

ANNUAL REPORT 2021-2022

Supporting Livelihoods

Nurturing Enterprises

Fostering Growth



NABKISAN





25TH ANNUAL REPORT
2021-2022



NABKISAN
FINANCE LIMITED
A Subsidiary of NABARD

Board of Directors

Shri Shaji K V	Chairman
Shri Nilay Kapoor	Director
Shri B Suri Babu	Director
Shri. Sibi Adhithya Senthil Kumar, IAS	Director
Shri Arindom Datta	Independent Director
Shri Alok Bhargava	Independent Director
Shri Deepak Singhal	Independent Director
Shri Satyanarayana Jonnalagadda	Independent Director
Shri Emmanuel Murray	Independent Director
Smt. Suseela Chintala	Managing Director & CEO
Dr. K.S. Mahesh	Director & CFO

Company Secretary

Smt. M. Bhuvaneswari

Auditors

G Balu & Associates LLP Chartered Accountants	Jammi Building, No. 123, Royapettah High Road, 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

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

Contents

1	Board of Directors	07
2	Management Team	10
3	Management Discussion & Analysis	14
4	Corporate Social Responsibility Initiatives	26
5	Notice of AGM	34
6	Directors' Report	40
7	Auditors' Report	66
8	Audited Financials & Other Statutory Disclosures	78
9	Attendance Slip & Proxy Form	143



From the Chairman's Desk



Dear Shareholder,

It gives me immense pleasure to invite you to the Twenty Fifth Annual General Meeting of your Company.

The FY 2022 witnessed lingering effects of COVID-19 pandemic, supply chain disruptions and inflation reappearing as a global issue in both advanced and emerging economies. In the face of widespread challenging times, your Company has rebounded with greater resilience, emerging stronger than ever and delivered sustained growth of 20%, recording an asset size of ₹1399.97 crore and delivered PAT of ₹25.97 crore.

Your Company has achieved considerable progress on Return on Asset, Return on Equity and NIM. The Company received an overwhelming response to its rights issue with 98.38% subscription which contributed to a comfortable capital adequacy position at 25.92% as at the close of the year.

Your Company has a geographically diversified portfolio and is pioneering in the FPO lending space with 474 FPOs lent during the year, the highest ever thus far, by capitalizing on appropriate Credit Guarantee schemes, including the recently launched Credit Guarantee Scheme for FPO Financing managed by NABSanrakshan Trustee Company Private Limited.

Your Company has successfully implemented the FPC financing schemes of Government of Tamil Nadu and Odisha; has been a leading lender to FPOs under the Gol's Agri Infrastructure Fund scheme and supporter of Agri Business Start-Ups through the Catalytic Capital assistance.

Your Company's proactive stance has earned it a place, as Esteemed NBFC in the Corporate Group and it secured distinguished NBFC Awards instituted by Banking Frontiers under 'Best Design Thinking Initiative', 'Best Group Synergy Initiative' and 'Best Eminent Trophy'.

As part of the CSR initiatives, your Company delivered its social and environmental commitments by supporting projects in the areas of livelihood enhancement, conservation of natural resources, vocational education in rural India.

Looking ahead, I believe we are standing at the threshold of great opportunity and growth.

I take this opportunity to thank NABARD for their continued support and confidence in our endeavours. I would like to place on record my deepest admiration to all the members of the Board of Directors of NABKISAN for their active and sustained contribution in long-term strategic planning of the Company.

Finally, dear Shareholders, the Company is grateful to you for your continued trust, confidence and contribution.

I look forward to your continued support in this journey!

Best Wishes,

SHAJI K V

Letter from the Managing Director & CEO



Dear Shareholder,

I am delighted to present before you the performance of NABKISAN's Silver jubilee year 2021-22. The Company embarked on a refreshing journey of growth, accomplishments and aspirations, onboarded new lenders and is well-positioned to consolidate its leadership across all business verticals.

NABKISAN crossed a milestone of ₹1416.95 crore in loan book size, experiencing strong impressive growth of 20% and surpassed targets set by 112.81%. Your Company has registered yet another year of sustained performance with 58% growth in sanctions, 42% growth in disbursements, 34% growth in owned funds and registered revenue from operations of ₹123.66 crore.

NABKISAN has shown exponential growth in lending to retail lending partners for livelihood activities and small businesses/enterprises to the tune of ₹785 cr.

Our retail lending to FPOs gained substantial traction during the year. The cumulative lending to Farmer Producer Organisations has reached a milestone of 1455 FPOs with credit of ₹449.84 crore impacting 7.27 lakh farmers. With the credit enhancement facilities available from Govt. of Tamil Nadu, Govt. of Odisha, Rabo Foundation, NABSanrakshan, SFAC and NABARD, your Company secured a unique place in the FPO credit eco-system by offering collateral free loans to FPOs.

The company is also rapidly expanding geographically and leveraging our relationships and technology to forge and deepen partnerships, pioneer new business models, grow existing businesses, diversify into new segments, build granular exposure and optimize risks. Our collection efficiencies have been the best in the sectors and we have also made higher than regulatory provisions to have a strong and resilient financial position.

Technology investments required for our rapid growth are helping us to serve our clients better and faster with more flexibility, improve our internal controls and productivity.

We look forward to further diversify the book and enter new segments that will help us capitalize on our domains of expertise.

I wish to take this opportunity to thank the Board of Directors, Shareholders, Partners, Clients and other stake holders for their continued support and guidance during these turbulent times. I also thank the entire team of NABKISAN for their passion and commitment and wish them continued success as they strive to scale new heights.

Best Wishes,

Suseela Chintala

Board of Directors



Shri Shaji K.V

Shri Shaji K V is currently Dy. Managing Director, NABARD and Chairman of the Board of NABKISAN. He is a Post Graduate in Agriculture and holds PGDM in Public Policy from Indian Institute of Management (IIM), Ahmedabad. Before joining NABARD, he worked in Canara Bank in various capacities for 26 years. During his last assignment, he was at the Corporate Office of Canara Bank in charge of Strategy, Planning and Business Development. He had successfully handled the project of amalgamation of Syndicate Bank into Canara Bank. Shri Shaji K V was earlier also the Chairman of India's largest Regional Rural Bank, Kerala Gramin Bank.



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 also 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 B.Suribabu

Shri B.Suribabu is currently heading the Rural Banking Department of Indian Bank at Corporate Office, Chennai. He is a Post Graduate in Agricultural Sciences, a Certified Associate Member of Indian Institute of Bankers and holds a Diploma in Management and Treasury & Risk Management. He has 34 years of experience in branches of rural, semiurban, urban and metro centers as well as administrative offices. He has served as Lead District Manager for Chittoor District, Zonal Manager for Karimnagar Zone, Telangana State, Chairman for Saptagiri Grameena Bank, Chittoor and Field General Manager, Bhubaneswar covering Odisha, M.P and Chhattisgarh states.



Shri Sibi Adithya Senthil Kumar, I.A.S.

Shri Sibi Adithya Senthil Kumar is a Deputy Secretary in the Finance Department of Government of Tamil Nadu and a nominee director on the Board of NABKISAN.



Shri. Arindom Datta

Shri. Arindom Datta is currently with Rabo India Securities Pvt. Limited as its Asia Head, Sustainability Banking, Rabobank Group and Head of Rural & Development Banking / Advisory, India. He holds a Bachelor Degree in Arts (Hons) and Master's Degree in Business Administration from Indian Institute of Management, Kozhikode. He had worked across various departments in NABARD for 10 years and headed GMED (Growth oriented micro-enterprise development project) of CARE India. He is currently a member of the NABARD constituted "National Advisory Group on Produce Fund".



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.



Smt. Suseela Chintala - MD & CEO

Smt. Suseela Chintala is a Chief General Manager of NABARD currently placed with NABKISAN. She holds a Post Graduate Degree in Commerce and is a Certified Associate of Indian Institute of Bankers. She has 34 years of experience in agriculture and rural development projects, credit planning, monitoring, finance, Micro Credit, Supervision of Cooperatives and RRBs. She has also served as General Manager in NABFINS, a subsidiary of NABARD. Prior to joining NABKISAN, she had a two year stint in Off Farm Development Department of NABARD and was actively associated with Incubation centres supported by NABARD as also the agri startups. She was also on the board of Tamil Nadu Women Development Corporation Ltd.



Dr. K.S. Mahesh - Director & CFO

Dr. K.S. Mahesh is a General Manager of NABARD, currently placed with NABKISAN. He is also NABARD nominee on the Board of NABKISAN. He has a Doctorate in Horticulture from Indian Agricultural Research Institute, New Delhi. He also holds a PG degree in Business Administration (Financial Services Management) and is a Certified Associate of Indian Institute of Bankers. He has 26 years of experience in appraisal of agricultural and rural development projects, credit planning, project finance, monitoring and evaluation. Prior to joining NABKISAN, he had a four year stint with NABARD Consultancy Services where he had handled more than 30 consultancy assignments, including two International Assignments.

Management Team



Shri Srinivasan Ramesh – Chief Operating Officer

Shri Srinivasan Ramesh is a Deputy 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. He has 21 years of experience in project financing, planning & implementation of developmental projects and credit planning. He has also handled several consultancy assignments as a Senior Consultant in NABARD Consultancy Services.



Smt. M. Bhuvaneshwari – Company Secretary

Smt. M. Bhuvaneshwari is the Company Secretary of NABKISAN for the last twelve 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, Vice President

Smt. S Sheba Sangeetha, Assistant General Manager has a decade 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

Bhuamrit Farmer Producer Company Limited

Name of the FPO Bhuamrit Farmer Producer Company Limited	Established 27 June 2018	District Haridwar	State Uttarakhand	Promoting agency NABARD	POPI Ambuja Cement Foundation
	Shareholder farmers 470	Women shareholders 210	Tribal shareholders NIL	Share capital ₹ 5 lakh	NKFL Loan ₹ 20 lakh
Turnover 2019-20 ₹31.02 lakh 2020-21 ₹124.56 lakh 2021-22(P) ₹134.48 lakh	Business Activities <ul style="list-style-type: none">Supply of bio-fertilizers,Procurement, processing and marketing of agri output, cattle feed and milk collection		Convergences <ul style="list-style-type: none">Government of Himachal Pradesh (Departments of Agriculture, Horticulture and Animal Husbandry)Krishi Vigyan Kendra		



Bhuamrit FPCL is involved in processing of organic jaggery, cane sugar, turmeric powder, flax seeds, etc. by collecting raw material from its organically certified members. The FPC has tied up with online platforms to market its products across the country under the brand name "Bhuamrit". The FPC also supplies bio-fertilizers to its members as well as non-members.

With the initial loan of ₹10 lakh in 2020-21 from NABKISAN for working capital requirements, the FPC was able to register fourfold increase in its turnover from ₹31.02 lakh in 2019-20 to ₹ 124.56 lakh in 2020-21. To support and sustain the growth of the FPC, NABKISAN enhanced its credit support and extended a loan of ₹ 20 lakh.





Board of Directors of NABKISAN



Team NABKISAN

Management Discussion and Analysis

Introduction

NABKISAN continued to be a sustainable and resilient organization delivering growth during the milestone year of the Company and is in pole position supporting agri value-chains and generating profitable returns for investors, during the post-pandemic era. This progressive outlook was augmented by the buoyant agricultural sector growth at 3.9 percent during 2021-22 and fuelled by timely interventions in the form of Atma Nirbhar Bharat and the various Government measures to enhance credit availability.

The Company remained committed in its journey of building a vibrant portfolio anchored on innovative business models, resulting in asset size of ₹1399.97 Crore and enhanced profitability (Profit After Tax) of ₹25.97 Crore. The Company also witnessed a robust growth of 20 percent in the loan portfolio during the year and is well-positioned to be a leading ecosystem developer for Farmer collectives and Rural enterprises.

Operational Highlights

Some of the operational highlights of the Company during the financial year 2021-22 are as under:

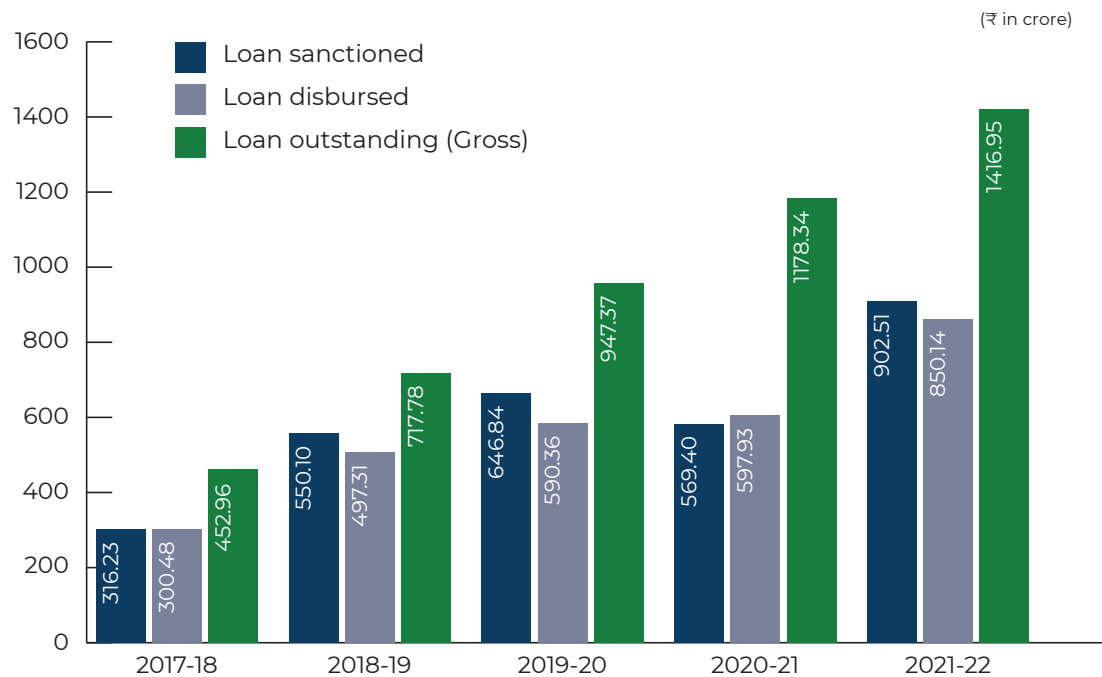
- Loan outstanding increased to ₹1416.95 Crore (₹1178.34 Crore during 2020-21), registering growth of 20%.
- While sanctions recorded a growth of 58%, disbursements recorded a growth of 42% over last year with sanctions being ₹902.51 Crore (₹569.40 Crore) and disbursements being ₹850.14 Crore (₹597.93 Crore).
- The revenue from operations grew by 7% from ₹115.72 Crore as on 31.03.2021 to ₹123.66 Crore as on 31.03.2022.
- The total assets of the company have increased by 19% to ₹1399.97 Crore as at the end of 31 March 2022, from ₹1174.41 Crore as the end of 31 March 2021.
- PBT and PAT had increased by 29% and 56% respectively to ₹40.61 Crore (₹ 31.52 Crore) and ₹25.97 Crore (₹ 16.60 Crore).
- Owned funds increased to ₹364.50 Crore (₹ 271.94 Crore) indicating a growth of 34%.

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

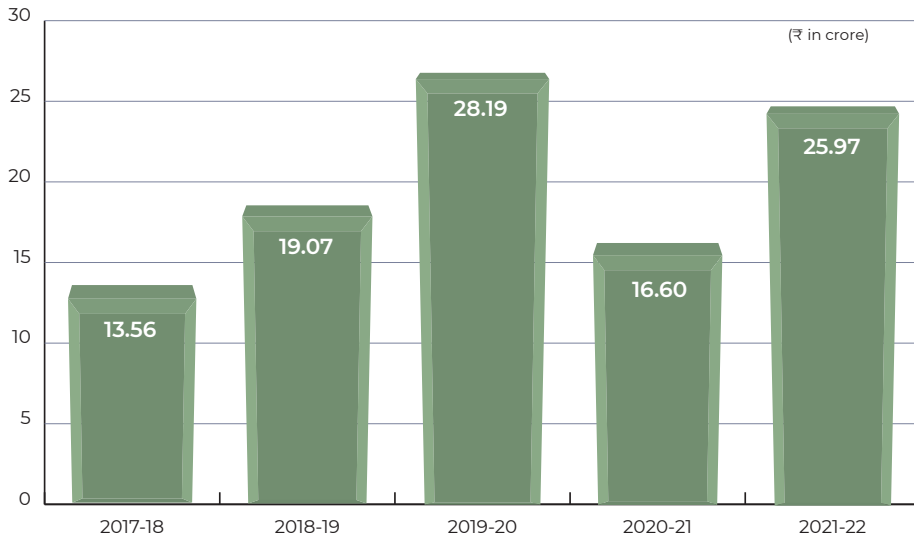
(₹ in Crore)

Particulars	2017-18	2018-19	2019-20 (Ind AS)	2020-21 (Ind AS)	2021-22 (Ind AS)
States covered	15	20	20	21	21
Loan sanctioned	316.23	550.10	646.84	569.40	902.51
Loan disbursed	300.48	497.31	590.36	597.93	850.14
Loan outstanding (Gross)	452.96	717.78	947.37	1178.34	1416.95
Profit after Tax	13.56	19.07	28.19	16.60	25.97
Networth	88.38	148.58	255.34	271.94	363.46
CRAR	20.66	21.93	26.78	23.48	25.92

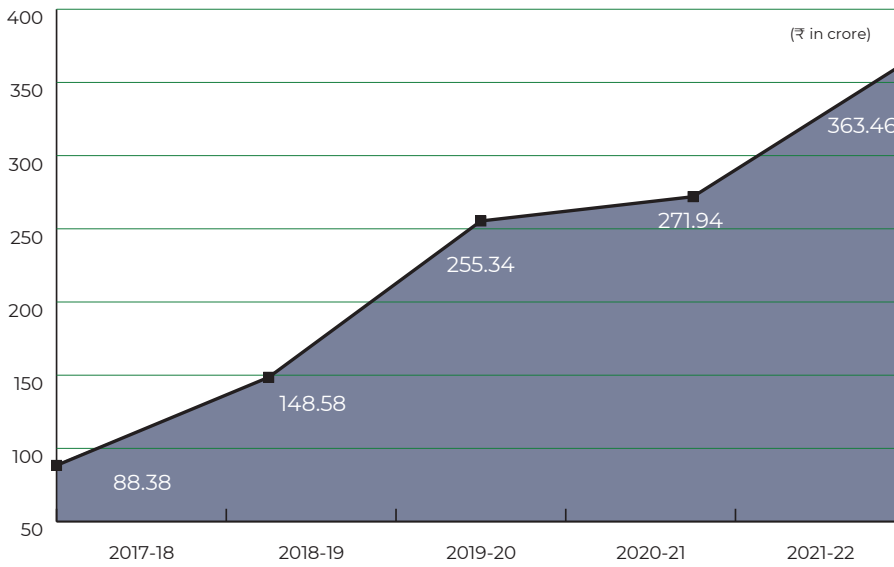
Operational highlights over 5 years



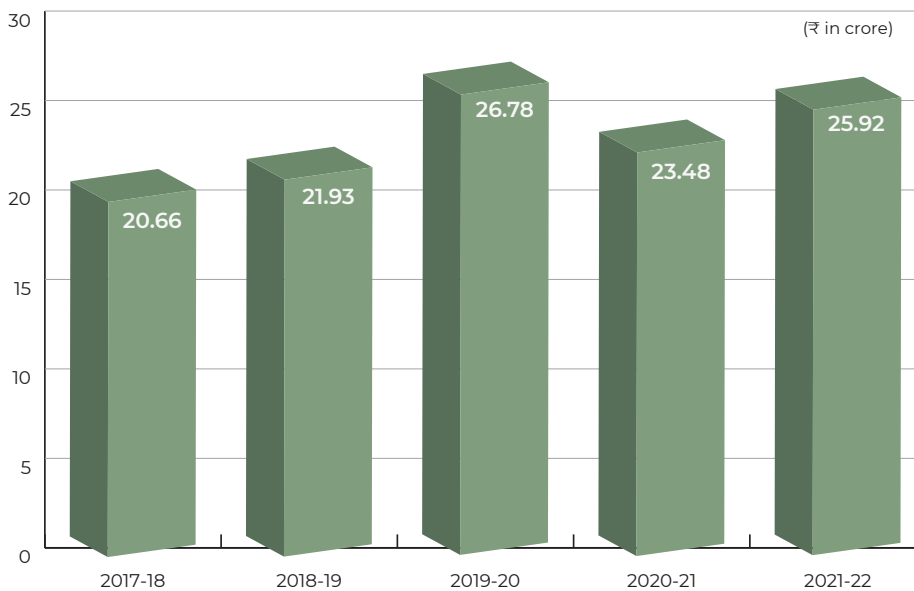
Profit after Tax



Networth



Capital Adequacy Ratio



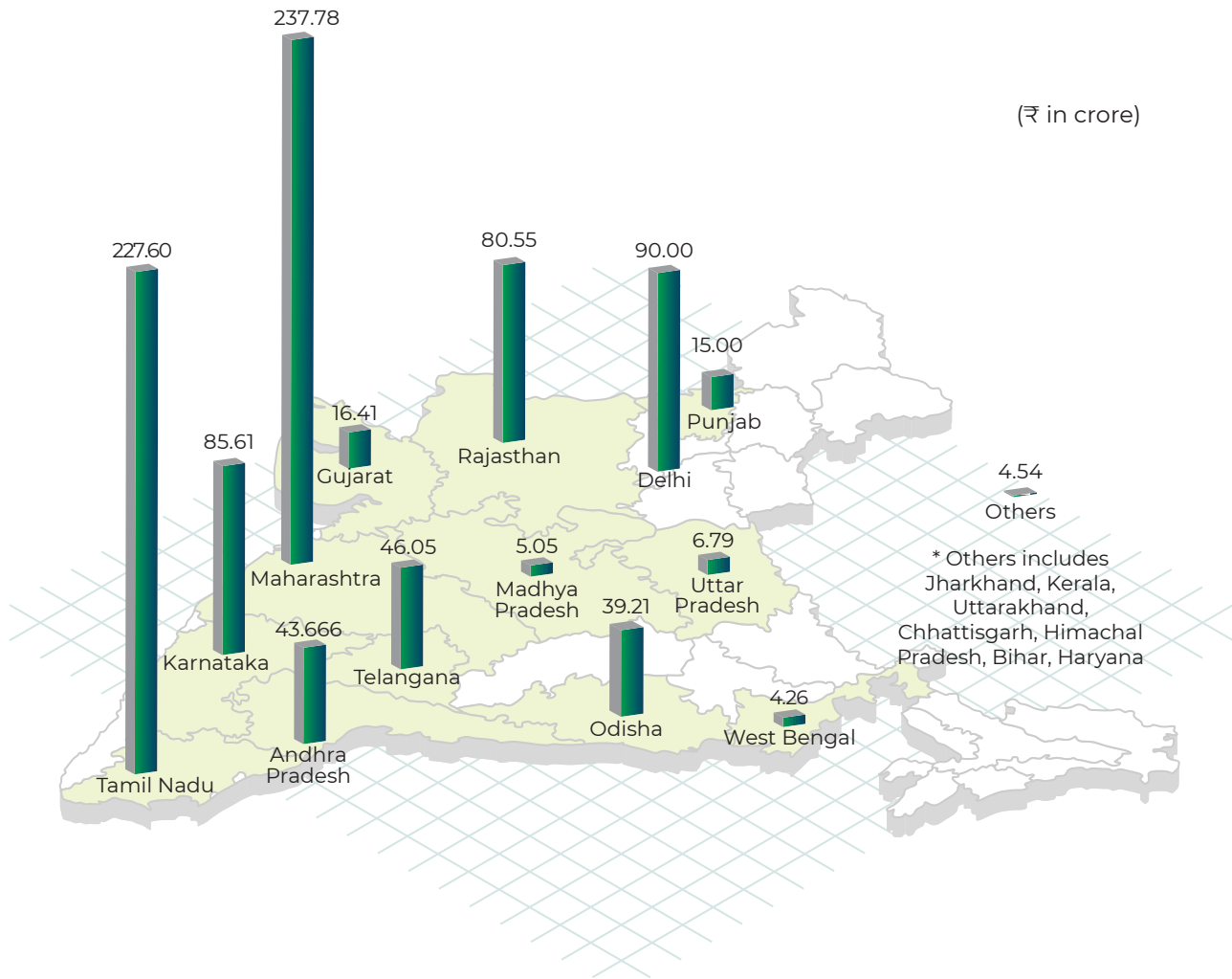
Outreach

NABKISAN has become a pan India Company and direct credit operations have now reached 21 states viz., Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttarakhand, Uttar Pradesh and West Bengal.

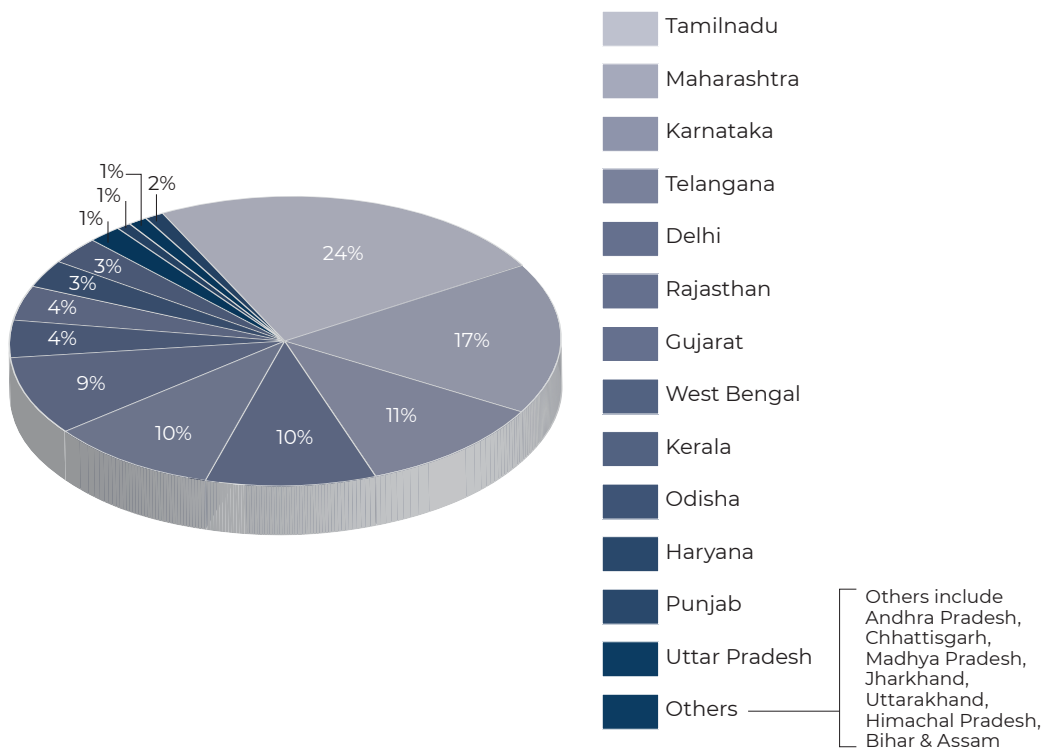
The State wise business portfolio in terms of loan sanctioned, loan disbursed and loan outstanding during the financial year 2021-22 are given below:

S.No.	State	Loan sanctioned (₹ in Crore)	Loan disbursed (₹ in Crore)	Loan outstanding (₹ in Crore)
1	Andhra Pradesh	43.66	7.07	9.01
2	Assam	0.00	0.00	0.27
3	Bihar	0.40	0.25	0.29
4	Chhattisgarh	0.82	0.84	6.09
5	Delhi	90.00	95.00	137.26
6	Gujarat	16.41	14.33	55.16
7	Haryana	0.10	15.10	23.36
8	Himachal Pradesh	0.45	0.45	0.44
9	Jharkhand	0.97	0.00	4.50
10	Karnataka	85.61	81.57	153.49
11	Kerala	0.90	30.20	40.68
12	Madhya Pradesh	5.05	7.17	4.97
13	Maharashtra	237.78	188.04	242.42
14	Odisha	39.21	22.78	39.65
15	Punjab	15.00	15.00	19.63
16	Rajasthan	80.55	81.27	125.00
17	Tamil Nadu	227.60	199.94	340.94
18	Telangana	46.05	80.12	139.53
19	Uttar Pradesh	6.79	6.58	19.11
20	Uttarakhand	0.90	0.90	0.90
21	West Bengal	4.26	3.53	54.25
	Total	902.51	850.14	1416.95

State wise loans sanctioned during FY 2021-22



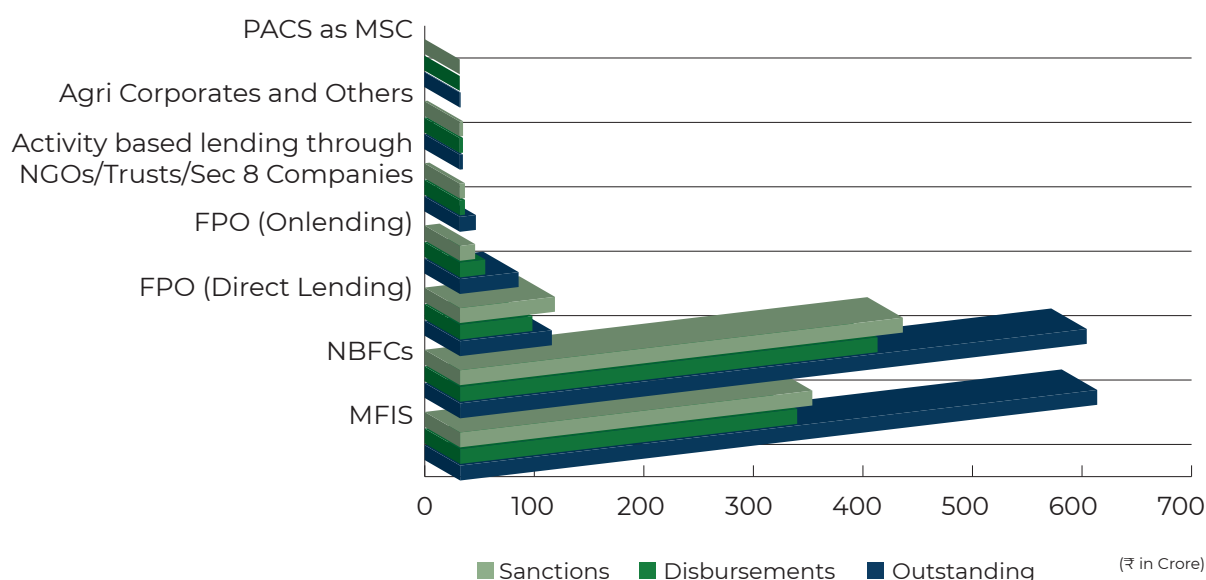
State-wise loan outstanding as on 31 March 2021



Sector wise portfolio

(₹ in Crore)

Sector	Sanctions	Disbursements	Outstanding
Activity based lending through NGOs/Trusts/Sec 8 Companies	5.00	5.00	15.80
NBFCs	437.50	412.50	619.16
Micro Finance Institution	348	333.00	629.43
Farmers' Producer Organizations (FPOs)			
- Direct lending	93.81	71.54	90.75
- Onlending	15.00	25.00	57.94
PACS as MSC	-	-	0.85
Agri Corporates and Others	3.20	3.10	3.02
Total	902.51	850.14	1416.95



New clients & Diversification of Business

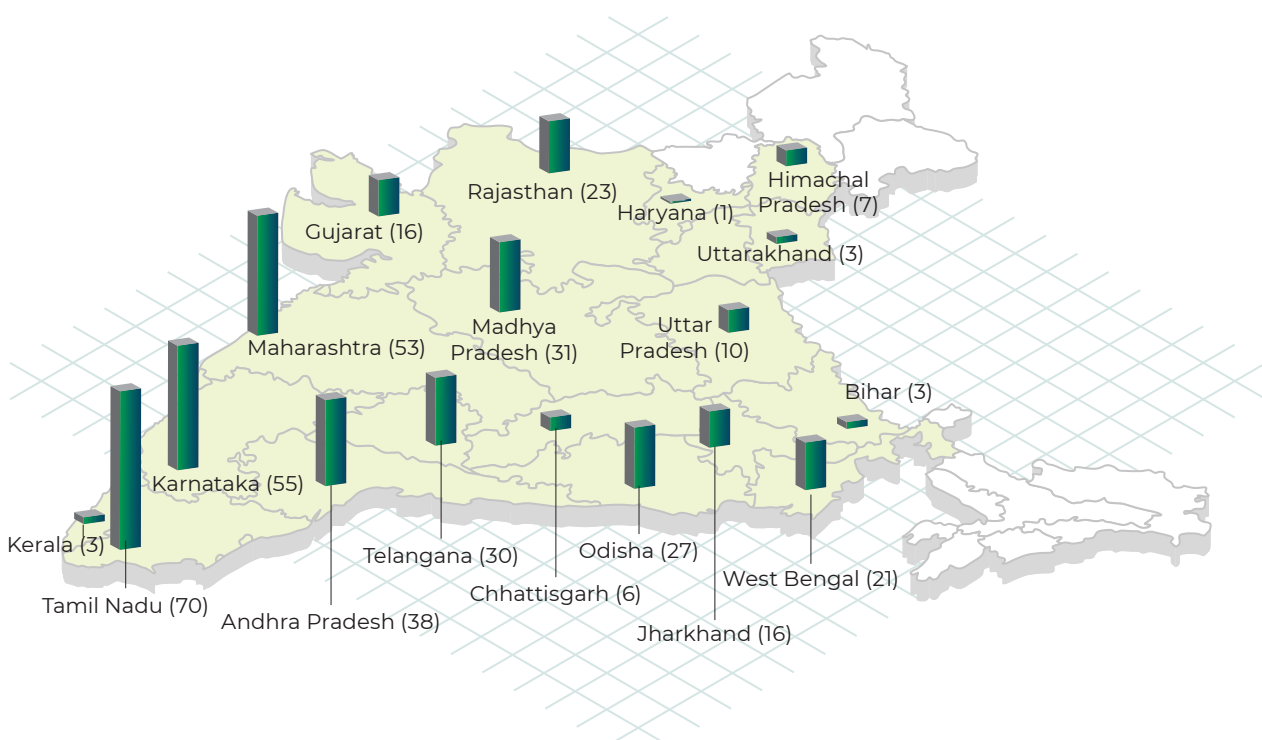
During the year, 14 MFIs, 21 NBFCs, 3 Agri corporates and one entity for activity-based lending were supported under the bulk lending portfolio. Out of this, 2 MFIs and 8 NBFCs are new clients. Around 39% of the total sanctions during the year was for MFI clients and support to NBFCs constituted 48% of the total sanctions.

Initiatives for supporting Producer Organisations

NABKISAN continues to be the largest lender in terms of funding Producer Companies (PCs) with coverage of 413 FPOs lent directly with assistance of ₹93.81 Crore, with 20% growth over 2020-21 in terms of amount and 58% growth in terms of number of FPOs sanctioned. Three agencies were supported during the year in on-lending model with assistance of ₹15 Crore covering 61 FPOs. Further, 278 new FPO clients were added including 2 new Off-Farm PO. Since inception, the Company has cumulatively supported 1455 FPOs with total loan sanctioned amounting to ₹449.84 Crore, impacting 7.27 lakh farmers.

- NABKISAN has deepened its presence in existing geographies like Jharkhand, Odisha, Himachal Pradesh, Rajasthan etc.
- Sanctions to Agri Start-Ups under Catalytic Capital Support of NABARD was kick started during the year and 2 proposals involving loan amount of ₹1.20 Crore were sanctioned.
- NABKISAN has also been the leading lender to FPOs under the Gol's Agri Infrastructure Fund scheme with sanction of 46 loans worth ₹5.54 Crore.
- NABKISAN has been classified as an Eligible Lending Institution under Gol's Credit Guarantee Scheme for FPO Financing managed by NABSanrakshan Trustee Company Private Limited. Credit Guarantee of ₹12.12 Crore has been sanctioned to NABKISAN for financing 71 FPOs during the year.
- Initiatives of Tamil Nadu and Odisha Governments facilitated higher lending to FPOs in these two states.
- NABKISAN has made good progress through implementation of three FPC Schemes of Government of Tamil Nadu covering 174 applications (170 FPCs) under Mezzanine Capital Assistance scheme (TNGMCAS), 99 applications (75 FPCs) under Revolving Fund Scheme (TRFFPC) and 33 applications (32 FPCs) under Credit Guarantee Scheme (TCGFPC).
- Under the Mezzanine Capital Scheme, ₹15.15 Crore has been utilized for subscribing to the debentures of various FPCs.
- An amount of ₹4.43 Crore has been allocated for providing credit guarantee support to Tamil Nadu FPCs and ₹5.27 Crore has been utilized for providing concessional credit support to FPCs under the Revolving Fund Assistance Scheme.
- NABKISAN operationalized the Credit Guarantee Scheme with State Government of Odisha with 4 FPOs sanctioned Credit Guarantee assistance of ₹25.15 lakh.

State-wise distribution of FPOs (Direct lending) as on 31 March 2022



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

- MD participated in the 2nd Edition of Samunnati & The Economic Times FPO Summit & Awards 2021 as a Jury Member for selecting FPOs. MD also participated as a panelist in the session on Catalysing Capital into Farmer Producer Organizations (FPOs).
- CFO participated in the Use Case Workshop - 'FPOs and Financial Inclusion of Small Marginal Farmers' under the Bharat Inclusion Initiative Research project organised by Capital Incubation Insights Everything (CIIE.co, IIMA, Ahmedabad) as one of the panelist on 05 & 06 April 2021.
- MD and COO attended a meeting organized by SEBI on Commodity Derivatives Trainers (CoT), to discuss the scope for improving CoT activities of SEBI, in May 2021.
- A session was handled by VP on 31 May 2021 at the 'National Webinar on Financing FPOs: Challenges and a way forward' organised by VAMNICOM, Pune.
- Top Management team of NABKISAN participated in the FPO facilitation meet with FPOs and POPIs of Odisha, Uttarakhand, Himachal Pradesh, West Bengal, Gujarat, Telangana, Chhattisgarh, Bihar, Jharkhand for credit linkage with NABKISAN.
- MD participated in BMGF Roundtable on 'Agri Fintech opportunities for Smallholder farmers and value chain financing', organised by Centre for Innovation, Incubation and Entrepreneurship (CIIE) and Bill & Melinda Gates Foundation on 18 June 2021.
- MD participated in the Panel Discussions on 'Monetising Sustainability in Agriculture', in the CII IntelAgri2021 event, organised by CII on 18 June 2021.
- CFO made a presentation on FPO financing during the Training Programme organised by BIRD, Mangalore on 08 July 2021
- CFO participated as a panelist in the Brain Storming Session organised by Department of Agricultural Marketing & Agri Business, Govt. of Tamil Nadu on Overcoming Challenges in Marketing and Way Forward for FPOs on 10 July 2021.
- CFO participated in the National Webinar on 'Empowering FPOs for Agri-Exports' organised by BIRD, Lucknow on 23 August 2021.
- COO handled a session on FPO financing for bankers at CAB, Pune on 13 September 2021.
- MD addressed the State FPO conclave organized by NABARD Odisha RO on 18 September 2021
- CFO participated as a panelist in the session on Financing of FPOs - Innovation and Risk Management at FPO conclave organized by Bengal Chamber of Commerce & Industries on 05 October 2021.
- CFO made a presentation on Appraisal of FPOs, Financial Sanctions to FPOs and Credit Linkages – Special Reference to Market Linkages and Value Chains for Nodal Officers and Consultants of NABCONS during their 18th Business Meet.
- CFO made a presentation on FPO/FPC helping entrepreneurship of farmers in a webinar organized by ICAR – Central Tuber Crops Research Institute on 22 December 2021.
- MD chaired a session in the Webinar on Innovative Appraisals and Micro Finance models for promoting sustainable livelihoods by BIRD on 22 February 2022.

- MD was a lead panelist in the CII NCDEX Roundtable on FPOs on 28 February 2022.
- CFO handled a session on Effective Strategies for Farmer Producer Organisations (FPOs) during the Conference on Credit Flow to Priority Sector – Policy and Implementation organised by CAB, Pune on 03 March 2022.
- VP participated as a panelist at the CAC-NAFPO Webinar on ‘Credit Access and Readiness of FPOs – Ecosystem availability and Challenges’ on 12 March 2022.

Technology Initiatives

During the year, many digital initiatives were implemented by the Company towards strengthening NABKISAN’s real-time operations and execution platform.

Top management dashboards were created for real time monitoring of important business metrics like Outstanding amount, client type-wise, DPD, Accounts maturing next month etc. These dashboards are accessible using mobile app and desktop.

A basic version of Loan Origination System was introduced for sourcing online loan applications from Farmer Producer Organizations. The Krishimanch portal was revamped into a location-based listing platform for Farmer Producer Organizations (FPO). Users will be able to search FPOs using location and/or Agri-commodities.

NABARD has signed a purchase order with Intellect Design Arena, on behalf of NABKISAN, to implement Centralized Loan Management and Accounting System (CLMAS). The CLMAS for NABKISAN is a fully integrated platform consisting of Loan Origination System, Loan Management System and Accounting System and is expected to go live in FY 2023. Virtual Account Numbers using HDFC eCMS facility

was introduced to simplify the repayment reconciliation process.

NABKISAN website was upgraded with a modern and responsive template. The content was reorganized and revised to make information more easily accessible and useful to the end users. HRMS was launched with muster, leave modules and reports going live. Many internal applications were developed for improving the data management and operational efficiency.

To strengthen the disaster recovery efforts, a new DR server was created for Finflux, the accounting software used by NABKISAN. DR drill was carried out on 22nd March 2022.

Human Resources

Capacity building of employees was facilitated by deputing BDMs to various virtual training programmes organized by SEBI. IT officers were imparted specialized training in the areas of Data management, MIS and automation. The Business Development Managers also participated in various webinars and workshops for sensitizing FPOs on commodity derivative markets and exchange platforms (Futures and Options), value chain financing etc. Business Plan Meet of the entire staff of NABKISAN was held during the year at Lucknow. Field visit to FPOs, guests lectures by experts from the FPO sector and legal services were included as a part of the meet to hone the skills of the staff of NABKISAN.

NABKISAN strengthened its presence in the State of Karnataka by recruiting an additional BDM. Other major HR initiatives includes introduction of Annual Increment to the contract staff, Quarantine leave and Transfer Policy.

Other Initiatives

- The year saw good response from all shareholders through the Rights Issue, resulting in 98.38% subscription and increase in NetWorth of NABKISAN.
- NABKISAN bagged Distinguished NBFC Awards instituted by Banking Frontiers under the categories 'Best Design Thinking Initiative', 'Best Group Synergy Initiative' and Special award under 'Best Eminent Trophy' as Esteemed NBFC in Corporate Group.
- 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, NEML etc.
- As part of CSR initiatives, the Company has extended assistance of ₹68.75 lakh for 5 projects during the year.

Corporate Governance

The Board consists of 11 Directors as on 31 March 2022 including six nominee Directors 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 regarding their Directorship in other companies and have been taken on record by the Board.

The Board met six times during the financial year 2021-22. 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 2021-22 are as under:

Board/Committee Meetings	No. of meetings held during 2021-22
Board Meetings	06
Audit Committee Meeting	02
Corporate Social Responsibility Committee	02
Risk Management Committee	04
IT Strategy Committee	02
Nomination & Remuneration Committee	01
Share Transfer Committee Meeting	01
Internal Complaints Committee for Prevention of Sexual Harassment (POSH) at Workplace	01
Independent Directors Meeting	01
ALCO Meeting	05
Loan Committee	05
HR Implementation Committee Meeting	02
Investment Committee Meeting	01

Way Forward for 2022-23

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 2022-23 includes the following initiatives:-

- Supporting rural and agri business start-ups in agriculture, allied and identified sectors under Catalytic Capital Fund (CCF)
- Focus on higher lending under FPO sector with target of 600 FPOs to be credit linked, support value chain financing and new FPOs formed under Central sector scheme on formation and promotion of 10,000 FPOs.
- Implement three schemes for FPO financing in Tamil Nadu, operate Credit guarantee scheme of Odisha.
- Increase the offtake of pledge financing eNWR product for FPOs in partnership with NeRL.
- Support CSR projects in thematic areas like Natural Resource Management, agri value chain projects, social sector projects for improving education in tribal areas, health, sanitation of girl child and building woman livelihoods.
- Spread geographical outreach to potential States.
- Supporting investment in viable projects relating to post-harvest management infrastructure through Agriculture Infrastructure Fund.
- Step up business under special refinance scheme of NABARD for Watershed/Wadi areas
- Enable FPOs to avail assistance under the Agri-Market Infrastructure Fund (AMIF) and Scheme for promoting micro food processing activities in rural areas with concessional rate of interest.



Cumin Processing Unit - Banas FPCL Gujarat

Success Story

Jarugumalai Farmers Producer Company Limited

Name of the FPO Jarugumalai Farmers Producer Company Limited	Established 04 April 2018	District Salem	State Tamil Nadu	Promoting agency Tamilnadu Small Farmers Agribusiness Consortium	POPI National Agro Foundation
	Shareholder farmers 1020 members	Women shareholders 438	Tribal shareholders 609	Share capital ₹15 lakh	NKFL Loan ₹ 40.00 lakh
Turnover 2019-20 ₹ 43.48 lakh 2020-21 ₹ 76.46 lakh 2021-22 (P) ₹ 78.00 lakh	Business Activities <ul style="list-style-type: none">Procurement and sale of flowers (Nerium)		Convergences <ul style="list-style-type: none">Small Farmers Agri-business ConsortiumTamilnadu Rural Transformation ProjectGovernment of Tamilnadu under Tamilnadu Government Mezzanine Capital Assistance Scheme		

The farmer members of Jarugumalai FPCL cultivate Nerium, a locally grown flower used generally in temples. The formation of the FPC has helped the small and marginal farmer members to get remunerative prices. The members supply 1/3rd of their produce to the FPCL. The FPC facilitates credit support to its members.

NABKISAN's support has enabled the FPC to expand its operations and procure from 350 members and enhance its membership to 1000+. The FPC has also set up a nursery unit to supply saplings to its members. Vermicompost unit, flour mill and sale of inputs are also taken up on a minor scale.



Corporate Social Responsibility Initiatives

Our Commitment to sustainable development

NABKISAN, in order to promote inclusive and sustainable economic growth and productive employment, as a part of its CSR has committed to supporting varied projects across the country. Few of them are captured here.

Reviving livelihood of the Tribals

The State of Jharkhand has substantial tribal population and some of the tribal communities are categorized as Particularly Vulnerable Tribal Groups (PVTGs) on the basis of their extremely backward socio-economic status and other sociological traits. One such tribe 'Sabar' live in Chandil and Nimdih blocks of Saraikela-Kharsawan district of Jharkhand. For many generations these PVTGs depended on making products out of Bamboo, Palm leaves and Kanshi grass which are locally available in abundance, for eking out a living.

Ambalika NGO, working closely with Sabar Tribes, provided these tribal craftsman with design and technology upgradation training. Though there is a Common Facility Centre (CFC)/ Handicraft Training centre at Ketunga, the villagers were not in a position to gainfully utilise the same due to the lack of adequate facilities to commute to the CHC from their remote villages. Poor electricity supply in the region also came in the way for productive operations of the CHC.

In this backdrop, NABKISAN through its CSR initiatives for the year 2020-21, had funded ₹10.73 lakh towards Roof Top Solar PV system for the training centre cum CHC at Ketunga and for purchase of three e-rickshaws for transportation purpose.

The installation of Roof top Solar units has enabled the artisans to work in the evening too and they are now in a position to utilise the machines which had been lying unutilised due to erratic power supply. Thus Solar panel installation in Ketunga centre provided a high quality solution to improve rural productivity.

The three e-rickshaws supported under CSR, are of great help which aids the tribals in their daily commute to the CHC and for transportation of raw materials and finished goods. These e-rickshaws have also provided easy access for the tribals to food, health care, educational opportunities, and employment.

Thus NABKISAN's CSR initiative has brought a significant impact in the lives of Sabar tribes.



e-rickshaw supported by NABKISAN



e-rickshaw transporting raw material



Solar panel at Common facility Centre



Women artisan working after installation of solar power unit

Enabling livelihood solutions

The district of East Garo Hills is one of the most backward districts in the State of Meghalaya. The practice of slash and burn cultivation popularly known as Jhum Cultivation is still predominant and cultivators clear fresh forest land for agriculture. Against this background, BAKDIL, a registered, 'not for profit' Voluntary Agency, with the support of NABFOUNDATION, Government of Meghalaya, Sunny Trust, UK and few other agencies has set up a 'Farm Based Livelihood Education & Learning School' in the district to sensitise the locals regarding the environmental impact of the existing farm practices and also to provide alternative sustainable livelihood solutions to the tribals to wean the tribals away from such disastrous agriculture practices.

The School, in addition to providing training and capacity building of farmers has set up a model horticulture, micro dairy, poultry, piggery rearing units for demonstration purpose and also lends a helping hand to farmers collectives and cooperative societies.

NABKISAN, out of its CSR initiatives for the year 2020-21, has funded ₹21 lakh towards completion of the construction of the School.

With the support of NABKISAN, BAKDIL could complete the construction of Livestock Centre to be used for providing demonstration and training to the farmers. NABKISAN's funding support was productively used for purchase of 10 cows for the centre's dairy, construction of boundary wall with wire mesh (to prevent free grazing, wild elephants and trespassers), furniture and packing machinery for packing and branding of the produce produced in the centre.

Thus, NABKISAN's CSR contribution has helped in completion and grounding of the 'Farm Based Livelihood Education & Learning School', in one of the remotest parts of the country.



Sealing machine at livelihood school



Furniture for livelihood school



Livestock centre at livelihood school



Boundary wall for livelihood school



Furniture for livelihood school

Support towards Water Conservation

Talyachapada is a village well known for cultivation of vegetables in Jawahar Taluka, Palghar district of Maharashtra. However, the farmers are able to cultivate only one crop due to shortage of water and have to either migrate for employment or have no earnings except occasional work under Rojgar Hami Yojana. This reduced their earning capacity and subsistence livelihood posed huge pressure on the families which ultimately led to overall under development of the region. Savali Charitable Trust, a not for profit organisation has been working in this area for giving succour to the impoverished tribal community by taking up sustainable developmental interventions in the field of health, education and water management.

NABKISAN through its CSR initiatives has funded ₹24.50 lakh to Savali Charitable Trust, during 2021-22, to mitigate water supply issues faced by the tribal community and to stabilise farm income of the tribal farmers in a sustainable way.

Through this CSR funding, Savali Charitable Trust has implemented a water conveyance system by pumping water (through Solar Water pump) from a pond which is at a lower level to the higher reaches where the water is stored and distributed to the fields to provide the much needed micro irrigation support to the farmers who are cultivating vegetables and jasmine. Further, the tribal farmers who are cultivating jasmine were not getting the desired yield due to lack of irrigation facilities which discouraged farmers to expand the area under cultivation of Jasmine, otherwise a highly remunerative venture. Through this CSR project, drip irrigation system has been provided to 67 needy farmers to take up sustainable jasmine cultivation. Token financial contribution from each of the farmer beneficiary was ensured to instil a sense of belongingness in the project.

This timely CSR initiative of NABKISAN will definitely usher in sustainable economic progress to the tribal farmers of the region.



Inauguration of Nal Pani yojana



Drip Irrigation facilities to the farmers



Drip irrigation for jasmine cultivation

Empowering the underprivileged

The State of Rajasthan in India has several difficult terrains in the form of Thar desert and Aravali hills, where many communities have to walk a long distance to access education institutions be it primary, upper primary, secondary, more so in the case of college education. The tribal families of the area have 5-8 children, with an agriculture land of less than 1 ha per family and are unable to provide proper nourishment or education to their children. Rajasthan Bal Kalyan Samiti (RBKS), an NGO operating since 1981, was working in these remote regions, with the mandate of overall development of deprived communities.

RBKS is running 16 hostels for 1600 girls and for 50 boys, to provide education to poor, needy, orphan, tribal and vulnerable children so that they can become self - dependent and can lead better life in future. One such children home for 120 orphan girls in the name of Hansraj Children Home is functioning in Udaipur, with the public support and donation from local community and individuals.

NABKISAN during the year 2020-21, funded ₹10 lakh out of their CSR funds, to support 20 needy girls, by providing them with free education, lodging, boarding, uniform, medical facility, footwear, education material, study tour, picnic etc. The girls are going to the school regularly after the Covid Unlock and progressing well in their studies.

Thus, NABKISAN's CSR support has helped these children to access higher education and provided an enabling environment to study well and lead a better life.



Hansraj orphanage



Handicrafts by children of Hansraj school



Children participating in events



Notice of AGM

NABKISAN FINANCE LIMITED

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

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the shareholders of the company will be held at 03.00 p.m. on Friday, the 01st day of July 2022 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, 2022, 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 2022 at the rate of Rs.0.50 per Equity Share (5% on the face value of Rs.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 2022-23 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. Sibi Adhithya Senthil Kumar, IAS, 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.Sibi Adhithya Senthil Kumar, IAS, Director who retires by rotation be and is hereby re-appointed as Director of the company”.

For and on behalf of the Board
For NABKISAN Finance Ltd

Sd/-
Suseela Chintala
Managing Director

Place: Mumbai
Date: 09 June 2022

Notes:

1. The members are requested to inform change of address, if any, to the company.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The instrument appointing proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Corporate Members are requested to send a duly verified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
4. Shareholders desirous of seeking any clarification on the business to be transacted at the 25th 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 25.06.2022 to 01.07.2022 (both days inclusive) for the purpose of Annual General Meeting and dividend for Financial Year 2021-22.
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 24.06.2022 (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

Sd/-
Suseela Chintala
Managing Director

Place: Mumbai
Date: 09 June 2022



Unnatisheel Farmer Producer Company, Rajasthan - Maize procurement



Pragatimitra North Kanara FPCL, Karnataka - Arecanut processing



2nd Business Development Meet of NABKISAN at Lucknow - 04-06 August 2021



Handing over keys of pick-up truck financed by Nabkisan to Asthasri Farmer Producer Company Limited, Odisha

Success Story

The Laxmi Agriculture and Horticulture Marketing Cooperative Society Limited

Name of the FPO The Laxmi Agriculture and Horticulture Marketing Cooperative Society Limited	Established 05 July 2016	District Kullu	State Himachal Pradesh	Promoting agency NABARD	POPI Himachal Pradesh Mahila Kalyan Mandal, Kullu
	Shareholder farmers 203	Women shareholders 150	Share capital ₹4.10 lakh	NKFL Loan ₹10 lakh	
Turnover 2019-20 ₹3.07 lakh 2020-21 ₹5.43 lakh 2021-22(P) ₹25.00 lakh		Business Activities <ul style="list-style-type: none">• Procurement and marketing of horticultural and agricultural crops,• Buying chicks (Broiler) and feed,• Vermicompost production• Azolla cultivation		Convergences <ul style="list-style-type: none">• Government of Himachal Pradesh (Departments of Agriculture, Horticulture and Animal Husbandry)	

The Laxmi Agriculture and Horticulture Marketing Co-Operative Society Limited is involved in collection of raw produce viz. Apple, Tomato, Garlic, Persimmon etc. from members, grading and marketing of the same. FPO also works on the model of hiring the entire orchard on rental basis in products like Apple and Persimmon. Poultry and Vermicompost business/Azolla cultivation are also being done on a smaller scale.

With the help of NABKISAN loan, the FPO has clocked fivefold increase in turnover from ₹5.43 lakh in the previous year to ₹25 lakh, thereby providing better returns to their farmer members.



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 25th Annual Report on the business and operations of the company together with the Audited Financial Statements for the year ended March 31, 2022. 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.

FINANCIAL HIGHLIGHTS

Our Company's performance during the financial year 2021-22 is summarized below:

(Rs. Crore)

Particulars	2020-21 (Ind AS)	2021-22 (Ind AS)	Growth %
Gross Income	115.90	123.67	7
Profit before tax	31.52	40.61	29
Profit after tax	16.60	25.97	56

OPERATIONAL HIGHLIGHTS

- Loan outstanding increased to Rs.1416.95 Cr. (Rs.1178.34 Cr. during 2020-21), registering a robust growth of 20%
- While sanctions recorded a growth of 58 %, disbursements recorded a growth of 42% over last year with the sanctions being Rs.902.51 Cr. (Rs.569.40 Cr.) and disbursements being Rs.850.14 Cr. (Rs.597.93 Cr.).
- The total income increased from Rs.115.90 Cr. in 2020-21 to Rs.123.67 Cr. in 2021-22 registering a growth of 7%.
- PBT and PAT had increased by 29% and 56% respectively to Rs.40.61 Cr. (Rs.31.52 Cr.) and Rs.25.97 Cr. (Rs.16.60 Cr.).
- Owned funds increased to Rs.364.50 Cr. (Rs.271.94 Cr.) indicating a growth of 34%.

Dividend

The Board recommended a dividend of Rs.0.50 per Equity Share (5% on the face value of Rs.10/- per share) on 17,14,78,213 Equity Shares of Rs.10 each for the year ended 31st March 2022, 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 28.41 % of the net profit. The Register of Members and Share Transfer Books will remain closed from 25.06.2022 to 01.07.2022 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31 March 2022.

CAPITAL STRUCTURE

Change in the capital structure of the company during the year

The paid-up share capital of the company has increased from Rs.137,62,79,320/- divided into 13,76,27,932 equity shares of Rs.10/- each to Rs.171,47,82,130/- divided into 17,14,78,213 equity shares of Rs.10/- each.

Issue of Shares

During the year, the company has issued 3,44,06,984 shares and allotted 3,38,50,281 equity shares of Rs.10/- each at the book value of Rs.19.67 per share on right basis.

Date of issue – Opening and closing of the issue - 15.11.2021 to 14.12.2021 (inclusive of both the days)

Date of allotment - 15.12.2021

Method of allotment – Rights Issue

Issue price – Rs. 19.67 per share

Number of shares allotted - 3,38,50,281 equity shares

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board has adopted policies and procedures 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 mechanisms, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

MANAGEMENT

Directors & Key Managerial Personnel as on 31st March 2022 and changes during the year

Shri Shaji KV Chairman & Nominee Director	Deputy Managing Director - NABARD, HO, Mumbai
Shri Nilay D Kapoor Nominee Director	Chief General Manager, NABARD, HO, Mumbai
Dr.K.S.Mahesh Nominee Director	General Manager, NABARD
Shri Suribabu Nominee Director	GM (RBD), Indian Bank, Chennai
Shri Sibi Adhithya Senthil Kumar, IAS Nominee Director	Dy. Secy. to Govt. (Budget), Finance Dept., Chennai
Shri Arindom Datta Independent Director	Rabo India Securities Pvt. Limited - Asia Head, Sustainability Banking, Rabobank Group

Shri Alok Bhargava Independent Director	Management Consultant
Shri Deepak Singhal Independent Director	Sector Expert, Retired Executive Director of RBI
Shri Emmanuel V Murray Independent Director	Management Consultant
Shri Satyanarayana Jonnalagadda Independent Director	Ex-GM of Indian Overseas Bank
Smt.Suseela Chintala	Managing Director & CEO, NABKISAN
Dr.K.S.Mahesh	Chief Financial Officer, NABKISAN
M.Bhuvaneswari	Company Secretary, NABKISAN

During the year, the following changes have taken place in the Board of Directors and Key Managerial Personnel:

- Dr.K.S.Mahesh, CFO, NABKISAN was appointed as Nominee Director in place of Shri T.Ramesh, CGM, NABARD w.e.f. 11.05.2021.
- Shri Vijay Sardana has ceased to be Director w.e.f. 28.06.2021 on expiry of his term of office.
- Shri Ashok Kumar Yadav has ceased to be Director w.e.f. 28.06.2021 on expiry of his term of office.
- Shri B.Suribabu, GM (RBD), Indian Bank was appointed as Nominee Director in place of Shri Amrendra Kumar Shahi, General Manager (RBD), Indian Bank w.e.f. 14.07.2021.
- Shri Satyanarayana Jonnalagadda and Shri Emmanuel V Murray were appointed as Additional Directors w.e.f. 20.07.2021 and their candidature were proposed for appointment as Independent Directors.
- Shri Satyanarayana Jonnalagadda and Shri Emmanuel V Murray were appointed as Independent Directors w.e.f. 27.09.2021 with the approval of the shareholders.
- Shri Sibi Adhithya Senthil Kumar, IAS, Deputy Secretary to Government (Budget), Finance Department, Government of Tamil Nadu was appointed as Nominee Director of NABKISAN w.e.f. 29.10.2021 in place of Shri S.Arunraj, IAS Deputy Secretary to Government, Finance Department, Government of Tamil Nadu.

Retirement by rotation

Shri Sibi Adhithya Senthil Kumar, IAS, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Review of Performance of Chairman, Non-Independent Directors and the Board as a whole

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.

Code of Conduct

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

Independent Directors

Your Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he/ she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and are not disqualified from continuing as Independent Directors.

Re-appointment of Independent Directors

Shri Alok Bhargava and Shri Arindom Datta were appointed as Independent Directors at the Extra Ordinary General Meeting held on 29.05.2019 for a period of 3 years and Shri Deepak Singhal was appointed as Independent Director at the Annual General Meeting held on 23.09.2019 for a period of 3 years. The tenure of Shri Alok Bhargava and Shri Arindom Datta was due to expire on 28.05.2022 and that of Shri Deepak Singhal on 22.09.2022.

The Shareholders at the Extra Ordinary General Meeting held on 27th May 2022 approved the proposal for re-appointment of Shri Alok Bhargava, Shri Arindom Datta and Shri Deepak Singhal as Independent Directors for a further period of two years from the date of expiry of their tenure.

Profile of Shri Alok Bhargava

Name	Shri Alok Bhargava
Date of Birth	November 23, 1961
Educational Qualification	1978 – 1983- Bachelor of Technology, Textile Technology, Indian Institute of Technology (IIT), New Delhi 1983 – 1985 - Post Graduate Diploma in Management, Indian Institute of Management (IIM), Ahmedabad
Past Employment	<ul style="list-style-type: none"> Over 23 years in the IL&FS Group, have had a variety of job portfolios encompassing project development, private equity, project finance, financial structuring and business development across various Infrastructure sectors and in the Information Technology space. Was, also on the Board of Directors of various IL&FS Group Companies/Joint Ventures Was the Executive Director of IL&FS Investment Managers Limited (IIML). Prior to moving to IIML, was the Executive Director of IL&FS Financial Services Limited (IFIN), the Investment Banking arm of IL&FS Group. Was also the Executive Director & Chief Operating Officer, IL&FS Education & Technology Services Limited (IETS) Was also the Senior Vice President – IL&FS, for Infrastructure Private Equity

Present Employment	Management Consultant focusing on areas of Strategic Management, Social Inclusion and Corporate Social Responsibility (CSR).
Areas of expertise	<ul style="list-style-type: none"> • Has a total 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. • Has been associated with organisations and businesses at the conceptualization, incorporation, startup and operational stages, with related man management and business development exposure. • Extensive experience in day-to-day operational, planning and strategic roles over the years, including last 17 years at the leadership - ED/CEO levels.

Profile of Shri Arindom Datta

Name	Shri Arindom Datta
Date of Birth	8 February 1966
Educational Qualification	B.A.(Hons) and MBA from Indian Institute of Management, Kozhikode
Past Employment	<p>December 2004 to March 2006 - Director, Financial Services and Policy - CARE India</p> <p>May 2003 to December 2004 -Grade 7 officer in IDBI Bank</p> <p>April 6, 1993 to May 22 2003 – Manager in National Bank for Agriculture & Rural Development (NABARD)</p>
Present Employment	Rabo India Securities Pvt. Limited - Asia Head, Sustainability Banking, Rabobank Group; Head of Rural & Development Banking / Advisory, India
Important assignments handled	<ul style="list-style-type: none"> • Worked across departments in NABARD for 10 years. • Setting up the Agri Business Group, develop a product suite for the priority sector and business development. • Headed GMED (Growth oriented micro-enterprise development project) of CARE India. • Part of the senior management team of CASHE - (Credit and Saving for Household Enterprises). It aimed at linking 400,000 poor women to microfinance services through financial and technical incubation of 33 NGO-MFIs. It also worked to improve the quality of mf services through capacity building of capacity builders, TA support to Government, developing tools and content and dissemination / replication of innovative & best practices. • Rabo India Securities Pvt. Ltd. - Lead the Asia regional sustainability team across 5 countries to build up sustainable business assets in the Food and Agribusiness Sector. • Part of several Indian networks to promote FPOs. • Currently a member of the NABARD constituted “National Advisory Group on Produce Fund”.

Profile of Shri Deepak Singhal

Name	Shri Deepak Singhal
Date of Birth	21st January 1959
Educational Qualification	Bachelor's Degree from the Allahabad University (1977) Master's Degree in Business Administration from the Allahabad University (1979) Others: Certified Associate of the Indian Institute of Bankers (1986) Post Graduate Programme in Rural Management from Jaipur (1993)
Past Employment	Was Executive Director at the Reserve Bank of India (RBI) from November 2015 to January 2019. Handled responsibilities of following areas: <ul style="list-style-type: none"> • Human Resource Management • Information Technology • Corporate Strategy and Budgeting • Corporate Services • Member of the HRM sub-committee of the RBI Board. <p>Central Banker with over three decades of experience and a record of successful delivery through a range of challenging and diverse assignments</p> <ul style="list-style-type: none"> • As Regional Director, headed the crucial New Delhi Office of the Bank for over two years (2013-2015). Also headed the Navi Mumbai Office for two years (2003-2005). • As Chief General Manager at the Central Office headed key functions of Banking Regulation, Human Resource Management and Infrastructure (Premises). • Represented RBI on the Standards Implementation Group of the Basel Committee on Banking Supervision. • Diverse experience and international exposure ranging from Regulation and Supervision to Human Resource Management and Financial Inclusion and Development.
Present Employment	Currently on the Board of IDBI Bank as Independent Director (DIN: 08375146)
Career Profile	<ul style="list-style-type: none"> • Executive Director (Since 2015) • Regional Director for Delhi (from March 2013 to October 2015) • Head of the Department of Banking Operations and Development (March 2011 to March 2013) • Head of Human Resource Development Department (from March 2007 to Mar 2011) • Head of Premises Department (from December 2005 to March 2007) • General Manager / Chief General Manager and Head of Office, RBI, Navi Mumbai (from December 2003 to December 2005) • General Manager / Vice-Principal , College of Agricultural Banking, Pune (from December 2001 to December 2003) • Deputy General Manager / Asst. General Manager, Head of Regional Offices of Department of Banking Supervision and Departments of Non-Banking Supervision at Lucknow and Jaipur (From 1991 to 2001) • Manager at Mumbai and Lucknow Offices working in the Banking Departments and Rural Planning and Credit Department (from 1982 to 1991)

Key Achievements	<ul style="list-style-type: none"> • Was responsible for issue of detailed guidelines on implementation of Basel III and for assessment of additional capital requirements for Indian banks to meet Basel III minimum ratio till March 2018. • Was instrumental in introducing modern HR practices in the RBI like 360 degree feedback, HR audit, satisfaction survey, development centre, campus recruitment etc. • Piloted the Bank's yearlong Platinum Jubilee celebrations through a series of learning, celebratory and outreach events during April 2009 – March 2010. • Was member secretary to committees (headed by Dr. Bimal Jalan, Dr. YV Reddy, Shri AK Ganguly and KV Kamath) that contributed to Human Resource Development in the Banking Industry through institutes like IGIDR, NIBM and CAFRAL. • Spearheaded investigation into a major fraud at the Bank of Rajasthan leading to action by Directorate of Enforcement resulting in imprisonment of Executives of that Bank. • Executed amalgamation of Bareilly Corporation Bank and Benares State Bank with Bank of Baroda.
International Exposure	<p>Trainings</p> <ul style="list-style-type: none"> • Michigan Ross Executive Leadership Programme, Ross School of Business, University of Michigan, USA (May 1st to 27th, 2011) • Cambridge Advanced Management Programme, St. Catharine's College, Cambridge, UK (August 2nd to 14th, 2009) • Central Banking Seminar, Federal Reserve Bank of New York (October 11th to 19th, 2007) <p>Others</p> <ul style="list-style-type: none"> • Financial Action Task Force, Plenary and Working Group meetings at Paris (October, 2011) • Represented RBI at the BIS Standards Implementation Group meetings, Basel, Ottawa, Rome and Singapore (2012)
Trainings Undergone	Have undergone extensive training on various aspects of Central Banking and the broader spectrum of national and international economy at the RBI's training colleges and reputed external institutions like the IIMs.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- The applicable accounting standards have been followed in the preparation of the Annual Accounts along with proper explanation relating to material departures, if any.
- Accounting policies have been selected and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period.
- Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The Annual Accounts have been prepared on a going concern basis.
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTION

All the related party transactions are in compliance with the applicable provisions of the Act. The details of the transaction with related party as required under Section 134 (3) (h) of the Companies Act, 2013 are furnished in **Annexure I** and forms part of this Report.

AUDITORS

Internal Audit

Shri K.Sridhar, Chartered Accountant, Senior Manager- Audit of NABKISAN had carried out the Internal Audit from 01st April 2021 to 31st March 2022. 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 2021-22.

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.

Supplementary Audit by C&AG

Comptroller and Auditor General of India vide their Report dated 25 May 2022 (**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 2022.

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 2021-22 and her Report is annexed to this Board report vide **Annexure III**.

Reserves

The Company has transferred Rs.5.19 Crore to Special Reserve u/s 45-IC of RBI Act, 1934 as against Rs.3.32 Crore transferred during the previous financial year. The company has made a Profit After Tax of Rs.25.97 Crore during the financial year ended 31st March 2022.

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	1,225.67	127.72	1,353.39
Past due but not impaired			
0 - 30 days past due	-	-	-
31 – 60 days past due	-	2.74	2.74
61 – 90 days past due	-	0.59	0.59
Impaired (more than 90 days)	32.90	27.33	60.23
Total Gross Carrying value as at reporting date	1,258.57	158.38	1,416.95

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.

BOARD AND ITS COMMITTEES

Board Meetings

The Board of directors met six times during the year 2021-22 on 31st May 2021, 27th August 2021, 22nd November 2021, 07th January 2022, 17th February 2022 and 14th March 2022.

Committees of the Board

The Board has constituted various Committees to support the Board in discharging its responsibilities. As on March 31, 2022, the company has twelve (12) Committees viz:

(1) Audit Committee

In terms of Section 177 of the Companies Act, 2013, the Board had constituted an Audit Committee. The Audit Committee met two times during the year 2021-22 on 28th May 2021 and 02nd December 2021.

The present Committee consists of - Smt.Suseela Chintala, Managing Director & CEO, Shri Deepak Singhal, Independent Director and Shri Alok Bhargava, Independent Director.

(2) Loan Committee – Composition & Meetings

The present Loan Committee comprises of Shri Nilay D Kapoor, Director, Nominee Director of Indian Bank, Shri Emmanuel V Murray, Independent Director, Shri Arindom Datta, Independent Director, Smt.Suseela Chintala, Managing Director & CEO, Dr.K.S.Mahesh, Director & CFO and Shri S.Ramesh, COO, Convener.

During the year ended March 31, 2022, five (5) meetings of the Committee were held on 28th April 2021, 27th September 2021, 09th December 2021, 17th March 2022 and 24th March 2022.

(3) CSR Committee – Composition & Meetings

The present CSR Committee comprises of Shri Nilay D Kapoor, Director, Shri Alok Bhargava, Independent Director, Shri Deepak Singhal, Independent Director, Smt.Suseela Chintala, Managing Director & CEO and Dr.K.S.Mahesh, Director & CFO.

During the year ended March 31, 2022, two meetings of the Committee were held on 28th April 2021 and 04th February 2022.

(4) Nomination and Remuneration Committee – Composition & Meetings

The present Nomination and Remuneration Committee comprises of Shri Nilay D Kapoor, Director, Shri Arindom Datta, Independent Director and Shri Deepak Singhal, Independent Director.

During the year ended March 31, 2022, one meeting of the Committee was held on 15th July 2021.

(5) Risk Management Committee – Composition & Meetings

The present Risk Management Committee comprises of Shri Nilay D Kapoor, Director, Shri Arindom Datta, Independent Director and Shri Alok Bhargava, Independent Director.

During the year ended March 31, 2022, four meetings of the Committee were held on 20th May 2021, 30th July 2021, 16th November 2021 and 25th February 2022.

(6) IT Strategy Committee – Composition & Meetings

The present IT Strategy Committee comprises of Shri Alok Bhargava, Independent Director, Smt. Suseela Chintala, Managing Director & CEO, Shri S.Ramesh, COO and Shri Sameer Kr. Prayaga, AVP (IT).

During the year ended March 31, 2022, two meetings of the Committee were held on 23rd August 2021 and 18th February 2022.

(7) Investment Committee – Composition & Meetings

The present Investment Committee comprises of Shri Nilay D Kapoor, Director, Shri Satyanarayana Jonnalagadda, Independent Director, Smt.Suseela Chintala, Managing Director & CEO, Dr.K.S.Mahesh, Director & CFO and Shri S.Ramesh, COO.

During the year ended March 31, 2022, one meeting of the Committee was held on 25th February 2022.

(8) Share Transfer Committee – Composition & Meetings

The present Share Transfer Committee comprises of Shri Nilay D Kapoor, Director, Smt.Suseela Chintala, Managing Director & CEO and Dr.K.S.Mahesh, Director & CFO.

During the year ended March 31, 2022, one meeting of the Committee was held on 05th January 2022.

(9) Asset Liability Committee – Composition & Meetings

The present Asset Liability Committee comprises of Smt.Suseela Chintala, Managing Director & CEO, Dr.K.S.Mahesh, Director & CFO and Shri S.Ramesh, COO.

During the year ended March 31, 2022, five meetings of the Committee were held on 30th April 2021, 24th May 2021, 30th July 2021, 01st November 2021 and 31st January 2022.

(10) Human Resource Committee – Composition & Meetings

The present Human Resource Committee comprises of Shri Nilay D Kapoor, Director, Shri Satyanarayana Jonnalagadda, Independent Director and Smt.Suseela Chintala, Managing Director & CEO.

Two meetings of the Committee were held during the year on 19th July 2021 and 02nd December 2021.

(11) Business Development Committee – Composition & Meetings

The present Business Development Committee comprises of Shri Shaji KV, Chairman, Shri Emmanuel V Murray, Independent Director, Smt.Suseela Chintala, Managing Director & CEO and Dr.K.S.Mahesh, Director & CFO.

No meeting of the committee was held during the year ended March 31, 2022.

(12) Internal Complaints Committee for Prevention of Sexual Harassment (POSH) at Workplace

The present POSH Committee comprises of Smt.Suseela Chintala, Managing Director & CEO, Shri S.Ramesh, COO, Smt.Sheba Sangeetha, VP and External Member – Ms.Snehal Verkar.

During the year ended March 31, 2022, one meeting of the Committee was held on 04th February 2022.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As prescribed under the Companies (Corporate Social Responsibility) Rules, 2014, the initiatives undertaken by the Company on CSR activities during FY 2021-22 are set out in the prescribed format under **Annexure IV** and forms part of this report.

INFORMATION ON ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE AS PER SECTION 134 OF THE COMPANIES ACT, 2013

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

Vigil Mechanism:

The 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 or ethics policy and the policy is also available on the Company's website.

Risk Management

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.

Sexual harassment policy for women under The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

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

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

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return in accordance with Section 134 (3)(a) of the Companies Act, 2013 in the prescribed format (MGT-9) is placed on the website of the company.

DEPOSITS FROM PUBLIC

During the year under review, your Company did not accept any Deposits from public and as such, no amount on account of Principal or Interest on Deposits from public was outstanding as on the date of the Balance Sheet.

EMPLOYEE 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 one each of a General Manager, Deputy General Manager, Assistant General Manager and Manager and two Assistant Managers 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 5.97 Lakh
- d **Defined Contribution Plans** – Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Particulars	₹ In Lakh
Employer's Contribution to Provident Fund (#)	7.68
Employer's Contribution to Superannuation Fund	-
Employer's Contribution to Pension Scheme	-

e **Defined Benefit Plan – (₹ In Lakh)**

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

Particulars	2021 – 22	2020 – 21
Defined Benefit Obligation at beginning of the year	20.17	18.50
Current Service Cost	5.76	1.66
Actuarial (Gain)/Loss	-	-
Interest Cost	-	-
Benefits Paid	-	-
Defined Benefit Obligation at end of the year	25.92	20.17

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

Particulars	2021 – 22	2020 – 21
Fair value of Plan Assets at beginning of the year	20.17	-
Return on Plan Assets	0.00	-
Employer Contribution	5.76	20.17
Benefits Paid	-	-
Fair value of Plan Assets at end of the year	25.92	20.17

3. Reconciliation of fair value of Assets and Obligations –

Particulars	2021 – 22	2020 – 21
Fair value of Plan Assets	25.92	20.17
Present value of obligation	25.92	20.17
Amount recognised in Balance Sheet [Surplus/ (Deficit)]	-	-

4. Actuarial Assumptions –

Mortality table	2021 – 22	2020 – 21
	2006-08 - ultimate	2006-08 - ultimate
Discount Rate (per annum)	7% p.a.	7% p.a.
Expected rate of return on Plan Assets (per annum)	7% p.a.	7% p.a.
Rate of escalation in Salary (per annum)	5% p.a.	5% p.a.

The Company has made an initial contribution of INR 20.16 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 Lakh (refer note -13) is towards employees of NABKISAN as detailed in (b) above is included in the provision stated at the end of the reporting period.

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.

FUTURE OUTLOOK

The Board of Directors of the company has approved the following Business Plan of the Company for the financial year 2022-23:

(Amount in ₹ Crore)

S. No	Activity	Target for sanction	Target for disbursement
1	Activity based lending through NGOs/ Trusts / Sec 8 Companies	5.00	5.00
2	NBFCs	575.00	575.00
3	Micro Finance Institutions (MFIs)	450.00	450.00
4	Farmers' Producer Organizations (FPOs)		
	Direct Lending	115.00	100.00
	On-lending	20.00	20.00
5	Agri Corporates and Others	10.00	10.00
	TOTAL	1175.00	1160.00

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 value chain and become sustainable business enterprises over a period of time. The Company will continuously explore the scope for leveraging technology 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.

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: 09 June 2022

Suseela Chintala
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), Parent Company
b)	Nature of contracts/arrangements/transaction	Annexed
c)	Duration of the contracts/arrangements/transaction	---
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Annexed
e)	Date of approval by the Board	29th April 2022
f)	Amount paid as advances, if any	--

Suseela Chintala
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 2021-22.

(Amount in Rs.)

Particulars	2021-22	2020-21
Office Rent (including Property & Sewage Tax, etc)	5,54,500	1,58,744
Professional Charges for staff deputed/posted	2,66,57,268	2,58,28,289
Interest on Loan	40,65,49,588	48,29,50,250
Total	43,37,61,356	50,89,37,283

The professional charges include 100 % of expenses towards deputation of MD cum 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	2021-22	2020-21
Opening Balance	8,35,90,52,442	6,91,81,55,795
Loan received during the year	5,37,00,00,000	5,41,13,75,000
Loan repaid during the year	4,09,34,95,151	3,97,04,78,353
Closing Balance	9,63,55,57,291	8,35,90,52,442
Interest paid/payable on above	40,65,49,588	48,29,50,250

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 2022

The preparation of financial statements of NABKISAN Finance Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29.04.2022.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of NABKISAN Finance Limited for the year ended 31 March 2022 under section 143(6)(b) of the Act.

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

Place: New Delhi

Date: 25.05.2022

sd/-

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

Annexure III

FORM NO.MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To
The Members,
NABKISAN Finance Limited

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

Based on my verification of NABKISAN Finance Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2022 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 31.03.2022 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Secretarial standards (SS-1, SS-2, SS-3) issued by the Institute of Company Secretaries of India;
- (iii) Reserve Bank of India Act, 1934 and notifications issued by RBI from time to time.

NABKISAN Finance Limited is a subsidiary of National Bank for Agriculture and Rural Development (NABARD) (holding 87.77% of the shares of NABKISAN Finance Limited as on 31.03.2022) and hence considered as a Government Company till last year. Vide Communication dated 20.4.2022, NABARD has given a clarification that NABKISAN is not a Government Company. However, Statutory auditor is proposed by Comptroller and Auditor General of India (CAG) and appointed by the company u/s 139 (5) of the Companies Act, 2013.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The

verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and have relied on the report of statutory auditors and financial statements.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The compliance by the Company of the applicable financial laws like direct and indirect taxes and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial audit, CAG and other designated professionals.

Place: CHENNAI

Date: 9.6.2022

Signature:

P.R. SUDHA

FCS No.6046

CP No.:4468

UDIN NO: F006046D000457871

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
- Smt.Suseela Chintala, Managing Director & CEO and
- Dr.K.S.Mahesh, Director & CFO

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:

PARTICULARS	AMOUNT (₹)
Profits/(Loss) before Tax for the FY 2018-19	27,59,54,493/-
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/-
Total Profits for 3 years	103,12,32,823/-
Average of the Above profits	34,37,44,274/-

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

2% of average profit – ₹68,74,885/-

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

- Total amount to be spent for the financial year – ₹68,74,885/-. Total amount spent for the financial year - ₹68,75,200/-
- Amount unspent, if any: NIL
- Manner in which the amount is spent during the financial year is detailed below:

SI 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	Installation of solar-powered electrical fences in the agricultural plots of few selected farmers in Chavadiyoor, Palakkad District, Kerala	Ensuring environmental sustainability, conservation of natural resources	Palakkad District, Kerala	₹8,85,000/-	₹8,85,000/-	-	₹8,85,000/-	Through Swami Vivekananda Medical Mission
2	Setting up of green house, drip irrigation system, capacity building training, purchase of seedling trays, farming implements, seed storage containers, installation of solar dryer and transportation cost for the same	Ensuring environmental sustainability, conservation of natural resources	District Tawang, Arunachal Pradesh	₹9,48,200/-	₹9,48,200/-	-	₹9,48,200/-	Through Jhamtse Gatsal Children's Community

3	Developing human resources at GP Level by imparting training in handling the demands of construction, plumbing, electrical, chlorination of water, water quality management, water treatment, catchment protection and O & M of facilities	Promoting education, including special education and employment enhancing vocation skills	Bangalore	₹10,00,000/-	₹10,00,000/-	-	₹10,00,000/-	Through Sambhav Foundation
4	Implementation of Nal Pani Yojana and providing drip irrigation system to farmers in the village Talyachapada, Tal. Jawhar, Dist. Palghar.	Ensuring environmental sustainability, conservation of natural resources	Dist. Palghar, Maharashtra	₹24,50,000/-	₹24,50,000/-	-	₹24,50,000/-	Through Savali Charitable Trust
5	Linking FPOs to markets through a Project – "Bazaar Connect"	Livelihood enhancement projects	Maharashtra	₹15,92,000/-	₹15,92,000/-	-	₹15,92,000/-	Through NABFoundation

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:

The company has spent ₹68,75,200/-, a slightly higher amount as against the CSR budget of ₹68,74,885/-for the financial year 2021-22.

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.

Suseela Chintala
MD & CEO

Nilay D Kapoor
Director

Deepak Singhal
Independent Director

Alok Bhargava
Independent Director

Dr.K.S.Mahesh
Director & CFO

Place: Mumbai

Date: 09 June 2022

Success Story

Madakari Sauharda Sahakari Niyamitha

Name of the FPO Madakari Sauharda Sahakari Niyamitha	Established 19 January 2012	District Tumkuru	State Karnataka	Promoting agency NABARD	POPI MOTHER- Multipurpose Organization for Training, Health, Education and Rehabilitation
	Shareholder farmers 1550	Women shareholders 810	Tribal shareholders 810	Share capital ₹8.60 lakh	NKFL Loan ₹60 lakh
Turnover 2019-20 ₹ 14.52 lakh 2020-21 ₹ 39.78 lakh 2021-22(P) ₹ 180 lakh	Business Activities <ul style="list-style-type: none">• Input supply (Cattle feed)• Procurement and marketing of Mango, Tamarind, Millets and Wild Honey		Convergences <ul style="list-style-type: none">• Support from TRIFED in establishing oil processing unit and branding of product		

The Madakari Sauharda Sahakari Niyamitha (MSSN) was promoted under the NABARD assisted Tribal Development Fund in 2011 and registered under Karnataka Cooperative Society Act, 1969. With 100% tribal members, the members cultivate 3519 acres. The major crops are Finger Millet, Groundnut, Tamarind, Sapota, Mango and Arecanut. MSSN which initially extended credit facility on pledge of arecanut to its members, has over a period of time diversified into procurement and marketing of horticulture produce. With an initial loan of ₹ 30.00 lakh in 2019-20 from NABKISAN to meet its working capital requirements, MSSN availed enhanced loan facility ₹ 60 lakh from NABKISAN in 2020-21 to expand its business.

MSSN processes Tamarind, Sapota and Mango procured from its members by employing women farmers and markets the value added products through retail chains and exhibitions in Bengaluru. Besides its regular business activities, MSSN facilitates various Government welfare schemes to its members and non-members.



Independent Auditor's Report

To the Members of M/s NABKISAN FINANCE LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of M/s NABKISAN FINANCE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2022, 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. (Hereinafter referred to as the "standalone financial statements").

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("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 2022, 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report together with the annexure thereto, Report on Corporate Governance and Business Responsibility Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial 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 nothing 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 Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in the Notes to financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
c) Based on such audit procedures that 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.
h) The company has not paid or declared Dividend during the Financial year 21-22

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

Ravishankar R
Partner
Membership No. 026819
UDIN No: 22026819AIBWGE2671

Place: Chennai
Date: 29-04-2022

ANNEXURE – A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of M/s NABKISAN FINANCE LIMITED ('the Company') on the standalone financial statements for the year ended 31st March 2022. We report that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment and to cover all the assets once in a year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations 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 any of its Property, Plant and Equipment and intangible assets during the year.
 - (e) No proceedings had been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) 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) The Company has made investments in companies, during the year, in respect of which:
 - (a) The clause 3(iii)(a) is not applicable to the company as the Company's principal business is to give loans.
 - (b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.
 - (c) The Company has not granted any loans or advances to any other entity during the year, and hence reporting under clause 3(iii)(c) of the Order is not applicable.
 - (d) The Company's principal business is to give loans, hence reporting under clause 3(iii)(d) is not applicable.
 - (e) The Company's principal business is to give loans, hence reporting under clause 3(iii)(e) is not applicable
 - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

- iv) The Company has not given loans to directors and hence reporting under clause 3(iv) is not applicable.
- v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi) The maintenance of cost records has not been specified by the Central government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii) In respect of statutory dues:

(a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income tax, Goods and Service tax, cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

There were no undisputed amounts payable in respect of goods and services tax, Provident Fund, Employees State insurance, Income tax, Sales Tax, Service tax, Custom Duty, Excise duty, Value added tax, cess, or other material statutory dues in arrears as at March 31, 2022, for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above, that have not been deposited as on March 31, 2022, on account of dispute is given below.

Nature of the statute	Nature of dues / Period to which it relates to	Amount in Rs.	Forum where dispute is pending
Income Tax act, 1961	Income Tax Asst. Year 2020-21	5,63,34,430/-	Commissioner of Income Tax (Appeals)

- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has utilized the loans for the purpose for which it was taken
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis during the year by the Company.
- (e) The Company does not have any subsidiaries, joint ventures, or associates and hence the clause 3(ix)(e) is not applicable.
- (f) The Company does not have any subsidiaries, joint ventures, or associates and hence the clause 3(ix)(f) is not applicable.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has made rights issue complying with the requirements of

section 42 and section 62 of the Companies Act and funds raised were used for the purpose for which it was raised.

- xi) a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No 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 has 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, the Company is following Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the 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 Certificate and registered under Section 45-IA of the Reserve Bank of India Act 1934 vide no. B-07.00712
The Company has conducted Non-Banking Financial activities with the Certificate obtained from Reserve Bank of India, as mentioned in sub clause (a) above.
- (b) 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.

(a) The company has, in respect of other than ongoing projects, unspent amount aggregating to Rs.32.36 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

Ravishankar R
Partner
Membership No. 026819
UDIN No: 22026819AIBWGE2671

Place: Chennai
Date: 29-04-2022

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 M/s NABKISAN FINANCE LIMITED ("the Company") as of 31 March 2022 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. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for

our audit opinion on the Company's internal financial controls system over financial reporting with reference to financial statements.

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

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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at 31 March 2022 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

Ravishankar R
Partner
Membership No. 026819
UDIN No: 22026819AIBWGE2671

Place: Chennai
Date: 29-04-2022

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.
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 is no 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

Ravishankar R
Partner
Membership No. 026819
UDIN No: 22026819AIBWGE2671

Place: Chennai
Date: 29-4-2022

Success Story

Manyadeepika Farmers Producer Company Limited

Name of the FPO Manyadeepika Farmers Producer Company Limited	Established 28-August-2017	District Srikakulam	State Andhra Pradesh	Promoting agency NABARD	POPI Chinnaya Adivasi Vikas Sangham
	Shareholder farmers 832	Women shareholders 470	Tribal shareholders 832	Share capital ₹7.35 lakh	NKFL Loan ₹30.00 lakh
Turnover 2019-20 ₹ 27.61 lakh 2020-21 ₹ 135.64 lakh 2021-22(P) ₹ 182.29 lakh		Business Activities <ul style="list-style-type: none"> Supply of agri-inputs Aggregation & marketing of millets, cashewnut and other Non-Timber Forest Produce (NTFP). Bakery Unit Supply of millet products to Integrated Tribal Development Agency (ITDA) hostels 		Convergences <ul style="list-style-type: none"> Indian Institute of Millet Research Andhra Pradesh Farmer Market Readiness Project of Walmart Foundation Department of Agriculture, Department of Horticulture, Government of Andhra Pradesh 	

The five-year old Manyadeepika Farmers Producer Company Limited (MDFPCL) has close to 900 members. The area has seen the reworking of local millet-based production systems to improve nutrition of women and children in the tribal areas. MDFPCL runs a bakery in Srikakulam and Anakapalli to sell millet-based biscuits and other NTFP based value-added products. MDFPCL also supplies millet-based products to ITDA hostels to improve the nutrition levels of school children in 57 villages. The FPC sells raw cashew-nuts, mangoes to processing units and institutional buyers, while supplying farm inputs to member farmers at very less margin.

NABKISAN's funding to the FPC with working capital assistance of ₹30.00 lakh for dealing with multiple commodities in different seasons has quadrupled the y-o-y turnover from ₹27.61 lakh in 2019-20 to ₹135.64 lakh in 2020-21.



NABKISAN Finance Limited

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

Balance sheet as at 31st March 2022

(₹ in lakh)

	Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
	ASSETS			
1	Financial assets			
(a)	Cash and cash equivalents	1	2,194.97	2,124.37
(b)	Bank balances other than (a) above	2	0.37	0.37
(c)	Loans	3	135,918.86	113,857.58
(d)	Investments	4	1,515.41	831.31
(e)	Other financial assets	5	9.96	4.47
2	Non - Financial assets			
(a)	Current Tax assets (net)	6	204.02	412.71
(b)	Deferred tax assets (net)	7	101.51	127.08
(c)	Property, plant and equipment	8	11.42	15.13
(d)	Other intangible assets	9	-	-
(e)	Other non - financial assets	10	40.63	68.52
	TOTAL - ASSETS		139,997.15	117,441.54

	LIABILITIES AND EQUITY			
1	Financial Liabilities			
(a)	Borrowings (Other than Debt Securities)	11	96,772.20	84,135.15
(b)	Other financial liabilities	12	6,565.32	5,556.69
2	Non - Financial Liabilities			
(a)	Provisions	13	37.70	29.58
(b)	Other non-financial liabilities	14	141.44	231.04
(c)	Current Tax Liabilities (net)	15	30.56	294.71
3	Equity			
(a)	Equity Share capital	16	17,147.82	13,762.79
(b)	Other Equity	17	19,302.10	13,431.57
	Total Liabilities and Equity		139,997.15	117,441.54

The accompanying notes form an integral part of the Financial Statements

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

For NABKISAN Finance Limited

Sd/-
Shaji Krishnan
Chairman & Director
(DIN : 07691350)

Sd/-
Suseela Chintala
Managing Director & CEO
(DIN : 03348782)
(PAN : AAMPN7038D)

Sd/-
Ravishankar R
Partner
Membership No. 026819
Place : Chennai
Date : 29.04.2022

Sd/-
Dr. K. S. Mahesh
Director & Chief Financial Officer
(DIN : 09170623)
(PAN : ABUPK6307P)

Sd/-
M. Bhuvanewari
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)

(Rs. in lakh)

Particulars			
Liabilities side:		Amount	Amount
(1)	Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Outstanding	Overdue
	(a) Debentures Secured		
	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)	96772.20	Nil

(2)	Break-up of (1) (f) above (Outstanding public deposits inclusive of Interest accrued thereon but not paid):		
	(a) In the form of Unsecured debentures	Nil	Nil
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	Nil	Nil
	(c) Other public deposits	Nil	Nil

Assets side:
Amount Outstanding

(3)	Break up of Loans and Advances including bills receivables (other than those included in (4) below):		
	(a) Secured		141695.45
	(b) Unsecured		0.00

(4)	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		
	(b) Operating Lease		
	(ii) Stock on hire including hire charges under sundry debtors:	Nil	
	(a) Assets on hire		
	(b) Repossessed Assets		
	(iii) Other loans counting towards AFC activities	Nil	
	(a) Loans where assets have been repossessed		
	(b) Loans other than (a) above		

(5)	Break-up of investments :			
	Current investments :			
	1. Quoted :			
	(i) Shares :	(a) Equity	Nil	
		(b) Preference		
	(ii) Debentures and Bonds			
	(iii) Units of mutual funds			
	(iv) Government Securities			
	(v) Others (Please specify)			

Particulars				(Rs. in lakh)
	2. Unquoted:			
	(i) Shares :	(a) Equity		
		(b) Preference		
	(ii) Debentures and Bonds			
	(iii) Units of mutual funds			
	(iv) Government Securities			
	(v) Others (Please specify) - Fixed Deposit with Banks		1950.00	

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

	2. Unquoted :			
	(i) Shares :	(a) Equity		
		(b) Preference		
	(ii) Debentures and Bonds		1515.41	
	(iii) Units of mutual funds			
	(iv) Government Securities			
	(v) Others (Please specify)			

(6) 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				
(b) Companies in the same group	Nil	Nil	Nil	
(c) Other related parties				
2. Other than related parties	135918.86	-	135918.86	
			Total	135918.86
(7) 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	Nil			Nil
			Total	Nil

(Rs. in lakh)

Particulars				Amount
(8)	Other Information			
(i)	Gross Non-Performing Assets			
	(a) Related parties			Nil
	(b) Other than related parties			6022.74
(ii)	Net Non-Performing Assets			
	(a) Related parties			Nil
	(b) Other than related parties			1920.05
(iii)	Assets acquired in satisfaction of debt			Nil

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

For NABKISAN Finance Limited

Sd/-
Ravishankar R
Partner
Membership No. 026819
Place : Chennai
Date : 29.04.2022

Sd/-
Dr. K. S. Mahesh
Director & Chief Financial Officer
(DIN : 09170623)
(PAN : ABUPK6307P)

Sd/-
Suseela Chintala
Managing Director & CEO
(DIN : 03348782)
(PAN : AAMPN7038D)

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

NABKISAN Finance Limited

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

Statement of Profit and Loss for the year ended 31st March 2022

(₹ in lakh)

	Particulars	Note No	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I	Revenue from Operations			
	Interest Income	18	12,366.04	11,571.58
	Others		-	-
	Total Revenue from operations		12,366.04	11,571.58
II	Other Income	19	0.60	18.87
III	Total Income (I + II)		12,366.64	11,590.45
IV	Expenses			
	Finance Costs	20	4,234.38	4,891.72
	Impairment on financial instruments	21	1,853.53	2,488.64
	Employee Benefits Expenses	22	218.98	192.56
	Depreciation, amortization and impairment	8&9	7.13	6.26
	Others expenses	23	1,991.19	859.31
	Total Expenses		8,305.21	8,438.49
V	Profit / (loss) before exceptional items and tax (III - IV)		4,061.43	3,151.96
VI	Exceptional Items		-	-
VII	Profit / (loss) before tax (V - VI)		4,061.43	3,151.96
VIII	Tax Expense:			
	- Current Tax		1,435.33	1,353.63
	- Previous year Tax		3.32	(3.46)
	- Deferred Tax	7	25.57	141.49
IX	Profit / (loss) for the period (VII - VIII)		2,597.20	1,660.30
X	Profit/(loss) from discontinued operations			
XI	Profit/(loss) for the period (IX+X)		2,597.20	1,660.30
XII	Other Comprehensive Income			
(a)	(i) Items that will not be reclassified to profit or loss			
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	Sub-total (a)		-	-
(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)		-	-
XIII	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)		2,597.20	1,660.30
XIV	Earnings per equity share (refer Note - 24)			
	- Basic		1.41	0.97
	- Diluted		1.41	0.97

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

For NABKISAN Finance Limited

Sd/-
Shaji Krishnan
Chairman & Director
(DIN : 07691350)

Sd/-
Suseela Chintala
Managing Director & CEO
(DIN : 03348782)
(PAN : AAMPN7038D)

Sd/-
Ravishankar R
Partner
Membership No. 026819
Place : Chennai
Date : 29.04.2022

Sd/-
Dr. K. S. Mahesh
Director & Chief Financial Officer
(DIN : 09170623)
(PAN : ABUPK6307P)

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

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 2022

(₹ in lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before exceptional items and taxes	4,061.43	3,151.96
Add: Non-cash Expenses		
Depreciation, amortization and Impairment	7.13	6.26
Impairment on Financial Instruments	1,853.53	2,488.64
Bad debts written off	1,528.40	493.67
(Profit) / Loss on sale of Plant, Property & Equipment, Intangibles	(0.03)	0.05
Less: Income considered separately		
Income from Investment activities	(133.29)	(127.64)
Operating profit before working capital changes	7,317.17	6,012.94
Changes in -		
- Loans and Advances	(25,443.21)	(22,602.58)
- Financial assets & Non-Financial assets	231.09	(929.77)
- Financial liabilities & Non-Financial Liabilities	654.88	5,671.27
- Provisions	8.12	(11.81)
Cash generated from operations	(17,231.95)	(11,859.95)
Income tax	(1,438.65)	(1,353.63)
Net Cash Inflow / (outflow) from operating Activities	(18,670.60)	(13,213.58)

II. CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of Property, plant and equipment and intangible assets	(3.42)	(5.20)
- Proceeds from sale of Property, plant and equipment	0.03	0.01
- Increase in investments	(684.10)	(831.31)
- Proceeds from sale of investments at FVTPL		
- Income from Term deposits with Banks	89.46	116.68
- Income from Investments	43.83	10.96
- Increase in Earmarked balances with banks	-	-
Net Cash Inflow / (outflow) from Investment Activities	(554.20)	(708.86)

III. CASH FLOWS FROM FINANCING ACTIVITIES		
- Proceeds from issue of Equity shares	6,658.35	-
- Net Proceeds from Borrowings (Other than Debt Securities)	12,637.05	13,877.35
- Dividend paid (including tax on dividend)	-	-

Net Cash Inflow / (outflow) from Financing Activities	19,295.40	13,877.35
NET Increase / (Decrease) in Cash and Cash Equivalents	70.60	(45.09)
Cash and Cash Equivalents at the beginning of the year	2,124.37	2,169.46
Cash and Cash Equivalents at the End of the year	2,194.97	2,124.37

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

For NABKISAN Finance Limited

Sd/-
Shaji Krishnan
Chairman & Director
(DIN : 07691350)

Sd/-
Suseela Chintala
Managing Director & CEO
(DIN : 03348782)
(PAN : AAMPN7038D)

Sd/-
Ravishankar R
Partner
Membership No. 026819
Place : Chennai
Date : 29.04.2022

Sd/-
Dr. K. S. Mahesh
Director & Chief Financial Officer
(DIN : 09170623)
(PAN : ABUPK6307P)

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

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 2022

A. Equity Share Capital		
		(₹ in lakh)
Particulars	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the year	13,762.79	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	13,762.79
---------------------------------------	------------------	------------------

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 2020	-	-	5,151.73	1,794.14	-	4,825.40	11,771.27
Add: Profit for the year	-	-	-	-	-	1,660.30	1,660.30
Add: Other Comprehensive Income for the year	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	1,660.30	1,660.30
Additions	-	-	-	-	-	-	-
Appropriation to Statutory Reserve*	-	-	-	332.06	-	(332.06)	-
Balance at the 31st March 2021	-	-	5,151.73	2,126.20	-	6,153.65	13,431.57
Balance as at 01st April 2021	-	-	5,151.73	2,126.20	-	6,153.65	13,431.57
Add: Profit for the year	-	-	-	-	-	2,597.20	2,597.20
Add: Other Comprehensive Income for the year	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	2,597.20	2,597.20
Additions	-	-	3,273.32	-	-	-	3,273.32
Appropriation to Statutory Reserve*	-	-	-	519.44	-	(519.44)	-
Balance at the 31st March 2022	-	-	8,425.05	2,645.64	-	8,231.41	19,302.10

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

For NABKISAN Finance Limited

Sd/-
Shaji Krishnan
 Chairman & Director
 (DIN : 07691350)

Sd/-
Suseela Chintala
 Managing Director & CEO
 (DIN : 03348782)
 (PAN : AAMPN7038D)

Sd/-
Ravishankar R
 Partner
 Membership No. 026819
 Place : Chennai
 Date : 29.04.2022

Sd/-
Dr. K. S. Mahesh
 Director & Chief Financial Officer
 (DIN : 09170623)
 (PAN : ABUPK6307P)

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

NABKISAN FINANCE Limited

Notes forming part of Financial statements for the year ended 31st March 2022

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.

SIGNIFICANT ACCOUNTING POLICIES:

1. Statement of compliance and basis for preparation and presentation of Financial Statements

(a) Statement of compliance –

The Financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (‘Ind AS’) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time. In addition, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with the compliance with other statutory promulgations which requires a different treatment.

(b) 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.

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 are unobservable inputs for the valuation of assets or liabilities

(c) Presentation of Financial Statements –

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 are the Company’s first standalone or separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has applied Ind AS 101, First-time Adoption of Indian Accounting Standards for transition from Previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flow of the Company is provided in Note 38.

(d) Functional and presentation currency –

Amounts in the financial statements are presented in Indian Rupees (INR or Rs.) which is also the company’s functional currency. All amounts are rounded off to the nearest lakh (unless stated otherwise) and rounded off to two decimals as permitted by Schedule III to the Companies Act, 2013.

2. Significant accounting policies –

i. 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.

ii. 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.
- 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.
- 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.

iii. 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.

iv. Financial Instruments –

a) Recognition and Measurement –

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

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

b) Classification of financial assets-

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

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

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

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

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

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

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

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

c) Subsequent measurement of financial assets –

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

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

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

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

d) Financial liabilities and equity instruments –

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

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

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

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

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

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

e) Derecognition –

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

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

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

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

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

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

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

h) **Impairment of financial instruments** –

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

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

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

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

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

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

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

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

Significant increase in credit risk –

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

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

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

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

Purchased or originated credit impaired (POCI) financial assets –

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

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

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

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

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

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

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

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

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

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

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

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

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

i) Write offs -

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

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

v. 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 pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days basic salary for every completed year of service as per the Payment of Gratuity Act, 1972. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognized in the period in which they occur in Other Comprehensive Income

- **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 based on an independent actuarial valuation.

vi. 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.

vii. 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.

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.

viii. 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.

ix. 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.

x. 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.

xi. 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.

xii. 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.

xiii. 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.

xiv. Use of Estimates and judgements and Estimation of Uncertainty –

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and statement of Profit and Loss. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates. 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.

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.

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

- **Contingent liabilities –**

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.

NABKISAN Finance Limited

NABARD 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, 2022	As at 31st March, 2021
1	Cash and Cash equivalents		
	- Cash on Hand	0.02	0.01
	- Balance with Banks (In current accounts)		
	Indian Overseas Bank	0.16	7.53
	Axis Bank	1.04	1.00
	HDFC Bank	243.57	625.62
	- Deposits with Banks		
	Deposits	1,950.00	1,490.00
	Interest accrued on deposits	0.18	0.21
	Total	2,194.97	2,124.37

2	Bank balance other than cash and cash equivalents		
	- Earmarked balances with banks	0.37	0.37
	- Balances with banks-held as margin money or security deposit against borrowings, guarantee/other commitments		
	Total	0.37	0.37

3	Loans		
	Measured at Amortised cost (refer - Note 25)		
	Secured Loans and Advances		
	- Due within 12 months	67,410.79	54,693.23
	- Due beyond 12 months	74,284.66	63,140.44
		141,695.45	117,833.67
	Less: Impairment allowance	(5,776.59)	(3,976.08)
		135,918.86	113,857.58
	Measured at Fair value through OCI	-	-
	Measured at Fair value through Profit and Loss	-	-
		135,918.86	113,857.58

4	Investments		
	- Measured at Amortised cost		
	Unquoted, Unsecured Investments in Non-convertible debentures under Govt of Tamilnadu scheme		
	- Due within 12 months	-	-
	- Due beyond 12 months	1,515.41	831.31
	(Ref - Note No - 29)	1,515.41	831.31
	- Measured at Fair value through OCI	-	-
	- Measured at Fair value through PL	-	-
		1,515.41	831.31

5	Other Financial assets		
	Due within 12 months		
	- Deposits and advances	2.41	4.36
	- Interest accrued on Investments	7.55	0.11
		9.96	4.47
	Due beyond 12 months	-	-
		9.96	4.47

6	Current Tax Assets (Net)		
	- Income tax refund due	204.02	412.71
		204.02	412.71

7	Deferred Tax assets (refer note 26)		
	Opening	127.08	268.57
	C.Y Additions	(25.57)	(141.49)
	Closing	101.51	127.08

10	Other non-financial assets		
	- Goods and Services Tax (GST) Receivable	14.71	48.35
	- Fund with LIC towards Gratuity	25.92	20.17
	(refer note - 32)		
		40.63	68.52

NABKISAN Finance Limited

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

Note - 8 & 9 - Plant, Property and Equipment & Intangible assets Schedule as at 31st March 2022

(₹ in lakh)

Particulars	Gross Block			Depreciation Block			Net Carrying Value		
	As at 01.04.2021	Additions	Disposal/ Written off	As at 31.03.2022	As at 01.04.2021	Additions	Withdrawn	As at 31.03.2022	As at 31.03.2021
Plant, Property and Equipment									
- Land	-			-	-			-	-
- Building	-			-	-			-	-
- Furniture & Fixtures	16.71	-	-	16.71	7.29	2.43	9.72	6.98	9.41
- Office Equipments	1.08	-	-	1.08	0.99	0.03	1.02	0.05	0.08
- Servers & Networks	-			-	-			-	-
- Laptop & Desktops	13.36	3.42	-	16.78	7.72	4.67	-	4.39	5.64
Subtotal (A)	31.14	3.42	-	34.56	16.01	7.13	-	11.42	15.13
Intangible assets									
- Software	12.84	-	-	12.84	12.84	-	12.84	-	-
Subtotal (B)	12.84	-	-	12.84	12.84	-	12.84	-	-
Total (A + B)	43.98	3.42	-	47.40	28.85	7.13	-	11.42	15.13
As at 31st March 2021									
Plant, Property and Equipment	27.16	5.20	1.22	31.14	11.82	5.34	1.16	15.13	15.34
Intangible assets	12.84	-	-	12.84	11.93	0.91	-	-	0.91

NABKISAN Finance Limited

NABARD 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, 2022	As at 31st March, 2021
11	Borrowings (other than Debt Securities)		
	Loan from related parties (unsecured) (Refer - note 28)		
	- Loan from NABARD		
	- Due within 12 months	44,552.35	39,612.22
	- Due beyond 12 months	51,803.23	43,978.30
		96,355.57	83,590.52
	Loan from unrelated parties (unsecured) (Refer - note 28)		
	- Loan from NSTFDC		
	- Due within 12 months	214.35	90.83
	- Due beyond 12 months	19.59	12.98
		233.94	103.81
	Interest Accrued but not due on Borrowings	182.69	440.81
		96,772.20	84,135.15

12	Other Financial Liabilities		
	Due beyond 12 months		
	Government of TamilNadu Scheme (Refer - note 29)		
	- Mezzanine Capital - TN Scheme	2,000.00	1,250.00
	- Notional Interest on Mezzanine capital - TN scheme	26.86	12.38
	Revolving Fund - TN Scheme		
	-- Revolving Fund Utilised	527.91	400.14
	-- Revolving Fund Utilised	1,776.09	1,903.86
	- Notional Interest on the above	108.80	16.06
	Credit Guarantee Fund - TN Scheme		
	-- CG Fund Allocated	443.25	16.00
	-- CG Fund Utilised	431.75	859.00
	- Notional Interest on the above	51.11	33.88
	Credit Guarantee Fund - Odisha Scheme (refer Note - 30)		
	-- Fund Allocated	25.15	-
	-- Fund Utilised	474.86	500.00
	- Notional Interest on the above	21.21	-
	NABARD - Catalytic Fund Capital (Related party - refer Note - 31)		
	-- Catalytic Fund Utilised	110.00	-
	-- Catalytic Fund Unutilised	390.00	500.00

	-- Catalytic Fund Interest earned	0.03	-
	- Notional Interest on the above	13.52	-
	Subsidy Reserve Fund	91.36	30.74
		6,491.89	5,522.06
	Due within 12 months		
	PODF Grant Amount	4.18	-
	Guarantee Fee	52.06	34.27
	Guarantee claim	16.83	-
	- Unpaid Dividend 2015-16	0.09	0.09
	- Unpaid Dividend 2016-17	0.09	0.09
	- Unpaid Dividend 2017-18	0.09	0.09
	- Unpaid Dividend 2018-19	0.09	0.09
		73.44	34.64
		6,565.32	5,556.69

13	Provisions		
	Provision for Employee Benefit		
	Due beyond 12 months		
	Gratuity (refer note - 32)	31.73	25.97
		31.73	25.97
	Due within 12 months		
	Leave Encashment	5.97	3.61
		5.97	3.61
		37.70	29.58

14	Other non-financial liabilities		
	Due within 12 months		
	- Withholding and Other Taxes Payable	36.53	34.85
	- Outstanding Expenses	93.11	29.79
	- Income received in advance	11.79	13.93
	- Provision for Interest on Interest charged during moratorium to be refundable	-	152.46
		141.44	231.04
	Due beyond 12 months	-	-
		141.44	231.04

15	Current Tax Liabilities (net)		
	Income tax provision	1,435.33	1,353.63
	Less: Advance Tax & With holding taxes receivable	(1,404.77)	(1,058.92)
		30.56	294.71

NABKISAN Finance Limited

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

Notes Forming Part Of Financial Statements For The Year Ended March 31, 2022

(₹ in lakh)

Note No	Particulars	As at 31st March, 2022	As at 31st March, 2021
16	Share Capital		
	Authorized Capital	20,000.00	20,000.00
	20,00,00,000 Equity Shares of ₹10/- each		
	(Previous year 20,00,00,000 Equity Shares of ₹10/- each)		
	Issued,Subscribed & Fully Paid up:	17,147.82	13,762.79
	17,14,78,213 Equity Share of ₹10/-each		
	(Previous year 13,76,27,932 Equity shares of ₹10/- each)		
	TOTAL	17,147.82	13,762.79

a.	Reconciliation of the number of equity shares outstanding at the beginning and end of the year	Number of Shares	
		As at 31st March, 2022	As at 31st March, 2021
	Particulars		
	Number of Shares outstanding at the beginning of the year	137,627,932	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	137,627,932

b.	Reconciliation of the equity share capital outstanding at the beginning and end of the year		
		As at 31st March, 2022	As at 31st March, 2021
	Particulars		
	Equity Share Capital Outstanding at the beginning of the year	13,762.79	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	13,762.79

c.	Rights, preferences and restrictions attaching to each class of shares including restrictions on distribution of dividends and repayment of capital
	The Company has only one class of equity shares having par value of Rs. 10 per share. Each share holder is entitled to one vote per share. The distribution of dividend is in proportion to the number of equity shares held by each share holders. Repayment of capital will be in proportion to number of equity shares held.

d. Details of shareholder holding more than 5%	Number of Shares			
	%	31st March 2022	%	'31st March 2021
	87.77%	150,500,063	87.48%	120400050
1. National Bank for Agricultural & Rural Development	6.69%	11,475,000	6.67%	9180000
2. Government of Tamilnadu				

e. For a period of years, immediately preceding the Balance sheet			
Aggregate number & class of shares :			
- Allotted as fully paid up pursuant to contract(s) without payment being received in cash : NIL			
- Allotted as fully paid up by way of bonus shares: NIL			
- Bought back : NIL			

f. Shareholding of Promoters			
Shares held by promoters at the end of the year	No.of Shares	% of Shares	% Change during the year
Promoter Name	150,500,063	87.77%	0.29%
1. National Bank for Agricultural & Rural Development			

NABKISAN Finance Limited

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

Note No - 17 - 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	Effective portion of Cash Flow Hedges	Revaluation surplus	Exchange differences on translating the financial statements of a foreign operation	Total
			Statutory reserves	Capital reserves	Securities premium	Special Reserve	Reserve fund	Retained earnings						
Opening balance as at 01st April 2021	-	-	-	5,151.73	2,126.20	-	6,153.65	-	-	-	-	-	13,431.57	
Adjustment for changes in accounting policies & Prior period items														
Add: Profit for the year	-	-	-	-	-	2,597.20	-	-	-	-	-	-	2,597.20	
Add: Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Comprehensive Income for the year	-	-	-	5,151.73	2,126.20	-	8,750.85	-	-	-	-	-	16,028.78	
Additions				3,273.32	-	-	-	-	-	-	-	-	3,273.32	
Appropriation to Statutory Reserve*					519.44	(519.44)	-	-	-	-	-	-	-	
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	645.64	-	8,231.41	-	-	-	-	-	19,302.10	

Other Equity (20-21)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus							Debt instruments through OCI	Equity instruments through OCI	Effective portion of Cash Flow Hedges	Revaluation surplus	Exchange differences on translating the financial statements of a foreign operation	Total
			Statutory reserves	Capital reserves	Securities premium	Special Reserve	Reserve fund	Retained earnings							
Opening balance as at 01st April 2020	-	-	-	5,151.73	1,794.14	-	4,825.40	-	-	-	-	-	-	11,771.27	
Adjustment for changes in accounting policies & Prior period items															
Restated balance															
Add: Profit for the year	-	-	-	-	-	1,660.30	-	-	-	-	-	-	-	1,660.30	
Add: Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Comprehensive Income for the year	-	-	-	5,151.73	1,794.14	-	6,485.71	-	-	-	-	-	-	13,431.57	
Additions															
Appropriation to Statutory Reserve*					332.06		(332.06)								
Transactions with owners in their capacity as owners															
Less: Dividend distributed during the year															
Less: Dividend Distribution Tax (DDT)															
Balance at the 31st March 2021	-	-	-	5,151.73	2,126.20	-	6,153.65	-	-	-	-	-	-	13,431.57	

NABKISAN Finance Limited

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

Notes to Statement of Profit and Loss

(₹ in lakh)

Note	Particulars	For the year ended 31st March 2022			For the year ended 31st March 2021				
		On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
18	Interest Income								
	- Interest on Loans	-	12,188.03	-	12,188.03	-	11,443.94	-	11,443.94
	- Interest income from investments	-	43.83	-	43.83	-	10.96	-	10.96
	- Interest on deposits with Banks	-	89.46	-	89.46	-	116.68	-	116.68
	- Other Income								
	Prepayment Charges	-	44.72	-	44.72	-	-	-	-
	Total	-	12,366.04	-	12,366.04	-	11,572	-	11,571.58

Note	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
		0.57	2.76
19	Other Income		
	Miscellaneous Income	0.57	2.76
	Profit on sale of assets	0.03	-
	Interest on IT refund	-	16.10
	Total	0.60	18.87

NABKISAN Finance Limited

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

Notes to Statement of Profit and Loss

(₹ in lakh)

Note	Particulars	For the year ended 31st March 2022		For the year ended 31st March 2021	
		On Financial Liabilities measured at fair value through OCI	On Financial Liabilities measured at Amortised Cost	On Financial Liabilities measured at fair value through OCI	On Financial Liabilities measured at Amortised Cost
20	Finance Costs			-	-
	Interest on Borrowings				
	NABARD Refinance Loans	-	4,065.50	-	4,829.50
	Interest on NSTFDC Loans	-	9.70	-	5.25
	Notional Interest on TN Corpus Fund	-	159.18	-	56.97
	Total	-	4,234.38	-	4,891.72

Note	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
21	Impairment allowance		
	Impairment allowance on Loans	1,853.53	2,488.64
	Total	1,853.53	2,488.64

Note	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
22	Employee Benefit Expenses		
	Salaries and wages	197.97	168.59
	Contribution to provident and other funds	13.58	19.24
	Staff Welfare	7.42	4.73
	Total	218.98	192.56

Note	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
23	Other expenses		
	Auditors Remuneration		
	- Concurrent Audit Fee	-	-
	- Statutory Audit Fee	1.50	1.50
	- Tax Audit Fee	0.20	0.20
	- Others	-	-
	Bad Debts Written Off	1,528.40	493.67
	Bank Charges	0.10	0.13
	Books and Periodicals	0.05	0.03
	Business Promotion	7.91	0.52
	CSR Expenses (Note - 44)	68.75	58.90
	Directors Sitting Fee	7.20	7.70
	Insurance	0.08	0.14
	Legal & Professional Charges	14.23	9.75
	Loss on Sale of Fixed Assets	-	0.05
	Office Expenses	2.84	1.57
	Profession Tax	0.05	0.22
	TN Scheme - Operating Expenses	0.21	0.08
	Communication charges	0.88	0.44
	Printing & Stationery	5.95	3.97
	Professional charges - NABARD Dep. Staff	266.57	258.28
	Rates & Taxes	64.39	11.04
	AGM Expenses	0.30	0.14
	Rent	5.55	1.59
	Repairs & Maintenance	2.85	3.69
	Training Expenses	-	0.45
	Travelling & Conveyance	13.19	5.23
	Total	1,991.19	859.31

NOTE – 24 – EARNINGS PER SHARE (EPS) –

Particulars	2021-2022	2020-2021
Net Profit after tax as per statement of Profit & Loss	2,597.20	1,660.30
Less : Transfer to Statutory Reserve	(519.44)	(332.06)
Profit available to Equity Shareholders	2,077.76	1,328.24
Weighted average No. of Equity shares (no.'s)	14,75,51,165	13,76,27,932
Basic Earnings per share (Rs.)	1.41	0.97
Diluted Earnings per share (Rs.)	1.41	0.97

NOTE – 25 – 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 2022	31st March 2021
Gross carrying value of Loans and Advances – Corporate vertical		
Neither Past due nor impaired	1,22,567.46	1,00,253.40
Past due but not impaired		
0 - 30 days past due	-	671.24
31 – 60 days past due	-	1,199.09
61 – 90 days past due	-	1,238.16
Impaired (more than 90 days)	3,289.91	738.16
Total Gross Carrying value as at reporting date	1,25,857.37	1,04,100.05

Particulars	31st March 2022	31st March 2021
Gross carrying value of Loans and Advance – Non-corporate vertical		
Neither Past due nor impaired	12,772.00	11,264.13
Past due but not impaired		
0 - 30 days past due	-	918.20
31 – 60 days past due	273.89	966.38
61 – 90 days past due	59.35	63.96
Impaired (more than 90 days)	2,732.83	520.85
Total Gross Carrying value as at reporting date	15,838.08	13,733.52

Particulars	31st March 2022	31st March 2021
Gross carrying value of Loans and Advance – PLF		
Neither Past due nor impaired	-	-
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)	-	492.08
Total Gross Carrying value as at reporting date	-	492.08

(PLF Vertical has been written off entirely by the entity during the previous reporting period)

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 2022					
		Amortised cost	At Fair Value				Total
			Through OCI	Through PL	Designated at FVTPL	Sub-total	
A.	Loans						-
(i)	Repayable on demand	-	-	-	-	-	1,33,266.17
(ii)	Term Loans	1,33,266.17	-	-	-	-	8,429.28
(iii)	Others	8,429.28	-	-	-	-	1,41,695.45
	Total	1,41,695.45	-	-	-	-	(5,776.59)
	Less: Impairment allowance	(5,776.59)	-	-	-	-	1,35,918.86
	Total	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	-	-	-	-	1,41,695.45
	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	-	-	-	-	-	-

S.no	Particulars	As at 31st March 2021					
		Amortised cost	At Fair Value				Total
			Through OCI	Through PL	Designated at FVTPL	Sub-total	
A.	Loans						
(i)	Repayable on demand	-	-	-	-	-	-
(ii)	Term Loans	1,11,063.59	-	-	-	-	1,11,063.59
(iii)	Others	6,756.65	-	-	-	-	6,756.65
	Total	1,17,833.67	-	-	-	-	1,17,833.67
	Less: Impairment allowance	(3,976.08)	-	-	-	-	(3,976.08)
	Total	1,35,918.86	-	-	-	-	
B.							
(i)	Secured by tangible assets	1,17,833.67	-	-	-	-	1,17,833.67
(ii)	Secured by intangible assets	-	-	-	-	-	-
(iii)	Covered by Guarantees	-	-	-	-	-	-
(iv)	Unsecured	-	-	-	-	-	-
	Total	1,17,833.67	-	-	-	-	1,17,833.67
	Less: Impairment allowance	(3,976.08)	-	-	-	-	(3,976.08)
	Total	1,13,857.58	-	-	-	-	1,13,857.58
C.							
	Loans in India						
(i)	Public sector	-	-	-	-	-	-
(ii)	Others	1,17,833.67	-	-	-	-	1,17,833.67
	Total	1,17,833.67	-	-	-	-	1,17,833.67
	Less: Impairment allowance	(3,976.08)	-	-	-	-	(3,976.08)
	Total	1,13,857.58	-	-	-	-	1,13,857.58
	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 clear past trends for computing LGD, it can be considered at 65%.
 - “Probability of Default” (PD) is applied on Stage 1 and Stage 2 on the 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 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
Gross Balance as at 31 March 2021	1,00,924.64	2,437.25	738.16	1,04,100.05
Expected credit loss rate	1.11%	59.49%	100%	3.18%
Carrying amount as at 31 March 2021 (net of impairment provision)	99,803.74	987.33	-	1,00,791.07

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 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
Gross Balance as at 31 March 2021	12,182.34	1,030.33	520.85	13,733.52
Expected credit loss rate	0.84%	19.28%	70.37%	4.86%
Carrying amount as at 31 March 2021 (net of impairment provision)	12,080.43	831.65	154.35	13,066.43

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 2020	80,830.53	1,424.19	739.60	82,994.32
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage I	-	-	-	-
- Transfers to Stage II	(1,301.61)	1,301.61	-	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognised during the year	(1,794.10)	-	-	(1,794.10)
New Loans originated during the year	47,612.64	-	-	47,612.64
Write-off's	-	-	-	-
Recoveries	(24,422.82)	(288.54)	(1.44)	(24,712.81)
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

Reconciliation of ECL Balance –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 31st March 2020	40.12	135.94	422.22	598.28
Changes due to loans recognised in the opening balance that have:	-	-	-	-
- Transfers to Stage I	-	-	-	-
- Transfers to Stage II	(0.46)	0.46	-	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognised during the year	(2.18)	-	-	(2.18)
New Loans originated during the year	54.70	-	-	5470
Write-off's	-	-	-	-
Remeasurement	1,028.72	1,313.53	315.94	2,658.19
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

Considering the prudence and the futuristic macro indicators, the entity has made an additional provision of Rs. 586.34 Lakh on seven 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 2020	10,100.87	462.97	687.38	11,251.22
Changes due to loans recognised in the opening balance that have:	-	-	-	-
- Transfers to Stage I	291.43	(291.43)	-	-
- Transfers to Stage II	(1,267.31)	1,267.31	-	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognised during the year	(2,287.17)	(171.54)	(35.33)	(2,494.05)
New Loans originated during the year	8,334.51	-	-	8,334.51
Write-off's	-	-	-	-
Recoveries	(2,989.99)	(236.97)	(131.19)	(3,358.15)
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

*includes loans restructured during the year

Reconciliation of ECL Balance –

Particulars	Stage – I	Stage – II	Stage – III	Total
Gross carrying amount balance as at 31st March 2020	29.10	90.56	434.46	554.12
Changes due to loans recognised in the opening balance that have:	-	-	-	-
- Transfers to Stage I	57.04	(57.04)	-	-

- Transfers to Stage II	(2.85)	2.85	-	-
- Transfers to Stage III	-	-	-	-
Loans that have been derecognised during the year	(7.64)	(33.52)	(23.14)	(64.30)
New Loans originated during the year	42.30	-	-	42.30
Write-off's	-	-	-	-
Remeasurement	(16.05)	195.84	(44.82)	134.97
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	617.70	713.70
Gross carrying amount balance as at 31st March 2022	268.75	46.54	1,635.26	1,950.56

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 26 – DISCLOSURE PURSUANT TO IND AS 12 “INCOME TAXES”

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

Amount in Rs.

S.no	Particulars	2021-22	2020-21
(a)	Profit or Loss section:		
	(i) Current Income Tax:		
	- Current Income Tax Expense	1,435.33	1,353.63
	- Tax Expense of Prior Periods	3.32	(3.46)
		1,438.65	1,350.16
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	25.57	141.49
	Effect of previously unrecognised tax losses used to reduce tax expense	-	-
		25.57	141.49
	Income tax expense reported in Profit or Loss [(i) + (ii)]	1,464.23	1,491.66
(b)	Other Comprehensive Income (OCI) section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods	-	-
	(ii) Items to be reclassified to profit or loss in subsequent periods	-	-
	Income tax expense reported in Other Comprehensive Income [(i) + (ii)]	-	-
	Retained earnings:		
	- Current Income Tax	1,438.65	1,350.16
	- Deferred Tax	25.57	141.49
	Income tax expense reported in retained earnings	1,464.23	1,491.66

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

S.no	Particulars	2021-22	2020-21
(a)	Profit before tax	4,061.43	3,151.96
(b)	Corporate tax rate as per Income Tax Act 1961	25.17%	25.17%
(c)	Tax on Accounting profit (c)=(a)*(b)	1,022.18	793.29
(d)	(i) Tax on Income exempt from tax	-	-
	(ii) Tax on expenses not tax deductible:		
	(A) CSR expenses	17.30	14.82
	(iii) Tax effect on other items	(424.74)	(683.55)
	Total effect of tax adjustments [(i) -(ii) + (iii)]	(442.05)	(698.37)
(e)	Tax expense recognised during the year (e)=(c)-(d)	1,464.23	1,491.66
(f)	Effective tax Rate (f)=(e)/(a)	36.05%	47.32%

Income tax department has raised a demand of Rs.563.34 Lakh for A.Y 2020-21, due to certain disallowances and non consideration of Lower Tax rate, for which the company has filed rectification petition and also has filed an appeal before Commissioner of Income (Appeals). The Income Tax department had made these adjustments erroneously and also not considered, the company's claim of lower tax rate, which the company is of the view that the same will be favourably considered in Company's favour, in the rectification petition / Appeals filed by them, and hence no provision has been made for the above demand, in the current year.

NOTE 27 – PROPERTY, PLANT & EQUIPMENTS 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 provided 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 28 – 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, 2022 is summarized in the following table.

Rate of Interest	₹ in lakh
3.00%	16.83
4.60%	18,002.73
4.65%	2,545.45
5.30%	18,677.27
5.40%	1,909.09
5.45%	500.00

5.60%	17,900.00
5.70%	8,590.91
5.75%	15,300.00
7.20%	211.59
7.60%	3,166.67
7.65%	206.25
7.70%	2,175.00
7.80%	3,200.00
7.90%	2,379.58
8.05%	850.00
8.20%	274.20
8.50%	450.00
5% - NSTFDC	233.94
Total	96,589.52

NOTE – 29 – ASSISTANCE UNDER VARIOUS SCHEMES FROM GOVERNMENT OF TAMIL NADU –

The company has entered into a MoU 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 6667.5 Lakh per year to the all the three schemes and grand totalling of INR 26670 Lakh 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 2000.00 Lakh towards Mezzanine capital and has contributed an amount of INR 1515.41 Lakh by way of subscription to debentures of various FPO’s. (Balance – 484.59 Lakh)

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 Lakh out of which an amount of INR 443.25 Lakh has been allocated and balance of INR 431.75 Lakh was unutilised at the end of the reporting period.

c) Revolving Fund Assistance –

- An amount of INR 4167.5 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 2304 Lakh under the said assistance out of which an amount of INR 527.91 Lakh was utilised and balance of INR 1776.09 Lakh was unutilised at the end of the reporting period.
- As per the terms and conditions laid down in MoU, the company is supposed to deposit the said amount upfront on receipt in an interest bearable account and such interest accruals shall be added to the corpus. The company, has not deposited the amount received under the scheme in an interest bearable account and therefore the company has provided a notional interest (after netting off interest accrued on Fixed deposits made if any against such receipts if any) on the amount unutilised for the respective periods under the three schemes and the accumulated notional interest till the reporting period as follows –
 - Mezzanine Capital Assistance – ₹ 26.86 Lakh (Previous year - ₹ 12.38 Lakh)
 - Credit Guarantee – ₹ 51.11 Lakh (Previous year - ₹ 33.88 Lakh)
 - Revolving fund assistance – ₹ 108.80 Lakh (Previous year - ₹ 16.06 Lakh)

NOTE – 30 – 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 ₹ 25.15 Lakh has been allocated and balance of ₹ 474.85 Lakh 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 ₹ 21.21 Lakh till the reporting period.

NOTE – 31 – NABARD CATALYTIC CAPITAL FUND –

During the year, 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 ₹ 110 Lakh was utilised and balance of ₹ 390 Lakh which is yet to be utilised at the end of the reporting period.

The entity has not earmarked such balance unutilised, therefore a notional interest has been provided by the entity on the unallocated balance for the respective periods and the accumulated balance of such interest amounting to ₹ 13.52 Lakh till the reporting period.

NOTE – 32 – 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 one each of a General Manager, Deputy General Manager, Assistant General Manager and Manager and two Assistant Managers 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 5.97 Lakh
- d) **Defined Contribution Plans** – Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Particulars	₹ In Lakh
Employer's Contribution to Provident Fund (#)	7.68
Employer's Contribution to Superannuation Fund	-
Employer's Contribution to Pension Scheme	-

- e) **Defined Benefit Plan** –

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

Particulars	2021 – 22	2020 – 21
Defined Benefit Obligation at beginning of the year	20.17	18.50
Current Service Cost	5.76	1.66
Actuarial (Gain)/Loss	-	-
Interest Cost	-	-
Benefits Paid	-	-
Defined Benefit Obligation at end of the year	25.92	20.17

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

Particulars	2021 – 22	2020 – 21
Fair value of Plan Assets at beginning of the year	20.17	-
Return on Plan Assets	0.00	-
Employer Contribution	5.76	20.17
Benefits Paid	-	-
Fair value of Plan Assets at end of the year	25.92	20.17

3. Reconciliation of fair value of Assets and Obligations –

Particulars	2021 – 22	2020 – 21
Fair value of Plan Assets	25.92	20.17
Present value of obligation	25.92	20.17
Amount recognised in Balance Sheet [Surplus/ (Deficit)]	-	-

4. Actuarial Assumptions –

Mortality table	2021 – 22	2020 – 21
	2006-08 - ultimate	2006-08 - ultimate
Discount Rate (per annum)	7% p.a	7% p.a
Expected rate of return on Plan Assets (per annum)	7% p.a	7% p.a
Rate of escalation in Salary (per annum)	5% p.a	5% p.a

The company has made an initial contribution of INR 20.16 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 Lakh (refer note -13) is towards employees of NABARD as detailed in (b) above is included in the provision stated at the end of the reporting period.

NOTE – 33 - RELATED PARTY TRANSACTIONS –

Details of Related Parties and Nature of relationship:

Description of Relationship	As at March 2022	As at March 2021
Holding Entity	NABARD	NABARD
Managing Director	Smt. Suseela Chintala	Smt. Suseela Chintala
Director and Chairman	Shri. Shaji KV	Shri. Shaji KV
Director	Shri Nilay D Kapoor	Shri Nilay D Kapoor
Director	Dr.K.S.Mahesh	Shri. T.Ramesh

Transactions with the related parties –

(₹ in lakh)

Name(s) of the related party	Nature of Relationship	Nature of Contracts / Arrangements / Transactions	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
NABARD	Holding Entity	Loan Received	53,700.00	54,113.75
		Loan Repaid	40,934.95	39,704.78
		Interest Paid	4,065.50	4,829.50
		Catalytic Fund Capital received	-	500.00
		PODF Grant	4.18	-
		Rent	5.55	-
		Reimbursement of of Salary of Deputed Staff (Managing Director Cum CEO, CFO, VP, AVPs, other NABARD Staffs)	266.57	258.28

Balance outstanding as at 31st March 2022 -

Name(s) of the related party	Particulars	Balance as at 31st March 2022	Balance as at 31st March 2021
NABARD	Loan outstanding (refer note -11)	96,355.57	83,590.52
	Catalytic Fund Capital (refer note - 12)	500.00	500.00
	PODF Grant	4.18	-

Compensation of Key Managerial Personnel

The compensation of directors and other member of Key Managerial Personnel during the year was as follows:

Particulars	2021-22	2020-21
a) Short-term benefits	279.21	269.47
b) Post employment benefits	-	-
c) Others	-	-
	279.21	269.47

NOTE – 34 – OPERATING SEGMENTS –

- There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.
- No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2022 or 31 March 2021.

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

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

Particulars	1st April 2020	Cash Flows (net)	Exchange fluctuation	Amortisation of loan origination costs	31st March 2021
NABARD refinance	69,181.56	14,408.97	-	-	83,590.52
NSTFDC refinance	202.30	(98.49)	-	-	103.81
Total	69,383.86	14,310.48	-	-	83,694.34

NOTE – 36 – 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)	-	-	10,017.75	17,426.05	23,065.58	46,261.32	1.50	-	96,772.20
Total	-	-	10,017.75	17,426.05	23,065.58	46,261.32	1.50	-	96,772.20
Assets									
Investments	-	-	-	-	-	-	1,515.41	-	1,515.41
Advances	-	5,021.42	10,254.57	18,944.47	33,190.33	68,109.45	5,380.40	794.81	1,41,695.45
Total	-	5,021.42	10,254.57	18,944.47	33,190.33	5,021.42	69,624.86	794.81	1,43,210.86

NOTE – 37 – MATURITY ANALYSIS OF ASSETS AND LIABILITIES –

Particulars		31st March 2022			31st March 2021		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total

1 FINANCIAL ASSETS

a	Cash and Cash Equivalents	2,194.97	-	2,194.97	2,124.36	-	2,124.36
b	Bank Balances other than (a) above	0.37	-	0.37	0.37	-	0.37
c	Loans	67,410.79	68,508.07	1,35,918.86	54,693.23	59,164.36	1,13,857.59
d	Investments	-	1,515.41	1,515.41	-	831.31	831.31
e	Other Financial Assets	9.96	-	9.96	0.11	4.35	4.46

2 NON FINANCIAL ASSETS

a	Current Tax Assets (Net)	204.02	-	204.02	412.71	-	412.71
b	Deferred Tax Assets (Net)	-	101.51	101.51	-	127.08	127.08
c	Property, Plant And Equipment	-	11.42	11.42	-	15.13	15.13
d	Other Intangible Assets	-	-	-	-	-	-
e	Other Non - Financial Assets	14.71	25.92	40.63	48.35	20.16	68.52
TOTAL - ASSETS				1,39,997.14			1,17,441.54

LIABILITIES AND EQUITY

1 FINANCIAL LIABILITIES

a	Borrowings (Other Than Debt Securities)	50,509.38	46,262.83	96,772.20	39,703.06	44,432.09	84,135.15
b	Other Financial Liabilities	73.44	6,491.89	6,565.32	34.63	5,522.06	5,556.69

2 NON - FINANCIAL LIABILITIES

a	Provisions	5.96	31.73	37.70	3.61	25.97	29.58
b	Current Tax Liabilities (Net)	30.56	-	30.56	294.71	-	294.71
c	Other Non-Financial Liabilities	141.44	-	141.44	231.04	-	231.04

3 EQUITY

a	Equity Share Capital	-	17,147.82	17,147.82	-	13,762.79	13,762.79
b	Other Equity	-	19,302.10	19,302.10	-	13,431.57	13,431.57
TOTAL - LIABILITIES AND EQUITY				1,39,997.14			1,17,441.54

NOTE – 38 – 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 2022

Financial Assets

a) Cash and cash equivalents	2,194.97	2,194.97	2,194.97		
b) Bank Balances other than (a) above	0.37	0.37	0.37		
c) Loans	1,35,918.86	1,35,918.86	-	-	1,35,918.86
d) Investments	1,515.41	1,515.41	-	-	1,515.41
e) Other Financial Assets	9.96	9.96	-	-	9.96
Total	1,39,639.57	1,39,639.57	2,195.34	-	1,37,444.23

Financial Liabilities

a) Borrowings	96,772.20	96,772.20	-	96,772.20	-
b) 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	-

As at 31st March 2021

Financial Assets

a) Cash and cash equivalents	2,124.37	2,124.37	2,124.37	-	-
b) Bank Balances other than (a) above	0.37	0.37	0.37	-	-
c) Loans	1,13,857.58	1,13,857.58	-	-	1,13,857.58
d) Investments	831.31	831.31	-	-	831.31
e) Other Financial Assets	4.47	4.47	-	-	4.47
Total	1,16,818.09	1,16,818.09	2,124.53	-	1,14,693.36

Financial Liabilities

a) Borrowings	84,135.15	84,135.15	-	84,135.15	-
b) Other Financial Liabilities	5,556.69	5,556.69	-	5,556.69	-
Total	89,691.85	89,691.85	-	89,691.85	-

NOTE – 39 – CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	31st March 2022	31st March 2021
i) Contingent Liabilities	279.21	269.47
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	5,421.21	1,041.63
Other commitments	-	-
Total	5,421.21	1,041.63

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 – 40 – 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 – 41 – DISCLOSURE UNDER MSME

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

NOTE – 42 – FOREIGN CURRENCY TRANSACTIONS

Particulars	2021-22	2020-21
a. Earnings in Foreign Currency	Nil	Nil
b. Expenditure in Foreign Currency	Nil	Nil

NOTE – 43 – 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 2022	31st March 2021
Tier – I capital	36,346.01	27,062.93
Tier – II capital	-	-
Total	36,346.01	27,062.93
Aggregate of Risk Weighted Assets	1,40,204.48	1,15,238.45
Tier – I Capital ratio	25.92%	23.48%
Tier – II Capital ratio	-	-
CRAR	25.92%	23.48%

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

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

“Tier II capital” includes the following –

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

Aggregate Risk Weighted Assets –

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

NOTE – 44 – EXPENDITURE UNDER CORPORATE SOCIAL RESPONSIBILITY –

The company is required to spend at least 2% of average profits of preceding three years during F.Y. 2021-22 which amounts to INR 68.75 Lakh. The following proposals were approved for funding under CSR budget for the year 2021-22:

- Payment to Swami Vivekananda Medical Mission (SVMM) for installation of solar-powered electrical fences in the agricultural plots of few selected farmers in Chavadiyoor – Rs.8.85 Lakh
- Jhamtse Gatsal Children's Community for setting up of green house, drip irrigation system, capacity building training, purchase of seedling trays, farming implements, seed storage containers, installation of solar dryer and transportation cost for the same Rs. 9.48 Lakh
- Sambhav Foundation for developing human resources at GP Level by imparting training in handling the demands of construction, plumbing, electrical, chlorination of water, water quality management, water treatment, catchment protection and O & M of facilities –Rs.10.00 Lakh
- Savali Charitable Trust for installation of Nal Pani Yojana project and providing drip irrigation system in the village Talyachapada, Tal. Jawhar, Dist. Palghar –Rs.24.50 Lakh
- NABFOUNDATION for linking FPOs to markets through a Project – “Bazaar Connect” – Rs.15.92 Lakh

	₹ in lakh
Total Amount to be spent	68.75
Amount Sanctioned	68.75

Out of the total amount sanctioned, an amount of ₹ 36.39 Lakh has been spent during the year under reporting and balance of ₹ 32.36 Lakh shall be utilised before 30th September 2022.

NOTE – 45 – LOAN RESTRUCTURING –

Details of the loans restructured during the year along with the revised terms are as follows –

- Kanjamalai Textile Weaver Producer Company Limited, Salem district, Tamil Nadu – Principal outstanding of ₹ 85.75 lakh secured by hypothecation of stock created out of the loan, guarantee cover under NABARD credit guarantee and comfort letter from The Institute of Entrepreneurship Development (IED), carrying an interest rate of 11.45% p.a. at monthly rests presently, and principal repayable on 01 January 2022 for the working capital loan, after a moratorium period of 11 months.
- Girimala Farmers Producer Company Limited, Meghraj, Aravalli, Gujarat – Principal outstanding of ₹ 71.00 lakh secured by hypothecation of assets created out of the loan and guarantee coverage under SFAC, carrying an interest rate of 10.75% p.a. at monthly rests presently, by extending the repayment period by seven months from the original date of repayment. Thus, the entire principal outstanding will be payable on 01 October 2021.
- Access Livelihoods Consulting India Limited (ALC) – Outstanding pertaining to three loans of Access Livelihoods Consulting India Limited (ALC), ₹ 1179.32 Lakh secured by hypothecation of assets created out of the loan and fixed assets in the form of property located at #17-1-383/47, 4th Cross road, Vinay Nagar colony, Saidabad, Hyderabad, Telangana – 500059 is restructured by extending the repayment period till 01st October 2023, with principal repayment moratorium

of ten months for Loan II, Seven months for Loan III and eight months for Loan IV, carrying the same interest rate of 11.50% per annum, at quarterly rests payable from 1st September 2021 and principal repayable in eight quarterly instalments starting from 01st January 2022.

Amount in Rs.

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			Stage			Stage			
	Details			Stage - I	Stage - II	Stage - III	Stage - I	Stage - II	Stage - III	Stage - I	Stage - II	Stage - III	
Opening Balance of Restructured accounts as at 1st April, 2021	No. of borrowers	-	-	-	-	-	-	-	-	1	-	-	1
	Amount Outstanding	-	-	-	-	-	-	-	-	16.70	-	-	16.70
	Provision thereon	-	-	-	-	-	-	-	-	9.78	-	-	9.78
Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	3	-	-	3
	Amount Outstanding	-	-	-	-	-	-	-	-	1,288.60	-	-	1,288.60
	Provision thereon	-	-	-	-	-	-	-	-	754.97	-	-	754.97
Upgradations of restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the Financial Year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
Upgradations of restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
Restructured Accounts as on 31st March 2022	No. of borrowers	-	-	-	-	-	-	-	-	4	-	-	4
	Amount Outstanding	-	-	-	-	-	-	-	-	1,305.30	-	-	1,305.30
	Provision thereon	-	-	-	-	-	-	-	-	764.75	-	-	764.75

For the loans restructured as stated above, Fair value has been determined on the date of restructuring as well as at the reporting date and accordingly an amount of ₹ 4.72 Lakh has been recognised as loss on Fair valuation and included the same in the impairment allowance provided.

NOTE – 46 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA
NOTIFICATION NO. DOR(NBFC).CC.PD NO.109/22.10.106/2019-20 DATED 13TH
MARCH 2020

Assest classification as per RBI Norms	Gross carrying amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP Norms
a	b	c	d = b-c	e	f = c - e
A. Performing Assests					
Standard	1,35,672.71	1,673.90	1,33,998.82	544.28	1,129.61
Total (A)	1,35,672.71	1,673.90	1,33,998.82	544.28	1,129.61
B. Non-Performing Assets					
Sub-standard	5,260.00	3,650.07	1,609.93	4,190.09	(540.02)
Doubtful Assets					
- Upto 1 year	379.62	223.53	156.09	115.80	107.73
- 1 to 3 years	340.96	205.04	135.91	181.22	23.83
> 3 years	42.17	24.05	18.11	21.25	2.80
Total Doubtful	762.74	452.62	310.12	318.27	134.35
Loss Assets	-	-	-	-	-
Total (B)	6,022.74	4,102.69	1,920.04	4,508.36	(405.67)
Total (A + B)	1,41,695.45	5,776.59	1,35,918.86	5,052.64	723.95

NOTE – 47 – 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 31st 2022 and as at March 31, 2021.

(b) Securitization

The Company did not have any exposure in securitized assets as at March 31st 2022 and as at March 31st 2021.

(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	1,421.38	2,600.66

{d) Exposure to Capital Market

The Company did not have any direct or indirect exposure to the capital market as at March 31st 2022 and as at 31st March 2021.

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) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the non-banking financial company: Nil
- ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet Exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund 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)	59,133.66
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	41.73%

4. Concentration of NPAs:

Particulars	Amount
Total Exposure to top four NPA accounts (₹ lakh)	2,307.26

5. Sector-wise NPAs:

Sl. No	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	12.47%
2	MSME	-
3	Corporate borrowers	3.10%
4	Services	-
5	Unsecured personal loans	-
6	Auto loans	-
7	Other personal loans	-

NOTE – 48 – DISCLOSURE OF COMPLAINTS:

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

NOTE – 49 – DECLARATION OF DIVIDENDS

Considering the ongoing Covid-19 pandemic, Reserve Bank of India (RBI) has restricted declaration of dividends on equity shares from the profits pertaining to the financial year ended 31st March 2020 vide circular DOR.BP.BC.No.64/21.02.067/2019-20 dated April 17, 2020.

The apex bank has relaxed the restriction on dividend from the profits pertaining to the financial year ended 31st March 2021 vide circular RBI/2021-22/23 DOR.ACC.REC.7/21.02.067/2021-22 dated 22nd April 2021.

For the period under reporting, dividend has been proposed by the Board of Directors at 5% on the paid-up capital amounting to ₹ 737.76 Lakh

NOTE – 50 – 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/-
Shaji Krishnan
Chairman & Director
(DIN : 07691350)

Sd/-
Suseela Chintala
Managing Director & CEO
(DIN : 03348782)
(PAN : AAMPN7038D)

Sd/-
Ravishankar R
Partner
Membership No. 026819
Place : Chennai
Date : 29.04.2022













Sd/-
Dr. K. S. Mahesh
Director & Chief Financial Officer
(DIN : 09170623)
(PAN : ABUPK6307P)

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



Success Story

Paschimeswar Farmers Producer Company Limited

 Name of the FPO Paschimeswar Farmers Producer Company Limited	 Established 26 September 2018	 District Khordha	 State Odisha	 POPI Nigam Institute for Governing Activities of Mass (NIGAM)
	 Shareholder farmers 520	 Women shareholders 257	 Share capital ₹6.25 lakh	 NKFL Loan ₹12 lakh
 Turnover 2019-20 ₹21.51 lakh 2020-21 ₹34.74 lakh 2021-22(P) ₹51.25 lakh	 Business Activities <ul style="list-style-type: none">• Trading of agri produce (Vegetables, Pulses, Groundnut)• Trading of agri inputs (seeds, pesticides, fertilisers)	 Convergences <ul style="list-style-type: none">• International Potato Center (CIP)		

Paschimeswar FPCL is engaged in the business of supplying agri-inputs (seeds, fertilizers and pesticides) and procurement and marketing of potato. The FPC also provides technical guidance and machinery support for potato cultivation.

The financial support of NABKISAN has helped Paschimeswar FPCL to increase its penetration in its operational area, restrict distress sales and stabilize the price of Agriculture inputs. The FPC has helped the member farmers to get 5-10% increased price for their produce. Consequently, the share capital of the FPC has doubled in one year. During COVID, the FPC purchased a mobile van to deliver its products to Bhubaneswar.





Silver Jubilee Celebrations of NABKISAN at Corporate Office, Mumbai



Silver Jubilee Celebrations of NABKISAN at Registered Office, Chennai

Success Story

Shivamogga Thungabhadra Horticulture Farmers Producer Company Limited

<p>Name of the FPO</p> <p>Shivamogga Thungabhadra Horticulture Farmers Producer Company Limited</p>	<p>Established</p> <p>08 March 2016</p>	<p>District</p> <p>Shivamogga</p>	<p>State</p> <p>Karnataka</p>	<p>Promoting agency</p> <p>Karnataka State Department of Horticulture</p>	<p>POPI</p> <p>Indian Society of Agribusiness Professionals (ISAP)</p>
	<p>Shareholder farmers</p> <p>1000</p>	<p>Women shareholders</p> <p>390</p>	<p>Tribal shareholders</p> <p>90</p>	<p>Share capital</p> <p>₹20 lakh</p>	<p>NKFL Loan</p> <p>₹ 70 lakh</p>
<p>Turnover</p> <p>2019-20 ₹ 96.52 lakh 2020-21 ₹162.14 lakh 2021-22(P) ₹ 110 lakh</p>		<p>Business Activities</p> <ul style="list-style-type: none"> • Input supply, • Custom Hiring Centre, • Procurement and marketing of maize and vegetables 		<p>Convergences</p> <ul style="list-style-type: none"> • Department of Horticulture, Government of Karnataka; • SFAC • Department of Agriculture, Government of Karnataka 	

Setup by the Department of Horticulture (DoH), Government of Karnataka under its flagship programme in 2016, the Shivamogga Thungabhadra Horticulture Farmers Producer Company Limited received grant support for Revolving Fund and establishment of Custom Hiring Centre from DoH. The FPC set up an input supply shop and obtained direct dealership with the input providers to supply farm inputs at lower rates. Through the Custom Hiring Centre, the FPC is catering to around 300 members with Tractors, Coconut Climber, Arecanut Dehusking Machine, Brush Cutter, Sprayer and Digger.

NABKISAN's working capital assistance in 2019 (₹30 lakh) enabled the FPC to tie up with National Cooperative Dairy Federation of India Ltd, Karnataka Milk Federation and NCDEX for supply of 10MT of maize on a weekly basis and expand its input supply business with door-to-door delivery. During COVID, the FPC also supplied grocery and vegetables to the nearest cities. NABKISAN has also addressed the enhanced working capital needs of the FPC by sanctioning higher loan of ₹ 70 lakh, leading to 70% growth in the operations of the FPC. The FPC is now actively trading with National Bulk Handling Corporation in supplying 50MT of maize per month during maize harvesting season.





MD, NABKISAN handing over cheque to Tallupadi FPC at Andhra Pradesh



MD & CEO, Nabkisan visiting the input shop of Rewa FPC, Madhya Pradesh

ATTENDANCE SLIP

(To be presented at the entrance)

25th Annual General Meeting of NABKISAN Finance Limited to be held on 01 July 2022 at the Conference Hall of NABARD, Tamil Nadu Regional Office (3rd Floor), New No.48, Mahatma Gandhi Road, Nungambakkam, Chennai 600 034

Folio No.....

Name of the Share Holder :

Signature :

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

NABKISAN FINANCE LIMITED PROXY FORM

I / We of in the district ofbeing a member (s) of the above named NBFC, hereby appoint Shri..... of in the district of or failing which Shri..... of in the district of as my / our proxy to attend and vote for me / us and on my / our behalf at the 25th Annual General Meeting of NABKISAN Finance Limited to be held on 01 July 2022.

Folio No.....

No. of Shares Held

Signed this day of 2022

Signature

(affix 1 Re. Revenue
Stamp)



Kurinji Collective Farming Farmer Producer Company Limited, Dindigul

25 Years ago, Beginning of our Journey



NABKISAN
FINANCE LIMITED
A Subsidiary of NABARD