

Ref: MKPS/MUM/VSM/41/2023-24

May 26, 2023

The Compliance Officer,
Finance Department,
National Bank for Agriculture and Rural Development

Independent Auditor's Certificate

1. **National Bank for Agriculture and Rural Development** (NABARD or the Bank') has approached us for the certification of the Debt Equity Ratios, Tangible Net Worth and Book value of mortgaged properties as mentioned in the accompanying statement, which mentions the details as on March 31, 2023 (the Statement) which is stamped and initialled by us for authentication, for submission to Axis Trustee Services Limited ('the Debenture Trustee') and the Stock exchanges.

Management Responsibility

2. The preparation of the financial information as per the applicable accounting standards and the accompanying Statement is the responsibility of the Bank's Management, including computation of the financial information mentioned in the attached statement from its audited Balance sheet as at March 31, 2023, audited financial results for the period from April 01, 2022 to March 31, 2023 and other relevant records.

Independent Auditor's Responsibility

3. For the purpose of this certificate, we have relied solely on the audited financial information as at March 31, 2023 and statement of utilization of proceeds of Tax Free bonds as at March 31, 2023 as submitted by the management. We have not carried out any audit or any assurance activity on such financial information and statement of utilization of Tax Free bonds as at March 31, 2023. We have relied on the management for the completeness of the information and carried out the following procedures:
 - i) Traced the figures/details given in the attached Statement for computation of tangible net worth computation of debt equity ratio, net profit after tax, issue of bonds through private placement and total advances from the audited financial information of the Bank as at March 31, 2023.
 - ii) Traced the figures/details given in the attached Statement for utilisation of proceeds from Tax Free bonds from the management certified statement of utilization of proceeds of Tax Free bonds as at March 31, 2023.
 - iii) Traced the figures/details given in the attached Statement for book value of the premises mortgaged from the Fixed Asset Register of the Bank as at March 31, 2023.
 - iv) Considered the following line items from the financial information for the purpose of computation of tangible net worth and debt equity ratio:
 - a. Tangible Net-worth = Paid Up Capital + Reserves + Capital Reserve + Reserve u/s 36(i)(viii) of the Income Tax Act, 1961 + Investment Fluctuation Reserve (-)



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Intangibles excluding computer software (-) Investment in Subsidiaries (-) Deferred Tax Assets

b. Debt equity ratio =
$$\frac{\text{Deposit + Bonds and Debentures + Borrowings}}{\text{Capital + Reserves + Capital Reserves + Reserves u/s 36(i)(viii) of the Income Tax Act, 1961 + Investment Fluctuation Reserve}}$$

4. We have carried out our verification in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI) in so far as applicable for the purpose of this Certificate which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) - 1, "Quality Control for Firms that Performs Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements".

Conclusion

6. Based on our procedures as mentioned above in Para 3 and according to the information, explanations and representations given to us:
 - a. the financial information contained in the attached Statement for computation of tangible net- worth, computation of debt equity ratio, net profit after tax, issue of bonds through private placement and total advances is as per the audited financial information of the Bank as at March 31, 2023;
 - b. the figures given in the attached Statement for utilisation of proceeds from Tax Free bonds is as per the management certified statement of utilization of proceeds of Tax Free bonds as at March 31, 2023;
 - c. the figures given in the attached Statement for book value of the premises mortgaged is as per Fixed Asset Register of the Bank as at March 31, 2023

Restriction of Use

7. This Certificate has been issued at the request of the Bank solely for the purpose of submission to the Debenture Trustees for the Tax Free Bonds and should not be used, referred or circulated to any other person for any other purpose without our prior written consent.

For MKPS & Associates
Chartered Accountants

Firm registration No: 302014E


CA. Vasudev Sunderdas Matta
Partner

Membership No.: 046953

UDIN: 23046953BGYNKM5252

Date: 26 May 2023





NB(FD)/ 441 /FDBB/2023-24

Date: May 26, 2023

M/s MKPS & Associates,
Chartered Accountants
701, Stanford Office Condominium
Near Shoppers Stop, S.V. Road,
Andheri (west), Mumbai – 400 013

Dear Sirs,

As per the requirements of SEBI's guidelines, the details for certificate on financial ratios to be submitted to Debenture trustee for the year ended 31 March 2023 are as under:-

1. Debt Equity Ratio as on 31 March 2023

S.No	Particulars	Amount (in crore)
A	Debt	
(i)	Deposits	2,78,100.87
(ii)	Bonds and Debentures	2,46,677.25
(iii)	Borrowings	1,64,080.90
	Total	6,88,859.02
B	Equity	
(i)	Capital	17,080.00
(ii)	Free Reserves and surplus	48,808.52
	Total	65,888.52
	Debt Equity Ratio (A/B)	10.45
C	Intangible assets (excluding Computer Software)	0.00
D	Investment in subsidiaries	604.63
E	Deferred Tax Assets	165.02
F	Total (C+D+E)	769.65
	Tangible Net Worth (B-F)	65,118.87

2. **Net Worth:** The Tangible Net Worth of the bank as on 31 March 2023 stood at Rs. 65,118.87 crore consisting of Capital and Free Reserves and Surplus.
3. **Net Profit after Tax –** The Net Profit after tax for the period ended 31 March 2023 is Rs. 5,359.79 crore.



राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

लेखा विभाग

प्लॉट क्र सी-24, 'जी' ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051. टेली: +91 22 2653 0019 • फ़ैक्स: +91 22 2653 0050 • ई मेल: ad@nabard.org
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4. **Book Value of the premises Mortgaged:** The Book Value of NABARD House situated at Bandra Kurla Complex (Mortgaged for issue of Tax Free Bonds 2016) as on 31 March 2023 stood at Rs.1.66 crore.
5. **Utilisation of proceeds from Tax Free Bonds:** A sum of Rs. **5,163.71** crore has been deployed for Irrigation purpose up to 31 March 2023 from funds raised under Tax Free Bonds thereby fully utilizing the amount mobilized by issue of Tax Free Bonds.
6. During the year ended 31 March 2023, an amount of Rs. **49,509.55** crore was mobilized by way of issue of bonds through Private Placement. The proceeds of the same were utilized as part of the advances disbursed during the above period.
7. Value of Book Debts (Loans & Advances) as on 31 March 2023 stood at Rs. **7,31,145.36** crore.

For **National Bank for Agriculture and Rural Development**

(Vinod Chandrasekharan)
Compliance Officer

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

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