



Annual Report 2020-21

**National Bank for Agriculture and Rural Development
(NABARD)**

Chapter 1: NABARD at a GLANCE

1.1 Financial Data

1.1.1 Sources of Funds

Particulars	31 st March 2021 (₹ crore)	31 st March 2020 (₹ crore)	Net accretion
Capital	15,080	14,080	1,000
Reserves & Surplus	39,269	34,951	4,318
National Rural Credit (Long-Term Operations) Fund	14,497	14,495	2
National Rural Credit (Stabilisation) Fund	1,597	1,595	2
Deposits (Tea/Coffee/Rubber)	64	61	3
Bonds & Debentures	1,95,882	1,39,752	56,130
Borrowings Jawaharlal Nehru National Solar Mission (JNNSM)	3	3	0
Foreign Currency Loan	960	1,052	-92
Commercial Paper	42,457	24,036	18,421
Statutory Liquidity Facility from Reserve Bank of India	24,567	0	24,567
Collateralised Borrowing and Lending Obligation (CBLO)	12,044	6,225	5,819
Certificate of Deposits	11,590	21,145	-9,555
Term Loan from Banks	26,435	7,000	19,435
Term Money Borrowing	3,602	7,210	-3,608
Repo Account	0	0	0
Rural Infrastructure Development Fund (RIDF) Deposits	1,36,227	1,30,442	5,785
Short Term Cooperative Rural Credit Fund	44,644	44,787	-143
Short Term Regional Rural Bank Credit Refinance Fund	9,921	9,953	-32
Warehouse Infrastructure Fund (WIF)	5,540	5,940	-400
Food Processing Fund	350	350	0
Long Term Rural Credit Fund	44,826	44,930	-104
Other Liabilities	18,386	15,600	2,786
Other Funds	9,857	8,468	1,389
TOTAL	6,57,798	5,32,075	1,25,723

1.1.2 Uses of Funds

Particulars	2021 (₹ crore)	2020 (₹ crore)	Net accretion
Cash and Bank Balances	4,408	11,997	-7,589
CBLO/Tri-party Repo	0	0	0
Investments in: Government Securities	38,435	23,248	15,187
Other Approved Securities	0	0	0
Equity Shares	1,110	1,114	-4
Debentures and Bonds	1,475	2,246	-771
Shareholding in Subsidiaries & Joint Ventures	480	415	65
Others	3,295	5,865	-2,570
Sub Total	44,795	32,888	11,907
Loans & Advances: Production & Marketing Credit	1,06,372	68,693	37,679
Conversion Loans for Production Credit	15	92	-77
Medium Term and Long-Term Project Loans	1,98,800	1,65,980	32,820
Direct Refinance to District Central Cooperative Banks	4,567	3,026	1,541
Loans under RIDF	1,32,724	1,25,647	7,077
Loans under WIF	5,155	5,165	-10
Long Term Non-Project Loans	59	63	-4
Loans under NABARD Infrastructure Development Assistance	17,999	11,751	6,248
Loans under Producers' Organisation Development Fund	38	83	-45
Credit Facility to Federations	20,038	12,123	7,915
Loans under Food Processing Fund	293	279	14
Loans under Long Term Irrigation Fund	51,713	44,687	7,026
Pradhan Mantri Awaas Yojana – Gramin	48,819	28,819	20,000
Special Development Debentures of SCARDBs*	710	1,118	-408
Other Loans (including JNN SM)	103	337	-234
Loans under Micro-Irrigation Fund	1,827	0	1,827
Loans under Fisheries and Aquaculture Infrastructure Development Fund	194	0	194
Swachh Bharat Mission – Gramin	12,298	12,298	0
Dairy Processing and Infrastructure Development Fund	956	1,010	-54
Green Climate Fund	320	344	-24
Sub Total	6,03,000	4,81,515	1,21,485
Fixed Assets	566	530	36
Other Assets	5,029	5,145	-116
TOTAL	6,57,798	5,32,075	1,25,723

* amount subscribed to Special Development Debentures of State Cooperative Agriculture and Rural Development Banks (SCARDBs) which are in the nature of deemed advances.

1.2 Financial support by NABARD

1.2.1 Refinance – Short term credit (maximum outstanding)

Particulars	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
ST-SAO, StCB	44,787	44,643
ST-SAO, RRB	9,953	9,730
ST-OSAO, StCB	7,281	8,921
ST-OSAO, RRB	690	2,812
Additional ST-SAO, StCB	31,270	30,781
Additional ST-SAO, RRB	6,403	10,577

1.2.2 Refinance – Investment credit (disbursements)

Particulars	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Agriculture and allied activities	17,127	18,124
Non-farm sector	29,634	48,344
Self-help groups	25,256	24,032
Rural housing	6,163	2,286

Note: RRB = Regional Rural Bank; StCB = State Cooperative Bank; ST-SAO = Short-Term Credit for Seasonal Agricultural Operations; ST-OSAO = Short-Term Credit for Purposes Other than Seasonal Agricultural Operations.

1.2.3 Credit Support

Particulars	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)	Cumulative Disbursement (as on 31 March 2021) (₹ crore)	Loan Outstanding (as on 31 March 2021) (₹ crore)
Rural Infrastructure Development Fund	26,266	29,193	3,23,677	1,32,724
Long Term Irrigation Fund	10,470	7,761	52,480	51,713
Pradhan Mantri Awaas Yojana–Gramin	10,811	20,000	48,819	48,819
Warehouse Infrastructure Fund	844	909	7,621	5,155
Food Processing Fund	43	53	409	293
NABARD Infrastructure Development Assistance	3,727	7,506	22,800	17,999
Direct refinance assistance to cooperative banks	9,200	7,373	49,823	4567
Credit facility to federations	37,207	47,853	173,350	20,038
Producer organisations including PACS as MSCs (loan+grant)	3	4	769	37.55
UPNRM (Loan) Phase I & II	0.67	0.95	544.72	118.18
Dairy Processing Infrastructure & Development Fund	670	121	1,231	956
Swachh Bharat Mission – Gramin	3,600	0	12,298	12,298

Note: MSC = Multi-Service Centre; PACS = Primary Agricultural Credit Societies; UPNRM = Umbrella Programme for Natural Resource Management.

1.2.4 Development initiatives

Particulars	FY 2018-19	FY 2019-20	FY 2020-21
Watershed development projects (no.)	69	83	65
- Area (ha)	51,559	37,935	65,195
- Families benefitted (no.)	20,700	33,200	26,585
Spring-shed development projects (no.)	27	17	17
- Area (ha)	6,841	8,683	6,018
- Families benefitted (no.)	4,050	850	884
Projects under Tribal Development Fund (no.)	36	46	51

- Area (acre)	11,879	17,199	16,362
- Families benefitted (no.)	13,359	19,306	19,801

1.3 Good performance by the allied sector

The allied sector, including livestock and fisheries, has shown strong growth, with the livestock sector growing at an 8.2% compound annual growth rate (CAGR) between FY2014-15 and FY2018-19.

During this period, the livestock sector increased its contribution to the Gross Value Added (GVA) from agriculture and allied sectors, rising from 24.3% to 28.6%. By FY2018-19, the sector's contribution to total GVA was 4.2%.

India also achieved significant fish production in FY2019-20, producing 14.2 million tonnes, the second-highest globally, accounting for 7.6% of global production. The sector contributed 1.2% to total GVA and 7.3% to agricultural GVA. India exported 1.3 million tonnes of marine produce in FY2019-20, valued at ₹46,662 crore.

The fisheries sector supports the socio-economic development of over 28 million Indians, predominantly from marginalized communities who rely on it for their livelihood.

Initiatives for the allied sector under the Aatma Nirbhar Bharat Abhiyan

Scheme	Animal Husbandry Infrastructure Development Fund	Pradhan Mantri Matsya Sampada Yojana (PMMSY)
Fund Size	₹15,000 crore	₹20,050 crore Composition : Central Share : ₹9,407 crore State Share : ₹4,880 crore Beneficiary Contribution : ₹5,763 crore
Aim	- To incentivize investments by: <ul style="list-style-type: none">individual entrepreneursprivate companies including MSMEsFPOs	- To enhance fish production to 220 lakh tonnes by FY2024-25 at an average annual growth rate of about 9%. - To increase aquaculture productivity from 3 tonnes per hectare to 5 tonnes per hectare.
Outcome	- To establish: <ul style="list-style-type: none">dairy processing and value addition infrastructuremeat processing and value addition infrastructureanimal feed plants	- Expected to double export earnings to ₹1 lakh crore. - Generate about 55 lakh direct and indirect employment opportunities in fisheries between FY 2020-21 and FY2024-25.
Government Incentives	The Government of India will provide a 3% interest subvention to eligible beneficiaries. It will also set up a Credit Guarantee Fund of ₹750 crore to be managed by NABARD.	PMMSY intends to enhance domestic fish consumption and attract investments into fisheries from other sources. Insurance coverage for fishing vessels is being introduced for the first time under PMMSY.

1.4 Double digit growth of agricultural credit

NABARD's loans and advances grew by 25.2%, with half allocated to production and investments and a third to infrastructure development. These efforts are expected to maintain strong credit offtake in agriculture and the rural sector in the coming years.

Response of the Reserve Bank of India to the pandemic

Conventional Measures	Unconventional Measures
- Reduction in the policy repo rate by 115 bps	- Extended lending or term funding operations including liquidity support through refinance
- Reduction in the cash reserve ratio by 100 bps	- Asset purchase programmes including operation twists
	- Forward guidance

1.5 Moving ahead with hope

NABARD remained fully operational throughout FY 2020-21, adapting to the challenges and supporting the agriculture and rural sectors. The organization took a pragmatic approach to the issues faced by grassroots credit and non-credit institutions, enhancing grant-based interventions and easing eligibility norms for financial intermediaries like cooperatives and regional rural banks.

This approach broadened and deepened NABARD's refinance activities. Despite physical constraints, NABARD leveraged technology to scale up its interventions, facilitating productive engagements with state governments and continuing its commitment to advancing rural India.

1.6 Appendix to CHAPTER 1

NABARD's Response to the COVID-19 Pandemic

The COVID-19 pandemic brought immense human suffering and global economic disruption. Despite the crisis's severity, humanity has historically demonstrated resilience. In India, the government responded with timely health interventions and economic relief, such as the Pradhan Mantri Garib Kalyan Anna Yojana and recovery packages like AatmaNirbhar Bharat 2.0 and 3.0 to support medium and long-term recovery.

Effective disaster response requires adaptive, phased, and calibrated actions, leveraging existing institutions. NABARD faced challenges such as disrupted communication, movement restrictions, and funding issues, worsened by limited digital penetration. Rural communities were hit hard by inadequate health infrastructure, job losses, reverse migration, land pressure, disrupted supply chains, and reduced incomes, impacting their repayment capacity.

In response, communities used technology and communication tools to mobilize resources, and institutions like SHGs and farmers' producer organizations took proactive roles. NABARD's district managers and regional offices coordinated efforts to ensure that these institutions continued providing essentials. NABARD also contributed ₹9 crore to the PMCAES Fund and implemented a multi-faceted pandemic response.

Loan-related Policy Liberalization:

- Special Liquidity Fund and Additional Special Liquidity Fund extended by the RBI allowed NABARD to improve the financial health of rural financial institutions (RFIs) by liberalizing its refinance policy.
- Deferred principal and interest payments of ₹8.38 crore under the Food Processing Fund (FPF) to ease debt servicing and ensure business continuity.
- Borrowers under FPF were given an 18 to 24-month extension for principal repayment with moratorium options, along with funded-interest term loans to service accumulated interest.

Capacity Building and Credit Support:

- NABARD converted primary agricultural credit societies into multi-service centers, provided support for agriculture infrastructure, and extended refinance for water, sanitation, and hygiene projects.

- In response to reverse migration, allocations were increased to provide skill development opportunities for re-employment in rural areas, especially in severely affected districts. This led to 744 micro-enterprise development programs, 500 livelihood and enterprise development programs, and capacity-building programs in states such as Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh, and West Bengal.

Investing in preparedness

Infrastructure

Well-developed infrastructure provides the bulwark for minimising adverse effects of a disaster such as the pandemic. NABARD's infrastructure development initiatives to enable state governments to ensure good road connectivity, access to health and social facilities, potable drinking water, hygiene, and sanitation, etc.

Financial inclusion

- The NABARD supported banks for on-boarding to Bharat Bill Payment System platform for providing online utility payment services to their rural customers.
- Technology-based doorstep banking was extended by 148 mobile demo vans [under Financial Inclusion Fund (FIF)], benefitting more than 3.5 lakh people in rural areas.
- NABARD also facilitated the implementation of the Pradhan Mantri Garib Kalyan Yojana that provides direct cash transfer to Jan Dhan accounts of 10.7 lakh women in 108 rural cooperative banks.
- NABARD urged regional rural banks to treat banking correspondents, who faced hardships during the pandemic, with compassion and provide them with healthcare support, insurance cover, and performance-based remuneration for three months.

Awareness generation

NABARD introduced several new schemes and programs to increase digital outreach and financial service access in rural areas, aiming to reduce crowding at bank branches. Key initiatives included:

- Creation of 14 educational movies in regional languages to promote digital banking via mobile demo vans, micro-ATMs, and POS devices.
- Development of micro-modules using gamification to enhance learning about various Financial Inclusion Fund (FIF) schemes. These modules are accessible anytime, anywhere via mobile platforms.
- Use of the E-Shakti portal to send 40 lakh health advisory text messages to Self-Help Group (SHG) members.
- Launch of a dedicated COVID-19 advisory page on NABARD's website, along with various communication products, including an animation film on 'Safe Banking' during the pandemic and a film and booklet on NABARD's pandemic-response interventions.

Chapter 2: BUILDING RURAL INDIA THROUGH INFRASTRUCTURE DEVELOPMENT

2.1 Regional spread of infrastructure

NABARD uses low RII as a criterion for allocating a higher corpus from the Rural Infrastructure Development Fund (RIDF) annually. States with a high RII in irrigation, such as Punjab, Haryana, West Bengal, and Uttar Pradesh, are also major foodgrain producers with extensive irrigation coverage.

Conversely, large states with low RII in irrigation, like Odisha, Maharashtra, and Chhattisgarh, are among the top recipients of RIDF loans for irrigation. There is a need to prioritize investment in irrigation in the North Eastern states, which rank among the lowest in RII for irrigation.

In terms of agriculture and allied activities, states like Bihar, Uttarakhand, Goa, and the North Eastern states have a low RII (less than 0.1), necessitating greater investment in agricultural infrastructure. Additionally, road connectivity in many Himalayan and North Eastern states, as well as populous states like Andhra Pradesh, Uttar Pradesh, Madhya Pradesh, Rajasthan, and Gujarat, scores poorly on the RII, with values less than 0.2. Lastly, big states such as Jharkhand, Odisha, Madhya Pradesh, Uttar Pradesh, Andhra Pradesh, Rajasthan, Tamil Nadu, West Bengal, Chhattisgarh, and Bihar, have low RII (below 0.5) in social infrastructure, calling for urgent investment and development efforts.

Rural Infrastructure Index by state: Best and worst performers

A. Best performers

Rural Infrastructure Index	Kerala (0.521)	Punjab (0.516)	Puducherry (0.514)	Goa (0.494)	Haryana (0.462)
Irrigation	Punjab (1.000)	Haryana (0.915)	Puducherry (0.755)	West Bengal (0.729)	Uttar Pradesh (0.702)
Agriculture and allied activities	Andhra Pradesh (0.287)	Telangana (0.235)	Maharashtra (0.221)	Tamil Nadu (0.210)	Karnataka (0.209)
Road connectivity	Puducherry (1.000)	Kerala (0.956)	Assam (0.760)	Goa (0.743)	Tripura (0.636)
Drinking water, sanitation, and housing	Sikkim (0.973)	Haryana (0.868)	Goa (0.864)	Punjab (0.862)	Uttarakhand (0.800)

B. Worst performers

Rural Infrastructure Index	Jharkhand (0.120)	Manipur (0.187)	Arunachal Pradesh (0.215)	Meghalaya (0.227)	Odisha (0.233)
Irrigation	Manipur (0.034)	Mizoram (0.067)	Assam (0.068)	Jharkhand (0.111)	Sikkim (0.124)
Agriculture and allied activities	Sikkim (0.004)	Arunachal Pradesh (0.013)	Nagaland (0.017)	Meghalaya (0.019)	Manipur (0.031)
Road connectivity	Jammu and Kashmir (0.002)	Arunachal Pradesh (0.013)	Mizoram (0.022)	Chhattisgarh (0.044)	Haryana (0.051)
Drinking water, sanitation, and housing	Jharkhand (0.047)	Odisha (0.048)	Tripura (0.148)	Madhya Pradesh (0.184)	Uttar Pradesh (0.198)

2.2 NABARD's contribution to rural infrastructure

As of 31 March 2021, NABARD has played a significant role in enhancing rural infrastructure through its various funding programs. The Rural Infrastructure Development Fund (RIDF) projects created/restored 349.3 lakh hectares of irrigation potential, 4.9 lakh km of rural roads, and 12.3 lakh meters of rural bridges, generating around ₹2,000 crore person-days of employment.

Under the LongTerm Irrigation Fund (LTIF), cumulative loans sanctioned and released amounted to ₹84,326.6 crore and ₹52,479.7 crore, respectively, with the goal of increasing irrigation potential from 41.4 lakh hectares in 2016 to 76 lakh hectares. By 31 March 2020, an incremental 21.3 lakh hectares were achieved, bringing the total to 62.7 lakh hectares.

Cumulative sanctions under RIDF, LTIF, and NABARD Infrastructure Development Assistance (NIDA) reached ₹2,34,195.5 crore, creating a total irrigation potential of 381.2 lakh hectares. NIDA, launched in FY2010-11, provides flexible financing for rural infrastructure projects, with cumulative sanctions of ₹57,724.3 crore.

The Warehouse Infrastructure Fund, aimed at post-production agriculture, sanctioned ₹9,728 crore with ₹7,620.7 crore disbursed, supporting a designed capacity of 12.7 million tonnes for better inventory management and price discovery for farmers.

Cumulative sanctions, share, and growth by sector under Rural Infrastructure Development Fund (I-XXVI) as on 31 March 2021

Category	Irrigation	Agri-related	Connectivity	Social sector
Cumulative Sanctions (₹ crore)	1,25,044	45,486	1,47,210	72,823
Share (%)	32%	11.7%	37.7%	18.6%
CAGR (%)	11.4%	14.3%	9.5%	12.5%
Average Annual Growth (%)	10.8%	29.6%	10.8%	17.9%
Top 10 States	GJ, MP, UP, OD, MH, AP, CH, RJ, TN, WB	WB, UP, OD, TN, KL, AP, RJ, AS, BH, GJ	BH, JH, OD, UP, TN, WB, RJ, AP, KN, AS	RJ, TN, AP, GJ, TL, KN, MP, KL, OD, HR

Total Sanctions ₹4,09,063 crore (including ₹18,500 crore under Bharat Nirman)

Notes: AP = Andhra Pradesh; AS = Assam; BH = Bihar; CAGR = Compounded Annual Growth Rate; CH = Chhattisgarh; GJ = Gujarat; HR = Haryana; JH = Jharkhand; KL = Kerala; KN = Karnataka; MH = Maharashtra; MP = Madhya Pradesh; OD = Odisha; RJ = Rajasthan; TL = Telangana; TN = Tamil Nadu; UP = Uttar Pradesh; WB = West Bengal

Summary of RIDF, LTIF, and NIDA Projects and Funding as on 31 March 2021

RIDF Projects Benefits

- Irrigation Potential: 349.3 lakh hectares created/restored
- Rural Road Length: 4.9 lakh kilometers constructed
- Rural Bridges: 12.3 lakh meters constructed
- Employment: ₹2,000 crore person-days of non-recurring employment generated

Long Term Irrigation Fund (LTIF)

- Cumulative Loans Sanctioned: ₹84,326.6 crore
- Cumulative Loans Released: ₹52,479.7 crore
- Irrigation Potential: Increased from 41.4 lakh hectares (as of 31 March 2016) to 62.7 lakh hectares (as of 31 March 2020), with a target of 76 lakh hectares.

Cumulative Sanctions under RIDF, LTIF, and NIDA

- Total Cumulative Sanctions: ₹2,34,195.5 crore
- Total Irrigation Potential Created: 381.2 lakh hectares

NABARD Infrastructure Development Assistance (NIDA)

- Cumulative Sanctions: ₹57,724.3 crore

Warehouse Infrastructure Fund

- Cumulative Sanctions: ₹9,728 crore
- Cumulative Disbursements: ₹7,620.7 crore
- Total Designed Capacity: 12.7 million tonnes

Cumulative sanctions and irrigation potential under various NABARD funds for rural infrastructure as on 31 March 2021

Fund	Sanctions (₹ crore)	Irrigation Potential (lakh hectare)
Rural Infrastructure Development Fund (RIDF)	1,25,043.9	349.3
Long Term Irrigation Fund (LTIF)	84,326.6	21.3
NABARD Infrastructure Development Assistance (NIDA)	24,825	10.6

Status of Warehouse Infrastructure Fund in top states as on 31 March 2021

State	Total designed capacity (million tonne)	Total sanctions (₹ crore)	Total disbursements (₹ crore)
Tamil Nadu	1.8	2,520.9	2,088.4
Karnataka	1.3	1,700.5	1,366.2
Telangana	1.8	951.7	852.3
Total (all states)	12.3	9,575.4	7,484.0
Loans to other agencies	0.4	152.7	136.7
Grand Total	12.7	9,728.0	7,620.7

2.3 Financing rural infrastructure

The infrastructure spending gap in low and middle-income countries is estimated at \$1 trillion, with domestic revenues insufficient to bridge this. Multilateral development banks and DFIs have supported such economies for decades. China, an exception, has successfully managed this gap.

India, with a GDP far lower than China's, aims to close its infrastructure gap through the National Infrastructure Pipeline (NIP), targeting FY 2018-19 – FY2024-25. The NIP plans significant spending to boost rural infrastructure with key financing sources including:

- 1. Union Budget:** Over ₹15,000 crore for rural infrastructure between FY 2017-18 and FY 2021-22.
- 2. State Budgets:** ₹5.1 lakh crore in rural infrastructure capital expenditure by 18 major states between FY 2016-17 and FY 2020-21.
- 3. Extra-budgetary Resources:** ₹1.4 lakh crore raised through serviced bonds issued by the central government.
- 4. Bank Loans:** Favorable terms for priority sectors like agriculture and renewable energy.
- 5. Private Investments:**
 - Public-private partnerships for warehousing.
 - Viability gap funding (VGF) scheme extended till FY2024-25.
- 6. Innovative Financing:**
 - Asset monetization through the National Monetization Pipeline.
 - Takeout Finance Scheme by India Infrastructure Finance Company Ltd.
 - Pension and insurance funds interested in infrastructure investments.
- 7. NaBFID:** Envisioned as a DFI to finance large infrastructure projects in sectors like power, ports, airports, and potentially rural infrastructure.

These financing mechanisms are aimed at supporting India's goal to become a \$5 trillion economy by FY2024-25.

2.4 Outlook for infrastructure for a \$5 trillion economy

Post-pandemic recovery for India requires strategic investments in rural infrastructure to return the economy to its long-term growth path. Key areas of focus include:

- **Post-harvest Infrastructure:** Investment in storage, cold chains, food parks, logistics, and market infrastructure near farm gates, expanding e-NAMs, and accrediting warehouses.
- **Irrigation:** Expanding irrigation under the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) and increasing micro-irrigation investments.
- **Rural Connectivity:** Increasing investment in roads, bridges, and digital infrastructure by the government, NABARD, and the private sector.
- **Renewable Energy:** Developing solar and wind energy projects in rural areas to achieve net-zero emissions.
- **Climate Resilience:** Ensuring that new and existing infrastructure is disaster-resilient.
- **Social Infrastructure:** Promoting investments in education, healthcare, and other social sectors through government and corporate CSR funds.
- **Financing Mechanisms:** Utilizing increased central and state budgetary allocations, extra-budgetary resources, and financing from NABARD through RIDF, NIDA, and other funding mechanisms like NaBFID, VGF, and PPPs.

These measures are crucial for reviving the rural economy, enhancing efficiency, and driving competitiveness. They also aim to help achieve the \$5 trillion economy and \$1 trillion rural economy goals by FY2024-25 and meet the SDGs by 2030.

Financing infrastructure by multilateral and regional institutions

- Multilateral Development Banks
 - World Bank
 - International Monetary Fund
 - European Bank for Reconstruction and Development
 - Asian Development Bank
 - Inter-American Development Bank
 - African Development Bank
- Other International Funding Institutions
 - Asian Infrastructure Investment Bank
 - ASEAN Infrastructure Fund focusing on emerging market economies in Asia
 - New Development Bank, promoted by Brazil, Russia, India, China, and South Africa (the BRICS nations)

Bridging the infrastructure spending gap (~\$1 trillion) of developing countries for over 75 years

Capital expenditure on select central sector schemes for development of rural infrastructure

Department of Food & Public Distribution, Storage & Godowns

Particulars	(₹ Crore)				
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21 (RE)	FY 2021-22 (BE)
Expenditure	23.5	63	49	40	55.2

Ministry of Development of North East Region

Particulars	(₹ Crore)				
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21 (RE)	FY 2021-22 (BE)
Schemes of North East Council	24.8	9.2	25	13.8	420
Central pool of resources for the North East and Sikkim	160.5	76.3	197	144.6	176.5
North East Road Sector Development Scheme	12	1	355.8	130	374

Department of Economic Affairs

Financial Year	National Investment & Infrastructure Fund (₹ crore)	Viability Gap Funding (₹ crore)
FY2017-18	0.4	56.3
FY2018-19	1,196.30	5.8
FY2019-20	2,000.00	0
FY2020-21 (RE)	4,750.00	10
FY2021-22 (BE)	5,010.00	10

CAGR for National Investment & Infrastructure Fund : 678.1%

CAGR for Viability Gap Funding : -30.2%

Department of Water Resources, River Development & Ganga Rejuvenation

Financial Year	River Basin Management (₹ crore)	River Development and National Water Mission (₹ crore)	Infrastructure Development (₹ crore)
FY2017-18	0.1	4.9	40.6
FY2018-19	0.1	5.9	46.1
FY2019-20	0.5	8.6	35.8
FY2020-21 (RE)	0.1	3.2	10.3
FY2021-22 (BE)	0.6	6.9	18.7

CAGR for River Basin Management: 46.3%

CAGR for River Development and National Water Mission: 0.3%

CAGR for Infrastructure Development: -26.3%

Green Revolution

Financial Year	Green Revolution (₹ crore)
FY2017-18	15.5
FY2018-19	9.9
FY2019-20	13.7
FY2020-21 (RE)	59.3
FY2021-22 (BE)	56

CAGR for Green Revolution: 54.6%

Jal Jeevan Mission/ National Rural Drinking Water Mission

Financial Year	Value (₹ crore)
FY2017-18	0
FY2018-19	0
FY2019-20	15.6
FY2020-21 (RE)	0.1
FY2021-22 (BE)	0.3

Pradhan Mantri Krishi Sinchayee Yojana

Financial Year	Pradhan Mantri Krishi Sinchayee Yojana (₹ crore)
FY2017-18	0.7
FY2018-19	0.3
FY2019-20	0.4
FY2020-21 (RE)	1.3
FY2021-22 (BE)	2.8

CAGR for Pradhan Mantri Krishi Sinchayee Yojana: 50.1%

Notes: 1. BE=Budget Estimate; CAGR = Compounded Annual Growth Rate; RE = Revised Estimates. 2. CAGR calculated for the period FY2017-18 – FY2021-22. Sources: Expenditure Profile, Union Budget Documents for FY2019-20, FY2020-21, and FY2021-22, Ministry of Finance, Government of India.

National Monetisation Pipeline

(announced in the Union Budget FY2022)

NHAI and PGCIL

- Asset monetisation of operational roads (₹5,000 crore)
- Asset monetisation of transmission assets (₹7,000 crore)

Other core future infrastructure

- NHAI operational toll roads
- Transmission assets of PGCIL
- Oil and gas pipelines of GAIL, IOCL, and HPCL
- AAI airports in Tier II and III cities
- Other railway infrastructure assets
- Warehousing assets of CPSEs such as Central Warehousing Corporation and NAFED, among others
- Sports stadiums

Notes: AAI = Airports Authority of India; CPSE = Central Public Sector Enterprises; HPCL = Hindustan Petroleum Corporation Limited; IOCL = Indian Oil Corporation Limited; NAFED = National Agricultural Cooperative Marketing Federation of India; NHAI = National Highways Authority of India; PGCIL = Power Grid Corporation of India Limited. Source: Union Budget FY 2021-22, Ministry of Finance, Government of India.

Government of India schemes for rural infrastructure

Scheme	Nodal Ministry	Total fund allocation/outlay (₹ crore)	Highlights
Pradhan Mantri Awaas Yojana–Gramin, 2016	Ministry of Rural Development	2,72,672.5	- Housing for All by 2022 - Target 2.2 crore houses - Sanctioned: 2 crore - Completed: 1.4 crore
Pradhan Mantri Gram Sadak Yojana, 2000	Ministry of Rural Development	2,90,774.8 60:40 sharing by centre and state (90:10 in special category states)	- Total road length completed: 6.6 lakh km - PMGSY-III target: 1.3 lakh km - Connectivity to GRAMs, schools, hospitals
S.P. Mukherjee Rurban Mission, 2016	Ministry of Rural Development	27,844.05	- Develop 300 Rurban clusters in 35 states and UTs

		70% through central and state government schemes, 30% critical gap funding by nodal ministry	
Swachh Bharat Mission –Gramin, 2014	Ministry of Jal Shakti	Phase II: 1,40,881	- 6.03 lakh ODF villages
			- ODF across 711 districts, 35 states and UTs
Jal Jeevan Mission, 2019	Ministry of Jal Shakti	3,60,000	- 15.7 crore (83%) rural HHs to be provided functional tap water connection by 2024
Pradhan Mantri Kisan Sampada Yojana, 2017	Ministry of Food Processing Industries	6,000	- Mega food park
			- Integrated cold chain
			- Operation Greens
Deen Dayal Upadhyaya Gram Jyoti Yojana, 2015	Ministry of Power	75,893	- Universal household electrification
		States are provided grant up to 75% (90% for special category states)	- Separation of agricultural/non-agricultural feeders
			- All census villages and all HH electrified
Pradhan Mantri Sahaj Bijli Har Ghar Yojana – Saubhagya, 2017	Ministry of Power	16,320	Universal HH electrification as on 31 March 2019.
		States are provided grant up to 75% (90% for special category states)	- 2.63 crore HH electrified

Notes: GrAM = Gramin Agricultural Market; HH= Household; ODF = Open Defecation Free; PMGSY = Pradhan Mantri Gram Sadak Yojana; UT = Union Territory. Sources: Ministry of Rural Development, Ministry of Jal Shakti, and Ministry of Food Processing Industries, Government of India.

Chapter 3: TOWARDS SUSTAINABILITY: CLIMATE ACTION AND NATURAL RESOURCES MANAGEMENT

3.1 Climate change initiatives for sustainability

NABARD has been instrumental in implementing climate solutions as the National Implementing Entity (NIE) for the Adaptation Fund under the UN Framework Conventions on Climate Change, the National Adaptation Fund for Climate Change (NAFCC) of the Government of India, and as a Direct Access Entity to the Green Climate Fund.

It aligns its efforts with the National and State Action Plans for Climate Change to address challenges, prioritize vulnerable areas, and develop climate action strategies. Currently, 40 climate change projects with a total financial outlay of ₹1,822 crore are underway. NAFCC-supported projects in 130 districts across 25 states and 2 Union Territories focus on helping vulnerable communities adapt to climate change by engaging them in natural resource protection, water resource revival, and promoting climate-resilient farming practices.

Midterm evaluations of NABARD's AF-supported projects highlight the significance of localizing interventions, including women in decision-making, and ensuring regular monitoring for successful climate actions. Additionally, NABARD utilized ₹97.2 lakh from the Climate Change Fund to co-sponsor the World Sustainable Development Summit 2021, install customized automated weather stations in Nagaland, and support online training on climate finance by the Bankers Institute of Rural Development, Lucknow during FY 2020-21.

Overview of climate change initiatives by fund type

Fund Type	No. of Projects	Total Sanctions (₹ crore)	Released in FY 2020-21 (₹ crore)	Released till 31 March 2021 (₹ crore)
Adaptation Fund	8	60.9	6.3	42.7
NAFCC	30	847.5	118.7	454.0
GCF	2	913.6	10.1	371.8
Total	40	1,822.0	135.1	868.5

3.2 Watershed development

NABARD has been involved in watershed development since 1992, beginning with the Indo-German Watershed Development Programme in Maharashtra. In FY2019-20, the Government of India established the Watershed Development Fund (WDF) in NABARD with a corpus of ₹200 crore. Initially, the focus was on expanding coverage, but in recent years, the emphasis has shifted to sustainable development, climate proofing, and soil restoration.

NABARD has also launched a springshed development programme to rejuvenate springs in Himalayan and hill areas. The organization has leveraged geospatial technology for enhanced outcomes in watershed programmes, utilizing the NABARD-Bhuvan web portal, a mobile app, and the Remote Sensing Cell (RSC) for web-based monitoring and evaluation of projects. As of 31 March 2021, the RSC is hosting 39 ongoing projects under WDF on the NABARD-Bhuvan portal.

Midterm evaluation of NABARD projects supported by the Adaptation Fund

NABARD evaluated four projects

The projects were implemented carefully, executed well, and are being continuously evaluated, monitored, and modified in response to feedback from beneficiaries.

Project Aims

- These projects addressed adaptation requirements of marginalized people critically impacted by climate change.
- Vulnerable coastal inhabitants and small and marginal farmers living in ecologically sensitive areas, semi-arid areas, and highly vulnerable hilly regions.

Thrust Areas

- Information dissemination
- Training and mainstreaming of women
- Nature-based adaptation strategies like mangrove plantation to protect against storms and erosion

- Sustainable aquaculture
- Organic manure-based natural farming
- Nutri-gardens
- Low-cost mini-polyhouses
- Forest restoration
- Additional income sources from livestock rearing
- Fodder grass
- Water-enhancing and conservation interventions like farm ponds, farm bunds, check dams, sprinklers
- Weather advisories in local languages

Lessons Learnt

- Localized interventions fetched the best results.
- Nature-based interventions were low risk and sustainable.
- Including women in decision-making and risk-sharing ensured success.
- Co-ownership of project interventions by beneficiary households through cost sharing motivated beneficiaries, lending stability to interventions.
- Regular monitoring and evaluation led to successful execution of the projects.

Utilisation of Watershed Development Fund (cumulative till 31 March 2021)

Category	Details
Total sanctioned watershed projects	3,401
Completed projects	1,914 (56%)
Ongoing projects	1,487 (44%)
Total grant sanctioned	₹2,389.5 crore
Grant released	₹1,902.5 crore (80%)
Area covered by completed projects	23.4 lakh hectares

Participatory Watershed Development Programme

Category	Details
Total projects	1,824
Completed projects	1,087 (59%)
Ongoing projects	451 (25%) in 20 states
Prematurely closed projects	286 (16%)
Total grant sanctioned	₹1,694.4 crore
Grant released in FY 2020-21	₹52.6 crore
Total grant released	₹1,641.8 crore (97%)
Area covered by completed projects	14 lakh hectares

Sustainable development plans (SDPs) for watershed projects

NABARD introduced SDPs recognising the needs of watersheds in the post development phase, such as

- technology transfer
- agriculture extension

- credit intensification
- integrated pest and nutrient management
- promotion of FPOs.

Status as of 31 March 2021:

SDPs sanctioned : 466
Total Grant : ₹46.7 Crore
Total Grant released : ₹42.3 Crore

Climate-proofing of watershed projects

Project Aim

To reduce vulnerability of watershed communities to climate change impacts on production, productivity, and livelihoods.

Project interventions

- Additional soil and water conservation in hot spot areas
- Soil fertility and productivity enhancement
- Promotion of sustainable farming practices
- Risk mitigation and knowledge management

Status as of 31 March 2021:

Projects sanctioned : 182
Total Grant : ₹90.80 Crore
Total Grant released : ₹61.6 Crore

Overview of the Soil Restoration and Rehabilitation Project under KfW

Phase	States Covered	Total Grant	Disbursed	No. of Projects
Phase I	Karnataka, Telangana, Andhra Pradesh, Odisha, Chhattisgarh	€10 million (₹70 crore)	₹65.5 crore	123 projects under WDF
Phase II 2019-2022	Kerala (43 projects), Jharkhand (12 projects)	€5 million (₹35 crore)	₹17.7 crore	55 ongoing projects
Phase III Initiated in 2020	Bihar (10 projects), Maharashtra (13 projects), Tamil Nadu (25 projects)	€4.5 million (₹38.6 crore)	-	-

KfW Germany is supporting this initiative under the 'One World, No Hunger' programme of the German Federal Ministry for Economic Cooperation and Development.

Springshed Development Programme

Project Aim

To rejuvenate drying springs primarily in the Himalayan region.

Project objectives

- To reduce drinking water scarcity

- To promote off-season farming for sustainable livelihoods

Status as of 31 March 2021:

Projects sanctioned	: 82
Total Grant	: ₹16.40 Crore
Total Grant released	: ₹7.1 Crore

3.3 Towards remunerative farming systems

Indian agriculture, despite significant progress, faces ongoing challenges like declining productivity, rising input costs, climate risks, and volatile prices, which reduce profitability. Marginalized farm holdings further compound these issues, and many farmers lack access to research that could help improve incomes and alleviate poverty.

To address these challenges, NABARD has launched several initiatives aimed at improving farmers' incomes:

- **Soil Reclamation:** Four pilot projects in Punjab and Haryana, covering 3,000 hectares of saline and alkaline soils, aim to improve soil conditions through rainwater management. NABARD allocated an initial grant of ₹0.1 crore with a total project cost of ₹20.4 crore.
- **Livestock Fodder:** Due to fodder shortages in arid regions, NABARD sponsored pilot projects from 2015 to 2021 demonstrating the effectiveness of spineless cactus as an alternative fodder source. Successful results led to the implementation of a similar project in Madhya Pradesh, in collaboration with the International Center for Agricultural Research in the Dry Areas.
- **Sustainable Agriculture Research:** NABARD also funded research through the Xavier Institute of Management, Bhubaneswar, with a grant of ₹34.2 lakh. This research explored factors affecting sustainable agriculture and produced recommendations for improving farming practices.

Spineless cactus as a promising fodder alternative

Fodder shortages are a common issue in arid and semi-arid regions. To address this, the BAIF Development Research Foundation, with NABARD's financial support, conducted trials from 2015 to 2017 on using spineless cactus (*Opuntia ficus indica*) as a fodder source.

The cactus, highly water-efficient and climate-resilient, proved beneficial in water-stressed areas. Goats fed with cactus in Rajasthan and Gujarat gained weight, demonstrating its viability as a green fodder.

In the second phase (2019–2021), 600 demonstrations were conducted in Gujarat and Rajasthan, where over 88% of cactus plants adapted well, and farmers successfully fed the cactus to their livestock during fodder scarcity. The cactus improved body weight and milk production in lactating cows without adverse effects and was more water-efficient than crops like rice and pearl millet.

Based on these positive outcomes, NABARD collaborated with the International Center for Agricultural Research in the Dry Areas (ICARDA) to promote spineless cactus among farmers in Madhya Pradesh. In FY 2020-21, 200 farmers participated in capacity-building programs led by ICARDA scientists, receiving hands-on training and support.

3.4 Tribal Development Fund

The Tribal Development Fund (TDF) was established in FY2003-04 with an initial corpus of ₹50 crore to provide sustainable livelihoods for tribal households, mainly through wadi (small orchard) development, aiming to reduce distress migration.

Since FY 2020-21, NABARD has expanded TDF support to include agri-allied activities such as sericulture, apiculture, animal husbandry, and micro-enterprise development. This expansion seeks to benefit more landless tribals and leverage other income-generating opportunities.

During FY 2020-21, four agri-allied TDF projects were sanctioned in Chhattisgarh (apiculture), Tamil Nadu (animal husbandry), Telangana (micro-enterprise development), and West Bengal (pig and goat rearing).

Tribal Development Fund: Wadi projects

Category	Details
Project Aim	To provide sustainable livelihoods to tribal communities and reduce distress migration
Total Projects Sanctioned (since inception)	835
Project Outcome	Benefitted 5.6 lakh tribal families across 5.3 lakh acres of land in 29 states/UTs
Total Grant Sanctioned	₹2,378 crore
Total Grant Released (as on 31 March 2021)	₹1,688 crore (71%)
FY 2020-21 Projects Sanctioned	51 projects
FY 2020-21 Grant Released	₹93.1 crore

Impact of Tribal Development Project in Junnar, Maharashtra

Impact Area	Details
Increase in Annual Income	₹3,000 to ₹25,000
Reduction in Migration	Decreased from 64% to 25%
Total Grant	₹2,378 crore
Increase in Ownership of Assets	Significant improvement
Participation in Self-Help Groups (SHGs)	Increased from 23% to 55%
Availability and Sufficiency of Food	Improvement in basic food item availability and sufficiency
Better Farming Practices	Adoption of improved farming practices

3.5 Umbrella Programme for Natural Resource Management

Overview of NABARD's Initiatives and Impact under the Umbrella Programme for Natural Resource Management (UPNRM)

Category	Details
Programme Overview	Umbrella Programme for Natural Resource Management (UPNRM) - Ended in December 2017, but disbursements for sanctioned projects continue as per phasing.
Projects and Funding	- Total Sanctioned Projects: 334 as on 31 March 2021. - Loan Amount: ₹738.6 crore. - Grant Support: ₹45.4 crore. - Cumulative Disbursement: ₹577.2 crore (including ₹31.5 crore in grants).
Key Initiatives under UPNRM	- System of Rice Intensification, Sustainable Sugarcane Initiative, Better Cotton Initiatives (drip irrigation). - Integrated biogas, eco-tourism, sustainable agriculture practices. - Fisheries, cultivation of medicinal plants with primary processing. - Soil and water conservation in tank-based irrigation in dryland areas. - Vermi-compost production, horticulture, plantation crops, organic farming. - Crop waste management, community drinking water, installation of automated weather stations.
Impact on Beneficiaries	- Increased credit absorption capacity of beneficiaries. - Empowerment of women (constituting 40% of beneficiaries). - Empowerment of marginalized communities (80% of beneficiaries are from SC/ST/OBC groups). - Increased average annual income (in more than 98% of projects). - Introduction of new technologies, promotion of good agricultural practices, integrated approach, capacity building of farmers, and collectivization of produce for better market access. - Addressing climate change risks through annual carbon sequestration, saving fuel wood (trees), and water and energy conservation.

Chapter 4 TOGETHER WE GROW

4.1 Building community institutions

4.1.1 Institutions for micro-finance

Formation and Support of Self-Help Groups (SHGs)

Since inception in FY1993, the SHG–Bank Linkage Programme (SHG–BLP) has improved the lives of women by helping them save, borrow, and build social capital. About 1.1 crore SHGs and an estimated 13.5 crore rural households are within the fold of SHG–BLP.

Progress of SHG–Bank Linkage Programme

Metric	FY 2019-20	FY 2020-21	Change
Loans disbursed	31,46,002 SHGs	28,87,394 SHGs	-8.20%
	₹77,659.3 crore	₹58,070.7 crore	-25.20%
Loans outstanding	56,77,071 SHGs	57,80,244 SHGs	1.80%
	₹1,08,075.1 crore	₹1,03,289.7 crore	-4.40%
Savings with banks	1,02,43,323 SHGs	1,12,23,400 SHGs	9.60%
	₹26,152.1 crore	₹37,477.6 crore	43.30%
Other metrics	4.9% NPAs	4.7% NPAs	-3.90%
	₹2.5 lakh (average disbursement per SHG)	₹2.0 lakh (average disbursement per SHG)	-18.62%

During FY 2020-21 :

- SHGs Formed: Approximately 6.8 lakh SHGs were formed.
- Bank Credit: Nearly 4 lakh SHGs received bank credit.
- Financial Support:
 - ₹170.2 crore released against a sanction of ₹418.20 crore for promoting over 8.7 lakh SHGs.
 - In 150 backward or left-wing extremism (LWE)-affected districts, ₹725.4 lakh was spent on women-SHG (WSHG) programmes (a 17.8% increase over FY 2019-20).
 - Since FY2012-13, ₹146.7 crore utilized from WSHG Fund (as on 31 March 2021).
- Impact of SHGs:
 - Enabled members to initiate and sustain entrepreneurial activity.
 - Helped members attain financial stability
 - reduce dependence on private lenders.
 - Played a transformative role in social change

Financing of Joint Liability Groups (JLGs)

- JLGs Promoted and Financed:
 - 41.3 lakh new JLGs promoted in FY 2020-21, bringing the total to 133.8 lakh.
- NABARD's Role:
 - Provided incentives to implementing partners, doubling the incentive to ₹4,000 per group.
 - Extended refinance to banks covering the loan amount.
 - Executed 70 memoranda of understanding (MOUs) with various banks across 22 states to scale up JLG formation.
- Funding and Support:

- ₹219.7 crore sanctioned for the promotion of 6.9 lakh JLGs across the country during FY 2020-21.
- Appointed NABFINS as the JLG promoting institution for Chhattisgarh and Jharkhand

Effectiveness and sustainability of self-help groups

Category	Details
Success of SHGs	<ul style="list-style-type: none"> - Majority of SHG loans were used for production purposes: <ul style="list-style-type: none"> ▪ Production (52%) ▪ Social needs (23%) ▪ Asset creation (22%) ▪ Consumption (3%) - SHGs played a vital role in the promotion of enterprise activities. - Large proportion of investment was sourced from SHG loans (48%). - Dependence of SHG members on moneylenders has declined.
Contributors to SHG Sustainability	<ul style="list-style-type: none"> - Common motto of members - Leadership rotation - Regular meetings - Proactive role of government - Capacity building and training - Digitalisation of SHG data - Larger loans from multiple sources of formal credit
Concerns	<ul style="list-style-type: none"> - Poor bookkeeping in many SHGs - Idle funds in SHG savings bank accounts (₹61,922 on an average) - Loan diversion for social and consumption needs - Unwillingness to take up group enterprises - Non-utilisation of own savings for internal lending by 25% SHGs
Recommendations	<ul style="list-style-type: none"> - Digitalisation of SHGs to aid mobile bookkeeping - Capacity building of the SHGs and their federations with emphasis on livelihood - Synergy between activities of SHG federations and FPOs on food processing following a value-chain approach - Facilitating linkages with markets - Imparting financial literacy

4.1.2 Promoting technology adoption

- NABARD supports Farmers' Clubs to facilitate technology transfer.
- Focus on consolidating and strengthening existing FCs and reorganizing well-functioning FCs into Farmers Producers' Organisations (FPOs).
- Developed a portal, 'Krishak Sarathi' to monitor FC activities and ensure their sustainability.

4.1.3 Seeding farmers' collectives

The formation of Farmer Producers' Organisations (FPOs) has proven to be a successful strategy for transforming smallholders into viable agri-business entrepreneurs. Through Producers' Organisation Development Fund (PODF), PODF Interest Differential, and Producers Organisation Development and Upliftment Corpus fund, NABARD has provided financial support for the establishment of FPOs, capacity building, credit facilitation, and market linkages.

Notably, 83% of FPO members are small producers, and 46% are women. Most FPOs have established market linkages, with 808 of them facilitating bank credit for members. Additionally, data for 12.8 lakh producer members from 3,857 FPOs has been digitised, showing tangible benefits across states.

Cumulative status of FPOs under PODF, PODF-ID and PRODUCE fund as on 31 March 2021

Particulars	PODF-ID	PODF	PRODUCE	Overall
Target FPOs	3,000	-	2,000	5,000
FPOs sanctioned	2,906	-	2,154	5,060
	[576]	-	-	[576]
FPOs registered cumulatively	1,627	-	2,094	3,721
	[633]	-	-	[633]
Grant sanctioned (₹ crore)	248.0	47.1	205.4	500.6
	[46.8]	-	-	[46.8]
Grant utilised (₹ crore)	68.2	21.8	176.4	266.5
	[38.6]	[4.1]	[11.3]	[53.9]
Farmers covered as shareholder (lakh)	4.7	-	9.1	13.8
Share capital collected by FPOs (₹ crore)	45.3	-	98.2	143.5
Producer organisation promoting institutions	663	-	779	1,442
Resource support agencies	15	-	17	32
Balance corpus on 31 March 2020 (₹ crore)	252.0	200.0	34.9	-
Corpus used during FY 2020-21 (₹ crore)	38.6	4.1	11.3	-
Balance corpus on 31 March 2021 (₹ crore)	314.2	300.0	23.6	-

Notes:

1. FPO = Farmer Producers' Organisation; PODF = Producers' Organisation Development Fund (PODF); PODF -ID = PODF Interest Differential; PRODUCE = Producers Organisation Development and Upliftment Corpus.
2. Data in square brackets are for FY 2020-21.
3. The corpus under PODF is ₹300 crore as on 31 March 2021 after drawing ₹4 crore and appropriation of profit of ₹104 crore during the year.

Impact of FPOs on member-farmers

Category	Details
Objective	To understand the economic and social impact of FPO membership on farmers in Kerala, Madhya Pradesh, Odisha, and Rajasthan.
Study Findings	<p>Better price and income:</p> <ul style="list-style-type: none"> - Average price received by farmers increased <ul style="list-style-type: none"> ● Madhya Pradesh: 7.5% in kharif (2019) and 12.5% in rabi (2018) seasons ● Kerala: Nearly 45% ● Odisha: Reported increase - Farmers' income too increased: <ul style="list-style-type: none"> ● Odisha: 13.5% ● Rajasthan: 25% <p>Reduced dependence on informal credit:</p> <ul style="list-style-type: none"> - Kerala: Members from 9 of 10 FPOs discontinued borrowing from moneylenders after joining the organisation.

	<ul style="list-style-type: none"> - Madhya Pradesh: Average loan size from moneylenders reduced from ₹39,135 to ₹5,000 after members joined the FPO. - "No FPO in village" cited as the key reason for not joining (66% interviewed farmers in Odisha).
Recommendations	<ul style="list-style-type: none"> - Strategizing on new FPO formation and strengthening of existing ones - Providing affordable institutional credit - Supporting diversification to primary processing, packaging, and value addition - Focusing on better price realisation by members

4.1.4 Supporting collectives of off-farm producers

During FY 2020-21, NABARD extended an aggregate grant assistance of ₹4.5 crore to 8 Off-farm Producer Organisations (OFPOs) across 7 states, benefiting 2,365 artisans and craftsmen.

Since FY 2016-17, a total of ₹17.4 crore has been provided to 40 OFPOs across 20 states, benefiting 14,043 members.

To assist OFPOs in overcoming the business cycle disruptions caused by the pandemic, NABARD has also provided a one-time revolving-fund assistance of ₹5 lakh to all registered OFPOs.

4.2 Intervening for a better livelihood

4.2.1 Capacity building

NABARD sponsored 20,034 training programmes on micro-finance during FY 2020-21 covering around 1.7 lakh participants from banks and other stakeholder institutions. Another 1,156 training programmes with grant support of ₹2.2 crore from the WSHG Fund were conducted in LWE areas for 41,000 participants.

Capacity has been built cumulatively for around 42.2 lakh participants under the Financial Inclusion Fund (FIF) and 3.7 lakh participants under the WSHG Fund.

4.2.2 Skilling and building entrepreneurship

NABARD runs three key programmes for skill and entrepreneurship development: the Micro-Enterprise Development Programme (MEDP), Livelihood and Enterprise Development Programme (LEDP), and skill development programmes, now including JLG members. MEDP support was increased to ₹1 lakh, while LEDP funding was enhanced to ₹8.8 lakh for farm sector activities and ₹7.15 lakh for non-farm activities.

The initiative 'My Pad, My Right' was launched across 35 districts to empower women through LEDPs. In response to the COVID-19 pandemic, NABARD sanctioned a ₹5 crore project to reskill 10,000 reverse migrants in construction work, benefiting rural youth in Uttar Pradesh, Bihar, and Jharkhand.

Promoting skills and entrepreneurship

Programme	Activity	FY 2020-21	Cumulative (as on 31 March 2021)
Micro-Enterprise Development Programme (MEDP)	Training in micro-enterprise activities	734 MEDPs Trained 22,078 members Grant ₹5.5 crore	18,434 MEDPs Trained 5.2 lakh

			members Grant ₹35.1 crore
Livelihood and Enterprise Development Programme (LEDP)	Training in end-to-end sustainable livelihood solutions	501 LEDPs Trained 46,971 members Grant ₹27.2 crore	1,284 LEDPs Trained 1,36,098 members Grant ₹63.3 crore
Skill Development Programme (SDP)	Training in skills leading to wage/self-employment	679 SDPs Trained 31,890 rural youth Grant ₹20 crore	35,557 SDPs Trained 9.6 lakh rural youth Grant ₹174.4 crore

Additional Information:

- NABFOUNDATION rolled out a pan-India LEDP to propagate 'My Pad, My Right' among women.
- A new user-friendly version of NABSKILL 2.0 was introduced.

4.2.3 Promoting livelihood activities

NABARD promoted a range of livelihood opportunities by leveraging technology adoption and transfer, extension, innovation, off-farm activities, revolving fund assistance, marketing support, supporting start ups, and backing incubators.

Strengthening the farm sector

In FY 2020-21, NABARD sanctioned ₹20 crore and disbursed ₹12.6 crore for 166 projects covering diverse areas like Krishak Samridhi, zero budget natural farming, seed production, hydroponics, bio-flock fish farming, commercial beekeeping, and more. Additionally, in collaboration with various agricultural research institutions, it facilitated 270 exposure visits for 8,022 farmers, spending ₹2.1 crore under its Capacity Building for Adoption of Technology programme.

NABARD also supported agricultural fairs, workshops, and other events showcasing innovations, with over ₹1.2 crore spent on these activities.

Developing the off-farm sector

Marketing initiatives

NABARD has been supporting producers in both farm and off-farm sectors to market their produce effectively by setting up rural haats, rural marts, and participation of artisans and craftspeople in national or regional level exhibitions and melas.

Progress of marketing initiatives

Category	FY 2020-21	Cumulative (as on 31 March 2021)
Rural haats	58 rural haats ₹7.6 crore financial assistance	636 rural haats ₹54.2 crore financial assistance
Rural marts	155 rural marts ₹7.6 crore financial assistance	1,085 rural marts ₹23.2 crore financial assistance
Melas/fairs/exhibitions	- The prolonged lockdown during FY 2020-21 disrupted the calendar of these events. - As soon as the situation eased, 9 regional offices organized 10 exhibitions with grant assistance of ₹2.7 crore while following COVID-19 hygiene protocols.	

End-to-end support in setting up rural and agribusiness incubation centres

NABARD Support	Details
NABARD provided ₹16.8 crore for establishment of 2 new ABICs in FY 2020-21	1. Professor Jayashankar Telangana State Agricultural University, Hyderabad, Telangana 2. Sardarkrushinagar Dantiwada Agricultural University, Banaskantha, Gujarat
NABARD provided total financial support of ₹63.3 crore to establish 7 ABICs/RBICs	3. Tamil Nadu Agricultural University, Madurai, Tamil Nadu 4. Chaudhary Charan Singh Haryana Agricultural University, Hisar, Haryana 5. Indian Institute of Technology, Kharagpur, West Bengal 6. a-IDEA, National Academy of Agricultural Research Management, Hyderabad, Telangana 7. Rajmata Vijayaraje Scindia Krishi Vishwa Vidyalaya, Gwalior, Madhya Pradesh
Outcome	As on date, 350 incubatees have been registered with these centres. These 7 centres will provide direct and indirect benefit to about 22 lakh farmers.

Notes: ABIC = Agri-Business Incubation Centre; RBIC = Rural Agri-Business Incubation Centre.

Promoting geographical indications

NABARD has supported the registration of 72 products as geographical indications (GI), including Nizamabad Black Pottery, Ghazipur Wall Hanging, Varanasi Soft Stone Jali Work, Banaras Gulabi Meenakari Craft, and Mirzapur Handmade Dari (carpet).

To promote these GI products, NABARD issued comprehensive policy guidelines covering pre-registration to post-registration activities. These guidelines aim to improve product quality, expand market access, raise awareness, strengthen producers' capacity to enforce their rights, and subsidize the costs of registration, enforcement, and marketing.

Supporting start-up and innovation ecosystem

NABARD has actively supported agri-business by providing financial assistance. During FY 2020-21, ₹7.6 crore was provided for 58 rural haats and 155 rural marts. Cumulatively, as of 31 March 2021, NABARD had supported 636 rural haats with ₹54.2 crore in financial assistance.

Despite the disruption caused by the prolonged lockdown, NABARD continued fostering innovation through incubation centres, which focus on supporting agri-start-ups and entrepreneurs. These centres provide the necessary resources to develop ideas into viable commercial entities, covering both agricultural and rural technologies.

Facilitating 'Stand Up India

As a connect centre for the Stand Up India scheme, the district development managers of NABARD facilitated 238 pre- and post-disbursement handholding events at district level through FY 2020-21 to share best practices, review the programme, solve problems, and guide the potential borrowers.

Managing the Credit Linked Capital Subsidy Scheme

In FY 2020-21, NABARD cleared 239 applications for subsidy under the Credit Linked Capital Subsidy Scheme for Technology Upgradation of Micro and Small Enterprises of Government of India and released ₹1,901.6 lakh (cumulatively, ₹9,556.1 lakh) to support technology adoption by micro and small units in specified categories.

4.3 Promoting financial inclusion

NABARD has implemented a differentiated strategy since FY 2019-20, particularly focusing on Special Focus Districts (SFDs) identified as aspirational, left-wing extremism (LWE)-affected, credit-starved (by the Reserve Bank of India), hilly districts, or districts in the North Eastern Region (NER), as well as the islands of Lakshadweep and Andaman & Nicobar.

Key Initiatives During FY 2020-21

Through the Financial Inclusion Fund (FIF), NABARD supported a range of activities under five broad categories:

1. Financial Literacy Programmes
2. Banking technology adoption
3. Regulatory infrastructure support
4. Support for connectivity and power infrastructure;
5. Incentivising digital transactions.

Activities supported :

- Conducted financial and digital literacy camps.
- Demonstrated banking technology via mobile vans and handheld projectors.
- Set up Centre for Financial Literacy.
- Opened kiosk outlets in unbanked villages in NER states.
- Provided Green PIN facility at ATMs and micro-ATMs for RuPay Kisan Card activation.
- Supported authentication user agency/e-KYC user agency membership of the Unique Identification Authority of India (UIDAI).
- Deployed V-SATs, micro-ATM and PoS/mobile PoS devices, mobile signal boosters, and solar panels for UPS in SFDs.
- Strengthened connectivity and power infrastructure to support financial inclusion.
- On-boarded platforms such as
 - BHIM UPI
 - Public Financial Management System (PFMS)
 - Bharat Bill Payment System
 - Central KYC Registry.

Financial Outlay till 31 March, 2021

- Cumulative Sanctions : ₹4,592.8 crore.
- Cumulative Disbursements : ₹2,527.7 crore

Survey and Financial Inclusion Index

- Following the first NABARD All-India Rural Financial Inclusion Survey (NAFIS) conducted in FY 2015-16, NABARD is undertaking NAFIS 2.0, covering a much larger sample across all districts with FY 2020-21 as the reference year.
- Financial Inclusion Index (NAFINDEX):
 - Developed to capture the breadth, intensity, and extent of financial and digital penetration across states, based on three household-level dimensions: traditional banking products, modern banking services, and payment systems, measured by 18 indicators from NAFIS

NAFINDEX - an index of financial inclusion

NAFINDEX attempts to reflect state-wise household level access to financial services based on field data from NABARD All-India Rural Financial Inclusion Survey, FY 2016-17.

NAFINDEX has been constructed combining three dimensions : traditional banking products, modern banking services, and payment systems.

The average all-India index stood at 0.337, suggesting a significant need to expand coverage of financial inclusion.

NAFINDEX and dimension indices vary across states, many of which with lower traditional banking products' penetration demonstrated higher dimension values for modern banking products and payment mechanisms. This serves as a compass for expansion in states with poor access to banking products.

4.4 Digitally driving initiatives

Select digital initiatives offering solutions to promote technology adoption

Initiative	Purpose	Status (31 March 2021)
e-Shakti	Creating a digital ecosystem to provide an 'end-to-end' solution to the Self-Help Group-Bank Linkage Programme to help standardise books of accounts and bring transparency and regularity in operations.	<ul style="list-style-type: none"> • Ongoing in 281 districts across India • Credit linkage increased from 4.7 lakh (38% of total) to 6.5 lakh groups (53% of total) by FY 2020-21. • On-boarded data pertains to <ul style="list-style-type: none"> » 12.3 lakh SHGs; » 140.9 lakh members; and » over 1.7 lakh villages.
NABARD BHUVAN	Web-based monitoring of <ul style="list-style-type: none"> • NABARD-supported watershed projects • Impact evaluation (change detection through the analysis of satellite images of pre- and post-development phases or periods). 	On-boarded 666 watershed projects
Tribal Development	Ensuring accessibility of data on Tribal Development Fund projects for oversight	Covered 281 districts from 28 states benefitting 5.29 lakh families till date
Krishak Sarathi	Digitalising information on farmers' clubs for effective monitoring	Data for 24,450 farmers' clubs captured.
Nabskill 2.0 (a new user-friendly version)	Recording data related to trainers, trainees, placement agencies, and other skilling ecosystem stakeholders for NABARD initiatives	NABARD supported training towards gainfully engaging rural youth through wage and self-employment. <ul style="list-style-type: none"> • 9.6 lakh rural youth • 35,557 programmes • ₹174.4 crore in grant assistance
NabPragna	Digitalising Research and Development (R&D) Fund operations for online sourcing and processing of proposals and effectively collaborating in studies with research partners	The portal is ready for roll out.
NABFPO	Capturing parametric data (membership, registration, and financial details, grading, etc.) for all NABARD-promoted farmer producers' organisations	On-boarded 4,071 FPOs
ENSURE	<ul style="list-style-type: none"> • Enabling commercial banks, cooperative banks, and regional rural banks to submit financial data including ground level credit flow • Recording status updates on programmes and schemes promoted by NABARD and the Government of India • Facilitating online submission of subsidy applications by banks with complete traceability of application status • Enabling online submission of SHG-JLG returns by banks 	The portal captures data entered by client institutions and regional offices of NABARD and is fully functional.
Rajbhasha SETU	Digitalising various activities of Rajbhasha Department of NABARD with provision for entering data and preparing quarterly progress reports on the use of Hindi in official communication	It will be operationalised soon.

RIDF (web portal and mobile application)	<ul style="list-style-type: none"> • Providing real-time data on Rural Infrastructure Development Fund sanctions and disbursement • Using mobile app to monitor, including geo-tagging of monitored assets • Facilitating online submission and processing of drawal applications 	The portal/mobile app has already been used for 154 RIDF project monitoring visits.
Student Internship Scheme	<ul style="list-style-type: none"> • Automating the SIS for enhanced accessibility and reach of the scheme and transparency in the selection process. • Making available a ready-to-use management information system. 	In FY 2020-21, 3,162 online applications were submitted for 75 pan-India seats.

4.5 Engaging with the Research Community

NABARD supports research on agriculture and rural development issues to share insights with policymakers and the public. The Department of Economic Analysis and Research (DEAR) at NABARD plays a key role in these initiatives by extending research grants from the R&D Fund, currently maintained at ₹50 crore.

Key Research and Knowledge Activities in FY 2020-21

- Research Advisory Committee of Experts (RACE):
 - Purpose: To revamp the R&D Fund activities and prioritize research areas.
 - Chairperson: Dr. G.R. Chintala (NABARD chairperson, ex-officio).
 - Internal Members: Shri K.V. Shaji and Shri P.V.S. Suryakumar (NABARD deputy managing directors, ex-officio).
 - External Members: Dr. Ashok Gulati, Dr. Mahendra Dev, Dr. P.K. Joshi, Dr. Kanakasabhapathy, and Shri Tamal Bandyopadhyay.
 - Member Secretary: Dr. K.J.S. Satyasai (chief general manager, DEAR, NABARD, ex-officio).
- Engagement with Researchers:
 - NABARD funds research studies, seminars, conferences, and NABARD Chair Units.
- Student Internship Scheme:
 - Approximately 70 students were offered the opportunity to work in rural areas, mentored by NABARD officers.
- In-House Studies:
 - Study on the viability of district central cooperative banks in West Bengal.
 - Quick pan-India assessment of the impact of COVID-19-induced lockdown on the rural economy.
- Publications:
 - Two booklets published:
 - "Writings on Indian Economy": Collected articles on the economy.
 - "Achieving an Equal Future": On gender issues, written and edited by women.
- Grant Assistance:
 - ₹2.3 crore released towards ongoing studies, including:
 - "Renewed effort at construction of state-wise rural infrastructure indices" by EPWRF, Mumbai.
 - "Agrarian structure and transformation of the institutional framework of agriculture sector" using data from agricultural censuses by EPWRF, Mumbai.
 - "Improving livelihood opportunities for Jogini women in Anantapur district of Andhra Pradesh through SHG and other promotional schemes" by Administrative Staff College of India, Hyderabad.
 - "Identifying the most remunerative crop-combination regions in Haryana: A spatial-temporal analysis" by Centre for Research in Rural and Industrial Development, Chandigarh.
- NABARD supported 111 webinars, seminars, conferences, symposia, and workshops with
 - a. financial assistance of ₹157.7 lakh during FY 2020-21 to encourage debate and knowledge dissemination on themes such as a. Impact of COVID-19 on agro and food processing industries

- b. Vocal for Local
- c. Innovative business models and roadmap for revival of domestic tourism for rural development
- d. Sustainable development

8. NABARD also extended financial support for publications such as State of India's Livelihoods Report 2020, 13 The Bharat Microfinance Report 2020, 14 and State of Agriculture Financing Report.

4.6 Stronger grassroots institutions to withstand crises

NABARD has consistently invested in people, their livelihoods, and grassroots institutions across both farm and non-farm sectors. This focus proved valuable during the first wave of the pandemic in FY 2020-21 when SHGs, FPOs, OFPOs, and other people's organizations played a crucial role in supplying essential goods, keeping the economy functioning. The AatmaNirbhar Bharat package and the 'Vocal for Local' campaign also highlighted the significance of these organizations, assigning them more extensive roles.

While the pandemic has caused significant disruptions, it has also emphasized the importance of inclusion and the role of community institutions. The experience highlighted the need to leverage technology to empower people and strengthen these institutions. The ability of rural India to deliver during the pandemic underscores the importance of nurturing, strengthening, and scaling up grassroots institutions. Doing so will better prepare communities to face future challenges, ensuring that strong institutions help us thrive in both good and bad times.

Chapter 5 CREDIT TO ALL: REACHING THE LAST MILE

5.1 Rural credit in pandemic times: Initiatives and impact

In FY 2020-21, agricultural credit outstanding grew at 12.3% over FY 2019-20, despite it being an extremely difficult period in the history of India and the world. Though this is partly explained by better performance of agriculture in FY 2020-21, it also reflects the robustness and resilience of our formal rural credit system.

Following the serious contraction of the economy (barring agriculture), the Government of India (GOI) announced a series of recovery packages (the Aatma Nirbhar Bharat packages) and NABARD did not lose any time in collaborating on the revival process.

Persistent issues in rural credit have been • regional disparities, for instance, share of credit in Eastern and North Eastern regions is lower than other regions and not commensurate with their share of population; • inter-personal inequity, that is, formal credit is not equally accessible and affordable across gender, caste, class, etc.; • poor loan recovery, especially in crises; and • poor health of rural financial institutions, making them ineligible for refinance from NABARD.

Initiatives to Improve Rural Credit Flow (FY 2020-21)

Initiative	Details
Adopted Liberal Policy to Extend Refinance to RRBs	<ul style="list-style-type: none"> - Applied internal risk-rating tool. - Refinance grew by 40% (₹4,500 crore). - 35 RRBs availed refinance (up from 27). - Most newly eligible RRBs in Eastern and North Eastern regions.
Leveraged STCRC and STRRB Funds	<ul style="list-style-type: none"> - Used to incentivize higher production loans to agriculture.
Ensured Liquidity to Financing Entities	<ul style="list-style-type: none"> - Provided liquidity through SLF to entities affected by the RBI's moratorium on loan repayments. - SLF allowed entities to build assets and avail regular refinance later.
Used Additional SLF for Small NBFCs and MFIs	<ul style="list-style-type: none"> - Provided funds to small NBFCs and MFIs facing funding difficulties. - Included BBB-rated NBFCs. - Aimed to drive credit deep into the lowest tier of economic agents.
Aligned Activities to GOI Schemes under ANB Package	<ul style="list-style-type: none"> - Integrated NABARD's PACS to MSCs scheme with AIF-support under ANB for post-harvest infrastructure.
Designed Refinance Product for WASH	<ul style="list-style-type: none"> - Supported Swachh Bharat Abhiyan through a special refinance product.
Accelerated Financing of FPOs	<ul style="list-style-type: none"> - Initiated financing for FPOs under the GOI's scheme to establish 10,000 FPOs by FY 2023-24.
Fixed GLC Term Loan Sub-Targets for Allied Activities	<ul style="list-style-type: none"> - RBI's Internal Working Group recommended GLC term loan sub-targets. - Allied activities target: ₹61,650 crore (Dairy, Poultry, Small Ruminants, Fisheries).
Rolled Out Pilot Partial Credit Guarantee Scheme	<ul style="list-style-type: none"> - Aimed at enabling NBFCs and NBFC-MFIs to raise funds for lending in agriculture, MSME, and micro-finance. - Pilot includes two transactions of ₹100 crore each. - May develop smaller NBFC/NBFC-MFIs into future refinance clients.
Effectively Monitored NBFCs	<ul style="list-style-type: none"> - Strengthened the appraisal process for NBFC applications. - Introduced third-party pool analysis and monitoring for better oversight. - Aimed to improve affordable credit availability for farmers, MSMEs, and other unorganised players.
Made Small Finance Banks (SFBs) Eligible for ST Refinance	<ul style="list-style-type: none"> - Extended ₹49 crore to North East SFB during FY 2020-21.
Rolled Out Special Long-Term Refinance Scheme	<ul style="list-style-type: none"> - Launched at concessional rates for watershed and wadi project areas. - Specifically addressed issues of migrants returning to villages during the pandemic.

5.2 Credit potential and achievement

NABARD annually estimates credit potential through district-wise assessments compiled into Potential Linked Credit Plans, which are then shared with lead banking institutions for priority sector lending evaluation. For FY 2021-22, the aggregate priority sector credit potential is estimated at ₹38.4 lakh crore, with ₹24 lakh crore allocated for agriculture and allied sectors.

This collaborative process involves consultations during state credit seminars, fostering a sense of ownership among stakeholders. The FY 2021-22 target for agriculture is ₹16.5 lakh crore, as set in the Union Budget. Despite the dominance of commercial banks in agriculture credit, regional rural banks (RRBs) and cooperative banks have disbursed more loans to small and marginal farmers. Despite the COVID-19 pandemic, the Ground Level Credit (GLC) disbursement is expected to surpass the year's target.

Ground level credit (agriculture): Target versus achievement for FY 2020-21 (provisional)

Type of Bank	Crop Loan		Term Loan		Total	
	Target (₹ lakh crore)	Achievement (₹ lakh crore)	Target (₹ lakh crore)	Achievement (₹ lakh crore)	Total Target (₹ lakh crore)	Total Achievement (₹ lakh crore)
Commercial Banks	6	5.5	4.9	6.3	10.8	11.8
Cooperative Banks	1.9	1.8	0.3	0.1	2.3	1.9
Regional Rural Banks	1.4	1.5	0.5	0.4	1.9	1.9
Total	9.3	8.9	5.7	6.7	15	15.6

Agency-wise ground level credit (agriculture) targets for FY 2021-22 (lakh crore)

Agency	Crop Loan (₹ lakh crore)	Term Loan (₹ lakh crore)	Total (₹ lakh crore)	Total (%)
Commercial Banks	6.1	6.0	12.1	73%
Cooperative Banks	2.0	0.4	2.3	14%
Regional Rural Banks	1.6	0.5	2.1	13%
Total	9.7	6.9	16.5	100%

5.3 NABARD's refinance supports GLC flow

During FY 2020-21, NABARD disbursed ₹1,30,964 crore to state cooperative banks (StCBs) and regional rural banks (RRBs), with StCBs receiving 77.2% and RRBs 22.8%, under the short-term (ST) refinance facility to support farmers, weavers, and artisans. This represented a 30.5% growth in ST credit support, significantly higher than the 11.4% growth in FY 2019-20.

ST facility for StCBs grew by 21.4%, while disbursements to RRBs increased by 74.9%. Long-term (LT) refinance disbursements reached ₹92,786 crore, marking a 19.8% growth, with 61.5% going to scheduled commercial banks (SCBs). NBFCs and microfinance institutions also benefited from additional refinance support due to counter-pandemic initiatives.

Disbursement of short-term refinance to state cooperative banks and regional rural banks

A. ST Credit to StCBs

Financial Year	ST-SAO (₹ crore)	Additional ST-SAO (₹ crore)	ST-Others including weavers (₹ crore)	SLF (₹ crore)	Total (₹ crore)
FY 2018-19	45,000	23,770	4,373		73,143

FY 2019-20	44,787	31,270	7,281		83,337
FY 2020-21	44,643	30,781	8,921	16,800	1,01,146

B. ST Credit to RRBs

Financial Year	ST-SAO (₹ crore)	Additional ST-SAO (₹ crore)	ST-Others including weavers (₹ crore)	SLF (₹ crore)	Total (₹ crore)
FY 2018-19	10,000	5,694	1,252		16,946
FY 2019-20	9,953	6,403	690		17,045
FY 2020-21	9,730	10,577	2,812	6,700	29,819

Agency-wise disbursement and share of long-term refinance

Agency-wise disbursement of LT refinance

Financial Year	SCBs (₹ crore)	RRBs (₹ crore)	StCBs (₹ crore)	SCARDBs (₹ crore)	NABARD Subsidiaries (₹ crore)	NBFCs & NBFC-MFIs (₹ crore)	Total (₹ crore)
FY 2018-19	54,082	13,862	6,464	1,936	1,146	12,764	90,254
FY 2019-20	52,041	10,849	8,069	2,148	1,163	3,910	78,180
FY 2020-21	57,095	15,157	6,200	2,976	1,121	10,237	92,786

Agency-wise share of LT refinance (%)

Financial Year	SCBs (%)	RRBs (%)	StCBs (%)	SCARDBs (%)	NABARD Subsidiaries (%)	NBFCs & NBFC-MFIs (%)
FY 2018-19	60	15	7	2	1	14
FY 2019-20	67	14	10	3	1	5
FY 2020-21	62	16	7	3	1	11

Region-wise disbursement and share of long-term refinance

A. Region-wise disbursement of LT refinance

Region	FY 2018-19 (₹ crore)	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Northern	14,360.00	12,098.00	20,320.00
North Eastern	1,250.00	2,274.00	943.00
Eastern	6,375.00	10,679.00	6,843.00
Central	7,489.00	6,116.00	8,216.00
Western	20,395.00	15,236.00	19,324.00
Southern	40,385.00	31,777.00	37,140.00
Total	90,254	78180	92,786

B. Region-wise share of LT refinance (%)

Region	FY 2018-19 (%)	FY 2019-20 (%)	FY 2020-21 (%)
Northern	16	15	22
North Eastern	1	3	1
Eastern	7	14	7
Central	8	9	9
Western	23	19	21
Southern	45	41	40

Long-term refinance offtake shows a regional imbalance, with the Southern region receiving the largest share (40%), followed by the Northern (21.9%), Western (20.9%), Central (8.9%), and Eastern (7.4%) regions, while the North East lags behind with just 1%. Notably, while the overall disbursement in FY 2019-20 declined by 13.4% compared to FY 2018-19, the East and North East regions saw increased offtake.

However, in FY 2020-21, these regions experienced a decline even as overall disbursement increased, highlighting the pandemic's impact on refinance in these areas. The Southern region's higher credit absorption capacity is attributed to better infrastructure, outreach, and credit availability, whereas low credit delivery outlets and weak rural financial institutions hinder credit flow in the North East, East, and Central states.

Long-term refinance primarily supports off-farm activities like micro, small, and medium enterprises (49%), followed by self-help groups (25%). To address this regional imbalance, NABARD introduced higher short-term refinance with relaxed norms for the East and North East regions.

Disbursement of long-term refinance by agency and purpose (crore)

Purpose	CBs	StCBs	SCARD Bs	RRBs	NBFCs	Subsidiaries	Total	% Share
Agriculture and allied	6765.8	3656	1364.6	6092.3	246.4	0	18125	19.5
Agri-clinics and agribusiness	144.6	3.6	0	2.4	105.7	0	256.4	0.3
Animal husbandry, others	221.2	644.6	207.3	2324.1	42	0	3439.2	3.7
Contract farming	0	8.8	0	6.1	0	0	14.8	0
Dairy development	88.1	1033	83.5	1267.1	17.8	0	2490	2.7
Farm mechanisation	5826.3	339.7	85.8	617.8	16.6	0	6886.2	7.4
Fisheries	27.2	22.3	56.4	5.2	0.1	0	111.1	0.1
Forestry	0	1.9	0	0	0	0	2	0
Land development	19.2	546.3	185.3	614.7	8.2	0	1373.7	1.5
Minor irrigation	6.5	311.5	113.2	246.3	2.6	0	680	0.7
Bio-gas (NCES)	31.6	0	0	4.2	0	0	35.8	0
Storage/ market yard	311.2	29.8	46	56.8	0	0	443.7	0.5
Plantation and horticulture	27.5	200.6	482.3	620.1	51.2	0	1381.7	1.5
Plantation and horticulture- others	0	5.5	10.8	18.3	0	0	34.6	0
PF/ SGP	62.4	508.1	94	309.2	2.2	0	975.9	1.1
Off-farm sector (OFD/MSME)	37300.1	1224	137.4	1618.7	5343.1	306	45930	49.5
Rural housing	642.3	476.6	552.9	612.5	1.4	0	2285.6	2.5

SHGs	11205.8	775.1	0	6758.7	4477.1	815	24032	25.9
Others	1181.1	68.4	921	75	169	0	2414.5	2.6
Grand total	57095	6200	2975.8	15157.2	10237	1121	92786	100

NABARD endeavoured to promote greater regional balance in refinance disbursement by

1. allowing higher quantum of ST refinance (for seasonal agricultural operations) with relaxation in net non-performing asset norms for only Eastern and North Eastern regions;
2. granting LT refinance up to 95% of bank loan outstanding to North Eastern states vis-à-vis 90% for other regions;
3. relaxing eligibility norms for StCBs and RRBs for Eastern and North Eastern states;
4. allocating 25% of Short-Term Cooperative Rural Credit, Short-Term Regional Rural Bank and Long Term Rural Credit Fund to 191 credit starved districts in India.

5.4 Special liquidity facility

NABARD disbursed ₹25,500 crore under Special Liquidity Facility (SLF) to cooperative banks (₹16,800 crore), RRBs (₹6,700 crore), and NBFC-micro-finance institutions (MFIs) (₹2,000 crore) to enable unhindered flow of credit to farmers in the wake of the COVID-19 pandemic. The RBI allocated ₹5,000 crore to NABARD as Additional Special Liquidity Facility (ASLF) for extending refinance to NBFC-MFIs and smaller NBFCs with asset size up to ₹500 crore.

As on 31 March 2021, NABARD has disbursed ₹1,567 crore (of sanctioned amount of ₹1,851 crore) under ASLF to 23 NBFC-MFIs and 7 NBFCs. Considering the liquidity crunch faced by the state cooperative agriculture and rural development banks (SCARDBs) in the wake of the pandemic, NABARD extended SLF to eligible SCARDBs from its own funds as upfront liquidity support at concessional rates so that the banks could continue lending in rural areas.

As on 31 March 2021, ₹908.16 crore has been disbursed to SCARDBs in Himachal Pradesh, Karnataka, Punjab, Rajasthan, and Uttar Pradesh under this line of credit.

5.5 Other credit products

5.5.1 Credit facility to federations

The Credit Facility to Federations (CFF) provides short-term credit to agricultural marketing federations, civil supplies corporations, dairy cooperatives, and related entities for activities like input supply, seed processing, procurement, marketing, and supply chain management.

In FY 2020-21, disbursements under CFF increased by 29% to ₹47,853 crore compared to FY 2019-20.

This credit assistance helped state-level entities procure under government programs, ensuring farmers received timely sales proceeds, particularly in states such as Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Odisha, Punjab, Telangana, and West Bengal. Additionally, seven new clients were added to CFF, and a limit was sanctioned to the National Cooperative Development Corporation for pan-India operations.

5.5.2 Direct refinance assistance

Direct Refinance Assistance (DRA) provides additional credit to 'A' or 'B' rated district central cooperative banks (DCCBs) through annual or quarterly limits. It aims to boost credit flow, diversify loan portfolios, and increase earnings for cooperative banks, benefiting rural customers.

DRA covers loans for working capital, farm equipment maintenance, produce storage, marketing, and non-farm activities. In FY 2020-21, sanctions under DRA grew by 33% to ₹11,890 crore, with ₹7,373.5 crore disbursed. DCCBs and state cooperative banks (StCBs) from 14 states, including Andhra Pradesh, Gujarat, Karnataka, and Rajasthan, availed credit under DRA during the year.

5.6 Channelling Government of India schemes

5.6.1 Interest subvention scheme

NABARD facilitated interest subvention from the Government of India (GOI) to banks at 2% and to farmers at 3% for prompt loan repayments under the Kisan Credit Card (KCC) scheme. This included farmers in animal husbandry and fisheries. A similar subvention was provided for loans against negotiable warehouse receipts to prevent small and marginal farmers from distress sales.

Rural cooperative banks and RRBs also received interest subvention for women Self-Help Groups (SHGs) in 250 districts under the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission. This covered the difference between their lending rate and 7%, capped at 5.5% for loans up to ₹3 lakh at 7% interest. An additional 3% incentive was offered to women SHGs for prompt repayment.

Kisan Credit Card saturation drive for FY 2020-21

NABARD supported the Kisan Credit Card (KCC) saturation drive of the central government through publicity and awareness campaigns across districts to cover all beneficiaries under the Pradhan Mantri Kisan Samman Scheme. Concerted and sustained efforts by cooperative banks and regional rural banks enabled farmers (including those in dairy and fishery sector) to access concessional credit.

Phases	Number of KCCs Sanctioned	Amount of Limits Sanctioned (₹ crore)
Phase 1	12.6 lakh	8,499.90
Phase 2	56.6 lakh	45,517.60
Total for FY 2020-21	69.2 lakh	54,017.5

5.6.2 Administering schemes for sugar farmers

Scheme for enhancement of ethanol production capacity

The scheme helps in improving the liquidity of sugar mills, especially in the surplus season, thereby enabling them to clear cane price arrears of farmers. NABARD is the nodal agency for managing the Sugar Ethanol Interest Subvention Scheme of Department of Food and Public Distribution, GOI. Under the scheme, interest subvention at 6% per annum or 50% of rate of interest charged by banks on the loans (whichever is lower) is borne by the central government for five years. An amount of ₹66 crore was released to lending banks under the scheme during FY 2020-21.

Sugar Soft Loan Scheme 2018-19.

NABARD is the nodal agency for implementing interest subvention under the central scheme of soft loans to sugar mills to facilitate payment of cane dues of farmers. Under the scheme, interest subvention is available for a maximum period of one year at 7% simple interest or at the actual rate charged by banks (whichever is lower). An amount of ₹174.4 crore was released to lending banks under the scheme during FY 2020-21.

5.6.3 Implementation of capital subsidy schemes

NABARD channels subsidy to eligible banks under various credit-linked subsidy schemes of the GOI, primarily for agriculture projects and priority sector activities. Implementation of these schemes increases GLC to agriculture, allied, and priority sector activities.

Funds channelled under capital subsidy schemes of the Government of India

Scheme	FY 2020-21		Cumulative (as on 31 March 2021)	
	No. of units	Subsidy released (₹ crore)	No. of units	Subsidy released (₹ crore)
Dairy Entrepreneurship Development Scheme	23,060	137.8	4,21,157	1,892.3
Poultry Venture Capital Fund (Subsidy) Scheme	2,938	87.9	18,700	456.7
Integrated Development of Small Ruminants and Rabbits	14,452	69.0	72,117	323.1
Pig Development	1,995	19.0	14,039	118.0
Salvaging and Rearing of Male Buffalo Calves	56	1.3	231	2.4
Construction of Storage Facility for Feed and Fodder	29	0.9	29	0.9
Effective Animal Waste Management	5	0.3	5	0.3
Integrated Scheme for Agricultural Marketing (ISAM) including sub-schemes: • Agricultural Marketing Infrastructure (AMI) • AMI (Grading and Standardisation) • Rural Godown	4	20.2	422	4,454.9
New AMI sub-scheme of ISAM (22 October 2018 to 31 March 2021)	929	137.7	1,224	175.7
Agri-Clinics and Agri-Business Centres	262	12.3	2,889	106.9
National Project on Organic Farming	0	0.2	717	28.8
Lighting Scheme of the Ministry of New and Renewable Energy, Government of India	0	0.0	5,258	11.3
Solar Pumping	0	0.0	4,375	87.8

5.7 Special long-term refinance schemes

To boost the rural economy and reduce distress migration post-pandemic, NABARD introduced three special LT refinance schemes in FY 2020-21. Additionally, it introduced an LT refinance scheme in the water, sanitation, and hygiene (WASH) category to address adjunct health concerns amidst the COVID-19 outbreak.

5.7.1 Scheme to transform primary agricultural credit societies to multi-service centres

Under the scheme, 35,000 primary agricultural credit societies (PACS) are envisaged to be developed as multi service centres over FY 2020-21 (5,000 PACS), FY 2021-22 (15,000), and FY 2022-23 (15,000) through concessional refinance to StCBs at 3%. The PACS will receive support to create quality infrastructure (capital assets) and increase their business portfolio under this line of credit.

The interest rate to be charged to PACS will not be more than 1% over the interest rate charged by NABARD and will be shared by the StCB and DCCB on mutually agreed terms. Repayment period of refinance will be up to seven years.

During FY 2020-21, 3,055 PACS were given in-principle sanction with an estimated project cost of ₹1,761 crore and estimated bank loan of ₹1,568 crore by NABARD. The StCBs in Karnataka, Gujarat, and Rajasthan have disbursed loans to PACS thus far under this product.

5.7.2 Scheme for beneficiaries of the watershed and wadi project areas

NABARD has earmarked refinance amount of ₹5,000 crore for the period between FY 2020-21 and FY 2022-23 for this scheme. The objective of the scheme is to promote sustainable economic activities, livelihood, and employment opportunities in NABARD-supported watershed and wadi project areas by encouraging banks to lend at concessional rates to these beneficiaries.

5.7.3 Scheme for promoting micro food processing activities

The scheme aims to promote micro food processing activities by encouraging banks to provide financial support, thereby creating sustainable livelihoods and employment opportunities for rural youth and reverse migrants affected by the pandemic. It focuses on modernizing, formalizing, and improving the competitiveness of rural micro-enterprises.

The refinance scheme aligns with the "Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme (PMFME)" launched under the AatmaNirbhar Bharat Abhiyan. Eligible financial institutions, including commercial banks, small finance banks (SFBs), state cooperative banks (StCBs), regional rural banks (RRBs), and NABARD subsidiaries, can avail concessional refinance at a 4% interest rate.

5.7.4 Water, sanitation, and hygiene refinance scheme

India, as a signatory to the United Nations' Sustainable Development Goals (SDGs), with SDG-6 focusing on clean water and sanitation, saw NABARD extend concessional refinance support to eligible banks and financial institutions for WASH-related activities.

In response to the pandemic, NABARD launched a nationwide sanitation literacy campaign on 2 October 2020. This campaign, in collaboration with various stakeholders, aimed to create awareness about NABARD's WASH refinance scheme. Between 2 October 2020 and 26 January 2021, over 1 lakh people across 2,000 villages were reached through various media and 2,000 programs, promoting water, sanitation, hygiene, and access to credit for sanitation facilities.

5.8 Meeting the equitable credit-access challenge

NABARD has focused on promoting equitable credit distribution across various regions and social groups. To address disparities, particularly in East and North East India, NABARD has relaxed long-term refinance eligibility norms for Regional Rural Banks (RRBs) and cooperative banks in these areas with historically low credit off-take.

While these measures have had positive effects, inequities in credit access remain. Moving forward, NABARD recognizes the need to explore digital initiatives and innovative delivery models, such as dispensing credit through mobile payment systems, to further bridge the gap.

Chapter-6 EMPOWERING RURAL FINANCIAL INSTITUTION

NABARD's efforts are focused on strengthening RCBs and RRBs to ensure they can effectively support rural India, particularly during the severe economic contraction caused by the pandemic.

6.1 Monitoring, strengthening, and supervising rural banking

NABARD plays a critical role in not only refinancing various Rural Financial Institutions (RFIs) but also in monitoring and strengthening them, particularly Rural Cooperative Banks (RCBs) and Regional Rural Banks (RRBs). This involves ensuring their compliance with regulatory requirements, as vested in NABARD by the Banking Regulation Act, 1949.

6.1.1 Structure of supervised entities

The rural cooperative system has separate institutions to cater to short-term and long-term credit needs. The short-term cooperative credit structure has largely three tiers while the long-term cooperative credit structure (LTCCS) has two figures Regional rural banks, once at 196, were amalgamated to form 45 RRBs as on 31 March 2020.

With effect from 1 April 2020, 43 RRBs remained (when Kashi Gomti Samyut Gramin Bank, Baroda Uttar Pradesh Gramin Bank, and Purvanchal Bank were amalgamated to form the Baroda U.P. Bank).

NABARD monitors the performance of RCBs and RRBs through the returns they file and their financial statements

Rural cooperative credit structure

STCCS (Short-Term Cooperative Credit Structure)

Category	Particulars	Branches	Locations
STCCS (Short-Term Cooperative Credit Structure)			
- StCBs (Tier I)	33 banks	2,072	Across 33 states/UTs
- DCCBs (Tier II)	351 banks	13,589	Across 20 states/UTs
- PACS (Tier III)	95,995 Credit societies	N/A	6.44 lakh villages; 13.2 crore members (~39% active borrowers)

LTCCS (Long-Term Cooperative Credit Structure)

Category	Particulars	Branches	Locations
LTCCS (Long-Term Cooperative Credit Structure)			
- SCARDBs (Tier I)	13 banks	791	Across 13 states
- PCARDBs (Tier II)	602 banks		Across 8 states

1. DCCB = District Central Cooperative Bank; LTCCS = Long-Term Cooperative Credit Structure; PACS = Primary Agricultural Credit Societies; PCARDB = Primary Cooperative Agriculture and Rural Development Bank; SCARDB = State Cooperative Agriculture and Rural Development Bank; StCB = State Cooperative Bank; STCCS = Short-Term Cooperative Credit Structure; UT = Union Territory.

2. Number of entities as on 31 March 2020.

3. Of the 33 StCBs, 23 are listed as Scheduled StCBs in the Second Schedule of the Reserve Bank of India Act, 1934. Daman & Diu StCB is excluded as it is yet to be bifurcated from Goa StCB.

4. There are variations in the cooperative structure across states. Not all STCCS are three-tiered. For example, while Andhra Pradesh has a three tiered STCCS, Manipur has only an StCB and PACS as two tiers.

5. Number of PACS is as on 31 March 2019.

6. Of the 13 functional SCARDBs, there are a. Unitary (5), i.e., lend directly: Gujarat, Jammu & Kashmir, Puducherry, Tripura, and Uttar Pradesh; b. Federal (6), i.e., lend through PCARDBs: Haryana, Karnataka, Kerala, Punjab, Rajasthan, and Tamil Nadu; and c. Mixed (2), i.e., lend through PCARDBs and directly: Himachal Pradesh and West Bengal.

7. DCCBs exclude Tamil Nadu Industrial Cooperative Bank Ltd.

Regional rural banks

Regional rural banks, once at 196, were amalgamated to form 45 RRBs as on 31 March 2020. With effect from 1 April 2020, 43 RRBs remained (when Kashi Gomti Samyut Gramin Bank, Baroda Uttar Pradesh Gramin Bank, and Purvanchal Bank were amalgamated to form the Baroda U.P. Bank)

Particulars	Details
Coverage	- 696 notified districts - 26 states and 3 UTs (Puducherry, Jammu & Kashmir, and Ladakh) - Network of 21,847 branches
Branch Distribution	- 92% branches located in rural/semi-urban centres - Of the rural branches of SCBs, 30% are RRBs
Number of RRBs	- 43 RRBs as of 1 April 2020 (reduced from 196 after consolidation)
Principle	1. "One state–One RRB" in smaller states 2. Reduction in number in larger states
Sponsorship	Sponsored by 12 Scheduled Commercial Banks (SCBs)
Role of RRBs	RRBs play a significant role in building the rural economy

Monitoring of supervised entities in FY 2020-21

NABARD's Monitoring of RCBs and RRBs

Category	Indicators Monitored
Performance Indicators	- Growth - Composition of Assets and Liabilities - Composition of Business (Deposits and Loans)
Health Indicators	1. Capital Adequacy (CRAR, %) 2. Profitability 3. Asset Quality (GNPA ratio, %)

Institution	Number of Institutions	CRAR < 9%	CRAR ≥ 9%
RRBs	43	16	27
StCBs	34	3	31
DCCBs	352	69	283

Note: All institutions are required to maintain a Capital to Risk (Weighted) Assets Ratio (CRAR) of at least 9% on an ongoing basis.

6.1.2 NABARD in a supervisory role

At present, NABARD follows the CAMELSC (capital adequacy, asset quality, management, earnings, liquidity, systems, and compliance) approach for supervision over the RCBs and RRBs. NABARD's supervisory concerns cover a wide range of

Supervision by NABARD in FY 2020-21

NABARD's Supervisory Concerns

1. Non-compliance with statutory provisions
2. Adverse working results
3. Poor corporate governance
4. High level of NPAs
5. Poor internal controls
6. Non-compliance with KYC/AML/CFT standards and IRAC norms

Remedial Measures

1. NABARD conducts statutory inspections of:

- State Cooperative Banks (StCBs)
- District Central Cooperative Banks (DCCBs)
- Regional Rural Banks (RRBs)

2. NABARD also conducts voluntary inspections of:

- State Cooperative Agriculture and Rural Development Banks (SCARDBs)

NABARD conducted 302 inspections during FY 2020-21

Category	No. of Inspections Budgeted	No. of Inspections Conducted
StCBs	34	34
DCCBs	216	216
RRBs	43	43
SCARDBs	9	9
TOTAL	302	302

Notes:

1. AML = Anti-Money Laundering; CFT = Combating the Financing of Terrorism; DCCB = District Central Cooperative Bank; IRAC = Income Recognition and Asset Classification; KYC = Know Your Customer; NPA = Non-Performing Asset; RRB = Regional Rural Bank; SCARDB = State Cooperative Agriculture and Rural Development Bank; StCB = State Cooperative Bank.

2. DCCBs include Tamil Nadu Industrial Cooperative Bank Ltd; StCBs include Daman and Diu StCB.

Status of compliance in FY 2020-21

Compliance Status	StCBs (34)	DCCBs (352)	RRBs (43)
Compliance with Sec. 11(1) of BR Act, 1949 (AACS)	33	328	NA
Compliance with Sec. 42(6)(a)(i) of RBI Act, 1934	23	NA	41
Licensed banks	33	349	NA
Scheduled banks	24	NA	42

Notes: 1. AACS = As Applicable to Cooperative Societies; BR = Banking Regulation; DCCB = District Central Cooperative Bank; NA = Not Applicable; RBI = Reserve Bank of India; RRB = Regional Rural Bank; StCB = State Cooperative Bank. 2. DCCBs include Tamil Nadu Industrial Cooperative Bank Ltd; StCBs include Daman and Diu StCB

NABARD's Supervisory Activities and Recent Actions

Board of Supervision (BoS) Activities:

The Board of Supervision (BoS), a sub-committee of NABARD's Board of Directors, met four times during FY 2020-21 to guide and review supervisory activities.

Key areas reviewed include fraud monitoring, credit monitoring arrangement norms, compliance monitoring, cyber security, information systems audit, business continuity plan audit, inspection strategies considering COVID-19, and grievance redressal.

Continuous Engagement and Discussions:

- NABARD plans ongoing engagement with CEOs of supervised entities and deeper interactions with RBI supervisors.
- Discussions covered topics like "Stress Testing Model for Urban Cooperative Banks" and "Supervisory Action Framework for Prompt Corrective Action for Rural Cooperative Banks."
- Recent action in supervision
- NABARD strengthened its cyber security and IT examination cell to support the digital banking adoption by supervised entities.

- The organization is preparing to address challenges related to amendments in the Banking Regulation Act, effective from April 1, 2021.
- NABARD has initiated actions on 78 recommendations from the Working Group on Risk-Based Supervision and is rolling out an "Enhanced CAMELSC" framework.
- The development of "SuperSoft," a software to digitize the supervision process, is planned to standardize observations and improve efficiency.

6.2 Cooperatives

6.2.1 Short-term cooperatives

Performance and health indicators of state cooperative banks

As of 31 March 2020, state cooperative banks (StCBs) sourced 62% of their funds from deposits and 25% from borrowings, with NABARD contributing 90% of the borrowings. Low-cost Current and Savings Account (CASA) deposits made up less than 18% of total deposits. On the assets side, 59% was allocated to gross loans, and 33% to investments. Agriculture loans comprised 43% of gross loans, with crop loans representing 78% of agricultural loans. Statutory Liquidity Ratio (SLR) securities accounted for 50% of total investments.

The Capital to Risk-Weighted Assets Ratio (CRAR) for all StCBs was 11.8%, exceeding the 9% requirement, though Puducherry, Goa, and Kerala lagged behind. All StCBs except Arunachal Pradesh were profitable. Jharkhand and Puducherry StCBs, which had posted losses in FY 2018-19, reported profits of ₹2.6 crore and ₹23.4 crore, respectively, in FY 2019-20. However, seven StCBs had accumulated losses totaling ₹1,232 crore. Kerala StCB had accumulated losses of ₹776 crore after merging with 13 district central cooperative banks (DCCBs).

Asset quality worsened, with 3.9% of loans classified as sub-standard, 2.2% as doubtful, and 0.6% as loss assets. The provision coverage ratio (PCR) stood at 55% as of 31 March 2020.

Overview of state cooperative banks

PERFORMANCE INDICATORS

LIABILITIES

Particulars	31 March 2019		31 March 2020	
	(₹ crore)	YoY Growth (%)	(₹ crore)	YoY Growth (%)
Share capital and reserves	21,226 (18,545)	9.9	21,900	3.2
Deposits	1,92,693 (1,35,392)	6.3	2,10,342	9.2
Borrowings	84,073 (79,358)	10.2	85,723	2
Other Liabilities	(15654)		22301	
Total liabilities	3,17,074 (2,48,949)	7.6	3,40,267	7.3

ASSETS

Particulars	31 March 2019		31 March 2020	
	(₹ crore)	YoY Growth (%)	(₹ crore)	YoY Growth (%)
Cash and Bank Balances	(11602)		10229	
Loans and advances	1,83,633 (1,48,625)	11.6	1,99,943	8.9
Investments	1,03,131 (76,458)	0.3	1,12,828	9.4

Accumulated Losses	(471)		1232	
Other Assets	(11793)		16035	
Total assets/liabilities	3,17,074 (2,48,949)	7.6	3,40,267	7.3

HEALTH INDICATORS

Profitability	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Profit	1389 (1313)	1,740
Loss	169 (147)	16
Net Profit	1220 (1,166)	1,724
Accumulated Loss	986 (471)	1,232
No. of Banks in Profit	30	32
No. of Banks in Loss	3	1

Asset Quality	31 March 2019 (₹ crore)	31 March 2020 (₹ crore)
Loans Outstanding	1,83,633 (1,48,625)	1,99,943
Gross NPAs	9,968 (6,420)	13,477
Gross NPA (%)	5.4 (4.3)	6.7
Net NPA (%)	3.0 (1.5)	3.4

Notes:

1. The figures in parentheses exclude 13 DCCBs in Kerala that were added to Kerala StCB in 2020. These have been presented to make the data comparable with FY2019-20.
2. Year-on-year variations could be slightly different because absolute numbers have been rounded off to `1 crore.
3. DCCBs exclude Tamil Nadu Industrial Cooperative Bank Ltd

Regional disparities among state cooperative banks

During FY 2019-20, the share of deposits and loans outstanding (all-India) of the StCBs in the Southern region was the highest. Asset quality, measured by gross non-performing asset (NPA) (%), was the best in the North.

Though the net interest margin (NIM) was high in the North East, return on assets (RoA) was low on account of high cost of management and high incidence of NPA. The Western region had the highest RoA.

Regional analysis of state cooperative banks (FY 2019-20)

Region	Deposit Share	Loan Share	Business Share	Gross NPA	NIM	RoA
Northern (7)	12.00%	16.00%	13.90%	2.10%	1.70%	0.50%
North Eastern (8)	6.20%	3.90%	5.10%	8.60%	3.10%	0.40%
Western (3)	14.60%	14.60%	14.60%	8.60%	2.60%	0.90%
Eastern (5)	13.10%	11.60%	12.30%	4.70%	1.40%	0.40%
Southern (6)	43.80%	42.00%	42.90%	8.60%	1.80%	0.80%
Central (4)	10.30%	11.90%	11.10%	5.60%	1.80%	0.40%

Notes:

1. NIM = Net Interest Margin; NPA = Non-Performing Asset; RoA = Return on Asset.
2. Figures in parentheses indicate number of StCBs in the region (as on 31 March 2020).
3. Share represents share of region in all-India deposits/loans/business.

4. Daman & Diu StCB has been excluded as it is yet to be bifurcated from Goa StCB.

Performance and health indicators of district central cooperative banks

As of 31 March 2020, District Central Cooperative Banks (DCCBs) derived 18% of their funds from borrowings, mainly from State Cooperative Banks (80%) and NABARD (13%). Deposits, particularly low-cost Current and Savings Accounts (CASA), comprised 64.5% of resources.

On the asset side, loans represented 52% and investments 35%. The credit-deposit ratio declined to 81%. Agriculture loans made up 57% of gross loans, with 87% being crop loans, and 97% of agricultural loans extended to Primary Agricultural Credit Societies (PACS).

The capital adequacy ratio (CRAR) was 12%, but 35 DCCBs had CRAR below 9%, including 18 with negative CRAR, primarily in Uttar Pradesh, Madhya Pradesh, and Bihar.

While 291 DCCBs reported profits, 60 incurred losses, concentrated in Uttar Pradesh, Madhya Pradesh, Punjab, and Bihar. Gross NPAs rose to 12.6%, with 5.8% sub-standard, 6% doubtful, and 0.8% loss assets. Additionally, 126 DCCBs had gross NPAs exceeding 15%, notably in Madhya Pradesh, Uttar Pradesh, Bihar, and Maharashtra

Overview of district central cooperative banks

PERFORMANCE INDICATORS

LIABILITIES

Particulars	31 March 2019		31 March 2020	
	(₹ crore)	YoY Growth (%)	(₹ crore)	YoY Growth (%)
Share capital and reserves	43,584 (40,092)	7.4	43,245	5.7
Deposits	3,78,248 (3,20,947)	10.6	3,45,682	7.7
Borrowings	97,678 (92,963)	7.9	97,448	4.8
Other Liabilities	50188		49602	
Total liabilities	5,69,698 (5,01,573)	9.7	5,35,977	6.9

ASSETS

Particulars	31 March 2019		31 March 2020	
	(₹ crore)	YoY Growth (%)	(₹ crore)	YoY Growth (%)
Cash and Bank Balance	29203		23409	
Loans and advances	3,00,034 (2,65,026)	8.4	2,79,272	5.4
Investments	1,96,227 (1,69,554)	8.4	1,86,745	10.1
Accumulated Losses	6654		6721	
Other assets	37580		39830	
Total assets	5,69,698 (5,01,573)	9.7	5,35,977	6.9

HEALTH INDICATORS

Profitability	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Profit	1,699 (1,623)	1,887
Loss	986 (964)	1,041
Net Profit	713 (659)	846
Accumulated Loss	6,654 (6,139)	6,721
No. of Banks in Profit	303 (291)	291
No. of Banks in Loss	60 (59)	60

Asset Quality	31 March 2019 (₹ crore)	31 March 2020 (₹ crore)
Loans Outstanding	3,00,034 (2,65,026)	2,79,272
Gross NPAs	35,546 (31,998)	35,208
Gross NPA (%)	11.9 (12.1)	12.6
Net NPA (%)	6.0 (5.9)	6.6

Regional disparities among district central cooperative banks

In FY 2019-20, District Central Cooperative Banks (DCCBs) in the Western region had the largest share of all-India business, followed by the Southern, Central, Northern, and Eastern regions. The Southern region's share dropped from 34% in FY 2018-19 to 14.9% in FY 2019-20, primarily due to the merger of 13 DCCBs in Kerala with the state's StCB.

Despite having a lower Net Interest Margin (NIM), DCCBs in the Southern region achieved a high Return on Assets (RoA) due to better asset quality and lower management costs. In contrast, DCCBs in the Central and Northern regions experienced negative RoA, attributed to lower NIM and higher levels of Non-Performing Assets (NPAs).

Regional analysis of district central cooperative banks (FY 2019-20)

Region	Deposit Share	Loan Share	Business Share	CD Ratio	Gross NPA	NIM	RoA
Northern (73)	15.30%	14.40%	14.90%	76	10.90%	2.00%	-0.02%
Western (49)	35.90%	28.50%	32.60%	64	16.20%	2.90%	0.20%
Eastern (58)	9.70%	9.70%	9.70%	81	9.30%	2.20%	0.40%
Southern (67)	22.30%	31.30%	26.30%	113	6.90%	2.10%	0.40%
Central (104)	16.80%	16.10%	16.50%	78	21.20%	2.20%	-0.04%
All India	-	-	-	81	12.60%	2.40%	0.17%

Notes:

1. CD ratio = Credit-Deposit ratio; NIM = Net Interest Margin; NPA = Non-Performing Asset; RoA = Return on Asset.
2. State initials: AP = Andhra Pradesh; BH = Bihar; CH = Chhattisgarh; GJ = Gujarat; HP = Himachal Pradesh; HR = Haryana; JH = Jharkhand; JK = Jammu & Kashmir (now Union Territory); KL = Kerala; KN = Karnataka; MH = Maharashtra; MP = Madhya Pradesh; OD = Odisha; PB = Punjab; RJ = Rajasthan; TL = Telangana; TN = Tamil Nadu; UK = Uttarakhand; UP = Uttar Pradesh; WB = West Bengal.
3. Share represents share of region in all-India deposits/loans/business.
4. Figure in parentheses alongside region name indicates the number of DCCBs in that region.
5. Figure in each state indicates the number of DCCBs in that state as on 31 March 2020.
6. Figure in parentheses in each state indicates the number of DCCBs with CRAR less than 9% as on 31 March 2020.
7. DCCBs exclude Tamil Nadu Industrial Cooperative Bank Ltd.

Performance of PRIMARY AGRICULTURAL CREDIT SOCIETIES (PACS)

As on 31 March 2019, about 39% members across the 95,995 PACS in India sought to borrow from the community-level institutions (Figure 6.11). According to data provided by the National Federation of State Cooperative Banks for 84,661 PACS, in FY 2018-19, 46,930 PACS earned a profit of ₹5,949 crore; the remaining 37,731 incurred loss of ₹7,666 crore.

Overview of primary agricultural credit societies

Particulars	31 March 2018	31 March 2019
No. of PACS	95,238	95,995
Total membership (lakh)	1,305	1,320
No. of borrowing members (lakh)	507	511

PERFORMANCE INDICATORS

Liabilities

Liabilities	31 March 2018 (₹ crore)	31 March 2019 (₹ crore)
Owned funds	30,942	42,196
Deposits	1,19,632	1,33,010
Borrowings	1,28,333	1,38,922

Assets

Assets	31 March 2018 (₹ crore)	31 March 2019 (₹ crore)
Loans outstanding	1,69,630	1,15,048
Loans issued during year ended	2,07,322	2,05,895

6.2.2 Long-term cooperatives

Performance and health of state cooperative agriculture and rural development banks

While borrowings and deposits of state cooperative agriculture and rural development banks (SCARDBs) declined in FY 2019-20, their combined assets were marked by decline in investment and draw down on cash and bank balances.

As we know, borrowings form half of their resources.

During FY 2019-20, SCARDBs posted a net profit due to increase in non-interest income and decline in operating expenses even as provisions grew by 11%. Out of 13 SCARDBs, 10 posted a net profit of ₹287 crore, while 3 (Himachal Pradesh, Jammu & Kashmir, and Puducherry) incurred a net loss of ₹35 crore.

The SCARDBs in Haryana, Tripura, and Uttar Pradesh turned around in FY 2019-20. The asset quality of SCARDBs further declined during FY 2019-20 due to a spurt in NPAs in Himachal Pradesh, Kerala, Punjab, and Uttar Pradesh.

The gross NPA (%) of all the SCARDBs (barring Kerala and Puducherry) was over 10% as on 31 March 2020. The overall gross NPA of 33% in FY 2019-20 was 650 basis points higher than FY 2018-19 level.

Overview of state cooperative agriculture and rural development banks

PERFORMANCE INDICATORS

LIABILITIES

Particulars	31 March 2019		31 March 2020	
	(₹ crore)	YoY Growth (%)	(₹ crore)	YoY Growth (%)
Capital	939	-0.6	939	0
Reserves	3,550	5.7	3,921	10.5
Deposits	2,434	4	2,409	-1
Borrowings	15,098	-2	13,710	-9.2
Other liabilities	5,976	-14	6,125	2.5
Total assets	27,997	-3.4	27,104	-3.2

ASSETS

Particulars	31 March 2019		31 March 2020	
	(₹ crore)	YoY Growth (%)	(₹ crore)	YoY Growth (%)
Cash and bank balances	257	-6.5	174	-32.3
Investments	3,302	-6.6	2,499	-24.3
Loans and advances	20,651	-0.7	20,700	0.2
Accumulated losses	568	12.9	547	-3.7
Other assets	3,219	-17.3	3,183	-1.1
Total assets	27,997	-3.4	27,104	-3.2

HEALTH INDICATORS

Financial Performance	31 March 2019		31 March 2020	
	(₹ crore)	YoY Growth (%)	(₹ crore)	YoY Growth (%)
Income	2,510	5.3	2,586	3
Interest income	2,427	6.1	2,378	-2
Other income	83	-14.2	208	150.6
Expenditure	2,559	6.9	2,334	-8.8
Interest expended	1,376	-8.4	1,296	-5.8
Provisions and contingencies	394	-12.8	437	10.9
Operating expenses	454	13.1	397	-12.6
Wage bill (out of operating expenses)	377	9.8	339	-10.1
Other expenses	335	793	204	-39.1
Net profit	-49		252	

Asset Quality	31 March 2019 (₹ crore)	31 March 2020 (₹ crore)
Loans outstanding	20,651	20,700
Gross NPAs	5,476	6,836
Gross NPA (%)	26.50%	33.00%
Recovery (%) as on 30 June of previous FY 2019-20	46.10%	38.80%

Performance of primary cooperative agriculture and rural development banks

As on 31 March 2020, there were 602 primary cooperative agriculture and rural development banks (PCARDBs) spread across eight states having federal/ mixed structure of LTCCS.

Overview of primary cooperative agriculture and rural development banks

Particulars	31 March 2019	31 March 2020
Total no. of PCARDBs	602	602
PCARDBs in profit	271	252
PCARDBs in loss	331	350

PERFORMANCE INDICATORS

LIABILITIES

Particulars	31 March 2019 (₹ crore)	31 March 2020 (₹ crore)
Owned funds	2,810	3,602
Deposits	1,303	1,333
Borrowings	16,101	16,538
Total LIABILITIES	30,108	31,180

ASSETS

Particulars	31 March 2019 (₹ crore)	31 March 2020 (₹ crore)
Investments	2,019	2,058
Loans outstanding	15,594	15,692
Total ASSETS	30,108	31,180
Net profit	-442	-568

6.2.3 NABARD's initiatives for cooperatives

In FY 2020-21, NABARD utilised ₹18.7 crore from its Cooperative Development Fund for strengthening cooperatives, focusing on training cooperative bank personnel, PACS Development Cells, stakeholder engagement, infrastructure development, PACS computerisation, and operations of the Centre for Professional Excellence in Cooperatives (C-PEC). NABARD also introduced a scheme supporting Business Diversification & Product Innovation Cells (BDPICs), sanctioning 11 BDPICs across various states with ₹66 lakh each in grant assistance.

For PACS computerisation, a new scheme offered matching grants with a total fund outlay of ₹30 crore. NABARD also promoted PACS as multi-service centres, providing concessional refinance under the Agriculture Infrastructure Fund, allowing PACS to access loans at 1% interest and offering grants for infrastructure development. Up to 35,000 PACS can benefit from this initiative.

PACS Development Cells

NABARD also disbursed an amount of ₹38.8 lakh for functional PDCs in seven states in FY 2020-21 for capacity building, handholding, developing new models/avenues for income generation, guidance, exposure visits, and other suitable interventions. The PDCs, currently established and functional in 94 DCCBs/StCBs, have so far assisted 2,556 PACS operating in 20 states.

Centre for Professional Excellence in Cooperatives

The C-PEC at the Bankers Institute of Rural Development, Lucknow conducted four certification course examinations, added 34 institutional and 1,502 individual members, increasing the membership to 10,024 comprising 52 central training institutes (CTIs), 29 StCBs, 271 DCCBs, 5,605 PACS, and 4,067 individuals. In FY 2020-21, C-PEC standardised 50 online training programmes and 25 regular training programmes.

Till now, C-PEC has standardised a total of 156 training programmes for various CTIs.

Supervisory instructions

NABARD advised RCBs on

- updating information on Anti-Money Laundering (AML), Counter Financing of Terrorism (CFT), and Know Your Customer (KYC);
- reporting the detection and impounding of Fake Indian Currency Notes (FICN) every month;
- sharing with the Central Economic Intelligence Bureau copies of RCB complaints against economic offenders lodged with Central Bureau of Investigation or the Economic Offences Wing of the state police; and
- the standard operating procedure for the scheme for grant of ex-gratia payment of the difference between compound interest and simple interest for six months to borrowers in specific loan accounts (from 1 March 2020 to 31 August 2020).

6.3 REGIONAL RURAL BANKS

During FY 2020-21, RRBs registered the maximum year-on year growth in credit at 12.4% vis-à-vis 5.8% for public sector banks, 8.6% for private sector banks, and (-)3% for foreign banks.

Some of the recent policy changes pertaining to RRBs are presented below

1. Perpetual debt instruments: RRBs can issue perpetual debt instruments (PDIs) eligible for inclusion as Tier 1 capital to maintain prescribed CRAR. However, none of the RRBs have issued PDIs as on 31 March 2021.
2. Revision in priority sector lending (PSL) guidelines: Targets prescribed for 'small and marginal farmers' and 'weaker sections' are being increased in a phased manner and RRBs incurring any shortfall in lending against their PSL target/ sub-targets from FY 2020-21 onwards will be required to make contributions towards Rural Infrastructure Development Fund and other refinance funds, as directed by the RBI.
3. Introduction of liquidity adjustment facility (LAF) and marginal standing facility (MSF) for RRBs: To provide an additional avenue for liquidity management to RRBs, RBI has decided to extend LAF and MSF to scheduled RRBs that meet specific criteria.

6.3.1 Performance and health of RRBs

As of 31 March 2020, the consolidated balance sheet of Regional Rural Banks (RRBs) grew by 9.3% to ₹5.9 lakh crore. Deposits, which accounted for over 81% of total resources, saw significant growth, with CASA deposits making up 53% of the total.

On the assets side, investments outpaced the growth in loans, leading to a decline in the credit-deposit (CD) ratio from 65% to 62%. Loans to priority sectors comprised 91% of RRBs' total loans, with loans to small and marginal farmers and weaker sections representing 48% and 60%, respectively.

The total business of RRBs, including deposits and loans, grew by 8.6% to ₹7.8 lakh crore, with significant variation across banks. However, the system-wide capital adequacy ratio (CRAR) declined from 11.5% to 10.3% due to provisions for the new pension scheme, with 17 out of 45 RRBs reporting a CRAR of less than 9%.

Overview of regional rural banks

PERFORMANCE INDICATORS

LIABILITIES

Category	31 March 2019		31 March 2020	
	Amount in ₹ crore	YoY Growth (%)	Amount in ₹ crore	YoY Growth (%)
Capital	6,721	4.60%	7,849	16.80%
Reserves	25,398	0.80%	26,814	5.60%
Deposits	4,34,444	8.50%	4,78,737	10.20%
Borrowings	53,556	-7.10%	54,393	1.60%
Other liabilities	17,864	17.30%	20,228	13.20%
Total liabilities	5,37,989	6.50%	5,88,021	9.30%

ASSETS

Category	31 March 2019		31 March 2020	
	Amount in ₹ crore	YoY Growth (%)	Amount in ₹ crore	YoY Growth (%)
Cash and bank balances	26,279	8.60%	27,217	3.60%
Investments	2,26,172	1.80%	2,50,859	10.90%
Loans and advances (net)	2,61,953	10.50%	2,80,220	7.00%
Accumulated losses	2,887	54.70%	6,467	124.00%
Other assets	20,698	5.50%	23,258	12.40%
Total liabilities/assets	5,37,989	6.50%	5,88,021	9.30%

HEALTH INDICATORS

FINANCIAL PERFORMANCE	31 March 19		31 March 2020	
	Amount in ₹ crore	YoY Growth (%)	Amount in ₹ crore	YoY Growth (%)
Income	42,988	2.80%	49,452	15.00%
Interest income	38,931	1.50%	43,698	12.20%
Other income	4,057	16.50%	5,754	41.80%
Expenditure	43,640	8.20%	51,660	18.40%
Interest expended	23,716	-0.60%	25,985	9.60%
Provisions and contingencies	6,120	-12.70%	5,599	-8.50%
Operating expenses	13,803	25.30%	20,076	45.40%
Wage bill (out of operating expenses)	9,379	33.10%	14,654	56.20%
Net profit	-652	-143.40%	-2,208	-

In FY 2019-20, 26 Regional Rural Banks (RRBs) earned a profit of ₹2,203 crore, while 19 RRBs incurred losses of ₹4,411 crore, leading to an overall net loss of ₹2,208 crore. The profitability decline was primarily due to an increase in the wage bill following the implementation of the pension scheme.

As of March 31, 2020, 17 out of 45 RRBs had accumulated losses amounting to ₹6,467 crore, compared to 11 of 53 RRBs with losses of ₹2,887 crore as of March 31, 2019. Aryavart Bank and Sarva Haryana Gramin Bank managed a turnaround in FY 2019-20. Profits among RRBs ranged from ₹0.5 crore (Baroda Gujarat Gramin Bank) to ₹617.6 crore (Andhra Pradesh Grameena Vikas Bank), with 18 RRBs earning less than ₹100 crore in profit.

Asset quality improved slightly, with gross NPA reducing to 10.4% as of March 31, 2020, from 10.8% in March 2019, partly due to the COVID-19-related moratorium. Net NPA declined from 6.8% to 5.8%, and the provision coverage ratio (PCR) increased from 41.5% to 47%. Standard assets constituted 89.6% of total assets, while sub-standard, doubtful, and loss assets accounted for 3.5%, 6.6%, and 0.3%, respectively. The share of sub-standard assets decreased from 4.6% to 3.5%, but doubtful and loss assets increased from 6.2% to 6.9%.

To help RRBs maintain the minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 9%, the Cabinet Committee on Economic Affairs (CCEA) extended the recapitalisation scheme for RRBs until FY 2020-21.

The CCEA also approved ₹670 crore as the central government's share of the total ₹1,340 crore recapitalisation assistance.

Government of India's share in recapitalisation sanctioned (₹ crore)

Regional Rural Bank	FY 2019-20	FY 2020-21
Assam Gramin Vikash Bank	20.7	12.4
Bangiya Gramin Vikash Bank	111.4	66.3
Dakshin Bihar Gramin Bank	75.7	45.1
Ellaquai Dehati Bank	7.8	-
Madhya Pradesh Gramin Bank	21.3	12.7
Madhyanchal Gramin Bank	48.3	7.6
Manipur Rural Bank	2.3	-
Nagaland Rural Bank	0.7	-
Odisha Gramya Bank	99.3	34.6

Utkal Gramin Bank	237.7	-
Uttar Bihar Gramin Bank	36	21.4
Vidharbha Konkan Gramin Bank	39.2	-
Total	700.5	200

NABARD released the central share of ₹39.2 crore to Vidharbha Konkan Gramin Bank (VKGB) during FY 2020-21 after VKGB received the state government's share of recapitalisation assistance.

6.3.2 Regional disparities among regional rural banks

In FY 2019-20, all regions, including the West and South, reported at least one loss-making Regional Rural Bank (RRB), a shift from FY 2018-19 when no RRBs in these regions incurred losses.

The number of profit-making RRBs declined from 39 in FY 2018-19 to 26 in FY 2019-20. Despite this, their total profit increased by 25% to ₹2,203 crore. However, RRBs in loss saw an 83% rise in total losses, resulting in a net loss of ₹2,208 crore for RRBs in FY 2019-20, up from ₹652 crore in FY 2018-19.

Regional analysis of regional rural banks (FY 2019-20)

Region	No. of RRBs in profit	No. of RRBs in loss	Profit (₹ crore)	Loss (₹ crore)	Share (Deposit/Loan)	Gross NPA (%)	CRAR (%)
Northern	5	2	₹197 crore	₹166 crore	14% / 15%	7.20%	11.30 %
North Eastern	4	3	₹175 crore	₹194 crore	5% / 3%	20.70%	11.90 %
Western	3	1	₹62 crore	₹333 crore	7% / 6%	7.30%	7.50%
Eastern	2	6	₹42 crore	₹1,769 crore	19% / 14%	21.60%	2.40%
Southern	8	2	₹1,446 crore	₹656 crore	28% / 39%	4.80%	13.40 %
Central	4	5	₹281 crore	₹1,294 crore	28% / 24%	14.70%	10.10 %

During FY 2020-21, NABARD implemented several key measures to strengthen Regional Rural Banks (RRBs), focusing on improving their health, addressing human resource issues, and issuing supervisory guidelines.

1. **RRBs in Focus:** NABARD closely monitored RRBs' performance and placed special focus on banks with weaker health indicators, such as low CRAR, high NPAs, or negative Return on Assets (RoA). As of 31 March 2020, 26 RRBs were identified as 'in focus' to implement timely remedial actions. Banks like Chhattisgarh Rajya Gramin Bank and Jharkhand Rajya Gramin Bank successfully moved out of this framework by taking corrective measures recommended by NABARD.
2. **Industrial Relations and Human Resource Management:** NABARD facilitated the XIth Joint Consultative Committee meeting to discuss employee-related issues such as welfare, recruitment, and promotions. It also helped the Government of India in formulating human resource policies, including financial incentives and insurance coverage during the pandemic. NABARD continues to monitor and report pension disbursements to retired RRB staff and their families.

Chapter-7 FINANCING RURAL INFRASTRUCTURE

7.1 NABARD in rural infrastructure financing

NABARD has become a key player in financing rural infrastructure, leveraging various funds provided by the Government of India (GOI). A pivotal moment in India's rural infrastructure development occurred in FY 1995-96 when the Rural Infrastructure Development Fund (RIDF) was established using the priority sector lending (PSL) shortfall of commercial banks. Initially focused on irrigation, flood control, and watershed management projects, RIDF started with a corpus of ₹2,000 crore. Over time, it expanded to cover 37 activities addressing diverse rural infrastructure needs.

Recognizing the need to scale up infrastructure further, NABARD advocated for an increased corpus for RIDF in FY 2021-22. As a result, the GOI allocated ₹40,000 crore for the XXVII RIDF Tranche in FY 2021-22, a significant increase from ₹29,763 crore in FY 2020-21.

Over 26 years, RIDF has funded projects across states, state-owned corporations, and other eligible agencies, with cumulative sanctions reaching ₹4.1 lakh crore, including ₹18,500 crore under Bharat Nirman. Of this, ₹3.2 lakh crore has been disbursed for projects related to agriculture, connectivity, and social infrastructure.

Sanctions and disbursements under various infrastructure funds of NABARD (₹ in crore) for FY 2019-20

Fund	FY 2019-20	
	Sanctions	Disbursements
RIDF	30,342.0	26,266.0
LTIF	6,094.9	10,469.8
MIF	2,841.6	0.0
PMAY-G	20,000.0	10,811.0
SBM-G	0.0	3,600.0
WIF	1,056.0	844.0
FPF	149.0	43.0
DIDF	564.6	670.0
FIDF	348.0	0.0
NIDA	4,382.3	3,727.1
RIPF	0.0	1.2
Total	65,778.4	56,432.1

Sanctions and disbursements under various infrastructure funds of NABARD (₹ in crore) for FY 2020-21

Fund	FY 2020-21	
	Sanctions	Disbursements
RIDF	34,830.0	29,193.0
LTIF	2,461.8	7,761.2
MIF	1,128.6	1,827.5
PMAY-G	20,000.0	19,999.8
SBM-G	0.0	0.0
WIF	200.0	909.0
FPF	116.5	53.2
DIDF	943.6	120.7
FIDF	0.0	193.8
NIDA	22,767.8	7,506.1
RIPF	25.0	20.0

Total	82,473.3	67,584.3
-------	----------	----------

Cumulative as on 31 March 2021 sanctions and disbursements under various infrastructure funds of NABARD (₹ in crore)

Fund	Cumulative as on 31 March 2021	
	Sanctions	Disbursements
RIDF	4,09,063.0	3,23,677.0
LTIF	84,326.6	52,479.7
MIF	3,970.2	1,827.5
PMAY-G	61,975.0	48,819.0
SBM-G	15,000.0	12,298.2
WIF	9,728.0	7,621.0
FPF	701.2	409.4
DIDF	3,665.9	1,230.7
FIDF	348.0	193.8
NIDA	57,724.3	22,800.1
RIPF	25.0	37.9
Total	6,46,527.2	4,71,394.2

Notes:

- DIDF = Dairy Processing and Infrastructure Development Fund;
- FIDF = Fisheries and Aquaculture Infrastructure Development Fund;
- FPF = Food Processing Fund;
- LTIF = Long Term Irrigation Fund;
- MIF = Micro-Irrigation Fund;
- NIDA = NABARD Infrastructure Development Assistance;
- PMAY-G = Pradhan Mantri Awaas Yojana-Gramin;
- RIDF = Rural Infrastructure Development Fund;
- RIPF = Rural Infrastructure Promotion Fund;
- SBM-G = Swachh Bharat Mission-Gramin;
- WIF = Warehouse Infrastructure Fund.

To ensure regional balance and sectoral diversity, NABARD developed an objective decision tool to allocate resources across states for the Rural Infrastructure Development Fund (RIDF). The tool considers factors like geography, demography, infrastructure levels, and past RIDF performance.

In response to high demand for rural infrastructure financing, NABARD introduced additional funds like the NABARD Infrastructure Development Assistance (NIDA) and the Rural Infrastructure Promotion Fund. As of 31 March 2021, NABARD sanctioned ₹6.5 lakh crore under the rural infrastructure portfolio, with ₹4.7 lakh crore disbursed.

7.2 Rural Infrastructure Development Fund

7.2.1 Trends and patterns

Growth in Sanctions and Disbursements: Despite the pandemic, NABARD's sanctions under RIDF grew by 15% in FY 2020-21 compared to FY 2019-20, driven by states prioritizing investments in irrigation and social infrastructure as a counter-pandemic strategy. Disbursements also increased by 11.1% in FY 2020-21, recovering from a decline in FY 2019-20.

- Fund Utilization: Cumulative data shows a high fund utilization rate of 78% for ongoing RIDF tranches and 93% for closed tranches (I–XIX). The Reserve Bank of India's decision to allow NABARD to use undrawn balances from closed tranches has added an additional ₹9,665 crore for future projects, further boosting sanction and disbursement growth.
- Sanctions in FY 2020-21: NABARD sanctioned ₹34,830 crore under RIDF XXVI during FY 2020-21, up from ₹30,342 crore in FY 2019-20 and ₹30,485 crore in FY 2018-19.

Sanctions under Rural Infrastructure Development Fund by sector, FY 2018-19 to FY 2020-21

Sector	FY 2018-19 (₹ crore)	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Agriculture and related activities	6,801	8,270	9,664
Irrigation	7,912	7,141	6,354
Rural bridges	2,641	2,023	3,086
Rural roads	9,811	9,828	12,671
Social infrastructure	3,320	3,080	3,055
Total	30,485	30,342	34,830

Sectoral Focus:

- Agriculture and Irrigation: Agriculture and related projects, including irrigation, accounted for 45% of the total sanctions, making irrigation the most preferred investment.
- Social Infrastructure: Social sector projects accounted for 58% of the number of sanctioned projects in FY 2020-21, indicating a priority shift by state governments.

Projects under Rural Infrastructure Development Fund by sector in FY 2020-21

Sector	Number of Projects	Percentage (%)
Social infrastructure	19,069	58%
Irrigation	8,613	26%
Rural roads	2,757	8%
Rural bridges	835	3%
Agriculture and related activities	1,554	5%

Disbursements:

- Disbursements under RIDF peaked at ₹29,193 crore in FY 2020-21, with agriculture (including irrigation) representing 43% of the total disbursements.

Disbursement under Rural Infrastructure Development Fund by sector, FY 2018-19 to FY 2020-21 (₹ crore)

Sector	FY 2018-19 (₹ crore)	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Agriculture and related activities	2,695	2,404	2,568
Irrigation	9,697	9,402	9,559
Rural connectivity	9,211	8,532	8,764
Social infrastructure	6,020	5,928	7,902
Total	27,623	26,266	29,193

Region-wise sanctions and disbursements under the Rural Infrastructure Development Fund

Region	SANCTIONED				DISBURSED			
	FY 2018-19 (₹ crore)	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)	Total sanction (in %)	FY 2018-19 (₹ crore)	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)	Total Disbursement (in %)
Northern	4,464	4,661	5,027	14.8	3,577	3,314	4,426	13.6
North Eastern & Sikkim	2,323	1,961	2,495	7.1	1,725	1,881	2,234	7
Western	4,783	4,854	4,643	14.9	3,614	4,496	3,923	14.5
Eastern	6,883	7,319	9,319	24.6	7,252	6,417	7,472	25.4
Southern	6,374	5,880	7,015	20.1	5,988	5,548	5,721	20.8
Central	5,659	5,667	6,330	18.5	5,467	4,609	5,417	18.6

7.2.2 Economic and social impact

The RIDF projects consistently deliver positive outcomes for rural production, productivity, income, employment, environment, and sustainability

Economic and social impact of the Rural Infrastructure Development Fund

Category	Impact
Irrigation	349 lakh hectares of irrigation potential
	1,42,175 lakh person days of non-recurring employment
Rural Connectivity	12.3 lakh meters of bridge length
	4.9 lakh km of road length
	63,390 lakh person days of non-recurring employment

7.3 Long Term Irrigation Fund

Announced in the Union Budget FY 2016-17, Long Term Irrigation Fund (LTIF) is meant to fast track 99 irrigation projects and augment irrigation potential by 34.6 lakh ha.

NABARD has been providing assistance for meeting both central and state government shares of funding required to complete stalled priority irrigation projects. The central share is provided to the National Water Development Agency, under the aegis of Ministry of Jal Shakti, GOI, whereas state governments concerned can choose to avail loan towards their share.

From 1 April 2018, loans towards central share have been entirely funded through extra-budgetary resources in the form of fully serviced GOI bonds while the state share has been fully funded through market borrowings. The loans are extended to state governments at 6% interest per annum. In addition to the 99 projects identified initially, four new projects have been brought within the ambit of LTIF

State-wise funds sanctioned and released under Long Term Irrigation Fund as on 31 March 2021

State	Sanctioned (₹ crore)			Released (₹ crore)		
	State Share	Central Share	Total (₹ crore)	State Share	Central Share	Total (₹ crore)
Maharashtra	17,648.80	5,000.00	22,648.80	11,157.2	2,000.00	13,157.20
Gujarat	3,769.50	8,000.00	11,769.50	3,246.50	6,000.00	9,246.50
Uttar Pradesh	6,093.20	5,000.00	11,093.20	5,207.00	1,900.00	7,107.00
Odisha	5,366.00	2,000.00	7,366.00	2,858.70	1,800.00	4,658.70
Madhya Pradesh	2,440.70	4,000.00	6,440.70	895.00	1,000.00	1,895.00
Telangana	0.00	3,478.80	3,478.80	0.00	673.90	673.90
Jharkhand	565.10	1,800.00	2,365.10	524.80	750.00	1,274.80
Karnataka	0.00	1,837.30	1,837.30	0.00	1,183.30	1,183.30
Rajasthan	507.80	1,000.00	1,507.80	229.10	600.00	829.10
Andhra Pradesh	439.00	500	939.00	481.10	100	581.10
Manipur	300.30	400	700.30	298.40	300	598.40
Assam	11.00	300	311.00	115.70	0	115.70
Chhattisgarh	95.80	150	245.80	0.00	62.80	62.80
Bihar	0.00	240.00	240.00	0.00	146.10	146.10
Punjab	0.00	143.70	143.70	0.00	70.50	70.50
Jammu and Kashmir	0.00	57.30	57.30	0.00	46.30	46.30
Kerala	0.00	48.70	48.70	0.00	2.70	2.70
Goa	0.00	17.60	17.60	0.00	3.80	3.80

Funds sanctioned and released under Long Term Irrigation Fund for additional projects as on 31 March 2021

Project	Sanctioned (₹ crore)	Released (₹ crore)
Polavaram	10,465.80	9,898.40
North Koel Reservoir	1,378.60	721.2
Shahpurkandi Dam	485.4	207.5
Relining of Sirhind Feeder and Rajasthan Feeder	826.8	0

7.4 NABARD Infrastructure Development Assistance (NIDA)

Purpose and Scope:

- NIDA offers flexible long-term loans to well-managed public sector entities for financing a wide range of rural infrastructure projects, including agriculture infrastructure, rural connectivity, renewable energy, power transmission, drinking water and sanitation, and other social and commercial infrastructure.
- The inclusion of public-private partnership (PPP) and non-PPP projects, undertaken by entities like corporates, companies, and cooperatives, has broadened NIDA's funding scope.

FY 2020-21 Achievements:

During FY 2020-21, NIDA sanctioned term loans total ₹22,767.8 crore for various projects:

- Irrigation Projects : 60.9%, amounting to ₹13,865 crore.
- Drinking Water Projects : 21.7%, amounting to ₹4,931.5 crore.
- Transmission Projects : 3.9%, amounting to ₹893.7 crore.
- Rural Connectivity : 5.1%, amounting to ₹1,158.5 crore.
- Rural Housing : 3.5%, amounting to ₹792.4 crore.
- Sewerage : 0.3%, amounting to ₹64.9 crore.
- Communication Sector : 4.1%, amounting to ₹1,061.7 crore.

Cumulative Impact:

- To date, 111 projects have been sanctioned under NIDA, with a total term loan of ₹57,724.3 crore, of which ₹22,800 crore has been disbursed.
- NIDA has created significant socio-economic impacts, including enhanced agricultural production and productivity, improved connectivity, increased employment, and better access to sanitation and clean water. These projects contribute to achieving Sustainable Development Goal 6 (Clean Water and Sanitation), reducing child malnutrition and mortality, and improving female school enrollment.

Sector share in NIDA as on 31 March 2021

Sector	Sector Share in No. of Projects (%)	Sector Share in Amount Sanctioned (%)
Power Distribution	3%	2%
Roads and Bridges	11%	14%
Irrigation	13%	43%
Power Transmission	47%	18%
Communication	1%	2%
Drinking Water	7%	17%
Others	18%	4%

Impact of NIDA projects

Sector	Impact
Irrigation	13,83,013 hectares benefited
Micro-irrigation	1,39,000 hectares area covered
Renewable Energy	1,242.3 MW generation capacity built via 4 solar and 5 wind power projects in 7 states
Power Transmission	52 projects in 15 states assisting in modernizing transmission infrastructure
Rural Connectivity	7,410 km road length and 7.9 km bridge length built
Drinking Water Supply	33,758 habitations with doorstep supply
Warehousing and Cold Storage	29,600 tonnes capacity created
Sanitation	15 million liters per day capacity of sewer treatment facility with associated sewer lines

7.5 Funding Warehouse Infrastructure

Purpose and Scope:

NABARD provides financial support under the Warehouse Infrastructure Fund (WIF) to state governments, state-owned agencies, and corporates for creating scientific warehouse capacity. This initiative is crucial for supporting value chains in agriculture and facilitating farmers' access to finance through negotiable warehouse receipts.

Current Trends and Future Demand

With foodgrains production having increased more than six times since 1950 and expected to exceed 350 million tonnes by 2030, there will be a sustained demand for investment in storage infrastructure during the current decade

FY 2020-21

Achievements:

- NABARD disbursed loans totaling ₹909 crore under WIF in FY 2020-21, up from ₹844 crore in FY 2019-20.
- Additionally, a term loan of ₹200 crore was sanctioned to the Government of Madhya Pradesh.
- As part of its pandemic response, NABARD provided relief by deferring principal and interest repayments totaling ₹38.9 crore for two borrowing entities, in line with RBI's relief measures.

Technological Advancements:

- NABARD developed a web-based agri-storage infrastructure information system that captures geospatial coordinates and provides physical details, amenities, and contact information for each storage asset.

Region-wise performance of Warehouse Infrastructure Fund (capacity in 000 tonne)

Region	No. of Projects	Capacity	Share (%)	
			No. of Projects	Capacity Created (%)
Northern	198	435	3%	8%
North Eastern & Sikkim	166	22	2%	0.40%
Western	1,855	748	24%	13%
Eastern	878	1,027	12%	18%
Southern	3,825	3,146	50%	55%
Central	657	-	9%	-
Multi-State Projects	22	365	-	6%
TOTAL All India	7,601	5,742	-	-

Loan sanctions and disbursement under Warehouse Infrastructure Fund as on 31 March 2021

Tranche	FY 2013-14 (₹ crore)	FY 2014-15 (₹ crore)	Total (₹ crore)
Corpus allocated	4,481	5,000	9,481
Sanctions	4,535	5,193	9,728
Cumulative disbursement	3,237	4,384	7,621

Note: Of the ₹ 5,000 crore corpus of the WIF Tranche FY2014, ₹519 crore was refunded to commercial banks.

7.6 Funding food processing infrastructure

NABARD provides affordable credit under the Food Processing Fund (FPF) to support the development of agro-processing clusters in designated food parks (DFPs), as notified by the Ministry of Food Processing Industries. by March 31, 2021, cumulative disbursement through the FPF amounted to ₹409.4 crore.

NABARD's support has focused on financing infrastructure and individual units within the DFPs to enhance viability. As of the same date, term loans of ₹701.2 crore were sanctioned for 12 mega food parks, 10 agro-processing clusters, and 10 individual food processing units.

Loan sanctions and disbursement under Food Processing Fund for FY 2019-20

Category	FY 2019-20		
	Target (₹ crore)	Achieved (₹ crore)	% Achieved
Sanctioned	175	149.3	85.30%
Disbursed	125	43.3	34.60%

Loan sanctions and disbursement under Food Processing Fund for FY 2020-21

Category	FY 2020-21		
	Target (₹ crore)	Achieved (₹ crore)	% Achieved
Sanctioned	150	116.5	77.70%
Disbursed	115	53.2	46.30%

7.7 Housing for all by 2022

The Pradhan Mantri Awaas Yojana–Gramin (PMAY-G) aims to provide a pucca house with basic amenities to all houseless households and those living in kutcha and dilapidated houses by 2022, targeting the construction of 2.95 crore houses across two phases.

NABARD has supported the National Rural Infrastructure Development Agency by partially funding the central government's share of the scheme since FY 2017-18. As of 31 March 2021, NABARD has sanctioned ₹61,975 crore and released ₹48,819 crore for this purpose.

Rural houses built under PMAY–G as on 27 February 2021

Status	Value (in some units, not specified)
Targeted	2.95 crore
Completed	1.3 crore

7.8 Dairy Processing and Infrastructure Development Fund

The Dairy Processing and Infrastructure Development Fund (DIDF) aims to create and modernize dairy infrastructure by FY 2022-23.

As of March 31, 2021, NABARD sanctioned 43 projects in 11 states, with a total loan of ₹3,644.5 crore for investments amounting to ₹5,256.5 crore.

Cumulative disbursements reached ₹1,230.7 crore.

These projects will add 162.7 lakh liters per day (LLPD) of milk processing capacity, modernize plants by 10.6 LLPD, increase value addition by 2,794.8 metric tonnes per day (MTPD), and expand milk drying capacity by 300 MTPD.

Cumulative state-wise sanctions and disbursement under DIDF as on 31 March 2021

State	Project Outlay (₹ crore)	Loan Amount (₹ crore)	Disbursement (₹ crore)
Karnataka	1626.2	920	722.6
Gujarat	1370.7	1062.8	163.7
Tamil Nadu	663.7	549.4	0
Maharashtra	488.9	282.9	140.4
Punjab	322.7	254.4	141.2
Telangana	261.5	156.7	0
Haryana	194.4	155.5	6.9
West Bengal	130	104	0
Andhra Pradesh	97.8	78.2	51.8
Rajasthan	74.7	59.8	4.2
Kerala	26	20.8	0

Note: For the 11 states in the figure, the total project outlay is ₹5,256.5 crore, loan amount is ₹3,665.8 crore, and disbursement is ₹1,230.8 crore.

7.9 Other Infrastructure Initiatives

7.9.1 Per Drop More Crop

- Operational since FY 2019-20, MIF supports state governments in expanding micro-irrigation coverage and promoting water-use efficiency under the "Per Drop More Crop" initiative.
- In FY 2020-21, loans totaling ₹1,128.6 crore were sanctioned to Haryana, Punjab, Uttarakhand, and West Bengal, and ₹1,827.5 crore was released to Andhra Pradesh, Gujarat, Haryana, and Tamil Nadu.
- As of 31 March 2021, the cumulative sanction under MIF was ₹3,970.2 crore, with releases covering 12.8 lakh hectares.

7.9.2 Developing fisheries and aquaculture infrastructure

- NABARD, as a nodal loaning entity, supports fishery infrastructure development under the Fisheries and Aquaculture Infrastructure Development Fund.
- It has executed agreements with nine states and sanctioned ₹348 crore, disbursing ₹93.8 crore for the development of fishing harbors in Tamil Nadu.
- These projects are expected to provide employment to over 21,000 individuals.

7.9.3 Swachh Bharat Mission–Gramin

- Under SBM–G, NABARD has extended loans to support the construction of household toilets. By 31 March 2021, cumulative sanctions under SBM–G reached ₹15,000 crore, with ₹12,298.2 crore released, facilitating the construction of 3.3 crore household toilets.

Chapter- 8 THE ORGANISATION AND HUMAN RESOURCES

8.1 Management

The management and business of NABARD is vested in the Board of Directors appointed by the Government of India (GOI) in consultation with the Reserve Bank of India (RBI).

The Board consists of the Chairman, managing director (vacant), deputy managing directors, and directors comprising experts in relevant fields such as rural economics, rural development, cottage and village industries, cooperative banks, regional rural banks, along with representatives from the RBI, GOI, and state governments.

Composition of staff as on 31 March 2021

Category	Group A (Officers)	Group B (Development Assistants)	Group C (Office Attendants)	Total
TOTAL	2,243	683	447	3,373
GEN	1,255	418	166	1,839
OBC	434	114	65	613
SC	350	93	154	597
ST	204	58	62	324

Additional Information:

- Women: 821
- PWD (Persons with Disability): 90
- EX-SERV (Ex-Servicemen): 84
- DDM (District Development Manager): 414

Along with serving staff, NABARD has a pool of 2,761 pensioners, 649 family pensioners, 7 ex-gratia pensioners, and 17 family ex-gratia pensioners.

Changes in the Board of Directors in FY 2020-21

Members who joined the Board in FY 2020-21

Name	Date of Appointment
G.R. Chintala, Chairman, NABARD	27 May 20
Shaji K.V, Deputy Managing Director, NABARD	21 May 20
P.V.S. Suryakumar, Deputy Managing Director, NABARD	21 May 20
Nagendra Nath Sinha, Secretary, Ministry of Rural Development, Govt of India	28 April 20
Sanjeev Kaushik, Additional Secretary, Department of Financial Services, Ministry of Finance, Govt of India	21 September 20

Board members whose tenure ended in FY 2020-21

Name	Date of Cessation
Rajesh Bhushan, Secretary, Ministry of Rural Development, Govt of India	26 April 20
H.K. Bhanwala, Chairman, NABARD (retired)	27 May 20
Debasish Panda, Secretary, Department of Financial Services, Ministry of Finance, Govt of India	20 September 20
Ashok Gulati, Infosys Chair Professor, Agriculture, Indian Council for Research on International Economic Relations, New Delhi	09 February 21
Lalhmingthanga, Commissioner & Secretary, Agriculture and Rural Development, Government of Mizoram	01 March 21

Meetings of the Board and its committees in FY 2020-21

Meeting	No. of Meetings
Board of Directors	7
Executive Committee	4
Sanctioning Committee for loans under the Rural Infrastructure Development Fund (RIDF)	5
Internal Sanctioning Committee for loans under RIDF	26
Management Committee (comprising the Chairman, deputy managing directors, and select chief general managers)	19
Audit Committee	4
Risk Management Committee	4
Information Technology Committee	2
Premises Committee	2

8.2 Human resource development

8.2.1 Staff composition

NABARD has consistently maintained high standards of qualified and trained human resources and recruited knowledgeable experts from relevant fields for specialised inputs, adhering strictly to the prescribed reservation norms of the GOI. During FY 2020-21, NABARD recruited 153 officers, 86 development assistants, 44 office attendants, and 13 specialist consultants. A large number of retirements combined with the recruitment of younger staff, has reduced the average age of NABARD staff to 46 years.

8.2.2 Training and development

NABARD's training policies promote learning and upskilling for its staff and client institutions. Most training programmes during FY2020-21 were conducted online. Additionally, 1,676 officers completed desk-related modules on Nabscholar, an in-house e-learning platform. NABARD deputed 42 officers to external programmes in areas such as green financing and banking technology, and 30 officers enrolled in professional courses under the Incentive Study Scheme, with one officer pursuing higher studies abroad.

NABARD follows government norms for the recruitment, training, and promotion of SC, ST, and OBC individuals.

It provided pre-recruitment training to 366 candidates, including 185 officers and 181 office attendants, and pre-promotion training to 311 candidates from SC/ST/OBC categories.

Training programmes for staff and clients as on 31 March 2021

1,676 officers completed at least one module of 'Nabscholar'.

72 officers deputed to FIMMDA, IDRBT, NIBM, and CRISIL for both off-the-shelf training programmes as well as courses under the Incentive Study Scheme of NABARD.

Category	Location/Type	Number of Programmes	Number of Participants
For NABARD Staff	NBSC, Lucknow	125	3,020
	BIRD, Lucknow	10	87
	BIRD, Mangaluru	4	159
For Clients	BIRD, Lucknow	233	9,032
	BIRD, Mangaluru	100	5,213
	BIRD, Kolkata	81	2,998

Notes: BIRD = Bankers Institute of Rural Development; CRISIL = Credit Rating Information Services of India Limited; FIMMDA = Fixed Income Money Market and Derivatives Association of India; IDRBT = Institute for Development & Research in Banking Technology NBSC = National Bank Staff College; NIBM = National Institute of Bank Management.

8.2.3 Other human resource initiatives

NABARD's Industrial Relations, Employee Welfare, and Transparency Initiatives in FY 2020-21

Industrial Relations:

- NABARD maintained harmonious industrial relations throughout the year, with regular discussions between management and representatives from the All India National Bank Officers' Association and the All India NABARD Employees' Association.

Prevention of Sexual Harassment:

- NABARD, with 821 women staff members, has established Central and Regional Complaints Committees in line with the Sexual Harassment of Women at Workplace Act, 2013, to address and prevent sexual harassment at work.

Insurance and COVID-19 Response:

- NABARD renewed all group insurance schemes for both serving and retired staff for one year. During the COVID-19 pandemic, NABARD implemented various health and safety measures, including work-from-home guidelines, alternate arrangements for retired staff, and setting up isolation rooms in hospitals. As lockdowns eased, office operations resumed with appropriate safety protocols.

8.3 Transparency initiatives

8.3.1 Right to Information Act, 2005

NABARD remains committed to transparency, proactive disclosure, and compliance with the RTI Act, 2005. The organization has designated 35 senior officers as Central Public Information Officers (CPIOs) across regional offices, training establishments, and the Head Office. Chief General Manager Nrusingh Prasad Mohapatra serves as the Appellate Authority.

In FY2020-21, NABARD received 1,801 RTI applications and 184 appeals. Of these, information was provided to 1,556 applicants, including those whose applications were transferred to other public authorities, and 176 appeals were disposed of.

8.3.2 Redressing grievances

The Grievance Redressal Committee met twice during FY 2020-21 to address 12 grievance applications, successfully disposing of all grievances received.

8.3.3 Enhancing vigilance

Vigilance is a critical management function at NABARD, aimed at ensuring robust systems, effective work practices, and well-defined processes with strong checks and controls. Overseen by the Chief Vigilance Officer, in coordination with NABARD's management and under the guidance of the Central Vigilance Commission, the vigilance framework includes preventive, surveillance, and punitive measures.

During Vigilance Awareness Week (27 October to 2 November 2020), all NABARD staff took the Integrity Pledge under the theme "Vigilant India, Prosperous India." Surveillance activities involved reviewing inspection reports, scrutinizing data on non-performing assets, annual property statements, contracts, and conducting random checks. The Vigilance Cell focuses on preventive measures, continuous surveillance, system improvements, and staff sensitization to uphold strong work ethics and support NABARD's integrity.

8.4 Information technology initiatives

8.4.1 Enhancements in enterprise level software application

NABARD is actively implementing and regularly updating seven key software solutions based on user feedback to improve efficiency and operations. These solutions include the Human Resources Management System (HRMS), Centralised Loan Management and Accounting System (CLMAS), Fixed Asset Management System, Treasury and Asset Liability Management System, Electronic Submission of Returns (ENSURE), Enterprise Content Management (ECM) System, and NABARD Corporate Intranet.

8.4.2 ENSURE: Call centre for follow up

In FY 2020-21, over 228 returns and 411 reports were generated and published on the ENSURE platform. An outbound call center has been established to follow up on the submission of periodic returns by client institutions, allowing staff to focus on other productive tasks.

8.4.3 Upgrading of CLMAS

The Centralised Loan Management and Accounting System (CLMAS) is being upgraded to Intellect Digital Core Suite 2.0. The upgrade includes enhanced reporting tools, application programming interface (API) capabilities, and dedicated portals for client institutions, among other features.

8.4.4 Strengthening IT infrastructure and enhancing IT security

NABARD has undertaken several initiatives to bolster its IT infrastructure and enhance security measures:

1. Network Access Control (NAC) Solutions: Preliminary work on implementing NAC solutions has begun. This will enable centralized management of all edge devices that access NABARD's LAN/WAN, strengthening overall security.
2. Cyber Insurance Policy: A cyber insurance policy has been secured to mitigate cyber risks, aligning with industry best practices.
3. Managed Print Solution: A Managed Print Solution has been installed across all departments at the Head Office. This initiative aims to save time, improve efficiency, reduce costs (both revenue and capital), and decrease the organization's carbon footprint.
4. Enterprise Architecture Document: NABARD has initiated a project to develop an enterprise architecture document, working with consultants qualified in The Open Group Architecture Framework. This will help in structuring and managing the organization's IT infrastructure effectively.

8.5 Corporate communication initiatives

- NABARD has made significant efforts to promote its brand through the documentation of success stories and the production of films. In FY 2020-21, nine new films were created focusing on the North Eastern states, bringing the total to 246 films.
- NABARD's YouTube channel, with over 40,000 subscribers, serves as a repository for documentaries on various topics, including agriculture, natural resource management, and rural infrastructure. As of 17 November 2020, the channel had 283 films with 35 lakh views and 45 lakh minutes of watch time from viewers in over 214 countries. Additionally, NABARD's Facebook page has around 27,000 followers.

- NABARD won the 'Champion of Champions' award for the fourth consecutive year at the Annual Awards of the Association of Business Communicators of India, alongside nine other awards for its in-house publications.

8.6 Risk management

NABARD has integrated a comprehensive and reliable risk management system into all its business activities, thus ensuring the alignment of the borrower's risk profile with its own risk appetite.

8.6.1 Credit Risk

NABARD has implemented a rigorous credit appraisal system and post-disbursement monitoring to safeguard against credit risk. This includes a legal audit and an internal risk rating system to assess borrower risk and apply appropriate risk premiums.

8.6.2 Market Risk

Market risks are managed through interest rate and liquidity risk analysis, stress testing, and contingency fund planning. These are regularly reviewed by the Asset Liability Management Committee and the Risk Management Committee of the Board (RMCB).

8.6.3 Operational Risk

NABARD manages operational risks with comprehensive internal controls, including a business continuity management program, risk control assessments, and disaster recovery drills. The operational risk management policy aims to mitigate risks from internal processes, systems, and external events.

8.6.4 Risk Governance Structure:

NABARD has established procedures to regularly present risk assessment and management strategies to the Enterprise Risk Management Committee, RMCB, and the Board of Directors.

8.6.5 Creating organisation-wide risk awareness

NABARD conducts staff training programs on risk management to build a sustainable and profitable growth profile across the organization.

8.7 Inspection

- NABARD ensures compliance with financial regulations through periodic inspections. In FY 2020-21, 55 inspections were conducted across regional offices, Head Office departments, training establishments, and subsidiaries. Additionally, NABARD has developed a policy for Risk-Based Internal Inspection and Audit based on the Basel Committee's recommendations.

8.8 Promotion of Rajbhasha

- NABARD complied with the Official Languages Act, 1963, and the Official Languages Rules, 1976, making significant efforts to increase the use of Hindi in its day-to-day operations during FY 2020-21. The organization worked towards meeting the targets set under the Annual Programme 2020-21 issued by the Government of India. The progress in using Hindi was regularly reviewed during quarterly meetings of the Official Languages Implementation Committees in all offices.
- NABARD focused on capacity building in Hindi communication through Parangat classes. Employees were trained in preparing office notes and drafts in Hindi and using IT tools via Hindi workshops and desk training sessions. Hindi Day was celebrated across all offices, with prizes awarded for various Hindi competitions. Additionally, Rajbhasha inspections were completed for eight Head Office departments, seven regional offices, and one training institute during the year.

8.9 NABARD chairs the Asia-Pacific Rural and Agricultural Credit Association

NABARD has been a significant force in financial inclusion and building people's institutions through partnerships with national and international associations over the last 40 years. In March 2021, NABARD co-hosted the regional policy forum of the Asia-Pacific Rural and Agricultural Credit Association (APRACA) on farmers' collectivization and credit guarantees. After a two-decade gap, NABARD's Chairman



took over as the Chairman of APRACA on 5 March 2021 during the 22nd General Assembly Meeting of APRACA. This leadership position is expected to strengthen alliances with member countries and leverage NABARD's extensive experience in the sector to play an effective leadership role.

Chapter 9 FINANCIAL MANAGEMENT

9.1 Sources of Funds

NABARD's sources of funds during FY 2020-21 were primarily through deposits, borrowings from bonds and money markets, supplemented by its own funds.

The total incremental funds increased by ₹1,25,723 crore compared to FY 2019-20, with significant contributions from non-convertible debentures, PMAY-G bonds, term loans from banks, and SLF from RBI. The share of deposits and own funds decreased, while bonds, debentures, and borrowings increased. The RIDF deposits remained a substantial source, accounting for 36.7% of the total assets.

Share of funds by source (%) for FY 2019-20

Source of Funds	FY 2019-20 (Share in %)	FY 2019-20 in ₹ crore
Own funds	12.2	64,913
Deposits	44.4	2,36,241
Borrowings in bond market	26.3	1,39,935
Borrowings in money market	12.5	66,509
Others	4.5	23,943
Total	100	5,32,075

Share of funds by source (%) for FY 2020-21

Source of Funds	FY 2020-21 (Share in %)	FY 2020-21 in ₹ crore
Own funds	10.7	70,384
Deposits	36.7	2,41,411
Borrowings in bond market	29.8	1,96,023
Borrowings in money market	18.5	1,21,692
Others	4.3	28,285
Total	100	6,57,798

Funds by type of sources (₹ crore)

9.1.1 Own funds

As of 31 March 2021, NABARD's paid-up capital reached ₹ 15,080 crore, with a ₹ 1,000 crore contribution from the Government of India. Its authorized share capital stood at ₹30,000 crore, providing space for future capital infusion.

NABARD's capital, reserves, surplus, and own funds totalled ₹70,443 crore, reflecting 10.7% of the balance sheet and an 8.2% growth over FY 2019-20. Reserves and surplus increased by 12.4% to ₹ 39,269 crore.

Additionally, ₹14,497 crore was held under the National Rural Credit (LTO) fund, and ₹1,597 crore under the NRC (Stabilisation) fund. Both NABARD and RBI contributed ₹ 1 crore to these funds during FY 2020-21.

Own funds (in ₹ crore)

Categories	FY 2019-20 in ₹ crore	FY 2020-21 in ₹ crore
Capital, Reserves, and Surplus	49,031	54,349
NRC (LTO) & NRC (Stabilisation) Funds	16,090	16,094
Total	65,121	70,443

9.1.2 Deposits

NABARD utilized priority sector lending shortfalls from commercial banks, contributing to a total outstanding amount of ₹2,41,572 crore by 31 March 2021, representing 36.7% of total assets. The Short Term Cooperative Rural Credit Fund stood at ₹44,644 crore, and the Long Term Rural Credit Fund at ₹44,826 crore. The RIDF deposits reached ₹1,36,227 crore.

Deposit Categories	FY 2019-20 in ₹ crore	FY 2020-21 in ₹ crore
STCRC Fund	44,787	44,644
LTRC Fund	44,930	44,826
RIDF Deposits	1,30,442	1,36,227
ST Fund for RRBs	9,953	9,921
Tea, Coffee, and Rubber Deposits	61	64
Warehouse Infrastructure Fund	5,940	5,540
Food Processing Fund	350	350
Total	2,36,463	2,41,572

9.1.3 Borrowings

NABARD augmented its resources through various borrowings, including corporate bonds, commercial papers, term loans from banks, and SLF from RBI. Key details include:

Borrowings in the bond market

- Bonds and Debentures: Fresh bonds amounting to ₹38,855 crore were issued, raising the total outstanding to ₹75,649 crore.
- GOI Scheme Bonds: NABARD raised ₹4,156 crore under LTIF and ₹20,000 crore under PMAY-G, with a total outstanding of ₹52,370 crore and ₹48,810 crore respectively.
- Money Market Borrowings: During FY 2020-21, NABARD significantly boosted its resource mobilization in the money market, with key contributions from commercial papers, term loans from banks, and the Special Liquidity Facility (SLF) provided by the Reserve Bank of India (RBI).
- NABARD borrowed ₹92,137 crore through commercial papers, with an outstanding balance of ₹42,457 crore as of 31 March 2021. Term loans from banks added ₹34,000 crore to resources, raising the outstanding balance to ₹26,435 crore.

NABARD also mobilized funds through certificates of deposit, Tri-party repo and repo borrowings, term money borrowings from cooperative banks and RRBs, tax-free bonds, and foreign currency borrowings.

The SLF and Additional SLF (ASLF) from RBI were crucial in supporting rural lending, with ₹23,000 crore outstanding under SLF and ₹1,567 crore under ASLF at the fiscal year-end. These efforts were essential in addressing liquidity challenges and supporting financial institutions in rural areas.

Borrowing in bond market (₹ crore)

Categories	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Bonds and Debentures (including BNB)	49,035	75,649
Bonds for LTIF	44,609	52,370
Bonds for SBM-G	12,298	12,298
Tax-Free Bonds	5,000	5,000
Bonds for PMAY-G	28,810	48,810
Bonds for MIF	-	1,755
Total	1,39,752	1,95,882

Borrowing in money market

Categories	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Term Loans from Banks	7,000	26,435
Commercial Papers	24,036	42,457
SLF from RBI	-	24,567
Certificates of Deposit	21,145	11,590
Term Money Borrowings	7,211	3,605
Foreign Currency Loan	1,053	960
CBLO & Repo	6,225	12,044
Borrowings for JNN Solar Mission	3	3
Total	66,673	1,21,661

Other liabilities and funds

Categories	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Other Liabilities	15,600	18,386
Other Funds	8,468	9,857
Total	24,068	28,243

Notes: BNB = Bhavishya Nirman Bond; CBLO = Collateralised Borrowing and Lending Obligation; JNN Solar Mission = Jawaharlal Nehru National Solar Mission; LTIF = Long Term Irrigation Fund; LTRC = Long Term Rural Credit; MIF = Micro-Irrigation Fund; NRC (LTO) = National Rural Credit (Long Term Operations); NRC (Stabilisation) = National Rural Credit (Stabilisation); PMAY-G = Pradhan Mantri Awaas Yojana-Gramin; RBI = Reserve Bank of India; RIDF = Rural Infrastructure Development Fund; RRB = Regional Rural Bank; SBM-G = Swachh Bharat Mission -Gramin; SLF = Special Liquidity Fund; ST = Short Term; STCRC = Short Term Cooperative Rural Credit.

9.2 Uses of Funds

In FY 2020-21, NABARD faced significant challenges due to the COVID-19 pandemic, which severely impacted rural finance players and their customers. Loan defaults and an RBI-imposed moratorium on loan recoveries weakened the financial health of NABARD's clients, leading them to seek high-cost borrowing options.

Despite these challenges, NABARD, with support from government packages and the RBI, effectively raised funds to continue its development initiatives. These funds were directed towards shoring up ground-level credit (GLC) for rural production and investment, creating infrastructure, supporting social sector development, managing cash and investments, and building fixed assets.

9.2.1 Shoring up GLC through refinance

NABARD played a crucial role in shoring up ground-level credit (GLC) through refinance operations during FY 2020-21. It provided loans and advances to rural financial institutions, which in turn financed farmers for seasonal agricultural operations (SAO) and other investments in farming.

The refinance also supported working capital loans for weavers and artisans, marketing, and the conversion of short-term loans into medium-term loans in case of natural calamities.

Key highlights of the deployment of funds and year-on-year growth as of 31 March 2021 include:

1. Total loans and advances reached ₹6 lakh crore, a significant growth of 25.2% from ₹4.8 lakh crore in the previous FY 2019-20.
2. Resources for grassroots lending increased by 47.6%, with outstanding short-term loans for SAO and other purposes rising to ₹1,06,372 crore from ₹68,693 crore in FY 2019-20.
3. ST-SAO loans were largely directed to state cooperative banks (StCBs) and regional rural banks (RRBs), with a distribution of ₹69,504 crore (74.8%) and ₹23,343 crore (25.2%), respectively.
4. ST-OSAO loans totaled ₹13,477 crore, allocated across StCBs (76.2%), RRBs (23.7%), and small finance banks (0.1%).
5. The Special Liquidity Facility (SLF) outstanding stood at ₹18,763 crore, with StCBs accounting for 67.7% and RRBs 32.3%.

6. Refinance for medium- and long-term investment loans grew by 19.4%, reaching ₹1,99,510 crore FY 2020-21, reflecting an increase from ₹1,67,098 crore at the end of the previous FY 2019-20.
7. Credit through direct lending to DCCBs and StCBs grew by 50%, though it constituted a smaller share of total assets.
8. Medium- and long-term project loans held the largest share in total assets at 30.3%, followed by production and marketing credit at 16.2%.
9. Credit facilities to federations, while having a lower share of 3% in total assets, recorded a remarkable growth of 65.3%, amounting to ₹20,038 crore by the end of FY 2020-21.

9.2.2 Infrastructure finance

- Around one-third of NABARD's assets are allocated to infrastructure finance.
- Outstanding loans for rural infrastructure development under the RIDF amounted to ₹1,32,724 crore as of 31 March 2021, marking a 5.6% growth from the previous FY 2019-20, and these loans represent one-fifth of the total assets.
- NABARD Infrastructure Development Assistance (NIDA) loans totaled ₹17,999 crore, while Long Term Irrigation Fund (LTIF) loans stood at ₹51,713 crore as of 31 March 2021.

9.2.3 Social Sector Investments

- NABARD's active role in affordable rural housing is reflected in its portfolio, with loans under the Pradhan Mantri Awaas Yojana–Gramin (PMAY–G) amounting to ₹48,819 crore, showing a significant 69.4% growth. This portfolio now accounts for 7.4% of NABARD's total assets.
- The organization also has investments under the Swachh Bharat Mission–Gramin.

9.2.4 Investment of Surplus Funds

- NABARD deployed ₹47,740 crore in various financial instruments, making up 7.3% of its balance sheet as of 31 March 2021.
- A large portion (94%) of these funds was invested in government securities and other financial instruments, while ₹2,945 crore was maintained as short-term bank deposits to ensure liquidity and meet contingency needs.

Uses of funds

Share of funds by use (%) for FY 2019-20

Use of Funds	FY 2019-20	
	in ₹ crore	%
Cash and investments	44,694.30	8.40
Refinance to enhance GLC for rural production	2,51,671.48	47.30
Infrastructure creation	1,88,354.55	35.40
Social sector investments	40,969.78	7.70
Others	5,852.83	1.10
Fixed assets and other assets	532.08	0.10
Total	5,32,075.00	100.00

Share of funds by use (%) for FY 2020-21

Use of Funds	FY 2020-21	
	in ₹ crore	%
Cash and investments	49,334.85	7.50
Refinance to enhance GLC for rural production	3,30,872.39	50.30
Infrastructure creation	2,10,495.36	32.00
Social sector investments	61,175.21	9.30
Others	5,920.18	0.90
Fixed assets and other assets	-	-
Total	6,57,798.00	100.00

Funds by type of use

Fixed assets and other assets

Category	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Fixed assets and other assets	5,675	5,595
Total	5,675	5,595

Cash and investments

Categories	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Cash and bank balance	11,997	4,408
Government securities and other investments	32,888	44,795
Total	44,885	49,203

Refinance to enhance GLC for rural production and investment

Categories	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Production and marketing credit	68,693	1,06,372
Conversion of production credit into MT loans	92	15
MT & LT project loans	1,67,098	1,99,510
Direct refinance to DCCBs	3,026	4,567
Producers' Organisation Development Fund	83	38
Credit facilities to federations	12,123	20,038
Green Climate Fund	344	320
Total	2,51,459	3,30,860

Infrastructure creation

Categories	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Loans out of RIDF for rural infrastructure	1,25,647	1,32,724
Long Term Irrigation Fund	44,687	51,713
Dairy Processing and Infrastructure Development Fund	1,010	956
Warehouse Infrastructure Fund	5,165	5,155
NIDA loan	11,751	17,999
Food Processing Fund	279	293
Loan Under MIF		1827
Loan Under FIDF		194
Total	1,88,539	2,10,861

Social Sector Investments

Category	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Pradhan Mantri Awaas Yojana–Gramin	28,819	48,819
Swachh Bharat Mission–Gramin	12,298	12,298
Total (Social Sector Investments)	41,117	61,117

Other loans

Category	FY 2019-20 (₹ crore)	FY 2020-21 (₹ crore)
Other Loans (including JNN Solar Mission)	337	103
LT Non-Project Loans	63	59
Total (Other Loans)	400	162

MT and LT project loans include special development debentures of state cooperative agriculture and rural development banks. Notes: DCCB = District Central Cooperative Bank; FIDF = Fisheries and Aquaculture Infrastructure Development Fund; GLC = Ground Level Credit; JNN Solar Mission = Jawaharlal Nehru National Solar Mission; LT = Long-Term; MIF = Micro-Irrigation Fund; MT = Medium-Term; NIDA = NABARD Infrastructure Development Assistance; RIDF = Rural Infrastructure Development Fund; ST = Short-Term.

9.3 Income and expenditure

NABARD earned an income of ₹34,671.2 crore during FY 2020-21, marking a 6.1% increase over FY 2019-20. The profit before tax in FY 2020-21 was ₹6,081.4 crore, compared to ₹5,234.3 crore in FY 2019-20, and the profit after tax was ₹4,320 crore, up from ₹3,859.2 crore in FY 2019-20. The net surplus has been appropriated by transferring it to various funds maintained by NABARD, including the R & D Fund, Reserve Funds, NRC (LTO) Fund, and NRC (Stabilisation) Fund.

Gross Income

Fiscal Year	Value (₹ crore)	Percentage Increase
FY2018-19	29,668	
FY2019-20	32,692	10%
FY2020-21	34,671	6%

Profit after tax

Fiscal Year	Profit After Tax (₹ crore)	Percentage Increase
FY2018-19	3,365	
FY2019-20	3,859	16%
FY2020-21	4,320	11%

Capital to risk-weighted assets ratio (%)

Fiscal Year	Amount (₹ crore)
FY2018-19	19
FY2019-20	21.2
FY2020-21	18.8

Business per employee

Fiscal Year	Value (₹ crore)
FY2018-19	74.4
FY2019-20	78.7
FY2020-21	103

Net profit per employee

Fiscal Year	Value (₹ crore)
FY2018-19	0.9
FY2019-20	1.1
FY2020-21	1.3

Shareholding in subsidiaries of NABARD

Subsidiary	Year of Inception	Share Capital (₹ crore)	Shareholding of NABARD	Investments by NABARD (₹ crore)
NABCONS	2003	5	100%	5
NABFINS	1997	161.17	63.10%	102
NabKisan Finance Ltd.	1997	137.6	87.50%	168.4
NABSAMRUDDHI	1997	123.8	91.10%	145.1
NABVENTURES	2018	5	100%	5
NABDIKSHAN	2019	5	100%	5
NABSANRAKSHAN	2020	50	100%	50

9.4 NABARD's stake in other companies

9.4.1 Investment in NABARD's subsidiaries

In FY 2020-21, NABARD registered NABSANRAKSHAN as its fourth wholly-owned subsidiary, bringing the total number of subsidiaries to seven. NABARD received a dividend of ₹10 lakh from NABCONS for FY 2019-20.

9.4.2 Strategic investments

As of 31 March 2021, NABARD had invested ₹1,066.2 crore in nine entities within the agriculture and rural development sector. The largest investment was in the Small Industries Development Bank of India (₹966.3 crore), while the smallest was in the Agricultural Skill Council of India (₹40,000).

9.4.3 Investing in alternate investment funds

NABARD invested ₹528 crore (with ₹338 crore disbursed) in 21 Alternative Investment Funds (AIFs) to promote technological innovations in the rural economy.

This investment catalyzed ₹1,470.4 crore in 67 companies within agriculture and rural sectors. Notable investments were made in companies like GramCover (agri-insurance), Ergos Business Solutions Pvt. Ltd (grain bank), and Klonec Automation Systems Pvt. Ltd (semi-automated soil testing solution, Krishitantra).

Investments in venture capital funds

Name of Fund	Committe d (₹ crore)	Disbursed (₹ crore)	Outstanding As on 31 March 2021 (₹ crore)
Aavishkaar Bharat Fund	25.0	19.9	17.6
Ankur Capital Fund II	10.0	1.8	1.8
APIDC-Biotechnology Venture Fund	5.0	5.0	4.8
APIDC-Ventureast Life Fund-III	17.4	18.6	10.6
Golden Gujarat Growth Fund I	10.0	10.0	8.0
GVFL Startup Fund	10.0	6.3	6.3
IFMRF Impact Long Term Credit Fund	10.0	10.0	10.0
India Advantage Fund S4I	10.0	7.4	5.1
India Opportunities Fund	20.0	18.4	12.1
India Nivesh Growth and Special Situations Fund	5.0	5.0	5.0
Ivycap Ventures Trust Fund I	20.0	20.0	16.1
Ivycap Ventures Trust Fund II	10.0	10.0	10.0
JM Financial India Fund II	10.0	7.1	6.2
NABVENTURES Fund-I	200.0	53.9	53.9
Omnivore Capital 1 India	25.0	24.2	23.7
Orios Venture Partners Fund II	10.0	10.0	10.0
SEAF India Agribusiness Fund	10.6	10.0	8.9
Stakeboat Capital Fund I	10.0	7.0	5.5
Tata Capital Innovations Fund	60.0	59.7	59.7
TVS Shriram Growth Fund 3	25.0	8.9	8.9
TVS Shriram Growth Fund 1B	25.0	25.0	0.0
Total	528.0	338.2	284.0

Note: NABVENTURES Fund-I is managed by NABVENTURES Ltd., which is a wholly owned subsidiary of NABARD.

The outstanding investment in AIFs as on 31 March 2021 stood at ₹284 crore. During FY2021

- Aavishkaar Bharat Fund exited Kottaram Agro Foods (Soulfull) to Tata Consumer Products Ltd;
- Ivycap Ventures Trust Fund I exited Manash Lifestyle (Purple) through a secondary deal;
- TVS Shriram Growth Fund 1 B made multiple exits in NSE and Prabhat Dairy; and
- APIDC-Ventureast Life Fund-III exited Richcore Life Sciences to Laurus Labs.

SOURCING OF FUNDS

Particulars	As on 31 March 2020		As on 31 March 2021	
	in ₹ crore	%	in ₹ crore	%
Own funds	65,121	12.2	70,443	10.7
Capital, reserves & surplus	49,031	9.2	54,349	8.3
NRC (LTO) & NRC (Stabilisation) funds	16,090	3	16,094	2.4
Deposits	2,36,463	44.4	2,41,572	36.7
STCRC fund	44,787	8.4	44,644	6.8
ST fund for RRBs	9,953	1.9	9,921	1.5
LTRC fund	44,930	8.4	44,826	6.8
Tea, coffee & rubber deposits	61	0	64	0
RIDF deposits	1,30,442	24.5	1,36,227	20.7
Warehouse Infrastructure Fund	5,940	1.1	5,540	0.8
Food Processing Fund	350	0.1	350	0.1
Borrowings in bond market	1,39,752	26.3	1,95,882	29.8
Bonds & debentures (including BNB)	49,035	9.2	75,649	11.5
Tax-free bonds	5,000	0.9	5,000	0.8
Bonds for LTIF	44,609	8.4	52,370	8
Bonds for PMAY-G	28,810	5.4	48,810	7.4
Bonds for SBM-G	12,298	2.3	12,298	1.9
Bonds for MIF	0	0	1,755	0.3
Borrowings in money market	66,671	12.5	1,21,658	18.5
Term loans from banks	7,000	1.3	26,435	4
Certificates of deposit	21,145	4	11,590	1.8
Commercial papers	24,036	4.5	42,457	6.5
Term money borrowings	7,210	1.4	3,602	0.6
SLF from RBI	0	0	24,567	3.7
Foreign currency loan	1,052	0.2	960	0.1
Borrowings for JNN Solar Mission	3	0	3	0
CBLO & Repo	6,225	1.2	12,044	1.8
Others	24,068	4.5	28,243	4.3
Other liabilities	15,600	2.9	18,386	2.8
Other funds	8,468	1.6	9,857	1.5
Total	5,32,075	100	6,57,798	100

Notes: BNB = Bhavishya Nirman Bond; CBLO = Collateralised Borrowing and Lending Obligation; JNN Solar Mission = Jawaharlal Nehru National Solar

Mission; LTIF = Long Term Irrigation Fund; LTRC = Long Term Rural Credit; MIF = Micro-Irrigation Fund; NRC (LTO) = National Rural Credit (Long Term Operations); NRC (Stabilisation) = National Rural Credit (Stabilisation); PMAY-G = Pradhan Mantri Awaas Yojana-Gramin; RBI = Reserve

Bank of India; RIDF = Rural Infrastructure Development Fund; RRB = Regional Rural Bank; SBM-G = Swachh Bharat Mission-Gramin; SLF = Special Liquidity Fund; ST = Short-Term; STCRC = Short-Term Cooperative Rural Credit

USES OF FUNDS

Particulars	As on 31 March 2020		As on 31 March 2021	
	in ₹ crore	%	in ₹ crore	%
Cash and Investments	44,885	8.40	49,203	7.50
Cash and bank balance	11,997	2.30	4,408	0.70
Government securities and other investments	32,888	6.20	44,795	6.80
CBLO/Tri-party repo lending	0	0.00	0	0.00
Refinance to enhance GLC for rural production and investment	2,51,459	47.30	3,30,860	50.30
Production and marketing credit	68,693	12.90	1,06,372	16.20
Conversion of production credit into MT loans	92	0.00	15	0.00
MT and LT project loans	1,67,098	31.40	1,99,510	30.30
Direct refinance to DCCBs	3,026	0.60	4,567	0.70
Producers' Organisation Development Fund	83	0.00	38	0.00
Credit facilities to federations	12,123	2.30	20,038	3.10
Green Climate Fund	344	0.10	320	0.10
Infrastructure creation loans	1,88,539	35.40	2,10,861	32.10
Rural Infrastructure Development Fund	1,25,647	23.60	1,32,724	20.20
Long Term Irrigation Fund	44,687	8.40	51,713	7.90
Dairy Processing and Infrastructure Development Fund	1,010	0.20	956	0.20
Warehouse Infrastructure Fund	5,165	1.00	5,155	0.80
NABARD Infrastructure Development Assistance	11,751	2.20	17,999	2.70
Food Processing Fund	279	0.10	293	0.00
Micro-Irrigation Fund	0	0.00	1,827	0.30
Fisheries and Aquaculture Infrastructure Development Fund	0	0.00	194	0.00
Social sector investments	41,117	7.70	61,117	9.30
Pradhan Mantri Awaas Yojana-Gramin	28,819	5.40	48,819	7.40
Swachh Bharat Mission-Gramin	12,298	2.30	12,298	1.90
Others	400	0.10	162	0.00
Other loans (including JNN Solar Mission)	337	0.10	103	0.00
LT non-project loans	63	0.00	59	0.00
Sub-total of loans and advances, cash and investments	5,26,400	98.90	6,52,203	99.10
Fixed Assets and Other Assets	5,675	1.10	5,595	0.90
Total	5,32,075	100.00	6,57,798	100.00

Chapter- 10 Standalone Financial Statements

10.1 STANDALONE BALANCE SHEET AS ON 31 MARCH 2021

LIABILITIES

(Amount in ₹ crore)				
Sr. No.	Funds and Liabilities	Schedule	As on 31.03.2021	As on 31.03.2020
1	i) Capital		15,080	14,080
	(Under Section 4 of the NABARD Act, 1981)			
2	Reserve Fund and other Reserves	1	39,268.95	34,950.99
3	National Rural Credit Funds	2	16,094.00	16,090.00
4	Gifts, Grants, Donations and Benefactions	3	6,371.61	6,020.77
5	Government Schemes	4	3,485.35	2,447.42
6	Deposits	5	2,41,572.10	2,36,463.08
7	Bonds and Debentures	6	1,95,882.39	1,39,752.26
8	Borrowings	7	1,21,657.83	66,671.00
9	Current Liabilities and Provisions	8	18,386.07	15,599.43
	Total		6,57,798.30	5,32,074.95
	Forward Foreign Exchange Contracts		1,020.66	1,102.35

ASSETS

(Amount in ₹ crore)				
Sr. No.	Property and Assets	Schedule	As on 31.03.2021	As on 31.03.2020
1	Cash and Bank Balances	9	4,407.56	11,997.17
2	Investments	10	45,505.24	34,006.15
3	Advances	11	6,02,290.30	4,80,396.46
4	Property, Plant and Equipment (Fixed Assets)	12	565.84	530.48
5	Other Assets	13	5,029.36	5,144.69
	Total		6,57,798.30	5,32,074.95
	Forward Foreign Exchange Contracts (Hedging) as per contra		1,020.66	1,020.66
	Commitment and Contingent Liabilities	17		
	Significant Accounting Policies and Notes on Accounts	18		

10.2 STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

STANDALONE INCOME

(Amount in ₹ crore)

Sr. No.	Income	Schedule	2020–21	2019–20
1	Interest on Loans and Advances (Refer Note B-8 of Schedule-18)		31,196.24	28,744.66
2	Income from Investment Operations / Deposits		3,372.89	3,866.6
3	Other Income		102.04	81.04
	Total "A"		34,671.17	32,692.3

STANDALONE EXPENDITURE

(Amount in ₹ crore)

Sr. No.	Expenditure	Schedule	2020–21	2019–20
1	Interest and Financial Charges (Refer Note B-7 of Schedule-18)	14	24,219.55	23,782.98
2	Establishment and Other Expenses	15 A	1,979.15	2,170.87
3	Expenditure on Promotional Activities	15 B	95.05	69.44
4	Provisions	16	2,249.26	1,399.93
5	Depreciation		46.75	34.76
	Total "B"		28,589.76	27,457.98
6	Profit before Tax (A – B)		6,081.41	5,234.32
7	Provision for			
	a) Income Tax		1,750	1,330
	b) Deferred Tax (Refer Note B-10 of Schedule-18)		11.45	45.09
8	Profit after Tax		4,319.96	3,859.23
	Significant Accounting Policies and Notes on Accounts	18		

10.3 PROFIT AND LOSS APPROPRIATION ACCOUNT

(Amount in ₹ crore)

Sr. No.	Appropriations / Withdrawals	2020-21	2019-20
1	Profit for the year brought down	4,319.96	3,859.23
2	Add: Withdrawals from funds against expenditure debited to Profit & Loss A/c [Refer Schedule 1]		
a)	Co-operative Development Fund	18.71	17.90
b)	Research and Development Fund	29.95	30.33
c)	Producers' Organisation Development Fund	4.03	2.61
d)	Investment Fluctuation Reserve	–	–
e)	Rural Infrastructure Promotion Fund	20.00	1.20
f)	Farm Sector Promotion Fund	17.67	17.95
g)	Climate Change Fund	0.97	1.22
h)	Gramya Vikas Nidhi	27.67	28.56
i)	Catalytic Capital Fund	6.00	–
3	Profit available for Appropriation	4,444.96	3,959.00
	Less: Transferred to: [Refer Schedule 1&2]		
a)	Special Reserves u/s 36(1) (viii) of IT Act, 1961	1,100.00	850.00
b)	National Rural Credit (Long Term Operations) Fund	1.00	1.00
c)	National Rural Credit (Stabilisation) Fund	1.00	1.00
d)	Research and Development Fund	29.95	30.33
e)	Investment Fluctuation Reserve	457.00	42.50
f)	Co-operative Development Fund	58.71	17.90
g)	Producers' Organisation Development Fund	104.03	102.61
h)	Rural Infrastructure Promotion Fund	20.00	26.20
i)	Farm Sector Promotion Fund	17.67	17.95
j)	Gramya Vikas Nidhi	47.67	28.56
k)	Climate Change Fund	0.97	1.22
l)	Catalytic Capital Fund	16.00	10.00
m)	Forex Fluctuation Reserve Fund	7.03	–
n)	Reserve Fund	2,583.93	2,829.73
	Total	4,444.96	3,959.00

10.4 SCHEDULES TO BALANCE SHEET

Schedule 1 - Reserve Fund and Other Reserves

(Amount in ₹ crore)

Sr.No.	Particulars	Opening Balance as on 01.04.2020	Transferred from P&L Appropriation	Transferred to P&L Appropriation	Balance as on 31.03.2021
1	Reserve Fund	23,661.18	2,583.93	0	26,245.11
2	Research and Development Fund	50	29.95	29.95	50
3	Capital Reserve	74.81	0	0	74.81
4	Investment Fluctuation Reserve	1,240	457	0	1,697
5	Co-operative Development Fund	60	58.71	18.71	100
6	Special Reserves Created & Maintained u/s 36(1)(viii) of Income Tax Act, 1961	9,435	1,100	0	10,535
7	Producers' Organisation Development Fund	200	104.03	4.03	300
8	Rural Infrastructure Promotion Fund	50	20	20	50
9	Farm Sector Promotion Fund	60	17.67	17.67	60
10	Gramya Vikas Nidhi	90	47.67	27.67	110
11	Climate Change Fund	20	0.97	0.97	20
12	Catalytic Capital Fund	10	16	6	20
13	Forex Fluctuation Reserve Fund	0	7.03	0	7.03
	Total	34,950.99	4,442.96	125	39,268.95
	Previous FY 2019-20	31,093.76	3,956.99	99.76	34,950.99

Schedule 2 - National Rural Credit Funds

(Amount in ₹ crore)

Sr.No.	Particulars	Opening Balance as on 01.04.2020	Contribution by RBI	Transferred from P&L Appropriation	Balance as on 31.03.2021
1	National Rural Credit (Long Term Operations) Fund	14,495	1	1	1,4497
2	National Rural Credit (Stabilisation) Fund	1,595	1	1	1,597

Total	16,090	2	2	16,094
Previous FY 2019-20	16,086	2	2	16,090

Schedule 3 - Gifts, Grants, Donations and Benefactions

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2020	Additions during the year	Interest Credited*	Expenditure / Adjustments during the year	Balance as on 31.03.2021
A.	Grants from International Agencies					
1	KfW – NABARD V Fund for Adivasi Programme	0.61	0.03	0.02	0.13	0.53
2	KfW NB UPNRM – Accompanying Measures (Refer Note B-4 of Schedule 18)	0	1.11	0	1.11	0
3	KfW NB UPNRM – Financial Contribution	0.15	0	0	0	0.15
4	KfW UPNRM Fund (Refer Note B-1 of Schedule 18)	0	0	0	0	0
5	KfW Risk Mitigation Fund	7.99	0	0	7.99	0
6	Indo German Watershed Development Programme – Andhra Pradesh	0.64	0	0.03	0	0.67
7	Indo German Watershed Development Programme – Gujarat	1.04	0	0.03	1.04	0.03
8	Indo German Watershed Development Programme – Rajasthan	0.6	0	0.02	0.56	0.06
9	GIZ UPNRM Technical Collaboration (Refer Note B-4 of Schedule 18)	0	0.5	0	0.47	0.03
10	Climate Change – (AFB) – Project Formulation Grant	14.36	10.52	0.58	6.28	19.18
11	GIZ Soil Project	1.41	0	0	0	1.41
12	KfW Soil Project (Refer Note B-4 of Schedule 18)	2.43	8.46	0	8.42	2.47
13	GCF Project Grants	0	11.16	0.04	10.1	1.1
B.	Other Funds					
1	Watershed Development Fund (i)	1384.09	88.97	86	107.84	1451.22
2	Interest Differential Fund – (Forex Risk)	237.8	0	16.96	19.05	235.71
3	Interest Differential Fund-Tawa	0.1	0	0	0	0.1
4	Adivasi Development Fund	5.77	0	0	0	5.77
5	Tribal Development Fund (ii)	1261.91	88.97	101.03	115.47	1336.44
6	Financial Inclusion Fund (iii)	2573.39	296.58	162.18	300.68	2731.47
7	Financial Inclusion Fund – Digital	18.21	19.04	0	25.28	11.97
8	PODF-ID (iv)	252.01	118.63	11.94	68.43	314.15
9	National Bank – Swiss Development Cooperation Project	64.43	0.84	0	0	65.27

10	RPF & RIF – Off-Farm Sector Promotion Fund	21.21	0	1.11	1.77	20.55
11	Centre for Professional Excellence in Co-operatives – (C-PEC)	2.74	0	0.21	0	2.95
12	LTIF Interest Fluctuation Reserve Fund	27.84	25.03	3.26	-53.69	109.82
13	National Adaptation Fund for Climate Change a/c	142.04	39.94	4.05	125.47	60.56
	Total	6020.77	709.78	387.46	746.4	6371.61
	Previous FY 2019-20	5701.47	715.01	370.69	766.4	6020.77

*Refer B-3 of Schedule 18

NABARD is acting as a banker/ custodian/ trustee on behalf of GOI/ RBI/Other entities and is holding the above funds, pending disbursement/ utilization in terms of respective schemes, on their behalf, to the extent of contribution made by them and accrued interest on unutilized balances, wherever applicable.

- includes ₹22.39 crore being income tax paid
- includes ₹22.39 crore being income tax paid
- includes ₹74.64 crore being income tax paid
- includes ₹29.86 crore being income tax paid

Schedule 4 - Government Schemes

(Amount in ₹ crore)

Sr.No.	Particulars	Opening Balance as on 01.04.2020	Additions during the year	Interest Credited	Expenditure /Adjustments during the year	Balance as on 31.03.2021
A	Government Subsidy Schemes					
1	Capital Investment Subsidy for Cold Storage Projects – NHB	0.89	0	0	0	0.89
2	Capital Subsidy for Cold Storage TM North East	0.08	0	0	0	0.08
3	Credit Linked Capital Subsidy for Technology Upgradation of SSIs	0.02	14.65	0	13.96	0.71
4	On-farm Water Management for Crop Production	0.07	0	0	0	0.07
5	Bihar Ground Water Irrigation Scheme (BIGWIS)	78.98	0	0	0	78.98
6	Cattle Development Programme – Uttar Pradesh	0.03	0	0	0	0.03
7	Cattle Development Programme – Bihar	0.08	0	0.01	0	0.09
8	National Project on Organic Farming	1.64	0	0	0.17	1.47
9	Integrated Watershed Development Programme – Rashtriya Sam Vikas Yojana	4.29	0	0	0	4.29
10	Dairy and Poultry Venture Capital Fund	1.14	0	0	1	0.14
11	Poultry Venture Capital Fund (Refer Note B-4 of Schedule 18)	4.51	0	0	4.51	0
12	ISAM – Agricultural Marketing Infrastructure	49.95	143.94	0	162.88	31.01

13	ISAM – Grant Recd for Promotional Expenditure a/c	0.01	0	0	0.01	0
14	NATIONAL LIVESTOCK MISSION – PVCF EDEG	146.3	112.6	0	183.18	75.72
15	Centrally Sponsored Scheme for establishing Poultry Estate	0	0	0	-0.08	0.08
16	Multi Activity Approach for Poverty Alleviation –Sultanpur, Uttar Pradesh	0.07	0	0.01	0	0.08
17	Multi Activity Approach for Poverty Alleviation –BAIF – Rae Bareli, Uttar Pradesh	0.02	0	0	0	0.02
18	Dairy Entrepreneurship Development Scheme	217.35	0	0	132.85	84.5
19	CSS for Solar Mission	0.03	0	0	0	0.03
20	CSS – JNNM – Solar Lighting a/c	0.02	0	0	0	0.02
21	CSS – Solar Photovoltaic Water Pumping	0.02	0	0	-0.01	0.03
22	Capital Subsidy Scheme – Agri Clinic Agri Business Centres	7.12	10.73	0	10.47	7.38
23	CSS MNRE Lighting Scheme 2016 a/c	0.08	0	0	-0.03	0.11
24	Artificial Recharge of Groundwater in Hard Rock Area	4.62	0	0	0	4.62
25	CSS On Formation and Promotion of FPO (Refer B-2 of Schedule 18)	0	33.27	0	0	33.27
B	Other Government Schemes					
1	Agriculture Debt Waiver and Debt Relief Scheme (ADWDR) 2008	284.65	0	0	2.53	282.12
2	Women's Self Help Groups [SHGs] Development Fund	44.75	0	0	7.6	37.15
3	PRODUCE FUND	34.87	0	0	11.3	23.57
4	Revival of 23 unlicensed DCCBs	111.22	0	0	0	111.22
5	Interest Subvention (Sugar Term Loan)	104.41	568.04	0	240.42	432.03
6	AMI – Workshop Assistance Fund	0.04	0	0	0.02	0.02
7	Kutch Drought Proofing Project	0.22	0	0	0	0.22
8	Revival Package for Long Term Cooperative Credit Structure (LTCCS)	20	0	0	0	20
9	Revival Reform and Restructure of Handloom Sector	8.47	15.56	0	17.2	6.83
10	Comprehensive Handloom Package	0.23	14.93	0	13.11	2.05
11	Interest Subvention (SAO, NRLM, NWR)	1,320.74	5,385.14	0	4,459.86	2,246.02
12	Arunachal Agri Start Up Scheme	0.5	0	0	0	0.5
	Total	2,447.42	6,298.86	0.02	5,260.95	3,485.35
	Previous FY 2019-20	1,244.84	8,351.44	0.02	7,148.88	2,447.42

*Refer B-3 of Schedule 18 NABARD is acting as a banker/ custodian/ trustee on behalf of GOI/ RBI/Other entities and is holding the above funds, pending disbursement/ utilization in terms of respective schemes, on their behalf, to the extent of contribution made by them and accrued interest on unutilized balances, wherever applicable.

Schedule 5 – Deposits

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Central Government	–	–
2	State Governments	–	–
3	Others		
	a) Tea / Rubber / Coffee Deposits	64.10	61.46
	b) Commercial Banks (Deposits under RIDF)	1,36,226.93	1,30,442.23
	c) Short Term Cooperative Rural Credit Fund	44,644.51	44,786.94
	d) ST RRB Credit Refinance Fund	9,921.00	9,952.65
	e) Warehouse Infrastructure Fund	5,540.00	5,940.00
	f) Long Term Rural Credit Fund	44,825.56	44,929.80
	g) Fund for Food Processing Units	350.00	350.00
	Total	2,41,572.10	2,36,463.08

Schedule 6 - Bonds and Debentures

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Tax Free Bonds (Refer Note B-16 of Schedule-18)	5,000.00	5,000.00
2	Non Priority Sector Bonds	75,648.30	48,628.30
3	Capital Gains Bonds	1.29	1.29
4	Bhavishya Nirman Bonds	–	405.47
5	PMAY-G – GOI Fully Serviced Bonds	48,809.60	28,809.80
6	Bonds – LTIF	33,615.40	30,010.50
7	LTIF – GOI Fully Serviced Bonds	18,755.00	14,598.70
8	SBM (G) – GOI Fully Serviced Bonds	12,298.20	12,298.20
9	Micro Irrigation Fund (MIF) Bonds	1,754.60	–
	Total	1,95,882.39	1,39,752.26

Schedule 7 – Borrowings

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
	(A) In India		
1	Central Government	–	–
2	JNN Solar Mission	2.81	2.81
3	Reserve Bank of India	24,567.00	–
4	Others:		
	(i) Certificate of Deposits	11,590.27	21,144.63
	(ii) Commercial Paper	42,457.06	24,035.75
	(iii) CBLO / Tri Party Repo	12,044.39	6,224.70
	(iv) Term Money Borrowings	3,601.82	7,210.51
	(v) Repo a/c	–	–
	(vi) Term Loan from Banks	26,434.50	7,000.00
	(vii) Facility from commercial banks	–	–

(B) Outside India		
(i) International Agencies	959.98	1,052.60
Total	1,21,657.83	66,671.00

Schedule 8 - Current Liabilities and Provisions

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Interest / Discount Accrued	7,356.92	7,293.10
2	Sundry Creditors (Refer note B-5 of Schedule-18)	1,392.99	739.24
3	Subsidy Reserve (Co-finance, Cold Storage, CSAMI)	86.93	104.07
4	Provision for Gratuity (Refer Note B-19 of Schedule 18)	5.21	20.40
5	Provision for Pension (Refer Note B-19 of Schedule 18)	39.27	160.34
6	Provision for Encashment of Ordinary Leave (Refer Note B-19 of Schedule 18)	374.99	360.46
7	Provision for Post Retirement Medical Benefit (Refer Note B-19 of Schedule 18)	135.10	135.10
8	Provision for Salary Revision (Refer Note B-9 of Schedule-18)	680.00	500.00
9	Unclaimed Interest on Bonds	3.22	4.00
10	Unclaimed Interest on Term Deposits	–	0.12
11	Term Deposits Matured but not claimed	–	0.05
12	Bonds matured but not claimed	31.74	39.14
13	Bond Premium	225.22	88.29
14	Provisions and Contingencies	–	–
(a)	Depreciation in Value of Investment a/c – G. Sec.	355.70	–
(b)	Amortisation of G. Sec. – HTM	103.92	81.30
(c)	For Standard Assets	2,623.00	1,925.00
(d)	Non-performing Investments	650.34	564.86
(e)	Countercyclical Provisioning Buffer / Floating Provision	1,264.45	514.45
(f)	Provision for Other Assets & Receivables	4.45	4.45
(g)	Provision for Income Tax [Net of Advance Tax]	3,052.62	3,065.06
	Total	18,386.07	15,599.43

Schedule 9 - Cash and Bank Balances

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Cash in hand	–	–
2	Balances with:		
	A) Banks in India		
	(i) Reserve Bank of India	843.23	621.20
	(ii) Other Banks in India		
	a) In Current Account	619.33	530.97
	b) Deposit with Banks	2,945.00	10,845.00
	c) Remittances in Transit	–	–
	d) CBLO / Tri party Repo	–	–

(B) Outside India	–	–
Total	4,407.56	11,997.17

Schedule 10 – Investments

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Government Securities (Refer Note B-18 of Schedule-18)		
	a) Securities of Central Government & State Govt [Face Value ₹356,24,48,60,000 (₹22143,08,90,000)] [Market Value ₹376,10,52,59,132.60 (₹23708,08,73,099)]	37,878.80	23,248.25
	b) Treasury Bills [Face Value ₹565,00,00,000.00 (₹0)] [Market Value ₹556,31,00,300.05 (₹0)]	556.31	–
2	Other Approved Securities	–	–
3	Equity Shares in:		
(a)	Agricultural Finance Corporation Ltd. [1,000 (1,000) – Equity shares of ₹10,000 each]	1.00	1.00
(b)	Small Industries Development Bank of India [5,31,92,203 (5,31,92,203) – Equity shares of ₹10 each]	966.28	966.28
(c)	Agriculture Insurance Company of India Ltd. [6,00,00,000 (6,00,00,000) – Equity shares of ₹10 each]	60.00	60.00
(d)	Multi Commodity Exchange of India Ltd. [3,77,758 (3,77,758) – Equity shares of ₹10 each]	0.30	0.30
(e)	National Commodity and Derivatives Exchange Ltd. [56,25,000 (56,25,000) – Equity shares of ₹10 each]	16.88	16.88
(f)	CSC e-Governance Services India Ltd Equity [55,000 (55,000) Shares of ₹1000 each]	9.75	9.75
(g)	Agriculture Skill Council of India [4,000 (4000) Shares of ₹10 each]	–	–
(h)	National E-Governance Services India Ltd [Equity] [15,00,000 (15,00,000) Shares of ₹10 each]	1.50	1.50
(i)	National e-Repository Ltd. [105,30,000 (105,30,000) Shares of ₹10 each]	10.53	10.53
(j)	Other Equity Investments [Market Value ₹ 84,88,26,973 (₹82,44,91,556)]	43.73	47.30
4	Debentures and Bonds		
(i)	Special Dev Debentures of SCARDBs (Refer Note B-14 of Schedule 18)	709.80	1,118.34
(ii)	Non Convertible Debentures	1,474.65	2,246.26
5	Shareholding in subsidiaries and Joint Venture		
(a)	Shareholding in subsidiaries		
(i)	NABARD Financial Services Ltd, Karnataka [10,20,06,300 (10,20,06,300) – Equity shares of ₹10 each]	102.01	102.01
(ii)	NABSAMRUDDHI (formerly known as Agri - Business Finance [Andhra Pradesh] Ltd. [11,27,88,000 (10,52,88,000) – Equity shares of ₹10 each]	145.06	133.73
(iii)	NABKISAN (formerly known as Agri Development Finance [TN] Ltd) [12,04,00,050 (12,04,00,050) – Equity shares of ₹10 each]	168.36	168.36
(iv)	NABARD Consultancy Services Pvt. Ltd. [50,00,000 (50,00,000) – Equity shares of ₹10 each]	5.00	5.00

(v)	NABVENTURES Ltd [50,00,000 (50,00,000) – Equity shares of ₹10 each]	5.00	5.00
(vi)	NABFOUNDATION [50,00,000 (10,00,000) – Equity shares of ₹10 each]	5.00	1.00
(vii)	NABSANRAKSHAN TRUSTEE PVT LTD [5,00,00,000 (0) – Equity shares of ₹10 each]	50.00	–
(b)	Joint Venture	–	–
6	Others		
(a)	Mutual Fund	2,001.47	3,519.17
(b)	Commercial Paper [Face Value ₹650,00,00,000 (₹300,00,00,000)]	618.08	276.87
(c)	Certificate of Deposit [Face Value ₹250,00,00,000 (₹1725,00,00,000)]	243.44	1,660.04
(d)	Venture Capital Funds / AIFs	284.03	222.10
(e)	Investment Earmarked towards EOL [Refer note B-19.1.3 of Schedule 18]	148.26	186.48
	Total	45,505.24	34,006.15

Schedule 11 – Advances

(Amount in ₹ crore)

Sr. N o.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Refinance Loans		
(a)	Production & Marketing Credit	1,06,372.45	68,692.87
(b)	Conversion Loans for Production Credit	15.15	92.00
(c)	Other Investment Credit	–	–
(i)	Medium Term and Long Term Project Loans	1,98,800.36	1,65,979.87
(ii)	Direct refinance to DCCBs	4,566.76	3,025.89
2	Direct Loans		
(a)	Loans under Rural Infrastructure Development Fund	1,32,723.87	1,25,647.06
(b)	Loans under Warehouse Infrastructure Fund	5,155.31	5,164.36
(c)	Long Term Non-Project Loans	58.73	63.33
(d)	Loans under NABARD Infrastructure Development Assistance (NIDA)	17,998.73	11,750.48
(e)	Loans to Producers' Organisation Development	37.58	82.68
(f)	Credit Facility to Federations [CFF]	20,038.21	12,123.24
(g)	Loans under Food Processing Fund	293.35	278.80
(h)	Loans under Long Term Irrigation Fund	51,712.54	44,687.28
(i)	Pradhan Mantri Aawas Yojana – Gramin	48,819.03	28,819.23
(j)	Swacch Bharat Mission Gramin	12,298.20	12,298.20
(k)	Dairy Processing and Infrastructure and Development Fund	956.33	1,009.69
(l)	Loan Under GCF	319.82	344.43
(m)	Micro Irrigation Fund	1,827.47	–
(n)	Fisheries and Aquaculture Infrastructure Development Fund	193.77	–
(o)	Other Loans:		
(i)	Micro Finance Development Equity Fund Programme Loans	0.11	0.11
(ii)	Watershed Development Fund Programme Loans	15.55	20.64
(iii)	Tribal Development Fund Programme Loans	0.34	0.97
(iv)	KfW UPNRM Loans	85.17	129.68
(v)	Off-Farm Sector Promotion Activities Programme Loans	1.47	185.65

(vi)	Direct Loan Under Sec 30 of NABARD Act [Refer Note B23.11 of Schedule 18]	–	–
	Total	6,02,290.30	4,80,396.46

Schedule 12 - Property, Plant and Equipment (Fixed Assets)

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	LAND: Freehold & Leasehold (Refer Note B-12 of Schedule 18)		
	Opening Balance	195.27	180.03
	Additions/adjustments during the year	–	15.24
	Sub-Total	195.27	195.27
	Less: Cost of assets sold/written off	–	–
	Closing Balance (at cost)	195.27	195.27
	Less: Amortisation of Lease Premium	60.81	59.05
	Book Value	134.46	136.22
2	PREMISES (Refer Note B-12 of Schedule 18)		
	Opening Balance	579.23	420.89
	Additions / Adjustments during the year	73.00	173.45
	Sub-Total	652.23	594.34
	Less: Cost of assets sold/written off	–	15.11
	Closing Balance (at cost)	652.23	579.23
	Less: Depreciation to date	300.91	280.68
	Book Value	351.32	298.55
3	FURNITURE & FIXTURES		
	Opening Balance	66.57	68.53
	Additions/adjustments during the year	-1.80	6.05
	Sub-Total	64.77	74.58
	Less: Cost of assets sold/written off	0.29	8.01
	Closing Balance (at cost)	64.48	66.57
	Less: Depreciation to date	60.40	60.83
	Book Value	4.08	5.74
4	COMPUTER INSTALLATIONS & OFFICE EQUIPMENT		
	Opening Balance	159.28	121.70
	Additions/adjustments during the year	31.91	46.23
	Sub-Total	191.19	167.93
	Less: Cost of assets sold/written off	3.35	8.65
	Closing Balance (at cost)	187.84	159.28
	Less: Depreciation to date	133.36	113.68
	Book Value	54.48	45.60
5	VEHICLES		
	Opening Balance	8.55	10.05
	Additions/adjustments during the year	5.97	4.97
	Sub-Total	14.52	15.02
	Less: Cost of assets sold/written off	2.88	6.47
	Closing Balance (at cost)	11.64	8.55
	Less: Depreciation to date	4.54	4.38
	Book Value	7.1	4.17
6	Capital Work in Progress	14.4	40.2
	Total	565.84	530.48

Schedule 13 - Other Assets

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Accrued Interest	3252.84	3579.53
2	Discount Receivable	11.53	27.05
3	Deposits with Landlords	0.7	0.97
4	Deposits with Government Departments and Other Institutions	37.53	37.06
5	Housing loan to staff	121.15	135.42
6	Other Advances to staff	84.31	92.37
7	Sundry Advances	30.43	44.81
8	Deferred Tax Assets (Refer Note B-10 of Schedule 18)	147.01	158.46
9	Receivable from Government of India/International Agencies (Refer Note B-4 of Schedule 18)	1340.63	1065.38
10	Discount on issue of Bonds	3.23	3.64
	Total	5029.36	5144.69

Schedule 14 - Interest and Financial Charges

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
1	Interest Paid on		
(a)	Deposits under RIDF	5,726.58	6,114.48
(b)	Short Term Cooperative Rural Credit Fund	1,809.49	1,885.81
(c)	ST RRB Credit Refinance Fund	397.46	418.83
(d)	Warehouse Infrastructure Fund	246.35	278.06
(e)	Long Term Rural Credit Fund	1,627.39	1,788.78
(f)	Fund for Food Processing Units	14.78	16.08
(g)	Tea / Coffee / Rubber Deposits	2.66	3.44
(h)	Term Money Borrowings	301.18	214.30
(i)	Bonds (Refer Note B-16 of Schedule-18)	9,955.36	8,420.70
(j)	Term Loan from Banks	510.99	611.90
(k)	Borrowings from International Agencies	28.33	30.21
(l)	Borrowing against ST Deposit	–	–
(m)	Discount on Commercial Paper	1,040.96	1,688.88
(n)	Discount on Certificate of Deposits	903.91	1,518.23
(o)	Repo Interest Expenditure	19.79	26.17
(p)	Interest paid on funds	364.81	347.46
(q)	Borrowing from RBI under SLF	846.88	–
2	Discount on CBLO / TREPS	359.31	342.52
3	Discount, Brokerage, Commission & issue exp. on Bonds and Securities	29.77	38.57
4	Swap Charges	33.55	38.56
	Total	24,219.55	23,782.98

Schedule 15 A - Establishment and Other Expenses

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
1	Salaries and Allowances (Refer Note B-9 of Schedule 18)	872.31	955.6
2	Contribution to / Provision for Staff Superannuation Funds	690.54	797.01
3	Other Perquisites & Allowances	120.15	62.21
4	Travelling & Other allowances in connection with Directors' & Committee Members' Meetings	0.1	0.16
5	Directors' & Committee Members' Fees	0.16	0.08
6	Rent Rates, Insurance, Lighting, etc.	34.83	35.3
7	Travelling Expenses	22.51	38.88
8	Printing & Stationery	4.18	5.61
9	Postage, Telegrams & Telephones	19.22	19.14
10	Repairs	14.93	44
11	Auditors' Fees	0.33	0.28
12	Legal Charges	0.99	1.09
13	Miscellaneous Expenses	127.7	125.15
14	Expenditure on Miscellaneous Assets	10.03	11.61
15	Expenditure on Study & Training	61.17	74.75
	Total	1979.15	2170.87

Schedule 15 B - Expenditure on Promotional Activities

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
1	Cooperative Development Fund	18.71	17.90
2	Producers' Organisation Development Fund	4.03	2.60
3	Rural Infrastructure Promotion Fund	20	1.20
4	Expenditure under Farm Sector Promotion Fund	17.67	17.96
5	Expenditure under Climate Change Programme	0.97	1.22
6	Gramya Vikas Nidhi	27.67	28.56
7	Catalytic Capital Fund	6.00	–
	Total	95.05	69.44

Schedule 16- Provisions

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
	Provisions for:		
1	Standard Assets	698.00	196.00
2	Non Performing Assets	801.20	703.90
3	Non Performing Assets – staff	0.06	0.03
4	Floating Provision	750.00	500.00
	Total	2,249.26	1,399.93

Schedule 17 - Commitments and Contingent Liabilities

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Commitments on account of capital contracts remaining to be executed	1.08	1.81
	Sub-Total "A"	1.08	1.81
2	Contingent Liabilities		
(i)	Bank Guarantee	24.18	25.57
(ii)	Claims against the Bank not acknowledged as debt	–	–
(iii)	Pending legal cases	9.00	–
	Sub-Total "B"	33.18	25.57
	Total (A + B)	34.26	27.38

10.5 Notes forming part of the Accounts

10.5.1 Accounting for UPNRM under Agreement with KfW (German Development Bank)

Under NABARD's agreement with Kreditanstalt Fur Wiederaufbau (KfW) – the German Development Bank – income, expenditure, and accretion under the UPNRM (Umbrella Programme for Natural Resource Management) have been charged to the fund. Loans granted from this fund are classified as "Other Loans" and shown under Schedule 11, while borrowings related to UPNRM are classified as "Borrowings from International Agencies" and shown under Schedule 7. For the year, a net expenditure of ₹5.91 crore (₹21.06 crore) was charged to the Profit & Loss Account, representing a total expenditure of ₹17.64 crore against an income of ₹11.73 crore.

10.5.2 Funds Received for Farmer Producer Organizations (FPOs)

In FY 2020-21, NABARD received ₹33.27 crore from the Government of India under the Central Sector Scheme aimed at forming and promoting 10,000 Farmer Producer Organizations (FPOs).

10.5.3 The details of rate of interest for respective funds are as under:

Sr No.	Name of the Fund	Rate of Interest for 2020-21	Rate of Interest for 2019-20
1	Watershed Development Fund	4%	4%
2	KfW- NB IGWDP (Andhra Pradesh, Gujarat, Rajasthan)	4%	4%
3	KfW Accompanying Measures	4%	4%
4	National Adaptation Fund for Climate Change	4%	4%
5	Tribal Development Fund	4%	4%
6	Financial Inclusion Fund	4%	4%
7	KfW NB- V Adivasi Development Programme– Gujarat	4%	4%
8	Climate Change – (AFB) –Project Formulation Grant	4%	4%
9	LTIF Interest Fluctuation Reserve Fund	4%	4%
10	PODF-ID	4%	4%
11	Green Climate Fund Project Grants	4%	–
12	Cattle Development Fund (UP & Bihar)	7.52%	8.97%
13	Multi Activity Approach for Poverty Alleviation (Sultanpur and Rae Bareilly)	7.52%	8.97%
14	Center for Professional Excellence in Co-operatives	7.52%	8.97%

10.5.4 Recoverable Amounts from Government of India and International Agencies

As per Schedule-13 of the Balance Sheet, the recoverable amount from the Government of India and International Agencies includes ₹6.92 crore FY 2020-21 (₹1.06 crore from the previous FY 2019-20), representing the debit balance of various funds.

The details of such funds are as under:

Sr. No.	Name of the Fund	(Amount in ₹ crore)	
		31.03.2021	31.03.2020
1.	KfW- UPNRM –Accompanying Measures	0.07	0.59
2.	KfW- Soil Project	6.70	0.00
3.	KfW UPNRM – Technical collaboration	0.00	0.47
4.	Poultry Venture Capital Fund	0.15	0.00

10.5.5 Micro Finance Development and Equity Fund (MFDEF)

Sundry creditors includes ₹30.48 crore (₹30.48 crore) being amounts outstanding to contributors in respect of MFDEF

10.5.6 The amount of Interest subvention adjusted under different schemes is given below:

Sr. No.	Scheme	(Amount in ₹ crore)	
		2020-21	2019-20
1	Long Term Irrigation Fund	454.71	332.74
2	Seasonal Agricultural Operations (SAO)	-672.18	-296.6
3	Dairy Processing and Infrastructure Development Fund (DIDF)	20.25	15.18
4	National Rural Livelihood Mission (NRLM)	15.56	20.54
5	Micro Irrigation Fund (MIF)	34.6	0
6	Fisheries and Aquaculture Infrastructure Development Fund (FIDF)	1.64	0

10.5.7 Interest Margin on Refinance under Interest Subvention Scheme

NABARD accounted for the interest margin from providing refinance to State Cooperative Banks (StCBs), Regional Rural Banks (RRBs), Central Cooperative Banks (CCBs), and Public Sector Banks for financing Primary Agriculture Cooperative Societies (PACS) for Seasonal Agricultural Operations and under the National Rural Livelihoods Mission (NRLM) scheme as interest income. The amount received or receivable from the Government of India under this scheme was ₹90.10 crore In FY 2020-21, compared to ₹100.02 crore in the previous FY 2019-20.

10.5.8 Deferred tax asset

Deferred tax asset recognized in the Profit and Loss Account: (-) ₹11.45 crore (₹ (-) 45.09 crore).

The details of the deferred tax are as under:

Sr. No.	Deferred Tax Assets	(Amount in ₹ crore)	
		31.03.2021	31.03.2020
1.	Provision allowable on payment basis	128.38	126.99
2.	Depreciation on Fixed Assets	18.63	31.47
	Total	147.01	158.46

Provision for Deferred Tax on account of Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961, is not considered necessary, as the Bank has decided not to withdraw the said reserve.

10.5.9 The details of pending Income Tax Appeals with various authorities

Sr. No.	Assessment Year	Authority where Appeal is pending	Appeal preferred by	Amount in dispute 31.03.2021 (₹ crore)	Amount in dispute 31.03.2020 (₹ crore)
1	2006-07	High Court –Mumbai	IT Dept.	115.52	115.52
2	2007-08	Income Tax Appellate Tribunal (ITAT)	IT Dept.	89.56	89.56
3	2008-09	Income Tax Appellate Tribunal (ITAT)	IT Dept.	–	118.77
4	2009-10	Income Tax Appellate Tribunal (ITAT)	IT Dept.	–	194.82
5	2010-11	Income Tax Appellate Tribunal (ITAT)	NABARD	28.20	28.2
6	2010-11	Income Tax Appellate Tribunal (ITAT)	IT Dept.	215.31	215.31
7	2011-12	Income Tax Appellate Tribunal (ITAT)	NABARD	51.07	51.07
8	2011-12	Income Tax Appellate Tribunal (ITAT)	IT Dept.	287.62	287.62
9	2012-13	Income Tax Appellate Tribunal (ITAT)	NABARD	45.63	45.63
10	2012-13	Commissioner of Income Tax (Appeals)	NABARD	25.55	25.55
11	2012-13	Income Tax Appellate Tribunal (ITAT)	IT Dept.	327.03	327.03
12	2013-14	Income Tax Appellate Tribunal (ITAT)	NABARD	1.7	1.7
13	2013-14	Income Tax Appellate Tribunal (ITAT)	IT Dept.	380.05	380.05
14	2014-15	Income Tax Appellate Tribunal (ITAT)	IT Dept.	450.61	450.61
15	2015-16	Income Tax Appellate Tribunal (ITAT)	IT Dept.	448.87	448.87
16	2016-17	Commissioner of Income Tax (Appeals)	NABARD	407.23	407.23
17	2017-18	Commissioner of Income Tax (Appeals)	NABARD	360.69	360.69

10.5.10 Non-Starter Projects under RIDF

As of the financial statement date, ₹483.17 crore (₹438.65 crore FY 2019-20) of the disbursements made to various State Governments under the Rural Infrastructure Development Fund (RIDF) pertain to non-starter projects from ongoing tranches (XX to XXV). The classification of this amount as a disbursement from the fund remains pending until proposals for adjustment from the State Governments are received for allocation to respective or other projects.

10.5.11 Tax-Free Bonds Raised by NABARD

Under a notification from the Central Board of Direct Taxes, Ministry of Finance dated 18 February 2016, NABARD was authorized to raise ₹5,000 crore through tax-free bonds under Section 10(15)(iv)(h) of the Income Tax Act, 1961. Of this, ₹1,500 crore, with a 10-year tenure, was raised via private placement, and ₹3,500 crore, with 10- and 15-year tenures, was mobilized through a public issue. These secured, redeemable, and non-convertible bonds are backed by a pari passu charge on property in Mumbai and a first charge on specified NABARD book debts. The interest expense on these bonds for the current FY 2020-21 was ₹365.41 crore.

10.5.12 Reclassification of Investment in Venture Capital Fund (VCF)

As per RBI circular RBI/2015-16/104 DBR. No.FID.FIC.3/01.02.00/2015-16 dated 01 July 2015, concerning Prudential Guidelines on Investment in Venture Capital Funds (VCF), an amount of ₹19.45 crore FY 2020-21 (₹42.38 crore in the previous FY 2019-20) invested in VCF units was reclassified from the Held to Maturity (HTM) category to the Available for Sale (AFS) category after the completion of 3 years

10.5.13 Investments in Government securities include the following securities pledged with Clearing Corporation of India Limited as collateral security for borrowings:

(Amount in ₹ crore)		
Particulars	Face Value	Book Value
Pledged for Business Segment (Securities)	760.00 (750.00)	798.77 (783.15)
Pledged for Business Segment (CBLO / Tri Party Repo)	23,111.05 (13,252.00)	24,895.54 (14,091.46)
Pledged for Business Segment (Securities) Default Fund	50.00 (50.00)	52.21 (52.21)
Pledged for Business Segment (CBLO / Tri Party Repo) – Default Fund	50.00 (50.00)	52.21 (52.21)

10.5.13 Disclosure required under AS 15 (Revised) on “Employee Benefits”

1. Pension

Reconciliation of opening and closing balances of defined benefit obligations:

(Amount in ₹ crore)		
Particulars	2020-21	2019-20
Present value of defined benefit obligation at the beginning of year	5749.7	4976.36
Current Service Cost	69.47	82.74
Interest Cost	388.1	365.76
Actuarial gain/loss	604.22	557.23
Benefits paid	-268.41	-232.38
Present value of defined benefits obligations at the year end	6543.1	5749.7

Amount recognised in Balance Sheet as on 31 March 2021 and 31 March 2020:

(Amount in ₹ crore)		
Particulars	2020-21	2019-20
Present value of defined benefits obligations as at the year end	6543.1	5749.7
Fair value of plan assets as at the year end	-6546.03	-5609.19
Add: Outstanding claim in respect of benefit payable	21.46	19.83
Total Liability to be recognised in Balance Sheet	18.53	160.34
Liability recognised in the Balance sheet as at the year end	39.27	160.34

Expenses recognised in the Profit and Loss Account during the year

(Amount in ₹ crore)		
Particulars	2020-21	2019-20
Current Service Cost	69.47	82.74
Interest Cost	388.1	365.76
Net Actuarial gain/loss	726.01	563.64
Expected return on Plan Assets	-554.19	-266.33
Expense recognised in the statement of Profit and Loss	629.41	745.81

Actuarial assumptions:

Particulars	2020-21	2019-20
Mortality Table (LIC)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate (per annum)	6.75%	6.75%
Salary growth (per annum)	6.00%	6.00%
Withdrawal rate	1.00%	1.00%

2. Gratuity

Reconciliation of opening and closing balances of defined benefit obligations

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Present value of defined benefit obligation at the beginning of year	501.34	508.9
Current Service Cost	20.42	26.27
Interest Cost	33.84	37.4
Actuarial gain/loss	-1.8	7.02
Benefits paid	-98.89	-78.25
Present value of defined benefits obligations at the year end	454.92	501.34

Amount recognised in Balance Sheet as on 31 March 2021 and 31 March 2020:

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Present value of defined benefits obligations as at the year end	454.92	501.34
Fair value of plan assets as at the year end	-458.89	-490.13
Add: Outstanding claim in respect of benefit payable	3.55	9.18
Total Liability to be recognised in Balance Sheet	-0.43	20.4
Liability recognised in the Balance Sheet as at the year end	5.21	20.4

Expenses recognised in the Profit and Loss Account during the year

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Current Service Cost	20.42	26.27
Interest Cost	33.84	37.4
Net Actuarial gain/loss	-3.43	7.98
Expected return on Plan Assets	-34.8	-31.63
Expense recognised in the statement of Profit and Loss	16.03	40.02

Actuarial assumptions

Particulars	2020-21	2019-20
Mortality Table (LIC)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate % (per annum)	6.75%	6.75%
Salary growth % (per annum)	7.00%	7.00%
Withdrawal rate %	1.00%	1.00%

3. Encashment of Ordinary Leave

Reconciliation of opening and closing balances of defined benefit obligations

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Present value of defined benefit obligation at the beginning of year	357.68	343.76
Current Service Cost	11.44	9.37
Interest Cost	24.14	25.27
Actuarial gain/loss	1.05	23.65
Benefits paid	-47.14	-44.37
Present value of defined benefits obligations at the year end	347.18	357.68

Amount recognised in Balance Sheet as on 31 March 2021 and 31 March 2020

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Present value of defined benefits obligations as at the year end	347.18	357.68
Fair value of funds earmarked by the Bank	-226.91	-238.81
Add: Outstanding claim in respect of benefit payable	18.44	20.3
Total Liability to be recognised in Balance Sheet	138.71	139.18
Net Liability recognised in the Balance Sheet as at the year end*	148.09	171.19

Expenses recognised in the Profit and Loss Account during the year

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Current Service Cost	11.44	9.37
Interest Cost	24.14	25.27
Net Actuarial gain/loss	-17.23	24.66
Expected return on Plan Assets	-16.96	-10.22
Expense recognised in the statement of Profit and Loss	1.40	49.07

Actuarial assumptions

Particulars	2020-21	2019-20
Mortality Table (LIC)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate % (per annum)	6.75%	6.75%
Salary growth % (per annum)	7.00%	7.00%
Withdrawal rate %	1.00%	1.00%

Investment under Plan Assets of Pension, Gratuity & Leave Encashment Fund as on 31 March 2021

Particulars	Pension	Gratuity	Encashment of OL
	% of Plan Assets	% of Plan Assets	% of Plan Assets
Central Govt. Securities	7.24	–	–
State Govt. Securities	42.91	–	–
Insurer Managed Funds	0.00	100.00	100.00
Others	49.85	–	–
Total	100.00	100.00	100.00

Defined Contribution Plan:

a) The bank contributes its share to Provident Fund with RBI. As per the terms the contribution is a defined contribution plan. During the FY 2020-21 the bank has contributed ₹24.91 crore (₹27.49 crore FY 2019-20) with RBI.

b) The employees' recruited on or after 01 January 2012 are covered under New Pension Scheme, which is a defined contribution plan. During the FY 2020-21 the bank has contributed ₹7.50 crore (₹4.57 crore FY 2019-20) to the said scheme.

10.5.14 Capital

Pattern of Capital contribution as on the date of the Balance Sheet:

- The authorised capital of the bank stood at ₹30,000 crore as on 31 March 2020 and as on 31 March 2021.
- paid up capital: The entire paid up capital of the bank has been subscribed by the Government of India.

Contributor	31 March 2021		31 March 2020	
	(in ₹ crore)	%	(in ₹ crore)	%
Government of India	15,080.00	100.00%	14,080.00	100.00%
Total	15,080.00	100.00%	14,080.00	100.00%

During the year an amount of ₹1,000 crore was infused by Government of India towards Capital of NABARD.

Capital Adequacy

- Capital adequacy ratio

Particular	31 March 2021	31 March 2020
	%	%
Capital Adequacy Ratio (CRAR)	18.80%	21.20%

- Exclusions in CRAR Calculation:

RBI Instructions, assets financed from National Rural Credit – Long Term Operations (NRC LTO) Fund amounting to ₹14,497 crore (₹14,495 crore FY 2019-20) are excluded for the purpose of computing the CRAR.

- The details of various parameters of Capital to Risk weighted Assets Ratio is given below:

		(Amount in ₹ crore)	
Sr.N o.	Particulars	2020-21	2019-20
(i)	Common Equity	51,547.69	46,884.98
(ii)	Additional Tier 1 capital	-	-
(iii)	Total Tier 1 capital (i+ii)	51,547.69	46,884.98
(iv)	Tier 2 capital	5,344.24	3,471.90
(v)	Total Capital (Tier 1+Tier 2)	56,891.93	50,356.88
(vi)	Total Risk Weighted Assets (RWAs)	3,02,607.64	2,37,571.73
(vii)	Common Equity Ratio (Common Equity as a percentage of RWAs)	17.03	19.74
(viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	17.03	19.74
(ix)	Capital to Risk Weighted Assets Ratio (CRAR)	18.80	21.20

(x)	Percentage of the shareholding of the Government of India in the AIFI	100.00	100.00
(xi)	Amount of equity capital raised #	1,000.00	1,500.00
(xii)	Amount of Additional Tier 1 capital raised; of which	-	-
	(a) Perpetual Non-Cumulative Preference Shares (PNCPS):	-	-
	(b) Perpetual Debt Instruments (PDI)	-	-
(xiii)	Amount of Tier 2 capital raised; of which	-	-
	(a) Debt capital instruments:	-	-
	(b) Perpetual Cumulative Preference Shares (PCPS)	-	-
	(c) Redeemable Non-Cumulative Preference Shares (RNCPS)	-	-
	(d) Redeemable Cumulative Preference Shares (RCPS)	-	-

#Subscription received from Government of India towards Share Capital during the year is ₹1,000 crore

10.5.14 Provisions on Standard Assets

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Provisions towards Standard Assets	698	196

10.5.15 Floating Provisions and Counter Cyclical Provision

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
(a)	Opening balance in floating provision account (counter cyclical provisioning buffer)	514.44	14.44
(b)	The quantum of floating provisions made during the accounting year #	750	500
(c)	Amount of drawdown made during the accounting year	0	0
(d)	Closing balance in the floating provision account	1,264.44	514.44

#The Board of Directors of the Bank decided to create floating provisions, in accordance with RBI guidelines, to be utilised for any unexpected or exceptional circumstances.

10.5.16 Asset Quality and specific provisions

Non-Performing Advances

(Amount in ₹ crore)

S. No.	Particulars	31.03.2021	31.03.2020
(i)	Net NPA to Net Advances (%)	0.00	0.15
(ii)	Movement of NPAs (Gross)		
(a)	Opening Balance	1236.99	168.06
(b)	Additions during the year	4.01	1107.64
(c)	Reductions during the year	0.12	38.71
(d)	Closing Balance	1240.88	1236.99
(iii)	Movement of Net NPAs		
(a)	Opening Balance	719.88	0.00
(b)	Additions during the year	0.00	719.88
(c)	Reductions during the year	719.88	0.00

(d)	Closing Balance	0.00	719.88
(iv)	Movement of provisions for NPAs (excluding provision on standard assets)		
(a)	Opening balance	517.11	168.06
(b)	Provision made during the year	723.89	388.28
(c)	Write off / write back of excess provision	0.12	39.23
(d)	Closing balance	1240.88	517.11

During the FY 2020-21, an outstanding loan amount of ₹820 crore from one of the clients has become Non-Performing Asset (NPA) as per IRAC norms of RBI.

However, the client approached the Kolkata NCLT for an arrangement with the creditors and the Kolkata NCLT had passed an order directing the lenders to maintain the classification of the loan as Standard Asset until the scheme is considered by the creditors/orders passed by NCLT. Hence, pending orders from NCLT, the loan is classified as Standard Asset.

Non-Performing Investments

(Amount in ₹ crore)

Sr. No.	Particulars	31.03.2021	31.03.2020
(i)	Net NPI to Net Investments (%)	0.00	0.26
(ii)	Movement of NPIs (Gross)		
(a)	Opening Balance	650.34	226.05
(b)	Additions during the year	0.00	440.29
(c)	Reductions during the year	0.00	16.00
(d)	Closing Balance	650.34	650.34
(iii)	Movement of Net NPIs		
(a)	Opening Balance	85.48	0.00
(b)	Additions during the year	0.00	85.48
(c)	Reductions during the year	85.48	0.00
(d)	Closing Balance	0.00	85.48
(iv)	Movement of provisions for NPIs		
(a)	Opening balance	564.86	226.05
(b)	Provision made during the year	85.48	354.81
(c)	Write off / write back of excess provision	0.00	16.00
(d)	Closing balance	650.34	564.86

Non-Performing Assets (Non-Performing Advances + Non-Performing Investments)

(Amount in ₹ crore)

Sr. No.	Particulars	31.03.2021	31.03.2020
(i)	Net NPA to Net Assets (Advances + Investments) (%)	0.00	0.16
(ii)	Movement of NPAs (Gross Advances + Gross Investments)		
(a)	Opening Balance	1887.33	394.11
(b)	Additions during the year	4.01	1547.93
(c)	Reductions during the year	0.12	54.71

(d)	Closing Balance	1891.22	1887.33
(iii)	Movement of Net NPAs		
(a)	Opening Balance	805.36	0.00
(b)	Additions during the year	0.00	805.36
(c)	Reductions during the year	805.36	0.00
(d)	Closing Balance	0.00	805.36
(iv)	Movement of provisions for NPAs (excluding provision on standard assets)		
(a)	Opening balance	1081.97	394.11
(b)	Provision made during the year	809.37	743.09
(c)	Write off / write back of excess provision	0.12	55.23
(d)	Closing balance	1891.22	1081.97



Annual Report 2020-21

Particulars of Accounts Restructured

During the financial year 2020-21, two loan accounts were restructured

(Amount in ₹ crore)

Type of restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
Asset Classification		St	S	D	L	To	St	S	D	L	To	St	S	D	L	Tota	St	S	D	L	To
Details		d	S	f	o	tal	d	S	f	o	tal	d	S	ul	o	l	d	S	ul	o	tal
1	Restructured Accounts as on 01 April 2020																				
		No. of Borrowers										1	0	3	0	4	1	0	3	0	4
		Amount outstanding										1.65	0.00	14.60	0.00	16.25	1.65	0.00	14.60	0.00	16.25
		Provision thereof										1.65	0.00	14.60	0.00	16.25	1.65	0.00	14.60	0.00	16.25
2	Fresh restructures during the year	No. of Borrowers										2	0	0	0	2	2	0	0	0	2
		Amount outstanding										80.08	0.00	0.00	0.00	80.08	80.08	0.00	0.00	0.00	80.08
		Provision thereof										8.01	0.00	0.00	0.00	8.01	8.01	0.00	0.00	0.00	8.01
3	Upgradation to restructured standard category during the FY	No. of Borrowers										0	0	0	0	0	0	0	0	0	0
		Amount outstanding										0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Provision thereof										0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Restructured Standard advances which cease to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown	No. of Borrowers										1	0	0	0	1	1	0	0	0	1
		Amount outstanding										1.65	0.00	0.00	0.00	1.65	1.65	0.00	0.00	0.00	1.65



Annual Report 2020-21

	as restructured standard advances at the beginning of the next FY	Provision thereof											1.65	0.00	0.00	0.00	1.65	1.65	0.00	0.00	0.00	1.65
5	Downgradation of restructured accounts during the FY	No. of Borrowers																				
		Amount outstanding																				
		Provision thereof																				
6	Write offs of Restructured accounts during the FY	No. of Borrowers																				
		Amount outstanding																				
		Provision thereof																				
7	Restructured accounts as on 31 March 2021	No. of Borrowers											2	0	3	0	5	2	0	3	0	5
		Amount outstanding											80.08	0.00	14.60	0.00	94.68	80.08	0.00	14.60	0.00	94.68
		Provision thereof											8.01	0.00	14.60	0.00	22.61	8.01	0.00	14.60	0.00	22.61

Movement of Non-Performing Advances

		(Amount in ₹ crore)	
Sr.No.	Particulars	2020-21	2019-20
(i)	Gross NPAs as on 01 April	1,236.99	168.06
(ii)	Additions during the year	4.01	1,107.64
	Sub-total (A)	1,241	1,275.7
Less:			
(i)	Upgradations	0	16.15
(ii)	Recoveries (excluding recoveries made from upgraded accounts)	0.12	22.56
(iii)	Technical / Prudential Write offs	0	0
(iv)	Write offs other than those under (iii) above	0	0
	Sub-total (B)	0.12	38.71
	Gross NPAs as on 31 March (A-B)	1,240.88	1,236.99

Write-offs and recoveries

		(Amount in ₹ crore)	
Particulars	2020-21	2019-20	
Opening balance of Technical /Prudential written off accounts as at 01 April	0	0	
Add : Technical / Prudential write offs during the year	0	0	
Sub-total (A)	0	0	
Less: Recoveries made from previously technical / prudential written off accounts during the year (B)	0	0	
Closing balance as at 31 March (A-B)	0	0	

Note: Technical or prudential write-off is the amount of non performing loans which are outstanding in the books of the branches, but have been written-off (fully or partially) at Head Office level.

Overseas Assets, NPAs and Revenue

		(Amount in ₹ crore)	
Particulars	2020-21	2019-20	
Total Assets	0	0	
Total NPAs	0	0	
Total Revenue	0	0	

Depreciation and provisions on investments

(Amount in ₹ crore)

Sr.No.	Particulars	2020-21	2019-20
(1)	Investments		
(i)	Gross Investments*		
(a)	In India	44,795.43	32,887.81
(b)	Outside India	–	–
(ii)	Provision for Depreciation*		
(a)	In India	650.34	564.86
(b)	Outside India	–	–
(ii i)	Net Investments *		
(a)	In India	44,145.09	32,322.95
(b)	Outside India	–	–
(2)	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	564.86	240.39
(ii)	Add: Provisions made during the year	85.48	354.81
(ii i)	Appropriation, if any, from Investment Fluctuation Reserve Account during the year	0.00	0.00
(i v)	Less: Write off / write back of excess provisions during the year	0.00	30.34
(v)	Less: Transfer, if any, to Investment Fluctuation Reserve Account	0.00	0.00
(v i)	Closing balance	650.34	564.86

*the figures are excluding investments in Special Dev Debentures of SCARDBs

Provisions and Contingencies

(Amount in ₹ crore)

Sr.No.	Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account	2020-21	2019-20
1	Provisions for depreciation on Investment	85.48	354.81
2	Provision towards NPA (Advances + Investments)	801.26	703.93
3	Provision made towards Income tax (Net)	1,761.45	1,375.09

Provisioning Coverage Ratio (PCR)

PCR [ratio of provisioning (including counter cyclical/ floating provisions) to gross non-performing assets] as at close of business for the current FY 2020-21 stood at 166.86% (84.58% previous FY 2019-20).

Loan under Scheme for Sustainable Structuring of Stressed Assets (S4A)

During the year 2016–17, resolution plan for stressed loan account (HCC) to the extent of ₹46.91 crore was considered under Scheme for Sustainable Structuring of Stressed Assets. The details of resolution plan are given below:

Particulars	(Amount in ₹ crore)
Part – A	
(i) Loan outstanding	13.68
Part – B	
Equity Shares	8.06
Optionally Convertible Debentures	14.22
Total	35.96

The net outstanding of the above loan account stood at ₹35.96 crore as on 31 March 2021. The account is continued as NPA and 100% provision held against the outstanding balance as per S4A guidelines. The amount received under S4A arrangement and kept in Debt Servicing Reserve account had been fully utilised.
Moratorium under Covid-19 package

Particulars	As at 31 March, 2021	As at 31 March, 2020
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the RBI Circular	-	-
Respective amount where asset classification benefits is extended as at March 31, 2020	-	-
Provisions made during the Q4 FY 2019-20 and Q1 FY 2020-21 in terms of paragraph 5 of the RBI Circular	-	-
Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6	-	-

10.5.17 Investment portfolio: constitution and operations

Repo Transactions

(Amount in ₹ crore)				
Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 March 2021
Securities sold under repo				
i. Government securities	220.22 (158.53)	5,119.43 (4,379.8)	601.55 (479.77)	0.00 (0.00)
ii. Corporate debt securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Securities purchased under reverse repo				
i. Government securities	56.23 (105.76)	259.43 (2,762.36)	0.86 (68.43)	0.00 (0.00)
ii. Corporate debt securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Disclosure of Issuer Composition for Investment in Debt Securities

(Amount in ₹ crore)

Sr.No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs	552.31 (581.42)	552.31 (581.42)	–	–	0.00 (0.00)
(ii)	Govt	38,435.11 (23,248.24)	3,8435.11 (23,248.24)			0.00 (0.00)
(ii)	FIs	0.00 (0.00)	0.00 (0.00)	–	–	0.00 (0.00)
(iii)	Banks	243.44 (1,660.04)	243.44 (1,660.04)	–	–	0.00 (0.00)
(iv)	Private Corporates	1,540.43 (1,941.70)	1,540.43 (1,941.70)	–	–	0.00 (0.00)
(v)	Subsidiaries / Joint Ventures	–	–	–	–	–
(vi)	Others	0.00 (0.00)	0.00 (0.00)	–	–	–
(vii)	Provision held towards depreciation	650.34 (564.86)	650.34 (564.86)	–	–	–
	Total	40,120.95 (26,866.56)	40,120.95 (26,866.56)	0.00 (0.00)	0.00 (0.00)	–

Sale and Transfers to/from HTM Category

During the FY 2020-21

Securities transferred from HTM to AFS category:

- State Govt. Development Loan (SDL) Securities
- Government Securities

Book Value	Face value
₹328.03 crore	₹329.65 crore
₹1183.61 crore	₹1150 crore

Value of investments under Held to Maturity (HTM) category

Market Value	Book Value
₹12407.78 crore	₹10859.10 crore

10.5.18 Details of Financial Assets purchased/ sold

A. Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

- Details of Sales: NIL
- Details of Book Value of Investments in Security Receipts: NIL

B. Details of Non performing Financial Assets Purchased / Sold

- Details of Non performing financial assets purchased: NIL
- Details of Non performing financial assets sold: NIL

Operating results

Sr. No.	Particulars	2020-21	2019-20
(i)	Interest income as a percentage to working funds (%)	6.06	6.66
(ii)	Non-Interest Income as a percentage to working funds (%)	0.02	0.02
(iii)	Operating Profit as a percentage to working funds (%)	1.46	1.35
(iv)	Return on Assets (%)	0.76	0.79
(v)	Net Profit per employee (₹ crore)	1.27	1.08

10.5.19 Credit Concentration risk

Capital market exposure

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt; \$\$	1,590.38	1,528.64
2	Advances against shares / bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	0	0
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0	0
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds /convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	0	0
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	0	0
6	Loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	0	0
7	Bridge loans to companies against expected equity flows / issues;	0	0
8	Underwriting commitments taken up by the AIFI in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0	0
9	Financing to stockbrokers for margin trading;	0	0
10	All exposures to Venture Capital Funds (both registered and unregistered)	284.03	222.1
	Total Exposure to Capital Markets	1,874.41	1,750.74

Exposure to Country risk: NIL

10.5.20 Prudential Exposure Limits

Prudential Exposure Limits—Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the AIFI

- The number and amount of exposures in excess of the prudential exposure limits during the year: NIL
- Credit exposure as percentage to Capital Funds and as percentage to Total Assets

(Amount in crore)

Category	2020-21		2019-20	
	Credit Exposure as % to		Credit Exposure as % to	
	Capital Funds	Total Assets	Capital Funds	Total Assets
I Largest Single Borrower	85.81	7.42	57.20	5.42
I Largest Borrower Group	Not Applicable		Not	
I			Applicable	
I Twenty Largest Single Borrowers for the year	552.81	47.81	500.03	47.35
I				
I				
I Twenty Largest Borrower Groups	Not Applicable		Not	
V			Applicable	

Credit exposure to the five largest industrial sectors as percentage to total loan assets: Not Applicable

Factoring exposures: Not Applicable

Exposure where the FI had exceeded that Prudential Exposure Limits during the year: NIL

Concentration of borrowings / lines of credit, credit exposures and NPAs

a) Concentration of borrowings and lines of credit

(Amount in ₹ crore)

Sr.No.	Particulars	2020-21	2019-20
(i)	Total borrowings from twenty largest lenders	3,63,557.52	2,93,624.33
(ii)	Percentage of borrowings from twenty largest lenders to total borrowings	65.02	66.52

b) Concentration of credit exposures

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
(i)	Total exposures to twenty largest borrowers	3,14,501.61	2,51,925.57
(ii)	Percentage of exposures to twenty largest borrowers to Total Advances of the AIFI	52.05	52.26

c) Sector-wise concentration of exposures and NPAs

The sector wise concentration of exposure and NPAs FY 2020-21 given below:

(Amount in ₹ crore)

Sr.N o.	Particulars	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
FY 2020-21				
I.	Agricultural sector including allied agricultural activities	6,04,227.16	1,227.06	0.2
1	Central Government	0.00	0	0
2	Central PSUs	16.91	0	0
3	State Governments	1,68,660.47	0	0
4	State PSUs	19,960.33	0	0
5	Scheduled Commercial Banks	1,14,189.82	0	0
6	Regional Rural Banks	61,587.56	0	0
7	Co-operative banks	1,04,629.33	0	0
8	Private sector (excluding banks)	1,06,241.96	119.56	0.11

9	Others CRADB/LDB/NBFC-MFI/ADFC	28,940.78	1,107.5	3.83
II.	Others	219.28	13.82	6.3
1	Construction Sector	13.68	13.68	100
2	Staff Loans	205.60	0.14	0.07
	Total (I+II)	6,04,446.44	1,240.88	0.21

The sector wise concentration of exposure and NPAs FY 2019-20 given below:

(Amount in ₹ crore)

Sr.No.	Particulars	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector2
		FY 2019-20		
I.	Agricultural sector including allied agricultural activities	4,81,996.33	1,223.65	0.25
1	Central Government	0.00	0	0
2	Central PSUs	39.31	0	0
3	State Governments	1,54,633.28	0	0
4	State PSUs	10,833.04	0	0
5	Scheduled Commercial Banks	88,637.85	0	0
6	Regional Rural Banks	46,095.58	0	0
7	Co-operative banks	78,952.81	0	0
8	Private sector (excluding banks)	76,775.21	116.15	0.15
9	Others CRADB/LDB/NBFC-MFI/ADFC	26,029.25	1,107.5	4.25
II.	Others	241.13	13.34	5.53
1	Construction Sector	13.25	13.25	100
2	Staff Loans	227.88	0.09	0.04
	Total (I+II)	4,82,237.46	1,236.99	0.26

10.5.21 Derivatives

Forward Rate Agreement / Interest Rate Swap: NIL

Exchange Traded Interest Rate derivatives: NIL

Disclosure on Risk exposure in derivatives:

Quantitative Disclosures

- The Bank has hedged its International Borrowings

	31 st March, 2021	31 st March, 2020
	62.59 million Euro	73.01 million Euro
	46.63 million USD	50 million USD
- Upon hedging of foreign currency borrowings, the same is shown at contracted value as per the Swap agreement / forward contract.
- The bank has open exposure of 16.31 million Euro (14.33 million Euro) as on 31 March 2021.
- The value of outstanding principal amount of hedge contract at the year-end exchange rate stood at ₹880.20 crore In FY 2020-21 (₹983.32 crore FY 2019-20).
- The value of outstanding principal liability in the books of account stood at ₹959.98 crore FY 2020-21 (₹1052.60 crore FY 2019-20).

The quantitative disclosure in this regard For FY 2020-21 is as under:

(Amount in ₹ crore)			
Sr.No.	Particular	FY 2020-21	
		Currency Derivatives	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging	880.20	
	b) For trading	–	
(ii)	Marked to Market Positions		
	a) Asset (+)	20.39	
	b) Liability (-)		
(iii)	Credit Exposure	30.84	
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	14.02	
	b) on trading derivatives	–	
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) on hedging	–	
	b) on trading	–	

The quantitative disclosure in this regard For FY 2019-20 is as under:

(Amount in ₹ crore)

Sr.No.	Particular	FY 2019-20	
		Currency Derivatives	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging	983.32	
	b) For trading	–	
(ii)	Marked to Market Positions		
	a) Asset (+)	24.53	
	b) Liability (-)		
(iii)	Credit Exposure	27.64	
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	18.35	
	b) on trading derivatives	–	
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) on hedging	–	
	b) on trading	–	

10.5.23 Letters of Comfort

Letters of Comfort (LoCs) issued by AIFIs: NIL

10.5.24 Asset Liability Management

The maturity pattern of assets and liabilities are prepared in terms of the ALCO policy of the bank as under:

(Amount in ₹ crore)

Particulars	1 –14d	15-28d	29d–3m	>3m–6m	>6m–1y	>1y–3y	>3y–5y	>5y	Total
Deposits	0	7,434	0	22,471	64,986	74,134	51,047	21,500	2,41,572
Advances	6,189	6,847	51,257	60,672	1,00,831	1,53,684	87,352	1,36,168	6,03,000
Investments	10,508	9,332	11,849	770	1,829	704	491	12,258	47,741
Borrowings	14,110	5,208	45,632	21,763	20,599	52,689	32,137	1,24,442	3,16,580
Foreign Currency Assets	0	0	0	0	0	0	0	0	0
Foreign Currency liabilities	0	0	0	36	60	195	148	521	960

10.5.25 Draw Down from Reserves:

Draw Down from Reserves: NIL

10.5.26 Business Ratios

Particulars	2020-21	2019-20
Return on Equity (%)	8.46	8.41
Return on Assets (%)	0.76	0.79
Net Profit Per Employee (Rs. crore)	1.27	1.08

10.5.27 Disclosure of Penalties imposed by RBI:

Disclosure of Penalties imposed by RBI: NIL

10.5.28 Disclosure of Complaints

A) Customer Complaints

Sr. No.	Particulars	2020-21	2019-20
(a)	No. of complaints pending at the beginning of the year	9	2
(b)	No. of complaints received during the year	229	211
(c)	No. of complaints redressed during the year	233	204
(d)	No. of complaints pending at the end of the year	5	9

10.5.29 Off-Balance Sheet SPVs Sponsored

There are no SPVs sponsored by NABARD which are required to be consolidated as per accounting norms

10.5.30 Provisions Contingent Liabilities and Contingent Assets" is as under:

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Opening Balance	25.57	25.02
Addition during the year	33.18	25.57
Deletion during the year	25.57	25.02
Closing Balance	33.18	25.57

10.5.31 Prior period items included in the Profit and Loss account are as follows:

(Amount in ₹ crore)

Sr.No.	Particulars	2020-21	2019-20
1.	Income	0.00	0.00
2.	Revenue Expenditure	0.00	0.00
	Total	0.00	0.00

10.5.32 Accounting Standard

Companies where entity has control:

Sr.No	Companies	Relationship
1.	NABARD Financial Services Ltd.	Subsidiary
2.	NABSAMRUDDHI Finance Limited	Subsidiary
3.	NABKISAN Finance Ltd.	Subsidiary
4.	NABARD Consultancy Services Pvt. Ltd.	Wholly owned Subsidiary
5.	NABVENTURES Ltd.	Wholly owned Subsidiary
6.	NABFOUNDATION	Wholly owned Subsidiary
7.	NABSanrakshan Trustee Private Limited	Wholly owned Subsidiary

Key Management Personnel:

Name of the party	Designation
Dr. Harsh Kumar Bhanwala	Chairman
Dr. G R Chintala (with effect from May 2020)	Chairman
Shri Shaji K V (with effect from May 2020)	Deputy Managing Director
Shri P V S Suryakumar (with effect from May 2020)	Deputy Managing Director
Shri Harishkumar Rasiklal Dave	Deputy Managing Director
Shri R Amalorpavanathan	Deputy Managing Director

Transactions with Key Management Personnel:

(Amount in ₹ crore)				
Name of the Party	Nature of Relationship	Nature of Transaction	Amount of transaction During the year	Outstanding
Dr. Harsh Kumar Bhanwala	Key Management Personnel–Chairman	Remuneration including perquisites	0.13 (0.61)	0
Dr. G R Chintala	Key Management Personnel–Chairman	Remuneration including perquisites	0.63 (0.00)	0
Shri Shaji K V	Key Management Personnel–Deputy Managing Director	Remuneration including perquisites	0.59 (0.00)	0
Shri P V S Suryakumar	Key Management Personnel–Deputy Managing Director	Remuneration including perquisites	0.56 (0.00)	0
Shri Harishkumar Rasiklal Dave	Key Management Personnel–Deputy Managing Director	Remuneration including perquisites	0.00 (0.13)	0
Shri R Amalorpavanathan	Key Management Personnel–Deputy Managing Director	Remuneration including perquisites	0.00 (0.17)	0

Information on Primary Business Segment

(Amount in ₹ crore)

Particulars	Treasury		Refinance		Direct Lending		Other Business		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Business Segments										
Revenue	3372.89	3867.07	15998.01	15096.98	15204.49	13654.63	95.78	73.62	34671.17	32692.30
Result	2041.55	2248.67	4025.13	2828.64	3326.77	2811.00	-3312.04	-2653.99	6081.41	5234.32
Unallocated Expenses									0.00	0.00
Operating Profit									6081.41	5234.32
Income Taxes									1761.45	1375.09
Extraordinary profit / loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit									4319.96	3859.23
Other Information										
Segment Assets	48484.91	44693.36	31280.97	24100.13	29293.10	24306.90	3572.56	3311.15	65779.83	532074.95
Segment Liabilities	99432.66	68543.82	27846.96	21948.19	21115.00	18333.43	68745.86	60714.89	65779.83	532074.95
Unallocated Liabilities									0	0
Total Liabilities									65779.83	532074.95

10.5.33 Cash flow for the year ended 31 March 2021

(Amount in ₹ crore)

Particulars	2020-21	2019-20
(a) Cash flow from Operating activities		
Net Profit as per Profit and Loss a/c before tax	6,081.41	5,234.32
Adjustment for:		
Depreciation	46.75	34.76
Provisions and Amortisations	-	-
Provision for Non-performing Assets	801.26	703.93
Provision for Standard Assets	1,448.00	696.00
Provision for sacrifice in interest element of Restructured Loan	-	-
Profit / Loss on sale of Fixed Assets	0.25	-0.29
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	387.47	370.71
Income from Investment (including Discount Income)	-3,372.90	-
		3,866.60
Operating profit before changes in operating assets	5,392.24	3,172.83
Adjustment for changes in working capital:		
(Increase) / Decrease in Current Assets	7,981.54	-
		1,860.92
Increase / (Decrease) in Current Liabilities	2,799.06	2,739.56
Increase in Loans and Advances (Including Housing Loan & Other Advances to Staff)	-	-
	1,23,712.23	50,895.62
Cash generated from operating activities	-	-
	1,07,539.39	46,844.15
Income Tax paid - Net of refund	-1,762.44	-
		1,358.51
WIF/ FPF differential debited to Tribal Development / Financial Inclusion Fund / Watershed Development Fund		
Net cash flow from operating activities (A)	-	-
	1,09,301.83	48,202.66
(b) Cash flow from Investing activities		
Income from Investment (including Discount Income)	3,372.89	3,866.60
Purchase of Fixed Asset	-83.72	-97.31
Sale of Fixed Assets	1.37	38.24
Increase / Decrease in Investment	-	4,983.86
	11,907.62	
Net cash used / generated from investing activities (B)	-8,617.08	8,791.39
(c) Cash flow from financing activities		
Grants / contributions received	1,003.32	1,152.66
Proceeds of Bonds	56,130.14	33,949.26
Increase / (Decrease) in Borrowings	54,986.83	-
		11,254.86

Increase / (Decrease) in Deposits	5,109.01	12,316.42
Increase in Share capital	1,000.00	1,500.00
Net cash raised from financing activities (C)	1,18,229.30	37,663.48
Net increase in cash and cash equivalent (A)+(B)+(C)	310.39	-
Cash and Cash equivalent at the beginning of the year	1,152.17	2,899.96
Cash and cash equivalent at the end of the year	1,462.56	1,152.17

Cash and cash equivalent at the end of the year includes	2020-21	2019-20
Cash in hand	-	-
Balance with Reserve Bank of India	843.23	621.20
Balances with other Banks in India	619.33	530.97
Remittances in Transit	-	-
CBLO / Tri party Repo	-	-
Total	1,462.56	1,152.17

Chapter 11 Consolidated Financial Statements

11.1 Consolidated Balance sheet as on 31 March 2021.

LIABILITIES

(Amount in ₹ crore)				
Sr. No.	Funds and Liabilities	Schedule	As on 31.03.2021	As on 31.03.2020
1	Capital		15,080.00	14,080.00
	(Under Section 4 of the NABARD Act, 1981)			
2	Reserve Fund and Other Reserves	1	39,639.51	35,247.94
3	Minority Interest	1A	183.18	168.53
4	National Rural Credit Funds	2	16,094.00	16,090.00
5	Gifts, Grants, Donations and Benefactions	3	6,371.61	6,020.77
6	Government Schemes	4	3,485.35	2,446.92
7	Deposits	5	2,41,572.10	2,36,463.09
8	Bonds and Debentures	6	1,95,882.39	1,39,752.25
9	Borrowings	7	1,21,658.87	66,710.34
10	Current Liabilities and Provisions	8	18,690.81	15,650.85
	Total		6,58,657.82	5,32,630.69
	Forward Foreign Exchange Contracts (Hedging) as per contra		1,020.66	1,102.35
	Commitment and Contingent Liabilities	17		
	Significant Accounting Policies and Notes on Accounts	18		

ASSETS

(Amount in ₹ crore)				
Sr. No.	Property and assets	Schedule	As on 31.03.2021	As on 31.03.2020
1	Cash and Bank Balances	9	4,751.09	12,227.85
2	Investments	10	45,052.34	33,591.06
3	Advances	11	6,03,117.88	4,81,034.31
4	Fixed Assets	12	580.89	550.24
5	Other Assets	13	5,155.62	5,227.23
	Total		6,58,657.82	5,32,630.69
	Forward Foreign Exchange Contracts (Hedging) as per contra		1,020.66	1,102.35
	Commitment and Contingent Liabilities	17		
	Significant Accounting Policies and Notes on Accounts	18		

11.2 Consolidated Profit and Loss Account for the year ended 31 March 2021

CONSOLIDATED INCOME

(Amount in ₹ crore)

Sr. No.	Income	Schedule	2020-21	2019-20
1	Interest Received on Loans and Advances (Refer Note B-8 of Schedule 18)		31,441.51	28,983.76
2	Income from Investment operations / Deposits		3,372.89	3,866.6
3	Other Income		193.78	153.92
	Total (A)		35,008.18	33,004.28

CONSOLIDATED EXPENDITURE

(Amount in ₹ crore)

Sr. No.	EXPENDITURE	Schedule	2020-21	2019-20
1	Interest and Financial Charges (Refer Note B-7 of Schedule 18)	14	24,235.65	23,784.07
2	Establishment and other expenses	15 A	2,102.77	2,305.58
3	Expenditure on Promotional Activities	15 B	95.05	69.43
4	Provisions	16	2,328.01	1,434.80
5	Depreciation		50.67	37.21
	Total (B)		28,812.15	27,631.09
6	Profit before Income Tax (A-B)		6,196.03	5,373.18
7	Prior period items		-	-
8	Provision for Income Tax		1,794.13	1,369.05
9	Deferred Tax Asset Adjustment (Refer Note B-10 of Schedule 18)		0.81	46.40
10	Profit after Tax		4,401.09	3,957.73
11	Minority Interest		14.51	20.06
12	Profit available for Appropriation		4,386.58	3,937.66

11.3 PROFIT AND LOSS APPROPRIATION ACCOUNT

(Amount in ₹ crore)

Sr. No.	Appropriations/Withdrawals	2020-21	2019-20
1	Profit for the year brought down	4,386.58	3,937.66
2	Add: Withdrawals from various funds against expenditure debited to Profit & Loss Account	125	99.77
3	Total Profit Available for Appropriation	4,511.58	4,037.43
	Less : Transferred to*		
1	Special Reserve u/s 36(l)(viii) of the Income Tax Act, 1961	1100	850
2	National Rural Credit (Long Term Operations) Fund	1	1

3	National Rural Credit (Stabilisation) Fund	1	1
4	Co-operative Development Fund	58.71	17.9
5	Research & Development Fund	29.95	30.33
6	Investment Fluctuation Reserve	457	42.5
7	Producers' Organisation Development Fund	104.03	102.61
8	Rural Infrastructure Promotion Fund	20	26.2
9	Farm Sector Promotion Fund	17.67	17.95
10	Gramya Vikas Nidhi	47.67	28.55
11	Climate Change Fund	0.97	1.22
12	Catalytic Fund & Forex Fluctuation Reserve Fund	23.03	10
13	Reserve Fund	2,650.55	2,908.17
	Total	4,511.58	4,037.43

11.4 SCHEDULE TO CONSOLIDATED BALANCE SHEET

Consolidated Schedule 1 - Reserve Fund and Other Reserves

(Amount in ₹ crore)

Sr.N o.	Particulars	Opening Balance as on 01.04.2020	Additions/ Adjustments during the year	Transferred from P&L Appropriation	Transferred to P&L Appropriation	Balance As on 31.03.2021
1	Reserve Fund	23,944.13	12.67	2,650.55	0.25	26,607.1
2	Research and Development Fund	52.87	0.75	29.95	30.00	53.57
3	Capital Reserve	85.94	-11.13	-	-	74.81
4	Investment Fluctuation Reserve	1,240.00	-	457.00	-	1,697
5	Co-operative Development Fund	60.00	-	58.71	18.71	100
6	Special Reserves Created & Maintained u/s 36(1)(viii) of Income Tax Act, 1961	9,435.00	-	1,100.00	-	10,535
7	Producers' Organisations Development Fund	200.00	-	104.03	4.03	300
8	Rural Infrastructure Promotion Fund	50.00	-	20.00	20.00	50
9	Farm Sector Promotion Fund	60.00	-	17.67	17.67	60
10	Gramya Vikas Nidhi	90.00	-	47.67	27.67	110
11	Climate Change Fund	20.00	-	0.97	0.97	20
12	Catalytic Fund	10.00	-	16.00	6.00	20
13	Development Corpus Fund	-	5.00	-	-	5

14	Foreign Exchange Fluctuation Reserve Fund	–	–	7.03	–	7.03
	Total	35,247.94	7.29	4,509.58	125.30	39,639.51
	Previous FY 2019-20	31,322.43	(10.16)	4,035.44	99.77	35,247.94

Consolidated Schedule 1A - Minority Interest

(Amount in ₹ crore)

Sr.No.	Particulars	Opening Balance as on 01.04.2020	Addition during the year	Adjustments during the year	Closing balance As on 31.03.2021
1	Share capital	87.7	0.22	–	87.92
2	Reserves and Surplus	80.83	14.43		95.26
	Total	168.53	14.65	–	183.18
	Previous FY 2019-20	146.01	22.52	–	168.53

Consolidated Schedule 2 - National Rural Credit Funds

(Amount in ₹ crore)

Sr.No.	Particulars	Opening Balance as on 01.04.2020	Contribution by RBI	Transferred from P&L Appropriation	Balance as on 31.03.2021
1	National Rural Credit (Long Term Operations) Fund	14,495	1	1	14,497
2	National Rural Credit (Stabilisation) Fund	1,595	1	1	1,597
	Total	16,090	2	2	16,094
	Previous FY 2019-20	16,086	2	2	16,090

Consolidated Schedule 3 - Gifts, Grants, Donations and Benefactions

(Amount in ₹ crore)

Sr.No.	Particulars	Opening Balance as on 01.04.2020	Addition during the year	Interest Credited*	Expenditure /Adjustments during the year	Balance as on 31.03.2021
A.	Grants from International Agencies					
1	KfW – NABARD V Fund for Adivasi Programme	0.61	0.03	0.02	0.13	0.53
2	KfW NB UPNRM – Accompanying Measures	–	1.11	–	1.11	–
3	KfW NB UPNRM – Financial Contribution	0.15	–	–	–	0.15
4	KfW UPNRM Fund (Refer Note B-1 of Schedule 18)	–	–	–	–	–
5	KfW Risk Mitigation Fund	7.99	–	–	7.99	–
6	Indo German Watershed Development Programme –	0.64	–	0.03	–	0.67

	Andhra Pradesh					
7	Indo German Watershed Development Programme – Gujarat	1.04	–	0.03	1.04	0.03
8	Indo German Watershed Development Programme – Rajasthan	0.60	–	0.02	0.56	0.06
9	GIZ UPNRM Technical Collaboration	–	0.50	–	0.47	0.03
10	Climate Change – (AFB) – Project Formulation Grant	14.36	10.52	0.58	6.28	19.18
11	GIZ Soil Project	1.41	–	–	–	1.41
12	KfW Soil Project	2.43	8.46	–	8.42	2.47
13	GCF Project Grants	–	11.16	0.04	10.10	1.10
B.	Other Funds					
1	Watershed Development Fund (i)	1,384.09	88.97	86.00	107.84	1,451.22
2	Interest Differential Fund – (Forex Risk)	237.80	–	16.96	19.05	235.71
3	Interest Differential Fund – TAWA	0.1	–	–	–	0.1
4	Adivasi Development Fund	5.77	–	–	–	5.77
5	Tribal Development Fund (ii)	1,261.91	88.97	101.03	115.47	1,336.44
6	Financial Inclusion Fund (iii)	2,573.39	296.58	162.18	300.68	2,731.47
7	Financial Inclusion Fund – Digital	18.21	19.04	–	25.28	11.97
8	PODF-ID (iv)	252.01	118.63	11.94	68.43	314.15
9	National Bank – Swiss Development Coop. Project	64.43	0.84	–	–	65.27
10	RPF & RIF – Off-Farm Sector Promotion Fund	21.21	–	1.11	1.77	20.55
11	Centre for Professional Excellence in Co-operatives – (C-PEC)	2.74	–	0.21	–	2.95
12	LTIF Interest Fluctuation Reserve Fund	27.84	25.03	3.26	-53.69	109.82
13	National Adaptation Fund for Climate Change a/c	142.04	39.94	4.05	125.47	60.56
	Total	6,020.77	709.78	387.46	746.40	6,371.61
	Previous FY 2019-20	5,701.47	715.01	370.68	766.39	6,020.77

*Refer note no B-3 of Schedule 18 NABARD is acting as a banker/ custodian/ trustee on behalf of GOI/ RBI/Other entities and is holding the above funds, pending disbursement/ utilization in terms of respective schemes, on their behalf, to the extent of contribution made by them and accrued interest on unutilised balances, wherever applicable.

Includes income tax paid of:

- (i) ₹24.41 crore
- (ii) ₹24.41 crore
- (iii) ₹81.37 crore
- (iv) ₹32.55 crore

Consolidated Schedule 4 - Government Schemes

(Amount in ₹ crore)						
Sr.No.	Particulars	Opening Balance as on 01.04.2020	Additions during the year	Interest Credited *	Expenditure /Adjustments during the year	Balance as on 31.03.2021
A	Government Subsidy Schemes					
1	Capital Investment Subsidy for Cold Storage Projects – NHB	0.89	–	–	–	0.89
2	Capital Subsidy for Cold Storage TM North East	0.08	–	–	–	0.08
3	Credit Linked Capital Subsidy for Technology Upgradation of SSIs	0.02	14.65	–	13.96	0.71
4	On-farm Water Management for Crop Production	0.07	–	–	–	0.07
5	Bihar Ground Water Irrigation Scheme (BIGWIS)	78.98	–	–	–	78.98
6	Cattle Development Programme – Uttar Pradesh	0.03	–	–	–	0.03
7	Cattle Development Programme – Bihar	0.08	–	0.01	–	0.09
8	National Project on Organic Farming	1.64	–	–	0.17	1.47
9	Integrated Watershed Development Programme – Rashtriya Sam Vikas Yojana	4.29	–	–	–	4.29
10	Dairy and Poultry Venture Capital Fund	1.14	–	–	1.00	0.14
11	Poultry Venture Capital Fund	4.51	–	–	4.51	0.00
12	ISAM – Agricultural Marketing Infrastructure	49.95	143.94	–	162.88	31.01
13	ISAM - Grant Recd for Promotional Expenditure a/c	0.01	–	–	0.01	–
14	NATIONAL LIVESTOCK MISSION – PVCF EDEG	146.30	112.60	–	183.18	75.72
15	Centrally Sponsored Scheme for establishing Poultry Estate	–	–	–	-0.08	0.08
16	Multi Activity Approach for Poverty Alleviation – Sultanpur, Uttar Pradesh	0.07	–	0.01	–	0.08
17	Multi Activity Approach for Poverty Alleviation – BAIF – Rae Bareilly, Uttar Pradesh	0.02	–	–	–	0.02
18	Dairy Entrepreneurship Development Scheme	217.35	–	–	132.85	84.50
19	CSS for Solar Mission	0.03	–	–	–	0.03
20	CSS – JNNM – Solar Lighting a/c	0.02	–	–	–	0.02
21	CSS – Solar Photovoltaic Water Pumping	0.02	–	–	-0.01	0.03
22	Capital Subsidy Scheme – Agri Clinic Agri Business Centres	7.12	10.73	–	10.47	7.38
23	CSS MNRE Lighting Scheme 2016 a/c	0.08	–	–	-0.03	0.11
24	Artificial Recharge of Groundwater in Hard Rock Area	4.62	–	–	–	4.62
25	CSS on Formation And Promotion of FPO	–	33.27	–	–	33.27
B	Other Government Schemes					

1	Agriculture Debt Waiver and Debt Relief Scheme (ADWDR) 2008	284.65	–	–	2.53	282.12
2	Women's Self Help Groups [SHGs] Development Fund	44.75	–	–	7.60	37.15
3	PRODUCE FUND	34.87	–	–	11.30	23.57
4	Revival of 23 unlicensed DCCBs	111.22	–	–	–	111.22
5	Interest Subvention (Sugar Term Loan)	104.41	568.04	–	240.42	432.03
6	AMI – Workshop Assistance Fund	0.04	–	–	0.02	0.02
7	Kutch Drought Proofing Project	0.22	–	–	–	0.22
8	Revival Package for Long Term Cooperative Credit Structure (LTCCS)	20	–	–	–	20
9	Revival Reform and Restructure of Handloom Sector	8.47	15.56	–	17.20	6.83
10	Comprehensive Handloom Package	0.23	14.93	–	13.11	2.05
11	Interest Subvention (SAO, NRLM, NWR)	1320.74	5,385.14	–	4,459.86	2246.02
12	Arunachal Agri Start Up Scheme	0.5	–	–	–	0.5
	Total	2,447.42	6,298.86	0.02	5,260.95	3,485.35
	Previous FY 2019-20	1,244.84	8,351.74	0.02	7,149.18	2,447.42

Consolidated Schedule 5 – Deposits

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	From Central Government	–	–
2	From State Governments	–	–
3	From Others		
	a) Tea/Rubber/Coffee Deposits	64.10	61.47
	b) Commercial Banks (Deposits Under RIDF)	1,36,226.93	1,30,442.23
	c) Short Term Cooperative Rural Credit Fund	44,644.51	44,786.94
	d) ST RRB Credit Refinance Fund	9,921.00	9,952.65
	e) Warehouse Infrastructure Fund	5,540.00	5,940.00
	f) Long Term Rural Credit Fund	44,825.56	44,929.80
	g) Fund for Food Processing Units	350.00	350.00
	Total	2,41,572.10	2,36,463.09

Consolidated Schedule 6 - Bonds and Debentures

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Tax Free Bonds (Refer Note B-16 of Sch 18)	5,000.00	5,000.00
2	Non Priority Sector Bonds	75,648.30	48,628.30
3	Capital Gains Bonds	1.29	1.29
4	Bhavishya Nirman Bonds	–	405.46
5	PMAY-G-GOI Fully Serviced Bonds	48,809.60	28,809.80
6	LTIF Bonds	33,615.40	30,010.50

7	LTIF-GOI Fully Serviced Bonds	18,755.00	14,598.70
8	SBM-G-GOI Fully Serviced Bonds	12,298.20	12,298.20
9	Micro irrigation Fund (MIF) Bonds	1,754.60	–
	Total	1,95,882.39	1,39,752.25

Consolidated Schedule 7 – Borrowings

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
(A)	In India		
1	Central Government	–	–
2	JNN Solar Mission	2.81	2.81
3	Reserve Bank of India	24,567.00	–
4	Others:		
	i) Certificate of Deposits	11,590.27	21,144.63
	ii) Commercial Paper	42,457.06	24,035.75
	iii) Borrowing under Collateralised Borrowing Lending Obligation (CBLO) / Tri-Party Repo *	12,044.39	6,224.71
	iv) Term Money Borrowings	3,601.82	7,210.51
	v) Repo a/c - Borrowings	–	–
	vi) Borrowings from Commercial Banks, FI, Others	26,435.54	7,039.33
	vii) Facility from Commercial Banks	–	–
(B)	Outside India		
1	International Agencies	959.98	1,052.60
	Total	1,21,658.87	66,710.34

* borrowings under CBLO/ Tri-party Repo are secured against Government Securities including Treasury Bills

Consolidated Schedule 8 - Current Liabilities and Provisions

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Interest / Discount Accrued	7,356.92	7,293.11
2	Sundry Creditors [Refer note B-5 of Schedule-18]	1,422.52	785.68
3	Subsidy Reserve (Co-finance, Cold Storage, CSAMI)	87.74	106.36
4	Provision for Gratuity	5.84	20.81
5	Provision for Pension	40.51	162.13
6	Provision for Encashment of Ordinary Leave	376.53	362.62
7	Provision for Post-Retirement Medical Benefit	135.10	135.10
8	Provision for Salary revision [Refer note B-9 of Schedule-18]	680.00	500.00
9	Unclaimed Interest on Bonds	3.22	4.00
10	Unclaimed Interest on Term Deposits	–	0.12
11	Term Deposits matured but not claimed	–	0.05
12	Bonds matured but not claimed	31.75	39.14
13	Bond Premium	225.22	88.29
14	Debt Servicing Reserve	–	–

15	Provisions and Contingencies		
	a) Provision for Depreciation in value of Investment – G. Sec	355.70	–
	b) Provision for Amortisation of G. Sec – HTM	103.92	81.30
	c) Provision for Standard Assets	2,637.17	1,937.78
	d) Provision for Non-performing Investments	650.35	564.86
	e) Counter Cyclical Provisioning Buffer	1,264.45	514.44
	f) Provision for Other Assets & Receivables	141.24	4.64
	g) Provision for Income Tax [Net of Advance Tax]	3,052.47	3,050.08
16	Other Liabilities	120.16	0.34
	Total	18,690.81	15,650.85

Consolidated Schedule 9 - Cash and Bank Balances

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Cash in hand	–	–
2	Balances with:		
	a) Reserve Bank of India	843.23	621.20
	b) Others:	–	–
	(1) In India	–	–
	(i) Other Banks in India	–	–
	a) In Current Account	637.18	540.85
	b) Deposit with Banks	3,270.68	11,065.80
	(ii) Remittance in Transit	–	–
	(iii) Collateralised Borrowing and Lending Obligations /Tri-Party Repo	–	–
	(2) Outside India	–	–
	Total	4,751.09	12,227.85

Consolidated Schedule 10 – Investments

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Government Securities (Refer Note B-18 of Sch 18)		
	a) Securities of Central Government & State Govt [Face Value 35,624.49 crores ('22,413.09 crores)] [Market Value `37,610.53 crores ('23,708.09 crores)]	37,878.8	23,248.25
	b) Treasury Bills [Face Value `565.00 crores ('0.00)] [Market Value `556.31 crores ('0.00)]	556.31	–
2	Other Approved Securities		
3	Equity Shares in:		
(a)	Agricultural Finance Corporation Ltd. [1,000 (1,000) – Equity shares of `10,000 each]	1	1.00
(b)	Small Industries Development Bank of India [5,31,92,203 (5,31,92,203) – Equity shares of `10 each]	966.28	966.28

(c)	Agriculture Insurance Company of India Ltd. [6,00,00,000 (6,00,00,000) – Equity shares of `10 each]	60	60.00
(d)	Multi Commodity Exchange of India Ltd. [3,77,758 (3,77,758) – Equity shares of `10 each]	0.3	0.30
(e)	National Commodity and Derivatives Exchange Ltd. [56,25,000 (56,25,000) – Equity shares of `10 each]	16.88	16.88
(f)	CSC e-Governance Services India Ltd Equity [55,000 (55,000) Shares of `1000 each]	9.75	9.75
(g)	Agriculture Skill Council of India [4,000 (4,000) Shares of `10 each]	0	0.00
(h)	National E-Governance Services India Ltd [Equity] [15,00,000 (15,00,000) Shares of `10 each]	1.5	1.50
(i)	National e-Repository Ltd. [105,30,000 (105,30,000) Shares of `10 each]	10.53	10.53
(j)	Other Equity Investments [Market Value `84.88 crores (`82.44 crores)]	43.73	47.31
4	Debentures and Bonds		
(i)	Special Dev Debentures of SCARDBs (Refer Note B-14 of Schedule 18)	709.8	1,118.34
(ii)	Non-Convertible Debentures	1482.96	2,246.26
5	Others		
(a)	Mutual Fund	2019.58	3,519.17
(b)	Commercial Paper [Face Value `650.00 crore (`300.00 crore)]	618.08	276.87
(c)	Certificate of Deposit [Face Value `250.00 crore (`1725.00 crore)]	243.44	1,660.04
(d)	Venture Capital Funds / AIFs	285.14	222.10
(e)	Investment Earmarked towards EOL	148.26	186.49
	Total	45052.34	33,591.06

Consolidated Schedule 11 – Advances

(Amount in ₹ crore)

Sr.N o.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Refinance Loans		
(a)	Production & Marketing Credit	1,06,372.45	68,692.87
(b)	Medium Term – Conversion Loans	15.15	92.00
(c)	Other Investment Credit:		
(i)	Medium Term and Long Term Project Loans (Refer Note B -14 of Schedule 18)	1,96,221.72	1,63,519.32
(i)	Direct refinance to DCCBs	4,566.76	3,025.89

(i ii)	Other Refinance Loans – JNN Solar Mission	–	–
2	Direct Loans		
(a)	Loans under Rural Infrastructure Development Fund	1,32,723.87	1,25,647.06
(b)	Loans under Warehouse Infrastructure Fund	5,155.31	5,164.37
(c)	Long Term Non-Project Loans (net of provision)	3,464.94	3,161.74
(d)	Loans under NABARD Infrastructure Development Assistance (NIDA)	17,998.73	11,750.48
(e)	Loans under Producers' Organisation Development Fund (PODF) (net of provision)	37.58	82.68
(f)	Credit Facility to Federations [CFF]	20,038.21	12,123.24
(g)	Loans under Food Processing Fund	293.35	278.80
(h)	Loans under Long Term Irrigation Fund	51,712.54	44,687.28
(i)	PMAY-G	48,819.03	28,819.23
(j)	Swacch Bharat Mission-Gramin (SBMG)	12,298.20	12,298.20
(k)	Loans under Dairy Processing and Infrastructure Development Fund (DIDF)	956.33	1,009.69
(l)	Loans under Green Climate Fund (GCF)	319.82	344.43
(m)	Micro Irrigation Fund	1,827.47	–
(n)	Fisheries and Aquaculture Infrastructure Development Fund	193.77	–
(o)	Other Loans:		
(i)	Loans out of Watershed Development Fund	0.11	20.64
(i i)	Loans under KfW UPNRM (net of provision)	15.55	129.68
(i ii)	Loans out of Tribal Development Fund (net of provision)	0.34	0.96
(i v)	Loans under off-farm sector promotion activities (net of provision)	85.17	185.65
(v)	Loans out of Micro Finance Development Equity Fund (net of provision)	1.48	0.10

(v)	Loans out of Farm Sector Promotion Activities Programme (net of provision)	–	–
(p)	Co-Finance Loans (net of provision)	–	–
(q)	Direct Loans Under Sec 30 (net of provision)	–	–
	Total	6,03,117.88	4,81,034.31

Consolidated Schedule 12 – Property, Plant & Equipment (Fixed Assets)

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	LAND: Freehold & Leasehold*		
	Opening Balance	201.08	185.84
	Additions/adjustments during the year	–	15.24
	Sub-Total	201.08	201.08
	Less: Cost of assets sold/written off	–	0
	Closing Balance (at cost)	201.08	201.08
	Less: Amortisation of Lease Premia	60.80	59.04
	Book Value	140.28	142.04
2	PREMISES*		
	Opening Balance	582.73	424.39
	Additions/adjustments during the year	73.00	173.45
	Sub-Total	655.73	597.84
	Less: Cost of assets sold/written off	–	15.11
	Closing Balance (at cost)	655.73	582.73
	Less: Depreciation to date	301.39	280.9
	Book Value	354.34	301.83
3	FURNITURE & FIXTURES		
	Opening Balance	69.72	70.39
	Additions/adjustments during the year	-1.64	7.39
	Sub-Total	68.08	77.78
	Less: Cost of assets sold/written off	0.30	8.06
	Closing Balance (at cost)	67.78	69.72
	Less: Depreciation to date	62.13	61.64
	Book Value	5.65	8.08
4	COMPUTER INSTALLATIONS & OFFICE EQUIPMENT		
	Opening Balance	174.86	134.8
	Additions/adjustments during the year	33.08	48.78
	Sub-Total	207.94	183.58
	Less: Cost of assets sold/written off	3.79	8.72
	Closing Balance (at cost)	204.15	174.86
	Less: Depreciation to date	145.14	121.08

	Book Value	59.01	53.78
5	VEHICLES		
	Opening Balance	8.60	10.1
	Additions/adjustments during the year	5.97	4.97
	Sub-Total	14.57	15.07
	Less: Cost of assets sold/written off	2.88	6.47
	Closing Balance (at cost)	11.69	8.6
	Less: Depreciation to date	4.60	4.43
	Book Value	7.09	4.17
6	Capital Work in Progress [Purchase of Staff Quarters & Office Premises]	14.52	40.33
	Total	580.89	550.24

Consolidated Schedule 13 - Other Assets

(Amount in ₹ crore)

Sr.No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Accrued Interest	3,238.85	3,573.31
2	Deposits with Landlords	1.56	1.77
3	Deposits with Government Departments and Other Institutions	37.55	38.48
4	Housing loan to staff	121.15	135.42
5	Other Advances to staff	85.17	93.28
6	Sundry Advances	107.38	112.00
7	Deferred Tax Assets (Refer Note B-10 of Schedule 18)	160.80	159.28
8	Expenditure recoverable from Government of India / International Agencies (Refer Note B-4 of Schedule 18)	1,340.66	1,065.38
9	Discount Receivable	11.53	27.05
10	Discount on Issue of Bonds	3.23	3.64
11	Securitisation PTC	47.74	17.62
12	Advances to Landlords	–	–
	Total	5,155.62	5,227.23

Consolidated Schedule 14 - Interest and Financial Charges

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
1	Interest Paid on		
(a)	Deposits under RIDF	5,726.58	6,114.48
(b)	Short Term Cooperative Rural Credit Fund*	1,809.50	1,885.81
(c)	ST RRB Credit Refinance Fund*	397.46	418.83
(d)	Warehouse Infrastructure Fund	246.35	278.06
(e)	Long Term Rural Credit Fund	1,627.40	1,788.78
(f)	Fund for Food Processing Units	14.78	16.08
(g)	Tea / Coffee / Rubber Deposits	2.66	3.44
(h)	CBS Deposits	–	–
(i)	Term Money Borrowings	301.18	214.30

(j)	Bonds*	9,955.36	8,420.70
(k)	Corporate Loans	512.14	612.99
(l)	Borrowings from International Agencies	28.33	30.21
(m)	Borrowing against ST Deposit	–	–
(n)	Discount on Commercial Paper	1,040.96	1,688.88
(o)	Discount on Certificate of Deposits	903.91	1,518.23
(p)	Repo Interest Expenditure	19.79	26.17
(q)	Interest on funds	364.81	347.46
(r)	Borrowing from RBI under SLF	846.88	
2	Discount on CBLO / Tri-Party Repo	359.30	342.52
3	Discount, Brokerage, Commission & issue exp. on Bonds and Securities	44.71	38.57
4	Swap Charges	33.55	38.56
	Total	24,235.65	23,784.07

Consolidated Schedule 15 A - Establishment and Other Expenses

(Amount in ₹ crore)

Sr. No.	Particulars	2020–21	2019–20
1	Salaries and Allowances (Refer Note B-9 of Schedule 18)	943.38	1,015.76
2	Contribution to / Provision for Staff Superannuation Funds	694.73	801.34
3	Other Perquisites & Allowances	120.15	65.33
4	Travelling & Other allowances in connection with Directors' & Committee Members' Meetings	0.14	0.36
5	Directors' & Committee Members' Fees	0.56	0.31
6	Rent, Rates, Insurance, Lighting, etc.	27.73	39.44
7	Travelling Expenses	26.51	46.7
8	Printing & Stationery	5.08	7.17
9	Postage, Telegrams & Telephones	20.02	20.36
10	Repairs	15.44	44.57
11	Auditors' Fees	0.5	0.46
12	Legal Charges	2.03	1.63
13	Miscellaneous Expenses	175.31	169.78
14	Expenditure on Miscellaneous Assets	10.03	16.79
15	Expenditure on Study & Training	61.17	75.59
	Total	2,102.77	2,305.58

Consolidated Schedule 15 B - Expenditure on Promotional Activities

(Amount in ₹ crore)

Sr. No.	Particulars	2020–21	2019–20
1	Cooperative Development Fund	18.71	17.90
2	Producers Organisation Development Fund	4.03	2.61
3	Rural Infrastructure Promotion Fund	20	1.20
4	Farm Sector Promotion Fund	17.67	17.95

5	Climate Change Fund	0.97	1.22
6	Gramya Vikas Nidhi	27.67	28.55
7	Catalytic Capital Fund	6	–
	Total	95.05	69.43

Consolidated Schedule 16 – Provisions

(Amount in ₹ crore)

Sr. No.	Particulars	2020–21	2019–20
	Provisions for:		
1	Standard Assets	699.4	198.18
2	Non Performing Asset	878.55	736.59
3	Non Performing Asset - Staff Loans	0.06	0.03
4	Floating provisions (Refer Note B-19 of Schedule 18)	750	500
	Total	2,328.01	1,434.8

Consolidated Schedule 17 - Commitments and Contingent Liabilities

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Commitments on account of capital contracts remaining to be executed	1.08	1.81
	Sub Total "A"	1.08	1.81
2	Contingent Liabilities		
(i)	Claims against the Bank not acknowledged as debt	–	–
(ii)	Bank Guarantee	24.18	25.57
(iii)	Pending Legal Cases	9.00	–
	Sub Total "B"	33.18	25.57
	Total (A + B)	34.26	27.38

11.5 Notes forming part of the Consolidated Accounts

11.5.1 The consolidated financial statements present the accounts of the Bank subsidiaries:

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership (%)	
		2020–21	2019–20
NABKISAN Finance Limited (NABKISAN)	India	87.48	87.48
NABSAMRUDDHI Finance Limited (NABSAMRUDDHI)	India	91.09	90.68
NABFINS Limited (NABFINS)	India	63.10	63.10
NABARD Consultancy Services Private Limited (NABCONS)	India	100	100
NABVENTURES Limited (NABVENTURES)	India	100	100
NABFOUNDATION	India	100	100
NABSANRAKSHAN Trustee Private Limited (NABSANRAKSHAN)	India	100	–

11.5.2 Depreciation on other fixed assets

Type of Assets	Depreciation Rate
Furniture and Fixtures	20%
Computer & Software	33.33%
Office Equipment	20%
Vehicles	20%

11.5.3 In case of subsidiaries the depreciation on fixed assets is provided on following basis:

Name of the Subsidiary	Method of Depreciation
NABKISAN	WDV as per Schedule II
NABSAMRUDDHI	WDV as per Schedule II
NABFINS	SLM as per Schedule II
NABCONS	SLM as per Schedule II
NABVENTURES	SLM as per Schedule II
NABFOUNDATION	SLM as per Schedule II
NABSANRAKSHAN	WDV as per Schedule II

11.5.4 The details of rate of interest for respective funds are as under:

Sr. No	Name of the Fund	Rate of Interest for 2020-21	Rate of Interest for 2019-20
1	Watershed Development Fund	4%	4%
2	KfW- NB IGWDP (Andhra Pradesh, Gujarat, Rajasthan)	4%	4%
3	KfW Accompanying Measures	4%	4%
4	National Adaptation Fund for Climate change	4%	4%
5	Tribal Development Fund	4%	4%
6	Financial Inclusion Fund	4%	4%
7	KfW NB- V Adivasi Development Programme – Gujarat	4%	4%
8	Climate Change – (AFB) – Project Formulation Grant	4%	4%
9	LTIF Interest Fluctuation Reserve Fund	4%	4%
10	PODF-ID	4%	4%
11	GCF Project Grants	4%	–
12	Cattle Development Fund (UP & Bihar)	7.52%	8.97%
13	Multi Activity Approach for Poverty Alleviation (Sultanpur and Rae Bareilly)	7.52%	8.97%
14	Center for Professional Excellence in Co-operatives	7.52%	8.97%

11.5.5 Recoverable from Government of India / International Agencies

FY 2020-21 ₹6.92 crore (₹1.06 crore FY 2019-20) being debit balance of various funds.

The details of such funds are as under:

(Amount in ₹ crore)			
Sr. No.	Name of the Fund	31.03.2021	31.03.2020
1	KfW- UPNRM – Accompanying Measures	0.07	0.59
2	KfW- Soil Project	6.70	0.00
3	KfW UPNRM – Technical collaboration	0.00	0.47
4	Poultry Venture Capital Fund	0.15	0.00

11.5.6 The amount of Interest subvention adjusted under different schemes is given below:

(Amount in ₹ crore)			
Sr. No.	Scheme	2020-21	2019-20
1	Long Term Irrigation Fund	454.71	332.74
2	Seasonal Agricultural Operations (SAO)	-672.18	-296.6
3	Dairy Processing and Infrastructure Development Fund (DIDF)	20.25	15.18
4	National Rural Livelihood Mission (NRLM)	15.56	20.54
5	Micro Irrigation Fund (MIF)	34.6	0
6	Fisheries and Aquaculture Infrastructure Development Fund (FIDF)	1.64	0

11.5.7 deferred tax asset

The Bank, during the FY 2020-21, in accordance with AS 22 "Accounting for taxes on Income", recognised in the Profit and Loss Account the deferred tax asset (-) ₹11.45 crore FY 2020-21 (-) ₹45.09 crore FY 2019-20). Details of deferred tax are as under:

(Amount in ₹ crore)			
Sr. No.	Deferred Tax Assets	31.03.2021	31.03.2020
1	Provision allowable on payment basis	128.38	126.99
2	Depreciation on Fixed Assets	18.63	31.47
3	Others	13.79	0.82
	Total	160.80	159.28

11.5.8 The details of pending Income Tax Appeals with various authorities as at the end of FY 2020-21 is given below:

Sr.No.	Assessment Year	Authority where Appeal is pending	Appeal preferred by	Amount in dispute 31.03.2021 (crore)	Amount in dispute 31.03.2020 (crore)
1	2006-07	High Court –Mumbai	IT Dept.	115.52	115.52
2	2007-08	Income Tax Appellate Tribunal (ITAT)	IT Dept.	89.56	89.56
3	2008-09	Income Tax Appellate Tribunal (ITAT)	IT Dept.	–	118.77
4	2009-10	Income Tax Appellate Tribunal (ITAT)	IT Dept.	–	194.82
5	2010-11	Income Tax Appellate Tribunal (ITAT)	NABARD	28.20	28.2
6	2010-11	Income Tax Appellate Tribunal (ITAT)	IT Dept.	215.31	215.31
7	2011-12	Income Tax Appellate Tribunal (ITAT)	NABARD	51.07	51.07
8	2011-12	Income Tax Appellate Tribunal (ITAT)	IT Dept.	287.62	287.62
9	2012-13	Income Tax Appellate Tribunal (ITAT)	NABARD	45.63	45.63

10	2012-13	Commissioner of Income Tax (Appeals)	NABARD	25.55	25.55
11	2012-13	Income Tax Appellate Tribunal (ITAT)	IT Dept.	327.03	327.03
12	2013-14	Income Tax Appellate Tribunal (ITAT)	NABARD	1.7	1.7
13	2013-14	Income Tax Appellate Tribunal (ITAT)	IT Dept.	380.05	380.05
14	2014-15	Income Tax Appellate Tribunal (ITAT)	IT Dept.	450.61	450.61
15	2015-16	Income Tax Appellate Tribunal (ITAT)	IT Dept.	448.87	448.87
16	2016-17	Commissioner of Income Tax (Appeals)	NABARD	407.23	407.23
17	2017-18	Commissioner of Income Tax (Appeals)	NABARD	360.69	360.69

11.5.9 RIDF Disbursement to State Governments

As of the financial statement date, ₹483.17 crore FY 2020-21 (₹438.65 crore from the previous FY 2019-20) of the total disbursement extended to various State Governments under the Rural Infrastructure Development Fund (RIDF) pertains to non-starter projects in ongoing Tranches (XX to XXV). This amount is classified as disbursement from the fund, pending proposals from the State Governments for its adjustment with the respective or other projects.

11.5.10 NABARD Tax-Free Bonds Issuance

As per a notification from the Central Board of Direct Taxes dated 18 February 2016, NABARD was permitted to raise ₹5,000 crore through tax-free bonds under Section 10(15)(iv)(h) of the Income Tax Act, 1961. Of this, ₹1,500 crore was raised via Private Placement with a 10-year tenure, and ₹3,500 crore was raised through a public issue with 10 and 15-year tenures.

These secured, redeemable, and non-convertible bonds are backed by pari passu charge on property in Mumbai and a first charge on specified book debts of NABARD. The interest expense on these bonds for the current FY 2020-21 amounted to ₹365.41 crore (₹365.94 crore for the previous FY 2019-20).

11.5.11 Venture Capital

In terms of RBI Circular RBI/2015-16/104DBR. No.FID.FIC.3/01.02.00/2015-16 dated 01 July 2015 relating to Prudential Guidelines on Investment in Venture Capital Fund, an amount of ₹19.45 crore FY 2020-21 (₹42.38 crore FY 2019-20) made in the units of VCF was shifted from HTM category, on completion of 3 years, to AFS category.

11.5.12 Pledged Government Securities as Collateral with Clearing Corporation of India Limited

(Amount in ₹ crore)		
Particulars	Face Value	Book Value
Pledged for Business Segment (Securities)	760.00 (750.00)	798.77 (783.15)
Pledged for Business Segment (CBLO / Tri Party Repo)	23,111.05 (13,252.00)	24,895.54 (14,091.46)
Pledged for Business Segment (Securities) Default Fund	50.00 (50.00)	52.21 (52.21)
Pledged for Business Segment (CBLO / Tri Party Repo) – Default Fund	50.00 (50.00)	52.21 (52.21)

11.5.13 Floating Provisions and Counter Cyclical Provision

(Amount in ₹ crore)			
Sr. No.	Particulars	2020-21	2019-20
(a)	Opening balance in floating provision account (counter cyclical provisioning buffer)	514.44	14.44
(b)	The quantum of floating provisions made during the accounting year	750	500
(c)	Amount of drawdown made during the accounting year	0	0
(d)	Closing balance in the floating provision account	1,264.44	514.44

11.5.14 Movement in Contingent Liability (AS 29 Compliance)

Contingent Liabilities and Contingent Assets" is as under:

(Amount in crore)		
Particulars	2020-21	2019-20
Opening Balance	25.57	25.02
Addition during the year	33.18	25.57
Deletion during the year	25.57	25.02
Closing Balance	33.18	25.57

11.5.15 Prior period items included in the Profit and Loss account are as follows:

(Amount in ₹ crore)			
Sr. No.	Particulars	2020-21	2019-20
1	Income	0	0
2	Revenue Expenditure	0	0
	Total	0	0

11.5.16 Accounting Standard 18 – Related Party Disclosures

a) Key Management Personnel:

Name of the party	Designation
Dr. Harsh Kumar Bhanwala*	Chairman
Dr. G R Chintala (with effect from May 2020)	Chairman
Shri Shaji K V (with effect from May 2020)	Deputy Managing Director
Shri P V S Suryakumar (with effect from May 2020)	Deputy Managing Director
Shri Harishkumar Rasiklal Dave**	Deputy Managing Director
Shri R Amalorpavanathan**	Deputy Managing Director

b) Transactions with Key Management Personnel:

(Amount in ₹ crore)				
Name of the Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year	Outstanding
Dr. Harsh Kumar Bhanwala*	Key Management Personnel– Chairman	Remuneration including perquisites	0.13 (0.61)	0

Dr. G R Chintala	Key Management Personnel– Chairman	Remuneration including perquisites	0.63 (0.00)	0
Shri Shaji K V	Key Management Personnel– Deputy Managing Director	Remuneration including perquisites	0.59 (0.00)	0
Shri P V S Suryakumar	Key Management Personnel– Deputy Managing Director	Remuneration including perquisites	0.56 (0.00)	0
Shri Harishkumar Rasiklal Dave	Key Management Personnel– Deputy Managing Director	Remuneration including perquisites	0.00 (0.13)	0
Shri R Amalorpavanathan	Key Management Personnel– Deputy Managing Director	Remuneration including perquisites	0.00 (0.17)	0

11.5.17 Information on Business Segment

Information on Primary Business Segment

Particulars	(Amount in ₹ crore)									
	Treasury		Refinance		Direct Lending		Other Business (unallocated)		Total	
	2020–21	2019–20	2020–21	2019–20	2020–21	2019–20	2020–21	2019–20	2020–21	2019–20
Business Segments										
Revenue	3372.89	3867.07	15998.01	15096.98	15472.56	13906.85	164.72	133.28	35008.18	33004.28
Result	2061.34	2248.67	4005.34	2828.64	3425.10	2935.50	-3295.75	-2639.23	6196.03	5373.18
Unallocated Expenses									0.00	0.00
Operating Profit									6196.03	5373.18
Income Taxes									-1794.94	-1415.45
Extraordinary profit / loss	0	0	0	0	0	0	0	0	0	0
Net Profit									4401.09	3957.73
Other Information										
Segment Assets	48484.91	44693.36	312809.76	241001.39	293758.64	243503.42	3604.51	3432.52	658657.82	532630.69
Segment Liabilities	99432.66	68543.82	278469.69	219481.93	211455.87	183768.67	69299.6	60836.27	658657.82	532630.69
Unallocated Liabilities									0	0
Total Liabilities									658657.82	532630.69

11.5.18 Consolidated Cash flow for the year ended 31 March 2021

Particulars	(Amount in ₹ crore)	
	2020–21	2019–20
(a) Cash flow from Operating activities		
Net Profit as per Profit and Loss a/c before tax	6,196.03	5,373.18
Adjustment for:		
Depreciation	50.67	37.21
Provisions and Amortisations	(0.36)	–

Provision for Non performing Assets	875.24	729.49
Provision for Standard Assets	1,448.42	696.89
Provision for sacrifice in interest element of Restructured Loan	–	–
(Profit) / Loss on sale of Fixed Assets	0.26	(0.28)
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	387.47	370.71
Other Expenses	(8.67)	(0.02)
Income from Investment (including Discount Income)	(3,391.51)	(3,880.86)
Operating profit before changes in operating assets	5,557.55	3,326.32
Adjustment for changes in working capital:		
(Increase) / Decrease in Current Assets	7,697.95	(2,324.40)
Increase / (Decrease) in Current Liabilities	2,902.54	2,837.30
(Increase)/ Decrease in Loans and Advances (Including Housing Loan & Other Advances to Staff	(1,23,709.26)	(51,182.4 1)
Cash generated from operating activities	(1,07,551.22)	(47,343.1 9)
Income Tax paid – Net of refund	(1,808.80)	(1,396.68)
(Out of above `149.28 crore paid on account of taxability of RIDF/ STCR differential debited to Watershed Development / Tribal Development / Financial Inclusion Fund)	–	–
Net cash flow from operating activities (A)	(1,09,360.02)	(48,739.8 7)
(b) Cash flow from Investing activities		
Income from Investment (including Discount Income)	3,391.51	3,880.84
Purchase of Fixed Asset	(85.05)	(101.33)
Sale of Fixed Assets	1.37	38.25
Increase / Decrease in Investment	(11,994.01)	4,978.99
Net cash used in investing activities (B)	(8,686.18)	8,796.76
(c) Cash flow from financing activities		
Grants / contributions received	1,003.32	1,152.66
Interest Expense	(0.00)	–
Proceeds of Bonds	56,130.14	33,949.26
Increase / (Decrease) in Borrowings	55,056.53	(11,018.7 1)
Increase / (Decrease) in Deposits	5,109.02	12,316.42
Dividend Paid including Tax on Dividend	(0.10)	1,487.74
Increase in Share capital	1,065.65	162.32
Net cash raised from financing activities (C)	1,18,364.56	38,049.69
Net increase in cash and cash equivalent (A)+(B)+(C)	318.36	-1,893.43
Cash and Cash equivalent at the beginning of the year	1,162.05	3,055.48
Cash and cash equivalent at the end of the year	1,480.41	1,162.05

1. Cash and cash equivalent at the end of the year includes:	2020–21	2019–20
Cash in hand	0.00	0.00
Balance with Reserve Bank of India	843.23	621.20
Balances with other Banks in India	637.18	540.85
Remittances in Transit	–	–

Collateralised Borrowing and Lending Obligations	–	–
Total	1,480.41	1,162.05