

Board of Directors

Shri. R. Amalorpavanathan	-	Chairman
Shri. Syed Nagoor Ali Jinnah	-	Director
Dr. P.M. Ghole	-	Director
Shri. R. Manimaran	-	Director
Dr. R. Anandakumar, IAS	-	Director
Shri. Sunil Haribhau Pote	-	Independent Director
Shri. Ashis Mondal	-	Independent Director

Chief Executive Officer

Shri. S. Dwivedi

Chief Financial Officer

Dr. K.S. Mahesh

Company Secretary

Smt. M. Bhuvaneshwari

Auditors

M/s. V. Senthilnathan & Co
Chartered Accountants

2nd Floor, 71/1, Sai Kripa Flats, 12th Avenue, Ashok Nagar, Chennai 600 083

Bankers

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

Regd. Office

Ground Floor, NABARD Tamilnadu Regional Office Building
No.48, Mahatma Gandhi Road,
Nungambakkam, Chennai 600 034, Tamil Nadu.

Ph. No. (044) 2827 0138, 42138700

E-Mail : adftchennai@gmail.com website : www.nabkisan.org

CIN : U65191TN1997PLC037525

Board of Directors



Shri. R. Amalorpavanathan
Chairman, NKFL
Dy. Managing Director, NABARD



Shri. Syed Nagoor Ali Jinnah
CGM, NABARD, Tamil Nadu RO



Dr. P.M. Ghole
CGM, NABARD



Shri. R. Manimaran
GM, Indian Bank



Dr. R. Anandakumar, IAS
Addl. Secretary Fin. Dept., GO TN



Shri. Sunil Haribhau Pote
Independent Director



Shri. Ashis Mondal
Independent Director



Shri. S. Dwivedi
Chief Executive Officer

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NABKISAN Finance Limited

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

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the shareholders of the company will be held at 04.00 p.m. on Monday the 25th day of September 2017 at the Conference Hall of NABARD, Tamil Nadu Regional Office (2nd 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, 2017, 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 2017 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 M/s.V.Senthilnathan& Co., Chartered Accountants as Statutory Auditors of the company for the year 2017-2018 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.R. Manimaran, 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.R. Manimaran, 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 Limited**

Place : Mumbai
Date :30.08.2017

**Sd/-
S.Dwivedi
Chief Executive Officer**

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 20th 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 19.09.2017 to 25.09.2017 (both days inclusive) for the purpose of Annual General Meeting and dividend for Financial Year 2016-17.
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 18.09.2017 (date before closure from date). Shareholders are requested to provide Bank details to facilitate payment of dividend, etc., either in electronic mode or for printing on the payment instruments.
7. Members are requested to bring their copies of Annual Report for the meeting.
8. Members / Proxies are requested to bring the Attendance Slip sent with the Annual Report duly filled in for attending the meeting.

Place : Mumbai
Date :30.08.2017

**For and on behalf of the Board
For NABKISAN Finance Limited**

**Sd/-
S.Dwivedi
Chief Executive Officer**

NABKISAN Finance Limited

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

DIRECTORS' REPORT TO THE SHAREHOLDERS

It is the privilege for the Directors to present the 20th Annual Report on the business and operations of the company together with the Audited Accounts for the year ended March 31, 2017. It gives us immense pleasure to inform that the company has registered improved business performance during the year and has surpassed the targets set for the year under review.

Financial Results

Our Company's performance during the financial year 2016-17 is summarized below:

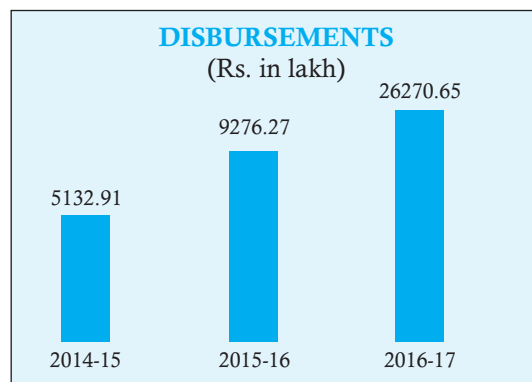
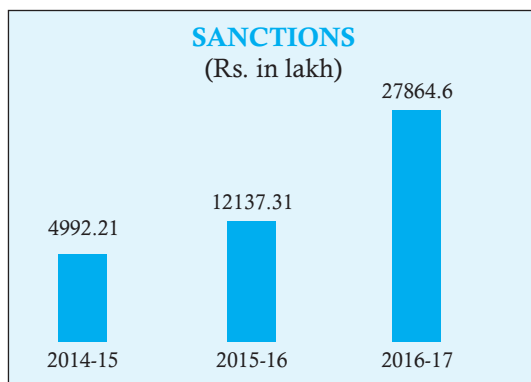
Particulars	(Rs. Lakh)		
	2015-16	2016-17	Growth %
Gross Income	1461.70	2349.35	60.73
Expenditure Including Depreciation & Extra Ordinary Items	599.69	1168.20	94.80
Profit before tax	862.01	1181.14	37.02
Provision for tax (current year)	265.88	409.24	53.92
Profit after tax (before exceptional items)	596.13	771.90	29.49
Reversal of earlier tax provision / Earlier Tax	0.41	(1.64)	–
Profit after tax	595.71	773.54	29.85

Reserves

The company has transferred Rs.154.71 lakh to special reserve u/s 45-IC of RBI Act, 1934 as against Rs.119.14 lakh transferred during the previous financial year. The company has made a profit after tax of Rs.773.54 lakh during the financial year ended 31st March 2017.

Dividend

The Board recommended a maiden dividend of Rs.0.50 per Equity Share (5% on the face value of Rs.10/- per share) on 5,77,24,350 Equity Shares of Rs.10 each for the year ended 31st March 2017, 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 43% of the net profit. The Register of Members and Share Transfer Books will remain closed from 19.09.2017 to 25.09.2017 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31 March, 2017.



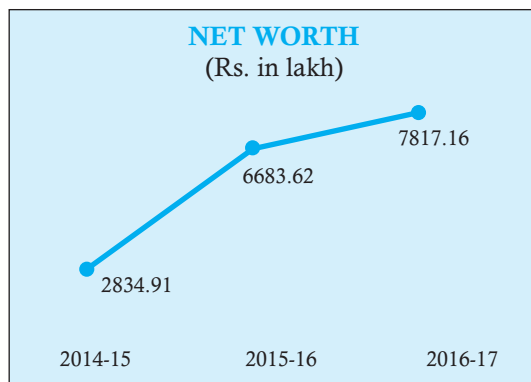
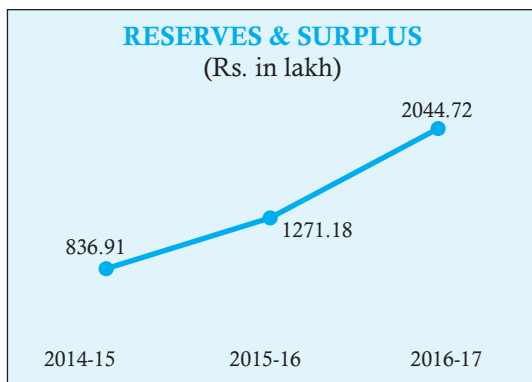
Operations and Business Performance

The highlights of operational and business performance for the year are as under:

- The net profit before tax for the year ended 31.03.2017 was Rs.1181.14 lakh, as against Rs.862.01 lakh for the year 2015-16, showing a growth of 37%.
- The net profit after tax, without exceptional items, has increased to Rs.773.54 lakh for 2016-17 from Rs.595.71 lakh during 2015-16, registering a healthy growth of 30%.
- The gross NPAs have gone up to 1.24% (1.13%) due to continued stress in PLF accounts which were rescheduled earlier and other accounts all of which are in Tamilnadu, where the ground situation has not been conducive for timely repayment for various reasons.
- The total assets of the company have jumped from Rs.14590.25 lakh as on 31.03.2016 to Rs.32447.66 lakh as on 31.03.2017.
- Loan outstanding increased to Rs.30822.23 lakh (Rs.11635.53 lakh during 2015-16), registering a robust growth of 165%.
- The position of borrowings as on 31.03.2017 stands at Rs.23793.53 lakh as against Rs.7260.76 lakh as on 31.03.2016.
- Revenue from operations jumped from Rs.1209.47 lakh as on 31.03.2016 to Rs.2211.15 lakh as on 31.03.2017, showing a rise of 83%.
- The sanctions during the year 2016-17 have gone up to Rs.27864.60 lakh compared to Rs.12137.31 lakh, registering a growth of 130%.
- The disbursements during the year 2016-17 have gone up to Rs.26270.65 lakh compared to Rs.9276.27 lakh, registering a growth of 183%.

Future Outlook

The Board of Directors of the company has approved the following business plan of the company for the financial year 2017-18:



(Rs. Lakh)

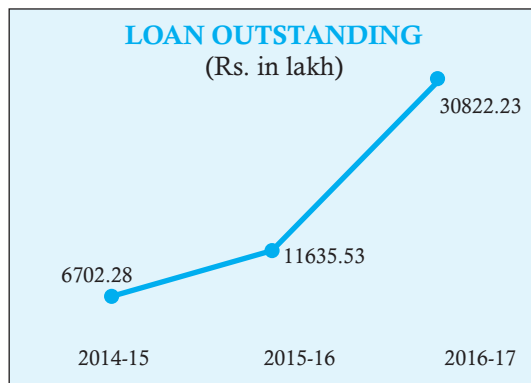
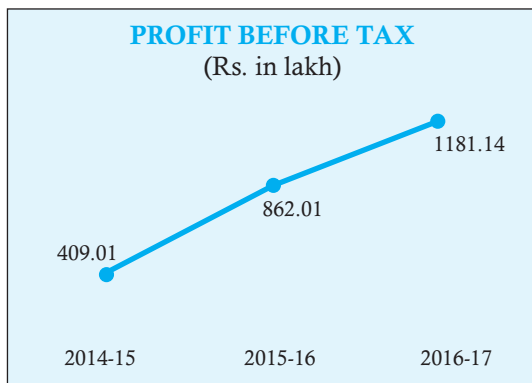
Sl. No	Activity	Plan
1	Activity based lending through NGOs/Trust/ Sec 25 Companies	3000.00
2	Agri corporates/ NBFCs/ State level Federations	11000.00
3	Panchayat Level Federations (PLFs)	2000.00
4	Micro Finance Institutions (MFIs)	7500.00
5	Farmers' Producer Organisations (FPOs)	5000.00
6	PACS as MSC	1500.00
	TOTAL	30000.00

The Company foresees significant scope for expansion of business in the sectors of agriculture, microfinance, rural housing, sanitation, etc. 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 will also have to be initiated to address the concentration and sectoral risks as long term mitigation measures.

Status of NPA Accounts:

At present, the company has one NPA account viz., M/s. Eerattil Poultry & Agro Farms Pvt. Ltd. against which 100% provision has been made. Necessary steps have been taken for recovery of dues from the said accounts through legal process, viz., civil suit and criminal complaint, keeping the door open for negotiations.

During the year 2016-17, an amount of Rs.251.62 lakh (previous year -Rs.73.44 lakh) have slipped into NPA category in the case of PLFs, for which provision of 10% as per guidelines of RBI has been made. Regular follow up is being made with the State and District project unit of PVP and also with the PLFs for improving the recovery.



Emphasis of matter in Auditors' Report and management replies

1. We draw attention to our Notes to the financial statements uncertainties relating to the outcome of the appeal filed relating to various cases, the impact of the same as on 31st March 2017 on the results cannot be determined pending ultimate outcome of the matter and no provision has been recognized in the financial statements.

Reply: At present, the company has one NPA suit filed account viz., M/s. Eerattil Poultry & Agro Farms Pvt. Ltd. against which 100% provision has been made. Necessary steps have been taken for recovery of dues from the said accounts through legal process, viz., civil suit and criminal complaint, keeping the door open for negotiations.

2. We draw attention to note no 1.1 and 1.2 relating to classification of NBFC as systemically important company and not non systemically company, due to which various returns and disclosure requirements are applicable the financial impact is less but aftermath effect may come from Reserve Bank India.
3. We draw attention to our notes No 1.2 (iii) to the financial statement pertaining to various disclosure parameters for NBFC to be made in the financials statements from the year ended 31.03.2015 onwards which is to be adhered.
4. We draw attention to our notes No 1.2 (iii) to the financial statement pertaining to various returns applicable for NBFC for filing with RBI which is to be done by the company.
5. We draw attention to our notes no 1.2 (i) to financial statement with respect to registration which needs to be done with CERSAI for creating, modifying, filing of charge created for various assets pledged with the company.

Reply to points 2 to 5: The company had already obtained an opinion from the Law Department of NABARD, the parent organisation that the RBI Master Direction DNBR.PD.007/03.10.119 /2016-17 dated 01.09.2016 does not apply to the company for the reason that NABKISAN and other NBFCs, in which NABARD has an equity are not floated by common set of promoters and floated by different promoters and as such the subsidiaries should be viewed as stand-alone entities.

Disclosures under the Companies Act, 2013

i) Extract of Annual Return

The details forming part of the extract of the annual return is enclosed in **Annexure I**.

ii) Directors & Key Managerial Personnel

Shri.R. Amalorpavanathan Deputy Managing Director, NABARD HO, Mumbai
Chairman cum Nominee Director

Dr.B.G.Mukhopadhyay Chief General Manager - NABARD HO, Mumbai
Nominee Director

Shri.Syed Nagoor Ali Jinnah Chief General Manager, NABARD TNRO, Chennai
Nominee Director

Shri.R.Manimaran GM, Indian Bank, Chennai
Nominee Director

Shri.R.S.Manoharan Joint Secretary to Govt., Finance Dept., Chennai
Nominee Director

Shri.Ashis Mondal Director & Managing Trustee, ASA, Bhopal
Independent Director

Shri.Sunil Haribhau Pote President, Yuva Mitra, Nashik
Independent Director

Shri.Pravesh Sharma Ex-IAS Officer, New Delhi
Independent Director

Shri.K. Suresh Kumar Chief Executive Officer, NKFL

Shri.S.S.Vaseeharan Chief Financial Officer, NKFL

During the year, the following changes have taken place in the Board of Directors:

- Shri.R.S.Manoharan, Joint Secretary to Govt., Finance Department was appointed as Nominee Director in place of Shri. M.Arvind, IAS, Deputy Secretary to Govt., Finance Department w.e.f. 13.10.2016.
- Dr.R.Anandakumar, IAS, Additional Secretary to Government, Finance Department was appointed as Nominee Director in place of Shri.R.S.Manoharan, Joint Secretary to Govt., Finance Department w.e.f. 27.07.2017.
- Shri.Pravesh Sharma was appointed as Independent Director of the Company for a term of three years w.e.f. 22.09.2016, with the approval of the members at the Annual General Meeting. He has resigned from his position w.e.f. 07.08.2017.
- Dr.P.M.Ghole, CGM, NABARD was appointed as Nominee Director in place of Dr.B.G.Mukhopadhyay, CGM, NABARD w.e.f. 23.06.2017.
- Shri.S.Dwivedi, General Manager, NABARD was appointed as Chief Executive Officer in place of Shri.K.Suresh Kumar w.e.f. 12.06.2017.
- Dr.K.S.Mahesh, DGM, NABARD was appointed as Chief Financial Officer in place of Shri.S.S.Vaseeharan w.e.f. 30.05.2017.

iii) Number of Board Meetings

The Board of directors met six times during the year 2016-17 on 03rd May 2016, 27th June 2016, 19th August 2016, 29th September 2016, 24th November 2016 and 03rd February 2017.

iv) 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 2016-17 on 03rd May 2016 and 24th November 2016.

The present committee consists of Shri.Syed Nagoor Ali Jinnah (Chairman), Shri.Sunil Pote, Independent Director and Shri.Ashis Mondal, Independent Director.

(v) 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 are provided in the financial statements.

(vi) Declaration by Independent Directors

The Company has received the necessary declaration from each ID 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.

Directors' Responsibility Statement

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

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

Statutory Auditors

M/s. V.Senthilnathan & Co., Chartered Accountants, Chennai were appointed by the CAG of India, New Delhi as Statutory Auditors for the financial year 2016-17. Further the Supplementary Audit of the company's accounts was entrusted to the Principal Director of Commercial Audit & Ex-Officio Member Audit Board - IV under Section 143 (5) & (6) of the Companies Act, 2013.

Secretarial Auditors

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 2016-17 and her report is annexed to this Board report vide **Annexure II**.

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

Corporate Social Responsibility (CSR)

The annual report on our CSR activities is appended at the end of the Board's 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.

Employee Benefits

The company has voluntarily contributed 8.33% on Basic Pay to staff towards Public Provident Fund and providing Gratuity at half a month salary for each year of completed service, after completion of five years' service, though the provisions of Employee Provident Fund Act and the payment of Gratuity Act are not applicable to the employees of the company. The Gratuity of Deputation Staff of NABARD is being reimbursed to NABARD.

Status of the Company

The company was declared as a Deemed Government Company vide letter No.CA.V/30-2006 dated 28th August 2006 from the Comptroller and Auditor General of India, New Delhi (CAG) who will appoint the Statutory Auditors every year under Section 139 (5) of the Companies Act, 2013.

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

Place : Mumbai
Date :30.08.2017

**For and on behalf of the Board
For NABKISAN Finance Limited**

**Sd/-
S.Dwivedi
Chief Executive Officer**

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 SNA Jinnah, Director
- Shri AshisMondal, Independent Director and
- Shri Sunil Pote, Independent Director

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

Financial Year	Net profit before tax (Amount in Rs.)
2013-14	2,50,89,983/-
2014-15	4,09,01,367/-
2015-16	8,62,01,087/-
Total Profits for 3 years	15,21,92,437/-
Average of the Above profits	5,07,30,812/-

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

2% of average profit – Rs.10,14,616/-

6. Details of CSR spent during the financial year :

- (a) Total amount to be spent for the financial year - Rs.10,14,616/-. Total amount spent for the financial year - NIL
- (b) Amount unspent, if any: Rs.10,14,616/-
- (c) Manner in which the amount is spent during the financial year : Not Applicable

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 CEO had detailed discussions with a number of NGO's partners to actively support and channelize the activities / projects /programs to be undertaken by NABKISAN in line with its CSR objectives but could not identify any suitable NGO partner for the purpose. Further, due to paucity of time, the CSR amount could not be spent during the current year.

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:

Not applicable

Shri.S.Nagoor Ali Jinnah
Director

Shri.Sunil Pote
Independent Director

Shri.Ashis Mondal
Independent Director

ANNEXURE - I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i	CIN	U65191TN1997PLC037525
ii	Registration Date	14-02-1997
iii	Name of the Company	NABKISAN FINANCE LIMITED
iv	Category/Sub-category of the Company	PUBLIC COMPANY
v	Address of the Registered office & contact details	GROUND FLOOR, NABARD TNRO BUILDING, NO.48, MAHATMA GANDHI ROAD, NUNGAMBAKKAM, CHENNAI - 600 034
vi	Whether listed company	NO
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	—

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL.No	Name & Description of main products /services	NIC Code of the Product /service	% to total turnover of the company
1	Lending to agriculture and allied activities as also Rural Off-farm activities	801	100

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SL.No	Name & Address of the Company	CIN/ GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT	NA	HOLDING	80.84	2 (87)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Categorywise shareholding

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian	-	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	31110000	15556700	46666700	86.22	31110000	15556700	46666700	80.84	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL : (A) (1)	31110000	15556700	46666700	86.22	31110000	15556700	46666700	80.84	-	-
(2) Foreign										
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-	-
SUB TOTAL : (A) (2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	31110000	15556700	46666700	86.22	31110000	15556700	46666700	80.84	-	-
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Bank/FI	3034400	2580000	5614400	10.37	3034400	2580000	5614400	9.73	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-	-
d) State Govt	-	1800000	1800000	3.33	-	5400000	5400000	9.35	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL : (B) (1)	3034400	4380000	7414400	13.70	3034400	7980000	11014400	19.08	-	-
(2) Non Institutions										
a) Bodies Corporates										
i) Indian	-	15700	15700	0.03	-	15700	15700	0.03	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals										
i) Individuals shareholders holding nominal share capital in upto of Rs.1 lakhs	-	27550	27550	0.05	-	27550	27550	0.05	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakhs	-	-	-	-	-	-	-	-	-	-
c) Other (specify)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL : (B) (2)	-	43250	43250	0.08	-	43250	43250	0.08	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	3034400	4423250	7457650	13.78	3034400	8023250	11057650	19.16	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	34144400	19979950	54124350	100	34144400	23579950	57724350	100	-	-

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholders at the beginning of the year			Shareholders at the end of the year			% change in Shareholders during the year
		NO of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT	4,66,66,700	86.22	-	4,66,66,700	80.84	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No	Top 10 Shareholders	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	4,66,66,700	86.22	4,66,66,700	80.84
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) Preferential Allotment made on 12.01.2016	-	-	-	-
3	At the end of the year			4,66,66,700	80.84

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No	Top 10 Shareholders	Share holding at the beginning of the Year		Shareholding at the end of the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT	4,66,66,700	86.22	4,66,66,700	80.84
2	GOVT. OF TAMILNADU	18,00,000	3.33	54,00,000	9.35
3	INDIAN BANK	30,00,000	5.54	30,00,000	5.20
4	CANARA BANK	10,34,400	1.91	10,34,400	1.79
5	INDIAN OVERSEAS BANK	3,80,000	0.70	3,80,000	0.66
6	LAKSHMI VILAS BANK	2,50,000	0.46	2,50,000	0.43
7	FEDERAL BANK LTD.	2,50,000	0.46	2,50,000	0.43
8	ICICI BANK LTD.	2,00,000	0.37	2,00,000	0.35
9	TAMILNAD MERCANTILE BANK	5,00,000	0.92	5,00,000	0.87
10	PGP EDUCATIONAL AND WELFARE SOCIETY	10,000	0.02	10,000	0.02

(v) Shareholding of Directors & KMP

NIL

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	72,60,76,107	-	72,60,76,107
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	81,72,076	-	81,72,076
Total (i+ii+iii)	-	73,42,48,183	-	73,42,48,183
Change in Indebtedness during the financial year				
Additions	-	2,11,63,70,000	-	2,11,63,70,000
Reduction	-	46,30,92,775	-	46,30,92,775
Net Change	-	1,65,32,77,225	-	1,65,32,77,225
Indebtedness at the end of the financial year				
i) Principal Amount	-	2,37,93,53,332	-	2,37,93,53,332
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,35,22,275	-	2,35,22,275
Total (i+ii+iii)	-	2,40,28,75,607	-	2,40,28,75,607

(vi) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole time director and/or Manager: Nil

Sl.No.	Particulars of Remuneration	Name of the MD /WTD/Manager	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	as % of profit		
	others (specify)		
5.	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of the Directors	Total Amount
1.	Gross salary		
	Independent Directors	-	-
	(a) Fee for attending board committee meetings	-	-
	Board Meeting	Shri.Ashis Mondal	45,000
		Shri.Sunil Pote	27,000
		Shri.Pravesh Sharma	18,000
	Committee Meeting	Shri.Ashis Mondal	4,500
		Shri.Sunil Pote	9,000
		Shri.Pravesh Sharma	Nil
	(b) Commission	-	-
	(c) Others, please specify	-	-
	Director Remuneration		
	Director Remuneration		
	Total (1)	-	1,03,500
2.	Other Non Executive Directors		
	(a) Fee for attending	-	-
	(b) Commission	-	-
	(c) Others, please specify.	-	-
	Total (2)	-	-
	Total (B)=(1+2)	-	1,03,500
	Total Managerial Remuneration	-	1,03,500

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary	CFO	Total	
	Gross Salary					
1.	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	43,38,625	6,41,605	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	as % of profit	-	-	-	-	-
	others, specify	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total	43,38,625	6,41,605	-	-	-

**(vii) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES
(Under the companies Act) - None**

ANNEXURE - II

Form No.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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 of 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 31.03.2017 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 31.03.2017 according to the provisions of :

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

NABKISAN Finance Limited is a subsidiary of National Bank for Agriculture and Rural Development (NABARD) (holding 80.84 % of the shares of NABKISAN Finance Limited as on 31.03.2017) and hence is a Government Company.

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, Standards, etc. mentioned above except instances which would not materially affect the operations of the Company.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. In the instances where notice is given for less than seven days, the provisions of Companies Act, 2013 and the Rules prescribed therein have been complied with. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period

- a) At the Annual General Meeting held on 22.09.16, the members have passed ordinary resolution for re-appointing Mr. Pravesh Sharma as an Independent Director of the company for a period of 3 years from 22.09.2016. Even though the resolution had been mentioned as an ordinary resolution in the notice to AGM, the same had been passed unanimously which constitutes 80.84% of the paid up share capital of the company (which satisfies the requirement of special resolution).
- b) In the Independent Auditors report of NABKISAN Finance Limited dated 28.04.2017, Emphasis of matter has been made on the following issues :
 - i. non-recognition of provision relating to appeal filed in various cases,
 - ii. classification of NBFC as systematically important company due to which various returns and disclosure to RBI are required
 - iii. disclosure parameters for NBFC to be made in the financial statements
 - iv. registration which needs to be done with CERSAI for creating, modifying, filing of charge created for various assets pledged with the company.

All the above have been addressed by the Directors in their report.

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 : 30.8.2017

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

INDEPENDENT AUDITORS' REPORT

To the Members of NABKISAN Finance Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of NABKISAN Finance Limited, which comprises the Balance Sheet as at 31 March 2017, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Companies Act, 2013. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

1. We draw attention to our Notes to the financial statements uncertainties relating to the outcome of the appeal filed relating to various cases, the impact of the same as on 31st march 2017 on the results cannot be determined pending ultimate outcome of the matter and no provision has been recognized in the financial statements.
2. We draw attention to note no 1.1 and 1.2 relating to classification of NBFC as systemically important company and not non systemically company, due to which various returns and disclosure requirements are applicable the financial impact is less but aftermath effect may come from Reserve Bank India.
3. We draw attention to our notes No.1.2 (iii) to the financial statement pertaining to various disclosure parameters for NBFC to be made in the financials statements from the year ended 31.03.2015 onwards which is to be abhered.
4. We draw attention to our notes No 1.2 (iii) to the financial statement pertaining to various returns applicable for NBFC for filing with RBI which is to be done by the company.
5. We draw attention to our notes No 1.2 (i) to financial statement with respect to registration which needs to be done with CERSAI for creating, modifying, filing of charge created for various assets pledged with the company.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") read with amendment made issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in the paragraph 3 and 4 of the order.
- 2 As required by Section 143(3) of the Act, with report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard Rules notified;
- e. On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 read with Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of information and according to the explanations given to us:
 - i. The Company has disclosed the impact of various pending litigations on its financial position in the financial statements as referred to in Notes to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided the requisite disclosures in the financial statements as to holding as well as dealings in specified bank notes during the 08.11.2016 to 30.12.2016 and it is in accordance with the books of accounts maintained by the company.

For V. Senthilnathan & Co.,
Chartered Accountants,
(Firm Reg. No. 003711S)

Sd/-
(V. Senthilnathan)
Partner
(M. No. 024244)

Date : 28.04.2017
Place : Chennai

Annexure A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that;

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.
- (ii) (a) Inventory is not applicable to the company since it is non banking company.
- (iii) In our opinion, no advances have been given to the parties listed in the register maintained under section 189 of the Companies Act, 2013 and hence the clause is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans to directors; hence the clause (iv) of the order is not applicable to the company.
- (v) The Company has not accepted any deposits from the public under Section 73 to 76 of the Companies Act, 2013.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the central government for the maintenance of cost Records under Section 148 (1) of the Companies Act, 2013 in respect of the Company's products to which the said rules are not applicable to the company.
- (vii) a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income - tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;
- b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, banks. Hence, the provisions of clause (ix) of the Companies (Auditors Report) Order, 2016 are not germane.

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid for managerial remuneration to directors of the company, hence the clause (xi) of the order is not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company, Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment or private placement of shares during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) The Company has obtained and registered under Section 45-1A of the Reserve Bank of India Act, 1934 Vide No.IS B-07.00712

For V. Senthilnathan & Co.,
Chartered Accountants,
(Firm Reg. No. 003711S)

Sd/-
(V. Senthilnathan)
Partner
(M. No. 024244)

Date : 28.04.2017
Place : Chennai

Annexure - “B” to the Auditors’ Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)

We have audited the internal financial controls over financial reporting of NABKISAN Finance Limited as of 31 March 2017 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 safe guarding 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 control 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 were 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 controls based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Control over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 march 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control state in the guidance note on audit of internal financial controls over financial reporting issued by the institute of chartered accountants of india.

For V. Senthilnathan & Co.,
Chartered Accountants,
(Firm Reg. No. 003711S)

Sd/-
(V. Senthilnathan)
Partner
(M. No. 024244)

Date : 28.04.2017
Place : Chennai

Annexure C to Independent Auditor's Report

Comments in regard to the directions and sub directions issued by the
Comptroller and Auditor General of India:

Directions under sections 143(5) of Companies Act, 2013

S.No.	Directions	Remarks
1	Are proper Records maintained for the land in possession of the Company / Corporation giving full particulars of quantitative details and locations? Is the Company having clear title of the entire land in its possession and suitable documentary evidence available with the management?	Not applicable
2	Please report whether there any cases of waiver / write off of debts / loans / interest etc., if yes, the reasons there for and the amount involved.	Nil
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift from govt. or other authorities.	Not applicable as the company does not have any inventories

For V. Senthilnathan & Co.,
Chartered Accountants,
(Firm Reg. No. 003711S)

Sd/-
(V. Senthilnathan)
Partner
(M. No. 024244)

Date : 03.06.2017
Place : Chennai

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 2017.

The preparation of financial statements of **NABKISAN FINANCE LIMITED** for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor/Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is / are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their **Revised Audit Report** dated 3rd **June 2017**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of **NABKISAN FINANCE LIMITED**, for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-

(Dr. Ashutosh Sharma)

Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board - IV

Date : 14.06.2017

Place : New Delhi

NABKISAN Finance Limited

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

Balance Sheet as at March 31, 2017

Particulars	Note Ref	As at March 31, 2017 ₹	As at March 31, 2016 ₹
I EQUITY AND LIABILITIES			
1) Share Holders' Funds			
Share Capital	3.1	57,72,43,500	54,12,43,500
Reserves & Surplus	3.2	20,44,72,298	12,71,18,197
2) Non-current Liabilities			
Long-term borrowings	3.3	1,67,85,26,662	44,90,43,148
Long term provisions	3.4	1,42,32,559	1,18,64,804
Deferred tax liability (net)	3.5	3,953	(14)
3) Current Liabilities			
Trade Payable	3.6	2,16,517	1,62,415
Other current liabilities	3.7	72,44,83,528	28,52,19,656
Short-term provisions	3.8	4,55,87,131	4,43,72,968
Total		3,24,47,66,148	1,45,90,24,674
II ASSETS			
1) Non-current Assets			
Fixed Assets			
- Tangible Assets	3.9	3,21,123	3,05,878
- Intangible Assets		888	888
Non Current Investments	3.10	96,64,500	96,64,500
Long term loans and advances	3.11	1,79,00,73,777	54,61,73,073
Other non current assets	3.12	5,37,68,551	3,80,24,633
2) Current Assets			
Cash And Cash Equivalents	3.13	9,20,60,294	24,54,15,447
Short term loans and advances	3.14	1,29,28,42,798	61,76,56,316
Other Current Assets	3.15	60,34,217	17,83,939
Total		3,24,47,66,148	1,45,90,24,674

Significant Accounting Policies and Notes to accounts 1 to 4

The Schedules referred to above form integral part of Financial Statements

Vide report of even date

For NABKISAN Finance Limited

for V Senthilnathan & Co Chartered Accountants Firm Reg No.003711S Sd/- V Senthilnathan Partner M.No. 024244 Mumbai, 28.04.2017	Sd/- R.Amalorpavanathan Chairman Sd/- Pravesh Sharma Independent Director Sd/- K.Suresh Kumar Chief Executive Officer	Sd/- Syed Nagoor Ali Jinnah Director Sd/- Sunil Haribhau Pote Independent Director Sd/- S.S.Vaseeharan Chief Financial Officer	Sd/- Dr. B.G.Mukhopadhyay Director Sd/- Ashis Mondal Independent Director Sd/- M. Bhuvaneshwari Company Secretary
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Schedule to the Balance Sheet
(as required in terms of Paragraph 9BB of Non-Banking Financial Companies
Prudential Norms (Reserve Bank) Directions, 1998)

Particulars		(Rs. in Lakhs)	
LIABILITIES SIDE			
(1)	Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid: (a) Debentures Secured Unsecured (other than falling within the meaning of public deposits*) (b) Deferred Credits (c) Term Loans (d) Inter-Corporate loans and borrowing (e) Commercial Paper (f) Public Deposits * (g) Other Loans (Un-secured loan - Refinance & Interim Finance from NABARD)	Amount Outstanding	Amount Overdue
		-	-
		-	-
		-	-
		-	-
		-	-
		23793.53	-
(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 (b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security (c) Other public deposits	-	-
		-	-
		-	-
	Assets side:	Amount Outstanding	
(3)	Break up of Loans and Advances including bills receivables (other than those included in (4) below): (a) Secured (b) Unsecured	30822.23	-
(4)	Breakup of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities (i) Lease Assets including lease rentals under sundry debtors: (a) Financial Lease (b) Operating Lease (ii) Stock on hire including hire charges under sundry debtors: (a) Assets on hire (b) Repossessed Assets (iii) Hypothecation loans counting towards EL/HP activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	-	-
		-	-

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

Particulars	(Rs. in Lakhs)
Assets side:	Amount Outstanding
(5) Break-up of investments : Current investments : 1. Quoted : (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please specify)	-
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	699.80
<u>Long Term Investments:</u> 1. Quoted : (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please specify)	-
2. Unquoted : (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please specify)	96.64

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 Lakhs)

Borrower Group-wise classification of all leased assets, stock-on-hire and loans and advances:				
	Category	Amount net of provisions		
		Secured	Unsecured	Total
(6)	1. Related Parties ** (a) Subsidiaries (b) Companies in the same group (c) Other related parties	-	-	-
	2. Other than related parties	30728.59	-	30728.59
	Total	30728.59	-	30728.59
(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 (c) Other related parties	-	-	
		199.95	199.95	
	2. Other than related parties	-	-	
	Total	199.95	199.95	
	Particulars	Amount		
(8)	Other Information			
	(i) Gross Non-Performing Assets			
	(a) Related parties		-	
	(b) Other than related parties		383.54	
	(ii) Net Non-Performing Assets			
	(a) Related parties		-	
	(b) Other than related parties		289.90	
	(iii) Assets acquired in satisfaction of debt		-	
Vide our report of even date		For and on behalf of the Board of Directors		
for V Senthilnathan & Co Chartered Accountants Firm Reg No.003711S	Sd/- R.Amalorpavanathan Chairman	Sd/- Syed Nagoor Ali Jinnah Director	Sd/- Dr. B.G.Mukhopadhyay Director	
Sd/- V Senthilnathan Partner M.No. 024244 Mumbai, 28.04.2017	Sd/- Pravesh Sharma Independent Director	Sd/- Sunil Haribhau Pote Independent Director	Sd/- Ashis Mondal Independent Director	
	Sd/- K.Suresh Kumar Chief Executive Officer	Sd/- S.S.Vaseharan Chief Financial Officer	Sd/- M. Bhuvaneswari Company Secretary	

NABKISAN Finance Limited

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

Statement of Profit and Loss for the Year Ended March 31, 2017

Particulars	Note Ref	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
I INCOME			
Revenue from Operations	4.1	22,11,15,158	12,09,47,356
Other Income	4.2	1,38,19,675	2,52,22,525
Total A		23,49,34,833	14,61,69,881
II EXPENDITURE			
Finance Cost	4.3	9,68,10,827	4,95,30,602
Employee Benefits Expenses	4.4	75,83,593	50,74,057
General & Administrative Expenses	4.5	47,25,174	32,37,800
Provisions & Contingencies	4.6	75,46,215	19,75,259
Depreciation	3.9	1,54,594	1,51,076
Total B		11,68,20,403	5,99,68,794
III Profit before exceptional and extraordinary items and tax (I -II)		11,81,14,430	8,62,01,087
IV Extraordinary items		-	-
V Profit / (Loss) before Taxation		11,81,14,430	8,62,01,087
VI Tax Expenses			
- Earlier Tax		(1,63,636)	41,449
- Current Tax		4,09,20,000	2,66,00,000
- Deferred Tax		3,967	(11,804)
VII Profit / (Loss) after Tax		7,73,54,099	5,95,71,442
VIII Earning per Equity Share:			
Basic & Diluted	2.14	1.39	2.22

Significant Accounting Policies and Notes to accounts 1 to 4

The Schedules referred to above form integral part of Financial Statements

Vide report of even date

For NABKISAN Finance Limited

for V Senthilnathan & Co Chartered Accountants Firm Reg No.003711S Sd/- V Senthilnathan Partner M.No. 024244 Mumbai, 28.04.2017	Sd/- R.Amalorpavanathan Chairman Sd/- Pravesh Sharma Independent Director Sd/- K.Suresh Kumar Chief Executive Officer	Sd/- Syed Nagoor Ali Jinnah Director Sd/- Sunil Haribhau Pote Independent Director Sd/- S.S.Vaseeharan Chief Financial Officer	Sd/- Dr. B.G.Mukhopadhyay Director Sd/- Ashis Mondal Independent Director Sd/- M. Bhuvaneshwari Company Secretary
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Notes to the financial statements for the year ended March 31, 2017
(All amounts in Indian Rupees, unless otherwise stated)

Note 1:**1.1 Company Overview**

Agri Development Finance (Tamilnadu) ('ADFT' or 'the Company') was incorporated in India on Feb 14, 1997 as a public limited non government company. The Company commenced its operations on April 16, 1997. The name of the company was changed to 'NABKISAN Finance Limited' (NKFL) w.e.f. 18.09.2014, to expand its area of operation on a Pan India basis.

The Major Shareholder holding a controlling Interest of 80.84% in the company being NABARD which is an apex development bank and constituted in the form of statutory board by the Government of India for coordinating, monitoring rural development banks etc. Hence, the Nabkisan was accordingly registered as a Non government Company under the companies act 1956 since it did not satisfy the condition as per provisions of section 2(45) of the companies act 2013 relating to definition of Government Company. Accordingly all the provision of various acts as applicable to a Non government company shall apply for the preparation and presentation of financial statements.

As per Section 2(45) of the Companies act 2013, Government Company means any company in which not less than fifty one per cent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a Government company;

As per the RBI Direction 2016 dated 01st September 2016, if the advances size of the corporate group along with the Associates of the company exceeds the prescribed limit will be classified as a Systemically Important Non Banking Company. Hence, the Company is a Non-Banking Systemically Important Finance Company and not accepting public deposit and engaged in the business of providing financial assistance to producer organizations, agriculture & allied activities to companies and also through PLFs/Trusts/Societies, etc.

The Management explains that the application of the RBI circular and directions 2016 dated 01.09.2016 did not apply to them for the reason that NABKISAN and other NBFCs in which NABARD has an equity, are not floated by common set of promoters and floated by different promoters, the subsidiaries should be seen as a stand-alone entity.

1.2 Operational Outlook

The Company being a holder of the CoR granted by RBI u/s 45-IA of the RBI Act, 1934 is bound to and has complied with circular DNBS (PD) C.C. No.79/03.05.002/2006-07 dated Sept 21, 2006 regarding percentage of financial income to total income and financial asset to total asset at more than 50%. The Company's financial income is 94.12% of the gross income and it's financial asset (loan asset) is 94.99% of the total assets.

As the company is a NBFC –systemically important company, the following various provisions as applicable to them needs to be complied with by the company:

Notes to the financial statements for the year ended March 31, 2017
(All amounts in Indian Rupees, unless otherwise stated)

- i) **Registration Under CERSAI**
As per the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Central Registry) Amendment Rules, 2016, for every transaction of security created by the company either in the form of movable or immovable or intangible assets shall needs to be registered in the prescribed format with the CERSAI being central registry of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest of india for the purpose of creating security interest in favour of the company for the advances given with hypothecation of assets within prescribed time. The company is yet to register the securities pledged in favour with the CERSAI.
- ii) The company yet to form a nomination committee and risk management committees for corporate governance as per the RBI directions 2016 dated 01.09.2016.
- iii) As the company is a Syetmically Important non deposit accepting NBFC, the company has to adhere to disclose various information of parameters in the notes to financial statement of the year ended 31.03.2015 onwards and also needs to file various returns that are applicable to systemically important companies as per RBI direction 2016 dated 01.09.2016 like NDSI 500 cr quarterly statements, NBS 7, NBS –ALM 1, 2, NBS ALM 3, branch information return and SMA -2 Special mention account

Note 2: Significant Accounting Policies

2.1 Basis for preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. and the relevant provisions of the Companies Act, 2013. Further, the Company follows the Reserve Bank of India (RBI) Directions 2016 dated 01.09.2016 issued for Non-Banking Financial Companies (NBFC). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set-out in Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the cash outflow and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

2.2 Use of Estimates:

The preparation of financial statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include future obligations under employee retirement benefit plans and useful life of fixed assets and intangible assets. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively.

2.3 Fixed Assets and Depreciation

- (i) Fixed Assets are carried at historical cost less accumulated depreciation. Cost of acquisition is inclusive of installation and other incidental expenses directly attributable to the asset till it is put to use including dismantling costs arrived based estimated value in accordance with Accounting Standard -10 Property, Plant & Equipment.
- (ii) Depreciation on fixed assets is provided on a pro-rata basis with reference to the date of addition and the Written down value Method in accordance with Schedule II to the Companies Act, 2013.
- (iii) Pursuant to the requirement under schedule II to the Companies Act 2013 the company identified components (significant parts) of the main asset having different useful lives as compared to the main assets and determines cost of components significant to the total cost of the asset having useful life that is materially different from that of the remaining life. However, the management opines that the difference between the depreciation amount calculated on component basis and that being charged presently in the accounts does not have any material impact on the profit of the company and hence not recognized in the financial statements..
- (iv) Capital Work In progress- Projects under intangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. The Company is in the process of developing a software for the advances and loans given for computing interest other areas etc which is still in progress and will be implemented during the ensuring financial year which has been shown under Non Current Assets in the financial statements.

2.4 Investments

The long term investments are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary. The long term investment of the company is in Bhavishya Nirman Bonds. The company has invested in Bhavishya Nirman Bonds issued by NABARD (1137 bonds at face value Rs.20,000/- each) bought at discounted value of Rs.96,64,500/-, maturing between July 2018 and October 2018. The maturity value of the same is Rs.2,27,40,000/- at 10 years. In the absence of information on quotation, the bonds are valued at cost.

The interest earned but not due during the year of above said bonds is recognized as income and classified under other non-current assets. Current investments are valued at lower of cost and market value / net asset value.

2.5 Revenue Recognition

Income on Loan Transaction

Income on loan transactions is accounted on net outstanding amount and rate of interest that is accrued during the financial year, except that no income is recognised on non-performing assets as per the prudential norms for income recognition issued by the RBI directions 2016 for NBFCs. Interest income on such assets is recognised on receipt basis. Income not recognized by the company in respect of Non Performing Assets upto 31st March 2017 and not considered in the accounts is Rs.2,60,997/- (Previous year Rs.3,75,701/-).

Notes to the financial statements for the year ended March 31, 2017
(All amounts in Indian Rupees, unless otherwise stated)

Upfront / processing fees collected from the customer for processing loans are for appraisal, disbursement, monitoring of the project till the end of the account. This is accounted as income when the amount becomes due provided recovery thereof is certain.

Income from current and long term investment

Interest income on bonds and Deposits is accounted on accrual basis.

2.6 Employee Benefits

The company has voluntarily contributed 8.33% on Basic Pay to staff towards Public Provident Fund and providing Gratuity at half a month salary for each year of completed service, after completion of five years service, though the provisions of Employee Provident Fund Act and the payment of Gratuity Act are not applicable to the employees of the company. In case of Officers on Deputation, the Gratuity is provided at the rate of one month's pay plus dearness allowance as defined in NABARD (Payment of Gratuity to Employees) Rules, 1983 for each completed year of service (placement) and proportionately for part thereof. Provision for Gratuity is computed and provided in accordance with para 52 of Accounting standard – 15.

The leave balance is classified as Short-term. The Short-term Leave Encashment liability for the expected leave to be encashed has been measured on actual components eligible for Leave Encashment and expected Short-term leave to be availed is value based on the total cost to the Company.

2.7 Re-finance loan from NABARD

The company has “Re-finance” arrangements in the form of advice received from NABARD, and the refinance is being availed by the company after disbursement of loan, the terms of each refinance is repayable in three years with half yearly installments and interest.

The “Re-finance” arrangements are unsecured in nature and there was no default in repayment of loan installments and also interest. The following are the repayment terms:

Sl.No.	Rate of Interest	Out-standing no. of installments	Amount (Rs.)
1.	7.90%	40	41,26,00,000
2.	8.35%	40	30,16,70,001
3.	8.50%	40	43,58,33,332
4.	8.00%	80	1,04,76,66,666
5.	8.25%	3	3,36,66,666
6.	9.10%	12	14,79,16,667
		Total	2,37,93,53,332

Notes to the financial statements for the year ended March 31, 2017

(All amounts in Indian Rupees, unless otherwise stated)

The current maturities (payable within the period of 12 months) of “Re-finance” commitments, are classified as Current Liabilities amounting to Rs.70,08,26,670 and the remaining commitments are classified under Long term borrowing amounting to Rs.1,67,85,26,662 (Note Ref 3.3 & 3.6).

2.8 Taxation

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Incometax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Current tax is the amount of tax payable on taxable income as per provisions of the Income Tax Act 1961.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The Provision made for Current Income Tax in the financial statements by the company are made at best estimate basis without considering the Impact of Income Computation & Disclosure Standards notified under the Income Tax Act for the computation of profits and gains of business or profession of the company due to which profits of the company are either understated or overstated to the extent of impact in the financial statements. But the management of the company claims that the taxation review will be done by their tax consultants and accordingly proper norms for tax computation will be adhered to by the company.

2.9 Impairment of Assets

At each Balance Sheet date, the Company reviews whether there is any indication of impairment of assets. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

Recoverable amount of the asset is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flow expected from continuing use of the asset and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific to the asset.

Notes to the financial statements for the year ended March 31, 2017
(All amounts in Indian Rupees, unless otherwise stated)

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased above the lower of recoverable amount and the carrying value that would have prevailed by charging usual depreciation if there was no impairment

2.10 Business segment

There are no separate reportable segments as per accounting standard AS 17- “Segment Reporting” and consist mainly of “Financing Activity” The “Financing Activity” segment consists of asset financing, term loans, others etc.

2.11 Provisions and Contingencies

- (i) Provisions for Standard / Non Performing Assets and Doubtful Debts- The Company provides an allowance for loan receivables based on the prudential norms issued by the RBI direction 2016 for NBFC relating to income recognition, asset classification and provisioning for non-performing assets.
- (ii) Non-Performing Assets(NPAs) are identified and categorised according to the directions issued by the Reserve Bank of India (RBI). The company has classified twenty four term loan accounts as NPA and made a provision of Rs.28,11,776/- (Previous Year Rs.7,34,480/-).Provisions are made against doubtful assets at the rates prescribed in the RBI Guidelines.
- (iii) Provisions made as per RBI Guidelines are written back as prescribed by the Guidelines.
- (iv) Provisioning for NPAs is dependent upon, inter alia, whether the NPA is secured or unsecured. The company's loans are considered as secured as the Company has valid recourse to assets / recovery by:
 - a. equitable mortgage of property and/or
 - b. hypothecation of assets and/or
 - c. company guarantees supported by assets and/or
 - d. decrrial debts where Courts have attached property.
- (v) Provision for Standard Assets is made at 0.25% of the outstanding standard assets based on RBI directions 2016 for NBFC dated 01.09.2016.

2.12 Cash Flow Statements

- (i) Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Notes to the financial statements for the year ended March 31, 2017
(All amounts in Indian Rupees, unless otherwise stated)

- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.13 Related Party Transaction

National Bank for Agriculture and Rural Development (NABARD) is the holding company with 80.84% on the paid up equity capital of the company. The following payments have been made /payable by the company to NABARD and its deputation staff during the financial year 2016-17.

Particulars	Amount in Rs.	
	2016-2017	2015-2016
Office Rent (including Property & Sewage Tax)	1,25,626	1,25,646
Office Electricity Charges	36,440	35,500
Chief Executive Officer		
Salary	26,40,227	21,03,175
Gratuity	1,43,481	1,37,608
Reimbursement of expenses	13,92,851	11,91,051
Total	43,38,625	35,92,980

Shri.S.S.Vaseeharan, AGM, NABARD was posted on Deputation to NABKISAN Finance Ltd as Chief Financial Officer (CFO) with effect from 31.03.2015. The salary and other allowances including reimbursement expenses of CFO are borne by the parent organisation, NABARD.

Unsecured Loan

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

Particulars	Amount in Rs.	
	2016-2017	2015-2016
Opening Balance	72,60,76,107	48,48,73,750
Loan received during the year	2,11,63,70,000	53,91,00,000
Loan repaid during the year	46,30,92,775	29,78,97,643
Closing Balance	2,37,93,53,332	72,60,76,107
Interest paid/payable on above	9,68,10,827	4,94,78,177

Notes to the financial statements for the year ended March 31, 2017
(All amounts in Indian Rupees, unless otherwise stated)

2.14 Earnings per Share

Basic/Diluted earnings per share is calculated by dividing the net profit/loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding as at the end of the year. As there were no shares considered as dilutive, same denominator as applicable for Basic EPS has been used for computing the dilutive Earnings Per Share.

Particulars	2016-2017	2015-2016
(A) Profit for the year after taxation (in Rupees)	7,73,54,099	5,95,71,442
(B) Number of equity shares of face value of Rs.10/- (in numbers).	5,77,24,350	5,41,24,350
(C) Basic & Diluted earnings per share (A/B) (in Rs.)	1.39	2.22

2.15 The following is the Movement of NPA as on 31.03.2017:

Particulars	31.03.2017 Rs. in Lakhs	31.03.2016 Rs. in Lakhs
Opening balance of NPA	135.38	164.46
Add: NPA Addition During the Year	290.12	91.09
Less: NPA Collection during the Year	41.97	120.16
Closing balance of NPA	383.54	135.39

2.16

The Company during the Year has sanctioned advances in the form of loan to the tune of Rs 27864.60 lakhs to various institutions, Farmer Producer Organisation and other corporate etc. There were minor lapses in documentation of the advances given to borrower which were noticed in few cases and have been communicated to the Company

2.17 Cash Transaction of SBN Disclosure

Particulars	SBN	Other Denomination Notes	Total
Closing Balance as at 08.11.2016	Nil	527	527
Add : Withdrawal from bank	Nil	15,127	15,127
Add : Cash receipts for transaction	Nil	Nil	Nil
Less : Paid for Permitted Transaction	Nil	15,529	15,529
Less : Deposit In Bank.	Nil	Nil	Nil
Closing Balance As at 30.12.2016	Nil	125	125

Notes to the financial statements for the year ended March 31, 2017

(All amounts in Indian Rupees, unless otherwise stated)

- 2.18** The Company during the Financial Year is proposed to declare dividend at the rate of 5% of the paid capital of the company as on 31.03.2017 to the shareholders in the Annual general meeting of the company for which the details of dividend and dividend distribution tax are disclosed in accordance with Accounting Standard -4 –Events Occurring After the Balance Sheet date:

Particulars	Amount
Proposed Dividend @ 5%	2,78,36,422/-
Dividend Distribution Tax	56,66,840/-

- 2.19** The Management of the Company has devised a policy for Corporate Social Responsibility, however the implementation of the Policy is yet to be initiated by the company fully as projects are not yet identified as informed by the management of the company the following are the disclosure for the financial year.
- Gross amount required to be spent by the company during the year Rs 10.15 lacs
 - Amount Spent during the year Rs Nil
- 2.20** The company during the financial year issued and allotted shares to Government of Tamilnadu for Rs 3,60,00,000/- which comprises of 36,00,000 shares at Rs 10 per share at par value As per the Management of the company, it claims that as the company is a non dividend paying company till the financial year 2015-16, it was proposed to issue shares on preferential allotment shares at par of Rs 10 to the existing institutional shareholders and accordingly the company did not compute and arrive at the valuation of the company from an registered valuer for the purpose of issuing the shares and not complying with the provisions of rule 13 of Companies (Share Capital and Debentures) Rules 2014.
- 2.21** As per the provisions of the Companies Act 2013, the companies needs to evaluate the independent directors on board of the company every year and disclose the same in the annual report of the company, the company has reviewed the directors of the company but company is yet to evaluate the independent directors of the company for the year.

As per our report of even date

For NABKISAN Finance Limited

for **V Senthilnathan & Co**
Chartered Accountants
Firm Reg No.003711S

Sd/-
V Senthilnathan
Partner
M.No. 024244
Mumbai, 28.04.2017

Sd/-
R.Amalorpavanathan
Chairman

Sd/-
Pravesh Sharma
Independent Director

Sd/-
K.Suresh Kumar
Chief Executive Officer

Sd/-
Syed Nagoor Ali Jinnah
Director

Sd/-
Sunil Haribhau Pote
Independent Director

Sd/-
S.S.Vasecharan
Chief Financial Officer

Sd/-
Dr. B.G.Mukhopadhyay
Director

Sd/-
Ashis Mondal
Independent Director

Sd/-
M. Bhuvaneswari
Company Secretary

Accompanying notes to the financial statements for the year ended March 31, 2017

NOTE 3: Notes to the Balance Sheet

3.1 - SHARE CAPITAL

a. Details of authorised, issued and subscribed share capital

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Authorised Capital 10,00,00,000 equity shares of Rs.10/- each	1,00,00,00,000	1,00,00,00,000
Issued Capital 5,77,24,350 (Previous year 5,41,24,350) equity shares of Rs.10/- each, fully paid up	57,72,43,500	54,12,43,500
Subscribed and Paid up 5,77,24,350 (Previous year 5,41,24,350) equity shares of Rs.10/- each, fully paid up	57,72,43,500	54,12,43,500
	57,72,43,500	54,12,43,500

b. Shares held by holding / ultimate holding company and / or their subsidiaries / associates and details of shareholders holding more than 5% shares in the company:

Name of Shareholder	March 31, 2017		March 31, 2016	
	No of Equity Shares held	%	No of Equity Shares held	%
Shares Held By Holding Company				
National Bank for Agriculture and Rural Development	4,66,66,700	80.84%	4,66,66,700	86.22%
Shares Held By Others				
Govt. of Tamil Nadu	54,00,000	9.35%	18,00,000	3.33%
Indian Bank	30,00,000	5.20%	30,00,000	5.54%

c. Reconciliation of number of shares

Particulars	Equity Shares		Equity Shares	
	Number	₹	Number	₹
	As at 31.3.2017		As at 31.3.2016	
Shares outstanding at the beginning of the year	5,41,24,350	54,12,43,500	1,99,79,950	19,97,99,500
Shares Issued during the year	36,00,000	3,60,00,000	3,41,44,400	34,14,44,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,77,24,350	57,72,43,500	5,41,24,350	54,12,43,500

Accompanying notes to the financial statements for the year ended March 31, 2017

NOTE 3: Notes to the Balance Sheet

d. Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back during the preceding five financial years - NIL

e. Terms & Rights attached to Equity Shares

The Company has one class of equity share having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company has proposed a dividend @5% on the equity share during the year, in proportion to the period of holding.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

3.2 - RESERVES & SURPLUS

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Surplus in Statement of Profit and Loss		
Opening Balance	9,36,50,756	6,21,38,261
Transfer from Profit & Loss Account	7,73,54,099	5,95,71,442
Amount available for appropriation	17,10,04,855	12,17,09,703
Less : Transfer to Reserve Fund 45-IC of RBI Act, 1934	1,54,70,820	1,19,14,288
Less : Proposed Dividend @5% to the extent paid up	-	1,34,13,904
Less : Dividend Distribution Tax	-	27,30,756
Balance as at the end of the year (A)	15,55,34,035	9,36,50,755
Special Reserve		
Opening Balance	3,34,67,443	2,15,53,155
Add: Transferred from Surplus to create Reserve Fund u/s 45-IC of RBI Act, 1934	1,54,70,820	1,19,14,288
Balance as at the end of the year (B)	4,89,38,263	3,34,67,443
TOTAL (C) = (A) + (B)	20,44,72,298	12,71,18,197

3.3 - LONG TERM BORROWING

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Secured	-	-
Unsecured		
- Loan from NABARD	1,67,85,26,662	44,90,43,148
Total	1,67,85,26,662	44,90,43,148

3.4 - LONG-TERM PROVISIONS

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Provision for employee benefits:		
Gratuity	14,43,837	12,29,695
Contingent Provision against Standard Assets (Refer Note i)	31,63,397	13,50,888
Provision for Non-Performing Assets (Refer Note iii)	93,64,328	65,52,552
Interest De-Recog.on Term Loan	2,60,997	3,75,701
Interest Rebate on Term Loan	-	2,51,688
Subsidy Reserve Fund	-	21,04,280
Total	1,42,32,559	1,18,64,804

Accompanying notes to the financial statements for the year ended March 31, 2017

NOTE 3: Notes to the Balance Sheet

Notes:

i) During the year, the company has made a general provision at the rate of 0.25% on the standard assets based on RBI Notification dated 22.02.2007 (updated as on 30.06.2014) applicable to NBFCs.

ii) Subsidy Reserve Fund	2016-17
Opening Balance	21,04,280
Add Subsidy during the year	-
Less : Subsidy Adjusted	21,04,280
Closing Balance	-

iii) In accordance with the Guidelines issued by the RBI, the company has made a provision for Non Performing Assets (NPA) and diminution in value of investments. The details of movement in provision are as follows:

Movement in Provision for Non-Performing Assets

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Opening Balance	65,52,552	1,64,45,689
Add : Provision made during the year	28,11,776	7,34,480
Add : Provision utilised from Contingences	-	-
Less : Provision reversed during the year	-	1,06,27,617
Closing Balance	93,64,328	65,52,552

3.5 - DEFERRED TAX LIABILITY (NET)

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Deferred tax Asset / Liabilities at the beginning of the year	(14)	11,790
Add / Less: Adjustments during the year	3,967	(11,804)
Deferred tax Asset / Liabilities as at the end of the year	3,953	(14)

3.6 - TRADE PAYABLES

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Outstanding Expenses	2,16,517	1,62,415
Total	2,16,517	1,62,415

3.7 - OTHER CURRENT LIABILITIES

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Current maturities of Long-term debt	70,08,26,670	27,70,32,959
Interest accrued but not due on borrowings	2,35,22,275	81,72,076
Others		
- Withholding Taxes	1,34,583	14,621
Total	72,44,83,528	28,52,19,656

Accompanying notes to the financial statements for the year ended March 31, 2017

NOTE 3: Notes to the Balance Sheet

3.8 - SHORT TERM PROVISIONS		
Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Provisions for employee benefit		
- Leave Encashment	1,09,280	1,03,961
Others		
- Contingent Provision against Standard Assets	44,46,276	15,24,346
- Provision for Income Tax	4,09,20,000	2,66,00,000
- Unclaimed Dividend 2015-16	1,11,575	1,34,13,904
- Dividend Distribution Tax 2015-16	-	27,30,756
Total	4,55,87,131	4,43,72,968
3.10 - NON CURRENT INVESTMENTS		
Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Investment at Cost in Bhavishya Nirman Bonds issued by NABARD (Face Value - Rs.8500 per Bond)	96,64,500	96,64,500
	96,64,500	96,64,500
Note : (a) The company has invested in Bhavishya Nirman Bonds issued by NABARD (1137 bonds at face value Rs.20,000/- each) bought at discounted value of Rs.96,64,500/-. The maturity value of the same is Rs.2,27,40,000/- at 10 years. In the absence of information on quotation, the bonds are valued at cost.		
3.11 - LONG TERM LOANS AND ADVANCES		
Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Secured, Considered good:		
Term Loans	1,77,85,10,378	54,03,55,001
Unsecured, Considered good:		
Term Loans	-	-
Secured, Considered doubtful:		
Term Loans	1,15,63,399	58,18,072
	1,79,00,73,777	54,61,73,073
3.12 - OTHER NON-CURRENT ASSETS		
Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Unsecured, considered Good		
(a) Income accrued on Investments (Bhavishya Nirman Bonds)	1,03,30,708	86,90,941
(b) Advance Income Tax (net of provisions)	4,04,91,583	2,70,83,692
(c) Unamortized Expenses	15,00,000	22,50,000
(d) Software work-in progress	14,46,260	-
	5,37,68,551	3,80,24,633

Accompanying notes to the financial statements for the year ended March 31, 2017

NOTE 3: Notes to the Balance Sheet

Note :

No TDS is deducted on NABARD Bonds interest.

Unamortized Expenses - An amount of Rs.37.50 lakh was paid to Registrar of Companies towards increase of authorised share capital of which one-fifth i.e Rs.7.50 lakh considered as expenditure during the year. The remaining amount of Rs. 30.00 lakh was clasified as current and non-current asset based on the provisions of Schedule III of the Companies Act, 2013.

3.13 - CASH AND CASH EQUIVALENTS

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Balances with Banks		
- In Current Account		
Indian Overseas Bank	2,19,57,199	3,11,12,870
Axis Bank	10,820	2,00,000
Unclaimed Dividend A/c with IOB	1,11,575	-
- In Deposit Account	6,99,80,000	21,41,00,000
Cash on Hand	700	2,577
	9,20,60,294	24,54,15,447
Deposits with Original maturity for more than 12 months	-	-
Deposits with Original maturity for more than 3 months but less than 12 months	-	10,45,00,000
Deposits with Original maturity for less than 3 months	6,99,80,000	10,96,00,000

3.14 - SHORT-TERM LOANS AND ADVANCES

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Credit Facilities		
Secured considered good	1,26,53,58,809	60,96,59,694
Unsecured, considered good	-	-
Secured, Considered Doubtful:	2,67,90,899	77,20,493
Other Loans and Advances		
Deposits & Prepaid Expenses	6,93,090	2,76,129
	1,29,28,42,798	61,76,56,316

3.15 - OTHER CURRENT ASSETS

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Unsecured considered Good		
Income accrued on Fixed Deposits	12,048	10,33,939
Income accrued on Fixed Deposits	52,72,169	-
Unamortized Expenses	7,50,000	7,50,000
	60,34,217	17,83,939

Accompanying notes to the financial statements for the year ended March 31, 2017

Note 3.9 - Fixed Assets

(Amt. in Rupees)

Year	Particulars	Tangible Assets				Computers (Net Work)	Total	Intangible Assets		Grand Total
		Furniture	Office Equipments	Computers	Computers (Net Work)			Software		
Gross Block										
2015-16	As at 1st April 2015	5,40,527	1,28,716	4,70,630	-	11,39,873	17,750	11,57,623		
	Additions	-	-	1,21,779	25,785	1,47,564	-	1,47,564		
	Disposals / Adjustments	-	-	-	-	-	-	-		
	As at 31st March 2016	5,40,527	1,28,716	5,92,409	25,785	12,87,437	17,750	13,05,187		
2016-17	As at 1st April 2016	5,40,527	1,28,716	5,92,409	25,785	12,87,437	17,750	13,05,187		
	Additions	-	40,849	1,28,990	-	1,69,839	-	1,69,839		
	Disposals / Adjustments	-	-	-	-	-	-	-		
	As at 31st March 2017	5,40,527	1,69,565	7,21,399	25,785	14,57,276	17,750	14,75,026		
Depreciation										
2015-16	As at 1st April 2015	4,74,747	8,515	3,52,689	-	8,35,951	11,395	8,47,346		
	Charge for the year	9,790	62,783	69,343	3,692	1,45,608	5,468	1,51,076		
	Disposals	-	-	-	-	-	-	-		
	As at 31st March 2016	4,84,537	71,298	4,22,032	3,692	9,81,559	16,863	9,98,422		
2016-17	As at 1st April 2016	4,84,537	71,298	4,22,032	3,692	9,81,559	16,863	9,98,422		
	Charge for the year	8,342	31,584	1,00,714	13,954	1,54,594	-	1,54,594		
	Disposals	-	-	-	-	-	-	-		
	As at 31st March 2017	4,92,879	1,02,882	5,22,746	17,646	11,36,153	16,863	11,53,016		
	Net Block									
	At 31st March 2016	55,990	57,418	1,70,377	22,093	3,05,878	888	3,06,766		
	At 31st March 2017	47,648	66,683	1,98,653	8,139	3,21,123	888	3,22,011		

Accompanying notes to the financial statements for the year ended March 31, 2017

NOTE 4: Notes to the Statement of Profit and Loss

4.1 - REVENUE FROM OPERATIONS		
Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Interest	20,88,22,169	11,52,69,721
Processing Fee	1,22,92,989	56,77,635
	22,11,15,158	12,09,47,356
4.2 - OTHER INCOME		
Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Interest on		
- Term Deposit	1,21,78,512	1,30,88,288
- Investment	16,39,767	15,05,293
Misc. Income	1,396	1,327
Reversal of NPA Provision	-	1,06,27,617
	1,38,19,675	2,52,22,525
4.3 - Finance Costs		
Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Interest on NABARD		
- Refinance term loans	9,68,10,827	4,94,78,177
Interest Rebate on Term Loan	-	52,425
	9,68,10,827	4,95,30,602
4.4 - Employee Benefit Expenses		
Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Salaries & Allowances	58,07,271	34,68,870
Contribution to Welfare Fund	2,64,262	2,79,260
Staff Welfare Expenses	15,12,060	13,25,927
	75,83,593	50,74,057

Accompanying notes to the financial statements for the year ended March 31, 2017

NOTE 4: Notes to the Statement of Profit and Loss

4.5 - General & Administrative Expenses		
Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Communication charges	1,02,412	69,950
Insurance	4,413	1,109
Legal and professional & consultancy fees	9,74,741	5,00,450
Statutory Audit Fee	86,250	91,600
Tax Audit Fee	14,375	20,013
Electricity & Water Charges	36,440	35,500
Printing and Stationary	1,88,225	2,32,468
Rent	1,25,626	125,646
Rates and taxes	9,37,151	8,46,047
Travel & conveyence	15,28,301	5,91,518
Repairs and maintenance	63,985	56,672
Office expenses	1,73,246	1,35,628
Administration expenses	4,90,009	5,31,198
	47,25,174	32,37,800
4.6 - Provisions and Contingencies		
Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Provision for NPA	28,11,776	7,34,480
Provisions for Standard Assets	47,34,439	12,40,779
	75,46,215	19,75,259

NABKISAN Finance Limited

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

Cash Flow Statement for the year ended March 31, 2017

Particulars	March 31, 2017		March 31, 2016	
	₹		₹	
Cash Flow from Operating Activities				
Net Profit before taxation and extraordinary items		11,81,14,430		8,62,01,087
Adjustment for:				
Interest Income	(1,38,18,280)		(1,45,93,581)	
Provision for NPA	28,11,776		(98,93,137)	
Depreciation	1,54,594		1,51,076	
Profit on Sale of Assets	-	(1,08,51,909)	-	(2,43,35,642)
Operating profit before working capital changes		10,72,62,521		6,18,65,445
Adjustment for:				
Increase / (Decrease) in Secured Advances	(1,91,86,70,225)		(49,33,25,434)	
Increase in Advances & Deposits recoverable in cash or kind	(2,04,11,156)		(47,63,299)	
Increase / (Decrease) in current liability & provisions	1,24,57,77,920		6,76,64,716	
		(69,33,03,462)		(43,04,24,016)
Cash generated from Operations		(58,60,40,941)		(36,85,58,571)
Direct Taxes paid (net of refunds)		(4,07,56,364)		(2,58,93,941)
Extraordinary item		-		-
Net Cash from Operating Activities		(62,67,97,305)		(39,44,52,512)
Cash flow from Investing activities				
Purchase of Fixed Assets	(1,69,839)		(1,47,564)	
Sale of Fixed Assets	-		-	
Interest Income	1,38,18,280		1,46,39,756	
Net Cash flow investing activities		1,36,48,441		1,44,92,192
Cash flow from Financing Activities				
Increase in Share capital		3,60,00,000		34,14,44,000
Increase in Long term Debt		42,37,93,711		17,61,84,598
Net cash from Financing Activities		45,97,93,711		51,76,28,598
Net increase in cash and cash equivalents		(15,33,55,153)		13,76,68,278
Cash and cash equivalent at beginning of the year		24,54,15,447		10,77,47,169
Cash and cash equivalent at end of the year		9,20,60,294		24,54,15,447

Vide our report of even date

For NABKISAN Finance Limited

for **V Senthilnathan & Co**
Chartered Accountants
Firm Reg No.003711S

Sd/-
V Senthilnathan
Partner

M.No. 024244
Mumbai, 28.04.2017

Sd/-
R.Amalorpavanathan
Chairman

Sd/-
Pravesh Sharma
Independent Director

Sd/-
K.Suresh Kumar
Chief Executive Officer

Sd/-
Syed Nagoor Ali Jinnah
Director

Sd/-
Sunil Haribhau Pote
Independent Director

Sd/-
S.S.Vaseeharan
Chief Financial Officer

Sd/-
Dr. B.G.Mukhopadhyay
Director

Sd/-
Ashis Mondal
Independent Director

Sd/-
M. Bhuvanewari
Company Secretary

**ATTENDANCE SLIP
(To be presented at the entrance)**

20th Annual General Meeting at the Conference Hall of NABARD, Tamil Nadu Regional Office (2nd 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 20th Annual General Meeting of NABKISAN Finance Limited to be held on 25th day of September 2017.

Ledger No.:.....

No. of Shares Held

Signed this day of September 2017.

Signature

(affix 1 Re.
Revenue
Stamp)