



Annual Report 2021-22

**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 2022 (₹ crore)	31 st March 2021 (₹ crore)	% growth over FY 2020-21
Own funds	77,117	70,443	9.5
Capital, reserves & surplus	61,019	54,349	12.3
National Rural Credit (Long-Term Operations) & National Rural Credit (Stabilization) funds	16,098	16,094	0.0
Deposits	2,52,127	2,41,572	4.4
Short-Term Cooperative Rural Credit Fund	44,541	44,644	-0.2
Short-Term fund for RRBs	9,898	9,921	-0.2
Long-Term Irrigation Fund	44,710	44,826	-0.3
Tea, coffee & rubber deposits	61	64	-4.7
Rural Infrastructure Development Fund deposits	1,47,227	1,36,227	8.1
Warehouse Infrastructure Fund	5,380	5,540	-2.9
Food Processing Fund	310	350	-11.4
Borrowings in bond market	2,30,593	1,95,882	17.7
Bonds & debentures	1,07,292	75,649	41.8
Tax free bonds	5,000	5,000	0.0
Bonds for Long-Term Irrigation Fund	55,438	52,370	5.9
Bonds for Pradhan Mantri Awaas Yojana–Gramin	48,810	48,810	0.0
Bonds for Swachh Bharat Mission–Gramin	12,298	12,298	0.0
Bonds for Micro-Irrigation Fund	1,755	1,755	0.0
Other borrowings	1,63,657	1,21,658	34.5
Term loans from banks	70,621	26,435	167.1
Certificates of deposit (discounted value)	16,184	11,590	39.6
Commercial papers (discounted value)	34,552	42,457	-18.6
Term money borrowings	1,987	3,602	-44.8
Special Liquidity Facility from Reserve Bank of India	22,399	24,567	-8.8
Foreign currency loan	918	960	-4.4
Borrowings for Jawaharlal Nehru National Solar Mission	3	3	0.0
Triparty Repo Dealing and Settlement & Repo	16,993	12,044	41.1
Others	33,978	28,243	20.3
Other liabilities	21,487	18,386	16.9
Other funds	12,491	9,857	26.7
Total	7,57,472	6,57,798	15.2

1.1.2 Uses of Funds

Particulars	31st March 2022 (₹ crore)	31st March 2021 (₹ crore)	% growth over FY 2020-21
Cash and investments	71,625	49,203	45.6
Cash and bank balance	5,791	4,408	31.4
Government securities and other investments	65,834	44,795	47.0
Refinance to enhance GLC for rural production and investment	3,91,161	3,30,860	18.2
Production and marketing credit	1,19,563	1,06,372	12.4
Conversion of production credit into Medium-Term Loans	8	15	-46.7
Medium-Term and Long-Term project loans	2,39,122	1,99,510	19.9
Direct refinance to District Central Cooperative Banks	9,822	4,567	115.1
Producers' Organization Development Fund	15	38	-60.5
Credit facilities to federations	22,314	20,038	11.4
Green Climate Fund	317	320	-0.9
Infrastructure creation loans	2,27,584	2,10,861	7.9
Rural Infrastructure Development Fund	1,42,526	1,32,724	7.4
Long Term Irrigation Fund	53,283	51,713	3.0
Dairy processing and Infrastructure Development Fund	925	956	-3.2
Warehouse Infrastructure Fund	4,777	5,155	-7.3
NABARD Infrastructure Development Assistance	23,319	17,999	29.6
Food Processing Fund	304	293	3.8
Micro-Irrigation Fund	2,084	1,827	14.1
Fisheries and Aquaculture Infrastructure Fund	366	194	88.7
Social sector investments	61,117	61,117	0.0
Pradhan Mantri Awaas Yojana–Gramin	48,819	48,819	0.0
Swachh Bharat Mission–Gramin	12,298	12,298	0.0
Others	410	162	153.1
Other loans (including JNN Solar Mission)	64	103	-37.9
LT non-project loans	346	59	486.4
Sub-total of loans and advances	6,80,272	6,03,000	12.8
Fixed and other assets	5,575	5,595	-0.4
Total	7,57,472	6,57,798	15.2

1.2 Financial support (disbursements)

1.2.1 Refinance: Short term credit (maximum outstanding)

Particulars	FY 2021-22 (₹ crore)	FY 2020-21 (₹ crore)	% change from FY 2020-21
ST-SAO, StCB	45,569	44,643	2.1%
ST-SAO, RRB	10,126	9,730	4.1%
ST-OSAO, StCB	20,322	8,921	127.8%
ST-OSAO, RRB	8,269	2,812	194.0%
Additional ST-SAO, StCB	50,844	30,781	65.2%
Additional ST-SAO, RRB	16,973	10,577	60.5%

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

1.2.2 Refinance: Investment credit

Particulars	FY 2021-22 (₹ crore)	FY 2020-21 (₹ crore)	% change from FY 2020-21
Agriculture and allied activities	36,279	18,124	100.2%
Non-farm sector	41,816	48,344	-13.5%
Self-help groups	28,812	24,032	19.9%
Rural housing	6,258	2,286	173.8%

1.2.3 Credit support

Particulars	FY 2021-22 (₹ crore)	FY 2020-21 (₹ crore)	% change from FY 2020-21
Rural Infrastructure Development Fund	33,883	29,193	16.10%
Long Term Irrigation Fund	3,197	7,761	-58.80%
Warehouse Infrastructure Fund	594	909	-34.70%
Food Processing Fund	111	53	109.40%
NABARD Infrastructure Development Assistance	7,136	7,506	-4.90%
Direct Refinance Assistance to cooperative banks	17,574	7,373	138.40%
Credit Facility to Federations	46,434	47,853	-3.00%
Dairy Processing and Infrastructure Development Fund	119	121	-1.70%

1.3 Development initiatives

Particulars	FY 2021-22	FY 2020-21	% change from FY 2020-21
Watershed development projects (no.)	71	65	9.2%
Area (ha)	70,148	65,195	7.6%
Families benefitted (no.)	28,684	26,585	7.9%
Spring-shed development projects (no.)	31	17	82.4%
Area (hectares)	10,137	6,018	68.4%
Families benefitted (no.)	1,953	884	120.9%
Projects under Tribal Development Fund (no.)	63	51	23.5%
Area (acre)	20,470	16,362	25.1%
Families benefitted (no.)	24,682	19,801	24.7%

Chapter 2: Harvesting GOLD from Indian Agriculture

2.1 Angora rabbits in Chuba, Sikkim

Farmers in Chuba, South Sikkim, had low incomes until Krishi Vigyan Kendra (KVK), Namthang, and NABARD launched a pilot project for breeding and rearing Angora rabbits. These rabbits, known for their soft, warm wool, are easier and cheaper to rear than sheep, with fast reproduction rates.

The project led to significant increases in wool production (290%), profits (274%), and the sale of live animals (834%). Farmers' income tripled, and SHG women found opportunities to create value-added products like caps and mufflers, which are in high demand. For further expansion, the project will require additional resources such as common facility centres, carding machines, driers, and spinning machines.

2.2 Agri-incubators for entrepreneurial culture

Agri-business ventures often begin with support from agribusiness incubators (ABIs), which offer resources such as agricultural technology, business consultancy, venture capital connections, and infrastructure. Hyderabad is a key hub for such incubators, with ABI-ICRISAT, founded in 2003, nurturing over 103 start-ups and mentoring 22 incubators in the ICAR-State Agricultural University system. It now supports 14 start-ups in digital agriculture and machine learning.

The Agri-Innovation Hub (AIH) at PJTSAU, established in 2020, has three programs aimed at start-ups, students, and rural entrepreneurs. a-IDEA, set up in 2014 by ICAR-NAARM, focuses on innovation in 14 agricultural domains, supporting 113 start-ups across 17 states. It partners with NABARD for initiatives like Agri Udaan and Krishiboot.

The Indian Institute of Millets Research (IIMR) supports start-ups in the millet value chain through Nutrihub and NIELAN TBI, having developed 68 technologies and commercialized 44.

NABARD, initially an advisor at ABI-ICRISAT, now funds a-IDEA, AIH, and seven Rural Business Incubation Centres (RBICs), expanding its role in nurturing rural entrepreneurship and agri-innovation.

2.2.1 Managing soil health for better yield

In India, prolonged chemical abuse has degraded soils, and traditional soil testing is inconvenient for farmers due to long wait times and potential loss of wages. However, 'Krishi Tantra,' a start-up incubated by Deshpande Start-ups in Karnataka, offers a solution with its portable soil testing kit, Krishi RASTAA. Funded with ₹3.6 crore from NABVENTURES, the start-up manufactures easy-to-use machines that provide instant, comprehensive soil health reports and advisories on-site.

Kalmeshwars Farmer Producer Company Limited offers soil-testing services to farmers at a reasonable price, with tests costing ₹150 for members and ₹250 for others. Krishi Tantra has collaborated with 320 FPOs, conducting 39,283 soil tests. This initiative has resulted in an 8.3% increase in crop yield, a 31% rise in profits, and a 33% reduction in urea use (approximately 49,000 tonnes).

2.3 Women-led FPO in Salem, Tamil Nadu

Farmers in the rain-fed Veerapandy block of Salem district faced monsoon deficits, failed crops, and financial struggles. In 2017, 200 marginalized women farmers formed the Veerapandy Kalanjia Jeevidam Producer Company Limited (VKJPCL) with support from NABARD. The Farmer Producer Organization (FPO) helped them access quality inputs, government schemes, and better market opportunities, increasing their production and income.

By 2021, the FPO had grown to 2,555 members, cultivating various crops on 2,410 acres. Its turnover surged from ₹44.6 lakh in FY 2017-18 to ₹1,829 lakh in FY 2020-21, with profits reaching ₹37.26 lakh. During the COVID-19 pandemic, the FPO prepared and marketed 82,000 food kits and provided emergency provisions. This success demonstrated the effectiveness of aggregation for marginalized farmers, earning VKJPCL the Best Women FPO of India Award in 2022.

2.3.1 Mega food park in tribal Mangrol, Surat, Gujarat

In FY 2021-22, NABARD provided a term loan of ₹3,791.5 lakh to the promoters of the food park.

Chapeter 3: Investing in a Sustainable Tomorrow

NABARD has focused on achieving sustainability through initiatives in soil and water conservation, watershed development, groundwater recharging, and renewable energy projects. supported the farm sector with agri-technology, value chain management, and natural farming systems to ensure sustainable livelihoods.

3.1 Addressing climate change

- NABARD ideates, facilitates, funds, and promotes measures to mitigate climate change in line with global and national priorities.

NABARD-mediated (or initiated) funding of climate change projects

Projects by Fund Type	Sanctioned (₹ crore)	Disbursed (₹ crore)	Number of Projects
AF	60.9	43.8	8
NAFCC	847.5	519.2	30
GCF	944.2	402.4	2
CCF	-	5.2	-
Total	1,852.6	970.6	40

- Facilitated ₹1,852.6 crore in grant and loan assistance for 40 climate-related projects.
- Projects focus on enhancing water and agricultural land availability, supporting arable farming and livestock husbandry, and reducing the use of fuel wood.

National Implementing Entity Country Exchange Programme 2020-21: NABARD hosted three knowledge-sharing webinars with 11 partner NIEs under the Adaptation Fund Readiness Programme, showcasing adaptation projects in Andhra Pradesh and Uttarakhand to assist NIEs in designing and implementing adaptation projects.

Digital Dossier on Climate Change Success Stories: Created an interactive flipbook featuring 38 climate change projects focused on climate-resilient agro-ecological livelihoods, serving as a global resource for climate change adaptation and mitigation.

Enhancing Energy Efficiency in the MSME Sector: Received in-principle approval for a GCF-funded project with a financial outlay of \$30 million (₹693.8 crore) to enhance energy efficiency in the MSME sector.

Collaboration with IIT Bombay: Initiated steps to collaborate on climate action goals for India based on the IPCC's Sixth Assessment Report.

APRACA: Participated in the Asia–Pacific policy forum on 'Promoting Climate-Resilient Financial Services to Agriculture and SMEs,' highlighting NABARD's climate-resilient financial initiatives, emphasizing the need for better financial services, and reaffirming the commitment to protecting farmers and small businesses.

Agricultural Finance and Climate-Protection Mechanisms:
NABARD agreed to create a mechanism to safeguard agricultural finance and integrate regulatory protections for climate-finance within the agricultural lending ecosystem.

Climate Change Fund (CCF)

- **Funding:** ₹1.75 crore allocated for various initiatives.
- **Training and Capacity Building:** Conducted by the Centre for Climate Change at the Bankers Institute of Rural Development, Lucknow.
- **Sponsorships:** Supported events like the World Sustainable Development Summit, World Water Summit, and regional seminars on climate change awareness.
- **Infrastructure Development:** Built a solar model farm at Krishi Vigyan Kendra, Delhi.
- **Studies and Awareness Programs:** Supported a study on e-waste management in Sikkim and raised awareness about mangroves, coastal ecosystems, and livelihood opportunities in Goa.
- **Renewable Energy and Climate-Smart Irrigation Projects:**
NABARD funded these projects through the Rural Infrastructure Development Fund, leveraging its position to unlock significant opportunities in climate-smart agriculture.

Environmental infrastructure financed under RIDF in FY 2021-22

Parameter	Renewable Energy (including NER)	Climate-Smart Irrigation
Sanction (₹ crore)	1,064.50	8.8
Number of projects	15,250	9
Cultivable command area development envisaged (ha)	78,800	409
Employment generated (lakh person days)	146.7	0.8
Population benefitted (lakh)	14.6	0.01

3.2 Supporting watershed development

FY 2021-22 Achievements:

- New Projects: 156 projects covering 1.3 lakh hectares were sanctioned with a disbursement of ₹109.5 crore.
- Springshed Development: Included 31 springshed development and 48 KfW-supported projects with a grant assistance of ₹42.7 lakh.
- Implementing Agency: Himmotthan Society.
- Community Contribution: Villagers of Sakti, Leh, volunteered to work on-site without compensation.

Impact:

- Irrigation: Covered 285 hectares, benefiting 375 families.
- Village Watershed Committee (VWC): Formed for project management, repair, and maintenance.
- Capacity Building: Training and exposure visits for VWC members and linking farmers to a vegetable farmer-producers' organization (FPO) in the upper Indus belt.

Cumulative Impact by FY 2021-22:

- NABARD sanctioned 3,557 projects covering over 25.9 lakh hectares across 28 states, with a cumulative disbursement of ₹2,014.3 crore. These projects improved soil and moisture conservation, productivity, climate resilience, and provided alternative livelihoods, ensuring sustainability for communities.

Pilot Project on Reclamation of Alkaline Soils:

- Aimed at reclaiming 2,000 hectares of alkaline soils in Punjab and Haryana during the 2022 kharif season, in collaboration with the Central Soil Salinity Research Institute, Karnal.

Capacity Enhancement for Sustainable Agriculture and Aquaculture:

- Two knowledge hubs established in Telangana and Odisha.
- Training conducted for project facilitation agencies.
- Mapped 2,502 watershed projects, 495 Tribal Development Fund projects, 8,185 farmer-producers' organizations, 3,110 cold storage units, and 1,000 agricultural produce and livestock market committees.

Remote Sensing Cell (RSC):

- On-boarded 277 watershed projects to the NABARD Bhuvan Portal in FY 2021-22, reaching a cumulative total of 901 projects.
- Geotagged 60,932 assets and conducted 23 new impact evaluation studies using remote sensing and GIS.

Springshed Development Programme:

- 31 new springshed-based watershed projects sanctioned in hilly states during FY 2021-22, bringing the cumulative total to 113 projects across 15 states.
- Focus on training and capacity building of implementing agencies and stakeholders.

Agroecological Transformation through JIVA:

- JIVA, an agroecology initiative, promotes sustainable watershed and wadi projects by integrating natural farming practices.
- The program will be piloted in 25 projects across 11 states from the 2023 kharif season, with plans for gradual scaling up.

3.3 Rehabilitating degraded soils

Outcomes and impact of KfW soil project :

Collaboration: NABARD has partnered with KfW since 2017 to rehabilitate and regenerate degraded soils, in climate-vulnerable communities.

Phase 1 (2017–2020):

- Impact: Groundwater recharge of 6–30 feet, over 102 person-days of employment per annum.
- Farming Practices: Adoption of intercropping, mixed cropping, Azolla cultivation, and the System of Rice Intensification (SRI).
- Improved crop yields and food security.
- Implementation: 123 watershed projects completed in Karnataka, Andhra Pradesh, Telangana, Odisha, and Chhattisgarh, selected based on drought severity, soil degradation, and rainfall patterns.

Phase 2 (2019–2022):

- Ongoing in 55 completed watershed projects in Kerala and Jharkhand.
- ₹7.7 crore disbursed in FY 2021-22 (cumulative ₹26.6 crore; sanctioned ₹40 crore)

Phase 3 (2021–2024):

- Ongoing in 48 completed watershed projects in Bihar, Maharashtra, and Tamil Nadu.
- ₹7.6 crore disbursed in FY 2021-22 (cumulative ₹8.2 crore; sanctioned ₹35.3 crore)

Output >> Outcomes:

Farmers Adopting Soil Testing:

- 48,104 farmers adopted soil testing and started using bio-fertilizers, gypsum, micro- and major nutrients, organic manure, etc., based on soil analysis.

Training Programmes:

- 75,600 farmers trained (3,716 training programs) on climate change adaptation, organic farming, sustainable agriculture, soil sample collection, soil health cards, integrated farming, crop diversification, etc.

Soil and Water Conservation:

- 39,156 ha (target: 67,800 ha) put under soil and water conservation measures.

Soil Quality Improvement:

- 37,104 ha (target: 45,200 ha) underwent soil quality improvement measures.

Impact of the KfW soil project:

1. Soil and Water Conservation:
 - Groundwater level raised by 6–30 feet through low-cost recharging structures such as percolation tanks, sunken pits, gully plugs, and recharge pits.
 - Average employment of 101.6 person-days generated annually across states.
2. Soil Health and Productivity:
 - 74.1% of beneficiaries took up soil testing and adopted recommendations.
 - 45.7% implemented sustainable practices (intercropping, mixed cropping, zero tillage).
 - Yield increased for groundnut (89.6%), paddy (10.7%), and pigeon pea (47.6%).
3. Sustainable NRM, Farming Practices, and Food Security:
 - 53.2% beneficiaries reported an increase in crop production; 47% reported increased income.
 - 73.2% beneficiaries saw improved nutrition due to home-grown vegetables and fruits.
 - Increased per capita consumption of livestock products (milk and animal products) by 40.3% of beneficiaries.
4. Capacity Building and Knowledge Management:
 - 63.5% of beneficiaries trained in rainwater harvesting, drip irrigation, and other techniques.
 - Reduced cost of animal production for milk, poultry, and goat farming.
5. Climate Change Risk Mitigation:
 - 39.2% increase in farm machinery usage by beneficiaries.
 - Fodder availability increased by 2.6 months.
 - 24,560 beneficiaries participated in NICRA pilot actions for adaptation.
 - 29.5% respondents felt reduced exposure to climate risks.
 - 70% respondents reported improved climate change adaptation capacity.

Notes: 1. ha = hectare; NRM = Natural Resource Management; SRI = System of Rice Intensification

3.4 Securing tribal livelihoods

NABARD's Tribal Development Fund (TDF) has impacted over 5.8 lakh tribal farm-dependent families, covering more than 5.5 lakh acres through 898 projects across 28 states and union territories. The program has planted over 2.8 crore trees, estimated to sequester 6.1 lakh tons of CO₂ annually.

Cumulative, upto 31 March 2022

TDF has supported since inception	: 898 projects
Tribal families benefitted	: 5.8 lakh
Area covered	: 5.5 lakh acre
States and Union Territories covered	: 28
Partner Implementing agencies	: 499
Sanctioned	: ₹2,541.1 crore
Disbursed	: ₹1,802.2 crore

In FY 2021-22,

new projects	: 63
Families benefitted	: 0.24 lakh families
Amount sanctioned	: ₹162.9 crore
Disbursed	: ₹114.3 crore

To strengthen monitoring, NABARD has deployed consultants and enumerators and introduced geotagging for individual wadis. Future plans include expanding tribal livelihood models such as lac cultivation and non-timber forest products. NABARD also aims to promote millet production in its watershed and wadi projects, aligning with the Government of India's initiative to globally promote millets.

3.5 NABARD on millets

NABARD, in collaboration with other stakeholders, is promoting millet cultivation not only in its watershed and wadi projects but also through millet-based Farmer Producer Organizations (FPOs). The goal is to encourage product innovation and replicate successful development models.

One such example is the Arogya Millets Producer Company Limited in Vizianagaram, Andhra Pradesh, with 300 women members from 35 villages. The FPO focuses on food security, nutrition, and soil fertility for women farmers by aggregating, processing, and marketing millet products under the brand "Arogya Millets." Its success has led to a partnership with the Andhra Pradesh Food Processing Society to establish a ₹4.1 crore millet processing unit in Rega village, creating 240 jobs.

Additionally, Veer Shetty Biradar, a farmer from Telangana, has gained recognition as the "Millet Man of India" by successfully cultivating a variety of crops, including millet, on his 18-acre farm, demonstrating the profitability of millet cultivation.

3.6 Promoting a sustainable farm sector

NABARD provides grant assistance for farm innovations, technology transfer, and capacity building to address complex agricultural challenges. The focus areas include productivity improvement, market connectivity, natural farming systems, hi-tech agriculture, and technologies such as IoT, machine learning, and artificial intelligence. NABARD also promotes skill-based training, the formation of village-level farmer institutions, and financial assistance for seminars and workshops.

For FY 2022-23, NABARD's Farm Sector Promotion Fund set a target of ₹30 crore to cover value chain management and advanced technologies. Special focus is given to millet value chains and selected fruits and vegetables. Pilot projects are proposed to support rural youth in states like Assam, Bihar, Chhattisgarh, Odisha, and others in becoming agri-entrepreneurs. The fund will also support national and regional workshops and promote agri-export facilitation centres in export-oriented states.



Farm sector promotion in FY 2021-22

Category	Details
Funds Disbursed in FY 2021-22	₹22.2 crore
Cumulative Funds Disbursed till 31 March 2022	₹189.7 crore
New Projects Sanctioned	164 new projects for demonstration and dissemination of innovative technologies under agri and allied sectors to farmers in FY 2021-22
Exposure Visits	330 exposure visits for 8,700 farmers in collaboration with KVKs, SAUs, ICAR, ICRISAT, etc., under the CAT programme

3.7 Towards achieving harmony with nature

NABARD, as a leading developmental financial institution, is committed to sustainable rural prosperity through its 'Triple Bottom Line' approach, which focuses on people, planet, and profit. It plays a crucial role in climate change action as the National Implementing Entity (NIE) and Direct Access Entity (DAE) for major climate funds. NABARD aligns its investments with Sustainable Development Goals (SDGs) such as poverty alleviation, hunger eradication, climate action, gender equality, and reducing economic disparity.

The institution faces the challenge of balancing environmental health with profitability, striving for a transition to harmonious coexistence with nature. NABARD actively supports climate action, adaptation, and mitigation in rural India by promoting climate-resilient agricultural practices and sustainable systems. It also collaborates with partners to develop innovations and financial products that foster climate-smart agriculture.

Chapter 4: Towards Better Livelihoods

NABARD's skill development programs focus on creating sustainable livelihoods in rural areas by promoting agri-allied micro-industries and rural entrepreneurship. These initiatives improve the employability of rural workers and encourage self-employment, with community development as a core objective. NABARD also emphasizes the importance of financial literacy and inclusion, helping rural communities access government schemes, direct benefits transfers, and credit, thereby enabling women and youth to pursue their aspirations and ensuring long-term success of these initiatives.

4.1 Livelihood interventions

NABARD's Livelihood and Enterprise Development Programme (LEDP) and Micro-Enterprise Development Programme (MEDP) are central to its efforts to skill women in mature self-help groups and rural youth in India, promoting sustainable livelihoods.

4.1.1 End-to-end solutions for livelihood

NABARD's Livelihood and Enterprise Development Programmes (LEDPs) adopt a participatory approach to skill building, covering the entire value chain. These programs have embedded goals such as the economic empowerment of women through initiatives like goat rearing and improving menstrual hygiene through the 'My Pad, My Right' programme. In FY 2021-22, 357 LEDPs utilized ₹1,380.5 lakh to create sustainable livelihoods for 46,823 members by enhancing their skills and facilitating access to bank credit.

4.1.2 Skill building for micro-enterprise development

NABARD's Micro-Enterprise Development Programmes (MEDPs) focus on sustaining micro-enterprises for rural livelihoods by enhancing understanding of rural markets, business dynamics, and enterprise management. In FY 2021-22, 769 MEDPs were conducted, benefiting 25,745 self-help group (SHG) members. These programs helped members diversify into new areas and increase their incomes, as demonstrated by a 2020 impact assessment study in five districts of Tamil Nadu.

MEDP Impact and Outcomes

Outcomes:

- **Income Growth:** 65% of respondents reported an increase in income, with an average monthly income increase of 196%. The highest gains were seen in beauty services, followed by makers of utility items and dairy development.
- **Sustained Engagement:** 65% of trainees continued in the trade they were trained in, with 48% remaining active for over two years. The highest retention was in trades like rearing milch animals, value-added farm products, beauty therapy, artificial jewelry, tailoring, and embroidery.
- **Financial Inclusion:** 31% of trainees took bank loans through SHGs or JLGs, with an average loan amount of ₹18,000 per trainee.

Impact:

- **Guiding Future Programs:** The outcomes of these MEDPs number of future programs and the selection of trades for training.

4.1.3 Skills and linkages for women-led micro-enterprises

NABARD is committed to empowering women through skill development and providing necessary linkages for the success of women-led micro-enterprises. The following are key initiatives and outcomes:

Self-Employment in Uttar Pradesh:

- Arth impact Welfare Foundation Project: A ₹5.4-crore project aimed at promoting 500 women entrepreneurs in Lucknow, Raebareli, and Ayodhya districts, with ₹35 lakh assistance from NABARD.

Nurturing Women's Livelihoods and Entrepreneurship:

- Friends of Women's World Banking, India: Supported by NABARD with ₹65.4 lakh, this project will establish 800 micro-enterprises (400 credit-linked) across 19 districts in Gujarat, Nagaland, and Manipur. All women entrepreneurs will be financially included through savings accounts and insurance schemes like PMSBY and PMJJBY. The project aims to increase family incomes by 25%.

Looms of Ladakh:

- A NABFOUNDATION initiative with a ₹107.5 lakh grant, aimed at skilling nomadic, pastoral, and tribal Ladakhi women and strengthening the pashmina and wool value chain. The project includes training programs and the construction of a common facility center.

Raising Semialata Plantations for Lac Cultivation:

- Two projects in Jharkhand, funded by NABARD's Tribal Development Fund (TDF), aim to raise semialata plantations for lac (resin) insect cultivation on half-acre land parcels. These projects will provide direct livelihood to 1,000 tribal families and ancillary activities for more landless families. The initiative includes improving the lac value chain, promoting processing and value addition, and strengthening markets, including exports.

Banana Fibre for Weaving Sustainable Livelihoods:

- NABARD supported a study on the utilization of banana pseudostems for textiles, completed by Maharaja Sayajirao University of Baroda. The study trained 18 women in extracting, softening, and spinning banana pseudostem fiber into fine yarn for textile-grade fabric. The initiative also explored the potential for environmental sustainability by utilizing biomass that is typically wasted.

4.2 Other key initiatives

NABARD recognizes the need for deeper engagement, knowledge creation, and partner linkages in the rural sector beyond the direct actions provided under LEDPs and MEDPs. To address this, NABARD is encouraging the wider participation of corporate entities with advanced systems and processes for skilling. It also emphasizes the creation of more location-specific pilot projects to gain experience and knowledge, and is actively pursuing the development of business incubation centers for the rural sector.

NABARD’s Tribal Development Fund (TDF) supports a variety of sustainable and participatory livelihood programs, including:

- **Tree/Orchard-based Farming Systems (Wadi):** Incorporating mixed farming, multi-tier farming, precision farming, and natueco farming.
- **Traditional Economic Activities:** Such as the collection of minor forest produce, herbal medicines, gums, natural dyes, sheep rearing, etc.
- **Non-Farm Based Activities:** Livelihoods based on tribal art and craft, and other related activities.

Non-wadi projects under the Tribal Development Fund, FY 2021-22

State	Number of Projects	Type of Project
Assam	1	Sericulture
Bihar	1	Mushroom cultivation, Apiculture, Animal husbandry
Jharkhand	2	Lac cultivation
Kerala	1	Animal husbandry
Odisha	3	Animal husbandry, Apiculture
Telangana	1	Animal husbandry
West Bengal	1	Animal husbandry

4.2.1 Incubating rural business ideas

NABARD has sanctioned seven Rural Business Incubation Centres (RBICs) with an assistance of ₹63.3 crore to support business ideas generated in the rural sector. As of 31 March 2022, these incubation centers have supported 697 incubators and 225 start-ups, directly and indirectly benefiting 3 lakh farmers and youth. Additionally, these centers have facilitated connections between 150 investors and incubators for funding support.

4.2.2 Handlooms for self-reliance

NABARD supports the revival of handlooms, recognizing their significance for artisans, small and marginal farmers, and landless laborers in augmenting their income through collectivized off-farm producers' organizations (OFPOs). During the handloom fortnight, NABARD’s regional offices organized exhibitions that resulted in ₹60 lakh in sales. The National Handloom Day, themed "Hathkargha se Aatma Nirbharta," included experience sharing by OFPOs from Mizoram, Telangana, and Odisha, a film screening, interactions with industry experts, and the recognition of key partners. Additionally, NABARD released a special issue of Rural Pulse highlighting the status of handlooms in India.

4.2.3 Location-specific projects

In FY 2021-22, NABARD sanctioned ₹361 lakh (₹67.3 lakh disbursed) under the "My District, My Project" scheme to support 15 location-specific projects across 8 states. These projects focus on promoting holistic and financially sustainable livelihood solutions, addressing areas such as input supply, technology upgrades, standardization, certification, quality control, credit, environmental concerns, and market support.

The expected outcomes of these interventions include the creation of viable off-farm enterprises (e.g., rural tourism, handloom), sustainable employment opportunities, increased productivity, improved credit flow and access, and gender equality. These pilot-based interventions are being conducted under the detailed project report mode with the potential for future expansion.

4.2.4 Long-term engagement with Tata STRIVE

NABARD has signed an MOU with the Tata Community Initiatives Trust (TCIT), the entity behind Tata STRIVE, a skill development initiative by Tata Trusts. This partnership marks NABARD’s effort to enhance its skill development initiatives with corporate participation, which has been shown to improve the quality and success rates of such programs. Under this initiative, NABARD will provide financial assistance to develop livelihood skills for 5,000 rural unemployed youth across India over the next 3–5 years. The skills training will focus on technical trades, including Android app development, industrial and domestic electricians, general duty assistants, hospitality, and solar technicians.

4.3 Financial inclusion

- National Priority: Financial inclusion is essential for inclusive growth, particularly in rural areas where knowledge asymmetry in technology and financial systems hinders economic development.
- NABARD’s Role:
 - Supports the creation of financial inclusion infrastructure in banks to enable faster financial transactions.
 - Develops digital and payment acceptance infrastructure.
 - Promotes digital and financial literacy among rural populations to help them understand their financial rights and avoid informal lending traps.
- StreeNidhi Study:
 - NABARD commissioned a study on StreeNidhi, a government-promoted microfinance program, conducted by the Centre for Entrepreneurship Development and Financial Inclusion (CEDFI).
- The study, based on data from 603 SHG borrowers in Andhra Pradesh and Telangana, found:
 - A significant positive correlation between 'financial and digital literacy' and the income and assets of SHG members.
 - Financial and digital literacy reinforce each other, boosting asset accumulation in SHG households.
 - A positive correlation between credit and income, indicating that SHG household incomes increase when loans are sanctioned at successive intervals.

4.3.1 Digital enablement interventions

NABARD’s Financial Inclusion Fund (FIF) schemes are designed to subsidize the cost of digital infrastructure for banks. These schemes support rural financial institutions (RFIs) in adopting the latest banking technologies and regulatory norms, thereby increasing digital touchpoints for rural customers. Most FIF schemes are short-term, implemented over a one-year period from the date of sanction.

4.3.2 Financial literacy and awareness

NABARD has effectively used mobile vans equipped with audio-visual systems and financial awareness materials (such as leaflets, pamphlets, and banners) to promote financial literacy in unbanked regions. This initiative has proven to be a powerful tool in expanding the reach of formal

banking services. By supporting rural financial institutions (RFIs) as partner vehicles, NABARD has significantly contributed to the expansion of the customer base for formal banking, thereby advancing financial inclusion goals.

Showcase: Promoting financial inclusion using mobile demonstration vans

Objective: To improve financial inclusion in rural Jammu & Kashmir in partnership with Ellaquai Dehati Bank (EDB).

Financial Inclusion Initiative:

- Deployment of six mobile demonstration vans and campaign material for financial literacy camps in Anantnag, Kulgam, Shopian, Pulwama, and Ganderbal districts.

Output >> Outcomes >> Impact:

- **Camps Conducted:** In FY 2021-22, EDB conducted 1,278 financial literacy camps, gaining wide visibility and expanding its customer base.
- **Account Openings:** Individuals in remote areas opened basic savings bank deposit accounts.
- **Pradhan Mantri Jan Dhan Yojana (PMJDY):** Over 9,500 PMJDY accounts were opened with EDB branches, mobilizing ₹2.3 crore in fresh deposits.
- **RuPay Cards:** Issued to all EDB account holders, these cards reduced bank transaction costs and increased digital transactions by 60.2%.
- Social Security Scheme Enrollments:
 - **PMJJBY:** 5,592 new enrollments
 - **PMSBY:** 24,184 new enrollments
 - **APY:** 344 new enrollments

4.3.3 Enrolment saturation in social security schemes

NABARD launched a special drive from 10 February to 31 May 2022 to maximize enrolment of PMJDY account holders from 117 aspirational districts into the PMJJBY and PMSBY social security schemes. NABARD provided ₹6,000 per camp and additional incentives for banks and banking correspondents to support these enrolment efforts.

District Development Managers (DDMs) led programs to educate banks on the schemes, which were followed by block- and village-level awareness camps organized by banks, involving banking correspondents and Financial Literacy Centres (FLCs).

4.3.4 NABARD All India Rural Financial Inclusion Survey

Following the success of the first NAFIS in FY2016-17, NABARD is launching NAFIS 2.0 with an expanded scope and coverage to enhance understanding of financial inclusion and livelihoods in rural areas.

The survey will target approximately 1 lakh households from nearly 10,000 representative villages and semi-urban blocks (Tier III to Tier VI centers) across 28 states and the union territories of Jammu & Kashmir and Ladakh.

4.4 Financial inclusion for better livelihoods

NABARD is implementing several initiatives to enhance the impact of its financial literacy, skilling, and livelihood programs in rural India:

- **Geo-tagging Payment System Touchpoints:** NABARD plans to geo-tag rural banks, cooperatives, merchants, and other players in the agriculture and rural development ecosystem. This will provide insights into regional penetration, optimize infrastructure distribution, identify needs for additional touchpoints, and support targeted digital-financial literacy programs. It will also provide businesses and banks with geographic information on the demand for digital payments, aiding in policy planning.
- **Financial Inclusion Education in Schools and Colleges:** NABARD aims to collaborate with the National Centre for Financial Education (NCFE) to promote financial awareness and confidence in financial management among youth in schools and colleges.
- **Skilling and Livelihood:** Leveraging the successful settlement rates achieved by corporate partners through CSR initiatives, NABARD is exploring long-term partnerships with more entities to expand livelihood opportunities for women and youth in rural areas.
- **Enrolment on e-Shram Portal:** NABARD plans to onboard LEDP and MEDP beneficiaries onto the e-Shram portal. This initiative aims to reduce rural-urban migration, align with government programs, improve oversight of beneficiaries, and prevent simultaneous enrolment in multiple skilling programs, thereby increasing the chances of trainees setting up their own enterprises.

Chapter 5: Rural Infrastructure for New India

5.1 Responding to evolving needs

- The demand for rural infrastructure has significantly evolved due to factors like modern farming methods, resource management, global value chains, agro-processing, digitalization, and climate change. NABARD has played a key role in addressing these needs by leveraging various funds to build rural infrastructure.
- A recent initiative, the Rural Infrastructure Assistance to State Governments, was launched in 2020 to support livelihoods in eastern India through the 5-J approach—focusing on people, water, land, livestock, and forests. This scheme has been extended to aspirational districts as well.
- NABARD has adapted its infrastructure portfolio to reach difficult and infrastructure-starved areas like the North East Region (NER), Jammu & Kashmir, and Ladakh. In FY 2021-22, new projects such as road over bridges (ROBs) on railway crossings and ropeways were added to ensure safer and quicker transport in challenging terrains, promoting economic development. Recent initiatives in the NER and J&K include activities in irrigation, connectivity, knowledge centers, solar lighting, and veterinary infrastructure.

NABARD-managed infrastructure funds for rural India

Fund Name	Year Initiated	Purpose	Sanction amount (cumulative till FY 2021-22 (₹ crore)
RIDF (Rural Infrastructure Development Fund)	1996	Agriculture and allied sector, rural connectivity, and social sector	4,55,129.0
LTIF (Long Term Irrigation Fund)	2016	Medium and large irrigation (99.4 projects across 18 states)	85127.4
MIF (Micro Irrigation Fund)	2020	Support to state governments for expanding micro-irrigation coverage	3970.02
NIDA (NABARD Infrastructure Development Assistance)	2010	Agriculture, transport, energy, drinking water and sanitation, and other social and commercial infrastructure (outside the ambit of RIDF)	65849.6
FPF (Food Processing Fund)	2014	Food parks; Food processing units in designated food parks	781.1
WIF (Warehouse Infrastructure Fund)	2013	Storage infrastructure	9,707.6
PMAY-G (Pradhan Mantri Awas Yojana - Gramin)	2018	Pucca dwellings with basic amenities to all homeless as well as those living in kutcha and dilapidated houses. 1.77 crore houses built against the target of 2.95 crore up to FY 2021-22	61,975.0
CFF (Cattle Feed Fund)	2012	Procurement, processing, marketing, value addition and supply chain management of agri-commodities and agri-inputs including animal feed	177222.1
DIDF (Dairy Infrastructure Development Fund)	2018	Modernisation and augmentation of milk processing infrastructure	3781.5
RIAS (Rural Infrastructure Assistance to State Governments)	2020	Financial assistance to state governments in eastern India for creating infrastructure to support rural livelihoods	Sanctions awaited
FIDF (Fisheries and Aquaculture Infrastructure Development Fund)	2019	Creation of marine and inland fisheries infrastructure	1260.3
SBM-G (Swachh Bharat Mission - Gramin)	2019	NABARD loan facilitated construction of 3.29 crore household toilets during FY 2018-19 and FY 2019-20	15,000.0

Seeding green growth in the Seven Sisters

Category	Details
Initiative	To promote sustainable and green growth through infrastructure development and agri-interventions in the NER (North East Region). Solutions are customized to state-specific needs, resources, and challenges.
Financial Assistance	<ul style="list-style-type: none"> - Medium-term loan under RIDF with 2–3 years phasing. - ₹3,734.1 crore sanctioned in FY 2021-22, 53% higher than FY 2020-21. - Sanctions accounted for 9.3% of the annual RIDF sanction target.
Activities Undertaken in the NER	<ul style="list-style-type: none"> - Command area development - Van Dhan Vikas Kendra - Road and bridges - Rubber processing units - Flood protection projects - Water management - Minor irrigation - Solar-powered hydel projects and mini-grids - Seed processing and storage
Output >> Outcomes >> Impact (Expected)	<ul style="list-style-type: none"> - 2,009.4 km road length - 214.9 km bridge length - 639.97 ha cultivable command area - 602.4 lakh person-days of employment

Driving growth in Jammu & Kashmir

Category	Details
Initiative	To promote economic growth, prosperity, and stability in Jammu & Kashmir through the development of rural infrastructure.
Financial Assistance	- Medium-term loan under RIDF with 2–3 years phasing. - ₹1,542 crore sanctioned in FY 2021-22, 96% higher than FY 2020-21. - FY 2021-22 approval accounted for 3.9% of the annual RIDF sanction target.
Activities Undertaken in Jammu & Kashmir	- Rural roads and bridges - Sericulture farms - Cold rooms - Pesticide testing laboratories - Lemon grass essential oil and aloe vera gel unit - Minor irrigation projects
Output >> Outcomes >> Impact (Expected)	- 1,391.5 km road length - 0.4 km bridge length - 602.5 ha cultivable command area - 254.1 lakh person-days of employment

5.2 Infrastructure for the agriculture and allied sector

5.2.1 Augmenting irrigation potential

NABARD has significantly contributed to improving agricultural productivity by financing crucial irrigation projects across India under various funds. These projects, including the renovation of the historic Upper Anicut constructed by Sir Arthur Cotton in 1836 on the Coleroon River, aim to reduce production risks, drought-proof agriculture, and expand cultivated areas, leading to transformative impacts on the rural landscape.

NABARD support to irrigation infrastructure

Fund	Details
RIDF (Rural Infrastructure Development Fund)	- Funded over 3.5 lakh projects with nearly ₹1.4 lakh crore cumulatively up to FY 2021-22 (since 1994). - Created 364 lakh ha irrigation potential. - Added 1,43,762 lakh person-days of non-recurring employment.
NIDA (NABARD Infrastructure Development Assistance)	- ₹27,120.2 crore sanctioned cumulatively up to FY 2021-22 since inception. - Created irrigation potential of 21.2 lakh ha up to FY 2021-22. - Cumulative number of projects: 15
LTIF (Long Term Irrigation Fund)	- ₹85,127.4 crore sanctioned cumulatively up to FY 2021-22 since inception. - Up to FY 2020-21, progress of Accelerated Irrigation Benefit Programme component: 100% in 46 projects; 90%-100% in 21 projects and 80%-90% in 14 projects. - Created additional 22.74 lakh ha irrigation potential by FY 2020-21. - About 15 lakh ha of cultivable command area developed under Command Area Development and Water Management Programme.
MIF (Micro Irrigation Fund)	- ₹3,970.2 crore sanctioned up to FY 2021-22 (₹2,083.7 crore disbursed). - Corpus augmented by ₹5,000 crore in Union Budget FY 2021-22 (in addition to ₹5,000 crore in FY 2019-20). - Micro-irrigation projects sanctioned envisage coverage of 12.8 lakh ha in seven states (Andhra Pradesh, Gujarat, Haryana, Punjab, Tamil Nadu, Uttarakhand, and West Bengal). - NABARD lends to state governments at 3% below market rate, and Government of India provides 3% interest subvention to meet the balance cost.

5.2.2 Infrastructure for livestock sector

Dairy:

- NABARD established the Dairy Processing and Infrastructure Development Fund (DIDF) with a corpus of ₹8,004 crore.
- Loans are extended to National Dairy Development Board and National Cooperative Development Corporation for on-lending to eligible entities.
- Significant project: Bhilwara Milk Union (BMU) dairy plant expansion, benefiting 44,600 milk producers.
- FY 2021-22: ₹364 crore sanctioned (₹118.7 crore disbursed) to six milk unions across several states, enhancing processing and chilling capacities.

Animal Husbandry:

- The Animal Husbandry Infrastructure Development Fund (AHIDF) was launched with a ₹15,000 crore corpus.
- Offers 3% interest subvention and 25% credit guarantee through NABSANRAKSHAN for eligible entities.
- Loans cover up to 90% of project costs for private companies, MSMEs, FPOs, and entrepreneurs to set up dairy and meat processing units.

Fisheries and Aquaculture:

- The Fisheries and Aquaculture Infrastructure Development Fund (FIDF) aims for 8%-9% growth in fish production to reach 20 million tonnes by FY 2022-23.
- NABARD, as a nodal loaning entity, will provide ₹2,600 crore through state governments for public infrastructure.
- FY 2021-22: NABARD signed agreements with the Department of Fisheries and 11 state governments to develop fisheries projects.

NABARD action under FIDF

MOMOAs Signed : NABARD signed FIDF MOAs with Tamil Nadu, West Bengal, Andhra Pradesh, Gujarat, Karnataka, Kerala, Maharashtra, Goa, Haryana, and the union territory of Jammu & Kashmir.

		Projects	Sanctioned	Disbursed	States
Cumulative (upto FY 2021-22)	:	35 projects	₹1,260.3 crore	₹365.7 crore	4 states.
FY 2021-22	:	32 projects	₹912.3 crore	₹171.9 crore	4 states

Output >> Outcomes >> Likely Impact : Over 2.0 lakh fish farmers expected to benefit from FIDF projects.

- Activities Undertaken
- 8 Fishing harbours
 - 6 Fish seed farms
 - 3 Training centres
 - 2 Blast freezers
 - 1 Brood bank
 - 1 Rearing Pond
 - 1 Cold chain facility
 - 1 Fish landing centre (FLC)
 - Additional facilities for FLCs, T-jetty extensions, etc.

5.3 Infrastructure for rural connectivity

NABARD has been funding rural road and bridge projects since 1996, recognizing the critical role of better connectivity in improving access to health, education, markets, credit, and logistics. These projects have led to reduced travel time, increased economic activity, improved market access, and enhanced access to healthcare and credit. The outcomes have significantly boosted opportunities and well-being for communities in the project areas. In FY 2021-22, NABARD expanded its infrastructure financing to include bridges over railway crossings and ropeways.

NABARD-funded rural connectivity projects (up to FY 2021-22)

Category	Output	Outcomes	Impact
RIDF	~5.1 lakh km road length	~12.9 lakh metre bridge length	>65,500 lakh man-days of non-recurring employment
NIDA	~7,410 km road length	~127 km of road length upgraded	~7.9 km bridge length

Notes: 1. NIDA = NABARD Infrastructure Development Assistance; RIDF = Rural Infrastructure Development Fund. 2. Connectivity projects account for 35% of RIDF sanctions

New activities financed in FY 2021-22

Category	ROB on Railway Crossings	Ropeway
Sanction (₹ crore)	177.9	42.5
Expected Distance Reduction (km)	7.2	7.7
Employment (lakh person-days)	42.3	2.9
Villages Benefitted (number)	480	4
Market Centres (number)	55	-

Note: RIDF = Rural Infrastructure Development Fund; ROB = Road Over Bridge.

5.4 Post-harvest infrastructure

NABARD has been actively supporting investments in post-harvest infrastructure to enhance the value of agricultural commodities.

This includes creating utility in terms of time (through storage), form (through processing facilities), and possession (through marketing facilities). These investments are crucial in extending the shelf-life of produce, reducing wastage and losses, and meeting consumer demands effectively.

5.4.1 Agri-storage

NABARD supports the development of scientific storage facilities, enabling farmers to stagger the sale of their produce, avoid distress sales, and secure better prices. These facilities also allow farmers to obtain post-production credit using negotiable warehousing receipts, improving their financial stability.

NABARD supported agri-storage

Initiatives to Improve Storage Infrastructure	Details
Total Storage Structures	7,593 storage (5,550 completed)
Storage Capacity Created	6.1 lakh MT
Integrated Value-Chain Project	Focus on fruits and vegetables
Modern, Scientific, and Earthquake-Resistant Warehouses	Warehouses developed in the North East Region (NER)
Online Trading Platform	Projects of Agricultural Produce & Livestock Market Committee
Geo-tagged Storage Structures	1,11,162 storage structures geo-tagged and linked to a centralized database for integration with platforms like e-NAM
Web-Based Agri-Storage Information System	System for farmers, traders, and producers to locate warehouses within a 30-km radius through the Kisan Bhandar mobile app

Note: MT = Metric tonne; e-NAM = Electronic National Agricultural Market; NER = North East Region.

5.4.2 Food processing

India's food processing sector is among the largest globally, with an expected output of \$535 billion by FY 2025-26. In response to the growing demand for processed foods, NABARD has committed ₹781.1 crore in financial support since 2014 (up to FY 2021-22) for projects in 16 states, including those in the North East Region (NER) like Assam, Manipur, and Meghalaya. NABARD's Food Processing Fund has been instrumental in reducing food wastage, expanding value addition, and connecting farmers directly to consumers.

NABARD-supported food processing infrastructure (up to FY 2021-22)

Projects	- 14 mega food parks in 12 states (7 operational) - 8 agro-processing clusters in 2 states (1 nearly complete) - 13 food processing units in 7 states (2 completed)
Dry Warehouses Capacity	2,14,000 MT for non-perishable raw material and finished goods
Silos Storage Capacity	58,800 MT for bulk storage of agricultural produce
Cold Storage Capacity	1,01,210 MT for perishable finished products
Freezer Capacity	12,900 MT for storing finished products
Production Capacity	- 11.50 MT per hour for individually quick frozen fruit and vegetable products - 132.5 MT per hour for sorting and grading fruits and vegetables
Controlled Ripening Capacity	1,253 MT
Extraction and Packaging Capacity	31.75 MT per hour for extracting and aseptically packing fruit pulp

5.4.3 Marketing

- Rural Marketing Infrastructure:** NABARD supports rural haats, marts, and exhibitions to connect producers directly with markets, reducing intermediaries and increasing rural incomes.
- Impact:** These initiatives help ensure food availability, de-risk agricultural activities, and discourage out-migration by providing local economic opportunities.
- Infrastructure & Design:** In FY 2021-22, NABARD introduced a distinctive model haat design for better visibility and recognition of NABARD-supported stalls, enhancing market access and income for rural sellers.

Initiatives during FY 2021-22

Particulars	Rural Haats	Rural Marts	Melas/Fairs/Exhibitions
Number	42	63	14
Financial Assistance (₹ lakh)	620.80	267.7	2,000 daily average footfall, ₹3.5 lakh average sales

5.5 Infrastructure for quality of life

NABARD finances critical infrastructure projects in rural areas, including education, health, drinking water, rural housing, sanitation, electricity transmission, and renewable energy.

In FY 2021-22, 20 projects were sanctioned under NABARD Infrastructure Development Assistance (NIDA) for social infrastructure like drinking water and education.

NABARD also supports rural housing under Pradhan Mantri Awaas Yojana–Gramin (PMAY–G) and household toilets under Swachh Bharat Mission–Gramin (SBM–G).

Development fund support to social sector infrastructure

- The social sector accounts for 32.7% of the total loan sanctions under RIDF tranche XXVII. The majority of these loans have been allocated to drinking water projects (67%), followed by education (18.8%), and healthcare (12.8%).
- In FY 2021-22, aligning with Government of India priorities, ₹10,068.7 crore was sanctioned to support state governments in installing rural drinking water schemes. Of this, ₹6,256.5 crore was sanctioned for 18 proposals, benefiting 2.8 crore people in 13,954 villages across 10 states under the Jal Jeevan Mission.
- These social sector initiatives contribute to achieving Sustainable Development Goals (SDGs), specifically zero hunger (SDG 2), good health and well-being (SDG 3), quality education (SDG 4), and clean water and sanitation (SDG 6) in rural India.

Note: GOI = Government of India; RIDF = Rural Infrastructure Development Fund; SDG = Sustainable Development Goal.

Expected outputs of social sector projects under NIDA (as on 31 March 2022)

Sector	Expected Outputs
Communication	Network to connect 30,000+ government offices and provide free internet to 20 lakh households in Kerala.
Rural Housing	Construction of 3.5 lakh rural dwelling units under PMAY-G.
Education	- 700 additional annual MBBS graduates - 7,880 additional annual graduates in other disciplines
Rural Health	3,000 additional beds (after construction of 7 medical colleges and upgrade of hospitals).

5.6 Modernising infrastructure for a better tomorrow.

NABARD continues to play a key role in improving rural prosperity by enhancing both the ease of doing business and the ease of living in rural India. As the apex development finance institution, NABARD provides technical support, handholding, and oversight to translate vision into tangible assets for rural communities.

For FY 2022-23 and beyond, NABARD aims to:

- Increase resilience of agri-value chains through post-harvest infrastructure.
- Improve social infrastructure, focusing on drinking water supply and sanitation.
- Enhance last-mile connectivity with ropeways and road over bridges (ROB) in addition to roads and bridges.
- Promote sustainable development in rural areas, particularly in the North East Region (NER), Jammu & Kashmir, Ladakh, and other hilly states.
- Direct policy action to increase RIDF allocation towards central, eastern, and north-eastern states for balanced regional development.
- Drive renewable energy and climate-smart agricultural solutions to support Sustainable Development Goals (SDGs).
- Encourage micro-irrigation interventions to achieve large-scale water efficiency in water-deficit regions.

Chapter 6: Supervisory Role of NABARD

Public confidence in the soundness of banks is crucial for the stability of any economy, necessitating regulation and effective supervision. While the Reserve Bank of India (RBI) oversees commercial and urban cooperative banks, NABARD serves as the counterpart for rural financial institutions (RFIs).

NABARD supervises:

- Regional Rural Banks (RRBs)
- Rural Cooperative Banks (RCBs), including State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs)
- Primary Agricultural Credit Societies (PACS)
- Primary Cooperative Agriculture and Rural Development Banks (PCARDBs)
- State Cooperative Agriculture and Rural Development Banks (SCARDBs)

Bank supervision has evolved, and NABARD's supervisory framework continues to adapt to ensure the stability and soundness of rural financial institutions.

Entities supervised by NABARD in the rural credit structure

Rural Credit Structure	Entities Supervised	Branches/Details
STCCS	34 StCBs	(STCCS Tier I) 2,078 branches across 34 states/UTs
	352 DCCBs	(STCCS Tier II) 13,610 branches across 20 states/UTs
	95,509 PACS	(STCCS Tier III), 6.3 lakh villages, 13.8 crore members, ~37.6% active borrowers
LTCCS	13 SCARDBs	Functional, LTCCS Tier I, 791 branches across 13 states
	603 PCARDBs	Functional, LTCCS Tier II, across 8 states
RRBs	43 RRBs	(Sponsored by 12 SCBs), 21,856 branches (across 26 states and 3 UTs) 28.3 crore depositors, 2.6 crore borrowers

- DCCB = District Central Cooperative Bank; LTCCS = Long-Term Cooperative Credit Structure; PACS = Primary Agricultural Credit Societies; PCARDB = Primary Cooperative Agriculture and Rural Development Bank; RRB = Regional Rural Bank; SCARDB = State Cooperative Agriculture and Rural Development Bank; SCB = Scheduled Commercial Bank; StCB = State Cooperative Bank; STCCS = Short-Term Cooperative Credit Structure; UT = Union Territory
- Number of supervised entities (other than PACS) is as on 31 March 2021
- Number of PACS is as on 31 March 2020.
- StCBs
 - 24 (of the 34) are Scheduled StCBs in the Second Schedule of the Reserve Bank of India Act, 1934.
 - Includes Daman & Diu StCB (license pending).
- DCCBs include Tamil Nadu Industrial Cooperative Bank Ltd.
- There are variations in the cooperative structure across states. Not all STCCS are three-tiered. For example, while Andhra Pradesh has a three-tiered STCCS, Manipur has only StCB and PACS as two tiers.
- Of the 13 functional SCARDBs, there are
 - Unitary (5), i.e., lend directly: Gujarat, Jammu & Kashmir, Puducherry, Tripura, and Uttar Pradesh;
 - Federal (6), i.e., lend through PCARDBs: Haryana, Karnataka, Kerala, Punjab, Rajasthan, and Tamil Nadu; and
 - Mixed (2), i.e., lend through PCARDBs and directly: Himachal Pradesh and West Bengal.
- LTCCS
 - These institutions are not governed by the Banking Regulation Act, 1949.
 - They do not have access to low-cost deposits. Therefore, they depend heavily on borrowed funds for lending.
- RRBs
 - 3 union territories = Puducherry, Jammu & Kashmir, Ladakh
 - 92% of the RRB branches are in rural/semi-urban areas.

6.1 Holistic and value-added supervision

NABARD's supervisory role is multifaceted, focusing on ensuring the safety and soundness of rural financial institutions (SEs) while supporting financial inclusion and business expansion. Its primary goals are to ensure the resilience and sustainability of SEs, protect depositors' interests, and maintain stability in the financial system through regulatory compliance.

Key initiatives include:

- **Proactive Fraud Prevention:** Introduction of vulnerability indices for fraud (VINFRA) and cyber risks (VICS), and a matrix of policies to mitigate these risks.
- **Digital Supervision:** Launch of "SuperSoft" to digitalize supervisory processes and the creation of the C-SITE cell.
- **Complaints Management:** Implementation of a complaints management system to enhance oversight.
- **Risk-Based Supervision:** Plans to introduce an enhanced CAMELS framework with additional quantitative and qualitative indicators.
- **Supervision Plus:** Provides guidance to SEs on risk management, compliance, investment guidelines, and cyber incident advisories.

During the pandemic, NABARD adapted its processes to maintain supervisory effectiveness despite the challenges of remote working, ensuring continuous oversight and support for SEs.

Objectives of NABARD supervision

- Protect the interests of present and future depositors.
- Ensure that the business of SEs conforms to the acts, rules, regulations, and bye-laws.
- Ensure observance of rules, guidelines, etc., issued by NABARD, RBI, and GOI.
- Examine the financial soundness of the banks.

Activities of the cyber-security information technology examination cell

1. Examining cyber security policies of SEs.
2. Conducting regular training and awareness sessions on cyber security for SEs.
3. Guiding SEs on cyber security framework.
4. Setting up of Cyber Security Operation Centre.
5. Ensuring the adoption of minimum cyber security measures.
6. Discussing cyber security issues with chief information security officers at SEs.
7. Analyzing cyber security breaches and guiding affected SEs.
8. Gathering cyber threat intelligence to issue alerts and advisories.
9. Developing online reporting of incidents at the existing level of cyber security implementation.
10. Liaising with other agencies like the National Critical Information Infrastructure Protection Centre, Indian Computer Emergency Response Team, and Institute for Development & Research in Banking Technology.

NABARD's 360o supervision

1. Deploys the CAMELSC framework for supervision.
2. Combines periodic statutory on-site inspections with off-site continuous monitoring for a cross-sectional periodic performance evaluation of SEs.
3. SEs are expected to work on a time-bound rectification plan to address deficiencies and report progress until full compliance.
4. Introduced electronic submission of returns (ENSURE) in 2015 for RRBs and RCBs to detect early warning signals from off-site monitoring.
5. The Board of Supervision reviews findings and offers guidance (and directions) on supervision policies for RRBs and RCBs.

NABARD's 'supervision plus approach

Purpose	Activity
Address supervisory concerns and support rejuvenation of weak banks, share capital of RRBs and RCBs, etc	Provide data and policy inputs to RBI, GOI, and state governments
Strengthen weak banks and contain recalcitrant ones	Recommend (to RBI) issuance of directions and regulatory action
Improve risk management and avoid credit concentration	Review exposure norms compliance by RFIS
Ensure adherence to guidelines periodically issued by RBI/NABARD	Conduct investment portfolio review of RFIs
Monitor fraud in SEs	Centralised Fraud Monitoring Cell
Promote self-supervision and self-corrective action by SEs	Introduction of self-assessment tools
Promote Self-corrective action by RRBs to speedily rectify irregularities or deficiencies	Introduction of the Supervisory ' Action Framework for Prompt Corrective Action
Supervise Proactively to improve key parameters or address deficiencies	Monthly engagement with CEOs of SEs
Strengthen the knowledge-base of the bank officials on supervision-related matters	Conducting workshops, seminars, and periodic interactions

6.2 Supervisory activities in FY 2021-22

- **Statutory and Voluntary Inspections:** NABARD conducted 331 statutory and voluntary inspections, overcoming challenges posed by the pandemic.
- **C-SITE Cell Activities:**
 - Issued 45 advisories and 11 alerts in FY 2021-22.
 - Created cybersecurity awareness for top management and employees.
 - Issued standard operating procedures (SOPs) to respond to advisories and alerts.
 - Guided banks on 26 incidents and 76 vulnerabilities (cumulative).
 - Conducted eight workshops with approximately 600 participants, including chairpersons of RRBs and CEOs/MDs of RCBs.
- **Advisories:**
 - Issued advisories to RRBs on automating income recognition, asset classification, and provisioning processes.
 - ssued advisories to RCBs on sharing complaints, FIRs, etc., with the Central Economic Intelligence Bureau.
- **Digital Inspections:**
 - Conducted digital inspections of the financial position of two RRBs and one DCCB for FY 2020-21 using NABARD's supervisory application, SuperSoft, on a pilot basis.

6.3 Output >> Outcomes >> Impact

- **Influence on Key Decisions:** NABARD's findings on CRAR, erosion, core banking solutions, frauds, and other supervisory concerns are relied upon by RBI, GOI, and state governments for making critical decisions regarding banking institutions.
- **Improvement in SEs:** Corrective actions based on deficiencies identified during statutory inspections led to improved functioning of supervised entities (SEs).
- **Institutional Reforms:** NABARD's inspection observations and concerns have led to the institutionalization of democratically elected boards in many rural cooperative banks (RCBs).
- **State Government Actions:** State governments initiated the capitalization of RCBs and provided financial support to cooperative ventures based on NABARD's inspection reports.
- **Pension Liability Amortization:** RRBs were allowed to amortize pension liabilities over five years to reduce financial burden, following NABARD's recommendations.

- Cyber Security Strengthening:** The C-SITE cell enhanced the cyber security preparedness of SEs through:
 - Guidelines on cyber security framework.
 - Incident management advisories.
 - Implementation of the self-assessment tool (VICS).

6.4 Amendments to Banking Regulation Act: Shaping the new paradigm

- Amendment Overview:** The Banking Regulation (Amendment) Act, 2020, effective from 29 September 2020, extends the regulatory scope of the RBI over additional functions of cooperative banks.
- Historical Context:** The BR Act, 1949, originally enacted to consolidate banking laws, was extended to cooperative banks on 1 March 1966 through Section 56, amended by Act 23 of 1965. Further amendments were applied to State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs) starting 1 April 2021.
- Purpose of Amendments:** The amendments are designed to improve the management and regulation of cooperative banks, with the goals of protecting depositors' interests, increasing professionalism, enabling access to capital, enhancing governance, and ensuring sound banking practices. The amended Act has an overriding effect over other laws.
- RBI's Role:** The RBI is in the process of issuing guidelines related to the new provisions. It can now use the extensive network of cooperative banks to deliver efficient services to rural areas, thus strengthening RCBs and enhancing the dissemination of institutional credit.

6.5 Strengthening RFIs through supervision

FY 2022-23 Plan Highlights:

- Supervisory Inspections:** NABARD plans to conduct supervisory inspections for 307 banks, including 221 District Central Cooperative Banks (DCCBs), 43 Regional Rural Banks (RRBs), 34 State Cooperative Banks (StCBs), 8 State Cooperative Agriculture and Rural Development Banks (SCARDBs), and the Tamil Nadu Industrial Cooperative Bank.
- Pilot Inspections:** Pilot inspections will begin in August 2022 to prepare for the rollout of an enhanced CAMELSC framework from April 2023, leading towards the Risk-Based Supervision (RBS) model.
- Digitalization of Supervision:** NABARD aims to fully digitize its supervisory processes using the Super Soft platform by FY 2022-23.

NABARD is taking steps towards fulfilling a few other long-term objectives.

- Building on the role of a supervisory relationship manager as a nodal interface between NABARD and an SE will ensure continuity, better utilisation of supervisory resources, and greater customisation of oversight and remedial action.
- Complete digitalisation and greater financial inclusion will enable data analytics for customer services, corporate governance, risk management, fraud detection, and cyber security to benefit the SEs and their customers.
- Replacing static and compliance-based data with continuous, automated (proactive) data flow from the SEs will help NABARD migrate to the dynamic RBS framework.

Key milestones in the evolution of NABARD’s supervisory framework

Year/Period	Key Milestone
1982	NABARD takes over supervisory functions of RCBs and RRBs. Supervised in line with RBI's supervisory framework till 2000.
1988	Basel I norms introduced.
1991-93	StCBs under a two-tier structure and weak DCCBs were inspected under a two-year cycle, and the remaining banks in a three-year cycle.
Apr-93	All DCCBs and StCBs in the three-tier structure were brought under a two-year cycle.
Up to 1995	RRBs that have eroded their deposits above 10% were inspected in a two-year cycle, and the remaining in a three-year cycle.
Apr-95	All RRBs were inspected in a two-year cycle.
1995-96	NABARD initiated ISP. Under ISP, SEs prepared DAPs and made commitments to NABARD/SBs through MoUs. In-depth off-site system analysis and portfolio inspections were introduced.

OTHER KEY MILESTONES

Year/Period	Key Milestones
1996	Introduction of IRAC norms for RCBs.
1997	Focus of NABARD's inspection shifted to CAMELS based approach. System of rating of banks introduced by NABARD.
Jan-98	Expert committee set up to review the supervisory role of NABARD under U.K. Sharma.
1998-99	OSS introduced. Rating of banks inspected based on CAMELS model by introducing compliance as a new parameter.
1999	India implemented Basel I norms. Set up BoS comprising experts in areas of bank supervision. BoS objective was to provide directions on supervision.
2001	Introduction of credit monitoring arrangement norms for RCBs, replacing the credit authorisation scheme. Existing guidelines of procedure to be followed in the case of non-compliance with Section 11(1) of BR Act, 1949 (AACs) by RCBs.
2003	Issuance of guidelines on setting up of audit committees to all RCBs.
2004	Basel II norms introduced. Delegation of on-site inspection to ROs. Trigger point policy initiated against SEs.
2005	Guidelines for risk assessment issued to all RFI.
2007	Complaints management guidelines issued to ROs. Existing trigger point policy for RCBs.
2008	Comprehensive guidelines for reporting and monitoring of frauds issued to RFI. Disclosure of CRAR by RCBs. Appointment of compliance officer in RRBs.
2009	India implemented Basel II norms.
2010	Basel III norms introduced.
2011	CBS operational in RRBs.
2013	India implemented Basel III norms. CBS operational in RCBs. Compulsory licensing of cooperative banks. Appointment of compliance officer in RCBs.
2015	- Introduction of ENSURE, web-based portal - This data collection and management software aimed to improve submission of OSS returns by banks and monitor financial performance of banks by NABARD.
2016	- Introduction of PAR based on OSS returns - Introduction of PAR (Periodic Assessment Report) based on OSS (Operational Self Sufficiency) returns.
2018	Guidelines on cybersecurity framework issued to RFI (Regulated Financial Institutions). - Introduction of PCA (Prompt Corrective Action) norms for RRBs (Regional Rural Banks).
2019	- Setting up of a working group on Risk-Based Supervision (RBS).
2020	- Amendment to Banking Regulation Act, 1949. - Introduction of Fraud Vulnerability Index for RFI. - Introduction of VICs (Vulnerability Identification and Control Systems) for RFI. - Introduction of matrix of policies for RFI.
2021	- Guidelines by RBI on the amalgamation of District Central Cooperative Banks (DCCBs) with State Cooperative Banks (StCBs). - Supersoft: A pilot project for digitalizing the supervisory process launched. - C-SITE launched.
2022	- Complaints management system launched

Note: BoS = Board of Supervisors; BR Act = Banking Regulation Act; CAMELS = Capital adequacy, Asset quality, Management, Earning, Liquidity, and System & control; CBS = Core Banking Solution; CRAR = Capital to Risk (Weighted) Asset Ratio; C-SITE = Cyber-Security Information Technology Examination; DAP = Development Action Plan; DCCB = District Central Cooperative Bank; ENSURE = Electronic Submission of Returns; IRAC = Income Recognition and Asset Classification; ISP = Institutional Strengthening Programme; MoU = Memorandum of Understanding; OSS = Off-site Surveillance System; PAR = Performance Average Rating; PCA = Prompt Corrective Action; RBI = Reserve Bank of India; RBS = Risk-Based Supervision; RCB = Rural Cooperative Bank; RFI = Rural Financial Institution; RO = Regional Office; RRB = Regional Rural Bank; SB = Sponsor Bank; SE = Supervised Entity; StCB = State Cooperative Bank; VICS = Vulnerability Index for Cyber Security.

Inspections in FY 2021-22 (w.r.t. financial position on 31 March 2021)

Bank Type	No. of Inspections Budgeted	No. of Inspections Conducted	Nature of Inspection
State Cooperative Banks (StCBs)	34	34	Statutory
District Central Cooperative Banks (DCCBs)	245	245	Statutory
Regional Rural Banks (RRBs)	43	43	Statutory
State Cooperative Agriculture and Rural Development Banks (SCARDBs)	9	9	Voluntary
Total number of banks inspected	331	331	

Compliance status of supervised entities in FY 2021-22

Category	StCBs	DCCBs	RRBs
Total number of banks	34	352	43
Licensed	33	349*	43
Unlicensed	1	3	0
Scheduled	24	NA	43
Non-scheduled	10	NA	0
Compliance with Section 11(1) of BR Act, 1949 (AACs):			
Compliant	32	329	NA
Non-compliant	2	23	NA
Compliance with Section 42(6)(a)(i) of the RBI Act, 1934:			
Compliant	24	NA	33
Non-compliant	0	NA	10

* DCCBs include Tamil Nadu Industrial Cooperative Bank Ltd (TAICO Bank).

Note: AACs = As Applicable to Cooperative Societies; BR Act = Banking Regulation Act;

Chapter 7: Strengthening Rural Financial Institutions

NABARD supervises Rural Cooperative Banks (RCBs) and Regional Rural Banks (RRBs) to ensure adherence to statutory compliances and frameworks, addressing any gaps identified to strengthen these institutions as business entities. This supervision is crucial for maintaining a stable and healthy rural financial system that serves its clientele sustainably.

Key activities include monitoring business growth, profitability, capital adequacy, and non-performing asset (NPA) levels. NABARD supports these institutions through recapitalization, business diversification, product innovation, and digitization. These initiatives have bolstered credit flow and contributed to the growth of the rural economy, even through the challenges of the pandemic in FY 2020-21 to FY 2021-22.

Share of Rural Cooperative Bank (RCB) in credit flow to agriculture

Metric	FY 2019-20	FY 2020-21	FY 2021-22
Share (%) in GLC	11.3	12.1	12.7
Loan (%) dispensed to small & marginal farmers	69.6	71.6	59.3

Share of Regional Rural Bank (RRB) in credit flow to agriculture

Metric	FY 2019-20	FY 2020-21	FY 2021-22
Share (%) in GLC	11.8	12.1	11.7
Loan (%) dispensed to small & marginal farmers	65.4	65.3	68

Note: GLC = Ground Level Credit

7.1 Rural cooperative banking

In the rural cooperative banking system of India, StCBs, DCCBs, and PACS primarily cater to short-term credit needs, such as crop loans and working capital, while PCARDBs and SCARDBs address long-term investment needs. The performance of these institutions during the year is detailed in various annexures, highlighting their roles and effectiveness in supporting rural credit.

Performance highlights of StCBs in FY 2020-21

Category	State Cooperative Banks
Consolidated Balance Sheet	₹3.77 lakh crore (10.9% over FY 2019-20)
Net Profit	₹1,402 crore
Gross Loans and Advances	Grew by 5.9% over FY 2019-20
Net NPA	Declined to 3.2% (FY 2020-21) from 3.4% (FY 2019-20)
Gross NPA	-

Performance highlights of DCCBs in FY 2020-21

Category	District Central Cooperative Banks
Consolidated Balance Sheet	₹5.9 lakh crore (9.9% over FY 2019-20)
Net Profit	₹1,422 crore
Gross Loans and Advances	Grew by more than 9.2% over FY 2019-20
Net NPA	Declined to 5.0% (FY 2020-21) from 6.6% (FY 2019-20)
Gross NPA	Declined to 11.4% (FY 2020-21) from 12.6% (FY 2019-20)

7.1.1 Support to rural cooperative banks in FY 2021-22

In FY 2021-22, NABARD continued its efforts to strengthen Rural Cooperative Banks (RCBs). Key actions included:

- Recapitalization:** Under the Revival Package Scheme, NABARD facilitated ₹111.2 crore in recapitalization assistance for Anantnag, Baramulla, and Jammu DCCBs, with the union territory of Jammu & Kashmir releasing ₹255.7 crore as its share.
- Support for Business Diversification and Technology:** NABARD supported RCBs in business diversification, technology adoption, institution building, and infrastructure development, primarily funded through the Cooperative Development Fund (CDF).
- Training and Computerization:** Focused on training personnel in software and processes and prioritized the computerization of PACS.
- Business Diversification and Product Innovation Cells (BDPIC):**

BDPICs in FY 2021-22	
o BDPICs sanctioned in FY 2021-22	: 3 (1 each in Himachal Pradesh, Mizoram, and Tamil Nadu)
o Outlay from CDF	: ₹247.5 lakh
o Grant from CDF	: ₹198 lakh
o Cumulative contribution	: ₹924 lakh
o Cumulative disbursement	: ₹67.4 lakh
o BDPICs in operation	: 14
o Disbursement in FY 2021-22	: ₹56.7 lakh

COOPERATIVE DEVELOPMENT FUND

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

Disbursements from Cooperative Development Fund in FY 2021-22

Particulars	Amount (₹ crore)
Training of cooperative bank personnel in SOFTCOB	10.9
PACS computerisation	10
Training by BIRD	2.4
Infrastructure development of PACS	2.3
Centre for Professional Excellence in Cooperatives	1.6
Comprehensive support plan	1.5
Exposure visits	0.6
BDPIC	0.6
Other interventions	0.4
PACS Development Cell	0.1
Meetings/seminars/conferences/workshops	0.1
Total disbursement	30.5

Note: BDPIC = Business Diversification and Product Innovation Cell; BIRD = Bankers Institute of Rural Development; PACS = Primary Agricultural Credit Society; SOFTCOB = Scheme of Financial Assistance for Training of Cooperative Banks Personnel.

7.1.2 Support to PACS in FY 2021-22

In FY 2021-22, NABARD provided significant support to Primary Agricultural Credit Societies (PACS) through various initiatives:

- **Computerization Support:** NABARD sanctioned ₹30 crore to Rajasthan, Andhra Pradesh, Telangana, Uttarakhand, Uttar Pradesh, and Bihar for the computerization of PACS, disbursing ₹15 crore to Uttarakhand, Uttar Pradesh, and Telangana. The aim is to computerize 300 PACS in each state, supported by a growing database.
- **Special Refinance Facility:** To transform 35,000 PACS into multi-service centers by FY 2022-23, NABARD sanctioned ₹439.1 lakh to cooperative banks in Madhya Pradesh, Sikkim, and Karnataka, with ₹4.9 lakh disbursed during FY 2021-22.
- **PACS Development Cells (PDCs):** Currently, 94 PDCs are established and functional in DCCBs/StCBs across 20 states, assisting 2,556 PACS. In FY 2021-22, ₹14 lakh was disbursed to support PDCs in Bihar, Kerala, Nagaland, and Telangana.

7.1.3 Capacity building during FY 2021-22

During FY 2021-22, the Centre for Professional Excellence in Cooperatives (C-PEC), Lucknow, standardised 9 online training programmes and 23 regular training programmes, taking cumulative number to 188. It conducted 4 certifications to induct 87 institutional and 2,289 individual members, raising its total membership to 12,400 (53 cooperative training institutes, 30 StCBs, 276 DCCBs, 5,685 PACS, and 6,356 individuals)

7.2 Regional rural banks

In FY 2020-21, Regional Rural Banks (RRBs) increased their borrowings from NABARD by 33.5%, driven by greater credit offtake among small and marginal farmers, agricultural laborers, and artisans. This was facilitated by the Special Liquidity Facility and relaxed refinance eligibility criteria. RRBs also saw improved performance with better net margins, growth in priority sector lending certificates, an improved credit-deposit ratio, and enhanced asset quality.

Performance of RRBs in FY 2020-21

- ₹6.5 lakh crore balance sheet size registering a healthy 10.8% growth
- ₹1,682 crore of net profit (30 of 43 RRBs were profitable) in FY 2020-21 after consolidated losses in FY 2018-19 and FY 2019-20
- 12% plus growth in gross loans and advances over FY 2019-20
- 64% credit-deposit ratio on 31 March 2021 (62% in FY 2019-20)
- 4.8% net NPA in FY 2020-21, down from 5.8% in FY 2019-20
- 10.2% system-wide CRAR on 31 March 2021 (10.3% in FY 2019-20)
- 16 RRBs had CRAR <9%; 8 RRBs had CRAR <0%

Note: CRAR = Capital to Risk-Weighted Assets Ratio; NPA = Non Performing Asset; RRB = Regional Rural Bank.

7.2.1 Key actions for RRBs in FY 2021-22

- **Relaxed Refinance Eligibility:** NABARD waived the regular refinance eligibility criteria for FY 2020-21 and FY 2021-22, allowing RRBs with internal risk ratings of NBD6 and NBD7 to access refinance, which were previously ineligible.
- **Strengthening Loan Portfolios:** NABARD worked to relax registration criteria for RRBs as member lending institutions with the CGTMSE and advocated for including retail trade as an eligible activity under the credit guarantee scheme.
- **Capital Infusion Plan:** As the anchor for GOI's ₹10,890 crore capital infusion, NABARD facilitated ₹8,168 crore for 22 RRBs in FY 2021-22, with ₹6,395 crore released by the GOI, state governments, and sponsor banks to 21 RRBs by 31 March 2022. The plan aims to achieve sustainable viability and capital adequacy through business diversification, NPA management, cost rationalization, technology adoption, and human resource development, with capital contributions in a 50:15:35 ratio from the GOI, state governments, and sponsor banks.

7.2.2 Five RRBs climb out of 'in focus' list

NABARD provides targeted technical assistance to Regional Rural Banks (RRBs) placed 'in focus' due to impaired financial health. To monitor and improve their condition, NABARD mandated that the RRBs' boards discuss and report key financial indicators biannually.

In FY 2020-21, continuous guidance and implementation of a monitorable action plan helped five RRBs—Baroda Gujarat Gramin Bank, Sarva Haryana Gramin Bank, Himachal Pradesh Gramin Bank, Aryavart Bank, and Baroda U.P. Bank—exit the 'in focus' list. However, Maharashtra Gramin Bank and Karnataka Gramin Bank were newly added to the list, bringing the total number of 'in focus' RRBs to 23 as of 31 March 2021.

7.2.3 Capacity building and review meets

In FY 2021-22, NABARD conducted several capacity building workshops and review meetings for Regional Rural Banks (RRBs). These review meets provided a platform for planning and cross-learning through the exchange of ideas, helping to strengthen the performance and operational strategies of RRBs.

Capacity building workshops and review meets for RRBs in FY 2021-22

Capacity Building Workshops
- National Institute of Bank Management, Pune jointly with NCDEX on commodity derivative markets for senior executives.
- College of Agricultural Banking, Pune on 'Information technology and cyber security for nominee directors of RRBs'.
Review Meets
- Strategy plan meet for 16 RRBs.*
- Strategy plan meet for 9 RRBs (7 in NER; 2 in J&K).
- National conclave of RRBs and review meet for 'RRBs in focus':
> Cross-learning on agri-term lending, SHGs, trading of priority sector lending certificates, etc.
> Interacting with the leadership at CGTMSE, MUDRA, and SBI Capital Markets Limited.

Note: CGTMSE = Credit Guarantee Fund Trust for Micro and Small Enterprises; J&K = Jammu & Kashmir; MUDRA = Micro Units Development & Refinance Agency Ltd.; NCDEX = National Commodity & Derivatives Exchange Limited; NER = North East Region; RRB = Regional Rural Bank; SBI = State Bank of India; SHG = Self-Help Group

7.3 Stronger credit institutions for rural prosperity

NABARD has developed a five-fold strategy for FY 2022-23 focused on strengthening Rural Financial Institutions (RFIs) and supporting the Ministry of Cooperation's initiatives. NABARD aims to align its efforts with the Ministry's goals of transforming cooperatives into a grassroots movement, particularly through digitalization and the "Sahakar se Samridhi" scheme. Additionally, NABARD will offer refinance to lower-rated RRBs (NBD8 and NBD9) by requiring additional collateral to ensure security, thereby augmenting resources for investment loans.

Five-fold strategy for RRBs

- Improving credit-deposit ratio through loan diversification
- Emulating best technology practices of niche banks operating in rural areas
- Identifying proforma NPAs and providing for them in balance sheets
- Active participation in government schemes/packages
- Introducing new credit products customised to their area of operation

7.4 Annexes to Chapter 7

Consolidated balance sheet of StCBs

LIABILITIES

Parameter	31 March 2020		31 March 2021		FY 2019-20	FY 2020-21
	Amount in ₹ crore	% of Total	Amount in ₹ crore	% of Total	YoY variation in %	
1. Capital	7,459	2.1	8,577	2.2	0.40%	15.00%
2. Reserves	14,441	4.2	15,848	4.1	4.70%	9.70%
3. Deposits	2,10,342	61.8	2,23,057	59.1	9.20%	6.00%
4. Borrowings	85,723	25.1	1,07,207	28.4	2.00%	25.10%
5. Other liabilities	22,301	6.5	22,648	6.0	16.90%	1.60%
TOTAL	340,266	100	377,337	100		

ASSETS

Parameter	31 March 2020		31 March 2021		FY 2019-20	FY 2020-21
	Amount in ₹ crore	% of Total	Amount in ₹ crore	% of Total	YoY variation in %	
1. Cash and bank balances	10,229	3.0	14,360	3.8	-32.60%	40.40%
2. Investments	1,12,828	33.1	1,29,329	34.2	9.40%	14.60%
3. Loans and advances	1,99,943	58.7	2,11,794	56.1	8.90%	5.90%
4. Accumulated losses	1,232	0.3	1,405	0.3	25.00%	14.00%
5. Other assets	16,035	4.7	20,451	5.4	13.30%	27.50%
TOTAL	340,266	100	377,337	100		

Profitability of StCBs

Particulars	FY 2019-20	FY 2020-21
Total number of StCBs	33	34#
Number of banks in profit	32	32
Profit (₹ crore)	1,740	1,669
Number of banks in loss	1	2
Loss (₹ crore)	16	268
Net profit/loss (₹ crore)	1,724	1,402
Number of StCBs with accumulated losses	7	7
Accumulated losses (₹ crore)	1,232	1,405



Till FY 2019-20, data of Daman & Diu StCB was reported as a part of Goa StCB. Audit of Goa StCB and Daman & Diu StCB was undertaken separately for the position as on 31 March 2021. Note: StCB = State Cooperative Bank.

Asset quality of StCBs

Particulars	Mar-20	Mar-21
Gross NPA (₹ crore)	13,477	14,113
Sub-standard assets (₹ crore)	7,883	7,379
Doubtful assets (₹ crore)	4,400	5,294
Loss assets (₹ crore)	1,195	1,440
Net NPA (₹ crore)	6,451	6,580
Gross NPA (%)	6.70%	6.70%
Net NPA (%)	3.40%	3.20%
Provision coverage ratio (%)	54.90%	57.40%

Costs and margins of StCBs (%)

Particulars	FY 2019-20	FY 2020-21
Yield on advances	8.21	7.41
Yield on investments	7.66	6.63
Yield on assets	7.45	6.71
Cost of deposits	6.59	5.96
Cost of borrowings	5.76	5.06
Cost of funds	5.54	5.01
Net interest margin	1.91	1.70
Miscellaneous income	0.71	0.33
Cost of management	1.00	0.99
Risk cost	0.98	0.63
Return on assets	0.64	0.41

Capital adequacy of DCCBs (as on 31 March 2021)

Category	Details
DCCBs with CRAR less than the regulatory minimum of 9%	37 (up from 35 last year)
DCCBs with negative CRAR	19
Consolidated CRAR of all DCCBs	12.1% (up from 11.9% last year)
State government contribution to share capital of DCCBs	National average: 21.2% Minimum: 0.3% in Uttarakhand Maximum: 61.5% in Uttar Pradesh
Total DCCBs	351

Notes:

- 1. CRAR = Capital to Risk-Weighted Asset Ratio; DCCB = District Central Cooperative Bank.
- 2. DCCBs exclude Tamil Nadu Industrial Cooperative Bank Ltd.

State-wise distribution of DCCBs with inadequate capital

State	DCCBs	DCCBs with CRAR < 9%	
		31 March 2020	31 March 2021
Andhra Pradesh	13	-	-
Bihar	23	4	7
Chhattisgarh	6	-	-
Gujarat	18	-	-
Haryana	19	-	-
Himachal Pradesh	2	1	1
Jammu & Kashmir (now UT)	3	3	3
Jharkhand	1	-	-
Karnataka	21	1	-
Kerala	1	-	-
Madhya Pradesh	38	8	9
Maharashtra	31	3	3
Odisha	17	-	-
Punjab	20	3	4
Rajasthan	29	1	-
Tamil Nadu	23	-	-
Telangana	9	-	-
Uttar Pradesh	50	11	11
Uttarakhand	10	-	-
West Bengal	17	-	-
All India	351	35	37

Consolidated Balance Sheet of DCCBs

LIABILITIES

Parameter	31 March 2020		31 March 2021		FY 2019-20	FY 2020-21
	Amount in ₹ crore	% of Total	Amount in ₹ crore	% of Total	YoY variation in %	
1. Capital	20,913	3.90	22,391	3.80	3.90%	7.10%
2. Reserves	22,332	4.10	24,381	4.10	7.50%	9.20%
3. Deposits	3,45,682	64.40	3,81,825	64.80	7.70%	10.50%
4. Borrowings	97,448	18.10	1,08,077	18.40	4.80%	10.90%
5. Other liabilities	49,602	9.20	52,239	8.90	6.10%	5.30%
TOTAL	5,35,977	100	5,88,914	100		

ASSETS

Parameter	31 March 2020		31 March 2021		FY 2019-20	FY 2020-21
	Amount in ₹ crore	% of Total	Amount in ₹ crore	% of Total	YoY variation in %	
1. Cash and bank balances	23,409	4.30	26,973	4.60	-8.70%	15.20%
2. Investments	186,745	34.80	211,380	35.90	10.10%	13.20%
3. Loans and advances	279,272	52.10	304,990	51.70	5.40%	9.20%

4. Accumulated losses	6,721	1.20	7,046	1.10	9.50%	4.80%
5. Other assets	39,830	7.40	38,525	6.40	13.10%	-3.3%
TOTAL	5,35,977	100	5,88,914	100		

Asset quality of DCCBs

Particulars	31 March 2020	31 March 2021
Gross NPA (₹ crore)	35,298	34,761
Sub-standard assets (₹ crore)	15,885	13,940
Doubtful assets (₹ crore)	16,990	18,367
Loss assets (₹ crore)	2,423	2,455
Net NPA (₹ crore)	16,957	14,026
Gross NPA (%)	12.60	11.40
Net NPA (%)	6.60	5.00
Provision coverage ratio (%)	58.70	65.40

Profitability of DCCBs

Particulars	FY 2019-20	FY 2020-21
Total number of DCCBs	351	351
Number of banks in profit	291	308
Amount of profit (₹ crore)	1,887	2,091
Number of banks in loss	60	43
Amount of loss (₹ crore)	1,041	669
Net profit/loss (₹ crore)	846	1,422
Number of DCCBs with accumulated losses	108	100
Accumulated losses (₹ crore)	6,721	7,046

Costs and margins of DCCBs (%)

Particulars	FY 2019-20	FY 2020-21
Yield on advances	8.66	8.41
Yield on investments	7.13	6.33
Yield on assets	7.37	6.96
Cost of deposits	5.91	5.5
Cost of borrowings	6.2	5.61
Cost of funds	5.02	4.65
Net interest margin	2.35	2.3
Miscellaneous income	0.39	0.34
Cost of management	1.78	1.71
Risk cost	0.78	0.68
Return on assets	0.17	0.26



Consolidated Balance Sheet of SCARDBs

LIABILITIES

Parameter	31 March 2020		31 March 2021		YoY variation in %
	Amount in ₹ crore	% of Total	Amount in ₹ crore	% of Total	
1. Capital	939	3.40	949	3.40	1.20%
2. Reserves	4,928	18.10	5,193	19.00	5.40%
3. Deposits	2,409	8.80	2,546	9.30	5.70%
4. Borrowings	13,740	50.60	13,293	48.70	-3.30%
5. Other liabilities	5,090	18.70	5,293	19.40	4.00%
TOTAL	27,106	100.00	27,275	100.00	

ASSETS

Parameter	31 March 2020		31 March 2021		YoY variation in %
	Amount in ₹ crore	% of Total	Amount in ₹ crore	% of Total	
1. Cash and bank balances	174	0.60	234	0.80	34.40%
2. Investments	2,498	9.20	2,272	8.30	-9.00%
3. Loans and advances	20,704	76.30	20,918	76.60	1.00%
4. Accumulated losses	611	2.20	518	1.80	-15.20%
5. Other assets	3,119	11.50	3,332	12.20	6.80%
TOTAL	27,106	100.00	27,275	100.00	

Financial performance of SCARDBs

	Parameter	31 March 2020		31 March 2021		YoY variation in %
		Amount in ₹ crore	% of Total	Amount in ₹ crore	% of Total	
A	Income (i + ii)	2,584	100.00	2,343	100.00	-9.30%
I	Interest income	2,376	91.90	2,156	92.00	-9.30%
II	Other income	208	8.00	187	7.90	-10.10%
B	Expenditure (i + ii + iii + iv)	2,333		2,180		-6.60%
I	Interest expended	1,297	55.50	1,175	53.80	-9.40%
II	Provisions and contingencies	453	19.30	465	21.30	2.70%
III	Operating expenses	399	17.10	404	18.50	-1.30%
	(of which) wage bill	349	14.60	351	16.00	0.40%
IV	Other expenditure	185	7.90	136	6.20	-26.30%
C	Net profits/loss	250		163		

Asset quality of SCARDBs

S. No.	Item	31 March 2020	31 March 2021	YoY change (%)
A	Total NPAs (i + ii + iii)	6,836	6,942	1.50%
i	Sub-standard	2,517 (36.8%)	2,337 (33.6%)	-7.20%
ii	Doubtful	4,286 (62.6%)	4,570 (65.8%)	6.60%
iii	Loss	34 (0.4%)	35 (0.5%)	4.50%
B	NPAs to loans ratio (%)	33.00%	33.20%	
C	Recovery (%) as on 30 June of previous year	43.00%	46.50%	

Key financial parameters of PCARDBs

Number of PCARDBs

S. No.	Parameter	31 March 2020	31 March 2021
1	Total PCARDBs	602	603
2	PCARDBs for which data is available	602	423*
3	PCARDBs in profit	227	186
4	PCARDBs in loss	375	237

*Data for FY2021 is not available for 180 PCARDBs in Tamil Nadu

Financial Parameters of PCARDBs

(Amount in ₹ crore)			
S. No.	Parameter	31 March 2020	31 March 2021
1	Owned funds	3,660	3,899
2	Deposits	1,372	1,429
3	Borrowings	16,643	15,402
4	Investments	2,065	2,069
5	Loans outstanding	15,810	15,199
6	Total assets/liabilities	31,337	29,926
7	Net profit/loss	-571	-491

Consolidated Balance Sheet of RRBs

LIABILITIES

Parameters	Amount in ₹ crore		YoY variation in %	
	31 March 2020	31 March 2021	31 March 2020	31 March 2021
Share capital	7,849	8,393	16.50%	6.90%
Reserves	26,814	30,348	5.60%	13.20%
Deposits	4,78,737	5,25,226	10.20%	9.70%
Borrowings	54,393	67,864	1.60%	24.80%
Other liabilities	20,227	19,754	13.20%	-2.30%
Total liabilities	5,88,021	6,51,585	9.30%	10.80%

ASSETS

Parameters	Amount in ₹ crore		YoY variation in %	
	31 March 2020	31 March 2021	31 March 2020	31 March 2021
Cash in hand	2,860	2,954	-1.80%	3.30%
Balances with RBI	16,744	18,947	-6.40%	13.20%
Balances in current account	7,613	5,987	39.20%	-21.40%
Investments	2,50,859	2,75,658	10.9%	9.90%
Loans and advances (net)	2,80,220	3,15,181	7.00%	12.50%
Fixed assets	1,235	1,229	-3.00%	-0.50%
Other assets	28,490	31,629	27.70%	11.00%
Accumulated losses	6,467	8,264	124.00%	27.80%
Total assets	5,88,021	6,51,585	9.30%	10.80%

Financial performance of RRBs

Item	Amount in ₹ crore		(Amount in ₹ crore) YoY variation (%)	
	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21
A. Income (i + ii)	49,452	53,858	15.00%	8.90%
i. Interest income	43,698	46,803	12.20%	7.10%
ii. Other income	5,754	7,055	41.80%	22.60%
B. Expenditure (i + ii + iii)	51,660	52,176	18.40%	1.40%
i. Interest expended	25,985	25,588	9.60%	-1.50%
ii. Operating expenses	20,076	19,768	45.40%	-1.50%
(of which) wage bill	14,654	15,101	56.20%	3.00%
iii. Provisions and contingencies	5,599	6,819	-8.50%	21.80%
(of which) income tax	931	1,279	12.30%	37.50%
C. Operating profit	2,972	8,304	-45.60%	179.50%
D. Net profit/loss (A-B)	-2,208	1,682	-	-
E. Cost to income ratio (%)	86	70	-	-

Costs and margins of RRBs (%)

Parameter	FY 2018-19	FY 2019-20	FY 2020-21
Net interest margin	2.9	3.2	3.4
Miscellaneous income	0.8	1	1.1
Staff cost	1.8	2.6	2.4
Cost of management	2.7	1	3.2
Risk cost	1.2	1	1.1
Return on assets	-0.13	-0.4	0.27

Gross non-performing assets of RRBs across sectors (as on 31 March of each year)

GNPA (%) for priority and non-priority sectors

Category	2019	2020	2021
Priority Sector Loans	11.30%	10.80%	9.90%
Non-Priority Sector Loans	6.10%	6.50%	4.60%
Total NPAs	10.80%	10.40%	9.40%

GNPA (%) across different sectors

Sector	2019	2020	2021
Agriculture	9.80%	8.70%	8.30%
MSME	20.60%	21.40%	19.40%
Education	17.20%	26%	23.10%
Housing	7.90%	10%	7%

Note: GNPA = Gross Non-Performing Asset; MSME = Micro, Small, and Medium Enterprise; NPA = Non-Performing Asset; RRB = Regional Rural Bank.



Key ratios in RRBs

Yield ratios (%)

Category	FY 2018-19	FY 2019-20	FY 2020-21
Yield on Loans	8.80%	9.30%	9.20%
Yield on Investments	7.10%	7.00%	6.50%
Yield on Assets	7.50%	7.90%	7.60%

Cost ratios (%)

Category	FY 2018-19	FY 2019-20	FY 2020-21
Cost of Deposits	5.00%	5.10%	4.50%
Cost of Borrowings	6.00%	5.90%	5.10%
Cost of Funds	4.60%	4.70%	4.20%

Chapter 8: Fostering Grassroots Institutions

8.1 Informal institutions

NABARD initiated the formation of Self-Help Groups (SHGs) in the early 1990s to connect unbanked individuals to formal banking institutions and introduced Joint Liability Groups (JLGs) in FY 2006-07 to provide credit access to tenant farmers, share - croppers, oral lessees, artisans, and others. As of now, NABARD has nurtured 118 lakh SHGs, accumulating savings of over ₹47,240 crore and supporting the livelihoods of 14.2 crore households. Additionally, NABARD has sanctioned a cumulative grant of ₹255.8 crore to credit 12.8 lakh JLGs.

8.1.1 Self-help groups

Empowerment and Inclusion: Self-Help Groups (SHGs) have played a critical role in financially including and empowering women in rural India, contributing to building financial, social, economic, and technological capital.

NABARD's Commitment: As a pioneer of the SHG movement in India, NABARD has continued to strengthen SHGs, achieving significant milestones in FY 2021-22.

Committee Recommendations: A NABARD-chaired committee, including representatives from commercial banks, RRBs, DCCBs, and Sa-Dhan, recommended the universal adoption of SHG grading norms from the National Rural Livelihoods Mission (NRLM). The committee also suggested measures to improve credit delivery, simplify processes, and ease compliance.

Capacity Building: To enhance SHG project management skills, NABARD conducted 2,100 training programmes in FY 2021-22, covering 45,440 SHG participants. These programs focused on raising awareness about government and NABARD schemes, the economic and banking environment, and funding sources. Since FY2016, 22,974 training programs have been held, benefiting 1.13 million participants.

Digitalisation through EShakti: The digitalisation of SHG accounts via the EShakti portal has improved record-keeping, transparency, and access to credit. This initiative supports easier credit extension, identification of non-linked groups for first-time credit, and better post-credit repayment management, aligning with global digital financial inclusion trends.

Major milestones for NABARD-supported SHGs in FY 2021-22

Milestone	Value
New SHGs formed and savings bank accounts opened (savings-linked)	6.7 lakh
Groups obtained bank credit (credit-linked)	34 lakh
Loans disbursed to SHGs	₹99,729.2 crore
Increase in credit outstanding	46%
Average loan amount per group (up from ₹2 lakh in FY 2020-21)	₹2.8 lakh
Increase in SHG savings with the banks	26%
Increase in the number of groups over FY 2020-21	6%
Drop in gross NPA (from 4.7% in FY 2020-21)	0.9 percentage points

EShakti milestones in FY 2021-22

Milestone	Details
Data digitalised on EShakti portal	~12.7 lakh SHGs, ~146 lakh members, 1.7 lakh villages, 281 districts (coverage)
SHGs credit-linked with banks	7.2 lakh SHGs (56% of total SHGs) as of 31 March 2022
Monthly data update (since 1 July 2021)	~8.3 lakh SHGs across 15 states and 1 UT
SMS alerts	SMS alerts in 10 local languages to SHG members on their banking transactions

8.1.2 Joint liability groups

- Growth:
 - From FY2011-12 to FY 2021-22, the number of JLGs increased across India at a Compound Annual Growth Rate (CAGR) of 49.7%, with outstanding loans growing by 54%.
- FY 2021-22 Highlights:
 - JLGs Promoted: 54.1 lakh JLGs.
 - Loans Disbursed: ₹1.1 lakh crore.
- Cumulative as of 31 March 2022:
 - Total JLGs Promoted: 187.9 lakh.
 - Total Loans Disbursed: ₹3.3 lakh crore.
 - Promotional Grant Support: ₹614.3 lakh disbursed for JLG promotion.
 - Credit Linked JLGs in FY 2021-22: 57,744.
- Initiatives:
 - NABARD launched the 'Business Model Scheme on Financing JLGs' in 2017.
 - Signed 91 MoUs with RRBs, SCBs, StCBs, and JLG promoting institutions to enhance credit flow.
 - Grants were extended to Small Finance Banks (SFBs) and private banks to scale up JLG financing.
 - NABARD aims to standardize JLG financing procedures across banks to ensure adequate credit flow.

8.2 Formal institutions

NABARD's experience shows that informal institutions often evolve into formal entities like producer organizations (POs), allowing small producers to benefit from aggregation. These include Farm Producer Organizations (FPOs) and Off-Farm Producer Organizations (OFPOs), which bring together farm and non-farm small producers to leverage economies of scale.

As of FY 2021-22, NABARD has formed 6,295 FPOs and sanctioned ₹953.1 crore for their handholding and capacity-building efforts. In the off-farm sector, 58 OFPOs across 24 states have been supported with ₹29.3 crore in grants, benefiting 18,825 artisans and weavers, with 46 OFPOs already registered.

8.2.1 Farmer-producers' organisations

Farmer-Producers' Organizations (FPOs) are crucial for providing farmers with enhanced access to credit, market linkages, and technical expertise. To support the growth and effectiveness of FPOs, NABARD has outlined several strategies:

- **Improving Ease-of-Doing-Business:** This includes priority approvals for FPOs to enter new agri-businesses and reservation in public procurement.
- **Ensuring Bank Reporting:** Mandating that banks report their lending activities to FPOs.
- **Priority Sector Lending:** Classifying lending to FPOs by Non-Banking Financial Companies (NBFCs) as priority sector lending.
- **Tailored Banking Products:** Encouraging banks to create niche, customized financial products for FPOs and their members.
- **Leveraging Agri-Startups:** Utilizing innovations from agri-startups to enhance agricultural productivity, profitability, and sustainability.
- **Transformation into Agribusiness Centers:** Recategorizing FPOs to serve as centers for farm mechanization, quality inputs, technical advice, and extension services.

Creating a robust ecosystem to strengthen FPOs

- **Policy-related Recommendations:**
 - Develop clear operational guidelines.
 - Ensure coordination between central and state governments.
 - Align FPOs to local food consumption patterns.
 - Leverage economies of scope (e.g., linking "one district – one product" campaign to FPO schemes).
 - Create FPO architecture at different levels.
- **Execution-related Recommendations:**
 - Factor in the needs of producer members.
 - Prioritise member interests.
 - Link public investment to smallholder empowerment.
 - Build equity.
 - Ensure minimum geographic cluster size for long-term performance.
 - Saturate nearby markets before expanding further.
- **Factors Critical to the Success of FPOs:**
 - Role of external agencies like POPIs (Producer Organisation Promoting Institutions).
 - Role of governmental support.
 - Opportunities to engage in value-adding activities.
 - Presence of market information systems.
 - Adoption of sustainable agricultural practices.
- **Three-Pronged Strategy for Handholding of FPOs:**
 - Strengthening enablers like POPIs or cluster-based business organisations and creating lifecycle support for FPOs.
 - Improving management and governance at FPOs.
 - Establishing district or state-level resource support centres (RSCs) to channel all support to FPOs.
- **GP-level FPOs as a Single-Window Institution:**
 - Systemic interventions and convergence can make GP-level FPOs a single-window institution with lower transaction costs and improved delivery efficiency. However, challenges remain in aligning multiple departments and functionaries at district and state levels.

NABARD actions for FPOs in FY 2021-22

Key Activities:

- **Promotion and Formation:**
 - Promoted 517 crop-based FPOs and 148 animal husbandry- and fisheries-based FPOs during FY 2021-22.
 - Disbursed ₹107.1 crore for FPO formation.
- **Credit Support:**
 - Extended credit guarantee cover to eligible lending institutions for collateral-free credit to FPOs via NABSanrakshan under the Government of India's Central Sector Scheme (CSS).
- **Engagements and Collaborations:**
 - Engaged with APEDA to promote agri-exports.
 - Collaborated with GIZ to develop a mobile application for conducting baseline surveys for the CSS and an auto-rated grading tool for FPOs (FPO Manak) in partnership with GIZ.
- **Training and Capacity Building:**
 - Supported training programs at BIRD, Lucknow on business plan development, capacity building for FPO boards, hi-tech agriculture for FPOs and bankers, FPO financing for agro-processing, and value chain development.

Outputs, Outcomes, and Impact:

- **Reduced Dependence:** Reduced reliance on informal sources of credit.
- **Efficiency Gains:** Achieved higher crop yield, savings on input costs, and reduced cultivation costs.
- **Value Addition:** Enabled greater value addition through post-harvest processing and better price realization.
- **Increased Income:** Enhanced income for farmers through improved access to inputs, transport, agro-services, and direct marketing; informed decision-making.
- **Social Engagement:** Improved farmers' social engagement, along with increased awareness about health, sanitation, hygiene, education, etc.
- **Inclusivity:** Achieved greater inclusivity with 83% of FPO members being small and marginal farmers, and 46% being women.

- **Market Linkages:**
 - 339 FPOs onboarded on the NABFPO portal during FY 2021-22, cumulating to 4,196 FPOs to date.
 - 450 FPOs market-linked during FY 2021-22, cumulating to 2,887 FPOs to date.
 - 334 FPOs credit-linked during FY 2021-22, cumulating to 1,152 FPOs to date.
 - 7.3 lakh farmers across 22 states from 1,455 FPOs received ₹449.8 crore cumulatively through NABKISAN, now the leading lender to FPOs.

8.2.2 Off-farm producers' organisations

NABARD has been actively promoting Off-farm Producers' Organisations (OFPOs) to bring the advantages of collectivization and economies of scale to the rural non-farm sector. In FY 2021-22, 18 OFPOs were sanctioned with grant support totaling ₹12.1 crore. To improve the effectiveness and efficiency of support, NABARD has simplified operational procedures, delegated more powers to regional offices, refined the grant release schedule, and introduced a scheme to support smaller OFPOs with fewer than 200 members.

Success stories, such as Ramalai Handloom PO and Kraftribe PO, illustrate the impact of these initiatives. These organizations modernized traditional weaving practices, significantly improving the incomes of low-income weavers who previously struggled with issues like lack of product aggregation, weak bargaining power, outdated designs, and limited market access in remote areas.

Ramlai Handloom Producers Organisation, Mizoram

Objectives:

- Mobilize 800 women into the Ramlai Handloom Producers' Organisation.
- Focus on capacity building, introducing better technology, new designs, and marketing.

POPI (Producer Organisation Promoting Institution):

- Cod Nerc

Grant Assistance:

- ₹47 lakh

Outcomes:

- 1,700 women weavers mobilized.
- ₹8.5 lakh profit from ₹2 crore sales registered by OFPO.
- ₹16 lakh mobilized as share capital from the members (with a ₹2.4 crore loan from NABARD financial services).

Impact:

- ₹9,000 average monthly income of weaver members (an increase from ₹3,000–₹4,000 three years ago).
- 300 days of employment in a year for members.

Underpinnings of Success:

- Continued handholding by NABARD.
- Active support from Cod Nerc.
- Vibrant leadership.

8.3 Supporting rural entrepreneurs and start-ups

NABARD plays a crucial role in the Stand-Up India Scheme, extended until 2025, acting as a connect center alongside the Small Industries Development Bank of India (SIDBI). The scheme focuses on supporting Scheduled Castes/Tribes and women entrepreneurs through best practice sharing, programme reviews, and pre- and post-disbursement assistance.

In FY 2019-20, NABARD set up a ₹100-crore Catalytic Capital Fund, and in FY 2020-21, established a high-level Catalytic Capital Support Selection Committee to identify and support eligible technology start-ups in the critical "Death Valley" funding phase.

This committee evaluates startups solving rural challenges and determines appropriate funding modes, such as equity or debt, with phased disbursements.

Additionally, NABVENTURES, a wholly-owned subsidiary of NABARD seeded with ₹500 crore in FY 2018-19, focuses on investing in early to mid-stage agri- and food-tech start-ups to strengthen the investment ecosystem for these sectors.

8.4 Community institutions as vehicles of development

- **EShakti Initiative:** NABARD is considering an all-India study on the impact of EShakti and plans to incentivize SHGs by providing revolving fund assistance to digitalize their operations and reporting.
- **Promotion of Self-Reliance for Rural Women:** NABARD aims to promote self-reliance and economic empowerment of rural women (mahila aatmanirbharta) through Joint Liability Groups (JLGs), focusing on small credit activities such as sheep, goat, and pig-rearing, bee-keeping, and fisheries. Enhancing credit to women in the non-farm sector will help increase their family income.
- **Support for New FPOs:** NABARD will continue to focus on animal husbandry, fisheries, and other niche areas by driving membership and business operations for new Farmer Producers' Organizations (FPOs) under the Government of India's Central Sector Scheme (CSS) for FPOs. The aim is to build technology-infused smarter operations with stronger credit and market linkages.
- **Support for OFPOs:** NABARD plans to provide follow-up support and digital marketing to make Off-Farm Producers' Organizations (OFPOs) more effective and visible. The deployment of mobile vans for marketing OFPO products, rather than relying on stationary marts, will help expand their reach and diversify risks, ensuring sustainable livelihoods. The focus will be on increasing OFPO numbers in states like Bihar, Uttarakhand, Goa, Manipur, and Tripura, with the goal of establishing 'One OFPO per District'.

Chapter 9: Financing Agriculture and Rural Development

9.1 Credit for grassroots

NABARD's refinance is channeled through RFLs and NBFCs to address various credit needs of rural clients. Loans directly extended to governments and state-owned corporations for procurement (short-term) and infrastructure projects (long-term). Ground-level credit for agriculture includes both short-term (working capital) and long-term funds (for capital formation) extended by RFLs and Scheduled Commercial Banks (SCBs).

Diversity of credit needs at grassroots level

Category	Details
Short-term funds for individuals as:	<ul style="list-style-type: none"> - Crop loans to farmers - Loans for raw materials, marketing of crops, and labour cost to weavers and artisans, etc.
Long-term investment funds that enhance productive capacity of farms (and farmers) loaned to households for:	<ul style="list-style-type: none"> - Farm mechanisation - Land development - Minor irrigation - Plantation and horticulture - Allied sector enterprises such as dairy, fisheries, etc.
Funds governments need to make public investments for:	<ul style="list-style-type: none"> - Irrigation - Rural roads and bridges - Education - Health - Drinking water, etc.

The Government of India has been setting annual GLC targets for agriculture in the Union Budget since FY2003-04. The target for FY 2022-23 is ₹18 lakh crore. In FY 2021-22, India exceeded its target of ₹16.5 lakh crore by achieving ₹17.1 lakh crore in GLC. this achievement, the current level of formal credit dispensation only reaches about one-fourth of rural households,

The Kisan Credit Card has been a favored method for delivering GLC to agriculture due to its multiple benefits, validity for five years, reduced documentation, flexible usage, easy access to funds, low-interest burden, and reduced transaction costs. Introduced in FY1999, the KCC has been continuously improved to become more flexible and beneficial for farmers. Recently, the KCC facility was extended to include farmers engaged in animal husbandry and fisheries. Under GOI's district-level special KCC campaign launched on 8 November 2021, short-term loans at a maximum interest rate of 4% (on timely repayment) are being offered to animal husbandry and fishery farmers through weekly camps.

Kisan Credit Cards (KCC) saturation drive (as on 31 March 2022)

Category	Details
Operative KCCs	RCBs: 3.1 crore (loans outstanding ₹1.8 lakh crore) RRBs: 1.3 crore (loans outstanding ₹1.6 lakh crore)
Operative KCCs (animal husbandry and fisheries)	RCBs: 1.3 lakh (loans outstanding ₹730.8 crore) RRBs: 5 lakh (loans outstanding ₹5,032.8 crore)

9.2 Refinance in FY 2021-22

9.2.1 Initiatives to improve rural credit flow (FY 2021-22)

In FY 2021-22, NABARD implemented several key initiatives to support rural financial institutions (RFLs) and enhance agricultural credit:

- Special Refinance Scheme:** Aimed at RRBs, RCBs, and NABARD subsidiaries, this scheme was introduced to fund post-harvest management infrastructure and community farming assets under the Agriculture Infrastructure Fund.
- Ethanol Production Support:** NABARD focused on enhancing ethanol distillation capacity by issuing operational guidelines for financial assistance to RCBs, RRBs, the National Cooperative Development Corporation, and SCBs. This initiative aimed to boost the production of 1st Generation (1G) ethanol from various feedstocks.
- Record High ST Credit for Seasonal Agricultural Operations (ST-SAO):** Several steps were taken, including:
 - Allocating 25% of the Short Term RRB Fund and Long Term Rural Credit Fund (LTRCF) to RRBs in credit-starved districts.
 - Waiving primary eligibility criteria such as CRAR, net NPAs, and net profit for RRBs, extending both ST and LT refinance to those with internal risk ratings of NBD1 to NBD7.
- Extended Repayment Incentives:** NABARD issued guidelines for RCBs and RRBs to offer a 3% prompt repayment incentive to farmers, reducing the effective interest rate on ST crop loans to 4% per annum.
- New Scheme for State Government Assistance:** NABARD advised on a scheme for providing repayable financial assistance to state governments under the NABARD Act 1981. This scheme aimed to support the share capital of RRBs, ensuring their viability and enabling them to meet the banking needs of the rural population effectively.

9.2.2 Refinancing trends FY 2021-22

In FY 2021-22, NABARD's refinance support saw a significant growth of approximately 20% compared to FY 2020-21, increasing from ₹2.2 lakh crore to ₹2.7 lakh crore. This growth was largely driven by several initiatives, leading to substantial increases in specific areas:

- ST-Others:** Registered an impressive growth of 143.7%.
- Additional ST-SAO:** Grew by 64%.
- LT Refinance:** Saw a 25.1% increase.

The spatial distribution of refinance became more equitable during FY 2021-22 compared to the previous year. Under ST refinance, states like Madhya Pradesh, Rajasthan, Punjab, Haryana, and Uttar Pradesh experienced increased momentum. Meanwhile, LT refinance intensified in regions such as West Bengal, Assam, Uttar Pradesh, Gujarat, and Kerala.

Long- and short-term refinance support (₹ crore)

Long-term refinance

Year	LTRCF (₹ crore)	LT Refinance (₹ crore)	Total (₹ crore)
FY 2021-22	15,190	1,00,945	1,16,135
FY 2020-21	14,881	77,905	92,786

Augmented investments by rural households that can lead to increase in production and productivity, protection from weather variability, resilience to crises, and stabilisation of income flows

Short-term refinance

Year	ST-SAO (₹ crore)	Additional ST-SAO (₹ crore)	ST-Others including weavers (₹ crore)	ST Refinance to SFBs (₹ crore)	Total (₹ crore)
FY 2021-22	55,695	67,818	28,590	33	1,52,136
FY 2020-21	54,373	41,358	11,733	49	1,07,513

Helped increase the flow of ground level credit and support resilient growth in agriculture during FY 2021-22.

Special Liquidity Facility plus Additional SLF

Year	RCBs (₹ crore)	RRBs (₹ crore)	NBFC MFIs (₹ crore)	SCARDBs (₹ crore)	SFBs (₹ crore)	Additional SLF (₹ crore)	Total (₹ crore)
FY 2021-22	15,053	7,746	1,180	320	150	100	24,549
FY 2020-21	16,800	6,700	2,000	0	0	1,567	27,067

SLF: Ensured timely and adequate credit during the pandemic to enable farmers to carry out agricultural operations without disruption which led to good harvest ASLF: Helped small NBFCs and MFIs to support their clientele through the pandemic

Long-term loans to state governments

Year	LT loans to state governments (₹ crore)	Total (₹ crore)
FY 2021-22	295	295
FY 2020-21	0	0

Extended to Government of Andhra Pradesh Helped to infuse capital in the cooperative credit structure

9.3 Financing rural infrastructure

NABARD has been instrumental in realizing the Government of India's vision of modernizing the rural economy by effectively managing and channelling significant rural infrastructure funds. The organization's efforts have focused on deploying these funds judiciously and ensuring their proper utilization. this section emphasizes the changes in the scale, flow, focus, and composition of these funds' operations during FY 2021-22.

Sanction and disbursement in Financial Year 2021-22 of key infrastructure funds

Purpose	Sanction (₹ crore)	Disbursement (₹ crore)
RIDF	46,073	33,883
LTIF	801	3,197
MIF	-	256
NIDA	8,125	7,136
DIDF	364	119
FIDF	912	172

Rural Infrastructure Development Fund use during FY 2021-22

Category	Projects (Number)	Sanction (₹ crore)	Disbursement (₹ crore)
Agriculture (other than irrigation)	17,082	6,363	11,405
Irrigation	6,228	11,008	10,898
Rural bridges	1,005	3,703	2,407
Rural roads	5,019	9,962	6,765
Social sector	7,259	15,037	2,408

Rural Infrastructure Development Fund sanctions by region (₹ crore)

Region	FY 2019-20	FY 2020-21	FY 2021-22
North-East (including Sikkim)	20	25	39
North	47	50	81
West	49	46	53
Central	57	63	71
South	59	70	102
East	73	93	115

NABARD Infrastructure Development Assistance during FY 2021-22

Category	Projects (Number)	Sanction (₹ crore)	Disbursement (₹ crore)
Communication	-		800
Drinking water	-		790
Education	8	4,363	238
Irrigation	1	2,051	4,724
Road	3	1,167	260
Transmission	1	544	324

Food Processing Fund (as on 31 March 2022)

Category	Projects (Number)	Sanction (₹ crore)	Disbursement (₹ crore)
Mega food park	14	549	380
Agro processing cluster	8	82	58
Individual units	13	150	83

Sanction and disbursement of Food Processing Fund, FY 2019-20–FY 2021-22 (₹ crore)

Financial Year	Sanction (₹ crore)	Disbursement (₹ crore)
FY 2019-20	149	43
FY 2020-21	117	53
FY 2021-22	107	111

Sanction and disbursement of Warehouse Infrastructure Fund, FY 2019-20 –FY 2021-22

Financial Year (FY)	Sanction (₹ crore)	Disbursement (₹ crore)
FY 2019-20	1,056	845
FY 2020-21	200	909
FY 2021-22	0	594

Region-wise performance of Warehouse Infrastructure Fund as on 31 March 2022

Region	Projects Sanctioned (No.)	Projects Completed (No.)	Capacity Created (in 1,000 tonnes)	Sanctioned (₹ crore)	Disbursed (₹ crore)
North	198	41	623	922	622
West	1,848	1,705	667	474	476
South	3,824	2,984	3,242	5,294	4,733
Central	657	7	77	348	174
North-East	166	116	54	226	166
East	878	675	1,031	2,314	1,932
Multi-state	22	22	365	128	112
TOTAL	7,593	5,550	6,059	9,706	8,215

9.4 Other credit products

9.4.1 Credit facility to federations

The Credit Facility to Federations (CFF) provided short-term credit to various agricultural and allied federations, such as agricultural marketing federations, civil supplies corporations, and dairy cooperatives, for purposes including input supply, seed processing, procurement, marketing, and supply chain management. This facility benefited farmers across several states.

During FY 2021-22, a total of ₹36,435.8 crore was sanctioned under CFF, and ₹46,434.3 crore was disbursed.

For example, the Chhattisgarh State Co-operative Marketing Federation Ltd was sanctioned ₹5,500 crore and disbursed ₹8,300 crore during FY 2021-22 for paddy procurement at the Minimum Support Price (MSP). This credit facility, which has been availed since 2013, accounted for 28% of the federation's annual fund requirement and benefited around 21 lakh paddy farmers, who received online payments within 72 hours.

9.4.2 Direct refinance assistance to DCCBs

In FY 2021-22, Direct Refinance Assistance (DRA) was provided to 'A' or 'B' rated District Central Cooperative Banks (DCCBs) to support farm and non-farm activities. Additionally, working capital loans were extended to state cooperative banks and DCCBs against pledge limits to cooperative and private sugar factories. A total of ₹18,521 crore was sanctioned under DRA during FY 2021-22.

9.5 Channelling Government of India schemes

NABARD plays a crucial role in administering and acting as a pass-through agency for various centrally sponsored schemes of the Government of India. These include interest subvention schemes and credit-linked capital subsidy schemes, primarily aimed at agriculture projects and priority sector activities. NABARD channels subsidies to eligible banks under these schemes, ensuring that the benefits reach the intended recipients effectively. This process helps in the smooth implementation and operation of government programs focused on rural and agricultural development.

Centrally sponsored schemes administered/channelled by NABARD

A. Interest subvention schemes during FY 2021-22

Scheme	Purpose	Amount (₹ crore)	Remarks
Interest subvention scheme for crop loan, animal husbandry, and fisheries	Enabling crop loans at 4% interest rate to farmers who repay their KCC loans promptly	7,181.1	Cheaper credit, incentivising timely repayment, increasing crop production and productivity
Interest subvention scheme under Deendayal Antyodaya Yojana-NRLM	Enabling loans of up to ₹3 lakh @ 7% interest to women SHGs in 250 select districts with additional incentive of 3% to those who make prompt repayment	694.5	Poverty reduction through strong and federated women SHGs and enabling access to a range of financial services and livelihoods

B. Schemes for sugar farmers

Scheme	Purpose	Amount (₹ crore)	Remarks
Financial assistance to sugar mills for augmentation of ethanol production capacity for ethanol-blended petrol	Improving the liquidity of sugar mills, especially in surplus season, thereby ensuring payment of cane price arrears to farmers, and saving foreign exchange	132.4	Ethanol production has gone up substantially due to record production of sugar cane (400 million tonnes). Additionally, the Government of India has brought forward the target of 20% ethanol blending in petrol from 2030 to 2025
Sugar Soft Loan Scheme 2018-19	Enabling loans to sugar mills for clearing the cane price arrears of farmers	294.6	Clearance of cane dues for sugar season in FY 2018-19 and reduction of cane price arrears of farmers

Performance of capital subsidy schemes as on 31 March 2022

During FY 2021-22

Scheme	NLM EDEG	ACABC	New AMI	Old AMI	NPOF
Units (no.)	6,672	301	849	5	-
Subsidy released (₹ crore)	71.5	13.5	155.1	6.6	-

Cumulative performance as on 31 March 2022

Scheme	NLM EDEG	ACABC	New AMI	Old AMI	NPOF
Units (no.)	1,11,793	3,190	2,073	42,259	717
Subsidy released (₹ crore)	972.8	121.3	330.8	4,465.5	28.8

Notes:

- ACABC Scheme = Agri-Clinic and Agri-Business Centres Scheme; AMI = Agricultural Marketing Infrastructure; NLM EDEG = National Livestock Mission, Entrepreneurship Development & Employment Generation; NPOF = National Project on Organic Farming.
- Scientific storage capacity of 608.4 lakh tonne involving 42,259 units has been created under Rural Godown Scheme, Agri Marketing Infrastructure, Grading and Standardisation Scheme, and Agri Marketing Infrastructure Scheme, involving a subsidy of ₹4,465.5 crore.
- Scientific storage capacity of 61.1 lakh tonne involving 2,073 units has been created under New AMI scheme, involving subsidy of ₹330.8 crore.
- Subsidy of ₹972.8 crore has been released under National Livestock Mission EDEG for 1.1 lakh units.

9.6 Making rural credit deliver value

NABARD aims to enhance credit accessibility, particularly in underserved districts, by monitoring refinance flows and expanding partnerships with SFBs, NBFCs, and NBFC-MFIs. The focus will be on promoting special refinance schemes and encouraging small and marginal farmers, who make up 86% of landholders, to access more investment credit. This effort is intended to boost agricultural production and diversify farming activities, complementing short-term loans for working capital.

In infrastructure financing, NABARD plans to increase support to state governments, ensuring timely credit to meet their budgetary needs through continuous engagement and workshops. States will be encouraged to prioritize impactful projects that benefit rural populations. NABARD will continue supporting the Long Term Irrigation Fund up to FY 2025-26 and explore working capital loans under the Food Processing Fund with SFBs and RRBs. By fostering strong partnerships, NABARD aims to drive increased capital investments in rural areas, striving to deliver greater value to rural India.

Disbursement of short-term credit to StCBs and RRBs (₹ crore)

A. ST Credit to StCBs

Fiscal Year	ST–SAO	ST–Others (including weavers)	Additional ST–SAO	Total
FY 2019-20	44,787	31,270	7,281	83,338
FY 2020-21	44,643	30,781	8,921	84,345
FY 2021-22	45,569	50,844	20,322	1,16,735

B. ST Credit to RRBs

(₹ crore)

Fiscal Year	ST–SAO	ST–Others (including weavers)	Additional ST–SAO	Total
FY 2019-20	9,953	690	6,403	17,045
FY 2020-21	9,730	2,812	10,577	23,119
FY 2021-22	10,126	8,269	16,973	35,368

Agency-wise disbursement and share of long term refinance

Agency-wise disbursement of LT refinance

(Amount in ₹ crore)

Financial Year	SCBs	RRBs	StCBs	SCARDBs	NABARD Subsidiaries	NBFCs	State Governments	Total
FY 2019-20	52,041	10,849	8,069	2,148	1163	3,910		78,180
FY 2020-21	57,095	15,157	6,200	2,976	1,121	10,237		92,786
FY 2021-22	76,736	14,389	11,454	2,541	1,400	9,320	295	1,16,136

Agency-wise share of LT refinance (%)

(₹ crore)

Financial Year	SCBs	RRBs	StCBs	SCARDBs	NABARD subsidiaries	NBFCs	State governments
FY 2019-20	67%	14%	10%	3%	1%	5%	-
FY 2020-21	62%	16%	7%	3%	1%	11%	-
FY 2021-22	66%	13%	10%	2%	1%	8%	0%

Region-wise disbursement and share of long-term refinance

Region-wise disbursement of LT refinance

(₹ crore)

Financial Year	North	North-East	East	Central	West	South	Total
FY 2019-20	12,098	2,274	10,679	6,116	15,236	31,777	78,180
FY 2020-21	20,320	942	6,843	8,216	19,324	37,140	92,786
FY 2021-22	15,607	2,644	16,047	9,886	29,439	42,512	1,16,136

Region-wise share of LT refinance (%)

(₹ crore)

Financial Year	North	North-East	East	Central	West	South
FY 2019-20	15%	3%	14%	8%	19%	41%
FY 2020-21	22%	1%	7%	9%	21%	40%
FY 2021-22	13%	2%	14%	9%	25%	37%

Chapter 10: Leveraging Finance for Growth

10.1 Sources of funds

In FY 2021-22, NABARD's primary sources of funds included deposits, borrowings from bonds and money markets, and its own funds. Compared to FY 2020-21, the share of deposits and own funds decreased, while the share of bonds, debentures, and borrowings increased. The Rural Infrastructure Development Fund (RIDF) deposits were the largest single source, comprising one-fifth of the total resources.

Sources of funds

Share of funds by source

Source	FY 2020-21	FY 2021-22
Own funds	11%	10%
Deposits	37%	33%
Borrowings in bond market	30%	30%
Other borrowings	18%	22%
Others (liabilities and funds)	4%	5%
Total (₹ in crore)	₹6,57,798	₹7,57,472

Funds by type of source (₹crore)

Own funds

Category	FY 2020-21	FY 2021-22
Capital, reserves and surplus	54,349	61,019
NRC (LTO) & NRC (Stabilisation) funds	16,094	16,098
Total	70,443	77,117

Deposits

Category	FY 2020-21	FY 2021-22
RIDF deposits	1,36,227	1,47,227
Tea, coffee & rubber deposits	64	61
LTRC fund	44,826	44,710
Food Processing Fund	350	310
STCRC fund	44,644	44,541
ST fund for RRBs	9,921	9,898
Warehouse Infrastructure Fund	5,540	5,380
Total	2,41,572	2,52,127

Borrowings in bond market

Category	FY 2020-21	FY 2021-22
Bonds and debentures	75,649	1,07,292
Tax free bonds	5,000	5,000
Bonds for PMAY-G	48,810	48,810
Bonds for SBM-G	12,298	12,298
Bonds for LTIF	52,370	55,438
Bonds for MIF	1,755	1,755
Total	1,95,882	2,30,593

Other borrowings

Category	FY 2020-21	FY 2021-22
Term loans from banks	26,435	70,621
Certificates of deposit (discounted value)	11,590	16,184
Foreign currency loan	960	918
Commercial papers (discounted value)	42,457	34,552
SLF from RBI	24,567	22,399
Term money borrowings	3,602	1,987
Borrowings for JNN Solar Mission	3	3
CBLO & repo	12,044	16,993
Total	1,21,658	1,63,657

Others (liabilities and funds)

Category	FY 2020-21	FY 2021-22
Other liabilities	18,386	21,487
Other funds	9,857	12,491
Total	28,243	33,978

10.1.1 Own funds

As of 31 March 2022, NABARD's paid-up capital increased to ₹17,080 crore, supported by a ₹2,000 crore contribution from the Government of India, against an authorized share capital of ₹30,000 crore. The total own funds, including capital, reserves, surplus, and National Rural Credit (NRC) funds, amounted to ₹77,117 crore, representing 10.2% of the balance sheet.

Within the NRC funds, a balance of ₹14,499 crore was allocated for the NRC (Long-Term Operations or LTO) fund, used for refinancing investment credit, and ₹1,599 crore was allocated for the NRC (Stabilisation) fund, used for the conversion or rescheduling of short-term loans during natural calamities. In FY 2021-22, both NABARD and the RBI contributed ₹1 crore each to these funds.

10.1.2 Deposits

NABARD taps into the priority sector lending shortfall from commercial banks to augment various funds. As of 31 March 2022, the outstanding deposits under these funds totaled ₹2,52,127 crore, making up 33.3% of NABARD's total liabilities.

In FY 2021-22, the Government of India allocated ₹40,000 crore to the Rural Infrastructure Development Fund (RIDF). NABARD mobilized ₹35,207 crore and repaid ₹24,207 crore from previous RIDF tranches, raising the outstanding RIDF deposits to ₹1,47,227 crore by 31 March 2022, up from ₹1,36,227 crore in 2021.

Additionally, NABARD mobilized ₹50 crore and repaid ₹90 crore under the Food Processing Fund (FPF) in FY 2021-22, closing the fund at ₹310 crore.

10.1.3 Borrowings

NABARD has expanded its resource base through borrowings from bond and money markets to meet the increasing credit demand. This includes corporate bonds, commercial papers, certificates of deposit, term loans from scheduled commercial banks, and a Special Liquidity Facility (SLF) from the RBI.

Key Borrowing Activities:

- Bonds and Debentures:
 - NABARD redeemed ₹9,703 crore in corporate bonds and issued ₹41,347 crore in fresh bonds during FY 2021-22.
 - The outstanding amount increased by 41.8%, reaching ₹1,07,292 crore as of 31 March 2022, up from ₹75,648 crore the previous year.
- Bonds Raised for GOI Schemes:
 - Long-Term Irrigation Fund (LTIF): NABARD borrowed ₹752 crore through GOI-serviced bonds and ₹2,316 crore through NABARD-serviced bonds in FY 2021-22, bringing the outstanding LTIF borrowing to ₹55,438 crore.
 - Pradhan Mantri Awaas Yojana–Gramin (PMAY–G) and Swachh Bharat Mission–Gramin (SBM–G): The outstanding borrowings for these schemes remained unchanged from the previous year at ₹48,810 crore and ₹12,298 crore, respectively, as no new funds were raised.
 - Micro-Irrigation Fund (MIF): No new funds were raised in FY 2021-22, leaving the outstanding amount at ₹1,755 crore as on 31 March 2022.

Other borrowings

NABARD's other borrowings contributed significantly to resource mobilization, accounting for 16.8% of total liabilities as of 31 March 2022. Key borrowing activities included:

- Commercial Papers:
 - NABARD borrowed ₹81,190 crore through commercial papers during FY 2021-22.
 - After redeeming ₹89,340 crore, the outstanding balance was ₹34,950 crore (face value) as of 31 March 2022.
- Term Loans from Banks:
 - NABARD borrowed ₹66,000 crore from commercial banks as term loans.
 - The outstanding balance rose to ₹70,621 crore, up from ₹26,435 crore in FY 2020-21.
- Certificates of Deposit:
 - ₹16,970 crore was mobilized through certificates of deposit, with ₹12,075 crore redeemed during FY 2021-22.
 - The outstanding amount was ₹16,970 crore (face value) as of 31 March 2022.
- Repo and Term Money Borrowings:
 - Funds were raised through tri-party repo and repo borrowings, resulting in an outstanding balance of ₹16,993 crore.
 - Term money borrowings from cooperative banks and RRBs amounted to an outstanding balance of ₹1,987 crore.
- Special Liquidity Facility (SLF) and Additional SLF (ASLF):
 - NABARD borrowed ₹24,399 crore under SLF-2 from the RBI to address liquidity challenges faced by cooperative banks, RRBs, and MFIs.
 - ₹272 crore was borrowed under ASLF for NBFCs and NBFC–MFIs, which was fully repaid by the end of the fiscal year.
 - The outstanding balance under SLF stood at ₹22,399 crore as of 31 March 2022.

10.2 Uses of funds

In FY 2021-22, NABARD effectively utilized funds to support rural development despite the challenges posed by the COVID-19 pandemic. With assistance from Government of India packages, the RBI, and its own initiatives, NABARD directed resources towards ground level credit (GLC) for rural production and investment, infrastructure creation, social sector development, cash and investment management, and the creation of fixed assets. These efforts helped address the financial needs of rural areas during a difficult year.

Uses of funds

Share of funds by use

Use of Funds	FY 2020-21	FY 2021-22
Cash and investments	8%	9%
Refinance to enhance GLC for rural production and investment	50%	52%
Infrastructure creation loans	32%	30%
Social sector investments	9%	8%
Others	0%	0%
Fixed assets and other assets	1%	1%
Total (₹ crore)	₹6,57,798 crore	₹7,57,472 crore

Funds by type of use

Fixed assets and other assets

(₹ crore)

Fiscal Year	Amount
FY 2020-21	5,595
FY 2021-22	5,575

Cash and investments

(₹ crore)

Component	FY 2020-21	FY 2021-22
Cash and bank balance	4,408	5,791
Government securities and other investments	44,795	65,834
CBLO/Tri-party repo lending	0	0
Total	49,203	71,625

Refinance to enhance GLC for rural production and investment

(₹ crore)

Component	FY 2020-21	FY 2021-22
Production and marketing credit	1,06,372	1,19,563
Conversion of production credit into MT Loans	15	8
MT & LT project loans	1,99,510	2,39,122
Direct refinance to DCCBs	4,567	9,822
Producers' Organisation Development Fund	38	15
Credit facilities to federations	20,038	22,314
Green Climate Fund	320	317
Total	3,30,860	3,91,161

Infrastructure creation loans

(₹ crore)

Component	FY 2020-21	FY 2021-22
Rural Infrastructure Development Fund (RIDF)	1,32,724	1,42,526
Long Term Irrigation Fund (LTIF)	51,713	53,283
Dairy Processing and Infrastructure Development Fund (DIDF)	5,155	4,777
Warehouse Infrastructure Fund	956	925
NIDA loan	17,999	23,319
Food Processing Fund	293	304
Loans under MIF	1,827	2,084
Loans under FIDF	194	366
Total	2,10,861	2,27,584

Social Sector Investments

(₹ crore)

Component	FY 2020-21	FY 2021-22
Pradhan Mantri Awaas Yojana–Gramin	48,819	48,819
Swachh Bharat Mission–Gramin	12,298	12,298
Total	61,117	61,117

Others

(₹ crore)

Component	FY 2020-21	FY 2021-22
Other loans (including JNN Solar Mission)	103	64
LT non-project loans	59	346
Total	162	410

10.2.1 Shoring up GLC through refinance

NABARD plays a crucial role in providing loans and advances to rural financial institutions, which finance farmers and other rural activities. This includes funding for seasonal agricultural operations (SAO), investment in farming, working capital for weavers and artisans, and marketing support. NABARD's refinance activities account for a significant portion of its balance sheet, aimed at enhancing GLC and supporting rural financial institutions (RFIs).

Key Highlights (as of 31 March 2022):

- **Total Loans and Advances:** NABARD's total loans and advances reached ₹6.8 lakh crore, marking a 13.3% increase from ₹6.0 lakh crore in the previous FY 2020-21.
- **Short-term Loans for SAO and Other Purposes:** Outstanding short-term loans for SAO and other purposes grew by 12.4%, reaching ₹1,19,563 crore, up from ₹1,06,372 crore in FY 2020-21.
- **Distribution of ST-SAO:** ₹62,645 crore (79.1%) was lent to state cooperative banks (StCBs) and ₹16,509 crore (20.9%) to regional rural banks (RRBs).
- **Short-term Other Than SAO (ST-OSAO):** ₹20,947 crore was distributed among StCBs (68.8%), RRBs (31.0%), and small finance banks (0.2%).
- **Special Liquidity Facility (SLF):** SLF outstanding stood at ₹19,462 crore, with StCBs holding 60.2% and RRBs 39.8%.
- **Medium- and Long-term Investment Loans:** Refinance for medium- and long-term investment loans grew by 19.9% to ₹2,39,122 crore, up from ₹1,99,510 crore in the previous FY 2020-21.
- **Direct Lending to DCCBs:** Credit under direct lending to district central cooperative banks (DCCBs) grew by 115%, though it represents a smaller portion of assets.
- **Project Loans and Production Credit:** MT and LT project loans held the highest share at 35.2%, while production and marketing credit accounted for 15.8%. Both categories showed significant growth.
- **Credit Facilities to Federations:** This category reached ₹22,314 crore, reflecting an 11.4% growth.

10.2.2 Infrastructure finance

NABARD's infrastructure finance represents about one-third of its total assets, with key highlights as of 31 March 2022:

- **Rural Infrastructure Development Fund (RIDF):** Loans for rural infrastructure projects under RIDF accounted for one-fifth of NABARD's assets, totalling ₹1,42,526 crore, a 7.4% increase from the previous year.
- **NABARD Infrastructure Development Assistance (NIDA):** NIDA loans stood at ₹23,319 crore, while Long Term Irrigation Fund (LTIF) loans reached ₹53,283 crore.
- **Other Infrastructure Loans:** These loans totalled ₹8,152 crore, including ₹4,777 crore for the Warehouse Infrastructure Fund, ₹925 crore for the Dairy Processing and Infrastructure Development Fund, ₹2,084 crore for the Micro Irrigation Fund (MIF), and ₹366 crore for the Fisheries and Aquaculture Infrastructure Development Fund.

10.2.3 Social sector investments

NABARD's social sector investments reflect its commitment to affordable rural housing and sanitation:

- **Pradhan Mantri Awaas Yojana-Gramin (PMAY-G):** NABARD has an outstanding loan portfolio of ₹48,819 crore under PMAY-G, extended to the National Rural Infrastructure Development Agency, representing 6.4% of its total assets.
- **Swachh Bharat Mission-Gramin:** NABARD has an exposure of ₹12,298 crore under the Swachh Bharat Mission-Gramin.

10.2.4 Investment of surplus funds

As of 31 March 2022, NABARD had deployed ₹67,385 crore in various financial instruments as part of its short-term surplus, which accounted for 8.9% of its balance sheet. Of this, 94.5% was invested in government securities and other financial instruments, while ₹3,705 crore was held in short-term bank deposits to meet liquidity and contingency needs.

This strategic allocation ensures that NABARD maintains financial stability while efficiently managing its surplus funds.

10.3 Income and expenditure

In FY 2021-22, NABARD earned an income of ₹36,761.3 crore, marking a 6% increase over the previous year. The profit before tax was ₹6,692.9 crore, up from ₹6,081.4 crore in FY 2020-21, while the profit after tax reached ₹5,081.9 crore, compared to ₹4,320 crore in the previous FY 2020-21. The net surplus was allocated to various funds maintained by NABARD, including the R&D Fund, Reserve Funds, NRC (LTO) Fund, and NRC (Stabilisation) Fund, among others. This reflects NABARD's strong financial performance and its commitment to reinvesting in its development initiatives.

Gross income

(₹ crore)

Fiscal Year	Amount	Growth (%)
FY 2019-20	32,692	-
FY 2020-21	34,671	6%
FY 2021-22	36,761	6%

Profit after tax

(₹ crore)

Fiscal Year	Amount	Growth (%)
FY 2019-20	3,859	-
FY 2020-21	4,320	11%
FY 2021-22	5,082	17%

Capital to risk-weighted assets

Fiscal Year	Ratio (%)
FY 2019-20	21.2
FY 2020-21	18.8
FY 2021-22	16.07

Business per employee (₹ crore)

Fiscal Year	Amount
FY 2019-20	78.7
FY 2020-21	103.0
FY 2021-22	119.1

Net profit per employee (₹ crore)

Fiscal Year	Amount
FY 2019-20	1.1
FY 2020-21	1.3
FY 2021-22	1.6

10.4 NABARD's stakes in other companies

10.4.1 Investment in NABARD's subsidiaries

As of 31 March 2022, NABARD had seven subsidiaries, including three Non-Banking Financial Companies (NBFCs). In FY 2021-22, NABARD contributed an additional ₹59.2 crore to the share capital of NABKISAN Finance Ltd. and ₹20 crore to NABVENTURES Ltd. The total investment in the share capital of these subsidiaries reached ₹559.6 crore, up from ₹480.4 crore as of 31 March 2021. Additionally, NABARD received dividends amounting to ₹6.5 crore from NABKISAN and ₹0.1 crore from NABCONS in FY 2021-22. This reflects NABARD's ongoing commitment to strengthening its subsidiaries and enhancing their contributions to its overall mission.

Shareholding in subsidiaries of NABARD

Subsidiary	Year of Inception	Share Capital (₹ crore)	Shareholding of NABARD (%)	NABARD Investment (₹ crore)
NABFINS	1997	161.7	63.10%	102
Nabkisan Finance Ltd.	1997	171.5	87.50%	227.6*
NAB Samruddhi	1997	123.8	91.1%	145.1*
NABARD Consultancy Services (NABCONS)	2003	5	100.00%	5
NABVENTURES	2018	25	100%	25
NABFOUNDATION	2019	5	100%	5
NAB Sanrakshan	2020	50	100%	50

*Including premium

10.4.2 Strategic investments

As of 31 March 2022, NABARD had invested ₹1,076 crore in ten companies operating in the agriculture and rural development sectors. In FY 2021-22, NABARD made an initial investment of ₹10 crore in the Government of India's inclusive e-commerce initiative, Open Network for Digital Commerce (ONDC). This initiative aims to provide a larger marketplace for self-help groups, handloom weavers, artisans, farmer-producers' organizations, and others, supporting the 'Vocal for Local' initiative.

NABARD also received dividends totalling ₹12.3 crore from four companies:

- National Commodity & Derivatives Exchange Limited : 5% dividend ₹0.3 crore.
- Multi Commodity Exchange of India Limited : 276% dividend ₹1 crore.
- Small Industries Development Bank of India (SIDBI) : 2% dividend ₹10.6 crore.
- Common Service Centres Scheme e-governance : 60% dividend ₹0.3 crore.

10.4.3 Investing in alternate investment funds

NABARD contributes to SEBI-registered Alternative Investment Funds (AIFs) to promote entrepreneurship, income-generating models, and technological innovations in agriculture and rural development. In FY 2021-22, NABARD committed ₹15 crore to the JSW VC Scheme II and ₹10 crore to the Paragon Partners Growth Fund II.

As of 31 March 2022, NABARD's total commitment in 22 funds stood at ₹528 crore, with ₹446.3 crore disbursed, compared to ₹338.2 crore across 21 funds as of 31 March 2021. During the FY 2021-22, funds drew ₹133.9 crore, including ₹103.3 crore by NABVENTURES Fund I. Additionally, funds refunded ₹19.6 crore in total capital, provided a capital gain of ₹17.9 crore, and generated other income, including a ₹10 crore dividend.

Investments in venture capital funds (₹ crore)

Name of Fund	Committed	Disbursed	Outstanding
Aavishkaar Bharat Fund	25	23.64	20.67
Ankur Capital Fund II	10	5.98	5.98
APIDC-Biotechnology Venture Fund	5	5	4.78
APIDC-Ventureeast Life Fund-II	17.39	18.62	10.6
Golden Gujarat Growth Fund I	10	10	7.36
GVFL Startup Fund	10	8.28	8.21
IFMR Fimpace Long Term Credit Fund	10	10	10

India Advantage Fund S4 I	10	10	5.48
India Opportunities Fund	20	18.43	9.29
IndiaNivesh Growth and Special Situations Fund	5	5	4.1
Ivycap Ventures Trust Fund I	20	20	13.99
Ivycap Ventures Trust Fund II	10	10	9.34
JM Financial India Fund II	10	8.67	7.78
JSW VC Scheme II	15	4.48	4.48
NABVENTURES Fund I	200	157.33	157.11
Omnivore Capital 1 India	25	24.44	23.9
Orkos Venture Partners Fund II	10	10	10
Paragon Partners Growth Fund II	10	6.39	6.39
SEAF India Agribusiness Fund	10.63	9.96	8.54
Stakeboat Capital Fund I	10	8.89	5.26
Tata Capital Innovations Fund	60	59.65	53.54
TVS Shriram Growth Fund I	25	11.55	11.55
Total	528	446.3	398.3

10.4.4 Annexes to Chapter 10

Sources of funds

(amount in ₹ crore)

Particulars	31 March 2021		31 March 2022	
	Amount	Share (%)	Amount	Share (%)
A. Own funds	70,443	10.71%	77,117	10.20%
- Capital, reserves & surplus	54,349	8.26%	61,019	8.06%
- NRC (LTO) & NRC (Stabilisation) funds	16,094	2.45%	16,098	2.13%
B. Deposits	2,41,572	36.70%	2,52,127	33.30%
- STCRC Fund	44,644	6.79%	44,541	5.88%
- ST fund for RRBs	9,921	1.51%	9,898	1.31%
- LTRC fund	44,826	6.81%	44,710	5.90%
- Tea, coffee & rubber deposits	64	0.01%	61	0.01%
- RIDF deposits	1,36,227	20.71%	1,47,227	19.44%
- Warehouse Infrastructure Fund	5,540	0.84%	5,380	0.71%
- Food Processing Fund	350	0.05%	310	0.04%
C. Borrowings in bond market	1,95,882	29.80%	2,30,593	30.40%
- Bonds & debentures	75,649	11.50%	1,07,292	14.16%
- Tax free bonds	5,000	0.76%	5,000	0.66%
- Bonds for LTIF	52,370	7.96%	55,438	7.32%
- Bonds for PMAY-G	48,810	7.42%	48,810	6.44%
- Bonds for SBM-G	12,298	1.87%	12,298	1.62%
- Bonds for MIF	1,755	0.27%	1,755	0.23%
D. Other borrowings	1,21,658	18.50%	1,63,657	21.60%
- Term loans from banks	26,435	4.02%	70,621	9.32%
- Certificates of deposit (discounted value)	11,590	1.76%	16,184	2.14%
- Commercial papers (discounted value)	42,457	6.45%	34,552	4.56%
- Term money borrowings	3,602	0.55%	1,987	0.26%
- SLF from RBI	24,567	3.73%	22,399	2.96%
- Foreign currency loan	960	0.15%	918	0.12%
- Borrowings for JNN Solar Mission	3	0.00%	3	0.00%
- TREPS & Repo	12,044	1.83%	16,993	2.24%
E. Others	28,243	4.30%	33,978	4.50%
- Other liabilities	18,386	2.80%	21,487	2.83%
- Other funds	9,857	1.50%	12,491	1.65%
Total (A+B+C+D+E)	6,57,798	100.00%	7,57,472	100.00%

Uses of funds

(amount in ₹ crore)

Particulars	31 March 2021		31 March 2022	
	Amount	Share (%)	Amount	Share (%)
A. Cash and investments	49,203	7.50%	71,625	9.50%
- Cash and bank balance	4,408	0.70%	5,791	0.80%
- Government securities and other investments	44,795	6.80%	65,834	8.70%
- CBLO / Tri-party repo lending	0	0.00%	0	0.00%
B. Refinance to enhance GLC for rural production and investment	3,30,860	50.30%	3,91,161	51.60%
- Production and marketing credit	1,06,372	16.20%	1,19,563	15.80%
- Conversion of production credit into MT Loans	15	0.00%	8	0.00%
- MT and LT project loans*	1,99,510	30.30%	2,39,122	31.60%
- Direct refinance to DCCBs	4,567	0.70%	9,822	1.30%
- Producers' Organisation Development Fund	38	0.00%	15	0.00%
- Credit facilities to federations	20,038	3.00%	22,314	2.90%
- Green Climate Fund	320	0.10%	317	0.00%
C. Infrastructure creation loans	2,10,861	32.10%	2,27,584	30.00%
- Rural Infrastructure Development Fund	1,32,724	20.20%	1,42,526	18.80%
- Long Term Irrigation Fund	51,713	7.90%	53,283	7.00%
- Dairy Processing and Infrastructure Development Fund	956	0.20%	925	0.10%
- Warehouse Infrastructure Fund	5,155	0.80%	4,777	0.60%
- NABARD Infrastructure Development Assistance	17,999	2.70%	23,319	3.10%
- Food Processing Fund	293	0.00%	304	0.00%
- Micro Irrigation Fund	1,827	0.30%	2,084	0.30%
- Fisheries and Aquaculture Infrastructure Development Fund	194	0.00%	366	0.10%
D. Social Sector Investments	61,117	9.30%	61,117	8.10%
- Pradhan Mantri Awaas Yojana–Gramin	48,819	7.40%	48,819	6.50%
- Swachh Bharat Mission–Gramin	12,298	1.90%	12,298	1.60%
E. Others	162	0.00%	410	0.10%
- Other loans (including JNN Solar Mission)	103	0.00%	64	0.00%
- LT non-project loans	59	0.00%	346	0.10%
F. Sub-total of loans and advances (B+C+D+E)	6,03,000	91.70%	6,80,272	89.80%
G. Fixed and other assets	5595	0.80%	5,575	0.70%
Total (A+B+C+D+E+G)	6,57,798	100.00%	7,57,472	100.00%

Chapter 11: We@NABARD

11.1 Management and governance

NABARD's management and business operations are overseen by its Board of Directors (BOD), which includes a chairperson, deputy managing directors, and directors appointed by the Government of India (GOI) in consultation with the Reserve Bank of India (RBI). The BOD comprises experts from various fields such as rural economics, rural development, and cooperative banking, alongside representatives from the RBI, GOI, and state governments.

Throughout FY 2021-22, NABARD adhered to all prescribed norms of good governance. The management committees and board members met regularly, ensuring transparency and accountability within the organization. The Board benefits from a mix of experienced leaders and new experts, contributing to the organization's ongoing success and evolution.

The organisation as on 31 March 2022

Category	Details
Chairman	1
Deputy Managing Directors	2
Directors	8
Head Office Departments	27
Regional Offices	32
Training Establishments	4
Subsidiaries	7
District Development Offices	418
Sub-office Special Cell	Srinagar

Changes in the Board of Directors in FY 2021-22

Category	Details
Board Members Who Joined in FY 2021-22	- Jayashree Raghunandan, IAS: Additional Chief Secretary & Director General to Rural Development and Panchayat Raj (Training), Government of Tamil Nadu, as Director from 03 June 2021; vice Hans Raj Verma.
	- JC Ramthanga, IAS: Additional Chief Secretary to the Government of Mizoram, as Director from 03 June 2021; vice Lalhmingsanga.
	- Urvish Shah: Joined as Director from 30 December 2021.
Board Members Whose Tenure Ended in FY 2021-22	- Hans Raj Verma, IAS: Additional Chief Secretary, Rural Development & Panchayat Raj, Government of Tamil Nadu, on 25 May 2021.

Meetings of the Board and its committees in FY 2021-22

Committee	Number of Meetings	Additional Information
Board of Directors	5	4
Executive Committee	4	4
Audit Committee	7	6
Risk Management Committee	7	6
HR Committee	3	2
Premises Committee	2	2
Information Technology Committee	2	2
Project Sanctioning Committee	6	(AWR)
Internal Sanctioning Committee	21	(AWR)
Management Committee	9	(AWR)

Notes:

1. AWR = as and when required; HR = Human Resource.
2. Mandated number of meetings in parentheses.

11.2 Statutory/transparency activities

NABARD actively ensured compliance with statutory and transparency requirements during FY 2021-22. Key activities included:

- **Right to Information (RTI) Act, 2005:** NABARD responded proactively to 1,538 RTI applications and 130 appeals, resolving 1,312 applications and 123 appeals. L. Leivang served as the Transparency Officer, and Monomoy Mukherjee as the Appellate Authority.
- **Industrial Relations:** Relations between NABARD's management and employee associations remained harmonious through regular dialogue.
- **Gender Sensitivity:** NABARD adhered to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, with dedicated committees at both the Head Office and regional offices to address complaints effectively.
- **Reservation Policy:** NABARD followed all Government of India norms regarding recruitment, promotion, and other processes related to reservations.
- **Grievance Redressal:** The Grievance Redressal Committee (GRC) received seven grievances in FY 2021-22, resolving six, including four carried over from the previous FY 2020-21.
- **Enhancing Vigilance:** NABARD's Central Vigilance Department, led by the Chief Vigilance Officer (CVO), focused on preventive vigilance and enhancing transparency. Initiatives included a revised 'Rotation of Staff on Sensitive Desks' policy and the introduction of a 'Mandatory Leave Policy' for staff in sensitive roles. The Government e-Marketplace (GeM) portal was extensively used for procurement.
- **Official Language Policy:** NABARD made significant efforts to meet the Government of India's targets for increasing the use of Hindi in daily operations, with progress reviewed quarterly by Official Language Implementation Committees across all offices.

Rajbhasha at NABARD in FY 2021-22

- **Training:** Staff were trained to communicate in Hindi as part of the Parangat capacity building initiative.
- **IT Tools:** The use of IT tools was encouraged through workshops and desk training sessions conducted in Hindi.
- **Rajbhasha Inspections:** Rajbhasha inspections were conducted in seven Head Office departments, eight Regional Offices, and one training institute during FY 2021-22.
- **Hindi Day Celebrations:** Hindi Day was celebrated in all offices, with prizes awarded for various Hindi competitions.
- **Awards:** NABARD received the second prize for the use of Hindi during FY 2020-21 by the Town Official Language Implementation Committee (Bank). The Srinagar office received the Outstanding House Magazine prize from Ashirwad for promoting Hindi.

11.3 Managing people and spaces

11.3.1 Staff strength

NABARD has a dynamic workforce consisting of 3,150 staff members with expertise across various fields, such as accounts, data analytics, and engineering. The organization's staff is characterized by a blend of rich experience and youthful energy, with the average age of officers being 46 years.

In FY 2021-22, NABARD efficiently managed its recruitment and promotion processes:

- **Recruitment:** 91 Group A staff and 9 Group C staff joined the organization.
- **Promotions:** 223 officers were promoted or empanelled for promotion to higher grades under Panel Year 2022. Additionally, 34 Group 'B' employees were promoted to assistant managers in the Rural Development Banking Service (RDBS) and private secretaries in Grade 'A'.

Staff composition as on 31 March 2022

Grade	Total Staff (No.)	General	OBC	SC	ST	EWS	PwD	Ex-S
Grade A	2,129	1,130	445	335	195	24	53	38
Grade B	641	385	105	92	57	2	20	29
Grade C	380	143	58	124	55	0	22	18
Total	3,150	-	-	-	-	-	-	-

Note: EWS = Economically Weaker Section; ExS = Ex-Servicemen; OBC = Other Backward Classes; PwD = Person with Disability; SC = Scheduled Caste; ST = Scheduled Tribe.

11.3.2 Staff welfare initiatives

In FY 2021-22, NABARD implemented several initiatives to enhance the welfare of its staff members:

- **Pension Scheme Option:** Offered a fresh option to switch from the contributory provident fund to the pension scheme for serving staff, retirees, and eligible family members of deceased staff.
- **Insurance and Mediclaim:** Extended Group Insurance Schemes for Term, Housing Loan, Motor Vehicle, and Mediclaim Policy for out-patient care and hospitalization to all staff members.
- **Support for Retirees:** Extended cash transfers for hospitalization and annual health check-ups to retirees.
- **COVID-19 Ex-Gratia Support:** Implemented a special ex-gratia package of ₹30 lakh for the dependents of employees (both full-time and part-time) who passed away due to COVID-19 or related complications within six months of the last infection since 1 March 2020.
- **COVID-19 Safety Measures:** Enforced strict safety protocols to prevent the spread of COVID-19, ensured business continuity, implemented work-from-home norms, formed helpdesk and quick response teams, ensured full vaccination of employees, and arranged home delivery of medicines to retirees.

11.3.3 Training and development

NABARD emphasizes continuous training and skill development for its staff, recognizing the importance of staying ahead of emerging needs. This is primarily achieved through:

- **National Bank Staff College (NBSC), Lucknow:** Focuses on training NABARD staff, ensuring they are equipped with the necessary skills and knowledge.
- **Bankers Institutes of Rural Development (BIRD):** Located in Lucknow, Kolkata, and Mangaluru, these institutes train staff from client institutions, expanding their expertise in rural development banking.

Both NBSC and BIRD have adapted to the challenges of the COVID-19 pandemic by incorporating the latest training technologies and strategies, such as:

- E-learning platforms.
- Establishing new partnerships.
- Developing new modules and courses for enhanced training outcomes.

Training outputs in FY 2021-22

- **1,682 officers** completed at least one module of NabScholar (e-learning platform).
- **175 officers** were deputed to 49 off-the-shelf capacity building programmes.
- **51 officers** took up professional and distant learning courses from reputed institutes under the Incentive Study Scheme.
- **146 Grade A and B officers** recruited during the year underwent induction training in rural banking.
- **226 candidates** received pre-recruitment training.
- **236 SC/ST/OBC candidates** received pre-promotion training.
- **3,119 staff members** were trained through 123 programmes.

National Bank Staff College, NABARD's own Gurukul

Institution	Area of Focus
LifePositive.com	HR & IT
NCDEX	Business
CAFRAL, Mumbai	Business
Pegasus	HR & IT
IIT Bombay	HR & IT
IDRBT, Hyderabad	HR & IT
BAIF, Pune	Development & Projects
NIBM, Pune	Business
TNAU, Coimbatore	Development Projects
IIM Calcutta	HR & IT
AILSG, Jodhpur	HR & IT
ISAB, Greater Noida, UP	HR & IT
Deloitte, Delhi	Supervision
IICA, New Delhi	HR & IT
RBI CO, Mumbai	Supervision
CRIDA, Hyderabad	Development & Projects
IIFSR, Modipuram, up	Development & Projects
Princeton Academy, Mumbai	Development & Projects

11.3.4 Ensuring safe workspace

NABARD focused on enhancing safety, security, and productivity in its office premises and residences by purchasing green energy from TATA Power, maintaining fire safety equipment, installing CCTV systems, and ensuring transparency in the allotment of residential flats and meeting spaces. These initiatives contributed to a safer and more efficient working environment.

11.4 Research and information dissemination

NABARD leverages a ₹50 crore Research and Development (R&D) Fund to support a wide range of initiatives aimed at expanding knowledge in agriculture and rural development. Key activities and initiatives in FY 2021-22 included:

- **Research Focus:** NABARD prioritizes short-term policy research and funds long-term studies. As of 31 March 2022, 20 studies were ongoing, 18 were completed, and 16 new studies were sanctioned, covering areas like agricultural distress, value chain financing, and the impact of credit on MSMEs.
- **New Research Products:**
 - **Research & Policy Series:** Documenting research on themes such as agricultural policy, climate change, and digitizing the Indian food system.
 - **Insights:** Short research reports on topical issues, with the first issue addressing COVID-19-induced reverse migration.
- **Seminars and Webinars:** NABARD sanctioned 112 seminars/webinars with over ₹1.8 crore in funding, covering topics like water productivity, agri-innovations, and digital financial inclusion for women in MSMEs.
- **Student Engagement:** Through the Student Internship Scheme (SIS), 59 students were offered internships. New schemes introduced in FY 2021-22 include:
 - **Grameen Chintan Scheme:** Supporting postgraduate research in agricultural issues.
 - **NABARD Award for Outstanding Ph.D. Thesis:** To be awarded based on 2021 applications.
 - **NABARD Gold Medal:** Awarded to outstanding M.Sc. and Ph.D. students at IARI, Pusa.
 - **Researcher of the Year Award:** Recognizing outstanding work on rural credit issues.
- **Library Resources:** NABARD's central library in Mumbai has a vast collection of 25,628 books, 56 journals/magazines, and 14 newspapers, along with digital subscriptions to e-books and 25 online databases. BIRD, Lucknow also maintains a large library to support its trainees and faculty.

11.5 Information technology initiatives

Information technology initiatives at NABARD

Objectives of NABARD's IT Initiatives:

- **Strengthening Security:** Participated in a cyber drill conducted by the Institute for Development and Research in Banking Technology.
- **Microsoft Office 365 Implementation:** Teams stepped up office productivity.
- **Remote Access:** Enhanced IT-enabled applications and services to support a connected and efficient work environment, especially during the pandemic.
- **User Experience:** Improved user experience and helped reduce paperwork.

Key IT Systems and Solutions:

- **Enterprise Content Management (ECM):**
 - earlier rolled out for the Head Office was upgraded to cover all ROs and TEs.
 - Used for digitisation of documents, document management system, and workflow management
- **Treasury and Asset Liability Management System (TALMS):**
 - To take care of treasury operations including borrowings and asset liability management
- **Centralized Loan Management and Accounting System (CLMAS):**
 - The core banking application is being rolled out to four subsidiaries of the bank.

- Human Resources Management System (HRMS):
 - Manages staff-related information and processes.
- Data Collection and Management System (DCMS):
 - To meet the standards of a Tier IV data centre and enhance the security and efficiency of systems, the data centre was co-located Improved data accuracy and management.
 - The software defined data centre underwent an upgrade to provide for increasing storage requirements of different departments and for faster spin-off of servers
 - A data warehouse for integrated and automated MIS and dashboard by streaming in data and information from various source systems is being built.
- Enterprise Architecture (EA):
 - Study and application for a comprehensive governance and IT framework.
 - Assisted in improving the design, operations, and IT governance of the organization.
- Rapid Application Development Platform (RADP):
 - has been adopted for faster development of mobile apps and web portals and to be in tune with emerging trends in technology.

11.6 Risk management initiatives

Risk management initiatives of NABARD in FY 2021-22

- New systems and processes
 - Interest rate framework linked to 5-year G-sec yield
 - Risk-based pricing framework and category risk
 - Contingency fund plan for the entire organisation
 - New liquidity stock ratios
 - Tenor premium
 - Risk rating-based credit risk premium
 - Operational guidelines for annual review and monitoring of policies
- Strengthening of risk management frameworks

To enhance risk management frameworks, to comply with draft prudential guidelines on Basel III capital framework, and to align with latest regulatory guidelines, several new policies were framed and issued :

 - Stress testing policy
 - Internal capital adequacy assessment policy
 - Exposure norms and agency-wise exposure limits
 - Stressed assets management policy
 - Loan policy document
 - Compliance policy
 - Asset liability management policy
 - Operational risk management policy
 - Business continuity management policy
 - Outsourcing policy
 - Cyber crisis management plan
- Automating and streamlining risk management

NABARD is continuously building and updating its enterprise risk management system with introduction of new modules and improvement of existing ones.

 - Internal risk rating
 - Exposure norms
 - Basel III – Capital Computation: credit risk, market risk, and operational risk
 - Basel III – Pillar 3: disclosure reports
 - Collateral management
 - Value at Risk (VaR)
 - Mutual fund evaluation
 - Risk and control self-assessment
 - Early warning signals system
 - Stress testing

11.7 Inspection

NABARD's internal functioning was closely scrutinized and supervised through a comprehensive set of inspections and audits. A total of 58 regular inspections were conducted, covering 25 regional offices, 24 head office departments, 2 training establishments, and 7 subsidiaries. Additionally, risk-based internal inspections and audits were operationalized, resulting in 12 inspections. A credit audit was also performed on 24 high-value loan accounts, each with an outstanding loan amount exceeding ₹100 crore. Furthermore, capacity-building programs were conducted for the concurrent audit cells of regional offices, and feedback was provided to enhance the capabilities of staff members.

Extended arms of NABARD: The seven subsidiaries

Subsidiary	Purpose	Shareholding	FY 2021-22 highlights
NABFINS Bengaluru (1997)	1. Credit and other facilities in agriculture and allied areas for : ◇ promotion ◇ expansion ◇ commercialisation ◇ modernisation 2. Microfinance and other facilities—rural and urban	₹102 crore (NABARD's share capital contribution) Other shareholders: Government of Karnataka, Canara Bank, Union Bank of India, Bank of Baroda, Dhanalakshmi Bank, and Federal Bank	1. Loan book of ₹1,736 crore 2. ₹1,288 crore loan disbursed 3. Expanded footprint with opening of 53 new branches 4. Designed and launched a new credit product for SHGs/JLGs, on a pilot basis 5. 12 CSR projects sanctioned
NABKISAN Chennai (1997)	1. Credit for agricultural, allied, and non-farm rural enterprises for: ◇ promotion ◇ expansion ◇ commercialisation 2. Support livelihood by extending credit to ◇ panchayat-level federations ◇ trusts ◇ societies ◇ Section 25 companies ◇ MFIs for on-lending to SHGs and JLGs 3. Support POs for term loans and working capital requirements	1. ₹85 crore (NABARD's share capital contribution) Other shareholders: Government of Tamil Nadu, Indian Bank, Indian Overseas Bank, Tamilnad Mercantile Bank, Canara Bank, ICICI Bank, Federal Bank, Lakshmi Vilas Bank, corporates, and individuals	1. ₹1,400 crore balance sheet; 19% Y-o-Y growth 2. Highest FPO lending in an FY ◇ ₹108.8 crore sanctioned to 474 registered FPOs 3. Product offerings expanded ◇ Pledge loans against e-NWR ◇ Concessional term loan in NABARD supported TDF or watershed areas and for micro food processing units 4. 37 NBFCs and NBFC-MFIs sanctioned loans for on-lending; 10 new clients ₹1.2 crore sanctioned for 2 proposals (agri start-ups) under catalytic capital support 5. ₹5.5 crore sanctioned for 46 GOI's AIF loans as leading lending entity to FPOs under the scheme
NABSAMRUDDHI Mumbai (1997)	1. Credit to non-farm (microfinance, MSMEs, housing, education, transport, etc.) enterprises and individuals for ◇ promotion ◇ expansion ◇ commercialisation ◇ modernisation	1. ₹59.8 crore (NABARD's share capital contribution) Other shareholders: Andhra Bank, Canara Bank, Government of Andhra Pradesh, Government of Telangana, Andhra Pradesh State Cooperative Bank, Telangana State Cooperative Apex Bank, corporates, and individuals	1. 16% growth over previous year 2. ₹540 crore disbursed to 35 diverse entities and ₹185 crore for four focus segments (including ₹76.5 for WASH) ◇ green finance ◇ wellness (+WASH) ◇ fabric & textiles ◇ handicrafts
NABCONS New Delhi (2003)	1. Consultancy in ◇ agriculture ◇ rural development and related areas	1. 100% NABARD owned 2. ₹25 crore (authorised capital) 3. ₹5 crore (paid-up capital)	1. Jal Jeevan Mission in 7 states – DPR preparation and third-party inspections 2. Atal Bhujal Yojana in 17 districts of Rajasthan – institutional strengthening and capacity building 3. Knowledge partner – AIF scheme 4. Megalift Irrigation Project in Odisha 5. Development and implementation of Kerala Water Resources Information System 6. All-India study on assessment of post-harvest losses for 54 crops in 30 agro climatic zones 7. Independent verification agency under World Bank assisted REWARD project 8. Cluster-based business organisation in 7 states 9. Central technical support agency in 10 states
NABVENTURES Mumbai (2018)	1. Manage asset or investment for NABVENTURES Fund I (proposed), with focus on ◇ agriculture ◇ biotech ◇ climate resilient agriculture ◇ food processing ◇ storage and logistics ◇ rural development ◇ rural businesses, etc.	1. 100% NABARD owned 2. ₹5 crore (issued share capital)	- Through portfolio companies: 1. ₹800 crore of loans extended to food and agri-business value chain in 11 states 2. ~ 3,000 jobs created (20% women) 3. Rapid soil testing ◇ ~87,000 acre ◇ ~40,000 (farmers benefitted) ◇ ~4,900 tonne (fertiliser consumption reduction) ◇ 8.3% (increased productivity) 4. ~25,000 rural kirana stores linked via

			<p>technology platform in 21 Karnataka districts</p> <p>5. ~ 6 lakh farmers connected through ~35,400 outlets to aggregate farm input–output</p> <p>6. Customised crop advisory app for 11 crops (based on real-time satellite and weather forecasts) used in 232 districts and 9 countries</p>
NABFOUNDATION Mumbai (2019)	<p>1. Implement NABARD’s developmental initiatives</p> <p>2. Network, coordinate, and collaborate (externally) for CSR activities</p>		<p>On-going projects:</p> <p>1. My Pad My Right (women’s hygiene)</p> <p>2. NER Entrepreneur World (skilled youth and entrepreneurs’ directory in the NER)</p> <p>3. Meghalaya Hills Broom FPO</p> <p>4. Farm-based livelihood education and learning school in Meghalaya</p>
NABSANRAKSHAN Mumbai (2020)	Manage credit guarantee funds of GOI and state governments	<p>1. 100% NABARD owned</p> <p>2. ₹100 crore (authorised capital)</p> <p>3. ₹50 crore (paid-up capital)</p>	<p>1. Credit guarantee portal launched in FY 2020-21 to register</p> <p>◊ lending institutions under CGS</p> <p>◊ issuance of credit guarantee</p> <p>◊ claims settlement</p> <p>2. ₹141 crore corpus from DAHD received for animal husbandry and dairying (CGS operationalised on 27 December 2021)</p> <p>3. A ₹1,000-crore corpus Credit Guarantee Fund Trust (50:50 from DA&FW and NABARD) for FPO financing established on 13 October 2021, of which ₹115-crore corpus contributed by DA&FW (CGS for FPO financing operationalised on 28 December 2021)</p>

Chapter 12: Standalone Financial Statements

12.1 STANDALONE BALANCE SHEET AS ON 31 MARCH 2022

Liabilities

(Amount in ₹ crore)				
Sr. No.	Funds and Liabilities	Schedule	As on 31 March 2022	As on 31 March 2021
1	i) Capital (Under Section 4 of the NABARD Act, 1981)		17,080.00	15,080.00
2	Reserve Fund and other Reserves	1	43,939.18	39,268.95
3	National Rural Credit Funds	2	16,098.00	16,094.00
4	Gifts, Grants, Donations and Benefactions	3	6,602.27	6,371.61
5	Government Schemes	4	5,888.63	3,485.35
6	Deposits	5	252,126.69	241,572.10
7	Bonds and Debentures	6	230,592.70	195,882.39
8	Borrowings	7	163,657.78	121,657.83
9	Current Liabilities and Provisions	8	21,487.06	18,386.07
	Total (1 to 9)		757,472.31	657,798.30
	Forward Foreign Exchange Contracts (Hedging) as per contra		925.97	1,020.66

Assets

(Amount in ₹ crore)				
Sr. No.	Property and Assets	Schedule	As on 31 March 2022	As on 31 March 2021
1	Cash and Bank Balances	9	5,791.49	4,407.56
2	Investments	10	66,263.06	45,505.24
3	Advances	11	679,842.44	602,290.30
4	Property, Plant and Equipment (Fixed Assets)	12	551.93	565.84
5	Other Assets	13	5,023.39	5,029.36
	Total (1 to 5)		757,472.31	657,798.30
	Forward Foreign Exchange Contracts (Hedging) as per contra		925.97	1,020.66
	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 2022

INCOME

(Amount in ₹ crore)				
Sr. No.	Income	Schedule	FY 2021-22	FY 2020-21
1	Interest on Loans and Advances		33,602.47	31,196.24
2	Income from Investment Operations / Deposits		30,30.63	3,372.89
3	Other Receipts		128.19	102.04
	Total "A"		36,761.29	34,671.17

EXPENDITURE

(Amount in ₹ crore)				
Sr. No.	Expenditure	Schedule	FY 2021-22	FY 2020-21
1	Interest and Financial Charges (Refer Note B-31 of Schedule-18)	14	26,555.86	24,219.55
2	Establishment and Other Expenses	15 A	2,136.01	1,979.15
3	Expenditure on Promotional Activities	15 B	111.88	95.05
4	Provisions	16	1,214.84	2,249.26
5	Depreciation		49.78	46.75
	Total "B"		30,068.37	28,589.76
6	Profit before Tax (A - B)		6,692.92	6,081.41
7	Provision for			
	a) Income Tax		1,628	1,750
	b) Deferred Tax (Refer Note B-21.5 of Schedule 18)		-16.94	11.45
8	Profit after Tax		5,081.86	4,319.96
	Significant Accounting Policies and Notes on Accounts	18		

12.3 PROFIT AND LOSS APPROPRIATION ACCOUNT

(Amount in ₹ crore)			
Sr. No.	Appropriations / Withdrawals	FY 2021-22	FY 2020-21
1	Profit for the year brought down	5,081.86	4,319.96
2	Add: Withdrawals from funds against expenditure debited to Profit & Loss A/c [Refer Schedule 1]		
a)	Co-operative Development Fund	30.53	18.71
b)	Research and Development Fund	31.82	29.95
c)	Producers' Organisation Development Fund	5.11	4.03
d)	Rural Infrastructure Promotion Fund	6.23	20
e)	Farm Sector Promotion Fund	22.17	17.67

f)	Climate Change Fund	1.75	0.97
g)	Gramya Vikas Nidhi	46.09	27.67
h)	Catalytic Capital Fund	-	6
3	Profit available for Appropriation	5,225.56	4,444.96
	Less: Transferred to: [Refer Schedule 1&2]		
a)	Special Reserves u/s 36(1) (viii) of IT Act, 1961	1,065.00	1100
b)	National Rural Credit (Long Term Operations) Fund	1.00	1.00
c)	National Rural Credit (Stabilisation) Fund	1.00	1.00
d)	Research and Development Fund	31.82	29.95
e)	Investment Fluctuation Reserve	1,125.00	457
f)	Co-operative Development Fund	130.53	58.71
g)	Producers' Organisation Development Fund	5.11	104.03
h)	Rural Infrastructure Promotion Fund	6.23	20
i)	Farm Sector Promotion Fund	22.17	17.67
j)	Gramya Vikas Nidhi	46.09	47.67
k)	Climate Change Fund	1.75	0.97
l)	Catalytic Capital Fund	-	16
m)	Forex Fluctuation Reserve Fund	5.21	7.03
n)	Reserve Fund	2,784.65	2,583.93
	Total	5,225.56	4,444.96

12.4 SCHEDULES TO BALANCE SHEET

Schedule 1 - Reserve Fund and Other Reserves

(Amount in ₹ crore)					
S. No.	Particulars	Opening Balance as on 01.04.2021	Transferred from P&L Appropriation	Withdrawals/ Transferred to P&L Appropriation	Balance as on 31 March 2022
1	Reserve Fund*	26,245.11	2,784.65	409.63	28,620.13
2	Research and Development Fund	50.00	31.82	31.82	50.00
3	Capital Reserve	74.81	-	-	74.81
4	Investment Fluctuation Reserve	1,697.00	1,125.00	-	2,822.00
5	Co-operative Development Fund	100.00	130.53	30.53	200.00
6	Special Reserves Created & Maintained u/s 36(1)(viii) of Income Tax Act, 1961	10,535.00	1,065.00	-	11,600.00
7	Producers' Organisation Development Fund	300.00	5.11	5.11	300.00
8	Rural Infrastructure Promotion Fund	50.00	6.23	6.23	50.00
9	Farm Sector Promotion Fund	60.00	22.17	22.17	60.00
10	Gramya Vikas Nidhi	110.00	46.09	46.09	110.00
11	Climate Change Fund	20.00	1.75	1.75	20.00
12	Catalytic Capital Fund	20.00	-	-	20.00
13	Forex Fluctuation Reserve Fund	7.03	5.21	-	12.24
	Total	39,268.95	5,223.56	553.33	43,939.18
	Previous year	34,950.99	4,442.96	125.00	39,268.95

Schedule 2 - National Rural Credit Funds

(Amount in ₹ crore)					
Sr. No.	Particulars	Opening Balance as on 01.04.2021	Contribution by RBI	Transferred from P&L Appropriation	Balance as on 31 March 2022
1	National Rural Credit (Long Term Operations) Fund	14,497.00	1	1	14,499.00
2	National Rural Credit (Stabilisation) Fund	1,597.00	1	1	1,599.00
	Total	16,094.00	2	2	16,098.00
	Previous year	16,090.00	2	2	16,094.00

Schedule 3 - Gifts, Grants, Donations and Benefactions

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2021	Additions during the year	Interest Credited*	Expenditure/ Adjustments during the year	Balance as on 31 March 2022
A.	Grants from International Agencies					
1	KfW - NABARD V Fund for Adivasi Programme	0.53	-	0.02	-0.09	0.64
2	KfW NB UPNRM -Accompanying Measures	-	0.63	-	0.63	-
3	KfW NB UPNRM – Financial Contribution	0.15	-	-	-	0.15
4	Indo German Watershed Development Programme -Andhra Pradesh	0.67	-	0.03	-	0.70
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	19.18	3.59	0.77	1.26	22.28
9	GIZ Soil Project	1.41	-	-	-	1.41
10	KfW Soil Project	2.47	17.62	-	18.02	2.07
11	GCF Project Grants	1.10	-	0.04	-	1.14
B.	Other Funds					
1	Watershed Development Fund (i)	1,451.22	106.80	89.11	119.88	1,527.25
2	Interest Differential Fund - (Forex Risk)	235.71	-	-	2.11	233.60
3	Interest Differential Fund - TAWA	0.10	-	-	-	0.10
4	Adivasi Development Fund	5.77	-	-	-	5.77
5	Tribal Development Fund (ii)	1,336.44	26.70	100.09	121.10	1,342.13
6	Financial Inclusion Fund (iii)	2,731.47	320.41	168.91	353.69	2,867.10
7	Financial Inclusion Fund - Digital	11.97	-	-	3.86	8.11
8	PODF-ID (iv)	314.15	80.10	13.46	75.04	332.67
9	National Bank - Swiss Development Cooperation Project	65.27	0.84	-	-	66.11
10	RPF & RIF - Off-Farm Sector Promotion Fund	20.55	-	0.06	2.19	18.42
11	Centre for Professional Excellence in Co- operatives - (C-PEC)	2.95	-	0.18	-	3.13
12	LTIF Interest Fluctuation Reserve Fund	109.82	24.01	4.39	-	138.22
13	National Adaptation Fund for Climate Change a/c	60.56	42.81	2.07	74.29	31.15
	Total	6,371.61	623.51	379.13	771.98	6,602.27
	Previous year	6,020.77	709.78	387.46	746.40	6,371.61



Schedule 4 - Government Schemes

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2021	Additions during the year	Interest Credited*	Expenditure / Adjustments during the year	Balance as on 31 March 2022
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	0.71	4.79	-	4.81	0.69
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	0.09	-	0.01	-	0.10
8	National Project on Organic Farming	1.47	-	-	-0.2	1.67
9	Integrated Watershed Development Programme - Rashtriya Sam Vikas Yojana	4.29	-	-	-	4.29
10	Dairy and Poultry Venture Capital Fund	0.14	-	-	-2.02	2.16
11	Poultry Venture Capital Fund	-	-	-	-	-
12	ISAM - Agricultural Marketing Infrastructure	31.01	173.41	-	163.41	41.01
13	NATIONAL LIVESTOCK MISSION -PVCF EDEG	75.72	74.75	-	70.48	79.99
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	84.5	-	-	79.40	5.10
18	CSS for Solar Mission	0.03	-	-	-	0.03
19	CSS - JNNSM - Solar Lighting a/c	0.02	-	-	-2.74	2.76
20	CSS - Solar Photovoltaic Water Pumping	0.03	-	-	-	0.03
21	Capital Subsidy Scheme - Agri Clinic Agri Business Centres	7.38	9.97	-	15.79	1.56
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	33.27	161.55	-	40.13	154.69
B	Other Government Schemes					
1	Agriculture Debt Waiver and Debt Relief Scheme (ADWDR) 2008	282.12	-	-	-1.68	283.80
2	Women's Self Help Groups [SHGs] Development Fund	37.15	-	-	9.34	27.81
3	PRODUCE FUND	23.57	-	-	8.13	15.44
4	Revival of 23 unlicensed DCCBs	111.22	-	-	111.22	-
5	Interest Subvention (Sugar Term Loan)	432.03	160.00	-	426.93	165.10
6	AMI - Workshop Assistance Fund	0.02	-	-	-	0.02
7	Kutch Drought Proofing Project	0.22	-	-	-	0.22
8	Revival Package for Long Term Cooperative Credit Structure (LTCCS)	20	-	-	-	20.00
9	Revival Reform and Restructure of Handloom Sector	6.83	-	-	2.95	3.88
10	Comprehensive Handloom Package	2.05	-	-	2.05	-
11	Interest Subvention (SAO, NRLM, NWR)	2,246.02	10,569.16	-	7,822.36	4,992.82
12	Arunachal Agri Start Up Scheme	0.5	-	-	-	0.50
	Total	3,485.35	11,153.63	0.01	8,750.36	5,888.63
	Previous year	2,447.42	6,298.86	0.02	5,260.95	3,485.35

Schedule 5 – Deposits

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Central Government	-	-
2	State Governments	-	-
3	Others		
	a) Tea / Rubber / Coffee Deposits	60.50	64.10
	b) Deposits under RIDF	1,47,226.72	1,36,226.93
	c) ST Cooperative Rural Credit Fund	44,541.43	44,644.51
	d) ST RRB Credit Refinance Fund	9,898.10	9,921.00
	e) Warehouse Infrastructure Fund	5,380.00	5,540.00
	f) Long Term Rural Credit Fund	44,709.94	44,825.56
	g) Food Processing Fund	310.00	350.00
	Total	2,52,126.69	2,41,572.10

Schedule 6 - Bonds and Debentures

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Tax Free Bonds (Ref Note B-39 of Schedule 18)	5,000.00	5,000.00
2	Non-Priority Sector Bonds	1,07,292.00	75,648.30
3	Capital Gains Bonds	-	1.29
4	PMAY-G - GOI Fully Serviced Bonds	48,809.60	48,809.60
5	Bonds - LTIF	35,931.50	33,615.40
6	LTIF - GOI Fully Serviced Bonds	19,506.80	18,755.00
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	2,30,592.70	195,882.39

Schedule 7 – Borrowings

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Central Government	-	-
2	Reserve Bank of India	22,399.43	24567
3	Others:		
	(A) In India		
	(i) Certificate of Deposits	16,184.19	11590.27
	(ii) Commercial Paper	34,551.80	42457.06
	(iii) Tri Party Repo	16,993.10	12044.39
	(iv) Term Money Borrowings	1,987.01	3601.82
	(v) Term Loan from Banks	70,621.00	26434.5
	(vi) JNN Solar Mission	2.81	2.81
	(B) Outside India		
	(i) International Agencies	918.44	959.98
	Total	1,63,657.78	121657.83

Schedule 8 - Current Liabilities and Provisions

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Interest / Discount Accrued	7,645.44	7,356.92
2	Sundry Creditors (Refer note B-29 of Schedule-18)	3,243.24	1,392.99
3	Subsidy Reserve (Co-finance, Cold Storage, CSAMI)	45.61	86.93
4	Provision for Gratuity (Refer Note B-21.2 of Schedule 18)	21.69	5.21
5	Provision for Pension (Refer Note B-21.2 of Schedule 18)	331.04	39.27
6	Provision for Encashment of Ordinary Leave (Refer Note B-21.2 of Schedule 18)	378.51	374.99
7	Provision for Post Retirement Medical Benefit (Refer Note B-21.2 of Schedule 18)	138.12	135.10
8	Provision for Salary Revision (Refer Note B- 33 of Schedule 18)	880.00	680.00
9	Unclaimed Interest on Bonds	2.87	3.22
10	Bonds matured but not claimed	17.63	31.74
11	Bond Premium	136.33	225.22
12	Provisions and Contingencies	-	-
(a)	Depreciation in Value of Investment a/c - G. Sec.	704.50	355.70
(b)	Amortisation of G. Sec. - HTM	68.46	103.92
(c)	For Standard Assets	2,731.00	2,623.00
(d)	Non-performing Investments	332.89	650.34
(e)	Countercyclical Provisioning Buffer / Floating Provision	2,014.45	1,264.45
(f)	Provision for Other Assets & Receivables	4.45	4.45
(g)	Provision for Income Tax [Net of Advance Tax]	2,790.83	3,052.62
	Total	21,487.06	18,386.07

Schedule 9 - Cash and Bank Balances

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Cash in hand	-	-
2	Balances with:		
	A) Banks in India		
	(i) Reserve Bank of India	363.61	843.23
	(ii) Other Banks		
	a) In Current Account	1,722.88	619.33
	b) Deposit with Banks	3,705.00	2,945.00
	(B) Banks outside India	-	*
	Total	5,791.49	4,407.56

Schedule 10 – Investments

(Amount in ₹ crore)

Sr. No	Particulars	As on 31 March 2022	As on 31 March 2021
1	Government Securities		
	a) Securities of Central Government & State Govt [Face Value ₹333163670000 (₹356,24,48,60,000)]	35,437.50	37,878.80
	b) Treasury Bills [Face Value ₹57713660000 (₹565,00,00,000.00)]	5,629.89	556.31
2	Other Approved Securities	-	-
3	Equity Shares in :		
(a)	Agricultural Finance Corporation Ltd. [1,000 (1,000) - Equity shares of ₹10,000 each]	1.00	1.00
(b)	Small Industries Development Bank of India [5,31,92,203 (5,31,92,203) - Equity shares of ₹10 each]	966.27	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 [55,000 (55,000) Equity Shares of ₹1000 each]	9.75	9.75
(g)	Agriculture Skill Council of India [4,000 (4000) Shares of ₹10 each]	-	-
(h)	National E-Governance Services India Ltd [Equity] [15,00,000 (15,00,000) Shares of ₹10 each]	1.50	1.50
(i)	National e-Repository Ltd. [105,30,000 (105,30,000) Shares of ₹10 each]	10.53	10.53
(j)	Open Network for Digital Commerce [10,00,000 (0) Shares of ₹100 each]	10.00	-
(k)	Other Equity Investments	28.08	43.73
4	Debentures and Bonds		
(a)	Special Dev Debentures of SCARDBs (Refer Note B-36 of Schedule 18)	429.82	709.80
(b)	Non-Convertible Debentures	1,240.29	1,474.65
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	145.06
(iii)	NABKISAN Finance Ltd. [15,05,00,063 (12,04,00,050) - Equity shares of ₹10 each]	227.57	168.36
(iv)	NABARD Consultancy Services Pvt. Ltd. [50,00,000 (50,00,000) - Equity shares of ₹10 each]	5.00	5.00
(v)	NABVENTURES Ltd [2,50,00,000 (50,00,000) - Equity shares of ₹10 each]	25.00	5.00
(vi)	NABFOUNDATION [50,00,000 (50,00,000) - Equity shares of ₹10 each]	5.00	5.00
(vii)	NABSANRAKSHAN TRUSTEE PVT LTD [5,00,00,000 (5,00,00,000) - Equity shares of ₹10 each]	50.00	50.00
(b)	Joint Venture	-	-
6	Others		
(a)	Mutual Fund	21,158.94	2,001.47
(b)	Commercial Paper [Face Value ₹200,00,00,000 (₹650,00,00,000)]	185.05	618.08
(c)	Certificate of Deposit [Face Value ₹0 (₹250,00,00,000)]	-	243.44
(d)	Venture Capital Funds / AIFs	398.34	284.03
(e)	Investment Earmarked towards EOL [Refer note B-21.2 of Schedule 18]	119.29	148.26
	Total	66,263.06	45,505.24

Schedule 11 – Advances

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Refinance Loans		
(a)	Production & Marketing Credit	1,19,562.90	1,06,372.45
(b)	Conversion Loans for Production Credit	7.57	15.15
(c)	Other Investment Credit		
(i)	Medium Term and Long Term Project Loans	2,38,692.47	1,98,800.36
(ii)	Direct refinance to DCCBs	9,822.42	4,566.76
2	Direct Loans		
(a)	Loans under Rural Infrastructure Development Fund	1,42,525.62	1,32,723.87
(b)	Loans under Warehouse Infrastructure Fund	4,776.63	5,155.31
(c)	Long Term Non-Project Loans	345.63	58.73
(d)	Loans under NABARD Infrastructure Development Assistance (NIDA)	23,319.06	17,998.73
(e)	Loans to Producers' Organisation Development	15.49	37.58
(f)	Credit Facility to Federations [CFF]	22,314.19	20,038.21
(g)	Loans under Food Processing Fund	303.69	293.35
(h)	Loans under Long Term Irrigation Fund	53,283.32	51,712.54
(i)	Pradhan Mantri Aawas Yojana - Gramin	48,819.03	48,819.03
(j)	Swacch Bharat Mission Gramin	12,298.20	12,298.20
(k)	Dairy Infrastructure and Development Fund	924.73	956.33
(l)	Loan Under GCF	317.34	319.82
(m)	Micro Irrigation Fund	2,083.72	1,827.47
(n)	Fisheries and Aquaculture Infrastructure Development Fund	365.69	193.77
(o)	Other Loans:		
(i)	Micro Finance Development Equity Fund Programme Loans	0.11	0.11
(ii)	Watershed Development Fund Programme Loans	10.95	15.55
(iii)	Tribal Development Fund Programme Loans	0.08	0.34
(iv)	KfW UPNRM Loans	52.78	85.17
(v)	Off Farm Sector Promotion Activities Programme Loans	0.82	1.47
(vi)	Direct Loan Under Sec 30 of NABARD Act [Refer Note B-3.5 of Schedule 18]	-	-
	Total	6,79,842.44	6,02,290.30

Note: The Advances are net-off the provisions for Non-performing Assets amounting to ₹2,109.50 crore.

Schedule 12 - Fixed Assets

(Amount in ₹ crore)

Sr. No	Particulars	As on 31 March 2022	As on 31 March 2021
1	LAND : Freehold & Leasehold (Refer Note B-35 of Schedule 18)		
	Opening Balance	195.26	195.27
	Additions/adjustments during the year	-	-
	Sub-Total	195.26	195.27
	Less: Cost of assets sold/written off	-	-
	Closing Balance (at cost)	195.26	195.27
	Less: Amortisation of Lease Premium	62.47	60.81
	Book Value	132.79	134.46
2	PREMISES (Refer Note B-35 of Schedule 18)		
	Opening Balance	652.24	579.23
	Additions / Adjustments during the year	-	73.00
	Sub-Total	652.24	652.23
	Less: Cost of assets sold/written off	-	-
	Closing Balance (at cost)	652.24	652.23
	Less: Depreciation to date	317.93	300.91
	Book Value	334.31	351.32
3	FURNITURE & FIXTURES		
	Opening Balance	64.48	66.57
	Additions/adjustments during the year	2.49	-1.80
	Sub-Total	66.97	64.77
	Less: Cost of assets sold/written off	1.53	0.29
	Closing Balance (at cost)	65.44	64.48
	Less: Depreciation to date	58.36	60.40
	Book Value	7.08	4.08
4	COMPUTER INSTALLATIONS & OFFICE EQUIPMENTS		
	Opening Balance	187.84	159.28
	Additions/adjustments during the year	22.47	31.91
	Sub-Total	210.31	191.19
	Less: Cost of assets sold/written off	1.86	3.35

	Closing Balance (at cost)	208.45	187.84
	Less: Depreciation to date	160.87	133.36
	Book Value	47.58	54.48
5	VEHICLES		
	Opening Balance	11.64	8.55
	Additions/adjustments during the year	6.06	5.97
	Sub-Total	17.7	14.52
	Less: Cost of assets sold/written of	4.63	2.88
	Closing Balance (at cost)	13.07	11.64
	Less: Depreciation to date	4.93	4.54
	Book Value	8.14	7.1
6	Capital Work in Progress (Book Value)	22.03	14.4
	Total Book Value (1+2+3+4+5+6)	551.93	565.84

Schedule 13 - Other Assets

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Accrued Interest	3,179.06	3,252.84
2	Discount Receivable	46.59	11.53
3	Deposits with Landlords	1.24	0.70
4	Deposits with Government Departments and Other Institutions	53.88	37.53
5	Housing loan to staff	121.05	121.15
6	Other Advances to staff	86.89	84.31
7	Sundry Advances	51.90	30.43
8	Deferred Tax Assets (Refer Note B-21.5 of Schedule 18)	163.95	147.01
9	Receivable from Government of India/International Agencies (Refer Note B-28 of Schedule 18)	1,241.53	1,340.63
10	Discount on issue of Bonds	77.30	3.23
	Total	5,023.39	5,029.36

Schedule 14 - Interest and Financial Charges

(Amount in ₹ crore)

Sr. No.	Particulars	FY 2021-22	FY 2020-21
1	Interest Paid on		
(a)	Deposits under RIDF	5,164.70	5,726.58
(b)	Short Term Cooperative Rural Credit Fund	1,794.32	1,809.49
(c)	ST RRB Credit Refinance Fund	363.65	397.46
(d)	Warehouse Infrastructure Fund	199.13	246.35
(e)	Long Term Rural Credit Fund	1,363.36	1,627.39
(f)	Fund for Food Processing Units	12.31	14.78
(g)	Tea / Coffee / Rubber Deposits	2.59	2.66
(h)	Term Money Borrowings	128.13	301.18
(i)	Bonds (Refer Note B-39 of Schedule 18)	12,788.15	9,955.36
(j)	Term Loan from Banks	1,817.55	510.99
(k)	Borrowings from International Agencies	25.31	28.33
(l)	Discount on Commercial Paper	1,002.54	1,040.96
(m)	Discount on Certificate of Deposits	384.13	903.91
(n)	Repo Interest Expenditure	22.38	19.79
(o)	Interest paid on funds	375.91	364.81
(p)	Borrowing from RBI under SLF	725.10	846.88
2	Discount on CBLO / TREPS	330.45	359.31
3	Discount, Brokerage, Commission & issue exp. on Bonds and Securities	26.45	29.77
4	Swap Charges	29.70	33.55
	Total	26,555.86	24,219.55

Schedule 15 A - Establishment and Other Expenses

		(Amount in ₹ crore)	
Sr. No	Particulars	FY 2021-22	FY 2020-21
1	Salaries and Allowances (Refer Note B-33 of Schedule 18)	859.01	872.31
2	Contribution to / Provision for Staff Superannuation Funds	730.47	690.54
3	Other Perquisites & Allowances	186.31	120.15
4	Travelling & Other allowances in connection with Directors' & Committee Members' Meetings	-	0.1
5	Directors' & Committee Members' Fees	0.17	0.16
6	Rent Rates Insurance Lighting etc.	37.20	34.83
7	Travelling Expenses	34.27	22.51
8	Printing & Stationery	5.11	4.18
9	Postage Telegrams & Telephones	20.41	19.22
10	Repairs	23.80	14.93
11	Auditors' Fees*	0.32	0.33
12	Legal Charges	1.09	0.99
13	Miscellaneous Expenses	160.23	127.7
14	Expenditure on Miscellaneous Assets	7.83	10.03
15	Expenditure on Study & Training	69.79	61.17
	Total	2,136.01	1979.15

Schedule 15 B - Expenditure on Promotional Activities

		(Amount in ₹ crore)	
Sr. No	Particulars	FY 2021-22	FY 2020-21
1	Cooperative Development Fund	30.53	18.71
2	Producers' Organization Development Fund	5.11	4.03
3	Rural Infrastructure Promotion Fund	6.23	20
4	Expenditure under Farm Sector Promotion Fund	22.17	17.67
5	Expenditure under Climate Change Programme	1.75	0.97
6	Gramya Vikas Nidhi	46.09	27.67
7	Catalytic Capital Fund	-	6
	Total	111.88	95.05

Schedule 16- Provisions

		(Amount in ₹ crore)	
Sr. No.	Particulars	FY 2021-22	FY 2020-21
	Provisions for :		
1	Standard Assets	108	698.00
2	Non Performing Assets	346.2	801.26
3	Floating Provision	750	750.00
4	Depreciation in value of Investment Account - Equity	10.64	-
	Total	1,214.84	2,249.26

Schedule 17 - Commitments and Contingent Liabilities

		(Amount in ₹ crore)	
Sr. No	Particulars	As on 31 March 2022	As on 31 March 2021
1	Commitments on account of capital contracts remaining to be executed	14.00	1.08
	Sub Total "A"	14.00	1.08
2	Contingent Liabilities		
(i)	Bank Guarantee	24.18	24.18
(ii)	Claims against the Bank not acknowledged as debt.	-	-
(iii)	Pending legal cases	9.48	9.00
	Sub Total "B"	33.66	33.18
	Total (A + B)	47.66	34.26

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 2021 and 31 March 2022
- Paid-up Capital: The entire paid-up capital of the bank has been subscribed by the Government of India.

Paid-up Capital

(Amount in ₹ crore)				
Contributor	31 March 2022	%	31 March 2021	%
Government of India	17,080.00	100	15,080.00	100
Total	17,080.00	100	15,080.00	100

Capital Adequacy

1. Capital adequacy ratio

Particulars	31 March 2022	31 March 2021
Capital Adequacy Ratio (CRAR)	16.07%	18.80%

2. Exclusions in CRAR Calculation:

RBI Instructions, assets financed from National Rural Credit – Long Term Operations (NRC LTO) Fund amounting to ₹14499 crore (₹14497 crore) are excluded for the purpose of computing the CRAR

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

(Amount in ₹ crore)			
Sr. No.	Particulars	FY 2021-22	FY 2020-21
(i)	Common Equity	56,931.16	51,547.69
(ii)	Additional Tier 1 capital	-	-
(iii)	Total Tier 1 capital (i+ii)	56,931.16	51,547.69
(iv)	Tier 2 capital	4,497.51	5,344.24
(v)	Total Capital (Tier 1+Tier 2)	61,428.67	56,891.93
(vi)	Total Risk Weighted Assets (RWAs)	382,186.32	302,607.64
(vii)	Common Equity Ratio (Common Equity as a percentage of RWAs)	14.90	17.03
(viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	14.90	17.03
(ix)	Capital to Risk Weighted Assets Ratio (CRAR)	16.07	18.80
(x)	Percentage of the shareholding of the Government of India in the AIFI	100.00	100.00
(xi)	Amount of equity capital raised #	2,000.00	1,000.00
(xii)	Amount of Additional Tier 1 capital raised; of which	-	-
	(a) Perpetual Non-Cumulative Preference Shares (PNCPS):	-	-
	(b) Perpetual Debt Instruments (PDI)	-	-
(xiii)	Amount of Tier 2 capital raised; of which	-	-
	(a) Debt capital instruments:	-	-
	(b) Perpetual Cumulative Preference Shares (PCPS)	-	-
	(c) Redeemable Non-Cumulative Preference Shares (RNCPS)	-	-
	(d) Redeemable Cumulative Preference Shares (RCPS)	-	-

12.5.2 Free Reserves and provision

Provisions on Standard Assets

(Amount in ₹ crore)		
Particulars	FY 2021-22	FY 2020-21
Provisions towards Standard Assets made during the year	108	698

Counter Cyclical Provisioning Buffer

(Amount in ₹ crore)			
Sr. No.	Particulars	2021-22	2020-21
(a)	Opening balance in the floating provision account	1,264.44	514.44
(b)	The quantum of provisions made during the financial year	750	750
(c)	Amount of drawdown made during the accounting year	0	0
(d)	Closing balance in the floating provision account	2,014.44	1,264.44

12.5.3 Asset Quality and specific provisions

Non-Performing Advances

(Amount in ₹ crore)			
Sr.No.	Particulars	31 March 2022	31 March 2021
(i)	Net NPA to Net Advances (%)	0.00	0.00
(ii)	Movement of NPAs (Gross)		
(a)	Opening Balance	1240.88	1236.99
(b)	Additions during the year	871.08	4.01
(c)	Reductions during the year	(2.37)	(0.12)
(d)	Closing Balance	2109.59	1240.88
(iii)	Movement of Net NPAs		
(a)	Opening Balance	0.00	719.88
(b)	Additions during the year	0.00	0.00
(c)	Reductions during the year	0.00	719.88
(d)	Closing Balance	0.00	0.00
(iv)	Movement of provisions for NPAs (excluding provision on standard assets)		
(a)	Opening balance	1240.88	517.11
(b)	Provision made during the year	871.08*	723.89
(c)	Write off / write back of excess provision	(2.37)	(0.12)
(d)	Closing balance	2109.59	1240.88

Non-Performing Investments

(Amount in ₹ crore)			
Sr.No.	Particulars	31 March 2022	31 March 2021
(i)	Net NPI to Net Investments (%)	0.00	0.00
(ii)	Movement of NPIs (Gross)		
(a)	Opening Balance	650.34	650.34
(b)	Additions during the year	0.00	0.00
(c)	Reductions during the year	(317.45)	0.00
(d)	Closing Balance	332.89	650.34
(iii)	Movement of Net NPIs		
(a)	Opening Balance	0.00	85.48
(b)	Additions during the year	0.00	0.00
(c)	Reductions during the year	0.00	85.48
(d)	Closing Balance	0.00	0.00
(iv)	Movement of provisions for NPIs (excluding provision on standard assets)		
(a)	Opening balance	650.34	564.86
(b)	Provision made during the year	0.00	85.48
(c)	Write back of excess provision	(317.45)	0.00
(d)	Closing balance	332.89	650.34

Non-Performing Assets

(Amount in ₹ crore)			
Sr.No.	Particulars	31 March 2022	31 March 2021
(i)	Net NPA to Net Assets (Advances + Investments) (%)	0.00	0.00
(ii)	Movement of NPAs (Gross Advances + Gross Investments)		
(a)	Opening Balance	1891.22	1887.33
(b)	Additions during the year	871.08	4.01
(c)	Reductions during the year	(319.82)	(0.12)
(d)	Closing Balance	2442.48	1891.22
(iii)	Movement of Net NPAs		
(a)	Opening Balance	0.00	805.36
(b)	Additions during the year	0.00	0.00
(c)	Reductions during the year	0.00	805.36
(d)	Closing Balance	0.00	0.00
(iv)	Movement of provisions for NPAs (excluding provision on standard assets)		
(a)	Opening balance	1891.22	1081.97
(b)	Provision made during the year	871.08	809.37
(c)	Write off / write back of excess provision	(319.82)	(0.12)
(d)	Closing balance	2442.48	1891.22



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Particulars of Accounts Restructured

During the financial year 2021-22, seven loan accounts were restructured.

(Amount in ₹ Crore)

Type of restructuring Asset Classification Details			Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Std	SS	Dful	Loss	Total	Std	SS	Dful	Loss	Total	Std	SS	Dful	Loss	Total	Std	SS	Dful	Loss	Total
1	Restructured Accounts as on 01 April 2021	No. of Borrowers					0						2	0	3	0	5	2	0	3	0	5
		Amount outstanding					0.00						80.08	0.00	14.6	0.00	94.68	80.08	0.00	14.6	0.00	94.68
		Provision thereof^{*}					0.00						8.01	0.00	14.6	0.00	22.61	8.01	0.00	14.6	0.00	22.61
2	Fresh restructured/ Advances during the year	No. of Borrowers					0						7	1	0	0	8	7	1	0	0	8
		Amount outstanding					0.00						120.87	51.79	0.00	0.00	172.66	120.87	51.79	0.00	0.00	172.66
		Provision thereof^{*}					0.00						6.29	51.79	0.00	0.00	58.09	6.29	51.79	0.00	0.00	58.09
3	Upgradation to restructured standard category during the FY	No. of Borrowers					0						0	0	0	0	0	0	0	0	0	0
		Amount outstanding					0.00						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Provision thereof^{*}					0.00						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Restructured Standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers					0						0	0	0	0	0	0	0	0	0	0
		Amount outstanding					0.00						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Provision thereof^{*}					0.00						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Downgradation of restructured accounts during the FY	No. of Borrowers					0						1	0	0	0	1	1	0	0	0	1
		Amount outstanding					0.00						53.69	0.00	0.00	0.00	53.69	53.69	0.00	0.00	0.00	53.69
		Provision thereof^{*}					0.00						5.37	0.00	0.00	0.00	5.37	5.37	0.00	0.00	0.00	5.37
6	Write offs of Restructured accounts during the FY	No. of Borrowers					0						0	0	0	0	0	0	0	0	0	0
		Amount outstanding					0.00						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Provision thereof^{*}					0.00						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Restructured accounts as on 31 March 2022	No. of Borrowers					0						8	1	3	0	12	8	1	3	0	12
		Amount outstanding					0.00						147.26	51.79	14.6	0.00	213.65	147.26	51.79	14.6	0.00	213.65
		Provision thereof^{*}					0.00						8.93	51.79	14.6	0.00	75.33	8.93	51.79	14.6	0.00	75.33

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

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

(Amount in ₹ Crore)

Particulars	FY 2021-22
(i) Loan outstanding	13.7
(i) Equity Shares	8.06
(ii) Optionally Convertible Debentures	14.22
Total	35.98

Movement of Non-Performing Assets

(Amount in ₹ Crore)

Sr.No.	Particulars	FY 2021-22	FY 2020-21
(i)	Gross NPAs as on 01 April	1,240.88	1,236.99
(ii)	Additions (fresh NPAs) during the year	871.08	4.01
	Sub total (A)	2111.96	1241
Less:			
(i)	Upgradations	0	0
(ii)	Recoveries (excluding recoveries made from upgraded accounts)	2.37	0.12
(iii)	Technical / Prudential Write offs	0	0
(iv)	Write offs other than those under (iii) above	0	0
	Sub-total (B)	2.37	0.12
	Gross NPAs as on 31 March (A-B)	2,109.59	1,240.88

Write-offs and recoveries

(Amount in ₹ Crore)

Particulars	FY 2021-22	FY 2020-21
Opening balance of Technical/ Prudential written off accounts as at 01 April	0	0
Add : Technical / Prudential write offs during the year	0	0
Sub total (A)	0	0
Less : Recoveries made from previously technical/prudential written off accounts during the year (B)	0	0
Closing balance as at 31 March (A-B)	0	0

Overseas Assets, NPAs and Revenue

(Amount in ₹ Crore)

Particulars	2021-22	2020-21
Total Overseas Assets	0	0
Total Overseas NPAs	0	0
Total Overseas Revenue	0	0

Depreciation and provisions on Investments

Net Investments

(Amount in ₹ Crore)

Particulars	FY 2021-22	FY 2020-21
Investments		
Gross Investments* In India	65,833.24	44,795.43
Gross Investments* Outside India	0	0
Provision for Depreciation* In India	332.89	650.34
Provision for Depreciation* Outside India	0	0
Net Investments In India	65,500.35	44,145.09
Net Investments Outside India	0	0

Movement of provisions held towards depreciation on investments

Particulars	FY 2021-22	FY 2020-21
Opening balance	650.34	564.86
Add: Provisions made during the year	0	85.48
Appropriation, if any, from Investment Fluctuation Reserve Account during the year	0	0
Less: Write off / write back of excess provisions during the year	-317.45	0
Less: Transfer, if any, to Investment Fluctuation Reserve Account	0	0
Closing balance	332.89	650.34

12.5.4 Investments in Government securities

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

(Amount in ₹ Crore)

Particulars	31 March 2022		31 March 2021	
	Face Value	Book Value	Face Value	Book Value
Pledged for Business Segment (Securities)	765.00	814.93	760.00	798.77
Pledged for Business Segment (CBLO / Tri Party Repo)	25918.05	27460.48	23111.05	24895.54
Pledged for Business Segment (Securities) Default Fund	50.00	51.75	50.00	52.21
Pledged for Business Segment (CBLO / Tri Party Repo) – Default Fund	50.00	51.75	50.00	52.21

12.5.5 Provisions and Contingencies

Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account

(Amount in ₹ Crore)

Sr.No.	Particulars	FY 2021-22	FY 2020-21
1	Provisions for depreciation on Investment	10.64	85.48
2	Provision towards NPA (Advances + Investments)	346.20	801.26
3	Provision made towards Income tax	1628.00	1761.45

12.5.6 Provisioning Coverage Ratio (PCR)

PCR [ratio of provisioning (including counter cyclical provisioning buffer as per Note no 2.2 of Schedule- 18) to gross non-performing assets]

Provisioning Coverage Ratio (PCR) : FY 2021-22 : 182.48% FY 2020-21 : 166.86%

12.5.7 Investment Portfolio: Constitution and operations

Securities sold under repo

(Amount in ₹ Crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 March 2022
i. Government securities	242.36 (220.22)	9036.94 (5119.43)	620.07 (601.55)	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

(Amount in ₹ Crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 March 2022
i. Government securities	0.00 (56.23)	0.00 (259.43)	0.00 (0.86)	0.00 (0.00)
ii. Corporate debt securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Disclosure of Issuer Composition for Investment in Debt Securities*

(Amount in ₹ Crore)

Sr.No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs	434.85 (552.31)	434.85 (552.31)	–	–	0.00 (0.00)
(ii)	Govt	41067.40 (38435.11)	41067.40 (38435.11)	–	–	0.00 (0.00)
(ii)	FIs	0.00 (0.00)	0.00 (0.00)	–	–	0.00 (0.00)
(iii)	Banks	0.00 (243.44)	0.00 (243.44)	–	–	0.00 (0.00)
(iv)	Private Corporates	990.49 (1540.43)	990.49 (1540.43)	–	–	0.00 (0.00)
(v)	Subsidiaries / Joint Ventures	0.00 (0.00)	0.00 (0.00)	–	–	0.00 (0.00)
(vi)	Others	0.00 (0.00)	0.00 (0.00)	–	–	–
(vii)	Provision held	332.89	332.89	–	–	–
	Towards depreciation	(650.34)	(650.34)			
	Total	42,159.85 (40,120.95)	42,159.85 (40,120.95)	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 2021-22

Securities transferred from HTM to AFS category:

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

Book Value	Face value
₹1152.11 crore	₹1135.22 crore
₹3186.68 crore	₹3040.00 crore

Securities transferred from AFS to HTM category:

- SDL Securities

Book Value	Face value
₹2831.33 crore	₹2676.17 crore

Value of investments under Held to Maturity (HTM) category as on 31st March 2022

Market Value	Book Value
₹9671.40 crore	₹9432.28 crore

12.5.8 Details of Financials 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

Sr. No.	Particulars	FY 2021-22	FY 2020-21
(i)	Interest income as a percentage to working funds (%)	5.51	6.06
(ii)	Non-Interest Income as a percentage to working funds (%)	0.02	0.02
(iii)	Operating Profit as a percentage to working funds (%)	1.19	1.46
(iv)	Return on Assets (%)	0.76	0.76
(v)	Net Profit per employee (₹ crore)	1.60	1.27

12.5.10 Credit Concentration Risk

Capital Market Exposure

(Amount in ₹ Crore)

Sr.No.	Particulars	2021-22	2020-21
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt \$	1,663.94	1,590.38
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;	0.00	0.00
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;	0.00	0.00
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	0.00	0.00
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	0.00	0.00
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;	0.00	0.00
7	Bridge loans to companies against expected equity flows / issues;	0.00	0.00
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;	0.00	0.00
9	Financing to stockbrokers for margin trading;	0.00	0.00
10	All exposures to Venture Capital Funds (both registered and unregistered)	398.34	284.03
	Total Exposure to Capital Markets	2,062.28	1,874.41

Exposure to Country Risk: NIL

12.5.11 Prudential Exposure Limits

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

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

Sr. No.	Category	2021-22		2020-21	
		Credit Exposure as % to		Credit Exposure as % to	
		Capital Funds	Total Assets	Capital Funds	Total Assets
I	Largest Single Borrower	79.47	6.44	85.81	7.42
II	Largest Borrower Group	NIL		NIL	
III	Twenty Largest Single Borrowers for the year	579.78	47.02	552.81	47.81
IV	Twenty Largest Borrower Groups	NIL		NIL	

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

Concentration of borrowings and lines of credit

(Amount in ₹ crore)

Sr. No	Particulars	FY 2021-22	FY 2020-21
(i)	Total borrowings from twenty largest lenders	4,56,243.27	3,63,557.52
(ii)	Percentage of borrowings from twenty largest lenders to total borrowings	70.46	65.02

Concentration of credit exposures

(Amount in ₹ Crore)

Sr.No.	Particulars	FY 2021-22	FY 2020-21
(i)	Total exposures to twenty largest borrowers	356151.16	314501.61
(ii)	Percentage of exposures to twenty largest borrowers to Total Advances of the AIFI	52.19	52.05

Sector-wise concentration of exposures and NPAs

(Amount in ₹ Crore)

Sr.No.	Particulars	FY 2021-22			FY 2020-21		
		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*	6,82,368.1	2,095.8	0.3	6,04,227.2	1,227.1	0.2
1	Central Government	-	-	-	-	-	-
2	Central PSUs	0.1	-	-	16.9	-	-
3	State Governments	1,82,047.3	-	-	1,68,660.5	-	-
4	State PSUs	28,207.4	-	-	19,960.3	-	-
5	Scheduled Commercial Banks	1,46,447.2	-	-	1,14,189.8	-	-
6	Regional Rural Banks	67,053.5	-	-	61,587.6	-	-
7	Co-operative banks	1,23,012.4	-	-	1,04,629.3	-	-
8	Private sector (excluding banks)	1,04,010.6	169.0	0.2	1,06,242.0	119.6	0.1
9	Others SCARDB/LDB/NBFC-MFI/ ADFC	31,589.7	1,926.8	6.1	28,940.8	1,107.5	3.8
II.	Others	221.7	13.8	6.2	219.3	13.8	6.3
1	Construction Sector	13.7	13.7	100.0	13.7	13.7	100.0
2	Staff Loans#	208.0	0.1	0.0	205.6	0.1	0.1
	Total (I+II)	6,82,589.8	2,109.6	0.3	6,04,446.4	1,240.9	0.2

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

Unhedged Foreign Currency Exposure: Not Applicable

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

- The Bank uses derivatives solely for hedging the exchange risk from foreign currency borrowings. These derivatives are not marked to market (MTM) but are translated. The Bank does not engage in trading of derivatives.
- Internal control guidelines for hedging have been approved by the Board. Derivative structures are approved by competent authority before execution, and details are reported to the Asset-Liability Committee (ALCO).
- Systems have been implemented to mitigate risks arising from derivative transactions, with the Bank following the accrual method for accounting these transactions.

Quantitative Disclosures

- the Bank has hedged its international borrowings:

	31 st March, 2022	31 st March, 2021
	58.17 million Euro	62.59 million Euro
	41.62 million USD	46.63 million USD
- After hedging, foreign currency borrowings are shown at contracted values as per the Swap agreement/forward contract.
- The Bank has an open exposure of 12.30 million Euro (16.31 million Euro) as of 31 March 2022.
- The value of the outstanding principal amount of the hedge contract at the year-end exchange rate is ₹819.42 crore (₹880.20 crore).
- The value of the outstanding principal liability in the books of account stands at ₹918.44 crore (₹959.98 crore).

The quantitative disclosure in this regard is as under:

(Amount in ₹ Crore)					
Sr.No.	Particular	FY 2021-22		FY 2020-21	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)				
	a) For hedging	819.42		880.20	
	b) For trading	--		--	
(ii)	Marked to Market Positions				
	a) Asset (+)	1.30		20.39	
	b) Liability (-)				
(iii)	Credit Exposure ^{^{[2]}}	18.08		30.84	
(iv)	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives	12.80		14.02	
	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

Letters of Comfort (LoCs) issued by AIFs : 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:

(Amount in ₹ Crore)									
Particulars	1 -14 d	15-28d	29d-3m	>3m-6m	>6m-1y	>1y-3y	>3y-5y	>5y	Total
Deposits	-	7,924	-	19,950	67,530	78,547	54,919	23,256	2,52,127
Advances	8,594	8,334	50,758	66,275	1,33,888	1,84,451	86,224	1,41,318	6,79,842
Investments	24,667	18,740	13,288	752	640	424	550	10,906	69,968
Borrowings	22,108	9,810	42,901	31,647	42,495	1,02,214	17,070	1,25,087	3,93,332
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	37	62	203	100	516	918

12.5.16 Draw Down from Reserves

Draw Down from Reserves: NIL

12.5.17 Business Ratio

Particulars	FY 2021-22	FY 2020-21
Return on Equity (%)	8.93	8.46
Return on Assets (%)	0.76	0.76
Net Profit Per Employee (₹ crore)	1.6	1.27

12.5.18 Penalties imposed by RBI

Disclosure of Penalties imposed by RBI – NIL

12.5.19 Complaints

Customer Complaints

Sr. No.	Particulars	FY 2021-22	FY 2020-21
(a)	No. of complaints pending at the beginning of the year	5	9
(b)	No. of complaints received during the year	252	229
(c)	No. of complaints redressed during the year	241	233
(d)	No. of complaints pending at the end of the year	16	5

12.5.20 Off-Balance Sheet SPVs Sponsored

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

12.5.21 Accounting Standard Disclosures

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

(Amount in ₹ Crore)			
Sr. No.	Particulars	FY 2021-22	FY 2020-21
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

Actuarial Assumptions	Pension		Gratuity		Leave Benefits	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Discount Rate	7.20%	6.75%	7.20%	6.75%	7.20%	6.75%
Expected Return on Plan Assets	7.20%	6.75%	7.20%	7.10%	7.20%	7.10%
Rate of Escalation In salary	6.00%	6.00%	7.00%	7.00%	7.00%	7.00%

Changes in Present value of the obligation

(Amount in ₹ Crore)

Changes in Present value of the obligation	Pension		Gratuity		Leave Benefits	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Present value of Obligation at the beginning of period	6543.10	5749.70	454.92	501.34	347.18	357.68
Add: Current Service Cost	90.26	69.47	21.01	20.42	12.58	11.44
Add: Interest Cost	441.66	388.10	30.71	33.84	23.43	24.14
Actuarial gain/(loss)	1130.24	604.22	7.88	(1.80)	5.34	1.05
Less : Benefits paid	(312.73)	(268.41)	(78.90)	(98.89)	(44.48)	(47.14)
Present value of defined benefits obligations at the year end	7892.53	6543.10	435.62	454.92	344.05	347.18

Changes in the FV of the Plan Assets

(Amount in ₹ Crore)

Changes in the FV of the Plan Assets	Pension		Gratuity		Leave Benefits	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Fair value of Plan Assets, at the beginning of period	6,546.03	5,609.19	458.89	490.13	226.91	238.81
Add: Expected return on Plan assets	441.86	554.19	30.98	34.80	15.32	16.96
Add: Contributions by Bank	399.20	772.85	7.32	31.22	-	-
Actuarial gain/(loss)	509.16	-121.79	4.83	1.63	0.56	18.28
Less : Benefits paid	-286.39	-268.41	-78.91	-98.89	-44.48	-47.14
Less: Reimbursement Payable by Employer	-26.35	-	-	-	-	-
Fair value of Plan Assets as at the end of the period	7,583.51	6,546.03	423.11	458.89	198.31	226.91

Actual Return on Plan Assets

(Amount in ₹ Crore)

Actual Return on Plan Assets	Pension		Gratuity		Leave Benefits	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Expected return on Plan Assets	441.86	554.19	30.98	34.80	15.32	16.95
Actuarial gain/(loss)	509.17	(121.79)	4.83	1.63	0.56	18.28
Actual Return on Plan Assets	951.03	432.40	35.81	36.43	15.88	35.23

Net Actuarial Gain/(loss) Recognized

(Amount in ₹ Crore)

Net Actuarial Gain/(loss) Recognized	Pension		Gratuity		Leave Benefits	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Actuarial gain / (loss) for the period - Obligations	(1130.24)	(604.22)	(7.88)	1.80	(5.34)	(1.05)
Actuarial gain / (loss) for the period - Plan Assets	509.17	(121.79)	4.83	1.63	0.56	18.28
Total Gain / (Loss) for the period	(621.07)	(726.01)	(3.05)	3.43	(4.78)	17.23
Actuarial gain or (loss) recognised in the period	(621.07)	(726.01)	(3.05)	3.43	(4.78)	17.23
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

(Amount in ₹ Crore)

Amount recognized in Balance Sheet	Pension		Gratuity		Leave Benefits	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Present value of defined benefits obligations as at the year end	7,892.52	6,564.56	435.62	458.46	344.05	365.62
Less : Fair value of plan assets as at the year end*	(7,583.51)	(6,546.03)	(423.11)	(458.89)	198.30	226.91
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	309.01	18.53	12.51	(0.43)	145.75	138.71
Liability Recognised in the Balance Sheet	331.04	39.27	21.68	5.21	138.12	148.09

Expense to be recognized in Profit and loss Account

(Amount in ₹ Crore)

Expense to be recognized in Profit and loss Account	Pension		Gratuity		Leave Benefits	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Current Service Cost	90.26	69.47	21.01	20.42	12.58	11.44
Add : Interest cost	441.66	388.11	30.71	33.84	23.43	24.14
Less : Expected return on Plan assets	(441.85)	(554.18)	(30.97)	(34.80)	(15.31)	(16.96)
Add : Net Actuarial gain/ (loss) recognized in Year	621.07	726.01	3.05	(3.43)	4.78	(17.23)
Less: Excess Provision as in Beginning of the Year	(42.20)	0.00	0.00	0.00	0.00	0.00
Expenses recognized in the statement of profit and loss	668.94	629.41	23.80	16.03	25.48	1.40

Investment under Plan Assets of Pension, Gratuity & Leave Benefits Fund as on 31 March 2022

Particulars	Pension	Gratuity	Encashment of OL
	% of Plan Assets	% of Plan Assets	% of Plan Assets
Central Govt. Securities	7.47	0.00	0.00
State Govt. Securities	40.94	0.00	0.00
Insurer Managed Funds	0.00	100.00	100.00
Others	51.59	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.

The segments other than the above three primary segments is other business segments.

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

Information on Primary Business Segment

(Amount in ₹ Crore)

Business Segments	Treasury		Refinance		Direct Lending		Other Business		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	3,119.69	3,372.89	16,780.81	15,998.01	16,823.95	15,204.49	36.83	95.78	36,761.28	34,671.17
Result	2,688.57	2,552.54	3,689.86	3,762.33	3,334.56	3,078.58	- 3,020.08	- 3,312.04	6,692.91	6,081.41
Unallocated Expenses									-	-
Operating Profit									6,692.91	6,081.41
Income Taxes									1,611.06	1,761.45
Extraordinary profit / loss									-	-
Net Profit									5,081.85	4,319.96
Other Information										
Segment Assets	70,331.40	48,484.91	3,70,527.55	3,12,809.76	3,12,369.86	2,92,931.07	4,243.50	3,572.56	7,57,472.31	6,57,798.30
Segment Liabilities	1,44,580.58	99,432.66	3,12,546.49	2,78,469.69	2,21,985.26	2,11,150.09	78,359.98	68,745.86	7,57,472.31	6,57,798.30
Unallocated Assets									-	-
Total Assets									7,57,472.31	6,57,798.30
Unallocated Liabilities									-	-
Total Liabilities									7,57,472.31	6,57,798.30

Companies where entity has control

Sr. 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	NABSanrakshan Trustee Private Limited	Wholly owned Subsidiary

Key Management Personnel

Sr. No.	Name of the party	Designation
1	Dr. G R Chintala	Chairman
2	Shri Shaji K V	Deputy Managing Director
3	Shri P V S Suryakumar	Deputy Managing Director

Transactions with Key Management Personnel:

(Amount in ₹ Crore)

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year		Outstanding	
			2021-22	2020-21	2021-22	2020-21
Dr. G R Chintala	Key Management Personnel– Chairman	Remuneration including perquisites	0.67	0.63	0.00	0.00
Shri Shaji K V	Key Management Personnel– Deputy Managing Director	Remuneration including perquisites	0.51	0.59	0.00	0.00
Shri P V S Suryakumar	Key Management Personnel– Deputy Managing Director	Remuneration including perquisites	0.60	0.56	0.00	0.00

Transactions with companies where entity has control:

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

(Amount in ₹ Crore)

Sr.No.	Companies	Amount outstanding as on 31st March 2022
1	NABFINS Limited	1,326.51
2	NABKISAN Finance Limited	963.56
3	NABSAMRUDDHI Finance Limited	624.88

Loans and advances in the nature of loans to associates by name and amount: NIL

Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: NIL

Accounting Standard 22 – Accounting for Taxes on Income

Deferred Tax Asset recognized in the Profit and Loss Account, in FY 2022-23 : (-) ₹16.94 crore

Details of total deferred tax asset as on 31.03.2022

(Amount in ₹ Crore)

Sr. No.	Deferred Tax Assets	31 March 2022	31 March 2021
	Provision allowable on payment basis	147.26	128.38
	Depreciation on Fixed Assets	16.69	18.63
	Total	163.95	147.01

12.5.22 Un-amortised Pension and Gratuity Liabilities:

Un-amortised Pension and Gratuity Liabilities: Nil

12.5.23 non-performing assets

- Non-performing assets red-flagged during the year with outstanding of Rs. 819.26 crores,
- Cent percent provision on the outstanding has been done out of which 50% of the provision has been debited to the profit & loss account and the balance amount of Rs. 409.63 crores has been withdrawn from the Reserve fund and shown in Schedule -1 "Reserve Fund and other Reserves".

12.5.24 Details of loans transferred/ acquired during the Quarter ended March 31, 2022

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:

- Bank has not transferred any Non-Performing Assets (NPAs)/ Technical written off accounts (TWO).
- Bank has not acquired any stressed loans
- Bank has not transferred or acquired any loan not in defaults.
- The distribution of the Security Receipts (SRs) held by bank across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as at March 31, 2022: NIL

12.5.25 Agreement with Kreditanstalt Fur Wiederaufbau - German Development Bank (KfW)

During the FY 2021-22, a sum of ₹21.67 crore (₹5.91 crore FY 2020-21), representing total expenditure of ₹21.77 crore over income of ₹0.10 crore under the fund, has been charged to Profit & Loss Account.

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

Sr. No.	Name of the Fund	Rate of Interest	
		2021-22	2020-21
1	Watershed Development Fund	4	4
2	KfW- NB IGWDP (Andhra Pradesh, Gujarat, Rajasthan)	4	4
3	KfW Accompanying Measures	4	4
4	National Adaptation Fund for Climate change	4	4
5	Tribal Development Fund	4	4
6	Financial Inclusion Fund	4	4
7	KfW NB- V Adivasi Development Programme- Gujarat	4	4
8	Climate Change - (AFB) – Project Formulation Grant	4	4
9	LTIF Interest Fluctuation Reserve Fund	4	4
10	PODF-ID	4	4
11	Green Climate Fund Project Grants	4	4
12	Cattle Development Fund (UP & Bihar)	6.12	7.52
13	Multi Activity Approach For Poverty Alleviation (Sultanpur and Rae Bareilly)	6.12	7.52
14	Center for Professional Excellence in Co-operatives.	6.12	7.52

12.5.27 Recoverable from Government of India / International Agencies

₹4.41 crore FY 2021-22 (₹6.92 crore FY 2020-21) being debit balance of various funds.

The details of such funds are as under:

(Amount in ₹ Crore)

Sr.No.	Name of the Fund	31 March 2022	31 March 2021
1.	KfW- UPNRM – Accompanying Measures	0.03	0.07
2.	KfW- Soil Project	4.38	6.70
3.	KfW UPNRM – Technical collaboration	0.00	0.00
4.	Poultry Venture Capital Fund	0.00	0.15

12.5.28 Micro Finance Development and Equity Fund (MFDEF).

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

12.5.29 The amount of interest subvention adjusted under different schemes is given below:

(Amount in ₹ Crore)

Sr. No.	Scheme	FY 2021-22	FY 2020-21
1	Long Term Irrigation Fund	506.48	454.71
2	Seasonal Agricultural Operations (SAO)	-1,012.7	-672.18
3	Dairy Infrastructure Development Fund (DIDF)	20.55	20.25
4	National Rural Livelihood Mission (NRLM)	10.64	15.56
5	Micro Irrigation Fund (MIF)	59.29	34.6
6	Fisheries and Aquaculture Infrastructure Development Fund (FIDF)	6.53	1.64

12.5.30 Refinance under interest subvention scheme

The amount received / receivable from GOI under the scheme stood at ₹87.95 crore as on 31 March 2022 (₹90.10 crore as on 31 March 2021).

12.5.31 Income Tax Appeals pending with various authorities are given below:

(Amount in ₹ Crore)

Sr. No.	Assessment Year	Authority where Appeal is pending	Appeal preferred by	Amount of tax in dispute	
				31 March 2022	31 March 2021
1	2002-03	High Court – Mumbai	IT Dept.	415.00	--
2	2006-07	High Court – Mumbai	IT Dept.	115.52	115.52
3	2007-08	Income Tax Appellate Tribunal (ITAT)	IT Dept.	--	89.56
4	2008-09	High Court – Mumbai	IT Dept.	118.77	--
5	2009-10	High Court – Mumbai	IT Dept.	194.82	--
6	2010-11	Income Tax Appellate Tribunal (ITAT)	NABARD	28.20	28.20
7	2010-11	Income Tax Appellate Tribunal (ITAT)	IT Dept.	215.31	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	1.70	1.70
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	--
20	2019-20	Commissioner of Income Tax (Appeals)	NABARD	277.92	--

12.6 Standalone Cash flow for the year ended 31 March 2022

(Amount in ₹ Crore)

Particulars	FY 2021-22	FY 2020-21
(a) Cash flow from Operating activities		
Net Profit as per Profit and Loss a/c before tax	6692.92	6081.41
Adjustment for:		
Depreciation	49.78	46.75
Provisions and Amortisations	0	0
Provision for Non performing Assets	346.2	801.26
Provision for Standard Assets	108	698
Floating Provision	750	750
Depreciation in value of Investment Account - Equity	10.64	0
Provision for sacrifice in interest element of Restructured Loan	0	0
Profit / (Loss) on sale of Fixed Assets	-1.17	0.25
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	379.14	387.47
Income from Investment (including Discount Income)	-3030.63	-3372.9
Operating profit before changes in operating assets	5304.88	5392.24
Adjustment for changes in working capital :		
(Increase) / Decrease in Current Assets	-734.6	7981.54
Increase / (Decrease) in Current Liabilities	3362.8	2799.06
Increase / (Decrease) in Loans and Advances (Including Housing Loan & Other Advances to Staff)	-78478.84	-123712.23
Cash generated from operating activities	-70545.76	-107539.39
Income Tax paid - Net of refund	-1889.78	-1762.44
Net cash flow from operating activities (A)	-72435.54	-109301.83
(b) Cash flow from Investing activities		
Income from Investment (including Discount Income)	3030.63	3372.89
Purchase of Fixed Asset	-42.71	-83.72
Sale of Fixed Assets	8.02	1.37
(Increase) / Decrease in Investment	-21048.46	-11907.62
Net cash used / generated from investing activities (B)	-18052.52	-8617.08
(c) Cash flow from financing activities		
Grants / contributions received	2256.78	1003.32
Proceeds of Bonds	34710.31	56130.14
Increase / (Decrease) in Borrowings	41999.95	54986.83
Increase / (Decrease) in Deposits	10554.58	5109.01
Withdrawal from Reserve Fund	-409.63	0
Increase in Share capital	2000	1000
Net cash raised from financing activities (C)	91111.99	118229.3
Net increase in cash and cash equivalent (A) + (B) + (C)	623.93	310.39
Cash and Cash equivalent at the beginning of the year	1462.56	1152.17
Cash and cash equivalent at the end of the year	2086.49	1462.56

Cash and cash equivalent at the end of the year includes :

Particulars	FY 2021-22	FY 2020-21
Cash in hand	0	0
Balance with Reserve Bank of India	363.61	843.23
Balances with other Banks in India	1,722.88	619.33
Total	2,086.49	1,462.56

Chapter 13 Consolidated Financial Statements

13.1 Consolidated Balance sheet as on 31 March 2022

CONSOLIDATED Liabilities

(Amount in ₹ crore)				
Sr. No.	Funds and Liabilities	Schedule	As on 31 March 2022	As on 31 March 2021
1	i) Capital (Under Section 4 of the NABARD Act, 1981)		17,080.00	15,080.00
2	Reserve Fund and Other Reserves	1	44,391.66	39,639.51
3	Minority Interest	1A	204.47	183.18
4	National Rural Credit Funds	2	16,098.00	16,094.00
5	Gifts, Grants, Donations and Benefactions	3	6,602.27	6,371.61
6	Government Schemes	4	5,888.63	3,485.35
7	Deposits	5	2,52,126.69	2,41,572.10
8	Bonds and Debentures	6	2,30,592.70	1,95,882.39
9	Borrowings	7	1,63,660.12	1,21,658.87
10	Current Liabilities and Provisions	8	21,824.84	18,690.81
	Total		7,58,469.38	6,58,657.82
	Forward Foreign Exchange Contracts (Hedging) as per contra		925.97	1,020.66

CONSOLIDATED Assets

(Amount in ₹ crore)				
Sr. No.	Property and Assets	Schedule	As on 31 March 2022	As on 31 March 2021
1	Cash and Bank Balances	9	6,073.49	4,751.09
2	Investments	10	65,725.28	45,052.34
3	Advances	11	6,80,882.72	6,03,117.88
4	Fixed Assets	12	566.30	580.89
5	Other Assets	13	5,221.59	5,155.62
	Total		7,58,469.38	6,58,657.82
	Forward Foreign Exchange Contracts (Hedging) as per contra		925.97	1,020.66
	Commitment and Contingent Liabilities	17		
	Significant Accounting Policies and Notes on Accounts	18		

13.2 Consolidated Profit and Loss Account for the year ended 31 March 2022

CONSOLIDATED INCOME

(Amount in ₹ crore)				
Sr. No.	Income	Schedule	FY 2021-22	FY 2020-21
1	Interest Received on Loans and Advances		33,874.32	31,441.51
2	Income from Investment operations/ Deposits		3,030.53	3,372.89
3	Other Receipts		270.33	193.78
	Total (A)		37,175.18	35,008.18

CONSOLIDATED EXPENDITURE

(Amount in ₹ crore)

Sr. No.	Expenditure	Schedule	FY 2021-22	FY 2020-21
1	Interest and Financial Charges	14	26,574.22	24,235.65
2	Establishment and other expenses	15 A	2,281.35	2,102.77
3	Expenditure on Promotional Activities	15 B	111.88	95.05
4	Provisions	16	1,314.72	2,328.01
5	Depreciation		53.82	50.67
	Total (B)		30,335.99	28,812.15
6	Profit before Income Tax (A-B)		6,839.19	6,196.03
7	Prior period items		-	-
8	Provision for Income Tax		1,675.56	1,794.13
9	Deferred Tax Asset Adjustment (Refer Note B-9 of Schedule 18)		(30.85)	0.81
10	Profit after Tax		5,194.48	4,401.09
11	Minority Interest		15.67	14.51
12	Profit available for Appropriation		5,178.81	4,386.58

13.3 PROFIT AND LOSS APPROPRIATION ACCOUNT

(Amount in ₹ Crore)

Sr. No.	Appropriations/ Withdrawals	2021-22	2020-21
1	Profit for the year brought down	5,178.81	4,386.58
2	Add: Withdrawals from various funds against expenditure debited to Profit & Loss Account (Refer Schedule 1)	143.70	125.00
3	Total Profit Available for Appropriation	5,322.51	4,511.58
	Less: Transferred to (Refer Schedule 1 & 2)		
1	Special Reserve u/s 36(l)(viii) of the Income Tax Act, 1961	1,065.00	1,100.00
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	130.53	58.71
5	Research & Development Fund	31.82	29.95
6	Investment Fluctuation Reserve	1,125.00	457.00
7	Producers' Organization Development Fund	5.11	104.03
8	Rural Infrastructure Promotion Fund	6.23	20.00
9	Farm Sector Promotion Fund	22.17	17.67
10	Gramya Vikas Nidhi	46.09	47.67
11	Climate Change Fund	1.75	0.97
12	Catalytic Fund	-	16.00
13	Forex Fluctuation Reserve Fund	5.21	7.03
14	Reserve Fund	2,881.60	2,650.55
	Total	5,322.51	4,511.58

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 01.04.2021	Additions/ Adjustments during the year	Transferred from P&L Appropriation	Transferred to P&L Appropriation	Balance as on 31 March 2022
1	Reserve Fund*	26,607.1	(13.68)	2,881.60	411.35	29,063.67
2	Research and Development Fund	53.57	0.45	31.82	31.90	53.94
3	Capital Reserve	74.81	-	-	-	74.81
4	Investment Fluctuation Reserve	1697	-	1,125.00	-	2822
5	Co-operative Development Fund	100	-	130.53	30.53	200
6	Special Reserves Created & Maintained u/s 36(1)(viii) of Income Tax Act, 1961	10,535	-	1,065.00	-	11,600
7	Producers' Organizations Development Fund	300	-	5.11	5.11	300
8	Rural Infrastructure Promotion Fund	50	-	6.23	6.23	50
9	Farm Sector Promotion Fund	60	-	22.17	22.17	60
10	Gramya Vikas Nidhi	110	-	46.09	46.09	110
11	Climate Change Fund	20	-	1.75	1.75	20
12	Catalytic Fund	20	-	-	-	20
13	Development Corpus Fund	5	-	-	-	5
14	Foreign Exchange Fluctuation Reserve Fund	7.03	-	5.21	-	12.24
	Total	39,639.51	(13.23)	5,320.51	555.13	44,391.66
	Previous year	35,247.94	7.29	4,509.58	125.30	39,639.51

Consolidated Schedule 1A - Minority Interest

(Amount in ₹ Crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2021	Addition during the year	Adjustments during the year	Closing balance as on 31 March 2022
1	Share capital	87.91	3.75	-	91.66
2	Reserves and Surplus	95.27	17.54	-	112.81
	Total	183.18	21.29	-	204.47
	Previous Year	168.53	14.65	-	183.18

Consolidated Schedule 2 - National Rural Credit Funds

(Amount in ₹ Crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2021	Contribution by RBI	Transferred from P&L Appropriation	Balance as on 31 March 2022
1	National Rural Credit (Long Term Operations) Fund	14,497	1	1	14,499
2	National Rural Credit (Stabilisation) Fund	1,597	1	1	1,599
	Total	16,094	2	2	16,098
	Previous year	16,090	2	2	16,094

Schedule 3 - Gifts, Grants, Donations and Benefactions

(Amount in ₹ Crore)

Sr.No.	Particulars	Opening Balance as on 01.04.2021	Additions during the year	Interest Credited*	Expenditure / Adjustments during the year	Balance as on 31 March 2022
A.	Grants from International Agencies					
1	KfW - NABARD V Fund for Adivasi Programme	0.53	-	0.02	(0.09)	0.64
2	KfW NB UPNRM - Accompanying Measures	-	0.63	-	0.63	-
3	KfW NB UPNRM - Financial Contribution	0.15	-	-	-	0.15
4	Indo German Watershed Development Programme - Andhra Pradesh	0.67	-	0.03	-	0.70
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	19.18	3.59	0.77	1.26	22.28
9	GIZ Soil Project	1.41	-	-	-	1.41
10	KfW Soil Project	2.47	17.62	-	18.02	2.07
11	GCF Project Grants	1.10	-	0.04	-	1.14
B.	Other Funds					
1	Watershed Development Fund (i)	1,451.22	106.80	89.11	119.88	1,527.25
2	Interest Differential Fund - (Forex Risk)	235.71	-	-	2.11	233.60
3	Interest Differential Fund - TAWA	0.10	-	-	-	0.10
4	Adivasi Development Fund	5.77	-	-	-	5.77
5	Tribal Development Fund (ii)	1,336.44	26.70	100.09	121.10	1,342.13
6	Financial Inclusion Fund (iii)	2,731.47	320.41	168.91	353.69	2,867.1
7	Financial Inclusion Fund - Digital	11.97	-	-	3.86	8.11
8	PODF-ID (iv)	314.15	80.10	13.46	75.04	332.67

9	National Bank - Swiss Development Cooperation Project	65.27	0.84	-	-	66.11
10	RPF & RIF - Off-Farm Sector Promotion Fund	20.55	-	0.06	2.19	18.42
11	Centre for Professional Excellence in Co-operatives - (C-PEC)	2.95	-	0.18	-	3.13
12	LTIF Interest Fluctuation Reserve Fund	109.82	24.01	4.39	-	138.22
13	National Adaptation Fund for Climate Change a/c	60.56	42.81	2.07	74.29	31.15
	Total	6,371.61	623.51	379.13	771.98	6,602.27
	Previous year	6,020.77	709.78	387.46	746.40	6,371.61

Schedule 4 - Government Schemes

(Amount in ₹ Crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2021	Additions during the year	Interest Credited	Expenditure / Adjustments during the year	Balance as on 31 March 2022
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	0.71	4.79	-	4.81	0.69
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	0.09	-	0.01	-	0.1
8	National Project on Organic Farming	1.47	-	-	(0.2)	1.67
9	Integrated Watershed Development Programme - Rashtriya Sam Vikas Yojana	4.29	-	-	-	4.29
10	Dairy and Poultry Venture Capital Fund	0.14	-	-	(2.02)	2.16
11	Poultry Venture Capital Fund	-	-	-	0.00	0
12	ISAM - Agricultural Marketing Infrastructure	31.01	173.41	-	163.41	41.01
13	NATIONAL LIVESTOCK MISSION -PVCF EDEG	75.72	74.75	-	70.48	79.99
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	84.50	-	-	79.40	5.1
18	CSS for Solar Mission	0.03	-	-	-	0.03
19	CSS - JNNM - Solar Lighting a/c	0.02	-	-	(2.74)	2.76
20	CSS - Solar Photovoltaic Water Pumping	0.03	-	-	-	0.03
21	Capital Subsidy Scheme - Agri Clinic Agri Business Centres	7.38	9.97	-	15.79	1.56
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	33.27	161.55	-	40.13	154.69
B	Other Government Schemes					
1	Agriculture Debt Waiver and Debt Relief Scheme (ADWDR) 2008	282.12	-	-	-1.68	283.80
2	Women's Self Help Groups [SHGs] Development Fund	37.15	-	-	9.34	27.81
3	PRODUCE FUND	23.57	-	-	8.13	15.44
4	Revival of 23 unlicensed DCCBs	111.22	-	-	111.22	-
5	Interest Subvention (Sugar Term Loan)	432.03	160.00	-	426.93	165.10
6	AMI - Workshop Assistance Fund	0.02	-	-	-	0.02
7	Kutch Drought Proofing Project	0.22	-	-	-	0.22
8	Revival Package for Long Term Cooperative Credit Structure (LTCCS)	20	-	-	-	20.00
9	Revival Reform and Restructure of Handloom Sector	6.83	-	-	2.95	3.88
10	Comprehensive Handloom Package	2.05	-	-	2.05	-
11	Interest Subvention (SAO, NRLM, NWR)	2,246.02	10,569.16	-	7,822.36	4,992.82
12	Arunachal Agri Start Up Scheme	0.5	-	-	-	0.50
	Total	3,485.35	11,153.63	0.01	8,750.36	5,888.63
	Previous year	2,447.42	6,298.86	0.02	5,260.95	3,485.35

Consolidated Schedule 5 – Deposits

(Amount in ₹ Crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Central Government	-	-
2	State Governments	-	-
3	Others	-	-
	a) Tea / Rubber / Coffee Deposits	60.50	64.10
	b) Deposits Under RIDF	1,47,226.72	1,36,226.93
	c) Short Term Cooperative Rural Credit Fund	44,541.43	44,644.51
	d) ST RRB Credit Refinance Fund	9,898.10	9,921.00
	e) Warehouse Infrastructure Fund	5,380.00	5,540.00
	f) Long Term Rural Credit Fund	44,709.94	44,825.56
	g) Food Processing Fund	310.00	350.00
	Total	2,52,126.69	2,41,572.10

Consolidated Schedule 6 - Bonds and Debentures

(Amount in ₹ Crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Tax Free Bonds (Refer Note B-15 of Schedule 18)	5,000.00	5,000
2	Non Priority Sector Bonds	1,07,292.00	75,648.3
3	Capital Gains Bonds	-	1.29
4	PMAY-G-GOI Fully Serviced Bonds	48,809.60	48,809.6
5	LTIF Bonds	35,931.50	33,615.4
6	LTIF-GOI Fully Serviced Bonds	19,506.80	18,755
7	SBM(G) GOI Fully Serviced Bonds	12,298.20	2,298.2
8	Micro Irrigation Fund (MIF) Bonds	1,754.60	1,754.6
	Total	2,30,592.70	1,95,882.39

Consolidated Schedule 7 – Borrowings

(Amount in ₹ Crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Central Government	-	-
2	Reserve Bank of India	22,399.43	24,567.00
3	Others:		
(A)	In India		
	i) Certificate of Deposits	16,184.19	11,590.27
	ii) Commercial Paper	34,551.80	42,457.06
	iii) CBLO / Tri Party Repo	16,993.10	12,044.39
	iv) Term Money Borrowings	1,987.01	3,601.82
	v) Term Loan from Banks	70,623.34	26,435.54
	vi) JNN Solar Mission	2.81	2.81
(B)	Outside India		
1	International Agencies	918.44	959.98
	Total	1,63,660.12	1,21,658.87

Consolidated Schedule 8 - Current Liabilities and Provisions

(Amount in ₹ Crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Interest / Discount Accrued	7645.44	7,356.92
2	Sundry Creditors (Refer note B-4 of Schedule-18)	3260.82	1,422.52
3	Subsidy Reserve (Co-finance, Cold Storage, CSAMI)	47.02	87.74
4	Provision for Gratuity	22.83	5.84
5	Provision for Pension	331.04	40.51
6	Provision for Encashment of Ordinary Leave	380.28	376.53
7	Provision for Post-Retirement Medical Benefit	138.12	135.10
8	Provision for Salary revision (Refer Note B-8 of Schedule 18)	880	680.00
9	Unclaimed Interest on Bonds	2.87	3.22
10	Bonds matured but not claimed	17.63	31.75
11	Bond Premium	136.33	225.22
12	Provisions and Contingencies		
	a) Provision for Depreciation in value of Investment - G. Sec	704.5	355.70
	b) Provision for Amortisation of G. Sec - HTM	68.47	103.92
	c) Provision for Standard Assets	2750.6	2,637.17
	d) Provision for Non-performing Investments	377.97	650.35
	e) Counter Cyclical Provisioning Buffer	2014.45	1,264.45
	f) Provision for Other Assets & Receivables	136.36	141.24
	g) Provision for Income Tax	2826.8	3,052.47
13	Deferred Tax Liability	0.08	-
14	Other Liabilities	83.23	120.16
	Total	21824.84	18,690.81

Consolidated Schedule 9 - Cash and Bank Balances

(Amount in ₹ Crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Cash in hand	0.00	0.00
2	Balances with:		
	(A) Bank in India		
	i) Reserve Bank of India	363.60	843.23
	ii) Others Banks		
	a) In Current Account	1,757.74	637.18
	b) Deposit with Banks	3,952.15	3,270.68
	(B) Banks Outside India	-	-
	Total	6,073.49	4,751.09

Consolidated Schedule 10 – Investments

(Amount in ₹ Crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Government Securities		
	a) Securities of Central Government & State Government [Face Value ₹33,316.36 (₹35,624.48)]	35,438.71	37,878.80
	b) Treasury Bills [Face Value ₹5,771.36 (₹565.00)]	5,629.89	556.31
2	Other Approved Securities	-	-
3	Equity Shares in :		
(a)	Agricultural Finance Corporation Ltd. [1,000 (1,000) - Equity shares of ₹10,000 each]	1.00	1.00
(b)	Small Industries Development Bank of India [5,31,92,203 (5,31,92,203) - Equity shares of ₹ 10 each]	966.28	966.28
(c)	Agriculture Insurance Company of India Ltd. [6,00,00,000 (6,00,00,000) - Equity shares of ₹10 each]	60.00	60.00
(d)	Multi Commodity Exchange of India Ltd. [3,77,758 (3,77,758) - Equity shares of ₹10 each]	0.30	0.30
(e)	National Commodity and Derivatives Exchange Ltd. [56,25,000 (56,25,000) - Equity shares of ₹10 each]	16.88	16.88
(f)	CSC e-Governance Services India Ltd Equity [55,000 (55,000) Shares of ₹1000 each]	9.75	9.75
(g)	Agriculture Skill Council of India [4,000 (4,000) 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-Respository 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	-
(k)	Other Equity Investments	28.08	43.73
4	Debentures and Bonds		
(i)	Special Dev Debentures of SCARDBs (Refer Note B-13 of Schedule 18)	429.81	709.80
(ii)	Non Convertible Debentures	1,255.44	1,482.96
5	Others		
(a)	Mutual Fund	21,159.69	2,019.58
(b)	Commercial Paper [Face Value ₹200 (₹650)]	185.05	618.08

(c)	Certificate of Deposit [Face Value ₹0 (₹250)]	-	243.44
(d)	Venture Capital Funds / AIFs	403.08	285.14
(e)	Investment Earmarked towards EOL	119.29	148.26
	Total	65,725.28	45,052.34

Consolidated Schedule 11 – Advances

(Amount in crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Refinance Loans		
(a)	Production & Marketing Credit	1,19,562.90	106372.45
(b)	Medium Term - Conversion Loans	7.57	15.15
(c)	Other Investment Credit :		
(i)	Medium Term and Long Term Project Loans	2,38,692.47	196221.72
(ii)	Direct refinance to DCCBs	9,822.42	4566.76
2	Direct Loans		
(a)	Loans under Rural Infrastructure Development Fund	1,42,525.62	132723.87
(b)	Loans under Warehouse Infrastructure Fund	4,776.63	5155.31
(c)	Long Term Non-Project Loans (net of provision)	1,385.91	3464.94
(d)	Loans under NABARD Infrastructure Development Assistance (NIDA)	23,319.06	17998.73
(e)	Loans under Producers' Organisation Development Fund (PODF)	15.49	37.58
(f)	Credit Facility to Federations [CFF]	22,314.19	20038.21
(g)	Loans under Food Processing Fund	303.69	293.35
(h)	Loans under Long Term Irrigation Fund	53,283.32	51712.54
(i)	PMAY-G	48,819.03	48819.03
(j)	Swachh Bharat Mission-Gramin(SBMG)	12,298.20	12298.2
(k)	Loans under Dairy Infrastructure Development Fund (DIDF)	924.73	956.33
(l)	Loans under Green Climate Fund (GCF)	317.34	319.82
(m)	Micro Irrigation Fund	2,083.72	1827.47
(n)	Fisheries and Aquaculture Infrastructure Development Fund	365.70	193.77
(o)	Other Loans:		
(i)	Micro Finance Development Equity Fund Programme Loans	0.10	0.11
(ii)	Watershed Development Fund Programme Loans	10.95	15.55
(iii)	Tribal Development Fund Programme Loans	0.08	0.34
(iv)	KfW UPNRM Loans	52.78	85.17
(v)	Off Farm Sector Promotion Activities Programme Loans	0.82	1.47
(vi)	Direct Loans Under Section 30 of NABARD Act	-	0
	Total	6,80,882.72	603117.88

Consolidated Schedule 12 - Fixed Assets

(Amount in ₹ Crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	LAND: Freehold & Leasehold (Refer Note B-11 of Schedule 18)		
	Opening Balance	201.08	201.08
	Additions/adjustments during the year	-	-
	Sub-Total	201.08	201.08
	Less: Cost of assets sold/written off	-	-
	Closing Balance (at cost)	201.08	201.08
	Less: Amortisation of Lease Premia	62.47	60.80
	Book Value	138.61	140.28
2	PREMISES (Refer Note B-11 of Schedule 18)		

	Opening Balance	655.74	582.73
	Additions/adjustments during the year	-	73.00
	Sub-Total	655.74	655.73
	Less: Cost of assets sold/written off	-	-
	Closing Balance (at cost)	655.74	655.73
	Less: Depreciation to date	318.60	301.39
	Book Value	337.14	354.34
3	FURNITURE & FIXTURES		
	Opening Balance	67.80	69.72
	Additions/adjustments during the year	3.10	(1.64)
	Sub-Total	70.90	68.08
	Less: Cost of assets sold/written off	1.84	0.30
	Closing Balance (at cost)	69.06	67.78
	Less: Depreciation to date	60.36	62.13
	Book Value	8.70	5.65
4	COMPUTER INSTALLATIONS & OFFICE EQUIPMENTS		
	Opening Balance	204.28	174.86
	Additions/adjustments during the year	25.30	33.08
	Sub-Total	229.58	207.94
	Less: Cost of assets sold/written off	3.35	3.79
	Closing Balance (at cost)	226.23	204.15
	Less: Depreciation to date	174.55	145.14
	Book Value	51.68	59.01
5	VEHICLES		
	Opening Balance	11.69	8.60
	Additions/adjustments during the year	6.06	5.97
	Sub-Total	17.75	14.57
	Less: Cost of assets sold/written off	4.62	2.88
	Closing Balance (at cost)	13.13	11.69
	Less: Depreciation to date	4.98	4.6
	Book Value	8.15	7.09
6	Capital Work in Progress [Purchase of Staff Quarters & Office Premises]	22.02	14.52
	Total	566.3	580.89

Consolidated Schedule 13 - Other Assets

		(Amount in ₹ Crore)	
Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Accrued Interest	3,174.88	3,238.85
2	Deposits with Landlords	2.27	1.56
3	Deposits with Government Departments and Other Institutions	53.89	37.55
4	Housing loan to staff	121.05	121.15
5	Other Advances to staff	87.61	85.17
6	Advances to Landlords	-	-
7	Sundry Advances	153.42	107.38
8	Advance Tax	36.46	-
9	Deferred Tax Assets (Refer Note B-9 of Schedule 18)	191.82	160.80
10	Expenditure recoverable from Government of India/ International Agencies (Refer Note B-3 of Schedule 18)	1,241.54	1,340.66
11	Discount Receivable	46.58	11.53
12	Discount on Issue of Bonds	77.30	3.23
13	Intangible assets	-	-
14	Securitisation PTC	34.77	47.74
	Total	5,221.59	5,155.62

Consolidated Schedule 14 - Interest and Financial Charges

(Amount in ₹ Crore)

Sr. No.	Particulars	Fy 2021-22	Fy 2020-21
1	Interest Paid on		
(a)	Deposits under RIDF	5164.7	5726.58
(b)	Short Term Cooperative Rural Credit Fund	1794.32	1809.5
(c)	ST RRB Credit Refinance Fund	363.65	397.46
(d)	Warehouse Infrastructure Fund	199.13	246.35
(e)	Long Term Rural Credit Fund	1363.36	1627.4
(f)	Fund for Food Processing Units	12.31	14.78
(g)	Tea / Coffee / Rubber Deposits	2.59	2.66
(h)	Term Money Borrowings	128.13	301.18
(i)	Bonds (Refer Note B-15 of Schedule 18)	12788.15	9955.36
(j)	Corporate Loans	1819.62	512.14
(k)	Borrowings from International Agencies	25.31	28.33
(l)	Discount on Commercial Paper	1002.54	1040.96
(m)	Discount on Certificate of Deposits	384.13	903.91
(n)	Repo Interest Expenditure	22.38	19.79
(o)	Interest on funds	375.91	364.81
(p)	Borrowing from RBI under SLF	725.1	846.88
2	Discount on CBLO / Tri-Party Repo	330.45	359.3
3	Discount, Brokerage, Commission & issue exp. on Bonds and Securities	42.74	44.71
4	Swap Charges	29.7	33.55
	Total	26574.22	24235.65

Consolidated Schedule 15 A - Establishment and Other Expenses

(Amount in ₹ Crore)

Sr. No.	Particulars	Fy 2021-22	Fy 2020-21
1	Salaries and Allowances (Refer Note B-8 of Schedule 18)	943.76	943.38
2	Contribution to / Provision for Staff Superannuation Funds	735.04	694.73
3	Other Perquisites & Allowances	186.31	120.15
4	Travelling & Other allowances in connection with Directors' & Committee Members' Meetings	0.03	0.14
5	Directors' & Committee Members' Fees	0.59	0.56
6	Rent, Rates, Insurance, Lighting, etc.	40.95	27.73
7	Travelling Expenses	39.61	26.51
8	Printing & Stationery	8.04	5.08
9	Postage, Telegrams & Telephones	21.11	20.02
10	Repairs	24.7	15.44
11	Auditors' Fees*	0.51	0.5
12	Legal Charges	1.78	2.03
13	Miscellaneous Expenses	201.31	175.31
14	Expenditure on Miscellaneous Assets	7.82	10.03
15	Expenditure on Study & Training	69.79	61.17
	Total	2281.35	2102.77

Consolidated Schedule 15 B - Expenditure on Promotional Activities

(Amount in ₹ Crore)

Sr. No.	Particulars	FY 2021-22	FY 2020-21
1	Cooperative Development Fund	30.53	18.71
2	Producers Organization Development Fund	5.11	4.03
3	Rural Infrastructure Promotion Fund	6.23	20
4	Farm Sector Promotion Fund	22.17	17.67
5	Climate Change Fund	1.75	0.97
6	Gramya Vikas Nidhi	46.09	27.67
7	Catalytic Capital Fund	-	6
	Total	111.88	95.05

Consolidated Schedule 16 – Provisions

(Amount in ₹ Crore)

Sr. No.	Particulars	2021-22	2020-21
	Provisions for :		
1	Standard Assets	155.59	699.40
2	Non Performing Asset	398.49	878.61
3	Floating provisions	750	750.00
4	Depreciation in value of Investment Account - Equity	10.64	-
	Total	1314.72	2,328.01

Consolidated Schedule 17 - Commitments and Contingent Liabilities

(Amount in ₹ Crore)

Sr. No.	Particulars	As on 31 March 2022	As on 31 March 2021
1	Commitments on account of capital contracts remaining to be executed	14.98	1.08
	Sub Total "A"	14.98	1.08
2	Contingent Liabilities		
(i)	Bank Guarantee	30.44	24.18
(ii)	Claims against the Bank not acknowledged as debt	-	-
(iii)	Pending legal cases	10.18	9.00
	Sub Total "B"	40.62	33.18
	Total (A + B)	55.60	34.26

13.5 Notes forming part of the Consolidated Accounts

13.5.1 Subsidiaries Consolidated

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

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership (%)	
		2021-22	2020-21
NABKISAN Finance Limited (NABKISAN)	India	87.77	87.48
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
NABSANRAKSHAN Trustee Private Limited (NABSANRAKSHAN)	India	100	100

13.5.2 Depreciation on other fixed assets

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

13.5.3 Depreciation method on fixed assets of Subsidiaries

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

13.5.4 agreement with Kreditanstalt Fur Wiederaufbau - German Development Bank (KfW)

During the FY 2021-22, a sum of ₹21.67 crore (₹5.91 crore during FY 2020-21), representing total expenditure of ₹21.77 crore over income of ₹0.10 crore under the fund, has been charged to Profit & Loss Account.

13.5.5 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:

Sr.No	Name of the Fund	Rate of Interest for 2021-22	Rate of Interest for 2020-21
1	Watershed Development Fund	0.04	0.04
2	KfW- NB IGWDP (Andhra Pradesh, Gujarat, Rajasthan)	0.04	0.04
3	KfW Accompanying Measures	0.04	0.04
4	National Adaptation Fund for Climate change	0.04	0.04
5	Tribal Development Fund	0.04	0.04
6	Financial Inclusion Fund	0.04	0.04
7	KfW NB- V Adivasi Development Programme- Gujarat	0.04	0.04
8	Climate Change - (AFB) - Project Formulation Grant	0.04	0.04
9	LTIF Interest Fluctuation Reserve Fund	0.04	0.04
10	PODF-ID	0.04	0.04
11	GCF Project Grants	0.04	0.04
12	Cattle Development Fund (UP & Bihar)	0.0612	0.0752
13	Multi Activity Approach For Poverty Alleviation (Sultanpur and Rae Bareilly)	0.0612	0.0752
14	Center for Professional Excellence in Co-operatives.	0.0612	0.0752

13.5.6 Recoverable from Government of India/ International Agencies

₹4.41 crore FY 2021-22 (₹6.92 crore FY 2020-21) being debit balance of various funds.

The details of such funds are as under:

(Amount in ₹crore)			
Sr.No.	Name of the Fund	31-03-2022	31-03-2021
1	KfW- UPNRM – Accompanying Measures	0.03	0.07
2	KfW- Soil Project	4.38	6.7
3	KfW UPNRM – Technical collaboration	0	0
4	Poultry Venture Capital Fund	0	0.15

13.5.7 Micro Finance Development and Equity Fund (MFDEF).

Sundry creditors includes ₹30.48 crore FY 2021-22 (₹30.48 crore FY2020-21) being amounts outstanding to contributors in respect of MFDEF

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

(Amount in ₹ crore)			
Sr. No.	Scheme	2021-22	2020-21
1	Long Term Irrigation Fund	506.48	454.71
2	Seasonal Agricultural Operations (SAO)	-1012.7	-672.18
3	Dairy Infrastructure Development Fund (DIDF)	20.55	20.25
4	National Rural Livelihood Mission (NRLM)	10.64	15.56
5	Micro Irrigation Fund (MIF)	59.29	34.6
6	Fisheries and Aquaculture Infrastructure Development Fund (FIDF)	6.53	1.64

13.5.9 Details of deferred tax are as under:

the deferred tax asset of (-) ₹30.92 crore FY 2021-22 ((-) ₹11.45 crore FY 2020-21)

(Amount in ₹crore)			
Sr.No.	Deferred Tax Assets	31-03-2022	31-03-2021
1	Provision allowable on payment basis	147.26	128.38
2	Depreciation on Fixed Assets	16.68	18.63
3	Others	27.78	13.79
	Total	191.72	160.8

13.5.10 Income Tax Appeals pending with various authorities as at the end of FY 2021-22 is given below:

(Amount in ₹crore)

Sr.No.	Assessment Year	Authority where Appeal is pending	Appeal preferred by	Amount of tax in dispute as on 31 March 2022 (₹ Crore)	Amount of tax in dispute as on 31 March 2021 (₹ Crore)
1	2002-03	High Court – Mumbai	IT Dept.	415.00	--
2	2006-07	High Court – Mumbai	IT Dept.	115.52	115.52
3	2007-08	Income Tax Appellate Tribunal (ITAT)	IT Dept.	--	89.56
4	2008-09	High Court – Mumbai	IT Dept.	118.77	--
5	2009-10	High Court – Mumbai	IT Dept.	194.82	--
6	2010-11	Income Tax Appellate Tribunal (ITAT)	NABARD	28.20	28.20
7	2010-11	Income Tax Appellate Tribunal (ITAT)	IT Dept.	215.31	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	1.70
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	--
20	2019-20	Commissioner of Income Tax (Appeals)	NABARD	277.92	--

13.5.11 Free hold land and Lease Land and Premises

- FY 2021-22 ₹14.00 crore (₹14.00 crore FY 2020-21) 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. In respect of plot at Chhattisgarh,

13.5.12 NABARD tax free bonds

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 2021-22	FY 2020-21
Interest Expense on these Bonds :	₹365.54 crore	₹365.41 crore

13.5.14 Venture Capital

In terms of RBI circular RBI/2015-16/104DBR.No.FID. FIC.3/01.02.00/2015-16 dated 01 July 2015 relating to Prudential Guidelines on Investment in Venture Capital Fund, an amount of ₹21.55 crore in FY 2021-22 (₹19.45 crore in FY 2020-21) invested in the units of VCF was shifted from HTM category to AFS category, on completion of 3 years other than an investment of ₹53.71 lakhs in HTM category which was not shifted to AFS category even though 3 years completed.

13.5.15 Securities pledged with Clearing Corporation of India

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

(Amount in ₹ Crore)

Particulars	31 March 2022		31 March 2021	
	Face Value	Book Value	Face Value	Book Value
Pledged for Business Segment (Securities)	765.00	814.93	760.00	798.77
Pledged for Business Segment (CBLO / Tri Party Repo)	25918.05	27460.48	23111.05	24895.54
Pledged for Business Segment (Securities) Default Fund	50.00	51.75	50.00	52.21
Pledged for Business Segment (CBLO / Tri Party Repo) – Default Fund	50.00	51.75	50.00	52.21

13.5.16 Provisions on Standard Assets

(Amount in crore)

Particulars	2021-22	2020-21
Provisions towards Standard Assets made during the financial year 2021-22	155.59	699.39

13.5.17 Counter Cyclical Provisioning Buffer

(Amount in ₹crore)

Sr. No	Particulars	2021-22	2020-21
(a)	Opening balance in the floating provision account	1264.44	514.44
(b)	The quantum of provisions made during the accounting year	750.00	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	1264.44

13.5.18 NABFINS

During the FY 2021-22 under review there was an embezzlement of cash by employees of NABFINS and certain business and development correspondents aggregating to ₹1.25 crore, of which ₹0.44 crore has been recovered and necessary provision has been made for the unrecovered amount as on 31 March 2022.

13.5.19 non-performing assets

red-flagged during the year 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 has been debited to the profit & loss account and the balance amount of ₹409.63 crore has been withdrawn from the Reserve fund and shown in Schedule -1 "Reserve Fund and other Reserves

13.5.20 Prior period items included in the Profit and Loss account

(Amount in ₹crore)

Sr. No	Particulars	2021-22	2020-21
1.	Income	0.00	0.00
2.	Revenue Expenditure	0.00	0.00

13.5.21 Accounting Standard 18 – Related Party Disclosures

Key Management Personnel:

Name of the party	Designation
Dr. G R Chintala	Chairman
Shri Shaji K V	Deputy Managing Director
Shri P V S Suryakumar	Deputy Managing Director

Transactions with Key Management Personnel:

(Amount in ₹crore)

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year		Outstanding	
			2022-21	2021-20	2022-21	2021-20
Dr. G R Chintala	Key Management Personnel (Chairman)	Remuneration including perquisites	0.67	0.63	0.00	0.00
Shri Shaji K V	Key Management Personnel (Deputy Managing Director)	Remuneration including perquisites	0.51	0.59	0.00	0.00
Shri P V S Suryakumar	Key Management Personnel (Deputy Managing Director)	Remuneration including perquisites	0.60	0.56	0.00	0.00

13.5.22 Information on Business Segment

Information on Primary Business Segment

(Amount in ₹crore)

Particulars	Treasury		Refinance		Direct Lending		Other Business		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Business Segments										
Revenue	3119.69	3372.89	16780.81	15998.01	17149.75	15472.56	124.93	164.72	37175.18	35008.18
Result	2688.57	2552.54	3689.86	3762.33	3442.03	3176.91	-2981.18	-3295.75	6839.29	6196.03
Unallocated Expenses									0.00	0.00
Operating Profit									6839.29	6196.03
Income Taxes									-	-
Extraordinary profit / loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1644.71	1794.94
Net Profit									0.00	0.00
Other Information									5194.58	4401.09
Segment Assets	70331.40	48484.91	370527.55	312809.76	313264.90	293758.64	4345.54	3604.51	758469.38	658657.82
Segment Liabilities	144580.58	99432.66	312546.49	278469.69	222880.30	211455.87	78462.00	69299.60	758469.38	658657.82
Unallocated Assets									0.00	0.00
Total Assets									758469.38	658657.82
Unallocated Liabilities									0.00	0.00
Total Liabilities									758469.38	658657.82

13.6 Consolidated Cash flow for the year ended 31 March 2022

(₹ in crore)

Particulars	2021-22	2020-21
(a) Cash flow from Operating activities		
Net Profit as per Profit and Loss a/c before tax	6,838.29	6,196.03
Adjustment for:		
Depreciation	53.82	50.67
Provisions and Amortisations	0.79	-0.36
Provision for Non performing Assets	424.47	875.24
Provision for Standard Assets	112.69	1,448.42
Floating Provision	750.00	-
Depreciation in value of Investment Account - Equity	10.64	-
Provision for sacrifice in interest element of Restructured Loan	-	-
Profit / (Loss) on sale of Fixed Assets	-1.10	0.26
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	379.14	387.47
Other Expenses	7.99	-8.67
Income from Investment (including Discount Income)	-3,053.04	-3,391.51
Operating profit before changes in operating assets	5,523.69	5,557.55
Adjustment for changes in working capital :		
(Increase) / Decrease in Current Assets	(790.52)	7,697.95
Increase / (Decrease) in Current Liabilities	3484.38	2,902.54
(Increase) / Decrease in Loans and Advances (Including Housing Loan & Other Advances to Staff	(78988.61)	-123,709.26
Cash generated from operating activities	(70771.06)	-107,551.22
Income Tax paid - Net of refund	-1,936.62	-1,808.80
Net cash flow from operating activities (A)	(72707.68)	-109,360.02
(b) Cash flow from Investing activities		
Income from Investment (including Discount Income)	3,053.04	3,391.51
Purchase of Fixed Asset	-46.01	-85.05
Sale of Fixed Assets	8.02	1.37
Increase / Decrease in Investment	-20,944.61	-11,994.01
Net cash used / generated from investing activities (B)	-17,929.56	-8,686.18
(c) Cash flow from financing activities		
Grants / contributions received	2,256.79	1,003.32
Interest Expense	-0.39	-
Proceeds of Bonds	34,710.31	56,130.14
Increase / (Decrease) in Borrowings	42,080.04	55,056.53
Increase / (Decrease) in Deposits	10,554.58	5,109.02
Withdrawal from reserve fund	-409.63	-
Particulars	2021-22	2020-21
Dividend Paid including Tax on Dividend	-0.10	-0.10
Increase in Share capital	2,086.58	1,065.65
Net cash raised from financing activities (C)	91,278.18	118,364.56
Net increase in cash and cash equivalent (A)+(B)+(C)	640.94	318.36
Cash and Cash equivalent at the beginning of the year	1,480.41	1,162.05
Cash and cash equivalent at the end of the year	2,121.35	1,480.41

Cash and cash equivalent at the end of the year includes

Particulars	2021-22	2020-21
Cash in hand	0.00	0.00
Balance with Reserve Bank of India	363.60	843.23
Balances with other Banks in India	1,757.75	637.18
Remittances in Transit	-	-
Collateralised Borrowing and Lending Obligations	-	-
Total	2,121.35	1,480.41