

Review of Performance of RRBs during FY 2020-21

Part I - Performance Review

A. INTRODUCTION

Regional Rural Banks (RRBs) were set up as regional based and rural oriented institutions with capital contributed by Government of India, State Government and Sponsor Bank under the Regional Rural Banks Act, 1976. The basic objective of RRBs was to function as professionally managed alternative channel for credit dispensation to small and marginal farmers, agricultural labourers, socio-economically weaker section of population for development of agriculture, trade, commerce, small scale industry and other productive activities in rural areas. RRBs are expected to mobilise resources and deploy the same locally, thus playing a significant role in developing agriculture and rural economy.

The ‘Review of RRBs during FY 2020-21’ is divided into two parts viz., Part I – Review of the Financial Performance of RRBs, and Part II – Policy Initiatives and support for Development of RRBs.

B. Financial Performance of RRBs during FY 2020-21

Comparative position of Key Performance indicators of RRBs, are furnished in Annexure-I

1. Agency-wise Credit Flow to Agriculture

The total credit flow to agriculture, agency-wise, during the last four-year period by all agencies is given below. It may be seen from Table I that the share of RRBs in GLC (Ground level credit) flow to agriculture was 12.1% in 2020-21.

Table I: Ground Level Credit Flow of different agencies

(` Crore)

Agency	GLC	2017-18	2018-19	2019-20	2020-21
Cooperatives	Amount	1,50,321	1,52,340	1,57,367	1,90,682
	% Share	12.9	12.1	11.3	12.1
RRBs	Amount	1,41,216	1,49,667	1,65,326	1,90,012
	% Share	12.1	11.9	11.9	12.1
Commercial Banks	Amount	8,71,080	9,54,823	10,70,036	11,94,704
	% Share	74.9	76.0	76.8	75.8
Total		11,62,617	12,56,830	1,392,729	15,75,398

2. Total Agri. credit flow—Target and achievement

During the year 2020-21, RRBs have achieved 99% of their GLC target. The achievement against the targets under GLC during the last four years is given in Table II.

Table II: Total Agri. credit flow: Target and Achievement by RRBs

Year	Crop Loan			Term Loan			Total			(` Crore)
	Target	Ach.	Ach %	Target	Ach.	Ach %	Target	Ach.	Ach %	
2020-21	1,43,039	1,56,369	109	49,037	33,642	69	1,92,076	1,90,012	99	
2019-20	1,35,135	138,069	102	40,365	27,257	68	1,75,500	165,326	94	
2018-19	1,10,000	1,25,654	114	33,000	24,013	73	1,43,000	1,49,667	105	
2017-18	1,06,000	1,19,789	113	34,000	21,426	63	1,40,000	1,41,216	101	
2016-17	95,000	1,05,001	111	30,000	18,215	61	1,25,000	1,23,216	99	

3. Branch Network

As on 31 March 2021, there were 43 RRBs sponsored by 12 commercial banks operating in 26 States (in all states except Sikkim and Goa) and three Union Territories (Jammu & Kashmir, Ladakh and Puducherry). RRBs had a network of 21,856 branches (21,847 branches during previous year) covering 696 districts. 92% of the branches were in the rural areas/semi-urban areas.

4. Balance sheet

Catalysed by capital infusion and bolstered by robust growth in borrowings (24.8%) and deposits (9.7%) on the liabilities side, the balance sheet witnessed a healthy growth of 10.8% during FY 2020-21 and stood at Rs. 6.52 lakh crore as on 31 March 2021.

The growth in availability of funds on the liabilities side had a very favourable impact on the growth of credit from the RRBs. The gross loans and advances of the RRBs grew by over 12% during FY 2020-21 in comparison to the average growth rate of 5.3% for all scheduled commercial banks (PSBs-3.2%, Private Sector Banks-8.5%, Foreign Banks- 0.01%). The consolidated balance sheet of RRBs is given in Annexure II.

5. Owned Funds

The Owned funds of RRBs, comprising Share Capital and Reserves & Surpluses was ` 38,741 crore as on 31 March 2021 and registered a growth of 11.8 per cent during FY 2020-21. The increase in owned funds has been due to 30 RRBs reporting profit to the tune of ` 3,550 crore and due to increase in share capital on account of recapitalisation.

6. Deposits

Deposits, which constitute over 80% of the source of funds of RRBs, grew by 9.7% during the FY 2020-21 and stood at Rs. 5.25 Lakh Crore. As per RBI data, the deposits of banking sector as a whole witnessed a growth of 12.3% during FY 2020-21 and stood at Rs. 154.43 Lakh Crore as on 31 March 2021.

The share of low-cost deposits (CASA deposits) marginally improved during the year

from 53.3% as on 31 March 2020 to 53.8% as 31 March 2021. The share of CASA deposits of Scheduled Commercial Banks as a whole was 43.7% as on 31 March 2021.

Table III: Deposits of RRBs

(` Crore)

S.N	Parameter	31-Mar-19		31-Mar-20		31-Mar-21	
		Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
1	Total Deposits	4,34,444	100	4,78,737	100	5,25,226	100
a)	Current	11,124	3	10,750	2	11,499	2
b)	Savings	2,24,095	51	2,44,414	51	2,71,516	52
c)	Term	1,99,226	46	2,23,573	47	2,42,211	46
2	CASA Deposits (%)	54		53		54	
3	Cost of Deposits (%)	5.0		5.1		4.5	
4	Share in Total Liabilities	80.7		81.4		80.6	

As on 31 March 2021, 22 RRBs had deposit levels higher than ` 10,000 crore and accounted for 80% of the aggregate deposits. 11 RRBs had deposits between ` 5,000 crore and ` 10,000 crore. Thus, 33 RRBs had deposits of more than ` 5,000 crore each, which accounted for 96% of aggregate deposit of all RRBs. While Baroda U.P. Bank had the highest deposit at ` 52,391 crore, Nagaland RB had the lowest deposit size of ` 117 crore.

The share of CASA to total deposits varied between 23% (Saptagiri Grameena Bank) to 79% (Manipur Rural Bank).

Table IV: Range of CASA deposits

Range of CASA deposits %	No. of RRBs	% Share of Banks' Deposits in Total Deposits
> 70 %	8	18.1
60 % to 70 %	7	18.6
50 % to 60 %	11	22.7
30 % to 50 %	14	36.1
<30 %	3	4.5
Total	43	100.0

As on 31 March 2021, 8 RRBs viz., Aryavart Bank, Arunachal Pradesh Rural Bank, Assam Gramin Vikash Bank, Chhattisgarh Rajya Gramin Bank, Manipur Rural Bank, Meghalaya Rural Bank, Prathama U.P Gramin Bank and Uttar Bihar Gramin Bank had CASA deposits higher than 70%. 9 RRBs had CASA deposits less than 40 per cent and 8 of them operated in Southern Region of the country.

7. Borrowings

Borrowings witnessed a robust growth of 24.8% during the FY 2020-21 and stood at Rs. 67,864 crore as on 31 March 2021. Aided by the Special Liquidity Facility (SLF) and few relaxations in eligibility criteria for availing refinance from NABARD, the borrowings of RRBs from NABARD witnessed a significant growth of 33.5% during FY 2020-21. The share of borrowings from NABARD increased to 91% of the total borrowings of the RRBs as on 31 March 2021.

Table V: Borrowings of RRBs

(` Crore)

S.N	Parameter	31-Mar-19		31-Mar-20		31-Mar-21	
		Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
1	Total Borrowings	53,548	100	54,393	100	67,864	100
a)	NABARD	46,894	88	46,120	85	61,588	91
b)	Sponsor Bank	3,738	7	4,519	8	3,444	5
c)	Others	2,916	5	3,754	7	2,832	4
2	Borrowings to Liabilities (%)	9.9%		9.2%		10.4%	
3	Borrowings to Loans (%)	19.1%		18.2%		20.3%	
4	Cost of Borrowings (%)	6.0%		5.9%		5.1%	

8. Investments

The total investments of RRBs which stood at `2,50,859 crore as on 31 March 2020 increased by 9.9% to `2,75,658 crore as on 31 March 2021. The share of SLR securities in the total investments of RRBs witnessed a sharp increase from 57% to 70% during FY 2020-21. The share of funds deployed in the term deposit accounts has declined from 37 % to 26% during FY 2020-21.

Table VI: Investments

(` crore)

S. N	Parameter	31-Mar-19		31-Mar-20		31-Mar-21	
		Amoun t	Shar e (%)	Amoun t	Shar e (%)	Amoun t	Shar e (%)
1	Total Investments	2,26,172	100	2,50,859	100	2,75,658	100
a)	SLR investments	1,38,113	61	1,43,166	57	1,93,097	70
b)	Balances in Deposit Account	72,928	32	92,292	37	72,052	26
c)	Non SLR/Other Investments	15,131	7	15,401	6	10,510	4
2	ID Ratio (%)	52%		52%		52%	
3	SLR Investments to Deposits (%)	32%		30%		37%	
4	Investments to Total Assets (%)	42%		43%		42%	
5	Yield on Investments (%)	7.0%		7.0%		6.5%	

9. Loans Outstanding

As per RBI data, Bank Credit of the scheduled commercial banks as a whole grew by 5.3% during the FY 2020-21 to Rs. 110.8 Lakh Crore as on 31 March 2021. The credit growth of RRBs at over 12% was more than double the credit growth of banking sector average.

As on 31 March 2021, of the gross loans & advances of ₹ 3.34 lakh crore, over 90% was towards Priority Sectors identified by RBI. 70% of the loan portfolio of RRBs was

towards agriculture sector, followed by MSME (12%), Housing (7%) & Education (1%). As a result of a healthy credit growth during FY 2020-21, the CD ratio of RRBs, as a whole, improved from 62% as on 31 March 2020 to 64% as on 31 March 2021.

Table VII: Purpose-wise Outstanding Advances

(` Crore)

Purpose	31 March 2019		31 March 2020		31 March 2021		YoY growth in 2020-21
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)	
Priority (i to v)	2,55,022	91%	2,70,182	91%	3,00,962	91%	11%
i Agriculture	1,96,228	70%	2,08,762	70%	2,33,145	70%	12%
ii MSME	33,723	12%	35,240	12%	39,543	12%	12%
iii Education	2,634	1%	2,358	1%	2,132	1%	-10%
vi Housing	18,238	6%	19,814	7%	21,127	7%	7%
v Others	4,199	1%	4,008	1%	5,016	1%	25%
Non-priority	25,733	9%	28,032	9%	33,209	9%	18%
Gross Loans O/S	2,80,755	100%	2,98,214	100%	3,34,171	100%	12%
CD Ratio (%)	64.6		62.3		63.6		
Yield on Advances (%)	8.8		9.3		9.2		

9.1 Performance under Priority Sector Lending (PSL) norms

RBI vide Master Directions dated 4 September 2020 has issued revised guidelines in respect of Priority Sector Lending (PSL) for Commercial Banks, including RRBs. The following are the major changes for RRBs:

- a) The guidelines for ‘Non-achievement of Priority Sector targets’ on the lines of other commercial banks has made applicable to RRBs. Accordingly, RRBs incurring any shortfall in lending against their PSL target/Sub-targets from the financial year 2020-21 onwards will be required to make contributions towards RIDF and other refinance funds, as may be decided by RBI.
- b) Targets prescribed for “small and marginal farmers” and “weaker sections” are being increased in a phased manner. The increase in targets under SF/MF category is set to benefit the RRBs due to the increased demand for Priority Sector Lending Certificates (PSLCs) under SF/MF category.
- c) Lending towards SF/MF constitutes around 47 % of Gross Loans Outstanding of RRBs and RRBs had issued PSLCs amounting to Rs. 78,837 Crore under SF/MF category during FY 2020-21. The fee income earned by RRBs as a whole in FY 2020-21 through issuing PSLCs was Rs. 2,069 Crore, of which fee income through issuance of PSLCs under SF/MF category alone was Rs. 1,378 crore (67%).
- d) The total volume of PSLCs traded by RRBs during FY 2020-21 was Rs. 1.93 Lakh Crore. During the FY 2020-21, the total volume of PSLCs traded by RRBs grew by 26% RRBs accounted for 33% of the total volume of PSLCs traded by all banks.
- e) RRBs have been major sellers of PSLCs under SF/MF category and Agriculture Category. Since the fee (%) is more under SF/MF and agri.

category, RRBs have been issuing PSLCs under these categories and are purchasing PSLCs under general category where the fee (%) is less.

- f) RBI has removed the criteria which mandated RRBs to issue IBPCs only in excess of 75% of their outstanding advances
- g) The achievement under various PSL target/Sub-targets shall be computed be computed on the basis of the ANBC (Adjusted Net Bank Credit) as applicable as on the corresponding date of the preceding year. ANBC shall decrease with increase in PSLCs issued by the RRBs. As a result, the base on which the PSL achievement is computed shall also decrease when RRBs issue PSLCs/IBPCs.
- h) The details of PSLCs issued and purchased by all RRBs under each category are given in Table VIII.

Table VIII: Priority Sector Lending Certificates (PSLCs)

PSLC Issued (Amount in Rs. Crore)						
PSLC Category	FY 2019-20			FY 2020-21		
	No. Of RRBs	Value of PSLCs	Fee amount Earned	No. Of RRBs	Value of PSLCs	Fee amount Earned
PSLC Agriculture	13	20,401	232	24	40,731	625
PSLC General	3	1,275	4	7	4,004	24
PSLC Micro Enterprises	3	6,272	38	9	3,580	42
PSLC SF/MF	29	70,464	1,089	29	78,837	1,378
Total	30	98,412	1,363	33	1,27,151	2,069
PSLC Purchased (Amount in Rs. Crore)						
PSLC Category	FY 2019-20			FY 2020-21		
	No. Of RRBs	Value of PSLCs	Fee amount Expended	No. Of RRBs	Value of PSLCs	Fee amount Expended
PSLC - Agriculture	4	940	14	5	735	12
PSLC - General	15	45,109	158	20	52,628	232
PSLC - Micro Enterprises	9	8,247	44	8	7,125	38
PSLC - SF/MF	1	350	3	3	4,953	46
Total	17	54,646	220	23	65,440	327

The achievement of RRBs against the various targets/sub-targets prescribed by RBI and the list of RRBs not meeting the targets/sub-targets prescribed under the PSL lending guidelines are presented in the Table IX.

Table IX: PSL Target and Achievement- FY 2020-21

Sector/Sub Sector	Target (%)	Consolidated Achievement (%)	RRBs not Meeting Target/Sub-target
Overall Priority Sector	75	92.0	<ul style="list-style-type: none"> • Arunachal Pradesh Rural Bank • Meghalaya Rural Bank • Nagaland Rural Bank
Agriculture	18	50.0	<ul style="list-style-type: none"> • Arunachal Pradesh Rural Bank • Nagaland Rural Bank
Small and Marginal Farmers	8	31.4	-
Non-Corporate Farmers	12.14	83.5	-
Micro Enterprises	7.5	15.1	-
Weaker Sections	15	70.3	-
Note: Target and Achievement are as a % of ANBC as on corresponding date of previous FY			

10. Working Results

Profitability and Viability

i. Profitability

After two consecutive years of losses in FY 2018-19 & FY 2019-20, RRBs, as a whole, reported a consolidated net profit of Rs. 1,682 crore during FY 2020-21. RRBs reported consolidated net losses in FY 2018-19, for the first time since FY 1996-97 because of implementation of Regional Rural Bank (Employees') Pension Scheme, 2018 with effect from 1 April 2018 after the verdict of the Hon'ble Supreme Court. Considering huge pension liability on account of implementation of the pension scheme, RBI has permitted RRBs to amortise their total pension liability over a period of five years from 2018-19, subject to a minimum of 20 per cent of the pension liability assessed every year.

During FY 2020-21, 30 RRBs posted profit of ₹ 3,550 crore and 13 RRBs incurred losses of ₹ 1,867 crore. 5 RRBs which incurred losses during FY 2019-20 turned around and posted profits during FY 2020-21. The reasons for improvement in profitability of RRBs during FY 2020-21 are provided below:

- Net Interest Margin improved because of greater decline in cost of funds vis-à-vis the decline in yield on assets.
- Healthy growth in Miscellaneous Income- RRBs have effectively utilised their high Priority Sector Lending (PSL) portfolio (particularly their agri. & SF/MF portfolio) to augment their Miscellaneous Income. During the FY 2020-21, the total volume of Priority Sector Lending Certificates (PSLCs) traded by

RRBs grew by 26% to Rs. 1.92 lakh crore and RRBs accounted for 33% of the total volume of PSLCs traded by all banks. The phased increase in SF/MF targets announced by RBI under PSL guidelines may further help the RRBs in monetising their SF/MF portfolio through issuing PSLCs.

c) Improvement in Asset Quality and CD ratio.

The consolidated income and expenditure statement of RRBs is given in Annexure III. Profitability of RRBs during the last 3 years is summarized in Table No. VII.

Table X: Profitability

(` Crore)

Indicator	2018-19	2019-20	2020-21
No. of RRBs	53	45	43
No. in Profit	39	26	30
Profit of RRBs in Profit (Amount)	1,759	2,203	3,550
No. in Loss	14	19	13
Loss of RRBs in Loss (Amount)	2,411	4,411	1,867
No. of RRBs with Accumulated Losses	11	17	17
Accumulated Loss	2,887	6,467	8,264
Aggregate net profit of all RRBs	(-)652	(-)2,208	1,682

ii. Viability

Majority of RRBs, i.e. 26 of 43 RRBs were having sustainable viability (in profit with no accumulated loss) as on 31 March 2021. 4 RRBs posted profit during FY 2020-21 but had accumulated losses from earlier years. 13 RRBs had incurred losses during FY 2020-21 and had accumulated losses. As on 31 March 2021, 17 RRBs carried accumulated losses of ` 8,264 crore as against the accumulated losses of ` 6,467 crore reported by 17 RRBs as on 31 March 2020.

Of the 13 RRBs which incurred losses during FY 2020-21 and carried accumulated losses as on 31 March 2021 5 were in Eastern Region, 3 were in North-eastern Region, 2 each were in Northern and Central Region and one was in Western Region. All RRBs in Southern region had current/sustainable viability as at the end of FY 2021.

Table XI: Viability

(Amount in
'crore)

S. No	Viability Category	31 March 2019			31 March 2020			31 March 2021		
		No. of RRB s	Acc. Los- ses	Curren t Profit/ loss (-)	No. of RRB s	Acc. Los- ses	Curren t Profit/ loss (-)	No. of RRB s	Acc. Los- ses	Curren t Profit/ loss (-)
1	Sustainably viable viz., in profit with no accumula- ted loss	36	0	1,733	25	0	2,200	26	0	3,431
2	Current profit with accumula- ted loss	3	216	26	1	36	3	4	1,143	119
3	a. Current Loss with acc. loss	8	2,671	-1,212	16	6,431	-3,351	13	7,121	-1,867
	b. Current loss without acc. loss	6	0	-1,199	3	0	-1,060	0	0	0
4	Net Position	53	2,88 7	-652	45	6,46 7	-2,208	43	8,26 4	1,682
5	% of Sustainably Viable RRBs	68			56			60		

11. Financial Costs & Margins

Facilitated by improvement in Net Interest Margin (%) and Miscellaneous Income (%), the profitability of RRBs measured in terms of Return on Assets (%) turned around from -0.40% during FY 2019-20 to 0.27% during FY 2020-21. A comparison of cost and margins for last three years is given in the following table:

Table XII: Financial Costs and Margins (%)

S. No.	Parameter	2018-19	2019-20	2020-21
1.	Yield on Loans	8.8	9.3	9.2
2.	Yield on Investments	7.1	7.0	6.5
3.	Yield on Assets	7.5	7.9	7.6
4.	Cost of Deposits	5.0	5.1	4.5
5.	Cost of Borrowings	6.0	5.9	5.1
6.	Cost of Funds	4.6	4.7	4.2
7.	Net Interest Margin	2.9	3.2	3.4

S. No.	Parameter	2018-19	2019-20	2020-21
8.	Miscellaneous Income	0.8	1.0	1.1
9.	Staff Cost	1.8	2.3	2.4
10.	Cost of Management	2.7	3.6	3.2
11.	Risk Cost	1.2	1.0	1.1
12.	Return on Assets	-0.13	-0.40	0.27

12. Asset Quality

Consolidated Gross Non-Performing Assets (GNPA) of RRBs has declined in percentage terms from 10.4% to 9.4% during the FY 2020-21. The Net NPA has declined in both absolute and percentage terms during FY 2020-21. The Provision Coverage Ratio (PCR) has shown a continuous improvement over the previous 3 years. 28 RRBs have reported lesser GNPA (%) as on 31 March 2021 vis-a-vis the position as on 31 March 2020. Of these 28 RRBs, 18 RRBs have reported absolute reduction in GNPA (amount). While the substandard assets declined by 7.9% during FY 2020-21, the doubtful and loss assets increased by 4.9 % and 4.8 % respectively.

Table XIII: Status of Non-Performing Asset in RRBs
(Amount in `crore)

S. No.	Parameters	31 Mar 2019	31 Mar 2020	31 Mar 2021
Position of NPAs				
1	Gross NPA Amount	30,317	31,106	31,381
2	Net NPA Amount	17,843	16,331	15,094
3	GNPA %	10.8	10.4	9.4
4	Net NPA %	6.8	5.8	4.8
5	Provision Coverage Ratio (%)	40	47	51

Table XIV: Classification of Non-Performing Assets

(Amount in `crore)

Category of NPA	31-Mar-19		31-Mar-20		31-Mar-21		YoY Growth in 2020-21
	Amount	(%)	Amount	(%)	Amount	(%)	
Sub Standard -1	12,977	4.6	10,608	3.6	9,828	2.9	-7.9
Doubtful Assets -2	16,546	5.9	19,655	6.5	20,666	6.2	4.9
Loss Assets - 3	794	0.3	843	0.3	886	0.3	4.8
Gross NPA (1+2+3)	30,317	10.8	31,106	10.4	31,381	9.4	1.8

Sector-wise status of NPA in RRBs is given in the following Table:

Table XV: GNPA (%) across different sectors					
S. No.	Sector / Sub Sector	31 Mar 2019	31 Mar 2020	31 Mar 2021	
1	Priority Sector	11.3	10.8	9.9	
2	Non-Priority Sector Loans	6.1	6.5	4.6	
3	Total NPAs	10.8	10.4	9.4	
Sectoral NPA (Priority + Non-Priority)					
I	Agriculture (A+B+C)	9.8	8.7	8.3	
A	Farm Credit (i+ii+iii)	9.7	8.5	8.2	
i	<i>Crop Loans</i>	9.0	7.3	6.9	
ii	Investment Credit	14.9	14.9	18.3	
iii	Allied Activities	10.1	11.3	8.5	
B	Agriculture Infrastructure	12.2	15.2	15.0	
C	Ancillary Activities	30.9	34.1	22.5	
II	MSME	20.6	21.4	19.4	
III	Education	17.2	26.0	23.1	
IV	Housing	7.9	10.0	7.0	

The measures taken for reduction in NPAs include the following:

- Review of status of NPAs has been in the agenda of all the meetings conducted by NABARD to review performance of RRBs, in which all the stakeholders including Government of India participate.
- RRBs having *inter alia* Gross NPAs of more than 10% have been identified as ‘RRBs in Focus’ and advised to prepare Monitorable Action Plans to reduce the level of NPA and review the same in the Board meetings.
- Review Meetings of the ‘RRBs in Focus’ are conducted to review the position and take remedial measures
- NABARD has directed all RRBs to compulsorily on-board into the system generated NPAs platform.
- RRBs have informed in the Review Meetings that NPA management cells have been created in RRBs to monitor the recovery and ensure targeted reduction in NPAs.
- At RRB level, all Chairmen with the assistance of their Regional Managers are monitoring branch wise NPA position not only to improve the position, but also to make efforts to contain the growth in NPAs.
- All RRBs on a regular basis organize recovery camps and follow other recovery strategies to reduce the level of NPAs.

13. Productivity

The productivity of RRBs, both in terms of business per branch and per employee, has shown steady improvement over the years and stood at ` 39.3 crore and ` 9.8 crore as on 31 March 2021, respectively.

Table XVI: Productivity

(Amount in ` Crore)

Productivity	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Per Branch	22.7	24.9	27.9	30.1	32.7	35.6	39.3
Per Employee	5.3	5.9	6.9	7.3	7.7	8.5	9.8

14. Credit Deposit Ratio (CD Ratio)

The Credit Deposit Ratio of RRBs stood at 64% as on 31 March 2021 as against 62% as on 31 March 2020. The number of RRBs in different range of CD ratio during the previous 3 years is given in table below. While the Southern and Western states had healthy CD Ratio, the CD Ratio of RRBs in Eastern, North-eastern and Central states was very low.

Table XVII: Range of CD ratio

S. No.	Range of CD Ratio	31 Mar 2019	31 Mar 2020	31 Mar 2021
1	Less than 30%	3	3	3
2	Between 30% to 40%	9	10	7
3	Between 40% to 60%	18	14	14
4	Between 60% to 80%	11	9	10
5	Above 80%	12	9	9
Total		53	45	43

15. Capital Adequacy

As per the regulatory stipulations of RBI, RRBs have to maintain a minimum CRAR of 9%. 27 RRBs had CRAR of 9% or more as on 31 March 2021 while 16 RRBs reported CRAR less than 9%. The list of RRBs with CRAR less than 9% is given in Table XVIII. System-wide CRAR of RRBs, marginally declined from 10.3% as on 31 March 2020 to 10.2% as on 31 March 2021.

Table XVIII: RRBs with CRAR < 9%

S. No.	Name of RRB	31.3.2021
1	Vidharbha Konkan Gramin Bank	-20.80
2	Utkal Grameen Bank	-16.01
3	Madhyanchal Gramin Bank	-11.17
4	Ellaquai Dehati Bank	-8.22
5	Odisha Gramya Bank	-7.61
6	Nagaland Rural Bank	-2.93
7	Uttar Bihar Gramin Bank	-2.33
8	J & K Grameen Bank	-0.35
9	Bangiya Gramin Vikash Bank	0.27
10	Paschim Banga Gramin Bank	0.34
11	Assam Gramin Vikash Bank	1.83
12	Manipur Rural Bank	2.37
13	Madhya Pradesh Gramin Bank	2.69
14	Dakshin Bihar Gramin Bank	5.66

Table XVIII: RRBs with CRAR < 9%		
S. No.	Name of RRB	31.3.2021
15	Uttarakhand Gramin Bank	6.25
16	Kerala Gramin Bank	6.57

16. Performance in Government Schemes

Table XIX Participation in Government Schemes				
As on 31 March 2021, Accounts / Enrolments in Lakh				
S.N	Government Scheme	RRBs	Total	Share of RRBs
1	No. of PMJDY Accounts	755.72	4,220	18%
2	No. of Rupay Debit Cards issued to beneficiaries	343.77	3,090	11%
3	Cum. No. of Persons Enrolled under PMSBY	295.22	2,326	13%
4	Cum. No. of Persons Enrolled under PMJJBY	106.87	1,027	10%
5	Cumulative No. of Persons Enrolled under APY	55.22	280	20%
6	Total Number of PM- Kisan Beneficiary-A/cs	179.79	975	18%
7	Kisan Credit Card	129	738	17%

Part II –Policy initiatives and support for development of RRBs

1. Introduction of LAF and MSF for RRBs

In order to provide an additional avenue for liquidity management to RRBs, RBI vide their notification dated 4 December 2020 extended Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) to Scheduled RRBs meeting specific criteria.

2. Access to Call/Notice/Term Money Market

RBI vide their notification dated 4 December 2020 has permitted RRBs to participate in the call/notice and term money markets both as borrowers and lenders. The prudential limits and other guidelines on call/notice/term money markets for RRBs shall be the same as those applicable to Scheduled Commercial Banks.

3. Refinance Support from NABARD

NABARD extends refinance to banks for supplementing their resources for short-term and long-term lending. Refinance is expected to increase ground level credit and boost capital formation in agriculture.

To support the continued flow of credit to agriculture and allied activities, the rural non-farm sector in the aftermath of the COVID-19 pandemic, RBI had announced special liquidity facility (SLF) to NABARD for supporting lending operations of RRBs, Co-operative Banks and NBFC-MFIs.

During 2020-21, NABARD disbursed total refinance of ` 44,975 crore to RRBs, which included Long Term refinance of ` 15,157 crore and Short-Term refinance of ` 29,818 crore. The refinance extended by NABARD to RRBs grew by 61% during the FY 2020-21.

Further, NABARD adopted a liberal policy to extend refinance to RRBs. NABARD applied its own internal risk-rating tool and extended refinance to RRBs that would have otherwise been ineligible.

35 RRBs availed refinance during FY 2020-21 (up from 27). RRBs in Eastern and Northeastern regions accounted for most newly eligible RRBs which had a favorable impact on reducing regional disparities in credit flow. NABARD also gave special incentives for sanctioning refinance limits to RRBs in Eastern and Northeastern states to enable them to lend for Short Term–Seasonal Agricultural Operations.

4. Review meets on performance of RRBs

The performance of RRBs is regularly monitored by NABARD. During 2020-21, a National Review Meeting of RRBs was organised through virtual medium on 9 September 2020.

RRBs meeting any one of the three criteria viz. CRAR less than 10%, GNPA more than 10 %, having negative Return on Assets (%) for the last two consecutive years are classified as ‘RRBs in Focus’. For effective monitoring of such weak RRBs identified as ‘RRBs in Focus’, National level Meetings were conducted in December 2020 to enable them to make necessary course corrections in their Monitorable Action Plans (MAPs) and improve their financial performance. The mechanism of ‘RRBs in Focus’ serves as a signal of caution to the RRBs to initiate remedial measures to avoid further deterioration of financials and slippage into the PCA framework.

Based on the audited financial position as on 31 March 2021, there are 23 RRBs in Focus. 5 RRBs have moved out of the framework during FY 2020-21 viz. Aryavart Bank, Baroda Gujarat GB, Baroda U.P Bank, Himachal Pradesh GB, Sarva Haryana GB. 2 RRBs have entered the framework during FY 2021-22 based on their audited position as on 31 March 2021 viz. Karnataka GB and Maharashtra GB.

A special review meeting to review the performance of RRBs in North-eastern region and Jammu & Kashmir was organised on 10 February 2021 to address the issues of RRBs in extending last mile financial inclusion in regions of strategic importance.

5. Amalgamation of RRBs

Regional Rural Banks (RRBs) were established in 1975 with the mandate to bring together the positive features of credit co-operatives and commercial banks in order to address the credit needs of backward sections in rural areas. They are regulated by the Reserve Bank and supervised by the NABARD. The RBI constituted a Committee

under the Chairmanship of Professor V S Vyas on “Flow of Credit to Agriculture and Related Activities from the Banking System” which examined relevance of RRBs in the rural credit system and the alternatives for making it viable. RBI’s Report of the Internal Working Group on RRBs, headed by Shri A.V. Sardesai recommended amalgamation of RRBs to improve the operational viability of RRBs and take advantage of the economies of scale. The consolidation process was initiated by GoI in the year FY 2005-06.

First phase of amalgamation was initiated Sponsor Bank-wise within a State in 2005 and the second phase was across the Sponsor banks within a State during 2012-2015. As a result of two rounds of amalgamation, the number of RRBs reduced from 196 to 56 and succeeded in bringing better efficiency, higher productivity, robust financial health of RRBs, improved financial inclusion and greater credit flow to rural areas.

Government of India initiated the process of third phase of amalgamation of RRBs in FY 2018-19 on the principle of ‘*One state - One RRB*’, in smaller States and reduction in number of RRBs in larger states aiming at reduction in total number of RRBs. The new amalgamated RRBs in the states of Bihar and Punjab came into existence on 1 January 2019. As on 31 March 2019, there were 53 RRBs in the country.

With effect from 1 April 2019, 16 RRBs in the 7 states of Assam, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Tamil Nadu and Uttar Pradesh were amalgamated to form 8 new RRBs, bringing down the total number of RRBs in the country to 45.

During FY 2020-21, 3 RRBs in Uttar Pradesh viz. Baroda Uttar Pradesh Gramin Bank, Kashi Gomti Samyut Gramin Bank and Purvanchal Bank amalgamated to form Baroda U.P. Bank under the sponsorship of Bank of Baroda with effect from 1 April 2020. As a result, the number of RRBs in India reduced to 43 with effect from 1 April 2020. Because of the amalgamation within Public Sector Banks, the number of Sponsor Banks also reduced from 15 to 12 with effect from 1 April 2020. All the Public Sector Banks (PSBs), except Punjab & Sind Bank, sponsor one or more RRBs. J & K Bank is the only private sector bank to sponsor an RRB.

6. Raising of Capital from sources other than from the existing stakeholders

In terms of the Regional Rural Banks (Amendment Act), 2015, authorised capital of an RRB has been raised from ₹5 crore to ₹2,000 crore. The Amendment also provides that the combined shareholding of Central Government and Sponsor Bank should not be less than 51%, which paves the way for raising of capital from sources other than the existing stakeholders. The amendments to the Act have been brought into force with effect from 4th February 2016.

Government of India, Ministry of Finance, Department of Financial Services (RRB Division), constituted a Committee in May 2018 under the Chairmanship of DMD, NABARD with General Managers of 3 sponsor banks as members, to examine various options available for raising capital by RRBs. The Committee has submitted the report to the Government of India.

Reserve Bank of India vide circular dated 1 November 2019 permitted RRBs to issue Perpetual Debt Instruments (PDI) eligible for inclusion as Tier 1 capital so as to maintain prescribed CRAR. However, none of the RRBs have issued PDIs during FY 2020-21.

7. Empanelment of Statutory Auditors for RRBs

In terms of Sections 19(1) and 19(2) of the Regional Rural Banks Act, 1976, each RRB is required to appoint Auditors for the Statutory Audit of its accounts as also fix the remuneration payable to them, with the prior approval of the Government of India. The Government of India has issued detailed guidelines in this regard. As per these guidelines, NABARD will recommend the list of auditors to the Government of India for approval. The list of auditors for Statutory Audit of accounts of RRBs for FY 2020-21 was advised to the banks in May 2021 and the process of Statutory Audit was completed in all RRBs by the stipulated due date of 30 June 2021. The process of finalizing list of auditors for conducting statutory audit of RRBs for FY 2021-22 is underway.

8. Recapitalisation of Regional Rural Banks

A Scheme for Recapitalisation to enable RRBs achieve and maintain CRAR of over 9% was approved by the Union Cabinet in its meeting held on 10th February, 2011. Post 2011, the scheme for recapitalisation of RRBs was extended up to FY 2019-20 in a phased manner with a financial support of Rs. 2,900 crore with 50% Government of India's share of Rs. 1,450 crore.

On 25 March 2020, the Cabinet Committee on Economic Affairs (CCEA) gave its approval for continuation of the process of recapitalisation of RRBs for another year beyond 2019-20, that is, up to 2020-21 for those RRBs which are unable to maintain minimum CRAR of 9% and approved utilization of Rs.670 crores as Central Government share for the scheme of Recapitalisation of RRBs (i.e. 50% of the total recapitalisation support of Rs.1340 crore). The summary of details on recapitalisation assistance sanctioned by GoI during the year FY 2019-20 & FY 2020-21 is given in the table below.

Table XX: GoI's share (50%) of Recapitalisation Sanctioned
Amount in ` Crore

S. No	Name of the RRB	FY 2019-20	FY 2020-21
1.	Assam Gramin Vikash Bank	20.74	12.35
2.	Bangiya Gramin Vikash Bank	111.36	66.30
3.	Dakshin Bihar Gramin Bank	75.72	45.08
4.	Ellaquai Dehati Bank	7.84	-
5.	Madhya Pradesh Gramin Bank	21.30	12.68
6.	Madhyanchal Gramin Bank	48.33	7.58
7.	Manipur Rural Bank	2.34	-
8.	Nagaland Rural Bank	0.68	-

Table XX: GoI's share (50%) of Recapitalisation Sanctioned

Amount in ` Crore

S. No	Name of the RRB	FY 2019-20	FY 2020-21
9.	Odisha Gramya Bank	99.26	34.57
10.	Utkal Gramin Bank	237.72	-
11.	Uttar Bihar Gramin Bank	36.01	21.44
12.	Vidharbha Konkan Gramin Bank *	39.22	-
Total		700.52	200.00

*GoI's share of Rs. 39.22 Crore was released by NABARD to Vidharbha Konkan Gramin Bank during FY 2020-21, after the RRB received the State Government's share of Recapitalisation assistance
Share of (GoI: State Government: Sponsor Bank) = (50:15:35) of total recap sanctioned

9. Matters relating to Human Resource Development of RRBs

NABARD looks after various HR issues pertaining to RRBs and forwards its opinion to Government of India on matters relating to appointment and promotion, service regulations, manpower planning/staffing pattern, post-retirement benefits including pension and various staff welfare measures, etc.

(i) Pay and allowances

The staff of RRBs are generally drawing pay and allowances at par with their counterparts in public sector banks. The revised pay and allowances of RRB staff, pursuant to the 11th Bipartite Settlement/8th Joint Note for Public Sector Banks, were approved in April 2021.

(ii) Pension Scheme

All RRBs have adopted the Model Pension Scheme approved by the Govt. of India, at par with nationalised banks, with effect from 01 April 2018. However, certain issues relating to the Model Pension Scheme are under litigation at various Courts of Law. NABARD has also separately proposed certain amendments to the RRB Pension Regulations to the Govt. of India.

Consequent to the implementation of the Pension Scheme, the RRBs are required to provide for total pension liability of Rs 27,444 crore (assessed by them through actuarial valuation). RBI has permitted the RRBs to amortise the pension liability over a period of five years (2018-19 to 2022-23).

(iii) Exclusion under EPF and MP Act, 1952

NABARD has taken up with the Addl CPFC (Compliance, Legal & Recovery), EPFO, New Delhi for issue of suitable advice to the Zonal RPFCs for refund of balances as requested by the RRBs and to issue formal communication, if any, in regard to exclusion of RRBs, under Section 16 of the EPF & MP Act, 1952.

NABARD looks after various HR issues pertaining to RRBs and forwards its opinion to Government of India on matters such as recruitment, promotion and placement,

Manpower Planning in RRBs, outsourcing of non-core functions of RRBs, Payment / Release of Employees' / Banks' Contribution to Provident Fund on dismissal / Disciplinary proceedings, post- Retirement benefits, clarification on release of benefits to staff who are dismissed due to disciplinary proceedings, Sabbatical leave etc.

10. Joint Consultative Council (JCC)

As advised by Government of India, NABARD had set up Joint Consultative Council (JCC) in 2009 for RRBs comprising representatives from NABARD, Sponsor Banks, Chairmen of RRBs and State Governments which will have discussions with the national level Unions/Associations in RRBs. JCC is a consultative forum wherein all matters relating to conditions of service and work, welfare of employees, improvement of efficiency & standards of work and consultation on matters of general principles of recruitment, promotion and discipline are discussed. During FY 2020-21, the XIth meeting of the Joint Consultative Council (JCC) for RRBs was held on 30 December 2020.

11. SHG-Bank Linkage Programme & RRBs

RRBs have played a significant role in the SHG-Bank Linkage Programme pioneered by NABARD. As on 31 March 2021, 35.97 lakh SHGs were savings linked with RRBs having total savings of ₹ 9511.68 crore as compared to 32.61 lakh SHGs with total savings of ₹ 7,811.27 crore as on 31 March 2020. Further, 11.85 lakh SHGs were credit linked during 2020-21 as compared to 10.93 lakh SHGs during 2019-20 by RRBs.

The NPA as percentage to loans to SHGs stood at 3.99% as on 31 March 2021 as compared to 4.37% and 4.87% as on 31 March 2020 and 31 March 2019, respectively.

Against the total 12,33,089 SHGs digitised as on 31.03.2021 under NABARD's E-Shakti project, 3,21,549 (26.07%) SHGs are having savings bank account with RRBs and 1,71,327 SHGs have been credit linked by RRBs.

12. Financing of JLGs

41.26 lakh JLGs were financed during the year 2020-21 by all agencies. Amongst these, RRBs have financed 50,940 JLGs involving ₹ 837.29 crore during FY 2020-21 which constitutes 1.23% of total number of JLGs financed by all agencies during the year.

13. Status of Technology in RRBs

The current status of Technology in 43 RRBs which were in place as on 31 March 2021, is given in Table XXI:

Table XXI: Status of Technology in RRBs as on 31 March 2021		
S. N.	Particulars	No. of Banks
1.	Banks on CBS	43
2.	No. of Banks having RTGS/NEFT	43

Table XXI: Status of Technology in RRBs as on 31 March 2021

S. N.	Particulars	No. of Banks
3.	Banks on card technology both RuPay Debit and RuPay KCC	43
4.	Public Financial Management System	43
5.	Mobile Banking license obtained	28
6	Internet Banking	19

14. Technology Upgradation

RRBs play an important role in financial inclusion and are required to prepare Financial Inclusion Plans, which are to be integrated with their business plans. They have been using a combination of strategies to achieve universal financial inclusion including enhanced use of technology. The status of technology upgradation in RRBs in brief is given below:

14.1 Post CBS: IT enabled Products and Services

- IMPS: 28 RRBs have mobile banking license which is a pre-requisite to offer this technology through mobile phones. One of the major issues impeding the entry of other RRBs to this facility is the financial criteria prescribed by RBI to obtain permission for offering mobile banking facility.
- E-Com certification: 38 RRBs have done E-Com certification which is necessary to perform an online transaction with a card issued by the RRB.

14.2 Internet Banking

RRBs have been permitted to provide internet banking facilities to their customers vide RBI circular DBR.RRB.BC.No. 59/31.01.001/2015-16 dated 19 November 2015. The criteria fixed by RBI for RRBs to avail internet banking with transactional facility include *inter alia* CRAR >10%, Net worth of ₹100 crore, Gross NPAs <7%, Net NPAs not more than 3%, etc. 10 RRBs are offering internet banking with transactional facility.

14.3 Mobile Banking:

Eligibility Criteria to avail Mobile Banking license for RRBs is as follows:

- Licensed Bank
- Should be CBS compliant
- Minimum CRAR of 9%
- Should have net NPA of less than 5%
- Should have earned net profit continuously for last three years
- No default in CRR/SLR during preceding financial year (whether defaulted)
- Compliance to KYC/AML
- Sound Internal checks and control system
- Two professional directors on Board
- No serious irregularities in IR

A total of 28 RRBs out of 43 RRBs are providing mobile banking services to their customers. However, the remaining RRBs could not obtain mobile banking license from RBI due to non-compliance to the prescribed regulatory requirements.

14.4 BHIM Aadhaar Pay

BHIM Aadhaar Pay which works on Aadhaar Enabled Payments System (AEPS) platform provides merchant service through Mobile App. Banks which have obtained Merchant Acquirer Business permission from RBI can on-board the merchant on this platform. As on 31 March 2021, 33 RRBs have on-boarded to BHIM Aadhaar Pay as an Issuer.

14.5 PoS devices

PoS devices enable Merchant business for the bank. To encourage banks to cover merchants. NABARD is providing financial support for deployment of POS/mPOS devices in Tier III to VI centre. The Banks need to obtain Merchant Acquirer permission from RBI and complete the PoS Issuer Certification process with NPCI to engage merchants with POS machines. As on 31 March 2021, 34 RRBs have completed PoS certification process.

14.6 BHIM UPI

BHIM UPI with an aim to promote Digital Payments Bharat Interface for Money (BHIM) app has been launched to make simple, easy and quick payment transactions using Unified Payments Interface (UPI). Through this generic app the requirement of developing, hosting and maintaining mobile banking app by individual banks has been eliminated. In order to enable RRBs to provide banking transactions through BHIM App, the scheme “*On-boarding of RRBs and RCBs to BHIM UPI Platform*” has been launched. Under the scheme, RRBs are provided financial support up to 80% of total expenditure or ₹ 5.00 lakh (whichever is lower) per bank. As on 31 March 2021, 27 RRBs have on-boarded to BHIM UPI platform as (Issuer).

14.7 Authentication User Agency (AUA)/e-KYC User Agency (KUA) membership of UIDAI

All bank account holders have to link their accounts with Aadhaar number if they wish to receive Government benefits/subsidies into their accounts directly. In order to authenticate the accounts opened for DBT purposes as well as to facilitate their account holders to do transactions through biometrics, banks need to access AUA/ Sub -AUA facilities of Unique Identification Authority of India (UIDAI). RRBs need to become AUA/Sub-AUA so that they can provide their customers with Aadhaar authentication services. If required, the e-KYC services may be made available through offline e-KYC. NABARD is providing one time support to RRB to become AUA/ Sub AUA. As on 31 March 2021, 42 RRBs have become members of AUA/Sub-AUA.

14.8 Aadhaar Enabled Payment System (AePS)

MicroATMs and PoS devices (including BHIM Aadhaar Pay), with AePS-certified application enabled, are the future for providing interoperable doorstep banking services at rural locations. After becoming member of AUA/Sub AUA, RRBs may

onboard this platform for providing hassle-free biometric based secure transactions to their customers, who are often illiterate / less literate. Grant support under FIF have been extended to RRBs so that rural population can do Aadhaar based transactions. As on 31 March 2021, 38 RRBs have onboarded to AePS platform. In addition to this, RRBs are being encouraged to enable dual authentication functionalities at micro-ATMs to facilitate SHGs to carry out financial transaction at BC point.

15. Pradhan Mantri Mudra Yojana (PMMY)

PMMY was launched by the Hon'ble Prime Minister on 08 April 2015 for developing and refinancing last mile financial intermediaries like banks, NBFCs, MFIs, etc. which are in the business of lending to micro/small business entities engaged in manufacturing, trading and service activities. As against the target of ₹21,723 crore for 2020-21 allocated to RRBs, the achievement during 2020-21 was ₹19,654 crore (90.48%) extended to 16.02 lakh accounts under Shishu (7.19 lakh accounts, ₹2,059 crore), Kishore (8.40 lakh accounts, ₹14,080 crore) and Tarun categories(43,612 accounts, ₹3,515 crore), under the PMMY. (**Source: MUDRA**)

16. Stand-up India

Government of India launched the ‘Stand Up India scheme’ on 5th April 2016 with the objective to facilitate bank loans from ₹10 lakh to ₹1 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur. A corpus for credit guarantee for individual loans under the scheme and refinance through SIDBI is also available. Regional Rural Banks have been participating in the Stand Up India Scheme. The performance of RRBs under the scheme during FY 2020-21 is given in Table No. XXII.

(Amount in ₹ crore)

Table XXII: Overall Achievement (SC/ST and women)

Category	Target (No. of Accounts)	Achievement	Sanc. Amt.	Disb. Amt.
SC	8,696	34	5.85	1.05
ST		5	0.89	0.31
Women	8,696	161	31.46	10.98
Total	17,392	200	38.2	12.34

Source: Standup India portal

Annexure I : RRBs - Comparative position of key performance indicators

(Amount in ` Crore)

Particulars	2018-19	2019-20	2020-21
No. of RRBs (No.)	53	45	43
Branch Network (No.)	21,871	21,847	21,856
Share Capital	6,735	7,849	8,393
Tier II bonds	192	192	192
Reserves	25,398	26,814	30,348
Deposits	4,34,444	4,78,737	5,25,226
Borrowings	53,548	54,393	67,864
Investments	2,26,172	2,50,859	2,75,658
Gross Loans & Advances O/s	2,80,755	2,98,214	3,34,171
No. of RRBs earning Profit	39	26	30
Amount of Profit (A)	1,759	2,203	3,550
No. of RRBs incurring Losses	14	19	13
Amount of Losses (B)	2,411	4,411	1,867
Net Profit of RRBs (A – B)	-652	-2,208	1,682
No. of RRBs with acc. Losses	11	17	17
Accumulated Losses	2,887	6,467	8,264
NPA to loans outstanding (%)	10.8	10.4	9.4
No. of RRBs with GNPA>7%	33	27	25
No. of RRBs with GNPA>10%	25	18	15
Net Owned Funds	29,246	28,196	30,477
No. of RRBs with CRAR<9%	13	17	16

Annexure II: Regional Rural Banks: Consolidated Balance Sheet

Sr. No.	Parameter	At end-March		Y-o-Y Growth (%)	
		2020	2021	2019-20	2020-21
1	Share Capital	7,849	8,393	16.5	6.9
2	Reserves	26,814	30,348	5.6	13.2
3	Deposits	4,78,737	5,25,226	10.2	9.7
3.1	Current	10,750	11,499	-3.4	7.0
3.2	Savings	2,44,414	2,71,516	9.1	11.1
3.3	Term	2,23,573	2,42,211	12.2	8.3
4	Borrowings	54,393	67,864	1.6	24.8
4.1	from NABARD	46,120	61,588	-1.6	33.5
4.2	Sponsor Bank	4,519	3,444	20.6	-23.8
4.3	Others	3,754	2,832	28.7	-24.6
5	Other Liabilities	20,227	19,754	13.2	-2.3
Total liabilities/Assets		5,88,021	6,51,585	9.3	10.8
6	Cash in Hand	2,860	2,954	-1.8	3.3
7	Balances with RBI	16,744	18,947	-6.4	13.2
8	Balances in current account	7,613	5,987	39.2	-21.4
9	Investments	2,50,859	2,75,658	10.9	9.9
10	Loans and Advances (net)	2,80,220	3,15,181	7.0	12.5
11	Fixed Assets	1,235	1,229	-3.0	-0.5
12	Other Assets	28,490	31,629	27.7	11.0
12.1	Accumulated Losses	6,467	8,264	124.0	27.8

Annexure III: RRBs: Consolidated Income & Expenditure Statement

		(Amount in ` Crore)	
Sr. No.	Item	Amount	
		2019-20	2020-21
1	2	3	4
A	Income (i + ii)	49,452	53,858
i	Interest income	43,698	46,803
ii	Other income	5,754	7,055
B	Expenditure (i+ii+iii)	51,660	52,176
i	Interest expended	25,985	25,588
ii	Wage bill	14,654	15,101
iii	Other Operating Expenses	5,422	4,668
iv	Provisions and contingencies	5,599	6,819
C	Profit		
i	Operating profit	2,972	8,304
ii	Net profit	-2,208	1,682
D	Average Working Funds	5,55,660	6,17,305
E	Financial ratios*		
i	Operating profit (%)	0.53	1.35
ii	Net profit (%)	-0.40	0.27
iii	Income (a + b) (%)	8.90	8.72
(a)	Interest income (%)	7.86	7.58
(b)	Other income (%)	1.04	1.14
iv	Expenditure (a+b+c+d) (%)	9.30	8.45
(a)	Interest expended (%)	4.68	4.15
(b)	Wage Bill (%)	2.37	2.45
(c)	Other Operating Expenses (%)	0.99	0.76
(d)	Provisions and Contingencies (%)	1.27	1.10

* All ratios are percentage to average working capital/fund where average is taken on month end figures