

NABARD FINANCIAL SERVICES LIMITED

[Subsidiary of National Bank for Agriculture and Rural Development]

NOTICE

NOTICE is hereby given that the **Twentieth Annual General Meeting** of **NABARD Financial Services Limited** will be held on **Tuesday**, the **26th day of September, 2017** at **3.00 PM** at the **Registered Office** of the Company at **#3072, 14th Cross, K R Road, Banashankari 2nd Stage, BENGALURU – 560 070** to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company as at March 31, 2017 together with the Report of Directors and Auditors thereon:

“RESOLVED THAT the Profit & Loss Account for the year ended March 31, 2017 and the Balance Sheet as on that date together with the reports of the Directors, Independent Auditors, Secretarial Auditor and the comments of the Comptroller & Auditor General of India be and are hereby considered, approved and adopted.”

2. To authorize the Board of Directors to fix the remuneration payable to M/s. Phillipos & Co., (FRN: 002650S), Chartered Accountants, Bengaluru, the Statutory Auditors appointed by the Comptroller & Auditor General of India for the FY 2017-18:

“RESOLVED THAT appointment of M/s. Phillipos & Co., (FRN: 002650S), Chartered Accountants, Bengaluru as Statutory Auditors for the year 2017 – 18 by the Comptroller and Auditor General of India be and is hereby approved for a period of one year i.e. from the conclusion of this 20th Annual General Meeting till the conclusion of 21st Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee.”

3. To appoint a Director in place of Shri Subrata Gupta (DIN: 06833844), who retires by rotation and is eligible for reappointment:

“RESOLVED THAT Shri Subrata Gupta (DIN: 06833844), who retired by rotation and being eligible, offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company and is liable to retire by rotation.”

4. To appoint a Director in place of Shri G R Chintala (DIN: 03622371), who retires by rotation and is eligible for reappointment:

“RESOLVED THAT Shri G R Chintala (DIN: 03622371), who retired by rotation and being eligible, offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company and is liable to retire by rotation.”

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5. To declare dividend on equity shares:

“**RESOLVED THAT** a final dividend of ₹0.20 per fully paid-up equity share of ₹10/- each for the financial year 2016-17 be and is hereby approved and declared.”

SPECIAL BUSINESS:

6. Appointment of Prof. Dr. Charan Singh as a Director

To consider and, if thought fit, to pass with or without modifications the following as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Prof. Dr. Charan Singh holding DIN: 07619408, who was appointed as an Additional Director by the Board under Section 149(1) and 161(1) of the Companies Act, 2013 with effect from September 29, 2016 and who holds office up to the date of this Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose the candidature of Prof. Dr. Charan Singh for the office of Director, be and is hereby appointed as a Director of the Company for a term up to two consecutive years with effect from September 26, 2017 on such terms and conditions as approved by the Board and is liable to retire by rotation.

RESOLVED FURTHER that consent of the Members be hereby accorded for entitling Prof. Dr. Charan Singh for the payment of sitting fee of ₹20,000/- per Board Meeting and ₹10,000/- per Committee Meeting together with travelling and incidental expenses, if any, incurred by him in connection with attending the Board or Committee Meeting(s) of the Company respectively including any modifications for time being in force on payment of sitting fees by the Company.

RESOLVED FURTHER that the Managing Director or the Chief Financial Officer of the Company be hereby severally authorized to file the necessary returns with the Registrar of Companies, Karnataka, Bengaluru.”

7. Re-appointment of Smt. Meera Saksena as an Independent Director

To consider and, if thought fit, to pass with or without modifications the following as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and any other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013 Smt. Meera Saksena, an existing

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Independent Director of the Company (*holding DIN: 01866297*) whose term as an Independent Director expired on September 24, 2017, be and is hereby re-appointed as an Independent Director of the Company on such terms and conditions as approved by the Board for a term up to September 30, 2019 from September 26, 2017 and is not liable to retire by rotation.

RESOLVED FURTHER that the Managing Director of the Company be hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution including payment of such sitting fees and other incidental expenses incurred by Smt. Meera Saksena in connection with attending the Board or the Committee meetings, at the rate prevalent from time to time.

RESOLVED FURTHER THAT the Managing Director and / or the Chief Financial Officer of the Company be hereby severally authorized to file the relevant returns with the Registrar of Companies, Karnataka.”

By Order of the Board
For NABARD Financial Services Limited

Place: Bengaluru

Date: August 30, 2017

B S Suran
Managing Director
DIN: 05331558

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies in order to be effective should deposit proxy forms at the Company's registered office not less than 48 hours before commencement of the meeting.
2. The Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of the special business is annexed hereto and forms part of this notice.
3. Shareholders desirous of seeking any clarification on the business to be transacted at the 20th Annual General Meeting are requested to forward such queries to the Registered Office of the Company at least 10 days before the date of the meeting.
4. Dividend for the year ended March 31, 2017 at the rate of 2% per fully paid up equity share of ₹10/- each, if declared at the meeting, will be paid within the statutory time limit

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to the Members, holding shares in physical form, whose names appear on the Register of Members of the Company, at the close of business hours on September 16, 2017 after giving effect to all valid transfers in physical form lodged with the Company as per the provisions of the Act.

5. Shareholders are requested to immediately intimate change in their address if any and their e – mail IDs by writing to the Company at #3072, 14th Cross, K R Road, Banashankari 2nd Stage, Bengaluru – 560070 or e – mail to ho@nabfins.org.

In order to avoid fraudulent encashment of dividend warrants, Members holding shares in physical form are requested to send to the Company, at the above mentioned address, on or before September 16, 2017 the particulars of name and address of bank, branch, IFS Code and particulars of the bank account, under the signature of the Sole/First holder quoting their Folio Number. Members may also avail the Electronic Clearing Service (ECS) for availing the encashment of Dividend amount.

6. This notice of the Annual General Meeting circulated to the Shareholders of the Company will be made available on the Company's website at www.nabfins.org

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

With reference to Item No. 5 (ORDINARY BUSINESS):

Declaration of dividend

On the basis of the financial performance of the Company, the Directors are pleased to recommend for approval of the members the proposed resolution set out at Item No. 5 of the accompanying Notice on declaration of dividend at ₹0.20 per fully paid up equity share of ₹10/- each for the financial year 2016-17. The dividend on equity shares, if approved by the members would involve a cash outflow of ₹3,66,40,900.40 /- (Rupees Three Crore Sixty Six Lakh Forty Thousand Nine Hundred and Forty Piase only) which includes the dividend distribution tax.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri G. R. Chintala, Shri M. I. Ganagi, Dr. B. S. Suran and Shri Vinod Chandrasekharan (being shareholders of single fully paid-up equity shares each) to the extent of their entitlement to the payment of dividend from the Company, are in any way concerned or interested in the said resolution.

With reference to Item No. 6:

Appointment of Prof. Dr. Charan Singh as a Director

Prof. Dr. Charan Singh was appointed as an Additional Director on the Board of the Company with effect from September 29, 2016. He is a holder of post graduate research in Applied Economics (M. Phil) and also a holder of doctorate degree i.e., Ph.D. in Economics from University of New South Wales, Sydney. Prof. Charan Singh has the vast and rich knowledge, experience and expertise in the areas of macro-economics, monetary, fiscal and debt management, internal reserves, financial markets and banking. He has served RBI for over 25 years in various capacities, to name a few – as a researcher in the department of Economic Analysis and Policy Division of international Trade and also in Division of Fiscal Policy during 1984-1991, as an Assistant Advisor between 1990-1997 in RBI's Internal Debt Management Department, as a Director (DGM) during 1997-1999 and Director (GM) in Department of Economic Analysis and Policy Division of Banking and Development, Financial Markets monitoring Unit, Development Research Group etc. during 1999-2009. He had served as a Senior Economist in Independent Evaluation Office, International Monetary Fund, Washington DC for more than three years from August 2009. Since December, 2012, he is serving as RBI Chair Professor of Economics at Indian Institute of Management, Bengaluru.

He has been into publication of various books and working papers in the areas of financial inclusion and social change, housing market in India, debt management etc.

Currently he is engaged in various membership assignments of think tanks / institutions viz., Member, Governing Body, Policy Foundation New Delhi, Member of Research Advisory

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Committee, BIRD, Lucknow, Honorary Fellow of SKOCH Development Foundation and Member of Confederation of Indian Industry, Karnataka State Council since 2015.

Considering his knowledge and experience, the Board appointed Prof. Dr. Charan Singh as an additional Director of the Company. He holds office of the Director till the conclusion of this Annual General Meeting.

The Company has received notice from a member under Section 160 of the Companies Act, 2013 proposing the name of Prof. Dr. Charan Singh for appointment as a Director of the Company at this Annual General Meeting along with the requisite deposit.

Prof. Dr. Charan Singh is eligible for being appointed as Director in terms of Section 164 of the Act and has also submitted his consent to act as a Director of the Company.

The Board of Directors recommends the resolution set out at Item No. 06 for appointment of Prof. Dr. Charan Singh as a Director of the Company.

None of the Directors of the Company or their relatives except Prof. Dr. Charan Singh to the extent of his appointment and entitlement to the payment of sitting fees from the Company is in any way concerned or interested in the said resolution.

With reference to Item No. 7:

Re-appointment of Smt. Meera Saksena as an Independent Director

Considering the skills, experience and knowledge Smt. Meera Saksena possesses in the relevant industry and she being eligible under the provisions of the Companies Act, 2013 to be appointed as an Independent Director, the Shareholders at the 18th Annual General Meeting held on September 25, 2015 appointed her as an Independent Director on the Board of the Company for a term of two years with effect from September 25, 2015. As such the term of Smt. Meera Saksena as an Independent Director of the Company comes to an end on September 24, 2017.

Smt. Meera Saksena has given the declaration to the effect that she meets the criteria of independence and the Directors, on the recommendation of the Nomination & Remuneration Committee, have also noted the same. Further, she has given the declaration that she is not disqualified from being designated as Director in terms of Section 164 of the Companies Act, 2013.

The Board of Directors recommend for approval of the proposed resolution set out at Item No. 07 of the accompanying Notice.

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None of the Directors of the Company and their relatives other than Smt. Meera Saksena to the extent of her appointment and entitlement to the payment of sitting fees from the Company is in any way concerned or interested in the said resolution.

By Order of the Board
For NABARD Financial Services Limited

Place: Bengaluru
Date : August 30, 2017

B S Suran
Managing Director
DIN: 05331558

NABARD FINANCIAL SERVICES LIMITED

Registered Office: # 3072, 14th Cross, K R Road, Banashankari 2nd Stage,
BENGALURU – 560070

Form No. MGT-11

Proxy Form

*[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]*

CIN : U85110KA1997PLC021862
Name of the Company : NABARD FINANCIAL SERVICES LIMITED
Registered Office : # 3072, 14th Cross, K R Road, Banashankari 2nd Stage
BENGALURU – 560 070

Name of the Member (s) :	
Registered address :	
E-mail Id :	
Folio No. / Client ID :	
DP ID :	

I / We, being the member (s) of shares of the above named company,
hereby appoint -

1. Name :.....

Address :

E-mail ID :

Signature : or failing him

2. Name :.....

Address :

E-mail ID :

Signature : or failing him

3. Name :.....

Address :

E-mail ID :

Signature :

As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **20th Annual General Meeting** of the Company, to be held on the **Tuesday**, the **26th day of**

September, 2017, at 3.00pm at No. 3072, 14th Cross, K. R. Road, Banashankari 2nd Stage, Bengaluru – 560 070 and at any adjournment thereof in respect of such resolutions as are indicated below:

Particulars	Voted for	Voted against
Ordinary Business		
1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2017 together with the Report of Directors and Auditors thereon		
2. To authorize the Board of Directors to fix the remuneration payable to M/s. Phillipos & Co., (FRN: 002650S), Chartered Accountants, Bengaluru, the Statutory Auditors appointed by the Comptroller and Auditor General of India for the year 2017 – 18		
3. To appoint a Director in place of Shri Subrata Gupta (DIN: 06833844), who retires by rotation and is eligible for reappointment		
4. To appoint a Director in place of Shri G R Chintala (DIN: 03622371), who retires by rotation and is eligible for reappointment		
5. To declare dividend on equity shares		
Special Business		
6. Appointment of Prof. Dr. Charan Singh as a Director		
7. Re-appointment of Smt. Meera Saksena as an Independent Director		

Signed thisday of20.....

Signature of the Shareholder:

Signature of proxy-holder(s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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Registered Office: # 3072, 14th Cross, K R Road, Banashankari 2nd Stage,
BENGALURU – 560070

ATTENDANCE SLIP

CIN : U85110KA1997PLC021862
Name of the Company : NABARD FINANCIAL SERVICES LIMITED
Registered Office : # 3072, 14th Cross, K R Road, Banashankari 2nd Stage
BENGALURU – 560 070

Please complete this attendance slip and hand it over at the entrance of the venue of the Meeting

I hereby record my presence at the 20th Annual General Meeting of the Company held on **26th day of September, 2017** at **3.00pm**, at the Registered Office of the Company.

Name of the shareholder / proxy*
(in block letters)

Signature of the shareholder / proxy*
(in block letters)

Reference Folio no

Notes:

1. * Strike out whichever is not applicable.
2. Please bring your copy of Annual Report to the Meeting