



Annual Report 2022-23

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**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 2023 (₹ crore)	31 st March 2022 (₹ crore)	% Growth over FY 2021-22
Capital, Reserves, & National Rural Credit funds	82,868	77,117	7.5
Capital, Reserves & Surplus	66,766	61,019	9.4
National Rural Credit (Long-Term Operations) & National Rural Credit (Stabilisation) funds	16,102	16,098	0.0
Deposits	2,78,101	2,52,127	10.3
Short-Term Cooperative Rural Credit Fund	50,432	44,541	13.2
Short-Term fund for RRBs	15,047	9,898	52.0
Long-Term Rural Credit Fund	44,996	44,710	0.6
Tea, Coffee & Rubber Deposits	57	61	-6.6
Rural Infrastructure Development Fund Deposits	1,63,069	1,47,227	10.8
Warehouse Infrastructure Fund	4,050	5,380	-24.7
Food Processing Fund	450	310	45.2
Borrowings in Bond Market	2,46,677	2,30,593	7.0
Bonds & Debentures	1,21,148	1,07,292	12.9
Tax-Free Bonds	5,000	5,000	0.0
Bonds for Long-Term Irrigation Fund	57,666	55,438	4.0
Bonds for Pradhan Mantri Awaas Yojana–Gramin	48,810	48,810	0.0
Bonds for Swachh Bharat Mission–Grameen	12,298	12,298	0.0
Bonds for Micro-Irrigation Fund	1,755	1,755	0.0
Other Borrowings	1,64,081	1,63,657	0.3
Term Loans from Banks	77,455	70,621	9.7
Certificates of Deposit (Discounted Value)	18,386	16,184	13.6
Commercial Papers (Discounted Value)	42,538	34,552	23.1
Term Money Borrowings	1,942	1,987	-2.3
Special Liquidity Facility from Reserve Bank of India	0	22,399	-100.0
Foreign Currency Loan	910	918	-0.9
Borrowings for Jawaharlal Nehru National Solar Mission	3	3	0.0
Triparty Repo Dealing and Settlement & Repo	19,172	16,993	12.8
Borrowings Against Short-Term Deposits	3,675	0	
Others	29,925	33,978	-11.9
Other Liabilities	22,107	21,487	2.9
Other Funds	7,818	12,491	-37.4
Total	8,01,652	7,57,472	5.8



1.1.2 Uses of Funds

Particulars	31st March 2023 (₹ crore)	31st March 2022 (₹ crore)	% Growth over FY 2021-22
Cash and Investments	64,692	71,625	-9.7
Cash and Bank Balance	16,092	5,791	177.9
Government Securities and Other Investments	48,320	65,834	-26.6
Triparty Repo Lending	280	0	
Refinance to Enhance Ground Level Credit for Rural Production and Investment	4,24,642	3,91,161	8.6
Production and Marketing Credit	1,40,913	1,19,563	17.9
Conversion of Production Credit into Medium-Term Loans	0	8	-100.0
Medium- & Long-Term Project Loans	2,52,039	2,39,122	5.4
Direct Refinance to District Central Cooperative Banks	13,956	9,822	42.1
Producers' Organization Development Fund	6	15	-60.0
Credit Facility to Federations	17,355	22,314	-22.2
Green Climate Fund	373	317	17.7
Infrastructure Creation Loans	2,45,017	2,27,584	7.7
Rural Infrastructure Development Fund	1,54,070	1,42,526	8.1
Long Term Irrigation Fund	53,966	53,283	1.3
Dairy Processing and Infrastructure Development Fund	1,500	925	62.2
Warehouse Infrastructure Fund	4,091	4,777	-14.4
NABARD Infrastructure Development Assistance	27,890	23,319	19.6
Food Processing Fund	422	304	38.8
Micro-Irrigation Fund	2,516	2,084	20.7
Fisheries and Aquaculture Infrastructure Fund	562	366	53.6
Social Sector Investments	61,117	61,117	0.0
Pradhan Mantri Awas Yojana Gramin	48,819	48,819	0.0
Swachh Bharat Mission-Grameen	12,298	12,298	0.0
Others	369	410	-10.0
Other Loans (Including Jawaharlal Nehru National Solar Mission)	31	64	-51.6
Long-Term Non-Project Loans	338	346	-2.3
Sub-total of Loans and Advances	7,31,145	6,80,272	7.5
Fixed Assets & Other Assets	5,815	5,575	4.3
Total	8,01,652	7,57,472	5.8



1.2 Financial Support (Disbursement)

1.2.1 Refinance: Short term credit (maximum outstanding)

Particulars	FY 2022-23 (₹ crore)	FY 2021-22 (₹ crore)	% change
ST (SAO), StCB	49,405	45,569	8.4
ST (SAO), RRB	14,819	10,126	46.3
ST (OSAO), StCB	19,654	20,322	-3.3
ST (OSAO), RRB	9,463	8,302	13.9
Additional ST (SAO), StCB	47,714	50,844	-6.2
Additional ST(SAO), RRB	17,851	16,973	5.2

Notes:

1. ST (OSAO), RRB includes ₹40 crore from small finance banks.

1.2.2 Refinance: Investment credit

Particulars	FY 2022-23 (₹ crore)	FY 2021-22 (₹ crore)	% change from 2021-22
Agriculture and allied activities	27,793	39,249	-29.2
Non-farm sector	54,400	41,816	30.1
Self-help groups	22,278	28,812	-22.7
Rural housing	2,544	6,258	-59.4

1.2.3 Credit support

Particulars	FY 2022-23 (₹ crore)	FY 2021-22 (₹ crore)	% change from 2021-22
Rural Infrastructure Development Fund	37,317	33,883	10.1
Long Term Irrigation Fund	3,069	3,197	-4.0
Warehouse Infrastructure Fund	461	594	-22.4
Food Processing Fund	142	111	27.9
NABARD Infrastructure Development Assistance	6,330	7,136	-11.3
Direct refinance assistance to cooperative banks	18,179	17,574	3.4
Credit facility to federations	31,437	46,434	-32.3
Dairy Processing and Infrastructure Development Fund	735	119	517.7

1.3 Development initiatives

Particulars	FY 2022-23	FY 2021-22	% change from 2021-22
Watershed development (no.)	86	71	21.1
Watershed Area (ha)	80,022	70,148	14.1
Families benefitted (no.)	34,774	28,684	21.2
Spring-shed development (no.)	30	31	-3.2
Spring-shed Area (ha)	8,850	10,137	-12.7
Families benefitted (no.)	1,890	1,953	-3.2
Projects under Tribal Development Fund (no.)	68	63	7.9
Tribal Development Fund Area (acre)	17,793	20,470	-13.1
Families benefitted (no.)	24,133	24,682	-2.2

Note : ha = hactres



Chapter 2: NABARD initiatives in millet promotion

NABARD has been supporting millet through grant based pilot projects, millet-based FPOs, interventions under Farm Sector Promotion Fund, seminars, webinars and other awareness programmes, etc.

During the financial year 2022-23, all the regional offices have promoted millets through initiatives such as :

- seminars and webinars;
- millets 'Mahotsav', melas, and millet-based lunches;
- workshops and collaborative initiatives with civil society organisations and academicians to promote millets; and
- encouragement of farmers by district development managers to grow millets

2.1 The Raichur Declaration

NABARD, along with University of Agricultural Sciences (UAS), Raichur, organised a conclave in Raichur, Karnataka, which deliberated on the importance of millets in ensuring farmers' income security, climate resilience, nutritional security, etc.

The conclave concluded with the 'Raichur Declaration', which includes commitment to:

- enhance production and productivity for income security of farmers
- promote entrepreneurship in millets by engaging with FPOs, agri-start-ups, and millet entrepreneurs
- promote low-cost, low-capacity decentralized processing machinery near consumption centres
- introduce millets into pan-India nutritional programmes for nutritional security with involvement of all state governments
- provide marketing support through massive awareness campaigns and trade fairs, branding, and positioning Indian millets as health foods
- conduct a 'Millet Challenge' through the Atal Innovation Mission to address the issues in value chain; and
- extend assistance of ₹25 crore from the RIDF to UAS, Raichur towards research into the promotion of millets.

Accordingly, UAS, Raichur has submitted the proposal entitled 'Establishment of Millet Value Chain Park' to the state government.

2.2 Millet Value Chain Development

The millet value chain development project in Mandla, Madhya Pradesh is focused on developing a value chain for millets in convergence with different schemes of NABARD, the Government of India initiative 'One District One Product,' FPOs, GIZ, Reliance Foundation, the district administration, state agricultural universities, and the Central Institute of Agricultural Engineering.

The major interventions under the project include the

- adoption of good practices such as the use of quality seeds and soil enrichment measures
- promotion of farm mechanisation through custom hiring centres for farm machinery
- setting up of millet processing units
- supporting marketing and branding initiatives; and
- training and capacity building on production, processing, and value-added products.;

2.3 Supporting climate-resilient livelihoods

A project for developing climate-adaptive and resilient livelihood systems through sustainable agriculture, water conservation, diversification, and technology adoption has been undertaken in 51 villages across two districts of Maharashtra.

This project involves the cultivation of jowar in 4,000 acres of land, followed by rabi jowar (1,000 acres) and finger millet (600 acres).

2.4 Sustainable livelihoods for Tribal Communities

Under the Tribal Development Fund (TDF), NABARD supports sustainable livelihood options for tribal families to reduce food insecurity and distress migration. In states like Karnataka, Chhattisgarh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, and Uttar Pradesh, millets—jowar, bajra, ragi, foxtail, kodo, and barnyard millet—are intercropped with fruit trees in the wadis (orchards) under TDF projects.

Recently, NABARD has sanctioned a project in Gharghoda district of Chhattisgarh wherein lac cultivation is being supplemented with millet intercropping. Maharashtra.



2.5 Supporting millet products of Women's Self-Help Groups (SHGs)

The women's self-help groups promoted under NABARD SHG–Bank Linkage Programme in Mahendergarh district, Haryana, are making quality millet laddoos, snacks, matar, flour, daliya, cookies, etc., for sale in markets, fairs, and exhibitions. NABARD-supported stalls displayed these products for sale during Women's Day celebrations in multiple states.

NABARD also sanctioned a grant of ₹7.2 lakh to the Green World Foundation for training and technology transfer to socially and economically underprivileged families on value addition of pearl millet in Sikar district of Rajasthan.

The project supported 90 SHG members.

2.6 Promotion of Millet-Based Farmer Producer Organizations (FPOs)

NABARD promoted 132 millet FPOs with cumulative grant support of ₹30 crore.

S. No.	Name of State	No. of FPOs	Total Members	Major Millets
1	Andhra Pradesh	22	9,970	Finger millet, Pearl millet, Foxtail millet
2	Chhattisgarh	2	381	Finger millet
3	Gujarat	3	1,762	Finger millet
4	Haryana	5	3,215	Pearl millet
5	Jharkhand	1	360	Pearl millet
6	Karnataka	50	23,915	Finger millet, Pearl millet, Foxtail millet
7	Madhya Pradesh	9	2,812	Finger millet
8	Maharashtra	1	333	Minor millets, Sorghum
9	Odisha	6	2,756	Finger millet
10	Rajasthan	1	235	Finger millet, Pearl millet
11	Tamil Nadu	21	15,695	Finger millet, Minor millets
12	Telangana	6	2,258	Finger millet, Pearl millet, Foxtail millet
13	Uttar Pradesh	1	302	Finger millet, Pearl millet
14	Uttarakhand	4	679	Finger millet, Minor millets
Total		132	64,673	

These FPOs are engaged in millet-based business activities such as input supply, procurement, providing custom hiring services, processing and marketing of the millets, and liaising with stakeholders such as government departments and value chain players.

The convergence established by millet FPOs with these stakeholders has the potential to reduce risk and improve incomes for farmers.

An FPO promoted by Sabala (an NGO) in Vijayanagaram district of Andhra Pradesh leveraged support from a whole range of institutions

- Small Farmers Agribusiness Consortium,
- NABARD
- Department of Horticulture under the Mission for Integrated Development of Horticulture
- Andhra Pradesh Food Processing Society under Rashtriya Krishi Vikas Yojana
- Millet Network of India
- Comprehensive Revival of Millets Programme by Agricultural Technology Management Agency, and
- Agriculture Research station of the Indian Institute of Millet Research.



Chapter 3: Investing in a Sustainable Future

NABARD assistance to tribal families for raising wadis (orchards) and support to participatory watershed management are good examples of such endeavours that work towards multiple Sustainable Development Goals (SDGs). NABARD has also played a pivotal role in funding and implementing sustainable climate change adaptation solutions.

NABARD's major initiatives towards Sustainable Future are

3.1 Climate Action

NABARD is the National Implementing Entity for the Adaptation Fund under the United Nations Framework Convention on Climate Change (UNFCCC) and National Adaptation Fund for Climate Change, and the Direct Access Entity for the Green Climate Fund under the UNFCCC.

In this role, NABARD supports projects on augmenting groundwater, ensuring food security, providing economically viable solar models, and increasing green cover through integrated farming practices.

As of 31 March 2023, there are 40 climate change projects at different stages of completion with total financial assistance of ₹1,852.6 crore.

Overview of climate change initiatives by fund type

Fund Type	Total Projects	Total Sanctions (₹ crore)	Released in FY 2022-23 (₹ crore)	Cumulative Release to Executing Entity (EE) (₹ crore)	Projects Completed	Project Types
Adaptation Fund (AF)	8	60.9	1.6	41.6	6	Sectors : <ul style="list-style-type: none">• Water• Coastal management• Agriculture and food security• Forestry
National Adaption Fund for Climate Change (NAFCC)	30	847.5	37.5	542.4	12	Project distribution across Sectors : <ul style="list-style-type: none">• Climate resilient agriculture (45%)• Water management (26%)• Forest and ecosystems (13%)• Livestock management (9%)• Coastal ecosystem management (7%) Geography <ul style="list-style-type: none">• 26 states, 2 UTs• 130 districts
Green Climate Fund (GCF)	2	944.2	82.6	467.0		Mitigation project <ul style="list-style-type: none">• \$250 million TFO (including \$100 million loan component)• Sanctioned to TCCL Adaptation and mitigation co-benefits project <ul style="list-style-type: none">• 1,097.6 crore TFO (including 226.8 crore grant component)• Implemented in tribal areas of Odisha
Total	40	₹1,852.6	₹121.7	₹1,051.0		



3.2 Watershed Development Programmes

NABARD has pioneered the participatory model of watershed development since 1992 with the Indo-German Watershed Development Programme as the maiden watershed initiative. Based on its success, Watershed Development Fund (WDF) was set up in NABARD in FY1999-2000 with corpus of ₹200 crore, contributed equally by Government of India and NABARD.

Till date, NABARD has sanctioned 3,673 watershed development projects with a cumulative disbursement of ₹2,128.7 crore, covering an area of 26.5 lakh hectare (ha).

During FY 2022-23, 116 new watershed and related projects were sanctioned covering an area of about 89,000 hectares and ₹114.4 crore disbursed.

NABARD has also been implementing various complementary programmes to consolidate the gains of regular watershed projects through sustainable development plans, climate proofing, soil health restoration initiatives, etc.

3.2.1 Restoration and Rehabilitation of Degraded Soils for food security

Since 2017, NABARD has collaborated with Kreditanstalt Fur Wiederaufbau (KfW) - German Development Bank, to implement the 'Integration of Watershed Development Strategies for Rehabilitation of Degraded Soils with Climate Change Adaptation' project (KfW Soil project).

The project is supported by Germany's Federal Ministry for Economic Cooperation and Development under its special initiative, 'One World, No Hunger (SEWOH)'. This project incorporates issues of climate change adaptation in watersheds threatened by degradation by improving soil health through climate sensitive investments.

Besides the KfW soil programme, NABARD also supports soil reclamation projects in the states of Punjab and Haryana.

Soil restoration and rehabilitation initiative under KfW Soil Programme

Phase	States Covered	No. of Projects	Total Grant Commitment	Cumulative Disbursement till 31 March, 2023	Status as on March 31, 2023
Phase 1	Karnataka Telangana Andhra Pradesh Odisha Chhattisgarh	123 projects 415 villages 31 districts	€10 million (~₹70 crore)	₹65.3 crore	Completed in December 2020
Phase 2	Kerala Jharkhand	55 projects	€5 million (~₹40 crore)	₹34.1 crore	Ongoing (2018-2024)
Phase 3	Bihar Maharashtra Tamil Nadu	48 projects	€4.5 million (~₹33.8 crore)	₹15.4 crore	Ongoing (2021-2024)
TOTAL		226 projects	€19.5 million (~₹143.8 crore)	₹114.8 crore	

Impact of KfW Soil Project

- 15.3% increase in average annual income of farmers
27,500 beneficiaries receive weather-based agro-advisories 26 days a month
42,886 hectares under Soil improvement and productivity enhancement measures
42,414 hectares under Additional soil and water conservation measures
50,564 farmers undertook soil testing, received soil health cards, and applied appropriate nutrients and fertilizers
1,00,212 farmers trained across 4,147 programmes - on climate change adaptation, organic farming, sustainable agriculture, soil sample collection, soil health cards, integrated farming, and crop diversification
Pilot projects on reclamation of areas with alkaline soil

**A. Project**

- NABARD partnered with Central Soil Salinity Research Institute, CSSRI (Indian Council of Agricultural Research, ICAR) to implement four pilot projects for reclaiming areas with alkaline soils.
- The projects involve determining potential of hydrogen (pH) and Exchangeable Sodium Percentage (ESP) levels of each geotagged plot and applying amendments like gypsum at the recommended dose.

B. Location

- Districts in Punjab : Patiala and Sangrur
- Districts in Haryana : Kaithal and Karnal

C. Financial support

- Financial outlay : ₹7.5 crore covering 2,000 hectares.
- Released : ₹6.5 crore as on 31 March 2023.

D. Progress so far

- CSSRI, Karnal, conducted scientific evaluation of soil samples from each farm to estimate gypsum requirements.
- Based on pH and ESP, total gypsum requirement was estimated as 5,992 MT in Punjab and 4,961 MT in Haryana.
- Beneficiaries of the project were supported through various measures such as:
 - Formation of village-level soil reclamation committees.
 - Exposure visits to CSSRI, Karnal.
 - Field-level demonstrations.
 - Sharing of package of practices (post-application).
- The projects were onboarded to NABARD Bhuvan Portal, facilitating geotagging of 1,146 participating farmers.

E. Output >> Outcomes >> Impact (expected)

- Soil health restoration will lead to better crop yields, enabling farmers to earn more.
- It will also contribute to making agriculture sustainable in the long term.

3.2.2 Digital Agro-Advisory Services

As part of KfW Soil Programme (Soil Restoration and Rehabilitation of Degraded Soils for Food Security) (SEWOH Phase II), NABARD has collaborated with IFFCO Kisan Suvidha Limited for SMART, actionable agro-advisory services in regional languages.

IFFCO Kisan provides end-to-end ICT-based SMART agroadvisory services to 27,500 farmers of Kerala and Jharkhand to promote climate-resilient farming.

3.2.3 Springshed Development Programme

Under WDF, NABARD has been supporting springshedbased watershed development to rejuvenate drying springs, primarily in the Himalayan and North-East Region (NER) since January 2017.

The programme's twin objectives are :

- to reduce drinking water scarcity
- to promote off-season farming for sustainable livelihood to the rural community.

As on 31 March 2023, 143 springshed development projects have been sanctioned with a cumulative disbursement of ₹18 crore in the NER and other hilly areas of Sikkim, Himachal Pradesh, Jammu & Kashmir, Chhattisgarh, Karnataka, Kerala, Maharashtra, Odisha, and Uttarakhand.

During FY 2022-23, 30 new springshed projects were sanctioned and an amount of ₹6.3 crore was disbursed.



3.2.4 Monitoring through Geospatial Platform

During FY 2022-23, NABARD reached the milestone of geotagging 1,25,229 assets across 1,111 watershed projects onboarded to the NABARD Bhuvan Portal.

The NABARD Bhuvan Portal (developed in collaboration with the National Remote Sensing Centre under Indian Space Research Organisation) is a web-based geospatial platform used for monitoring interventions in various projects under the watershed development programme.

Digitalisation of watersheds not only aids in the creation of permanent digital records and geotagging of the assets created during the implementation of projects, it also helps in ensuring transparency and efficient endues monitoring.

The geotagging milestone was achieved because of 60 capacity-building programmes organized during FY 2022-23, targeting nodal officers at regional offices (ROs), district development managers, and implementing agencies.

The NABARD Bhuvan Portal also facilitates :

- holistic and synoptic view of the watersheds;
- permanent digital record and easy access;
- online tracking of progress of implementation at the head office (HO)/RO/district level;
- monitoring end-use of grants released through geotagged assets; and
- scientific and evidence-based impact evaluation of projects.

NABARD has successfully utilised geospatial technology to address the challenges in watershed planning process as well as in its endeavour to digitalise its programmes/projects.

Three Detailed Project Reports (DPRs) were prepared during FY 2022-23 with GIZ India's support :

- Asane watershed in Nandurbar, Maharashtra;
- Maa Mahabira watershed in Keonjhar, Odisha; and
- Marrigudem watershed in Bhadradi Kothagudam, Telengana.

Geospatial technology-based DPR offers various advantages including comprehensive and holistic understanding of the watershed, wide coverage, reduced surveys, and scientific reasoning-based selection of interventions, with integrated analysis of data sets.

Some of the salient features of deploying geospatial technology in planning include

- open source and data tools;
- cadastral level micro-watershed planning; and
- multi-layer integration of spatial data.

This results in

- holistic understanding of the intervention;
- better visualisation; and
- well-informed decision making.

With improved science-based and data-driven planning, this initiative enables resilience to climate change in the vulnerable rainfed ecosystem.

So far, 659 impact evaluation studies have been carried out using geospatial technology wherein geotagged assets have also been used to validate the results.

3.3 Tribal Development Fund (TDF)

The Tribal Development Fund (TDF), created in FY2004, aims to provide sustainable livelihoods to tribal communities across India and reduce distress migration. Since FY 2018-19, TDF has, in pursuit of many Sustainable Development Goals (SDGs), expanded support beyond wadis to cover agri-allied activities like sericulture, apiculture, animal husbandry, and micro-enterprise development to include more landless tribal families.

TDF projects contribute to :

SDG 1 (No poverty)	SDG 2 (Zero hunger)	SDG 5 (Gender equality)
SDG 8 (Decent work and economic growth)	SDG 9 (Industry, innovation and infrastructure)	SDG 10 (Reduced inequalities)
SDG 13 (Climate action)	SDG 15 (Life on land)	



3.3.1 Performance of the TDF

TDF has supported since inception	: 968 projects,
Tribal families benefitted	: 6.1 lakh
Area covered	: 5.7 lakh acre
States and Union Territories covered	: 29
Cumulative financial commitment	: ₹2,708 crore
Disbursed as on 31 March 2023	: ₹1,928 crore

During FY 2022-23, out of the 68 projects sanctioned, 11 were non-wadi projects, with sanction of ₹21 crore.

One such non-wadi model is based on the cultivation of lac, a natural resin of high economic value secreted by an insect. There are two ongoing lac-based projects in Hazaribagh and Khunti districts of Jharkhand, benefitting 1,000 tribal families in the state.

3.3.2 Output > Outcomes > Impact

- Annual income per family has increased substantially from all sources after TDF interventions.
- Post project implementation, there has been a reduction in the number of persons migrating in search of jobs. Even among those migrating, the period away from home has also reduced substantially.
- There has been an increase in possession of productive assets, such as tractors, irrigation and micro-irrigation equipment etc. by the beneficiary families. Number of families that owned diesel pump sets, chaff-cutters, livestock, sheds, etc., has also increased. Besides, beneficiary families have also come to own other consumption assets, such as mobile phones, sewing machines, motorised two-wheelers, refrigerators, almirahs, cooking gas cylinders, etc.
- Farm labour employment has increased from 140 days to 250 days in the villages covered by TDF programmes.
- Agricultural equipment like tractors, tube wells, etc., are more easily available in the project areas.
- Number of girls going to school has increased along with an increase in expenditure towards education by families.
- Beneficiaries are provided with saplings of fruit trees and trained to set up and maintain wadis in order to augment overall income. The increased income has helped them to invest in agriculture allied activities like cattle rearing.

3.4 Agro-ecological transformation through JIVA

JIVA is an agro-ecological transformation programme that was launched to pioneer and scale up agroecology as a strategic and transformational approach in watershed and wadi projects, leveraging the pre-existing natural and social capital.

Designed according to the framework of the Food and Agricultural Organization of the United Nations on agroecology, natural farming practices under JIVA promote diversified climate resilient crop systems (crops–livestock–trees), rejuvenation of biological processes, natural methods of pest and nutrient management, and efficient management of rainfall and soil moisture.

During FY 2022-23, 25 JIVA projects have been sanctioned across 11 states, including watershed and tribal (wadi) areas, covering five agroecological zones in vulnerable rainfed areas.

3.5 Towards Achieving Harmony with Nature

NABARD, through its Climate Change Fund, has been promoting and supporting activities to address climate change impact, adaptation and mitigation measures, awareness generation, knowledge sharing, and facilitating sustainable development.

By funding projects related to organic farming, renewable energy, etc., NABARD helps boost rural economy and business while supporting the cause of the environment.

NABARD endeavours to continue supporting India's commitment to net zero emission by 2070 by building climate-resilient and sustainable livelihoods, developing climate-smart agriculture, and deploying innovative financing mechanisms for tackling climate change.



Chapter 4: Towards Inclusive Development

NABARD has been working towards inclusive development through livelihood promotion, skill development, financial and digital inclusion, institution building, fostering of entrepreneurship, research support, and knowledge dissemination. These interventions have yielded positive outcomes at the grassroots, demonstrating NABARD's success in fostering a sustainable development ecosystem for rural India and contributing to overall economic development.

In the 1980s, Vikas Volunteer Vahini was the first initiative in this direction. Later, NABARD promoted joint liability groups (JLGs), skill and entrepreneurship development, farmer producers' organisations (FPOs), and off-farm producers' organisations (OFPOs) to strengthen the community-driven institutions at the grassroots. Research plays an important role in strengthening NABARD's ability to promote sustainable and inclusive rural development by enabling evidence-based decision making, policy formulation, sectoral analysis, innovation, risk assessment, monitoring, evaluation, and knowledge dissemination.

4.1 Scaling-up Microfinance Initiatives

4.1.1 Self-help Groups

NABARD's Self-Help Group - Bank Linkage Programme (SHG-BLP) has been inception since 1992.

As on 31 March 2023, the details of SHG-BLP programme:

Number Families covered	: 16.2 crore families
Number of SHG	: 134 lakh SHGs
% of women SHGs	: 84.3%

This programme has assisted and empowered and improved the lives of rural women to:

- access to formal banking through its innovative approach to financial literacy, group collateral approach, and purpose neutrality of loans
- save, borrow, and build social capital

Performance of the Self-Help Group–Bank Linkage Programme up to FY 2022-23

Particulars	FY-2022-23		Percentage Change in FY 2022-23 over FY 2021-22	
	No. of SHGs (lakh)	Amount (₹ crore)	No. of SHGs	Amount
Loans disbursed during FY 2022-23	43 lakh	1,45,200.2	26%	46%
Loans outstanding as on 31 March 2023	70 lakh	1,88,078.8	3%	25%
Savings with banks during FY 2022-23	134 lakh	58,892.7	13%	25%

Non-performing assets under SHG – BLP programme and Avg Loan disbursed

Particulars	As on 31 March 2023	Percentage Change in FY 2022-23 over FY 2021-22
Non-performing assets (%)	2.8%	-27%
Average loan disbursed per SHG (₹ lakh) during FY 2022-23	₹ 3.4 lakh	₹ 15 lakh

By helping their members to earn better and reduce their dependence on private moneylenders, SHGs have proven to be a sustainable option, particularly for rural women.

Details of grant to SHG promoting institutions in FY 2022-23 released by NABARD : ₹ 514 lakh
This has led to Savings linkages of 4,489 SHGs and Credit linkages of 9,305 SHGs

4.1.2 Women Self-help Groups

NABARD has been supporting Women SHGs (WSHGs) in 150 districts (backward, left-wing extremism affected, or both) under the WSHG Development Fund since FY2012-13.

**Performance of Women SHG Development Fund up to FY 2022-23**

No. of Districts : 150 districts (including backward, left-wing extremism (LWE) affected, or both)
Assistance in FY 2022-23 : ₹10.7 crore (14% increase over FY 2021-22)

Details of SHGs, as on 31 March 2023 :

Number of SHGs with bank accounts : 2.1 lakh
Number of SHGs availing bank credit : 1.3 lakh

4.1.3 Joint Liability Groups (JLG)

NABARD is promoting livelihoods for small and marginal farmers, tenant farmers, oral lessees, and share croppers by extending collateral-free credit through the banking system available to their JLGs.

Promotion of Joint Liability Groups (JLGs) up to FY 2022-23

Number of JLGs promoted

- IN FY 2022-23 : 70 LAKH
- CUMULATIVE, as on 31 March, 2023 : 257.90 LAKH

Amount Sanctioned to JLG-promoting institutions in FY 2022-23 : ₹64 crore
Credit Linkage to : 68,359 JLGs

It has also strengthened micro-enterprises in the off-farm sector to enhance opportunities in terms of income and employment.

4.2 Interventions for better livelihoods**4.2.1 Skilling and promoting entrepreneurship**

NABARD promotes skill-building and entrepreneurship through three key programmes:

- Micro Enterprise Development Programmes (MEDP):
 - Launched in FY2006-07
 - Leveraged to impart skills and upgrade SHGs' capabilities for establishing micro-enterprises
 - Includes grant assistance for training in both farm and off-farm activities.
- Livelihood and Enterprise Development Programmes (LEDP):
 - Mainstreamed in FY 2015-16
 - Sustainable livelihoods among SHG members
 - target SHG clusters in contiguous villages involved in farm and off-farm activities
 - Supports intensive skill building, refresher training, backward-forward linkages, value chain management, end-to-end solutions, and handholding over two credit cycles
- Skill Development Programmes (SDP):
 - SDPs address the rural skill gap through demand-driven, outcome-based training, leading to wage or self-employment.

Skilling and Entrepreneurship Development Programmes

For FY 2022-23

Programme	Programmes	Participants	Grant Support
MEDP(Micro Enterprise Development Programmes)	917	26,859	₹10 crore
LEDP (Livelihood and Enterprise Development Programmes)	508	59,523	₹29 crore
SDP (Skill Development Programmes)	359	17,361	₹16 crore



Cumulative as on 31 March, 2023

Programme	Programmes	Participants	Grant Support
MEDP(Micro Enterprise Development Programmes)	20,174	5.9 lakh	₹52.4 crore
LEDP (Livelihood and Enterprise Development Programmes)	2,149	2.7 lakh	₹106.1 crore
SDP (Skill Development Programmes)	27,589	4.6 lakh	₹204.2 crore

4.2.2 Pilot Project for Entrepreneurship Development

In FY 2021-22, NABARD sanctioned a pilot project titled "Nurturing Women's Livelihoods and Entrepreneurship" with details:

Sanctioned to	: Friends of Women's World Banking, India
Financial assistance	: ₹65.4 lakh.
Districts implemented in	: Nine districts in Gujarat, Nagaland, and Manipur, including three aspirational districts and six others with WSHGs.
Aimed to Promote	: 800 rural women-led micro-enterprises, with 400 of these enterprises intended to be linked with credit.
Anticipated benefits	: Enhancement in family income by 25%.

As of 31 March 2023, 842 beneficiaries from the three states received training in various skills, including bamboo craft, baking, pickle/jam/papad making, fruit processing, and tailoring.

Out of these trainees, 570 were successfully linked with credit.

4.2.3 Capacity building

NABARD has various capacity building initiatives to promote employability in the rural areas.

Capacity Building Fund–Social Stock Exchange (CBF-SSE)

- Established : in FY 2022-23
- Initial Corpus : ₹100 crore.
- Contributions from : NABARD, the Small Industries Development Bank of India (SIDBI), Bombay Stock Exchange, National Stock Exchange, and other entities.
- Purpose :
 - to create awareness and build the capacity of various stakeholders, including non-profit organisations, for-profit enterprises, investors, funders, capacity builders, social auditors, information repositories, and administrators.
 - to raise awareness about the Social Stock Exchange's (SSE) aims, functioning, funding opportunities, and the importance of accurately reporting outputs, outcomes, and impact.
- Funds released: NABARD and SIDBI have released ₹2.5 crore each to kick-start the operations.

Study on Analyzing Micro-Enterprises Financed by PSBs, SFBs, and MFIs

The Centre for Research on Financial Inclusion and Microfinance at the Bankers Institute of Rural Development (BIRD), Lucknow, conducted a study covering 144 micro-enterprises that received credit from 48 branches of public sector banks (PSBs), small finance banks (SFBs), and microfinance institutions (MFIs) across eight districts in Uttar Pradesh, Tamil Nadu, Karnataka, and Maharashtra.

**The key findings of the study:**

- The average age of the sampled clients was 39.3 years, with 57% having studied up to the 10th standard
- Lending institutions offered credit to sample micro-enterprises through a group-based JLG/ SHG model.
- Composition of credit supply in FY 2021-22:
 - MFI loans : ₹24.85 lakh (37.5% share of overall debt supply)
 - SFB credit : ₹24.12 lakh (36.5% share of overall debt supply)
 - PSBs loans : ₹17.14 lakh (25.9% share of overall debt supply)
- 62% of the micro-enterprises engaged in the retail or trading sector, followed by the manufacturing sector.
- Number of loans outstanding by:
 - SFBs : 12,257
 - MFIs : 4,737
 - PSBs : 1,463
- MFIs and SFBs demonstrated better customer relationship management and greater transparency, offering well-prepared and easy-to-understand loan book provided to clients.

4.3 Farmer producers' organizations

Fragmented small farmer holdings present significant challenges to on-farm productivity and improving farm income.

Farmer Producers' Organisations (FPOs) have emerged as an effective mechanism to transform small-scale farming into viable agri-business enterprises, enhancing the net income of farmers. By aggregating resources, FPOs gain better access to credit, inputs, technology, markets, post-harvest management, and value addition.

NABARD has been actively promoting and supporting FPOs through the Producers' Organisation Development and Upliftment Corpus Fund and the Producer Organisation Development Fund.

Additionally, in February 2021, the Government of India announced a central sector scheme to form and promote 10,000 FPOs, with NABARD selected as one of the implementing agencies.

Promotion of Farmer Producers' Organisations

Particulars	PRODUCE	PODF-ID	CSS	Total	Remarks
FPOs sanctioned (no.)	Cumulative	2,154	3,296	1,651	7,101
	FY 2022-23 target	-	300	555	855
	FY 2022-23 achieved	-	255	555	810
FPOs registered (no.)	Cumulative	2,094	2,103	1,416	5,613
	In FY 2022-23	-	206	681	887
Grant sanctioned (₹ crore)	Cumulative	214.4	332.1	685.5	1,232.0
	In FY 2022-23	4.8	45.4	292.1	342.3
Grant utilized (₹ crore)	Cumulative	193.1	172.1	129.5	494.7
	In FY 2022-23	8.6	49.3	85.7	143.6
Farmers covered as shareholder (lakh)	9.9	9.1	3.0	22.0	82% are small and marginal farmers 30% are women farmers



Cumulative share capital collected by FPOs (₹ crore)	109.2	96.5	33.1	238.8	
Balance corpus, 31 March 2022 (₹ crore)	15.4	332.7	154.7	502.8	
Corpus used during FY 2022-23 (₹ crore)	8.6	49.3	85.7	143.6	
Balance corpus, 31 March 2023 (₹ crore)	6.9	292.9*	NA [#]	299.8	

* includes interest.

unused funds are returned to Government of India.

Note: CSS = Central Sector Scheme, FPO = Farmer Producers' Organisation, NABFPO = NABARD Farmer Producers' Organisation, PODF-ID = Producers Organisation Development Fund-Interest Differential, PRODUCE = Producers Organisation Development and Upliftment Corpus

4.3.1 Strategies Adopted to Strengthen FPOs by NABARD

- handholding, capacity building, and digitalisation.
- engaging with banks to actively extend credit to FPOs, leveraging available credit guarantees and promotional support from the Government of India (GOI), NABARD, and other stakeholders.
- collaborating with value chain players to leverage the aggregation and marketing.
- linking FPOs with commodity markets to enable price discovery and enhance connectivity with national and global markets.
- identifying and engaging with local agencies for the promotion of FPOs under the supervision of resource support agencies while offering specific support on governance and statutory compliances; and
- saturating natural resource management programmes, such as wadi, watershed, and climate change, with new FPOs.

4.3.2 Initiatives in FY 2022-23 for FPO promotion and development

- conducted training programs for bank officials, FPOs, NGOs, and other stakeholders.
- developed a guidance note on FPO financing for use by financial institutions and cooperative banks.
- signed a memorandum of understanding (MoU) with the Agricultural and Processed Food Products Export Development Authority to enhance the export orientation of FPOs through capacity building, scheme convergence, and promotion in agri-export clusters.
- initiated and developed other capacity building tools under the Capacity Enhancement for Sustainable Agriculture and Sustainable Aquaculture Project in collaboration with GIZ Software, such as:
 - FPO Manak : an automated FPO grading tool
 - FPO Junction : one-stop knowledge resource on FPOs
 - FPO business plan toolkit : a mobile application for capturing baseline data of FPOs and evolving a business plan;
 - FPO MOOC : a self-paced learning course in English and Hindi for all stakeholders;
- Setup a ₹1,000 crore credit guarantee fund under NABSanrakshan, with matching contributions from GOI and NABARD
 - Credit guarantee cover sanctioned during FY 2022-23: ₹138 crore for 703 FPOs.

4.4 Strengthening the off-farm sector

Since FY 2016-17, NABARD has been supporting the mobilisation of rural off-farm producers to collectivise, formalise, and enter businesses, thus leveraging the economies of scale, better bargaining power, and opportunities through collective sourcing of inputs and raw material, improved production practices, designing, marketing, etc.

Off-Farm Producers' Organisations (OFPOs):

- Promote rural enterprises in handloom, handicrafts, and agro - processing,
- generate local employment through value addition, design innovation, brand-building, infrastructure development, and strong market linkages.



As of 31 March 2023, NABARD for OFPOs:

Number of OFPOs : 72 across 27 states
Amount sanctioned : ₹37.9 crore
Individuals benefitted : 22,530, including 18 all-women organisations with 6,890 members.

FY 2022-23 Schemes:

- Follow-On Support Scheme:
 - to help existing OFPOs achieve sustainable business levels
 - to provide additional interventions beyond the original sanction.
 - available only to eligible OFPOs that meet a criteria
- Rural Innovations Scheme:
 - to support rural innovations in off-farm sectors in detailed project mode
 - to promote livelihood opportunities, employment creation, access to financial and business promotion services, technology upgradation, certification, quality control, credit, and environmental issues.
 - seven projects were shortlisted, in areas of eco-homestay tourism, farm tourism, banana fibre extraction, start-up accelerator programmes, etc.

4.5 Supporting rural entrepreneurs, start-ups, marketing, and branding

4.5.1 Rural/Agri-business Incubation Centres

NABARD provides end-to-end technical assistance in setting up rural/agri-business incubation centres at agriculture universities/similar institutions to extend business support services and resources to agri-startups and agri-entrepreneurs.

Promotion of rural/agri-business incubation centres as of 31 March 2023:

Rural Business Incubation Centre (RBICs) Promoted	: 7
Financial Assistance provided	: ₹63.3 crore
Incubatees supported	: 1,213
Start-ups registered with DPIIT*	: 220
Persons employed	: 2,931
Incubatees and start-ups connected with	: 752 FPOs, benefiting 4.1 lakh members

* DPIIT - Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India

4.5.2 Catalytic Capital Fund to support agri-/rural start-ups

NABARD established the Catalytic Capital Fund (CCF) with a corpus of ₹100 crore to support rural and agri-start-ups through incubation centres and its subsidiaries. Out of this fund, ₹18 crore has been sanctioned to NABKISAN Finance Limited and three incubation centres.

Of these, till 31 March, 2023:

Incubation Centre/Subsidiary	Number of Startups	Cumulative/onward Funding
Madurai Agri Business Incubation Forum	Funded 7	₹1.9 crore
NABKISAN	Funded 2	₹1.1 crore
a-IDEA	Shortlisted 4	₹1 crore
AgHub	Shortlisted 4	₹1.6 crore

During FY 2022-23, a total of ₹97.5 lakh was disbursed under the CCF to support five start-ups.



4.5.3 Marketing initiatives

NABARD has been extending support for setting up rural haats and marts and increasing the participation of artisans and craftsmen in national and regional exhibitions and melas.

Initiatives during FY 2023

Particulars	Rural Haats	Rural Marts		Melas/Fairs/Exhibitions*
		Brick & mortar	Mobile vans	
Number	63	88	89	149
Financial Assistance (₹ crore)	8.9	4.6	5.1	--

Initiatives CUMULATIVE as on 31 March 2023

Particulars	Rural Haats	Rural Marts		Melas/Fairs/Exhibitions*
		Brick & mortar	Mobile vans	
Number	348	609	213	--
Financial Assistance (₹ crore)	36.3	20.5	10.9	--

* Active role in annual exhibitions like Surajkund Mela, Mahalaxmi Saras Exhibition, etc.

The Open Network for Digital Commerce (ONDC)

The ONDC and Government e-Marketplace (GeM) portals have created opportunities for SHGs, FPOs and OFPOs to expand their reach through e-commerce. NABARD has played a crucial role in facilitating the onboarding of FPOs and OFPOs to the ONDC network, enabling rural producers to sell their products through digital modes and providing better market linkages.

Initiative by NABARD for onboarding organisations on ONDC

- conducted pilots to train SHGs and JLGs for onboarding their products on commercial digital marketplaces, iTokri, GoCoop, CraftsIndia, Instagram, Facebook, and WhatsApp.
- conducted awareness programmes covering around 800 FPOs to build knowledge on e-commerce and disseminate benefits of onboarding to ONDC
- Partial reimbursement of the expenditure for developing and designing the catalogue of products has also been agreed upon.

Overall, the onboarding of SHGs, FPOs, and OFPOs onto the ONDC network reflects an appetite for reimagining the status quo and ushering in structural reforms through technology, which promises inclusivity, efficiency, and cost savings for all stakeholders involved.

As on 31 March 2023, organisation promoted by NABARD onboarded to different seller applications on the ONDC network:

Farmer Producers' Organisation (FPOs)	: 454
Off-Farm Producers' Organisation (OFPOs)	: 19
Self-Help Group (SHGs)	: 12

4.5.4 Promotion of Geographical Indications (GI) Products

As of 31 March 2023, NABARD has supported the registration of 211 products under GI and secured GI tags for 49 of these products.

In FY 2022-23, NABARD facilitated the GI certification of 21 products, including:

- Banda Shazar Patthar Craft (Uttar Pradesh)
- Gond Painting (Madhya Pradesh)
- Ujjain Batik Print (Madhya Pradesh)
- Ladakh Wood Carving (Ladakh)
- Kari Ishad Mango (Karnataka)

NABARD has also entered into a Memorandum of Understanding (MoU) with the Textiles Committee of the Government of India to register 30 additional products with GI tags.



To further promote GI products, a GI marketing outlet was established in Ernakulam district of Kerala in November 2022, which facilitates the marketing of 21 GI products of Kerala.

This is the second such outlet in the country, with the first one being a NABARD-supported outlet in Varanasi.

4.6 Promoting Farm Sector Development

NABARD's Farm Sector Promotion Fund (FSPF):

- supports farm innovations, technology transfer, and capacity building.
- corpus: ₹60 crore, replenished annually by appropriation of NABARD profits
- cumulative disbursement as of 31 March 2023: ₹214 crore

4.6.1 Projects Implemented Under Detailed Project Report (DPR) Mode

Projects supported by NABARD, under the Detailed Project Report (DPR) mode relate to :

- | | | |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">● innovations● productivity enhancement● value chain development | <ul style="list-style-type: none">● piloting new technologies● hi-tech agriculture | <ul style="list-style-type: none">● integrated farming systems● Internet of Things (IoT) |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|

These projects are typically sanctioned for a period of 2–3 years.

Since the inception of FSPF, projects under DPR mode:

	Cumulative	FY 2022-23
Number of projects :	1,810	190
Grant assistance :	₹104 crore	₹18.6 crore

4.6.2 CAT - Capacity Building for Adoption of Technology

The CAT programme provides grant support for skill-based training to farmers through exposure visits, promoting the adoption of new technologies and best practices in agriculture and allied sectors.

Since the inception of FSPF, for capacity building for adoption of technology :

	Cumulative	FY 2022-23
Number of exposure visits :	2,592	359
Number of farmers :	77,300	9,400
Grant assistance :	₹19.5 crore	₹4.7 crore

4.7 Supporting Research and Sharing Knowledge

NABARD leverages a dedicated research and development (R&D) fund for applied socio-economic studies, seminars, publications, student engagement schemes, and trainings to expand the knowledge base in agriculture and rural development.

It supports research on agriculture and rural development issues to share insights with policymakers, other stakeholders, and the public.

4.7.1 NAFIS 2.0

The NABARD All-India Rural Financial Inclusion Survey (NAFIS) 2016–17 covering 40,327 sample households offered a comprehensive overview of the rural population in terms of livelihoods status and level of financial inclusion. The NAFIS report was well received by all the stakeholders including academicians, policymakers, researchers, scholars, etc.



Recognising the usefulness of NAFIS 2016–17, NABARD has initiated NAFIS 2.0, covering one lakh households for a more comprehensive view of the livelihood and financial inclusion aspects for rural and semi-urban households of the country.

4.7.2 Supporting Research Studies, Seminars, and Conferences

NABARD has been conducting research, both in-house and by partnering with reputed research institutions, to generate ideas, fine-tune existing policies, and provide policy inputs towards operational objectives.

As of 31 March 2023, there are 24 ongoing studies, of which seven studies were sanctioned during FY 2022-23.

Under the R&D fund, 181 seminars/webinars/ conferences were sanctioned for deliberations on topics such as agricultural marketing, agri-exports, tribal development initiatives for sustainable livelihood, financial inclusion, reimaging rainfed agro-ecosystems, global food security, sustainable crop intensification for climate-smart livelihood, and nutritional security, etc.

Under FSPF, ₹5.4 crore was disbursed for knowledge dissemination and technology awareness among the farmers along with financial support for organising krishi melas/fairs, seminars, workshops, etc.

4.7.3 Student Engagement Schemes

To obtain a fresh and innovative perspective on our ground level interventions, NABARD has been engaging with the student community (through schemes like the NABARD Student Internship Scheme and NABARD Citation for Outstanding Ph.D. Thesis) through field based studies for formulation of new policies and finetuning our existing ones.

4.7.4 Publications

NABARD has consistently published reports, research papers, and articles for dissemination of information to keep all its stakeholders abreast of developments regarding latest studies and research. Some of its publications are given below:

- **Research bulletins** like Eco Think (monthly), Eco Watch (weekly), Rural Pulse, and other publications serve as inputs for Asset-Liability Committee, Investment Committee of NABARD, and other user departments.
- **Insight** presents short research reports based on the primary data collected through district development managers on issues of topical interest. During FY 2022-23, two reports titled *Agriculture in India@75* and *Women Empowerment: A Reality Check* were published.
- The **Sustainability Report** provides information on economic, environmental, social, and governance performance of NABARD.
- In-house research papers are published on various aspects such as Indian agriculture, rural credit, and food and nutrition security.
- Authoritative papers by eminent scholars and domain experts under the *Research and Policy Series* highlight issues of policy relevance, prescriptions, and suggestions for future research. During FY 2022-23, 11 such papers have been brought out.
- **Research Chronicle**, a new biannual series, presents a collection of articles based on completed R&D studies, summarising the research findings and recommendations, thus providing a platform for knowledge dissemination. The first issue covering five studies was released on 2 January 2023.

4.7.5 Maintaining the Resource Pool

NABARD's Central Library:

- located at its Head Office in Mumbai
- stocked with
 - 25,791 books
 - 85 journals/periodicals/magazines
 - 14 newspapers
 - 35 web-based/online databases/dailies/magazines/journals from 15 different agencies.



The library at Bankers Institute of Rural Development, Lucknow has a huge collection of books and periodicals to cater to the knowledge needs of trainees and faculty members.

4.8 Inclusive Development through Sustainable Livelihoods

- NABARD's inclusive growth framework focuses on reaching underserved populations, including women, children, minority groups, and the extremely poor in rural areas.
- NABARD drives programs that offer sustainable livelihoods, community development, and income generation opportunities.
- These efforts particularly target agri-allied micro-industries and rural entrepreneurial services, supported by skill development, marketing platform creation, the promotion of Off-Farm Producers' Organisations (OFPOs), and microfinance initiatives aimed at the rural poor, especially women.
- Looking ahead, NABARD plans to align its interventions with the Sustainable Development Goals (SDGs) through impact balance sheet reporting. Research and development efforts will focus on strengthening existing schemes, supporting policy formulation for start-ups, and promoting technology development.



Chapter 5: Funding Rural Infrastructure FOR Balanced Growth

As the world's fifth largest economy, India, in her 75th year of independence, is emerging as a prominent global power, rapidly realising its vision of accelerated development undergirded by robust infrastructure promoting sustainable production and income generation.

Quick to recognise the multiplier effects of infrastructure development on economic growth, the Government of India (GOI) has conceived of the National Infrastructure Pipeline (NIP) with a projected investment of ₹111 lakh crore between 2020 and 2025. Monitored at the highest level for timely completion and desired outcomes, the NIP presents a comprehensive view of the arc of infrastructure development in the country.

5.1 Financing Rural Infrastructure

Acknowledging the catalytic role of rural infrastructure in speeding up poverty reduction, rural and agricultural development, and consequently balanced economic growth, NABARD has emerged as an important player in rural infrastructure financing, leveraging our own resources as well as various funds vested by the GOI.

As on 31 March 2023, the cumulative sanction under infrastructure financing stood at ₹7.5 lakh crore with disbursement of ₹5.7 lakh crore.

NABARD-managed infrastructure funds for rural India

During FY 2022-23

Fund Name	Sanctioned ₹ crore	Disbursed ₹ crore
Rural Infrastructure Development Fund (RIDF)	47,231.4	37,316.8
Long Term Irrigation Fund (LTIF)	161.1	3,069.1
Micro-Irrigation Fund (MIF)	740.8	432.3
Pradhan Mantri Awas Yojana–Gramin (PMAY-G)	-	-
Swachh Bharat Mission–Grameen (SBM-G)	-	-
Warehouse Infrastructure Fund (WIF)	410.2	460.9
Food Processing Fund (FPF)	354.2	141.8
Dairy Processing and Infrastructure Development Fund (DIDF)	0.0	735.3
Fisheries and Aquaculture Infrastructure Development Fund (FIDF)	1,988.0	225.7
NABARD Infrastructure Development Assistance (NIDA)	3,581.7	6,329.5
Rural Infrastructure Promotion Fund (RIPF)	3.3	5.3
TOTAL	54,470.7	48,716.7

Cumulative as on 31 March 2023

Fund Name	Sanctioned ₹ crore	Disbursed ₹ crore
Rural Infrastructure Development Fund (RIDF)	5,02,034.6	3,94,876.9
Long Term Irrigation Fund (LTIF)	85,228.4	58,745.8
Micro-Irrigation Fund (MIF)	4,711.0	2,516.0
Pradhan Mantri Awas Yojana–Gramin (PMAY-G)	61,975.0	48,819.0
Swachh Bharat Mission–Grameen (SBM-G)	15,000.0	12,298.2
Warehouse Infrastructure Fund (WIF)	9,453.2	8,674.4
Food Processing Fund (FPF)	1,126.6	662.5
Dairy Processing and Infrastructure Development Fund (DIDF)	3,015.6	2,084.6
Fisheries and Aquaculture Infrastructure Development Fund (FIDF)	3,248.3	591.4
NABARD Infrastructure Development Assistance (NIDA)	69,112.9	36,265.9
Rural Infrastructure Promotion Fund (RIPF)	75.2	49.4
TOTAL	7,54,980.8	5,65,584.1



RIDF Projects (till 31 March 2023)

Total number of Projects : 7.7 lakh

Sector composition :

Agriculture	43%
Rural Connectivity	36%
Social Sector	21%

5.2 Rural Infrastructure Development Fund

5.2.1 Trends and Patterns

In FY1995-96, GOI created the Rural Infrastructure Development Fund (RIDF) to mop up the priority sector lending shortfall of commercial banks for funding incomplete irrigation projects. Over the last 28 years, its scope has been expanded to cover 39 activities related to rural infrastructure.

During FY 2022-23 (RIDF Tranche XXVIII), NABARD received an allocation of ₹39,527 crore, a 32.8% hike over FY 2021-22. In turn, it sanctioned ₹47,231 crore in FY 2022-23, 41% of which went towards financing agriculture and related projects.

Though 49% of all projects were in the social sector, the project values were smaller, constituting 26% of funds sanctioned. This is aligned with the disbursement trends, with agriculture and irrigation related projects accounting for 53% of disbursements, followed by rural connectivity (29%) and social sector projects (18%) during the FY 2020-21 to FY 2022-23.

Performance of Rural Infrastructure Development Fund as on 31 March 2023

A. Funding By Region

Funds Sanctioned (₹ crore)

Region	FY 2020-21	FY 2021-22	FY 2022-23
Central	6,247	7,124	8,858
North	5,027	8,146	7,533
East	9,355	11,538	10,300
South	7,015	10,147	9,839
North-East	2,495	3,879	4,792
West	4,634	5,264	5,909
TOTAL	34,773	46,098	47,231

Funds Disbursed (₹ crore)

Region	FY 2020-21	FY 2021-22	FY 2022-23
Central	5,417	5,989	7,111
North	4,426	5,614	5,815
East	7,472	8,432	8,230
South	5,721	7,238	7,517
North-East	2,234	2,609	3,651
West	3,923	4,002	4,993
TOTAL	29,193	33,884	37,317



B. Funding By Sector

Funds Sanctioned (₹ crore)

Region	FY 2020-21	FY 2021-22	FY 2022-23
Agriculture related	3,090	6,360	8,030
Irrigation related	12,671	11,008	11,314
Bridges for Rural connectivity	3,086	3,693	3,940
Roads for Rural connectivity	6,354	9,962	11,579
Social sector	9,580	15,037	12,367
TOTAL	34,782	46098	47,231

Funds Disbursed (₹ crore)

Region	FY 2020-21	FY 2021-22	FY 2022-23
Agriculture related	2,568	11,405	11,918
Irrigation related	9,959	10,898	7,547
Bridges for Rural connectivity	2,572	6,752	3,098
Roads for Rural connectivity	6,192	2,420	7,915
Social sector	7,902	2,408	6,839
TOTAL	29,193	33,883	37,317

5.2.2 Output>>Outcomes>>Impact

Assistance under RIDF over the decades has not just built physical infrastructure on ground but has had transformational impact on rural lives.

Output and outcomes under Rural Infrastructure Development Fund as on 31 March 2023

Irrigation potential	: 376 lakh hectares
Rural roads	: 5.4 lakh km
Rural bridges	: 13.3 lakh m
Non Recurring employment generation	: 3,029.2 crore person days

Impact of social sector projects under the Rural Infrastructure Development Fund

- improved agricultural productivity and income levels of farmers
- enhanced demand for credit in the project areas
- diversification of lending portfolio
- growth in deposits, and improved branch network
- and eventually greater financial inclusion

During FY 2022-23, the Administrative Staff College of India (ASCI), Hyderabad, conducted a study to examine the impact of RIDF-supported social sector projects in Rajasthan, Karnataka and Kerala.

1. Improved Access to Services:

The construction of anganwadi centres (AWCs) enabled children, pregnant women, and lactating mothers to access nutritious food, medicines, and vaccinations within their locality. This setup reduced the need for distant travel and related expenses for these services.

2. Public Health Access:

Proximity to public health institutions decreased disease incidence and healthcare expenses for the rural poor.

3. Enhanced Education Facilities:

Strengthening rural educational institutions improved classroom/workshop facilities and minimized the need for distant schooling. Modern education empowered rural students with better skills and job opportunities, integrating children from marginalized sections into the formal education system.



4. Safe Drinking Water:

Rural drinking water supply projects provided potable water meeting World Health Organization standards, reducing water-borne diseases and the burden of fetching water from distant locations.

5.2.3 New Initiatives during FY 2022-23

NABARD contributed to the state share of flagship GOI schemes by sanctioning projects from RIDF Tranche XXVIII worth:

- ₹4,734 crore under Jal Jeevan Mission and
- ₹1,752 crore under PM-Kusum Yojana.

Further, in order to support state governments in mitigating climate change impact, loans for renewable energy projects worth ₹314 crore were sanctioned.

5.3 Rural Infrastructure Promotion Fund (RIPF)

Rural Infrastructure Promotion Fund (RIPF) promotes capacity-building initiatives and the building of innovative, experimental, or promotional last mile infrastructure, especially in rural areas.

Details of RIPF as on 31 March 2023 :

Cumulative sanction	:	₹75.2 crore
Cumulative disbursement	:	₹49.4 crore.

5.4 Long Term Irrigation Fund

5.4.1 Scope of LTIF

The Long-Term Irrigation Fund (LTIF) was announced in the Union Budget FY 2016-17 to expedite the completion of 99 identified medium and major irrigation projects across 18 states, under a mission mode.

Subsequently, four additional projects, were included under LTIF:

- Polavaram in Andhra Pradesh
- North Koel in Bihar and Jharkhand
- re-lining of Sirhind and Rajasthan feeders in Punjab, and
- Shahpurkandi Dam in Punjab

In FY 2020-21, NABARD began providing loans for both the central share, through the National Water Development Agency (a special purpose vehicle of the Government of India), and the state share to willing state governments, with a loan tenor of 15 years.

As on 31 March 2023, 13 states have signed a memorandum of agreement to avail funding assistance from NABARD.

5.4.2 Performance of LTIF

As on 31 March 2023, the details of LTIF are as below:

	Sanctioned	Disbursed
Central Share	₹46,495.9 crore	₹26,500.6 crore
State Share	₹38,792.5 crore	₹32,245.2 crore

Since FY 2021-22, LTIF has also provided loans to cover the state share for 60 ongoing Accelerated Irrigation Benefit Programme (AIBP) projects and 85 out of 99 major/medium irrigation projects under the Command Area Development and Water Management (CAD&WM) Programme, with a Government of India interest subvention of up to 2%.

The funding requirements for the central share are met through central government budgetary resources.



5.4.3 Output >> Outcomes >> Impact

As of 31 March 2023, out of the 99 identified projects, the following has been completed:

- AIBP component : 53 projects
- CAD&WM component : 16 projects.

Irrigation potential augmentation through LTIF support:

- Targeted : 34.6 lakh hectares
- Achieved during 2016 to 2022 : 24.4 lakh hectares

5.5 Micro-Irrigation Fund (MIF)

As announced in the Union Budget for FY 2019-20, the Micro-Irrigation Fund (MIF) with an initial corpus of ₹5,000 crore was operationalised by NABARD (FY 2019-20 to FY 2022-23) to help state governments mobilise additional resources for expanding coverage under micro-irrigation and incentivising its adoption beyond the provisions of Pradhan Mantri Krishi Sinchayee Yojana - Per Drop More Crop.

At present, the augmentation of the MIF corpus by another ₹5,000 crore and its implementation up to FY 2025-26 is under consideration with the GOI.

State-wise Cumulative sanction and disbursement under Micro-Irrigation Fund as on 31 March 2023

State	Cumulative Loan (₹ crore)	
	Sanctioned	Disbursed
Tamil Nadu	1,357.9	1,357.9
Haryana	790.9	71.0
Gujarat	764.1	374.0
Rajasthan	740.8	78.9
Andhra Pradesh	616.1	616.1
West Bengal	276.6	00.0
Punjab	149.7	18.1
Uttarakhand	14.8	00.0
TOTAL	4,710.9	2,516

Cumulative TOTAL sanction and disbursement under Micro-Irrigation Fund as on 31 March 2023 : Sanctioned ₹4,711 crore Disbursed ₹2,516 crore
sanction and disbursement under Micro-Irrigation Fund during FY 2022-23 : ₹740.8 crore Disbursed ₹432 crore

Output

Coverage achieved under Micro-Irrigation Fund as on 31 March 2023 : 11.30 lakh hectares
Expected expansion of micro-irrigation coverage : 17.1 lakh hectares

5.6 NABARD Infrastructure Development Assistance (NIDA)

5.6.1 Scope and Performance of NIDA

NABARD Infrastructure Development Assistance (NIDA) provides flexible long-term loans to state governments and well-managed public sector entities for financing rural infrastructure projects.

Through NIDA, NABARD has significantly contributed to the development of essential infrastructure and the enhancement of quality of life in rural areas.

The fund has been utilized to finance a wide range of projects, including agriculture infrastructure, rural connectivity, renewable energy, power transmission, drinking water, sanitation, and other social and commercial infrastructure.

The scope of NIDA has further expanded to include funding for public-private partnership (PPP) and non-PPP projects, which can be undertaken by registered entities such as corporates, companies, and cooperatives.



Performance of NABARD Infrastructure Development Assistance

Sector wise Loans Sanctioned In FY 2022-23

Sector	Projects	Sanctioned (₹ crore)	Share (%)
Irrigation	3	3,066.60	85.60%
Rural Education	2	470.2	13.10%
Rural Tourism	Multiple	45	1.30%
Total Sanctions in FY 2023		3,581.70	100.00%

Cumulative Term Loans, as on 31 March 2023:

Projects : 117
Sanctioned : ₹69,112.9 crore
Disbursed : ₹36,265.9 crore

Cumulative term loans % sanctioned by sector

Sector	Share (%)
Irrigation	43.70%
Social Sector	22.30%
Transmission and Renewable Energy	18.60%
Rural Connectivity	13.20%
Others	2.20%
TOTAL	100.00%

Notes:

- Social sector includes health, education, rural housing, rural tourism, and drinking water.
- Others include communication, warehousing, sewerage, and watershed development.

5.6.2 Output >> Outcomes >> Impact

NABARD Infrastructure Development Assistance (NIDA) has had a significant socioeconomic impact by enhancing access to improved sanitation and ensuring a reliable water supply in rural areas.

The infrastructure created under NIDA has contributed to reducing child malnutrition and mortality, as well as increasing female enrollment in schools. These developments play a crucial role in achieving the targets under Sustainable Development Goal (SDG) 6, which focuses on clean water and sanitation.

Output under NABARD Infrastructure Development Assistance as on 31 March 2023

Sector	Output/Details
Communication	Net-connected 30,000+ government offices, 20 lakh households (free)
Sanitation	Sewage Treatment Plant (15 million litres per day) with linked sewer lines
Warehousing and Cold Storage	29,600 metric tonne capacity created
Drinking Water Supply	31,722 habitations (doorstep supply)
Irrigation	2.12 lakh hectares covered
Micro-irrigation	1.4 lakh hectares covered
Renewable Energy	113 megawatt power generation capacity developed
Power Transmission	53 projects in 15 states (modernising infrastructure)
Rural Connectivity	7,537 km roads, 7.9 km bridges, 8.5 km aerial ropeway
Rural Education	6 medical colleges, 3 engineering colleges, 15 government model colleges, 1,500 schools (Funds were primarily used for constructing and upgrading schools and colleges)



5.7 Post-Harvest Infrastructure

NABARD has been supporting investments to create time, form, and possession utility for agricultural commodities and create value for the producers. Such investments help enhance shelf-life, reduce wastage, and minimise loss of produce while satisfying consumer preferences and needs.

5.7.1 Warehouse Infrastructure Fund (WIF)

NABARD provides financial support under the Warehouse Infrastructure Fund (WIF) to state governments, state-owned agencies, and corporates for systematic development of warehouse capacity to support value chains in agriculture.

This investment is instrumental in aiding farmers' access to finance through negotiable warehouse receipts. Foodgrains production has grown more than six times since 1950 and is expected to increase further in the future. To accommodate the increased production, there will be a sustained demand for investment in the storage sector during the current decade.

Sanction and disbursement under WIF and its regional spread are given in Table:

Region-wise Performance of Warehouse Infrastructure Fund as on 31 March 2023

Region	No. of Projects Sanctioned	Share (%)	Capacity Created ('000 tonnes)	Capacity Share (%)
North	230	2.7	3,428.0	36.8
Central	640	7.7	203.0	2.2
North-East	201	2.4	58.9	0.6
East	828	10.0	1,273.3	13.7
South	4,546	54.7	3,323.9	35.7
West	1,848	22.2	666.7	7.1
Multi-state Projects	22	0.3	364.6	3.9
Total	8,315	100.0	9,318.4	100.0

Sanction and Disbursement under Warehouse Infrastructure Fund as on 31 March 2023

Tranche	Allocation (₹ crore)	Sanction (₹ crore)	Disbursement (₹ crore)
Warehouse Infrastructure Fund 2013–14	4,481	4,453.3	3,906.1
Warehouse Infrastructure Fund 2014–15	5,000	4,999.9	4,768.3
Total	9,481	9,453.2	8,674.4

Notes: For WIF 2013–14, out of the initial corpus of ₹5,000 crore, ₹519 crore was refunded to commercial banks.

Scientific storage can provide farmers an opportunity to stagger the sale of their produce and avoid distress sales to realise better prices. Farmers can also obtain post-production credit pending sale of their produce against negotiable warehousing receipts.

Output under Warehouse Infrastructure Fund as on 31 March 2023

- Web-based NABARD Storage Information Infrastructure Migrant System (NABSIIMS) linked with farmers' portal.
- Upgrading Kisan Bhandar app to facilitate transactions and information sharing. The app is being further developed to help farmers know the availability of the space in the Agri-storage infrastructure, improve booking and payment facilities, and integration with other website/apps such as payment gateways, bank branch location, etc.
- Users can locate warehouses within 50 kilometres radius on Kisan Bhandar app.
- Geo-tagging of 111,162 storage structures with cumulative storage capacity of 223 metric tonnes. These storage structures have been geo-tagged and linked to a centralised database which can be ported with other platforms like e-NAM to create an integrated portal.
- 8,315 storage structures (5,642 completed).
- 93.2 lakh metric tonnes storage capacity created.
- Integrated value-chain project for fruits and vegetables.
- Modern, scientific, and earthquake-resistant warehouses in North-Eastern Region.
- Online trading platform projects of Agricultural Produce and Livestock Market Committee (APLMC).



5.7.2 Food Processing Fund

India's food processing sector is one of the largest in the world with a projected output of \$535 billion by FY 2025-26.

NABARD has committed ₹1,126.6 crore since 2014 (up to FY 2022-23) for projects in 17 states including three in the North-East (Assam, Manipur, and Meghalaya).

The Food Processing Fund plays a crucial role in minimising food wastage, diversifying and expanding value addition, and linking farmers to consumers.

Performance of Projects under Food Processing Fund as on 31 March 2023

PROJECTS	Details
Mega Food Parks	14 parks in 12 states; 7 operational
Agro-Processing Clusters	8 clusters in 2 states; 1 nearly complete
Food Processing Units	13 units in 7 states; 3 completed
Industrial Food Parks	3 parks (Tamil Nadu)

Capacity under Food Processing Fund as on 31 March 2023

CAPACITY	Details
Dry Warehouse Capacity	2,40,500 MT
Agro Storage Capacity of Silos	58,800 MT
Cold Storage Capacity	1,03,110 MT
Freezer Capacity	13,750 MT
Controlled Ripening Capacity	1,753 MT
Sorting & Grading Capacity	145 MT per hour for fruits and vegetables
Individually Quick Frozen (IQF) Capacity	12 MT per hour
Extraction & Aseptic Packing Capacity	39.1 MT per hour for fruit pulp

5.8 Other Infrastructure Initiatives

5.8.1 Dairy Processing and Infrastructure Development Fund

- Vested in NABARD : in FY 2017-18
- Purpose : Creation and modernisation of milk processing facilities and development of other dairy-related infrastructure
- Corpus : ₹ 8,004 crore
- Implementing period: up to FY 2022-23.

Performance of and output under Dairy Processing and Infrastructure Development Fund as on 31 March 2023

- ₹ 3,015.6 crore loan sanctioned against an investment of ₹ 4,465.5 crore to National Dairy Development Board (NDDB) and National Cooperative Development Corporation NCDC for 32 projects in 12 states.
- ₹ 2,084.6 crore disbursed into dairy processing
- Capacity created:
 - Milk processing : 6.4 MLPD
 - Milk powder processing : 265 MT per day
 - Bulk milk cooling : 0.3 MLPD
 - Value-added product plants : 1.04 MLPD



5.8.2 Fisheries and Aquaculture Infrastructure Development Fund

In line with its announcement in the Union Budget FY 2018-19, GOI created the Fisheries and Aquaculture Infrastructure Development Fund to finance the public infrastructure components through state governments/Union Territories (UTs) for various fishery-based infrastructure activities. NABARD, as the nodal loaning entity has executed tripartite memoranda of agreement with 12 state governments/UTs.

Performance of and output under Fisheries and Aquaculture Infrastructure Development Fund as on 31 March 2023

- **Memoranda of agreement with:** Tamil Nadu, West Bengal, Andhra Pradesh, Gujarat, Karnataka, Kerala, Maharashtra, Goa, Odisha, Himachal Pradesh, Jammu and Kashmir, and Haryana.
- FY 2022-23:
 - Sanctioned : ₹ 1,988 crore (Tamil Nadu, Gujarat, Andhra Pradesh, and Himachal Pradesh)
 - Disbursed : ₹ 225.7 crore (Goa, Gujarat, Himachal Pradesh, Kerala, Tamil Nadu, and West Bengal)
- Impact (expected)
 - Generation of employment opportunities to sea-going fishermen and people in shore-based establishments
 - Facilitation of distribution and marketing of fish and crustacean products

5.8.3 Pradhan Mantri Awas Yojana–Gramin (PMAY–G)

- PMAY–G Launched by : Government of India
- Launched with effect from : 1 April 2016
- Purpose : to provide a pucca house with basic amenities like electricity, safe drinking water, sanitation, and cooking gas under the 'Housing for All by 2022' programme to the poor and homeless and/or those living in dilapidated dwellings in rural areas.
- Loans extended : NABARD has extended loans from FY 2017-18 to FY 2020-21 to the National Rural Infrastructure Development Agency, an SPV under GOI towards partial funding of the central share.
- Cumulative sanction : ₹61,975 crore
- Cumulative disbursement : ₹48,819 crore
- Benefits received : Facilitated construction of 1.8 crore houses as on 31 March 2022.

5.8.4 Swachh Bharat Mission–Grameen (SBM–G)

- Purpose : to accelerate the efforts to achieve universal sanitation coverage and eliminate open defecation in rural areas.
- Loans extended : NABARD has extended loans during FY 2018-19 and FY 2019-20 to the National Centre for Drinking Water, Sanitation & Quality, an SPV under GOI, towards partial funding of the central share under the scheme.
- Cumulative sanction : ₹15,000 crore as on 31 March 2020
- Cumulative disbursement : ₹12,298.2 crore as on 31 March 2020

5.9 Infrastructure Financing for Faster Growth

Over the last 3 decades, NABARD has focused on promoting quality infrastructure investments that are sustainable, resilient, and inclusive. Creating new and upgrading existing rural infrastructure will be key to reviving the rural economy.

Key initiatives by NABARD:

- Increased central and state budgetary allocations;
- Deploying pension and insurance funds;
- Financing under RIDF, NIDA, and Rural Infrastructure Assistance to state governments
- Viability gap funding, PPP, asset monetisation, take-out financing,
- Collaboration with National Bank for Financing Infrastructure and Development, etc.

Further, NABARD will focus on accelerating direct infrastructure financing to support grain storage, new infrastructure projects such as waterways, etc. to foster rural development.



Chapter 6: Credit Planning, Credit Delivery, and Financial Inclusion

Over the past 4 decades, NABARD has catered to the diverse financial needs of communities at the grassroots. Our refinance policy and other credit products have led to credit uptick, especially in agriculture, and this has been driving growth in foodgrains and horticulture production.

NABARD follows a three-pronged approach to achieving development through credit.

- NABARD plays a critical role in the credit planning and monitoring exercise.
- Through its refinance and direct finance products, it ensures and enables credit delivery to the last mile.
- NABARD is deepening financial inclusion to increase rural credit demand.

Our interventions and performance along these three prongs during FY 2022-23 comprise the content of this chapter.

6.1 Credit Planning

With a focus on credit planning, monitoring of credit flow, and coordination among various developmental agencies, NABARD has:

- 355 standalone district development managers (DDMs),
- 59 cluster offices, and
- 31 regional offices (ROs) serving
- 753 districts,

Potential-Linked Credit Plans (PLPs)

- NABARD prepares annual potential-linked credit plans (PLPs) for all districts.
- The PLPs assess credit potential under the priority sector, which can be harnessed at the district level, besides presenting a holistic view of infrastructural gap and other support services.
- During FY 2022-23, NABARD prepared 726 PLPs for FY 2023-24, covering 753 districts, to guide banks in the preparation of credit supply plans.

State Focus Paper (SFP)

- The credit potential assessed in PLPs of all districts in a state culminates in its State Focus Paper (SFP),
- SFP highlights the credit potential, gaps, and strategy for sectoral and infrastructure development of the state.
- Also highlights the linkage support that government departments would need to provide.
- The SFP projection for FY 2023-24, under the priority sector across all states is ₹48.2 lakh crore, of which the share of agriculture is 47%.
- Issues related to infrastructure gaps, credit flow, etc., highlighted in the SFP are deliberated upon in state credit seminars with participation from state government officials, research institutions, and banks. Suggestions emanating from these seminars help state governments in framing policies and schemes and making suitable budgetary provisions.

The government has been fixing annual targets for ground level credit (GLC) for the agriculture sector by scheduled commercial banks (SCBs), regional rural banks (RRBs), and rural cooperative banks (RCBs).

During FY 2022-23, ₹21.7 lakh crore has been disbursed (provisional) against the target of ₹18.5 lakh crore, registering 117% achievement. Agriculture credit target for FY 2023-24 has been fixed at ₹20 lakh crore.

For special focus on allied activities, separate GLC targets for working capital and term loans towards allied activities have been fixed.

Agricultural ground level credit by agency as on 31 March 2023 (provisional data)

Agency	Crop loan ₹ lakh crore)		Term loan ₹ lakh crore)		Total ₹ lakh crore)	
	Target	Achievement	Target	Achievement	Target	Achievement
Commercial banks	7.1	8.7	6.7	7.4	13.8	16.1
Rural Cooperative Banks (RCB)	2.2	2.4	0.3	0.2	2.5	2.6
Regional Rural Banks (RRB)	1.8	2.5	0.4	0.5	2.2	3.0
TOTAL	11.1	13.6	7.4	8.1	18.5	21.7



Ground level credit TARGETS for agriculture by AGENCY, for FY 2023-24

Agency	Crop loan (₹ lakh crore)	Term loan (₹ lakh crore)	Total (₹ lakh crore)
Commercial banks	7.3	7.1	14.4
Rural Cooperative Banks (RCB)	2.4	0.2	2.6
Regional Rural Banks (RRB)	2.5	0.5	3.0
TOTAL	12.1	7.9	20.0

Ground level credit TARGETS for the ALLIED SECTOR, for FY 2023-24

Agency	Working capital (₹ crore)	Term loan (₹ crore)	Total (₹ crore)
Dairy	39,000	66,000	105,000
Poultry	20,000	8,000	28,000
Animal husbandry - sheep, goat, pigs, and others	63,000	72,000	135,000
Fisheries	18,000	7,000	25,000
TOTAL	140,000	153,000	293,000

6.2 Enabling Credit Delivery

NABARD has also been ensuring adequate flow of formal agricultural credit for production and marketing activities and capital formation. The aim is to enhance credit delivery across the rural sector.

The objective of enhanced credit delivery is being achieved through NABARD's:

- refinance activities
- channelling centrally sponsored schemes, and
- direct refinance products.

6.2.1 Refinance Activities

Refinance is routed through rural financial institutions (RFIs), SCBs, and non-banking financial companies against their loan portfolio to cover diverse credit needs of rural clients. Loans to governments and state owned corporations for procurement (short-term) and infrastructure projects (long-term) are extended directly.

Ground level credit to agriculture encompasses both short-term (ST) working capital and long-term (LT) funds for capital formation extended by RFIs and SCBs.

Over the years, the concessional refinance extended by NABARD, with support of the Government of India (GOI) and the Reserve Bank of India (RBI), under Short Term Cooperative Rural Credit Fund (STCRCF), Short Term Regional Rural Bank (Refinance) Fund (STRRB), and Long Term Rural Credit Fund (LTRCF) has resulted not only in augmentation of credit, both for agriculture and allied activities, but also made credit at the ground level affordable.

6.2.2 Refinance Trends

Total ST refinance reached an all-time high disbursement of ₹1.6 lakh crore, surpassing the target for FY 2022-23. Total LT refinance has been moderate with 86.7% achievement of the target of ₹1.2 lakh crore in FY 2022-23.



Refinance support - Long- term and short-term

Refinance support	FY 2022-23 (₹ crore)	FY 2021-22 (₹ crore)
Long Term Rural Credit Fund (LTRCF)	14,875	15,190
LT Refinance	92,140	100,946
TOTAL Long-term refinance	107,015	116,136
Short-Term Credit for Seasonal Agricultural Operations (ST SAO)	64,224	55,695
Additional ST (SAO)	65,565	67,818
ST (Others), including weavers	29,077	28,590
Small Finance Bank (SFB)	40	33
TOTAL Short-term refinance	158,906	152,136
TOTAL REFINANCE SUPPORT	265,921	268,272
Special Liquidity Facility	-	22,799

Short-Term Performance

Refinance under the ST facility is provided to cater to the production and working capital requirements of farmers, weavers, and artisans.

During FY 2022-23, of the total ST refinance of ₹1.6 lakh crore, 73.5% was disbursed to state cooperative banks (StCBs) and ₹0.4 lakh crore was disbursed to RRBs. Disbursement under ST credit support of NABARD grew at 4% over FY 2021-22.

Short-term facility to cooperatives grew at only 0.03%, whereas disbursement to RRBs grew at 19% during FY 2022-23.

Disbursement of SHORT-TERM refinance by AGENCY

A. StCBs

Category	FY 2022-23 (₹ crore)	FY 2021-22 (₹ crore)	FY 2020-21 (₹ crore)
ST (SAO)	49,405	45,569	44,643
Additional ST (SAO)*	47,714	50,844	30,781
ST (Others), including weavers*	19,654	20,322	8,921
Special Liquidity Facility (SLF)			16,800
Total	116,773	116,735	101,145

*These include SLF ₹ 15,033 crore FY 2022.

B. RRBs

Category	FY 2022-23 (₹ crore)	FY 2021-22 (₹ crore)	FY 2020-21 (₹ crore)
ST (SAO)	14,819	10,126	9,730
Additional ST (SAO)*	17,851	16,973	10,577
ST (Others), including weavers*	9,423	8,269	6,700
SLF	-		2,812
Total	42,093	35,368	29,819

*These include SLF ₹ 7,746 crore FY 2022.



Disbursement and share of SHORT-TERM refinance by REGION

Region	FY 2022-23		FY 2021-22		FY 2020-21	
	Disbursement (` crore)	% of Total %	Disbursement (` crore)	% of Total %	Disbursement (` crore)	% of Total %
South	68,464	43.1%	63,643	41.8%	54,763	41.8%
West	10,237	6.4%	9,365	6.2%	10,071	7.7%
Central	26,923	16.9%	31,815	20.9%	22,067	16.8%
East	23,735	14.9%	17,906	11.8%	17,728	13.5%
North	29,191	18.4%	28,883	19.0%	25,817	19.7%
North-East	356	0.2%	524	0.3%	519	0.4%
Total	158,906	100%	152,136	100%	130,965	100%

Long-Term Performance

In FY 2022-23, long-term refinance disbursement totaled ₹1.1 lakh crore, reflecting a 7.9% decline.

The majority of the disbursement went to Scheduled Commercial Banks (SCBs) at 70%, followed by State Cooperative Banks (StCBs) at 12.1% and Regional Rural Banks (RRBs) at 11.1%.

Disbursement and share of LONG-TERM refinance by AGENCY

Region	FY 2022-23		FY 2021-22		FY 2020-21	
	Disbursement (` crore)	% of Total %	Disbursement (` crore)	% of Total %	Disbursement (` crore)	% of Total %
Commercial Banks (CBs) & Scheduled Commercial Banks (SCBs)	74,929	70.02%	76,736	66.07%	57,095	61.53%
Regional Rural Banks (RRBs)	11,826	11.05%	14,389	12.39%	15,157	16.34%
State Cooperative Banks (StCBs)	12,955	12.11%	11,454	9.86%	6,200	6.68%
State Cooperative Agriculture and Rural Development Banks (SCARDBs)	2,285	2.14%	2,541	2.19%	2,976	3.21%
NABARD subsidiaries	2,941	2.75%	1,400	1.21%	1,121	1.21%
Non-Banking Financial Companies (NBFCs)	2,080	1.94%	9,320	8.03%	10,237	11.03%
State Government	0	0.00%	295	0.25%	0	0.00%
Total	107,015	100%	116,136	100%	92,786	100%

Disbursement and share of LONG-TERM refinance by REGION

Region	FY 2022-23		FY 2021-22		FY 2020-21	
	Disbursement (` crore)	% of Total %	Disbursement (` crore)	% of Total %	Disbursement (` crore)	% of Total %
South	34,937	32.6%	42,512	36.6%	37,140	40.0%
West	21,416	20.0%	29,439	25.3%	19,324	20.8%
North	17,099	16.0%	15,607	13.4%	19,448	21.0%
East	16,518	15.4%	16,047	13.8%	8,430	9.1%
Central	14,882	13.9%	9,887	8.5%	7,501	8.1%
North-East	2,163	2.0%	2,644	2.3%	943	1.0%
Total	107,015	100%	116,136	100%	92,786	100%

The southern region has higher credit absorption capacity because of better infrastructure and outreach, and consequently, improved share.

As against this, low density of credit delivery outlets and weak financial health of RFIs could be the constraints to increasing credit flow in credit-starved states in the north-east, east, and central regions.



To address these disparities and promote equitable regional offtake of both short-term (ST) and long-term (LT) refinance, several measures have been implemented:

- A higher quantum of ST refinance for seasonal agricultural operations (ST-SAO) has been permitted with relaxed net non-performing asset (NPA) norms in the east and northeast regions.
- In the northeast, LT refinance is provided for up to 95% of bank loan outstanding, compared to 90% in other regions.
- Eligibility norms for StCBs and RRBs have been relaxed in the east and northeast regions due to geographical challenges.
- 25% of the corpus of the Short-Term Rural Refinance Fund (STRBF) and Long-Term Rural Credit Fund (LTRCF) has been allocated to RRBs in credit-starved districts.

6.2.3 Performance of New Refinance Products

1. Special Refinance Schemes:

To address the issue of reverse migration and boost the agriculture and rural sectors in the post-pandemic era, NABARD introduced three special schemes under which refinance at concessional rates of interest was made available to eligible financial institutions. These schemes also continued in FY 2022-23.

• PACS as Multi-Service Centres (MSCs):

For establishing decentralised farm-gate post harvest management infrastructure, Agriculture Infrastructure Fund (AIF) scheme of GOI under the Aatmanirbhar Bharat Abhiyan includes primary agricultural credit societies (PACS) as one of the eligible institutions for availing bank loans and claiming interest subvention under the scheme.

NABARD introduced the special refinance scheme to saturate all the potential PACS for conversion to MSCs over a period of 3 years, commencing FY 2020-21.

Under the scheme, refinance is provided to StCBs at 3% for lending to PACS at 4%, to create quality infrastructure (capital assets) and increase their business portfolio in tune with needs of members. Interest subvention of 3% is available for purposes eligible under AIF, resulting in the effective rate of 1% to PACS.

During FY 2022-23, ₹417.2 crore was disbursed under the scheme. Cumulatively, 3,055 PACS have been given in-principle sanction with estimated project cost of ₹1,760.8 crore and estimated bank loan of ₹1,568 crore by NABARD, against which refinance of ₹508.8 crore has been disbursed under AIF.

• NABARD-supported Watershed and Wadis:

To enhance GLC flow to the priority sector and make watershed and wadi project areas more sustainable, a special refinance scheme was introduced for beneficiaries in NABARD-supported watershed and wadi projects.

Cumulative disbursement under the scheme till 31 March 2023 was ₹337.4 crore. This scheme has now been closed.

• Promoting Micro Food Processing Activities:

The scheme was introduced with concessional rate of interest to give fillip to the recently launched 'Prime Minister's Scheme for Formalisation of Micro Food Processing Enterprises' under the Aatmanirbhar Bharat Abhiyan by the Ministry of Food Processing Industries, GOI.

The disbursement under the scheme was ₹43.5 crore during FY 2022-23.

2. Refinance for Water, Sanitation, and Hygiene (WASH):

To provide clean water, sanitation and hygienic conditions to rural and semi-urban areas, and thereby to protect human health during outbreak of infectious disease, NABARD introduced a scheme under which concessional refinance was available to banks and eligible financial institutions for WASH activities.

Cumulative disbursement under the scheme till 31 March 2023 was ₹92.1 crore.

3. Short-Term Refinance to Small Finance Banks (SFBs):

To accelerate financial inclusion by facilitating credit availability to farmers for agricultural operations; working capital loans to micro- and small-sized enterprises; and loans to retail trade, small businesses, professionals, and other unorganised entities at affordable rates of interest, SFBs were made eligible for ST refinance.

An amount of ₹40 crore has been extended to Shivalik SFB during FY 2022-23.



6.2.4 Initiatives to Improve Refinance Offtake

1. Floating rate under ST (SAO Additional) [ST (ASAO)] and ST (Others):
NABARD introduced flexibility in interest rates for short-term (ST) refinance, allowing cooperatives and Regional Rural Banks (RRBs) under the ST (SAO Additional) and ST (Others) facilities to opt for floating rates.
2. NABPARIKSHAN App:
NABARD is undertaking the verification of refinanced assets through the NABPARIKSHAN app. The application enables the ROs and DDMs to monitor and verify the assets for which refinance has been availed in terms of eligibility of assets, purpose, borrower, NPA status, etc.

Non-operational during the pandemic, the app was reactivated in October 2022.

6.2.5 Other Credit Products

1. Modified Interest Subvention Schemes:
 - NABARD implements GOI's crop loan interest subvention scheme for RCBs and RRBs, under which interest subvention of 2% is provided to banks for extending crop loans up to ₹3 lakh at a concessional interest rate of 7% per annum. The scheme also provides an incentive of 3% to the farmers making prompt repayment, thereby making credit available at an effective interest of 4% per annum.

Besides loans for raising crops, the government extends similar subvention on loans against negotiable warehousing receipts devised to avoid distress sale of produce by small and marginal farmers.

Interest subvention of 1.5% to banks and 3% to farmers towards prompt repayment incentive is also extended on ST loans of up to ₹2 lakh to animal husbandry and fisheries farmers, provided the loans are extended by banks at 7% per annum. In case of farmers possessing Kisan Credit Cards (KCCs), the interest subvention on short-term loan (for raising crops or activities related to animal husbandry or fisheries) is available on an overall limit of ₹3 lakh per annum.

NABARD has released an amount of ₹11,627.9 crore under the interest subvention scheme for ST crop loan during FY 2022-23. NABARD also implements interest subvention scheme under Deendayal Antyodaya Yojana - National Rural Livelihoods Mission for RCBs and RRBs.

During FY 2022-23, NABARD has released ₹1,034.6 crore to women self-help groups through cooperative banks and RRBs under this scheme, bringing cumulative disbursement to ₹4,602.7 crore.

2. Kisan Credit Cards (KCCs):

NABARD supported the GOI drive to cover all Pradhan Mantri Kisan Samman Nidhi Scheme beneficiaries under KCCs with adequate publicity and awareness campaigns across districts. As a result, concerted and sustained efforts by RCBs and RRBs enabled farmers, including dairy farmers and fishermen, to access concessional credit.

Kisan Credit Card saturation drive: Progress during FY 2022-23

Phase	Number of KCCs (lakh)	Limits Sanctioned (₹ crore)
Phase 1	12.6	8,450
Phase 2	125.9	1,17,528
TOTAL	138.5	1,25,978

3. Administering Schemes for Sugar Farmers:

- Financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity
This scheme was introduced by GOI to achieve the 20% ethanol blended petrol target by 2025 by enhancing ethanol distillation capacity in existing mills and setting up new distilleries.

The Department of Food and Public Distribution, GOI has given in-principle approval for 1,141 distilleries across 24 states with total financial outlay of ₹1.1 lakh crore as on 31 March 2023.



The distilleries are given interest subvention (available for 5 years with 1 year moratorium) on the loan availed from the banks—50% of the interest charged, subject to maximum of 6%. Interest subvention of ₹242.5 crore has been provided to the sugar mills through RCBs, RRBs, SCBs, etc., and 743 quarterly claims have been settled during FY 2022-23.

Cumulatively, ₹438.6 crore has been provided to the sugar mills and 1,252 quarterly claims settled.

4. Implementation of capital subsidy schemes of the

NABARD has been playing an important role in channelling subsidy to eligible banks under various credit-linked subsidy schemes of GOI, primarily for agriculture projects and priority sector activities.

Performance under capital subsidy schemes of the Government of India in FY 2022-23

Performance during FY 2022-23

Region	No. of Units	Subsidy released ₹ crore)
Agri-Clinic and Agri-Business Centres (ACABC)	268	14.2
New Agriculture Marketing Infrastructure (AMI) Scheme	746	138.3
Old Agriculture Marketing Infrastructure (AMI) Scheme	1	1.5

Cumulative performance as on 31 March 2023

Region	No. of Units	Subsidy released ₹ crore)	Scientific storage capacity (lakh MT)
Agri-Clinic and Agri-Business Centres (ACABC)	3,458	135.5	-
New Agriculture Marketing Infrastructure (AMI) Scheme	2,819	469.1	91.5
Old Agriculture Marketing Infrastructure (AMI) Scheme	42,260	4,466.9	608.5

Notes:

1. AMI scheme supports the development and upgrading of Gramin Haats to Gramin Agricultural Markets.

2. ACABC scheme supplements the efforts of public extension by facilitating the setting up of Agri-ventures by qualified agricultural professionals.

6.2.6 Direct Refinance Assistance (DRA) for Short-Term Multipurpose Credit

Under this product, a credit limit is sanctioned to well-governed and financially strong ('A' or 'B' rated) StCBs and district central cooperative banks (DCCBs). Cash-credit, operative for 1 year from the date of sanction, covers working capital, repair and maintenance of farm equipment and other productive assets, storage/ grading/packaging of produce, marketing activities, etc.

The credit limit is also available for a period of 3 months to meet the specific requirements of banks.

DRA performance in 2022-23:

	FY 2022-23	FY 2021-22	% increase
Sanctions	₹21,435 crore	₹18,521 crore	16%
Disbursements	₹18,179.4 crore	₹17,573.7 crore	3%

In the coming years, we plan to extend DRA to all eligible RCBs.



6.2.7 Credit Facility to Marketing Federations

NABARD launched the credit facility to federations (CFF) to provide short-term credit support to state government entities like agricultural marketing federations, dairy cooperatives, milk unions or federations, etc., for procurement, processing, and marketing of agricultural commodities, input supply, etc.

CFF details:

	in FY 2022-23	in FY 2021-22	% increase
Sanctions :	₹40,606.8 crore	₹36,435.8 crore	11%
Disbursement :	₹31,437.2 crore	₹46,434.3 crore	
Outstanding position as on :	31 March 2023 ₹17,355.2 crore	31 March 2022 ₹22,314.9 crore	

Going forward, we envision providing working capital limit under CFF to eligible state entities, for procurement of crops and inputs.

6.2.8 Initiatives During FY 2022-23

1. Sugar Ethanol Portal for interest subvention:

The Sugar Ethanol portal was launched to streamline the process of claims received from the banks and release of interest subvention. This will speed up releases of claims, generation, and tracking of MIS data.

2. Uploading status of term loan sanction to the Sugar Ethanol Portal:

Department of Financial Services (DFS), GOI has advised NABARD to upload weekly data regarding sanction/disbursement, pending and under process, of term loans granted by banks under financial assistance schemes to sugar mills for enhancement and augmentation of ethanol production capacity.

In this connection, NABARD has developed a portal to collect information from RCBs, RRBs, and National Cooperative Development Corporation.

3. Print campaign for providing KCCs to all farmers:

A print campaign, Kisan Bhagidari Prathamikta Humaari (Prioritising Farmer Participation Campaign), was launched to provide KCCs to all eligible farmers including PM Kisan beneficiaries within the overall saturation drive.

As the nodal agency, NABARD deliberated with state level bankers' committees, agriculture production commissioners, and other stakeholders in their respective states for the implementation of the campaign.

As a part of the campaign, a short film on KCC showcasing its benefits was circulated in seven regional languages.

4. Kisan Credit Card–Interest Subvention Scheme (KCC - ISS) Portal:

KCC-ISS portal developed by Ministry of Agriculture and Farmers' Welfare (MOA&FW), GOI is now live with ongoing data testing and data entry. NABARD is monitoring the progress in respect of RCBs and RRBs and has already conducted four online training programmes for nodal officers of RCBs and RRBs with support from MOA&FW.

6.3 Accelerating Financial Inclusion and Driving Credit Demand

NABARD emphasizes the importance of access to a well-functioning financial system to empower farmers and small entrepreneurs. This access allows better integration into the formal economy, leveraging economic opportunities, and protecting against uncertainties. Post-pandemic, the accelerated shift to digital solutions has opened up new opportunities for micro, small, and medium-sized enterprises (MSMEs) to access innovative financial products and services. This has increased access, reduced transaction costs, facilitated creditworthiness checks, and ultimately broadened financial inclusion.

Key Roles of NABARD:

1. Infrastructure Development:

NABARD has played a significant role in creating a structure that supports financial inclusion and promotes digital financial awareness at the grassroots level. This includes developing financial inclusion infrastructure for banks and supporting various financial literacy activities under the Financial Inclusion Fund (FIF).

**2. Demand Stimulation:**

NABARD stimulates demand for financial services through financial literacy camps organized by banks or financial literacy centers. It also demonstrates technology through mobile vans, spreads messages using audio/visual media, provides handheld projectors for financial literacy activities, and offers good credit counseling through financial literacy counselors.

3. Supply Side Augmentation:

NABARD supports the supply side of the financial ecosystem by facilitating onboarding to digital platforms, improving connectivity, and meeting regulatory requirements.

6.3.1 Financial Inclusion Initiatives

In FY 2019-20, NABARD adopted a differentiated strategy to address regional inadequacies and promote inclusive and equitable financial inclusion across India. The strategy includes providing enhanced grant assistance at a rate of 90% for Special Focus Districts.

These districts include aspirational districts, areas affected by left-wing extremism, districts in hill states (including the North-East), Andaman & Nicobar Islands, Lakshadweep, and credit-starved districts identified by the RBI.

Under the FIF, NABARD supports several developmental and promotional activities, including:

- Financial Inclusion Activities:
 - Expanding the scope of financial literacy and capacity-building initiatives across differentiated banks and institutions.
 - Sensitizing the staff of RRBs and RCBs on financial inclusion.
 - Training business correspondents and facilitators with the support of institutions like the Indian Institute of Banking and Finance.
 - Supporting banks in setting up financial literacy centers and strengthening Rural Self-Employment Training Institutes.
- Banking Technology Initiatives:
 - Supporting RRBs and core banking solution-enabled cooperatives in adopting ICT solutions to extend their outreach.
 - Promoting the issuance of RuPay Kisan Credit Cards to all eligible farmers, in coordination with the National Payment Corporation of India and sponsor banks of RRBs and cooperative banks.
 - Pushing towards the development of a cashless ecosystem in rural India by supporting digital payments acceptance infrastructure.
 - Formulating policies, building capacity, and networking with various stakeholders to achieve the above objectives.
 - Assisting RRBs and RCBs in onboarding various regulatory platforms to meet compliance requirements.

Objectives of above activities under FIF are:

- creation of financial inclusion infrastructure across the country,
- capacity building of various stakeholders,
- creation of awareness to address demand-side issues,
- enhanced investment in green information and communication technology solutions,
- research and transfer of technology, and
- increased technological absorption capacity of financial service providers/users with a view to securing greater financial inclusion.

As on 31 March 2023, cumulative sanction under FIF stood at ₹5,459 crore and disbursement at ₹3,058 crore.

6.3.2 New Initiatives under Financial Inclusion Fund (FIF)

- Account Aggregator (AA) System:
 - An Account Aggregator (AA) is a regulated entity by RBI, with an NBFC-AA license, that allows individuals to securely and digitally access and share their financial information across different regulated financial institutions in the AA network.
The data sharing is fully controlled by the individual's consent.
 - NABARD has received approval from RBI to onboard as a Financial Information User in the AA system. This enables NABARD to monitor various financial transactions digitally.



- NABARD is actively facilitating the onboarding of Regional Cooperative Banks (RCBs) and Regional Rural Banks (RRBs) to the AA ecosystem by conducting workshops and handholding sessions as directed by the Department of Financial Services (DFS), Government of India.
- Digitalisation of Loan Origination and Management System:
 - NABARD is leading the digitalisation of the loan origination and management system in India, aiming to bring transparency in banking and agriculture, improve loan management, and reduce bad debts.
- NABARD and the G20:
 - Under India's G20 Presidency, NABARD has been enlisted as a knowledge partner by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India.
 - NABARD is playing a key role in facilitating the work of the Global Partnership for Financial Inclusion under the Finance Track of G20. The theme of India's G20 Presidency, "Vasudhaiva Kutumbakam" or "One Earth, One Family, One Future," emphasizes equitable growth and a shared future for all. NABARD, along with DEA and RBI, is actively involved in highlighting India's achievements in digital financial inclusion during this global event.

6.4 Charting the Path Ahead

Over its four-decade journey, NABARD has significantly expanded credit access across India, addressing both supply and demand challenges.

Moving forward, NABARD aims to:

- Bridge Credit Access Inequities:
Focus on underserved regions through innovative credit delivery models and digitalisation, revamping Regional Cooperative Banks (RCBs) and Regional Rural Banks (RRBs) to better serve rural India.
- Leverage Technology:
Establish a ₹50 crore Technology Facilitation Fund to support digital interventions, create common technology infrastructure, and scale up potential technological solutions in agriculture and rural development.
- Enhance Refinance Efforts:
Target aspirational and credit-starved districts, expand the client base, and develop new refinance products, including those focused on green financing.
- Strengthen the Digital Financial Ecosystem:
Promote financial inclusion through digital technology, emphasizing financial awareness and exploring advanced technologies like quantum computing, artificial intelligence, and big data.

NABARD's strategy is to use technology and innovative financial products to ensure inclusive credit access and drive sustainable rural development.



Chapter 7: Supervisory role of NABARD

NABARD, in its supervisory role, must additionally support financial inclusion and business expansion roles of rural financial institutions (RFIs) while ensuring their resilience and sustainability and simultaneously protecting the interests of the depositors.

Supervision also guides remedial action and builds pathways for banks which are in contravention of requisite norms to return to business as usual.

7.1 Supervised Entities of NABARD

NABARD supervises two key rural financial institutions (RFIs): Regional Rural Banks (RRBs) and Rural Cooperative Banks (RCBs). These institutions are regulated by the Reserve Bank of India (RBI) and supervised by NABARD under Section 35(6) of the Banking Regulation Act, 1949, and the Banking Regulation Act, 1949 (AACS).

NABARD conducts periodic inspections of these supervised entities (SEs), including RRBs, State and District Central Cooperative Banks, and State Cooperative Agriculture and Rural Development Banks (SCARDBs).

Additionally, NABARD voluntarily inspects apex weavers' societies, marketing federations, and other related entities.

This supervision ensures the financial health and operational efficiency of these institutions, which are crucial for delivering financial services in rural India.

Structure of RFI (Rural Financial Institutions)

A. Short-Term Cooperative Credit Structure

Institution Type	Tier	Number of Institutions	Branches	Coverage
State Cooperative Banks (StCBs)	Tier I	34	2,089	Across 34 states/UTs
District Central Cooperative Banks (DCCBs)	Tier II	351	13,710	Across 20 states/UTs
Primary Agricultural Credit Societies (PACS) (as on 31 march 2021)	Tier III	1.03 lakh	-	6.3 lakh villages; 13.7 crore members

B. Long-Term Cooperative Credit Structure

Institution Type	Tier	Number of Institutions	Branches	Coverage
State Cooperative Agriculture and Rural Development Banks (SCARDBs)	Tier I	13	791	Across 13 states
Primary Cooperative Agriculture and Rural Development Banks (PCARDBs)	Tier II	604	-	Across 8 states (Not NABARD SEs)

C. Regional Rural Banks (RRBs)

Institution Type	Tier	Number of Institutions	Branches	Coverage
Regional Rural Banks (RRBs)	-	43	23,511	Across 29 states/UTs

Notes:

- PACS and PCARDBs are not NABARD supervised entities.
- StCBs
 - 24 (of the 34) are Scheduled StCBs in the Second Schedule of the Reserve Bank of India Act, 1934.
 - Includes Daman & Diu StCB (licence pending).
- 351 DCCBs include Tamil Nadu Industrial Cooperative Bank Ltd. Malappuram DCCB has since been merged with Kerala StCB.
- RRBs
 - The 43 RRBs are sponsored by 12 SCBs.
 - RRBs are operational in three UTs: Puducherry, Jammu & Kashmir, and Ladakh.
 - 92% of the RRB branches are in rural/semi-urban areas.



Supervision by NABARD in FY 2022-23

Institution Type	Inspections Budgeted	Inspections Conducted	Type
State Cooperative Banks (StCBs)	34	34	Statutory
District Central Cooperative Banks (DCCBs)	226	226	Statutory
Regional Rural Banks (RRBs)	43	43	Statutory
State Cooperative Agriculture and Rural Development Banks (SCARDBs)	9	9	Voluntary

7.2 Major Developments in the Supervisory Ecosystem during FY 2022-23

7.2.1 Digitalisation of Inspections through SuperSoft Application

NABARD introduced the SuperSoft application in FY 2022-23 to digitalise the inspection process for supervised entities (SEs), enhancing the efficiency and effectiveness of supervision.

The traditional manual inspection process was cumbersome, leading to insufficient focus on critical compliance issues and inadequate monitoring at regional offices. SuperSoft addresses these challenges by automating the entire inspection process, enabling seamless carry-over of pending observations to the next inspection cycle.

Key Features of SuperSoft:

- **Inspection Reports (IRs):** The IRs generated by SuperSoft are divided into three parts:
 - **Part A:** Highlights deficiencies in the functioning of the bank and non-compliance with Acts, rules, and guidelines issued by the Government of India (GOI), RBI, and NABARD.
 - **Part B:** Focuses on compliance with relevant regulations and includes statements of fact.
 - **Part C:** Contains statistical statements, appendices, and tables.
- **Checklist-Based Approach:** Inspecting officers (IOs) use a checklist to thoroughly examine each aspect of the bank's portfolio.
- **Integration with ENSURE Portal:** Ensures consistency between SuperSoft-generated IRs and statistical reports from the ENSURE portal.
- **Reduction in Manual Effort:** The application significantly reduces the manual workload of IOs, streamlines the report preparation process, and shortens the overall turnaround time.
- **End-to-End Supervisory Framework:** SuperSoft supports the entire supervisory process, including planning, budgeting, compliance scrutiny, and report closure at the regional office level.
- **Enhanced CAMELSC Rating:** The application captures the existing CAMELSC-based rating model and proposes to integrate an enhanced supervisory rating approach.

Benefits of SuperSoft:

- **Reduced Manual Intervention:** Simplifies the drafting of IRs and eliminates inconsistencies.
- **Improved Quality of IRs:** Ensures focused and consistent comments, enhancing report quality.
- **Strengthened Compliance:** Enhances regulatory and supervisory compliance through thorough data analysis.
- **Transparency:** Facilitates transparent sharing of information related to SEs' adherence to policies and guidelines issued by GOI, RBI, and NABARD, while highlighting supervisory concerns.

SuperSoft represents a significant leap towards a fully digital supervisory ecosystem, allowing NABARD to maintain a robust and transparent supervisory framework across all its supervised entities.



7.2.2 Enhancement of the Offsite Surveillance Framework

NABARD has improved its offsite surveillance system (OSS) to establish an early warning mechanism that identifies potential risks in supervised entities (SEs). The system monitors financial data and qualitative indicators continuously. A designated nodal officer ensures accurate and timely data submission by banks. An escalation process, including potential penalties recommended to the RBI, addresses delays or non-submission of OSS returns.

This enhancement enables proactive risk management and timely supervisory action.

7.2.3 Institutionalisation of post-inspection exit meeting and redesigning of compliance monitoring mechanism

NABARD has enhanced its supervisory framework by:

- **Institutionalizing Exit Meetings:** Implemented as a standard process, these meetings provide SEs with feedback, promote transparency, improve communication, and ensure accountability.
- **Redesigning Compliance Monitoring:** NABARD introduced a new compliance rating system that evaluates the quality and sustainability of SEs' compliance, using a more detailed, parameterized approach.
- **Focusing on Sustainable Compliance:** NABARD ensures SEs address deficiencies noted in inspection reports and hold them accountable for compliance failures.

These initiatives strengthen NABARD's oversight and improve the effectiveness of its supervisory processes.

7.2.4 Revision of Trigger Points for Initiating Regulatory Action

NABARD revised its "trigger point mechanism" to make it more effective and action-oriented. A new four-scale composite rating system was introduced, based on parameters such as:

- Level of non-performing assets (NPAs)
- Capital to risk-weighted assets ratio (CRAR)
- Compliance with minimum capital requirements
- Profitability
- Management and governance
- Liquidity
- Internal systems and controls
- Compliance with Acts, rules, RBI directions, and NABARD instructions

This revision aims to streamline the supervisory process, reducing delays in regulatory actions.

7.3 Other supervisory initiatives

7.3.1 Fraud Monitoring and Review

NABARD has enhanced its fraud monitoring and review processes to be more effective:

- Unified Fraud Reporting System:

The system was implemented across all SEs and 340 instances of fraud were reported by RRBs and RCBs, amounting to ₹444 crore in FY 2022-23, of which ₹136.4 crore was recovered.

- **Central Fraud Monitoring Cell:** This cell scrutinizes frauds, conducts root-cause analysis, and suggests preventive measures. For particularly ingenious frauds, NABARD issues "cautionary advice" to RRBs and RCBs to prevent recurrence.

These initiatives strengthen NABARD's ability to detect, analyze, and mitigate fraud in rural financial institutions.



7.3.2 Credit Monitoring Arrangement

NABARD closely monitors Credit Monitoring Arrangement (CMA) violations by Rural Cooperative Banks (RCBs) across individual, unit-wise, and sector categories. The organization reviews the actions taken by supervised entities (SEs) to reduce CMA exposure.

An escalation matrix is used to assess the severity of CMA violations and prescribe necessary supervisory actions.

Persistent CMA violations for three consecutive years can result in the bank being deemed non-compliant with Section 22(3)(b) of the Banking Regulation Act, 1949 (AACs).

This process ensures strict adherence to CMA norms and helps maintain the financial health of RCBs.

7.3.3 Sensitisation of Supervising Entities

NABARD, as part of the joint working group (JWG) for the Financial Action Task Force (FATF) Mutual Evaluation of India, contributed to enhancing India's compliance framework against money laundering and terrorism financing. NABARD provided inputs on technical compliance and participated in meetings with the FATF cell, Department of Revenue, and Ministry of Finance.

Key initiatives include:

- Conducting a workshop for CEOs and chairpersons of RRBs and RCBs to sensitize them on KYC/AML/CFT compliance, emphasizing the importance of timely submission of regulatory returns and risk assessment of customers.
- Designing a consolidated KYC/AML/CFT return for a risk-based assessment mechanism and instructing RRBs and RCBs to address gaps in their frameworks in a timely manner.

These efforts strengthen the KYC/AML/CFT compliance and risk management in rural financial institutions.

7.3.4 Complaints management system

NABARD digitalized its complaints management system during the financial year for effective monitoring and quick disposal of complaints against RCBs and RRBs.

7.3.5 Inputs to the Enforcement Department, Reserve Bank of India

NABARD provides essential inputs to the Enforcement Department of the RBI, helping to issue show-cause notices and impose penalties on RRBs and RCBs for regulatory violations.

In the financial year 2022-23, RBI imposed penalties amounting to ₹0.4 crore on two RRBs and ₹3.3 crore on 34 RCBs for violations mainly related to Sections 6, 9, 19, 26, and 35(A) of the Banking Regulation Act, 1949.

7.3.6 Capacity Building

To enhance the skills of inspecting officers (IOs) in bank supervision, NABARD undertook several capacity-building initiatives in FY 2022-23:

- **Regional Supervision Seminars:** Two seminars were held in Thiruvananthapuram and Chandigarh to discuss improvements in inspection reports (IRs) and operational supervision issues, with action plans developed for regional and head offices.
- **Refresher Training Programs:** Two programs trained 80 IOs on the latest developments in supervision, including risk-based supervision, technology risk, and data analytics.
- **High-End Training:** 20 IOs participated in 10 advanced training programs at the College of Supervisors and RBI, covering topics like regulatory tech, IT and cyber risk, and consolidated supervision.
- **The Inquisitive Newsletter:** NABARD published 12 issues of this monthly newsletter to disseminate information on governance, cybersecurity, and other supervision-related topics.

These initiatives aimed to equip IOs with the skills to anticipate and manage crises effectively, ensuring robust bank supervision.



7.4 Information Technology and Cybersecurity Initiatives

NABARD's Cyber Security and Information Technology Examination (CSITE) Cell, established in 2018, has taken several measures in FY 2022-23 to enhance cybersecurity monitoring for supervised entities (SEs):

- **Issued 64 Advisories and 17 Alerts:** Provided timely information and warnings to SEs.
- **Guided SEs on 16 Incidents:** Offered support in managing cybersecurity incidents.
- **Cybersecurity Training:** Conducted 29 sessions in workshops for SEs and regional offices (ROs).
- **Guidance for Weak Areas:** Issued specific advice to SEs for improving cybersecurity in identified vulnerable areas.
- **Checklist-Based Assessments:** Incorporated cybersecurity assessments during on-site inspections of RRBs and RCBs.
- **Pilot IT/IS Examinations:** Conducted pilot IT/IS examinations for Pune DCCB and Kerala StCB.
- **External Audits:** Initiated cybersecurity audits by external auditors for vulnerable banks.
- **Collaboration with Agencies:** Worked with agencies like National Critical Information Infrastructure Protection Centre, Indian Computer Emergency Response Team, and others for intelligence sharing.

These initiatives aim to strengthen the cybersecurity posture of SEs and ensure robust IT systems across NABARD's supervised entities.

7.5 Assignments from Government of India

7.5.1 Committee on Three-Tier Short-Term Cooperative Credit Structure

The Ministry of Cooperation, Government of India, has formed a committee to study the relevance, applicability, and retention of the three-tier short-term cooperative credit structure. The committee is chaired by Shaji K. V., with members including the Managing Director of NAFSCOB, the Secretary of the National Council for Cooperative Training, and Satish Marathe, Director of the Central Board, RBI.

7.5.2 Committee on revision of risk weights and analysing pros and cons of bringing stronger RRBs under Basel III norms

Ministry of Finance, GOI, has constituted a committee under Chairperson Shaji K. V., along with seven other members on the revision of risk weights and for analysing pros and cons of bringing stronger RRBs under Basel III norms. The report has been finalised and submitted to GOI.

7.6 Vision for FY 2023-24

7.6.1 Enhanced CAMELSC Supervisory Framework

NABARD's working group on risk-based supervision (RBS) recommended adopting the Enhanced CAMELSC (E-CAMELSC) framework as an interim approach before fully transitioning to RBS. This new supervisory rating model focuses on risk management practices at the supervised entity (SE) level, introducing additional qualitative and quantitative sub-parameters to enhance banks' resilience to risks.

Training programs were organized for SEs and NABARD's inspecting officers to explain the E-CAMELSC model. The Board of Supervision approved the rollout of E-CAMELSC to 194 banks starting in FY 2023-24.

7.6.2 Introduction of Senior Supervisory Managers

NABARD has introduced Senior Supervisory Managers as single points of contact for large banks, determined by their asset size. Their roles include:

- Maintaining comprehensive knowledge of the bank's profile, including inspection history, risk assessments, and supervisory issues.
- Acting as the primary reference point for all communication between the bank, regulators, supervisors, state government, and sponsor banks.



- Being involved in the entire supervisory process, including onsite and offsite inspections, supervisory review, evaluation, and compliance review.

7.6.3 Operationalisation of IT/IS Examinations

NABARD plans to fully operationalize IT/IS Examinations (ITEs) for all supervised entities (SEs) to address cyber threats.

The frequency of these examinations is determined by the bank's digital exposure and associated risks. ITEs involve detailed technical assessments to identify cybersecurity gaps at a granular level, surpassing regular IT audits.

The CSITE Cell has already conducted three such examinations.

Compliance Status of Supervised Entities (as of 31 March 2022):

Parameters	State Cooperative Banks (StCBs)	District Central Cooperative Banks (DCCBs)	Regional Rural Banks (RRBs)
TOTAL	34	352	43
Compliance with Sec. 11(1) of BR Act, 1949 (AACs)	32	319	NA
Compliance with Sec. 42(6)(a)(i) of the RBI Act, 1934	24	NA	40
Licensed banks	33	349	43
Scheduled banks	24	NA	43

Three unlicensed DCCBs are Baramulla, Anantnag, and Jammu DCCBs.

Number of banks by performance indicators as on 31 March (of the relevant year)

Banks inspected and/or audited

Year	Regional Rural Banks (RRBs)	State Cooperative Banks (StCBs)	District Central Cooperative Banks (DCCBs)	TOTAL
2020	43	34	352	429
2021	43	34	352	429
2022	43	34	352	429

A. Gross Non-Performing Assets (NPAs) by Year and Category

Year	Category	Regional Rural Banks (RRBs)	State Cooperative Banks (StCBs)	District Central Cooperative Banks (DCCBs)
2020	>10%	17	11	174
	8%-10%	8	9	54
	5%-8%	10	7	62
	3%-5%	5	5	33
	<3%	3	2	29
2021	>10%	15	10	173
	8%-10%	9	9	62
	5%-8%	9	7	48
	3%-5%	6	6	30
	<3%	4	2	39
2022	>10%	14	11	152
	8%-10%	11	10	56
	5%-8%	9	6	62
	3%-5%	4	5	48
	<3%	3	2	34



B. Net Non-Performing Assets (NPAs) by Year and Category

Year	Category	Regional Rural Banks (RRBs)	State Cooperative Banks (StCBs)	District Central Cooperative Banks (DCCBs)
2020	>6%	16	14	147
	4%-6%	9	10	98
	3%-4%	5	8	65
	1%-3%	4	2	21
	<1%	9	0	21
2021	>6%	15	14	130
	4%-6%	12	9	105
	3%-4%	5	7	59
	1%-3%	2	3	36
	<1%	7	3	27
2022	>6%	17	15	125
	4%-6%	13	8	104
	3%-4%	3	7	69
	1%-3%	3	2	27
	<1%	3	2	27

C. Net Interest Margin by Year and Category:

Year	Category	Regional Rural Banks (RRBs)	State Cooperative Banks (StCBs)	District Central Cooperative Banks (DCCBs)
2020	<1%	4	2	29
	1%-1.5%	6	5	46
	1.5%-2%	0	8	71
	2%-2.5%	0	5	83
	>2.5%	33	14	123
2021	<1%	0	1	26
	1%-1.5%	5	6	48
	1.5%-2%	1	7	71
	2%-2.5%	1	6	88
	>2.5%	36	12	119
2022	<1%	2	1	31
	1%-1.5%	1	4	32
	1.5%-2%	0	6	68
	2%-2.5%	1	7	82
	>2.5%	39	16	139

D. Return on Assets by Year and Category:

Year	Category	Regional Rural Banks (RRBs)	State Cooperative Banks (StCBs)	District Central Cooperative Banks (DCCBs)
2020	<0.2%	28	4	212
	0.2%-0.3%	1	4	23
	0.3%-0.4%	3	4	32
	0.4%-0.5%	1	3	21
	>0.5%	11	16	64
2021	<0.2%	23	6	203
	0.2%-0.3%	1	4	32
	0.3%-0.4%	4	5	29
	0.4%-0.5%	1	1	24



	>0.5%	13	15	64
2022	<0.2%	21	12	155
	0.2%-0.3%	2	4	36
	0.3%-0.4%	1	5	32
	0.4%-0.5%	1	1	35
	>0.5%	18	16	86

E. Capital to Risk-weighted Assets Ratio by Year and Category

Year	Category	Regional Rural Banks (RRBs)	State Cooperative Banks (StCBs)	District Central Cooperative Banks (DCCBs)
2020	<4%	10	2	29
	4%-7%	5	4	10
	7%-9%	3	3	15
	9%-10%	1	0	42
	>10%	24	28	256
2021	<4%	13	3	30
	4%-7%	3	4	11
	7%-9%	3	3	11
	9%-10%	1	1	34
	>10%	23	25	266
2022	<4%	6	3	26
	4%-7%	3	3	5
	7%-9%	2	3	2
	9%-10%	3	1	34
	>10%	29	29	285



Chapter 8: Empowering Rural Financial Institutions

Rural financial institutions (RFIs), including rural cooperative banks (RCBs) and regional rural banks (RRBs), are vital for financial intermediation in agriculture and rural development.

NABARD works to enhance these institutions' access to banking facilities in rural areas and transform them into strong, viable, and efficient entities. This involves close monitoring of business growth, profitability, capital adequacy, and non-performing asset (NPA) levels. NABARD strengthens RFIs through recapitalization, business diversification, product innovation, and digitalization to enable them to compete effectively with other financial institutions and efficiently manage ground-level credit flow.

8.1 Rural Cooperative Banking

Rural cooperative banks are founded on values of equality, voluntary association, democracy, mutual support, self-reliance, and non-exploitative operations. In today's context, their relevance has increased due to the growing credit needs of the rural population and the extensive grassroots outreach of cooperatives.

8.1.1 Short-Term Cooperatives

The Short-Term Cooperative Credit Structure (STCCS) consists of three types of financial institutions: State Cooperative Banks (StCBs) at the apex, District Central Cooperative Banks (DCCBs) at the intermediate level, and Primary Agricultural Credit Societies (PACS) at the village level.

Initially focused on providing short-term crop loans to farmers through PACS, STCCS has expanded its role to include non-farm sector lending, term lending to allied sectors, and microfinance.

Performance and Financial Health Indicators of StCBs:

- Owned Funds:** Grew by 11.5% during FY 2021-22, reaching ₹27,234 crore as of 31 March 2022.
- Deposits:** Accounted for 57.8% of total liabilities, growing by 8% during FY 2021-22 to ₹2.4 lakh crore.
- Agricultural Loans:** Increased from 44% of the total loan portfolio on 31 March 2021 to 46% on 31 March 2022.

Health Indicators of StCBs

Health Indicator	Size	% Change (YOY)
BS (size)	₹4.2 lakh crore	10.6%
NP	₹2,288 crore	63.2%
Borrowings	₹1.2 lakh crore	15.5%
Gross loans	₹2.4 lakh crore	12.8%
CRAR	-	Dropped marginally (13.1% in FY 2020-21 to 13% in FY 2021-22)
GNPA	-	Declined (6.7% in FY 2020-21 to 6% in FY 2021-22)
PCR	-	Increased (57.4% in FY 2020-21 to 65.1% in FY 2021-22)
ROA	-	Increased (0.4% in FY 2020-21 to 0.6% in FY 2021-22)
NIM	2.1% (FY 2021-22)	40 bps improvement over FY 2020-21

Note: bps = basis points, BS = Balance Sheet, CRAR = Capital to Risk Weighted Assets Ratio, GNPA = Gross Non-Performing Assets, NIM = Net Interest Margin, NP = Net Profit, PCR = Provision Coverage Ratio, ROA = Return On Assets, StCB = State Cooperative Bank,

Consolidated balance sheet of StCBs

LIABILITIES

Parameter	31 March 2021		31 March 2022		YOY Variation FY 2020-21	YOY Variation FY 2021-22
	(₹ crore)	%	(₹ crore)	%		
1. Capital	8,577	2.3	9,263	2.2	15.0	8.0
2. Reserves	15,848	4.2	17,971	4.3	9.7	13.4
3. Deposits	2,23,057	59.1	2,40,953	57.8	6.0	8.0
4. Borrowings	1,07,207	28.4	1,23,785	29.7	25.1	15.5
5. Other liabilities	22,648	6.0	25,260	6.1	1.6	11.5
Total liabilities	3,77,338	100	4,17,233	100	10.9	10.6



ASSETS

Parameter	31 March 2021		31 March 2022		YOY Variation FY 2020-21	YOY Variation FY 2021-22
	(₹ crore)	%	(₹ crore)	%		
1. Cash and bank balances	14,360	3.8	18,864	4.5	40.4	31.4
2. Investments	1,29,329	34.3	1,40,966	33.8	14.6	9.0
3. Loans and advances	2,11,794	56.1	2,38,919	57.3	5.9	12.8
4. Accumulated losses	1,405	0.4	1,353	0.3	14.0	-3.7
5. Other assets	20,451	5.4	17,130	4.1	27.5	-16.2
Total assets	3,77,338	100	4,17,233	100	10.9	10.6

Profitability of StCBs

S. No.	Particulars	FY 2020-21	FY 2021-22
1	Total StCBs	34	34
2	No. of banks in profit	32	31
3	Profit (₹ crore)	1670	2338
4	No. of banks in loss	2	3
5	Loss (₹ crore)	268	50
6	Net profit/loss (₹ crore)	1402	2288
7	No. of StCBs with accumulated losses	7	7
8	Accumulated losses (₹ crore)	1405	1353

Asset quality of StCBs

S. No.	Particulars	FY 2020-21	FY 2021-22
1.	Gross NPA (₹ crore)	14,113	14,332
a.	Sub-standard assets (₹ crore)	7,379	5,387
b.	Doubtful assets (₹ crore)	5,294	7,541
c.	Loss assets (₹ crore)	1,440	1,404
2.	Gross NPA (%)	6.7	6.0
3.	Net NPA (₹ crore)	6,580	5,579
4.	Net NPA (%)	3.2	2.4
5.	Provision Coverage Ratio (%)	57.4	65.1

Costs and margins of StCBs (%)

S. No.	Particulars	FY 2020-21	FY 2021-22
1	Yield on advances	7.4	7.5
2	Yield on investments	6.6	6.6
3	Yield on assets	6.7	6.6
4	cost of deposits	6	5.3
5	cost of borrowings	5.1	4.7
6	Cost of funds	5	4.5
7	net interest margin	1.7	2.1
8	Miscellaneous income	0.3	0.2
9	cost of management	1	1
10	risk cost	0.6	0.6
11	Return on assets	0.4	0.6



Performance and Financial Health Indicators of DCCBs:

- Owned Funds:** Grew by 8.9% during FY 2021-22, reaching ₹50,946 crore as of 31 March 2022.
- Deposits:** Made up 63.5% of total liabilities, growing by 8.1% during FY 2021-22 to ₹4.1 lakh crore.
- Agricultural Loans:** Increased from 53.4% of the total loan portfolio on 31 March 2021 to 55.5% on 31 March 2022, with 77.3% of the total loan portfolio and 96.7% of the agri-loan portfolio directed toward credit societies.

Health Indicators of DCCBs

Health Indicator	Size	% Change (YOY)
BS (size)	₹6.5 lakh crore	10.3%
NP	₹1,358 crore	-4.5%
Borrowings	₹1.3 lakh crore	18.9%
Gross loans	₹3.4 lakh crore	10.3%
CRAR	-	Increased marginally (12.1% in FY 2020-21 to 12.2% in FY 2021-22)
GNPA	-	Declined steadily (11.4% in FY 2020-21 to 10.8% in FY 2021-22)
PCR	-	Increased (65.4% in FY 2020-21 to 70.7% in FY 2021-22)
NIM	2.4% (FY 2021-22)	12 bps improvement over FY 2020-21

Consolidated balance sheet of DCCBs

LIABILITIES

Parameter	31 March 2021		31 March 2022		YOY Variation FY 2020-21	YOY Variation FY 2021-22
	(₹ crore)	%	(₹ crore)	%		
1. Capital	22,391	3.8	24,472	3.8	7.1	9.3
2. Reserves	24,381	4.1	26,474	4.1	9.2	8.6
3. Deposits	3,81,825	64.8	4,12,573	63.5	10.5	8.1
4. Borrowings	1,08,077	18.4	1,28,524	19.8	10.9	18.9
5. Other liabilities	52,239	8.9	57,504	8.9	5.3	10.1
Total liabilities	5,88,914	100	6,49,546	100	9.9	10.3

ASSETS

Parameter	31 March 2021		31 March 2022		YOY Variation FY 2020-21	YOY Variation FY 2021-22
	(₹ crore)	%	(₹ crore)	%		
1. Cash and bank balances	26,973	4.6	32,107	4.9	15.2	19.0
2. Investments	2,11,380	35.9	2,35,913	36.3	13.2	11.6
3. Loans and advances	3,04,990	51.7	3,36,546	51.8	9.2	10.3
4. Accumulated losses	7,046	1.1	7,753	1.2	4.8	10.0
5. Other assets	38,525	6.4	37,226	5.7	-3.3	-3.4
Total assets	5,88,914	100	6,49,546	100	9.9	10.3

Profitability of DCCBs

S. No.	Particulars	FY 2020-21	FY 2021-22
1	Total DCCBs	351	351
2	No. of banks in profit	308	302
3	Profit (₹ crore)	2091	2354
4	No. of banks in loss	43	49
5	Loss (₹ crore)	669	996
6	Net profit/loss (₹ crore)	1422	1358
7	No. of DCCBs with accumulated losses	100	97
8	Accumulated losses (₹ crore)	7046	7753



Asset quality of DCCBs

S. No.	Particulars	March 2021	March 2022
1.	Gross NPA (₹ crore)	34,761	36,330
a.	Sub-standard assets (₹ crore)	13,940	13,418
b.	Doubtful assets (₹ crore)	18,367	20,292
c.	Loss assets (₹ crore)	2,455	2,620
2.	Gross NPA (%)	11.4	10.8
3.	Net NPA (₹ crore)	14,026	13,945
4.	Net NPA (%)	5.0	4.5
5.	Provision Coverage Ratio (%)	65.4	70.7

Costs and margins of DCCBs (%)

S. No.	Particulars	FY 2020-21	FY 2021-22
1	Yield on advances	8.4	8.2
2	Yield on investments	6.3	6
3	Yield on assets	7	6.7
4	cost of deposits	5.5	5
5	cost of borrowings	5.6	5.5
6	Cost of funds	4.6	4.3
7	net interest margin	2.3	2.4
8	Miscellaneous income	0.3	0.3
9	cost of management	1.7	1.7
10	risk cost	0.7	0.8
11	Return on assets	0.3	0.2

Total recapitalisation assistance sanctioned to DCCBs in four states

State/ Union Territory	No. of DCCBs	Assistance (₹crore)			
		Total	GOI share	State share	State share (2)
Uttar Pradesh	16	1,639.7	401.2	1,074.6	164.0
Maharashtra	3	379.7	129.7	212.0	38.0
Jammu and Kashmir	3	278.0	111.2	139.0	27.8
West Bengal	1	78.0	31.2	39.0	7.8
Total	23	2,375.4	673.3	1,464.6	237.6

Notes :

State share (2) is the contribution of the state government by availing loan from NABARD under Section 27 of NABARD Act to subscribe to the share capital of cooperatives.

8.1.2 Long-Term Cooperatives

The Long-Term Cooperative Credit Structure (LTCCS) includes State Cooperative Agriculture and Rural Development Banks (SCARDBs) and Primary Cooperative Agriculture and Rural Development Banks (PCARDBs) at the district or taluka level in some states. LTCCS operates with functional SCARDBs in 13 states and Union Territories.

Due to regulatory restrictions, ARDBs cannot raise deposits repayable on demand from public, making them heavily reliant on borrowed funds.

During FY 2021-22:

- SCARDBs:
 - Deposits decreased by 10.9%.
 - Loans outstanding saw a marginal growth of 1.5%, attributed to an increase in owned funds and borrowings.
 - Net profit fell to ₹78 crore from ₹164 crore in FY 2020-21

- PCARDBs:

- They rely more heavily on borrowings and owned funds than SCARDBs.
- Total business stood at ₹17,937 crore as of 31 March 2022, witnessing a marginal growth of 1.4% during FY 2021-22.

Performance of SCARDBs in FY 2021-22 and FY 2020-21

Parameter	SCARDBs	
	31 March 2021	31 March 2022
1. No. of banks	13	13
2. No. of banks for which data is available	13	13
3. Share capital (₹ crore)	949	967
4. Reserves (₹ crore)	5,115	5,347
5. Deposits (₹ crore)	2,530	2,253
6. Borrowings (₹ crore)	13,293	13,409
7. Loans outstanding (₹ crore)	20,948	21,261
8. Investments (₹ crore)	2,272	2,357
Total assets/liabilities (₹ crore)	27,274	28,097
9. No. of banks in profit	10	10
10. Amount of profit (₹ crore)	179	150
11. No. of banks in losses	3	3
12. Amount of loss (₹ crore)	15	72
13. Net profit/loss (₹ crore)	164	78
14. Gross non-performing assets (GNPA) (₹ crore)	6,941	7,521
15. GNPA (%)	33.1	35.4

Performance of PCARDBs in FY 2021-22 and FY 2020-21

Parameter	PCARDBs	
	31 March 2021	31 March 2022
1. No. of banks	603	604
2. No. of banks for which data is available	603	598
3. Share capital (₹ crore)	4,362	4,352
4. Reserves (₹ crore)	3,045	3,775
5. Deposits (₹ crore)	1,571	1,674
6. Borrowings (₹ crore)	17,046	16,917
7. Loans outstanding (₹ crore)	16,117	16,263
8. Investments (₹ crore)	2,668	2,286
Total assets/liabilities (₹ crore)	32,734	33,030
9. No. of banks in profit	307	222
10. Amount of profit (₹ crore)	165	102
11. No. of banks in losses	296	376
12. Amount of loss (₹ crore)	650	620
13. Net profit/loss (₹ crore)	-484	-518
14. Gross non-performing assets (GNPA) (₹ crore)	6,818	7,172
15. GNPA (%)	42.3	44.1

8.1.3 Important Developments in Rural Cooperative Credit Structure

In FY 2021-22, the Government of India established a separate ministry dedicated to cooperatives, aiming to achieve the vision of "Sahakar se Samriddhi" (Cooperation for Prosperity). To strengthen the cooperative movement across the country, the government, in collaboration with various stakeholders, has undertaken several key initiatives, particularly focusing on rural cooperative credit institutions.



Scheme for the computerization of PACS

On 29 June 2022, the Cabinet Committee on Economic Affairs approved a scheme for the computerisation of Primary Agricultural Credit Societies (PACS). This initiative aims to standardize business processes, enhance operational efficiency, reduce delays in loan sanctioning, and enable PACS to offer a broader range of services. The scheme is designed to increase transparency and accountability, facilitate timely decision-making, and improve the profitability and sustainability of PACS.

Computerization of primary agricultural credit societies

This centrally sponsored project proposes computerisation of 63,000 functional PACS over a period of 5 years with a total budget of ₹2,516 crore with ₹1,528 crore contributed by the Government of India (GOI), ₹736 crore by state governments, and ₹252 crore by NABARD, which is the national project implementation agency appointed by the Ministry of Cooperation, GOI.

Under the project, a common National Level PACS Software (NLPS) is being developed along with cybersecurity features and cloud-based data storage. It also includes hardware support to the PACS, digitalisation of existing records, maintenance support, and training.

The NLPS will also be available in vernacular languages to meet state-specific requirements. The NLPS is an enterprise resource planning solution which will cater to all PACS business needs including credit- and deposit-related operations, common accounting system, management information system, audit sales, inventory, purchasing, operations, elections, membership, procurement, land records, etc.

With the operationalisation of NLPS, PACS will be able to integrate with the state and national level portal, concerned DCCB or StCB (in case of the two-tier cooperative structure), and extend benefits to members. Integrating NLPS with national portals like Unique Identification Authority of India, National Payments Corporation of India, National Agricultural Market, Public Financial Management System, Jan Samarth, etc., will provide immense benefits to PACS members in terms of faster credit dispensation, direct benefit transfer, faster 'know your customer' updates, anywhere banking, access to e-commerce services, and direct access to government subsidy schemes.

Committee on the National Policy on Cooperation

A national-level committee was established on 2 September 2022, chaired by Suresh Prabhakar Prabhu, to formulate a new National Cooperation Policy aimed at realizing the vision of "Sahakar se Samriddhi" (Cooperation for Prosperity), strengthening the cooperative movement, and promoting a cooperative-based economic development model.

Model Byelaws for PACS

The Government of India (GOI) prepared and circulated model byelaws for Primary Agricultural Credit Societies (PACS) to states for adoption. These byelaws enable PACS to become multipurpose business entities, engaging in over 25 business activities such as dairy, fishery, and energy distribution. The byelaws aim to bring professionalism, transparency, and accountability to PACS operations, with many PACS adopting them for financial revival.

PACS as Common Service Centres (CSCs)

An agreement was signed between the Ministry of Cooperation, the Ministry of Electronics and Information Technology, NABARD, and CSC e-Governance Services India Limited to transform PACS into CSCs. This transformation aims to provide e-services at the village level, improve PACS viability, and generate employment.

National Cooperatives Database

The Ministry of Cooperation has initiated the creation of a comprehensive database of cooperatives in the country. This database will offer single-point access to information on cooperatives across various sectors, aiding in the planning and implementation of cooperative policies.

Central Plan for Strengthening Cooperatives

The Union Cabinet approved a central plan to establish viable PACS in uncovered panchayats, dairy cooperatives in uncovered villages, and fishery cooperatives in coastal or water-rich areas. The plan also includes strengthening existing cooperatives by converging various government schemes under a "whole-of-government" approach.

Study on ARDBs Reforms

The Ministry of Cooperation requested NABARD to conduct a study on reforms, restructuring, and innovations in Agricultural and Rural Development Banks (ARDBs). NABARD engaged NABCONS to conduct the study, providing necessary data and support.

Recapitalization Assistance to DCCBs in Jammu & Kashmir

Under the GOI's 2014 "Scheme for Revival of 23 Unlicensed DCCBs," NABARD released the full share of recapitalization assistance for three District Central Cooperative Banks (DCCBs) in Jammu & Kashmir on 30 March 2022, following the release of the Union Territory's share.



Institution	State share released in March 2022 (in tranches)	Central share released by NABARD on 30 March 2022
Anantnag Central Cooperative Bank	88.1	32.2
Baramulla Central Cooperative Bank	56.4	10.1
Jammu Central Cooperative Bank	111.3	68.9
Total	255.7	111.2

Enhancement in individual housing loan limits and permission to finance commercial real estate

On 8 June 2022, the Reserve Bank of India (RBI) issued a notification increasing the individual housing loan limits that State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs) can extend.

Additionally, the RBI permitted these banks to finance commercial real estate and residential housing projects, provided these activities remain within the existing aggregate housing finance limit of 5% of their total assets.

Revised limits of individual housing loans extended by StCBs and DCCBs

Bank category	Limit in ₹ lakh per individual borrower	
	Initial	Revised
StCBs/DCC Bs with assessed net worth less than ₹100 crore	20	50
StCBs/DCC Bs with assessed net worth equal to or more than ₹100 crore	30	75

Issue and regulation of share capital and securities for StCBs and DCCBs

The Banking Regulation (Amendment) Act, 2020, became applicable to State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs) from 1 April 2021.

Following these amendments, the Reserve Bank of India (RBI) reviewed and revised the guidelines for Regional Cooperative Banks (RCBs) on capital funds, issuing new guidelines on 19 April 2022.

Under these revised guidelines, RCBs are now permitted to issue specific instruments to enhance their capital:

Preference Shares:

- Perpetual non-cumulative preference shares eligible for inclusion in Tier I capital.
- Perpetual cumulative preference shares eligible for inclusion in Tier II capital.
- Redeemable non-cumulative preference shares eligible for inclusion in Tier II capital.
- Redeemable cumulative preference shares eligible for inclusion in Tier II capital.

Debt Instruments:

- Perpetual debt instruments eligible for inclusion in Tier I capital.
- Long-term subordinated bonds eligible for inclusion in Tier II capital.

Additionally, the RBI has outlined conditions under which RCBs may refund share capital to eligible persons

COOPERATIVE DEVELOPMENT FUND

Cooperative Development Fund (CDF) was created in FY1993 with a corpus of ₹10 crore from the profit of NABARD.

Performance of CDF as on 31 March 2023

- Cumulative contribution : ₹483.6 crore
- Disbursement increased : ₹30.5 crore (FY 2021-22) to ₹33.6 crore (FY 2022-23)
- BDPICs sanctioned in FY 2022-23 : 7
- Outlay : ₹5.8 crore
- Grant : ₹4.6 crore
- BDPICs in operation : 211
- Cumulative grant sanction : ₹13.9 crore



Note:

BDPIC = Business Diversification and Product Innovation Cell

Disbursement from CDF by purpose in FY 2022-23

Purpose	Beneficiary Agency	Disbursement (₹ lakh)
Scheme of Financial Assistance for Training of Cooperative Banks Personnel	CTIs	1,561.6
Infrastructure support	PACS	273.3
PACS Development Cell	DCCBs/StCBs	6.7
Training conducted by BIRD	BIRD (Lucknow, Mangaluru, Kolkata)	395.1
Exposure visits	StCB/DCCB/PACS	94.9
Conference/seminar/workshop	NABARD/StCB/ DCCB	22.2
Organisational Development Initiative	DCCBs	7.4
Comprehensive support plan for NER states	StCBs	197.2
PACS computerisation	StCBs/DCCBs	3.2
Business Diversification & Product Innovation Cells	StCBs	115.0
Others	C-PEC, PACS as MSC, etc.	532.2
Other interventions	BIRD	154.6
Total		3,363.3

Note: BIRD = Bankers Institute of Rural Development, C-PEC = Centre for Professional Excellence in Cooperatives, CTI = Cooperative Training Institute, DCCB = District Central Cooperative Bank, MSC = Multi-Service Centre, NER = North-East Region

8.2 Regional Rural Banks (RRBs)

RRBs are a distinct category of Rural Financial Institutions (RFIs) designed to advance financial inclusion.

As of 31 March 2022, there were 43 RRBs with 21,892 branches across 26 states and 3 Union Territories, managing 29.7 crore deposit accounts and 2.7 crore loan accounts. Notably, 92% of RRB branches are in rural or semi-urban areas. FY 2022-23 saw a significant recapitalisation with ₹10,890 crore infused into RRBs, including ₹5,445 crore from the Government of India, aimed at revitalizing RRBs as sustainable financial institutions.

8.2.1 Performance and financial health indicators of RRBs

Regional Rural Banks (RRBs) maintain a significant share of current account and savings account (CASA) deposits at 54.5%, which is higher than all other Scheduled Commercial Banks (SCBs) categories.

With 90% of their gross loans directed toward priority sectors, RRBs contribute substantially to inclusive nation-building. NABARD continues to provide guidance and technical support, helping eight of 23 "RRBs in focus" to improve their performance, although Himachal Pradesh Gramin Bank was added to the list in FY 2021-22 based on its audited financial position.

Performance of RRBs - consolidated as on 31 March 2022

Health Indicator	Size	% Change (YOY)
BS (size)	₹7.1 lakh crore	8.3%
NP	₹3,219 crore	91%
Borrowings	₹73,881 crore	8.9%
Loans and advances	₹3.4 lakh crore	8.7%
CRAR	-	Increased (10.2% in FY 2020-21 to 12.7% in FY 2021-22)
GNPA	-	Declined (9.4% in FY 2020-21 to 9.1% in FY 2021-22)
ROA	-	Increased (0.3% in FY 2020-21 to 0.5% in FY 2021-22) (Highest in 5 years)
NIM	-	Increased marginally (3.4% in FY 2020-21 to 3.5% in FY 2021-22)



Consolidated balance sheet of RRBs

LIABILITIES

Parameter	31 March 2021		31 March 2022		YOY Variation	YOY Variation
	(₹ crore)	%	(₹ crore)	%	FY 2020-21	FY 2021-22
1. Share capital	8,393	1.4	14,880	2.1	6.9	77.3
2. Reserves	30,348	4.9	34,359	4.9	13.2	13.2
3. Deposits	525,226	85.3	562,538	79.7	9.7	7.1
4. Borrowings	67,864	11	73,881	10.5	24.8	8.9
5. Other liabilities	19,754	3.2	19,742	2.8	-2.3	-0.1
Total liabilities	615,585	100	705,400	100	10.8	8.3

ASSETS

Parameter	31 March 2021		31 March 2022		YOY Variation	YOY Variation
	(₹ crore)	%	(₹ crore)	%	FY 2020-21	FY 2021-22
6. Cash in hand	2,954	0.5	3,119	0.4	3.3	5.6
7. Balances with RBI	18,947	3.1	22,174	3.1	13.2	17
8. Balances in current account	5,987	1	8,127	1.2	-21.4	35.8
9. Investments	275,658	44.8	295,665	41.9	9.9	7.3
10. Loans and advances (net)	315,181	51.2	342,479	48.6	12.5	8.7
11. Fixed assets	1,229	0.2	1,256	0.2	0.5	2.2
12. Other assets	31,629	5.1	32,580	4.6	11	3.4
a) Accumulated losses (within 'Other assets')	8264	1.3	9062	1.3	27.8	9.7
Total assets	615,585	100	705,400	100	10.8	8.3

Income and expenditure statement of RRBs

S.No.	Parameter	Amount in ₹ crore		YOY Variation in %	
		FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22
1.	Income (a+b)	53,858	56,585	8.9	5.1
a)	Interest income	46,803	48,048	7.1	2.7
b)	Other income	7,055	8,537	22.6	21.0
2.	Expenditure (a+b+c)	52,176	53,367	1.0	2.3
a)	Interest expended	25,588	24,817	-1.5	-3.0
b)	Operating expenses (of which) wage bill	20,201	21,295	0.6	5.4
c)	Provisions and contingencies (of which) income tax	15,799	16,338	7.8	3.4
3.	Operating profit	7,872	10,337	164.9	31.3
4.	Net profit	1,682	3,219	—	—
5.	Return on assets (%)	0.3	0.5	—	—
6.	Cost to income ratio (%)	71	67	—	—

Profitability of RRBs

S. No.	Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
1	Profit (₹ crore)	1527	2165	3550	4116
2	Loss (₹ crore)	2179	4373	1867	897
3	Net profit/loss (₹ crore)	-652	-2208	1682	3219
4	No. of RRBs in profit	30	25	30	34
5	No. of RRBs in loss	13	18	13	9



Status of non-performing assets in RRBs

S. No.	Parameters	31 March 2020	31 March 2021	31 March 2022
1.	Gross NPA (₹ crore)	31,106	31,381	33,190
2.	Loans outstanding (₹ crore)	2,98,214	3,34,171	3,62,838
3.	Net NPA (₹ crore)	16,331	15,094	16,024
4.	GNPA (%)	10.4	9.4	9.1
5.	Net NPA (%)	5.8	4.8	4.7
6.	Provision coverage ratio (%)	47	51	52

Costs and margins of RRBs (%)

S. No.	Parameters	31 March 2020	31 March 2021	31 March 2022
1	Net interest margin	3.2	3.4	3.5
2	Miscellaneous income	1	1.1	1.3
3	Cost of management	3.6	3.3	3.2
4	Risk cost	1	1	1.1
5	Return on assets	-0.4	0.3	0.5

8.2.2 Important developments for RRBs

In FY 2021-22, several key developments occurred for Regional Rural Banks (RRBs) to enhance their operational efficiency and governance:

- **Recapitalisation and Governance Reforms:** The Union Finance Minister urged all RRB chairpersons to adopt board-approved viability plans with SMART indicators, ensuring optimal use of recapitalisation funds.
- **Performance Monitoring:** A comprehensive monitoring dashboard, RRB-Darpan, was developed by the Department of Financial Services and NABARD to track over 130 metrics for RRBs, aiding in the evaluation of their viability plans.
- **Resource Mobilization:** RRBs meeting certain criteria were allowed to access capital markets for raising resources, with sponsor banks tasked with identifying eligible RRBs.
- **Digital Banking:** The RBI relaxed eligibility criteria, enabling RRBs to offer internet banking services to promote digital banking in rural areas.
- **Committee Formations:** The government constituted three committees under the leadership of Shaji K. V. to address:
 - Recruitment, promotion, and outsourcing in RRBs and appointment of chairpersons and officers of sponsor banks on deputation to RRBs.
 - Bifurcation of Andhra Pradesh Grameena Vikas Bank's assets and liabilities between Andhra Pradesh and Telangana.
 - revision in risk weights of RRBs and the determination of the pros and cons of bringing stronger RRBs under Basel III norms.

8.3 Towards stronger and smarter RFIs

To strengthen and modernize Rural Financial Institutions (RFIs), there is a growing need for collaboration with fintech, advisory, and other key players. RFIs should focus on establishing branches in underserved areas, adopting digital tools, and expanding their reach and services to rural communities.

Effective risk management is crucial for long-term sustainability, requiring policy direction, training, and process improvements supported by regulators and governments. NABARD is also working on developing a corporate governance index for cooperative banks and enhancing the capacity of RFIs through initiatives like training at the Bankers Institute of Rural Development (BIRD).



Chapter 9: People-Processes and Policies

NABARD has continually evolved to meet the needs of rural India by focusing on human resource development. The organization has upheld high standards in management, transparency, and accountability, supported by expert inputs. This focus on human capital has allowed NABARD to become a knowledge-driven institution with robust systems and a commitment to the well-being of its people.

9.1 Nurturing and Supporting Our People

Human resource management is crucial for NABARD's success, focusing on placing the right people in appropriate roles and enhancing their skills. The organization's achievements are attributed to the dedication and expertise of its employees.

9.1.1 Staff Composition

NABARD has a workforce of 3,205 employees, adhering strictly to the Government of India's reservation norms. In FY 2022-23, the organization recruited 159 officers, promoted 341 officers to higher grades, and advanced 63 Group B employees and private secretaries to assistant managers.

Staff composition as on 31 March 2023

Group	Total	General	OBC	SC	ST	EWS	PWD	ExS
A	2,344	1,148	560	375	205	56	60	38
B	530	302	96	78	52	2	17	25
C	331	127	49	105	49	1	21	18
TOTAL	3,205	1,577	705	558	306	59	98	81

Note:

EWS = Economically Weaker Section, ExS = Ex-Servicemen, OBC = Other Backward Classes, PWD = Person with Disability, SC = Scheduled Caste, ST = Scheduled Tribe.

9.1.2 Training and Development

NABARD emphasizes upskilling both its staff and those from client institutions through training programs. The National Bank Staff College (NBSC) and Bankers Institutes of Rural Development (BIRD) are dedicated to this cause.

In FY 2022-23, NBSC conducted 94 programs for 2,248 participants, introducing blended-learning programs combining e-learning, case studies, and exposure visits.

The organization has also enhanced its e-learning platform, adapting to challenges posed by the pandemic. NABARD has strengthened its partnerships with institutions and industry experts, enriching its training programs with guest lectures, panel discussions, and knowledge-sharing sessions.

Training programs conducted by NABARD in FY 2022-23

- Agri start-ups
- Bank supervision
- Training Principal Inspecting Officer (PIOs)/ Associate Inspecting Officer (AIOs) on SuperSoft and ENSURE (Electronic Submission of Returns)
- Conducting effective inspection under Core Banking Solutions (CBS)
- Enhanced Capital Adequacy, Asset Quality, Management, Earnings, Liquidity, Systems and Compliance (CAMELSC)
- Executive development programs for women officers
- Digital agriculture
- Use of Internet of Things (IoT) and innovative agriculture



Training programmes conducted with various partner institutions

- International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), Hyderabad:
Focus: Digital agriculture, use of Internet of Things (IoT), innovative agriculture, hi-tech agriculture
- National Commodity & Derivatives Exchange Limited (NCDEX):
Focus: Commodity trading
- State Bank Institute of Innovation and Technology (SBIIT), Hyderabad:
Focus: Inspection under Core Banking Solutions (CBS) environment, use of advanced MS Excel
- Xavier School of Management (XLRI), Jamshedpur:
Focus: Effective leadership skills
- Pegasus:
Focus: Out-bound learning programs for officers
- The Energy and Resources Institute (TERI), Gram, Gurugram:
Focus: Climate financing opportunities and risks
- National Stock Exchange (NSE) Academy, Mumbai:
Focus: Analysis of financial statements
- National Institute of Bank Management (NIBM), Pune:
Focus: Financing renewable energy in agricultural infrastructure projects
- Indian Institute of Management (IIM), Udaipur:
Focus: Executive development program for women officers

Training outputs in FY 2022-23

Category	Programmes	Participants	Training Establishment/Particulars
For NABARD staff	94	2,248	- NBSC, Lucknow
	10	531	- BIRD, Lucknow
	13	344	- BIRD, Mangaluru
	1	29	- BIRD, Kolkata
	12	26	- Foreign exposure programmes
	130	3,178	
For client institutions	245	7,006	- BIRD, Lucknow
	101	4,674	- BIRD, Kolkata
	88	2,452	- BIRD, Mangaluru
	434	14,132	
Other training programmes	49	105	- Officers deputed to off-the-shelf capacity building programmes
	2	721	- Pre-recruitment training
	6	312	- Pre-promotional training
	57	1,138	

9.1.3 Staff Welfare Initiatives

- 1) **Medical Facility Scheme:** Reviewed and revised to reflect the latest medical treatments and associated expenses for officers and Group B and C staff.
- 2) **Scholarships:** Awarded to employees' wards under the Bharat Ratna Dr. Babasaheb Ambedkar Centenary Year Scheme and NABARD Silver Jubilee Year Scholarship Scheme.



- 3) **Insurance Policies:** Various insurance policies were renewed, including:
- Group Housing Loan Insurance
 - Group Motor Vehicle Insurance
 - Group Medidclaim Policy for retirees
 - Group Medidclaim Policy for pensioners above 70 years
 - Group Term Insurance Policy (GTIP) for employees joining after 1 August 2013

- 4) **Additional Facilities:**
- A new GTIP for employees who joined before 1 August 2013
 - Life insurance cover for district development managers posted in left-wing extremism-affected districts

9.1.4 Other Human Resource Initiatives

- 1) **Industrial Relations:** Relations between management and employees remained harmonious. A Memorandum of Settlement (MOS) was signed on 21 September 2022, revising pay scales, allowances, and service conditions for a 5-year period from 1 November 2017.
- 2) **Gender Sensitivity:** NABARD has established Central and Regional Complaints Committees at its Head Office and regional offices, respectively, to handle complaints under the Sexual Harassment of Women at Workplace Act, 2013.

9.2 Risk Management and Effective Internal Control

9.2.1 Risk Management Initiatives

NABARD has implemented robust systems and processes to strengthen its risk management frameworks and automate the enterprise risk management system (ERMS) to mitigate enterprise risks. These measures ensure business continuity and maintain regular checks and balances through inspections.

Key initiatives include:

- **Mid-Office Functions:**
 - Regular monitoring of the investment portfolio using risk management tools.
 - Empanelment and revalidation of financial instruments like mutual funds, non-convertible debentures (NCDs), and commercial papers (CPs).
 - Half-yearly reviews of mutual funds and quarterly monitoring of rating migration for NCDs/CPs.
 - Annual empanelment of brokers.
- **New Risk Management Initiatives:**
 - Introduction of long-term and short-term loan products with floating rates.
 - Implementation of a risk-based pricing framework, including category risk and risk rating-based credit risk premiums.
 - Development of a contingency fund plan and liquidity monitoring through stock ratios.
 - Establishment of operational guidelines for the annual review and monitoring of policies.
- **Strengthening of Risk Management Frameworks:** New policies were framed and implemented to comply with Basel III norms.
- **Automation of Risk Management:** The ERMS project includes 22 modules covering credit risk and market risk, which are now used by NABARD offices nationwide.
- **Asset-Liability Committee (ALCO):** The ALCO meets monthly to manage interest rate and liquidity risks, decide on pricing for refinance/direct finance loans, and assess the impact on net interest income. It also monitors market risk and ensures adherence to risk limits set by the Board.
- **Risk Reassessment of Refinance Proposals:** Before sanctioning, refinance proposals from various financial institutions undergo risk reassessment. In FY 2022-23, 46 proposals amounting to ₹93,838 crore were reassessed.
- **Risk Control and Self-Assessment (RCSA):** This exercise identifies inherent risks, assesses control measures, and generates a health index for NABARD's departments and offices.



9.2.2 Internal Inspection

NABARD has strengthened its internal inspection process by adopting a risk-based internal inspection and audit system aimed at creating a risk profile database for all regional offices (ROs) and Head Office (HO) departments. This audit is guided by a risk matrix that assesses key parameters related to credit and control risks.

Key Actions in FY 2022-23:

- Conducted 56 regular inspections across 24 ROs, 23 HO departments, two training establishments, and seven subsidiaries.
- Completed credit audits for 27 high-value loan accounts, each with loans exceeding ₹100 crore.
- Organized capacity-building programs for the concurrent audit cell in ROs, with feedback shared to minimize human errors.

9.3 Towards Greater Transparency and Vigilance

9.3.1 Right to Information Act, 2005 and Redressing Grievances

NABARD continues to promote transparency through proactive disclosures and compliance with statutory obligations under the Right to Information (RTI) Act, 2005. Senior officers at the Head Office (HO), Regional Offices (ROs), and Training Establishments (TEs) serve as central public information officers as required by the Act.

Chief General Manager (CGM) L. Leivang is the Transparency Officer, and CGM Monomoy Mukherjee is the First Appellate Authority.

FY 2022-23 Highlights:

- RTI Applications:
Received 2,155 RTI applications and 154 appeals.
Information was provided for 1,890 applications, and 152 appellate orders were issued.
- Grievance Redressal:
9 grievance redressal applications were received. The grievance redressal committee met 4 times and resolved 15 applications.

9.3.2 NABARD Whistle-Blower Mechanism

NABARD has implemented a Whistle-Blower Mechanism Policy to uphold ethical standards, ensure moral conduct, and foster strong corporate governance.

The policy provides an internal mechanism for staff members to report concerns related to unethical behaviour, suspected fraud, or violations of the bank's code of conduct and Staff Rules (1982). This initiative underscores NABARD's commitment to transparency and accountability in its operations.

9.4 Accelerating Digital Drive and Building Sustainable Digital Infrastructure

NABARD has been proactive in accelerating its digital transformation by strengthening its digital infrastructure and enhancing cybersecurity to mitigate risks and cope with unforeseen challenges in the cyber environment.

9.4.1 Infrastructure and Security

1. **Network Access Control Solution:** Implemented across the organization to ensure endpoint security, policy compliance, and secure internet access for guest users.
2. **Expansion of Data Centre:** Expanded to support hosting new applications efficiently.
3. **Cyber Forensic Lab:** Established at the Head Office to examine and collect data from digital storage devices during cybersecurity incidents.
4. **Hybrid Virtual Conference Project:** Upgraded video conferencing capabilities across Regional Offices (ROs), Training Establishments (TEs), and the Head Office with advanced features like face-voice tracking and touchpad facilities.
5. **Wi-Fi Network:** Installed in the Head Office to provide an additional layer of connectivity.



6. **ISO 27001 Certification:** Initiated the process to obtain ISO 27001 Certification with third-party assistance, focusing on enhancing information security management.

9.4.2 Project Management and Work Process Improvement

1. **Government e-Marketplace (GeM):** Provided support and training for onboarding the GeM portal. Procured goods and services worth approximately ₹27 crore through the portal during FY 2022-23.
2. **Project Management Software:** Piloted management software in select departments at the Head Office to track project milestones and associated tasks.

9.4.3 Applications/Software Development

1. **Centralised Loan Management and Accounting System (CLMAS):** CLMAS, a core banking solution, is undergoing a major overhaul to better manage loans, grants, and financial reporting.
2. **Enterprise Content Management (ECM):** Upgraded to the latest version, allowing efficient document management and processing of cases. Over 14 lakh pages were scanned, and nearly 1.5 lakh cases processed during FY 2022-23.
3. **Human Resource Management System (HRMS-Empower):** New modules introduced for managing arrears, performance appraisals, provident funds, etc.
4. **Safeguarding Against Cyber Threats:** In line with the Government of India's proactive approach, NABARD has enhanced its cybersecurity measures to protect against hacking and other cyber threats.

9.4.4 Data Management and Modernisation of Information Systems

NABARD is developing an enterprise data warehouse to integrate its various existing systems, including the Centralised Loan Management and Accounting System (CLMAS), Electronic Submission of Returns, Fixed Asset Management System, Human Resource Management System (HRMS), Treasury and Asset Liability Management System, Enterprise Risk Management System (ERMS), Rural Infrastructure Development Fund (RIDF) portal, and more.

This data warehouse will enable seamless interaction between these systems, facilitating the creation of operational dashboards, management information systems, analytics, and business intelligence at the policy level. The project, initiated in FY 2022-23 with Hewlett Packard Enterprises and Grant Thornton Bharat as technical partners, is designed to cater to the data needs of the rural ecosystem by incorporating data from both internal and external sources.

9.5 Promotion of Rajbhasha

NABARD complied with the Official Languages Act, 1963, and the Official Languages Rules, 1976, during FY 2022-23, striving to increase the use of Hindi in its operations.

Efforts were made to meet the targets set by the Annual Programme 2022–23 issued by the Government of India.

The organization focused on capacity building by conducting *Parangat* classes in Hindi to enhance the proficiency of officers and employees in using the language for official correspondence. Additionally, Rajbhasha inspections were completed for seven Head Office departments, eight Regional Offices, and one Training Establishment.

9.6 Marketing and Communication

In FY 2022-23, NABARD expanded its outreach through various corporate communication strategies, including films, publications, advertisements, sponsorships, social media, awards, and its in-house journal. Over 200 events under *Azadi Ka Amrit Mahotsav* were organized nationwide.

NABARD's YouTube channel, NABARD Online, features more than 300 films on rural issues, with over 52,000 subscribers and four million views as of 31 March 2023.



A notable achievement was the selection of 24 NABARD development films for the Mumbai International Film Festival 2022. Additionally, NABARD's initiatives were featured in *The India Drive*, a coffee table book by the Outlook Group. The organization's official website received a merit award at the Sustainable Development Awards 2022, organized by the Association of Development Financing Institutions in Asia and the Pacific.

9.7 Ensuring transformation through Pragati 1.0

To remain dynamic, progressive, and continue serving as an effective solution provider in rural areas, NABARD has developed its medium-term Strategy Framework for FY 2023-24 – FY 2027-28, titled 'Pragati 1.0, Beyond Tomorrow: NABARD@2028.'

Pragati 1.0, Beyond Tomorrow: NABARD@2028

'Pragati 1.0, Beyond Tomorrow: NABARD@2028' outlines an ambitious yet pragmatic vision for fulfilling NABARD's core functions. The plan aims to embrace change by moving beyond annual planning to a more strategic, people-centric, technological, and remedial approach.

The strategy is built on seven comprehensive visions, 86 strategies, and 386 milestones, each mapped to individual departments with specific timelines. It outlines the strategic focus, areas of engagement, and approaches that need to be re-prioritized over time based on new and emerging requirements. An annual status report will be presented to the Board of Directors to reflect learnings and changes in the ecosystem.

The seven visions encapsulated in the strategic plan are:

- **Vision 1** : Impactful business growth through direct finance, refinance, and related interventions.
- **Vision 2** : Fostering inclusive growth and sustainable development.
- **Vision 3** : Deepening resource mobilization for sustained growth.
- **Vision 4** : Enhancing resilience of rural credit institutions through supervision and institutional development.
- **Vision 5** : Best-in-class and environment-friendly digital as well as physical infrastructure.
- **Vision 6** : Evolving as a robust, dynamic, and ethics-driven institution.
- **Vision 7** : Towards effective internal control and risk management.

Through this vision document, NABARD aims to develop people-centric and innovative solutions that enhance rural credit and promote environmental sustainability, all while adapting to a rapidly changing economic landscape and maintaining a steadfast commitment to rural prosperity.



Chapter 10: Leveraging Finance for Growth

As of 31 March 2023, NABARD, India's largest development financial institution, recorded a balance sheet size exceeding ₹8 lakh crore, reflecting a growth rate of 5.8% despite global inflationary pressures. The financial year was marked by prolonged interest rate hikes by central banks, including the US Federal Reserve, culminating in the failure of midsized banks in the US due to the declining market value of bonds.

10.1 Sources of Funds

NABARD's primary sources of funds during FY 2022-23 included deposits, borrowings from bonds and money markets, along with capital, reserves, and National Rural Credit (NRC) funds.

Market borrowings increased compared to the previous 2021-22, and Rural Infrastructure Development Fund (RIDF) deposits emerged as the single largest source, making up one-fifth of the total resources.

10.1.1 Capital, Reserves, and NRC Funds

As of 31 March 2023, NABARD's paid-up capital increased to ₹17,080 crore, out of an authorised share capital of ₹30,000 crore.

Over the past five years, NABARD's balance sheet has nearly doubled from ₹4.1 lakh crore to ₹8 lakh crore.

While capital, reserves, and NRC funds grew by 52.4% in absolute terms, their share in the total balance sheet slightly decreased, reflecting the diversification of NABARD's funding sources.

During FY 2022-23, NABARD contributed ₹1 crore each to the NRC Long Term Operations (LTO) Fund and the NRC (Stabilisation) Fund, with matching contributions from the Reserve Bank of India (RBI).

10.1.2 Deposits

NABARD utilises the priority sector lending shortfall of commercial banks to augment various funds for different purposes.

As of 31 March 2023, the outstanding deposits for RIDF increased to ₹1,63,069 crore, up from ₹1,47,227 crore in the previous year As of 31 march 2022,

The Warehouse Infrastructure Fund stood at ₹4,050 crore, and the Food Processing Fund (FPF) closed at ₹450 crore.

NABARD mobilised ₹40,329 crore and repaid ₹24,487 crore under RIDF during the year.

While deposits have historically had the largest share in NABARD's balance sheet, their proportion decreased from 51.5% to 34.7% over the last five years due to the growth of other funding components.

10.1.3 Borrowings

NABARD has expanded its resources through various borrowing channels, including bond and money markets, to meet the increasing demand for credit.

The institution has diversified its borrowing avenues over time, incorporating corporate bonds, commercial papers, certificates of deposit, term loans from scheduled commercial banks, and special liquidity facilities from the Reserve Bank of India (RBI).

Borrowings in the Bond Market:

1. Bonds and Debentures:
 - NABARD redeemed corporate bonds worth ₹34,110 crore during FY 2022-23 and issued fresh bonds totaling ₹47,965.8 crore, leading to an outstanding balance of ₹1,21,147.8 crore as of 31 March 2023, marking a 12.9% increase from the previous year.
2. Bonds Raised for Government of India (GOI) Schemes:
 - Long Term Irrigation Fund (LTIF): NABARD borrowed ₹2,228.8 crore via NABARD-serviced bonds in FY 2022-23, raising the outstanding LTIF borrowing to ₹57,667.1 crore, with 66.2% serviced by NABARD and 33.8% by the GOI.



- Pradhan Mantri Awas Yojana–Gramin and Swachh Bharat Mission–Grameen: The outstanding borrowing for these schemes remained at ₹48,810 crore and ₹12,298 crore, respectively, with no new mobilisation during FY 2022-23.

- Micro-Irrigation Fund: NABARD had raised ₹1,755 crore in FY 2020-21 for micro-irrigation projects, but no additional funds were raised in FY 2021-22 or FY 2022-23, leaving the entire amount outstanding as of 31 March 2023.

3. Borrowings in the Money Market:

- NABARD's balance sheet nearly doubled over five years, driven by increased borrowing to support expanded economic activities in agriculture and rural areas. This growth allowed NABARD to deepen its involvement in these sectors, especially during the COVID-19 pandemic, and enhanced its supervision of cooperative structures through digital reporting and monitoring.
- Commercial Papers and Term Loans:
 - NABARD borrowed ₹91,825 crore in commercial papers during FY 2022-23, with an outstanding amount of ₹43,350 crore as of 31 March 2023.
 - ₹37,802.2 crore was borrowed from commercial banks as term loans during the year, resulting in an outstanding balance of ₹77,455 crore (up from ₹70,621 crore in FY 2021-22).
 - Certificates of deposits worth ₹19,825 crore were mobilised in FY 2022-23, with the outstanding amount remaining at ₹19,825 crore as of 31 March 2023.

SHARE OF FUNDS BY SOURCE (%)

Source of Funds	FY 2022-23 (%)	FY 2021-22 (%)
Capital, Reserves, and NRC Funds	5%	4%
Deposits	30%	31%
Borrowings in Bond Market	33%	30%
Borrowings from Money Market	20%	22%
Others (Liabilities and Funds)	10%	10%

The total Sources of Funds amount for FY 2022-23, it was ₹8,01,652 crore, and for FY 2021-22 was ₹7,57,472 crore.

FUNDS BY TYPE OF SOURCE

Category	Component	FY 2022-23 ₹ Crore	FY 2021-22 ₹ Crore
Capital, Reserves, and NRC Funds	Capital, reserves, & surplus	66,766	61,019
	NRC (LTO) & NRC (Stabilisation) Funds	16,102	16,098
	Total	82,868	77,117
Deposits	RIDF deposits	163,069	147,227
	STCRC (Short Term Cooperative Rural Credit) fund	50,432	44,541
	Tea, coffee, & rubber deposits	57	61
	LTRC (Long Term Rural Credit) fund	44,996	44,710
	FPF (Food Processing Fund)	450	310
	ST fund for RRBs	15,047	9,898
	WIF (Warehouse Infrastructure Fund)	4,050	5,380
	Total	278,101	252,127
Borrowings in the bond market	Bonds and debentures	121,148	107,292
	Tax Free Bonds	5,000	5,000
	Bonds for LTIF	57,667	55,438
	Bonds for PMAY G	48,810	48,810
	Bonds for SBM-G	12,298	12,298
	Bonds for MIF	1,755	1,755
	Total	246,678	230,593



Other borrowings	Term loans from banks	77,455	70,621
	Certificates of deposit (discounted value)	18,386	16,184
	Foreign currency loan	910	918
	Commercial papers (discounted value)	42,538	34,552
	Term money borrowings	1,942	1,987
	SLF from RBI	0	22,399
	Borrowings for JNN Solar Mission	3	3
	TREPS & Repo	19,172	16,993
	Borrowings against short-term deposits	3,675	0
	Total	164,081	163,657
Others (liabilities and funds)	Other liabilities	22,107	21,487
	Other funds	7,818	12,491
	Total	29,925	33,978
GRAND TOTAL SOURCES OF FUNDS		801,653	757,472

10.2 Uses of funds

NABARD raised funds during FY 2022-23 to support its development agenda, which included enhancing ground-level credit (GLC) for rural production, infrastructure development, social sector projects, cash and investment management, and asset creation.

NABARD provides loans and advances to rural financial institutions (RFIs), which finance farmers for agricultural operations and investments. Refinance from NABARD also supports working capital for weavers, artisans, and other needs, including converting short-term loans to medium-term in cases of natural calamities. Additionally, NABARD lends directly to district central cooperative banks, aiding in improving GLC and boosting RFI resources for marketing and procurement.

SHARE OF FUNDS BY USE (%)

Source of Funds	FY 2022-23 (%)	FY 2021-22 (%)
Cash and investments	8%	9%
Infrastructure creation loans	31%	30%
Refinance to enhance GLC for rural production and investment	53%	52%
Social sector investments	8%	8%
Fixed assets and other assets	1%	1%

FUNDS BY TYPE OF USE

Category	Component	FY 2022-23 ₹ Crore	FY 2021-22 ₹ Crore
Fixed assets and other assets		5,815	5,575
Cash and investments	Cash and bank balance	16,092	5,791
	Government securities and other investments	48,320	65,834
	Tri-party repo lending	280	0
	TOTAL	64,692	71,625
Refinance to enhance GLC for rural production and investment	Production and marketing credit	1,40,913	1,19,563
	Conversion of production credit into MT loans	0	8
	MT & LT project loans	2,52,039	2,39,122
	Direct refinance to DCCBs	13,956	9,822
	PODF	6	15
	Credit facilities to federations	17,355	22,314
	GCF	373	317
	TOTAL	4,24,642	3,91,161
	RIDF	1,54,070	1,42,526
Infrastructure creation loans	LTIF	53,966	53,283
	DIDF	1,500	925



	WIF	4,091	4,777
	FIDF	562	366
	NIDA	27,890	23,319
	MIF	2,516	2,084
	FPF	422	304
	TOTAL	2,45,017	2,27,584
Social sector investments	PMAY-G	48,819	48,819
	SBM-G	12,298	12,298
	TOTAL	61,117	61,117
Others	Other loans (including JNN Solar Mission)	31	64
	LT non-project loans	338	346
	TOTAL	369	410
	GRAND TOTAL USES OF FUNDS	801,652	757,472

Highlights of deployment of funds and year-on-year growth, as on 31 March 2023, various loans and advances extended by NABARD are:

- **Total Loans and Advances:** NABARD's total loans and advances reached ₹7.3 lakh crore in FY 2022-23, reflecting a growth rate of 7.5% compared to ₹6.8 lakh crore as of 31 March 2022.
- **Grassroots Lending Resources:** The resources available for grassroots lending (including short-term (ST) and short-term other seasonal agricultural operations (ST OSAO) credit) scaled up by 17.9%, with the outstanding amount reaching ₹1,40,913 crore in FY 2022-23, compared to ₹1,19,563 crore in FY 2021-22.
- **ST Lending to Cooperative Banks and Others:** Short-term (ST) loans to State Cooperative Banks (StCBs), Regional Rural Banks (RRBs), and State Cooperative Agriculture and Rural Development Banks (SCARDBs) amounted to ₹49,112 crore, accounting for 76.5% of the total. Within this, RRBs received ₹14,819 crore (23%), and SCARDBs received ₹295 crore (0.5%).
- **ST (OSAO) Distribution:** The short-term (OSAO) amounting to ₹27,259 crore was distributed among StCBs (69.9%), RRBs (30%), and small finance banks (0.2%).
- **Special Liquidity Facility (SLF):** The outstanding SLF stood at ₹72 crore, with Non-Banking Financial Companies (NBFCs) holding a 44% share, while SCARDBs held 56%.
- **Capital Formation and Refinance:** Capital formation at the ground level saw a boost as the outstanding refinance against medium- and long-term investment loans provided by banks reached ₹2,52,039 crore in FY 2022-23, compared to ₹2,39,122 crore as on 31 March 2022. During FY 2022-23, medium-term (MT) and long-term (LT) refinance grew by 5% over FY 2021-22.
- **Direct Lending to District Central Cooperative Banks (DCCBs):** Credit under direct lending to DCCBs grew by 42%, from ₹9,822 crore in FY 2021-22 to ₹13,956 crore in FY 2022-23, despite having the lowest share in assets.
- **Project Loans (MT and LT):** Medium-term (MT) and long-term (LT) project loans had the highest share of 34.4% in total loans. Production and marketing credit accounted for around 19.3%, both reflecting high growth and high share in assets.
- **Federation Credit Facilities:** Credit facilities provided to federations stood at ₹17,355 crore as of 31 March 2023.

The status of infrastructure financing, social sector investments, and surplus fund investments, which together constitute about one-third of NABARD's assets, is presented in table below.

Infrastructure finance as on 31 March 2023

- **Outstanding Loans under RIDF:** The outstanding loans for projects under the Rural Infrastructure Development Fund (RIDF) accounted for one-fifth of NABARD's assets, totalling ₹1,54,070 crore as of 31 March 2023. This represents a growth of 8.1% over the previous year (31 March 2022).



- **NIDA Loans:** Loans under the NABARD Infrastructure Development Assistance (NIDA) scheme amounted to ₹27,890 crore in FY 2022-23, showing a year-on-year growth of 20% compared to ₹23,319 crore in FY 2021-22.
- **LTIF Loans:** The Long-Term Irrigation Fund (LTIF) loans stood at ₹53,966 crore as of 31 March 2023.
- **Other Infrastructure Loans:** Other infrastructure loans totalled ₹8,669 crore as of 31 March 2023. These loans recorded a growth of 6.3% from the previous FY 2021-22. These includes:
 - Warehouse Infrastructure Fund (WIF): ₹4,091 crore
 - Dairy Processing and Infrastructure Development Fund (DIDF): ₹1,500 crore
 - Micro-Irrigation Fund (MIF): ₹2,516 crore
 - Fisheries and Aquaculture Infrastructure Development Fund (FIDF): ₹562 crore

SOCIAL SECTOR INVESTMENTS as on 31 March 2023

- **PMAY-G Loans:** NABARD's portfolio includes outstanding loans of ₹48,819 crore under the Pradhan Mantri Awas Yojana–Gramin (PMAY-G), extended to the National Rural Infrastructure Development Agency (NRIDA). These loans represent 6.7% of NABARD's total assets.
- **SBM-G Exposure:** NABARD has an exposure of ₹12,298 crore under the Swachh Bharat Mission–Grameen (SBM-G).

INVESTMENT OF SURPLUS FUNDS as on 31 March 2023

- Total Surplus Funds:
As of 31 March 2023, NABARD's short-term surplus funds deployed in various financial instruments, including bank deposits, totaled ₹56,101 crore. This accounts for 7% of NABARD's balance sheet.
- Deployment in Government Securities:
A significant portion, 86.1%, of the surplus funds was deployed in government securities and other financial instruments.
- Bank Deposits for Liquidity:
₹7,781 crore was kept in the form of short-term bank deposits to meet liquidity and contingency requirements.

10.3 Income and expenditure

- **Total Income:** NABARD earned ₹39,331 crore in income during FY 2022-23, marking a 7% increase over FY 2021-22.
- **Profit Before Tax:** The profit before tax for FY 2022-23 was ₹6,555 crore, slightly lower than ₹6,693 crore in FY 2021-22.
- **Profit After Tax:** The profit after tax stood at ₹5,360 crore, an increase from ₹5,082 crore in FY 2021-22.
- **Net Surplus Appropriation:** The net surplus has been allocated to various funds maintained by NABARD, including the Research & Development Fund, Reserve Funds, NRC (Long-Term Operations) Fund, and NRC (Stabilisation) Fund

Income analysis

Category	FY 2022-23	FY 2021-22	FY 2020-21
Gross Income (₹ crore)	39,331	36,761	34,671
Profit After Tax (₹ crore)	5,360	5,082	4,320
Capital to Risk-weighted Assets Ratio (%)	16.6	16.1	18.8
Business per Employee (₹ crore)	114	119.1	103
Net Profit per Employee (₹ crore)	1.7	1.6	1.3



10.4 NABARD's stakes in other companies

10.4.1 Investment in NABARD's Subsidiaries

As of 31 March 2023, NABARD had seven subsidiaries, including three non-banking financial companies.

During FY 2022-23, NABARD increased its investment in these subsidiaries by contributing ₹45 crore to NABFOUNDATION, raising the total investment in the share capital to ₹604.7 crore as on 31 March 2023 from ₹559.6 crore as on 31 March 2022.

The dividends received during FY 2022-23:

- ₹6.5 crore from NABKISAN
- ₹2.3 crore from NABSAMRUDDHI
- ₹0.1 crore from NABCONS

Subsidiaries and NABARD investments in its Subsidiaries

Entity	Year of Inception	Share Capital (₹ crore)	Shareholding of NABARD (%)	Investment by NABARD (₹ crore)
NABCONS	2003	5.0	100.0	5.0
NABFINS	1997	161.7	63.1	102.0
Nabkisan Finance Ltd.	1997	171.5	87.8	227.6
NABSamruddhi	1997	123.8	91.1	145.1
NABVENTURES	2018	25.0	100.0	25.0
NABFOUNDATION	2019	50.0	100.0	50.0
NAB Sanrakshan	2020	50.0	100.0	50.0

10.4.2 Strategic Investments and Returns

By 31 March 2023, NABARD had invested ₹1,076.3 crore in 10 companies within the agriculture and rural development sector.

From these investments, NABARD earned ₹21.5 crore in dividends, with significant contributions from the Small Industries Development Bank of India (₹8 crore) and the Agriculture Insurance Company of India Limited (₹12 crore).

S.No.	Company	Year of investment	NABARD's investment (₹ crore)	Stake (%)	Dividend (₹ crore)	Dividend (%)
1.	AFC India Ltd.	FY2000	1.0	6.7	-	-
2.	Agriculture Insurance Company of India Ltd.	FY2004	60.0	30.0	12.0	20
3.	Small Industries Development Bank of India*	FY2003 & FY 2017-18	966.3	9.4	8.0	15
4.	National Commodity and Derivatives Exchange Ltd.*	FY2004	16.9	11.1	0.3	5
5.	Multi Commodity Exchange of India Ltd.	FY2006	0.3	0.7	0.7	174
6.	CSC e-Governance Services India Ltd.*	FY 2015-16	9.8	9.4	0.3	6
7.	National E-Governance Services Ltd.	FY 2016-17	1.5	2.0	0.2	10
8.	Agriculture Skill Council of India	FY 2016-17	-	4.0	-	-
9.	National E-Repository Ltd.	FY 2017-18	10.5	13.0	-	-
10.	Open Network for Digital Commerce	FY 2021-22	10.0	6.4	-	-
TOTAL			1,076.3		21.5	

*Figures include premium.



10.4.3 Investing in Alternative Investment Funds

NABARD has committed to investing in SEBI-registered alternative investment funds (AIFs) to promote entrepreneurship and sustainable income-generating activities in the agricultural and rural sectors.

As of 31 March 2023, NABARD had committed ₹634 crore, of which ₹491.8 crore had been disbursed.

Additionally, NABARD organized a seminar in December 2022 to address challenges and opportunities for agri-start-ups, bringing together various stakeholders in the industry.

As of FY 2022-23, NABARD committed a total of ₹78 crore to three specific funds:

- ₹25 crore to IvyCap Ventures Trust Fund III,
- ₹3 crore to Caspian Leap for Agriculture Fund, and
- ₹50 crore to JM Financial India Growth Fund III.

During FY 2022-23, NABARD disbursed ₹45.3 crore.

The total cumulative disbursement by 31 March 2023 amounted to ₹491.8 crore.

Cumulative commitment:

By 31 March 2023: ₹634 crore across 25 funds

By 31 March 2022: ₹528 crore across 22 funds.

Paid back : ₹170.4 crore
Capital gain : ₹47.7 crore
Dividend : ₹1.8 crore

INVESTMENTS IN VENTURE CAPITAL FUNDS

Fund	Committed ₹ in crore	Disbursed ₹ in crore	Outstanding ₹ in crore
Aavishkaar Bharat Fund	25.0	24.4	21.5
Ankur Capital Fund I	10.0	7.5	7.5
APIDC-Biotechnology Venture Fund	5.0	5.0	4.8
APIDC-Ventureast Life Fund-III	17.4	18.6	10.6
Caspian Leap for Agriculture Fund	3.0	0.0	0.0
Golden Gujarat Growth Fund	10.0	10.0	5.9
GVFL Startup Fund	10.0	8.3	8.2
IFMR FlImpact Long Term Fund	10.0	10.0	10.0
India Advantage Fund	10.0	12.4	6.4
India Opportunities Fund	20.0	18.4	0.0
IndiaNivesh Growth and Special Situations Fund	5.0	5.0	3.7
Ivycap Ventures Trust Fund I	20.0	20.0	9.4
Ivycap Ventures Trust Fund II	10.0	10.0	8.5
Ivycap Ventures Trust Fund III	25.0	7.8	7.8
JM Financial India Trust II	10.0	10.0	9.1
JM Financial India Growth Fund II	50.0	0.0	0.0
JSW VC Scheme II	15.0	5.7	5.7
NABVENTURES Fund I	228.0	176.6	84.5
Omnivore Capital 1 India	25.0	24.7	20.4
Orios Venture Partners Fund II	10.0	10.0	10.0
Paragon Partners Growth Fund II	10.0	6.4	6.4
SEAF Agribusiness Fund	10.6	10.0	8.5
Stakeboat Capital Fund	10.0	10.0	5.0
Tata Capital Innovations Fund	60.0	59.7	51.1
TVS Shriram Growth Fund 3	25.0	21.5	21.5
Total	634.0	492.0	326.5



10.5 Strategic investment and resource mobilisation for impact and growth

NABARD's strategic investments and resource mobilization efforts are focused on advancing its developmental and financial activities. A diversified and growing loan portfolio highlights NABARD's success in fulfilling its mission. The organization has invested considerable time and resources in developing comprehensive policies and procedures that account for the changing investment environment and financial risks.

NABARD is exploring direct finance opportunities in several key areas, including green projects, infrastructure financing, agri-exports, and other emerging sectors like the 'Act East Policy' and 'Vibrant Villages Programme,' which aim to reach unbanked border areas.

Additionally, NABARD is innovating financial products related to organic farming, renewable energy, farmer education, farm insurance, and agri-value chain financing to address the evolving needs of its stakeholders.

These initiatives are designed to enhance the impact and growth of NABARD's operations.

10.6 Performance of NABARD subsidiaries in FY 2022-23

NABFINS

During the financial year 2022-23, NABFINS faced challenges due to the Reserve Bank of India's (RBI) revised framework for microfinance loans, which now requires credit decisions to consider the entire household's income and outflow rather than just the individual borrower.

Microfinance loans could only be extended to households with an annual income of less than ₹3 lakh.

Despite these challenges, NABFINS extended loans to 4.1 lakh borrowers, with a total disbursement of ₹1,840 crore in FY 2022-23, marking a 42% growth over the previous year.

As of 31 March 2023, NABFINS' loan portfolio grew to ₹2,205 crore, up from ₹1,736 crore in FY 2021-22.

The company's balance sheet size reached an all-time high of ₹2,244 crore as of 31 March 2023, compared to ₹1,723 crore the previous year. Additionally, NABFINS expanded into new geographies, introduced micro-insurance, and promoted digital financial operations through credit plus initiatives.

NABKISAN

In FY 2022-23, NABKISAN saw significant growth, with its balance sheet size reaching ₹2,114 crore, a 43% increase from the previous FY 2021-22.

The gross loan outstanding grew by 38% to ₹1,914 crore.

The company sanctioned loans totalling ₹1,277 crore and disbursed ₹1,293 crore.

Notably, NABKISAN provided loans to 643 Farmer Producer Organizations (FPOs), a 36% increase from the previous FY 2021-22, amounting to ₹143 crore. Cumulatively, it has sanctioned 2,100 FPO loans worth ₹590 crore, benefiting over a million farmers.

NABKISAN expanded its operations into new regions such as Arunachal Pradesh, Punjab, Jammu & Kashmir, and Puducherry, while deepening its presence in existing states.

It also extended support to primary agricultural credit societies (PACS) and marketing societies.

As a key lender under the National Agriculture Infra Financing Facility, NABKISAN sanctioned 31 loans worth over ₹3 crore in FY 2022-23 to develop farm infrastructure at the FPO level.

Additionally, as an implementation partner for three financing schemes for farmer producers' companies (FPCs) in Tamil Nadu, NABKISAN provided ₹16.7 crore in assistance to 180 FPCs, cumulatively supporting 319 FPCs, which represents over a third of all FPCs in Tamil Nadu.

NABKISAN also supported four Agri-start-ups with credit facilities totalling ₹2.8 crore under the Catalytic Capital Fund.



Recognition

The prestigious NBFC Awards (instituted by Banking Frontiers, a prominent banking journal) for FY 2022-23 recognised NABKISAN as the Best Financial Inclusion Initiative, Best Corporate Social Responsibility (CSR) Initiative, and Best Group Synergy Initiative.

NABSAMRUDDHI

In FY 2022-23, NABSAMRUDDHI achieved significant milestones, with its asset size surpassing ₹1,000 crore, placing it in the 'middle-layer' under RBI's scale-based regulation for NBFCs. The company's assets under management reached ₹1,118 crore, reflecting a 34% year-on-year growth.

Notably, NABSAMRUDDHI reduced its gross non-performing assets (NPA) from 2.1% to 0.5% and net NPA from 1.5% to 0.2% between March 2022 and March 2023.

The company maintained its AA/Stable rating, first assigned by India Ratings and Research in August 2020, reaffirmed in subsequent years.

Total disbursements grew from ₹539.9 crore in FY 2021-22 to ₹716 crore in FY 2022-23.

Of this, ₹278 crore, representing 39% of total disbursements, was allocated to on-lending in key focus areas such as green finance and wellness, the fabrics and textile value chain, and the handicraft value chain. Within this segment, ₹89 crore was specifically disbursed to 15 entities for financing water, sanitation, and hygiene (WASH) initiatives.

Recognition

The company was awarded the Sa-Dhan Water.org 'Water and Sanitation Financing Award, 2022' under the category 'Capital Providers' in recognition of its contribution to WASH financing.

NACONS

In FY 2022-23, NACONS experienced substantial growth, joining the ₹100 crore turnover consultancy club with a total revenue of ₹141.9 crore, reflecting a 45% increase over FY 2021-22. The company achieved several notable milestones, including:

- Supporting the augmentation and strengthening of urban water supply schemes in West Bengal under AMRUT 2.0.
- Piloting a digital application using artificial intelligence and satellite technology to monitor water quality and encroachment of water bodies around Chennai.
- Providing project management consultancy for the establishment of a terminal market yard at Peapully, Kurnool (Andhra Pradesh) and managing works related to drinking water supply schemes and functional household tap connections in Maharashtra and Karnataka under the Jal Jeevan Mission.
- Preparing detailed project reports and conducting third-party inspections for the Jal Jeevan Mission.
- Offering consultancy services for aquifer performance tests to estimate groundwater resources in Andhra Pradesh.
- Serving as the knowledge partner for setting up project management units under the Agriculture Infrastructure Fund for the governments of Telangana, West Bengal, Kerala, Haryana, Himachal Pradesh, and Uttar Pradesh.
- Conducting a study for the Ministry of Cooperation, Government of India, on Primary Agricultural Credit Societies (PACS) operating as common service centres.
- Assessing post-harvest losses of agricultural produce.

NABVENTURES

NABVENTURES Fund-I, the inaugural fund of NABVENTURES Limited, has a corpus of ₹598 crore. NABARD, acting as the anchor investor, committed ₹228 crore, while NABVENTURES Limited, the sponsor, contributed ₹25 crore.

By 31 March 2023, the Fund had made cumulative investment commitments of ₹258 crore, representing 43% of the total corpus. These investments were allocated to 12 portfolio companies in emerging agricultural technologies, covering areas such as fintech, direct-to-consumer food brands, and precision agriculture.

During FY 2022-23, these portfolio companies secured an additional ₹688 crore in follow-on capital.



The impact of these investments on the agricultural and rural ecosystem has been significant:

- **Jai Kisan** facilitated loans totaling ₹2,000 crore across 10 states within the food and agri-business value chain.
- **Krishitantra** provided rapid soil testing services to approximately 52,000 farmers and became a partner in the Government of India's digital soil health card initiative.
- **Vilcart** connected about 75,000 rural kirana (grocery) stores across 30 districts in Karnataka, Andhra Pradesh, and Tamil Nadu through a technology platform.
- **Unnati** linked 17.2 lakh farmers to a network of 83,569 outlets across 181 districts for farm inputs and output aggregation.
- **Satyukt** developed an application that provides customized advisory services for 11 crops, based on real-time satellite and weather data, which is now used in 232 districts in India and 9 other countries

NABFOUNDATION

In FY 2022-23, NABFOUNDATION was registered on NITI Aayog's NGO Darpan portal and initiated several impactful projects aimed at supporting the rural sector:

- **Basuba Brooms Producer Company Limited:** This project is designed to create sustainable livelihoods for around 1,000 tribal families through broom-making activities. The products from this initiative are now available on Amazon.
- **Project NEW (NER Entrepreneurs' World):** A technology-driven initiative targeting aspiring youth in northeastern states. Phase I involves data collection and needs assessment through a portal and smartphone app. Phase II will focus on skill development programs, followed by credit tie-ups to help young entrepreneurs start their ventures.
- **Building Maghai Paan Value Chain:** This project trains farmers from the Chaurasia community in Gaya on the value-addition process of safedi for paan leaves, along with providing marketing support. So far, 50 out of 150 farmers have been trained.
- **Revival of Cheriyal Folk Art:** An initiative to revive the traditional folk art of Telangana, supported by a ₹24.2 lakh grant from NABARD.
- **My Pad | My Right (Phase II):** A pan-India project aimed at providing livelihoods and improving menstrual hygiene in rural areas. During the year, 10 NABARD Regional Offices sanctioned ₹1.3 crore for 23 pad-making units, which are in various stages of implementation.
- **Project Nirmal Jal:** This project aims to set up a reverse osmosis ultraviolet filtration plant in a water-stressed area of Maharashtra, capable of providing 1,000 liters per hour of drinkable water. Managed by an all-women FPO, the project will include a unique card-based water delivery system and use solar-powered water dispensing systems and electric vehicles for transportation. The water will be sourced from a well in the Husnapur region of Wardha district, Maharashtra.

NABSankshan

In FY 2022-23, NABSankshan focused on onboarding eligible lending institutions and conducted capacity-building workshops for banks, with support from the Bankers Institutes of Rural Development and National Bank Staff College.

The organization also developed promotional materials, including pamphlets and films, to support the FPO financing scheme under the FPO Trust and the credit guarantee scheme for Animal Husbandry and Dairying (AHD) under the AHD Trust.

These initiatives were reviewed in State Level Bankers' Committees by regional offices.

Key achievements of NABSankshan in FY 2022-23 include:

- As of 31 March 2023, 85 lending institutions were registered under the FPO Trust and 52 under the AHD Trust.
- A total of 786 credit guarantees were issued, covering ₹137.9 crore for loans totalling ₹164.5 crore, benefiting 703 FPOs comprising 6.1 lakh farmers.
- Under the AHD Trust, four credit guarantees were issued, covering loans worth ₹79.7 crore with a guarantee cover of ₹19.9 crore.
- An online credit guarantee portal for animal husbandry and dairying was launched by the Union Minister, along with a similar portal for FPO financing, to facilitate online processing of applications.
- NABSankshan also launched its website during the FY 2022-23.



Chapter 11: Corporate Governance

11.1 Board of Directors

NABARD is governed by the National Bank for Agriculture and Rural Development Act, 1981, National Bank for Agriculture and Rural Development General Regulations, 1982 and National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984.

The composition of the Board of Directors is as per NABARD Act, 1981:

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

11.2 SEBI's LODR

By virtue of amendment in Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirement (LODR) Regulations, 2015 framework in September 2021, NABARD qualifies as a "high-value debt listed entity" and thereby the applicability of Regulation 15 to 27 shall be on "comply or explain basis" until 31 March 2023, and on a mandatory basis thereafter.

Accordingly, the NABARD management has been taking necessary steps to comply with the provisions of corporate governance within the stipulated time. Currently, there are 13 directors, of which two directors are executive/ whole-time directors and eleven directors are non-executive directors.

NABARD complies with regulation 17(1) (a) of the SEBI LODR Regulations, 2015 which requires the Board of Directors to have an optimum combination of executive and non-executive directors with at least one woman director and not less than 50% of the Board of Directors comprising nonexecutive directors.

11.3 Attendance of the Board

Attendance, number of directorships, core skills and competencies of each director of the Board are:

S.No.	Name of Director	Category	Attendance		No. of other boards where director is a member	Core skills/ Competencies
			Meetings held	Meetings attended		
1	Shri Shaji K. V.	Chairman	7	7	6	Agriculture Finance
2	Dr Urvish Shah	Experts/Non-officials	7	7	1	Audit and Consultancy
3	Dr M. D. Patra	Directors of RBI	7	4	1	Central Banking
4	Smt. Revathy Iyer	Directors of RBI	7	7	1	Audit and Accounting
5	Dr Ravindra H. Dholakia	Directors of RBI	4	4	6	Teaching, Research, Training and Consultancy
6	Shri Manoj Ahuja	Officials of the central government	7	7	Nil	Administrative Service (IAS)
7	Shri Shailesh Kumar Singh	Officials of the central government	3	1	Nil	Administrative Service (IAS)
8	Dr M. P. Tangirala	Officials of the central government	3	2	2	Administrative Service (IP&TAFS)
9	Dr B. V. R. C. Purushottam	Officials of the state government	3	3	3	Administrative Service (IAS)
10	Shri Ashok Barnwal	Officials of the state government	3	2	3	Administrative Service (IAS)
11	Dr Sharat Chauhan	Officials of the state government	3	0	1	Administrative Service (IAS)



12	Shri Gopal Krishna Dwivedi	Officials of the state government	2	0	Nil	Administrative Service (IAS)
13	Shri P. V. S. Suryakumar	Deputy Managing Director	7	7	3	Agriculture Finance
14	Shri Pankaj Kumar Bansal#	Invitee representing Ministry of Cooperation	1	1	Nil	Administrative Service (IAS)

11.4 Board Members who JOINED in FY 2022-23

Sr. No.	Name	Designation	Joined
1.	Shri Manoj Ahuja	Secretary, Ministry of Agriculture & Farmers Welfare, Government of India	01 April 2022
2.	Dr. Ravindra H. Dholakia	Director	06 Oct 2022
3.	Shri Ashok Barnwal	Additional Chief Secretary, Government of Madhya Pradesh	20 Dec 2022
4.	Dr. Sharat Chauhan	Principal Secretary, Finance, Planning and Investment, Government of Arunachal Pradesh	20 Dec 2022
5.	Dr. B.V.R.C Purushottam	Secretary, Agriculture, Government of Uttarakhand	20 Dec 2022
6.	Shri Shailesh Kumar Singh	Secretary, Ministry of Rural Development, Government of India	01 Dec 2022
7.	Dr. M.P. Tangirala	Additional Secretary, Department of Financial Services, Ministry of Finance, Government of India	06 Jan 2023
8.	Shri Gopal Krishna Dwivedi	Principal Secretary to Government, Agriculture & Cooperation Department, Andhra Pradesh	21 Feb 2023

11.5 Board Members who CEASED to be Director in FY 2022-23

Sr. No.	Name of Director	Designation	Tenure ended
1.	Shri Sanjeev Kaushik	Additional Secretary, Department of Financial Services, Ministry of Finance, Government of India	06 April 2022
2.	Shri Alok Sinha	Additional Chief Secretary and Agriculture Production Commissioner, Government of Uttar Pradesh	30 April 2022
3.	Dr. M.V. Rao	Additional Chief Secretary, Cooperation and Panchayati Raj, Govt. of West Bengal	31 May 2022
4.	Shri J.C. Ramthanga	Additional Chief Secretary, Government of Mizoram	31 May 2022
5.	Dr. G.R. Chintala	Chairman, NABARD	31 July 2022
6.	Ms. Jayashree Raghunandan	Additional Chief Secretary & Director General to Rural Development and Panchayat Raj(Training), Government of Tamil Nadu	31 July 2022
7.	Shri Nagendra Nath Sinha	Secretary, Ministry of Rural Development, Government of India	30 Nov 2022

11.6 Board Members who JOINED and whose tenure ENDED within FY 2022-23

Sr. No.	Name	Designation	Joined	Tenure ended
1.	Shri Manoj Kumar Singh	Additional Chief Secretary & Agriculture Production Commissioner, Government of Uttar Pradesh	01 May 2022	16 Sep 2022
2.	Shri Bhushan Kumar Sinha	Joint Secretary, Department of Financial Services, Ministry of Finance, Government of India	22 Jun 2022	05 Jan 2023
3.	Shri R. Zarzosanga	Secretary, Land Revenue & Settlement and Rural Development, Government of Mizoram	27 Jun 2022	16 Sep 2022
4.	Shri Suchindra Misra	Chairman, NABARD – Additional Charge	01 Aug 2022	06 Dec 2022
5.	Shri Y. Madhusudhana Reddy	Chief Commissioner & Special Chief Secretary, Government of Andhra Pradesh	20 Dec 2022	27 Jan 2023



11.7 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS HELD

Sr. No.	Board Meeting (No.)	Date of the meeting
1.	244	25 May 2022
2.	245	27 Jul 2022
3.	246	23 Sep 2022
4.	247	11 Nov 2022
5.	248	31 Jan 2023
6.	249	9–10 Mar 2023
7.	250	28 Mar 2023

11.8 COMMITTEES of the Board of Directors

MEETINGS held by the Committees of the Board

Sr. No.	Board and its Committees	Meetings required	Meetings held
1.	Board	4	7
2.	Executive Committee	4	4
3.	Audit Committee	6	7
4.	Risk Management Committee	6	6
5.	Premises Committee	2	2
6.	Human Resources Committee	2	2
7.	Information Technology Committee	2	2
8.	Sanctioning Committee	Need Based	5
9.	Management Committee	Need Based	6
10.	Internal Sanctioning Committee	Need Based	12

Audit Committee of the Board

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

Brief description of terms of reference:

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



COMPOSITION OF THE AUDIT COMMITTEE OF THE BOARD AND ATTENDANCE OF MEMBERS

Sr. No.	Name	Category	Meetings held*	Meetings attended
1.	Smt. Revathy Iyer, Chairperson	Directors on RBI Board	7	7
2.	Dr Urvish Shah	Experts/Non-officials	7	7
3.	Dr Ravindra H. Dholakia	Directors on RBI Board	3	3
4.	Shri Manoj Ahuja	Central government officials	7	0
5.	Dr Sharat Chauhan	State government officials	2	0
6.	Shri Gopal Krishna Dwivedi	State government officials	1	0
7.	Shri P. V. S. Suryakumar	Deputy Managing Director	7	7

Risk Management Committee of the Board

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

Brief description of terms of reference:

1. Devise policy and strategy for integrated risk management containing various risk exposures of the bank including the credit risk. For this purpose, the RMCB should effectively coordinate between the Enterprise Risk Management Committee (ERMC), the Asset Liability Management Committee and other risk committees of the bank, if any.
2. Decide the policy and strategy for integrated risk management containing various risk exposures of the bank including the market risk.
3. Set policies and guidelines for market risk measurement, management, and reporting.
4. Ensure that market risk management processes (including people, systems, operations, limits, and controls) satisfy the bank's policy.
5. Review and approve market risk limits, including triggers or stop-losses for traded and accrual portfolios.
6. Ensure robustness of financial models, and the effectiveness of all systems used to calculate market risk.
7. Decide the operational risk policies and issues delegated to it by the Board.
8. Review profiles of operational risk throughout the organisation.
9. Decide operational risk capital methodology and resulting attribution.
10. Decide and review of rating norms of various clients.
11. Decide the exposure norms for various clients/client groups.
12. Review the exposure to clients at quarterly rests.
13. Set and approve expressions of risk appetite, within overall parameters set by the Board.
14. Reinforce the culture and awareness of operational risk management throughout the organisation.
15. Any other matter that the Board may assign to it.



COMPOSITION OF THE RISK MANAGEMENT COMMITTEE OF THE BOARD AND ATTENDANCE OF MEMBERS

Sr. No.	Name	Category	Meetings held*	Meetings attended
1.	Dr Ravindra H. Dholakia, Chairperson	Directors on RBI Board	3	3
2.	Shri Shaji K. V.	Chairman, NABARD	6	6#
3.	Smt. Revathy Iyer	Directors on RBI Board	6	6
4.	Shri Manoj Ahuja	Central government officials	6	0
5.	Dr. Sharat Chauhan	State government officials	2	0
6.	Shri Gopal Krishna Dwivedi	State government officials	1	0
7.	Shri P. V. S. Suryakumar	Deputy Managing Director	6	6
8.	Shri Praveen Kumar Gupta@	Special invitee	1	1

Notes:

1. RBI = Reserve Bank of India.
2. *'Meetings held' include the number of RMCB meetings held during their tenure.
3. # Four meetings attended as DMD.
4. @ Invitee is not considered for quorum or total strength

Other BOARD-LEVEL COMMITTEES, as on 31st March, 2023

Sr. No.	Committee	Composition
1.	Executive Committee	Shri Shaji K. V., Smt. Revathy Iyer, Shri Gopal Krishna Dwivedi, Shri P. V. S. Suryakumar
2.	Audit Committee	Smt. Revathy Iyer, Dr. Urvish Shah, Dr. Ravindra H. Dholakia, Shri Manoj Ahuja, Dr. Sharat Chauhan, Shri Gopal Krishna Dwivedi, Shri P. V. S. Suryakumar
3.	Risk Management Committee	Dr. Ravindra H. Dholakia, Shri Shaji K. V., Smt. Revathy Iyer, Shri Manoj Ahuja, Dr. Sharat Chauhan, Shri Gopal Krishna Dwivedi, Shri P. V. S. Suryakumar, Shri Praveen Kumar Gupta (Special invitee)
4.	Premises Committee	Shri P. V. S. Suryakumar, Smt. Revathy Iyer, Dr. Ravi Sinha (Technical consultants/experts), Shri B.G. Fernandes (Technical consultants/experts)
5.	Human Resources Committee	Shri Shaji K. V., Dr. Ravindra H. Dholakia, Dr. B. V. R. C. Purushottam, Shri P. V. S. Suryakumar
6.	Information Technology Committee	Shri P. V. S. Suryakumar, Smt. Revathy Iyer, Shri Ashok Barnwal, Shri M.G. Ajayan (IT expert), Shri Alladi Durga Prasad (IT expert)
7.	Sanctioning Committee	Shri Shaji K. V., Smt. Revathy Iyer, Dr. Ravindra H. Dholakia, Shri Manoj Ahuja, Shri Shailesh Kumar Singh, Dr. M. P. Tangirala, Shri Ashok Barnwal, Dr. Sharat Chauhan, Shri P. V. S. Suryakumar

FAMILIARISATION PROGRAMMES AND REMUNERATION OF DIRECTORS

The details of the familiarisation programmes provided to the independent directors and details pertaining to the payment to non-executive directors is available on the NABARD website.

The sitting fee of ₹40,000 and ₹20,000 per meeting was paid for attending the Board and Committee meetings, respectively.

Further, an additional sitting fee of ₹5,000 per meeting was also payable for chairing the committee meetings.

General shareholder information

NABARD was set up with an initial capital of ₹100 crore and its paid-up capital stood at ₹17,080 crore as on 31 March 2023.

Consequent to the revision in the composition of share capital between the Government of India and RBI, NABARD today is wholly owned by the Government of India.



Means of communication

1. NABARD declares its financial results from time to time in leading Hindi and English newspapers to maintain transparency. Quarterly financial results are published in newspapers as well as the websites of NABARD, Bombay Stock Exchange, and National Stock Exchange.
2. Newspapers wherein the results are normally published include Jan Satta (Hindi), Lok Satta (Marathi), Financial Express (English), and Indian Express (English).
3. NABARD also highlights all the required information on its website – www.nabard.org

Other disclosures

1. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large
Response: Included under accounting standard 18 (AS18) of audited balance sheet of NABARD.
2. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years
Response: Nil.
3. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements
Response: NABARD is in the process of ensuring compliance in respect of non-mandatory requirements that shall be mandatorily applicable with effect from 01 April 24.
4. Web link where policy on dealing with related party transactions
Response: Related party transactions are included under AS 18 of audited balance sheet of NABARD. The policy for dealing with related party transactions has been approved by the Board in its 250th meeting held on 28 March 2023.
The same has been uploaded on NABARD website.
5. Disclosure of commodity price risks and commodity hedging activities
Response: Not applicable to NABARD. Subsidiaries of NABARD are not permitted to deal with commodity/derivatives of commodities.
6. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)
Response: Not applicable to NABARD.
7. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority
Response: The certificate from a Practicing Company Secretary has been obtained.
8. Where the board had not accepted any recommendation of any committee of the board, which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof
Response: Nil.
9. Disclosure by listed entity and its subsidiaries of 'Loans and advances in loans to firms/companies inwhich directors are interested by':
Provided that this requirement shall be applicable to all listed entities except for listed banks.
Response: Nil
10. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.



Fees for statutory auditors of NABARD

Particulars	Amount ₹ lakh
Annual audit fees	13.88
Fees for certification	1.38
Tax audit fees	2.77
Fees for quarterly limited review	8.31
Total fees	26.34

Fees paid by subsidiaries to the statutory auditors

Subsidiary	Audit fee category	Amount ₹
NABKISAN	Statutory audit fees	150,000
NABSankshan	Statutory audit fees	40,000
NABVENTURE	Statutory audit fees	40,000
NABFOUNDATION	Statutory audit fees	30,000
NABFINS	Statutory audit fees	500,000
	Tax audit fees	44,000
NABSAMRUDDHI	Statutory audit fees	200,000
NABCONS	Statutory audit fees	200,000
	Tax audit fees	42,000
	GST audit fees	4,44,000
	Out -of-pocket expenses	28,600
Total fees paid by subsidiaries		17,18,600

Total payment to statutory auditors by NABARD and its subsidiaries amount to ₹43,52,600.



Chapter 12: Standalone Financial Statements

12.1 Standalone Balance Sheet as on 31 March 2023

Funds And Liabilities

Sr. No.	Funds And Liabilities	Schedule	As on 31.03.2023 (` crore)	As on 31.03.2022 (` crore)
1	Capital (Under Section 4 of the NABARD Act, 1981)		17,080.00	17,080.00
2	Reserve Fund and other Reserves	1	49,686.28	43,939.18
3	National Rural Credit Funds	2	16,102.00	16,098.00
4	Gifts, Grants, Donations and Benefactions	3	6,711.28	6,602.27
5	Government Schemes	4	1,106.99	5,888.63
6	Deposits	5	278,100.87	252,126.69
7	Bonds and Debentures	6	246,677.25	230,592.70
8	Borrowings	7	164,080.89	163,657.78
9	Current Liabilities and Provisions	8	22,106.83	21,487.06
	Total		801,652.39	757,472.31
	Forward Foreign Exchange Contracts (Hedging) as per contra		950.88	925.97

Property And Assets

Sr. No	Property And Assets	Schedule	As on 31.03.2023 (` crore)	As on 31.03.2022 (` crore)
1	Cash and Bank Balances	9	16,372.09	5,791.49
2	Investments	10	48,564.66	66,263.06
3	Advances	11	730,900.54	679,842.44
4	Property, Plant and Equipment (Fixed Assets)	12	528.03	551.93
5	Other Assets	13	5,287.07	5,023.39
	Total		801,652.39	757,472.31
	Forward Foreign Exchange Contracts (Hedging) as per contra		950.88	925.97
	Commitment and Contingent Liabilities	17		
	Significant Accounting Policies and Notes on Accounts	18		

12.2 Standalone Profit and Loss Account for the year ended 31 March 2023

INCOME

Sr. No.	Income	Schedule	FY 2022-23 (` crore)	FY 2021-22 (` crore)
1	Interest on Loans and Advances		36,476.32	33,602.47
2	Income from Investment Operations / Deposits		2,666.86	3,030.63
3	Other Receipts		187.36	128.19
	Total "A"		39,330.54	36,761.29



EXPENDITURE

Sr. No.	Expenditure	Schedule	2022-23 (₹ crore)	2021-22 (₹ crore)
1	Interest and Financial Charges (Refer Note B-33 of Schedule- 18)	14	30,351.03	26,555.86
2	Establishment and Other Expenses	15 A	1,709.31	2,136.01
3	Expenditure on Promotional Activities	15 B	136.75	111.88
4	Provisions	16	528.58	1,214.84
5	Depreciation		50.17	49.78
	Total "B"		32,775.84	30,068.37
6	Profit before Tax (A - B)		6,554.70	6,692.92
7	Provision for			
	a) Income Tax		1,520.00	1,628.00
	b) Income Tax Adjustment for earlier years		(324.02)	-
	c) Deferred Tax (Refer Note B-21.5 of Schedule 18)		(1.07)	(16.94)
8	Profit after Tax		5,359.79	5,081.86

12.3 PROFIT AND LOSS APPROPRIATION ACCOUNT

Sr. No.	Appropriations / Withdrawals	2022-23 (₹ crore)	2021-22 (₹ crore)
	Profit for the year brought down	5,359.79	5,081.86
Add:	Withdrawals from funds against expenditure debited to Profit & Loss A/c[Refer Schedule 1]		
a)	Co-operative Development Fund	33.63	30.53
b)	Research and Development Fund	30.45	31.82
c)	Producers' Organisation Development Fund	3.84	5.11
d)	Rural Infrastructure Promotion Fund	5.34	6.23
e)	Farm Sector Promotion Fund	28.68	22.17
f)	Climate Change Fund	2.53	1.75
g)	Gramya Vikas Nidhi	61.75	46.09
h)	Catalytic Capital Fund	0.98	-
i)	Investment Fluctuation Reserve Fund	936.3	-
	TOTAL Withdrawals	1,103.5	143.7
	Profit available for Appropriation	6,463.29	5,225.56
Less:	Transferred to: [Refer Schedule 1&2]		
a)	Special Reserves u/s 36(1) (viii) of IT Act, 1961	850	1065
b)	National Rural Credit (Long Term Operations) Fund	1	1
c)	National Rural Credit (Stabilisation) Fund	1	1
d)	Research and Development Fund	30.45	31.82



e)	Investment Fluctuation Reserve	-	1125
f)	Co-operative Development Fund	33.63	130.53
g)	Producers' Organisation Development Fund	3.84	5.11
h)	Rural Infrastructure Promotion Fund	5.34	6.23
i)	Farm Sector Promotion Fund	28.68	22.17
j)	Gramya Vikas Nidhi	61.75	46.09
k)	Climate Change Fund	2.53	1.75
l)	Catalytic Capital Fund	0.98	-
m)	Forex Fluctuation Reserve Fund	5.51	5.21
n)	Financial Inclusion Fund	20.32	-
o)	Technology Facilitation Fund	50	-
TOTAL Transfers		1095.03	2440.91
Transferred to Reserve Fund		5368.26	2784.66

12.4 SCHEDULES TO BALANCE SHEET

SCHEDULE 1 - RESERVE FUND AND OTHER RESERVES

(Amount in ₹ crore)

Sr. No	Particulars	Opening Balance as on 01.04.2022	Additions /Transferred from P&L Appropriation	Withdrawals/ Transferred to P&L Appropriation	Balance as on 31.03.2023
1	Reserve Fund	28,620.13	5,777.89	-	34,398.02
2	Research and Development Fund	50.00	30.45	30.45	50.00
3	Capital Reserve	74.81	-	-	74.81
4	Investment Fluctuation Reserve	2,822.00	-	936.30	1,885.70
5	Co-operative Development Fund	200.00	33.63	33.63	200.00
6	Special Reserves Created & Maintained u/s 36(1)(viii) of Income Tax Act, 1961	11,600.00	850.00	-	12,450.00
7	Producers' Organisation Development Fund	300.00	3.84	3.84	300.00
8	Rural Infrastructure Promotion Fund	50.00	5.34	5.34	50.00
9	Farm Sector Promotion Fund	60.00	28.68	28.68	60.00
10	Gramya Vikas Nidhi	110.00	61.75	61.75	110.00
11	Climate Change Fund	20.00	2.53	2.53	20.00
12	Catalytic Capital Fund	20.00	0.98	0.98	20.00
13	Forex Fluctuation Reserve Fund	12.24	5.51	-	17.75
14	Technology Facilitation Fund	-	50.00	-	50.00
	Total	43,939.18	6,850.60	1,103.50	49,686.28
	Previous year	39,268.95	5,223.56	553.33	43,939.18



SCHEDULE 2 - NATIONAL RURAL CREDIT FUNDS

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2022	Contribution by RBI	Transferred from P&L Appropriation	Balance as on 31.03.2023
1	National Rural Credit (Long Term Operations) Fund	14,499.00	1.00	1.00	14,501.00
2	National Rural Credit Stabilisation) Fund	1,599.00	1.00	1.00	1,601.00
	Total	16,098.00	2.00	2.00	16,102.00
	Previous year	16,094.00	2.00	2.00	16,098.00

SCHEDULE 3 - GIFTS, GRANTS, DONATIONS AND BENEFACTIONS

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2022	Additions during the year	Interest Credited *	Expenditure / Adjustments during the year	Balance as on 31.03.2023
A.	Grants from International Agencies					
1	KfW - NABARD V Fund for Adivasi Programme	0.64	-	0.01	0.65	-
2	KfW NB UPNRM - Accompanying Measures	-	0.01	-	0.01	0.00
3	KfW NB UPNRM - Financial Contribution	0.15	-	-	-	0.15
4	Indo German Watershed Development Programme - Andhra Pradesh	0.70	-	0.02	-	0.72
5	Indo German Watershed Development Programme - Gujarat	0.03	-	-	-	0.03
6	Indo German Watershed Development Programme - Rajasthan	0.06	-	0.00	0.00	0.06
7	GIZ UPNRM Technical Collaboration	0.03	-	-	-	0.03
8	Climate Change - (AFB) - Project Formulation Grant	22.28	0.07	0.62	1.87	21.10
9	GIZ Soil Project	1.41	-	-	-	1.41
10	KfW Soil Project	2.07	17.23	-	17.06	2.24
11	GCF Project Grants	1.14	4.69	0.04	4.50	1.37
B.	Other Funds					
1	Watershed Development Fund	1,527.25	-	45.01	99.83	1,472.43
2	Interest Differential Fund - (Forex Risk)	233.60	14.90	-	17.87	230.63
3	Interest Differential Fund - TAWA	0.10	-	-	-	0.10
4	Adivasi Development Fund	5.77	-	-	-	5.77
5	Tribal Development Fund	1,342.13	3.27	39.24	126.03	1,258.61
6	Financial Inclusion Fund (i)	2,867.10	427.79	84.98	340.83	3,039.04
7	Financial Inclusion Fund - Digital	8.11	-	-	8.11	-
8	PODF-ID	332.67	-	9.56	49.31	292.92
9	National Bank - Swiss Development Cooperation Project	66.11	0.83	-	-	66.94
10	RPF & RIF - Off-Farm Sector Promotion Fund	18.42	6.45	-	1.60	23.27



11	Centre for Professional Excellence in Co-operatives - (C-PEC)	3.13	-	0.13	-	3.26
12	LTIF Interest Fluctuation Reserve Fund	138.22	21.80	4.15	-	164.17
13	National Adaptation Fund for Climate Change a/c	31.15	75.96	0.66	51.10	56.67
14	Capacity Building Fund for Social Stock Exchange	-	5.00	-	-	5.00
15	Climate Change Fund - ID (ii)	-	87.35	-	21.99	65.36
Total		6,602.27	665.35	184.42	740.76	6,711.28
	Previous year	6,371.61	623.51	379.13	771.98	6,602.27

SCHEDULE 4 - GOVERNMENT SCHEMES

(Amount in ₹ crore)

Sr. No	Particulars	Opening Balance as on 01.04.2022	Additions during the year	Interest Credited*	Expenditure /Adjustments during the year	Balance as on 31.03.2023
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	0.69	0.02	-	0.28	0.43
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	-	0.00	-	0.03
7	Cattle Development Programme - Bihar	0.10	-	0.00	-	0.10
8	National Project on Organic Farming	1.67	-	-	-0.13	1.80
9	Integrated Watershed Development Programme - Rashtriya Sam Vikas Yojana	4.29	-	-	-	4.29
10	Dairy and Poultry Venture Capital Fund	2.16	-	-	-0.05	2.21
11	Poultry Venture Capital Fund	0.00	-	-	-0.15	0.15
12	ISAM - Agricultural Marketing Infrastructure	41.01	110.57	0.00	137.71	13.87
13	National Livestock Mission - PVCF EDEG	79.99	-	-	-0.93	80.92
14	Centrally Sponsored Scheme for establishing Poultry Estate	0.08	-	-	-	0.08
15	Multi Activity Approach for Poverty Alleviation - Sultanpur Uttar Pradesh	0.08	-	0.00	-	0.08
16	Multi Activity Approach for Poverty Alleviation - BAIF -Rae Bareli, Uttar Pradesh	0.02	-	0.00	-	0.02
17	Dairy Entrepreneurship Development Scheme	5.10	3.12	-	0.03	8.19
18	CSS for Solar Mission	0.03	-	-	-	0.03



19	CSS - JNNNSM - Solar Lighting a/c	2.76	-	-	-	2.76
20	CSS - Solar Photovoltaic Water Pumping	0.03	-	-	-	0.03
21	Capital Subsidy Scheme - Agri Clinic Agri Business Centres	1.56	14.48	0.01	14.30	1.75
22	CSS MNRE Lighting Scheme 2016 a/c	0.11	-	-	-	0.11
23	Artificial Recharge of Groundwater in Hard Rock Area	4.62	-	-	-	4.62
24	CSS on Formation and Promotion of FPO	154.69	8.88	-	163.57	-
B Other Government Schemes						
1	Agriculture Debt Waiver and Debt Relief Scheme (ADWDR) 2008	283.80	-	-	0.09	283.71
2	Women's Self-Help Groups [SHGs] Development Fund	27.81	0.03	-	10.69	17.15
3	PRODUCE FUND	15.44	-	-	8.59	6.85
4	Revival of 23 unlicensed DCCBs	-	-	-	-	-
5	Interest Subvention (Sugar Term Loan)	165.10	175.00	-	259.65	80.45
6	AMI - Workshop Assistance Fund	0.02	-	-	0.01	0.01
7	Kutch Drought Proofing Project	0.22	-	-	-	0.22
8	Revival Package for Long Term Cooperative Credit Structure (LTCCS)	20.00	-	-	-	20.00
9	Revival Reform and Restructure of Handloom Sector	3.88	-	-	-	3.88
10	Comprehensive Handloom Package	-	-	-	-	-
11	Interest Subvention (SAO, NRLM, NWR)	4,992.82	7,986.17	95.28	12,681.68	392.59
12	Arunachal Agri Start Up Scheme	0.50	-	-	-	0.50
13	Centrally sponsored Project-PACS Computerisation	-	100.00	0.14	-	100.14
Total		5,888.63	8,398.27	95.43	13,275.34	1,106.99
Previous year		3,485.35	11,153.63	0.01	8,750.36	5,888.63

SCHEDULE 5 - DEPOSITS

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022
1	Central Government	-	-
2	State Governments	-	-
3	Others		
	a) Tea / Rubber / Coffee Deposits	56.90	60.50
	b) Deposits under RIDF	1,63,069.25	1,47,226.72
	c) ST Cooperative Rural Credit Fund	50,432.08	44,541.43
	d) ST RRB Credit Refinance Fund	15,047.00	9,898.10
	e) Warehouse Infrastructure Fund	4,050.00	5,380.00
	f) Long Term Rural Credit Fund	44,995.64	44,709.94
	g) Food Processing Fund	450.00	310.00
	Total	2,78,100.87	2,52,126.69

**SCHEDULE 6 - BONDS AND DEBENTURES**

Sr. No.	Particulars	(Amount in ₹ crore)	
		As on 31.03.2023	As on 31.03.2022
1	Tax Free Bonds	5,000.00	5,000.00
2	Non-Priority Sector Bonds	1,21,147.80	1,07,292.00
3	Capital Gains Bonds	-	-
4	PMAY-G - GOI Fully Serviced Bonds	48,809.60	48,809.60
5	Bonds - LTIF	38,160.25	35,931.50
6	LTIF - GOI Fully Serviced Bonds	19,506.80	19,506.80
7	SBM (G) - GOI Fully Serviced Bonds	12,298.20	12,298.20
8	Micro Irrigation Fund (MIF) Bonds	1,754.60	1,754.60
	Total	2,46,677.25	2,30,592.70

SCHEDULE 7 – BORROWINGS

Sr. No.	Particulars	(Amount in ₹ crore)	
		As on 31.03.2023	As on 31.03.2022
1	Central Government	-	-
2	Reserve Bank of India	-	22,399.43
3	Others :		
	(A) In India		
	(i) Certificate of Deposits	18,386.30	16,184.19
	(ii) Commercial Paper	42,537.72	34,551.80
	(iii) Tri Party Repo	19,171.95	16,993.10
	(iv) Term Money Borrowings	1,942.13	1,987.01
	(v) Term Loan from Banks	77,455.01	70,621.00
	(vi) JNN Solar Mission	2.81	2.81
	(vii) Borrowing against Short Term Deposits	3,674.99	-
	(B) Outside India		
	(i) International Agencies	909.98	918.44
	Total	1,64,080.89	1,63,657.78

SCHEDULE 8 - CURRENT LIABILITIES AND PROVISIONS

Sr. No.	Particulars	(Amount in ₹ crore)	
		As on 31.03.2023	As on 31.03.2022
1	Interest / Discount Accrued	8,026.72	7,645.44
2	Sundry Creditors (Refer note B-31 of Schedule-18)	3,327.31	3,243.24
3	Subsidy Reserve (Co-finance, Cold Storage, CSAMI)	29.04	45.61
4	Provision for Gratuity (Refer Note B-21.2 of Schedule 18)	25.75	21.69
5	Provision for Pension (Refer Note B-21.2 of Schedule 18)	-	331.04
6	Provision for Encashment of Ordinary Leave (Refer Note B-21.2 of Schedule 18)	365.22	378.51
7	Provision for Post Retirement Medical Benefit (Refer Note B-21.2 of Schedule 18)	148.34	138.12
8	Provision for Salary Revision (Refer Note B-38 of Schedule 18)	75.17	880.00
9	Unclaimed Interest on Bonds	2.82	2.87
10	Bonds matured but not claimed	14.69	17.63
11	Bond Premium	45.70	136.33
12	Provisions and Contingencies		
(a)	Depreciation in Value of Investment a/c - G. Sec.	1,579.25	704.50
(b)	Amortisation of G. Sec. - HTM	77.57	68.46
(c)	For Standard Assets	2,932.00	2,731.00
(d)	Non-performing Investments	326.80	332.89
(e)	Countercyclical Provisioning Buffer / Floating Provision	2,014.45	2,014.45



(f)	Provision for Other Assets & Receivables	4.45	4.45
(g)	Provision for Income Tax [Net of Advance Tax]	3,111.55	2,790.83
	Total	22,106.83	21,487.06

SCHEDULE 9 - CASH AND BANK BALANCES

Sr. No	Particulars	(Amount in ₹ crore)	
		As on 31.03.2023	As on 31.03.2022
1	Cash in hand	-	-
2	Balances with:		
	A) Banks in India		
	(i) Reserve Bank of India	4,800.93	363.61
	(ii) Other Banks	-	-
	a) In Current Account	3,110.33	1,722.88
	b) Deposit with Banks	7,781.00	3,705.00
	(iii) Remittance in Transit	400.00	-
	(B) Banks outside India	-	-
3	Tri Party repo- Lending	279.83	-
	Total	16,372.09	5,791.49

SCHEDULE 10 – INVESTMENTS

Sr. No	Particulars	(Amount in ₹ crore)	
		As on 31.03.2023	As on 31.03.2022
1	Government Securities		
	a) Securities of Central Government & State Govt [Face Value ₹ 326613670000 (₹333163670000)]	34,633.14	35,437.50
	b) Treasury Bills [Face Value ₹34970720000 (₹57713660000)]	3,341.98	5,629.89
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]	966.27	966.27
(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]	0.00	0.00
(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)	Open Network for Digital Commerce [10,00,000 (10,00,000) Shares of ₹100 each]	10.00	10.00
(k)	Other Equity Investments	28.08	28.08
4	Debentures and Bonds		
(a)	Special Dev Debentures of SCARDBs (Refer Note B-37 of Schedule 18)	244.81	429.82
(b)	Non Convertible Debentures	906.68	1,240.29



5	Shareholding in subsidiaries and Joint Venture		
(a)	Shareholding in subsidiaries		
(i)	NABFINS Ltd. (formerly known as NABARD Financial Services [Karnataka] Ltd.) [10,20,06,300 (10,20,06,300) - Equity shares of ₹10 each]	102.01	102.01
(ii)	NABSAMRUDDHI Finance Ltd. [11,27,88,000 (11,27,88,000) - Equity shares of ₹10 each]	145.05	145.05
(iii)	NABKISAN Finance Ltd. [15,05,00,063 (15,05,00,063) - Equity shares of ₹10 each]	227.57	227.57
(iv)	NABARD Consultancy Services Pvt. Ltd. [50,00,000 (50,00,000) - Equity shares of ₹10 each]	5.00	5.00
(v)	NABVENTURES Ltd [2,50,00,000 (2,50,00,000) - Equity shares of ₹10 each]	25.00	25.00
(vi)	NABFOUNDATION [5,00,00,000 (50,00,000) - Equity shares of ₹10 each]	50.00	5.00
(vii)	NABSANRAKSHAN Trustee Pvt Ltd [5,00,00,000 (5,00,00,000) - Equity shares of ₹10 each]	50.00	50.00
6	Others		
(a)	Mutual Fund	3,890.26	21,158.94
(b)	Commercial Paper [Face Value ₹200,00,00,000 (₹200,00,00,000)	185.05	185.05
(c)	Certificate of Deposit [Face Value ₹ 34,45,00,00,000.00 (₹0)	3,266.42	-
(d)	Venture Capital Funds / AIFs	326.36	398.34
(e)	Investment Earmarked towards EOL [Refer note B-21.2 of Schedule 18]	61.02	119.29
	Total	48,564.66	66,263.06

SCHEDULE 11 – ADVANCES

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022
1	Refinance Loans		
(a)	Production & Marketing Credit	1,40,912.79	1,19,562.90
(b)	Conversion Loans for Production Credit	-	7.57
(c)	Other Investment Credit		
(i)	Medium Term and Long-Term Project Loans	2,51,794.43	2,38,692.47
(ii)	Direct refinance to DCCBs	13,955.92	9,822.42
(iii)	JNN Solar Mission	-	-
2	Direct Loans		
(a)	Loans under Rural Infrastructure Development Fund	1,54,069.63	1,42,525.62
(b)	Loans under Warehouse Infrastructure Fund	4,091.60	4,776.63
(c)	Long Term Non-Project Loans	338.31	345.63
(d)	Loans under NABARD Infrastructure Development Assistance (NIDA)	27,889.73	23,319.06
(e)	Loans to Producers' Organisation Development	6.42	15.49
(f)	Credit Facility to Federations [CFF]	17,355.21	22,314.19
(g)	Loans under Food Processing Fund	421.84	303.69
(h)	Loans under Long Term Irrigation Fund	53,966.35	53,283.32
(i)	Pradhan Mantri Awaas Yojana - Gramin	48,819.03	48,819.03
(j)	Swacch Bharat Mission - Grameen	12,298.20	12,298.20
(k)	Dairy Processing and Infrastructure Development Fund	1,499.60	924.73
(l)	Loan Under GCF	372.68	317.34
(m)	Micro Irrigation Fund	2,516.02	2,083.72
(n)	Fisheries and Aquaculture Infrastructure Development Fund	561.68	365.69
(o)	Other Loans:		
(i)	Micro Finance Development Equity Fund Programme Loans	0.11	0.11



(ii)	Watershed Development Fund Programme Loans	7.22	10.95
(iii)	Tribal Development Fund Programme Loans	-	0.08
(iv)	KfW UPNRM Loans	23.14	52.78
(v)	Off Farm Sector Promotion Activities Programme Loans	0.63	0.82
(vi)	Direct Loan Under Sec 30 of NABARD Act [Refer Note B-3.5 of Schedule 18]	-	-
	Total	7,30,900.54	6,79,842.44

Note- The Advances are net-off the provisions for Non-performing Assets amounting to ₹ 2,041.54 crore.

SCHEDULE 12 - FIXED ASSETS

(Amount in ₹ crore)

Sr. No	Particulars	As on 31.03.2023	As on 31.03.2022
1	LAND: Freehold & Leasehold (Refer Note B-36 of Schedule 18)	Opening Balance	195.26
		Additions/adjustments during the year	0.53
		Sub-Total	195.79
		Less: Cost of assets sold/written off	-
		Closing Balance (at cost)	195.79
		Less: Amortisation of Lease Premium	64.16
2	PREMISES (Refer Note B-36 of Schedule 18)	Book Value	132.79
		Opening Balance	652.24
		Additions / Adjustments during the year	-
		Sub-Total	652.24
		Less: Cost of assets sold/written off	-
		Closing Balance (at cost)	652.24
3	FURNITURE & FIXTURES	Less: Depreciation to date	334.35
		Book Value	317.89
		Opening Balance	64.48
		Additions/adjustments during the year	1.48
		Sub-Total	66.92
		Less: Cost of assets sold/written off	0.22
4	COMPUTER INSTALLATIONS & OFFICE EQUIPMENTS	Closing Balance (at cost)	66.70
		Less: Depreciation to date	60.02
		Book Value	6.68
		Opening Balance	208.46
		Additions/adjustments during the year	10.54
		Sub-Total	219.00
5	VEHICLES	Less: Cost of assets sold/written off	2.55
		Closing Balance (at cost)	216.45
		Less: Depreciation to date	186.12
		Book Value	30.33
		Opening Balance	13.07
		Additions/adjustments during the year	4.56
6	Capital Work in Progress	Sub-Total	17.63
		Less: Cost of assets sold/written off	4.33
		Closing Balance (at cost)	13.30
		Less: Depreciation to date	5.62
		Book Value	7.68
		Capital Work in Progress	33.82
TOTAL		528.03	551.93

**SCHEDULE 13 - OTHER ASSETS**

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022
1	Accrued Interest	3,065.57	3,179.06
2	Discount Receivable	134.28	46.59
3	Deposits with Landlords	1.36	1.24
4	Deposits with Government Departments and Other Institutions	54.07	53.88
5	Housing loan to staff	120.77	121.05
6	Other Advances to staff	91.42	86.89
7	Sundry Advances	63.85	51.90
8	Deferred Tax Assets (Refer Note B-21.5 of Schedule 18)	165.02	163.95
9	Receivable from Government of India/International Agencies (Refer Note B-30 of Schedule 18)	1,415.11	1,241.53
10	Discount on issue of Bonds	175.62	77.30
Total		5,287.07	5,023.39

SCHEDULE 14 - INTEREST AND FINANCIAL CHARGES

(Amount in ₹ crore)

Sr. No.	Particulars	2022-23	2021-22
1	Interest Paid on		
(a)	Deposits under RIDF	4,921.28	5,164.70
(b)	Short Term Cooperative Rural Credit Fund	2,108.64	1,794.32
(c)	ST RRB Credit Refinance Fund	533.78	363.65
(d)	Warehouse Infrastructure Fund	151.93	199.13
(e)	Long Term Rural Credit Fund	1,270.34	1,363.36
(f)	Fund for Food Processing Units	13.13	12.31
(g)	Tea / Coffee / Rubber Deposits	3.12	2.59
(h)	Term Money Borrowings	82.79	128.13
(i)	Bonds (Refer Note B-40 of Schedule 18)	13,765.25	12,788.15
(j)	Term Loan from Banks	4,355.49	1,817.55
(k)	Borrowings from International Agencies	23.92	25.31
(l)	Discount on Commercial Paper	1,272.11	1,002.54
(m)	Discount on Certificate of Deposits	803.52	384.13
(n)	Repo Interest Expenditure	8.31	22.38
(o)	Interest paid on funds	223.10	375.91
(p)	Borrowing from RBI under SLF	385.27	725.10
(q)	Borrowing against ST Deposit	0.86	-
2	Discount on CBLO / TREPS	376.70	330.45
3	Discount, Brokerage, Commission & issue exp. on Bonds and Securities	25.09	26.45
4	Swap Charges	26.40	29.70
Total		30,351.03	26,555.86



SCHEDULE 15 A - ESTABLISHMENT AND OTHER EXPENSES

Sr. No	Particulars	(Amount in ₹ crore)	
		2022-23	2021-22
1	Salaries and Allowances (Refer Note B-38 of Schedule 18)	768.27	859.01
2	Contribution to / Provision for Staff Superannuation Funds	367.73	730.47
3	Other Perquisites & Allowances	189.55	186.31
4	Travelling & Other allowances in connection with Directors' & Committee Members' Meetings	0.08	0.00
5	Directors' & Committee Members' Fees	0.28	0.17
6	Rent, Rates, Insurance, Lighting, etc.	41.85	37.20
7	Travelling Expenses	44.31	34.27
8	Printing & Stationery	5.87	5.11
9	Postage Telegrams & Telephones	21.95	20.41
10	Repairs	22.24	23.80
11	Auditors' Fees	0.27	0.32
12	Legal Charges	1.84	1.09
13	Miscellaneous Expenses	180.31	160.23
14	Expenditure on Miscellaneous Assets	7.56	7.83
15	Expenditure on Study & Training	57.20	69.79
	Total	1,709.31	2,136.01

SCHEDULE 15B - EXPENDITURE ON PROMOTIONAL ACTIVITIES

Sr. No	Particulars	(Amount in ₹ crore)	
		2022-23	2021-22
1	Cooperative Development Fund	33.63	30.53
2	Producers' Organization Development Fund	3.84	5.11
3	Rural Infrastructure Promotion Fund	5.34	6.23
4	Expenditure under Farm Sector Promotion Fund	28.68	22.17
5	Expenditure under Climate Change Programme	2.53	1.75
6	Gramya Vikas Nidhi	61.75	46.09
7	Catalytic Capital Fund	0.98	-
	Total	136.75	111.88

SCHEDULE 16- PROVISIONS

Sr. No.	Particulars	(Amount in ₹ crore)	
		2022-23	2021-22
	Provisions for:		
1	Standard Assets	201.00	108.00
2	Non Performing Assets	338.22	346.20
3	Floating Provision	-	750.00
4	Depreciation in value of Investment Account – Equity	-10.64	10.64
	Total	528.58	1,214.84

SCHEDULE 17 - COMMITMENTS AND CONTINGENT LIABILITIES

Sr. No	Particulars	(Amount in ₹ crore)	
		As on 31.03.2023	As on 31.03.2022
1	Commitments on account of capital contracts remaining to be executed	14.00	14.00
	Sub Total "A"	14.00	14.00
2	Contingent Liabilities		
(i)	Bank Guarantee	24.18	24.18
(ii)	Claims against the Bank not acknowledged as debt	-	-
(iii)	Pending legal cases including Income Tax Appeals	378.80	9.48
	Sub Total "B"	402.98	33.66
	Total (A + B)	416.98	47.66



12.5. Notes forming part of the Accounts

12.5.1 Capital

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

- Authorized Capital: ₹30,000 crore as of both 31 March 2022 and 31 March 2023.
- Paid-up Capital: The entire paid-up capital of the bank has been subscribed by the Government of India.

Paid-up Capital

Contributor	31 March 2023		31 March 2022	
	(₹ crore)	%	(₹ crore)	%
Government of India	17,080.00	100.00	17,080.00	100.00
Total	17,080.00	100.00	17,080.00	100.00

Capital Adequacy:

1. **Capital Adequacy Ratio:**

Particulars	31 March 2023	31 March 2022
	%	%
Capital Adequacy Ratio (CRAR)	16.89%	16.07%

RBI's minimum requirement of CRAR - 9%.

2. Exclusions in CRAR Calculation:

As per RBI's instructions, assets financed from the National Rural Credit – Long Term Operations (NRC LTO) Fund, amounting to ₹14,501 crore as on 31 March, 2023 (31st March 2022 : ₹14,499 crore), are excluded from the computation of the Capital to Risk-weighted Assets Ratio (CRAR).

3. CRAR Parameters: The details of various parameters used in the calculation of the CRAR are provided separately

(Amount in ₹ crore)			
S. No.	Particulars	2022-23	2021-22
(i)	Common Equity	63,535.48	56,931.16
(ii)	Additional Tier 1 capital	0	0
(iii)	Total Tier 1 capital (i+ii)	63,535.48	56,931.16
(iv)	Tier 2 capital	4,751.19	4,497.51
(v)	Total Capital (Tier 1+Tier 2)	68,286.67	61,428.67
(vi)	Total Risk Weighted Assets (RWAs)	404,280.39	382,186.32
(vii)	Common Equity Ratio (Common Equity as a percentage of RWAs)	15.72	14.9
(viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	15.72	14.9
(ix)	Capital to Risk Weighted Assets Ratio (CRAR)	16.89	16.07
(x)	Percentage of the shareholding of the Government of India in the AIFI	100	100
(xi)	Amount of equity capital raised	0	2000
(xii)	Amount of Additional Tier 1 capital raised; of which	0	0
	(a) Perpetual Non-Cumulative Preference Shares (PNCPS):	0	0
	(b) Perpetual Debt Instruments (PDI)	0	0
(xiii)	Amount of Tier 2 capital raised; of which	0	0
	(a) Debt capital instruments:	0	0
	(b) Perpetual Cumulative Preference Shares (PCPS)	0	0
	(c) Redeemable Non-Cumulative Preference Shares (RNCPS)	0	0
	(d) Redeemable Cumulative Preference Shares (RCPS)	0	0



12.5.2 Free Reserves and provision

Provisions on Standard Assets:

Particulars	(Amount in ₹ crore)	
	2022-23	2021-22
Provisions towards Standard Assets made during the year	201.00	108.00

Counter Cyclical Provisioning Buffer*:

S.No	Particulars	(Amount in ₹ crore)	
		2022-23	2021-22
(a)	Opening balance in the floating provision account	2014.44	1264.44
(b)	The quantum of provisions made during the accounting year	0.00	750.00
(c)	Amount of drawdown made during the accounting year	0.00	0.00
(d)	Closing balance in the floating provision account	2014.44	2014.44

* This represents the floating provisions for advances which has not been used as Tier II capital.

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

12.5.3 Asset Quality and specific provisions

Non-Performing Advances:

S. No.	Particulars	31.03.2023	31.03.2022
(i)	Net NPA to Net Advances (%)	0.00	0.00
(ii)	Movement of NPAs (Gross)	Opening Balance	2109.59
		Additions during the year	0.54
		Reductions during the year	(68.35)
		Closing Balance	2041.78
(iii)	Movement of NPAs (Net)	Opening Balance	0.00
		Additions during the year	0.00
		Reductions during the year	0.00
		Closing Balance	0.00
(iv)	Movement of provisions for NPAs (excluding provision on standard assets)	Opening balance	2109.59
		Provision made during the year	0.54
		Write off / write back of excess provision	(68.35)
		Closing balance	2041.78

Non-Performing Investments:

S. No.	Particulars	31.03.2023	31.03.2022
(i)	Net NPI to Net Investments (%)	0.00	0.00
(ii)	Movement of NPIs (Gross)	Opening Balance	332.89
		Additions during the year	17.5
		Reductions during the year	(23.59)
		Closing Balance	326.8
(iii)	Movement of NPIs (Net)	Opening Balance	0.00
		Additions during the year	0.00
		Reductions during the year	0.00
		Closing Balance	0.00
(iv)	Movement of provisions for NPIs (excluding provision on standard assets)	Opening balance	332.89
		Provision made during the year	17.5
		Write off / write back of excess provision	(23.59)
		Closing balance	326.8



Non-Performing Assets:

S. No.	Particulars	(Amount in ₹ crore)	
		31.03.2023	31.03.2022
(i)	Net NPA to net assets (Advances + Investments) (%)	0.00	0.00
(ii)	Movement of NPAs (Gross Advances + Gross Investments)	Opening Balance	2442.48
		Additions during the year	18.04
		Reductions during the year	(91.94)
		Closing Balance	2368.58
(iii)	Movement of net NPAs (Net)	Opening Balance	0.00
		Additions during the year	0.00
		Reductions during the year	0.00
		Closing Balance	0.00
(iv)	Movement of provisions for NPAs (excluding provision on standard assets)	Opening balance	2442.48
		Provision made during the year	18.04
		Write off / write back of excess provision	(91.94)
		Closing balance	2368.58
			2442.48



Annual Report 2022-23

Particulars of Accounts Restructured

During the current financial year, seven loan accounts were restructured.

(Amount in ₹ crore)

	Type of restructuring Asset Classification Details	Other mechanisms*					TOTAL				
		Std	SS	Dful	Loss	TOTAL	Std	SS	Dful	Loss	TOTAL
1	Restructured Accounts as on 01 April 2022	No. of Borrowers	8	1	3	0	12	8	1	3	0
		Amount outstanding	147.26	51.79	14.58	0.00	213.63	147.26	51.79	14.58	0.00
		Provision thereof*	8.93	51.79	14.58	0.00	75.30	8.93	51.79	14.58	0.00
2	Fresh restructured/ Advances during the year	No. of Borrowers	2	0	0	0	2	2	0	0	0
		Amount outstanding	15.40	0.00	0.00	0.00	15.40	15.40	0.00	0.00	0.00
		Provision thereof*	0.77	0.00	0.00	0.00	0.77	0.77	0.00	0.00	0.00
3	Upgradation to restructured standard category during the FY	No. of Borrowers	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
		Provision thereof*	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 as restructured standard advances at the beginning of the next FY	No. of Borrowers	2	1	0	0	3	2	1	0	0
		Amount outstanding	15.14	51.79	0.00	0.00	66.93	15.14	51.79	0.00	0.00
		Provision thereof*	0.76	51.79	0.00	0.00	52.55	0.76	51.79	0.00	0.00
5	Downgradation of restructured accounts during the FY	No. of Borrowers	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
		Provision thereof*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Write offs/Recoveries of Restructured accounts during the FY	No. of Borrowers	5	0	1	0	6	5	0	1	0
		Amount outstanding	33.43	0.00	0.35	0.00	33.78	33.43	0.00	0.35	0.00
		Provision thereof*	1.85	0.00	0.35	0.00	2.20	1.85	0.00	0.35	0.00
7.	Restructured accounts as on 31 March 2023	No. of Borrowers	8	0	2	0	10	8	0	2	0
		Amount outstanding	114.09	0.00	14.23	0.00	128.32	114.09	0.00	14.23	0.00
		Provision thereof*	7.09	0.00	14.23	0.00	21.32	7.09	0.00	14.23	0.00
											21.32

Restructuring

Under CDR Mechanism : Nil

Under SME Debt Restructuring Mechanism : Nil

* Provision includes the normal standard assets provision and additional provision due to restructuring.



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

Particulars	(Amount in ₹ crore)
	2022-23
Loan outstanding	0.00
Equity Shares	8.06
Optionally Convertible Debentures	30.30
Total	38.36

Movement of Non-Performing Assets:

S. No.	Particulars	(Amount in ₹ crore)	
		2022-23	2021-22
(i)	Gross NPAs as on 01 April	2109.59	1240.88
(ii)	Additions (fresh NPAs) during the year	0.54	871.08
	Sub-total (A)	2110.13	2111.96
(i)	Upgradations	43.28	0.00
(ii)	Recoveries (excluding recoveries made from upgraded accounts)	22.23	2.37
(iii)	Technical / Prudential Write offs	0.00	0.00
(iv)	Write offs other than those under (iii) above	2.83	0.00
	Sub-total (B)	68.34	2.37
	Gross NPAs as on 31 March (A-B)	2041.78	2109.59

Write-offs and recoveries:

Particulars	(Amount in ₹ crore)	
	2022-23	2021-22
Technical / Prudential written off accounts		
Opening balance of as at 01 April	0.00	0.00
Add: Write offs during the year	0.00	0.00
Less: Recoveries made from previously written off accounts during the year	0.00	0.00
Closing balance as at 31 March	0.00	0.00

Note: Technical or prudential write-off is the amount of nonperforming 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

Particulars	(Amount in ₹ crore)	
	2022-23	2021-22
Total Overseas Assets	0.00	0.00
Total Overseas NPAs	0.00	0.00
Total Overseas Revenue	0.00	0.00



DEPRECIATION AND PROVISIONS ON INVESTMENTS

S. No.	Particulars	2022-23	2021-22
(1)	Investments		
(i)	Gross Investments *		
	In India	48,319.84	65,833.24
	Outside India	0.00	0.00
(ii)	Provision for Depreciation*		
	In India	326.80	332.89
	Outside India	0.00	0.00
(iii)	Net Investments*		
	In India	47,993.04	65,500.35
	Outside India	0.00	0.00
(2)	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	332.89	650.34
(ii)	Add: Provisions made during the year	17.50	0.00
(iii)	Appropriation, if any, from Investment Fluctuation Reserve Account during the year	0.00	0.00
(iv)	Less: Write off / write back of excess provisions during the year	(23.59)	(317.45)
(v)	Less: Transfer, if any, to Investment Fluctuation Reserve Account	0.00	0.00
(vi)	Closing balance	326.80	332.89

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

12.5.4 Investments in Government securities

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)	177.00 (765.00)	176.66 (814.93)
Pledged for Business Segment (CBLO / Tri Party Repo)	21690.15 (25918.05)	22822.95 (27460.48)
Pledged for Business Segment (Securities) Default Fund	50.00 (50.00)	51.75 (51.75)
Pledged for Business Segment (CBLO / Tri Party Repo) – Default Fund	50.00 (50.00)	51.75 (51.75)

SECURITIES PLEDGED WITH RESERVE OF INDIA AS COLLATERAL SECURITY FOR INTRA DAY LIMIT:

(Amount in ₹ crore)

Particulars	Face Value	Book Value
Pledged for Intra Day Limit (Securities)	527.00 (0.00)	545.54 (0.00)

12.5.5. Provisions and Contingencies

(Amount in ₹ crore)

S. No	Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account	2022-23	2021-22
1	Provisions for depreciation on Investment	(10.64)	10.64
2	Provision towards NPA (Advances + Investments)	338.23	346.20
3	Provision made towards Income tax	1520.00	1628.00



12.5.6. Provision Coverage Ratio (PCR)

Particulars	2022-23	2021-22
Provisioning (including counter cyclical provisioning buffer as per Note no 2.2 of Schedule- 18)	2,014.44	2,014.44
Gross non-performing assets	2,368.58	2,442.48
PCR	185.05%	182.48%

12.5.7. Investment Portfolio: Constitution and operations

REPO TRANSACTIONS

Particulars	Minimum outstanding during FY 2022-203	Maximum outstanding during FY 2022-203	Daily Average outstanding during FY 2022-203	Outstanding as on 31 March 2023
Securities sold under repo				
i. Government securities	10.32 (242.36)	4100.67 (9036.94)	124.23 (620.07)	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	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	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

S. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(i)	PSUs	155.58 (434.85)	155.58 (434.85)	—	—	—
(ii)	Govt	37,975.12 (41,067.4)	37,975.12 (41,067.4)	—	—	—
(iii)	FIs	627.86 0	627.86 0	—	—	—
(iv)	Banks	2,638.56 0	2,638.56 0	—	—	—
(v)	Private Corporates	936.15 (990.49)	936.15 (990.49)	—	—	—
(vi)	Subsidiaries / Joint Ventures	0 0	0 0	—	—	—
(vii)	Others	0 0	0 0	—	—	—
(viii)	Provision held towards depreciation	326.8 (332.89)	326.8 (332.89)	—	—	—
	Total	42,006.47 (42,159.85)	42,006.47 (42,159.85)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)



* Debt securities consist of Govt. Securities including Treasury Bills, Non-Convertible Debentures, Commercial papers, Certificate of deposits etc shown at book value.

Sale and Transfers to / from HTM Category

During the financial year 2022-23,

Securities transferred from HTM to AFS category

	Book Value	Face value
• State Govt. Development Loan (SDL) Securities	₹302.78 crore	₹300.00 crore
• Central Government Securities	₹203.05 crore	₹196.00 crore
• Investment in Venture Capital Fund (on completion of 3 years)	₹24.95 crore	₹21.55 crore

Securities transferred from AFS to HTM category

	Book Value	Face value
• State Govt. Development Loan (SDL) Securities	₹772.50 crore	₹769.88 crore
• Central Government Securities	₹1041.37 crore	₹1013.08 crore

Value of investments under Held to Maturity (HTM) as on 31st March 2023

	Market Value	Book Value
	₹10,619.90 crore	₹10,605.90 crore

12.5.8. Financial Assets purchased/ sold

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

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

Details of Non Performing Financial Assets Purchased / Sold

- A. Details of non performing financial assets purchased : NIL
B. Details of non performing financial assets sold : NIL

12.5.9. Operating Results

S. No.	Particulars	2022-23	2021-22
(i)	Interest income as a percentage to working funds (%)	5.39	5.51
(ii)	Non-Interest Income as a percentage to working funds (%)	0.03	0.02
(iii)	Operating Profit as a percentage to working funds (%)	0.97	1.19
(iv)	Return on Assets (%)	0.74	0.76
(v)	Net Profit per employee (₹ crore)	1.67	1.6



12.5.10. Credit Concentration Risk

Capital Market Exposure

(Amount in ₹ crore)

S. No.	Particulars	2022-23	2021-22
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 \$\$	1708.93	1663.94
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)	326.36	398.34
Total Exposure to Capital Markets		2035.29	2062.28

Exposure to Country Risk

Exposure to Country Risk: NIL

12.5.11. Prudential Exposure Limits

Prudential Exposure Limits- Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the AIFI

- The number and amounts of exposures in excess of the prudential exposure limits during the FY 2022-23: NIL
- Credit exposure as percentage to Capital Funds and as percentage to Total Assets.

(Amount in ₹ crore)

S. No.	Category	2022-23		2021-22	
		Credit Exposure as % to		Credit Exposure as % to	
		Capital Funds	Total Assets	Capital Funds	Total Assets
I	Largest Single Borrower	71.49	6.09	79.47	6.44
II	Largest Borrower Group	Nil	Nil	Nil	Nil
III	Twenty Largest Single Borrowers for the year	569.92	48.55	579.78	47.02
IV	Twenty Largest Borrower Groups	Nil	Nil	Nil	Nil



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

Concentration of borrowings and lines of credit

S. No.	Particulars	(Amount in ₹ crore)	
		2022-23	2021-22
(i)	Total borrowings from twenty largest lenders	486,965.21	456,243.27
(ii)	Percentage of borrowings from twenty largest lenders to total borrowings	70.46	70.46

Concentration of credit exposures

S. No.	Particulars	(Amount in ₹ crore)	
		2022-23	2021-22
(i)	Total exposures to twenty largest borrowers	389,182.50	356,151.16
(ii)	Percentage of exposures to twenty largest borrowers to Total Advances of the AIFI	53.08	52.19

Sector-wise concentration of exposures and NPAs

S. No.	Particulars	FY 2022-23			FY 2021-22		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
I.	Agricultural sector including allied agricultural activities	733,186.90	2,041.54	0.28	682,368.05	2095.80	0.31
1	Central Government	0.00	0.00	0.00	0.00	0.00	0.00
2	Central PSUs	0.11	0.00	0.00	0.11	0.00	0.00
3	State Governments	197,513.89	0.00	0.00	182,047.30	0.00	0.00
4	State PSUs	27,627.98	0.00	0.00	28,207.36	0.00	0.00
5	Scheduled Commercial Banks	162,773.94	0.00	0.00	146,447.20	0.00	0.00
6	Regional Rural Banks	72,917.73	0.00	0.00	67,053.46	0.00	0.00
7	Co-operative banks	143,819.11	0.00	0.00	123,012.35	0.00	0.00
8	Private sector (excluding banks)	101,861.22	114.38	0.11	104,010.55	169.04	0.16
9	Others SCARDB/LDB/NBFC-MFI/ ADFC	26,672.93	1,927.16	7.23	31,589.73	1926.76	6.10
II.	Others	212.43	0.24	0.11	221.74	13.79	6.22
1	Construction Sector	0.00	0.00	0.00	13.70	13.70	100.00
2	Staff Loans	212.43	0.24	0.11	208.04	0.09	0.04
	Total (I+II)	733,399.33	2041.78	0.28	682,589.79	2109.59	0.31

* Includes major loans such as RIDF, WIF, NIDA etc. # grouped under "Other Advance" in Schedule-10.

Unhedged Foreign Currency Exposure: 12.30 Million Euro (12.30 Million Euro)

12.5.13. Derivatives

Forward Rate Agreement / Interest Rate Swap : NIL
 Exchange Traded Interest Rate derivatives : NIL

Disclosure on Risk exposure in derivatives:

**Qualitative Disclosure**

- NABARD uses Derivatives for hedging of exchange risk arising out of foreign currency borrowings, with underlying as Foreign Currency Borrowings, which are not MTM, but only translated.
NABARD does not undertake trading in Derivatives.
- Internal Control guidelines for hedging are framed and approved by the Board.
- NABARD has put systems in place for mitigating the risk arising out of derivative deals.
NABARD follows the accrual method for accounting the transactions arising out of derivative deals.

Quantitative Disclosures

- | | 31 st March, 2023 | 31 st March, 2022 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| • NABARD has hedged its International Borrowings to the extent of : | 49.73 million Euro
48.05 million USD | 58.17 million Euro
41.62 million USD |
| • Consequent upon hedging of foreign currency borrowings, the same is shown at contracted value as per the Swap agreement / forward contract. | | |
| • NABARD has open exposure of 12.30 million (12.30 million) in Euro as on 31 March 2023. | | |
| • The value of outstanding principal amount of hedge contract at the year-end exchange rate stood at ₹840.66 crore FY 2022-23 (₹819.42 crore FY 2021-22). | | |
| • The value of outstanding principal liability in the books of account stood at ₹909.78 crore FY 2022-23 (₹918.44 crore FY 2021-22). | | |

The quantitative disclosure in this regard is as under:

S. No.	Particulars	(Amount in ₹ crore)			
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)				
	a) For hedging	760.71		819.42	
	b) For trading	--		--	
(ii)	Marked to Market Positions				
	a) Asset (+)	61.77		1.30	
	b) Liability (-)				
(iii)	Credit Exposure [2]	61.77		18.08	
(iv)	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives	9.7		12.8	
	b) on trading derivatives	--		--	
(v)	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging	--		--	
	b) on trading	--		--	

12.5.14. Letters of Comfort (LoCs)

Letters of Comfort (LoCs) issued by AIFIs: NIL



12.5.15. Asset Liability Management

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

Particulars	(Amount in ₹ crore)								
	1 -14 d	15-28d	29d-3m	>3m-6m	>6m-1y	>1y-3y	>3y-5y	>5y	Total
Deposits	661.66	8596.63	661.66	24347.64	73719.98	82200.22	61307.44	26605.64	278100.9
Advances	7996.98	8352.77	51160.09	77454.69	166527.7	191302.9	89551.06	138554.4	730900.6
Investments	12853.32	11010.33	13263.85	58.48	33.9	637.18	669.37	10038.3	48564.74
Borrowings	30605.58	9512.26	62162.32	15598.23	49849.87	93832.47	29056.1	119231.3 5	409848.2
Foreign Currency Assets	0	0	0	0	0	0	0	0	0
Foreign Currency liabilities	0	0	36.03	0	60.63	144.36	145.41	523.54	909.98

12.5.16. Draw Down from Reserves

Draw Down from Reserves: NIL

12.5.17. Business Ratio

Particulars	2022-23	2021-22
Return on Equity (%)	8.50	8.93
Return on Assets (%)	0.74	0.76
Net Profit Per Employee (₹ crore)	1.67	1.60

12.5.18. Penalties imposed by RBI

Disclosure of Penalties imposed by RBI : NIL

12.5.19. Complaints

Customer Complaints

S. No.	Particulars	2022-23	2021-22
(a)	No. of complaints pending at the beginning of the year	16	5
(b)	No. of complaints received during the year	85	252
(c)	No. of complaints redressed during the year	92	241
(d)	No. of complaints pending at the end of the year	9	16

12.5.20. Off-Balance Sheet SPVs Sponsored

There are no Off-Balance Sheet SPVs sponsored by NABARD, which are required to be consolidated as per accounting norms.



12.5.21. Accounting Standards

Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies

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

S. No.	Particulars	(Amount in ₹ crore)	
		2022-23	2021-22
1.	Income	0.00	0.00
2.	Revenue Expenditure	0.00	0.00
	Total	0.00	0.00

Accounting Standard 15 – Employee Benefits Disclosure required under AS 15 (Revised) on “Employee Benefits”

Principal Actuarial Assumptions and the basis of these assumptions

Particulars	Pension		Gratuity		Leave Benefits	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Discount Rate (%)	7.60%	7.20%	7.60%	7.20%	7.60%	7.20%
Expected Return on Plan Assets (%)	7.60%	7.20%	7.60%	7.20%	7.60%	7.20%
Rate of Escalation In salary (%)	6.00%	6.00%	6.00%	7.00%	6.00%	7.00%

Changes in Present value of the obligation

Particulars	(Amount in ₹ crore)					
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Present value of Obligation at the beginning of period	7892.53	6543.10	435.62	454.92	344.05	347.18
Add: Current Service Cost	495.61	90.26	24.07	21.01	11.06	12.58
Add: Interest Cost	551.85	441.66	31.36	30.71	24.77	23.43
Actuarial gain/(loss)	(0.94)	(1130.24)	(40.45)	(7.88)	(69.63)	(5.34)
Less: Benefits paid	(459.92)	(312.73)	(109.21)	(78.90)	(84.29)	(44.48)
Present value of defined benefits obligations at the year end	8481.01	7892.53	422.29	435.62	365.22	344.05

Changes in the FV of the Plan Assets

Particulars	(Amount in ₹ crore)					
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Fair value of Plan Assets at the beginning of period	7583.51	6546.03	423.11	458.89	198.31	226.91
Add: Expected return on Plan assets	533.08	441.86	30.46	30.98	14.27	15.32
Add: Contributions by Bank	930.03	399.20	60.66	7.32	0.00	0.00
Actuarial gain/(loss)	(104.24)	509.16	(7.28)	4.83	(6.77)	0.56
Less: Benefits paid	(429.14)	(286.39)	(109.21)	(78.91)	(84.29)	(44.48)
Less: Reimbursement Payable by Employer	(30.77)	(26.35)	0.00	0.00	0.00	0.00
Fair value of Plan Assets as at the end of the period	8482.47	7583.51	397.74	423.11	121.52	198.31



Actual Return on Plan Assets

Particulars	Pension		Gratuity		Leave Benefits	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Expected return on Plan Assets	533.08	441.86	30.46	30.98	14.28	15.32
Actuarial gain/(loss)	(104.24)	509.17	(7.28)	4.83	(6.77)	0.56
Actual Return on Plan Assets	428.84	951.03	23.18	35.81	7.51	15.88

Net Actuarial Gain / (loss) Recognized

Particulars	Pension		Gratuity		Leave Benefits	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Actuarial gain / (loss) for the period - Obligations		(1130.24)	(40.45)	(7.88)	(69.63)	(5.34)
Actuarial gain / (loss) for the period - Plan Assets	(104.24)	509.17	(7.28)	4.83	(6.77)	0.56
Total Gain / (Loss) for the period	(105.18)	(621.07)	(47.73)	(3.05)	(76.40)	(4.78)
Actuarial gain or (loss) recognised in the period	(105.18)	(621.07)	(47.73)	(3.05)	(76.40)	(4.78)
Unrecognised Actuarial gain/ (loss) at the end of the year	0.00	0.00	0.00	0.00	0.00	0.00

Amount recognized in Balance Sheet

Particulars	Pension		Gratuity		Leave Benefits	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Present value of defined benefits obligations as at the year end	8481.01	7892.52	422.29	435.62	365.22	344.05
Less: Fair value of plan assets as at the year end	8482.47	7583.51	397.74	423.11	121.52	198.30
Unrecognised Past Service cost -vested benefits – Carried Forward	0.00	0.00	0.00	0.00	0.00	0.00
Liability to be Recognised in the Balance Sheet	(1.46)	309.01	24.55	12.51	243.70	145.75
Liability Recognised in the Balance Sheet	0.00	331.04	25.75	21.68	365.22	378.51

Expense to be recognized in Profit and loss Account

Particulars	Pension		Gratuity		Leave Benefits	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Current Service Cost	495.61	90.26	24.07	21.01	11.06	12.58
Add: Interest cost	551.85	441.66	31.36	30.71	24.77	23.43
Less: Expected return on Plan assets	(533.08)	(441.85)	(30.46)	(30.97)	(14.27)	(15.31)
Add: Net Actuarial gain/ (loss) recognized in Year	(105.18)	(621.07)	(47.73)	(3.05)	(76.40)	(4.78)
Expenses to be recognized in the statement of profit and loss	619.56	711.14	72.70	23.80	97.96	25.48
- Of which, out of earlier year provisions	187.33	42.20	43.95	0.00	29.64	0.00
- Contributions received from employees	103.25	0.00	0.00	0.00	0.00	0.00
- Charged to Profit and loss account	328.78	668.94	28.75	23.80	68.32	25.48

**Investment under Plan Assets of Pension, Gratuity & Leave Benefits Fund as on 31 March 2023**

Particulars	Pension	Gratuity	Encashment of OL
	% of Plan Assets	% of Plan Assets	% of Plan Assets
Central Govt. Securities (%)	17.82	0.00	0.00
State Govt. Securities (%)	37.22	0.00	0.00
Insurer Managed Funds (%)	0.00	100.00	100.00
Others (%)	44.96	0.00	0.00
Total	100.00	100.00	100.00

Accounting Standard 17 – Segment Reporting Information on Business Segment

NABARD has recognised Primary segments as under:

1. Direct Finance:
Includes Loans given to state governments and other agencies for rural infrastructure development, co-finance loans and loans given to voluntary agencies/non-governmental organizations for developmental activities and other direct loans to Public Sector Banks, Private Banks, Small Finance Banks, Foreign Banks and Co-operative Banks etc.
2. Refinance:
Includes Loans and Advances given to State Governments, Commercial Banks, SCARDBs, StCBs, Regional Rural Banks etc. as refinance against the loans disbursed by them to the ultimate borrowers.
3. Treasury:
Includes investment of funds in treasury bills, short-term deposits, government securities, etc.
4. The segments other than the above three primary segments is other business segments.

Information on Primary Business Segment

(Amount in ₹ crore)

Business Segments	Treasury		Refinance		Direct Lending		Other Business		Total	
Particulars	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	2749.93	3119.69	19663.3 1	16780.8 1	16810.5 4	16823.9 5	106.75	36.83	39330.53	36761.28
Result	161.62	2688.57	5618.98	3689.86	2491.03	3334.56	(1716.92)	(3020.08)	6554.71	6692.91
Unallocated Expenses									0.00	0.00
Operating Profit									6554.71	6692.91
Income Taxes									1194.91	1611.06
Extraordinary profit/loss									0.00	0.00
Net Profit									5359.80	5081.85
Segment Assets	57335.4 6	70331.4 0	395164. 08	370527. 55	338679. 79	312369. 86	10473.0 5	4243.50	801652.39	757472.31
Segment Liabilities	91083.6 4	144580. 58	302270. 88	312546. 49	330288. 59	221985. 26	78009.2 8	78359.9 8	801652.39	757472.31
Unallocated Assets									0.00	0.00
Total Assets									801652.39	757472.31
Unallocated Liabilities									0.00	0.00
Total Liabilities									801652.39	757472.31

Since the operations of the Bank are confined to India only, there is no reportable secondary segment.



Accounting Standard 18 – Related Party Disclosures

Key Management Personnel:

S. No.	Name of the party	Designation
1	Dr. G R Chintala (till July 2022)	Chairman
2	Shri Suchindra Misra (from August 2022-December 2022)	Chairman
3	Shri Shaji K V (with effect from December 2022)	Chairman
4	Shri Shaji K V (till November 2022)	Deputy Managing Director
5	Shri P V S Suryakumar	Deputy Managing Director

Companies where entity has control:

S. No.	Companies	Relationship
1	NABFINS Limited	Subsidiary
2	NABSAMRUDDHI Finance Limited	Subsidiary
3	NABKISAN Finance Limited	Subsidiary
4	Nabard Consultancy Services Pvt. Ltd.	Wholly owned Subsidiary
5	NABVENTURES Limited	Wholly owned Subsidiary
6	NABFOUNDATION	Wholly owned Subsidiary
7	NABSankshan Trustee Private Limited	Wholly owned Subsidiary

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	
			2022-23	2021-22	2022-23	2021-22
Dr. G R Chintala	Key Management Personnel–Chairman	Remuneration including perquisites	0.38	0.67	0.00	0.00
Shri Shaji K V	Key Management Personnel–Chairman	Remuneration including perquisites	0.37	0.00	0.00	0.00
Shri Shaji K V	Key Management Personnel–Deputy Managing Director	Remuneration including perquisites	0.44	0.51	0.00	0.00
Shri P V S Suryakumar	Key Management Personnel–Deputy Managing Director	Remuneration including perquisites	0.78	0.60	0.00	0.00

Transactions with companies where entity has control:

Loans and advances outstanding in the nature of loans to subsidiaries by name and Amount

(Amount in ₹ crore)

S. No.	Companies	Outstanding as on 31st March 2023
1	NABFINS Limited	1762.66
2	NABKISAN Finance Limited	1543.98
3	NABSAMRUDDHI Finance Limited	836.13

Accounting Standard 22 – Accounting for Taxes on Income

Deferred Tax Asset recognized in the Profit and Loss Account, in FY 2022-23 : (-) ₹1.07 crore



Details of total deferred tax asset as on 31.03.2023

S. No.	Deferred Tax Assets	(Amount in ₹ crore)	
		31 March 2023	31 March 2022
1	Provision allowable on payment basis	148.78	147.26
2	Depreciation on Fixed Assets	16.23	16.69
	Total	165.01	163.95

12.5.22 Income Tax Provision – Adjustment for earlier years

1. The Income Tax department refunded the amount of ₹358.28 crores for the FY 2001-02, out of which ₹34.26 crores is the interest amount and ₹324.02 crores is the income tax refund.
2. Provision for taxation, advance tax are continued in the books of accounts with no adjustment in the profit & loss account.
3. The Income Tax department preferred an appeal against the ITAT order in the Mumbai High Court. Therefore, the alleged tax of ₹369.29 crore has been disclosed as Contingent Liability.

12.5.23 LTC benefits to employees

LTC benefits to employees are accounted for as and when the same is availed by the employees.

12.5.24 Un-amortised Pension and Gratuity Liabilities:

Un-amortised Pension and Gratuity Liabilities: Nil

12.5.25 non-performing assets

1. non-performing assets red-flagged during the last financial year 2021-22 with outstanding of ₹819.26 crore,
2. cent percent provision on the outstanding was done out of which 50% of the provision was debited to the profit & loss account and the balance amount of ₹409.63 crore was withdrawn from the Reserve fund and shown in Schedule -1

12.5.26 Details of loans transferred/ acquired during the Quarter ended March 31,2023

Details of loans transferred/ acquired during the Quarter ended March 31,2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24,2021 are given below:

1. NABARD has not transferred any Non-Performing Assets (NPAs)/ Technical written off accounts (TWO).
2. NABARD has not acquired any stressed loans
3. NABARD has not transferred or acquired any loan not in defaults.
4. The distribution of the Security Receipts (SRs) held by NABARD across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as at March 31, 2023: NIL

12.5.27 Agreement With Kreditanstalt Fur Wiederaufbau - German Development Bank (Kfw),

During the financial year 2022-23, a sum of ₹16.98 crore (₹21.67 crore during FY 2021-22), representing total expenditure of ₹21.30 crore over income of ₹4.32 crore under the fund, has been charged to Profit & Loss Account.

**12.5.28 Rate of Interest For Respective Funds**

S. No.	Name of the Fund	Rate of Interest for 2022-23	Rate of Interest for 2021-22
1	Watershed Development Fund	3%	4%
2	KfW - NB IGWDP (Andhra Pradesh, Gujarat, Rajasthan)	3%	4%
3	KfW Accompanying Measures	3%	4%
4	National Adaptation Fund for Climate change	3%	4%
5	Tribal Development Fund	3%	4%
6	Financial Inclusion Fund	3%	4%
7	KfW NB- V Adivasi Development Programme- Gujarat	3%	4%
8	Climate Change (AFB) - Project Formulation Grant	3%	4%
9	LTIF Interest Fluctuation Reserve Fund	3%	4%
10	PODF-ID	3%	4%
11	Green Climate Fund Project Grants	3%	4%
12	Cattle Development Fund (UP & Bihar)	4.20%	6.12%
13	Multi Activity Approach for Poverty Alleviation (Sultanpur and Rae Bareilly)	4.20%	6.12%
14	Center for Professional Excellence in Co-operatives	4.20%	6.12%

12.5.29 . Recoverable from Government of India / International Agencies

Recoverable from Government of India/ International Agencies (Refer Schedule-13 of Balance Sheet) includes ₹ 2.81 crore FY 2022-23 (₹ 4.41 crore FY 2021-22) being debit balance of various funds.

The details of such funds are as under:

S. No.	Name of the Fund	31-03-2023 (₹ crore)	31-03-2022 (₹ crore)
1	KfW - UPNRM – Accompanying Measures	0.07	0.03
2	KfW - Soil Project	1.66	4.38
3	NAFCC	1.08	0

12.5.30 Micro Finance Development and Equity Fund (MFDEF)

Sundry creditors includes ₹0.00 crore as on 31 March 2023 (₹30.48 crore as on 31 March 2022) being amounts outstanding to contributors in respect of Micro Finance Development and Equity Fund (MFDEF).

12.5.31 The amount of interest subvention adjusted under different schemes is given below:

S. No.	Scheme	2022-23 (₹ crore)	2021-22 (₹ crore)
1	Long Term Irrigation Fund	524.8	506.48
2	Seasonal Agricultural Operations (SAO)	-944.73	-1012.7
3	Dairy Processing and Infrastructure Development Fund (DIDF)	21.59	20.55
4	National Rural Livelihood Mission (NRLM)	9.18	10.64
5	Micro Irrigation Fund (MIF)	64.68	59.29
6	Fisheries and Aquaculture Infrastructure Development Fund (FIDF)	11.27	6.53

**12.5.32 Refinance Under Interest Subvention Scheme**

The amount received / receivable from GOI under the scheme stood at ₹112.95 crore as on 31 March 2023 (₹87.95 crore as on 31 March 2022).

12.5.33 Income Tax Appeals pending with various authorities

S. No.	Assessment Year	Authority where Appeal is pending	Appeal preferred by	Amount of tax in dispute as on 31-03-2023 (₹ Crore)	Amount of tax in dispute as on 31-03-2022 (₹ Crore)
1	2002-03	High Court – Mumbai	IT Dept.	415	415
2	2006-07	High Court – Mumbai	IT Dept.	115.52	115.52
3	2008-09	High Court – Mumbai	IT Dept.	118.77	118.77
4	2009-10	High Court – Mumbai	IT Dept.	194.82	194.82
5	2010-11	High Court – Mumbai	NABARD	28.2	0
6	2010-11	Income Tax Appellate Tribunal (ITAT)	NABARD	0	28.2
7	2010-11	Income Tax Appellate Tribunal (ITAT)	IT Dept.	0	215.31
8	2011-12	Income Tax Appellate Tribunal (ITAT)	NABARD	51.07	51.07
9	2011-12	Income Tax Appellate Tribunal (ITAT)	IT Dept.	287.62	287.62
10	2012-13	Income Tax Appellate Tribunal (ITAT)	NABARD	45.63	45.63
11	2012-13	Income Tax Appellate Tribunal (ITAT)	IT Dept.	327.03	327.03
12	2012-13	Commissioner of Income Tax (Appeals)	NABARD	25.55	25.55
13	2013-14	Income Tax Appellate Tribunal (ITAT)	NABARD	1.7	1.7
14	2013-14	Income Tax Appellate Tribunal (ITAT)	IT Dept.	380.05	380.05
15	2014-15	Income Tax Appellate Tribunal (ITAT)	IT Dept.	450.61	450.61
16	2015-16	Income Tax Appellate Tribunal (ITAT)	IT Dept.	448.87	448.87
17	2016-17	Commissioner of Income Tax (Appeals)	NABARD	407.23	407.23
18	2017-18	Commissioner of Income Tax (Appeals)	NABARD	360.69	360.69
19	2018-19	Commissioner of Income Tax (Appeals)	NABARD	278.52	278.52
20	2019-20	Commissioner of Income Tax (Appeals)*	NABARD	0	277.92
21	2020-22	Commissioner of Income Tax (Appeals)	NABARD	74.21	0

* CIT(A) has issued a partially favorable Order. We are in the process of preferring an Appeal with the ITAT.

**12.6 Standalone Cash flow for the year ended 31 March 2023**

Particulars	2022-23	(Amount in ₹ crore) 2021-22
(a) Cash flow from Operating activities		
Net Profit as per Profit and Loss a/c before tax	6,554.70	6,692.92
Adjustment for:		
Depreciation	50.17	49.78
Provisions and Amortisations	-	-
Provision for Non performing Assets	338.22	346.20
Provision for Standard Assets	201.00	108.00
Floating Provision	0.00	750.00
Depreciation in value of Investment Account - Equity	(10.64)	10.64
Provision for sacrifice in interest element of Restructured Loan	0.00	0.00
Profit / (Loss) on sale of Fixed Assets	(0.66)	(1.17)
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	279.85	379.14
Income from Investment (including Discount Income)	(2,666.86)	(3,030.63)
Operating profit before changes in operating assets	4,745.78	5,304.88
Adjustment for changes in working capital :		
(Increase) / Decrease in Current Assets	(4,334.36)	(734.60)
Increase / (Decrease) in Current Liabilities	299.05	3,362.80
(Increase) / Decrease in Loans and Advances (Including Housing Loan & Other Advances to Staff	(51,416.55)	(78,478.84)
Cash generated from operating activities	(50,706.08)	(70,545.76)
Income Tax paid - Net of refund	(875.26)	(1,889.79)
Net cash flow from operating activities (A)	(51,581.34)	(72,435.54)
(b) Cash flow from Investing activities		
Income from Investment (including Discount Income)	2,666.86	3,030.63
Purchase of Fixed Asset	(32.72)	(42.71)
Sale of Fixed Assets	7.11	8.02
(Increase) / Decrease in Investment	17,524.03	(21,048.46)
Net cash used / generated from investing activities (B)	20,165.28	(18,052.52)
(c) Cash flow from financing activities		
Grants / contributions received	(4,950.48)	2,256.78
Proceeds of Bonds	16,084.55	34,710.31
Increase / (Decrease) in Borrowings	143.28	41,999.95
Increase / (Decrease) in Deposits	25,974.18	10,554.58
Withdrawal/Addition from Reserve Fund	389.31	(409.63)
Increase in Share capital	-	2,000.00
Net cash raised from financing activities (C)	37,640.84	91,111.99
Net increase in cash and cash equivalent (A)+(B)+(C)	6,224.77	623.93
Cash and Cash equivalent at the beginning of the year	2,086.49	1,462.56
Cash and cash equivalent at the end of the year	8,311.26	2,086.49
1. Cash and cash equivalent at the end of the year includes :		
Cash in hand	0.00	0.00
Balance with Reserve Bank of India	4,800.93	363.61
Balances with other Banks in India	3,110.33	1,722.88
Remittances in Transit	400.00	0.00
Total	8,311.26	2,086.49



Chapter 13 Consolidated Financial Statements

13.1 Consolidated Balance sheet as on 31 March 2023

Funds And Liabilities

Sr. No.	Particulars	Schedule	(Amount in ₹ crore)	
			As on 31.03.2023	As on 31.03.2022
1	(i) Capital (Under Section 4 of the NABARD Act, 1981)		17080	17080
2	Reserve Fund and Other Reserves	1	50288.37	44391.66
3	National Rural Credit Funds	2	16102	16098
4	Gifts, Grants, Donations and Benefactions	3	6711.28	6602.27
5	Government Schemes	4	1106.99	5888.63
6	Minority Interest	1A	247.21	204.47
7	Deposits	5	278100.87	252126.69
8	Bonds and Debentures	6	246677.25	230592.7
9	Borrowings	7	164130.89	163660.12
10	Current Liabilities and Provisions	8	22411.45	21824.84
	Total		802856.31	758469.38
	Forward Foreign Exchange Contracts (Hedging) as per contra		950.88	925.97

Property and Assets

Sr. No.	Particulars	Schedule	(Amount in ₹ crore)	
			As on 31.03.2023	As on 31.03.2022
1	Cash and Bank Balances	9	16854.99	6073.49
2	Investments	10	48003.1	65725.28
3	Advances	11	731891.69	680882.72
4	Fixed Assets	12	543.3	566.3
5	Other Assets	13	5563.23	5221.59
	Total		802856.31	758469.38
	Forward Foreign Exchange Contracts (Hedging) as per contra		950.88	925.97
	Commitment and Contingent Liabilities	17		
	Significant Accounting Policies and Notes on Accounts	18		
	Schedules referred to above form an integral part of accounts			

13.2 Consolidated Profit and Loss Account for the year ended 31 March 2023

INCOME

Sr. No.	Income	Schedule	(Amount in ₹ crore)	
			2022-23	2021-22
1	Interest Received on Loans and Advances		36824.35	33874.32
2	Income from Investment operations/Deposits		2658.03	3030.53
3	Other Receipts		367.99	270.33
	Total (A)		39850.37	37175.18



EXPENDITURE

Sr. No.	Expenditure	Schedule	2022-23	2021-22
1	Interest and Financial Charges	14	30,370.10	26,574.22
2	Establishment and other expenses	15 A	1,942.10	2,281.35
3	Expenditure on Promotional Activities	15 B	136.75	111.88
4	Provisions	16	545.72	1,314.72
5	Depreciation		54.31	53.82
	Total (B)		33,048.98	30,335.99
6	Profit before Income Tax (A-B)		6,801.39	6,839.19
7	Prior period items		-	-
8	Provision for Income Tax		1,243.22	1,675.56
9	Deferred Tax Asset Adjustment (Net) (Refer Note B-8 of Schedule 18)		3.90	(30.85)
10	Profit after Tax		5,554.27	5,194.48
11	Minority Interest		43.87	15.67
12	Profit available for Appropriation		5,510.40	5,178.81

13.3 Consolidated PROFIT AND LOSS APPROPRIATION ACCOUNT

Sr. No.	Appropriations/Withdrawals	2022-23	2021-22
1	Profit for the year brought down	5,510.40	5,178.81
2	Add: Withdrawals from various funds against expenditure debited to Profit & Loss Account (Refer Schedule 1)	1,103.50	143.70
3	Total Profit Available for Appropriation	6,613.90	5,322.51
	less: transferred to (Refer Schedule 1, 2 & 3)		
1	Special Reserve u/s 36(I)(vii) of the Income Tax Act, 1961	850.00	1,065.00
2	National Rural Credit (Long Term Operations) Fund	1.00	1.00
3	National Rural Credit (Stabilisation) Fund	1.00	1.00
4	Co-operative Development Fund	33.63	130.53
5	Research & Development Fund	30.45	31.82
6	Investment Fluctuation Reserve	-	1,125.00
7	Producers' Organization Development Fund	3.84	5.11
8	Rural Infrastructure Promotion Fund	5.34	6.23
9	Farm Sector Promotion Fund	28.68	22.17
10	Gramya Vikas Nidhi	61.75	46.09
11	Climate Change Fund	2.53	1.75
12	Catalytic Fund	0.98	-
13	Forex Fluctuation Reserve Fund	5.51	5.21
14	Financial Inclusion Fund	20.32	-
15	Technology Facilitation Fund	50.00	-
16	Reserve Fund	5,518.87	2,881.60
	Total	6,613.90	5,322.51



13.4 SCHEDULE TO CONSOLIDATED BALANCE SHEET

Consolidated Schedule 1 - Reserve Fund and Other Reserves

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2022	Additions/ Adjustments during the year	Transferred from P&L Appropriation	Transferred to P&L Appropriation	Balance as on 31.03.2023
1	Reserve Fund*	29,063.67	(37.87)	5,965.38	0.46	34,990.72
2	Research and Development Fund	53.94	0.46	30.45	30.46	54.39
3	Capital Reserve	74.81	-	-	-	74.81
4	Investment Fluctuation Reserve	2,822.00	-	-	936.30	1885.7
5	Co-operative Development Fund	200.00	-	33.63	33.63	200
6	Special Reserves Created & Maintained u/s 36(1)(vii) of Income Tax Act, 1961	11,600.00	-	850.00	-	12,450
7	Producers' Organizations Development Fund	300.00	-	3.84	3.84	300
8	Rural Infrastructure Promotion Fund	50.00	-	5.34	5.34	50
9	Farm Sector Promotion Fund	60.00	-	28.68	28.68	60
10	Gramya Vikas Nidhi	110.00	-	61.75	61.75	110
11	Climate Change Fund	20.00	-	2.53	2.53	20
12	Catalytic Fund	20.00	-	0.98	0.98	20
13	Development Corpus Fund	5.00	-	-	-	5
14	Foreign Exchange Fluctuation Reserve Fund	12.24	-	5.51	-	17.75
15	Technology Facilitaion Fund	-	50.00	-	-	50
	Total	44,391.66	12.59	6,988.09	1,103.97	50,288.37
	Previous year	39,639.51	(13.22)	5,320.51	555.13	44,391.66

Consolidated Schedule 1A - Minority Interest

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2022	Addition during the year	Adjustments during the year	Closing balance as on 31.03.2023
1	Share capital	91.66	-	-	91.66
2	Reserves and Surplus	112.81	42.74	-	155.55
	Total	204.47	42.74	-	247.21
	Previous year	183.18	21.29	-	204.47

Consolidated Schedule 2 - National Rural Credit Funds

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance As on 01.04.2022	Contribution by RBI	Transferred from P&L Appropriation	Balance As on 31.03.2023
1	National Rural Credit (Long Term Operations) Fund	14499	1	1	14501
2	National Rural Credit (Stabilisation) Fund	1599	1	1	1601
	Total	16098	2	2	16102
	Previous year	16094	2	2	16098



Consolidated Schedule 3 - Gifts, Grants, Donations and Benefactions

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance as on 01-04-2022	Grants received/adjusted During the year	Interest credited*	Exp./Disb./Adjust. During the year	Balance as on 31-03-2023
A.	Grants from international Agencies					
1	KfW - NABARD V Fund for Adivasi Programme	0.64	-	0.01	0.65	-
2	KfW NB UPNRM -Accompanying Measures	-	0.01	-	0.01	-
3	KfW NB UPNRM - Financial Contribution	0.15	-	-	-	0.15
4	Indo German Watershed Development Programme - Andhra Pradesh	0.70	-	0.02	-	0.72
5	Indo German Watershed Development Programme - Gujarat	0.03	-	-	-	0.03
6	Indo German Watershed Development Programme - Rajasthan	0.06	-	-	-	0.06
7	GIZ UPNRM Technical Collaboration	0.03	-	-	-	0.03
8	Climate Change - (AFB) -Project Formulation Grant	22.28	0.07	0.62	1.87	21.10
9	GIZ Soil Project	1.41	-	-	-	1.41
10	KfW Soil Project	2.07	17.23	-	17.06	2.24
11	GCF Project Grants	1.14	4.69	0.04	4.50	1.37
B.	Other Funds					
1	Watershed Development Fund	1,527.25	-	45.01	99.83	1,472.43
2	Interest Differential Fund -(Forex Risk)	233.60	14.90	-	17.87	230.63
3	Interest Differential Fund -TAWA	0.10	-	-	-	0.10
4	Adivasi Development Fund	5.77	-	-	-	5.77
5	Tribal Development Fund	1,342.13	3.27	39.24	126.03	1,258.61
6	Financial Inclusion Fund (i)	2,867.10	427.79	84.98	340.83	3,039.04
7	Financial Inclusion Fund -Digital	8.11	-	-	8.11	-
8	PODF-ID	332.67	-	9.56	49.31	292.92
9	National Bank - Swiss Development Cooperation Project	66.11	0.83	-	-	66.94
10	RPF & RIF - Off-Farm Sector Promotion Fund	18.42	6.45	-	1.60	23.27
11	Centre for Professional Excellence in Co-operatives - (C-PEC)	3.13	-	0.13	-	3.26
12	LTIF Interest Fluctuation Reserve Fund	138.22	21.80	4.15	-	164.17
13	National Adaptation Fund for Climate Change A/c	31.15	75.96	0.66	51.10	56.67
14	Capacity Building Fund for Social Stock Exchange	-	5.00	-	-	5.00
15	Climate Change Fund - ID (ii)	-	87.35	-	21.99	65.36
	Total	6,602.27	665.35	184.42	740.76	6,711.28
	Previous year	6,371.65	623.51	379.13	771.98	6,602.27

**Consolidated Schedule 4 - Government Schemes**

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2022	Additions/ Adjustments during the year	Interest Credited*	Expenditure/ Disbursements from the fund	Balance as on 31.03.2023
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	0.69	0.02	-	0.28	0.43
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	0.10	-	-	-	0.10
8	National Project on Organic Farming	1.67	-	-	(0.13)	1.80
9	Integrated Watershed Development Programme - Rashtriya Sam Vikas Yojana	4.29	-	-	-	4.29
10	Dairy and Poultry Venture Capital Fund	2.16	-	-	(0.05)	2.21
11	Poultry Venture Capital Fund	0.00	-	-	(0.15)	0.15
12	ISAM - Agricultural Marketing Infrastructure	41.01	110.57	-	137.71	13.87
13	National Livestock Mission – PVCF EDEG	79.99	-	-	(0.93)	80.92
14	Centrally Sponsored Scheme for establishing Poultry Estate	0.08	-	-	-	0.08
15	Multi Activity Approach for Poverty Alleviation - Sultanpur Uttar Pradesh	0.08	-	-	-	0.08
16	Multi Activity Approach for Poverty Alleviation - BAIF - Rae Bareli, Uttar Pradesh	0.02	-	-	-	0.02
17	Dairy Entrepreneurship Development Scheme	5.10	3.12	-	0.03	8.19
18	CSS for Solar Mission	0.03	-	-	-	0.03
19	CSS - JNNSM - Solar Lighting a/c	2.76	-	-	-	2.76
20	CSS - Solar Photovoltaic Water Pumping	0.03	-	-	-	0.03
21	Capital Subsidy Scheme – Agri Clinic Agri Business Centres	1.56	14.48	0.01	14.30	1.75
22	CSS MNRE Lighting Scheme 2016 a/c	0.11	-	-	-	0.11
23	Artificial Recharge of Groundwater in Hard Rock Area	4.62	-	-	-	4.62
24	CSS On Formation And Promotion Of FPO	154.69	8.88	-	163.57	-
B	Other Government Schemes					
1	Agriculture Debt Waiver and Debt Relief Scheme (ADWDR) 2008	283.80	-	-	0.09	283.71
2	Women's Self HelpGroups [SHGs]Development Fund	27.81	0.03	-	10.69	17.15
3	PRODUCE FUND	15.44	-	-	8.59	6.85
4	Revival of 23 unlicensed DCCBs	-	-	-	-	-
5	Interest Subvention (Sugar Term Loan)	165.10	175.00	-	259.65	80.45
6	AMI - Workshop Assistance Fund	0.02	-	-	0.01	0.01
7	Kutch Drought Proofing Project	0.22	-	-	-	0.22



8	Revival Package for Long Term Cooperative Credit Structure (LTCCS)	20.00	-	-	-	20.00
9	Revival Reform and Restructure of Handloom Sector	3.88	-	-	-	3.88
10	Comprehensive Handloom Package	-	-	-	-	-
11	Interest Subvention (SAO, NRLM, NWR)	4,992.82	7,986.17	95.28	12,681.68	392.59
12	Arunachal Agri Start Up Scheme	0.50	-	-	-	0.50
13	Centrally sponsored Project-PACS Computerisation	-	100.00	0.14	-	100.14
	Total	5,888.63	8,398.27	95.43	13,275.34	1,106.99
	Previous year	3,485.35	11,153.63	0.01	8,750.36	5,888.63

Consolidated Schedule 5 – Deposits

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022
1	Central Government	-	-
2	State Governments	-	-
3	Others	-	
	a) Tea / Rubber / Coffee Deposits	56.90	60.50
	b) Deposits Under RIDF	1,63,069.25	1,47,226.72
	c) Short Term Cooperative Rural Credit Fund	50,432.08	44,541.43
	d) ST RRB Credit Refinance Fund	15,047.00	9,898.10
	e) Warehouse Infrastructure Fund	4,050.00	5,380.00
	f) Long Term Rural Credit Fund	44,995.64	44,709.94
	g) Food Processing Fund	450.00	310.00
	Total	2,78,100.87	2,52,126.69

Consolidated Schedule 6 - Bonds and Debentures

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022
1	Tax Free Bonds (Refer Note B-14 of Schedule 18)	5,000.00	5,000.00
2	Non Priority Sector Bonds	1,21,147.80	1,07,292.00
3	Capital Gains Bonds	-	-
4	PMAY-G-GOI Fully Serviced Bonds	48,809.60	48,809.60
5	LTIF - Bonds	38,160.25	35,931.50
6	LTIF-GOI Fully Serviced Bonds	19,506.80	19,506.80
7	SBM-G-GOI Fully Serviced Bonds	12,298.20	12,298.20
8	Micro Irrigation Fund (MIF) Bonds	1,754.60	1,754.60
	Total	2,46,677.25	2,30,592.70

**Consolidated Schedule 7 – Borrowings**

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022
1	Central Government	-	-
2	Reserve Bank of India	-	22399.43
3	Others:		
	(A) In India		
	i) Certificate of Deposits	18,386.30	16184.19
	ii) Commercial Paper	42,537.72	34551.80
	iii) CBLO / Tri Party Repo	19,171.95	16993.10
	iv) Term Money Borrowings	1,942.13	1987.01
	v) Term Loan from Banks	77,505.01	70623.34
	vi) JNN Solar Mission	2.81	2.81
	vii) Borrowing against Short Term Deposits	3,674.99	-
(B)	Outside India		
	i) International Agencies	909.98	918.44
	Total	1,64,130.89	1,63,660.12

Consolidated Schedule 8 - Current Liabilities and Provisions

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022
1	Interest / Discount Accrued	8,026.87	7,645.44
2	Sundry Creditors (Refer note B-4 of Schedule-18)	3,358.75	3,260.82
3	Subsidy Reserve (Co-finance,Cold Storage,CSAMI)	30.90	47.02
4	Provision for Gratuity	27.20	22.83
5	Provision for Pension	-	331.04
6	Provision for Encashment of Ordinary Leave	367.70	380.28
7	Provision for Post-Retirement Medical Benefit	148.34	138.12
8	Provision for Salary revision (Refer Note B-24 of Schedule 18)	75.17	880.00
9	Unclaimed Interest on Bonds	2.82	2.87
10	Bonds matured but not claimed	14.69	17.63
11	Bond Premium	45.70	136.33
12	Provisions and Contingencies a) Depreciation in value of Investment - G. Sec	-	704.50
	b) Amortisation of G. Sec - HTM	1,579.25	77.57
	c) For Standard Assets	2,952.13	68.47
	d) Non-performing Investments	366.17	2,750.60
	e) Countercyclical Provisioning Buffer/ Floating Provision	377.97	2,014.45
	f) Provision for Other Assets & Receivables	136.36	77.79
	g) Provision for Income Tax	2,826.80	3,153.02
13	Deferred Tax Liability	0.08	-
14	Other Liabilities	83.23	92.93
	Total	21,824.84	22,411.45



Consolidated Schedule 9 - Cash and Bank Balances

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022 (Amount in ₹ crore)
1	Cash in hand	-	-
2	Balances with:		
	(A) Banks in India		
	i) Reserve Bank of India	4,800.93	363.60
	ii) Other Banks		
	a) In Current Account	3,130.41	1,757.74
	b) Deposit with Banks	8,243.82	3,952.15
	(iii) Remittance in Transit	400.00	
	(B) Banks outside India	-	-
3	Tri Party Repo-Lending	279.83	
	Total	16,854.99	6,073.49

Consolidated Schedule 10 – Investments

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022 (Amount in ₹ crore)
1	Government Securities		
	a) Securities of Central Government & State Govt [Face Value ₹33316,36,70,000 (₹35624,48,60,000)]	34,634.35	35,438.71
	b) treasury Bills [Face Value ₹5771,36,60,000 (₹565,00,00,000.00)]	3,341.98	5,629.89
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. [1,05,30,000 (1,05,30,000) Shares of ₹10 each]	10.53	10.53
(j)	Open Network for Digital Commerce [10,00,000 (0) Shares of ₹100 each]	10.00	10.00
(k)	Other Equity Investments	28.08	28.08
4	DEBENTURES AND BONDS		
(a)	Special Dev Debentures of SCARDBs (Refer Note B-12 of Schedule 18)	244.80	429.81
(b)	Non Convertible Debentures	931.66	1,255.44
5	Others		



(a)	Mutual Fund	3,892.25	21,159.69
(b)	Commercial Paper [Face Value ₹ 200,00,00,000 (₹ 650,00,00,000)]	185.05	185.05
(c)	Certificate of Deposit [Face Value ₹ 0 (₹ 250,00,00,000)]	3,266.42	-
(d)	Venture Capital Funds / AIFs	341.25	403.08
(e)	Investment Earmarked towards EOL	61.02	119.29
	Total	48,003.10	65,725.28

Consolidated Schedule 11 – Advances

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022
1	Refinance Loans		
(a)	Production & Marketing Credit	1,40,912.79	119562.9
(b)	Medium Term - Conversion Loans	-	7.57
(c)	Other Investment Credit :		
(i)	Medium Term and Long Term Project Loans	2,51,794.43	238692.47
(ii)	Direct refinance to DCCBs	13,955.92	9822.42
2	Direct loans		
(a)	Loans under Rural Infrastructure Development Fund	1,54,069.63	142525.62
(b)	Loans under Warehouse Infrastructure Fund	4,091.60	4776.63
(c)	Long Term Non-Project Loans (net of provision)	1,329.46	1385.91
(d)	Loans under NABARD Infrastructure Development Assistance (NIDA)	27,889.73	23319.06
(e)	Loans under Producers' Organisation Development Fund (PODF)	6.42	15.49
(f)	Credit Facility to Federations [CFF]	17,355.21	22314.19
(g)	Loans under Food Processing Fund	421.84	303.69
(h)	Loans under Long Term Irrigation Fund	53,966.35	53283.32
(i)	PMAY-G	48,819.03	48819.03
(j)	Swacch Bharat Mission-Gramin(SBMG)	12,298.20	12298.2
(k)	Loans under Dairy Processing and Infrastructure Development Fund (DIDF)	1,499.60	924.73
(l)	Loans under Green Climate Fund (GCF)	372.68	317.34
(m)	Micro Irrigation Fund	2,516.02	2083.72
(n)	Fisheries and Aquaculture Infrastructure Development Fund	561.68	365.7
(o)	Other loans:		
(i)	Micro Finance Development Equity Fund Programme Loans	0.11	0.1
(ii)	Watershed Development Fund Programme Loans	7.22	10.95
(iii)	Tribal Development Fund Programme Loans	-	0.08
(iv)	KfW UPNRM Loans	23.14	52.78
(v)	Off Farm Sector Promotion Activities Programme Loans	0.63	0.82
	Total	7,31,891.69	680882.72



Consolidated Schedule 12 - Fixed Assets

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022
1	I And : Freehold & leasehold (Refer Note B-10 of Schedule 18)		
	Opening Balance	201.08	201.08
	Additions/adjustments during the year	0.15	-
	Sub-Total	201.23	201.08
	Less: Cost of assets sold/written off	-	-
	Closing Balance (at cost)	201.23	201.08
	Less: Amortisation of Lease Premia	64.16	62.47
	Book Value	137.07	138.61
2	PREMISES (Refer Note B-10 of Schedule 18)		
	Opening Balance	655.74	655.74
	Additions/adjustments during the year	0.36	0.00
	Sub-Total	656.10	655.74
	Less: Cost of assets sold/written off	-	-
	Closing Balance (at cost)	656.10	655.74
	Less: Depreciation to date	335.30	318.60
	Book Value	320.80	337.14
3	FURNITURE & FIXTURES		
	Opening Balance	69.06	67.80
	Additions/adjustments during the year	2.82	3.10
	Sub-Total	71.88	70.90
	Less: Cost of assets sold/written off	0.22	1.84
	Closing Balance (at cost)	71.66	69.06
	Less: Depreciation to date	62.73	60.36
	Book Value	8.93	8.70
4	COMPUTER INSTALLATIONS & OFFICE EQUIPMENTS		
	Opening Balance	226.24	204.28
	Additions/adjustments during the year	14.26	25.30
	Sub-Total	240.50	229.58
	Less: Cost of assets sold/written off	3.81	3.35
	Closing Balance (at cost)	236.69	226.23
	Less: Depreciation to date	201.69	174.55
	Book Value	35.00	51.68
5	VEHICLES		
	Opening Balance	13.13	11.69
	Additions/adjustments during the year	4.55	6.06
	Sub-Total	17.68	17.75
	Less: Cost of assets sold/written off	4.33	4.62
	Closing Balance (at cost)	13.35	13.13
	Less: Depreciation to date	5.67	4.98
	Book Value	7.68	8.15
6	Capital Work in Progress [Purchase of Staff Quarters & Office Premises]	33.82	22.02
	Total	543.3	566.3

**Consolidated Schedule 13 - Other Assets**

Sr. No.	Particulars	As on 31.03.2023	(Amount in ₹ crore) As on 31.03.2022
1	Accrued Interest	3066.19	3174.88
2	Deposits with Landlords	2.8	2.27
3	Deposits with Government Departments and Other Institutions	54.09	53.89
4	Housing loan to staff	120.77	121.05
5	Other Advances to staff	92.48	87.61
6	Sundry Advances	178.9	153.42
7	Advance Tax	46.06	36.46
8	Deferred Tax Assets (Refer Note B-8 of Schedule 18)	187.85	191.82
9	Expenditure recoverable from Government of India / International Agencies (Refer Note B-3 of Schedule 18)	1415.36	1241.54
10	Discount Receivable	134.28	46.58
11	Discount on Issue of Bonds	175.62	77.3
12	Securitisation PTC	88.83	34.77
Total		5563.23	5221.59

Consolidated Schedule 14 - Interest and Financial Charges

Sr. No.	Particulars	As on 31.03.2023	(Amount in ₹ crore) As on 31.03.2022
1	Interest Paid on		
(a)	Deposits under RIDF	4,921.28	5,164.70
(b)	Short Term Cooperative Rural Credit Fund	2,108.64	1,794.32
(c)	ST RRB Credit Refinance Fund	533.78	363.65
(d)	Warehouse Infrastructure Fund	151.93	199.13
(e)	Long Term Rural Credit Fund	1,270.34	1,363.36
(f)	Fund for Food Processing Units	13.13	12.31
(g)	Tea / Coffee / Rubber Deposits	3.11	2.59
(h)	CBS Deposits	-	-
(i)	Term Money Borrowings	82.79	128.13
(j)	Bonds (Refer Note B-14 of Schedule 18)	13,765.25	12,788.15
(k)	Corporate Loans	4,357.46	1,819.62
(l)	Borrowings from International Agencies	23.92	25.31
(m)	Borrowing against ST Deposit	0.86	-
(n)	Discount on Commercial Paper	1,272.11	1,002.54
(o)	Discount on Certificate of Deposits	803.52	384.13
(p)	Repo Interest Expenditure	8.31	22.38
(q)	Interest on funds	223.10	375.91
(r)	Borrowing from RBI under SLF	385.27	725.10
2	Discount on CBLO / Tri-Party Repo	376.70	330.45
3	Discount, Brokerage, Commission & issue exp. on Bonds and Securities	42.20	42.74
4	Swap Charges	26.40	29.70
Total		30,370.10	26,574.22

**Consolidated Schedule 15 A - Establishment and Other Expenses**

Sr. No.	Particulars	As on 31.03.2023	(Amount in ₹ crore) As on 31.03.2022
1	Salaries and Allowances (Refer Note B-24 of Schedule 18)	882.35	943.76
2	Contribution to / Provision for Staff Superannuation Funds	374.71	735.04
3	Other Perquisites & Allowances	189.55	186.31
4	Travelling & Other allowances in connection with Directors' & Committee Members' Meetings	0.16	0.03
5	Directors' & Committee Members' Fees	0.88	0.59
6	Rent, Rates, Insurance, Lighting, etc.	48.11	40.95
7	Travelling Expenses	54.91	39.61
8	Printing & Stationery	7.38	8.04
9	Postage, Telegrams & Telephones	22.92	21.11
10	Repairs	24.08	24.7
11	Auditors' Fees	0.43	0.51
12	Legal Charges	3.51	1.78
13	Miscellaneous Expenses	268.35	201.31
14	Expenditure on Miscellaneous Assets	7.56	7.82
15	Expenditure on Study & Training	57.2	69.79
	Total	1942.1	2281.35

Consolidated Schedule 15 B - Expenditure on Promotional Activities

Sr. No.	Particulars	As on 31.03.2023	(Amount in ₹ crore) As on 31.03.2022
1	Cooperative Development Fund	33.63	30.53
2	Producers Organization Development Fund	3.84	5.11
3	Rural Infrastructure Promotion Fund	5.34	6.23
4	Farm Sector Promotion Fund	28.68	22.17
5	Climate Change Fund	2.53	1.75
6	Gramya Vikas Nidhi	61.75	46.09
7	Catalytic Capital Fund	0.98	-
	Total	136.75	111.88

Consolidated Schedule 16 – Provisions

Sr. No.	Particulars	As on 31.03.2023	(Amount in ₹ crore) As on 31.03.2022
	Provisions for :		
1	Standard Assets	206.21	155.59
2	Non Performing Asset	350.16	398.49
3	Floating provisions	-	750
4	Depreciation in value of Investment Account - Equity	(10.65)	10.64
	Total	545.72	1314.72

**Consolidated Schedule 17 - Commitments and Contingent Liabilities**

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2023	As on 31.03.2022
1	Commitments on account of capital contracts remaining to be executed	14.40	14.98
	Sub Total "A"	14.40	14.98
2	Contingent Liabilities		
(i)	Bank Guarantee	31.22	30.44
(ii)	Claims against the Bank not acknowledged as debt	-	-
(iii)	Pending legal cases	379.66	10.18
	Sub Total "B"	410.88	40.62
	Total (A + B)	425.28	55.60

13.5 Notes forming Part of the Consolidated Accounts**13.5.1 Subsidiaries and Proportion of Ownership (Consolidated Accounts):**

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership (%) 2022-23	Proportion of Ownership (%) 2021-22
NABKISAN Finance Limited (NABKISAN)	India	87.77	87.77
NABSAMRUDDHI Finance Limited NABSAMRUDDHI	India	91.09	91.09
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
NABSANRAKSHANTrustee Private Limited (NABSANRAKSHAN)	India	100	100

13.5.2 Revenue recognition policy (Consolidated Accounts)**Income and expenditure are accounted on accrual basis, except the following, which are accounted on cash basis:**

- Interest on non-performing assets identified as per RBI guidelines.
- Income by way of penal interest charged due to delayed receipt of loan dues or non-compliance with terms of loan
- Service Charges on loans given out of various Funds
- Expenses not exceeding ₹10,000 at each accounting unit, under a single head of expenditure
- Upfront processing fees collected from customers for processing loans

13.5.3 Depreciation on Property, Plant and Equipment (Fixed Assets) (Consolidated Accounts)**Depreciation on other fixed assets is charged over the estimated useful life of the assets ascertained by the management at the following rates on Straight Line Method basis:**

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



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	SLM as per Schedule II
NABFINS	WDV as per Schedule II
NABCONS	SLM as per Schedule II
NABVENTURES	WDV as per Schedule II
NABFOUNDATION	SLM as per Schedule II
NABSANRAKSHAN	WDV as per Schedule II

13.5.4 Kreditanstalt Fur Wiederaufbau - German Development Bank (KfW) (Consolidated Accounts)

In terms of the agreement with Kreditanstalt Fur Wiederaufbau - German Development Bank (KfW), accretion/income and expenditure under UPNRM have been charged to the fund.

During the financial year 2022-23, a sum of ₹16.98 crore (₹21.67 crore during FY 2021-22), representing total expenditure of ₹21.30 crore over income of ₹4.32 crore under the fund, has been charged to Profit & Loss Account.

13.5.5 Banker/ custodian/ trustee on behalf of GOI/ RBI/ Other entities (Consolidated Accounts)

NABARD is acting as a banker/ custodian/ trustee on behalf of GOI/ RBI/ Other entities.

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

S.No	Name of the Fund	Rate of Interest for 2022-23	Rate of Interest for 2021-22
1	Watershed Development Fund	3%	4%
2	KfW- NB IGWDP (Andhra Pradesh, Gujarat, Rajasthan)	3%	4%
3	KfW Accompanying Measures	3%	4%
4	National Adaptation Fund for Climate change	3%	4%
5	Tribal Development Fund	3%	4%
6	Financial Inclusion Fund	3%	4%
7	Kfw NB- V Adivasi Development Programme- Gujarat	3%	4%
8	Climate Change - (AFB) - Project Formulation Grant	3%	4%
9	LTIF Interest Fluctuation Reserve Fund	3%	4%
10	PODF-ID	3%	4%
11	GCF Project Grants	3%	4%
12	Cattle Development Fund (UP & Bihar)	4.20%	6.12%
13	Multi Activity Approach For Poverty Alleviation (Sultanpur and Rae Bareilly)	4.20%	6.12%
14	Center for Professional Excellence in Co-operatives.	4.20%	6.12%



13.5.6 Recoverable from Government of India/ International Agencies (Consolidated Accounts)

Recoverable from Government of India/ International Agencies (Refer Schedule-13 of Balance Sheet) includes :

Debit balance of various funds : ₹2.81 crore as at 31 March 2023 (₹ 4.41 crore as at 31 March 2022)

The details of such funds are as under:

S. No.	Name of the Fund	(Amount in ₹ crore)	
		31-03-2023	31-03-2022
1	KfW- UPNRM – Accompanying Measures	0.07	0.03
2	KfW- Soil Project	1.66	4.38
3	NAFCC	1.08	0
	TOTAL	2.81	4.41

13.5.7 Micro Finance Development and Equity Fund (MFDEF) (Consolidated Accounts).

Sundry creditors includes ₹0.00 crore FY 2022-23 (₹30.48 crore FY 2021-22) being amounts outstanding to contributors in respect of MFDEF

13.5.8 Interest subvention (Consolidated Accounts)

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

S. No.	Scheme	(Amount in ₹ crore)	
		2022-23	2021-22
1	Long Term Irrigation Fund	524.8	506.48
2	Seasonal Agricultural Operations (SAO)	(944.73)	(1012.7)
3	Dairy Processing and Infrastructure Development Fund (DIDF)	21.59	20.55
4	National Rural Livelihood Mission (NRLM)	9.18	10.64
5	Micro Irrigation Fund (MIF)	64.68	59.29
6	Fisheries and Aquaculture Infrastructure Development Fund (FIDF)	11.27	6.53

13.5.9 Interest Margin on Refinance under Interest Subvention Scheme (Consolidated Accounts)

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 :	FY 2022-23 ₹112.95 crore	FY 2021-22 ₹87.95 crore
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13.5.10 Deferred tax asset (Consolidated Accounts):

Deferred Tax liability/(asset) recognized in the Profit and Loss Account;	in FY 2022-23 ₹ 3.89 crore	in FY 2021-22 (-) ₹30.85 crore
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The details of total deferred tax asset as on 31 March 2023 are as under

S. No.	Deferred Tax Assets	(Amount in ₹ crore)	
		31-03-2023	31-03-2022
1	Provision allowable on payment basis	148.78	147.26
2	Depreciation on Fixed Assets	16.23	16.68
3	Others	22.83	27.88
	Total	187.84	191.82

13.5.11 Income Tax Appeals pending with various authorities (Consolidated Accounts)

The details of pending Income Tax Appeals with various authorities as at the end of FY 2022-23 are given below:

S. No.	Assessment Year	Authority where Appeal is pending	Appeal preferred by	Amount of tax in dispute as on 31 March 2023 (₹ Crore)	Amount of tax in dispute as on 31 March 2022 (₹ Crore)
1	2002-03	High Court – Mumbai	IT Dept.	415	415
2	2006-07	High Court – Mumbai	IT Dept.	115.52	115.52
3	2008-09	High Court – Mumbai	IT Dept.	118.77	118.77
4	2009-10	High Court – Mumbai	IT Dept.	194.82	194.82
5	2010-11	High Court – Mumbai	NABARD	28.2	0
6	2010-11	Income Tax Appellate Tribunal (ITAT)	NABARD	0	28.2
7	2010-11	Income Tax Appellate Tribunal (ITAT)	IT Dept.	0	215.31
8	2011-12	Income Tax Appellate Tribunal (ITAT)	NABARD	51.07	51.07
9	2011-12	Income Tax Appellate Tribunal (ITAT)	IT Dept.	287.62	287.62
10	2012-13	Income Tax Appellate Tribunal (ITAT)	NABARD	45.63	45.63
11	2012-13	Income Tax Appellate Tribunal (ITAT)	IT Dept.	327.03	327.03
12	2012-13	Commissioner of Income Tax (Appeals)	NABARD	25.55	25.55
13	2013-14	Income Tax Appellate Tribunal (ITAT)	NABARD	1.7	1.7
14	2013-14	Income Tax Appellate Tribunal (ITAT)	IT Dept.	380.05	380.05
15	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
17	2016-17	Commissioner of Income Tax (Appeals)	NABARD	407.23	407.23
18	2017-18	Commissioner of Income Tax (Appeals)	NABARD	360.69	360.69
19	2018-19	Commissioner of Income Tax (Appeals)	NABARD	278.52	278.52
20	2019-20	Commissioner of Income Tax (Appeals)*	NABARD	0	277.92
21	2020-22	Commissioner of Income Tax (Appeals)	NABARD	74.21	0

* CIT(A) has issued a partially favorable Order. We are in the process of preferring an Appeal with the ITAT.

13.5.12 Free hold land and Lease hold Land and Premises (Consolidated Accounts)

- ₹14.00 crore FY 2022-23 (₹14.00 crore FY 2021-22) paid towards Office Premises and Staff Quarters for which conveyance is yet to be completed.
- In respect of Plot for office at Guntur, the execution of conveyance deed is pending; total amount paid for plot acquisition is ₹6.83 crore (₹6.83 crore). In respect of plot at Chhattisgarh



13.5.13 Tax free bonds (Consolidated Accounts)

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 ₹5,000 crore, ₹1,500 crore (with a 10-year tenure) was mobilized via private placement, and ₹3,500 crore (with 10- and 15-year tenures) was raised through a public issue.

Nature of Bonds : Secured, redeemable, non-convertible bonds
Security : Pari passu charge on NABARD's property in Mumbai and a first charge on specified book debts.

	FY 2022-23	FY 2021-22
Interest Expense on these Bonds :	₹365.41 crore	₹365.54 crore

13.5.14 Venture Capital (Consolidated Accounts)

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 ₹ 24.95 crore in FY 2022-23 (₹ 21.55 crore in FY 2021-22) invested in the units of VCF was shifted from HTM category to AFS category, on completion of 3 years.

13.5.15 Investments in Government securities include the following securities pledged with Clearing Corporation of India Limited as collateral security for borrowings: (Consolidated Accounts)

Particulars	(Amount in ₹ crore)	
	Face Value	Book Value
Pledged for Business Segment (Securities)	177.00 (765.00)	176.66 (814.93)
Pledged for Business Segment (CBLO / Tri Party Repo)	21690.15 (25918.05)	22822.95 (27460.48)
Pledged for Business Segment (Securities) Default Fund	50.00 (50.00)	51.75 (51.75)
Pledged for Business Segment (CBLO / Tri Party Repo) – Default Fund	50.00 (50.00)	51.75 (51.75)

Investments in Government securities include the following securities pledged with Reserve of India as collateral security for Intra Day Limit:

Particulars	(Amount in ₹ crore)	
	Face Value	Book Value
Pledged for Intra Day Limit (Securities)	527.00 (0.00)	545.54 (0.00)

13.5.16 Provisions on Standard Assets (Consolidated Accounts)

Particulars	(Amount in ₹ crore)	
	2022-23	2021-22
Provisions towards Standard Assets made during the year	206.21	155.59

13.5.17 Counter Cyclical Provisioning Buffer (Consolidated Accounts):

S.No.	Particulars	(Amount in ₹ crore)	
		2022-23	2021-22
(a)	Opening balance in the floating provision account	2014.44	1264.44
(b)	The quantum of provisions made during the accounting year	0.00	750.00
(c)	Amount of drawdown made during the accounting year	0.00	0.00
(d)	Closing balance in the floating provision account	2014.44	2014.44

13.5.18 Embezzlement of cash by employee (Consolidated Accounts)

During the FY 2022-23, there was an embezzlement of cash by employees of NABFINS and certain business and development correspondents aggregating to ₹0.44 crore, of which ₹0.24 crore has been recovered and necessary provision has been made for the unrecovered amount as on 31 March 2023.



13.5.20 Wage settlement effective from November, 2022 (Consolidated Accounts)

During the FY 2022-23, the Bank has accounted for ₹75.17 crore on estimated basis towards wage settlement effective from November, 2022.

13.5.21 Non-Performing Asset (Consolidated Accounts)

In one of the non-performing assets red-flagged during the FY 2021-22 with outstanding of ₹819.26 crore, cent percent provision on the outstanding has been done out of which 50% of the provision was debited to the profit & loss account and the balance amount of ₹409.63 crore was withdrawn from the Reserve fund and shown in Schedule -1 "Reserve Fund and other Reserves". The same has been added back to the reserve fund during the FY 2022-23.

Income Tax Provision – Adjustment for earlier years

In FY 2001-02, NABARD filed an income tax return claiming a refund for taxes paid under protest, as the repealed Section 55 of the NABARD Act had exempted the bank from income tax until 31 March 2002. After a series of appeals, the Income Tax Appellate Tribunal (ITAT) ruled in NABARD's favor, stating that the bank was not liable to pay income tax for FY 2001-02. Consequently, NABARD received a refund of ₹358.28 crores, including ₹34.26 crores as interest. However, the Income Tax Department appealed the ITAT ruling in the Mumbai High Court, leading NABARD to disclose the ₹369.29 crore tax liability as a contingent liability. The refund was accounted for in the profit and loss statement, with the interest portion recorded as other receipts and the tax refund noted as an adjustment for earlier years.

13.5.22 Prior period items included in the Profit and Loss account are as follows (Consolidated Accounts):

S.No.	Particulars	(Amount in ₹ crore)	
		2022-23	2021-22
1.	Income	0.00	0.00
2.	Revenue Expenditure	0.00	0.00
Total		(0.00)	(0.00)

13.5.23 Related Party Disclosures (Consolidated Accounts)

Key Management Personnel:

Name of the party	Designation
Dr. G R Chintala (till July 2022)	Chairman
Shri Suchindra Misra (from August 2022-December 2022)	Chairman
Shri Shaji K V (with effect from December 2022)	Chairman
Shri Shaji K V (till November 2022)	Deputy Managing Director
Shri P V S Suryakumar	Deputy Managing Director

Transactions with Key Management Personnel:

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year		Outstanding	
			2022-23	2021-22	2022-23	2021-22
Dr. G R Chintala	Key Management Personnel (Chairman)	Remuneration including perquisites	0.38	0.67	0.00	0.00
Shri Shaji K V	Key Management Personnel (Chairman)	Remuneration including perquisites	0.37	0.00	0.00	0.00
Shri Shaji K V	Key Management Personnel (Deputy Managing Director)	Remuneration including perquisites	0.44	0.51	0.00	0.00
Shri P V S Suryakumar	Key Management Personnel (Deputy Managing Director)	Remuneration including perquisites	0.78	0.60	0.00	0.00



13.5.24 Information on Business Segment (Consolidated Accounts)

NABARD has recognised Primary segments as under:

1. Direct Finance:
Includes Loans given to state governments and other agencies for rural infrastructure development, co-finance loans and loans given to voluntary agencies/non-governmental organizations for developmental activities and other direct loans to Public Sector Banks, Private Banks, Small Finance Banks, Foreign Banks and Co-operative Banks etc.
2. Refinance:
Includes Loans and Advances given to State Governments, Commercial Banks, SCARDBs, StCBs, Regional Rural Banks etc. as refinance against the loans disbursed by them to the ultimate borrowers.
3. Treasury:
Includes investment of funds in treasury bills, short-term deposits, government securities, etc.
4. The segments other than the above three primary segments is other business segments.

Information on Primary Business Segment (Consolidated Accounts)

(Amount in ₹ crore)

Particulars	Treasury		Refinance		Direct Lending		Other Business		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Business Segments	2749.93	3119.69	19663.31	16780.81	17201.50	17149.75	235.63	124.93	39850.37	37175.18
Revenue	161.62	2688.57	5618.98	3689.86	2713.11	3442.03	(1692.32)	(2981.18)	6801.39	6839.29
Unallocated Expenses									0.00	0.00
Operating Profit									6801.39	6839.29
Income Taxes									1247.12	1644.71
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									5554.27	5194.58
Other Information										
Segment Assets	57335.4 6	70331.40 8	395164.0 5	370527.5 3	339846.9 0	313264.9 5	10509.8	4345.54	802856.31	758469.38
Segment Liabilities	91083.6 4	144580.5 8	302270.8 8	312546.4 9	331455.7 2	222880.3 0	78046.0 7	78462.0 0	802856.31	758469.38
Unallocated Assets									0.00	0.00
Total Assets									802856.31	758469.38
Unallocated Liabilities									0.00	0.00
Total Liabilities									802856.31	758469.38



13.5.25 Consolidated Cash flow for the year ended 31 March 2023

Particulars	2022-23	2021-22
(a) Cash flow from Operating activities		
Net Profit as per Profit and Loss a/c before tax	6,810.22	6,838.29
Adjustment for:		
Depreciation	54.30	53.82
Provisions and Amortisations	1.54	0.79
Provision for Non-performing Assets	339.37	424.47
Provision for Standard Assets	204.11	112.69
Floating Provision	-	750.00
Depreciation in value of Investment Account - Equity	(10.64)	10.64
Provision for sacrifice in interest element of Restructured Loan	-	-
Profit / (Loss) on sale of Fixed Assets	(1.46)	(1.10)
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	279.85	379.14
Other Expenses	11.85	7.99
Income from Investment (including Discount Income)	(2,700.34)	(3,053.04)
Operating profit before changes in operating assets	4,988.80	5,523.69
Adjustment for changes in working capital:		
(Increase) / Decrease in Current Assets	(4,350.93)	(790.52)
Increase / (Decrease) in Current Liabilities	903.76	3,484.38
(Increase) / Decrease in Loans and Advances (Including Housing Loan & Other Advances to Staff)	(52,426.72)	(78,988.61)
Cash generated from operating activities	(50,885.09)	(70,771.06)
Income Tax paid - Net of refund	(922.97)	(1,936.62)
Net cash flow from operating activities (A)	(51,808.06)	(72,707.68)
(b) Cash flow from Investing activities		
Income from Investment (including Discount Income)	2,700.36	3,053.04
Purchase of Fixed Asset	(37.77)	(46.01)
Sale of Fixed Assets	7.13	8.02
Increase / Decrease in Investment	17,236.67	(20,944.61)
Net cash used / generated from investing activities (B)	19,906.39	(17,929.56)
(c) Cash flow from financing activities		
Grants / contributions received	(4,950.51)	2,256.79
Interest Expense	(0.37)	(0.39)
Proceeds of Bonds	16,084.55	34,710.31
Increase / (Decrease) in Borrowings	579.45	42,080.04
Increase / (Decrease) in Deposits	25,974.18	10,554.58
Withdrawal from reserve fund	389.31	(409.63)
Divided Paid including Tax on Dividend	(9.95)	(0.10)
Increase in Share capital	45.00	2,086.58
Net cash raised from financing activities (C)	38,111.66	91,278.18
Net increase in cash and cash equivalent (A)+(B)+(C)	6,209.99	640.94
Cash and Cash equivalent at the beginning of the year	2,121.35	1,480.41
Cash and cash equivalent at the end of the year	8,331.34	2,121.35

Consolidated Cash and cash equivalent at the end of the year includes:

	2022-23	2021-22
Cash in hand	-	-
Balance with Reserve Bank of India	4,800.93	363.60
Balances with other Banks in India	3,130.41	1,757.75
Remittances in Transit	400.00	-
Total	8,331.34	2,121.35