory of credit growth remained strong, with a notable increase of 42%. The sanctions, totalling ₹1276.98 crore, surpassed the set targets by an impressive 108.68%. Disbursements scaled to new heights as well, recording a y-o-y growth of 52%, amounting to ₹ 1293.30 crore. These achievements translated into a noteworthy enhancement of the Company's Return on Assets, averaging at 2.48%, while maintaining a high Return on Equity of 12.35%. I am also pleased to report that your Company boasts a robust capital adequacy of 22.20%, which is well above the regulatory prescription.

Our efforts to expand in the NBFC and MFI credit markets bore fruit, as we achieved consistent increase in market share. With exceptional lending growth, we extended credit facilities to the tune of ₹ 451 crore to MFIs and ₹671.50 crore to NBFCs. Throughout, we have remained committed to offering our clients some of the competitive interest rates in the industry.

Adhering to our mandate of transforming farmers' lives, NABKISAN achieved an unprecedented feat of credit linking FPOs through 643 loans, indicating a y-o-y growth of 36%. This outreach was accompanied by an all-time high FPO lending of ₹143 crore. Adoption of three-pronged strategy for funding FPOs viz., 'Credit, Convergence, and Capacity Building'-solidified our role as an agriculture ecosystem enabler, credit linking a cumulative 2100 FPOs.

On the FPO front, we forged strategic partnerships with esteemed entities including the Government of Tamil Nadu, Government of Odisha, NABARD, NABSanrakshan, NSTFDC, NeML etc.

Serving as the Implementation partner for three FPC financing schemes of the Government of Tamil Nadu, NABKISAN extended assistance amounting to ₹ 46.77 crore, supporting over 330 FPOs - a substantial contribution in the state of Tamil Nadu. We remained the leading NBFC lender to FPOs under the AIF scheme, sanctioning 31 loans worth over ₹ 3 crore for farm-level infrastructure projects during the year.

The pursuit of growth led us to newer geographies such as Arunachal Pradesh, Punjab, and the UTs of Jammu & Kashmir and Puducherry. Exploring synergies with emerging agri start-ups, we provided funding through the Catalytic Capital Fund support received from NABARD.

The digitalization of our business received a significant boost this year, resulting in a seamless and efficient experience for clients and employees alike. This digital transformation also opened avenues for innovation and expansion.

As I look back, I am truly appreciative of the support provided by NABARD and also the expertise and guidance provided by our Board of Directors in steering NABKISAN towards a sustainable future, where financial prosperity and social progress coalesce seamlessly. The dedication of our entire team has been awe inspiring, and I extend my best wishes for their continued success in supporting rural livelihoods, nurturing enterprises, and fostering growth.

It is important to recognize that our success is not merely measured by numbers, but by the positive impact we create in the lives of farmers and rural communities. Our commitment to social responsibility, ethical practices, and sustainable growth will continue to guide us on this path.

Thank you for your unstinted support, and I look forward to the journey ahead with optimism and determination.

Best Regards,

Srinivasan Ramesh

Board of Directors

Smt. P.V. Bharathi

Smt. P.V. Bharathi was the MD&CEO of Corporation Bank. She holds a 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, IT, Financial Inclusion and International operations.

Shri Nilay Kapoor

Shri Nilay Kapoor is currently Chief General Manager of Human Resource Management Department of NABARD and NABARD nominee director on the Board of NABKISAN. He has a comprehensive and varied experience profile in rural credit, economic and policy issues. He was the Managing Director, NABSAMRUDDHI, Mumbai, which is a subsidiary of NABARD. He has served in Head Office of NABARD, Mumbai as well as other Regional Offices of NABARD and as a Faculty Member in National Bank Training Centre (NBTC), Lucknow.

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 also 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 Pratik Tayal I.A.S.

Shri Pratik Tayal is currently Deputy Secretary (Budget) in the Finance Department of Government of Tamil Nadu and a nominee director on the Board of NABKISAN. He holds a degree in Law from National LAW School, Delhi. Prior to his posting in Finance Department, he served as Additional Collector (Development) of Erode district and Sub Collector of Cheranmadevi District Tamil Nadu and Asst. Secretary in Government of India.

Shri. Arindom Datta

Shri Arindom Datta has over 30 years of experience in Rural Finance, Cooperative, Agribusiness and Climate banking and is passionate about small holder farmer Agtech developments and Climate solutions. He holds Mathematics honours degree from St. Stephen's College and MBA with a specialization in Finance and Strategy from IIM Kozhikode. He has Worked with Rabobank, National Bank for Agriculture and Rural Development, IDBI Bank and CARE. He has been honoured with the 'India Sustainable Leadership' award at the India Sustainability Leadership Summit in 2017.

Shri Alok Bhargava

Shri. Alok Bhargava is a Management Consultant focusing on areas of Strategic Management, Social Inclusion and Corporate Social Responsibility (CSR). He is a Bachelor of Technology, Textile Technology from Indian Institute of Technology (IIT), New Delhi and holds Post Graduate Diploma in Management from Indian Institute of Management (IIM), Ahmedabad. He has 33 years of cross-functional, diverse business experience covering Management Consulting, Corporate Planning, Investment Banking, Private Equity, ICT based Education Services, and integrated Corporate Social Responsibility initiatives with over 23 years of experience in the IL&FS Group. He was also on the Board of various IL&FS Group Companies/Joint Ventures.

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 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.

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 Srinivasan Ramesh – MD & CEO

Shri Srinivasan Ramesh, is a General Manager of NABARD, currently placed with NABKISAN. He is an Agriculture Graduate with a Master's degree in Agri Business Management and is a Certified Associate of Indian Institute of Bankers. Prior to this, he was serving as Chief Operating Officer of NABKISAN at its Corporate Office. He has 22 years of experience in project financing, planning and implementation of developmental projects and credit planning. He has also handled several consultancy assignments as a Senior Consultant in NABARD Consultancy Services. He is a member of Govt. of India's Working Group on Financial Linkages under 10,000 FPOs scheme.

Shri Immanuvel Ganesan, Chief Financial Officer

Shri Immanuvel Ganesan is a Deputy 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.

Management

Smt Usha Mahesh

Smt Usha Mahesh is a Deputy General Manager of NABARD currently placed with NABKISAN. She is a Mathematics Graduate and has more than 27 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

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.

Smt. S Sheba Sangeetha, Senior Vice President

Smt. S Sheba Sangeetha, Assistant General Manager has a thirteen years of experience with NABARD and is currently placed with NABKISAN. She has worked in verticals such as Finance & Accounts, Off Farm Development Department, Farm Sector Development Department including Farmer Producer Organisations. She holds a Masters degree in Commerce and is an Associate Member of The Institute of Cost and Management Accountants of India (ICMAI) and a Certified Associate of the Indian Institute of Bankers.

Success Story

Tara Devi Farmers Producer Company Limited

Established
26.08.2020

District - Jajpur
State - Odisha

Promoting Institute - NABARD
POPI - Saheli NGO

Shareholders - 510
Share Capital - ₹ 7 lakh

Turnover
2022-23 - ₹ 72.36 Lakh
NABKISAN Loan: ₹ 25 Lakh

Business Activities
Production and marketing of Mushroom trading of agri output (Pulses, Turmeric, Chilli)

Tara Devi Farmers Producer Company Limited is a women-centric FPC located in Kabirpur, village in Jajpur district. With 100% members as women, the FPC is dedicated to supporting small and marginal farmers in the region. They focus on the production and marketing of a variety of crops including mushrooms, pulses, turmeric, chili, and groundnuts. However, their primary emphasis lies in the cultivation of flowers and vegetables, where they have established partnerships with local buyers to ensure successful sales. One notable aspect of Tara Devi Farmers Producer Company Limited is their commitment to providing convenience and financial security to their members.

Tara Devi Farmers Producer Company Limited (FPC) provides its members with a quality doorstep procurement facility, advance payment system, and premium prices. FPC assures 100% procurement from all members and supports them with technical up gradation and infrastructural assistance for improved productivity. Through FPC's intervention, members enjoy a 15% increase in income compared to the current market for the same product. With NABKISAN'S support, the FPC could increase their turnover and provide better price to their members.

MD&CEO welcoming Chairperson

Board of Directors of NABKISAN

Team NABKISAN

Management Discussion and Analysis

As Indian economy demonstrated resilience, amidst surging geopolitical turmoil, burgeoning food and energy prices, historic high inflationary trends and aggressive tightening of monetary policies around the globe, NABKISAN continued to deliver high growth on credit disbursement and profitability during FY 23. The Company was well-positioned to capitalise on the credit demand and supported growth of various sectors such as agriculture, MSMEs etc., even as agriculture and allied sector's Gross Value Added (GVA) posted a growth of 3.3 percent.

NKFL not only demonstrated a healthy YoY Credit growth of 35 percent, but also achieved a significant milestone in reaching an asset size of ₹2030.53 cr. and recorded a net profit of ₹50.68 cr. The Company always adopted innovative approach to lending, maintained stable asset quality and focused on addressing the credit needs of Farmers' Producers' Organisations (FPOs). NKFL continued to deliver on its mandate of transforming farmers' lives and has carved out a niche in financing the Producer Collectives, reaching out through more than 2100 FPO loans cumulatively, with credit support of over ₹593 cr.

Operational Highlights

Some of the operational highlights of the Company during the FY 2022-23 are as under:

- Crossed ₹2000 cr. landmark in Balance sheet size (as per Ind AS). The total assets of the company have increased from ₹1399.97 cr. to ₹2030.53 cr., registering a growth of 45% YoY.
- Gross loans & advances increased from ₹1416.95 cr. to ₹ 1907.73 cr., registering a robust YoY growth of 35%.
- Sanctions of loans & advances stood at ₹1276.98 cr. (₹902.51 cr.) and disbursements stood at ₹1293.30 cr. (₹850.14 cr.). While sanctions made during the year recorded a growth of 42%, disbursements recorded a higher growth of 52% over the previous year.
- The revenue from operations grew by 34% from ₹123.66 cr. during FY 22 to ₹166.05 cr. during FY 23, registering a growth of 34% YoY.
- PBT and PAT for FY 23 stood at ₹67.50 cr. (₹ 40.18 cr.) and ₹50.68 cr. (₹ 25.57 cr.), respectively. The growth of PBT and PAT during the year showed a healthy increase of 68% and 98% , respectively.
- Net owned funds increased from ₹ 364.50 cr. to ₹405.91 cr. during FY 23, registering a YoY growth of 12%.

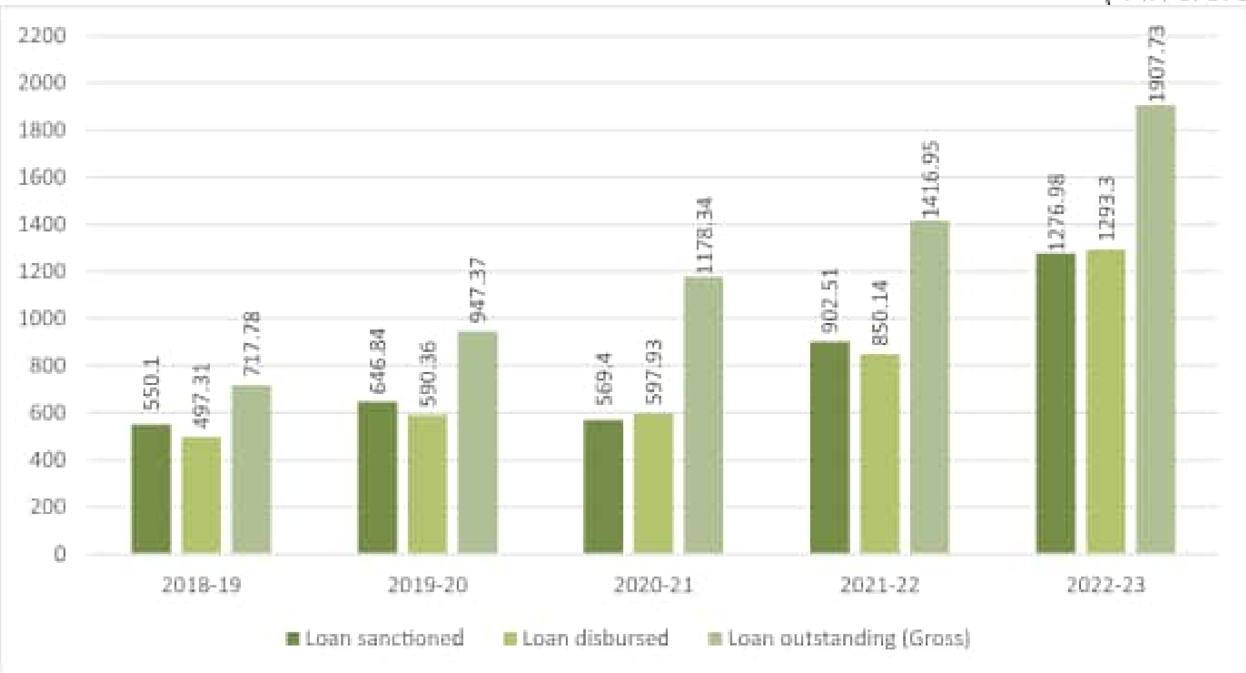
The following are some of the operational highlights of the company during the last five years:

(₹ in cr.)

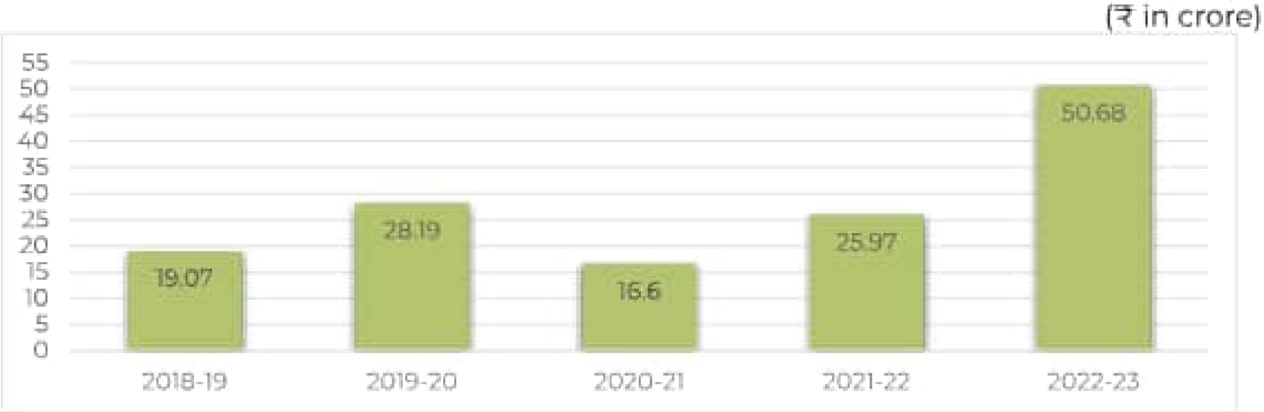
Particulars	2018-19	2019-20 (Ind AS)	2020-21 (Ind AS)	2021-22 (Ind AS)	2022-23 (Ind AS)
Loan sanctioned	550.10	646.84	569.40	902.51	1276.98
Loan disbursed	497.31	590.36	597.93	850.14	1293.30
Loan outstanding (Gross)	717.78	947.37	1178.34	1416.95	1907.73
Profit after Tax	19.07	28.19	16.60	25.97	50.68
Net worth	148.58	255.34	271.94	363.46	405.91
CRAR	21.93	26.78	23.48	25.92	22.20

Operational highlights over 5 years

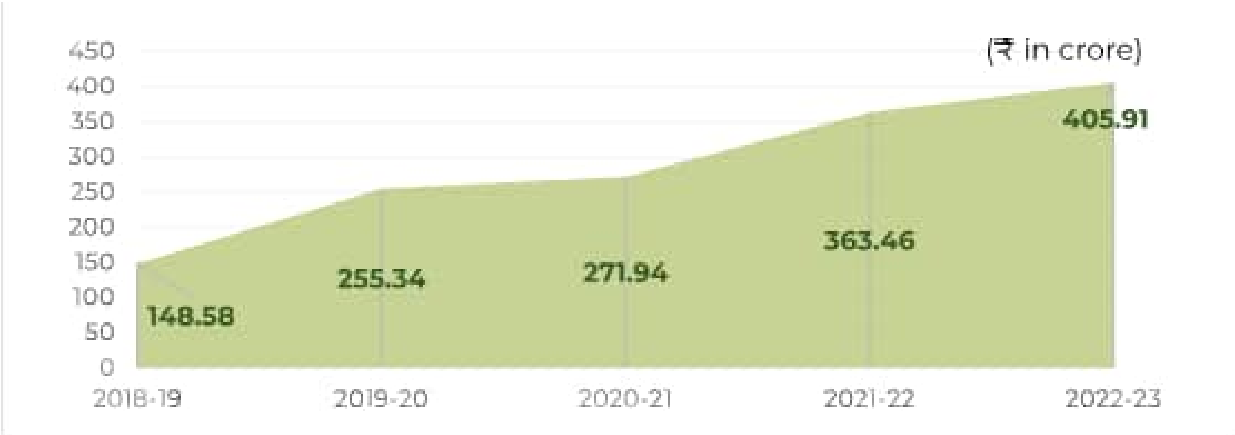
(₹ in crore)



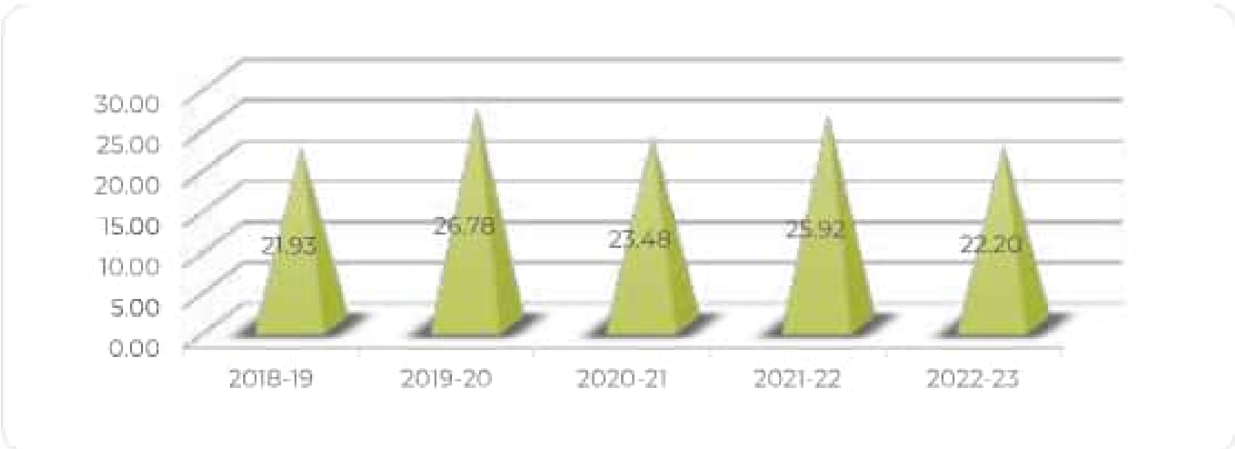
Profit After Tax (PAT)



Networth



Capital Adequacy Ratio



Outreach

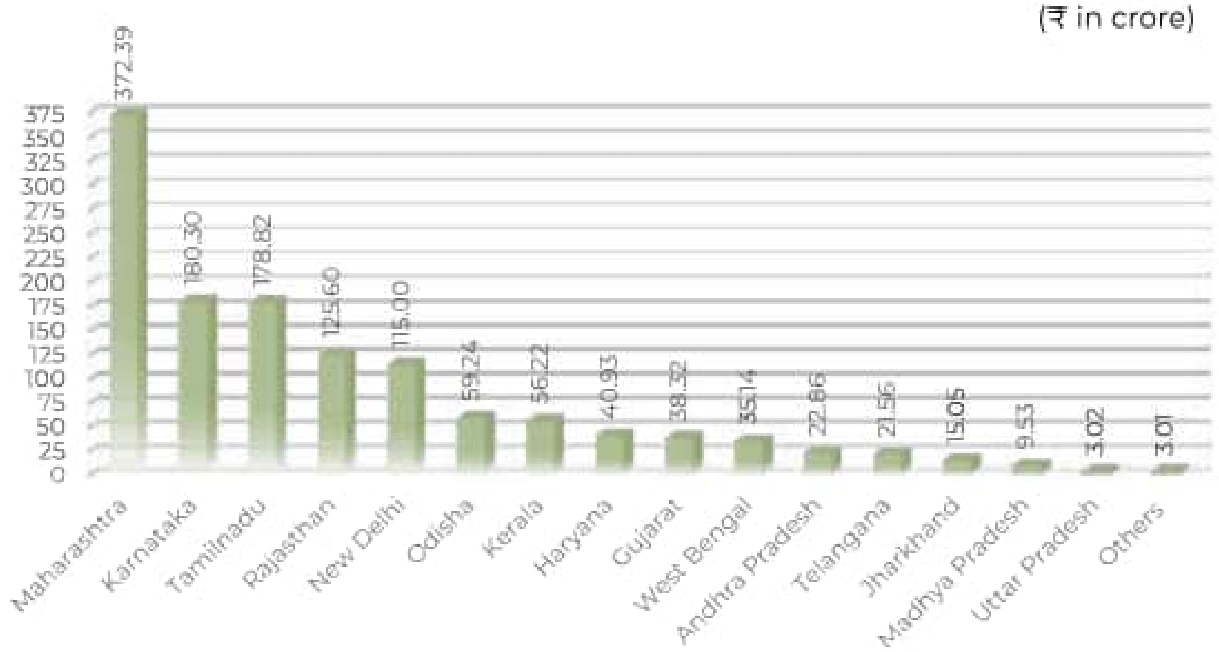
NABKISAN has become a pan India Company and direct credit operations have now reached 20 States and 3 Union Territories viz., Andhra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan,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

The Statewise business portfolio in terms of loan sanctioned, loan disbursed and loan outstanding during the financial year 2022-23 are given below:

S. No.	State	Loan sanctioned (₹ in cr.)	Loan disbursed (₹ in cr.)	Loan outstanding (₹ in cr.)
1	Andhra Pradesh	22.86	23.74	22.71
2	Arunachal Pradesh	0.10	0.00	0.00
3	Bihar	0.98	0.37	0.44
4	Chhattisgarh	1.25	1.23	2.10
5	Gujarat	38.32	19.14	37.99
6	Haryana	40.93	40.66	45.90
7	Himachal Pradesh	0.10	0.15	0.32
8	UT of Jammu & Kashmir	0.13	0.13	0.13
9	Jharkhand	15.05	15.46	15.34
10	Karnataka	180.30	179.12	253.09
11	Kerala	56.22	52.87	77.09
12	Madhya Pradesh	9.53	7.73	4.93
13	Maharashtra	372.39	282.95	401.13
14	UT of New Delhi	115.00	185.00	236.16
15	Odisha	59.24	70.42	85.91
16	Punjab	0.05	0.05	11.07
17	Rajasthan	125.60	124.76	194.3
18	Tamil Nadu	178.82	231.19	392.71
19	Telangana	21.56	20.46	78.24
20	Union Territory of Puducherry	0.15	0.15	0.15
21	Uttar Pradesh	3.02	2.73	4.92
22	Uttarakhand	0.25	0.20	0.60
23	West Bengal	35.14	34.79	49.08
	Total	**1276.98**	**1293.30**	**1914.29**

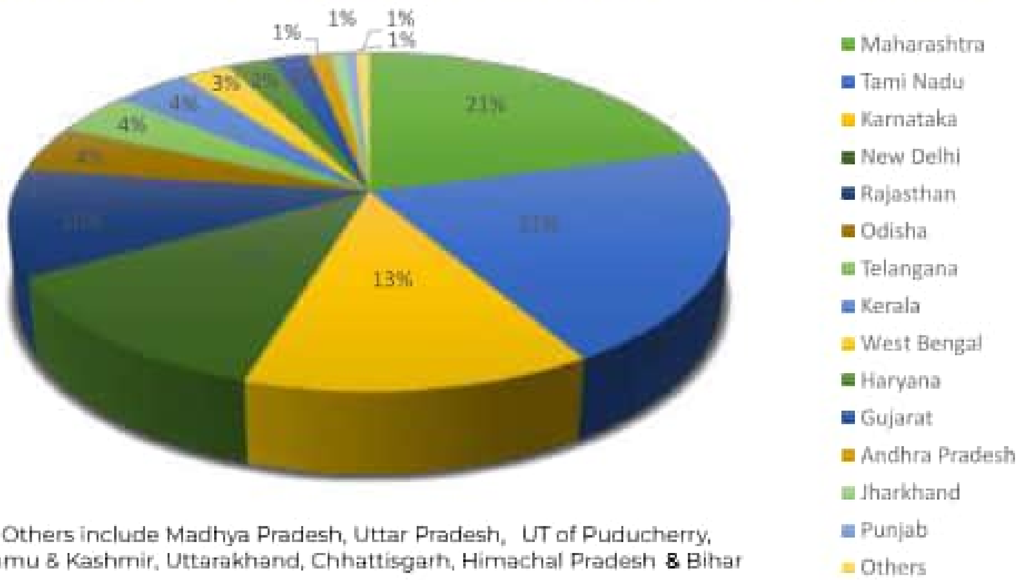
State-wise Loans sanctioned during FY 2022 - 23

(₹ in crore)



* Others include UT of Puducherry, Jammu & Kashmir, Arunachal Pradesh, Uttarakhand, Chhattisgarh, Himachal Pradesh, Bihar, Punjab & Haryana

State-wise Loan Outstanding as on 31 March 2023

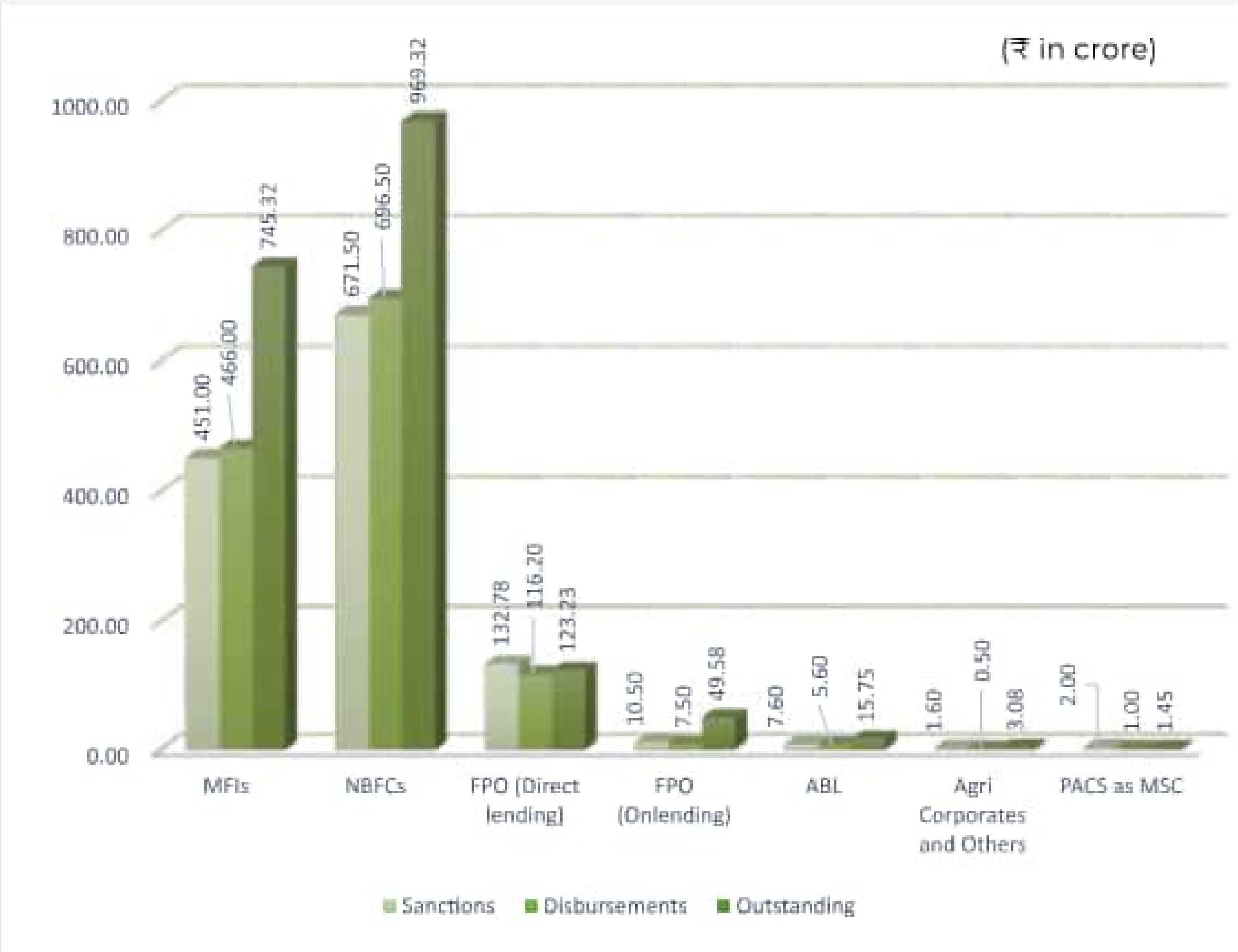


* Others include Madhya Pradesh, Uttar Pradesh, UT of Puducherry, Jammu & Kashmir, Uttarakhand, Chhattisgarh, Himachal Pradesh & Bihar

Sectorwise portfolio

(₹ in crore)

Sector	Sanctions	Disbursements	Outstanding
Activity based lending through NGOs / Trusts / Sec 8 Companies	7.60	5.60	16.91
NBFCs	671.50	696.50	986.23
Micro Finance Institution	451.00	466.00	747.44
Farmers' Producer Organizations (FPOs)			
- Direct lending	132.78	116.20	123.82
- Onlending	10.50	7.50	35.26
PACS as MSC	2.00	1.00	1.45
Agri Corporates and Others	1.60	0.50	3.08
Total	**1276.98**	**1293.30**	**1914.19**



New clients & Diversification of Business

During the year, 14 MFIs, 23 NBFCs, 2 Agri corporates and 1 entity for activity-based lending were supported under the bulk lending portfolio. Out of this, 2 MFIs and 2 NBFCs are new clients. Around 35% of the total sanctions during the year were for MFI clients and support to NBFCs constituted 53% of the total sanctions.

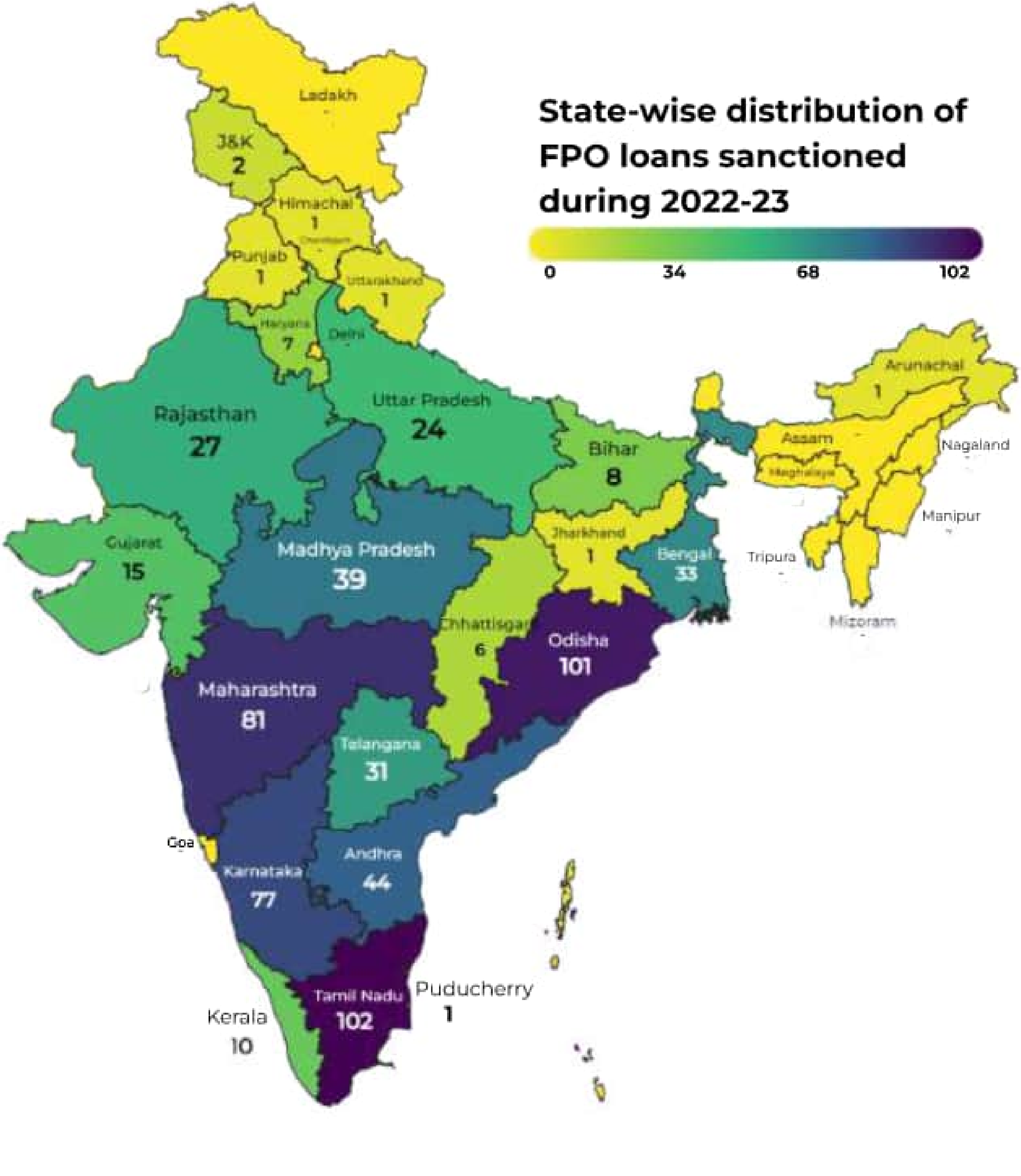
Initiatives for supporting Producer Companies

NABKISAN continues to be the largest lender in terms of funding Producer Organisations (POs) with coverage of 613 FPO Loans during FY 23 with direct loan assistance of ₹132.78 cr., registering a YoY growth of 42% in terms of amount and 48% growth in terms of number of FPOs sanctioned. During the year, two agencies were supported under on-lending model with assistance of ₹10.50 cr. covering 30 FPOs. Further, 392 Loans to new FPOs were provided including 2 Off-Farm Producer Organisations (OFPOs). Clientele was expanded to cover 1 Primary Agriculture Co-operative Society (PACS) at Giriyapura, Karnataka and 1 Agri Marketing Cooperative Society at Kannur, Kerala. Since inception, the Company has cumulatively supported 2100 FPO loans with total loan sanction of ₹ 593.35 crore, creating positive impact to 1 million farmers.

- NKFL has reached out through 643 FPO loans (Y-o-Y growth of 36%) amounting to ₹143 cr. through direct and on-lending mode during the year.
- NABKISAN has extended its outreach to FPOs in newer geographies such as Arunachal Pradesh, Punjab, UTs of Jammu & Kashmir and Puducherry, apart from deepening its presence in existing states.
- NKFL is embarking on Credit Guarantee Agreements with NABARD, NABSanrakshan, Odisha CG, Tamil Nadu CG schemes to mitigate the risks associated with loans lent to FPOs/OFPOs registered under different legal statute.
- NABKISAN has been classified as an Eligible Lending Institution (ELI) under GoI's Credit Guarantee Scheme for FPO Financing managed by NABSanrakshan Trustee Company Private Limited. Credit Guarantee of ₹ 75.34 crore has been sanctioned to NABKISAN for financing 334 FPOs during the year.
- 17 FPOs were extended collateral free lending cover of ₹1.66 cr. through NABARD credit guarantee coverage.
- eNWR (electronic Negotiable Warehouse Receipt) based finance of ₹1.95 cr. was sanctioned to 2 FPOs in Maharashtra and Gujarat, which helped the farmers to avail loan against their produce, realize better prices and avoid distress sale.
- NABKISAN has been the leading NBFC lender to FPOs under the GoI's Agri Infrastructure Fund scheme with sanction of 31 loans worth more than ₹3 crore.

- Initiatives of Tamil Nadu and Odisha Governments facilitated higher lending to FPOs in these two states. NABKISAN continued to operate the Credit Guarantee Scheme with State Government of Odisha and 37 FPOs have been sanctioned Credit Guarantee cover of ₹ 2.92 cr.
- NABKISAN has made good progress in implementation of the three FPC Financing schemes of Government of Tamil Nadu, covering around 330 FPCs cumulatively with assistance of ₹46.77 cr.
- Through Tamil Nadu Government Mezzanine Capital Assistance scheme (TNGMCAS), ₹24.98 cr. was contributed by way of subscription to debentures of 294 FPCs, impacting 2.60 lakh farmer members and fund utilization reached 99.9% as on 31 March 2023. During FY 23, 124 FPCs were supported with assistance of ₹9.83 cr. under TNGMCAS.
- Under Tamil Nadu Government Revolving Fund Scheme for FPCs (TRFFPC), ₹16.37 cr. has been sanctioned so far, for providing concessional credit support to 124 FPCs, benefiting 1.10 lakh farmers. Concessional interest benefit of ₹52.51 lakh was passed on to 96 accounts as on 31 March 23.
- Under Tamil Nadu Government Credit Guarantee Scheme (TCGFPC), 36 FPCs have been extended collateral free lending facility with cover of ₹5.41 cr., impacting 60,000 farmer members.
- Refinance of ₹43.64 lakh was obtained under the Special Refinance scheme in NABARD Watershed and wadi project areas for three FPOs during the year.
- Towards promoting micro food processing activities, Special refinance of ₹14.37 lakh was received under the 'Prime Minister's Scheme for Formalisation of Micro Food Processing Enterprises' during the year.
- Under the National Scheduled Tribes Finance and Development Corporation (NSTFDC) scheme, refinance assistance of ₹ 3.89 cr. was availed for 31 accounts during the year.
- Two agri start-ups were supported with assistance of ₹1.60 cr. through the Catalytic Capital assistance during the year. Cumulatively, four agri start-ups have been supported to the tune of ₹ 2.80 cr.

State-wise distribution of FPO loans sanctioned during 2022-23



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 the developmental activities taken up during the year are as under:

- AVP participated at the National level stakeholder Roundtable on Agri infrastructure fund – CII in partnership with MoA & FW on 12 April 2022.
- COO participated as a panellist in the one-day 'Stakeholders sensitization & Consultation meet for strengthening of FPOs in Uttar Pradesh' organized by IIM, Lucknow, and SIDBI Centre for Innovations in Financial Inclusion on 21 May 2022.
- VP presented on the progress of TN FPC schemes on 10 June 2022, at the third Committee on FPC Financing (CFF) meeting, chaired by Agriculture Production Commissioner and Principal Secretary to Government of Tamil Nadu, Department of Agriculture.
- COO handled a sensitisation session on FPO financing for Bankers at CAB, Pune on 23 June 2022.
- MD & CEO handled a session at the OFPO Conclave organized by OFDD, NABARD, on 28 June 2022 at BIRD, Lucknow. Sr.AVP (RO) also attended the conclave and interacted with potential credit-ready OFPOs.
- VP made a presentation on 'Financial Support and Initiatives of NKFL' to Agri Entrepreneurs at Entrepreneurship Development & Innovation Institute (EDII) on 15 June 2022.
- Sr. AVP (RO) attended the Regional Level Refresher Training Programme for FPOs organi zed by Department of Agri-Business and Agri-Marketing at Dharmapuri and made a presentation on Tamil Nadu Government FPO Schemes on 18 June 2022.
- COO handled a detailed session on FPO financing at the Webinar organized by FPO knowledge Forum- Vizag on 09 July 2022.
- COO handled a session on FPO financing on 11 July 2022 at the meet organized by Chamber of Commerce, West Bengal.
- VP & Sr. AVP (RO) organized a sensitization meeting for FPOs eligible for availing second tranche of Mezzanine Capital Assistance under Govt of Tamil Nadu scheme on 22 July 2022.
- VP & Sr. AVP (RO) presented at the Review meet of Animal Husbandry FPOs promoted under PODF-ID of NABARD, Tamil Nadu Regional Office on 22 & 25 July 2022.
- COO attended the AIF conclave at New Delhi on 30 July 2022.
- VP undertook a promotional visit on 08 August 2022 to major line departments of Govt. of Kerala and also interacted with the District Development Managers (DDMs) of NABARD during the Bimonthly Structured Meet of NABARD, Kerala Regional Office.
- VP & Sr. AVP (RO) had a discussion meet with TNSFAC & APEDA on 10 August 2022 on Credit linkage and export opportunities for FPOs.
- CFO, VP & Sr. AVP (RO) held a meeting with National E-Repository Limited (NERL) on 17 August 2022 on commodity trading by FPOs.

- Sr. AVP (RO) attended TN FPC Start-up Grant Committee meeting on 17 August 2022.
- Sr. AVP (CO) attended an event on "Unlocking the International Carbon Market for Smallholder Farmer in India" – by Rabo Bank on 22 August 2022.
- Sr. AVP (CO) handled a Session on FPO financing at NBSC, Lucknow on 28 September 2022 and 23 January 2023.
- VP presented the status report of TN FPC schemes during the Review meeting chaired by the Agricultural Additional Chief Secretary, Finance Department, GoTN on 20 September 2022.
- MD & CEO and COO participated at the Agri Value Chain Financing workshop organised by Department of Refinance, NABARD on 30 September 2022.
- VP presented on 'Exploring financial solutions for FPOs in Kerala', organized by Kerala SFAC, Kerala on 21 October 2022.
- VP and Sr. AVP (RO) organized sensitization programme on 27 October 2022 on credit linkage for FPOs promoted by NABARD under Central Sector Scheme.
- Sr. AVP(RO) handled a session on NABKISAN products to Section Officers of Government of Tamil Nadu on 31 October 2022 and 23 February 2023.
- COO participated in the Panel discussion on 'Blended Financing for Climate Resilience in Agriculture' organised by GiZ and PWC in Mumbai on 09 November 2022.
- Sr. AVP(RO) attended State level Buyer-Seller Meet organized by National Agro Foundation on 08 December 2022 and made a presentation on NABKISAN products.
- MD & CEO, presided over the training programme for low-turnover Farmer Producer Companies on 17 February 2023, at Madurai Agri-Business Incubation Forum (MABIF), Madurai, Tamil Nadu. CFO, VP & Sr. AVP (RO), also presented during the meet.
- Sr. AVP(RO) attended International Conference on 'Reimagining Rainfed Agro-ecosystems: Challenges and Opportunities' in Hyderabad, organized by India Society of Dryland Agriculture on 23 December 2022 and made a presentation on NABKISAN's experiences in extending credit to FPOs.
- Sr. AVP(RO) attended a workshop organized by GIZ and NABARD Telangana RO on 'Training on FPO Financing to Bankers' on 24 February 2023 in Hyderabad and a made a presentation on Risk Management for FPO Financing.
- MD & CEO participated in the 'Client Consultation Meet' organized by BIRD Lucknow on 28 February 2023, and offered suggestions on training needs for stakeholders in FPO ecosystem.
- MD & CEO participated in the first meeting of the 'Working Group on Financial Linkages under 10,000 FPOs scheme', on 09 March 2023. The said Working Group was constituted by Ministry of Agriculture & Farmers' Welfare, Govt. of India.

Technology Initiatives

NABKISAN has undertaken many digital initiatives to improve the operational efficiency of staff and improve the real time monitoring capability of management.

The lending solution for FPOs was upgraded in an effort towards end-to-end digitisation of loan origination process. New features like web portal for submitting the loan application, Multistage Approval Work flow, System generated Sanction letter and loan documents, Alerts and notifications, Reports, Collateral Management Module, etc., were introduced.

Intellect Design Arena is implementing Centralized Loan Management and Accounting System (CLMAS) for NABKISAN, with modules for Loan Management System (LMS), Accounting System (AS), Treasury, Fixed Asset Management System and bank integration and auto-reconciliation for payments and receipts. It is expected to replace the existing LMS & AS (Finflux) in FY 2023-24.

NABKISAN is part of Data Management Analytics and Business Intelligence (DMABI) solution of NABARD. Under this initiative, a data warehouse is being developed to serve as a central repository of data sources from NABARD and its subsidiaries. NABARD has given contract to HP to build a data warehouse and demonstrate the use of data analytics across NABARD and its subsidiaries. NABKISAN has signed off the DMABI Business Requirement Documents (BRDs) with 12 data analytics use cases mapped with source systems in NABKISAN and NABARD.

NABKISAN has on boarded its employees onto ZingHR HCM, a SaaS based HRMS solution with modules for Organization Setup and Configuration, Employee Dossier, Performance Management System, Rewards & Recognition, Employee / Manager Self Service, Claims / Reimbursement Management, Muster and Leave Management System, Payroll & Compliance and Employee Life-cycle.

Human Resources

Training Need Assessment exercise of Business Development Managers (BDMs) was undertaken to assess the skill gaps and formulate Training Plan for them. Accordingly, capacity building of employees was facilitated by deputing BDMs to various training programmes organized by BIRD. IT officers were enrolled in online courses to enhance their skill sets in the field of full stack development. BDMs also participated in various webinars and workshops for sensitizing FPOs on commodity derivative markets and exchange platforms (Futures and Options). Two Business Plan Meets of the entire staff of NABKISAN were held during the year at Chennai and BIRD, Mangaluru.

NABKISAN strengthened its presence in the State of Maharashtra, Odisha, Tamil Nadu by recruiting an additional in each of these States. Business Development Managers were recruited in the States of Jharkhand, Kerala and Punjab in each of these States. To strengthen the corporate vertical, AVP(Credit) and Asst. Manager were recruited.

NABKISAN also hired a HR Consultant to revisit the existing HR policy and to formulate a comprehensive HR policy encompassing service conditions, pay structure and compensation as per the statutory provisions. The revised HR Policy has been put in place with effect from 01 May 2023.

Other Initiatives

- NABKISAN has earned a significant place in the FPO ecosystem and is well recognised by various stakeholders. In a significant development, GoI has inducted MD & CEO of NABKISAN as a member in the 'Working Group on Financial Linkages under 10,000 FPOs scheme; Committee for policy inputs/issues and problem solving to achieve objectives & goals stated under CSS for Formation & Promotion of 10,000 FPOs scheme'.
- The 03rd Business plan Meet of NABKISAN was held on 27th & 28th April 2022 at Chennai to orient the staff of NKFL towards set goals for FY23.
- Structured meetings with Regional Offices of NABARD were held during the year, along with functionaries of credit ready FPOs and necessary tie-ups initiated with agencies like NCDEX, NSTFDC, etc.
- On the occasion of NABARD's 41st Foundation Day, NKFL handed over dividend cheque for ₹ 6.46 cr. to Top Most Management of NABARD. The 5th Annual Success stories booklet on FPOs titled 'Inspiring Tales from the FPO Landscape' was released on 12 July 2022.
- The 4th Business plan meet of all BDMs of NABKISAN was organised at BIRD, Mangaluru during 06-07 October 2022, as a mid-term half yearly review of business progress.
- As a Certified Commodities Derivatives Trainer, NABKISAN has conducted training programme on Commodity Derivative Awareness to FPOs for trading in NCDEX .
- Three customised training programmes for FPCs supported under Government of Tamil Nadu FPO Financing Schemes were organised during the year benefiting 100+ FPOs viz.,
  - Promotional meet for CEOs/BODs of low Turnover FPCs was held at MABIF, Madurai on 17 February 2023.
  - To commemorate the International Year of Millets, two commodity-based training programmes for millet FPCs were organized at Kancheepuram on 14 March 2023 and Pudukkottai on 16 March 2023.

- A booklet on 15 good-performing FPCs, 'Blazing a Trail', was released by Hon'ble Finance Minister, Government of Tamil Nadu during the NABARD State Credit Seminar held on 21 December 2022.
- An Impact booklet on 'Schemes for financing FPCs in Tamil Nadu – Creating Ripples' covering 100 FPCs supported under Tamil Nadu FPC financing Schemes was also brought out.
- NKFL organised workshops on onboarding FPOs into Open Network for Digital Commerce (ONDC) platform, in association with NABARD on 20 & 23 February 2023, benefiting 220 FPOs across states.
- A book titled "Inspiring Tales from the FPO Landscape" covering the success stories of some of the FPOs supported by NABKISAN was brought out.
- The Interior refurbishment of new office space at NKFL Registered Office Chennai was completed during March 23.
- As part of CSR initiatives, the Company has extended assistance of ₹ 77.428 lakh during the year for five projects.
- NABKISAN bagged the prestigious NBFC Awards instituted by Banking Frontiers during FY 23, under the categories 'Best Financial Inclusion Initiative', 'Best Group Synergy Initiative' and 'Best Corporate Social Responsibility (CSR) Initiative.
- NKFL also bagged 'Best Corporate - Cash Management Services', award instituted by HDFC Bank for FY 22-23.

Corporate Governance

The Board consists of 11 Directors as on 31 March 2023 including five nominee Directors, one Additional Director and five Independent Directors. All the Directors of the Board are highly experienced in their areas of specialisation whose knowledge, experience and guidance are valuable to the Company. Necessary disclosures have been obtained from all the Directors reg arding their Directorship in other companies and have been taken on record by the Board.

The Board met eight times during the financial year 2022-23. 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 2022-23 are as under:

Board / Committee Meetings	No. of meetings held during 2022-23
Board Meetings	08
Audit Committee Meeting	02
Corporate Social Responsibility Committee	02
Risk Management Committee	05

IT Strategy Committee	02
Nomination & Remuneration Committee	02
Internal Complaints Committee for Prevention of Sexual Harassment (POSH) at Workplace	01
Independent Directors Meeting	01
ALCO Meeting	12
Loan Committee	04
HR Implementation Committee Meeting	02
Investment Committee Meeting	01

Way Forward for 2023-24

With a view to diversify, build quality portfolio and retain leadership niche in FPO lending space, the Company is intended to explore new geographies during the year ahead, with focus on building sustainable agri business enterprises. The roadmap ahead for FY 2023-24 includes the following initiatives:

- Value chain financing of Farmer Producer Organizations, so as to enable small farmer holders to start sustainable business enterprises.
- Credit linkage of new FPOs formed under Central Sector Scheme on formation and promotion of 10,000 FPOs
- Continue to be Implementing Partner of three schemes for FPO financing in Tamil Nadu and operating Credit Guarantee scheme of Odisha.
- 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.
- Step up financing of Primary Agricultural Credit Cooperative Societies and Agri Marketing Cooperative Societies for both Term loans as well as Short-term loans & other Societies who are engaged in providing agri related services to its members
- Building a sizeable portfolio of agri business start-ups in agriculture, allied and identified sectors through the Catalytic Capital Fund (CCF)
- Acquire new clients in the bulk onward lending space of NBFCs & MFIs
- Spread geographical outreach to other hitherto uncovered potential States.
- Support CSR projects in thematic areas like livelihood enhancement, environmental sustainability, Natural Resource Management, Rural development projects, promoting preventive health care, sanitation, promotion of education among tribals and building woman livelihoods.

Fostering Growth through CSR Funds

NABKISAN, through its CSR Funds, continued promoting sustainable livelihood in rural areas by supporting varied projects across the country. A brief note on the commitments made by NABKISAN through the CSR funds is presented here:

Mitigating Human-Animal Conflict

Setting up Solar-Powered Electric Fencing in the farms of tribal farmers, Attappady, Palakkad, Kerala

Attappady, an administrative block in Kerala's Palakkad district, is home to three indigenous tribes - Irula, Muduga, and Kurumba. The region encompasses three panchayats - Agali, Pudur, and Sholayur. Within the Sholayur Panchayat lies Chavadiyoor, a tribal village surrounded by dense forests, sheltering over 150 tribal families. Due to its proximity to the wilderness, the village finds itself affected by frequent attacks from wild inhabitants such as elephants and boars. This human-animal conflict has not only resulted in damage to homes but has also claimed lives within the village. The conflict also extends to agricultural lands, where elephants and boars frequently destroy farmlands.

To mitigate this, Swami Vivekananda Medical Mission (SVMM), NGO working in sectors of primary health care, education, skill development, livelihood promotion and rural development proposed implementation of a Solar Fencing Project in Chavadiyoor village. SVMM conducted village-level meetings to communicate the project's objectives and implementation strategies to the villagers. Participatory tools were used to identify the movement patterns of wild animals. A 2.5 km stretch was identified for the solar fencing encompassing the entire village area.

In this backdrop, NABKISAN through its CSR initiatives for 2022-23, funded ₹8.85 lakh towards cost of installation of the solar powered electrical fences. The project was completed with active contribution by the villagers in construction and installation work.

The project was formally inaugurated on November 28, 2022, by Dr. Gopakumaran Nair G, Chief General Manager/OIC, NABARD, Kerala Regional Office, in the presence of esteemed guests, including Smt. Sheba Sangeetha, Vice President, NABKISAN and Smt. Kavitha Ram, DDM, NABARD, Palakkad District and Ward Member Sri. Radhakrishnan G.

The Solar Fencing Project in Chavadiyoor stands as a successful model of community-driven collaboration. Through the combined efforts of Swami Vivekananda Medical Mission, NABKISAN CSR, and the determined villagers of Chavadiyoor, a resilient solution to human-animal conflict was achieved.

Thus NABKISAN CSR initiative has significantly reduced economic losses of the tribal farmers of the Chavadiyoor village of Kerala.

Villagers participating in the Fencing work

Electric Fencing powered by Solar power

Towards a Greener Pasture

Creation of a Community Seed Bank,

Jhamtse Gatsal Children's Community, Lumla, Arunachal Pradesh

Jhamtse Gatsal Children's Community is a home and learning environment for more than 125 children from the Monpa tribe. Located in the remote mountains of the Himalayas, Jhamste Gatsal stands at an altitude of 2043m at the trijunction of Bhutan, Tibet and India. Besides stunning panoramic views and a peaceful atmosphere, the region is lush with biodiversity.

The children at the Community come from backgrounds of trauma and adversity from nearby villages of Tawang district and primarily belong to the Monpa tribe, which has its roots in Tibet. The Community believes in living a zero-waste sustainable lifestyle and aims to be self-sufficient in all aspects including food and energy. The Community has grown a large portion of their produce requirements in its small organic gardens and bigger farms. However, the dipping temperature during winters and unavailability of sufficient fresh water pose a big challenge to grow high-nutrient crops without a temperature-controlled space.

Against this backdrop, the Jhamtse Gatsal Children's Community, with NABKISAN's CSR support of ₹ 9.48 lakh has installed two temperature controlled polyhouses along with drip irrigation system and farm implements, solar dryers and provided capacity building.

The community is now able to produce more crops all round the year under controlled environment with efficient use of water through drip irrigation system and water recirculation. The move has also helped the community to reduce their carbon footprint by cutting down on the logistics involved in transporting produce purchased from outside.

Thus NABKISAN's CSR support has helped the Community gain autonomy over the food needs and made the Community 100% self-reliant and food independent.





Poly Houses for vegetable cultivation

Health Care at Doorsteps

Rendering doorstep medical services to tribal population through mobile

Vikramagad – Jawhar taluk of Palghar district is home to substantial Adivasi population. The areas are remote with little road connectivity. Even though the area is situated not far from Mumbai, the Adivasi population are deprived of even primary health support as public health units are either far off from their villages or lack basic amenities. Adivasi patients travel either to Jawhar or Vikramgad covering long distances to Government hospitals and in the absence of good roads and logistic facilities, good medical care remained an unaffordable option.

Savali Charitable Trust (SCT) is working in the area with the objective of helping the deserving and underprivileged sections of the society. Savali also runs a medical centre in Walvanda village, with Doctors, Trained Nurses, Pathology lab and medicines for which it charges ₹10/- only.

With NABKISAN's CSR funding assistance for ₹ 22.11 lakh, SCT has acquired a mobile van equipped with basic medical facilities including lab equipment to provide comprehensive basic medical facility to the population who do not have access to any proper health care facilities.

NABKISAN's assistance through SCT is impacting at least 10,000 impoverished tribals in 18 villages as early detection of ailments will aid in leading a healthy and productive life.

Mobile Medical Van

Medical Van with first aid kit

Reviving the Extinct Weaves

Enabling Sustainable Livelihood & Community Development for Women Weavers of five tribal villages in Mayurbhanj, Odisha

Mayurbhanj, the largest district of Odisha is predominantly a tribal district with more than 50% of its population as tribals. Despite being rich in biodiversity, it lags behind the rest of the State in terms of socio-economic development indices. It suffers from multiple dimensions of poverty.

Mauna Dhwani Foundation is a non-partisan, secular, voluntary organization working with the objective of holistic community transformation among the traditional artisan communities in the State of Odisha. The 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 do not function optimally thereby impacting productivity.

With NABKISAN's CSR funding of ₹ 14.25 lakh, the Foundation has installed Solar Grids at these five Centres and a 25KV Transformer.

NABKISAN assistance has provided them a cost effective, cleaner and environment friendly solution to their energy needs that has enabled them double up their productivity.

Training on Dyeing

Tribal Health Care

Providing surgical and health care facilities to marginalized tribal-rural communities in Saragur Taluk, Mysore district, Karnataka

Saragur and HD Kote Taluks of Mysore District in Karnataka are home to majority of the tribal population of the district. The tribal population do not have access to basic requirements including health facilities. The indigenous tribal population suffer from some genetically transmitted diseases like sickle cell disease, anemia, pregnancy induced hypertension, eclampsia, umbilical cord coiling and post-partum haemorrhage. Due to the proximity to the nearby Bandipur & Nagarhole forests, the tribal villages are prone to animal attacks and on other hand lack proper connectivity thereby leaving the tribal population to travel to ta luk headquarters to get proper health care and emergency trauma care.

Swami Vivekananda Youth Movement (SVYM), with its headquarters in Mysuru, is a development focused organization, engaged in Health, Education and Community Development sectors from past 38 years. SVYM runs a multi-specialty, non-profit, hospital with 93 operational beds providing free primary health care and highly subsidized secondary health care to all the resident tribal & rural poor patients Annually, an average of 45,000 people a vail outpatient services and 3,000 people avail In Patient services in the hospital. More than 30% of the above beneficiaries are from indigenous tribal groups.

With NABKISAN's support of ₹ 20,00,000/- under CSR Fund, SVYM is providing surgical care to marginalized tribal-rural communities at subsidized cost by reaching out to the tribal population by conducting health camps for carrying out general laparoscopic surgeries thereby reducing out of pocket expenses. SVYM has conducted eye camps at different villages for identifying eye related problems and carried out necessary surgical corrections.

Thus, NABKISAN'S CSR support through the surgical care and sensitization camps has had positive impact on the tribal-rural population and early deduction of ailments leading to a healthy and productive life.


SVYM
NABKISAN FINANCE LIMITED


SVYM
NABKISAN FINANCE LIMITED
A Subsidiary of NABARD
ಅರೋಗ್ಯ ತಪಾಸಣಾ ಶಿಬಿರ

Aiding Health Care through better Hygiene

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

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. It was established in the year 1981 jointly by the Government of Kerala and Government of India and it has been registered under Travancore Cochin Literary Scientific and Charitable Societies Registration Act 1955 vide: No. 567/81 dated 19 Aug 1981. It acts as a comprehensive cancer centre catering to the population of the State of Kerala and the adjoining parts of Tamil Nadu and Karnataka.

The hospital is implementing Green Protocol System and Zero Waste policy, in its premises. The hospital has been receiving more patients (inpatients and outpatients) for cancer care, which RCC is currently unable to manage with manual cleaning process. RCC does not have any automated facility for cleaning of its premises as compared to many private hospitals. This results in in creased labour time and decreased efficiency in cleaning. The reduced efficiency has resulted in issues related to hygiene.

With NABKISAN's support of ₹ 16,57,290/- , RCC has proposed to purchase two 'scrubber and dryer' machines for the upkeep of its main premises in Thiruvananthapuram. The proposed machine shall not only make the cleaning of the hospital premises effective, thereby ensuring hygiene, it shall also be easy to operate and cover l arge area with minimum manpower requirements.

NABKISAN FINANCE LIMITED

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

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the shareholders of the company will be held at 03.30 p.m. on Friday, the 15th day of September 2023 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 audited financial statements of the Company including the Balance Sheet as at March 31, 2023, the statement of profit and loss, the cash flow statement 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 2023 at the rate of ₹.0.50 per Equity Share (5% 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 2023-24 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.V.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. V.Chandrasekaran, Director who retires by rotation be and is hereby re-appointed as Director of the company".

SPECIAL BUSINESS

5. Appointment of Smt. P.V.Bharathi 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** Smt.P.V.Bharathi (DIN: 06519925), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 25/01/2023 under Section 161(1) of the Companies Act, 2013 ("the Act") and The Companies (Appointment and Qualification of Directors) Rules 2014, who is eligible for appointment and 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 Smt. P.V.Bharathi for the office of Director be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Act, The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Smt. P.V.Bharathi (DIN: 06519925), who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act, and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of three years with effect from 15.09.2023."

For and on behalf of the Board
For NABKISAN Finance Ltd

Place: Mumbai
Date: 22nd August 2023

Sd/-
Srinivasan Ramesh
Managing Director

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 B oard 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 26th 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 09.09.2023 to 15.09.2023 (both days inclusive) for the purpose of Annual General Meeting and dividend for Financial Year 2022-23.
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 08.09.2023 (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.

For and on behalf of the Board
For NABKISAN Finance Ltd

Place: Mumbai
Date: 22nd August 2023

Sd/-
Srinivasan Ramesh
Managing Director

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

Item No.5

The company, at present, has five Independent Directors on the Board. Smt. P.V. Bharathi was appointed as Additional Director by the Board w.e.f. 25.01.2023. The company has received notice in writing from NABARD, a member under Section 160 of the Act signifying his intention to propose the candidature of Smt. P.V.Bharathi for the office of Di rector.

Smt.Bharathi, non-executive director of the Company, has given a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Act.

In the opinion of the Board, the Director fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and she is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Smt. P.V. Bharathi as Independent Director is now being placed before the Members for their approval.

The terms and conditions of 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 Smt. Bharathi, 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 to be appointed is given below:

1	Name	Ms P V BHARATHI
2	Father's name	Late Sri P R Varadaraj
3	DIN	6519925
4	PAN No	AAKPB9557B
5	Name of the last organisation	CORPORATION BANK
6	Last position held	MD & CEO, Corporation Bank
7	Educational & professional qualification	B Sc. , M A (Economics), B Ed. , CAIIB , Integrated course in banking and finance (NIBM)
8	Independent Director's Data Bank	Regn no. IDDB-DI-202006-028911 valid till life time IICA-Online Proficiency test – qualified on September27,2020
9	Training details / seminars / conclaves	1. IICA – Familiarisation Programme for Independent Directors- Feb 18-19, 2021 2. CAB, Pune – Seminar on Corporate Governance for the Directors on the Boards of Banks – June 10, 2021.

		3. IDRBT – Certification Programme on IT & Cyber Security for Boards members – Sep 2-3,2021 4. CAFRAL - Virtual Learning Programme on Governance and Assurance for Directors on the Boards of Banks and FI's –Mar 10-11, 2022 5. CAFRAL – Virtual Programme on Financial Markets in India-What the future holds – October 19, 2022
10	Experience	Worked as MD & CEO of Corporation Bank from 1/2/2019 to 31/03/2020 ED of Canara Bank from 15/09/2016 to 31/01/2019 GM and other posts at Canara Bank from Dec 1982 to 14/09/2016 Worked in rural, semi-urban, urban and metro branches across the country. Served in administrative offices of the bank like Regional offices, Circle offices and Head office. Was the Chief Risk Officer of the bank heading Risk Management wing Handled Credit – Large Corporate Credit, MSME , Retail and Priority Sector, Risk Management, HR, IT, Financial Inclusion, International operations Served at Hong Kong Branch of the Bank
11	Other Assignments	1. Nominated as Alternate Chairman to the Expert Committee set up at IBA level to validate the process of Loan Restructuring cases post sanction. -- July 19,2022 2. Empanelled by SBI as External Member in the Panel of "Screening Committee for scrutiny and recommendation of Compromise proposals , sale to ARC etc." -- August 4, 2022
12	IBA Assignments	Bank's nominated member and convenor on the IBA'S working group for Standardization of procedure for Empanelment of valuers by banks 2016 Member of the IBA Standing Committee on Retail Banking for the year 2016-17 Member of the Managing Committee of Indian Banks Association from 17/01/2020 to 31/03/2020
13	Skill sets	Leadership skills -provided strong and transparent leadership and put the Bank on a sustainable growth path through various strategic initiatives. Communication skills

		- possesses excellent communication skills and able to establish sustainable and profitable relations with all the stake holders Operational effectiveness - proficient in developing and streamlining systems with proven ability to enhance operational effectiveness and meet goals within costs ,time , and quality
14	Awards & accolades	ARYABHATA INTERNATIONAL AWARD 2017 in recognition of excellent contribution , talent, and service in the field of Banking JHANSI RANI award for excellence in Banking BEST BRANCH of the Circle award as AGM in charge of Anna Nagar East branch Dun and Bradstreet Award 2015 conferred on the Bank for "Best Retail Growth performance (Public Sector) during the tenure as head of Retail Assets Wing.
15	Postal address/email/mobile no	B-903,Atlantis Liberty Square, S no. 23, 80 feet , BDA road, Behind KSIT College, Raghuvanahalli, Bangalore – 560 062 pvbharathi21@gmail.com / 9900023428

For and on behalf of the Board

For NABKISAN Finance Ltd

Place: Mumbai

Date: 22nd August 2023

Sd/-

Srinivasan Ramesh

Managing Director

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 26th Annual Report on the business and operations of the company together with the Audited Financial Statements for the year ended March 31, 2023. 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 2022-23 is summarized below:

(₹ Crore)

Particulars	2022-23 (IndAS)	2021-22 (IndAS)	Growth %
Gross Loan Portfolio	1907.73	1416.95	35
Total Income	166.05	123.67	34
Profit before tax	67.50	40.18	68
Profit after tax	50.68	25.57	98

2. OPERATIONAL HIGHLIGHTS

- Loan outstanding increased to ₹1907.73 Cr. (₹1416.95 Cr. during 2021-22), registering a robust growth of 35%
- While sanctions recorded a growth of 42%, disbursements recorded a growth of 52% over last year with the sanctions being ₹1276.98 Cr. (Rs.902.51 Cr.) and disbursements being ₹1293.30 Cr. (₹850.14 Cr.).
- The total income increased from ₹123.67 Cr. in 2021-22 to ₹166.05 Cr.. in 2022-23 registering a growth of 34%.
- PBT and PAT had increased by 68% and 98% respectively to ₹67.50Cr. (₹40.18 Cr.) and ₹50.68 Cr. (₹25.57 Cr.) due to Ind AS Expected Credit Loss and Deferred Tax.
- Owned funds increased to ₹407.36 Cr. (₹364.06 Cr.) indicating a growth of 12%.

3. DIVIDEND

The Board recommended a dividend of ₹0.50 per Equity Share (5% on the face value of ₹10/- per share) on 17,14,78,213 Equity Shares of ₹10 each for the year ended31st March 2023, 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 16.93 % of the net profit. The Register of Members and Share Transfer Books will remain closed from 09.09.2023 to 15.09.2023 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31 March 2023.

4. TRANSFER TO RESERVE FUND

During FY 2022-23, your Company has transferred an amount of ₹10.14 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 2023 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 Rs.10/- (Rupees Ten Only) each. There has been no change in the Authorised Capital of the Company for the period under review.

b. Paid up Capital

During the year under review, there was no increase in Paid -up Share Capital of the Company and as on 31 March 2023, it stood at ₹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 31 March 2023 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	Government 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	0.34
6	Tamilnad Mercantile Bank	8,50,000	0.50
7	Canara Bank	10,34,400	0.60
8	ICICI Bank Ltd.	2,00,000	0.12

9	Federal Bank Ltd.	2,50,000	0.15
10	Corporates & Others	43,750	0.03
	Total	**17,14,78,213**	**100**

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:

(a) The applicable accounting standards have been followed in the preparation of the annual accounts along with proper explanation relating to material departures, if any.

(b) 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.

(c) 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.

(d) The annual accounts have been prepared on a going concern basis.

(e) 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. MANAGEMENT

Composition of the Board

S. No.	Name of Director	Capacity	DIN	Number of Board meetings		No. of other Directorships	Remuneration (Rs.in lakh)			No. of shares held in and convertible instruments held in the NBFC
				Held (entitled to attend)	Attended		Salary and other compensation	Sitting fee	Commission	
1	Smt.P.V. Bharathi	Chairman & Additional Director	06519925	2	2	3	Nil	Yes	Nil	Nil
2	Shri.Nilay D Kapoor	Nominee Director	07622987	8	7	Nil	Nil	Nil	Nil	Nil
3	Shri. Immanuvel Ganesan	Nominee Director	10172988	0	0	Nil	Yes	Nil	Nil	Nil
4	Shri.Chandrasekaran	Nominee Director	09735022	5	4	Nil	Nil	Nil	Nil	Nil
5	Shri.Sibi Adhithya Senthil Kumar, IAS	Nominee Director	08870268	8	4	8	Nil	Nil	Nil	Nil
6	Shri. Arindom Datta	Independent Director	08364437	8	7	Nil	Nil	Yes	Nil	Nil
7	Shri.Alok Bhargava	Independent Director	00162746	8	8	5	Nil	Yes	Nil	Nil
8	Shri.Deepak Singhal	Independent Director	08375146	8	8	3	Nil	Yes	Nil	Nil
9	Shri.Emmanuel V Murray	Independent Director	06471699	8	8	2	Nil	Yes	Nil	Nil
10	Shri.Satyanarayana Jonnalagadda	Independent Director	09091020	8	8	1	Nil	Yes	Nil	Nil
11	Shri.Srinivasan Ramesh	Managing Director & CEO	09844743	3	3	Nil	Yes	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	Smt.P.V. Bharathi	Additional Director	Appointment	25.01.2023
2	Shri. Chandrasekaran	Nominee Director	Appointment	21.09.2022
3	Shri.Srinivasan Ramesh	MD & CEO	Appointment	11.01.2023
4	Shri. Immanuvel Ganesan	Nominee Director - Executive	Appointment	14.06.2023
5	Dr.K.S.Mahesh	Nominee Director - Executive	Appointment	11.05.2021
6	Shri.T.Ramesh	Nominee Director	Cessation	11.05.2021
7	Shri.Vijay Sardana	Independent Director	Cessation on expiry of term of office	28.06.2021
8	Shri.Ashok Kumar Yadav	Independent Director	Cessation on expiry of term of office	28.06.2021
9	Shri.B.Suribabu	Nominee Director	Appointment	14.07.2021
10	Shri.Amrendra Kumar Shahi	Nominee Director	Cessation	14.07.2021
11	Shri. Satyanarayana Jonnalagadda	Additional Director	Appointment	20.07.2021
12	Shri. Emmanuel V Murray	Additional Director	Appointment	20.07.2021
13	Shri. Satyanarayana Jonnalagadda	Independent Director	Regularization at AGM	27.09.2021
14	Shri. Emmanuel V Murray	Independent Director	Regularization at AGM	27.09.2021
15	Shri.Sibi Adhithya Senthil Kumar, IAS	Nominee Director	Appointment	29.10.2021
16	Shri.S.Arunraj, IAS	Nominee Director	Cessation	29.10.2021
17	Shri.B.Suribabu	Nominee Director	Cessation	31.05.2022
18	Smt.Suseela Chintala	MD & CEO	Cessation	29.07.2022
19	Dr.K.S.Mahesh	Nominee Director - Executive	Cessation	06.07.2022
20	Shri.Stanley Samuel Vaseeharan	Nominee Director - Executive	Appointment	06.07.2022
21	Shri.Stanley Samuel Vaseeharan	Nominee Director - Executive	Cessation	14.06.2023
22	Shri.Prasad Rao	MD & CEO	Appointment	10.08.2022
23	Shri.Prasad Rao	MD & CEO	Cessation	16.12.2022

24	Smt.M.Bhuvaneswari	Additional Director	Appointment	28.10.2022
25	Smt.M.Bhuvaneswari	Additional Director	Cessation	25.01.2023
26	Shri.Shaji Krishnan	Nominee Director	Cessation	25.01.2023

Retirement by rotation

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

9. BOARD AND ITS COMMITTEES

Board Meetings

The Board of directors met eight times during the year 2022-23 on 29th April 2022, 09th June 2022, 10th August 2022, 21st September 2022, 18th November 2022, 11th January 2023, 24th February 2023 and 29th March 2023.

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 make the recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- 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 2022-23 on 29th April 2022 and 21st February 2023. The composition of the committee as on 31st March 2023 and the meeting details for 2022-23 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	27.08.2021	Independent Director	2	2	Nil
2.	Shri.Alok Bhargava	19.08.2019	Independent Director	2	2	Nil
3.	Shri. Srinivasan Ramesh	11.01.2023	MD & CEO	1	1	Nil
4.	Shri.S.S.Vaseeharan	04.07.2022	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 two times during the year 2022-23 on 27th May 2022 and 19th January 2023. The composition of the committee as on 31st March 2023 and the meeting details for 2022-23 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	22.07.2021	Nominee Director	2	2	Nil
2.	Shri.Deepak Singhal	29.06.2020	Independent Director	2	2	Nil
3.	Shri.Alok Bhargava	29.06.2020	Independent Director	2	2	Nil
4.	Shri.Srinivasan Ramesh	11.01.2023	MD & CEO	1	1	Nil
5.	Shri.S. S. Vaseeharan	04.07.2022	Nominee Director - Executive	1	1	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 two times during the year 2022-23 on 28th October 2022 and 25th January 2023. The composition of the committee as on 31st March 2023 and the meeting details for 2022-23 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	22.07.2021	Nominee Director	2	2	Nil
2.	Shri. Deepak Singhal	29.06.2020	Independent Director	2	2	Nil
3.	Shri. Arindom Datta	22.07.2021	Independent Director	2	2	Nil
4.	Shri. Srinivasan Ramesh	11.01.2023	MD & CEO	1	1	Nil
5.	Shri. S. S. Vaseeharan	04.07.2022	Nominee Director - Executive	2	2	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 2022-23 on 20th April 2022, 12th August 2022, 22nd December 2022 and 15th March 2023. The composition of the committee as on 31st March 2023 and the meeting details for 2022-23 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	11.05.2021	Nominee Director	4	3	Nil
2.	Shri.Alok Bhargava	22.07.2021	Independent Director	4	4	Nil
3.	Shri.Arindom Datta	19.06.2020	Independent Director	4	3	Nil
4.	Shri.Srinivasan Ramesh	11.01.2023	MD & CEO	1	1	Nil
5.	Shri.S.S.Vaseeharan	04.07.2022	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 2022-23 on 28th July 2022 and 19th January 2023. The composition of the committee as on 31st March 2023 and the meeting details for 2022-23 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.Srinivasan Ramesh	11.01.2023	MD & CEO	1	1	Nil
2.	Shri. Alok Bhargava	22.07.2021	Independent Director	2	2	Nil
3.	Shri. S. S. Vaseeharan	04.07.2022	Nominee Director - Executive	2	2	Nil
4.	Shri.Sameer Kumar Prayaga	22.07.2021	AVP-IT / Chief Technology Officer (CTO)	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 composition of the committee as on 31st March 2023:

- Shri Nilay D Kapoor, Director
- Shri.Srinivasan Ramesh, MD & CEO of NABKISAN
- Shri.S.S.Vaseeharan, CFO of NABKISAN

No meeting of the share transfer committee was held during the year 2022 -23.

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 twelve times during the year 2022-23 on 22nd April 2022, 29th April 2022, 27th May 2022, 30th June 2022, 11th August 2022, 30th August 2022, 30th September 2022, 31st October 2022, 29th November 2022, 31st January 2023, 28th February 2023 and 31st March 2023. The composition of the committee as on 31st March 2023 and the meeting details for 2022-23 are as below:

Sl.No.	Name of Director	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.Srinivasan Ramesh	20.07.2020 (As COO) 11.01.2023 (As MD & CEO)	COO / MD & CEO	12	12	Nil
2.	Shri.S.S.Vaseeharan	04.07.2022	Nominee Director – Executive & CFO	8	8	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
- Human Resource Committee
- Business Development Committee

GENERAL BODY MEETINGS:

Sl.No.	Type of meeting (Annual / Extra-Ordinary)	Date and Place	Special resolutions passed
1	Annual General Meeting	01.07.2022 / Chennai	Nil
2	Extra Ordinary Meeting	27.05.2022/ Chennai	Re-appointment of Independent Directors

10. 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.

11. BOARD EVALUATION

The independent directors in their meeting has reviewed the performance of non-independent directors and the Board as a whole, 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.

12. AUDITORS

Internal Audit

Shri.K.Sridhar, Chartered Accountant, Senior Manager- Audit of NABKISAN had carried out the Internal Audit from 01st April 2022 to 31st March 2023. 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. G Balu Associates LLP, Chartered Accountants, Chennai as Statutory Auditors of the Company for the financial year 2022-23.

Supplementary Audit by C&AG

Comptroller and Auditor General of India vide their report dated 27.07.2023 (**Annexure II**) have forwarded their certificate under Section 143(6)(b) of the Companies Act, 2013 on the accounts of the Company for the year ended 31st March 2023.

Comments by CAG and management replies:

Comment of CAG:

The Statement of Changes in Equity forming part of financial statements has not been prepared by the Company in the format prescribed under Schedule III of the Companies Act, 2013 as amended by MCA notification dated 24 March 2021.

Management Reply:

The Statement of Changes in Equity would reconcile opening to closing amounts for each component of equity including reserves and surplus and items of other comprehensive income. The Company has made adequate disclosure which in our view satisfies the intentions as per MCA notification.

However, the same shall be followed as per CAG directions from FY 2023-24.

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 2022-23 and her report is annexed to this Board report vide **Annexure III**.

The Secretarial Auditor has also made emphasis of matter on the issues mentioned by the Statutory Auditor and CAG, in her report and the management replies are the same as furnished above.

13. 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.

14. 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 2023.

15. 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.

16. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S FUTURE OPERATIONS

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

17. COMPLIANCE WITH RBI GUIDELINES

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

18. 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 Accounting Standard 18 which are furnished in Notes to Accounts which forms part of Financial Statements of the Company.

19. 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.

20. PARTICULARS OF EMPLOYEES BENEFITS

a) The Managing Director is on deputation from NABARD. Remuneration of the Managing Director including provident fund, gratuity and leave Salary is reimbursed to NABARD on the basis of the advice received from NABARD.

b) 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.

c) Liability in respect of leave encashment has been provided as per the policy of the Company amounting to INR 9.02 lakhs

d) **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 (#)	9.88
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 –

(₹ in lakh)

Particulars	2022 – 23	2021 – 22
Current Service Cost	3.74	2.11
Past service cost	-	-
Loss / (Gain) on Settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	(0.21)	-
Expenses Recognised in the Income Statement	**3.53**	**2.11**

2. Other Comprehensive Income –

(₹ in lakh)

Particulars	2022 – 23	2021 – 22
Actuarial (gains) / losses	1.95	0.79
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	**4.04**	**0.79**

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

(₹ in lakh)

Particulars	2022 – 23	2021 – 22
Defined Benefit Obligation at beginning of the year	24.47	20.17
Current Service Cost	3.74	2.11
Actuarial (Gain)/Loss	1.95	0.79
Interest Cost	1.70	1.40
Benefits Paid	-	-
Defined Benefit Obligation at end of the year	**31.86**	**24.47**

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

(₹ in lakh)

Particulars	2022 – 23	2021 – 22
Fair value of Plan Assets at beginning of the year	**27.50**	20.17
Return on Plan Assets	1.91	1.40
Employer Contribution	8.11	5.93
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	**35.44**	**27.50**

5. Net defined benefit obligation –

(₹ in lakh)

Particulars	2022 – 23	2021 – 22
Defined benefit obligation	31.86	24.47
Fair value of plan assets	35.44	27.50
Surplus/(Deficit)	**3.58**	**3.03**
Current portion of the above	-	-
Non current portion of the above	3.58	3.03
Expected Contribution during the next annual reporting period	**0.71**	**-**

6. Actuarial Assumptions –

(₹ in lakh)

Particulars	2022 – 23	2021 – 22
Discount Rate (per annum)	7.40 %	6.95 %
Rate of escalation in Salary (per annum)	4.00%	4.00%
Attrition / Withdrawal rate (per annum)	10.00%	7.00%

The company has made a contribution of INR 34.03 lakhs based on actuarial valuation towards Gratuity liability with LIC India under employee group gratuity scheme during the previous year and the fund shall be maintained by the Employee Group Gratuity Trust. The Gratuity provision amounting to INR 5.81 lakhs (refer note -15) is towards employees of NABARD as detailed in (b) above is included in the provision stated at the end of the reporting period.

21. 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, Proh ibition and Redressal) Act, 2013.

22. 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.

23. 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 6 of Notes forming part of the Financial Statements for the year ended 31 March 2023.

24. PARTICULARS OF BORROWINGS

The Company raised debt in the for m of refinance from NABARD to the tune of ₹1192.14 crore during FY 2022-23 as against ₹537.00 crore during the previous year, taking the refinance outstanding to ₹1543.98 crore compared to ₹963.56 crore in the previous year.

25. 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.

26. CODE OF CONDUCT

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

27. 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

28. INDEPENDENT DIRECTORS' MEETING

During the year under review, a meeting of Independent Directors was held on 05th December 2022 as required under Companies Act, 2013 and matters as specified therein were discussed.

29. 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.

30. 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	1704.94	143.38	1848.32
Past due but not impaired			
0 - 30 days past due	1.47	3.36	4.83
31 – 60 days past due	-	2.80	2.80
61 – 90 days past due	-	0.57	0.57
Impaired (more than 90 days)	22.30	28.91	51.21
Total Gross Carrying value as at reporting date	1728.71	179.02	1907.73

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.

31. 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.

32. 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.

33. 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

34. DETAILS OF PENALTIES AND STRICTURES:

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

35. BREACH OF COVENANT:

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

36. DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING :

Not Applicable

37. ASSOCIATE AND SUBSIDIARY COMPANIES

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

38. 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

39. CORPORATE SOCIAL RESPONSIBILITY

As prescribed under the Companies (Corporate Social Responsibility) Rules, 2014, the initiatives undertaken by the Company on CSR activities during FY 2022-23 are set out in the prescribed format under **Annexure IV** and forms part of this report.

40. CHANGE IN NATURE OF BUSINESS

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

41. 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.

42. 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.

43. FUTURE OUTLOOK

The Board of Directors of the company has approved the following business plan of the company for the financial year 2023-24:

(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	750.00	750.00
3	NBFC-Micro Finance Institutions (MFIs)	600.00	600.00
4	Farmers' Producer Organizations (FPOs)		
	Direct Lending	*140.00*	125.00
	On-lending	*10.00*	10.00
5	Agri Corporates and Others	5.00	3.00
6	PACS	5.00	2.00
	TOTAL	**1520.00**	**1500.00**

The Company foresees significant scope for expansion of business in the Agri-corporate sector during the year, besides lending to Farmer Producer Organizations (FPOs). Thrust will continue to be provided for financing of FPOs so as to integrate the small farmers with the agriculture market. The company will continuously explore the scope for leveraging tec hnology in a cost effective manner to reach out to the POs in interiors and meet their credit needs. Risk diversification measures have been initiated to address the concentration and sectoral risks as long term mitigation measures.

44. 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

Place: Mumbai
Date: 22nd August 2023

Sd/-
Srinivasan Ramesh
Managing Director

Annexure I

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, NABSanrakshan Trustee Pvt. Ltd. – Subsidiary of Holding Entity.
b)	Nature of contracts/arrangements/transaction	Annexed
c)	Duration of the contracts/arrangements/t ransaction	---
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Annexed
e)	Date of approval by the Board	27th April 2023
f)	Amount paid as advances, if any	--

Sd/-
Srinivasan Ramesh
Managing Director

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 2022-23.

(Amount in ₹ lakh)

Particulars	2022-23	2021-22
Office Rent (including Property & Sewage Tax, etc)	5.68	5.55
Professional Charges for staff deputed/posted	517.60	266.57
Of which, for KMP	358.28	279.21
Interest on Loan	7222.22	4065.50
Dividend Paid	646.12	-
Credit Guarantee Fee	16.02	19.10
Total (A)	**8765.92**	**4635.93**
Credit Guarantee Fee to NABSanrakshan – a subsidiary of NABARD (B)	**87.11**	**10.70**
NABFOUNDATION – a subsidiary of NABARD (C)	-	**15.92**
Total (A+B+C)	**8853.03**	**4662.55**

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 Rs.)

Particulars	2022-23	2021-22
Opening Balance	9,63,55,57,291	8,35,90,52,442
Loan received during the year	11,92,14,47,000	5,37,00,00,000
Loan repaid during the year	6,11,71,77,554	4,09,34,95,151
Closing Balance	15,43,98,26,737	9,63,55,57,291
Interest paid/payable on above	72,22,22,366	40,65,49,588

Annexure II

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 FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of NABKISAN Finance Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointment by the Comptroller and Auditor General of India under section (5) of the Act is responsible for expressing opinion on the financial statement under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 1439(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 April 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NABKISAN Finance Limited for the year ended 31 March 2023 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Other Comments

A.1 The Statement of Changes in Equity' forming part of financial statements has been prepared by the Company in the format prescribed under Schedule III of the Companies Act, 2013 as amended by MCA notification dated 24 March 2021.

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

Place: New Delhi
Dated ....

(Keerti Tiwari)
Director General of Audit
(Agriculture, Food & Water Resources)

Annexure III

FORM NO.MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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 Fin ance 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 31.03.2023 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31.03.2023 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 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. The Comptroller and Auditor General of India, vide their audit report dated 27.07.23 have mentioned the following comments:

   "The Statement of Changes in Equity forming part of financial statements has not been prepared by the Company in the format prescribed under Schedule III of the Companies Act, 2013 as amended by MCA vide notification dated 24th March 2021".

2. Independent auditors, vide their audit report dated 27.04.2023, have emphasized the matter on the following points:

   a. assessment of uncertainties and impact of covid -19 pandemic on company's operations and financial results
   b. on accounting estimate of defined benefit obligation due to change in accounting policy of NCD.

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 ba sis 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 fi nancial audit, CAG and other designated professionals.

Place: CHENNAI
Date: 22.08.2023

Sd/-
P.R. SUDHA
FCS No.6046
CP No.:4468
UDIN : F006046E000809486

Annexure IV

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 Committee (CSR) 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.Nilay D Kapoor, Director
- Shri.Alok Bhargava, Independent Director
- Shri Deepak Singhal, Independent Director
- Shri.Srinivasan Ramesh, 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 2019-20	44,00,82,234/-
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/-
Total Profits for 3 years	1,16,14,21,543/-
Average of the Above profits	38,71,40,514/-
Minimum CSR expenditure to be spent as per Sec. 135	77,42,810/-

4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE):

2% of average profit – ₹ 77,42,810/-

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

(a) Total amount to be spent for the financial year – ₹77,42,810/-. Total amount spent for the financial year - ₹77,42,810/-

(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	Enabling Sustainable Livelihood & Community Development for Women Weavers of five tribal villages in Mayurbhanj, Odisha	Promoting education, including special education and employment enhancing vocation skills especially among women, empowering women and promotion and development of traditional art and handicrafts	Mayurbhanj, Odisha	₹ 14,25,520/-	₹ 14,25,520/-	-	Rs.14,25,520/-	Through Mauna Dhwani Foundation
2	Facilitating mobility of Tribal Communities through e-rickshaws in Seraikela Kharsawan District, Jharkhand	Improvement in education which includes special education and employment strengthening vocation skills among children, women, elderly and the differently-abled and livelihood enhancement projects	Seraikela Kharsawan District, Jharkhand	₹ 5,00,000/-	₹ 5,00,000/-	-	Rs.5,00,000/-	Through Ambalika NGO

3	Rendering doorstep medical services to Tribal population, through medical van in Vikramagad-Jawhar Taluk, Palghar District, Maharashtra	Eradicating poverty, hunger and malnutrition, promoting health care which includes sanitation and preventive health care	Vikramagad -Jawhar Taluk, Palghar District, Maharashtra	₹ 21,60,000/-	₹ 21,60,000/-	-	₹ 21 ,60,000/-	Through Savali Charitable **Trust**
4	Providing surgical and health care facilities to marginalized tribal-rural communities in Saragur Taluk, Mysore district, Karnataka	Eradicating poverty, hunger and malnutrition, promoting health care which includes sanitation and preventive health care	Saragur Taluk, Mysore district, Karnataka	₹ 20,00,000/-	₹ 20,00,0 00/-	-	₹ 20,00,000/-	Through Swami Vivekananda Youth Movement
5	Maintaining Clean and Hygienic hospital environment in Regional Cancer Centre, Thiruvananthapuram through deployment of 'Scrubber and drier' machines	Eradicating poverty, hunger and malnutrition, promoting health care which includes sanitation and preventive health care	Thiruvanan-thapuram, Kerala	₹ 16,57,290/-	₹ 16,57,290/-	-	₹ 16,57,290/-	Through Regional Cancer Centre, Thiruvanan -thapuram

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/-
Srinivasan Ramesh
MD & CEO

Sd/-
Nilay D Kapoor
Director

Sd/-
Deepak Singhal
Independent Director

Sd/-
Alok Bhargava
Independent Director

Sd/-
Shri.Immanuvel Ganesan
Director & CFO

Place: Mumbai
Date: 22nd August 2023

INDEPENDENT AUDITOR'S 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 2023, 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, 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 2023, 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

a) Note No.53 to the Standalone financial statements, which describe the Management's assessment of the uncertainties and the impact of the COVID-19 pandemic on the Company's operations and financial results. The management has assessed that the impact of COVID-19 on the Company's financial statements may differ from that estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. In view of these uncertainties, the impact on the Company's financial statements is significantly dependent on future developments.

b) Note No. 41 to the standalone financials statement, which describes the management has changed the accounting policy of NCD and accounting estimate of defined benefit obligation. In view of the above, the profit during the current year is lower by ₹ 66.10 lakhs and also the previous year's profit been restated and reduced by ₹ 47.55 lakhs and the Other Equity of the Company being lower by these amounts.

Our opinion is not modified in respect of the above matters.

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 Res ponsibility 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 t hereon.

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 statement, 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 nothi ng to report in this regard.

Responsibility of Management and those charged with governance for 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 tall 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" 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 agree 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 Re port 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 the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) 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.

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 G Balu Associates LLP
Chartered Accountants
FRN No. 000376S/S200073

Sd/-
Raja Gopalan B
Partner
Membership No. 217187

UDIN No: 23217187BGXDZL9718

Place: Chennai

Date: 27th April 2023

ANNEXURE – A TO THE AUDITORS' 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 2023. We report that:

i)

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and the situation of Property, Plant, and Equipment.

B) The Company does not have any intangible assets, hence the reporting under this clause is not applicable.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the property, plant, and equipment at reasonable intervals. According to the information and explanation are given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property, hence reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued its Property, Plant, and Equipment, or intangible assets during the year ended March 31, 2023.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedi ngs initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 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 has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, 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. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

(b) The investments made, guarantees provided, security given and 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 Company's interest.

(c) The Company is a Non-Banking Financial Company ('NBFC'), registered under 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 pr incipal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except for certain instances as below.

Outstanding of overdue loan as on 31st March 2023.

Particulars	Total amount due (Rs. In Lakhs)	No of Cases
1-30 Days	483.38	29
31-60 Days	280.38	15
61-90 days	56.61	3
More than 90 days	5120.80	82
Total	**5941.17**	**129**

(d) According to the information and explanations given to us, the total amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans given in course of the business operations of the Company aggregates to Rs. 5120.80 l akhs as at 31 March 2023 in respect of 82 number of loans. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

(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 to the Company.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment 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 to the Company. clause 3(iv) 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 to the Company.

vi) The Central Government has not specified maintenance of cost records under sub -section (1) of section 148 of the Act, in respect of Company's products/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, 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, In come tax, Sales Tax, Service tax, Custom Duty, Excise duty, Value added tax, cess, or other material statutory dues in arrears as at March 31, 2023, 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 accoun ts.

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 are 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 (ix)(f) of the Order is not applicable to the Company.

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 to the Company.

(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 to the Company.

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 ins tances of material fraud by the Company or on the Company, noticed or reported during the year, except for a borrower/customer fraud of Rs.1055.25 Lakh where the borrower / customer, had hypothecated same book debts to multiple lenders despite having excl usive charge, and also had provided many invalid voter IDs as voter IDs of ultimate beneficiaries (Reference is invited to Note 52 to Financial Statements)

b) Report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

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 (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 during the year the Company has not entered any non-cash transactions with its Directors or persons connected with its directors. 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 Rs.27.87 lakhs 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.., 6 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 G Balu Associates LLP
Chartered Accountants
FRN No. 000376S/S200073

Sd/-
Raja Gopalan B
Partner
Membership No. 217187

UDIN No: 23217187BGXDZL9718

Place: Chennai

Date: 27th April 2023

ANNEXURE - B TO THE 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 31 March 2023 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 weakn ess 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 31 March 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G Balu Associates LLP
Chartered Accountants
FRN No. 000376S/S200073

Sd/-
Raja Gopalan B
Partner
Membership No. 217187

UDIN No: 23217187BGXDZL9718

Place: Chennai
Date: 27th April 2023

ANNEXURE - C TO THE AUDITORS' REPORT

Comments with regard to Directions under sections 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. In the following case, IT systems need to be strengthened: (1) The company does not have Separate IT system for Computation of Provision for NPA borrowers as per IRAC norms, as the same is done in MS-Excel only.
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 GoTN under the 3 schemes, Govt of Odisha, and Catalytic Capital Funds had been properly accounted. The utilisation made from the said schemes were as per terms and conditions. There are no deviations in their utilisations.

For G Balu Associates LLP
Chartered Accountants
FRN No. 000376S/S200073

Sd/-

Raja Gopalan B
Partner
Membership No. 217187
UDIN No: 23217187BGXDZL9718
Place: Chennai
Date: 27th April 2023

NABKISAN Finance Limited

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

Balance sheet as at 31st March 2023

(₹ in lakh)

	Particulars	Note	As at 31st March, 2023	As at 31st March, 2022
	ASSETS			
1	**Financial assets**			
(a)	Cash and cash equivalents	3	15,316.09	2,194.79
(b)	Bank balances other than (a) above	4	6.15	0.55
(c)	Loans	5	184,859.90	135,918.86
(d)	Investments	6	2,402.03	1,475.41
(e)	Other financial assets	7	3.04	2.41
2	**Non - Financial assets**			
(a)	Current Tax assets (net)	8	263.73	204.02
(b)	Deferred tax assets (net)	9	145.03	101.70
(c')	Property, plant and equipment	10	17.99	11.42
(d)	Other intangible assets	11	-	-
(e)	Other non - financial assets	12	39.24	17.74
	TOTAL - ASSETS		**203,053.19**	**139,926.90**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Borrowings (Other than Debt Securities)	13	154,851.49	96,772.20
(b)	Other financial liabilities	14	7,254.89	6,565.32
2	**Non - Financial Liabilities**			
(a)	Provisions	15	14.83	11.78
(b)	Other non-financial liabilities	16	195.80	141.44
(c')	Current Tax Liabilities (net)	17	-	30.56
3	**Equity**			
(a)	Equity Share capital	18	17,147.82	17,147.82
(b)	Other Equity	19	23,588.36	19,257.78
	Total Liabilities and Equity		**203,053.19**	**139,926.90**

The accompaying notes form an integral part of the Financial Statements 1-55

Vide our report of even date
For G Balu Associates LLP
Chartered Accounts
FRN No. 000376S/S200073

For NABKISAN Finance Limited

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

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

Sd/-
Raja Gopalan B
Partner
Membership No. 217187
Place : Chennai
Date : 27.04.2023

Sd/-
S. S. Vaseeharan
Director & Chief Financial Officer
(DIN : 09662775)
(PAN : ABVPV4869L)

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**		**Outstanding**	**Overdue**
	accrued thereon but not paid:			
	(a) Debentures	Secured	Nil	Nil
		Unsecured	Nil	Nil
		(other than falling within the meaning of		
		public deposits*)		
	(b) Deferred Credits		Nil	Nil
	(c) Term Loans		Nil	Nil
	(d) Inter-Corporate loans and borrowing		Nil	Nil
	(e) Commercial Paper		Nil	Nil
	(f) Other Loans (Un-secured loan - Refinance from NABARD & NSTFDC)		154,816.99	Nil

Assets side:		**Amount Outstanding**	
(2)	**Break up of Loans and Advances including bills receivables (other**		
	than those included in (4) below):		
	(a) Secured		190,772.96
	(b) Unsecured		-

(3)	**Breakup of Leased Assets and stock on hire and other assets**	
	counting towards AFC activities	
	(i) Lease Assets including lease rentals under sundry debtors:	Nil
	(a) Financial Lease	Nil
	(b)Operating Lease	
	(ii) Stock on hire including hire charges under sundry debtors:	Nil
	(a) Assets on hire	
	(b)Repossesed 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		15,300.00

	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		2,498.21
	(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	Nil
	(b)Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	**190,772.96**	**-**	**190,772.96**
	Total	**190,772.96**	**-**	**190,772.96**

(6)	Investor group-wise classification of all investments (current and long term) in shares and securities			
	(both quoted and unquoted) :			
	Category	**Market Value / Break up or fair value or NAV**		**Book Value (Net) or Provisions)**
	1. Related Parties **			
	(a) Subsidiaries			
	(b)Companies in the same group	Nil		Nil
	(c) Other related parties	Nil		Nil
	2. Other than related parties	2,498.21		2,384.56
	Total	**2,498.21**		**2,384.56**

Particulars					**Amount**
(7)	Other Information				
	(i)	Gross Non-Performing Assets			
		(a) Related parties			**Nil**
		(b) Other than related parties			**5,120.80**
	(ii)	Net Non-Performing Assets			
		(a) Related parties			**Nil**
		(b) Other than related parties			**838.30**
	(iii)	Assets acquired in satisfaction of debt			**Nil**

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For NABKISAN Finance Limited

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(DIN : 09844743)
(PAN : ADDPR1841A)

Sd/-
Raja Gopalan B
Partner
Membership No. 217187
Place : Chennai
Date : 27.04.2023

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Company Secretary
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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 2023

(₹ in lakh)

	Particulars	Note No	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I	**Revenue from Operations**			
	Interest Income	20	16,604.49	12,366.04
	Others		-	-
	Total Revenue from operations		**16,604.49**	**12,366.04**
II	Other Income	21	0.83	0.60
III	Total Income (I + II)		**16,605.33**	**12,366.64**
IV	**Expenses**			
	Finance Costs	22	7,387.92	4,234.38
	Impairment on financial instruments	23	202.58	1,901.08
	Employee Benefits Expenses	24	263.15	215.15
	Depreciation, amortization and impairment	10&11	5.97	7.13
	Others expenses	25	1,995.51	1,991.19
	Total Expenses		**9,855.14**	**8,348.93**
V	Profit before exceptional items and tax (III - IV)		6,750.19	4,017.71
VI	Exceptional Items		-	-
VII	Profit before tax (V - VI)		6,750.19	4,017.71
VIII	**Tax Expense:**			
	- Current Tax		1,724.58	1,435.33
	- Deferred Tax	9	(42.31)	25.57
IX	Profit for the period (VII -VIII)		**5,067.92**	**2,556.80**
X	Profit from discontinued operations			
XI	**Profit for the period (IX+XII)**		**5,067.92**	**2,556.80**
XII	**Other Comprehensive Income**			
(a)	(i) Items that will not be reclassified to profit or loss		(4.04)	(0.79)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.02	0.20
	Sub-total (a)		**(3.02)**	**(0.59)**
(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)		**(3.02)**	**(0.59)**
XIII	Total Comprehensive Income for the period (XI+XII) (Comprising Profit and other Comprehensive Income for the period)		**5,064.90**	**2,556.21**
XIV	Earnings per equity share	26		
	- Basic		2.36	1.39
	- Diluted		2.36	1.39

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Company Secretary
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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 2023

(₹ in lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before exceptional items and taxes	6,750.19	4,017.71
Add: Non-cash Expenses		
Depreciation, amortization and Impairment	5.97	7.13
Impairment on Financial Instruments	202.58	1,901.08
Bad debts written off	1,193.40	1,528.40
Net Gain or loss on fair value changes	(4.04)	(0.79)
(Profit) / Loss on sale of Plant, Property & Equipment, Intangibles	(0.16)	(0.03)
Less: Income considered separately		
Income from Investment activities	(631.62)	(133.29)
Operating profit before working capital changes	**7,516.32**	**7,320.20**
Changes in -		
- Loans and Advances	(50,337.01)	(25,443.21)
- Financial assets & Non-Financial assets	(81.84)	228.06
- Financial liabilities & Non-Financial Liabilities	713.37	654.88
- Provisions	3.05	8.12
Cash generated from operations	**(42,186.11)**	**(17,231.95)**
Income tax	(1,721.14)	(1,438.65)
Net Cash Inflow / (outflow) from operating Activities	**(43,907.25)**	**(18,670.60)**

II. CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of Property, plant and equipment and intangible assets	(12.59)	(3.42)
- Proceeds from sale of Property, plant and equipment	0.21	0.03
- Increase in investments	(926.62)	(684.10)
- Income from Term deposits with Banks	557.60	89.46
- Income from Investments	74.02	43.83
- Increase in Earmarked balances with banks	(5.61)	(0.18)
Net Cash Inflow / (outflow) from Investment Activities	**(312.98)**	**(554.37)**

III. CASH FLOWS FROM FINANCING ACTIVITIES		
- Proceeds from issue of Equity shares	-	6,658.35
- Net Proceeds from Borrowings (Other than Debt Securities)	58,079.29	12,637.05
- Dividends paid	(737.76)	-

Net Cash Inflow / (outflow) from Financing Activities	**57,341.53**	**19,295.40**
NET Increase / (Decrease) in Cash and Cash Equivalents	13,121.30	70.43
Cash and Cash Equivalents at the beginning of the year	2,194.79	2,124.37
Cash and Cash Equivalents at the End of the year	**15,316.09**	**2,194.79**

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Managing Director & CEO
(DIN : 09844743)
(PAN : ADDPR1641A)

Sd/-
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Partner
Membership No. 217187
Place : Chennai
Date : 27.04.2023

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Company Secretary
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NABKISAN Finance Limited

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 2023

(₹ in lakh)

A. Equity Share Capital		
Particulars	**As at 31st March 2023**	**As at 31st March 2022**
Balance at the beginning of the year	17,147.82	13,762.79
Changes in Equity share capital during the year		
Add : Fresh allotment of shares :		
- Issue of Shares	-	3,385.03
- Shares issued under other schemes	-	-
Balance at the end of the year	**17,147.82**	**17,147.82**

B. Other Equity							
Particulars	**Reserves and Surplus**						**Total**
	Statutory reserves	**Capital reserves**	**Securities premium**	**Special Reserve**	**Reserve fund**	**Retained earnings**	
Balance as at 01st April 2021	-	-	**5,151.73**	**2,126.20**	-	**6,153.65**	**13,431.57**
Adjustment for changes in Accounting policies & Prior period items						(3.32)	**(3.32)**
Restated Balance as at 01st April 2021	-	-	**5,151.73**	**2,126.20**	-	**6,150.32**	**13,428.25**
Add: Profit for the year	-	-	-	-	-	2,556.80	**2,556.80**
Add: Other Comprehensive Income for the year	-	-	-	-	-	(0.59)	**(0.59)**
Total Comprehensive Income for the year	-	-	-	-	-	**2,556.21**	**2,556.21**
Additions	-	-	3,273.32	-	-	-	**3,273.32**
Appropriation to Statutory Reserve*	-	-	-	511.36	-	(511.36)	-
Balance at the 31st March 2022	-	-	**8,425.05**	**2,637.56**	-	**8,195.17**	**19,257.78**
Balance as at 01st April 2022	-	-	8,425.05	2,637.56	-	8,195.17	**19,257.78**
Adjustment for changes in accounting policies & Prior period items						3.43	**3.43**
Restated Balance as at 01st April 2022	-	-	**8,425.05**	**2,637.56**	-	**8,198.61**	**19,261.22**
Add: Profit for the year	-	-	-	-	-	5,067.92	**5,067.92**
Add: Other Comprehensive Income for the year	-	-	-	-	-	(3.02)	**(3.02)**
Total Comprehensive Income for the year	-	-	-	-	-	**5,064.90**	**5,064.90**
Additions	-	-	-	-	-	-	-
Appropriation to Statutory Reserve*	-	-	-	1,013.58	-	(1,013.58)	-
Dividends paid						(737.76)	**(737.76)**
Balance at the 31st March 2023	-	-	**8,425.05**	**3,651.14**	-	**11,512.17**	**23,588.36**

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Company Secretary
(PAN : ANAPB3714D)

1. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

2.1 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 27th April 2023.

(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.

2.2 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.

2.3 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.
- Assets held for sale or disposals are stated at the lower of their net book value and net realizable value.
- 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 Rs.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.

2.4 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.

2.5Financial 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 severalevents 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 unlikeliness 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.

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

Notes forming part of Financial Statements

(₹ in lakh)

Note No	Particulars	As at 31st March, 2023	As at 31st March, 2022
3	**Cash and Cash equivalents**		
	- Cash on Hand	0.03	0.02
	- Balance with Banks (*In current accounts*)		
	Indian Overseas Bank	0.11	0.16
	Axis Bank	1.02	1.04
	HDFC Bank	14.93	243.57
	- Deposits with Banks		
	Deposits	15,300.00	1,950.00
	Total	**15,316.09**	**2,194.79**

Note No	Particulars	As at 31st March, 2023	As at 31st March, 2022
4	**Bank balance other than cash and cash equivalents**		
	- Earmarked balances with banks		
	- Unclaimed Dividend Accounts	0.40	0.37
	- Balances with banks-held as margin money or security deposit against borrowings, gurantee/other commitments		
	'Interest accrued on deposits	5.75	0.18
	Total	**6.15**	**0.55**

Note No	Particulars	As at 31st March, 2023	As at 31st March, 2022
5	**Loans**		
	Measured at Amortised cost *(refer - Note 27)*		
	Secured Loans and Advances		
	- Due within 12 months	92,094.73	67,410.79
	- Due beyond 12 months	98,678.24	74,284.66
		190,772.96	141,695.45
	Less: Impairment allowance	(5,913.07)	(5,776.59)
		184,859.90	135,918.86
	Measured at Fair value through OCI	-	-
	Measured at Fair value through Profit and Loss	-	-
		184,859.90	**135,918.86**

Note No	Particulars	As at 31st March, 2023	As at 31st March, 2022
6	**Investments**		
	- Measured at Amortised cost		
	Unquoted, Unsecured Investments in 4% Non-convertible debentures under Govt of Tamilnadu scheme		
	- Due within 12 months	-	-
	- Due beyond 12 months	2,498.21	1,515.41
	Interest accrued thereon	17.47	7.55
	(Ref - Note No - 27 & 31(a) & 41)	**2,515.68**	**1,522.96**
	Less: Impairment allowance	(113.65)	(47.55)
		2,402.03	***1,475.41***

	- Measured at Fair value through OCI	-	-
	- Measured at Fair value through PL	-	-
		2,402.03	**1,475.41**

7	**Other Financial assets**		
	Due within 12 months		
	- Desposits and advances	3.04	2.41
		3.04	**2.41**
	Due beyond 12 months	-	-
		3.04	**2.41**

8	**Current Tax Assets (Net)**		
	- Income tax refund due	-	204.02
	Advance Tax & With holding taxes receivable	1,988.30	-
	Less: 'Income tax provision	(1,724.58)	-
		263.73	**204.02**

9	**Deferred Tax assets *(refer note 28)***		
	Opening	101.70	127.08
	C.Y Additions	43.32	(25.38)
	Closing	**145.03**	**101.70**

12	**Other non-financial assets**		
	- Goods and Services Tax (GST) Receivable	35.66	14.71
	- Net Asset on defined benefit obligation	3.58	3.03
	(refer note - 34)		
		39.24	**17.74**

NABKISAN Finance Limited

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

Note - 10 & 11 - Plant, Property and Equipment & Intangible assets Schedule as at 31st March 2023

(₹ in lakh)

Particulars	Gross Block				Depreciation Block				Net Carrying Value	
	As at 01.04.2022	Additions	Disposal/ Written off	As at 31.03.2023	As at 01.04.2022	Additions	Withdrawn	As at 1.03.2023	As at 31.03.2023	As at 31.03.2022
Plant, Property and Equipment										
- Land	-			-	-			-	-	-
- Building	-			-	-			-	-	-
- Furniture & Fixtures	16.71	8.02	-	24.72	9.72	1.81		11.53	13.19	6.98
- Office Equipments	1.08	0.70	-	1.78	1.02	0.04		1.07	0.71	0.05
- Servers & Networks	-	-	-	-	-	-		-	-	-
- Laptop & Desktops	16.78	3.87	1.08	19.57	12.39	4.12	1.03	15.48	4.09	4.39
Subtotal (A)	**34.56**	**12.59**	**1.08**	**46.06**	**23.14**	**5.97**	**1.03**	**28.08**	**17.99**	**11.42**
Intangible assets										
- Software	-	-	-	-	-	-		-	-	-
Subtotal (B)	-	-	-	-	-	-	-	-	-	-
Total (A + B)	**34.56**	**12.59**	**1.08**	**46.06**	**23.14**	**5.97**	**1.03**	**28.08**	**17.99**	**11.42**
As at 31st March 2022										
Plant, Property and Equipment	31.14	3.42	-	34.56	16.01	7.13	23.14	16.01	18.55	15.13
Intangible assets	-	-	-	-	-	-	-	-	-	-

NABKISAN Finance Limited

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

Notes forming part of Financial Statements

(₹ in lakh)

Note No	Particulars	As at 31st March, 2023	As at 31st March, 2022
13	**Borrowings (other than Debt Securities)**		
	Loan from related parties (unsecured) *(Refer - note 30)*		
	- Loan from NABARD		
	- Due within 12 months	75,285.21	44,552.35
	- Due beyond 12 months	79,113.06	51,803.23
		154,398.27	**96,355.57**
	Loan from unrelated parties (unsecured) *(Refer - note 30)*		
	- Loan from NSTFDC		
	- Due within 12 months	403.85	214.35
	- Due beyond 12 months	14.87	19.59
		418.72	**233.94**
	Interest Accrued but not due on Borrowings	34.50	182.69
		154,851.49	**96,772.20**

Note No	Particulars	As at 31st March, 2023	As at 31st March, 2022
14	**Other Financial Laibilities**		
	Due beyond 12 months		
	Government of TamilNadu Scheme (Refer - note 31)		
	- Mezzanine Capital - TN Scheme	2,500.00	2,000.00
	- Notional Interest on Mezzanine capital - TN scheme	39.26	26.86
	Revolving Fund - TN Scheme (Refer - note 31)		
	-- Revolving Fund Utilised	747.99	527.91
	-- Revolving Fund Unutilised	1,556.01	1,776.09
	- Notional Interest on the above	177.12	108.80
	Credit Guarantee Fund - TN Scheme - *(Refer - note 31)*		
	-- CG Fund Allocated	167.00	443.25
	-- CG Fund Unutilised	705.00	431.75
	- Notional Interest on the above	86.08	51.11
	Credit Guarantee Fund - Odisha Scheme *(refer Note - 32)*		
	-- Fund Allocated	310.70	25.15
	-- Fund Unutilised	189.31	474.86
	- Notional Interest on the above	41.21	21.21
	NABARD - Catalytic Capital Fund *(Related party - refer Note - 33)*		
	-- Catalytic Fund Utilised	160.00	110.00
	-- Catalytic Fund Unutilised	340.00	390.00
	-- Catalytic Fund Interest earned	5.32	0.03
	- Notional Interest on the above	28.82	13.52
	Subsidy Reserve Fund	135.89	91.36
		7,189.69	**6,491.89**
	Due within 12 months		

	PODF Grant Amount	-	4.18
	Guarantee Fee	61.80	52.06
	Guarantee claim	3.00	16.83
	- Unpaid Dividend 2015-16	0.08	0.09
	- Unpaid Dividend 2016-17	0.08	0.09
	- Unpaid Dividend 2017-18	0.08	0.09
	- Unpaid Dividend 2018-19	0.08	0.09
	- Unpaid Dividend 2021-22	0.10	-
		65.20	**73.44**
		7,254.89	**6,565.32**

15	**Provisions**		
	Provision for Employee Benefit		
	Due beyond 12 months		
	Gratuity *(refer note - 34)*	5.81	5.81
		5.81	**5.81**
	Due within 12 months		
	Leave Encashment	9.02	5.97
		9.02	**5.97**
		14.83	**11.78**

16	**Other non-financial laibilities**		
	Due within 12 months		
	- Withholding and Other Taxes Payable	61.88	36.53
	- Outstanding Expenses	93.03	93.11
	- Income received in advance	40.89	11.79
		195.80	**141.44**
	Due beyond 12 months	-	-
		195.80	**141.44**

17	**Current Tax Liabilities (net)**		
	Income tax provision		1,435.33
	Less: Advance Tax & With holding taxes receivable		(1,404.77)
		-	**30.56**

NABKISAN Finance Limited

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

Notes forming part of Financial Statements

(₹ in lakh)

Note No	Particulars	As at 31st March, 2023	As at 31st March, 2022
18	**Share Capital**		
	Authorized Captial	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		
	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, 2023**	**As at 31st March, 2022**
	Number of Shares outstanding at the beginning of the year	171,478,213	137,627,932
	Add : Issued during the year	-	33,850,281
	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 (₹ in lakh)
	Particulars	**As at 31st March, 2023**	**As at 31st March, 2022**
	Equity Share Capital Outstanding at the beginning of the year	17,147.82	13,762.79
	Add : Share Capital Issued during the year	-	3,385.03
	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 Rs. 10 per share. Each share holder is entitled to one vote per share. The distribution of dividend is in proportion to the number of equity shares held by each share holders. Repayment of capital will be in proportion to number of equity shares held.

		Number of Shares			
d.	**Details of shareholder holding more than 5 %**	**%**	**31st March 2023**	**%**	**31st March 2022**
	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.	<u>**For a period of years, immediately preceeding the Balance sheet**</u>
	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			
	Promoter Name	**No. of Shares**	**% of Shares**	**% Change during theyear**
	1. National Bank for Agricultural & Rural Development	150,500,063	87.77%	0.00%

NABKISAN Finance Limited

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

Note - 19 - Other Equity

(₹ in lakh)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus						Debt instruments through OCI	Equity instruments through OCI	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 & Prior period items								3.43			3.43
Restated Balance as at 01st April 2022	**-**	**-**	**-**	**-**	**8,425.05**	**2,637.56**	**-**	**8,198.61**	**-**	**-**	**19,261.22**
Add: Profit for the year	-	-	-	-	-	-	-	5,067.92			5,067.92
Add: Other Comprehensive Income for the year	-	-	-	-	-	-	-	(3.02)			(3.02)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**8,425.05**	**2,637.56**	**-**	**13,263.51**	**-**	**-**	**24,326.12**
Additions						-					-
Appropriation to Statutory Reserve*						1,013.58		(1,013.58)			-
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**	**3,651.14**	**-**	**11,512.17**	**-**	**-**	**23,588.36**

Other Equity (FY 21-22)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus						Debt instruments through OCI	Equity instruments through OCI	Total
			Statutory reserves	Capital reserves	Securities premium	Special Reserve	Reserve fund	Retained earnings			
Opening balance as at 01st April 2021	-	-	-	-	5,151.73	2,126.20	-	6,153.65			13,431.57
Adjustment for changes in accounting policies & Prior period items								(3.32)			(3.32)
Restated Balance as at 01st April 2021	**-**	**-**	**-**	**-**	**5,151.73**	**2,126.20**	**-**	**6,150.32**	**-**	**-**	**13,428.25**
Add: Profit for the year	-	-	-	-	-	-	-	2,556.80			2,556.80
Add: Other Comprehensive Income for the year	-	-	-	-	-	-	-	(0.59)			(0.59)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**5,151.73**	**2,126.20**	**-**	**8,706.53**	**-**	**-**	**15,984.46**
Additions					3,273.32	-					3,273.32
Appropriation to Statutory Reserve*						511.36		(511.36)			-
Transactions with owners in their capacity as owners											-
Less: Dividend distributed during the year											-
Less: Dividend Distribution Tax (DDT)											-
Balance at the 31st March 2022	**-**	**-**	**-**	**-**	**8,425.05**	**2,637.56**	**-**	**8,195.17**	**-**	**-**	**19,257.78**

Notes to Statement of Profit & Loss

(₹ in lakh)

Note	Particulars	For the year ended 31st March 2023				For the year ended 31st March 2022			
		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
20	**Interest Income**								
	- Interest on Loans	-	15,936.18	-	**15,936.18**	-	12,188.03	-	**12,188.03**
	- Interest income from investments	-	74.02	-	**74.02**	-	43.83	-	**43.83**
	- Interest on deposits with Banks	-	557.60	-	**557.60**	-	89.46	-	**89.46**
	- Other Income								
	Prepayment Charges	-	36.69	-	**36.69**	-	44.72	-	**44.72**
	Total	**-**	**16,604.49**	**-**	**16,604.49**	**-**	**12,366.04**	**-**	**12,366.04**

Note	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
21	**Other Income**		
	Miscellaneous Income	0.48	0.57
	Profit on sale of assets	0.16	0.03
	Recovery - Written Off Accounts	0.20	-
	Total	**0.83**	**0.60**

Notes to Statement of Profit & Loss

(₹ in lakh)

Note	Particulars	For the year ended 31st March 2023		For the year ended 31st March 2022	
		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
22	**Finance Costs**			-	-
	Interest on Borrowings				
	NABARD Refinance Loans		7,222.22	-	4,065.50
	Interest on NSTFDC Loans		14.71	-	9.70
	Notional Interest on Corpus Funds		150.98	-	159.18
	Total	**-**	**7,387.92**	**-**	**4,234.38**

Note	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
23	**Impairment allowance**		
	Impairment allowance on Loans & Investments	202.58	1,901.08
	Total	**202.58**	**1,901.08**

Note	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
24	**Employee Benefit Expenses**		
	Salaries and wages	239.91	197.97
	Contribution to provident and other funds	13.73	9.76
	Staff Welfare	9.51	7.42
	Total	**263.15**	**215.15**

Note	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
25	**Other expenses**		
	Auditors Remuneration		
	- Concurrent Audit Fee		-
	- Statutory Audit Fee	2.00	1.50
	- Tax Audit Fee	0.20	0.20
	- Others		-
	Bad Debts Written Off	1,193.40	1,528.40
	Bank Charges	0.11	0.10

	Books and Periodicals	0.07	0.05
	Business Promotion	10.66	7.91
	Board Meeting Expenses	0.36	-
	CSR Expenses *(Note - 47)*	77.43	68.75
	Directors Sitting Fee	14.83	7.20
	Insurance	0.04	0.08
	Legal & Professional Charges	27.53	14.23
	Office Expenses	4.13	2.84
	Profession Tax	0.10	0.05
	TN Scheme - Operating Expenses	13.32	0.21
	Communication charges	1.60	0.88
	Printing & Stationery	6.17	5.95
	Professional charges - NABARD Dep. Staff	517.60	266.57
	Rates & Taxes	77.68	64.39
	AGM Expenses	0.46	0.30
	Rent	5.68	5.55
	Repairs & Maintenance	2.31	2.85
	Travelling & Conveyance	39.83	13.19
	Total	**1,995.51**	**1,991.19**

NOTE – 26 – EARNINGS PER SHARE (EPS) –

Particulars	2022-2023	2021-2022
Net Profit after tax as per statement of Profit & Loss	5,064.90	2,556.21
Less : Transfer to Statutory Reserve	(1,013.58)	(511.36)
Profit available to Equity Shareholders	**4,051.32**	**2,044.85**
Weighted average No. of Equity shares (no.'s)	17,14,78,213	14,75,51,165
Basic Earnings per share (₹)	2.36	1.39
Diluted Earnings per share (₹)	2.36	1.39

NOTE – 27 – 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.

Particulars	31st March 2023	31st March 2022
Gross carrying value of Loans and Advances – Corporate vertical		
Neither Past due nor impaired	1,70,493.94	1,22,567.46
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)	2,230.19	3,289.91
Total Gross Carrying value as at reporting date	**1,72,871.09**	**1,25,857.37**

Particulars	31st March 2023	31st March 2022
Gross carrying value of Loans and Advance – Non-corporate vertical		
Neither Past due nor impaired	14,337.84	12,772.00
Past due but not impaired		
0 - 30 days past due	336.42	-
31 – 60 days past due	280.38	273.89
61 – 90 days past due	56.61	59.35
Impaired (more than 90 days)	2,890.61	2,732.83
Total Gross Carrying value as at reporting date	**17,901.87**	**15,838.08**

Particulars	31st March 2023	31st March 2022
Gross carrying value of Investments – Non-convertible debentures (*(refer Note no – 31(a))*)		
Neither Past due nor impaired	2,429.98	1,512.56
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)	85.70	10.40
Total Gross Carrying value as at reporting date	**2,515.68**	**1,522.96**

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. 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 2023					
		Amortised cost	At Fair Value				Total
			Through OCI	Through PL	Designated at FVTPL	Sub-total	
A.	**Loans**						
(i)	Repayable on demand	-	-	-	-	-	-
(ii)	Term Loans	1,79,071.28	-	-	-	-	1,79,071.28
(iii)	Others	11,701.69	-	-	-	-	11,701.69
	Total	**1,90,772.96**	-	-	-	-	**1,90,772.96**
	Less: Impairment allowance	(5,913.07)	-	-	-	-	(5,913.07)
	Total	**1,84,859.90**	-	-	-	-	**1,84,859.90**
B.							
(i)	Secured by tangible assets	1,90,772.96	-	-	-	-	**1,90,772.96**
(ii)	Secured by intangible assets	-	-	-	-	-	-
(iii)	Covered by Guarantees	-	-	-	-	-	-
(iv)	Unsecured	-	-	-	-	-	-
	Total	**1,90,772.96**	-	-	-	-	**1,90,772.96**
	Less: Impairment allowance	(5,913.07)	-	-	-	-	(5,913.07)
	Total	**1,84,859.90**	-	-	-	-	**1,84,859.90**

C.							
	Loans in India						
(i)	Public sector	-	-	-	-	-	-
(ii)	Others	1,90,772.96	-	-	-	-	**1,90,772.96**
	Total	**1,90,772.96**	-	-	-	-	**1,90,772.96**
	Less: Impairment allowance	(5,913.07)	-	-	-	-	(5,913.07)
	Total	**1,84,859.90**	-	-	-	-	**1,84,859.90**
	Loans outside India	-	-	-	-	-	-

Sr.no	Particulars	As at 31st March 2022					
		Amortised cost	At Fair Value				Total
			Through OCI	Through PL	Designated at FVTPL	Sub-total	
A.	**Loans**						
(i)	Repayable on demand	-	-	-	-	-	-
(ii)	Term Loans	1,33,266.17	-	-	-	-	**1,33,266.17**
(iii)	Others	8,429.28	-	-	-	-	**8,429.28**
	Total	**1,41,695.45**	-	-	-	-	**1,41,695.45**
	Less: Impairment allowance	(5,776.59)	-	-	-	-	**(5,776.59)**
	Total	**1,35,918.86**	-	-	-	-	**1,35,918.86**
B.							
(i)	Secured by tangible assets	1,41,695.45	-	-	-	-	**1,41,695.45**
(ii)	Secured by intangible assets	-	-	-	-	-	-
(iii)	Covered by Guarantees	-	-	-	-	-	-
(iv)	Unsecured	-	-	-	-	-	-
	Total	**1,41,695.45**	-	-	-	-	**1,41,695.45**
	Less: Impairment allowance	(5,776.59)	-	-	-	-	**(5,776.59)**
	Total	**1,35,918.86**	-	-	-	-	**1,35,918.86**
C.							
	Loans in India						
(i)	Public sector	-	-	-	-	-	-
(ii)	Others	1,41,695.45	-	-	-	-	**14,16,95.45**
	Total	**1,41,695.45**	-	-	-	-	**1,41,695.45**
	Less: Impairment allowance	(5,776.59)	-	-	-	-	**(5,776.59)**
	Total	**1,35,918.86**	-	-	-	-	**1,35,918.86**
	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 60 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 31 March 2023	1,70,640.90	-	2,230.19	***1,72,871.09***
Expected credit loss rate	0.75%	-	100.00%	***2.03%***
Carrying amount as at 31 March 2023 (net of impairment provision)	***1,69,362.78***	**-**	**-**	***1,69,362.78***
Gross Balance as at 31 March 2022	1,22,567.46	-	3,289.91	***1,25,857.37***
Expected credit loss rate	1.11%	-	75.00%	***3.04%***
Carrying amount as at 31 March 2022 (net of impairment provision)	***1,21,208.86***	**-**	***822.48***	***1,22,031.34***

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 31 March 2023	14,674.26	336.99	2,890.61	***17,901.87***
Expected credit loss rate	2.20%	8.80%	71.00%	***13.43%***
Carrying amount as at 31 March 2023 (net of impairment provision)	***14,351.49***	***307.33***	***838.30***	***15,497.11***
Gross Balance as at 31 March 2022	12,772.00	333.24	2,732.83	***15,838.08***
Expected credit loss rate	2.10%	13.97%	59.84%	***12.32%***
Carrying amount as at 31 March 2022 (net of impairment provision)	***12,503.25***	***286.70***	***1,097.57***	***13,887.52***

The expected credit loss allowance provision for **Investments – Non-convertible debentures** (*refer Note no – 31 (a)*) is determined as follows –

Particulars	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit Impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31 March 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***
Gross Balance as at 31 March 2022	1,512.56	-	10.40	***1,522.96***
Expected credit loss rate	2.73%	-	62.50%	***3.12%***
Carrying amount as at 31 March 2022 (net of impairment provision)	***1,471.27***	**-**	***3.90***	***1,475.41***

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 31st March 2021	**1,00,924.64**	**2,437.25**	**738.16**	**1,04,100.05**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	-	-	-	**-**
- Transfers to Stage II	-	-	-	**-**
- Transfers to Stage III	(1,362.41)	(2,437.25)	3,799.66	**-**
Loans that have been derecognised during the year	(11,234.36)	-	-	**(11,234.36)**
New Loans originated during the year	71,681.43	-	-	**71,681.43**
Write-off's	(665.41)		(738.16)	**(1,403.58)**
Recoveries	(36,771.61)	-	(509.76)	**(37,281.37)**
Gross carrying amount balance as at 31st March 2022	**1,22,567.46**	**-**	**3,289.91**	**1,25,857.37**
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	1,04,878.52	-	-	**1,04,878.52**
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	**1,70,640.90**	**-**	**2,230.19**	**1,72,871.09**

Reconciliation of ECL Balance –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 31st March 2021	**1,120.90**	**1,449.92**	**738.16**	**3,308.99**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	-	-	-	**-**
- Transfers to Stage II	-	-	-	**-**
- Transfers to Stage III	(347.13)	(1,449.92)	1,797.05	**-**
Loans that have been derecognised during the year	(12.95)			**(12.95)**
New Loans originated during the year	633.44	-	-	**633.44**
Write-off's	(660.60)	-	(738.16)	**(1,398.77)**
Remeasurement	624.93	-	670.38	**1,295.31**
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**

Considering the prudence and the futuristic macro indicators, the entity has made an additional provision of INR 933.83 Lakh on five 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 –

Gross Exposure Reconciliation –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 31st March 2021	**12,182.34**	**1,030.33**	**520.85**	**13,733.52**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	-	-	-	**-**

- Transfers to Stage II	(370.61)	370.61	-	-
- Transfers to Stage III	(1,337.29)	(81.72)	1,419.00	-
Loans that have been derecognised during the year	(5,232.87)	(935.87)	(15.15)	**(6,183.90)**
New Loans originated during the year	9,176.71	25.82	1,288.60*	**10,491.12**
Write-off's	(10.96)	-	(113.86)	**(124.82)**
Recoveries	(1,635.31)	(75.93)	(366.61)	**(2,077.85)**
Gross carrying amount balance as at 31st March 2022	**12,772.00**	**333.24**	**2,732.83**	**15,838.08**
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	(2,659.30)	(17.04)	(231.32)	**(2,907.66)**
Gross carrying amount balance as at 31st March 2023	**14,674.26**	**337.00**	**2,890.61**	**17,901.87**

*includes loans restructured during the year FY 21-22

Reconciliation of ECL Balance –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 31st March 2021	**101.90**	**198.69**	**366.50**	**667.09**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	-	-	-	-
- Transfers to Stage II	(1.87)	1.87	-	-
- Transfers to Stage III	(12.70)	(15.53)	28.23	-
Loans that have been derecognised during the year	(60.11)	(180.70)	(18.28)	**(259.09)**
New Loans originated during the year	195.14	3.56	754.97	**953.67**
Write-off's	(10.96)		(113.86)	**(124.82)**
Remeasurement	57.35	38.65	6,17.70	**713.70**
Gross carrying amount balance as at 31st March 2022	**268.75**	**46.54**	**1,635.26**	**1,950.56**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	(20.65)	7.02	13.63	-

- Transfers to Stage II	4.82	(15.29)	10.48	-
- Transfers to Stage III	13.87	-	(13.87)	-
Loans that have been derecognised during the year	(158.68)	(28.72)	(89.37)	**(276.77)**
New Loans originated during the year	256.91	3.42	52.00	**312.33**
Write-off's	-	-	(68.08)	**(68.08)**
Remeasurement	(42.24)	16.70	512.26	**486.71**
Gross carrying amount balance as at 31st March 2023	**322.78**	**29.67**	**2,052.31**	**2,404.75**

Considering the prudence and the futuristic macro indicators, the entity has made an additional provision of INR 243.87 Lakh on three 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** (*refer Note no – 31(a)*)is, as follows –

Gross Exposure Reconciliation –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 31st March 2021	**831.31**	-	-	**831.31**
Changes due to investments recognised in the opening balance that have:				
- Transfers to Stage I	(10.40)	-	10.40	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	-	-	-	-
Investments that have been derecognised during the year	-	-	-	-
New Investments made during the year*	691.65	-	-	**691.65**
Write-off's	-	-	-	-
Recoveries	-	-	-	-
Gross carrying amount balance as at 31st March 2022	**1,512.56**	-	**10.40**	**1,522.956**
Changes due to investments recognised in the opening balance that have:				
- Transfers to Stage I	(75.70)	-	75.70	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	-	-	-	-
Investments that have been derecognised during the year	-	-	-	-
New Investments made 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**

includes interest accrual made during the year

Reconciliation of ECL Balance –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 31st March 2021	**-**	**-**	**-**	**-**
Changes due to investments recognised in the opening balance that have:				
- Transfers to Stage I	-	-	-	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	-	-	-	-
Investments that have been derecognised during the year	-	-	-	**-**
New Investments made during the year*	18.88	-	-	**18.88**
Write-off's	-	-	-	**-**
Remeasurement	22.17	-	6.50	**28.67**
Gross carrying amount balance as at 31st March 2022	**41.05**	**-**	**6.50**	**47.55**
Changes due to investments recognised in the opening balance that have:				
- Transfers to Stage I	(2.06)	-	2.06	-
- Transfers to Stage II	-	-	-	-
- Transfers to Stage III	-	-	-	-
Investments that have been derecognised during the year	-	-	-	**-**
New Investments made 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**

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 28 – DISCLOSURE PURSUANT TO IND AS 12 "INCOME TAXES"

(a) Major components of tax expense / (income):

S.no	Particulars	2022-23	2021-22
(a)	Profit or Loss section:		
	(i) Current Income Tax:		
	- Current Income Tax Expense	1,724.58	1,435.33
		1,724.58	**1,435.33**
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(42.31)	25.57
	Effect of previously unrecognised tax losses used to reduce tax expense		-
		(42.31)	**25.57**
	Income tax expense reported in Profit or Loss [(i) + (ii)]	**1,682.27**	**1,460.90**
(b)	Other Comprehensive Income (OCI) section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods	1.02	0.19
	(ii) Items to be reclassified to profit or loss in subsequent periods		-
	Income tax expense reported in Other Comprehensive Income [(i) + (ii)]	**1.02**	**0.19**
	Retained earnings:		
	- Current Income Tax	1,724.58	1,435.33
	- Deferred Tax	(43.32)	25.37
	Income tax expense reported in retained earnings	**1,681.26**	**1,460.71**

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

S.no	Particulars	2022-23	2021-22
(a)	Profit before tax	6,750.19	4,017.71
(b)	Corporate tax rate as per Income Tax Act 1961	25.17%	25.17%
(c)	Tax on Accounting profit (c)=(a)*(b)	1,698.89	1,011.18
(d)	(i) Tax on Income exempt from tax	-	-
	(ii) Tax on expenses not tax deductible:		
	(A) CSR expenses	19.49	17.30
	(iii) Tax effect on other items	37.12	(432.23)
	Total effect of tax adjustments [(i) -(ii) + (iii)]	17.63	(449.53)
(g)	Tax expense recognised during the year (g)=(c) -(d)	1,683.29	1,461.10
(h)	Effective tax Rate (f)=(g)/(a)	24.91%	36.36%

NOTE 29 – PROPERTY, PLANT & EQUIPMENT'S AND INTANGIBLE ASSETS –

Property, Plant and Equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation is computed on Written down Value (WDV) on a pro -rata basis from the date on which such asset is ready for its intended use.

The residual values, useful live and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. PPE is derecognised 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 carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three to eight years) or over its useful life using the

Written Down Value method, and is included in depreciation and amortisation in the statement of profit and loss.

Impairment of non-financial assets (Property, plant and equipment and intangible assets)

The carrying values of assets at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount.

The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

NOTE 30 – 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, 2023 is summarized in the following table.

Rate of Interest	2022-23	2021-22
3.00%	43.03	16.83
4.00%	10.47	-
4.60%	7,715.45	18,002.73
4.65%	1,090.91	2,545.45
5.00% - NSTFDC	418.72	233.94
5.30%	11,405.64	18,677.27
5.40%	818.18	1,909.09
5.45%	320.00	500.00
5.60%	11,392.00	17,900.00
5.70%	1,754.55	8,590.91
5.75%	9,740.00	15,300.00
6.30%	727.30	-
7.20%	-	211.59
7.40%	3,635.00	-
7.50%	3,784.00	-
7.60%	4,582.00	3,166.67
7.65%	15,544.00	206.25
7.70%	1,305.00	2,175.00
7.80%	-	3,200.00
7.90%	10.00	2,379.58
8.05%	802.35	850.00
8.20%	20.20	274.20
8.30%	23,377.02	-
8.35%	25,979.16	-
8.40%	20,292.01	-
8.45%	9,900.00	-
8.50%	150.00	450.00
Grand Total	**1,54,816.99**	**96,589.52**

NOTE–31– 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 INR 66.675 crore per year to the all the three schemes and grand totalling of INR 266.70 crore to all the three schemes for four years as follows

a) Mezzanine Capital Assistance –

- An amount of INR 1250 Lakh for each year for four years aggregating to INR 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 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 INR 2,500.00 lakh *(previous year – INR 2,000 lakhs)* towards Mezzanine capital and has contributed an amount of INR 2,498.21 lakhs' *(previous year – INR 1,515.41 lakhs')* by way of subscription to debentures of various FPO's. Balance unutilised at the end of the year –INR 1.79 lakhs' *(Previous year – INR 484.59 lakhs').*
- *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 ₹ 113.65 lakhs (Previous year restated impairment allowance was ₹ 47.55 lakhs')

b) Credit Guarantee –

- An amount of INR 1250 Lakh for each year for four years aggregating to INR 5000 Lakh to enable FPC's to access credit.
- The corpus of INR 1250 Lakh per year is estimated on the basis of FPC's (1000 no's), guarantee cover up to INR 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 INR 875 lakhs *(previous year – INR 875 llakhs)* out of which an amount of INR 167 lakhs has been allocated *(previous year – INR 443.25 lakhs)*, INR 3.00 lakhs has been invoked against the default account (Nathagiri) and balance of INR 705 lakhs *(previous year – INR 431.75 lakhs)* was unutilised at the end of the reporting period.

c) Revolving fund assistance –

- An amount of INR 4167.50 Lakh for each year for four years aggregating to INR 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 INR 2,304.00 lakhs *(previous year – INR 2,304.00 lakhs)* under the said assistance out of which an amount of INR 747.99 lakhs *(previous year – INR 527.91 lakhs)* was utilised and balance of INR 1,556.01 lakhs *(previous year – INR 1,776.09 lakhs)* 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 –

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**

FY 2021-22

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	12.38	14.48	26.86
Credit Guarantee	33.88	17.23	51.11
Revolving fund assistance	16.06	92.74	108.80
	62.32	**124.45**	**186.77**

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 – 32 – 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 INR 1000 Lakh to the company. Till the period under reporting, the company has received an amount of INR 500 lakh, out of which an amount of ₹ 310.70 lakhs *(Previous year - ₹ 25.15 lakhs)* has been allocated and balance of ₹ 189.31 lakhs *(Previous year - ₹ 474.90 lakhs)* is yet to be utilized.

Since, 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 ₹ 41.21 lakhs till the reporting period.

Notional Interest on Credit Guarantee Fund	Balance the end of previous reporting period	Provided during the reporting period	Balance at the end of the current reporting period
Current year (FY 2022-23)	21.21	20.00	**41.21**
Previous year (FY 2021-22)	-	*21.21*	***21.21***

NOTE – 33 – NABARD CATALYTIC CAPITAL FUND –

NABARD has granted a Catalytic capital fund of INR 700 Lakh to provide financial assistance support to rural and agri-business start-up's. An amount of INR 500 Lakh has been received by the company till the reporting period, out of which ₹ 160.00 lakhs *(Previous year - ₹ 110.00 lakhs)* was utilised and balance of ₹ 340.00 lakhs *(Previous year - ₹ 390.00 lakhs)* 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 ₹ 28.82 lakhs till the reporting period.

Notional Interest on NABARD Catalytic fund	Balance the end of previous reporting period	Provided during the reporting period	Balance at the end of the current reporting period
Current year (FY 2022-23)	13.52	15.30	28.82
Previous year (FY 2021-22)	-	*13.52*	***13.52***

NOTE – 34 – EMPLOYEE BENEFIT EXPENSES

a) The Managing Director is on deputation from NABARD. Remuneration of the Managing Director including provident fund, gratuity and leave Salary is reimbursed to NABARD on the basis of the advice received from NABARD.

b) 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.

c) Liability in respect of leave encashment has been provided as per the policy of the Company amounting to INR 9.02 lakhs'

d) **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 (#)	9.88
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	2022 – 23	2021 – 22
Current Service Cost	3.74	2.11
Past service cost	-	-
Loss / (Gain) on Settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	(0.21)	-
Expenses Recognised in the Income Statement	**3.53**	**2.11**

2. **Other Comprehensive Income –**

Particulars	2022 – 23	2021 – 22
Actuarial (gains) / losses	1.95	0.79
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	**4.04**	**0.79**

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

Particulars	2022 – 23	2021 – 22
Defined Benefit Obligation at beginning of the year	24.47	20.17
Current Service Cost	3.74	2.11
Actuarial (Gain)/Loss	1.95	0.79
Interest Cost	1.70	1.40
Benefits Paid	-	-
Defined Benefit Obligation at end of the year	**31.86**	**24.47**

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

Particulars	2022 – 23	2021 – 22
Fair value of Plan Assets at beginning of the year	**27.50**	20.17
Return on Plan Assets	1.91	1.40
Employer Contribution	8.11	5.93
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	**35.44**	**27.50**

5. Net defined benefit obligation –

Particulars	2022 – 23	2021 – 22
Defined benefit obligation	31.86	24.47
Fair value of plan assets	35.44	27.50
Surplus/(Deficit)	**3.58**	**3.03**
Current portion of the above	-	-
Non current portion of the above	3.58	3.03
Expected Contribution during the next annual reporting period	**0.71**	**-**

6. Actuarial Assumptions –

Particulars	2022 – 23	2021 – 22
Discount Rate (per annum)	7.40 %	6.95 %
Rate of escalation in Salary (per annum)	4.00%	4.00%
Attrition / Withdrawal rate (per annum)	10.00%	7.00%

The company has made a contribution of INR 34.03 lakh based on actuarial valuation towards Gratuity liability with LIC India under employee group gratuity scheme during the previous year and the fund shall be maintained by the Employee Group Gratuity Trust. The Gratuity provision amounting to INR 5.81 lakhs (refer note -15) is towards employees of NABARD as detailed in (b) above is included in the provision stated at the end of the reporting period.

NOTE – 35 - RELATED PARTY TRANSACTIONS –

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 transactions)*	NABFOUNDATION
	NABSANRAKSHAN Trustee Pvt. Ltd.
Key Management Personnel	Srinivasan Ramesh, MD & CEO
	S S Vaseeharan, Director cum CFO
	M Bhuvaneswari , Company Secretary

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

Particulars	**Holding Entity**		**Subsidiaries of the Holding Entity**		**Key Management Personnel**	
	For the year ended 31st March 23	**For the year ended 31st March 22**	**For the year ended 31st March 23**	**For the year ended 31st March 22**	**For the year ended 31st March 23**	**For the year ended 31st March 22**
Loan received	1,19,214.47	53,700.00	-	-	-	-
Loan repaid	61,171.78	40,934.95	-	-	-	-
Interest paid on loans	7,222.22	4,065.50	-	-	-	-
Rent paid	5.68	5.55	-	-	-	-
Dividend Paid	646.12	-				
Notional Interest provided on Catalytic fund	15.29	13.52	-	-	-	-
Reimbursement of of Salary of Deputed Staff (Managing Director Cum CEO, CFO, VP, AVPs, other NABARD Staffs)	517.60	266.57	-	-	-	-
Credit Guarantee fee paid						
NABARD	16.02	19.10	-	-		
NABSANRAKSHAN Trustee Pvt. Ltd	-	-	87.11	10.70		
CSR Contribution						
NAB FOUNDATION	-	-	-	15.92		
Compensation of Key Managerial Personnel	-	-	-	-	358.28	279.21

Balance outstanding as at 31st March 2023 -

Name(s) of the related party	**Particulars**	**Balance as at 31st March 2023**	**Balance as at 31st March 2022**
NABARD	Loan outstanding (refer note -13)	1,54,398.27	96,355.57
	Catalytic Fund Capital (refer note - 14)	500.00	500.00
	Notional Interest provided on Catalytic fund	28.82	13.52
	Other Receivables	1.20	-

NOTE – 36 – 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 2023 or 31 March 2022.

Disclosure required in terms of Annexure XII of RBI Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 "Master Direction – Non Banking Financial Company – Systemically Important Non – Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016.

NOTE – 37 – RECONCILIATION OF MOVEMENT IN BORROWINGS TO CASH FLOWS FROM FINANCING ACTIVITIES

Particulars	1st April 2022	Cash Flows (net)	Exchange fluctuation	Amortisation of loan origination costs	31st March 2023
NABARD refinance	96,355.57	58,042.6	-	-	1,54,398.27
NSTFDC refinance	233.94	184.78	-	-	418.72
Total	**96,589.51**	**58,227.47**	**-**	**-**	**1,54,816.99**

Particulars	1st April 2021	Cash Flows (net)	Exchange fluctuation	Amortisation of loan origination costs	31st March 2022
NABARD refinance	83,590.52	12,765.05			96,355.57
NSTFDC refinance	103.81	130.13			233.94
Total	**83,694.34**	**12,895.18**			**96,589.52**

NOTE – 38 – 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									
Borrowings (refinance)	-	-	20,631.00	19,719.25	35,373.31	79,127.93	-	-	1,54,851.49
Total	**-**	**-**	**20,631.00**	**19,719.25**	**35,373.31**	**79,127.93**	**-**	**-**	**1,54,851.49**
Assets									
Investments	-	-	-	-	-	-	2,515.68	-	**2,515.68**
Advances	3,218.65	3,166.78	14,225.07	24,779.54	46,677.76	91,821.13	2,166.93	4,717.10	**1,90,772.96**
Total	**3,218.65**	**3,166.78**	**14,225.07**	**24,779.54**	**46,677.76**	**91,821.13**	**4,685.24**	**4,717.10**	**1,93,288.64**

NOTE – 39 – MATURITY ANALYSIS OF ASSETS AND LIABILITIES –

Particulars		31st March 2023			31st March 2022		
	ASSETS	**Within 12 Months**	**After 12 Months**	**Total**	**Within 12 Months**	**After 12 Months**	**Total**
1	**FINANCIAL ASSETS**						
a	Cash and Cash Equivalents	15,316.09	-	15,316.09	2,194.79	-	2,194.79
b	Bank Balances other than (a) above	6.15	-	6.15	0.55	-	0.55
c	Loans	89,240.22	95,619.67	1,84,859.90	67,410.79	68,508.07	1,35,918.86
d	Investments	-	2,402.03	2,402.03	-	1,475.41	1,475.41
e	Other Financial Assets	-	3.04	3.04	-	2.41	2.41
2	**NON FINANCIAL ASSETS**						
a	Current Tax Assets (Net)	-	263.73	263.73	204.02	-	204.02
b	Deferred Tax Assets (Net)	-	145.03	145.03	-	101.70	101.70
c	Property, Plant And Equipment	-	17.99	17.99	-	11.42	11.42
d	Other Intangible Assets	-	-	-	-	-	-
e	Other Non - Financial Assets	35.66	3.58	39.24	14.71	3.03	17.74
	TOTAL - ASSETS			**2,03,053.19**			**1,39,926.90**

LIABILITIES AND EQUITY

1	**FINANCIAL LIABILITIES**						
a	Borrowings (Other Than Debt Securities)	75,723.56	79,127.93	1,54,851.49	50,509.38	46,262.83	96,772.20
b	Other Financial Liabilities	65.19	7,189.69	7,254.89	73.44	6491.89	6,565.32

2	**NON - FINANCIAL LIABILITIES**						
a	Provisions	9.01	5.81	14.83	5.96	5.81	11.78
b	Current Tax Liabilities (Net)	-	-	-	30.56	-	30.56
c	Other Non-Financial Liabilities	197.80	-	197.80	141.44	-	141.44
3	**EQUITY**						
a	Equity Share Capital	-	17,147.82	17,147.82	-	17,147.82	17,147.82
b	Other Equity	-	23,588.36	23,588.36	-	19,257.78	19,257.78
	TOTAL - LIABILITIES AND EQUITY			**2,03,053.19**			**1,39,926.90**

NOTE – 40 – FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS –

Following table illustrates the Fair value measurement of Financial Instruments -

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	15,316.09	15,316.09	15,316.09		
b) Bank Balances other than (a) above	6.15	6.15	6.15		
c) Loans	1,84,859.90	1,84,859.90	-	-	1,84,859.90
a) Investments	2,402.03	2,402.03	-	-	2,402.03
e) Other Financial Assets	3.04	3.04	-	-	3.04
Total	**2,02,587.21**	**2,02,587.21**	**15,322.25**	**-**	**1,87,264.96**

Financial Liabilities					
a) Borrowings	1,54,851.49	1,54,851.49	-	1,54,851.49	-
b) Other Financial Liabilities	7,254.89	7,254.89	-	7,254.89	-
Total	**1,62,106.39**	**1,62,106.39**	**-**	**1,62,106.39**	**-**

As at 31st March 2022

Financial Assets					
Cash and cash equivalents	2,194.79	2,194.79	2,194.79		
Bank Balances other than (a) above	0.55	0.55	0.55		
Loans	1,35,918.86	1,35,918.86	-	-	1,35,918.86
Investments	1,475.41	1,475.41	-	-	1,475.41
Other Financial Assets	2.41	2.41	-	-	2.41
Total	**1,39,592.02**	**1,39,592.02**	**2,195.34**	**-**	**1,37,396.68**

Financial Liabilities

Borrowings	96,772.20	96,772.20	-	96,772.20	-
Other Financial Liabilities	6,565.32	6,565.32	-	6,565.32	-
Total	**1,03,337.53**	**1,03,337.53**	**-**	**1,03,337.53**	**-**

NOTE – 41 – 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 period under reporting, the entity has made an provision for impairment on these Investments made as per Expect credit Loss method by restating the previous year comparatives.

The impact of Impairment allowance made on these investments had reduced the profit during the current year by ₹ 66.10 lakh and in the previous year by ₹ 47.55 lakh and no impact on the previous years prior to the comparative period reported for the year and accordingly no restated balance sheet was presented for those prior periods.

Restatement of Previous year comparatives w.r.t defined benefit obligations –

Based on the Actuarial valuation for the defined benefit obligations, the Gain / (Loss) on account of change in the actuarial assumptions was recognised in Other Comprehensive Income.

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.

Accordingly the entity has made the following restatements in the previous year comparatives –

a) Asset recognised on defined benefit obligation – ₹ 3.03 lakh
b) Decrease in employment benefit expenses – ₹ 3.82 lakh
c) Gain on account of changes in Actuarial assumptions (net of tax implications) – ₹ 0.59 lakh
d) Deferred tax assets was increased by - ₹ 0.20 lakh

On account of the above, the profit has been increased by ₹ 3.23 lakh

Reconciliation of the Previous year reporting profit to Current year comparative profit reported as below –

Particulars	₹ lakh	₹ lakh
Profit as per previous year financials		2,597.20
Restated profit as per current year comparatives	2,556.21	
Adjustment for prior year taxes	(3.32)	
		2,552.89
Net Decrease in Profit		**44.32**
Reconciliation for the same		
Impairment allowance provided for Investments in NCD's	47.55	
Increase in Deferred taxes	(0.20)	
Increase in Assets towards defined benefit obligation	(3.03)	
		44.32

NOTE – 42 – CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	31st March 2023	31st March 2022
i) Contingent Liabilities		
Claims against the Company not acknowledged as debts	-	-
Guarantees	-	-
Total	**-**	**-**
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Loans sanctioned but not disbursed	2,413.84	5,421.21
Other commitments	-	-
Total	**2,413.84**	**5,421.21**

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

NOTE – 43 – 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 – 44 – DISCLOSURE UNDER MSME

There are no dues to any Micro and Small Enterprises to whom the company owes outst anding 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 – 45 – FOREIGN CURRENCY TRANSACTIONS

Particulars	2022-23	2021-22
a. Earnings in Foreign Currency	Nil	Nil
b. Expenditure in Foreign Currency	Nil	Nil

NOTE – 46 – 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 2023	31st March 2022
Tier – I capital	40,588.12	36,301.49
Tier – II capital	1,630.57	1,673.90
Total	**42,218.68**	**37,975.39**
Aggregate of Risk Weighted Assets	1,90,156.64	1,41,807.94
Tier – I Capital ratio	21.34%	25.60%
Tier – II Capital ratio	0.86%	1.18%
CRAR	**22.20%**	**26.78%**

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

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

"**Tier II capital**" includes the following –

a) preference shares other than those which are compulsorily convertible into equity.
b) revaluation reserves at discounted rate of fifty five percent;
c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets hybrid debt capital instruments; and
d) subordinated debt to he 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 – 47 – EXPENDITURE UNDER CORPORATE SOCIAL RESPONSIBILITY –

The company is required to spend at least 2% of average profits of preceding three years during F.Y. 2022-23 which amounts to INR 77.43 lakh. The following proposals were approved for funding under CSR budget for the year 2022-23:

a) Mauna Dhwani Foundation, Bangalore, Karnataka - financial support for enabling Sustainable Livelihood & Community Development for Women Weavers of five tribal villages in Mayurbhanj, Odisha - ₹ 14.23 lakh

b) Ambalika NGO – for purchase of 3 E-rickshaws to primitive tribal artisans of Nimdih block of Saraikela Kharsawan district of Jharkhand – ₹ 5.00 lakh

c) Savali Charitable Trust – for rendering doorstep medical services to tribal population, through medical van in Vikramagad – Jawahar taluk , Dist. Palghar, Maharastra – ₹ 21.60 lakh

d) Swami Vivekananda Youth Movement – for providing surgical and health care facilities to marginal tribal – rural communities in Saragur Taluk, Mysore dist, Karnataka - ₹ 20.00 lakh

e) Regional Cancer Centre, Thiruvananthapuram – for implementing the project 'Maintaining Clean and Hygienic hospital environment through deployment of 'Scrubber and drier' machines - ₹16.57 lakh

Total Amount to be spent	77.43
Amount Sanctioned	77.43

Out of the total amount sanctioned, an amount of ₹ 49.56 Lakh has been spent during the year under reporting and balance of ₹ 27.87 Lakh shall be utilised before 30th September 2023.

Note – 48 – 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		Stage - I	Stage - II	Stage - III	Stage - I	Stage - II	Stage - III	Stage - I	Stage - II	Stage - III	Stage - I	Stage - II	Stage - III
Details													
Opening Balance of Restructured accounts as at 1st April 2022	No. of borrowers	-	-	-	-	-	-	-	-	4	-	-	4
	Amount Outstanding	-	-	-	-	-	-	-	-	1,305.30	-	-	1,305.30
	Provision thereon	-	-	-	-	-	-	-	-	764.75	-	-	764.75
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 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 2023	No. of borrowers	-	-	-	-	-	-	-	-	3	-	-	3
	Amount Outstanding	-	-	-	-	-	-	-	-	1,253.85	-	-	1,253.85
	Provision thereon	-	-	-	-	-	-	-	-	1,033.77	-	-	1,033.77

1 borrower accounts closed during the year

NOTE – 49 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 Assets					
Standard	1,85,652.16	1,630.57	1,84,021.59	754.38	876.19
Total (A)	**1,85,652.16**	**1,630.57**	**1,84,021.59**	**754.38**	**876.19**
B. Non-Performing Assets					
Sub-standard	506.13	325.96	180.17	50.63	275.33
Doubtful Assets					
- Upto 1 year	6.00	3.90	2.10	3.00	0.90
- 1 to 3 years	4,324.71	3,786.15	538.56	3,733.44	52.71
> 3 years	283.97	166.50	117.47	140.13	26.36
Total Doubtful	4,614.68	3,956.54	658.13	3,876.57	79.97
Loss Assets	-	-	-		-
Total (B)	**5,120.80**	**4,282.50**	**838.30**	**3,927.20**	**355.30**
Total (A + B)	**1,90,772.96**	**5,913.07**	**1,84,859.90**	**4,681.58**	**1,231.49**

NOTE – 50 – OTHER DISCLOSURES

1. **Disclosure with respect to INVESTMENTS** – The company does not have any investment outside India.

2. EXPOSURES:

(a) **Derivatives**

The Company did not have any exposure in derivatives as at March 31, 2023 and as at March 31, 2022.

(b) **Securitization**

The Company did not have any exposure in securitized assets as at March 31, 2023 and as at March 31, 2022.

(c) **Exposure to Real Estate Sector**

Category	Current Year	Previous Year
Indirect Exposure		
Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies	783.48	1,421.38

(d) **Exposure to Capital Market**

The Company did not have any direct or indirect exposure to the capital market as at March 31, 2023 and as at March 31, 2022

3. Others –

DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS - The company has not financed product of parent company during the year.

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

4. Additional Disclosures –

1. Registration obtained from other financial sector regulators

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

2. Disclosure of Penalties imposed by RBI and other regulators

No penalty has been imposed by RBI and other regulators during current and previous year.

3. Concentration of Advances / Exposures :

Particulars	Amount
Total Advances to twenty largest borrowers (₹ lakh)	1,18,395.65
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	62.06%

4. Concentration of NPAs :

Particulars	Amount
Total Exposure to top four NPA accounts (₹ lakh)	2,029.17

5. **Sector-wise NPAs:**

(₹ in lakh)

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	17,899.14	2,890.61	16.15%	15,836.86	2,732.83	17.26%
2	Corporate borrowers	1,72,871.08	2,230.19	1.29%	1,25,857.37	3,289.91	2.61%

Note – 51 – DISCLOSURE OF COMPLAINTS:

	Particulars	Current Year	Previous Year
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during the year *Grounds of complaint – Loans and advances*	1	-
(c)	No. of complaints redressed during the year	1	-
(d)	No. of complaints pending at the end of the year	-	-
(e)	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
(f)	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	number of complaints pending beyond 30 days (at the end of the year)
Current year					
Loans and advances	-	1	100	-	-
Previous year					
Loans and advances	-	-	-	-	-

NOTE – 52 DISCLOSURE ON FRAUDS –

The entity has sanctioned terms loans of ₹ 1000 Lakh and ₹ 500 Lakh on 28 January 2019 and 06 March 2020, respectively to **M/s Margdarshak Financial Services Limited** (MFSL) vide Loan ID No 1083 and 1706. Since, 31 Jan 2021, the due amount was not paid due to liquidity crisis in the company. To regularise the account, lien marked Fixed deposits' were invoked with respect to both loans in May 2021 and amount of ₹ 145.71 lakhs was recovered. The same was adjusted in both the accounts. The accounts remained in overdue stage and subsequently became NPA on 1 July 2021.

The entity had issued recall notice to the borrower on 30 June 2021 and subsequently legal notice was issued on 25 August 2021. The borrower has expressed their inability to repay the amount due to second wave of Covid in April-May 2021.

As a fallout of these happenings, the lenders to MSFL had formed a Joint Lenders Meeting, with Punjab National Bank as lead lender and NABKISAN has been attending the JLM meetings from the 2nd JLM held on 17 June 2022. The second JLM, decided to appoint M/s Ravirajan & company for carrying out forensic audit of MFSL. Accordingly, the forensic auditors have concluded that a fr aud has occurred.

An internal meeting was convened on 30th September 2022 to examine the report in detail and to discuss on the reported findings. After due deliberation, it was decided to declare the account as Fraud in terms of RBI Master Direction – Monitoring of Frauds in NBFC's Directions, 2016 dated 29th Sept 2016.

(₹ lakh)

Name of the Borrower	Loan ID	Outstanding Amount	ECL Provision	Net
Margdarshak Financial Services Limited	1083	682.58	511.93	170.64
Margdarshak Financial Services Limited	1706	372.67	279.50	93.17

The entity has written off the amount outstanding ₹ 1,055.25 lakhs in respect of both these accounts.

The company and other lenders (under the Multiple Banking Arrangement) have authorised the lead lender Punjab National Bank Ltd., to file a common FIR on behalf of all the lenders of Margdarshak Financial Services Limited. Accordingly, PNB has filed the FIR with the CBI

NOTE 53 – ESTIMATION UNCERTAINTY RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19 AND CURRENT MACRO-ECONOMIC SCENARIO –

The COVID-19 outbreak and its effect on the economy has impacted our customers and our performance, though the pandemic's spread remains curtailed by the roll out of vaccines through out the world. The outbreak necessitated government to respond at unprecedented levels to protect public health, local economies and livelihoods. There remains a risk of subsequent waves of infection, as evidenced by the past variants of the virus. Economic forecasts are still subject to a varied degree of uncertainty in the current environment. Limitations of forecasts and economic models require a greater reliance on management judgement in addressing both the error inherent in economic forecasts and in assessing associated ECL outcomes.

The calculation of ECL under Ind AS 109 involves significant judgements, assumptions and estimates. The level of estimation uncertainty and judgement is moderately low during financial year due to the curtailed impact of the pandemic spread, including significant judgements relating to:

a) the selection and weighting of economic scenarios, given rapidly changing economic conditions in an unprecedented manner, uncertainty as to the effect of government and RBI support measures designed to alleviate adverse economic impacts, and a wider distribution of economic forecasts than before the pandemic. The key judgements are the length of time over which the economic effects of the pandemic will occur, the speed and shape of spread and recovery. The main factors include the effectiveness of pandemic containment measures, effectiveness of vaccines, and the emergence of new variants of the virus, plus a range of geopolitical uncertainties, which together may represent a high degree of estimation uncertainty, particularly in assessing worst case scenario.

b) estimating the economic effects on the scenarios on ECL, though the historical trends now include a little history post the outbreak of the pandemic that can be reflected in the models to represent the effects of the economic changes of the severity and speed brought about by the COVID-19 outbreak. Modelled assumptions and linkages between economic factors and credit losses may underestimate or overestimate ECL in these conditions, and there is significant uncertainty in the estimation of parameters such as collateral values and loss severity; and

c) the identification of customers experiencing significant increases in credit risk and credit impairment , particularly where those customers have accepted payment deferrals and other reliefs designed to address short-term liquidity issues given muted default experience to date.

Judgements (including overlays) in relation to credit impairments and the impact of macro-economic risks on the credit environment, in particular those arising from the COVID-19 pandemic, are continuously discussed throughout the year. The management focused on the key assumptions, methodologies and in-model and post model adjustments applied to provisions under Ind AS 109. The economic uncertainty and unprecedented conditions not experienced since the implementation of Ind AS 109 challenged the usefulness of model outputs. While the use of judgemental overlays and post-model adjustments should ideally be limited, their extensive use was deemed appropriate during the financial year, and might likely to continue to be required in future reporting periods.

As a result of government and bank support measures, significant credit deterioration has not yet occurred. This delay increases uncertainty on the timing of the stress and the realisation of defaults. Management has applied COVID-19 specific adjustments to modelled outputs to reflect the temporary nature of ongoing government support, the uncertainty in relation to the timing of stress and the degree to which economic consensus has yet captured the range of economic uncertainty. As a result, ECL is higher than would be the case if it were based on the forecast economic scenarios alone.

The Company has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31st March, 2023 about future events that the management believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets. The impact of the COVID-19 pandemic on each of these accounting estimates is discussed further in the relevant note to these Financial Statements. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

NOTE – 54 – DECLARATION OF DIVIDENDS

For the period under reporting, dividend has been proposed by the Board of Directors at 5% on the paid-up capital amounting to ₹ 857.39 lakh

NOTE – 55 – COMPARATIVES

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

Vide our report of even date
For G Balu Associates LLP
Chartered Accounts
FRN No. 000376S/S200073

For NABKISAN Finance Limited

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

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

Sd/-
Raja Gopalan B
Partner
Membership No. 217187
Place : Chennai
Date : 27.04.2023

Sd/-
S. S. Vaseeharan
Director & Chief Financial Officer
(DIN : 09662775)
(PAN : ABVPV4869L)

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

Pushkar Rural Agricultural Youth and Employment Producer Company Limited, Rajasthan

Success Story

Jamdagni Kshetra Farmer Producer Company Limited

Established
08.10.2020

District - Ghazipur
State - Uttar Pradesh

Promoting Institute -
Self Employed

Shareholders - 766
Share Capital - ₹ 5.14 lakh

Turnover
2022-23 - ₹ 2 Crore
NABKISAN Loan: ₹ 20 Lakh

Business Activities
Agri-inputs Sale (DAP,MOP, UREA, SSP, Pesticides), trading of wheat and paddy)

Jamdagni Kshetra Farmer Producer Company Limited is involved in business of agri-inputs supply (DAP, MOP, UREA, SSP, Pesticides) and procurement/ aggregation and trading of wheat and paddy. FPC has trading tieups with ITC, Godrej and DEHAAT. With the help of loan of ₹ 20 lakh from NABKISAN, the FPC has increased trading business of wheat reached to ₹ 2 crore during 2022-23.

Silage processing unit at Vilathikulam FPCL, TamilNadu

Success Story

Avadhan Farmers Producer Company Limited

Established
08.04.2020

District - Ahmedabad
State - Gujarat

Promoting Institute - NABARD
POPI - Sambhav Foundation

Shareholders - 515
Share Capital - ₹ 15 lakh

Turnover
2022-23 - Rs. 20.48 Lakh
NABKISAN Loan: ₹ 50 Lakh

Business Activities
Procurement of agri-inputs , cattle feed and cumin, castor, mustard, groundnut

Avadhan FPCL was formed to cater to the farmers in 16 villages of Dhanera district.The FPC began its operations with agri-input and cattle-feed trading and oil mill. Later, they begain trading of cumin, castor, mustard, and groundnut in large quantities and at competitive rates than the market. They also constructed a godown for the storage of commodities. .The FPC has market linkages with Patanjali, Reliance retail, Gujpro, IFFCO Kisan and Efresh.

NABKISAN loan of ₹ 50 lakh has boosted the revenues of FY 2022-23 of the Company. The turnover increased from ₹ 1 crore to about ₹ 2 crore during last FY.

ATTENDANCE SLIP

(To be presented at the entrance)

26th Annual General Meeting of NABKISAN Finance Limited to be held on 15 Sep 2023 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 of ....being 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 26th Annual General Meeting of NABKISAN Finance Limited to be held on 15 Sep 2023.

Folio No.......................................

No. of Shares Held ....

Signed this .... day of 2023

Signature ....

(affix 1 Re. Revenue Stamp)

Aadhimalai Pazhangudiyinar Farmer Producer Company, Tamilnadu

ANNUAL REPORT
2022-23

NABKISAN FINANCE LIMITED

A SUBSIDIARY OF NABARD

48, GROUND FLOOR, NABARD TNRO BUILDING, MAHATMA GANDHI ROAD,
NUNGAMBAKKAM, CHENNAI – 600 034.