



CORPORATE GOVERNANCE

‘Corporate governance’ involves a set of relationships between a company’s management, its board, its shareholders as well as other stakeholders which provides the structure through which objectives of a company are set, along with the means of attaining those objectives and monitoring performance. It helps define the way authority as well as responsibilities are allocated and how decisions are made.¹ Good governance aims at achieving high levels of accountability, efficiency, responsibility, transparency, and fairness in all areas of operation to increase the confidence of investors and other stakeholders.

In order to decentralise the decision making on various policy and operational issues and ensure proper checks and balance thereof, several committees have been put in place at NABARD with the approval of the Board. The functioning/performance of these committees is reported to the Board at periodic intervals as a matter of effective control mechanism. The Board and various committees play vital role in furthering corporate governance principles in NABARD.

Board of Directors

NABARD is governed by the National Bank for Agriculture and Rural Development Act, 1981, National Bank for Agriculture and Rural Development General Regulations, 1982 and National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984. The composition of the Board of Directors is as per NABARD Act, 1981 (Table 1).

The Board of Directors is the top decision-making body of NABARD. As per the section 5(1) of NABARD Act, 1981, the general superintendence, direction, and management of the affairs and business of NABARD is vested in the Board

of Directors, which exercises all powers and does all acts and things which may be exercised or done by NABARD.

TABLE 1: COMPOSITION OF THE BOARD OF DIRECTORS AS PER NABARD ACT, 1981

<i>NABARD Act— Section</i>	<i>Designation</i>	<i>Strength</i>
6(1)(a)	Chairman	1
6(1)(b)	Experts from field such as rural economics, rural development, cottage and village industries, cooperative banks, regional rural banks, etc.	3
6(1)(c)	Directors on Board of Reserve Bank of India (RBI)	3
6(1)(d)	Officials of the central government	3
6(1)(e)	Officials of the state government	4
6(1)(f)	Shareholders (other than RBI, central government and other institutions owned or controlled by central government)	–
6(1)(g)	Managing director	1
6(3)	Full-time directors appointed by the central government in consultation with RBI	2
	Total strength	17

¹ Reserve Bank of India’s ‘Discussion paper on Governance in Commercial Banks in India’, June 2020.

SEBI’s listing obligations and disclosure requirement

Pursuant to the amendment in Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement [LODR]) Regulations, 2015 framework in September 2021, Regulations 15 to 27 of the said framework were made applicable on “high-value debt listed entities” which have listed their specified securities and have an outstanding value of listed non-convertible debt securities of ₹500 crore and above as on 31 March 2021. By virtue of this amendment, NABARD qualifies as a “high-value debt listed entity” and thereby the applicability of Regulation 15 to 27 was on “comply or explain basis” until 31 March 2023, and on a mandatory basis thereafter. SEBI in its board meeting held on 29 March 2023, first extended the deadline for compliance to these regulations related with corporate governance norms (i.e., 16

to 27 of LODR Regulations) till 31 March 2024. It has further extended the deadline for compliance till 31 March 2025 in its board meeting held on 15 March 2024.

Accordingly, the NABARD management has been taking necessary steps to comply with the provisions of corporate governance within the stipulated time. Currently, there are 13 directors, of which 3 directors are executive/ whole-time directors and 10 directors are non-executive directors (Table 1). NABARD complies with regulation 17(1) (a) of the SEBI (LODR) Regulations, 2015 which requires the Board of Directors to have an optimum combination of executive and non-executive directors with at least one woman director and not less than 50% of the Board of Directors comprising non-executive directors. Attendance, number of directorships, core skills and competencies of each director of the Board are detailed in Table 2.

TABLE 2: ATTENDANCE, NUMBER OF DIRECTORSHIPS, CORE SKILLS AND COMPETENCIES OF EACH DIRECTOR OF THE BOARD

S. No.	Name of Director	Category	Attendance		Number of other boards where director is a member	Core skills/ competencies
			Meetings held*	Meetings attended		
1.	Shri Shaji K. V.	Chairman	6	6	11	Agriculture Finance
2.	Dr Urvish Shah	Experts/Non-officials	6	6	1	Audit and Consultancy
3.	Dr M. D. Patra	Directors of Reserve Bank of India (RBI)	6	5	1	Central Banking
4.	Smt. Revathy Iyer	Directors of RBI	6	6	1	Audit and Accounting
5.	Dr Ravindra H. Dholakia	Directors of RBI	6	6	6	Teaching, Research, Training and Consultancy
6.	Shri Manoj Ahuja	Officials of the central government	6	0	Nil	Administrative Service (IAS)
7.	Shri Shailesh Kumar Singh	Officials of the central government	6	0	Nil	Administrative Service (IAS)
8.	Dr M. P. Tangirala	Officials of the central government	6	5	2	Administrative Service (IP&TAFS)
9.	Shri Vinod Kumar Suman	Officials of the state government	2	2	Nil	Administrative Service (IAS)
10.	Shri Ashok Barnwal	Officials of the state government	6	0	3	Administrative Service (IAS)
11.	Shri Gopal Krishna Dwivedi	Officials of the state government	6	0	Nil	Administrative Service (IAS)
12.	Shri Goverdhan Singh Rawat	Deputy Managing Director	3	3	1	Agriculture Finance
13.	Dr Ajay K. Sood	Deputy Managing Director	3	2	1	Agriculture Finance

Notes:

1. IAS = Indian Administrative Service, IP&TAFS = The Indian Post & Telecommunication Accounts and Finance Service
2. * = ‘Meetings held’ include the number of meetings of the Board of Directors held during their tenure



TABLE 2A: OTHER DIRECTORSHIPS HELD BY NABARD BOARD DIRECTORS

S. No.	Name of Director(s)	Other companies in which directorship held	Nature of interest in Such other companies
1	Shri Shaji K. V.	NABARD Consultancy Services Ltd Bankers Institute of Rural Development National Institute of Bank Management National Cooperative Development Corporation NABVENTURES Ltd. NABSANRAKSHAN TRUSTEE PVT LTD NABFOUNDATION Deposit Insurance and Credit Guarantee Corporation Institute of Banking Personnel Selection Entrepreneurship Development Institute of India Indian Institute of Bank Management, Guwahati	Director Member of Governing Council Member of the Governing Board Member of the Board of Governors Nominee Director Nominee Director Director Director Member of the Governing Board Member of Governing Body Member of the Governing Board
2	Shri Urvish Shah	Navkar Institute	Director
3	Dr M. D. Patra	Bankers Institute of Rural Development	Member of Governing Council
4	Smt. Revathy Iyer	Reserve Bank of India	Director
5	Dr Ravindra H. Dholakia	Adani Energy Solutions Limited Gujarat State Fertilizers & Chemicals Gujarat Industries Power Company Ltd Gujarat State Petroleum Corporation RBI Adani Transmission (India) Limited.	Independent part time Director Independent part time Director Chairman Independent part time Director Independent part time Director Independent part time Director

S. No.	Name of Director(s)	Other companies in which directorship held	Nature of interest in Such other companies
6	Shri Manoj Ahuja	NIL	NIL
7	Shri Shailesh Kumar Singh	NIL	NIL
8	Dr M. P. Tangirala	Indian Bank GIC Re	Director Director
9	Shri Vinod Kumar Suman	NIL	NIL
10	Shri Ashok Barnwal	Narmada Basin Project Company Ltd Madhya Pradesh Road Development Corporation Ltd. Madhya Pradesh State Agro Industries Development Corporation	Director Director Director
11	Shri Gopal Krishna Dwivedi	NIL	NIL
12	Shri Goverdhan Singh Rawat	NABSAMRUDDHI Finance Ltd.	Nominee Director
13	Dr Ajay K. Sood	NABARD Consultancy Services Ltd.	Nominee Director

Changes in the Board of Directors in FY2024

The following changes took place in the composition of the Board of Directors during FY2024 (Tables 3, 4, and 5).

TABLE 3: BOARD MEMBERS WHO JOINED IN FY2024

S. No.	Name	Designation	Joined
1.	Shri G. S. Rawat	Deputy Managing Director	6 November 2023
2.	Dr Ajay K. Sood	Deputy Managing Director	6 November 2023
3.	Shri Vinod Kumar Suman	Secretary, Agriculture & Farmers Welfare Government of Uttarakhand	3 January 2024

TABLE 4: BOARD MEMBERS WHO CEASED TO BE DIRECTOR IN FY2024

S. No.	Name of Director	Designation	Tenure ended
1.	Dr B. V. R. C. Purushottam	Secretary, Agriculture, Government of Uttarakhand	16 May 2023
2.	Shri P. V. S. Suryakumar	Deputy Managing Director	31 July 2023
3.	Dr Sharat Chauhan	Principal Secretary, Finance, Planning and Investment, Government of Arunachal Pradesh	18 February 2024

TABLE 5: BOARD MEMBERS WHO JOINED AND WHOSE TENURE ENDED THIS YEAR ITSELF

S. No.	Name	Designation	Joined	Tenure ended
1.	Dr Raama Sreenivasan	Director	9 May 2023	22 March 2024
2.	Shri Deependra Kumar Chaudhary	Secretary, Agriculture & Farmers Welfare Government of Uttarakhand	17 May 2023	2 January 2024

Meetings of the Board and its committees in FY 2024

During FY2024, NABARD followed all the prescribed norms of good governance in letter and spirit, and the Board and its committees met regularly as mandated to maintain transparency and accountability of the organisation (Tables 6 and 7).

TABLE 6: NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS HELD

S. No.	Board Meeting (No.)	Date of the meeting
1.	251	26 May 2023
2.	252	25 Jul 2023
3.	253	28 Aug 2023
4.	254	10 Nov 2023
5.	255	13 Feb 2024
6.	256	19 Mar 2024

Committees of the Board of Directors

TABLE 7: MEETINGS HELD BY THE COMMITTEES OF THE BOARD

S. No.	Board and its Committees	Meetings required	Meetings held
1.	Board	4	6
2.	Executive Committee	4	4
3.	Audit Committee	6	6
4.	Risk Management Committee	6	6
5.	Premises Committee	2	2
6.	Human Resources Committee	2	1@
7.	Information Technology Committee	2	3
8.	Sanctioning Committee	Need based	3
9.	Internal Sanctioning Committee	Need based	14

@The HRCB shall meet at least twice in a calendar year and the same is being adhered to.

Audit Committee of the Board

The Audit Committee of the Board (ACB) was constituted by the Board under Section 13(3) of NABARD Act, 1981 (Table 8).

Brief description of terms of reference:

1. The ACB may provide direction as also oversee the operation of the total audit functions. Total audit function will imply the organisation, operationalisation and quality control of internal audit and inspection within the institution and follow-up on the statutory/external audit and inspections of the Reserve Bank of India (RBI).
2. As regards internal audit, the ACB may review the internal inspection/audit function in the institution—the system, its quality, and effectiveness in terms of follow-up. It may also focus on the follow-up on frauds and major areas of housekeeping.
3. Regarding statutory audits, the ACB may follow-up on all the issues raised in the reports. It may interact with the external auditors before the finalisation of the annual financial accounts and reports.
4. Review and followup all the issues/concerns raised in the inspection reports of the RBI.
5. Review of implementation of Ind AS.
6. Review of implementation of Basel III norms.
7. Review of implementation of risk-based internal audit.
8. Review & follow-up of information security (IS) audit observations.
9. Interaction with Rating Agencies.
10. Any other matter that the Board may assign to it.
11. All items specified in Part C of Schedule II of SEBI LODR.



TABLE 8: COMPOSITION OF THE AUDIT COMMITTEE OF THE BOARD AND ATTENDANCE OF MEMBERS

S. No.	Name	Category	Meetings held*	Meetings attended
1.	Dr Urvish Shah Chairman, ACB	Experts/Non-officials	6	6
2.	Smt. Revathy Iyer	Directors on RBI Board	6	6
3.	Dr Ravindra H. Dholakia	Directors on RBI Board	6	6
4.	Shri Manoj Ahuja	Central government officials	6	0
5.	Shri Gopal Krishna Dwivedi	State government officials	6	0
6.	Shri Goverdhan Singh Rawat	Deputy managing director	3	3
7.	Dr Ajay K Sood	Deputy managing director	3	3

Notes:

RBI = Reserve Bank of India

*'Meetings held' include the number of ACB meetings held during their tenure

Risk Management Committee of the Board

The Risk Management Committee of the Board (RMCB) was constituted by the Board under Section 13(3) of NABARD Act, 1981 (Table 9).

Brief description of terms of reference:

1. Devise policy and strategy for integrated risk management containing various risk exposures of the bank including the credit risk. For this purpose, the RMCB should effectively coordinate between the Enterprise Risk Management Committee (ERMC), the Asset Liability Management Committee and other risk committees of the bank, if any.
2. Decide the policy and strategy for integrated risk management containing various risk exposures of the bank including the market risk.
3. Setting policies and guidelines for market risk measurement, management, and reporting.
4. Ensure that market risk management processes (including people, systems, operations, limits, and controls) satisfy the bank's policy.
5. Reviewing and approving market risk limits, including triggers or stop-losses for traded and accrual portfolios.
6. Ensuring robustness of financial models, and the effectiveness of all systems used to calculate market risk.
7. Decide the operational risk policies and issues delegated to it by the Board.
8. Review profiles of operational risk throughout the organisation.

9. Decide operational risk capital methodology and resulting attribution.
10. Decide and review of rating norms of various clients.
11. Decide the exposure norms for various clients/client groups.
12. Review the exposure to clients at quarterly rests.
13. Set and approve expressions of risk appetite, within overall parameters set by the Board.
14. Reinforce the culture and awareness of operational risk management throughout the organisation.
15. Any other matter that the Board may assign to it.
16. All items specified in Part D of Schedule II of SEBI LODR.

TABLE 9: COMPOSITION OF THE RISK MANAGEMENT COMMITTEE OF THE BOARD AND ATTENDANCE OF MEMBERS

S. No.	Name	Category	Meetings held*	Meetings attended
1.	Dr Ravindra H. Dholakia, Chairman, RMCB	Directors on RBI Board	6	6
2.	Shri Shaji K.V.	Chairman, NABARD	6	6
3.	Smt. Revathy Iyer	Directors on RBI Board	6	6
4.	Shri Manoj Ahuja	Central government officials	6	0
5.	Shri Gopal Krishna Dwivedi	State government officials	6	0
6.	Shri Goverdhan Singh Rawat	Deputy managing director	3	2
7.	Dr Ajay K. Sood	Deputy managing director	3	2
8.	Shri Praveen Kumar Gupta@	Special invitee	6	4

Notes:

RBI = Reserve Bank of India

*'Meetings held' include the number of RMCB meetings held during their tenure

@ Invitee is not considered for quorum or total strength.

Stakeholders Relationship Committee of the Board

The Stakeholders Relationship Committee of the Board (SRC) was constituted by the Board in its 250th meeting held on 28 March 2023 under Section 13(3) of the NABARD Act, 1981, as mandated by Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

1. Non-executive director heading SRC: Dr Raama Sreenivasan who chaired the first meeting on 30 November 2023 resigned on 22 March 2024
2. Compliance officer: Shri Vinod Chandrasekharan, General Manager
3. Number of shareholder’s complaints received during the financial year: N/A
4. Number of complaints not solved to the satisfaction of the shareholders: N/A
5. Number of pending complaints: N/A

Nomination and Remuneration Committee

The Board of Directors are nominated by the Government of India in compliance with the NABARD Act, 1981. The remuneration of the directors is also decided by the Department of Financial Services. Hence, it was felt that role of this committee is infructuous as the Committee will not have any role in the appointments, remuneration or other incidental aspects. Accordingly, exemption was sought from SEBI vide our letter Ref No.NB.FD/ 3204 / CV/ 2022-23 dated 22 February 2023 from the constitution and operation of the Nomination and Remuneration Committee.

Other Board-Level Committees

NABARD also has in place other board-level committees constituted under Section 13(3) of the NABARD Act, 1981 (Table 10).

TABLE 10: ALL BOARD-LEVEL COMMITTEES AS ON 31 MARCH 2024

S. No.	Committee	Composition
1.	Executive Committee	Shri Shaji K.V., Chairman Smt. Revathy Iyer Shri Gopal Krishna Dwivedi Shri Shailesh Kumar Singh Shri G. S. Rawat Dr Ajay K. Sood
2.	Premises Committee	Dr Ajay K. Sood Shri G. S. Rawat Smt. Revathy Iyer Dr Ravi Sinha (Expert) Shri B.G. Fernandes (Expert)
3.	Human Resources Committee	Shri Shaji K.V. Dr Ravindra H. Dholakia Shri Shailesh Kumar Singh Shri G.S. Rawat Dr Ajay K. Sood

4.	Information Technology Committee	Shri G.S. Rawat
		Dr Ajay K. Sood
		Smt. Revathy Iyer
		Shri Ashok Barnwal
		Shri M.G. Ajayan (IT expert)
		Shri Allada Durga Prasad (IT expert)
5.	Sanctioning Committee	Shri Shaji K.V.
		Smt Revathy Iyer
		Dr Ravindra H. Dholakia
		Shri Manoj Ahuja
		Shri Shailesh Kumar Singh
		Dr M.P. Tangirala
		Shri Ashok Barnwal
		Shri G.S. Rawat
		Dr Ajay K. Sood

Changes in Senior Management in FY2024

Shri G.S. Rawat and Dr Ajay K. Sood joined the Board of Directors of NABARD as Whole Time Directors (Deputy Managing Directors) on 6 November 2023 under Section 6(3) of the NABARD Act, 1981.

Familiarisation programmes and remuneration of directors

The details of the familiarisation programmes provided to the independent directors and the copy of the latest letter dated 3 April 2019 received from Department of Financial Service, Ministry of Finance, pertaining to the payment to non-executive directors is available on the NABARD website.² The sitting fee of ₹40,000 and ₹20,000 per meeting was paid for attending the Board and Committee meetings, respectively. Further, an additional sitting fee of ₹5,000 per meeting was also payable for chairing the committee meetings, respectively.

General shareholder information

NABARD was set up with an initial capital of ₹100 crore and its paid-up capital stood at ₹17,080 crore as on 31 March 2024. Consequent to the revision in the composition of share capital between the Government of India and RBI, NABARD today is wholly owned by the Government of India.

Means of communication

1. NABARD declares its financial results time to time in leading Hindi and English newspaper to maintain transparency. Quarterly financial results are published in

² <https://www.nabard.org/investor-relations.aspx>.



newspapers as well as on the NABARD, Bombay Stock Exchange and National Stock Exchange websites.

2. Newspapers wherein the results are normally published include *Jan Satta* (Hindi), *Lok Satta* (Marathi), *Financial Express* (English), and *Indian Express* (English).
3. NABARD also highlights all the required information on its website, www.nabard.org

Other disclosures

1. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large: **Included under accounting standard 18 (AS18) of audited balance sheet of NABARD.**
2. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years: **A fine of ₹11,800 was imposed and, subsequently, waived off by BSE.**
3. Details of establishment of vigil mechanism (whistle blower policy) and affirmation that no personnel has been denied access to the audit committee: **Vigil mechanism has been put in place for the members of the Board of Directors of NABARD.**
4. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: **NABARD is in the process of ensuring compliance in respect of non-mandatory requirements that shall be mandatorily applicable with effect from 1 April 25.**
5. Web link where policy for determining 'material' subsidiaries is disclosed: The policy for determining 'material' subsidiaries is available on NABARD website at <https://www.nabard.org/hindi/auth/writereaddata/File/policy-on-material-subs.pdf>.
6. Web link where policy on dealing with related party transactions: **Related party transactions are included under AS 18 of audited balance sheet of NABARD. The policy for dealing with related party transactions as approved by the Board in its 250th meeting held on 28 March 2023 is available on NABARD website at <https://www.nabard.org/pdf/nabard-policy-on-rpts-final-26-03-2023.pdf>;**
7. Disclosure of commodity price risks and commodity hedging activities: **Not applicable to NABARD. Subsidiaries of NABARD are not permitted to deal with commodity/derivatives of commodities.**
8. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): **Not applicable to NABARD.**
9. A certificate from a company secretary in practice that none of the directors on the Board of the company have

been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority: **The certificate from a Practicing Company Secretary has been obtained.**

10. Where the Board had not accepted any recommendation of any committee of the Board, which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: **Nil.**
11. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part (Tables 11 and 12).

TABLE 11: FEES FOR STATUTORY AUDITORS OF NABARD

(amount in ₹)

Annual audit fees	13,88,000
Fees for certification	1,38,000
Tax audit fees	2,77,000
Fees for quarterly limited review	8,31,000
Total fees	26,34,000

TABLE 12: FEES PAID BY SUBSIDIARIES TO THE STATUTORY AUDITORS

(amount in ₹)

Subsidiary	Audit fee category	Fee
NABKISAN	Statutory audit fees	2,25,000
NABSanrakshan	Statutory audit fees	45,000
NABVENTURE	Statutory audit fees	40,000
NABFOUNDATION	Statutory audit fees	47,200
NABFINS	Statutory audit fees	6,60,000
	Tax audit fees	50,000
NABSAMRUDDHI	Statutory audit fees	2,50,000
NABCONS	Statutory audit fees	2,00,000
	Tax audit fees	52,500
	GST audit fees	60,000
	Lower TDS Deduction Certificate Assignment	1,00,000
	Handling Faceless scrutiny assessment for AY 22-23	50,000
Total fees paid by subsidiaries		17,79,700

Total payment to statutory auditors by NABARD and its subsidiaries amount to ₹44,13,700.

12. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 :
- Number of complaints filed during the financial year: 9
 - Number of complaints disposed of during the financial year: 9
 - Number of complaints pending at end of the financial year: Nil
13. Disclosure by listed entity and its subsidiaries of 'Loans and advances in loans to firms/companies in which directors are interested by': Provided that this requirement shall be applicable to all listed entities except for listed banks: **NIL**
14. The salary and allowances paid to key management personnel during the FY 2024 (Table 13).

TABLE 13: SALARY AND ALLOWANCES PAID TO CHAIRMAN AND MANAGING DIRECTORS IN FY2024 (₹)

<i>Name</i>	<i>Basic</i>	<i>DA</i>	<i>Other</i>	<i>Total</i>	<i>Period</i>
Shri Shaji K.V.	27,00,000	12,42,000	-	39,42,000	1 April 2023 to 31 March 2024
Shri G.S. Rawat*	-	-	-	-	6 November 2023 to 31 March 2024
Dr Ajay K. Sood*	-	-	-	-	6 November 2023 to 31 March 2024
Shri P.V.S. Suryakumar	8,89,500	3,99,690	-	12,89,190	1 April 2023 to 31 July 2023

*Pay fixation is awaited from Government of India

Declaration of Compliance with the Code of Conduct of Board of Directors and Senior Management

NABARD is established and governed by NABARD Act, 1981 and NABARD General Regulations, 1982 read with Additional General Regulations, 1984. Being a high value debt listed entity, the provisions of regulations 16–27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to corporate governance has been made applicable to NABARD on comply or explain basis till 31 March 2025, and on a mandatory basis thereafter.

Regulation no. 17 (5) of the SEBI (LODR) Regulations, 2015 which pertains to the 'Board of Directors' provides as follows:

- The Board of Directors shall lay down a code of conduct for all members of board of directors and senior management of the listed entity.
- The code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013.

Code of Conduct for the Directors and Senior Management, drafted as per the aforementioned regulation has since been approved by the Board of Directors in its 250th meeting held on 28th March 2023. We hereby state that all the members of board of directors and senior management personnel comply with the Code of Conduct of Board of Directors and Senior Management, which was obtained through an annual declaration for the year 2023-24 signed by them giving confirmation to that effect.

Shaji K.V.
Chairman



ANNEXES

Annexure I

M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES

CERTIFICATE ON CORPORATE GOVERNANCE
[As per Part E of schedule V of SEBI (LODR)]

To,
The Members,
The National Bank for Agriculture and Rural Development (NABARD)
Plot no. C-24, G-Block, Bandra-Kurla Complex, Bandra East,
Mumbai - 400051, Maharashtra, India.

I have examined the compliance with the conditions of Corporate Governance by NABARD for the year ended March 31, 2024, as stipulated in the specific Regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), to the extent as applicable.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the NABARD for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the NABARD.

NABARD is established and governed by NABARD Act, 1981 and NABARD General Regulations, 1982 read with Additional General Regulations, 1984. Thus, Corporate Governance Structure and compliances are in accordance with applicability of the specific regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent it does not conflict with NABARD Act, 1981 and NABARD General Regulations, 1982 read with Additional General Regulations, 1984.

For: M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES
(Peer Review Certificate No: 2093/2022)

Place: Mumbai
Date: 14/05/2024

DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364
UDIN: F005652F000364221

Annexure II

M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES

SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2024

[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members,

The National Bank for Agriculture and Rural Development (NABARD)

Plot no. C-24, G-Block, Bandra-Kurla Complex, Bandra East,
Mumbai - 400051, Maharashtra, India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NABARD.

Based on my said verification of the NABARD's books, papers, minutes book, forms and returns filed and other records maintained by the NABARD and also based on the information provided by the NABARD during the conduct of secretarial audit, I hereby report that in my opinion, the NABARD has complied with the statutory provisions listed hereunder for the financial year ended on 31st March, 2024 and also that the NABARD has proper Board-processes and compliance-mechanism in place to the extent, in the manner:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the NABARD for the financial year ended on 31st March 2024 according to the provisions of:

- i) The National Bank for Agriculture and Rural Development, 1981 (NABARD Act, 1981)
- ii) The National Bank for Agriculture and Rural Development General Regulations, 1982 read with Additional General Regulations, 1984;
- iii) The Companies Act, 2013 (the Act) and the rules made thereunder as amended; *(Not Applicable to NABARD during the Audit Period)*
- iv) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as amended; *(Not Applicable to NABARD during the Audit Period)*
- v) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended; *(Not Applicable to NABARD during the Audit Period)*
- vi) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(to the extent Applicable to NABARD during the Audit Period)*
- vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *(Not Applicable to NABARD during the Audit Period)*
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015; *(to the extent Applicable to NABARD during the Audit Period)*
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *(Not Applicable to NABARD during the Audit Period)*;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(to the extent Applicable to NABARD during the Audit Period)*
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *(to the extent Applicable to NABARD during the Audit Period)*
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not Applicable to NABARD during the Audit Period)*; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(Not Applicable to NABARD during the Audit Period)*;



I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India; (*Not Applicable to NABARD during the Audit Period*)
- b) The Listing Agreements entered into by the NABARD with the Stock Exchange viz NSE Ltd along with Specific applicable Regulations under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as applicable for respective periods.

During the period referred above and based on our discussion we had with concerned authorities at NABARD, we put forth our following findings and statements:

NABARD is established and is governed by NABARD Act, 1981 and NABARD General regulations, 1982 read with Additional General Regulations, 1984. NABARD is classified as 'High Value Debt Listed Entity' as per SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore provisions of Chapter IV are applicable on 'comply or explain' basis till March 31,2025. Accordingly, NABARD applied for the exemption from the certain provisions under SEBI LODR including Regulation 18 and Regulation 19,by way of an application to SEBI for which response is awaited from them.

Further, NABARD is in compliance with the corporate governance structure and compliance requirements to the extent it is not inconsistent with NABARD Act and NABARD General Regulations.

I further report that:

- The Board of Directors of the NABARD is duly constituted with proper balance of Executive Directors, Non-Executive & Independent Directors.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and 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.
- All the resolutions were passed with consent of majority of Directors

I further report that:

- There is adequate system and process in place, in NABARD to commensurate with the size and operations of NABARD in order to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions, having a major bearing on the NABARD's affairs, in pursuance of the above referred laws, rules, guidelines and standards.

Disclaimer: *The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Further, based on clarification received from concerned officials, NABARD is established and governed by NABARD Act, 1981 and NABARD General regulations, 1982 read with Additional General Regulations, 1984. NABARD is in compliance with the specific regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent it does not conflict with NABARD Act, 1981 and NABARD General regulations, 1982 read with Additional General Regulations, 1984.*

**For: M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES**

(Peer Review Certificate No: 2093/2022)

Place: Mumbai
Date: 14/05/2024

DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364
UDIN: F005652F000364197

Annexure to Secretarial Report and forming part of the report

To,
The Members,
The National Bank for Agriculture and Rural Development (NABARD)
Plot no. C-24, G-Block, Bandra-Kurla Complex, Bandra East,
Mumbai - 400051, Maharashtra, India.

I further state that my said report of the even date has to be read along with this letter.

- 1) Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the NABARD. My responsibility is to express an opinion on these records based on the audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the NABARD.
- 4) Wherever required I have obtained *orally*, the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
- 5) The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination is limited to the verification of procedures on test basis and shall not stand responsible for any non-compliance.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the NABARD nor of the efficacy or effectiveness with which the management has conducted the affairs of the NABARD.

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For: **M/s. DEEP SHUKLA & ASSOCIATES**
COMPANY SECRETARIES
(Peer Review Certificate No: 2093/2022)

Place: Mumbai
Date: 14/05/2024

DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364
UDIN: F005652F000364197



Annexure III

M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES

ANNUAL SECRETARIAL COMPLIANCE REPORT

[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019]

Annual Secretarial Compliance Report of “The National Bank for Agriculture and Rural Development (NABARD)” for the year ended March 31, 2024

We, Deep Shukla & Associates have examined:

- all the documents and records made available to us and explanation provided by **NABARD** (“the high value Debt Listed Entity”),
- the filings/ submissions made by the listed entity to the stock exchange(s),
- website of the listed entity
- other relevant document(s)/ filing, which has been relied upon to make this certification,

for the year ended March 31, 2024 (“Review Period”) in respect of compliance with the provisions of :

- The National Bank for Agriculture and Rural Development Act, 1981 (NABARD Act, 1981);
- The National Bank for Agriculture and Rural Development General Regulations, 1982 read with Additional General Regulations, 1984;
- the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder;
- the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”); **[Not applicable during the review period];**
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; *(to the extent as applicable)*

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, are:-

- Regulations to the extent as applicable as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; *duly updated;*
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *(to the extent as applicable)*
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **[Not applicable during the review period]**
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[Not applicable during the review period]**
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable during the review period]**
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended; *(to the extent as applicable)*
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **[Not applicable during the review period]**
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; *(to the extent as applicable)*
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended;
- The Securities and Exchange Board of India (Debenture Trustee) Regulations, 2022;
- The Securities and Exchange Board of India (Intermediaries) Regulations, 2008; **[Not applicable during the review period]**
- Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018; and circulars/guidelines issued thereunder;

We hereby report that, during the review period the compliance status of the listed entity is appended below:

Sr. No.	Particulars	Compliance status (Yes/ No/ NA)	Observations/ Remarks of the Practicing Company Secretary
1.	<u>Secretarial Standards:</u> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	NA	<i>NABARD is established and is governed by NABARD Act, 1981 and NABARD General regulations, 1982 read with Additional General Regulations, 1984</i>
2.	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/ guidelines issued by SEBI 	Yes	-
3.	<u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 	Yes	<i>NABARD is established and is governed by NABARD Act, 1981 and NABARD General regulations, 1982 read with Additional General Regulations, 1984.</i>
4.	<u>Disqualification of Director:</u> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	NA	<i>In NABARD, Directors are appointed as per the provision of Section 6 of the NABARD Act, 1981 and In our view, none of Directors are disqualified as per Section 164 of the Companies Act, 2013 as it is not applicable to them</i>
5.	<u>To examine details related to Subsidiaries of listed entities:</u> <ol style="list-style-type: none"> 1. Identification of material subsidiary companies b) Requirements with respect to disclosure of material as well as other subsidiaries 	Yes	-
6.	<u>Preservation of Documents:</u> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	-
7.	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	NA	<i>NABARD is established and is governed by NABARD Act, 1981 and NABARD General regulation, 1982 read with Additional General Regulations, 1984. However, NABARD has complied the same, wherever the provisions are applicable</i>
8.	<u>Related Party Transactions:</u> <ol style="list-style-type: none"> 1. The listed entity has obtained prior approval of Audit Committee for all Related party transactions b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the Audit committee 	Yes	-



Sr. No.	Particulars	Compliance status (Yes/ No/ NA)	Observations/ Remarks of the Practicing Company Secretary
9.	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	NA	Reg. 30 of SEBI LODR is not applicable to NABARD
10.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	-
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	No	-
12.	<u>Additional Non-compliances, if any:</u> No any additional non-compliance observed for all SEBI regulation / circular / guidance note etc.	No	No any additional non-compliance observed for all SEBI regulation / circular / guidance note etc.

- During the period referred above and based on our discussion we had with concerned authorities at NABARD, we put forth our following findings and statements:
NABARD is established and is governed by NABARD Act, 1981 and NABARD General Regulations, 1982 read with Additional General Regulations, 1984. NABARD is classified as 'High Value Debt Listed Entity' as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore provisions of Chapter IV are applicable on 'comply or explain' basis till March 31, 2025. Accordingly, NABARD applied for the exemption from the certain provisions under SEBI LODR including Regulation 18 and Regulation 19, by way of an application to SEBI for which response is awaited from them. Further, NABARD is in compliance with the corporate governance structure and compliance requirements to the extent it is not inconsistent with NABARD Act and NABARD General Regulations
- The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation Circular No.	Deviations	Action Taken by	Type of Action Advisory/ Clarification /Fine/ Show Cause Notice/ Warning, etc.	Detail is of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	Various compliances	Reg. 57(4) and 57(5)	Non-Compliance	BSE	Fine	Non-Compliance	-	NABARD has received notice from BSE for the penalties	As explained by the management the waiver representations made to BSE is under their active consideration	-



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**For: M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES**

(Peer Review Certificate No: 2093/2022)

Place: Mumbai

Date: 14/05/2024

DEEP SHUKLA

{PROPRIETOR}

FCS: 5652

CP NO.5364

UDIN: F005652F000364175