

**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**  
(A financial institution constituted by an Act of Parliament – NABARD Act, 1981)



**PAN:** AACT4020G; **Date and Place of Incorporation:** 12<sup>th</sup> July 1982, New Delhi

**Head Office:** Plot C-24, G Block, Bandra Kurla Complex, BKC Road, Bandra East, Mumbai, Maharashtra– 400051

**Tel:** 022-26539260; **Fax:** 022-26530099; **E-mail:** [nbbonds.fd@nabard.org](mailto:nbbonds.fd@nabard.org); **Website:** [nabard.org](http://nabard.org);

**PRIVATE PLACEMENT MEMORANDUM DATED 20<sup>th</sup> FEBRUARY, 2023**

Issued in conformity with NABARD Act, 1981, as amended, Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021, as amended. This issuance would be under the electronic book mechanism for issuance of debt securities on private placement basis as per SEBI Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 bearing reference number SEBI/HO/DDHS/P/CIR/2021/613, as amended.

**PRIVATE PLACEMENT OF REDEEMABLE, TAXABLE, NON-CONVERTIBLE, NON PRIORITY SECTOR, UNSECURED SECURITIES IN THE NATURE OF BONDS OF FACE VALUE ₹ 1 LAKH EACH UNDER SERIES 23H-R1 WITH BASE ISSUE SIZE OF ₹ 2000 CRORE AND WITH AN OPTION TO RETAIN OVERSUBSCRIPTION BY WAY OF GREEN SHOE OPTION OF ₹ 3000 CRORE AGGREGATING TO ₹ 5 0 0 0 CRORE THROUGH ISSUANCE OF BONDS WITH COUPON RATE OF 7.58% PAYABLE ANNUALLY AND REDEEMABLE AT PAR ON 31 JULY 2026.**

REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE FOR THE BONDHOLDERS
<b>Datamatics Business Solutions Ltd.</b> Plot No.B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai 400093 Phone : 022-66712001, 022-66719645, 9769120187 web: <a href="http://www.datamaticsbpm.com">www.datamaticsbpm.com</a> Contact person: Mr. Pankaj Sonar E-mail:- <a href="mailto:pankaj_sonar@datamaticsbpm.com">pankaj_sonar@datamaticsbpm.com</a>	<b>Axis Trustee Services Ltd.</b> The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai 400028 Phone:022-62300426 <a href="mailto:saranpreet.ghelani@axistrustee.in">saranpreet.ghelani@axistrustee.in</a> URL: <a href="http://www.axistrustee.com">www.axistrustee.com</a> Contact Person: Saranpreet Kaur Ghelani

**Credit Rating Agencies**

<b>CRISIL</b> Regd. Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai-400076 Tel:022-33423092; 022-33423000 Contact person: Mr.Rahul Deorukhkar Email: <a href="mailto:rahul.deorukhkar@crisil.com">rahul.deorukhkar@crisil.com</a> URL: <a href="http://www.crisil.com">www.crisil.com</a> 	<b>India Ratings &amp; Research</b> Workhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra,Mumbai 400051 Tel: 0224035 6123 Mobile: 09820382002 Contact person: Ms. Anuradha Basumatari Email: <a href="mailto:anuradha.basumatari@indiaratings.co.in">anuradha.basumatari@indiaratings.co.in</a> URL: <a href="http://www.indiaratings.co.in">www.indiaratings.co.in</a> 
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<b>Current Rating : AAA/ Stable</b>	<b>Current Rating : AAA/ Stable</b>	<b>Current Rating : AAA/ Stable</b>
<b>Chief General Manager(Finance)</b> Mr. Alok C. Jena Email: <a href="mailto:ac.jena@nabard.org">ac.jena@nabard.org</a> Tel: 022-26539471	<b>Compliance Officer</b> Mr. G. Immanuvel Tel: 022-26539511 Mob:7259885444 E-mail: <a href="mailto:compliance.officer@nabard.org">compliance.officer@nabard.org</a>	<b>Promoters</b> President of India, through the Ministry of Finance, Government of India and Reserve Bank of India

<b>Issue Schedule</b> Issue Opening Date: <b>22 Feb 2023</b> Closing Date: <b>22 Feb 2023</b> Pay in Date: <b>23 Feb 2023 (T+1)</b> Deemed Allotment Date: <b>23 Feb 2023</b>	<b>Bidding Parameters</b> Bidding Type: Closed Book Bidding at <b>NSE-EBP</b> ; Allotment Type: Uniform yield/price Allotment as per bids accepted, Bidding for Clean Price Settlement: Through <b>NSE Clearing</b> Listing on: <b>NSE</b>
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**Eligible Investors**

As per the operating guidelines of NSE-Bond EBP for issuance of securities on a private placement basis.

## **UNDERTAKING BY THE ISSUER**

### **Issuer's Absolute Responsibility**

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

### **General Risk**

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under point 'v' of this placement memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given under point 'v' of the section 'General Risks'.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

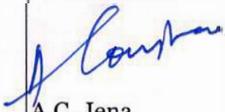
The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

The issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, and the rules and regulations made thereunder. The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government.

The Issuer undertakes that the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document.

The Issuer undertakes that whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the NABARD Act, 1981.

For NABARD



A.C. Jena  
(Chief General Manager-Finance Department)

20 February 2023



## Arrangers to the Issue

S. No.	Name	Address	Contact Person, Email IDs, Telephone No. & Website URL	Logo
1	Axis Bank Ltd.	Axis Bank Ltd. Axis House, Bombay Dyeing Mill Compound Pandurang Budhkar Marg, Worli	Mr. Manoj Sukhani manoj.sukhani@axisbank.com 98216 28001 www.axisbank.com	
2	HDFC Bank Ltd.	HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.	Mr. Pramod Thukrul pramod.thukrul@hdfcbank.com 9892066393 www.hdfcbank.com	
3	ICICI Bank Ltd.	ICICI Bank LTD, ICICI Bank Towers Bandra-Kurla Complex, Mumbai- 400 051, India	Ms. Abhishek Maji abhishek.maji@icicibank.com 81305 81469 www.icicibank.com	
4	ICICI Securities Primary Dealership Limited	4th Floor, ICICI Center, HT Parekh Marg, Churchgate, Mumbai 400 020	Ms. Cathleen Lobo cathleen.lobo@isecpd.com 022-66377206/9821318336 www.icicisecuritiespd.com	
5	IDBI Capital Markets and Securities Limited	5 <sup>th</sup> and 6 <sup>th</sup> Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400 005	Ms. Hiral Shah <a href="mailto:hiral.shah@idbicapital.com">hiral.shah@idbicapital.com</a> 022-68361256 <a href="https://idbicapital.com/index.asp">https://idbicapital.com/index.asp</a>	
6	JM Financial Limited	7th Floor Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai - 400025	Mr. Ajay Manglunia <a href="mailto:ajay.manglunia@jmfl.com">ajay.manglunia@jmfl.com</a> 022-62241771/9820072817 www.jmfl.com	
7	PNB Gilts Ltd.	4th Floor, PNB House, Sir P.M. Road, Fort, Mumbai - 400 001	Mr. Prasad S Deshpande p.deshpande@pnbgilts.com 022-22693315/9920718889 www.pnbgilts.com	
8	Trust Investment Advisors Pvt. Ltd.	1101, Naman Centre, BKC, Bandra (E) Mumbai – 400 051	Mr. Abhishek Lakhota mbd.trust@trustgroup.in 9619919896 www.trustgroup.in	
9	Yes Bank Limited	19th Floor, Indiabulls Finance Centre, Elphinstone (W), Mumbai - 400013	Mr. Abhishek Iyer abhishek.iyer@yesbank.in 9967565601 www.yesbank.in	

**TERM SHEET****22 February 2023****Re-issue of 7.58% NABARD 2026 Bonds Series 23H**

<b>Security Name</b>	<b>7.58% NABARD 2026 Bonds Series 23H-R1</b>
<b>ISIN</b>	<b>INE261Fo8DX0</b>
<b>Issuer</b>	National Bank for Agriculture and Rural Development
<b>Type / Nature of Instrument</b>	Redeemable, Unsecured, Taxable, Non-Convertible, Non Priority Sector Bonds
<b>Seniority</b>	Senior unsecured debt on par with other borrowing obligations of the Bank as regards repayment of principal and interest by the Bank out of its own funds.
<b>Mode of Issue</b>	On Private placement basis
<b>Eligible Investors</b>	Refer Information Memorandum (IM) dated 20 February 2023
<b>Listing</b>	In terms of SEBI operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021 (as amended from time to time), the Issue will be listed on <b>NSE</b> within 03 days from the date of closure of the issue. <b>Delay in Listing:</b> In case, the bonds are not listed within the said limit, NABARD shall pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing)
<b>Rating</b>	'CRISIL AAA/ Stable' by CRISIL, Letter Ref: RL/NABARDE/310527/BOND/0223/51802/91583740/1 dated 10 February 2023 IND AAA/ Stable by India Ratings & Research Ltd. dated 09 February 2023
<b>Right to Reissue</b>	NABARD reserves the right to re-purchase and re-issue the bonds as per the prevailing guidelines/ regulations of SEBI, Reserve Bank of India and / or any other applicable statutes.
<b>Issue Size (Current Tranche)</b>	<b>₹2000 crore</b>
<b>Option to retain oversubscription (Current Tranche)</b>	<b>Greenshoe option to retain oversubscription of upto ₹3000 crore i.e. Total upto ₹ 5000 crore including Greenshoe Option</b>
<b>Accepted Issue Size (Current Tranche)</b>	<b>₹5000 crore</b>
<b>Minimum Subscription</b>	One Bond and in multiple of one bond
<b>Past Issuance Size</b>	<b>₹4701.50 crore</b>
<b>Objects of the issue</b>	To meet the business requirements
<b>Details of utilisation of proceeds</b>	The funds raised through this Issue would be used for funding loans and advances to eligible institutions, exclusively for financing agriculture/allied activities and non-farm sector under various sections of National Bank for Agriculture and Rural Development Act, 1981.
<b>Coupon rate</b>	<b>7.58% p.a.</b>
<b>Step-Up/down rate</b>	Not Applicable

**राष्ट्रीय कृषि और ग्रामीण विकास बैंक****National Bank for Agriculture and Rural Development****वित्त विभाग**प्लॉट क्र सी-24, 'जी' ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051. टेली: +91 22 26530095 • फ़ैक्स: +91 22 26530099 • ई मेल: [fd@nabard.org](mailto:fd@nabard.org)  
**Finance Department**Plot No. C-24, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 • Tel.: +91 22 26530095 • Fax: +91 22 26530099 • E-mail: [fd@nabard.org](mailto:fd@nabard.org)



Coupon Reset Process	Not Applicable
Coupon Payment frequency/date	Annually as per Cash Flow Schedule
Coupon Type	Fixed
Day Count basis / Computation of Interest	Interest payable on bonds will be calculated on the basis of actual number of days elapsed in year of 365/366 days as the case may be. [Actual / Actual] In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for an annual interest payment, 366 days would be reckoned once as the denominator; in line with SEBI circular SEBI/HO/DDHS/P/CIR/2021 /613 dated 10 August 2021.
Interest on application	Not Applicable
Tenor	3 Years 5 months 28 days
Tenor of the current reissue	3 Years 5 months 08 days
Face Value	₹1,00,000/- per bond
Issue Price	Clean Price: ₹99,306.60, YTM: 7.83% (Accrued interest per bond of ₹1,00,000 is ₹415.34246575)
Premium / Discount at which security is issued & the effective yield as a result of such discount	Issued at discount through uniform coupon/price/yield allotment
Put/ Call Option Date	<b>None</b>
Put /Call Option Price	N.A.
Put / Call Notification time	N.A.
Redemption Date	<b>31 July 2026</b>
Issue Opening Date/Time	<b>22 February 2023, 10:30 AM</b>
Issue Closing Date/Time	<b>22 February 2023, 11:30 AM</b>
Pay-in Date	<b>23 February 2023</b>
Deemed Date of Allotment	<b>23 February 2023</b>
Redemption Amount	Interest and principal
Redemption (Pre/Dis)	Bullet payment at par, on completion of the tenor of the instrument.
Holiday Convention	If any Coupon Payment Date falls on a day that is not a Business Day (Saturday/ Sunday/ Holiday) in Mumbai, the payment shall be made by the Issuer on the immediately succeeding Business Day. <b>Interest will not be paid upto the date of payment so extended.</b> If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day (Saturday/ Sunday/ Holiday) in Mumbai, the redemption proceeds shall be paid by the

### राष्ट्रीय कृषि और ग्रामीण विकास बैंक

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	Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment. In the event the Record Date falls on a day which is not a Business Day, the immediately preceding Business Day will be considered as the Record Date.
Record date	15 calendar days prior to due date for payment (interest/ redemption)
All Covenants of the issue( including side letters, accepted payment clause, etc.)	None
Security	N.A. (Unsecured)
Transaction documents	Refer Information Memorandum (IM) dated 20 February 2023
Conditions Precedent/ Subsequent to Disbursement	None
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	An “Event of Default” means the occurrence of any of the events specified below: Default is committed in payment of the maturity value of the Bonds on the due date(s) and is not rectified within 7 (seven) Business Days of intimation to the Issuer;
Cross default clause	
Responsibilities of Trustee	
Governing law and jurisdiction	<p><b>a.</b> Default is committed in payment of any discount expenses on the Bonds on the due date(s) and is not rectified within 7 (seven) Business Days of intimation to the Issuer;</p> <p><b>b.</b> Default is committed by the Issuer in the performance or observance of any covenant, obligation condition or provision contained in these presents and/or the Financial Covenants and Conditions (other than the obligation to pay principal) and,</p> <p><b>c.</b> except where the Bond Trustee certify that such default is in their opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 (thirty) days after written notice has been given thereof by the Bond Trustee to the Issuer requiring the same to be remedied;</p> <p><b>d.</b> Any indebtedness of the Issuer for borrowed monies i.e. indebtedness for and in respect of monies borrowed or raised (whether or not for cash consideration) from banks or financial institutions by whatever means (including acceptances, credits, deposits and leasing), including interest thereon, becomes due prior to its stated maturity by reason of default of the terms thereof or any such indebtedness is not paid at its stated maturity or there is a default in making payments due under any guarantee or indemnity given by the Issuer in respect of the indebtedness of borrowed monies of any person, provided that individual amounts referred to above exceed ₹1,00,000 (Rupees One Lakh Only) and the default is not rectified within 7 (seven) Business Days;</p>

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- e. Any information given by the Issuer in any reports and other information furnished by the Issuer and the representations and warranties given/deemed to have been given by it to the Bond Trustee is misleading or incorrect in any material respect;
- f. If the Issuer is unable to pay its debts or proceedings for taking it into liquidation, either voluntarily or compulsorily, may be or have been commenced and admitted;
- g. The Issuer has voluntarily or involuntarily commenced or become the subject of proceedings under any bankruptcy or insolvency law or the Issuer is voluntarily or involuntarily dissolved or liquidated;
- h. The Issuer is unable to or has admitted in writing its inability to pay its debts as they mature;
- i. The Issuer has taken or suffered to be taken any action for re-organization of its capital;
- j. A receiver or a liquidator has been appointed or allowed to be appointed of all or any substantial part of the undertaking of the Issuer or an attachment, sequestration, distress or execution (or analogous process) is levied or enforced upon or issued against a substantial part of the assets or property of the Issuer;
- k. If, any extra-ordinary circumstances have occurred which make it improbable for the Issuer to fulfill its obligation under these presents and/or the Bonds;
- l. The Issuer ceases or threatens to cease to carry on its business or gives notice of its intention to do so;
- m. The Bonds are not listed, or if such listing of the Bonds ceases at any point of time prior to the Maturity Date due to an act of the Issuer or failure by the Issuer to take all necessary action to ensure listing.

In accordance with the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 issued by SEBI on "Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities", post the occurrence of one or more of the Event(s) of Default specified above, the consent of the Debenture Holders for entering into an inter-creditor agreement (the "ICA")/ enforcement proceedings shall be sought by the debenture trustee after providing a notice to the Debenture holders in the manner stipulated under applicable law. Further, the meeting of the Debenture Holders shall be held within the period stipulated under applicable law. In case(s) where majority of Debenture holders express their dissent to enforce the security, the debenture trustee shall not enforce the security on behalf of the Debenture holders. In case(s) where majority of Debenture holders express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the Debenture

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	<p>holders upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA or non-enforcement of security, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the Debenture holders. The dissent for enforcement / consent for joining the ICA of the majority of Debenture holders shall mean the approval of not less than 75% of the Debenture holders by value of the outstanding debt and 60% of the Debenture holders by number at the ISIN level.</p> <p>Thus, in case of an occurrence of a “default”, the Debenture Trustee shall abide and comply with the procedures mentioned in the above mentioned circular (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) dated October 13, 2020 issued by SEBI.</p> <p>Regulation 51 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines ‘default’ as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.</p>
Conditions for breach of covenants (as specified in Debenture Trust Deed )	Default shall have occurred in the performance of any other covenants, conditions or agreements on the part of the Issuer under this Deed or the other Transaction Documents or deeds entered into between the Issuer and the Bondholder(s)/Beneficial Owner(s)/ Bond Trustee and such default shall have continued for a period of thirty days after notice in writing thereof been given to the Issuer by the Bondholder(s)/Beneficial Owner(s)/ Bond Trustee for remedying such default.
Risk factors pertaining to the issue	The bonds are unsecured in nature. the recovery of 100% of outstanding amount shall depend on the market scenario prevalent at the time of enforcement of the Bonds pursuant to Event of default.
Creation of Recovery Expense Fund	Recovery Expense Fund has been created with the NSE Ltd through bank deposit of ₹25,00,000/- dated 05 January 2021.
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as	N.A.(Unsecured Instrument)

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specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum																																		
Default interest Rate	<b>Default in Payment:</b> In case of default in payment of Interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the coupon rate shall be payable by NABARD.																																	
Debenture Trustee	Axis Trustee Services Limited																																	
<b>Arrangers of the issue</b>	<table border="1"><thead><tr><th>Sr. No.</th><th>Arrangers</th><th>Allocated Amount (in ₹ Cr.)</th></tr></thead><tbody><tr><td>1</td><td>Axis Bank Ltd.</td><td>200</td></tr><tr><td>2</td><td>HDFC Bank Ltd.</td><td>350</td></tr><tr><td>3</td><td>ICICI Bank</td><td>750</td></tr><tr><td>4</td><td>ICICI Securities Primary Dealership Ltd.</td><td>380</td></tr><tr><td>5</td><td>IDBI Capital Markets and Securities Limited</td><td>100</td></tr><tr><td>6</td><td>JM Financial Limited</td><td>100</td></tr><tr><td>7</td><td>PNB Gilts Limited</td><td>115</td></tr><tr><td>8</td><td>Trust Investment Advisors Private Limited</td><td>125</td></tr><tr><td>9</td><td>Yes Bank</td><td>200</td></tr><tr><td></td><td><b>Total</b></td><td><b>2320</b></td></tr></tbody></table>	Sr. No.	Arrangers	Allocated Amount (in ₹ Cr.)	1	Axis Bank Ltd.	200	2	HDFC Bank Ltd.	350	3	ICICI Bank	750	4	ICICI Securities Primary Dealership Ltd.	380	5	IDBI Capital Markets and Securities Limited	100	6	JM Financial Limited	100	7	PNB Gilts Limited	115	8	Trust Investment Advisors Private Limited	125	9	Yes Bank	200		<b>Total</b>	<b>2320</b>
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Disclosure Document	Information Memorandum dated 20 February 2023																																	
Borrowing programme	Approved by Board of Directors in their 243 <sup>rd</sup> meeting held on 16 <sup>th</sup> March 2022																																	

## Bidding Details and Settlement Parameters

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

वित्त विभाग

प्लॉट क्र सी-24, 'जी' ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051. टेली: +91 22 26530095 • फ़ैक्स: +91 22 26530099 • ई मेल: [fd@nabard.org](mailto:fd@nabard.org)

Finance Department

Plot No. C-24, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 • Tel.: +91 22 26530095 • Fax: +91 22 26530099 • E-mail: [fd@nabard.org](mailto:fd@nabard.org)



EBP Platform	NSE Ltd.
Issue Timing	Opens on: 22 February 2023 at 10:30 AM Closes on: 22 February at 11:30 AM Pay- in date to Exchange: 23 February 2023 (T+1) Deemed date of allotment: 23 February 2023
Bidding Type	Closed Book Bidding- Bidding for clean price
Allotment Method	<b>Single Price/Coupon/Yield allotment as per bids accepted.</b>
Settlement Mode	Through NSE Clearing
Minimum Application	One Bond and multiple of one bond thereafter (₹1 lakh and in multiple of ₹1 lakh thereafter)
Issuance/Trading mode	Only in Demat form
Depository's Name	NSDL / CDSL

## राष्ट्रीय कृषि और ग्रामीण विकास बैंक

**National Bank for Agriculture and Rural Development**

वित्त विभाग

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## Illustration of Bond Cash Flows

<b>Company</b>	NABARD
<b>Face Value (per security)</b>	₹1 lakh per Bond
<b>Original Issue Date/Current Date of Allotment</b>	03 February 2023/23 February 2023
<b>Accepted Issue Size</b>	₹5000 crore
<b>Redemption Date</b>	31 July 2026
<b>Coupon Rate</b>	7.58% p.a.
<b>Frequency of the Interest Payment with specified dates</b>	Annual
<b>Day Count Convention</b>	Actual / Actual

## Per Bond Cash Flows: Indicative

Cash Flows	Coupon Payment Date	Revised Date due to non-weekday	No. of Days in Coupon Period	Amount in Rupees
1st Coupon Payment	31-Jul-23		178	3,696.55
<b>2nd Coupon Payment</b>	31-Jul-24		<b>366</b>	<b>7580.00</b>
3rd Coupon Payment	31-Jul-25		365	7580.00
4th Coupon Payment with Principal Repayment	31-Jul-26		365	107580.00

\*The coupon highlighted in bold will have a leap year denominator

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

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## Chapter 1 Disclosures

### 1.1 Details of Promoters of NABARD as on 30<sup>th</sup> September 2022

100% Share capital of NABARD is held by GoI and it is not divided in to share units.

### DISCLOSURES AS PER SCHEDULE I OF REVISED GUIDELINES FOR ISSUE AND LISTING OF NON CONVERTIBLE SECURITIES

#### Issuer Information:

<p><b>1. Name and address of the Registered Office of the Issuer</b>  National Bank for Agriculture and Rural Development, Plot No. C-24, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.  Tel: (022) 26539260 / 9844/9468  Fax: (022) 26530099 / 26530137 Website: www.nabard.org Email: fd@nabard.org</p>	<p><b>2. Compliance Officer</b>  G. Immanuel  Second Floor , 'E' Wing Plot No. C-24, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.  Tel: (022) 26539511  Fax: (022) 26530099  E-mail: <a href="mailto:compliance.officer@nabard.org">compliance.officer@nabard.org</a></p> <p>The Investor may contact the compliance officer in case of any pre-issue / post-issue related problems such as non-receipt of Bond credits / refund orders.</p>
<p>3. Arrangers of the issue As per term sheet</p>	<p>4. Trustee of the issue-</p>  <p>Axis Trustee Services Ltd.  The Ruby, 2nd Floor, SW 29, Senapati Bapat Marg,  Dadar (West), Mumbai - 400028  Phone: +91 022 62300426  Fax: +91 022 62300700 Contact Person: Saranpreet Ghelani Email: <a href="mailto:saranpreet.ghelani@axistrustee.in">saranpreet.ghelani@axistrustee.in</a> URL: <a href="http://www.axistrustee.com">www.axistrustee.com</a></p>
<p><b>5. Registrar and Transfer Agents</b>  <b>Datamatics Business Solutions Ltd.</b>  Plot No.B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai 400093 Phone : 022-66712001, 022-66719645, 9769120187  web: <a href="http://www.datamaticsbpm.com">www.datamaticsbpm.com</a> Contact person: Mr. Pankaj Sonar E-mail: <a href="mailto:pankaj_sonar@datamaticsbpm.com">pankaj_sonar@datamaticsbpm.com</a></p> 	<p><b>6. Auditors of the Issuers</b>  MKPS &amp; Associates  701, Stanford Office Condominium, Near Shoppers Stop, S. V. Road Andheri(W), Mumbai-400058, India. T: +91 22 6239 2666  Contact Person: Mahendra K. Agrawala  E: <a href="mailto:mumbai@mkps.in">mumbai@mkps.in</a> URL: <a href="https://mkps.in/">https://mkps.in/</a></p> 
<p><b>7. Rating agencies of the Issue</b></p>	
<p><b>CRISIL</b>  Regd. Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai-400076  Tel: 022-33423092; 022-33423000  Contact person: Mr. Rahul Deorukhkar Email: <a href="mailto:rahul.deorukhkar@crisil.com">rahul.deorukhkar@crisil.com</a>  URL: <a href="http://www.crisil.com">www.crisil.com</a></p> 	<p><b>India Ratings &amp; Research</b>  Workhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra, Mumbai 400051  Tel: 0224035 6123 Mobile: 09820382002 Contact person: Ms. Anuradha Basumatari Email: <a href="mailto:anuradha.basumatari@indiaratings.co.in">anuradha.basumatari@indiaratings.co.in</a>  URL: <a href="http://www.indiaratings.co.in">www.indiaratings.co.in</a></p> 



1.2 Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters; None

1.3 The PAN details of Directors are submitted to the exchange as given below:

<b>Sr. No.</b>	<b>Name</b>	<b>PAN No.</b>
1	Shri Shaji K V	AJKPK4881E
2	Shri P V S Suryakumar	ACLPP5373L
3	Shri Urvish Shah	APLPS7936M
4	Dr. M. D. Patra	AAFPP0825G
5	Ms. Revathy Iyer	AAAP13975L
6	Dr. Ravindra H Dholakia	AAJPD4880G
7	Shri Manoj Ahuja	-
8	Shri Bhushan Kumar Sinha	ALJPS0644L
9	Shri Shailesh Kumar Singh	AMSPS7686Q
10	Dr. B. V. R. C. Purushottam	-
11	Shri Ashok Barnwal	-
12	Dr. Sharat Chauhan	-
13	Shri Y Madhusudhana Reddy	-



## **Chapter 2 BRIEF SUMMARY OF BUSINESS ACTIVITIES OF NABARD**

### **Overview**

NABARD is an apex development institution in India, having its headquarters in Mumbai (Maharashtra). NABARD has a mandate under the NABARD Act to facilitate credit and other facilities for the promotion and development of agriculture, small scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas in India with a view to promoting integrated rural development. It was established on July 12, 1982 by a special Act of Parliament and its main focus has since been the upliftment and development of rural India by increasing the credit flow for elevation of agriculture and rural non-farm sector. It completed 34 years on January 1, 2016. It has been entrusted with matters concerning policy, planning and operations in the field of credit for agriculture and other economic activities in rural areas in India. As on March 31, 2022, NABARD operates throughout the country through its 31 Regional Offices, a cell at Srinagar and Training establishments at Lucknow, Kolkata and Mangalore. It also has the mandate to support all other allied economic activities in rural areas, promote integrated and sustainable rural development and secure prosperity of rural areas.

### **Genesis and Mission**

NABARD was a product of CRAFTICARD lead by the Chairman Mr B. Sivaraman, a former member of Planning Commission of India, GoI. The Sivaraman Committee was constituted by the RBI on March 30, 1979 at the instance of the GoI, to review the arrangements for institutional credit for agricultural and rural development. This committee, in its interim report, submitted on November 28, 1979, felt the need for a new organisational structure for providing undivided attention, forceful direction and pointed focus to the credit problems arising out of integrated rural development and recommended the formation of National Bank for Agriculture and Rural Development. The Parliament, through Act, 61 of 1981, approved the setting up of NABARD. Eventually the institution came into existence on July 12, 1982 by transferring the agricultural credit functions of RBI and refinance functions of the then ARDC. NABARD was dedicated to the service of the nation by the late Prime Minister Smt. Indira Gandhi on November 5, 1982.

NABARD was set up with an initial capital of ₹100 crores. Consequent to the revision in the composition of share capital between GoI and RBI, the share capital as on March 31, 2022, stood at ₹17,080 crores with GoI holding entire ₹17,080 crores (100.00%). NABARD functions with the mission to “Promote sustainable and equitable agriculture and rural prosperity through effective credit support, related services, institution development and other innovative initiatives.”

### **Ownership of NABARD**

Initially, RBI held 72.5% of share capital in NABARD amounting to Rs. 1,450 crores. The remaining shareholding of ₹ 550 crore was with the GoI. The Union Cabinet in May 2008 approved the RBI's proposal to transfer its shareholding in NABARD to the GoI. Accordingly, the GoI issued a notification on September 16, 2010 prescribing the proportion of subscription/ownership of GoI and RBI in NABARD as 99% and 1% respectively. In terms of RBI circular dated October 14, 2010, RBI had divested its stake amounting to ₹ 1,430 crores in NABARD on October 13, 2010. With this, the RBI's holding in NABARD came down to 1% of shareholding in NABARD. In September 2013, GoI gave an amount of ₹ 700 crores towards share capital. Consequent to this the shareholding of GoI and RBI in the share capital of NABARD as at the date of this Information Memorandum is at 100.00:00.00 respectively.

## Strengths

### *Continued support from GoI and key public policy role in India's agriculture sector*

NABARD is the apex financing institution to augment credit flow to the agricultural and rural sectors. The institution plays a developmental role in strengthening the rural financial institutions. The agency extends refinance support to SCARDBs, STCBs, RRBs, commercial banks, and other financial institutions approved by RBI. Given the increasing role played by NBFCs in agricultural and rural credit, NABARD also extends refinance facility to this sector. It also provides co-finance with commercial banks to viable projects.

Over the past few years, the role and scope of NABARD has been enlarged significantly by GoI. NABARD has been entrusted with the management of various development funds including RIDF, Watershed Development Fund, and Tribal Development Fund (TDF). Furthermore, NABARD also provides support to RRBs and CCBs for implementation of core banking solution, and facilitates recapitalization of RRBs falling short of the minimum CAR requirement of 9%. In addition, in its report on financial inclusion, the C Rangarajan Committee has identified NABARD as a key agency for implementing its various recommendations to bring about rural prosperity.

**Public Policy Institution:** National Bank for Agriculture and Rural Development (NABARD) has strong linkages with the government of India (GoI) and is an apex policy institution and nodal agency for agriculture and rural development in India. It actively plays a major role in implementing the GoI's policies in the socially, politically and economically important agriculture sector and rural development. Representatives from the ministries of agriculture, rural development and finance are present on NABARD's board of directors. The appointment of NABARD's board of directors by the GoI is according to the statutes of the NABARD Act 1981, under which it has been established. Also, there have been numerous instances of financial support extended to NABARD by way of budgetary allocations annually since inception. The GoI contributed additional equity capital of INR20 billion and INR38.80 billion, respectively, during FY19 and FY18. Moreover, the entire share capital of NABARD was subscribed by the GoI on 31 March 2018.

**Regulatory Body:** In its supervisory role, NABARD undertakes statutory and voluntary inspections of state cooperative banks, regional rural banks and district central cooperative banks.

**Captive Resources:** Rural Infrastructure Development Fund (RIDF) deposits will continue to be an important source of funds for NABARD (FY14-FY18: 30.7%), as scheduled commercial banks are facing difficulties in meeting priority sector lending targets traditionally. RIDF deposits grew 10.2% yoy in FY18 (FY17: 8.9%). Short-term cooperative rural credit fund, short-term regional rural bank credit refinance fund and long-term rural credit fund collectively were the next major sources of funding (27.5%) during FY14-FY18. The GoI allocates funds to NABARD for various specified purposes to meet grassroots-level demand.

**Low Risk Deployment:** At FYE18, loans to state governments or their agencies accounted for 31.26% of NABARD's loan portfolio. These loans were all secured by guarantees from state governments. Furthermore, NABARD has the mandate to direct the Reserve Bank of India (RBI) to debit the current accounts of its RIDF loan counterparties in case of a default. NABARD's refinance portfolio (53.91% of the loan portfolio at FYE18) is also secured.

Refinance and RIDF loans together accounted for 85.17% of the total loan portfolio at FYE18, lower than 91.71% at FYE17. The remainder was accounted for by other direct loans (other than RIDF), which are secured by collaterals such as unencumbered assets, fixed deposits, bank guarantee, state government guarantee and other assets. Although the share of these loans increased to 14.84% of total loans (FY17: 8.28%) in FY18, the risks to asset quality is mitigated to an extent by 53% comprising of loans to state governments and nodal agencies of the central government, which are implementing projects under the long-term irrigation fund (scheme) and rural housing scheme.

**Comfortable Capitalisation:** NABARD's Tier 1 capital ratio was comfortable at 17.65% at FYE18, aided by regular equity injections from the GoI. The low-margin RIDF lending business, which constitutes a sizeable proportion of NABARD's loan portfolio, comprises low risk assets and lends support to the capital adequacy ratio (FY18: 18.85%; FY17: 17.71%). The capital adequacy ratio stood at 17.51% in 3QFY19.

**Minimal Non-Performing Assets:** NABARD has traditionally reported minimal non-performing assets, as the majority of the business is by way of refinancing and RIDF. Its gross non-performing loan ratio was 0.02%-0.07% over the last 10 years. Gross non-performing loan ratio remained unchanged at 0.05% in FY18 from FY17. All of these emanate from direct (other than RIDF) loans to private entities from the agriculture and construction sectors, which together accounted 9.2% of the total loan and advances portfolio on 31 March 2018.

Provisions (other than tax) increased to INR4,873.1 million during 9MFY19 from INR1,155 million during 1HFY19 due to exposure of INR2,100.47 million to Infrastructure Leasing and Financial Services (IL&FS; 'IND D'), which defaulted on its obligations. Of the total exposure, however, principal redemption of INR250 million of NCD by IL&FS is due in September 2019. The gross and net non-performing assets ratio stood at 0.04% and 0%, respectively, in 3QFY19. Management informed net non-performing assets ratio is likely to remain at 0% as NABARD has fully provided for the exposure to stressed assets.

**Concentration without High Risk:** NABARD has a significant concentration on its balance sheet. The top 20 borrowers accounted 44.10% of the total assets and the 20 largest lenders represented 67.80% of the total borrowings at FYE18. However, the risk is moderate as the loans are fully secured and the deposits are by commercial banks due to shortages in meeting priority sector lending targets. The top 20 borrowers constituted large commercial banks, state cooperative banks and state governments, which mitigates concentration risk.

### ***Fulfilling the credit needs of India's rural economy***

NABARD meets the credit requirements of farmers at the ground level in line with the policies of GoI. Through increasing and expanding support to rural financial institutions and NBFC's by way of refinance support and direct lending support, NABARD aims at increasing agricultural production, raising farm productivity, improving access to markets through reforms and providing better facilities for storage of produce. Adopting sector related policies and activities, contributing to better output and income from farming, farm-related and off-farm activities in rural India shall be the ground rule for NABARD.

### ***Asset Creation for Rural Economy***

NABARD increases its refinance support for various purposes such as farm investments, allied activities, small and micro-enterprises, agro-processing, non-conventional energy, self-help groups and rural housing for to ensure a steady flow of long-term credit to the farm and non-farm sectors with a target of creating assets and capital that are critical for sustained agricultural growth.

### ***Financing Short Term Business Operations***

To pursue an overall agriculture growth, NABARD adopts enabling policies for refinancing production, procurement and marketing activities of the farmers with special relaxation for priority regions like NE and sectors like handlooms. Strengthening rural financial institutions through development and providing technology support to these institutions will lead to a robust and effective rural financial market.

### ***Agri-Commodity Value Chains, Opportunities for Small Farmers, Value Addition and Linkages, Support to Producer Organisations***

A special emphasis shall be laid on integrating producers, especially with small land holdings, into supply chains and integrated market systems. Support services will be provided for developing agri-commodity chains, producer organisations, establishment of warehouses and providing forward and backward linkages.

### ***Micro-Finance Initiatives and Financial Inclusion***

The SHG Bank Linkage Programme will be expanded with a view to cover all eligible poor rural households, prioritizing resource-poor States, providing livelihood opportunities to SHG members and covering the hitherto unreached areas in close co-ordination with National Rural Livelihood Mission. Efforts are being made for the convergence of SHG-BLP with the financial inclusion initiative of the GoI and RBI, in addition to other government programmes, including Prime Minister's Jan Dhan Yojna.

### ***Mitigating Risks in Agriculture and Addressing Distress***

More interventions shall be framed to ensure timely and adequate relief from production, price, input and technology risks faced by the farmers. Provision of pre-weather alerts, weather report on mobiles, covering of all farmers under insurance schemes and credit-related measures in the event of natural calamity shall continue to the thrust area. Preparing implementable action plans to address agrarian distress in totality shall be another challenging area for NABARD.

### ***Sustainable Agriculture, Climate Change and Promoting Natural Resource Management***

In accordance with one of the main agenda of development of sustainable agriculture, NABARD will promote and support watershed and livelihood based programmes, natural resource management programmes, transfer of agriculture technology through farmers clubs, development of tribal farmers by tribal development programmes, enhancing resilience of agriculture against climate change, promoting gender equity and social empowerment and financing of producers organisations.

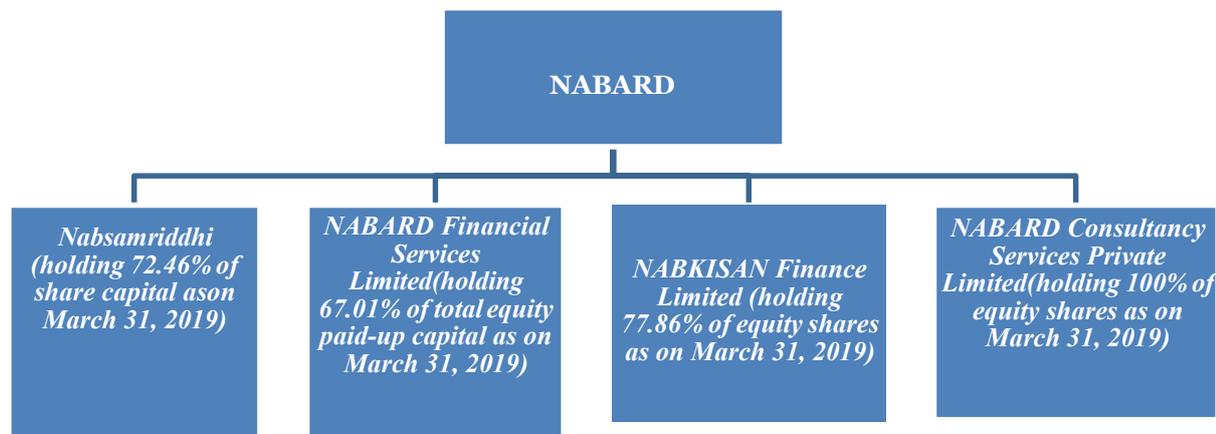
### ***RIDF and Rural Infrastructure***

NABARD channelises the financial resources under RIDF to State Governments to develop a robust and comprehensive physical infrastructure as a core need of agriculture and rural development.

### ***Research Development and Consultancy***

To meaningfully link development and credit planning, NABARD has been preparing holistic potential-linked credit plans through its more than 400 District Development Offices across the country. The focus is on credit planning, monitoring, co-ordination between various developmental and promotional activities in each district of the country. Financial support under Research and Development Fund will continue for promotion of applied research, projects, studies, organisations, sponsoring chairs in universities and conducting seminars and workshops.

## Corporate Structure



### Business Operations

NABARD undertakes its financings activities through direct finance and refinance which is available to SCARDBs, State Co- operative Banks, RRBs, Commercial Banks and other financial institutions approved by RBI.

### Overview of Refinance Facilities

Refinance facilities are provided through short, medium and long-term loans and eligible schemes for refinance to the non- farm sector.

	<b>Credit Facilities</b>
Commercial Banks	<ul style="list-style-type: none"> <li>• Long-term credit for investment purposes.</li> <li>• Financing the working capital requirements of WCS and SHDCs.</li> <li>• Financing of crop loan requirement of PACS.</li> </ul>
Short-term Co-operative Structure State Co-operative Banks, District Central Co- operative Banks, Primary Agricultural Credit Societies	<ul style="list-style-type: none"> <li>• Short-term crop and other loans.</li> <li>• Medium-term (conversion) loans.</li> <li>• Term loans for investment purposes.</li> <li>• Financing WCS for production and marketing purposes.</li> <li>• Financing State handloom development corporations for working capital by STCBs.</li> <li>• Direct lending to co-operative banks as allowed to them in terms of implementation of any revival package NABARD has designed a short term multipurpose credit product for financing directly to CCBs.</li> <li>• NABARD has started the programme to help co-operatives to migrate to a CBS platform. The major objectives of the programme are to:               <ol style="list-style-type: none"> <li>(a) Enable banks to offer a wider, more flexible product portfolio;</li> <li>(b) Improve profitability;</li> <li>(c) Comply with all regulatory requirements, operations and reporting;</li> <li>(d) Remit all Government Funds through an e-payment mode; and</li> <li>(e) Facilitate financial inclusion.</li> </ol> </li> </ul>

Long term Co-operative Structure State Co-operative Agriculture and Rural Development Banks	Term loans for investment purposes.
Regional Rural Banks (RRBs)	<ul style="list-style-type: none"> <li>• Short-term crop and other loans.</li> <li>• Term loans for investment purposes.</li> <li>• Financing of crop loan requirement of PACS.</li> </ul>
State Governments	<ul style="list-style-type: none"> <li>• Long-term loans for equity participation in co-operatives.</li> <li>• Rural Infrastructure Development Fund (RIDF) loans for infrastructure projects including warehousing.</li> </ul> Loans out of LTIF fund.
Non-Governmental Organizations NGOs - Informal Credit Delivery System	Fund assistance for various micro-credit delivery innovations and promotional projects under the 'Micro Finance Development and Equity Fund'.
State Governments and other State owned organizations or corporations	NABARD Infrastructure Development Assistance (NIDA) to assist both for on-budget as well as off-budget funding on flexible terms, outside RIDF and for creation of rural infrastructure.
Producers' Organizations (POs)	Credit and credit plus support. NABARD's subsidiary NABKISAN Finance Limited has been established to support Producers Organizations for term loan and working capital requirements on a pan India basis.
Non-Banking Finance Companies	Term loans for investment purposes.

### ***Short Term Production Credit***

NABARD provides short-term refinance for various types of production, marketing and procurement activities. Some of the major activities are:

- (a) *Seasonal Agricultural Operations (SAO)*: This covers activities which are undertaken in the process of raising various crops and are seasonally recurring in nature. The activities include among others, ploughing and preparing land for sowing, weeding, and transplantation where necessary, acquiring and applying inputs such as seeds, fertilizers and labour for all operations in the fields for raising and harvesting the crops. This is effected through a concessional rate of interest being given to State Co-operative Banks and RRBs by way of sanction of credit limits. Each withdrawal against the sanctioned credit limit is repayable within 12 months.
- (b) *Financing Other than Seasonal Agricultural Operations of RRBs*: NABARD provides refinance to RRBs for financing production and marketing activities of artisans (including handloom weavers) and village, cottage and tiny services.
- (c) *Financing of Weavers*: NABARD provides refinance working capital facilities to SCBs or DCCBs for financing the production, procurement and marketing requirements of PWCs and apex, regional weavers' societies, additionally to primary weavers co-operative societies through SCBs and to SDHCs through SCBs and STCBs. While a major part of the refinance at present flows to weavers in the co-operative fold, NABARD also provides refinance to STCBs, RRBs and SCBs for financing SHDCs to benefit the weavers outside the co-operative fold for their working capital and marketing requirements.
- (d) *Refinance for Marketing of Crops*: In order to enable the farmers on the farm to produce with a view to having the opportunity to maximize their sale price, short term refinance from NABARD is available to STCBs on behalf of DCCBs. Advances are also permitted against pledge of agricultural produce or outright purchase of agricultural produce of cultivators by processing and marketing

societies. Under this facility, 100% refinance is available against loans extended to societies or cultivators by DCCBs.

- (e) *Refinance for Procurement, Stocking and Distribution of Chemical fertilizers:* NABARD provides refinance to STCBs for (i) procurement, stocking and wholesale distribution by apex societies; and (ii) retail distribution of fertilizer to farmers.
- (f) *Other Short Term Loans:* NABARD also provides short term loans to STCBs and RRBs for agriculture and allied activities, fisheries and labour contracts and to other industrial co-operative societies and forest labour co-operative societies including for collection of minor forest produce. Limits are sanctioned and aggregated to RRBs and STCBs in respect of eligible DCCBs.

### **Medium Term Loans**

- (g) *Conversion Assistance following a Natural Calamity:* NABARD provides medium term credit limits to STCBs (on behalf of DCCBs) and RRBs for conversion of short term agricultural loans to medium term loans and rescheduling of existing medium term loans due to crop damage as a result of natural calamities.
- (h) *Agriculture Investment Purposes:* NABARD provides medium term credit limits to STCBs (on behalf of DCCBs) and RRBs for financing approved agricultural investment purposes.

### **Long Term Loans**

NABARD extends refinance support to RRBs, commercial banks and cooperative banks for their long-term lending, with the repayment period ranging from 3 to 15 years. These loans are targeted at creating assets and capital that are critical for sustained agricultural growth. Refinance for various purposes, such as farm investments, allied activities, small and micro- enterprises, agro-processing, organic farming, nonconventional energy, self-help groups and rural housing, are given to ensure a steady flow of long-term credit to the farm and non-farm sectors. There is also a long-term refinance facility where credit is provided for 3 to 15 years which is intended to create income generating assets in (i) the farm sector such as minor irrigation, farm mechanization, land development, soil conservation, dairy, sheep or goat rearing, poultry, piggery, plantation, horticulture, forestry, fishery, storage and market yards, bio-gas and other alternate sources of energy, sericulture and (ii) the non-farm sector such as artisans, small scale industries, handicrafts, handlooms, power looms and for activities of voluntary agencies and self- help groups working among the rural poor. The institutions eligible for refinance are SCARDBs, RRBs, STCBs, commercial banks, ADFCs, PUCBs, NEDFC and NBFCs.

### **Housing Loans**

As housing in the rural areas, both agriculturist and non-agriculturists, combines the business as well as dwelling needs and thereby leads to overall rural development, NABARD extends refinance (investment credit) to eligible banks.

### **Renewable Energy Schemes**

The Ministry of New and Renewable Energy has launched a capital cum interest subsidy scheme for creation of off-grid, decentralised solar powered energy harvesting devices through application of photo voltaic technology for the purpose of lighting, heating, etc. at the level of domestic and mini commercial applications. NABARD is the nodal agency for giving feasibility and refinance for eligible projects. This subsidy-cum-refinance scheme under the Jawaharlal Nehru National Solar Mission was launched by the Ministry of New and Renewable Energy, GoI in November 2010 to encourage the use of solar energy and

help replace non-renewable energy. The scheme was revised and made into a capital subsidy scheme for solar crores was released for 2953 units.

### **RIDF**

NABARD has been channelizing the shortfall in the mandatory share of priority sector lending by commercial banks to the Rural Infrastructure Development Fund, instituted in 1995–96. Though the fund initially focused on incomplete irrigation, flood protection and watershed management projects, funding for rural infrastructure became more broad-based through the years. The RIDF, inter alia, covers 34 activities related to rural infrastructure development. With allocations in every Union Budget since its inception, RIDF has evolved as a major and popular source of finance to state governments. This long-term partnership between NABARD and the state governments has strengthened over the last two decades.

With its experience of managing the RIDF for nearly 25 years, NABARD has gathered significant insights in matters related to rural infrastructure. As an indirect outcome, NABARD has developed internal capabilities in financing and facilitating the creation of rural infrastructure and has expanded its contribution to this domain through various other initiatives as well.

### **Overview of Direct Lending**

Direct lending to the rural sector is effected by NABARD through the following mechanisms:

- i. **NABARD Infrastructure Development Assistance (NIDA):** NIDA is a line of credit extended to state governments and state-owned entities (institutions and corporations) to participate in the creation (or funding) of rural infrastructure projects on both on-budget and off-budget items outside the ambit of RIDF borrowing. NIDA is available on more flexible interest terms than the RIDF. Since the inception of NIDA (2010–11), several projects have been sanctioned for purposes such as warehousing, power transmission, cyclone-damaged power restoration, roads, irrigation and sewerage. Andhra Pradesh, Bihar, Chattisgarh, Goa, Gujarat, Haryana, Karnataka, Rajasthan, Maharashtra, Punjab, Tamil Nadu, Uttarakhand, Madhya Pradesh and West Bengal are the major states funded through NIDA.
- ii. **Producer Funds**
  - a. **Producers Organization Development Fund:** The Producers Organization Development Fund has been set up on April 1, 2011, with an initial corpus of ` 50 crores. Any registered producers organization such as producers companies, producers co-operatives, registered farmer federations, mutually aided cooperative society, industrial co-operative societies, other registered federations or PACS set up by producers are eligible under the fund. Credit support is provided in the form of grant, loans, or a combination of these is also available for capacity building and market interventions. The fund was established to tackle the issues of lack of availability of timely credit, capacity building of producers and strengthening of the producer's organizations and market participant links.
  - b. **Producers Organization Development and Upliftment Corpus (PRODUCE) Fund:** This fund has a ` 200 crore corpus created by the GoI in NABARD to build 2000 farmer producer organizations.
  - c. **Credit Facilities to Marketing Federations:** Marketing federations and cooperatives are playing a very important role in agribusiness and value and supply chain management of the various agricultural commodities. Farmers, producer organizations and primary societies depend upon these institutions for marketing of their produce and for value added services like input supply, value addition and storage facilities. The marketing operations by these federations and cooperatives require seasonal and timely short term credit facility to support their day to day operations. State and Central Government Agricultural

Marketing Federations, companies, dairy co - operatives and federations, agriculture marketing co-operatives and federations, subject to meeting certain eligibility criteria, may utilize less than 12 month short term credit facility to meet working capital requirements. It has to be repaid at the end of 12th month and can be used for procuring, processing and marketing of agricultural commodities and milk and supply of agricultural inputs including animal feed. Rate of interest, security and fees will be decided by NABARD.

- d. *Warehouse Infrastructure Fund:* The Warehouse Infrastructure Fund (2013-14) was established in NABARD with a corpus of ` 5,000 crores with contribution from banks defaulting in priority sector lending obligations. This was strengthened again in Financial Year 2014-15 with additional ` 5,000 crores to support the creation of infrastructure for storage of agricultural commodities. The fund envisages extension of loans to public and private sectors for food grain deficit states. Eligible institutions are State Governments and entities promoted by them, special purpose vehicles, co-operatives, co-operative federations, farmers' producer organizations, PACS, co- operative marketing societies, companies and individual entrepreneurs The aim is to develop food processing sector on cluster basis in the country to reduce wastage of agricultural produce and to create employment opportunities, especially in rural areas.
- e. *Financing and Developing PACS into Multi-Service Centres:* To provide services to the farmers PACS should be developed as a unit to meet all farmers' needs. Farmers should be encouraged to use the latest technology to increase agricultural production, store produce to minimise storage losses and increase returns. This initiative aims to develop PACS as multi service centres, be financially self-sustaining, provide ancillary services to its members and diversify its activities. Assistance under this scheme is available to STCBs, RRBs, CCB or PACS by way of a maximum 9 year fixed rate loan including grace period of two years to develop agro-storage, agro-service, agro- processing and agri-information centres and agri-transportation and marketing facilities centres.
- f. *Umbrella Project for Natural Resources Management:* This is a natural resource management projects being implemented under Indo-German collaboration with the German Development Corporation for the past 20 years. The programme objective is to contribute to mainstreaming of holistic, participatory and financially sustainable livelihood solutions into public NRM policies and financial instruments for improving the livelihoods of the rural poor based on the sustainable natural resource use and management. The programme aims at funding community managed sustainable natural resource management based rural livelihood projects. Through this NABARD has established the Indo-German Watershed Development Programme, RIDF, Wadi Development Programmes, Watershed Development Fund, Tribal Development Fund and the SHG-Bank Linkage Programme. The goals and objectives of the natural resource management policy are to be achieved through synergy and in consonance with various policies, programmes, missions, guiding principles, reform processes and decentralised management systems of Ministry of Rural Development, Ministry of Agriculture, Ministry of Environment & Forests, Ministry of Tribal Affairs and other GoI agencies or special purpose vehicles (like National Rainfed Area Authority) dealing in the natural resource management sector.

NABARD's activities in the natural resource management sector take into account national commitments under the relevant millennium development goals and international conventions like United Nations Framework Convention on Climate Change, Convention on Biological Diversity and the UN Convention to Combat Desertification. Implementing agencies are State Governments, banks, corporates (including producers companies), non-governmental organisations and micro finance institutions. The financial products under UPNRM will be loan based products for the eligible sectors/ activities. These loan based products may carry some add-ons in the form of grant for skill and capacity building and some other infrastructure supports based on the merit of project. Loans may be term loans

for funding core natural resource management activities or short-term credit for supplementary activities.

- g. The Tribal Development Fund is intended to enable tribal communities to make a living from 'small orchards, organic wadis and mixed orchards. Credit support is provided for marketing activities and processing.
- h. *Food Processing Fund*: This is a special ₹ 2,000 crores fund established by the GoI with the Ministry of Food Processing Industries where term loans are available to State Governments and entities promoted by them, special purpose vehicles, co-operatives, co-operative federations, farmers' producer organizations, companies and individual entrepreneurs. Term loans up to a maximum period of 7 years are available for creating infrastructure required in food parks, such as setting up of individual food processing or agricultural produce processing units and modernization of existing processing units. Margin money varies from 5-25%. The aim is to develop food processing sector on cluster basis in the country to reduce wastage of agricultural produce and to create employment opportunities, especially in rural areas.

### **Other Funds**

NABARD operates several funds as directed by GoI and RBI. Some of the main funds are summarized in the earlier part of this section and below.

#### ***Watershed Development Fund***

The Participatory Watershed Development Programme, financed from the Watershed Development Fund, was established in over the years by the interest differential earned under the RIDF and interest accrued on the unutilized portion of the Fund.

#### ***Cooperative Development Fund***

The CDF was constituted in 1993 under section 45 of NABARD Act 1981, with an initial corpus of ` 10 crores. The fund is replenished every year through contribution from NABARD's surplus.

Institutions under the CCS can avail of assistance from the CDF in the form of grants for various activities that may improve their functional efficiency, such as:

Exposure visits;

Training of staff and for management of cooperatives; and

Conducting of:

Studies,

Organizational Development Initiatives(ODI),

Workshops,

Conferences, and

Seminars.

CDF assistance is also extended for the setting up of PACS Development Cells (PDCs), L1 helpdesks or computer laboratories in banks that adopt CBS under the Application Service Provider model supported by NABARD. Among the other benefits of CDF assistance is accreditation of PACS warehouses by NABARD Consultancy Services (NABCONS), a fully owned consultancy subsidiary of NABARD.

### ***Research and Development Fund***

The Research and Development Fund, which provides financial support to select agencies for the promotion of applied research projects/studies, organization of seminars/conferences/workshops, etc., has been maintained at ` 50 crores over the years.

### ***Financial Inclusion Funds***

In order to address the issues of financial inclusion, the GoI constituted a “Committee on Financial Inclusion” under the Chairmanship of Dr. C. Rangarajan. The Committee submitted its final report to Hon'ble Union Finance Minister on January 4, 2008. Financial inclusion is *“the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost.”* Consequent to this NABARD has been instructed to manage two dedicated financial inclusion funds, FIF and FITF. NABARD is the coordinating agency of financial inclusion initiatives with Financial Inclusion Department (FID) as the nodal department.

### ***Rural Infrastructure Promotion Fund***

This fund was created in 2011 to promote capacity building initiatives and efforts to create innovative, experimental and promotional infrastructure, especially for the rural sector and rural areas. Similar experimental infrastructure projects anchored by gram panchayats, SHGs, SHG federations, farmers' clubs and their federations, non-governmental organizations and villages.

### ***Credit Guarantee Trust Fund for Micro and Small Enterprises***

The Credit Guarantee Trust Fund for Micro and Small Enterprises distributes funds to RRBs for the purpose of relaxing stringent norms for qualifying to be a Member Lending Institution. To qualify the RRB must have a CRAR of 9%, non-performing assets below 5% and at least 75 marks in the composite rating of NABARD inspection reports.

NABARD also has other funds which it implements in the course of its business such as the Deposit Education and Awareness Fund Scheme, 2014, Poultry venture capital fund, Adivasi Development Programme, Women Self- Help Group Development Fund, National Rural Credit (Long-Term Operations) Fund, National Rural Credit (Stabilization) Fund, Farmers Technology Transfer Fund and Rural Innovation Fund.

### ***Developmental Role***

The developmental role of NABARD consists of serving as an apex financing agency for institutions providing investment and production credit to promote developmental activities in rural areas, institution building to improve capacity of credit delivery system, co-ordinating activities of all institutions engaged in developmental work on the field and liasoning with GoI, State Governments, RBI and other national level policy institutions, monitoring and evaluation of projects refinanced by it and inspecting co-operative banks and RRBs and off-site surveillance over health of co-operative banks and RRBs.

The developmental role of NABARD is implemented in the following ways:

#### ***Institutional Development of Co-Operatives***

The Institutional Development has initiated programmes and initiatives for strengthening of co-operatives since 1982. Support is being provided to rural credit co-operatives structure to attain our goal for evolving a sustainable rural financial system to enhance ground level credit flow to farmers and others in rural areas by NABARD. Assist GoI in policy matters relating to rural co-operatives. These include monitoring the viability of the co-operative banks through systematic data, assisting GoI in taking remedial measures to



improve the health of weak banks, help co-operative banks in streamlining procedures, upgrading technology and human resource development, professionalise executives of co-operatives, financially support training institutes of co-operative banks, provide financial assistance to co-operative banks for building improved management information system, computerisation of operations, development of human resources, assist on policy notes for GoI, RBI, Parliamentary Committees and various other agencies, provision of support to co-operatives under CDF for infrastructure development, training institutions for training of co-operative banks and PACS personnel and organising periodical Meets of Registrars of Co-operative Societies and heads of STCBs and SLDBs.

### **Farm Sector Development Department**

FSDD's core function is implementation of various farm sector initiatives aimed at conservation and management of natural resources, accelerating ground level credit flow by rural financial institutions, incremental agricultural production and productivity, generating rural employment and raising the standard of living of rural poor through credit and grant. The implementation of these programmes evolved over a period of time through various policy initiatives is the responsibility of FSDD. Dealing with the operational issues emerging while implementing, monitoring the programmes and providing feedback for policy framing and improvement is a part of the task assigned to FSDD.

### **Off Farm Sector Development**

Promotion of Rural Non-Farm Sector assumes significance in the context of reducing over dependence on agriculture of our rural population and to provide alternate livelihood options. It also helps in arresting large-scale migration of small and marginal farmers and agricultural labourers to urban areas in search of livelihood opportunities on account of unemployment/disguised employment in the agriculture sector.

NABARD, according to its mandate, had evolved several refinance and promotional schemes for development of Rural Non-Farm Sector over the years and has been making constant efforts to broad base and refine / rationalise the schemes in response to field level needs. The focus has been on greater credit flow, credit to the unreached and provision of linkages for small, cottage and village industries, handloom, handicrafts and other rural crafts and service sector in the decentralised sector in the rural areas.

Building an entrepreneurial culture and necessary skills among the rural youth and women has also been a priority area for NABARD. Developing markets for the rural non-farm sector had been another area where NABARD had taken many initiatives. NABARD has also been actively involved in promoting innovations in rural areas in farm and non-farm sectors by creating a separate fund for this purpose.

### **Micro Credit Innovations**

The 'EShakti' pilot project launched by NABARD for digitisation of SHGs initially in the two districts of Ramgarh (Jharkhand) and Dhule (Maharashtra) aims to address the issue of reducing drudgery of manual bookkeeping, increase bankers' comfort in credit linkage of SHGs in view up-to-date credible data available on website [www.eshakti.nabard.org](http://www.eshakti.nabard.org), reducing scope of multiplicity of membership and lending to SHG members, convergence with other GoI benefits to members with Aadhaar enabled identity. EShakti is an on-line system for writing of books of accounts of SHGs and other activities through an "App" loaded on an android based mobiles or tablets with mobile support and texting alert features to members on their updates and capable to generate various financial MIS reports.

### **PACS Development Cell Scheme**

NABARD extended grant assistance to set up PACS Development Cell (PDC) in co-operative banks so as to help PACS to develop and grow their business.

## **Developmental Action Plan**

In order to strengthen co-operative credit institutions both for short term and long term structures as viable units on a sustainable basis, NABARD had introduced a mechanism of DAP/MoU aiming at institution specific measures in 1994 -95. The performance obligations arising out of DAP formed the basis of the Memorandum of Understanding (MoU) between stake holders. While the State level MoUs are executed among the apex banks, State Government and NABARD, district- level MoUs are entered into between the apex banks and district level DCCBs/PCARDBs. The mechanism of DAP/MoU has helped in building appreciation and awareness for strategic planning facilitating, in turn, sustainable viability at all levels. The feedback received indicates that there was positive impact on the performance of banks as a result of introduction of DAP/MoU through reduction of cost of management and cost of resources. The DAP planning process, as an internal strategy for corporate planning, had facilitated in creating an awareness in the cooperative banking structure and RRBs about the need for strategic planning for corporate success.

## **Co-operative Revival and Reforms**

Rural co-operative credit institutions have played a large role in providing institutional credit to the agricultural and rural sectors in the past. Typically, these credit institutions have been part of two distinct structures, commonly known as the STCCS and the LTCCS in each state. The STCCS, comprising PACS at the village level, DCCBs at the intermediate level, and the STCBs at the apex level, primarily provides short term crop loans and other working capital loans to farmers and rural artisans, although over the last few years, it has also been providing longer duration loans for investments in the rural sector. The LTCCS, comprising SCARDB at the state level and primary (P) CARDBs or branches of SCARDB at the decentralised district or block level, has been providing typically medium and long term loans for making investments in agriculture, rural industries, and lately housing.

## **Monitoring of Progress**

RFIs have a critical role in dispensing credit to agriculture and allied sector. A strong and viable rural institutional credit framework is vital for the growth of rural economy. Strengthening of the institutions, especially the cooperative credit structure has been an area of focussed attention of NABARD. The health of these RFIs is being regularly monitored through various prescribed management systems by undertaking analysis of key business and financial parameters and time series data for making them sustainable.

## **Core Business of Department**

The core activities of the Department are to carry forward the agenda of financial inclusion of the excluded population at the national level in accordance with the framework described by the Report of the Committee on Financial Inclusion in general and operationalising the FIF and FITF, in particular. The implementation is under the guidance of the two advisory boards set up for FIF and FITF respectively.

## **Core Banking Solution (CBS) to Co-operative Banks**

In one of the biggest initiatives towards institution building, NABARD has facilitated the process of bringing the co-operative sector onto core banking solution platform. A total of 201 State and Central Co-operative Banks with 6,953 branches from 16 states of the country, such as Punjab, Haryana, Gujarat, Maharashtra, Uttar Pradesh, Chhattisgarh, Madhya Pradesh, Bihar, Karnataka, Tamil Nadu, Kerala, Uttarakhand, Sikkim, Himachal Pradesh, Jammu & Kashmir, Arunachal Pradesh, Chandigarh, Puducherry and Andaman & Nicobar joined the “NABARD initiated Project for CBS in Co-operatives”. Two vendors, Tata Consultancy Services and Wipro, have implemented the ambitious project across the country. All these banks with 6,953 branches are fully on CBS. This includes 122 new branches which were directly opened on CBS platform. Tamil Nadu Industrial Cooperative Bank has been taken on-board for roll-out of CBS under the project.

The model followed in the initiative is Application Service Provider model using the concept of cloud computing. Now these century old banks have started functioning in the CBS environment with the technological platform of the Commercial Banks and Regional Rural Banks and are comparable with these institutions in providing similar kind of services in more rural parts of the country.

### **Supervisory Role**

NABARD has been entrusted with the statutory responsibility of conducting inspections of SCBs, DCCBs and RRBs under the provisions of Section 35(6) of the Banking Regulation Act, 1949. In addition, NABARD has also been conducting periodic inspections of state level cooperative institutions such as SCARDBs, apex weavers societies and marketing federations on a voluntary basis. The purpose of supervision is to protect present and future depositors interests, ensure business is conducted by banks complies with Indian laws and all regulations issued by NABARD, RBI or GoI, check examine the financial soundness of NABARDs and propose ways and means to strengthen the institutions s to enable them to play more efficient role in assisting rural credit. This is implemented by NABARD through on-site inspections, off-site surveillance and monitoring, supplementary appraisals if required. STCBs and RRBs are required to comply with credit monitoring arrangement guidelines issued by RBI or NABARD from time to time. In addition, a Board of Supervision (for SCBs, CCBs and RRBs) has been constituted by NABARD under Section 13(3) of NABARD Act, 1981 as an internal committee to the Board of NABARD. For further details see section titled “**Regulations and Policies**” on page 72 of this Prospectus.

### **FINANCING**

NABARD receives it funding by raising funds through market borrowings and budgetary allocation made by GoI from the priority sector lending shortfalls of commercial banks.

To meet the growing demand for credit, NABARD adds to its resources via market borrowings, such as issuing corporate bonds, Bhavishya Nirman Bonds, NABARD Rural Bonds, capital gain bonds, commercial papers, certificates of deposits and term money borrowings.

### **RISK MANAGEMENT**

The Risk Management Department has been set up to put in place a professionally managed and centralised risk management system for covering various risks like credit risk, market risk, operational risk, compliance risk in NABARD’s business operations. The governance structure covers Board level, Risk Management Committee and the Asset Liability Management Committee headed by the Chairman and and the NPA Management Committee headed by Chief General Manager, Department of Refinance and Risk Management Committee at the Regional Offices headed by officers in charge. An integrated enterprise management policy guideline covering credit risk, market risk, operational risk and compliance risk have since been adopted. The Risk Management Department has since issued various guidelines pertaining to various risk mitigation measures such as setting performance standards for sanction and release under subsidy, grant and loan-cum-grant schemes, default forecasting and monitoring mechanism, risk rating tools for credit facility for federation, state co-operative banks, DCC banks, state co- operative agriculture and rural development banks, RRBs, NGOs and State Government. Additionally, guideline on loan documentation, comprehensive NPA management, staff accountability and compliance risk management are issued. The Regional Offices are required to assess the profitability of their own business operations and a transfer price-linked assessment of their contribution to NABARD’s profit.

### **SUBSIDIARIES**

NABARD has the following four subsidiaries:



### ***NABARD Financial Services Limited (NABFINS)***

NABFINS is a public limited company, which was incorporated on February 25, 1997 under the Companies Act, 1956. It is registered as a non-banking finance company by the RBI. As of March 31, 2015, NABARD holds 67.01% equity in NABFINS. The other shareholders are the Government of Karnataka, Canara Bank, Union of India, Bank of Baroda, Federal Bank and Dhanlaxmi Bank Limited. The company provides microfinance to Self Help Groups (SHGs) through business and development correspondents. It also provides credit and other facilities for the promotion, expansion, commercialization and modernization of agriculture and allied activities.

### ***NABSAMRUDDHI (erstwhile ABFL)***

NABSAMRUDDHI was incorporated on February 17, 1997 under the Companies Act, 1956, with the objective of providing credit to enterprises in agriculture and allied sectors and to facilitate expansion, promotion and modernization. It is a non-deposit taking NBFC registered with the RBI. The major shareholders are NABARD, Andhra Bank, Andhra Pradesh State Co- operative Bank and Government of Andhra Pradesh. The authorized capital of NABSAMRUDDHI is ` 100 crores.

### ***NABKISAN Finance Limited, Mumbai (NABKISAN)***

NABKISAN was incorporated on February 25, 1997 under the Companies Act, 1956 and restructured in 2014, with an objective to expand its operation pan-India with special focus on financing producer organizations. NABARD's holding is ` 82.51 crores (i.e. 83%), as against the authorized share capital of ` 100 crores as on 31 March 2019. The other shareholders include the Government of Tamil Nadu, Indian Bank, Canara Bank, Indian Overseas Bank, Lakshmi Vilas Bank, Federal Bank, Tamilnad Mercantile Bank and ICICI Bank. It has pan-India operations focusing on financing producer organizations. It lends to non-government organizations, trusts, panchayat-level federations of SHGs, producers organizations, individuals, corporate and microfinance institutions.

### ***NABARD Consultancy Services Private Limited (NABCONS)***

NABCONS was incorporated on November 17, 2003 under the Companies Act, 1956 in 2003. NABCONS offers consultancy services in areas related to agriculture and rural development. It is a wholly owned subsidiary of NABARD.

## **HUMAN RESOURCES**

As at March 31, 2019, NABARD had 3791 employees including management, risk, accounting, regional offices. NABARD aims to develop a collaborative culture and ongoing consultative process at various levels of administration within the organization. It believes that it has amicable relations with its employees and the management is also in constant dialogue with the employees to avoid any industrial relations issues, including strikes.

## **INSURANCE**

NABARD has obtained insurance for its office building, staff quarters, plants and machineries, furniture and fixtures, electronic equipments, motor vehicles against the risks like fire, terrorism, earth quake, theft and Tsunami.

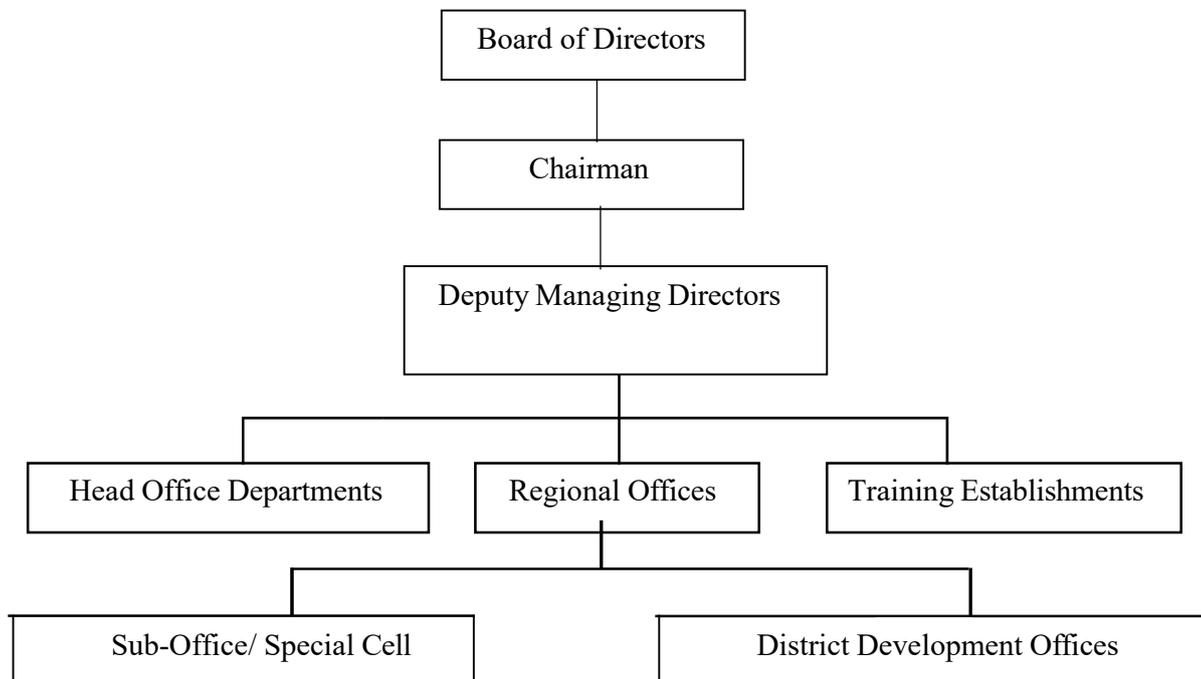
## **PROPERTIES**

NABARD's head office is situated at Plot No. C-24, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India. It also has 31 Regional Offices located at Junglighat, Panaji, Bangalore, Hyderabad, Ahmedabad, Thiruvananthapuram, Itanagar, Chandigarh, Bhopal, Guwahati, Shimla, Pune, Patna, Jammu, Imphal, Raipur, Ranchi, Shillong, Aizawl, Chandigarh, New Delhi, Jaipur, Agartala, Dimapur, Gangtok, Lucknow, Srinagar, Dehradun, Bhubaneswar, Chennai and Kolkata. It also has a cell



at Srinagar and Training establishments at Lucknow, Bolpur and Mangalore. It also has 400 District Development Offices across India.

### Organization Structure of NABARD



Key Financial Parameters\*:

[Annual Report 2021-22](#)

[Annual Report 2020-21](#)

[Annual Report 2019-20](#)

(a) On Standalone Basis

Balance-Sheet: Standalone

(in ₹ crore)

Sr. No.	FUNDS AND LIABILITIES	As on 30.09.2022	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020
1	i) Capital (Under Section 4 of the NABARD Act, 1981)	17,080.00	17,080.00	15,080.00	14,080.00
2	Reserve Fund and other Reserves	46,524.08	43,939.18	39,268.95	34,950.99
3	National Rural Credit Funds	16,100.00	16,098.00	16,094.00	16,090.00
4	Gifts, Grants, Donations and Benefactions	6,700.45	6,602.27	6,371.61	6,020.77
5	Government Schemes	4,096.24	5,888.63	3,485.35	2,447.42
6	Deposits	2,54,711.49	2,52,126.69	2,41,572.10	2,36,463.08
7	Bonds and Debentures	2,20,649.60	2,30,592.70	1,95,882.39	1,39,752.26
8	Borrowings	1,20,123.35	1,63,657.78	1,21,657.83	66,671.00
9	Current Liabilities and Provisions	23,216.50	21,487.06	18,386.07	15,599.43
	<b>Total</b>	<b>7,09,201.71</b>	<b>7,57,472.31</b>	<b>6,57,798.30</b>	<b>5,32,074.95</b>
	Forward Foreign Exchange Contracts (Hedging) as per contra	925.97	925.97	1,020.66	1,102.35

Sr. No	PROPERTY AND ASSETS	As on 30.09.2022	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020
1	Cash and Bank Balances	6437.71	5791.49	4,407.56	11,997.17
2	Investments	55,647.52	66,263.06	45,505.24	34,006.15
3	Advances	6,40,157.75	6,79,842.44	6,02,290.30	4,80,396.46
4	Property, Plant and Equipment (Fixed Assets)	533.39	551.93	565.84	530.48
5	Other Assets	6,245.34	5,023.39	5,029.36	5,144.69
	<b>Total</b>	<b>7,09,201.71</b>	<b>7,57,472.31</b>	<b>6,57,798.30</b>	<b>5,32,074.95</b>



	Forward Foreign Exchange Contracts (Hedging) as per contra	925.97	925.97	1,020.66	1,102.35
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\* The format given in NCS Regulations, 2021 is as per IndAS. Currently, IndAS is not applicable on NABARD.

P&L Statement: Standalone

(in ₹ crore)

Sr. No.	INCOME	Half year ended 30 Sep 2022	2021-22	2020-21	2019-20
1	Interest on Loans and Advances (Refer Note B-8 of Schedule-18)	17,718.71	33,602.47	31,196.24	28,744.66
2	Income from Investment Operations/ Deposits	718.65	3,030.63	3,372.89	3,866.60
3	Other Income	60.15	128.19	102.04	81.04
	<b>Total "A"</b>	<b>18,497.51</b>	<b>36,761.29</b>	<b>34,671.17</b>	<b>32,692.30</b>
Sr. No.	EXPENDITURE	Half year ended 30 Sep 2022	2021-22	2020-21	2019-20
1	Interest and Financial Charges (Refer Note B- 7 of Schedule-18)	14,503.88	26,555.86	24,219.55	23,782.98
2	Establishment and Other Expenses	853.29	2,136.01	1,979.15	2,170.87
3	Expenditure on Promotional Activities	-	111.88	95.05	69.44
4	Provisions	240.33	1,214.84	2,249.26	1,399.93
5	Depreciation	24.93	49.78	46.75	34.76
	<b>Total "B"</b>	<b>15,622.43</b>	<b>30,068.37</b>	<b>28,589.76</b>	<b>27,457.98</b>
6	<b>Profit before Tax (A - B)</b>	<b>2,875.08</b>	<b>6,692.92</b>	<b>6,081.41</b>	<b>5,234.32</b>
7	<b>Provision for</b>				
	a) Income Tax	699.79	1,628.00	1,750.00	1,330.00
	b) Deferred Tax ( Refer Note B-10 of Schedule 18)	-	-16.94	11.45	45.09
8	<b>Profit after Tax</b>	<b>2,175.29</b>	<b>5,081.86</b>	<b>4,319.96</b>	<b>3,859.23</b>

Cash flow Statement: Standalone

(in ₹ crore)

Particulars	2021-22	2020-21	2019-20
<b>(a) Cash flow from Operating activities</b>			
Net Profit as per Profit and Loss a/c before tax	<b>6,692.92</b>	6,081.41	5,234.32
Adjustment for:			
Depreciation	49.78	46.75	34.76

Provisions and Amortizations	-	-	-
Provision for Non-performing Assets	346.20	801.26	703.93
Provision for Standard Assets	108.00	1,448.00	696.00
Floating Provision	750	-	-
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	-1.17	0.25	-0.29
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	379.14	387.47	370.71
Income from Investment (including Discount Income)	-3,030.63	-3,372.90	-3,866.60
<b>Operating profit before changes in operating assets</b>	<b>5,304.88</b>	<b>5,392.24</b>	<b>3,172.83</b>
Adjustment for changes in working capital:			
(Increase) / Decrease in Current Assets	-734.60	7,981.54	-1,860.92
Increase / (Decrease) in Current Liabilities	3,362.80	2,799.06	2,739.56
Increase in Loans and Advances (Including Housing Loan & Other Advances to Staff)	-78,478.84	-1,23,712.23	-50,895.62
<b>Cash generated from operating activities</b>	<b>-70,545.76</b>	<b>-</b>	<b>-46,844.15</b>
Income Tax paid - Net of refund	-1,889.78	-1,762.44	-1,358.51
WIF/ FPF differential debited to Tribal Development / Financial Inclusion Fund /Watershed Development Fund			
<b>Net cash flow from operating activities (A)</b>	<b>-72,435.54</b>	<b>-</b>	<b>-</b>
<b>(b) Cash flow from Investing activities</b>		<b>1,09,539.39</b>	<b>48,202.66</b>
Income from Investment (including Discount Income)	3,030.63	3,372.89	3,866.60
Purchase of Fixed Asset	-42.71	-83.72	-97.31
Sale of Fixed Assets	8.02	1.37	38.24
Increase / Decrease in Investment	-21,048.46	-11,907.62	4,983.86
<b>Net cash used / generated from investing activities (B)</b>	<b>-18,052.52</b>	<b>-8,617.08</b>	<b>8,791.39</b>
<b>(c) Cash flow from financing activities</b>			
Grants / contributions received	2,256.78	1,003.32	1,152.66
Proceeds of Bonds	34,710.31	56,130.14	33,949.26
Increase / (Decrease) in Borrowings	41,999.95	54,986.83	-11,254.86
Increase / (Decrease) in Deposits	10,554.58	5,109.01	12,316.42
Withdrawal from Reserve Fund	-409.63		
Increase in Share capital	2000.00	1,000.00	1,500.00
<b>Net cash raised from financing activities (C)</b>	<b>91,111.99</b>	<b>1,18,229.30</b>	<b>37,663.48</b>
Net increase in cash and cash equivalent (A)+(B)+(C)	623.93	310.39	-1,747.79
Cash and Cash equivalent at the beginning of the year	1,462.56	1,152.17	2,899.96
<b>Cash and cash equivalent at the end of the year</b>	<b>2,086.49</b>	<b>1,462.56</b>	<b>1,152.17</b>
<b>Cash and cash equivalent at the end of the year includes</b>	<b>2020-21</b>	<b>2020-21</b>	<b>2019-20</b>
Cash in hand	-	-	-
Balance with Reserve Bank of India	363.61	843.23	621.20
Balances with other Banks in India	1,722.88	619.33	530.97
Remittances in Transit	-	-	-
CBLO / Tri party Repo	-	-	-
<b>Total</b>	<b>2,086.49</b>	<b>1,462.56</b>	<b>1,152.17</b>



(b) On Consolidated Basis

Balance Sheet: Consolidated

(in ₹ crore)

Sr. No.	Funds and Liabilities	Schedule	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020
1	Capital (Under Section 4 of the NABARD Act,1981)		17,080.00	15,080.00	14,080.00
2	Reserve Fund and Other Reserves	1	44,391.66	39,639.51	35,247.94
3	Minority Interest	1A	204.47	183.18	168.53
4	National Rural Credit Funds	2	16,098.00	16,094.00	16,090.00
5	Gifts, Grants, Donations and Benefactions	3	6,602.27	6,371.61	6,020.77
6	Government Schemes	4	5,888.63	3,485.35	2,446.92
7	Deposits	5	2,52,126.69	2,41,572.10	2,36,463.09
8	Bonds and Debentures	6	2,30,592.70	1,95,882.39	1,39,752.25
9	Borrowings	7	1,63,660.12	1,21,658.87	66,710.34
10	Current Liabilities and Provisions	8	21,824.84	18,690.81	15,650.85
	<b>Total</b>		<b>7,58,469.38</b>	<b>6,58,657.82</b>	<b>5,32,630.69</b>
	Forward Foreign Exchange Contracts (Hedging) as per contra		925.97	1,020.66	1,102.35
Sr. No.	Property and Assets	Schedule	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020
1	Cash and Bank Balances	9	6,073.49	4,751.09	12,227.85
2	Investments	10	65,725.28	45,052.34	33,591.06
3	Advances	11	6,80,882.72	6,03,117.88	4,81,034.31
4	Fixed Assets	12	566.30	580.89	550.24
5	Other Assets	13	5,221.59	5,155.62	5,227.23
	<b>Total</b>		<b>7,58,469.38</b>	<b>6,58,657.82</b>	<b>5,32,630.69</b>
	Forward Foreign Exchange Contracts (Hedging) as per contra		925.97	1,020.66	1,102.35

**P & L Statement: Consolidated**

<b>Sr. No.</b>	<b>Income</b>	<b>Schedule</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
1	Interest Received on Loans and Advances(Refer Note B-8 of Schedule 18)		33,874.32	31,441.51	28,983.76
2	Income from Investment operations / Deposits		3,030.53	3,372.89	3,866.60
3	Other Income		270.33	193.78	153.92
	<b>Total (A)</b>		<b>37,175.18</b>	<b>35,008.18</b>	<b>33,004.28</b>
<b>Sr. No.</b>	<b>EXPENDITURE</b>	<b>Schedule</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
1	Interest and Financial Charges (Refer Note B-7 of Schedule 18)	14	26,574.22	24,235.65	23,784.07
2	Establishment and other expenses	15 A	2,281.35	2,102.77	2,305.58
3	Expenditure on Promotional Activities	15 B	111.88	95.05	69.43
4	Provisions	16	1,314.72	2,328.01	1,434.80
5	Depreciation		53.82	50.67	37.21
	<b>Total (B)</b>		<b>30,335.99</b>	<b>28,812.15</b>	<b>27,631.09</b>
6	<b>Profit before Income Tax (A-B)</b>		<b>6,839.19</b>	<b>6,196.03</b>	<b>5,373.18</b>
7	Prior period items		-	-	-
8	Provision for Income Tax		1,675.56	1,794.13	1,369.05
9	Deferred Tax Asset Adjustment (Refer Note 10 of Schedule 18)		(30.85)	0.81	46.40
10	<b>Profit after Tax</b>		<b>5,194.48</b>	<b>4,401.09</b>	<b>3,957.73</b>
11	Minority Interest		15.67	14.51	20.06
12	<b>Profit available for Appropriation</b>		<b>5,178.81</b>	<b>4,386.58</b>	<b>3,937.66</b>

**Cash flow Statement: Consolidated**

<b>Particulars</b>	<b>2021- 22</b>	<b>2020- 21</b>	<b>2019- 20</b>
<b>(a) Cash flow from Operating activities</b>			
Net Profit as per Profit and Loss a/c before tax	6,838.29	6,196.03	5,373.18
Adjustment for:			
Depreciation	53.82	50.67	37.21
Provisions and Amortisations	0.79	(0.36)	-
Provision for Non-performing Assets	424.47	875.24	729.49
Provision for Standard Assets	112.69	1,448.42	696.89
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	(0.28)
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	379.14	387.47	370.71
Other Expenses	7.99	(8.67)	(0.02)
Income from Investment (including Discount Income)	(3,053.04)	(3,391.51)	(3,880.86)
<b>Operating profit before changes in operating assets</b>	<b>5,523.69</b>	<b>5,557.55</b>	<b>3,326.32</b>
Adjustment for changes in working capital:			
(Increase) / Decrease in Current Assets	(790.52)	7,697.95	(2,324.40)
Increase / (Decrease) in Current Liabilities	3,484.38	2,902.54	2,837.30
(Increase)/ Decrease in Loans and Advances (Including Housing Loan & Other Advances to Staff	(78,988.61)	(1,23,709.26)	(51,182.41)
<b>Cash generated from operating activities</b>	<b>(70,771.06)</b>	<b>(1,07,551.22)</b>	<b>(47,343.19)</b>
Income Tax paid – Net of refund	(1,936.62)	(1,808.80)	(1,396.68)
<b>Net cash flow from operating activities (A)</b>	<b>(72,707.68)</b>	<b>(1,09,360.02)</b>	<b>(48,739.87)</b>
<b>(b) Cash flow from Investing activities</b>			
Income from Investment (including Discount Income)	3,053.04	3,391.51	3,880.84
Purchase of Fixed Asset	(46.01)	(85.05)	(101.33)
Sale of Fixed Assets	8.02	1.37	38.25
Increase / Decrease in Investment	(20,944.61)	(11,994.01)	4,978.99
<b>Net cash used in investing activities (B)</b>	<b>(17,929.56)</b>	<b>(8,686.18)</b>	<b>8,796.76</b>
<b>(c) Cash flow from financing activities</b>			
Grants / contributions received	2,256.79	1,003.32	1,152.66
Interest Expense	(0.39)	-	-
Proceeds of Bonds	34,710.31	56,130.14	33,949.26
Increase / (Decrease) in Borrowings	42,080.04	55,056.53	(11,018.71)
Increase / (Decrease) in Deposits	10,554.58	5,109.02	12,316.42
Withdrawal from reserve fund	(409.63)	-	-
Dividend Paid including Tax on Dividend	(0.10)	(0.10)	1,487.74
Increase in Share capital	2,086.58	1,065.65	162.32
<b>Net cash raised from financing activities (C)</b>	<b>91,278.18</b>	<b>1,18,364.56</b>	<b>38,049.69</b>
<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
Net increase in cash and cash equivalent (A)+(B)+(C)	640.94	318.36	(1,893.43)
Cash and Cash equivalent at the beginning of the year	1,480.41	1,162.05	3,055.48
<b>Cash and cash equivalent at the end of the year</b>	<b>2,121.35</b>	<b>1,480.41</b>	<b>1,162.05</b>



<b>1. Cash and cash equivalent at the end of the year includes:</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
Cash in hand	0.00	0.00	0.00
Balance with Reserve Bank of India	363.60	843.23	621.20
Balances with other Banks in India	1,757.75	637.18	540.85
Remittances in Transit	-	-	-
Collateralized Borrowing and Lending Obligations	-	-	-
<b>Total</b>	<b>2,121.35</b>	<b>1,480.41</b>	<b>1,162.05</b>

## Columnar Representation of Audited Financial Statements

### (a) On Standalone Basis

#### Balance Sheet

(in ₹ crore)

Sr. No.	FUNDS AND LIABILITIES	As on 30.09.2022	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020
1	i) Capital (Under Section 4 of the NABARD Act, 1981)	17,080.00	17,080.00	15,080.00	14,080.00
2	Reserve Fund and other Reserves	46,524.08	43,939.18	39,268.95	34,950.99
3	National Rural Credit Funds	16,100.00	16,098.00	16,094.00	16,090.00
4	Gifts, Grants, Donations and Benefactions	6,700.45	6,602.27	6,371.61	6,020.77
5	Government Schemes	4,096.24	5,888.63	3,485.35	2,447.42
6	Deposits	2,54,711.49	2,52,126.69	2,41,572.10	2,36,463.08
7	Bonds and Debentures	2,20,649.60	2,30,592.70	1,95,882.39	1,39,752.26
8	Borrowings	1,20,123.35	1,63,657.78	1,21,657.83	66,671.00
9	Current Liabilities and Provisions	23,216.50	21,487.06	18,386.07	15,599.43
	<b>Total</b>	<b>7,09,201.71</b>	<b>7,57,472.31</b>	<b>6,57,798.30</b>	<b>5,32,074.95</b>
	Forward Foreign Exchange Contracts (Hedging) as per contra	925.97	925.97	1,020.66	1,102.35

Sr. No	PROPERTY AND ASSETS	As on 30.09.2022	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020
1	Cash and Bank Balances	6437.71	5791.49	4,407.56	11,997.17
2	Investments	55,647.52	66,263.06	45,505.24	34,006.15
3	Advances	6,40,157.75	6,79,842.44	6,02,290.30	4,80,396.46
4	Property, Plant and Equipment (Fixed Assets)	533.39	551.93	565.84	530.48
5	Other Assets	6,245.34	5,023.39	5,029.36	5,144.69
	<b>Total</b>	<b>7,09,201.71</b>	<b>7,57,472.31</b>	<b>6,57,798.30</b>	<b>5,32,074.95</b>
	Forward Foreign Exchange Contracts (Hedging) as per contra	925.97	925.97	1,020.66	1,102.35

**P&L Statement: Standalone**

(in ₹ crore)

<b>Sr. No.</b>	<b>INCOME</b>	<b>Half Year ended 30 Sep 2022</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
1	Interest on Loans and Advances (Refer Note B-8 of Schedule-18)	17,718.71	33,602.47	31,196.24	28,744.66
2	Income from Investment Operations/ Deposits	718.65	3,030.63	3,372.89	3,866.60
3	Other Income	60.15	128.19	102.04	81.04
	<b>Total "A"</b>	<b>18,497.51</b>	<b>36,761.29</b>	<b>34,671.17</b>	<b>32,692.30</b>
<b>Sr. No.</b>	<b>EXPENDITURE</b>	<b>Half Year ended 30 Sep 2022</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
1	Interest and Financial Charges (Refer Note B- 7 of Schedule-18)	14,503.88	26,555.86	24,219.55	23,782.98
2	Establishment and Other Expenses	853.29	2,136.01	1,979.15	2,170.87
3	Expenditure on Promotional Activities	-	111.88	95.05	69.44
4	Provisions	240.33	1,214.84	2,249.26	1,399.93
5	Depreciation	24.93	49.78	46.75	34.76
	<b>Total "B"</b>	<b>15,622.43</b>	<b>30,068.37</b>	<b>28,589.76</b>	<b>27,457.98</b>
6	<b>Profit before Tax (A - B)</b>	<b>2,875.08</b>	<b>6,692.92</b>	<b>6,081.41</b>	<b>5,234.32</b>
7	<b>Provision for</b>				
	a) Income Tax	699.79	1,628.00	1,750.00	1,330.00
	b) Deferred Tax ( Refer Note B-10 of Schedule 18)	-	-16.94	11.45	45.09
8	<b>Profit after Tax</b>	<b>2,175.29</b>	<b>5,081.86</b>	<b>4,319.96</b>	<b>3,859.23</b>

**Cash flow Statement: Standalone**

(in ₹ crore)

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
<b>(a) Cash flow from Operating activities</b>			
Net Profit as per Profit and Loss a/c before tax	<b>6,692.92</b>	6,081.41	5,234.32
Adjustment for:			
Depreciation	49.78	46.75	34.76
Provisions and Amortizations	-	-	-
Provision for Non-performing Assets	346.20	801.26	703.93
Provision for Standard Assets	108.00	1,448.00	696.00
Floating Provision	750	-	-
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	-1.17	0.25	-0.29
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	379.14	387.47	370.71
Income from Investment (including Discount Income)	-3,030.63	-3,372.90	-3,866.60
<b>Operating profit before changes in operating assets</b>	<b>5,304.88</b>	<b>5,392.24</b>	<b>3,172.83</b>
Adjustment for changes in working capital:			
(Increase) / Decrease in Current Assets	-734.60	7,981.54	-1,860.92
Increase / (Decrease) in Current Liabilities	3,362.80	2,799.06	2,739.56
Increase in Loans and Advances (Including Housing Loan & Other Advances to Staff)	-78,478.84	-1,23,712.23	-50,895.62
<b>Cash generated from operating activities</b>	<b>-70,545.76</b>	<b>-</b>	<b>-46,844.15</b>
Income Tax paid - Net of refund	-1,889.78	-1,762.44	-1,358.51
WIF/ PPF differential debited to Tribal Development / Financial Inclusion Fund / Watershed Development Fund			
<b>Net cash flow from operating activities (A)</b>	<b>-72,435.54</b>	<b>1,09,301.83</b>	<b>-48,202.66</b>
<b>(b) Cash flow from Investing activities</b>			
Income from Investment (including Discount Income)	3,030.63	3,372.89	3,866.60
Purchase of Fixed Asset	-42.71	-83.72	-97.31
Sale of Fixed Assets	8.02	1.37	38.24
Increase / Decrease in Investment	-21,048.46	-11,907.62	4,983.86
<b>Net cash used / generated from investing activities (B)</b>	<b>-18,052.52</b>	<b>-8,617.08</b>	<b>8,791.39</b>
<b>(c) Cash flow from financing activities</b>			
Grants / contributions received	2,256.78	1,003.32	1,152.66
Proceeds of Bonds	34,710.31	56,130.14	33,949.26
Increase / (Decrease) in Borrowings	41,999.95	54,986.83	-11,254.86
Increase / (Decrease) in Deposits	10,554.58	5,109.01	12,316.42
Withdrawal from Reserve Fund	-409.63		
Increase in Share capital	2000.00	1,000.00	1,500.00
<b>Net cash raised from financing activities (C)</b>	<b>91,111.99</b>	<b>1,18,229.30</b>	<b>37,663.48</b>
Net increase in cash and cash equivalent (A)+(B)+(C)	623.93	310.39	-1,747.79
Cash and Cash equivalent at the beginning of the year	1,462.56	1,152.17	2,899.96
<b>Cash and cash equivalent at the end of the year</b>	<b>2,086.49</b>	<b>1,462.56</b>	<b>1,152.17</b>
<b>Cash and cash equivalent at the end of the year includes</b>	<b>2020-21</b>	<b>2020-21</b>	<b>2019-20</b>
Cash in hand	-	-	-
Balance with Reserve Bank of India	363.61	843.23	621.20
Balances with other Banks in India	1,722.88	619.33	530.97
Remittances in Transit	-	-	-
CBLO / Tri party Repo	-	-	-
<b>Total</b>	<b>2,086.49</b>	<b>1,462.56</b>	<b>1,152.17</b>



(b) On Consolidated Basis

Balance Sheet

(in ₹ crore)

Sr. No.	Funds and Liabilities	Schedule	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020
1	Capital (Under Section 4 of the NABARD Act,1981)		17,080.00	15,080.00	14,080.00
2	Reserve Fund and Other Reserves	1	44,391.66	39,639.51	35,247.94
3	Minority Interest	1A	204.47	183.18	168.53
4	National Rural Credit Funds	2	16,098.00	16,094.00	16,090.00
5	Gifts, Grants, Donations and Benefactions	3	6,602.27	6,371.61	6,020.77
6	Government Schemes	4	5,888.63	3,485.35	2,446.92
7	Deposits	5	2,52,126.69	2,41,572.10	2,36,463.09
8	Bonds and Debentures	6	2,30,592.70	1,95,882.39	1,39,752.25
9	Borrowings	7	1,63,660.12	1,21,658.87	66,710.34
10	Current Liabilities and Provisions	8	21,824.84	18,690.81	15,650.85
	<b>Total</b>		<b>7,58,469.38</b>	<b>6,58,657.82</b>	<b>5,32,630.69</b>
	Forward Foreign Exchange Contracts (Hedging) as per contra		925.97	1,020.66	1,102.35
Sr. No.	Property and Assets	Schedule	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020
1	Cash and Bank Balances	9	6,073.49	4,751.09	12,227.85
2	Investments	10	65,725.28	45,052.34	33,591.06
3	Advances	11	6,80,882.72	6,03,117.88	4,81,034.31
4	Fixed Assets	12	566.30	580.89	550.24
5	Other Assets	13	5,221.59	5,155.62	5,227.23
	<b>Total</b>		<b>7,58,469.38</b>	<b>6,58,657.82</b>	<b>5,32,630.69</b>
	Forward Foreign Exchange Contracts (Hedging) as per contra		925.97	1,020.66	1,102.35

P & L Statement: Consolidated

<b>Sr. No.</b>	<b>Income</b>	<b>Schedule</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
1	Interest Received on Loans and Advances(Refer Note B-8 of Schedule 18)		33,874.32	31,441.51	28,983.76
2	Income from Investment operations / Deposits		3,030.53	3,372.89	3,866.60
3	Other Income		270.33	193.78	153.92
	<b>Total (A)</b>		<b>37,175.18</b>	<b>35,008.18</b>	<b>33,004.28</b>
<b>Sr. No.</b>	<b>EXPENDITURE</b>	<b>Schedule</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
1	Interest and Financial Charges (Refer Note B-7 of Schedule 18)	14	26,574.22	24,235.65	23,784.07
2	Establishment and other expenses	15 A	2,281.35	2,102.77	2,305.58
3	Expenditure on Promotional Activities	15 B	111.88	95.05	69.43
4	Provisions	16	1,314.72	2,328.01	1,434.80
5	Depreciation		53.82	50.67	37.21
	<b>Total (B)</b>		<b>30,335.99</b>	<b>28,812.15</b>	<b>27,631.09</b>
6	<b>Profit before Income Tax (A-B)</b>		<b>6,839.19</b>	<b>6,196.03</b>	<b>5,373.18</b>
7	Prior period items		-	-	-
8	Provision for Income Tax		1,675.56	1,794.13	1,369.05
9	Deferred Tax Asset Adjustment (Refer Note 10 of Schedule 18)		(30.85)	0.81	46.40
10	<b>Profit after Tax</b>		<b>5,194.48</b>	<b>4,401.09</b>	<b>3,957.73</b>
11	Minority Interest		15.67	14.51	20.06
12	<b>Profit available for Appropriation</b>		<b>5,178.81</b>	<b>4,386.58</b>	<b>3,937.66</b>

### Cash flow Statement: Consolidated

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
<b>(a) Cash flow from Operating activities</b>			
Net Profit as per Profit and Loss a/c before tax	6,838.29	6,196.03	5,373.18
Adjustment for:			
Depreciation	53.82	50.67	37.21
Provisions and Amortisations	0.79	(0.36)	-
Provision for Non-performing Assets	424.47	875.24	729.49
Provision for Standard Assets	112.69	1,448.42	696.89
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	(0.28)
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	379.14	387.47	370.71
Other Expenses	7.99	(8.67)	(0.02)
Income from Investment (including Discount Income)	(3,053.04)	(3,391.51)	(3,880.86)
<b>Operating profit before changes in operating assets</b>	<b>5,523.69</b>	<b>5,557.55</b>	<b>3,326.32</b>
Adjustment for changes in working capital:			
(Increase) / Decrease in Current Assets	(790.52)	7,697.95	(2,324.40)
Increase / (Decrease) in Current Liabilities	3,484.38	2,902.54	2,837.30
(Increase)/ Decrease in Loans and Advances (Including Housing Loan & Other Advances to Staff	(78,988.61)	(1,23,709.26)	(51,182.41)
<b>Cash generated from operating activities</b>	<b>(70,771.06)</b>	<b>(1,07,551.22)</b>	<b>(47,343.19)</b>
Income Tax paid – Net of refund	(1,936.62)	(1,808.80)	(1,396.68)
<b>Net cash flow from operating activities (A)</b>	<b>(72,707.68)</b>	<b>(1,09,360.02)</b>	<b>(48,739.87)</b>
<b>(b) Cash flow from Investing activities</b>			
Income from Investment (including Discount Income)	3,053.04	3,391.51	3,880.84
Purchase of Fixed Asset	(46.01)	(85.05)	(101.33)
Sale of Fixed Assets	8.02	1.37	38.25
Increase / Decrease in Investment	(20,944.61)	(11,994.01)	4,978.99
<b>Net cash used in investing activities (B)</b>	<b>(17,929.56)</b>	<b>(8,686.18)</b>	<b>8,796.76</b>
<b>(c) Cash flow from financing activities</b>			
Grants / contributions received	2,256.79	1,003.32	1,152.66
Interest Expense	(0.39)	-	-
Proceeds of Bonds	34,710.31	56,130.14	33,949.26
Increase / (Decrease) in Borrowings	42,080.04	55,056.53	(11,018.71)
Increase / (Decrease) in Deposits	10,554.58	5,109.02	12,316.42
Withdrawal from reserve fund	(409.63)	-	-
Dividend Paid including Tax on Dividend	(0.10)	(0.10)	1,487.74
Increase in Share capital	2,086.58	1,065.65	162.32
<b>Net cash raised from financing activities (C)</b>	<b>91,278.18</b>	<b>1,18,364.56</b>	<b>38,049.69</b>
<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
Net increase in cash and cash equivalent (A)+(B)+(C)	640.94	318.36	(1,893.43)
Cash and Cash equivalent at the beginning of the year	1,480.41	1,162.05	3,055.48
<b>Cash and cash equivalent at the end of the year</b>	<b>2,121.35</b>	<b>1,480.41</b>	<b>1,162.05</b>
<b>1. Cash and cash equivalent at the end of the year includes:</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
Balance with Reserve Bank of India	363.60	843.23	621.20
Balances with other Banks in India	1,757.75	637.18	540.85
Remittances in Transit	-	-	-
<b>Total</b>	<b>2,121.35</b>	<b>1,480.41</b>	<b>1,162.05</b>
Cash in hand	0.00	0.00	0.00



**Chapter 3 A brief history of NABARD since its incorporation giving details of its following activities:**

**i. Details of Share Capital as on 31<sup>st</sup> December 2022:**

Share Capital	Amount in ₹ crore
Authorized Share Capital	30000
Issued, Subscribed and Paid-up Share Capital	17080

**ii. Change in its capital structure as on 31<sup>st</sup> December 2022 for last five years**

(Amount in ₹ crore)

Date of Change	Amount	Particulars
30 March 2016	5300	GoI notification No F.No.07/04/2015-AC dated 29 <sup>th</sup> March 2016
30 June 2016	5800	GoI notification No F.No.07/04/2015-AC dated 29 <sup>th</sup> March 2016
31 March 2017	6700	GoI notification No F.No. 07/04/2015-AC dated 31 <sup>st</sup> March 2017
29 May 2017	7200	GoI notification No. F.No.7/4/2015-AC dated 29 <sup>th</sup> May 2017
27 Sep 2017	8400	GoI notification No. F.No.7/4/2015-AC dated 20 <sup>th</sup> September 2017
29 Dec 2017	9600	GoI notification No. F.No.7/4/2015-AC dated 28 <sup>th</sup> December 2017
07 Mar 2018	10200	GoI notification No. F.No.7/4/2015-AC dated 15 <sup>th</sup> February 2018
23 Mar 2018	10580	GoI notification No. F.No.7/4/2015-AC dated 14 <sup>th</sup> March 2018
08 June 2018	11080	GoI notification No. F.No.7/4/2015-AC dated 14 <sup>th</sup> May 2018
10 October 2018	12080	GoI notification No. F.No.7/4/2015-AC dated 04 <sup>th</sup> October 2018
31 December 2018	12580	GoI notification No. F.No.7/4/2015-AC dated 26 <sup>th</sup> Dec 2018
30 July 2019	13080	GoI notification No. F.No.7/4/2015-AC dated 28 June 2019
30 September 2019	13580	GoI notification No. F.No.7/4/2015-AC dated 24 September 2019
25 November 2019	14080	GoI notification No. F.No.7/4/2015-AC dated 21 November 2019
10 June 2020	14580	GoI notification No. F.No.7/7/2019-AC dated 09 <sup>th</sup> June 2020
10 September 2020	15080	GoI notification No. F.No.7/7/2019-AC dated 04 <sup>th</sup> September 2020
07 July 2021	15580	GoI notification No. F.No.7/8/2021-AC dated 30 <sup>th</sup> June 2021
28 October 2021	16580	GoI notification No. F.No.7/8/2021-AC dated 26 <sup>th</sup> October 2021
07 January 2022	17080	GoI notification No. F.No.7/8/2021-AC dated 04 <sup>th</sup> January 2022

**iii. Equity Share Capital History of NABARD as on 31<sup>st</sup> December 2022 since Inception**  
Government of India and Reserve Bank of India contributed to the equity of NABARD. The details of Capital history are as under:

1999-2000	500	2,000 *	72.5	27.5	
2000-2001	500	2,000 *	72.5	27.5	
2001-2002	5,000	2,000	72.5	27.5	Act amended.
2002-2003	5,000	2,000	72.5	27.5	
2009-2010	5,000	2000	72.50	27.50	

2010-2011	5,000	2000	1.00	99.00	Vide GoI notification No F.No.11/16/2005-BOA dated 16 September 2010 71.5% of the capital of NABARD held by RBI amounting to `1430 crore stands transferred and vested in Central Govt. on payment of equivalent amount to RBI.
2011-2012	5,000	3000	0.67	99.33	Vide GoI notification No. F.No.20/16/2010-AC dated 30th March 2012 an amount of ` 1000 crore is contributed by GoI in the share capital of NABARD.
2012-13	5,000	3500	0.57	99.43	Vide GoI notification No. F.No.20/16/2010-AC dated 25 June 2012 an amount of ` 500 crore is contributed by GoI in the share capital of NABARD
2012-13	5,000	4000	0.50	99.50	Vide GoI notification No. F.No.20/16/2010-AC dated 12 March 2013
2013-14	5,000	4700	0.43	99.57	Vide GoI notification No. F.No.20/16/2010-AC dated 19 September 2013
2014-15	5,000	4800	0.42	99.58	Vide GoI notification No. F.No.20/16/2010-AC dated 12th May 2014
2014-15	5,000	5000	0.40	99.60	Vide GoI notification No. F.No.20/16/2010-AC dated 14th August 2014
29 March 2016	5,000	5300*	0.38	99.62	Vide GoI notification No. F.No.7/4/2015-AC dated 29th March 2016
30 <sup>th</sup> June 2016	5,000	5800*	0.34	99.66	Vide GoI notification No. F.No.7/4/2015-AC dated 27 <sup>th</sup> June 2016
31 March 2017	5000	6700*	0.30	99.70	Vide GoI notification No. F.No.7/4/2015-AC dated 31th March 2017
29 May 2017	5000	7200*	0.28	99.72	Vide GoI notification No. F.No.7/4/2015-AC dated 29 <sup>th</sup> May 2017
27 Sep 2017	5,000	8400*	0.24	99.76	Vide GoI notification No. F.No.7/4/2015-AC dated 20 <sup>th</sup> September 2017

29 Dec 2017	5000	9600	0.21	99.79	Vide GoI notification No. F.No.7/4/2015-AC dated 28 <sup>th</sup> December 2017
07 Mar 2018	5000	10200	0.20	99.80	Vide GoI notification No. F.No.7/4/2015-AC dated 15 <sup>th</sup> February 2018
23 <sup>rd</sup> Mar 2018	5000	10580	0.19	99.81	Vide GoI notification No. F.No.7/4/2015-AC dated 14 <sup>th</sup> March 2018
08 <sup>th</sup> June 2018	30000	11080	0.00	100.00	Vide GoI notification No. F.No.7/4/2015-AC dated 14 <sup>th</sup> May 2018
10 <sup>th</sup> Oct 2018	30000	12080	0.00	100.00	Vide GoI notification No. F.No.7/4/2015-AC dated 04 <sup>th</sup> October 2018
31 <sup>st</sup> Dec 2018	30000	12580	0.00	100.00	Vide GoI notification No. F.No.7/4/2015-AC dated 26 <sup>th</sup> Dec 2018
30 July 2019	30000	13080	0.00	100.00	GoI notification No. F.No.7/4/2015-AC dated 28 June 2019
30 September 2019	30000	13580	0.00	100.00	GoI notification No. F.No.7/4/2015-AC dated 24 September 2019
25 November 2019	30000	14080	0.00	100.00	GoI notification No. F.No.7/4/2015-AC dated 21 November 2019
10 June 2020	30000	14580	0.00	100.00	GoI notification No. F.No.7/7/2019-AC dated 09 <sup>th</sup> June 2020
10 September 2020	30000	15080	0.00	100.00	GoI notification No. F.No.7/7/2019-AC dated 04 <sup>th</sup> September 2020
07 July 2021	30000	15580	0.00	100.00	GoI notification No. F.No.7/8/2021-AC dated 30 <sup>th</sup> June 2021
28 October 2021	30000	16580	0.00	100.00	GoI notification No. F.No.7/8/2021-AC dated 26 <sup>th</sup> October 2021
07 January 2022	30000	17080	0.00	100.00	GoI notification No. F.No.7/8/2021-AC dated 04 <sup>th</sup> January 2022

**iv. Details of acquisition or amalgamation in the last one year**

None

**v. Details of any reorganization or reconstruction in the last one year**

None



**vi. Details of the shareholding of NABARD as on the last quarter end**  
Shareholding pattern of NABARD as on 31<sup>st</sup> December 2022 is as follows:

S. No.	Name of the Capital holders	Capital Held	% Stake
1.	Govt. of India	₹ 17080 crore	100.00
	<b>Total</b>	₹ 17080 crore	100.00

**vii. List of top 10 holders of equity shares of the company as on 31<sup>st</sup> December 2022:**

Sr No	Name and Category of Share Holder	Total No of Equity Shares	No of Shares in Demat Form	Total Shareholding as % of total number of equity shares
1	Government of India	-- -	---	100%

The shares are held as amount and no units of shares allotted.

**Chapter 4 Details of Directors as on 31<sup>st</sup> December 2022:**

**i. Details of the current directors of the Company**

Sr.No.	Name of Director(s)	Designation	DIN	Age (Date of Birth)	Address	Appointed to Board Since	Other Companies in Which Directorship held
1	Shri Shaji K V	Chairman	07691350	30.05.1970	National Bank for Agriculture and Rural Development, Head Office, Bandra-Kurla Complex, Mumbai - 400051	07.12.2022	NABARD Consultancy Services Ltd, Bankers Institute of Rural Development, National Institute of Bank Management, National Cooperative Development Corporation, Institute of Rural Management, Anand, NABVENTURES Ltd.



NABARD

2	Shri P V S Suryakumar	Deputy Managing Director	06694864	28.07.1963	National Bank for Agriculture and Rural Development, Head Office, Bandra-Kurla Complex, Mumbai - 400051	21.05.2020	Nabsamruddhi Finance Limited, NABARD Consultancy Services Pvt. Ltd., Bankers Institute of Rural Development
3	Shri Urvish Shah	Director	07149879	09.10.1979	306, Avkar Flats, 12, Jain Nagar, Near Suvidha Shopping Centre, Paldi, 380007 Ahmadabad Gujarat	30.12.2021	Navkar Group
4	Dr. M D Patra	Dy. Governor RBI	--	29.09.1960	Deputy Governor, Reserve Bank of India, Central Office, Mumbai	13.03.2020	Bankers Institute of Rural Development
5	Ms. Revathy Iyer	Director	--	28.05.1954	1501-02, 'B' Wing, Tribeca Hiranandani Estate, Ghodbunder Road, Thane West Pin Code – 400-607	06.08.2019	Reserve Bank of India
6	Dr. Ravindra H Dholakia	Director	00069396	02.04.1953	A1-302, The Meadows, Adani Shantigram Township, S.G. Highway, Ahmedabad - 382421 Gujarat	06.10.2022	Adani Transmission Limited, Gujarat State Fertilizers and Chemicals, Gujarat Industries Power Company Ltd., Gujarat State Petroleum Corporation, Reserve Bank of India, CAFRAL
7	Shri Manoj Ahuja	GoI official	--	24.12.1964	Secretary, Department of Agriculture and Farmers Welfare, Ministry of Agriculture and Farmers Welfare Government of India, New Delhi	01.04.2022	NA

8	Shri Bhushan Kumar Sinha	GoI official	08135512	20.07.1964	Additional Secretary, Department of Financial Services, Ministry of Finance, Government of India New Delhi	22.06.2022	NA
9	Shri Shailesh Kumar Singh	GoI official	--	28.03.1966	Secretary, Ministry of Rural Development, Government of India, New Delhi - 110 001	01.12.2022	NA
10	Dr. B. V. R. C. Purushottam	State Govt. Official	--	01.07.1977	Secretary, Agriculture, Govt of Uttarakhand 5 <sup>th</sup> Floor, VCSG New Building, Uttarakhand Secretariat, 04 Subash Road, Dehradun - 248001	20.12.2022	NA
11	Shri Ashok Barnwal	State Govt. Official	--	27.01.1967	Additional Chief Secretary, Govt of MP Room No. 213, Second Floor, Vallabh Bhawan - 1, Mantralay, Bhopal	20.12.2022	NA
12	Dr. Sharat Chauhan	State Govt. Official	--	17.11.1968	Principal Secy, Finance, Planning & Investment Arunachal Pradesh Civil Secretariat, Itanagar. PIN - 791111	20.12.2022	NA

13	Shri Y Madhusudhana Reddy	State Govt. Official	--	04.11.1963	Chief Commissioner & Spl Chief Secretary, Govt of AP, Room No.213 Building No.4, Ground Floor, Room No.188, A.P. Secretariat, Velagapudi, Amaravati - 522 238, Guntur District, Andhra Pradesh	20.12.2022	NA
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NABARD does not have CIN number. The directors on board of NABARD are appointed as per provisions of Section 6 of NABARD Act 1981. Since Companies Act is not applicable, DIN of all directors is not available with NABARD.

**ii. Details of changes in Directors in last three Financial Years**

Sr.No	Name	Date of Appointment	Director till	Remarks
1	Dr. Anup Kumar Dash	25-04-2016	25-04-2019	Ceased to be a Director
2	Shri H R Dave	14-08-2014	30-04-2019	Retired
3	Shri R Amalorpavanathan	19-08-2014	31-05-2019	Retired
4	Smt. Pooja Singhal	22-06-2016	22-06-2019	Ceased to be a Director
5	Shri Suresh Chandra Gupta	27-07-2016	26-07-2019	Ceased to be a Director
6	Shri C Parthasarathi	27-07-2016	26-07-2019	Ceased to be a Director
7	Shri Mahesh Kumar Jain	04-10-2018	06-08-2019	Ceased to be a Director
8	Shri Amarjeet Sinha	28-07-2016	31-12-2019	Retired
9	Shri Prabhanshu Kamal	22-06-2016	13-02-2020	Ceased to be a Director
10	Shri Anil Kumar Bansal	23-05-2017	10-03-2020	Ceased to be a Director
11	Shri Rajesh Bhushan	01-01-2020	26-04-2020	Ceased to be a Director
12	Shri Rajiv Kumar	25-02-2019	01-03-2020	Ceased to be a Director
13	Shri Rajesh Bhushan	01-01-2020	26-04-2020	Ceased to be a Director
14	Dr. Harsh Kumar Bhanwala	18-12-2013	27-05-2020	Ceased to be a Director
15	Shri Debasish Panda	13-03-2020	20-09-2020	Ceased to be a Director
16	Dr. Ashok Gulati	09-03-2017	09-02-2021	Ceased to be a Director
17	Shri Lalhmingthanga	17-09-2019	28-02-2021	Retired
18	Shri Hans Raj Verma	17-09-2019	02-06-2021	Ceased to be a Director
19	Shri Sanjay Agarwal	01-10-2018	31-03-2002	Ceased to be a Director
20	Shri Sanjeev Kaushik	21.09.2020	06.04.2022	Ceased to be a Director
21	Shri Alok Sinha	14-02-2020	30-04-2022	Ceased to be a Director
22	Dr. M V Rao	17-09-2019	31-05-2022	Ceased to be a Director
23	Shri J C Ramthanga	03-06-2021	31-05-2022	Ceased to be a Director
24	Smt. Jayashree Raghunandan	03-06-2021	31-07.2022	Ceased to be a Director
25	Shri Manoj Kumar Singh	01-05-2020	17-09-2022	Ceased to be a Director
26	Shri R Zarzosanga	27-06-2022	17-09-2022	Ceased to be a Director
27	Shri Nagendra Nath Sinha	28-04-2020	30-11-2022	Ceased to be a Director
28	Shri Suchindra Misra	01-08-2022	06-12-2022	Ceased to be a Director

## Chapter 5 Details regarding the Auditors

### i. Details of Statutory Auditors

Name and Address	Date of Appointment	Remarks
<b>MKPS &amp; Associates</b> 701, Stanford Office Condominium, Near Shoppers Stop, S. V. Road Andheri(W), Mumbai-400058, India. T: +91 22 6239 2666 Contact Person: Mahendra K. Agrawala E: mumbai@mkps.in URL: <a href="https://mkps.in/">https://mkps.in/</a>	16 December 2021	Appointed by GOI in consultation with RBI

### ii. Details of the change in statutory auditors in last three financial years including any change in the current year:

Name, Address	Date of Appointment / Resignation	Date of Cessation (in case of resignation)	Remarks (Reasons for Change)
<b>M/s Vyas and Vyas</b> 8, Kalptru Building, Dr. S.S Rao Road, Parel, Mumbai- 400012	DOA: 16 February 2017		Term ended as per GOI/RBI norms
<b>Khimji Kunverji &amp; Co ('KKC')</b> Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, India. T: +91 22 6143 7333 E: info@kkc.in	DOA: 18 February 2019		Term ended as per GOI/RBI norms
<b>MKPS &amp; Associates</b> 701, Stanford Office Condominium, Near Shoppers Stop, S. V. Road Andheri(W), Mumbai-400058, India. T: +91 22 6239 2666 Contact Person: Mahendra K. Agrawala E: mumbai@mkps.in URL: <a href="https://mkps.in/">https://mkps.in/</a>	DOA: 16 December 2021		

## Chapter 6 Details of borrowings of NABARD as on 31<sup>st</sup> December 2022

### i. Details of secured loan facilities- None

### ii. Details of unsecured loan facilities bank

Name of the Bank	Nature of the Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date	Security if applicable	Credit Rating If applicable	Asset Classification
HDFC Bank	Term Loan	₹10000 Cr	₹4348 Cr	31 July 2025	Unsecured	AAA/Stable	Standard
Punjab National Bank	Term Loan	₹5000 Cr	₹3000 Cr	28 February 2024	Unsecured	AAA/Stable	Standard

State Bank of India	WCDL & TL	₹30000 Cr	₹23571.42 Cr	03 August 22/31 July 25	Unsecured	A1+/AAA	Standard
Canara Bank	Term Loan	₹2500 Cr	₹1666.68 Cr	01 Dec 2024	Unsecured	AAA/Stable	Standard
Central Bank of India	Short-Term Loan	₹1000 Cr	₹1000 Cr	29 Dec 2023	Unsecured	A1+/Stable	Standard
Canara Bank	Short-Term Loan	₹9000 Cr	₹9000 Cr	24 June 2023	Unsecured	A1+/Stable	Standard
Canara Bank	Short-Term Loan	₹3000 Cr	₹3000 Cr	21 June 2023	Unsecured	A1+/Stable	Standard
Punjab National Bank	Term Loan	₹5000 Cr	₹3000 Cr	30 April 2024	Unsecured	AAA/Stable	Standard
Punjab National Bank	Term Loan	₹2000 Cr	₹1600 Cr	24 Nov 2024	Unsecured	AAA/Stable	Standard
HDFC Bank	Term Loan	₹10000 Cr	₹7500.00 Cr	31 Jan 2025	Unsecured	AAA/Stable	Standard
Indian Overseas Bank	Short-Term Loan	₹2000 Cr	₹2000 Cr	29 June 2023	Unsecured	A1+/Stable	Standard
Indian Overseas Bank	Short-Term Loan	₹1000 Cr	₹1000 Cr	30 August 2023	Unsecured	A1+/Stable	Standard
Union Bank of India	Term Loan	₹5000 Cr	₹3333.33 Cr	30 Dec 2024	Unsecured	AAA/Stable	Standard
Union Bank of India	Term Loan	₹5000 Cr	₹4166.67 Cr	31 Jan 2025	Unsecured	AAA/Stable	Standard
Union Bank of India	Term Loan	₹2600 Cr	₹2600 Cr	28 June 2023	Unsecured	A1+/Stable	Standard
Union Bank of India	Term Loan	₹1200 Cr	₹1200 Cr	17 Oct 2025	Unsecured	AAA/Stable	Standard

**Details of Borrowings as on last quarter end:**

**iii. Details of outstanding NC Securities as on 31<sup>st</sup> December 2022:**

Sr. No	Instrument	Bonds Series	ISIN number	Allotment Date	Maturity Date	Coupon rate	Amount Outstanding (FV) (Rs. In Crore)	Rating	Secured/Unsecured
1	TFB	TFB 1A	INE261F07016	25-Feb-16	25-Feb-26	7.07%	1500.00	AAA/Stable	Secured
2	TFB	TFB IB	INE261F07024	23-Mar-16	23-Mar-26	7.29%	238.55	AAA/Stable	Secured



3	TFB	TFB IA	INE261Fo7040	23-Mar-16	23-Mar-26	7.04%	149.95	AAA/Stable	Secured
4	TFB	TFB IIB	INE261Fo7032	23-Mar-16	23-Mar-31	7.64%	1758.74	AAA/Stable	Secured
5	TFB	TFB IIA	INE261Fo7057	23-Mar-16	23-Mar-31	7.35%	1352.76	AAA/Stable	Secured
6	LTIFN	LTIF 1A	INE261Fo8683	20-Oct-16	20-Oct-31	7.38%	1000.00	AAA/Stable	Unsecured
7	LTIFG	LTIF A1	INE261Fo8691	21-Oct-16	21-Oct-31	7.20%	500.00	AAA/Stable	Unsecured
8	LTIFN	LTIF 1B	INE261Fo8709	22-Dec-16	22-Dec-31	7.48%	3200.00	AAA/Stable	Unsecured
9	LTIFG	LTIF A2	INE261Fo8717	26-Dec-16	26-Dec-31	7.30%	500.00	AAA/Stable	Unsecured
10	LTIFG	LTIF A3	INE261Fo8725	12-Jan-17	12-Jan-32	7.16%	150.00	AAA/Stable	Unsecured
11	LTIFN	LTIF 1C	INE261Fo8733	13-Jan-17	13-Jan-32	7.34%	321.00	AAA/Stable	Unsecured
12	LTIFN	LTIF 1D	INE261Fo8774	15-Mar-17	15-Mar-32	8.04%	930.00	AAA/Stable	Unsecured
13	LTIFG	LTIF A4	INE261Fo8782	17-Mar-17	17-Mar-32	7.71%	443.00	AAA/Stable	Unsecured
14	LTIFG	LTIF A5	INE261Fo8824	29-Mar-17	29-Mar-32	7.54%	594.00	AAA/Stable	Unsecured
15	LTIFN	LTIF 1E	INE261Fo8832	31-Mar-17	31-Mar-32	7.69%	1448.00	AAA/Stable	Unsecured
16	LTIFG	LTIF B1	INE261Fo8915	14-Sep-17	14-Sep-32	7.27%	610.00	AAA/Stable	Unsecured
17	LTIFN	LTIF 2A	INE261Fo8923	18-Sep-17	17-Sep-32	7.48%	2334.00	AAA/Stable	Unsecured
18	LTIFG	LTIF B2	INE261Fo8931	23-Nov-17	23-Nov-32	7.60%	735.00	AAA/Stable	Unsecured
19	LTIFN	LTIF 2B	INE261Fo8949	27-Nov-17	26-Nov-32	7.80%	1635.00	AAA/Stable	Unsecured
20	LTIFG	LTIF B3	INE261Fo8964	15-Jan-18	14-Jan-33	7.75%	240.00	AAA/Stable	Unsecured
21	LTIFN	LTIF 2C	INE261Fo8972	17-Jan-18	17-Jan-33	7.94%	495.00	AAA/Stable	Unsecured
22	LTIFG	LTIF B4	INE261Fo8980	2-Feb-18	2-Feb-33	7.99%	135.00	AAA/Stable	Unsecured
23	LTIFN	LTIF 2D	INE261Fo8998	6-Feb-18	4-Feb-33	8.10%	864.00	AAA/Stable	Unsecured
24	PMAYG	PA-1	INE261Fo8AA4	27-Feb-18	25-Feb-28	8.22%	2180.00	AAA/Stable	Unsecured
25	LTIFG	LTIF B5	INE261Fo8AB2	1-Mar-18	1-Mar-33	8.28%	310.00	AAA/Stable	Unsecured
26	LTIFN	LTIF 2E	INE261Fo8ACo	6-Mar-18	4-Mar-33	8.52%	946.00	AAA/Stable	Unsecured
27	PMAYG	PA-2	INE261Fo8AD8	9-Mar-18	9-Mar-28	8.20%	2227.00	AAA/Stable	Unsecured
28	PMAYG	PA-3	INE261Fo8AE6	16-Mar-18	16-Mar-28	8.20%	2923.00	AAA/Stable	Unsecured
29	LTIFG	LTIF B6	INE261Fo8AF3	23-Mar-18	23-Mar-33	8.12%	1075.00	AAA/Stable	Unsecured
30	LTIFN	LTIF 2F	INE261Fo8AG1	27-Mar-18	25-Mar-33	8.25%	1982.00	AAA/Stable	Unsecured



31	LTIFG	POA-1	INE261Fo8AJ5	8-Jun-18	8-Jun-28	8.65%	1400.00	AAA/Stable	Unsecured
32	LTIFG	LTIF C1	INE261Fo8AN7	24-Aug-18	24-Aug-33	8.39%	582.70	AAA/Stable	Unsecured
33	LTIFG	LTIF C2	INE261Fo8AO5	31-Aug-18	31-Aug-33	8.47%	973.50	AAA/Stable	Unsecured
34	PMAYG	PB-1	INE261Fo8AP2	5-Oct-18	5-Oct-28	8.77%	2814.40	AAA/Stable	Unsecured
35	LTIFN	LTIF 3A	INE261Fo8AQ0	15-Oct-18	14-Oct-33	8.98%	2924.10	AAA/Stable	Unsecured
36	LTIFN	LTIF 3B	INE261Fo8AR8	22-Oct-18	21-Oct-33	8.92%	1289.40	AAA/Stable	Unsecured
37	SBMG	SA-1	INE261Fo8AS6	14-Nov-18	14-Nov-28	8.56%	3634.30	AAA/Stable	Unsecured
38	NCD	19F	INE261Fo8AT4	4-Dec-18	31-Jan-23	8.50%	1555.00	AAA/Stable	Unsecured
39	NCD	19F-R1	INE261Fo8AT4	3-Jan-19	31-Jan-23	8.50%	1700.00	AAA/Stable	Unsecured
40	NCD	19F-R2	INE261Fo8AT4	6-Mar-19	31-Jan-23	8.50%	1330.00	AAA/Stable	Unsecured
41	NCD	19F-R3	INE261Fo8AT4	13-May-19	31-Jan-23	8.50%	2070.00	AAA/Stable	Unsecured
42	NCD	19F-R4	INE261Fo8AT4	4-Jun-19	31-Jan-23	8.50%	1005.00	AAA/Stable	Unsecured
43	LTIFG	LTIF C3	INE261Fo8AU2	7-Dec-18	7-Dec-33	8.12%	536.50	AAA/Stable	Unsecured
44	PMAYG	PB-2	INE261Fo8AV0	13-Dec-18	13-Dec-28	8.22%	1971.40	AAA/Stable	Unsecured
45	LTIFN	LTIF 3C	INE261Fo8AW8	19-Dec-18	19-Dec-33	8.51%	1504.20	AAA/Stable	Unsecured
46	PMAYG	PB-3	INE261Fo8AX6	26-Dec-18	26-Dec-28	8.18%	2369.90	AAA/Stable	Unsecured
47	SBMG	SA-2	INE261Fo8AY4	24-Jan-19	24-Jan-29	8.29%	1791.10	AAA/Stable	Unsecured
48	LTIFN	LTIF 3D	INE261Fo8AZ1	30-Jan-19	30-Jan-34	8.54%	1075.60	AAA/Stable	Unsecured
49	PMAYG	PB-4	INE261Fo8BA2	13-Feb-19	13-Feb-29	8.42%	1283.10	AAA/Stable	Unsecured
50	SBMG	SA-3	INE261Fo8BC8	27-Feb-19	27-Feb-29	8.50%	1060.40	AAA/Stable	Unsecured
51	LTIFG	LTIF C4	INE261Fo8BD6	11-Mar-19	10-Mar-34	8.32%	537.00	AAA/Stable	Unsecured
52	LTIFN	LTIF 3E	INE261Fo8BE4	14-Mar-19	14-Mar-34	8.62%	1515.50	AAA/Stable	Unsecured
53	PMAYG	PB-5	INE261Fo8BF1	22-Mar-19	22-Mar-29	8.24%	2230.00	AAA/Stable	Unsecured
54	SBMG	SA-4	INE261Fo8BF1	22-Mar-19	22-Mar-29	8.24%	1224.90	AAA/Stable	Unsecured
55	SBMG	SA-5	INE261Fo8BH7	28-Mar-19	28-Mar-29	8.15%	987.50	AAA/Stable	Unsecured
56	LTIFG	LTIF C5	INE261Fo8BG9	28-Mar-19	28-Mar-34	8.20%	1463.70	AAA/Stable	Unsecured
57	NCD	20C	INE261Fo8BK1	29-May-19	29-May-24	7.69%	2800.00	AAA/Stable	Unsecured



NABARD

58	NCD	20E	INE261Fo8BM7	18-Jul-19	18-Jul-29	7.41%	555.00	AAA/Stable	Unsecured
59	LTIFN	LTIF 4A	INE261Fo8BP0	17-Oct-19	17-Oct-34	7.83%	1770.00	AAA/Stable	Unsecured
60	LTIFG	LTIF D1	INE261Fo8BR6	18-Nov-19	17-Nov-34	7.50%	955.00	AAA/Stable	Unsecured
61	LTIFN	LTIF 4B	INE261Fo8BS4	10-Dec-19	8-Dec-34	7.75%	917.70	AAA/Stable	Unsecured
62	LTIFN	LTIF 4C	INE261Fo8BT2	20-Dec-19	20-Dec-34	7.78%	3150.20	AAA/Stable	Unsecured
63	LTIFG	LTIF D2	INE261Fo8BU0	27-Dec-19	27-Dec-34	7.46%	1008.30	AAA/Stable	Unsecured
64	LTIFN	LTIF 4D	INE261Fo8BV8	3-Jan-20	3-Jan-35	7.57%	708.80	AAA/Stable	Unsecured
65	NCD	20I	INE261Fo8BW6	9-Jan-20	14-Apr-23	6.72%	2000.00	AAA/Stable	Unsecured
66	PMAYG	PC-1	INE261Fo8BX4	31-Jan-20	31-Jan-30	7.43%	5102.60	AAA/Stable	Unsecured
67	LTIFG	POB-1	INE261Fo8BX4	31-Jan-20	31-Jan-30	7.43%	1850.00	AAA/Stable	Unsecured
68	PMAYG	PC-2	INE261Fo8BY2	10-Feb-20	8-Feb-30	7.10%	3283.40	AAA/Stable	Unsecured
69	NCD	20J	INE261Fo8BZ9	14-Feb-20	14-Feb-30	7.27%	670.00	AAA/Stable	Unsecured
70	NCD	20K	INE261Fo8CA0	2-Mar-20	31-Jul-23	6.40%	2535.00	AAA/Stable	Unsecured
71	NCD	20K-R1	INE261Fo8CA0	12-Jun-20	31-Jul-23	6.40%	2000.00	AAA/Stable	Unsecured
72	NCD	20K-R2	INE261Fo8CA0	2-Jul-20	31-Jul-23	6.40%	2500.00	AAA/Stable	Unsecured
73	SBMG	SB-1	INE261Fo8CB8	9-Mar-20	8-Mar-30	6.87%	2549.50	AAA/Stable	Unsecured
74	PMAYG	PC-3	INE261Fo8CC6	19-Mar-20	19-Mar-30	7.40%	2425.00	AAA/Stable	Unsecured
75	SBMG	SB-2	INE261Fo8CC6	19-Mar-20	19-Mar-30	7.40%	1050.50	AAA/Stable	Unsecured
76	NCD	21A	INE261Fo8CD4	17-Apr-20	17-Apr-23	6.50%	2500.00	AAA/Stable	Unsecured
77	LTIFG	LTIF E1	INE261Fo8CE2	26-May-20	25-May-35	6.65%	903.10	AAA/Stable	Unsecured
78	LTIFN	LTIF 5A	INE261Fo8CG7	1-Jun-20	1-Jun-35	6.93%	611.40	AAA/Stable	Unsecured
79	MIF	MIF 1A	INE261Fo8CF9	1-Jun-20	1-Jun-27	6.57%	1094.90	AAA/Stable	Unsecured
80	LTIFN	LTIF 5B	INE261Fo8CH5	25-Jun-20	25-Jun-35	6.79%	564.30	AAA/Stable	Unsecured
81	NCD	21B	INE261Fo8CI3	29-Jul-20	11-Apr-25	5.47%	1125.00	AAA/Stable	Unsecured
82	NCD	21C	INE261Fo8CJ1	29-Jul-20	11-Apr-31	6.45%	1450.00	AAA/Stable	Unsecured
83	NCD	21D	INE261Fo8CK9	10-Aug-20	31-Jan-24	5.14%	1385.00	AAA/Stable	Unsecured
84	NCD	21D-R1	INE261Fo8CK9	24-Sep-20	31-Jan-24	5.14%	500.00	AAA/Stable	Unsecured



NABARD

85	NCD	21D-R2	INE261Fo8CK9	14-Dec-20	31-Jan-24	5.14%	2000.00	AAA/Stable	Unsecured
86	NCD	21D-R3	INE261Fo8CK9	8-Jan-21	31-Jan-24	5.14%	2500.00	AAA/Stable	Unsecured
87	LTIFG	LTIF E2	INE261Fo8CL7	12-Nov-20	12-Nov-35	6.59%	434.10	AAA/Stable	Unsecured
88	MIF	MIF 1B	INE261Fo8CM5	19-Nov-20	19-Nov-27	6.07%	659.70	AAA/Stable	Unsecured
89	PMAYG	PD1	INE261Fo8CN3	19-Nov-20	19-Nov-30	6.39%	3328.80	AAA/Stable	Unsecured
90	PMAYG	PD2	INE261Fo8CO1	25-Nov-20	25-Nov-30	6.42%	2792.50	AAA/Stable	Unsecured
91	LTIFG	POC-1	INE261Fo8CP8	4-Dec-20	4-Dec-30	6.44%	2234.20	AAA/Stable	Unsecured
92	PMAYG	PD3	INE261Fo8CQ6	30-Dec-20	30-Dec-30	6.49%	2012.30	AAA/Stable	Unsecured
93	LTIFN	LTIF 5C	INE261Fo8CR4	30-Dec-20	28-Dec-35	6.65%	514.30	AAA/Stable	Unsecured
94	LTIFN	LTIF 5D	INE261Fo8CT0	22-Jan-21	22-Jan-36	6.69%	1108.10	AAA/Stable	Unsecured
95	NCD	21F	INE261Fo8CU8	5-Feb-21	5-Feb-24	5.44%	5000.00	AAA/Stable	Unsecured
96	NCD	21G	INE261Fo8CV6	12-Feb-21	12-Feb-24	5.09%	1895.00	AAA/Stable	Unsecured
97	PMAYG	PD4	INE261Fo8CW4	22-Feb-21	21-Feb-31	7.00%	520.50	AAA/Stable	Unsecured
98	NCD	21H	INE261Fo8CX2	22-Feb-21	22-Feb-24	5.53%	3000.00	AAA/Stable	Unsecured
99	NCD	21I	INE261Fo8CY0	10-Mar-21	11-Mar-24	5.00%	3000.00	AAA/Stable	Unsecured
100	PMAYG	PD5	INE261Fo8CZ7	17-Mar-21	17-Mar-31	6.97%	3439.00	AAA/Stable	Unsecured
101	PMAYG	PD6	INE261Fo8DA8	23-Mar-21	21-Mar-31	6.85%	7906.70	AAA/Stable	Unsecured
102	LTIFG	LTIF E3	INE261Fo8DC4	30-Mar-21	28-Mar-36	6.57%	584.90	AAA/Stable	Unsecured
103	LTIFN	LTIF 5E	INE261Fo8DB6	30-Mar-21	28-Mar-36	6.63%	806.80	AAA/Stable	Unsecured
104	NCD	22A	INE261Fo8DD2	28-Apr-21	29-Apr-24	5.27%	5000.00	AAA/Stable	Unsecured
105	LTIFG	POD-1	INE261Fo8DE0	27-May-21	27-May-31	6.60%	333.00	AAA/Stable	Unsecured
106	NCD	22B	INE261Fo8DF7	23-Jul-21	23-Jul-24	5.27%	4000.00	AAA/Stable	Unsecured
107	LTIFN	LTIF 6A	INE261Fo8DG5	29-Jul-21	29-Jul-36	6.97%	1456.30	AAA/Stable	Unsecured
108	LTIFG	POD-2	INE261Fo8DH3	4-Aug-21	4-Aug-31	6.79%	418.80	AAA/Stable	Unsecured
109	NCD	22C	INE261Fo8DI1	3-Sep-21	31-Jan-25	5.23%	5000.00	AAA/Stable	Unsecured
110	LTIFN	LTIF 6B	INE261Fo8DJ9	29-Sep-21	29-Sep-36	6.92%	859.80	AAA/Stable	Unsecured
111	NCD	22C-R1	INE261Fo8DI1	18-Oct-21	31-Jan-25	5.23%	4372.00	AAA/Stable	Unsecured



112	NCD	22D	INE261Fo8DK7	11-Nov-21	31-Jul-25	5.70%	4120.00	AAA/Stable	Unsecured
113	NCD	22E	INE261Fo8DL5	15-Dec-21	14-Apr-32	6.85%	1000.00	AAA/Stable	Unsecured
114	NCD	22D-R1	INE261Fo8DK7	14-Jan-22	31-Jul-25	5.70%	3790.00	AAA/Stable	Unsecured
115	NCD	22F	INE261Fo8DM3	4-Feb-22	6-Feb-25	5.96%	5000.00	AAA/Stable	Unsecured
116	NCD	22G	INE261Fo8DN1	24-Feb-22	26-Feb-25	5.63%	5000.00	AAA/Stable	Unsecured
117	NCD	22D-R2	INE261Fo8DK7	24-Mar-22	31-Jul-25	5.70%	4065.00	AAA/Stable	Unsecured
118	NCD	23A	INE261Fo8DO9	3-Jun-22	30-Jan-26	7.40%	2030.00	AAA/Stable	Unsecured
119	NCD	23B	INE261Fo8DP6	29-Jun-22	8-Jul-25	7.35%	1102.00	AAA/Stable	Unsecured
120	NCD	23C	INE261Fo8DQ4	25-Jul-22	1-Aug-25	7.25%	3000.00	AAA/Stable	Unsecured
121	NCD	23D	INE261Fo8DR2	15-Sep-22	23-Sep-25	7.20%	2899.90	AAA/Stable	Unsecured
122	LTIFN	LTIF 7A	INE261Fo8DS0	6-Oct-22	6-Oct-37	7.63%	684.50	AAA/Stable	Unsecured
123	NCD	23A-R1	INE261Fo8DO9	21-Nov-22	30-Jan-26	7.40%	2594.90	AAA/Stable	Unsecured
124	NCD	23E	INE261Fo8DU6	15-Dec-22	15-Apr-33	7.54%	1000.00	AAA/Stable	Unsecured
125	NCD	23F	INE261Fo8DT8	9-Dec-22	17-Dec-25	7.50%	5000.00	AAA/Stable	Unsecured

**iv. List of top 10 NCS Holders as on 31<sup>st</sup> December 2022**

Sr No	Name of the Holder	Category	Face Value (Rs in Cr)	Debt Security Holding as % of total Debt Security Outstanding
1	EPFO	PF Trust	50,563.60	22.18%
2	NPS Trust	PF Trust	20,337.40	8.90%
3	State Bank of India	Bank	9,095.00	3.99%
4	Reliance Industries Limited	MNC	6,255.00	2.74%
5	HDFC Bank Limited	Bank	6,135.00	2.69%
6	ESIC	Insurance Co.	7,213.10	3.16%
7	EPFO	PF Trust	5586.40	2.45%
8	HDFC Life Insurance Company Limited	Insurance Co.	4,357.70	1.91%
9	Axis Bank Limited	Bank	2917.50	1.28%
10	SBI Life Insurance Company Limited	Insurance Co.	2,905.80	1.27%

**v. Details of CPs/CDs as on 31<sup>st</sup> December 2022:**

Sr. No.	Instrument	Series	ISIN number	Allotment Date	Maturity date	Coupon rate/ Discount Rate	Amount outstanding (FV) (Rs. In Crore)	Rating
1	CD	22A	INE261F16611	18-Jan-22	18-Jan-23	4.62%	1550.00	A1+



2	CD	22B	INE261F16629	3-Feb-22	3-Feb-23	4.90%	1225.00	A1+
3	CD	22C	INE261F16637	8-Feb-22	8-Feb-23	4.96%	4000.00	A1+
4	CD	22D	INE261F16645	14-Feb-22	14-Feb-23	4.87%	5000.00	A1+
5	CD	22E	INE261F16652	16-Feb-22	16-Feb-23	4.80%	2175.00	A1+
6	CD	22F	INE261F16660	17-Feb-22	17-Feb-23	4.79%	2250.00	A1+
7	CD	22G	INE261F16678	7-Mar-22	7-Mar-23	4.97%	770.00	A1+
8	CP	23L	INE261F14JE5	16-Nov-22	31-Jan-23	6.90%	3325.00	A1+
9	CP	23M	INE261F14JE5	25-Nov-22	31-Jan-23	6.86%	3200.00	A1+
10	CP	23N	INE261F14JF2	7-Dec-22	28-Feb-23	6.82%	4500.00	A1+
11	CP	23O	INE261F14JG0	13-Dec-22	27-Feb-23	6.80%	4125.00	A1+
12	CP	23P	INE261F14JH8	23-Dec-22	14-Mar-23	6.85%	4200.00	A1+
						<b>Total</b>	<b>36,320.00</b>	

**vi. Other details**

i. DRR creation –

As per general circular No.9/2002 dated 18 April 2002 of Ministry of Corporate Affairs, no DRR is required to be maintained for Debentures issued by all India Financial institutions regulated by RBI and Banking companies in respect of both public as well as privately placed debentures. As NABARD has been declared by GoI in their notification dated 17 April 2002 as an All India Financial Institution, NABARD is not required to create DRR.

ii. Issue / instrument specific regulations –

- a. RBI's master circular no. DBR.No.FID.FIC.1/01.02.00/2015-16 dated 01 July 2015 on resource raising norms for Financial Institutions
- b. National Bank for Agriculture and Rural Development Act, 1981

**Chapter 7 Transaction Documents - Material contracts and agreements**

NABARD has/will be signed/signing following agreements in connection with the bonds issues:

1. Disclosure Documents
2. Listing agreement with NSE/BSE-EBP Agreement
3. Trusteeship Agreement with Axis Trustee Services Ltd.
4. Debenture Trust Deed
5. Tripartite agreement with NSDL and Registrar
6. Tripartite agreement with CDSL and Registrar

**Declaration:** The credit rating is valid as at the date of issuance and listing of the instrument.

**Disclosures pertaining to wilful default**

- (a) Name of the bank declaring the entity as a wilful defaulter; - **NONE**
- (b) The year in which the entity is declared as a wilful defaulter; - **Not Applicable**
- (c) Outstanding amount when the entity is declared as a wilful defaulter; - **Not Applicable**
- (d) Name of the entity declared as a wilful defaulter; - **Not Applicable**
- (e) Steps taken, if any, for the removal from the list of wilful defaulters; - **Not Applicable**
- (f) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions; **NONE**
- (g) Any other disclosure as specified by the Board.: **NONE**

243<sup>rd</sup> meeting of the Board of Directors held on 16 March 2022  
at Mumbai - **Minutes** - Extracts

**Item No.05 Business Budget - 2022-23**

The Board of Directors perused the memorandum no.05 dated 03 March 2022 and

**RESOLVED**

that, the item-wise proposed Business Budget as contained at para no. 2 of the memorandum no. 05 dated 03 March 2022 on 'Business Budget - 2022- 23' be and hereby approved.

**ALSO RESOLVED**

that, subject to the following suggestions, the proposals contained in para no.03 regarding Net Market Borrowings of ₹4,11,238 crore, including Short Term Borrowing through Commercial Papers upto ₹70,000 crore for the year 2022-23 on outstanding basis as part of overall approved net borrowings, of the memorandum no.05 dated 03 March 2022 on 'Business Budget - 2022- 23', be and are hereby approved.



मुख्य महा प्रबन्धक एवं सचिव  
राष्ट्रीय कृषि और ग्रामीण विकास बैंक  
प्रधान कार्यालय, मुम्बई  
Chief General Manager & Secretary  
National Bank For Agriculture And Rural Development  
Head Office, Mumbai

**ATSL/CO/22-23/0010**

02 May, 2022

**National Bank for Agriculture and Rural Development**

2<sup>nd</sup> Floor, D Wing, C – 24, G Block,  
Bandra Kurla Complex, Bandra,  
Mumbai 400051

Dear Sir/ Ma'am,

**Sub.: Consent to act as Debenture Trustee for listed non-convertible debentures (NCDs) proposed to be issued by National Bank for Agriculture and Rural Development ("Issuer") in FY 22-23**

We, Axis Trustee Services Limited, hereby give our consent to act as the Debenture Trustee for the abovementioned issue of Debentures having a tenure of more than one year and are agreeable to the inclusion of our name as Debenture Trustee in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum and/or application to be made to the Stock Exchange for the listing of the said Debentures.

Axis Trustee Services Limited (ATSL) consenting to act as Debenture Trustees is purely its business decision and not an indication on the Issuer Company's standing or on the Debenture Issue. By consenting to act as Debenture Trustees, ATSL does not make nor deems to have made any representation on the Issuer Company, its Operations, the details and projections about the Issuer Company or the Debentures under Offer made in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document. Applicants / Investors are advised to read carefully the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document and make their own enquiry, carry out due diligence and analysis about the Issuer Company, its performance and profitability and details in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document before taking their investment decision. ATSL shall not be responsible for the investment decision and its consequence.

We also confirm that we are not disqualified to be appointed as Debentures Trustee within the meaning of Rule 18(2)(c) of the Companies (Share Capital and Debentures) Rules, 2014.

Yours truly,

For **Axis Trustee Services Limited**

**Makarand Kulkarni**  
**General Manager**

**Registered Office:**

Axis House, Bombay Dyeing Mills Compound, Pandhurang Budhkar Marg, Worli Mumbai - 400 025

**Corporate Office:**

The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai-400 028

Tel No.: 022-62300451 Fax No.: 022-6230 0700 Website- www.axistrustee.com

Corporate Identify Number: U74999MH2008PLC182264 | MSME Registered UAN: MH190046029



**AXIS TRUSTEE**

ATSL/CO/22-23/100127

February 8, 2023

To,  
National Bank for Agriculture & Rural Development  
2nd Floor, D Wing C-24  
G Block, Bandra Kurla Complex, Bandra (East)  
Mumbai - 400051

Dear Sir/ Madam,

Re: Consent to act as Bond Trustee for the proposed issue of privately placed Redeemable, Unsecured, Taxable, Non-Convertible, Non-Priority Sector Bonds of NABARD 2026 Bonds Series 23H-R1(Issue Size - Rs. 2000. Crore, Greenshoe option to retain oversubscription of upto Rs 3000 crore i.e., Total upto Rs. 5000 crore including Greenshoe Option] by National Bank for Agriculture & Rural Development.

We, Axis Trustee Services Limited, hereby give our consent to act as the Debenture Trustee for the abovementioned issue of Debentures having a tenure of more than one year and are agreeable to the inclusion of our name as Debenture Trustee in the Shelf Prospectus/ Information Memorandum and/or application to be made to the Stock Exchange for the listing of Debentures.

Axis Trustee Services Limited (ATSL) consenting to act as Debenture Trustee is purely its business decision and not an indication on the Issuer's standing or on the Debenture Issue. By consenting to act as Debenture Trustees, ATSL does not make nor deems to have made any representation on the Issuer, its operations, the details and projections about the Issuer or the Debentures under Offer made in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document. Applicants / Investors are advised to read carefully the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document and make their own enquiry, carry out due diligence and analysis about the Issuer, its performance and profitability and details in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document before taking their investment decision. The Debenture Trustee ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the Debentures. ATSL shall not be responsible for the investment decision and its consequence.

We also confirm that we are not disqualified to be appointed as Debentures Trustee within the meaning of Rule 18(2)(c) of the Companies (Share Capital and Debentures) Rules, 2014.

Yours truly,

For Axis Trustee Services Limited



Authorised Signatory

**Registered Office:**

Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025

**Corporate Office:**

The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai - 400 028

Tel No: 022-62300451 Fax No.: 022-6230 0700 Website: www.axistrustee.com

Corporate Identity Number: U74999MH2008PLC182264 | MSME Registered UAN: MH19E0033585



**AXIS TRUSTEE**

To,  
The Chief General Manager (Finance)  
National Bank for Agriculture and Rural Development (NABARD)  
Plot No. C-24, 'G' Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai – 400051

February 09, 2023

*Dear Sir/Madam,*

*Re: Rating of National Bank for Agriculture and Rural Development's Bonds programme*

**This is in reference to the rating action commentary released on 13 January 2023.**

India Ratings and Research (Ind-Ra) is pleased to communicate the following rating:

-INR2,375.05 billion Bonds: IND AAA/Stable

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.



Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

Sincerely,

India Ratings



**Abhishek Bhattacharya**  
**Senior Director**

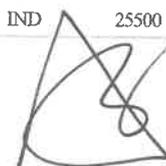
**Annexure: Facilities Breakup**

**Annexure: ISIN**

<b>Instrument</b>	<b>ISIN</b>	<b>Date of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Ratings</b>	<b>Outstanding/Rated Amount(INR million)</b>
Tax-free bonds Series I A	INE261F07016	25/02/2016	7.07% annual payment	25/02/2026	IND AAA/Stable	15000
Tax-free bonds Series I B	INE261F07024	23/03/2016	7.29% annual payment	23/03/2026	IND AAA/Stable	2385.5
Tax-free bonds Series II B	INE261F07032	23/03/2016	7.64% annual payment	23/03/2031	IND AAA/Stable	17587.4
Tax-free bonds Series I A	INE261F07040	23/03/2016	7.04% annual payment	23/03/2026	IND AAA/Stable	1499.5
Tax-free bonds Series II A	INE261F07057	23/03/2016	7.35% annual payment	23/03/2031	IND AAA/Stable	13527.6
Non-priority sector bonds (LTIF) Series 1A	INE261F08683	20/10/2016	7.38% annual payment	20/10/2031	IND AAA/Stable	10000
Non-priority sector bonds (LTIF) Series A1	INE261F08691	21/10/2016	7.20% annual payment	21/10/2031	IND AAA/Stable	5000
Non-priority sector bonds (LTIF) Series 1B	INE261F08709	22/12/2016	7.48% annual payment	22/12/2031	IND AAA/Stable	32000
Non-priority sector bonds (LTIF) Series A2	INE261F08717	26/12/2016	7.30% annual payment	26/12/2031	IND AAA/Stable	5000
Non-priority sector bonds (LTIF) Series 1C	INE261F08733	13/01/2017	7.34% annual payment	13/01/2032	IND AAA/Stable	3210
Non-priority sector bonds (LTIF) Series A3	INE261F08725	12/01/2017	7.16% annual payment	12/01/2032	IND AAA/Stable	1500
Non-priority sector bonds (LTIF) Series 1D	INE261F08774	15/03/2017	8.04% annual payment	15/03/2032	IND AAA/Stable	9300
GoI fully-serviced bonds	INE261F08782	17/03/2017	7.71% semi-annual payment	17/03/2032	IND AAA/Stable	4430
GoI fully-serviced bonds	INE261F08824	29/03/2017	7.54% semi-annual payment	29/03/2032	IND AAA/Stable	5940
Non-priority sector bonds Series LTIF 1E	INE261F08832	31/03/2017	7.69% annual payment	31/03/2032	IND AAA/Stable	14480
GoI fully-serviced bonds Series LTIF B-1	INE261F08915	14/09/2017	7.27% semi-annual payment	14/09/2032	IND AAA/Stable	6100
Non-priority sector bonds Series LTIF 2-A	INE261F08923	18/09/2017	7.48% annual payment	17/09/2032	IND AAA/Stable	23340
Non-priority sector bonds Series LTIF B-2	INE261F08931	23/11/2017	7.60% semi-annual payment	23/11/2032	IND AAA/Stable	7350
Non-priority sector bonds Series LTIF 2-B	INE261F08949	27/11/2017	7.80% annual payment	26/11/2032	IND AAA/Stable	16350
Non-priority sector bonds Series LTIF B-3	INE261F08964	15/01/2018	7.75% semi-annual payment	14/01/2033	IND AAA/Stable	2400

Non-priority sector bonds Series LTIF 2-C	INE261F08972	17/01/2018	7.94% annual payment	17/01/2033	IND AAA/Stable	4950
Non-priority sector bonds Series LTIF B-4	INE261F08980	02/02/2018	7.99% semi-annual payment	02/02/2033	IND AAA/Stable	1350
Non-priority sector bonds Series LTIF 2-D	INE261F08998	06/02/2018	8.19% annual payment	04/02/2033	IND AAA/Stable	8640
Non-priority sector bonds Series PMAY-G PA-1	INE261F08AAA4	27/02/2018	8.22% semi-annual payment	25/02/2028	IND AAA/Stable	21800
Non-priority sector bonds Series LTIF B-5	INE261F08AB2	01/03/2018	8.28% semi-annual payment	01/03/2033	IND AAA/Stable	3100
Non-priority sector bonds Series LTIF 2-E	INE261F08AC0	06/03/2018	8.52% annual payment	04/03/2033	IND AAA/Stable	9460
Non-priority sector bonds Series PMAY-G PA-2	INE261F08AD8	09/03/2018	8.2% semi-annual payment	09/03/2028	IND AAA/Stable	22270
Non-priority sector bonds Series PMAY-G PA-3	INE261F08AE6	16/03/2018	8.2% semi-annual payment	16/03/2028	IND AAA/Stable	29230
Non-priority sector bonds Series LTIF B-6	INE261F08AF3	23/03/2018	8.12% semi-annual payment	23/03/2033	IND AAA/Stable	10750
Non-priority sector bonds Series LTIF 2-F	INE261F08AG1	27/03/2018	8.25% annual payment	25/03/2033	IND AAA/Stable	19820
Non-priority sector bonds Series LTIF POA-1	INE261F08AJ5	08/06/2018	8.65% semi-annual payment	08/06/2028	IND AAA/Stable	14000
Non-priority sector bonds Series LTIF C1	INE261F08AN7	24/08/2018	8.39% semi-annual	24/08/2033	IND AAA/Stable	5830
Non-priority sector bonds Series LTIF C2	INE261F08AO5	31/08/2018	8.47% semi-annual	31/08/2033	IND AAA/Stable	9730
Non-priority sector bonds Series PMAY-G PB-1	INE261F08AP2	05/10/2018	8.77% semi-annual	05/10/2028	IND AAA/Stable	28140
Non-priority sector bonds Series LTIF 3A	INE261F08AQ0	15/10/2018	8.98% annual payment	14/10/2033	IND AAA/Stable	29240
Non-priority sector bonds Series LTIF 3B	INE261F08AR8	22/10/2018	8.92% annual payment	21/10/2033	IND AAA/Stable	12890
Non-priority sector bonds Series SBM-G SA-1	INE261F08AS6	14/11/2018	8.56% semi-annual	14/11/2028	IND AAA/Stable	36340
Non-priority sector bonds Series 19F	INE261F08AT4	04/12/2018	8.50% annual payment	31/01/2023	IND AAA/Stable	15550
Non-priority sector bonds Series LTIF C3	INE261F08AU2	07/12/2018	8.12% semi-annual	07/12/2033	IND AAA/Stable	5370
Non-priority sector bonds Series PMAY-G PB-2	INE261F08AV0	13/12/2018	8.22% semi-annual	13/12/2028	IND AAA/Stable	19710
Non-priority sector bonds Series LTIF 3C	INE261F08AW8	19/12/2018	8.51% annual payment	19/12/2033	IND AAA/Stable	15040
Non-priority sector bonds Series PMAY-G PB-3	INE261F08AX6	26/12/2018	8.18% semi-annual	26/12/2028	IND AAA/Stable	23700
Non-priority sector bonds Series 19F	INE261F08AT4	03/01/2019	8.50% annual payment	31/01/2023	IND AAA/Stable	17000
Non-priority sector bonds Series SBM-G SA-2	INE261F08AY4	24/01/2019	8.29% semi-annual	24/01/2029	IND AAA/Stable	17910
Non-priority sector bonds Series LTIF 3D	INE261F08AZ1	30/01/2019	8.54% annual payment	30/01/2034	IND AAA/Stable	10760

Non-priority sector bonds Series PMAY-G PB-4	INE261F08BA2	13/02/2019	8.42% semi-annual	13/02/2029	IND AAA/Stable	12830
Non-priority sector bonds Series SBM-G SA-3	INE261F08BC8	27/02/2019	8.50% semi-annual	27/02/2029	IND AAA/Stable	10600
Non-priority sector bonds Series 19F	INE261F08AT4	06/03/2019	8.50% annual payment	31/01/2023	IND AAA/Stable	13300
Non-priority sector bonds Series LTIF C4	INE261F08BD6	11/03/2019	8.32% semi-annual	10/03/2034	IND AAA/Stable	5370
Non-priority sector bonds Series LTIF 3E	INE261F08BE4	14/03/2019	8.62% annual	14/03/2034	IND AAA/Stable	15160
Non-priority sector bonds Series PB5SA4	INE261F08BF1	22/03/2019	8.24% semi-annual	22/03/2029	IND AAA/Stable	34550
Non-priority sector bonds Series LTIF G C5	INE261F08BG9	28/03/2019	8.20% semi-annual	28/03/2034	IND AAA/Stable	14640
Non-priority sector bonds Series SBM-G SA-5	INE261F08BH7	28/03/2019	8.15% semi-annual	28/03/2029	IND AAA/Stable	9880
Non-priority sector bonds Series 19F	INE261F08AT4	13/05/2019	8.50% annual payment	31/01/2023	IND AAA/Stable	20700
Non-priority sector bonds Series 20C	INE261F08BK1	29/05/2019	7.69% annual	29/05/2024	IND AAA/Stable	28000
Non-priority sector bonds Series 19F (reissue)	INE261F08AT4	04/06/2019	8.5% annual	31/01/2023	IND AAA/Stable	10050
Non-priority sector bonds Series 20E	INE261F08BM7	18/07/2019	7.41% annual	18/07/2029	IND AAA/Stable	5550
**Non-priority sector bonds Series 20G	INE261F08BO3	19/09/2019	6.98% annual	19/09/2022	WD	20000
Non-priority sector bonds Series LTIF 4A	INE261F08BP0	17/10/2019	7.83% annual	17/10/2034	IND AAA/Stable	17700
**Non-priority sector bonds Series 20H	INE261F08BQ8	11/11/2019	6.70% annual	11/11/2022	WD	18950
Non-priority sector bonds Series LTIF G D1	INE261F08BR6	18/11/2019	7.50% semi-annual	17/11/2034	IND AAA/Stable	9550
Non-priority sector bonds Series LTIF 4B	INE261F08BS4	10/12/2019	7.75% annual	08/12/2034	IND AAA/Stable	9180
Non-priority sector bonds Series LTIF 4C	INE261F08BT2	20/12/2019	7.78% annual	20/12/2034	IND AAA/Stable	31500
Non-priority sector bonds Series LTIF G D2	INE261F08BU0	27/12/2019	7.46% semi-annual	27/12/2034	IND AAA/Stable	10080
Non-priority sector bonds Series LTIF 4D	INE261F08BV8	03/01/2020	7.57% annual	03/01/2035	IND AAA/Stable	7090
Non-priority sector bonds Series 20I	INE261F08BW6	09/01/2020	6.72% annual	14/04/2023	IND AAA/Stable	20000
Non-priority sector bonds Series- NCD Series PC1POB1	INE261F08BX4	31/01/2020	7.43% semi-annual	31/01/2030	IND AAA/Stable	69530
Non-priority sector bonds Series- NCD Series PC 2	INE261F08BY2	10/02/2020	7.10% semi-annual	08/02/2030	IND AAA/Stable	32830
Non-priority sector bonds Series 20J	INE261F08BZ9	14/02/2020	7.27% annual	14/02/2030	IND AAA/Stable	6700
Non-priority sector bonds Series 20K	INE261F08CA0	02/03/2020	6.40% annual	31/07/2023	IND AAA/Stable	25350
Non-priority sector bonds Series- SB-1	INE261F08CB8	09/03/2020	6.87% semi-annual	08/03/2030	IND	25500



							AAA/Stable
Non-priority sector bonds Series - NCD Series PC3SB2 (GoI fully serviced bonds)	INE261F08CC6	19/03/2020	7.40% semi-annual	19/03/2030	IND	34760	AAA/Stable
Non-priority sector bonds Series - NCD 2023 Series 21A	INE261F08CD4	17/04/2020	6.50% annual	17/04/2023	IND	25000	AAA/Stable
Non-priority sector bonds Series LTIF-G E1 (GoI fully serviced bonds)	INE261F08CE2	26/05/2020	6.65% semi-annual	25/05/2035	IND	9030	AAA/Stable
Non-priority sector bonds Series LTIF-5A	INE261F08CG7	01/06/2020	6.93% annual	01/06/2035	IND	6114	AAA/Stable
Non-priority sector bonds Series MIF 1A	INE261F08CF9	01/06/2020	6.57%	01/06/2027	IND	10949	AAA/Stable
Non-priority sector bonds Series 20K-R2	INE261F08CA0	12/06/2020	6.40%	31/07/2023	IND	20000	AAA/Stable
Non-priority sector bonds Series	INE261F08CH5	25/06/2020	6.79%	25/06/2035	IND	5643	AAA/Stable
Non-priority sector bonds Series 20K-R2	INE261F08CA0	02/07/2020	6.40%	31/07/2023	IND	25000	AAA/Stable
Non-priority sector bonds Series 21B	INE261F08CI3	29/07/2020	5.47%	11/04/2025	IND	11250	AAA/Stable
Non-priority sector bonds Series 21C	INE261F08CJ1	29/07/2020	6.45%	11/04/2031	IND	14500	AAA/Stable
Non-priority sector bonds Series 21D	INE261F08CK9	10/08/2020	5.14%	31/01/2024	IND	13850	AAA/Stable
Non-priority sector bonds Series NCD 21D-R1	INE261F08CK9	24/09/2020	5.14%	31/01/2024	IND	5000	AAA/Stable
Non-priority sector bonds Series LTIFG LTIF E2	INE261F08CL7	12/11/2020	6.59%	12/11/2035	IND	4341	AAA/Stable
Non-priority sector bonds Series MIF MIF 1B	INE261F08CM5	19/11/2020	6.07%	19/11/2027	IND	6597	AAA/Stable
Non-priority sector bonds Series PMAYG PD1	INE261F08CN3	19/11/2020	6.39%	19/11/2030	IND	33288	AAA/Stable
Non-priority sector bonds Series PMAYG PD2	INE261F08CO1	25/11/2020	6.42%	25/11/2030	IND	27925	AAA/Stable
Non-priority sector bonds Series LTIFG POC-1	INE261F08CP8	04/12/2020	6.44%	04/12/2030	IND	22342	AAA/Stable
Non-priority sector bonds Series NCD 21D-R2	INE261F08CK9	14/12/2020	5.14%	31/01/2024	IND	20000	AAA/Stable
Non-priority sector bonds Series PMAYG PD3	INE261F08CQ6	30/12/2020	6.49%	30/12/2030	IND	20123	AAA/Stable
Non-priority sector bonds Series LTIFN LTIF 5C	INE261F08CR4	30/12/2020	6.65%	28/12/2035	IND	5143	AAA/Stable
Non-priority sector bonds Series NCD 21D-R3	INE261F08CK9	08/01/2021	5.14%	31/01/2024	IND	25000	AAA/Stable
Non-priority sector bonds Series LTIFN LTIF 5D	INE261F08CT0	22/01/2021	6.69%	22/01/2036	IND	11081	AAA/Stable
Non-priority sector bonds Series NCD 21F	INE261F08CU8	05/02/2021	5.44%	05/02/2024	IND	50000	AAA/Stable
Non-priority sector bonds Series NCD 21G	INE261F08CV6	12/02/2021	5.09%	12/02/2024	IND	18950	AAA/Stable



Non-priority sector bonds Series PMAYG PD4	INE261F08CW4	22/02/2021	7.00%	21/02/2031	IND AAA/Stable	5205
Non-priority sector bonds Series NCD 21H	INE261F08CX2	22/02/2021	5.53%	22/02/2024	IND AAA/Stable	30000
Non-priority sector bonds Series NCD 21I	INE261F08CY0	10/03/2021	5.00%	11/03/2024	IND AAA/Stable	30000
Non-priority sector bonds Series PMAYG PD5	INE261F08CZ7	17/03/2021	6.97%	17/03/2031	IND AAA/Stable	34390
Non-priority sector bonds Series PMAYG PD6	INE261F08DA8	23/03/2021	6.85%	21/03/2031	IND AAA/Stable	79067
Non-priority sector bonds Series LTIFG LTIF E3	INE261F08DC4	30/03/2021	6.57%	28/03/2036	IND AAA/Stable	5849
Non-priority sector bonds Series LTIFN LTIF 5E	INE261F08DB6	30/03/2021	6.63%	28/03/2036	IND AAA/Stable	8068
Non-priority sector bonds Series 22A	INE261F08DD2	28/04/2021	5.27%	29/04/2024	IND AAA/Stable	50000
Non-priority sector bonds Series LTIF G POD-1	INE261F08DE0	27/05/2021	6.60%	27/05/2031	IND AAA/Stable	3330
Non-priority sector bonds Series NCD 22B	INE261F08DF7	23/07/2021	5.27%	23/07/2024	IND AAA/Stable	40000
Non-priority sector bonds Series LTIF G POD-2	INE261F08DH3	04/08/2021	6.79%	04/08/2031	IND AAA/Stable	4190
Non-priority sector bonds Series LTIF 6B	INE261F08DJ9	29/09/2021	6.92%	29/09/2036	IND AAA/Stable	8600
Non-priority sector bonds Series 22E	INE261F08DL5	15/12/2021	6.85%	14/04/2032	IND AAA/Stable	10000
Non-priority sector bonds Series 22F	INE261F08DM3	04/02/2022	5.96%	06/02/2025	IND AAA/Stable	50000
Non-priority sector bonds Series 22G	INE261F08DN1	24/02/2022	5.63%	26/02/2025	IND AAA/Stable	50000
Non-priority sector bonds Series 23E	INE261F08DU6	15/12/2022	7.54%	15/04/2033	IND AAA/Stable	10000
Non-priority sector bonds Series 23F	INE261F08DT8	09/12/2022	7.50%	17/12/2025	IND AAA/Stable	50000
Non-priority sector bonds*	-	-	-		IND AAA/Stable	445840

\*Unutilised limits





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# India Ratings Affirms NABARD at 'IND AAA'/Stable

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Sep 16, 2022 |

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India Ratings and Research (Ind-Ra) has taken the following rating action on National Bank for Agriculture and Rural Development (NABARD):

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Long-term/Short-term Issuer rating	-	-	-	-	IND AAA/Stable/IND A1+	Affirmed
Bonds*\$	-	-	-	INR1,997.53 (reduced from INR2,225.77)	IND AAA/Stable	Affirmed
Government of India (GoI) fully-serviced bonds\$	-	-	-	INR16.47	IND AAA/Stable	Affirmed
Long-term deposits#	-	-	-	INR2,250	IND AAA/Stable	Affirmed
Bank loan	-	-	-	INR535	IND AAA/Stable/IND A1+	Affirmed
Commercial paper (CP)^	-	-	-	INR500	IND A1+	Affirmed
Certificate of deposits	-	-	1-3 years	INR200	IND AAA/Stable/IND A1+	Affirmed
Term money borrowings	-	-	3-6 months	INR100	IND A1+	Affirmed
Short-term deposits#	-	-	-	INR700	IND A1+	Affirmed

\*Bonds include non-priority sector bonds and tax-free bonds

\$Details in Annexure I

#Details in Annexure II

^Details in Annexure III

**Analytical Approach:** The ratings continue to factor in NABARD's strong linkages with the government of India (GoI) and its position as an apex policy institution and nodal agency for the country's agricultural and rural development.

## Key Rating Drivers

**Public Policy Institution:** NABARD has strong linkages with the GoI and is an apex policy institution and nodal agency for agriculture and rural development in India. It actively plays a major role in implementing the GoI's policies in the socially, politically and economically important agriculture sector and rural development.

Representatives from the ministries of agriculture, rural development and finance are present on NABARD's board. The appointment of NABARD's board of directors by the GoI is according to the statutes of the National Bank for Agriculture and Rural Development Act 1981, under which it has been established. Also, there have been numerous instances of financial support extended to NABARD by way of budgetary allocations annually, since its inception. NABARD is fully owned by the GoI. The Union Budget FY23 has made an allocation of additional equity capital of INR10 billion.

**Regulatory Body:** In its supervisory role, NABARD undertakes statutory and voluntary inspections of state cooperative banks, regional rural banks and district central cooperative banks.

**Captive Resources:** The GoI allocates funds to NABARD for various specified purposes to meet grassroots-level demand. Rural Infrastructure Development Fund (RIDF) deposits, short-term cooperative rural credit fund, short-term regional rural bank credit refinance fund, and long-term rural credit fund constituted a major source of funding during FY18-FY22. Priority sector lending (PSL) shortfall deposits will also continue to be an important source of funds for NABARD (FY18-FY22: 41%), as scheduled commercial banks have traditionally faced difficulties in meeting PSL targets. RIDF, which constitutes the largest share in the total deposits, grew 8.1% yoy to INR1,472.27 billion in FY22. PSL shortfall linked deposits constituted 35% of the total liabilities (INR7,196.61 billion) at end-June 2022.

**Low Risk Deployment:** At FYE22, loans to state governments or their agencies accounted for 20.9% (FYE21: 22%) of NABARD's loan portfolio. These loans were all secured by guarantees from the state governments. Furthermore, NABARD has the mandate to direct the Reserve Bank of India to debit the current accounts of its RIDF loan counterparties in case of a default. RIDF loans (INR1,413.14 billion) accounted for 21.6% of the total loans at end-June 2022.

Refinance and RIDF loans together accounted for 75% of the total loan portfolio at FYE22 (FYE21: 73%). The balance was accounted for by other direct loans (other than RIDF), which are secured by collaterals such as unencumbered assets, fixed deposits, bank guarantee, state government guarantee and other assets. The share of these direct loans in the total loans remained above 20% (FY22: 25%; FY21: 27%). The risks to asset quality is mitigated by 68% of the loans having been provided to state governments and nodal agencies of the central government, which are implementing projects under the long-term irrigation fund (scheme), Swachh Bharat Mission, Rural Housing Scheme and micro irrigation scheme.

Ind-Ra expects NABARD to continue playing a significant role in enhancing the penetration of institutional credit towards the agriculture and rural infrastructure development activity through refinance and direct lending under various programmes and the funds instituted in NABARD.

**Comfortable Capitalisation:** NABARD's capital adequacy ratio was comfortable at 17.89% at end-June 2022 (FYE22: 16.07%), aided by equity injections from the GoI from time-to-time and an increase in reserves and surplus. This is well above the regulatory threshold of 9%. The low-margin RIDF lending business, which constituted 21.6% of NABARD's total loan portfolio at end-June 2022, comprises low-risk assets and lends support to the capital adequacy ratio. Ind-Ra expects the capital adequacy to remain comfortable over the medium term.

**Minimal Non-performing Assets Ratio:** NABARD has traditionally reported modest non-performing assets, as the majority of its business includes loans given under RIDF, government agencies, and refinance loans to cooperative banks, regional rural banks and commercial banks. The asset quality position remains stable, with gross non-performing loan ratio at 0.32% in 1QFY23 (FY22: 0.31%). The net non-performing loan (NPL) ratio was nil% in 1QFY23 (FY22: nil). Ind-Ra expects NPL ratios to remain low in the medium term.

**Liquidity Indicator - Superior:** NABARD has established board-approved internal prudential limits and monitors its cumulative mismatches across different time buckets. There was no asset-liability mismatch in the one-day and up-to-one-year period on a cumulative basis, as on 31 July 2022. Also, NABARD has invested in certificates of deposit, government securities, treasury bills, short-term deposits and liquid mutual funds. These investments, which collectively amounted to INR395.53 billion as on 29 July 2022, can be liquidated easily to meet short-term obligations, if required.

Moreover, NABARD has access to the Clearing Corporation of India's triparty repo dealing and settlement window, wherein it can borrow against its stock of government securities to meet liquidity and contingency requirements. Given NABARD's strong linkages with the sovereign and its developmental objective, Ind-Ra believes NABARD also has a strong capital market access with an ability to raise funds at competitive rates.

**Moderate Profitability:** NABARD is not comparable with commercial banks in terms of profitability, given its policy role and the nature of its operations, which are driven by developmental objectives rather than profit. Its net interest margin (NIM) remained below 2% during FY18-FY22. Ind-Ra expects the NIM to remain below 2% in FY23. A major portion of the

income is generated by way of interest on loans and investment operations, as fee-based income is low. Its net income declined 25% yoy to INR10.73 billion in 1QFY23 (FY22: 17.6% yoy increase) mainly due to a sharp decline in its net interest income on account of a reduction in investment income and higher outgo on interest expense.

**Borrower Profile Mitigates Loan Concentration Risk:** NABARD has a significant concentration on its balance sheet, as its top 20 borrowers accounted for 54% of the total loans and advances as on 30 June 2022 (FYE22: 52.2%). However, the loans are fully secured and the top 20 borrowers constituted large commercial banks, nodal agencies of the Gol, state cooperative banks and state governments, which mitigates the concentration risk.

## Rating Sensitivities

Ind-Ra's expectation of reduced support from the Gol would be considered negative for the ratings. This could result from a dilution in NABARD's policy role of financing and developing the agriculture sector in India or a significant reduction in the Gol's shareholding in the bank.

## ESG Issues

**ESG Factors Minimally Relevant to Rating:** Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on NABARD, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please [click here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please [click here](#).

## Company Profile

NABARD was established in July 1982 to promote and develop the agriculture and allied rural sectors in the country. The paid-up capital stood at INR170.80 billion as on 30 June 2022 (FYE22: INR170.80 billion).

### FINANCIAL SUMMARY

Particulars (INR billion)	FY21 (Audited)	FY22 (Audited)
Total assets	6,576.51	7,573.08
Net interest income	103.50	100.77
Net income	43.20	50.82
Gross non-performing assets (%)	0.21	0.31
Capital adequacy ratio (%)	18.80	16.07
Source: NABARD		

## Solicitation Disclosures

Additional information is available at [www.indiaratings.co.in](http://www.indiaratings.co.in). The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

## Rating History

Instrument Type	Current Rating/Outlook			28 January 2022	17 September
	Rating Type	Rated Limits (billion)	Rating		
Issuer rating	Long-term/Short-term	-	IND AAA/Stable/IND A1+	IND AAA/Stable/ IND A1+	IND AAA/ IND A
Bonds	Long-term	INR	IND AAA/Stable	IND AAA/Stable	IND AAA
		1,997.53			
GoI fully serviced bonds	Long-term	INR16.47	IND AAA/Stable	IND AAA/Stable	IND AAA
Long-term deposits	Long-term	INR2,250	IND AAA/Stable	IND AAA/Stable	IND AAA
Bank loan	Long-term/Short-term	INR535	IND AAA/Stable/IND A1+	IND AAA/Stable/IND A1+	IND AAA/Stab
CP	Short-term	INR500	IND A1+	IND A1+	IND A
Certificate of deposits	Long-term/Short-term	INR200	IND AAA/Stable/IND A1+	IND AAA/Stable/IND A1+	IND AAA/Stab
Term money borrowings	Short-term	INR100	IND A1+	IND A1+	IND A
Short-term deposits	Short-term	INR700	IND A1+	IND A1+	IND A

## Annexure

Instrument Type	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (billion)	Rating/Outlook
Tax-free bonds Series I A	INE261F07016	25 February 2016	7.07% annual payment	25 February 2026	INR15	IND AAA/Stable
Tax-free bonds Series I B	INE261F07024	23 March 2016	7.29% annual payment	23 March 2026	INR2.3855	IND AAA/Stable
Tax-free bonds Series II B	INE261F07032	23 March 2016	7.64% annual payment	23 March 2031	INR17.5874	IND AAA/Stable
Tax-free bonds Series I A	INE261F07040	23 March 2016	7.04% annual payment	23 March 2026	INR1.4995	IND AAA/Stable
Tax-free bonds Series II A	INE261F07057	23 March 2016	7.35% annual payment	23 March 2031	INR13.5276	IND AAA/Stable
Non-priority sector bonds (LTIF) Series 1A	INE261F08683	20 October 2016	7.38% annual payment	20 October 2031	INR10	IND AAA/Stable
Non-priority sector bonds (LTIF) Series A1	INE261F08691	21 October 2016	7.20% annual payment	21 October 2031	INR5	IND AAA/Stable
Non-priority sector bonds (LTIF) Series 1B	INE261F08709	22 December 2016	7.48% annual payment	22 December 2031	INR32	IND AAA/Stable

Non-priority sector bonds (LTIF) Series A2	INE261F08717	26 December 2016	7.30% annual payment	26 December 2031	INR5	IND AAA/Stable
Non-priority sector bonds (LTIF) Series 1C	INE261F08733	13 January 2017	7.34% annual payment	13 January 2032	INR3.21	IND AAA/Stable
Non-priority sector bonds (LTIF) Series A3	INE261F08725	12 January 2017	7.16% annual payment	12 January 2032	INR1.5	IND AAA/Stable
Non-priority sector bonds (LTIF) Series 1D	INE261F08774	15 March 2017	8.04% annual payment	15 March 2032	INR9.3	IND AAA/Stable
GoI fully-serviced bonds	INE261F08782	17 March 2017	7.71% semi-annual payment	17 March 2032	INR4.43	IND AAA/Stable
GoI fully-serviced bonds	INE261F08824	29 March 2017	7.54% semi-annual payment	29 March 2032	INR5.94	IND AAA/Stable
Non-priority sector bonds Series LTIF 1E	INE261F08832	31 March 2017	7.69% annual payment	31 March 2032	INR14.48	IND AAA/Stable
GoI fully-serviced bonds Series LTIF B-1	INE261F08915	14 September 2017	7.27% semi-annual payment	14 September 2032	INR6.1	IND AAA/Stable
Non-priority sector bonds Series LTIF 2-A	INE261F08923	18 September 2017	7.48% annual payment	17 September 2032	INR23.34	IND AAA/Stable
Non-priority sector bonds Series LTIF B-2	INE261F08931	23 November 2017	7.60% semi-annual payment	23 November 2032	INR7.35	IND AAA/Stable
Non-priority sector bonds Series LTIF 2-B	INE261F08949	27 November 2017	7.80% annual payment	26 November 2032	INR16.35	IND AAA/Stable
Non-priority sector bonds Series LTIF B-3	INE261F08964	15 January 2018	7.75% semi-annual payment	14 January 2033	INR2.4	IND AAA/Stable
Non-priority sector bonds Series LTIF 2-C	INE261F08972	17 January 2018	7.94% annual payment	17 January 2033	INR4.95	IND AAA/Stable
Non-priority sector bonds Series LTIF B-4	INE261F08980	2 February 2018	7.99% semi-annual payment	2 February 2033	INR1.35	IND AAA/Stable
Non-priority sector bonds Series LTIF 2-D	INE261F08998	6 February 2018	8.19% annual payment	4 February 2033	INR8.64	IND AAA/Stable
Non-priority sector bonds Series PMAY-G PA-1	INE261F08AA4	27 February 2018	8.22% semi-annual payment	25 February 2028	INR21.8	IND AAA/Stable
Non-priority sector bonds Series LTIF B-5	INE261F08AB2	1 March 2018	8.28% semi-annual payment	1 March 2033	INR3.1	IND AAA/Stable
Non-priority sector bonds Series LTIF 2-E	INE261F08AC0	6 March 2018	8.52% annual payment	4 March 2033	INR9.46	IND AAA/Stable

Non-priority sector bonds Series PMAY-G PA-2	INE261F08AD8	9 March 2018	8.2% semi-annual payment	9 March 2028	INR22.27	IND AAA/Stable
Non-priority sector bonds Series PMAY-G PA-3	INE261F08AE6	16 March 2018	8.2% semi-annual payment	16 March 2028	INR29.23	IND AAA/Stable
Non-priority sector bonds Series LTIF B-6	INE261F08AF3	23 March 2018	8.12% semi-annual payment	23 March 2033	INR10.75	IND AAA/Stable
Non-priority sector bonds Series LTIF 2-F	INE261F08AG1	27 March 2018	8.25% annual payment	25 March 2033	INR19.82	IND AAA/Stable
Non-priority sector bonds Series 19B**	INE261F08AI7	25 May 2018	8.60% annual payment	31 January 2022	INR14.48	WD
Non-priority sector bonds Series LTIF POA-1	INE261F08AJ5	8 June 2018	8.65% semi-annual payment	8 June 2028	INR14	IND AAA/Stable
Non-priority sector bonds Series 19B**	INE261F08AI7	13 June 2018	8.60% annual payment	31 January 2022	INR16.55	WD
Non-priority sector bonds Series 19B**	INE261F08AI7	9 July 2018	8.60% annual payment	31 January 2022	INR10.42	WD
Non-priority sector bonds Series 19B**	INE261F08AI7	16 August 2018	8.60% annual payment	31 January 2022	INR17.05	WD
Non-priority sector bonds Series LTIF C1	INE261F08AN7	24 August 2018	8.39% semi-annual	24 August 2033	INR5.83	IND AAA/Stable
Non-priority sector bonds Series LTIF C2	INE261F08AO5	31 August 2018	8.47% semi-annual	31 August 2033	INR9.73	IND AAA/Stable
Non-priority sector bonds Series PMAY-G PB-1	INE261F08AP2	5 October 2018	8.77% semi-annual	5 October 2028	INR28.14	IND AAA/Stable
Non-priority sector bonds Series LTIF 3A	INE261F08AQ0	15 October 2018	8.98% annual payment	14 October 2033	INR29.24	IND AAA/Stable
Non-priority sector bonds Series LTIF 3B	INE261F08AR8	22 October 2018	8.92% annual payment	21 October 2033	INR12.89	IND AAA/Stable
Non-priority sector bonds Series SBM-G SA-1	INE261F08AS6	14 November 2018	8.56% semi-annual	14 November 2028	INR36.34	IND AAA/Stable
Non-priority sector bonds Series 19F	INE261F08AT4	4 December 2018	8.50% annual payment	31 January 2023	INR15.55	IND AAA/Stable
Non-priority sector bonds Series LTIF C3	INE261Fo8AU2	7 December 2018	8.12% semi-annual	7 December 2033	INR5.37	IND AAA/Stable
Non-priority sector bonds Series PMAY-G PB-2	INE261F08AV0	13 December 2018	8.22% semi-annual	13 December 2028	INR19.71	IND AAA/Stable

Non-priority sector bonds Series LTIF 3C	INE261F08AW8	19 December 2018	8.51% annual payment	19 December 2033	INR15.04	IND AAA/Stable
Non-priority sector bonds Series PMAY-G PB-3	INE261F08AX6	26 December 2018	8.18% semi-annual	26 December 2028	INR23.7	IND AAA/Stable
Non-priority sector bonds Series 19F	INE261F08AT4	3 January 2019	8.50% annual payment	31 January 2023	INR17	IND AAA/Stable
Non-priority sector bonds Series SBM-G SA-2	INE261F08AY4	24 January 2019	8.29% semi-annual	24 January 2029	INR17.91	IND AAA/Stable
Non-priority sector bonds Series LTIF 3D	INE261F08AZ1	30 January 2019	8.54% annual payment	30 January 2034	INR10.76	IND AAA/Stable
Non-priority sector bonds Series PMAY-G PB-4	INE261F08BA2	13 February 2019	8.42% semi-annual	13 February 2029	INR12.83	IND AAA/Stable
Non-priority sector bonds Series SBM-G SA-3	INE261F08BC8	27 February 2019	8.50% semi-annual	27 February 2029	INR10.6	IND AAA/Stable
Non-priority sector bonds Series 19F	INE261F08AT4	6 March 2019	8.50% annual payment	31 January 2023	INR13.3	IND AAA/Stable
Non-priority sector bonds Series LTIF C4	INE261F08BD6	11 March 2019	8.32% semi-annual	10 March 2034	INR5.37	IND AAA/Stable
Non-priority sector bonds Series LTIF 3E	INE261F08BE4	14 March 2019	8.62% annual	14 March 2034	INR15.16	IND AAA/Stable
Non-priority sector bonds Series PB5SA4	INE261F08BF1	22 March 2019	8.24% semi-annual	22 March 2029	INR34.55	IND AAA/Stable
Non-priority sector bonds Series LTIF G C5	INE261F08BG9	28 March 2019	8.20% semi-annual	28 March 2034	INR14.64	IND AAA/Stable
Non-priority sector bonds Series SBM-G SA-5	INE261F08BH7	28 March 2019	8.15% semi-annual	28 March 2029	INR9.88	IND AAA/Stable
Non-priority sector bonds Series 20A**	INE261F08BI5	18 April 2019	7.90% annual	18 April 2022	INR20	WD
Non-priority sector bonds Series 19F	INE261F08AT4	13 May 2019	8.50% annual payment	31 January 2023	INR20.7	IND AAA/Stable
Non-priority sector bonds Series 20B**	INE261F08BJ3	23 May 2019	7.85% annual	23 May 2022	INR22.9	WD
Non-priority sector bonds Series 20C	INE261F08BK1	29 May 2019	7.69% annual	29 May 2024	INR28	IND AAA/Stable

Non-priority sector bonds Series 19F (reissue)	INE261F08AT4	4 June 2019	8.5% annual	31 January 2023	INR10.05	IND AAA/Stable
Non-priority sector bonds Series 20D**	INE261F08BL9	12 June 2019	7.70% annual	13 June 2022	INR6.85	WD
Non-priority sector bonds Series 20E	INE261F08BM7	18 July 2019	7.41% annual	18 July 2029	INR5.55	IND AAA/Stable
Non-priority sector bonds Series 20F**	INE261F08BN5	8 August 2019	7.18% annual	8 August 2022	INR20	WD
Non-priority sector bonds Series 20G	INE261F08BO3	19 September 2019	6.98% annual	19 September 2022	INR20	IND AAA/Stable
Non-priority sector bonds Series LTIF 4A	INE261F08BP0	17 October 2019	7.83% annual	17 October 2034	INR17.7	IND AAA/Stable
Non-priority sector bonds Series 20H	INE261F08BQ8	11 November 2019	6.70% annual	11 November 2022	INR18.95	IND AAA/Stable
Non-priority sector bonds Series LTIF G D1	INE261F08BR6	18 November 2019	7.50% semi-annual	17 November 2034	INR9.55	IND AAA/Stable
Non-priority sector bonds Series LTIF 4B	INE261F08BS4	10 December 2019	7.75% annual	8 December 2034	INR9.18	IND AAA/Stable
Non-priority sector bonds Series LTIF 4C	INE261F08BT2	20 December 2019	7.78% annual	20 December 2034	INR31.5	IND AAA/Stable
Non-priority sector bonds Series LTIF G D2	INE261F08BU0	27 December 2019	7.46% semi-annual	27 December 2034	INR10.08	IND AAA/Stable
Non-priority sector bonds Series LTIF 4D	INE261F08BV8	3 January 2020	7.57% annual	3 January 2035	INR7.09	IND AAA/Stable
Non-priority sector bonds Series 20I	INE261F08BW6	9 January 2020	6.72% annual	14 April 2023	INR20	IND AAA/Stable
Non-priority sector bonds Series- NCD Series PC1POB1	INE261F08BX4	31 January 2020	7.43% semi-annual	31 January 2030	INR69.53	IND AAA/Stable
Non-priority sector bonds Series- NCD Series PC 2	INE261F08BY2	10 February 2020	7.10% semi-annual	08 February 2030	INR32.83	IND AAA/Stable
Non-priority sector bonds Series 20J	INE261F08BZ9	14 February 2020	7.27% annual	14 February 2030	INR6.7	IND AAA/Stable
Non-priority sector bonds Series 20K	INE261F08CA0	2 March 2020	6.40% annual	31 July 2023	INR25.35	IND AAA/Stable
Non-priority sector bonds Series- SB-1	INE261F08CB8	9 March 2020	6.87% semi-annual	8 March 2030	INR25.5	IND AAA/Stable

Non-priority sector bonds Series - NCD Series PC3SB2 (GoI fully serviced bonds)	INE261F08CC6	19 March 2020	7.40% semi-annual	19 March 2030	INR34.76	IND AAA/Stable
Non-priority sector bonds Series - NCD 2023 Series 21A	INE261F08CD4	17 April 2020	6.50% annual	17 April 2023	INR25	IND AAA/Stable
Non-priority sector bonds Series LTIF-G E1 (GoI fully serviced bonds)	INE261F08CE2	26 May 2020	6.65% semi-annual	25 May 2035	INR9.03	IND AAA/Stable
Non-priority sector bonds Series LTIF-5A	INE261F08CG7	1 June 2020	6.93% annual	1 June 2035	INR6.114	IND AAA/Stable
Non-priority sector bonds Series MIF 1A	INE261F08CF9	1 June 2020	6.57%	1 June 2027	INR10.949	IND AAA/Stable
Non-priority sector bonds Series 20K-R2	INE261F08CA0	12 June 2020	6.40%	31 July 2023	INR20	IND AAA/Stable
Non-priority sector bonds Series	INE261F08CH5	25 June 2020	6.79%	25 June 2035	INR5.643	IND AAA/Stable
Non-priority sector bonds Series 20K-R2	INE261F08CA0	2 July 2020	6.40%	31 July 2023	INR25	IND AAA/Stable
Non-priority sector bonds Series 21B	INE261F08CI3	29 July 2020	5.47%	11 April 2025	INR11.25	IND AAA/Stable
Non-priority sector bonds Series 21C	INE261F08CJ1	29 July 2020	6.45%	11 April 2031	INR14.5	IND AAA/Stable
Non-priority sector bonds Series 21D	INE261F08CK9	10 August 2020	5.14%	31 January 2024	INR13.85	IND AAA/Stable
Non-priority sector bonds Series NCD 21D-R1	INE261F08CK9	24 September 2020	5.14%	31 January 2024	INR5	IND AAA/Stable
Non-priority sector bonds Series LTIFG LTIF E2	INE261F08CL7	12 November 2020	6.59%	12 November 2035	INR4.341	IND AAA/Stable
Non-priority sector bonds Series MIF MIF 1B	INE261F08CM5	19 November 2020	6.07%	19 November 2027	INR6.597	IND AAA/Stable
Non-priority sector bonds Series PMAYG PD1	INE261F08CN3	19 November 2020	6.39%	19 November 2030	INR33.288	IND AAA/Stable
Non-priority sector bonds Series PMAYG PD2	INE261F08CO1	25 November 2020	6.42%	25 November 2030	INR27.925	IND AAA/Stable

Non-priority sector bonds Series LTIFG POC-1	INE261F08CP8	4 December 2020	6.44%	4 December 2030	INR22.342	IND AAA/Stable
Non-priority sector bonds Series NCD 21D-R2	INE261F08CK9	14 December 2020	5.14%	31 January 2024	INR20	IND AAA/Stable
Non-priority sector bonds Series PMAYG PD3	INE261F08CQ6	30 December 2020	6.49%	30 December 2030	INR20.123	IND AAA/Stable
Non-priority sector bonds Series LTIFN LTIF 5C	INE261F08CR4	30 December 2020	6.65%	28 December 2035	INR5.143	IND AAA/Stable
Non-priority sector bonds Series NCD 21D-R3	INE261F08CK9	8 January 2021	5.14%	31 January 2024	INR25	IND AAA/Stable
Non-priority sector bonds Series NCD 21E**	INE261F08CS2	19 January 2021	4.60%	29 July 2024	INR50	WD
Non-priority sector bonds Series LTIFN LTIF 5D	INE261F08CT0	22 January 2021	6.69%	22 January 2036	INR11.081	IND AAA/Stable
Non-priority sector bonds Series NCD 21E-R1**	INE261F08CS2	29 January 2021	4.60%	29 July 2024	INR50	WD
Non-priority sector bonds Series NCD 21F	INE261F08CU8	5 February 2021	5.44%	5 February 2024	INR50	IND AAA/Stable
Non-priority sector bonds Series NCD 21G	INE261F08CV6	12 February 2021	5.09%	12 February 2024	INR18.95	IND AAA/Stable
Non-priority sector bonds Series PMAYG PD4	INE261F08CW4	22 February 2021	7.00%	21 February 2031	INR5.205	IND AAA/Stable
Non-priority sector bonds Series NCD 21H	INE261F08CX2	22 February 2021	5.53%	22 February 2024	INR30	IND AAA/Stable
Non-priority sector bonds Series NCD 21I	INE261F08CY0	10 March 2021	5.0%	11 March 2024	INR30	IND AAA/Stable
Non-priority sector bonds Series PMAYG PD5	INE261F08CZ7	17 March 2021	6.97%	17 March 2031	INR34.39	IND AAA/Stable
Non-priority sector bonds Series PMAYG PD6	INE261F08DA8	23 March 2021	6.85%	21 March 2031	INR79.067	IND AAA/Stable

Non-priority sector bonds Series LTIFG LTIF E3	INE261F08DC4	30 March 2021	6.57%	28 March 2036	INR5.849	IND AAA/Stable
Non-priority sector bonds Series LTIFN LTIF 5E	INE261F08DB6	30 March 2021	6.63%	28 March 2036	INR8.068	IND AAA/Stable
Non-priority sector bonds Series 22A	INE261F08DD2	28 April 2021	5.27%	29 April 2024	INR50	IND AAA/Stable
Non-priority sector bonds Series LTIF G POD-1	INE261F08DE0	27 May 2021	6.60%	27 May 2031	INR3.33	IND AAA/Stable
Non-priority sector bonds Series NCD 22B	INE261F08DF7	23 July 2021	5.27%	23 July 2024	INR40	IND AAA/Stable
Non-priority sector bonds Series LTIF G POD-2	INE261F08DH3	4 August 2021	6.79%	4 August 2031	INR4.19	IND AAA/Stable
Non-priority sector bonds Series LTIF 6B	INE261F08DJ9	29 September 2021	6.92%	29 September 2036	INR8.60	IND AAA/Stable
Non-priority sector bonds Series 22E	INE261F08DL5	15 December 2021	6.85%	14 April 2032	INR10	IND AAA/Stable
Non-priority sector bonds Series 22F	INE261F08DM3	4 February 2022	5.96%	6 February 2025	INR50	IND AAA/Stable
Non-priority sector bonds Series 22G	INE261F08DN1	24 February 2022	5.63%	26 February 2025	INR50	IND AAA/Stable
Non-priority sector bonds*	-	-	-	-	INR105.84	IND AAA/Stable
<b>Total</b>	-	-	-	-	<b>INR2,014.00</b>	-

\*\*NCDs fully redeemed

\*Unutilised limits

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (billion)	Rating/Outlook
RIDF	-	-	7 years	INR1,650	IND AAA/Stable
Warehousing infrastructure fund deposits	-	-	7 years	INR100	IND AAA/Stable
Long-term rural credit	-	-	5 years	INR500	IND AAA/Stable
<b>Total</b>	-	-	-	<b>INR2,250</b>	-
Short-term cooperative rural credit fund deposits	-	-	1 year	INR500	IND A1+
Short-term regional rural bank credit refinance fund deposits	-	-	1 year	INR200	IND A1+
<b>Total</b>	-	-	-	<b>INR700</b>	-

Instrument	Date of Issuance	Discount Rate (%)	Maturity Date	Size of Issue (billion)	Rating
Commercial paper	20 July 2022	5.5	18 October 2022	INR41.5	IND A1+
Commercial paper	25 August 2022	5.8	23 November 2022	INR28.0	IND A1+
Commercial paper	Unutilised	-	-	INR430.5	IND A1+

### Bond Covenants

The occurrence of any of the events specified below constitute to a default:

- a) Default is committed in the payment of the maturity value of the bonds on the due date(s) and is not rectified within seven business days of intimation to the issuer;
- b. Default is committed in the payment of any discount expenses on the bonds on the due date(s) and is not rectified within seven business days of intimation to the issuer;
- c. Default is committed by the issuer in the performance or observance of any covenant, obligation condition or provision contained in these presents and/or the financial covenants and conditions (other than the obligation to pay principal) and, except where the bond trustee certifies that such default is in their opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after a written notice has been given thereof by the bond trustee to the issuer requiring the same to be remedied;
- d. Any indebtedness of the issuer for borrowed monies i.e. indebtedness for and in respect of monies borrowed or raised (whether or not for cash consideration) from banks or financial institutions by whatever means (including acceptances, credits, deposits and leasing), including interest thereon, becomes due prior to its stated maturity by reason of default of the terms thereof or any such indebtedness is not paid at its stated maturity or there is a default in making payments due under any guarantee or indemnity given by the issuer in respect of the indebtedness of borrowed monies of any person, provided that individual amounts referred to above exceed INR100,000 and the default is not rectified within seven business days;
- e. Any information given by the issuer in any reports and other information furnished by the issuer and the representations and warranties given/deemed to have been given by it to the bond trustee is misleading or incorrect in any material respect;
- f. If the issuer is unable to pay its debts or proceedings for taking it into liquidation, either voluntarily or compulsorily, may be or have been commenced and admitted;
- g. The issuer has voluntarily or involuntarily commenced or become the subject of proceedings under any bankruptcy or insolvency law or the issuer is voluntarily or involuntarily dissolved or liquidated;
- h. The issuer is unable to or has admitted in writing its inability to pay its debts as they mature;
- i. The issuer has taken or suffered to be taken any action for re-organisation of its capital;
- j. A receiver or a liquidator has been appointed or allowed to be appointed of all or any substantial part of the undertaking of the issuer or an attachment, sequestration, distress or execution (or analogous process) is levied or enforced upon or issued against a substantial part of the assets or property of the issuer;
- k. If any extra-ordinary circumstances have occurred which make it improbable for the issuer to fulfil its obligation under these presents and/or the bonds;
- l. The issuer ceases or threatens to cease to carry on its business or gives notice of its intention to do so;
- m. The bonds are not listed, or if such listing of the bonds ceases at any point of time prior to the maturity date due to an act of the issuer or failure by the issuer to take all necessary action to ensure listing.

### Complexity Level of Instruments

Instrument Type	Complexity Indicator
Bonds	Low

Gol fully-serviced bonds	Low
Long-term deposits	Low
Bank Loan	Low
Commercial Paper	Low
Certificate of deposits	Low
Term money borrowings	Low
Short-term deposits	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## Contact

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## APPLICABLE CRITERIA

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**Evaluating Corporate Governance**

**Rating of Public Sector Entities**

**Revenue-Supported Rating Criteria**

**The Rating Process**

**DISCLAIMER**

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RL/NABARDE/310527/BOND/0223/51802/91583740/1  
February 10, 2023

**Shri Alok C. Jena**  
Chief General Manager - Finance  
**National Bank For Agriculture and Rural Development**  
2nd Floor, D Wing,  
Plot No. C-24, G- Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai City - 400051



Dear Shri Alok C. Jena,

**Re: CRISIL Rating on the Rs.40000 Crore Bond of National Bank For Agriculture and Rural Development**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.  
Please refer to our rating letters dated February 01, 2023 bearing Ref. no.:  
RL/NABARDE/310527/BOND/0223/51802/91583740

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Bond	40000	CRISIL AAA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit [www.crisilratings.com](http://www.crisilratings.com) and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at [debtissue@crisil.com](mailto:debtissue@crisil.com) for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rahul Malik  
Associate Director - CRISIL Ratings

Nivedita Shibu  
Associate Director - CRISIL Ratings



**Disclaimer:** A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crisilratings.com](http://www.crisilratings.com). CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit [www.crisilratings.com](http://www.crisilratings.com) or contact Customer Service Helpdesk at [CRISILratingdesk@crisil.com](mailto:CRISILratingdesk@crisil.com) or at 1800-267-1301

# Ratings

CRISIL Ratings Limited (A subsidiary of CRISIL Limited)



## Rating Rationale

February 22, 2022 | Mumbai

### National Bank For Agriculture and Rural Development

'CRISIL AAA/Stable' assigned to Bond; Rated amount enhanced for Bank Debt

#### Rating Action

Total Bank Loan Facilities Rated	Rs.50000 Crore (Enhanced from Rs.30000 Crore)
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Assigned)

Rs.40000 Crore Bond	CRISIL AAA/Stable (Assigned)
Bond Aggregating Rs.272000 Crore	CRISIL AAA/Stable (Reaffirmed)
Rs.5000 Crore Tax Free Bond	CRISIL AAA/Stable (Reaffirmed)
Rs.100 Crore Fixed Deposits Programme	FAAA/Stable (Reaffirmed)
Rs.50000 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)
Rs.10000 Crore One-Year Certificate of Deposits Programme	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has assigned its '**CRISIL AAA/Stable**' rating to Rs.40,000 crore bonds of National Bank for Agriculture and Rural Development (NABARD) and has reaffirmed its ratings on the long term bank facilities and outstanding debt instruments at 'CRISIL AAA/FAAA/Stable/CRISIL A1+'. CRISIL Ratings has also assigned its '**CRISIL A1+**' rating to the short term bank facility.

CRISIL Ratings has also withdrawn its rating on bonds of Rs 9,109 crore (See Annexure 'Details of Rating Withdrawn' for details) in line with its withdrawal policy. CRISIL Ratings has received independent confirmation that these instruments are fully redeemed.

The ratings reflect the expectation of continued strong support from the Government of India (GoI), given NABARD's key public policy role in India's agriculture sector. The ratings also factor in NABARD's strong capitalisation, robust asset protection mechanisms, and adequate resource profile. These strengths are partially offset by the bank's modest earnings.

Over the past five years, the loan book for NABARD has grown at a CAGR of 18% to reach Rs 602,290 crores as on March 31, 2021. The growth has been driven by a faster increase in direct loans which contributed to around 49% of the loan book as on March 31, 2021. The loan book declined in first six months of fiscal 2022 to reach at Rs 575,233 crore as on September 30, 2022. However, the decline was a seasonal phenomenon as refinance activities and demand for the bank usually picks up in fourth quarter of every fiscal. The loan book is expected to grow in the near term as the bank plays a key public policy role that the institution plays in India's agriculture sector and various Government initiatives/policies.

The asset quality metrics for NABARD remain comfortable with Gross non-performing assets (GNPA) and Net non-performing assets (NNPA) at 0.36% and 0.07% as of September 30, 2021 (0.21% and nil respectively as on March 31, 2021). There was an inching up seen as on March 31, 2020 compared to 0.04% and nil as on March 31, 2019 primarily due to slippage of one large ticket exposure. The asset quality was further impacted in the first half of fiscal 2022 due to slippage from another large ticket exposure. A large share of NABARD's lending is towards borrowers with inherently weak credit risk profiles. Nevertheless, the institution has strong asset protection mechanisms to manage its credit risk exposure. To ensure robust asset quality, the eligibility criteria for refinance is linked to net NPAs for scheduled commercial banks (SCBs), State

Cooperative Banks (STCBs), RRBs, and primary urban cooperative banks (PUCBs). A large proportion of NABARD's advances are backed by guarantees from state governments or GoI. Additionally, NABARD has the option to request the Reserve Bank of India (RBI) to debit from the current account of borrowers in the instance of default. Finally, for most of the borrowers, NABARD is the only source of borrowing, and hence, repayment of loans to NABARD takes precedence over other obligations.

Further the capital position for NABARD remains strong NABARD's as indicated by overall high capital adequacy ratio of 21.67% as on September 30, 2021 (18.8% as on March 31, 2021, and 21.2% as on March 31, 2020) and low asset related risks. NABARD's capital position is also supported by regular infusion of capital by GoI and steady, albeit low, internal accrual. As per the NABARD (Amendment) Bill passed in April 2018, NABARD's authorised capital was increased six fold to Rs 30,000 crore. GoI infused Rs 1000 crore in fiscal 2021 and Rs 2000 crore in fiscal 2022. For fiscal 2023, GoI has budgeted Rs 500 crore for capital infusion.

Nevertheless, the earnings profile remains modest driven by low gross spreads, owing to lending at mandated rates and increased dependence on borrowings at market rates. Further, credit costs have been controlled since the past 5 fiscals which has ranged between 0.04-0.37%. In the six months ended September 30, 2021, the earnings profile remained modest with RoA of 0.80% as compared to 0.73% for fiscal 2021.

### **Analytical Approach**

CRISIL Ratings' ratings on NABARD continue to be centrally based on the support NABARD receives from GoI and the key public policy role that the institution plays in India's agriculture sector. The ratings also factor in NABARD's strong capitalization, robust asset protection mechanisms and adequate resource profile. These rating strengths are partially offset by the bank's modest earning's profile.

### **Key Rating Drivers & Detailed Description**

#### **Strengths:**

#### **\*Expectation of continued strong support from GoI given NABARD's key public policy role in India's agriculture sector**

NABARD is the apex financial institution that implements GoI's policies on planning and credit dispensation to agricultural and rural sectors. It refinances the entire cooperative credit system and banks through short- and long-term loans to help facilitate the flow of agricultural credit. NABARD also plays a developmental role in strengthening the cooperative structure to evolve a sustainable rural financial system to enhance ground level credit flow to farmers and others in rural areas. Over the past few years, the role and scope of NABARD has been significantly enlarged by GoI. The institution has been entrusted with the management of various development funds including the Rural Infrastructure Development Fund (RIDF). GoI created RIDF in NABARD in fiscal 1996 with an initial corpus of Rs 2,000 crore. However, with allocation of Rs 29,763 crore for fiscal 2021 under RIDF XXVI, the cumulative sanction stood at Rs 409,063 crore as on March, 31, 2021. At present, the activities under RIDF include credit to the agricultural and related sectors, the social sector, and rural connectivity.

As on March 31, 2021, NABARD's loan book stood at Rs 602,290 crore, up 25% from a year earlier and increasing at a compounded annual growth rate of 18% over the past five fiscals. The loan book is broadly divided into two segments: direct finance and refinance book. Direct finance (Rs 292,433 crore or 49% of the loan book at the end of fiscal 2021) includes direct transmission of loans to state government and other agencies for rural infrastructure development and/or loans to voluntary agencies/non-governmental organisations for development activities. It also includes direct loans to cooperative banks. Of the total direct loans, about 45% is towards loans under RIDF while 18% is towards Long Term Irrigation Fund (LTIF). On the other hand, refinance loans (Rs 309,755 crore or 51% of loans) include loans to state government commercial banks, State Cooperative Agriculture and Rural Development Banks (SCARDBs), and regional rural banks (RRBs) as refinance against the loans disbursed by them to the final borrowers. Of the total refinance loan book, about 64% is towards medium and long-term irrigation projects while 34% is towards production and marketing credit. In the past few years, the share of direct loans in the total loan portfolio has been rising steadily while that of refinance loans has been on a decline.

#### **\*Strong capitalisation and robust asset protection mechanisms**

NABARD's strong capitalisation is indicated by overall high capital adequacy ratio of 21.7% as on September 30, 2021 (18.8% as on March 31, 2021, and 21.2% as on March 31, 2020) and low asset related risks. NABARD's capital position is also supported by regular infusion of capital by GoI and steady, albeit low, internal accrual. As per the NABARD (Amendment) Bill passed in April 2018, NABARD's authorised capital was increased six fold to Rs 30,000 crore. GoI infused Rs 1000 crore in fiscal 2021 and Rs 2000 crore in fiscal 2022. For fiscal 2023, GoI has budgeted Rs 500 crore for capital infusion. The institution has a strong network coverage for its non-performing assets (NPAs), because of low gross NPAs and robust asset protection mechanisms. As on September 30, 2021, gross NPAs accounted for 0.36% of its gross advances (0.21% as on March 31, 2021). The NPAs increased post fiscal 2019 due to high exposure to Reliance Commercial Finance which went bad in fiscal 2020. The NPAs were further impacted in first six months of fiscal 2022, due to exposure to SREI Equipment Finance.

A large share of NABARD's lending is towards borrowers with inherently weak credit risk profiles. Nevertheless, the institution has strong asset protection mechanisms to manage its credit risk exposure. To ensure robust asset quality, the

eligibility criteria for refinance is linked to net NPAs of scheduled commercial banks (SCBs), State Cooperative Banks (STCBs), RRBs, and primary urban cooperative banks (PUCBs). A large proportion of NABARD's advances are backed by guarantees from state governments or Gol. Additionally, NABARD has the option to request the Reserve Bank of India (RBI) to debit from the current account of borrowers in the instance of default. Finally, for most of the borrowers, NABARD is the only source of borrowing, and hence, repayment of loans to NABARD takes precedence over other obligations.

#### **\*Well diversified resource profile**

NABARD's resource profile is backed by support from Gol. As on September 30, 2021, NABARD's total borrowings stood at Rs 537,521 crore of which 20% or Rs 110,022 crore was in the form of long-term borrowings (corporate bonds, Bhavishya Nirman bonds, tax free bonds, and term loans), and 13% comprised short-term borrowings (commercial paper, certificates of deposit, term money borrowings). Overall, the share of market borrowings stood at 34%.

NABARD has been recognised as the nodal agency to mobilise RIDF deposits from commercial banks; these deposits formed a significant portion of total borrowings at 25% as on September 30, 2021 (24% as on March 31, 2021, and 29% as on March 31, 2020). Overall, the priority sector lending (PSL) shortfall funds (RIDF, Warehousing, Infra, Food Processing Fund, Long Term Rural Credit [LRTC], Short-Term Cooperative Rural Credit [STCRC] Fund Deposits, and Short-Term Regional Rural Banks [RRB] Fund Deposits) together constituted 44% of total borrowings as on September 30, 2021.

The remaining 22% of borrowings were from Gol schemes. In fiscal 2021, the amount raised through Gol fully serviced bonds stood Rs 24,156 crore, up from Rs 19,127 crore in fiscal 2020 and Rs 18,427 crore in fiscal 2019. The purpose of these bonds to be raised by NABARD is to provide funding for Long-Term Irrigation Fund, Pradhan Mantri Awas Yojna-Gramin (PMAY-G) and Swachh Bharat Mission-Gramin (SBM-G). These bonds will be fully serviced by Gol. Hence, a separate government guarantee is not required for issue of these bonds. In its analytical treatment, CRISIL has considered that NABARD will ensure bonds are serviced on time.

Furthermore, since fiscal 2009, Gol has been supporting NABARD's resource profile by creating STCRC Fund and Short-Term RRB Credit Refinance Fund. However Gol's fiscal management policies and financial reforms in the past few years have led to increase in the institution's reliance on market borrowings, resulting in higher cost of borrowings. CRISIL believes NABARD will maintain an adequate resource profile supported by the steps taken by Gol to augment the institution's funding profile. However, more sustainable long-term funding solutions need to be introduced to support NABARD over the medium term.

#### **Weakness:**

##### **\*Modest earnings**

NABARD has low gross spreads, driven by lending at mandated rates and increased dependence on borrowings at market rates. The company reported a net profit of Rs 2,588 crore and total income (net of interest expense) of Rs 5,390 crore for the six months ended September 30, 2021, as against the net profit of Rs 4,320 crore and total income (net of interest expenses) of Rs 10,452 crore for the year ending March 31, 2021. NABARD's operating cost stood at Rs 1,096 crore as on September 30, 2021 (Rs 2,121 crore as on March 31, 2021) and provisioning cost stood at Rs 825 crore as on the same date (Rs 2,249 crore as on March 31, 2021 and Rs 1400 crore as on March 31, 2020). The increase in provisioning costs was due to exposure towards Reliance Commercial Finance and SREI Equipment Finance which was fully provided for by the bank.

#### **Liquidity: Superior**

The asset liability management profile of NABARD had cumulative positive mismatches in all the buckets as of September 30, 2021. As on Dec 24, 2021, NABARD had cash and cash equivalents of Rs 48,651 crore, against which it had debt repayments of Rs 47,624 crore for the next 5 months.

#### **Outlook: Stable**

CRISIL believes NABARD will continue to receive strong funding and operational support from Gol and maintain its healthy capitalisation and competitive resource cost over the medium term. The asset protection mechanism available to NABARD is likely to continue.

#### **Rating Sensitivity Factors**

##### **Downward Factors:**

- Any change in support philosophy of Government of India or decrease in government shareholding directly or indirectly (through quasi government entities) below 51%.
- Any reduction in Gol's commitment to the agricultural; and rural sectors, translating into likelihood of a decline in support to NABARD
- Sharp deterioration in the asset quality impacting the profitability and capital level of NABARD.

#### **About the Company**

Incorporated in 1982 under an Act of the Indian Parliament, National Bank for Agricultural and Rural Development (NABARD) is governed by the NABARD Act, 1981. The agency took over the agricultural credit functions of the Agricultural Credit Department (ACD) and Rural Planning and Credit Cell (RPCC) of RBI, and Agricultural Refinance and Development Corporation (ARDC). NABARD shares supervisory functions with RBI in respect of cooperative banks (other than urban and

primary cooperative banks) and RRBs. Wholly owned by GoI, the bank is the apex refinancing agency providing short- and long-term refinance to state cooperative banks, RRBs, commercial banks, and other financial institutions approved by RBI to augment credit flow for production and investment purposes in the agriculture and rural sectors. It also plays a developmental role in strengthening the rural financial institutions.

### Key Financial Indicators

As on/for the period ended	Unit	Sep-21	Mar-21	Mar-20
Total Assets	Rs crore	641,639	657,798	532,075
Total income (net of interest expenses)	Rs crore	5,390	10,452	8,909
Profit after tax	Rs crore	2,588	4,320	3,859
Gross NPA	%	0.36	0.21	0.26
Overall capital adequacy ratio	%	21.7	18.8	21.2
Return on assets	%	0.8	0.7	0.8

**Any other information:** Not applicable

### Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels). Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

### Annexure - Details of Instrument(s)

ISIN	Name of the Instrument	Date of Allotment	Coupon rate (%)	Maturity Date	Issue Size (Rs.Cr)	Complexity Levels	Rating assigned with Outlook
NA	Bonds*	New	NA	NA	40,000	Simple	CRISIL AAA/Stable
NA	Bonds*	New	NA	NA	40,000	Simple	CRISIL AAA/Stable
NA	Bonds*	New	NA	NA	10,000	Simple	CRISIL AAA/Stable
NA	Bonds*	NA	NA	NA	22,000	Simple	CRISIL AAA/Stable
NA	Bonds*	NA	NA	NA	28435.7	Simple	CRISIL AAA/Stable
INE261F08DL5	Bonds	15-Dec-21	6.85%	14-Apr-32	1000	Simple	CRISIL AAA/Stable
INE261F08DK7	Bonds	11-Nov-21	5.70%	31-Jul-25	7910	Simple	CRISIL AAA/Stable
INE261F08DJ9	Bonds	29-Sep-21	6.92%	29-Sep-36	859.8	Simple	CRISIL AAA/Stable
INE261F08DI1	Bonds	3-Sep-21	5.23%	31-Jan-25	9372	Simple	CRISIL AAA/Stable
INE261F08DH3	Bonds	4-Aug-21	6.79%	4-Aug-31	418.8	Simple	CRISIL AAA/Stable
INE261F08DG5	Bonds	29-Jul-21	6.97%	29-Jul-36	1456.3	Simple	CRISIL AAA/Stable
INE261F08DF7	Bonds	23-Jul-21	5.27%	23-Jul-24	4000	Simple	CRISIL AAA/Stable
INE261F08BQ8	Debentures	11-Nov-19	6.70%	11-Nov-22	1895	Simple	CRISIL AAA/Stable
INE261F08BR6	Debentures	18-Nov-19	7.50%	17-Nov-34	955	Simple	CRISIL AAA/Stable
INE261F08BS4	Debentures	10-Dec-19	7.75%	8-Dec-34	917.7	Simple	CRISIL AAA/Stable
INE261F08BT2	Bonds	20-Dec-19	7.78%	20-Dec-34	3150.2	Simple	CRISIL AAA/Stable
INE261F08BU0	Bonds	27-Dec-19	7.46%	27-Dec-34	1008.3	Simple	CRISIL AAA/Stable
INE261F08BV8	Bonds	3-Jan-20	7.57%	3-Jan-35	708.8	Simple	CRISIL AAA/Stable
INE261F08BZ9	Bonds	14-Feb-20	7.27%	14-Feb-30	670	Simple	CRISIL AAA/Stable

INE261F08BL9	Bonds	12-Jun-19	7.70%	13-Jun-22	685	Simple	CRISIL AAA/Stable
INE261F08BK1	Bonds	29-May-19	7.69%	29-May-24	2800	Simple	CRISIL AAA/Stable
INE261F08BM7	Debentures	18-Jul-19	7.41%	18-Jul-29	555	Simple	CRISIL AAA/Stable
INE261F08BN5	Debentures	8-Aug-19	7.18%	8-Aug-22	2000	Simple	CRISIL AAA/Stable
INE261F08BO3	Debentures	19-Sep-19	6.98%	19-Sep-22	2000	Simple	CRISIL AAA/Stable
INE261F08BP0	Debentures	17-Oct-19	7.83%	17-Oct-34	1770	Simple	CRISIL AAA/Stable
INE261F08BA2	Bonds	13-Feb-19	8.42%	13-Feb-29	1283.1	Simple	CRISIL AAA/Stable
INE261F08BB0	Bonds	20-Feb-19	8.15%	22-Aug-22	1835	Simple	CRISIL AAA/Stable
INE261F08BC8	Bonds	27-Feb-19	8.50%	27-Feb-29	1060	Simple	CRISIL AAA/Stable
INE261F08BD6	Bonds	11-Mar-19	8.32%	10-Mar-34	537	Simple	CRISIL AAA/Stable
INE261F08BE4	Bonds	14-Mar-19	8.62%	14-Mar-34	1515.5	Simple	CRISIL AAA/Stable
INE261F08BG9	Bonds	28-Mar-19	8.20%	28-Mar-34	1463.7	Simple	CRISIL AAA/Stable
INE261F08BH7	Bonds	28-Mar-19	8.15%	28-Mar-29	987.5	Simple	CRISIL AAA/Stable
INE261F08BF1	Bonds	22-Mar-19	8.24%	22-Mar-29	3454.9	Simple	CRISIL AAA/Stable
INE261F08BJ3	Bonds	23-May-19	7.85%	23-May-22	2290	Simple	CRISIL AAA/Stable
INE261F08BI5	Bonds	18-Apr-19	7.90%	18-Apr-22	2000	Simple	CRISIL AAA/Stable
INE261F08AZ1	Bonds	30-Jan-19	8.54	30-Jan-34	1075.6	Simple	CRISIL AAA/Stable
INE261F08AY4	Bonds	24-Jan-19	8.29	24-Jan-29	1791.1	Simple	CRISIL AAA/Stable
INE261F08782	Bonds	17-Mar-17	7.71%	17-Mar-32	443	Simple	CRISIL AAA/Stable
INE261F08824	Bonds	29-Mar-17	7.54%	29-Mar-32	594	Simple	CRISIL AAA/Stable
INE261F08832	Bonds	31-Mar-17	7.69%	31-Mar-32	1,448	Simple	CRISIL AAA/Stable
INE261F08774	Bonds	15-Mar-17	8.04%	15-Mar-32	930	Simple	CRISIL AAA/Stable
INE261F08915	Bonds	14-Sep-17	7.27%	14-Sep-32	610	Simple	CRISIL AAA/Stable
INE261F08923	Bonds	18-Sep-17	7.48%	17-Sep-32	2,334	Simple	CRISIL AAA/Stable
INE261F08949	Bonds	27-Nov-17	7.80%	26-Nov-32	1,635	Simple	CRISIL AAA/Stable
INE261F08964	Bonds	15-Jan-18	7.75%	14-Jan-33	240	Simple	CRISIL AAA/Stable
INE261F08972	Bonds	17-Jan-18	7.94%	17-Jan-33	495	Simple	CRISIL AAA/Stable
INE261F08980	Bonds	2-Feb-18	7.99%	2-Feb-33	135	Simple	CRISIL AAA/Stable
INE261F08998	Bonds	6-Feb-18	8.19%	4-Feb-33	864	Simple	CRISIL AAA/Stable
INE261F08AA4	Bonds	27-Feb-18	8.22%	25-Feb-28	2,180	Simple	CRISIL AAA/Stable
INE261F08931	Bonds	23-Nov-17	7.60%	23-Nov-32	735	Simple	CRISIL AAA/Stable

INE261F08AB2	Bonds	1-Mar-18	8.28%	1-Mar-33	310	Simple	CRISIL AAA/Stable
INE261F08AC0	Bonds	6-Mar-18	8.52%	4-Mar-33	946	Simple	CRISIL AAA/Stable
INE261F08AD8	Bonds	9-Mar-18	8.20%	9-Mar-28	2,227	Simple	CRISIL AAA/Stable
INE261F08AE6	Bonds	16-Mar-18	8.20%	16-Mar-28	2,923	Simple	CRISIL AAA/Stable
INE261F08AF3	Bonds	23-Mar-18	8.12%	23-Mar-33	1,075	Simple	CRISIL AAA/Stable
INE261F08AG1	Bonds	27-Mar-18	8.25%	25-Mar-33	1,982	Simple	CRISIL AAA/Stable
INE261F08AJ5	Bonds	8-Jun-18	8.65%	8-Jun-28	1,400	Simple	CRISIL AAA/Stable
INE261F08AN7	Bonds	24-Aug-18	8.39%	24-Aug-33	583	Simple	CRISIL AAA/Stable
INE261F08AO5	Bonds	31-Aug-18	8.47%	31-Aug-33	974	Simple	CRISIL AAA/Stable
INE261F08AP2	Bonds	5-Oct-18	8.77%	5-Oct-28	281	Simple	CRISIL AAA/Stable
INE261F08AQ0	Bonds	15-Oct-18	8.98%	14-Oct-33	2,924	Simple	CRISIL AAA/Stable
INE261F08AR8	Bonds	22-Oct-18	8.92%	21-Oct-33	1,289	Simple	CRISIL AAA/Stable
INE261F08AS6	Bonds	14-11-2018	8.56%	14-Nov-28	3,634	Simple	CRISIL AAA/Stable
INE261F08AT4	Bonds	4-Dec-18	8.50%	31-Jan-23	1,555	Simple	CRISIL AAA/Stable
INE261F08AU2	Bonds	7-Dec-18	8.12%	7-Dec-33	537	Simple	CRISIL AAA/Stable
INE261F08AV0	Bonds	13-Dec-18	8.22%	13-Dec-28	1,971	Simple	CRISIL AAA/Stable
INE261F08AX6	Bonds	26-Dec-18	8.76%	26-Dec-28	2,380	Simple	CRISIL AAA/Stable
INE261F08AW8	Bonds	19-Dec-18	8.51%	19-Dec-33	1,504	Simple	CRISIL AAA/Stable
INE261F08683	Bonds	20-Oct-16	7.38%	20-Oct-31	1,000	Simple	CRISIL AAA/Stable
INE261F08691	Bonds	21-Oct-16	7.20%	21-Oct-31	500	Simple	CRISIL AAA/Stable
INE261F08709	Bonds	22-Dec-16	7.48%	22-Dec-31	3,200	Simple	CRISIL AAA/Stable
INE261F08717	Bonds	26-Dec-16	7.30%	26-Dec-31	500	Simple	CRISIL AAA/Stable
INE261F08725	Bonds	12-Jan-17	7.16%	12-Jan-32	150	Simple	CRISIL AAA/Stable
INE261F08733	Bonds	12-Jan-17	7.34%	12-Jan-32	321	Simple	CRISIL AAA/Stable
INE261F07016	Tax free bonds	25-Feb-16	7.07%	25-Feb-26	1,500	Simple	CRISIL AAA/Stable
INE261F07040	Tax free bonds	23-Mar-16	7.04%	23-Mar-26	150	Simple	CRISIL AAA/Stable
INE261F07024	Tax free bonds	23-Mar-16	7.29%	23-Mar-26	239	Simple	CRISIL AAA/Stable
INE261F07057	Tax free bonds	23-Mar-16	7.35%	23-Mar-31	1,352	Simple	CRISIL AAA/Stable
INE261F07032	Tax free bonds	23-Mar-16	7.64%	23-Mar-31	1,759	Simple	CRISIL AAA/Stable
NA	Commercial Paper*	NA	NA	NA	50000	Simple	CRISIL A1+
NA	Certificate of Deposit	NA	NA	7-365 Days	10000	Simple	CRISIL A1+
NA	Fixed Deposit programme	NA	NA	NA	100	Simple	FAAA/Stable

NA	Long Term Bank Facility	NA	NA	NA	32,000	NA	CRISIL AAA/Stable
NA	Short Term Bank Facility	NA	NA	NA	10,000	NA	CRISIL A1+
NA	Proposed Short Term Bank Loan Facility	NA	NA	NA	3,000	NA	CRISIL A1+
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	5,000	NA	CRISIL AAA/Stable

\*Rated but unutilized

#### Annexure - Details of Rating Withdrawn

ISIN	Name of the Instrument	Date of Allotment	Coupon rate (%)	Maturity Date	Issue Size (Rs.Cr)	Complexity Levels
INE261F08AH9	Bonds	10-May-18	8.25%	30-Jul-21	580	Simple
INE261F08AI7	Bonds	25-May-18	8.60%	31-Jan-22	3,103	Simple
INE261F08AK3	Bonds	21-Jun-18	8.50%	31-Jan-22	1,500	Simple
INE261F08AL1	Bonds	19-Jul-18	8.39%	19-Jul-21	2,028	Simple
INE261F08AM9	Bonds	3-Aug-18	8.37%	3-Aug-21	1,825	Simple
INE261F09GC5	Bonds	31-Mar-11	Zero Coupon Bonds	31-Mar-21	73	Simple

#### Annexure - Rating History for last 3 Years

Instrument	Current			2022 (History)		2021		2020		2019		Start of 2019
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
<b>Fund Based Facilities</b>	LT/ST	50000.0	CRISIL A1+ / CRISIL AAA/Stable		--	05-03-21	CRISIL AAA/Stable	27-11-20	CRISIL AAA/Stable	26-11-19	CRISIL AAA/Stable	CRISIL AAA/Stable
			--		--		--		--	04-06-19	CRISIL AAA/Stable	--
			--		--		--		--	24-04-19	CRISIL AAA/Stable	--
			--		--		--		--	19-03-19	CRISIL AAA/Stable	--
			--		--		--		--	12-02-19	CRISIL AAA/Stable	--
<b>Bond</b>	LT	312000.0	CRISIL AAA/Stable		--	05-03-21	CRISIL AAA/Stable	27-11-20	CRISIL AAA/Stable	26-11-19	CRISIL AAA/Stable	CRISIL AAA/Stable
			--		--		--		--	04-06-19	CRISIL AAA/Stable	--
			--		--		--		--	24-04-19	CRISIL AAA/Stable	--
			--		--		--		--	19-03-19	CRISIL AAA/Stable	--
			--		--		--		--	12-02-19	CRISIL AAA/Stable	--
<b>Certificate of Deposits</b>	ST	10000.0	CRISIL A1+		--	05-03-21	CRISIL A1+	27-11-20	CRISIL A1+	26-11-19	CRISIL A1+	CRISIL A1+
			--		--		--		--	04-06-19	CRISIL A1+	--
			--		--		--		--	24-04-19	CRISIL A1+	--
			--		--		--		--	19-03-19	CRISIL A1+	--
			--		--		--		--	12-02-19	CRISIL A1+	--

<b>Commercial Paper</b>	ST	50000.0	CRISIL A1+	--	--	05-03-21	CRISIL A1+	27-11-20	CRISIL A1+	26-11-19	CRISIL A1+	CRISIL A1+
			--	--	--		--		--	04-06-19	CRISIL A1+	--
			--	--	--		--		--	24-04-19	CRISIL A1+	--
			--	--	--		--		--	19-03-19	CRISIL A1+	--
			--	--	--		--		--	12-02-19	CRISIL A1+	--
<b>Fixed Deposits</b>	LT	100.0	F AAA/Stable	--	--	05-03-21	F AAA/Stable	27-11-20	F AAA/Stable	26-11-19	F AAA/Stable	F AAA/Stable
			--	--	--		--		--	04-06-19	F AAA/Stable	--
			--	--	--		--		--	24-04-19	F AAA/Stable	--
			--	--	--		--		--	19-03-19	F AAA/Stable	--
			--	--	--		--		--	12-02-19	F AAA/Stable	--
<b>Tax Free Bond</b>	LT	5000.0	CRISIL AAA/Stable	--	--	05-03-21	CRISIL AAA/Stable	27-11-20	CRISIL AAA/Stable	26-11-19	CRISIL AAA/Stable	CRISIL AAA/Stable
			--	--	--		--		--	04-06-19	CRISIL AAA/Stable	--
			--	--	--		--		--	24-04-19	CRISIL AAA/Stable	--
			--	--	--		--		--	19-03-19	CRISIL AAA/Stable	--
			--	--	--		--		--	12-02-19	CRISIL AAA/Stable	--

All amounts are in Rs.Cr.

#### Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Long Term Bank Facility	10000	Union Bank of India	CRISIL AAA/Stable
Long Term Bank Facility	2000	Punjab National Bank	CRISIL AAA/Stable
Long Term Bank Facility	10000	Punjab National Bank	CRISIL AAA/Stable
Long Term Bank Facility	10000	State Bank of India	CRISIL AAA/Stable
Proposed Long Term Bank Loan Facility	5000	Not Applicable	CRISIL AAA/Stable
Proposed Short Term Bank Loan Facility	3000	Not Applicable	CRISIL A1+
Short Term Bank Facility	10000	State Bank of India	CRISIL A1+

This Annexure has been updated on 22-Feb-2022 in line with the lender-wise facility details as on 21-Feb-2022 received from the rated entity.

#### Criteria Details

<b>Links to related criteria</b>
<a href="#">CRISILs Bank Loan Ratings - process, scale and default recognition</a>
<a href="#">Rating Criteria for Banks and Financial Institutions</a>
<a href="#">CRISILs Criteria for rating short term debt</a>
<a href="#">Criteria for Notching up Stand Alone Ratings of Entities Based on Government Support</a>

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## National Bank for Agriculture and Rural Development

Head Office : Plot No. C-24, G Block, Bandra-Kurla Complex  
Bandra (E) Mumbai 400051. Website : [www.nabard.org](http://www.nabard.org).

### Financial Results (Unaudited) for half year ended September 30, 2022

(₹ crore)

Sr. No.	Particulars	3 months ended	3 months ended	3 months ended	Half year ended	Half year ended	Year ended
		30 Sep 2022	30 June 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021	31 March 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Interest earned (a)+(b)+(c)+(d)</b>	<b>9,606.35</b>	<b>8,831.01</b>	<b>9,249.65</b>	<b>18,437.36</b>	<b>18,399.29</b>	<b>36,633.10</b>
(a)	Interest on loans and advances	8,786.56	8,932.15	8,300.16	17,718.71	16,670.01	33,602.47
(b)	Income on investments	819.79	-101.14	949.49	718.65	1,729.28	3,030.63
(c)	Interest on balances with Reserve Bank of India and other inter bank funds	0.00	0.00	0.00	0	0.00	0.00
(d)	Others	0.00	0.00	0.00	0	0.00	0.00
<b>2</b>	<b>Other Income</b>	<b>30.08</b>	<b>30.07</b>	<b>-24.22</b>	<b>60.15</b>	<b>-2.66</b>	<b>128.19</b>
<b>3</b>	<b>Total Income (1+2)</b>	<b>9,636.43</b>	<b>8,861.08</b>	<b>9,225.43</b>	<b>18,497.51</b>	<b>18,396.63</b>	<b>36,761.29</b>
<b>4</b>	<b>Interest Expended</b>	<b>7,292.91</b>	<b>7,210.97</b>	<b>6,478.74</b>	<b>14,503.88</b>	<b>13,006.73</b>	<b>26,555.86</b>
<b>5</b>	<b>Operating Expenses (i) + (ii)</b>	<b>542.00</b>	<b>336.22</b>	<b>582.95</b>	<b>878.22</b>	<b>1,096.42</b>	<b>2,297.66</b>
(i)	Employees cost	418.69	237.18	471.09	655.87	893.79	1,775.78
(ii)	Other operating expenses	123.31	99.04	111.86	222.35	202.63	521.88
<b>6</b>	<b>Total Expenditure (4+5) excluding provisions and contingencies</b>	<b>7834.91</b>	<b>7,547.19</b>	<b>7,061.68</b>	<b>15,382.10</b>	<b>14,103.15</b>	<b>28,853.52</b>
<b>7</b>	<b>Operating Profit before Provisions and Contingencies (3-6)</b>	<b>1,801.52</b>	<b>1,313.89</b>	<b>2,163.75</b>	<b>3,115.41</b>	<b>4,293.48</b>	<b>7,907.77</b>
8	Provisions (other than tax) and Contingencies	344.10	-103.77	619.53	240.33	824.50	1,214.85
9	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
<b>10</b>	<b>Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)</b>	<b>1,457.42</b>	<b>1,417.66</b>	<b>1,544.21</b>	<b>2875.08</b>	<b>3,468.98</b>	<b>6,692.92</b>
11	Tax expenses	354.73	345.06	392.23	699.79	881.12	1,611.06
<b>12</b>	<b>Net Profit (+)/Loss (-) from Ordinary Activities after tax (10-11)</b>	<b>1,102.69</b>	<b>1,072.60</b>	<b>1,151.98</b>	<b>2175.29</b>	<b>2,587.86</b>	<b>5,081.86</b>
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00
<b>14</b>	<b>Net Profit (+) / Loss (-) for the period (12-13)</b>	<b>1,102.69</b>	<b>1,072.60</b>	<b>1,151.98</b>	<b>2,175.29</b>	<b>2,587.86</b>	<b>5,081.86</b>
15	Paid-up capital	<b>17,080.00</b>	<b>17,080.00</b>	<b>15,580.00</b>	<b>17,080.00</b>	<b>15,580.00</b>	<b>17,080.00</b>
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)						43,116.93



Sr. No.	Particulars	3 months ended	3 months ended	3 months ended	Half year ended	Half year ended	Year ended
		30 Sep 2022	30 June 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021	31 March 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
17	Net Worth	62,013.26	60,545.95	56,092.34	62,013.26	56,092.34	59,473.35
<b>18</b>	<b>Analytical Ratios</b>						
(i)	Capital Adequacy Ratio (%)	18.60	17.89	21.67	18.60	21.67	16.07
(ii)	Earnings Per Share (EPS)	NA	NA	NA	NA	NA	NA
(iii)	Debt Equity Ratio	9.48	9.96	9.50	9.48	9.50	10.74
(iv)	Percentage of holding of Government of India (%)	100	100	100	100	100	100
(v)	Total Debts to Total Assets (%)	83.97	84.80	83.96	83.97	83.96	85.33
(vi)	Outstanding Redeemable Preference shares	NA	NA	NA	NA	NA	NA
(vii)	Capital Redemption Reserve	NA	NA	NA	NA	NA	NA
(viii)	Debenture Redemption Reserve	NA	NA	NA	NA	NA	NA
<b>19</b>	<b>NPA Ratios</b>						
(a)	Gross NPA	2,092.97	2,109.42	2,059.19	2,092.97	2,059.19	2,109.59
(b)	Net NPA	0.00	0.00	409.63	0.00	409.63	0.00
(c)	% of Gross NPA to Gross loans & advances	0.33	0.32	0.36	0.33	0.36	0.31
(d)	% of Net NPA to Net loans & advances	0.00	0.00	0.07	0.00	0.07	0.00
<b>20</b>	<b>Return on Assets (%)</b>	<b>0.62</b>	<b>0.59</b>	<b>0.72</b>	<b>0.61</b>	<b>0.81</b>	<b>0.76</b>

NA = Not Applicable

Return on Assets = Net Profit (after tax) divided by total average assets

**Notes:**

- 1) The financial results for the quarter and half year ended 30 September 2022 was reviewed by Audit Committee of the Board in its meeting held on 10 November 2022 and approved by the Board in its meeting held on 11 November 2022 at Mumbai.
- 2) The Financial Results have been reviewed by the Statutory Auditors as required under Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3) Details of loans transferred / acquired during the quarter and half year ended 30 September 2022 under the Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions 2021, dated September 24, 2021 are given below:

During the quarter and half year ended 30 September 2022:

- i. the Bank has not acquired any loan not in default through assignment.
- ii. the Bank has not transferred any non-performing assets (NPAs) to Asset Reconstruction Companies (ARCs)/ to permitted transferees/ to other transferees.
- iii. the bank has not acquired any stressed loans and not transferred any loan not in default / Special Mention Accounts (SMA).
- iv. the bank has not invested in Security Receipts (SR) issued by Asset Reconstruction Companies (ARC) in respect of stressed loans transferred to ARCs.



- 4) Details required to be disclosed pursuant to the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021 - Nil.
- 5) Provision Coverage Ratio (PCR) as at 30 September 2022 (including Counter Cyclical Provisioning Buffer) is 182.45%.
- 6) Details of resolution plan implemented under Resolution Framework for stressed assets including those for COVID 19 related stress as per RBI Circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019; RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021: NIL.
- 7) The management of the Bank assessed the impact of the COVID19 considering its internal and external inputs for ascertaining the same on the financial reporting numbers. In the opinion of the management of the Bank, such impact on the reported numbers would not be significant.
- 8) As per RBI's letter dated 15 May 2019, the implementation of Ind AS has been deferred for AIFI's until further notice.
- 9) The financial results for the quarter and half year ended 30 September 2022 have been arrived at after considering provision for non-performing assets, restructured assets, standard assets, depreciation on investments on the basis of prudential norms issued by Reserve Bank of India and other usual and necessary provisions including employee benefits, other operating expenses, depreciation on fixed assets, income tax made on estimate / proportionate basis wherever required and subject to adjustments as at the year end.
- 10) The wage settlement with effect from 01 November 2017 has been finalized during the quarter and the bank is in process of working out the revised salary and arrears for serving and retired employees due to which the provision for superannuation benefits for the quarter has been worked out by the Actuary based on the pre-revised salary. The bank has kept the estimated provision of Rs. 191.80 crores towards superannuation benefits on revision of the salary. The surplus/ shortfall of the existing provision in case of actual determination of actuarial provision based on the revised salary by Actuary is presently not ascertainable. However, in the opinion of the management, the impact on the results is not likely to be material.
- 11) The amounts for three month ended 30 September 2022 are balancing figures between the amounts as per financial statements for half year ended 30 September 2022 and quarter ended 30 June 2022.
- 12) The amounts for three month ended 30 September 2021 are balancing figures between the amounts as per financial statements for half year ended 30 September 2021 and quarter ended 30 June 2021.
- 13) Previous period figures have been regrouped / rearranged / reclassified wherever necessary to conform to the current period's classification.

Place : Mumbai  
Date : November 11, 2022

  
Suchindra Misra  
Chairman



**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT  
STANDALONE BALANCE SHEET AS ON 30 SEPTEMBER 2022**

(Amount in ₹ crore)

Sr. No.	FUNDS AND LIABILITIES	As on 30.09.2022	As on 30.09.2021
1	Capital (Under Section 4 of the NABARD Act, 1981)	17,080.00	15,580.00
2	Reserve Fund and other Reserves	46,524.08	41,826.55
3	National Rural Credit Funds	16,100.00	16,096.00
4	Gifts, Grants, Donations and Benefactions	6,700.45	6,413.86
5	Government Schemes	4,096.24	1,969.90
6	Deposits	2,54,711.49	2,38,395.55
7	Bonds and Debentures	2,20,649.60	2,09,096.00
8	Borrowings	1,20,123.35	91,257.42
9	Current Liabilities and Provisions	23,216.50	21,003.88
	<b>Total</b>	<b>7,09,201.71</b>	<b>6,41,639.16</b>

(Amount in ₹ crore)

Sr. No	PROPERTY AND ASSETS	As on 30.09.2022	As on 30.09.2021
1	Cash and Bank Balances	6,437.71	4,939.47
2	Investments	55,647.52	53,916.57
3	Advances	6,40,157.75	5,75,232.71
4	Property, Plant and Equipment (Fixed Assets)	533.39	555.28
5	Other Assets	6,425.34	6,995.13
	<b>Total</b>	<b>7,09,201.71</b>	<b>6,41,639.16</b>



**National Bank for Agriculture and Rural Development**

**Cash flow for the half year ended 30 Sep 2022**

(Amount in ₹ crore)

Particulars	As on 30.09.2022	As on 30.09.2021
<b>(a) Cash flow from Operating activities</b>		
Net Profit as per Profit and Loss a/c before tax	2,875.08	3,468.98
Adjustment for:		
Depreciation	24.93	25.34
Depreciation in Value of Investments	-10.64	8.82
Provision for Non-performing Assets	411.98	360.68
Provision for Standard Assets	-161.00	455.00
Profit / Loss on sale of Fixed Assets	-0.03	-0.15
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	192.32	186.30
Income from Investment (including Discount Income)	-718.66	-1,729.28
<b>Operating profit before changes in operating assets</b>	<b>2,613.97</b>	<b>2,775.69</b>
Adjustment for changes in working capital :		
(Increase) / Decrease in Current Assets	-2,609.00	-3,408.33
Increase / (Decrease) in Current Liabilities	1,921.81	2,548.60
Increase in Loans and Advances (Including Housing Loan & Other Advances to Staff)	39,527.28	26,382.78
<b>Cash generated from operating activities</b>	<b>41,454.07</b>	<b>25,523.05</b>
Income Tax paid - Net of refund	-894.71	-842.14
<b>Net cash flow from operating activities (A)</b>	<b>40,559.35</b>	<b>27,456.60</b>
<b>(b) Cash flow from Investing activities</b>		
Income from Investment (Including Discount Income)	718.66	1,729.28
Net (Purchase/Sale) of Fixed Assets	-6.36	-14.64
Purchase of Investment (net)	10,536.73	-8,553.33
<b>Net cash used / generated from investing activities (B)</b>	<b>11,249.03</b>	<b>-6,838.69</b>
<b>(c) Cash flow from financing activities</b>		
Grants / contributions received	-1,881.99	-1,657.52
Increase / (Decrease) in Bonds	-9,943.10	13,213.61
Increase / (Decrease) in Borrowings	-43,534.43	-30,400.42
Increase / (Decrease) in Deposits	2,584.80	-3,176.55
Transfer to Reserve Fund	409.63	0.00
Increase in Share capital	0.00	500.00
<b>Net cash raised from financing activities (C)</b>	<b>-52,365.09</b>	<b>-21,520.88</b>
Net increase in cash and cash equivalent (A)+(B)+(C)	-556.71	-902.97
Cash and Cash equivalent at the beginning of the period	2,086.49	1,462.56
<b>Cash and cash equivalent at the end of the period</b>	<b>1,529.78</b>	<b>559.59</b>

(Amount in ₹ crore)		
1. Cash and cash equivalent at the end of the period includes :	As on 30.09.2022	As on 30.09.2021
Cash in hand	0.00	0.00
Balance with Reserve Bank of India	232.42	31.27
Balances with other Banks in India	1,297.36	528.32
<b>Total</b>	<b>1,529.78</b>	<b>559.59</b>



**Independent Auditor's Review Report on Unaudited Standalone Financial Results of the National Bank for Agriculture and Rural Development ("NABARD" or "the bank") Limited for the quarter and half-year ended September 30, 2022 pursuant to Regulation 52 read with 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To,

The Board of Directors of National Bank for Agriculture and Rural Development

### INTRODUCTION

1. We have reviewed the accompanying statement of unaudited standalone financial results of the bank for the quarter and half-year ended September 30, 2022 ('the Statement') being submitted by the Bank pursuant to the requirements of Regulation 52 read with 63(2) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').  
The preparation of 'the statement' is the responsibility of the Bank's Management and the same approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

### SCOPE OF REVIEW

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the standalone financial results are free of material misstatement. A review consists of making inquiries primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

### CONCLUSION

3. Based on our review conducted as above, subject to limitation in scope as mentioned in para 2 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the applicable accounting standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of 'the Regulation' including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of Income Recognition, Asset Classification, Provisioning and other related matters.



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**EMPHASIS OF MATTER**

4. We draw attention to Note 7 to the unaudited standalone financial results regarding the uncertainties arising out of the outbreak / resurgence of Covid 19 pandemic and assessment made by the management of its impact on the operations and financial reporting of the bank for the quarter and half-year ended September 30, 2022; such an assessment and outcome of the pandemic, as made by the management is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.
5. We draw attention to Note 10 to the unaudited standalone financial results on the additional provision on actuarial basis for retirement benefits based on the recently revised scales of pay and allowances not presently ascertained.
6. The review of unaudited standalone financial results for the quarter and half-year ended September 30, 2021 was conducted by another firm of Chartered Accountants, the erstwhile statutory auditor of the Bank, who had expressed an unmodified conclusion, on those financial results. The annual financial results for the year & the quarter ended March 31, 2022 were audited by us. Both the Statutory Auditors of the Bank had expressed an unmodified conclusion/ opinion on these financial results. Accordingly, we, do not express any conclusion on the figures reported in the standalone financial results for the quarter and half year ended September 30, 2021.

**For MKPS & Associates  
Chartered Accountants  
Firm Regn. No- 302014E**

*M. Ramakrishnan Mani*

**CA. Ramakrishnan Mani  
Partner**

**Membership No. 032271**

**UDIN: 22032271BCVJLY 8784**

**Mumbai, November 11, 2022**





# National Bank for Agriculture and Rural Development

Head Office: Plot No. C-24, G Block, Bandra-Kurla Complex  
Bandra (E) Mumbai 400051. Website: www.nabard.org.

## Unaudited Standalone Financial Results for the Quarter ended June 30, 2022

(₹ Crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		[Unaudited]	[Audited]	[Unaudited]	[Audited]
1	<b>Interest earned (a)+(b)+(c)+(d)</b>	<b>8,831.01</b>	<b>9,246.52</b>	<b>9,149.64</b>	<b>36,633.10</b>
(a)	Interest on loans and advances	8,932.15	8,718.90	8,369.84	33,602.47
(b)	Income on investments (Refer Note No.3 below)	-101.14	527.62	779.80	3,030.63
(c)	Interest on balances with Reserve Bank of India and other inter-bank funds	0.00	0.00	0.00	0.00
(d)	Others	0.00	0.00	0.00	0.00
2	Other Income	30.07	58.16	21.56	128.19
3	<b>Total Income (1+2)</b>	<b>8,861.08</b>	<b>9,304.68</b>	<b>9,171.20</b>	<b>36,761.29</b>
4	Interest Expended	7,210.97	7,015.98	6,527.99	26,555.86
5	<b>Operating Expenses (i) + (ii)</b>	<b>336.22</b>	<b>658.40</b>	<b>513.48</b>	<b>2,297.66</b>
(i)	Employees cost	237.18	454.51	422.70	1,775.78
(ii)	Other operating expenses	99.04	203.89	90.78	521.88
6	<b>Total Expenditure (4+5) excluding provisions and contingencies</b>	<b>7,547.19</b>	<b>7,674.38</b>	<b>7,041.47</b>	<b>28,853.52</b>
7	<b>Operating Profit before Provisions and Contingencies (3-6)</b>	<b>1,313.89</b>	<b>1,630.30</b>	<b>2,129.73</b>	<b>7,907.77</b>
8	Provisions (other than tax) and Contingencies	-103.77	180.02	204.97	1,214.85
9	Exceptional Items	0.00	0.00	0.00	0.00
10	<b>Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)</b>	<b>1,417.66</b>	<b>1,450.28</b>	<b>1,924.76</b>	<b>6,692.92</b>
11	Tax expenses	345.06	291.49	488.89	1,611.06
12	<b>Net Profit (+)/Loss (-) from Ordinary Activities after tax (10-11)</b>	<b>1,072.60</b>	<b>1,158.79</b>	<b>1,435.87</b>	<b>5,081.86</b>
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00
14	<b>Net Profit (+) / Loss (-) for the period (12-13)</b>	<b>1,072.60</b>	<b>1,158.79</b>	<b>1,435.87</b>	<b>5,081.86</b>
15	Paid-up capital	17,080.00	17,080.00	15,080.00	17,080.00
16	Reserves excluding Revaluation Reserves				43,116.93
17	<b>Net Worth</b>	<b>60,545.95</b>	<b>59,473.35</b>	<b>54,440.35</b>	<b>59,473.35</b>



<b>18</b>	<b>Analytical Ratios</b>				
(i)	Capital Adequacy Ratio (Basel- I)	17.89%	16.07%	20.49%	16.07%
(ii)	Earnings Per Share (EPS)	NA	NA	NA	NA
(iii)	Debt-Equity Ratio	9.96	10.74	9.85	10.74
(iv)	Percentage of holding of Government of India	100%	100%	100%	100%
(v)	Total Debts to Total Assets (%)	84.80	85.33	84.40	85.33
(vi)	Outstanding Redeemable Preference shares	NA	NA	NA	NA
(vii)	Capital Redemption Reserve	NA	NA	NA	NA
(viii)	Debenture Redemption Reserve	NA	NA	NA	NA
<b>19</b>	<b>NPA Ratios</b>				
(a)	Gross NPA	2,109.42	2,109.59	1,240.26	2,109.59
(b)	Net NPA	0.00	0.00	0.00	0.00
(c)	% of Gross NPA to Gross loans & advances	0.32	0.31	0.22	0.31
(d)	% of Net NPA to Net loans & advances	0.00	0.00	0.00	0.00
<b>20</b>	<b>Return on Assets (Annualized)</b>	<b>0.59%</b>	<b>0.76%</b>	<b>0.89%</b>	<b>0.76%</b>

NA = Not Applicable      Return on Assets = Net Profit (after tax) divided by total average assets

**Notes:**

- 1) The financial results for the quarter ended 30 June 2022 was reviewed by Audit Committee of the Board in its meeting held on 26 July 2022 and approved by the Board in its meeting held on 27 July 2022 at Mumbai.
- 2) The Financial Results have been reviewed by the Statutory Auditors as required under Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3) As per the provisions of RBI guidelines on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by FIs, the individual scrips in the Available For Sale (AFS) category are required to be marked to market at the year-end or at more frequent intervals. However, as a prudent measure, the bank has a policy to mark to market its investments in AFS category on quarterly basis. Accordingly, the bank had fully provided for the notional mark to market loss to the extent of ₹ 838.33 crore on the AFS portfolio for the quarter ended 30 June 2022. Excluding the mark to market loss adjustment, Income from Investments stood at ₹737.19 crore for the quarter ended 30 June 2022.
- 4) Details of loans transferred / acquired during the quarter ended 30 June 2022 under the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions 2021, dated September 24, 2021 are given below:  
 During the quarter ended 30 June 2022:
  - i. The Bank has not acquired any loan not in default through assignment.
  - ii. The Bank has not transferred any non-performing assets (NPAs) to Asset Reconstruction Companies (ARCs)/ to permitted transferees/ to other transferees.



- iii. The bank has not acquired any stressed loans and not transferred any loan not in default / Special Mention Accounts (SMA).
- iv. The bank has not invested in Security Receipts (SR) issued by Asset Reconstruction Companies (ARC) in respect of stressed loans transferred to ARCs.
- 5) Details required to be disclosed pursuant to the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021 - Nil.
- 6) Provision Coverage Ratio (PCR) as at 30 June 2022 (including Counter Cyclical Provisioning Buffer) is 182.48%.
- 7) Details of resolution plan implemented under Resolution Framework for stressed assets including those for COVID 19 related stress as per RBI Circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019; RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021: NIL.
- 8) The management of the Bank assessed the impact of the COVID19 considering its internal and external inputs for ascertaining the same on the financial reporting numbers. In the opinion of the management of the Bank, such impact on the reported numbers would not be significant.
- 9) As per RBI's letter dated 15 May 2019, the implementation of Ind AS has been deferred for AIFI's until further notice.
- 10) The financial results for the quarter ended 30 June 2022 have been arrived at after considering provision for non-performing assets, restructured assets, standard assets, depreciation on investments on the basis of prudential norms issued by Reserve Bank of India and other usual and necessary provisions including employee benefits, other operating expenses, depreciation on fixed assets, income tax made on estimate / proportionate basis wherever required and subject to adjustments as at the year end.
- 11) The figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures for the year ended March 31, 2022 and the unaudited / reviewed figures for the nine months period ended December 31, 2021.
- 12) Previous period figures have been regrouped / rearranged / reclassified wherever necessary to conform to the current period's classification.

Place : Mumbai  
Date : July 27, 2022

  
Dr. G. R. Chintala  
Chairman



**Independent Auditor's Review Report on Unaudited Standalone Financial Results of the National Bank for Agriculture and Rural Development ("NABARD" or "the bank") Limited for the quarter ended June 30, 2022 pursuant to Regulation 52 read with 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To,

The Board of Directors of National Bank for Agriculture and Rural Development

**INTRODUCTION**

1. We have reviewed the accompanying statement of unaudited standalone financial results of the bank for the quarter ended June 30, 2022 ('the Statement') being submitted by the Bank pursuant to the requirements of Regulation 52 read with 63(2) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').

The preparation of these statement is the responsibility of the Bank's Management and the same approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

**SCOPE OF REVIEW**

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the standalone financial results are free of material misstatement. A review consists of making inquiries primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

**CONCLUSION**

3. Based on our review conducted as above, subject to limitation in scope as mentioned in para 2 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the applicable accounting standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

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#### EMPHASIS OF MATTER

4. We draw attention to Note 8 to the unaudited standalone financial results regarding the uncertainties arising out of the outbreak / resurgence of Covid 19 pandemic and assessment made by the management of its impact on the operations and financial reporting of the bank for the quarter ended June 30, 2022; such an assessment and outcome of the pandemic, as made by the management is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.
5. The review of unaudited standalone financial results for the quarter ended June 30, 2021 was conducted by another firm of Chartered Accountants, the erstwhile statutory auditor of the Bank, who had expressed an unmodified conclusion, on those financial results. The annual financial results for the year & the quarter ended March 31, 2022 were audited by us. Both the Statutory Auditors of the Bank had expressed an unmodified conclusion/opinion on these financial results. Accordingly, we, do not express any conclusion on the figures reported in the standalone financial results for the quarter ended June 30, 2021.

**For MKPS & Associates**  
**Chartered Accountants**  
**Firm Regn. No- 302014E**

*M. Ramakrishnan Mani*

**CA. Ramakrishnan Mani**  
**Partner**  
**Membership No. 032271**

**UDIN: 22032271ANRPJH3706**

**Place: Mumbai**  
**Date: July 27, 2022**



To  
The Board of Directors of  
National Bank for Agriculture and Rural Development

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

1. We have audited the accompanying Standalone Financial Statements of National Bank for Agriculture and Rural Development ('the Bank' or 'NABARD'), which comprise the Balance Sheet as at March 31, 2022, Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information ('Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements are full and fair financial statements containing all necessary particulars and properly drawn up so as to exhibit a true and fair view of the state of affairs of the bank as at March 31, 2022, its profits and its cash flows for the year ended on that date and give the information in conformity with National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984 and the Accounting Standards notified by the Institute of Chartered Accountants of India ('ICAI') and accounting principles generally accepted in India.

### BASIS OF OPINION

2. We conducted our audit in accordance with the Standards on Auditing ('SAs') issued by the ICAI. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. Those Standards require that we comply with ethical requirements. We are independent of the Bank in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

### EMPHASIS OF MATTER

3. a. Attention is invited to Note No. A.17 to Schedule 18 of the Standalone Financial Statements regarding the uncertainties arising out of the COVID-19 pandemic and the assessment made by the management of the Bank on its operations and financial reporting for the year ended March 31, 2022; such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods.

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b. Attention is invited to Note No. B.23 to Schedule 18 of the Standalone Financial Statements regarding the debit of Rs. 409.63 crores to the Reserve fund towards the provision made for one NPA account.

Our report is not modified in respect of above matters.

#### KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year. These matters were addressed in the context of our audit of the Standalone Financial Statements, as a whole, and in forming our opinion thereon, we do not provide a separate opinion on the key audit matters. In our professional judgement, we have decided the following to be the key audit matter to be communicated in our report:

<i>Particulars of the Key Audit Matter</i>	<i>Audit processes in the matter</i>
<p><i>Multiple IT Systems:</i></p> <p>The Bank is dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The audit approach relies extensively on several reports generated by interface of these IT systems and inbuilt automated controls therein.</p> <p>The major IT systems concerning the financial reporting process include:</p> <ul style="list-style-type: none"> <li>• CLMAS – transactions processing, workflows and financial reporting system</li> <li>• TALMS – Treasury Operations</li> <li>• Empower HRMS – HR and payroll</li> <li>• FAMS – Property, Plant and Equipment and processing of expenses</li> <li>• Interface/interplay of one or more of above systems in building up or generating reports</li> </ul> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data.</p>	<p>We performed a range of audit procedures, which included:</p> <p>Review of the report of IS Audit carried out for half year ending June, 2021 by an independent firm of Chartered Accountants pertaining to IT systems, general controls including access rights over applications, operating systems and databases relied upon for financial reporting.</p> <p>Our audit tests were designed to cover the following:</p> <ul style="list-style-type: none"> <li>• understanding the Bank's IT control environment and key changes in the course of our audit that were considered relevant to the audit;</li> <li>• selectively recomputing interest calculations and maturity dates;</li> <li>• Selectively re-evaluating masters updation, interface with resultant reports;</li> <li>• Selective testing of the interface of CLMAS with other IT systems like TALMS, Empower and several workflows;</li> <li>• Having regard to the incidences of incorrect system entries getting posted in the accounting system, detailed inquiries were made into 'root cause analysis' and about lack of adequate checks and balances</li> </ul>



<p>Management of the Bank continuously endeavors several remediation activities and is in the process of bettering the implementation thereof aiming at minimization of the risks over IT applications in the financial reporting process.</p> <p>These includes implementation of preventive and detective controls across critical applications and infrastructure.</p> <p>Due to the pervasive nature, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</p>	<p>around such entries, to obtain suitable explanations and representations.</p> <ul style="list-style-type: none"> <li>• Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system), so as to rectify the incorrect entries noticed during the audit.</li> <li>• To avoid the scope of incorrect system entries, to have more useful system generated reports and to include more features/ fields into the system, the development of CLMAS 2.0 is under process.</li> </ul>
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#### **INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

5. The Bank's Management and Board of Directors are responsible for the preparation of the other information, comprising of the information such as Report of Board of Directors and such other disclosures included in the Bank's annual report, excluding the Financial Statements and auditors' report thereon ('Other Information').

The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the standalone Financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the auditor otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

6. The Bank's Management and the Board of Directors are responsible for the preparation of the Standalone Financial Statements in accordance with the National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984, that give a true and fair view of the financial position, financial performance, and cash flows of



the Bank. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and Board of Directors are also responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

#### **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

7. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements. Our audit processes in accordance with the SAs are narrated in Annexure 1 to this report.

#### **OTHER MATTERS**

8. Incorporated in these financial statements are the returns of 13 Regional Offices and 1 Staff College visited by us for the purposes of audit and the same including Head Office, account for 84.41% of advances, 100.00% of deposits, 87.28% of interest income and 100.00% of interest expenses. These Offices and Staff College have been selected in consultation with the management of the Bank. We have not visited other remaining offices of the Bank but have reviewed their returns sent to the Head Office.



## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. The Balance Sheet and the Profit and Loss Account of the Bank including the heads and sub-heads have been drawn up as per Schedule 'A' and Schedule 'B' of Chapter IV of National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984.

We further report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- The transactions of the Bank, which have come to our notice in course of our audit, have been within the powers of the Bank.
- In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts and with the returns received from the regional offices and training centers not visited by us.
- In our opinion, the Standalone Financial Statements comply with the applicable accounting standards, in all material aspects.

**For MKPS & Associates  
Chartered Accountants  
Firm Regn. No- 302014E**

*M. Ramakrishnan Mani*



**CA. Ramakrishnan Mani  
Partner  
Membership No. 032271**

**Place: Mumbai  
Date: May 25, 2022**

UDIN : 22032271 AJOALN 5770  
22032271 AJOALN 5772

19

## **Annexure 1 to the Independent Auditors' Report**

### **(referred to in para 7 titled "Auditor's Responsibility for the Audit of the Standalone Financial Statements")**

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and obtain audit evidence for material items that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Bank.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT  
STANDALONE BALANCE SHEET AS ON 31 MARCH 2022**

(Amount in ₹ crore)

Sr. No.	FUNDS AND LIABILITIES	SCHE DULE	As on 31.03.2022	As on 31.03.2021
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	2,52,126.69	2,41,572.10
7	Bonds and Debentures	6	2,30,592.70	1,95,882.39
8	Borrowings	7	1,63,657.78	1,21,657.83
9	Current Liabilities and Provisions	8	21,487.06	18,386.07
	<b>Total</b>		<b>7,57,472.31</b>	<b>6,57,798.30</b>
	Forward Foreign Exchange Contracts (Hedging) as per contra		925.97	1,020.66

Schedules referred to above form an integral part of accounts



**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT  
STANDALONE BALANCE SHEET AS ON 31 MARCH 2022**

(Amount in ₹ crore)

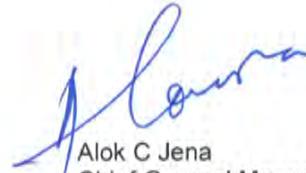
Sr. No	PROPERTY AND ASSETS	SCHEDULE	As on 31.03.2022	As on 31.03.2021
1	Cash and Bank Balances	9	5,791.49	4,407.56
2	Investments	10	66,263.06	45,505.24
3	Advances	11	6,79,842.44	6,02,290.30
4	Property, Plant and Equipment (Fixed Assets)	12	551.93	565.84
5	Other Assets	13	5,023.39	5,029.36
	<b>Total</b>		<b>7,57,472.31</b>	<b>6,57,798.30</b>
	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		

Schedules referred to above form an integral part of accounts

As per our attached report of even date  
for MKPS & Associates  
Chartered Accountants  
FRN: 302014E



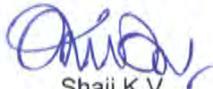
CA Ramakrishnan Mani  
Partner  
Membership No.: 032271  
Mumbai  
Date : 25 May 2022



Alok C Jena  
Chief General Manager  
Accounts Department



Dr. G R Chintala  
Chairman



Shaji K V  
Deputy Managing Director



P V S Suryakumar  
Deputy Managing Director



**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**  
**STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022**

(Amount in ₹ crore)

Sr. No.	INCOME	SCHEDULE	2021-22	2020-21
1	Interest on Loans and Advances		33,602.47	31,196.24
2	Income from Investment Operations / Deposits		3,030.63	3,372.89
3	Other Receipts		128.19	102.04
	<b>Total "A"</b>		<b>36,761.29</b>	<b>34,671.17</b>

Sr. No.	EXPENDITURE	SCHEDULE	2021-22	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
	<b>Total "B"</b>		<b>30,068.37</b>	<b>28,589.76</b>
6	<b>Profit before Tax (A - B)</b>		<b>6,692.92</b>	<b>6,081.41</b>
7	<b>Provision for</b>			
	a) Income Tax		1,628.00	1,750.00
	b) Deferred Tax ( Refer Note B-21.5 of Schedule 18)		-16.94	11.45
8	<b>Profit after Tax</b>		<b>5,081.86</b>	<b>4,319.96</b>
	Significant Accounting Policies and Notes on Accounts	18		

Note - Discount and commission earned have been grouped under the respective head of Income on Loan & Advances or Income from Investments operations-Deposits without the separate disclosure under the head "Discount and Commissions" as required in the format prescribed under NABARD (Additional) General Regulations, 1984.

Schedules referred to above form an integral part of accounts



**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT  
PROFIT AND LOSS APPROPRIATION ACCOUNT**

(Amount in ₹ crore)

Sr. No.	APPROPRIATIONS / WITHDRAWALS	2021-22	2020-21
1	<b>Profit for the year brought down</b>	<b>5081.86</b>	<b>4,319.96</b>
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	20.00
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	-	6.00
3	<b>Profit available for Appropriation</b>	<b>5,225.56</b>	<b>4,444.96</b>
	Less: Transferred to: [Refer Schedule 1&2]		
a)	Special Reserves u/s 36(1) (viii) of IT Act, 1961	1,065.00	1,100.00
b)	National Rural Credit (Long Term Operations) Fund	1.00	1.00
c)	National Rural Credit (Stabilisation) Fund	1.00	1.00
d)	Research and Development Fund	31.82	29.95
e)	Investment Fluctuation Reserve	1,125.00	457.00
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	20.00
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	-	16.00
m)	Forex Fluctuation Reserve Fund	5.21	7.03
n)	Reserve Fund	2,784.65	2,583.93
	<b>Total</b>	<b>5,225.56</b>	<b>4,444.96</b>

Schedules referred to above form an integral part of accounts

As per our attached report of even date  
for MKPS & Associates  
Chartered Accountants  
FRN: 302014E

*M. Ramakrishnan*

CA Ramakrishnan Mani  
Partner  
Membership No.: 032271  
Mumbai  
Date : 25 May 2022

*Alok C Jena*

Alok C Jena  
Chief General Manager  
Accounts Department

*Dr. G R Chintala*

Dr. G R Chintala  
Chairman

*Shaji K V*

Shaji K V  
Deputy Managing Director

*P V S Suryakumar*

P V S Suryakumar  
Deputy Managing Director



**National Bank for Agriculture and Rural Development**

**Standalone Cash flow for the year ended 31 March 2022**

(Amount in ₹ crore)

Particulars	2021-22	2020-21
<b>(a) Cash flow from Operating activities</b>		
Net Profit as per Profit and Loss a/c before tax	6,692.92	6,081.41
Adjustment for:		
Depreciation	49.78	46.75
Provisions and Amortisations	0.00	0.00
Provision for Non performing Assets	346.20	801.26
Provision for Standard Assets	108.00	698.00
Floating Provision	750.00	750.00
Depreciation in value of Investment Account - Equity	10.64	0.00
Provision for sacrifice in interest element of Restructured Loan	0.00	0.00
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)	-3,030.63	-3,372.90
<b>Operating profit before changes in operating assets</b>	<b>5,304.88</b>	<b>5,392.24</b>
Adjustment for changes in working capital :		
(Increase) / Decrease in Current Assets	-734.60	7,981.54
Increase / (Decrease) in Current Liabilities	3,362.80	2,799.06
Increase / (Decrease) in Loans and Advances (Including Housing Loan & Other Advances to Staff	-78,478.84	-1,23,712.23
<b>Cash generated from operating activities</b>	<b>-70,545.76</b>	<b>-1,07,539.39</b>
Income Tax paid - Net of refund	-1,889.78	-1,762.44
<b>Net cash flow from operating activities (A)</b>	<b>-72,435.54</b>	<b>-1,09,301.83</b>
<b>(b) Cash flow from Investing activities</b>		
Income from Investment (including Discount Income)	3,030.63	3,372.89
Purchase of Fixed Asset	-42.71	-83.72
Sale of Fixed Assets	8.02	1.37
(Increase) / Decrease in Investment	-21,048.46	-11,907.62
<b>Net cash used / generated from investing activities (B)</b>	<b>-18,052.52</b>	<b>-8,617.08</b>
<b>(c) Cash flow from financing activities</b>		
Grants / contributions received	2,256.78	1,003.32
Proceeds of Bonds	34,710.31	56,130.14



Increase / (Decrease) in Borrowings	41,999.95	54,986.83
Increase / (Decrease) in Deposits	10,554.58	5,109.01
Withdrawal from Reserve Fund	-409.63	0.00
Increase in Share capital	2,000.00	1,000.00
<b>Net cash raised from financing activities (C)</b>	<b>91,111.99</b>	<b>1,18,229.30</b>
Net increase in cash and cash equivalent (A)+(B)+(C)	623.93	310.39
Cash and Cash equivalent at the beginning of the year	1,462.56	1,152.17
<b>Cash and cash equivalent at the end of the year</b>	<b>2,086.49</b>	<b>1,462.56</b>

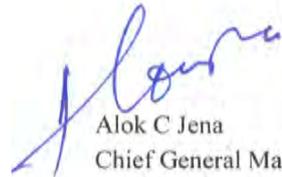
<b>I. Cash and cash equivalent at the end of the year includes :</b>	<b>2021-22</b>	<b>2020-21</b>
Cash in hand	0.00	0.00
Balance with Reserve Bank of India	363.61	843.23
Balances with other Banks in India	1,722.88	619.33
<b>Total</b>	<b>2,086.49</b>	<b>1,462.56</b>

**Note** – Cash flow Statement is prepared as per Indirect method.

As per our attached report of even date  
for MKPS & Associates  
Chartered Accountants  
FRN: 302014E



CA Ramakrishnan Mani  
Partner  
Membership No.: 032271  
Mumbai  
Date : 25 May 2022



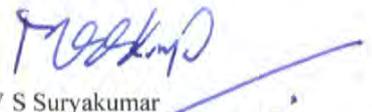
Alok C Jena  
Chief General Manager  
Accounts Department



Dr. G R Chintala  
Chairman



Shaji K V  
Deputy Managing Director



P V S Suryakumar  
Deputy Managing Director



# INDEPENDENT AUDITOR'S REPORT

To:  
The Board of Directors of  
National Bank for Agriculture and Rural Development

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying Standalone Financial Statements of National Bank for Agriculture and Rural Development ('the Bank' or 'NABARD'), which comprise the Balance Sheet as at March 31, 2021, Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information ('Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984 and exhibit a true and fair view, in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ('ICAI') and accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2021, its profits and its cash flows for the year ended on that date.

### Basis of Opinion

2. We conducted our audit in accordance with the Standards on Auditing ('SAs') issued by the ICAI. Our responsibilities under those SAs are further

described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. Those Standards require that we comply with ethical requirements. We are independent of the Bank in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

### Emphasis of Matter

3. Attention is invited to Note No. A.17 to Schedule 18 of the Standalone Financial Statements regarding the uncertainties arising out of the ongoing COVID-19 pandemic and the assessment made by the management of the Bank on its operations and financial reporting for the year ended March 31, 2021; such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year. These matters were addressed in the context of our audit of the Standalone Financial Statements, as a whole, and in forming our opinion thereon, we do not provide a separate opinion on the key audit matters. In our professional judgement, we have decided the following to be the key audit matter to be communicated in our report:

<b>Particulars of the Key Audit Matter</b>	<b>Audit processes in the matter</b>
<p><b>Multiple IT Systems:</b></p> <p>The Bank is dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The audit approach relies extensively on several reports generated by interface of these IT systems and inbuilt automated controls therein.</p> <p>The major IT systems concerning the financial reporting process include:</p> <ul style="list-style-type: none"> <li>• CLMAS – transactions processing and financial reporting system</li> <li>• TALMS – Treasury Operations</li> <li>• Empower HRMS – HR and payroll</li> <li>• Various workflows inputting data into CLMAS</li> <li>• FAMS – Property, Plant and Equipment</li> <li>• Interface/interplay of one or more of above systems in building up or generating reports</li> </ul> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data.</p> <p>Management of the Bank continuously endeavors several remediation activities and is in the process of bettering the implementation thereof aiming at minimization of the risks over IT applications in the financial reporting process.</p> <p>These includes implementation of preventive and detective controls across critical applications and infrastructure.</p> <p>During the year under report, several errors in system interface and in accounting entries pushed by the other systems like TALMS were noted and rectified, in course of the audit.</p> <p>Due to the pervasive nature, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</p>	<p>We performed a range of audit procedures, which included:</p> <p>Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting.</p> <p>Our audit tests were designed to cover the following:</p> <ul style="list-style-type: none"> <li>• understanding the Bank's IT control environment and key changes in the course of our audit that were considered relevant to the audit;</li> <li>• selectively recomputing interest calculations and maturity dates;</li> <li>• Selectively re-evaluating masters updation, interface with resultant reports;</li> <li>• Selective testing of the interface of CLMAS with other IT systems like TALMS, Empower and several workflows;</li> <li>• Having regard to the incidences of incorrect system entries getting posted in the accounting system, detailed inquiries were made into 'root cause analysis' and about lack of adequate checks and balances around such entries, to obtain suitable explanations and representations.</li> <li>• Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system), so as to rectify the incorrect entries noticed during the audit.</li> </ul>

## Information Other Than the Financial Statements and Auditor's Report Thereon

5. The Bank's Management and Board of Directors are responsible for the preparation of the other information, comprising of the information such as Report of Board of Directors and such other disclosures included in the Bank's annual report, excluding the Financial Statements and auditors' report thereon ('Other Information').
- The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the standalone Financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.



## Management's Responsibility for the Standalone Financial Statements

6. Management of the Bank is responsible for the preparation of the Standalone Financial Statements in accordance with the National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984, that give a true and fair view of the financial position, financial performance, and cash flows of the Bank. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and Board of Directors are also responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

## Auditor's Responsibility for the Audit of The Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements. Our audit processes in accordance with the SAs are narrated in Annexure 1 to this report.

## Other Matters

8. Incorporated in these financial statements are the returns of 17 Regional Offices and 2 Training Centres visited by us for the purposes of audit and the same including Head Office, account for 83.08% of advances, 100.00% of deposits, 84.95% of interest income and 100.00% of interest expenses. These Offices and Training Centre have been selected in consultation with the management of the Bank. We have not visited other remaining offices of the Bank i.e. 14 Regional Offices and 1 Training Centre but have reviewed their returns sent at the Head Office.
9. Due to restricted movements and partial lockdown imposed by the Authorities to prevent the spread of COVID-19, the entire audit finalization process, for the year under report, was carried out from remote locations i.e. other than the Head Office of the Bank where books of account and other records are kept, based on data/details and financial information/records remitted by the management through digital medium. Being constrained, we resorted to alternate audit procedures to obtain sufficient and appropriate audit evidence for the significant matters. Our report is not modified in respect of the above matters.

## Report on Other Legal and Regulatory Requirements

10. The Balance Sheet and the Profit and Loss Account of the Bank have been drawn up as per Schedule 'A' and Schedule 'B' of Chapter IV of National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984. As required by the provisions of National Bank for Agriculture and Rural Development Act, 1981 and regulations made thereunder, we further report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b. The transactions of the Bank, which have come to our notice in course of our audit, have been within the powers of the Bank.
- c. In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the

- books of accounts and with the returns received from the regional offices and training centers not visited by us.
- d. In our opinion, the Standalone Financial Statements comply with the applicable accounting standards, in all material aspects.

For **Khimji Kunverji & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 105146W/W100621

**Hasmukh B. Dedhia**  
Partner  
Membership No.: 033494  
ICAI UDIN: 21033494AAAA1129

Place: Mumbai  
Date: May 18, 2021



# **ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT**

**(referred to in para 7 titled "Auditor's Responsibilities for the  
Audit of the Standalone Financial Statements")**

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and obtain audit evidence for material items that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Bank.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT  
BALANCE SHEET AS ON 31 MARCH 2021**

(Amount in ₹ crore)

<i>Sr. No.</i>	<i>Funds and Liabilities</i>	<i>Schedule</i>	<i>As on 31.03.2021</i>	<i>As on 31.03.2020</i>
1	i) Capital (Under Section 4 of the NABARD Act, 1981)		15,080.00	14,080.00
2	Reserve Fund and other Reserves	1	39,268.95	34,950.99
3	National Rural Credit Funds	2	16,094.00	16,090.00
4	Gifts, Grants, Donations and Benefactions	3	6,371.61	6,020.77
5	Government Schemes	4	3,485.35	2,447.42
6	Deposits	5	2,41,572.10	2,36,463.08
7	Bonds and Debentures	6	1,95,882.39	1,39,752.26
8	Borrowings	7	1,21,657.83	66,671.00
9	Current Liabilities and Provisions	8	18,386.07	15,599.43
	<b>Total</b>		<b>6,57,798.30</b>	<b>5,32,074.95</b>
	Forward Foreign Exchange Contracts		1,020.66	1,102.35
	(Hedging) as per contra			

Schedules referred to above form an integral part of accounts



**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**  
**BALANCE SHEET AS ON 31 MARCH 2021**

(Amount in ₹ crore)

<i>Sr. No.</i>	<i>Property and Assets</i>	<i>Schedule</i>	<i>As on 31.03.2021</i>	<i>As on 31.03.2020</i>
1	Cash and Bank Balances	9	4,407.56	11,997.17
2	Investments	10	45,505.24	34,006.15
3	Advances	11	6,02,290.30	4,80,396.46
4	Property, Plant and Equipment (Fixed Assets)	12	565.84	530.48
5	Other Assets	13	5,029.36	5,144.69
	<b>Total</b>		<b>6,57,798.30</b>	<b>5,32,074.95</b>
	Forward Foreign Exchange Contracts (Hedging) as per contra		1,020.66	1,102.35
	Commitment and Contingent Liabilities	17		
	Significant Accounting Policies and Notes on Accounts	18		

Schedules referred to above form an integral part of account

As per our attached report of even date

For Khimji Kunverji & Co LLP  
Chartered Accountants  
FRN: 105146W/ W100621

Hasmukh Dedhia  
Partner  
Membership No.: 033494

U S Shevde  
Chief General Manager  
Accounts Department

Mumbai  
Date: 18 May 2021

Dr G R Chintala  
Chairman

Shaji K V  
Deputy Managing Director

P V S Suryakumar  
Deputy Managing Director

**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021**

(Amount in ₹ crore)

<i>Sr. No.</i>	<i>Income</i>	<i>Schedule</i>	<i>2020-21</i>	<i>2019-20</i>
1	Interest on Loans and Advances (Refer Note B-8 of Schedule-18)		31,196.24	28,744.66
2	Income from Investment Operations / Deposits		3,372.89	3,866.60
3	Other Income		102.04	81.04
	<b>Total "A"</b>		<b>34,671.17</b>	<b>32,692.30</b>

<i>Sr. No.</i>	<i>Expenditure</i>	<i>Schedule</i>	<i>2020-21</i>	<i>2019-20</i>
1	Interest and Financial Charges (Refer Note B-7 of Schedule-18)	14	24,219.55	23,782.98
2	Establishment and Other Expenses	15 A	1,979.15	2,170.87
3	Expenditure on Promotional Activities	15 B	95.05	69.44
4	Provisions	16	2,249.26	1,399.93
5	Depreciation		46.75	34.76
	<b>Total "B"</b>		<b>28,589.76</b>	<b>27,457.98</b>
6	<b>Profit before Tax (A – B)</b>		<b>6,081.41</b>	<b>5,234.32</b>
7	<b>Provision for</b>			
	a) Income Tax		1,750.00	1,330.00
	b) Deferred Tax (Refer Note B-10 of Schedule-18)		11.45	45.09
8	<b>Profit after Tax</b>		<b>4,319.96</b>	<b>3,859.23</b>
	Significant Accounting Policies and Notes on Accounts	18		

Schedules referred to above form an integral part of accounts



**National Bank for Agriculture and Rural Development**  
**Cash flow for the year ended 31 March 2021**

(Amount in ₹ crore)

<i>Particulars</i>	<i>2020-21</i>	<i>2019-20</i>
<b>(a) Cash flow from Operating activities</b>		
Net Profit as per Profit and Loss a/c before tax	6,081.41	5,234.32
Adjustment for:		
Depreciation	46.75	34.76
Provisions and Amortisations	-	-
Provision for Non-performing Assets	801.26	703.93
Provision for Standard Assets	1,448.00	696.00
Provision for sacrifice in interest element of Restructured Loan	-	-
Profit / Loss on sale of Fixed Assets	0.25	-0.29
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	387.47	370.71
Income from Investment (including Discount Income)	-3,372.90	-3,866.60
<b>Operating profit before changes in operating assets</b>	<b>5,392.24</b>	<b>3,172.83</b>
Adjustment for changes in working capital:		
(Increase) / Decrease in Current Assets	7,981.54	-1,860.92
Increase / (Decrease) in Current Liabilities	2,799.06	2,739.56
Increase in Loans and Advances (Including Housing Loan & Other Advances to Staff)	-1,23,712.23	-50,895.62
<b>Cash generated from operating activities</b>	<b>-1,07,539.39</b>	<b>-46,844.15</b>
Income Tax paid - Net of refund	-1,762.44	-1,358.51
WIF/ FPF differential debited to Tribal Development / Financial Inclusion Fund / Watershed Development Fund		
<b>Net cash flow from operating activities (A)</b>	<b>-1,09,301.83</b>	<b>-48,202.66</b>
<b>(b) Cash flow from Investing activities</b>		
Income from Investment (including Discount Income)	3,372.89	3,866.60
Purchase of Fixed Asset	-83.72	-97.31
Sale of Fixed Assets	1.37	38.24
Increase / Decrease in Investment	-11,907.62	4,983.86
<b>Net cash used / generated from investing activities (B)</b>	<b>-8,617.08</b>	<b>8,791.39</b>
<b>(c) Cash flow from financing activities</b>		
Grants / contributions received	1,003.32	1,152.66
Proceeds of Bonds	56,130.14	33,949.26
Increase / (Decrease) in Borrowings	54,986.83	-11,254.86
Increase / (Decrease) in Deposits	5,109.01	12,316.42
Increase in Share capital	1,000.00	1,500.00
<b>Net cash raised from financing activities (C)</b>	<b>1,18,229.30</b>	<b>37,663.48</b>
Net increase in cash and cash equivalent (A)+(B)+(C )	310.39	-1,747.79
Cash and Cash equivalent at the beginning of the year	1,152.17	2,899.96
Cash and cash equivalent at the end of the year	1,462.56	1,152.17
<b>Cash and cash equivalent at the end of the year includes</b>	<b>2020-21</b>	<b>2019-20</b>
Cash in hand	-	-

<i>Particulars</i>	<i>2020-21</i>	<i>2019-20</i>
Balance with Reserve Bank of India	843.23	621.20
Balances with other Banks in India	619.33	530.97
Remittances in Transit	–	–
CBLO / Tri party Repo	–	–
<b>Total</b>	<b>1,462.56</b>	<b>1,152.17</b>

As per our attached report of even date

For Khimji Kunverji & Co LLP  
Chartered Accountants  
FRN: 105146W/ W100621

Hasmukh Dedhia  
Partner  
Membership No.: 033494

Mumbai  
Date: 18 May 2021

U S Shevde  
Chief General Manager  
Accounts Department

Dr G R Chintala  
Chairman

Shaji K V  
Deputy Managing Director

P V S Suryakumar  
Deputy Managing Director

# Independent Auditor's Report

To:  
The Board of Directors of  
National Bank for Agriculture and Rural Development

## Report on the Audit of the Standalone Financial Statements

### Opinion

- We have audited the accompanying Standalone Financial Statements of National Bank for Agriculture and Rural Development ('the Bank' or 'NABARD'), which comprise the Balance Sheet as at March 31, 2020, Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information ('Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984 and exhibit a true and fair view, in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ('ICAI') and accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2020, its profits and its cash flows for the year ended on that date.

### Basis of Opinion

- We conducted our audit in accordance with the Standards on Auditing ('SAs') issued by the ICAI. Our responsibilities under those SAs are further

described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. Those Standards require that we comply with ethical requirements. We are independent of the Bank in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

### Emphasis of Matter

- Attention is invited to Note No 17 to the Standalone Financial Statements regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management of the Bank on its operations and financial reporting for the year ended March 31, 2020; such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.

### Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year. These matters were addressed in the context of our audit of the Standalone Financial Statements, as a whole, and in forming our opinion thereon, we do not provide a separate opinion on the key audit matters. In our professional judgement, we have decided the following to be the key audit matter to be communicated in our report:

Particulars of the Key Audit Matter	Audit Processes in the Matter
<p>Multiple IT Systems: The Bank is dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The audit approach relies extensively on several reports generated by interface of</p>	<p>We performed a range of audit procedures, which included: Review of the report of IS Audit carried by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon</p>

Particulars of the Key Audit Matter	Audit Processes in the Matter
<p>these IT systems and in-built automated controls therein. The major IT systems concerning the financial reporting process include:</p> <ul style="list-style-type: none"> <li>• CLMAS – transactions processing and financial reporting system</li> <li>• TALMS – Treasury Operations</li> <li>• Empower HRMS – HR and payroll</li> <li>• Various workflows inputting data into CLMAS</li> <li>• FAMS – Property, Plant and Equipment</li> <li>• Interface/interplay of one or more of above systems in building up or generating reports</li> </ul> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data.</p> <p>Management of the Bank continuously endeavors several remediation activities and is in the process of bettering the implementation thereof aiming at minimization of the risks over IT applications in the financial reporting process.</p> <p>These includes implementation of preventive and detective controls across critical applications and infrastructure.</p> <p>Due to the pervasive nature, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</p>	<p>for financial reporting.</p> <p>Our audit tests were designed to cover the following:</p> <ul style="list-style-type: none"> <li>• Understanding the Bank's IT control environment and key changes in the course of our audit that were considered relevant to the audit;</li> <li>• Reviewed the workflow of core transactions as captured by the IT systems;</li> <li>• Selectively tested key automated and manual business cycle controls including logic for system generated reports relevant to the financial reporting;</li> <li>• Selectively recomputing interest calculations and maturity dates;</li> <li>• Selectively re-evaluating masters updating, interface with resultant reports;</li> <li>• Selective testing of the interface of CLMAS with other IT systems like TALMS, Empower and several workflows;</li> <li>• Selectively testing the system generated reports manually (Verification around the computer system).</li> </ul>

**Information Other Than the Financial Statements and Auditor's Report Thereon**

5. The Bank's management and Board of Directors are responsible for the preparation of the other information, comprising of the information such as Report of Board of Directors and such other disclosures included in the Bank's annual report, excluding the Financial Statements and auditors' report thereon ('Other Information').

The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the standalone Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other Information and if we

conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.

**Management's Responsibility for the Standalone Financial Statements**

6. Management of the Bank is responsible for the preparation of the Standalone Financial Statements in accordance with the National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984, that give a true and fair view of the financial position, financial performance, and cash flows of the Bank. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, design, implementation and maintenance of adequate internal financial

controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and Board of Directors are also responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements. Our audit processes in accordance with the SAs are narrated in Annexure 1 to this report.

### Other Matters

8. Incorporated in these financial statements are the returns of 14 Regional Offices and 1 Training Centre visited by us for the purposes of audit and the same including Head Office, account for 80.73% of advances, 99.98% of deposits, 82.90% of interest

income and 99.98% of interest expenses. These Offices and Training Centre have been selected in consultation with the management of the Bank. We have not visited other remaining offices of the Bank i.e. 17 Regional Offices and 2 Training Centers but have reviewed their returns sent at the Head Office.

9. Due to complete lockdown imposed by the Central Government to restrict the spread of COVID19, the audit finalization process, for the year under report, was carried out from remote locations i.e. other than the Head Office of the Bank, and to the extent data/details available/feasible based on financial information/records remitted by the management through digital medium.

### Report on Other Legal and Regulatory Requirements

10. The Balance Sheet and the Profit and Loss Account have been drawn up as per Schedule 'A' and Schedule 'B' of Chapter IV of National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984. As required by the provisions of National Bank for Agriculture and Rural Development Act, 1981 and regulations made thereunder, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. The transactions of the Bank, which have come to our notice in course of our audit, have been within the powers of the Bank.
  - c. In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts and with the returns received from the regional offices and training centers not visited by us.
  - d. In our opinion, the Standalone Financial Statements comply with the applicable accounting standards.

For Khimji Kunverji & Co LLP  
Chartered Accountants  
Firm's Registration No: 105146W/W100621

Hasmukh B. Dedhia  
Partner  
Membership No: 033494  
ICAI UDIN: 20033494AAAAEC7877

Place: Mumbai  
Date: May 22, 2020

## Annexure 1 to the Independent Auditors' Report

(referred to in para 7 titled “Auditor's Responsibilities for the Audit of the Standalone Financial Statements”)

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and obtain audit evidence for material items that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Bank.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**  
**BALANCE SHEET AS ON 31 MARCH 2020**

(Amount in ₹crore)

Sr. No.	FUNDS AND LIABILITIES	SCHEDULE	As on 31.03.2020	As on 31.03.2019
1	Capital (Under Section 4 of the NABARD Act, 1981)		14,080.00	12,580.00
2	Reserve Fund and other Reserves	1	34,950.99	31,093.76
3	National Rural Credit Funds	2	16,090.00	16,086.00
4	Gifts, Grants, Donations and Benefactions	3	6,020.77	5,701.47
5	Government Schemes	4	2,446.92	1,244.84
6	Deposits	5	2,36,463.08	2,24,146.66
7	Bonds and Debentures	6	1,39,752.26	1,05,802.99
8	Borrowings	7	66,671.00	77,925.87
9	Current Liabilities and Provisions	8	15,599.93	12,888.89
	<b>Total</b>		<b>5,32,074.95</b>	<b>4,87,470.48</b>
	Forward Foreign Exchange Contracts (Hedging) as per contra		1,102.35	1,088.25

**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**

**BALANCE SHEET AS ON 31 MARCH 2020**

(Amount in ₹ crore)

Sr. No.	PROPERTY AND ASSETS	SCHEDULE	As on 31.03.2020	As on 31.03.2019
1	Cash and Bank Balances	9	11,997.17	12,124.96
2	Investments	10	34,006.15	39,610.29
3	Advances	11	4,80,396.46	4,30,272.62
4	Fixed Assets	12	530.48	505.88
5	Other Assets	13	5,144.69	4,956.73
	<b>Total</b>		<b>5,32,074.95</b>	<b>4,87,470.48</b>
	Forward Foreign Exchange Contracts (Hedging) as per contra		1,102.35	1,088.25
	Commitment and Contingent Liabilities	17		
	Significant Accounting Policies and Notes on Accounts	18		

Schedules referred to above form an integral part of accounts  
As per our attached report of even date

For Khimji Kunverji & Co LLP  
(Formerly Khimji Kunverji & Co)  
Chartered Accountants  
FRN: 105146W/ W100621

Hasmukh B. Dedhia  
Partner (F-033494)

S. Sankaranarayanan  
Chief General Manager  
Accounts Department

Harsh Kumar Bhanwala  
Chairman

Shaji K V  
Deputy Managing Director

P V S Suryakumar  
Deputy Managing Director

Mumbai  
22 May 2020

**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020**

(Amount in ₹ crore)

Sr.No.	INCOME	SCHEDULE	2019-20	2018-19
1	Interest on Loans and Advances (Refer Note B-7 of Schedule 18)		28,744.66	26,248.71
2	Income from Investment Operations / Deposits		3,866.60	3,353.91
3	Other Income		81.04	65.29
	<b>Total "A"</b>		<b>32,692.30</b>	<b>29,667.91</b>

Sr.No.	EXPENDITURE	SCHEDULE	2019-20	2018-19
1	Interest and Financial Charges (Refer Note B-6 of Schedule-18)	14	23,782.98	22,198.72
2	Establishment and Other Expenses	15 A	2,170.87	1,892.56
3	Expenditure on Promotional Activities	15 B	69.44	61.41
4	Provisions	16	1,399.93	522.28
5	Depreciation		34.76	33.59
	<b>Total "B"</b>		<b>27,457.98</b>	<b>24,708.56</b>
<b>6</b>	<b>Profit before Tax (A - B)</b>		<b>5,234.32</b>	<b>4,959.35</b>
<b>7</b>	<b>Provision for</b>			
	a) Income Tax		1,330.00	1,604.00
	b) Deferred Tax ( Refer Note B-9 of Schedule 18)		45.09	-9.21
<b>8</b>	<b>Profit after Tax</b>		<b>3,859.23</b>	<b>3,364.56</b>
	Significant Accounting Policies and Notes on Accounts	18		

Schedules referred to above form an integral part of accounts

As per our attached report of even date

For Khimji Kunverji & Co LLP  
(Formerly Khimji Kunverji & Co)  
Chartered Accountants  
FRN: 105146W/ W100621

Hasmukh B. Dedhia  
Partner (F-033494)

Harsh Kumar Bhanwala  
Chairman

Shaji K V  
Deputy Managing Director

S. Sankaranarayanan  
Chief General Manager  
Accounts Department

P V S Suryakumar  
Deputy Managing Director

Mumbai  
22 May 2020

**National Bank for Agriculture and Rural Development**  
**Cash flow for the year ended 31 March 2020**

(Amount in ₹ crore)

PARTICULARS	2019-2020	2018-2019
<b>(a) Cash flow from Operating activities</b>		
Net Profit as per Profit and Loss a/c before tax	5,234.32	4,959.35
Adjustment for:		
Depreciation	34.76	33.59
Provisions and Amortisations	0.00	0.00
Provision for Non performing Assets	703.93	213.78
Provision for Standard Assets / Floating provision	696.00	308.50
Provision for sacrifice in interest element of Restructured Loan	0.00	0.00
Profit / Loss on sale of Fixed Assets	-0.29	0.05
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	370.71	330.93
Income from Investment (including Discount Income)	-3,866.60	-3,353.91
<b>Operating profit before changes in operating assets</b>	<b>3,172.83</b>	<b>2,492.29</b>
Adjustment for changes in working capital :		
(Increase) / Decrease in Current Assets	-1,860.92	7,043.49
Increase / (Decrease) in Current Liabilities	2,739.56	-1,962.36
Increase in Loans and Advances (Including Housing Loan & Other Advances to Staff	-50,895.63	-77,841.44
<b>Cash generated from operating activities</b>	<b>-46,844.15</b>	<b>-70,268.02</b>
Income Tax paid - Net of refund	-1,358.51	901.94
WIF/ FPF differential debited to Tribal Development / Financial Inclusion Fund / Watershed Development Fund)		
<b>Net cash flow from operating activities (A)</b>	<b>-48,202.66</b>	<b>-69,366.08</b>
<b>(b) Cash flow from Investing activities</b>		
Income from Investment (including Discount Income)	3,866.60	3,353.91
Purchase of Fixed Asset	-97.31	-76.06
Sale of Fixed Assets	38.24	7.73
Increase / Decrease in Investment	4,983.86	-9,479.02
<b>Net cash used / generated from investing activities (B)</b>	<b>8,791.39</b>	<b>-6,193.44</b>
<b>(c) Cash flow from financing activities</b>		
Grants / contributions received	1,152.66	-262.07
Proceeds of Bonds	33,949.26	31,781.87
Increase / (Decrease) in Borrowings	-11,254.86	33,373.31
Increase / (Decrease) in Deposits	12,316.42	9,696.69
Increase in Share capital	1,500.00	2,000.00
<b>Net cash raised from financing activities (C)</b>	<b>37,663.48</b>	<b>76,589.80</b>

PARTICULARS	2019-2020	2018-2019
Net increase in cash and cash equivalent (A)+(B)+(C)	-1,747.79	1,030.28
Cash and Cash equivalent at the beginning of the year	2,899.96	1,869.69
<b>Cash and cash equivalent at the end of the year</b>	<b>1,152.17</b>	<b>2,899.96</b>
<b>1. Cash and cash equivalent at the end of the year includes :</b>		
	<b>2019-2020</b>	<b>2018-2019</b>
Cash in hand	0	0
Balance with Reserve Bank of India	621.20	1,405.57
Balances with other Banks in India	530.97	392.60
Remittances in Transit	0.00	528.59
CBLO / Tri party Repo	0.00	573.20
<b>Total</b>	<b>1,152.17</b>	<b>2,899.96</b>

As per our attached report of even date

For Khimji Kunverji & Co LLP  
 (Formerly Khimji Kunverji & Co)  
 Chartered Accountants  
 FRN: 105146W/ W100621

Hasmukh B. Dedhia  
 Partner (F-033494)

Harsh Kumar Bhanwala  
 Chairman

Shaji K V  
 Deputy Managing Director

S. Sankaranarayanan  
 Chief General Manager  
 Accounts Department

P V S Suryakumar  
 Deputy Managing Director

Mumbai  
 22 May 2020

To:

The Board of Directors of  
National Bank for Agriculture and Rural Development

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

1. We have audited the accompanying Consolidated Financial Statements of National Bank for Agriculture and Rural Development ('the Holding Bank' or 'NABARD') and its 7 (seven) subsidiaries (the Holding Bank and its subsidiaries collectively referred to as 'Group'), which comprise the Consolidated Balance Sheet as at March 31, 2022, Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information ('Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements are full and fair financial statements containing all necessary particulars and properly drawn up so as to exhibit a true and fair view of the consolidated state of affairs of the group as at March 31, 2022, its consolidated profits and its consolidated cash flows for the year ended on that date and give the information in conformity with National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984 and the Accounting Standards notified by the Institute of Chartered Accountants of India ('ICAI') and accounting principles generally accepted in India.

### BASIS OF OPINION

2. We conducted our audit in accordance with the Standards on Auditing ('SAs') issued by the ICAI. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. Those Standards require that we comply with ethical requirements. We are independent of the Group in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.



## EMPHASIS OF MATTER

3. a. Attention is invited to Note No. A.19 to Schedule 18 of the Consolidated Financial Statements regarding the uncertainties arising out of the COVID-19 pandemic and the assessment made by the management of the Holding Bank on its operations and financial reporting for the year ended March 31, 2022; such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods.

b. Attention is invited to Note No. B.23 to Schedule 18 of the Consolidated Financial Statements regarding the debit of Rs. 409.63 crores to the Reserve fund towards the provision made for one NPA account.

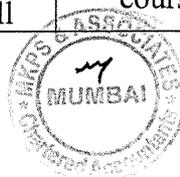
Our report is not modified in respect of above matters.

c. Attention is invited to Note No. A-2 “Basis of Consolidation” of the Significant Accounting Policies in Schedule 18 on certain Notes to Accounts applicable to the subsidiaries which have not been consolidated.

## KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year. These matters were addressed in the context of our audit of the Consolidated Financial Statements, as a whole, and in forming our opinion thereon, we do not provide a separate opinion on the key audit matters. In our professional judgement, we have decided the following to be the key audit matter to be communicated in our report:

<i>Particulars of the Key Audit Matter in respect of the Holding Bank</i>	<i>Audit processes in the matter</i>
<p><i>Multiple IT Systems:</i></p> <p>The Holding Bank is dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology (‘IT’) systems. The audit approach relies extensively on several reports generated by interface of these IT systems and inbuilt automated controls therein.</p> <p>The major IT systems concerning the financial reporting process include:</p> <ul style="list-style-type: none"><li>• CLMAS – transactions processing, workflows and financial reporting system</li><li>• TALMS – Treasury Operations</li><li>• Empower HRMS – HR and payroll</li></ul>	<p>We performed a range of audit procedures in course of the audit of Standalone Financial Statements of the Holding Bank, which included:</p> <p>Review of the report of IS Audit carried out for half year ending June, 2021 by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting.</p> <p>Our audit tests were designed to cover the following:</p> <ul style="list-style-type: none"><li>• understanding the Bank’s IT control environment and key changes in the course of our audit that were</li></ul>



<ul style="list-style-type: none"> <li>• FAMS – Property, Plant and Equipment and processing of expenses</li> <li>• Interface/interplay of one or more of above systems in building up or generating reports</li> </ul> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data.</p> <p>Management of the Holding Bank continuously endeavors several remediation activities and is in the process of bettering the implementation thereof aiming at minimization of the risks over IT applications in the financial reporting process.</p> <p>These includes implementation of preventive and detective controls across critical applications and infrastructure.</p> <p>Due to the pervasive nature, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>• considered relevant to the audit;</li> <li>• selectively recomputing interest calculations and maturity dates;</li> <li>• Selectively re-evaluating masters update, interface with resultant reports;</li> <li>• Selective testing of the interface of CLMAS with other IT systems like TALMS, Empower and several workflows;</li> <li>• Having regard to the incidences of incorrect system entries getting posted in the accounting system, detailed inquiries were made into ‘root cause analysis’ and about lack of adequate checks and balances around such entries, to obtain suitable explanations and representations.</li> <li>• Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system), so as to rectify the incorrect entries noticed during the audit.</li> <li>• To avoid the scope of incorrect system entries, have more useful system generated reports and to include more features/ fields into the system, the development of CLMAS 2.0 is under process.</li> </ul>
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## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR’S REPORT THEREON

5. The Holding Bank’s Management and Board of Directors of the Holding Bank are responsible for the preparation of the other information, comprising of the information such as Report of Board of Directors and such other disclosures included in the Holding Bank’s annual report, excluding the Financial Statements and auditors’ report thereon (‘Other Information’).

The other information is expected to be made available to us after the date of this auditors’ report. Our opinion on the Consolidated Financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information when it becomes available and, in doing



so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the auditor otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.

## **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

6. The Holding Bank's Management and the Board of Directors are responsible for the preparation of the Consolidated Financial Statements in accordance with the National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984, that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the group. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the Holding Bank and of companies included in the Group are also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Bank and of companies included in the Group are also responsible for overseeing the Group's financial reporting process.

## **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

7. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements. Our audit processes in accordance with the SAs are narrated in Annexure 1 to this report.



## OTHER MATTERS

8. Incorporated in these financial statements are the returns of 13 Regional Offices and 1 Staff College of the Holding Bank visited by us for the purposes of audit and the same including Head Office of the Holding Bank, account for 84.41% of advances, 100.00% of deposits, 87.28% of interest income and 100.00% of interest expenses. These Offices and Staff College have been selected in consultation with the management of the Bank. We have not visited other remaining offices of the Bank but have reviewed their returns sent to the Head Office.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. We report that the Consolidated Financial Statement have been prepared by the holding bank in accordance with the requirements of Accounting Standard (AS) 21- 'Consolidated Financial Statements'. As per the information and explanations provided to us and in our opinion, the Consolidated Financial Statement comply with the applicable accounting standards, in all material aspects.

**For MKPS & Associates**  
**Chartered Accountants**  
**Firm Regn. No- 302014E**

*M. Ramakrishnan Mani*



**CA. Ramakrishnan Mani**  
**Partner**  
**Membership No. 032271**

**Place: Mumbai**

**Date: May 25, 2022**

**UDIN: 22032271AJ0AWD4580**

## **Annexure 1 to the Independent Auditors' Report**

### **(referred to in para 7 titled "Auditor's Responsibility for the Audit of the Consolidated Financial Statements")**

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and obtain audit evidence for material items that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Group.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





# National Bank for Agriculture and Rural Development

Head Office: Plot No. C-24, G Block, Bandra-Kurla Complex  
Bandra (E) Mumbai 400051. Website: www.nabard.org.

## Audited Consolidated Financial Results for the year ended March 31, 2022

(₹ Crore)

Sr. No.	Particulars	Year Ended	Year Ended
		31.03.2022	31.03.2021
		[Audited]	[Audited]
<b>1</b>	<b>Interest earned (a)+(b)+(c)+(d)</b>	<b>36,904.85</b>	<b>34,814.40</b>
(a)	Interest on loans and advances	33,874.32	31,441.51
(b)	Income on investments	3,030.53	3,372.89
(c)	Interest on balances with Reserve Bank of India and other inter-bank funds	0.00	0.00
(d)	Others	0.00	0.00
<b>2</b>	<b>Other Income</b>	<b>270.33</b>	<b>193.78</b>
<b>3</b>	<b>Total Income (1+2)</b>	<b>37,175.18</b>	<b>35,008.18</b>
<b>4</b>	<b>Interest Expended</b>	<b>26,574.21</b>	<b>24,235.65</b>
<b>5</b>	<b>Operating Expenses (i) + (ii)</b>	<b>2,447.06</b>	<b>2,248.49</b>
(i)	Employees cost	1,865.11	1,758.26
(ii)	Other operating expenses	581.95	490.23
<b>6</b>	<b>Total Expenditure (4+5) excluding provisions and contingencies</b>	<b>29,021.27</b>	<b>26,484.14</b>
<b>7</b>	<b>Operating Profit before Provisions and Contingencies (3-6)</b>	<b>8,153.91</b>	<b>8,524.04</b>
<b>8</b>	<b>Provisions (other than tax) and Contingencies (Refer Note No.8 below)</b>	<b>1,314.72</b>	<b>2,328.01</b>
<b>9</b>	<b>Exceptional Items</b>	<b>0.00</b>	<b>0.00</b>
<b>10</b>	<b>Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)</b>	<b>6,839.19</b>	<b>6,196.03</b>
<b>11</b>	<b>Tax expenses</b>	<b>1,644.71</b>	<b>1,794.94</b>
<b>12</b>	<b>Net Profit (+)/Loss (-) from Ordinary Activities after tax (10-11)</b>	<b>5,194.48</b>	<b>4,401.09</b>
<b>13</b>	<b>Extraordinary items (net of tax expense)</b>	<b>0.00</b>	<b>0.00</b>
<b>14</b>	<b>Net Profit (+) / Loss (-) for the period (12-13)</b>	<b>5,194.48</b>	<b>4,401.09</b>
<b>15</b>	<b>Paid-up capital</b>	<b>17,080.00</b>	<b>15,080.00</b>
<b>16</b>	<b>Reserves excluding Revaluation Reserves</b>	<b>43,560.49</b>	<b>38,913.91</b>
<b>17</b>	<b>Net Worth</b>	<b>60,448.66</b>	<b>53,833.11</b>
<b>18</b>	<b>Analytical Ratios</b>		
(i)	Capital Adequacy Ratio	16.15%	18.86%
(ii)	Earnings Per Share (EPS)	NA	NA
(iii)	Debt-Equity Ratio	10.66	10.36
(iv)	Percentage of shares held by Government of India	100%	100%



(v)	Total Debts to Total Assets (%)	85.22%	84.89%
(vi)	Outstanding Redeemable Preference shares	NA	NA
(vii)	Capital Redemption Reserve	NA	NA
(viii)	Debenture Redemption Reserve	NA	NA
<b>19</b>	<b>NPA Ratios</b>		
(a)	Gross NPA	2,334.79	1,426.48
(b)	Net NPA	57.22	47.21
(c)	% of Gross NPA to Gross loans & advances	0.34%	0.23%
(d)	% of Net NPA to Net loans & advances	0.01%	0.01%
<b>20</b>	<b>Return on Assets</b>	<b>0.73%</b>	<b>0.74%</b>

NA = Not Applicable

Return on Assets = Net Profit (after tax) divided by total average assets

**Notes:**

- The above consolidated financial results include financial results of the Holding Bank and 7 subsidiaries viz., NABFINS Ltd., NABSAMRUDDHI Finance Ltd., NABKISAN Finance Ltd., NABARD Consultancy Services Pvt. Ltd. (NABCONS), NABVENTURES Ltd, NABFOUNDATION and NABSANRAKSHAN TRUSTEE PVT LTD.
- Since the quarterly results of the Holding Bank and its 7 subsidiaries are not consolidated on quarterly basis, the quarterly results for the quarter ended 31-03-2022, quarter ended 31-12-2021 and quarter ended 31-03-2021 as required under SEBI (LODR) Regulations, 2015 are not given above.
- The financial results were reviewed by Audit Committee of the Board in its meeting held on May 24, 2022 and approved by the Board in its meeting held on 25 May 2022 at Mumbai.
- The Financial Results have been audited by the respective Statutory Auditors as required under Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Details of loans transferred / acquired during the quarter and year ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:  
During the quarter and year ended March 31, 2022:  
i. the Holding Bank has not acquired any loan not in default through assignment.  
ii. the Holding Bank has not transferred any non-performing assets (NPAs) to Asset Reconstruction Companies (ARCs)/ to permitted transferees/ to other transferees.  
iii. the bank has not acquired any stressed loans and not transferred any loan not in default / Special Mention Accounts (SMA).
- In accordance with RBI Master Direction RBI/DOR/2021-22/85 DOR STR.REC.53/21.04.177/2021-22 dated September 24, 2021 – (Securitisation of Standard Assets) Directions, 2021, the outstanding amount of securitised assets as per books of the SPEs and total amount of exposures retained by the originator as on the date of balance sheet to comply with the MRR is NIL for the year ended March 31, 2022.
- During the year, the holding bank has accounted for Rs. 200 crores (Previous year- Rs. 180 crores) on estimated basis towards wage settlement effective from November 01, 2017. The total amount provided till the year ended March 31, 2022 is Rs. 880 crores (Previous year- Rs. 680 crores) including provision for superannuation benefits.
- Provisions and Contingencies for the year ended 31 March 2022 includes Floating Provision of Rs. 750 crores (Previous year- Rs. 750 Crores).



- 9) Details of resolution plan implemented under Resolution Framework for COVID 19 related stress as per RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021: NIL.
- 10) In one of the 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".
- 11) During the quarter ended March 31, 2022, an amount of Rs. 500 crores and for the year ended March 31, 2022, the total amount of Rs. 2000 crores (Previous year- Rs. 1,000 crores) has been infused by Govt. of India towards Capital of NABARD.
- 12) The management of the Holding Bank assessed the impact of the COVID19 considering its internal and external inputs for ascertaining the same on the financial reporting numbers. In the opinion of the management of the Holding Bank, such impact on the reported numbers would not be significant.
- 13) As per RBI's letter dated May 15, 2019, the implementation of Ind AS has been deferred for AIFI's until further notice.
- 14) The financial results for the quarter and year ended March 31, 2022 have been arrived at after considering provision for non-performing assets, restructured assets, standard assets, depreciation on investments on the basis of prudential norms issued by Reserve Bank of India and other usual and necessary provisions including employee benefits, other operating expenses, depreciation on fixed assets, income tax, including deferred tax made on estimate / proportionate basis wherever required and subject to adjustments as at the year end.
- 15) Previous period figures have been regrouped / rearranged wherever necessary.

Place : Mumbai  
Date : May 25, 2022

  
Dr. G. R. Chintala  
Chairman



**National Bank for Agriculture and Rural Development**  
**Consolidated Balance sheet as on 31 March 2022**

(Amount in ₹ crore)

Sr. No.	FUNDS AND LIABILITIES	Schedule	As on 31.03.2022	As on 31.03.2021
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
	<b>TOTAL</b>		<b>7,58,469.38</b>	<b>6,58,657.82</b>

Sr. No.	PROPERTY AND ASSETS	Schedule	As on 31.03.2022	As on 31.03.2021
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
	<b>TOTAL</b>		<b>7,58,469.38</b>	<b>6,58,657.82</b>



**National Bank for Agriculture and Rural Development**  
**Consolidated Profit and Loss Account for the year ended 31 March 2022**

(Amount in ₹ crore)

Sr. No.	INCOME	Schedule	2021-22	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
	<b>TOTAL (A)</b>		<b>37,175.18</b>	<b>35,008.18</b>

Sr. No.	EXPENDITURE	Schedule	2021-22	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
	<b>TOTAL (B)</b>		<b>30,335.99</b>	<b>28,812.15</b>
6	<b>Profit before Income Tax (A-B)</b>		<b>6,839.19</b>	<b>6,196.03</b>
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	<b>Profit after Tax</b>		<b>5,194.48</b>	<b>4,401.09</b>
11	Minority Interest		15.67	14.51
12	<b>Profit available for Appropriation</b>		<b>5,178.81</b>	<b>4,386.58</b>

Note - Discount and commission earned have been grouped under the respective head of Income on Loan & Advances or Income from Investments operations-Deposits without the separate disclosure under the head "Discount and Commissions" as required in the format prescribed under NABARD (Additional) General Regulations, 1984.

Schedules referred to above form an integral part of accounts



**National Bank for Agriculture and Rural Development**  
**Consolidated Cash flow for the year ended 31 March 2022**

(Amount in ₹ crore)

Particulars	2021-22	2020-21
<b>(a) Cash flow from Operating activities</b>		
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)
<b>Operating profit before changes in operating assets</b>	<b>5,523.69</b>	<b>5,557.55</b>
Adjustment for changes in working capital :		
(Increase) / Decrease in Current Assets	(790.52)	7,697.95
Increase / (Decrease) in Current Liabilities	3,484.38	2,902.54
(Increase) / Decrease in Loans and Advances (Including Housing Loan & Other Advances to Staff	(78,988.61)	(1,23,709.26)
<b>Cash generated from operating activities</b>	<b>(70,771.06)</b>	<b>(1,07,551.22)</b>
Income Tax paid - Net of refund	(1,936.62)	(1,808.80)
<b>Net cash flow from operating activities (A)</b>	<b>(72,707.68)</b>	<b>(1,09,360.02)</b>
<b>(b) Cash flow from Investing activities</b>		
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)
<b>Net cash used / generated from investing activities (B)</b>	<b>(17,929.56)</b>	<b>(8,686.18)</b>
<b>(c) Cash flow from financing activities</b>		
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)	-
Dividend Paid including Tax on Dividend	(0.10)	(0.10)
Increase in Share capital	2,086.58	1,065.65
<b>Net cash raised from financing activities (C)</b>	<b>91,278.18</b>	<b>1,18,364.56</b>
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
<b>Cash and cash equivalent at the end of the year</b>	<b>2,121.35</b>	<b>1,480.41</b>

1. Cash and cash equivalent at the end of the year includes:	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	-	-
<b>Total</b>	<b>2,121.35</b>	<b>1,480.41</b>



**INDEPENDENT AUDITOR'S REPORT**

To:  
The Board of Directors of  
National Bank for Agriculture and Rural Development

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS****OPINION**

1. We have audited the accompanying Consolidated Financial Statements of National Bank for Agriculture and Rural Development ('the Holding Bank' or 'NABARD') and its 7 (seven) subsidiaries (the Holding Bank and its subsidiaries collectively referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at March 31, 2021, Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information ('Consolidated Financial Statements' or 'CFS').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid CFS, read with the matter contained in the emphasis of matter paragraph below, exhibit a true and fair view, in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, its consolidated profits and its consolidated cash flows for the year ended on that date.

**BASIS OF OPINION**

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. Those Standards require that we comply with ethical requirements. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

**EMPHASIS OF MATTER**

3. Without modifying our opinion, the attention is drawn to Note No. B-22 to Schedule 18 of the CFS, stating that the financial statements of all the seven subsidiaries of NABARD are unaudited and consolidation thereof is prepared based on the numbers certified by the respective managements of these subsidiaries. As further stated in the said Note, the audit of these subsidiaries could not be completed by the respective statutory auditors of those entities, due to prevailing partial lockdown and restrictions on movements to prevent the spread of COVID-19. The impact on the CFS consequent to the adjustments, if any, arising from the audit of these subsidiaries is not ascertained, hence we are unable to comment thereon but as represented to us by the management of the Bank, such impact would not be material on the CFS.
4. Attention is invited to Note No. A-19 to Schedule 18 of the CFS regarding the uncertainties arising out of the ongoing COVID-19 pandemic and the assessment made by the management of the Holding Bank on its operations and financial reporting for the year ended March 31, 2021; such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.



## KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the CFS for the year under audit. These matters were addressed in the context of our audit of the CFS, as a whole and in forming our opinion thereon, we do not provide a separate opinion on the key audit matters. In our professional judgement, we have decided the following to be the key audit matter to be communicated in our report.

Particulars of the Key Audit Matter in respect of the Holding Bank	Audit processes in the matter
<p><b>Multiple IT Systems:</b></p> <p>The Holding Bank is dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology (“IT”) systems. The audit approach relies extensively on several reports generated by interface of these IT systems and in-built automated controls therein.</p> <p>The major IT systems concerning the financial reporting process include:</p> <ul style="list-style-type: none"> <li>• CLMAS – transactions processing and financial reporting system</li> <li>• TALMS – Treasury Operations</li> <li>• Empower HRMS – HR and payroll</li> <li>• Various workflows inputting data into CLMAS</li> <li>• FAMS – Property, Plant and Equipment</li> <li>• Interface/interplay of one or more of above systems in building up or generating reports</li> </ul> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data.</p> <p>Management of the Holding Bank continuously endeavors several remediation activities and is in the process of bettering the implementation thereof aiming at minimization of the risks over IT applications in the financial reporting process.</p> <p>These includes implementation of preventive and detective controls across critical applications and infrastructure.</p> <p>During the year under report, several errors in system interface and in accounting entries pushed by the other systems like TALMS were noted and rectified, in course of the audit.</p> <p>Due to the pervasive nature, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</p>	<p>We performed a range of audit procedures in course of the audit of Standalone Financial Statements of the Holding Bank, which included:</p> <p>Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting.</p> <p>Our audit tests were designed to cover the following:</p> <ul style="list-style-type: none"> <li>• understanding the Bank’s IT control environment and key changes in the course of our audit that were considered relevant to the audit;</li> <li>• selectively recomputing interest calculations and maturity dates;</li> <li>• selectively re-evaluating masters updation, interface with resultant reports;</li> <li>• selective testing of the interface of CLMAS with other IT systems like TALMS, Empower and several workflows;</li> <li>• Having regard to the incidences of incorrect system entries getting posted in the accounting system, detailed inquiries were made into ‘root cause analysis’ and about lack of adequate checks and balances around such entries, to obtain suitable explanations and representations.</li> <li>• Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system), so as to rectify the incorrect entries noticed during the audit.</li> </ul>



**INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

6. The Management and Board of Directors of the Holding Bank are responsible for the preparation of the other information, comprising of the information such as Report of Board of Directors and such other disclosures included in the Holding Bank's annual report, excluding the Financial Statements and auditors' report thereon ('Other Information')

The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the CFS does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the CFS, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the CFS or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'

**MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

7. The Management of the Holding Bank is responsible for the preparation of the CFS in accordance with the National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984, that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the CFS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the CFS, the respective Management and Board of Directors of the Holding Bank and of companies included in the Group are also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the holding Bank and of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

**AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

8. Our objectives are to obtain reasonable assurance about whether the CFS, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these CFS. Our audit process in accordance with the SAs is narrated in detail in Annexure 1 to this report.



**OTHER MATTERS**

9. Incorporated in these financial statements are the returns of 17 Regional Offices and 2 Training Centres visited by us for the purposes of audit and the same including Head Office, account for 83.08% of advances, 100.00% of deposits, 84.95% of interest income and 100.00% of interest expenses. These Offices and Training Centre have been selected in consultation with the management of the Holding Bank. We have not visited other remaining offices of the Holding Bank i.e. 14 Regional Offices and 1 Training Centre but have reviewed their returns sent at the Head Office.
10. Due to restricted movements and partial lockdown imposed by the Authorities to prevent the spread of COVID-19, the entire audit finalization process, for the year under report, was carried out from remote locations i.e. other than the Head Office of the Bank where books of account and other records are kept, based on data/details and financial information/records remitted by the management through digital medium. Being constrained, we resorted to alternate audit procedures to obtain sufficient and appropriate audit evidence for the significant matters.
11. As stated in paragraph 3 above, the financial statements / financial information of 7 (seven) subsidiaries, whose financial statements / financial information reflect total assets of Rs. 3,978.94 crores as at 31 March, 2021, total revenues of Rs. 505.89 crores, total net profit after tax of Rs. 82.12 crores and net cash inflows amounting to Rs. 84.24 crores for the year ended on that date, as considered in the CFS, have not been subjected to audit by the respective auditors of these subsidiaries, due to prevailing lockdown situation. The same being unaudited, our opinion on the CFS, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is solely based on our reliance placed on the management certified numbers. Our opinion on the CFS and our report on Other Legal and Regulatory Requirements, is based on management's written representation to us that the effect of the changes / adjustments, if any, required to be made to the reported numbers of these subsidiaries consequent to their audit would not be material for the Group.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

12. We report that the CFS have been prepared by the holding bank in accordance with the requirements of Accounting Standard (AS) 21 – 'Consolidated Financial Statements'. As per the information and explanations provided to us and in our opinion, the CFS comply with the applicable accounting standards, in all material aspects.

For **Khimji Kunverji & Co LLP**

Chartered Accountants

Firm's Registration No: 105146W/W100621

**Hasmukh B. Dedhia**

Partner

Membership No: 033494

ICAI UDIN: 21033494AAAAG54359



Place: Mumbai

Date: May 18, 2021

**Annexure 1 to the Independent Auditors' Report**

(referred to in para 8 titled "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements")

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and obtain audit evidence for material items that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Group.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the CFS or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the CFS, including the disclosures, and whether the CFS represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance of the Holding Bank regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- In course of our review of the management certified unaudited financial statements of all the seven subsidiaries, we communicate with the respective statutory auditors of such subsidiaries as per the framework of provisions of SA 600, "Using the Work of Another Auditor".
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**INDEPENDENT AUDITOR'S REPORT**

To:  
The Board of Directors of  
National Bank for Agriculture and Rural Development

**REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

**OPINION**

1. We have audited the accompanying Standalone Financial Statements of National Bank for Agriculture and Rural Development ('the Bank' or 'NABARD'), which comprise the Balance Sheet as at March 31, 2021, Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information ('Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984 and exhibit a true and fair view, in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ('ICAI') and accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2021, its profits and its cash flows for the year ended on that date.

**BASIS OF OPINION**

2. We conducted our audit in accordance with the Standards on Auditing ('SAs') issued by the ICAI. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. Those Standards require that we comply with ethical requirements. We are independent of the Bank in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

**EMPHASIS OF MATTER**

3. Attention is invited to Note No. A.17 to Schedule 18 of the Standalone Financial Statements regarding the uncertainties arising out of the ongoing COVID-19 pandemic and the assessment made by the management of the Bank on its operations and financial reporting for the year ended March 31, 2021; such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.

**KEY AUDIT MATTERS**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year. These matters were addressed in the context of our audit of the Standalone Financial Statements, as a whole, and in forming our opinion thereon, we do not provide a separate opinion on the key audit matters. In our professional judgement, we have decided the following to be the key audit matter to be communicated in our report:



Particulars of the Key Audit Matter	Audit processes in the matter
<p><b>Multiple IT Systems:</b></p> <p>The Bank is dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The audit approach relies extensively on several reports generated by interface of these IT systems and in-built automated controls therein.</p> <p>The major IT systems concerning the financial reporting process include:</p> <ul style="list-style-type: none"> <li>• CLMAS – transactions processing and financial reporting system</li> <li>• TALMS – Treasury Operations</li> <li>• Empower HRMS – HR and payroll</li> <li>• Various workflows inputting data into CLMAS</li> <li>• FAMS – Property, Plant and Equipment</li> <li>• Interface/interplay of one or more of above systems in building up or generating reports</li> </ul> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data.</p> <p>Management of the Bank continuously endeavors several remediation activities and is in the process of bettering the implementation thereof aiming at minimization of the risks over IT applications in the financial reporting process.</p> <p>These includes implementation of preventive and detective controls across critical applications and infrastructure.</p> <p>During the year under report, several errors in system interface and in accounting entries pushed by the other systems like TALMS were noted and rectified, in course of the audit.</p> <p>Due to the pervasive nature, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</p>	<p>We performed a range of audit procedures, which included:</p> <p>Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting.</p> <p>Our audit tests were designed to cover the following:</p> <ul style="list-style-type: none"> <li>• understanding the Bank's IT control environment and key changes in the course of our audit that were considered relevant to the audit;</li> <li>• selectively recomputing interest calculations and maturity dates;</li> <li>• Selectively re-evaluating masters updation, interface with resultant reports;</li> <li>• Selective testing of the interface of CLMAS with other IT systems like TALMS, Empower and several workflows;</li> <li>• Having regard to the incidences of incorrect system entries getting posted in the accounting system, detailed inquiries were made into 'root cause analysis' and about lack of adequate checks and balances around such entries, to obtain suitable explanations and representations.</li> <li>• Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system), so as to rectify the incorrect entries noticed during the audit.</li> </ul>



#### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

5. The Bank's Management and Board of Directors are responsible for the preparation of the other information, comprising of the information such as Report of Board of Directors and such other disclosures included in the Bank's annual report, excluding the Financial Statements and auditors' report thereon ('Other Information').

The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the standalone Financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.

#### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

6. Management of the Bank is responsible for the preparation of the Standalone Financial Statements in accordance with the National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984, that give a true and fair view of the financial position, financial performance, and cash flows of the Bank. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and Board of Directors are also responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

#### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

7. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements. Our audit processes in accordance with the SAs are narrated in Annexure 1 to this report.



**OTHER MATTERS**

8. Incorporated in these financial statements are the returns of 17 Regional Offices and 2 Training Centres visited by us for the purposes of audit and the same including Head Office, account for 83.08% of advances, 100.00% of deposits, 84.95% of interest income and 100.00% of interest expenses. These Offices and Training Centre have been selected in consultation with the management of the Bank. We have not visited other remaining offices of the Bank i.e. 14 Regional Offices and 1 Training Centre but have reviewed their returns sent at the Head Office.
9. Due to restricted movements and partial lockdown imposed by the Authorities to prevent the spread of COVID-19, the entire audit finalization process, for the year under report, was carried out from remote locations i.e. other than the Head Office of the Bank where books of account and other records are kept, based on data/details and financial information/records remitted by the management through digital medium. Being constrained, we resorted to alternate audit procedures to obtain sufficient and appropriate audit evidence for the significant matters.

Our report is not modified in respect of the above matters.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

10. The Balance Sheet and the Profit and Loss Account of the Bank have been drawn up as per Schedule 'A' and Schedule 'B' of Chapter IV of National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984.

As required by the provisions of National Bank for Agriculture and Rural Development Act, 1981 and regulations made thereunder, we further report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. The transactions of the Bank, which have come to our notice in course of our audit, have been within the powers of the Bank.
- c. In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts and with the returns received from the regional offices and training centers not visited by us.
- d. In our opinion, the Standalone Financial Statements comply with the applicable accounting standards, in all material aspects.

For Khimji Kunverji & Co LLP  
Chartered Accountants  
Firm's Registration No: 105146W/W100621



**Hasmukh B. Dedhia**  
Partner  
Membership No: 033494  
ICAI UDIN: 21033494AAAAGR1129



Place: Mumbai  
Date : May 18, 2021

**Annexure 1 to the Independent Auditors' Report**

(referred to in para 7 titled "Auditor's Responsibilities for the Audit of the Standalone Financial Statements")

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and obtain audit evidence for material items that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Bank.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





# National Bank for Agriculture and Rural Development

Head Office : Plot No. C-24, G Block, Bandra-Kurla Complex  
Bandra (E) Mumbai 400051. Website : www.nabard.org.

## Audited Financial Results for the year ended March 31, 2021

(₹ crore)

Sr. No.	Particulars	6 Months ended 31 March 2021 Unaudited	6 Months ended 31 March 2020 Unaudited	Year ended 31 March 2021 Audited	Year ended 31 March 2020 Audited
<b>1</b>	<b>Interest earned (a)+(b)+(c)+(d)</b>	<b>17,249.74</b>	<b>16,112.44</b>	<b>34,569.13</b>	<b>32,611.26</b>
(a)	Interest on loans and advances	15,887.32	14,170.27	31,196.24	28,744.66
(b)	Income on investments	1,362.42	1,942.17	3,372.89	3,866.60
(c)	Interest on balances with Reserve Bank of India and other inter-bank funds	0.00	0.00	0.00	0.00
(d)	Others	0.00	0.00	0.00	0.00
<b>2</b>	<b>Other Income</b>	<b>83.75</b>	<b>61.94</b>	<b>102.04</b>	<b>81.04</b>
<b>3</b>	<b>Total Income (1+2)</b>	<b>17,333.49</b>	<b>16,174.38</b>	<b>3,4671.17</b>	<b>32,692.30</b>
<b>4</b>	<b>Interest Expended</b>	<b>12,201.49</b>	<b>11,573.49</b>	<b>24,219.55</b>	<b>23,782.98</b>
<b>5</b>	<b>Operating Expenses (i) + (ii)</b>	<b>800.49</b>	<b>968.29</b>	<b>2,120.95</b>	<b>2,275.07</b>
(i)	Employees cost	530.76	689.14	1,683.00	1,814.81
(ii)	Other operating expenses	269.73	279.15	437.95	460.26
<b>6</b>	<b>Total Expenditure (4+5) excluding provisions and contingencies</b>	<b>13,001.98</b>	<b>12,541.78</b>	<b>26,340.50</b>	<b>26,058.05</b>
<b>7</b>	<b>Operating Profit before Provisions and Contingencies (3-6)</b>	<b>4,331.51</b>	<b>3,632.60</b>	<b>8,330.67</b>	<b>6,634.25</b>
<b>8</b>	<b>Provisions (other than tax) and Contingencies (Refer Note No.3 below)</b>	<b>1,415.40</b>	<b>1,249.51</b>	<b>2,249.26</b>	<b>1,399.93</b>
<b>9</b>	<b>Exceptional Items</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>10</b>	<b>Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)</b>	<b>2,916.11</b>	<b>2,383.09</b>	<b>6,081.41</b>	<b>5,234.32</b>
<b>11</b>	<b>Tax expenses</b>	<b>957.46</b>	<b>705.05</b>	<b>1,761.45</b>	<b>1,375.09</b>
<b>12</b>	<b>Net Profit (+)/Loss (-) from Ordinary Activities after tax (10-11)</b>	<b>1,958.65</b>	<b>1,678.04</b>	<b>4,319.96</b>	<b>3,859.23</b>
<b>13</b>	<b>Extraordinary items (net of tax expense)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>14</b>	<b>Net Profit (+) / Loss (-) for the period (12-13)</b>	<b>1,958.65</b>	<b>1,678.04</b>	<b>4,319.96</b>	<b>3,859.23</b>
<b>15</b>	<b>Paid-up capital</b>	<b>15,080.00</b>	<b>14,080.00</b>	<b>15,080.00</b>	<b>14,080.00</b>
<b>16</b>	<b>Reserves excluding Revaluation Reserves</b>			<b>38,551.91</b>	<b>34,410.99</b>



<b>17</b>	<b>Analytical Ratios</b>				
(i)	Capital Adequacy Ratio	18.80%	21.20%	18.80%	21.20%
(ii)	Earnings Per Share (EPS)	NA	NA	NA	NA
<b>18</b>	<b>NPA Ratios</b>				
(a)	Gross NPA	1,240.88	1,236.99	1,240.88	1,236.99
(b)	Net NPA	0.00	719.88	0.00	719.88
(c)	% of Gross NPA to Gross loans & advances	0.21	0.26	0.21	0.26
(d)	% of Net NPA to Net loans & advances	0.00	0.15	0.00	0.15
<b>19</b>	<b>Return on Assets</b>	<b>0.66%</b>	<b>0.81%</b>	<b>0.76%</b>	<b>0.79%</b>

NA = Not Applicable

Return on Assets = Net Profit (after tax) divided by total average assets

**Notes:**

- 1) The financial results were reviewed by Audit Committee of the Board and approved by the Board in its meeting held on 18 May 2021 at Mumbai.
- 2) The amounts for six month ended 31 March 2021 are balancing figures between the amounts as per Financial statements for year ended 31 March 2021 and six months ended 30 September 2020.
- 3) Provisions and Contingencies includes Floating Provision of ₹ 750 crore created during the year (Previous Year ₹ 500 crore).
- 4) During the year, GOI contributed ₹ 1,000 crore towards the capital of NABARD.
- 5) During the year, 'NABSANRAKSHAN Trustee Pvt. Ltd.' a wholly owned subsidiary has been incorporated and an amount of ₹ 50 crore was contributed towards share capital of the company on January 11, 2021.
- 6) During the year, an outstanding loan amount of ₹ 820 crore from one of the clients has become Non Performing Asset (NPA) as per IRAC norms of RBI. However, the client approached the Kolkata NCLT for an arrangement with the creditors and the Kolkata NCLT had passed an order directing the lenders to maintain the classification of loan as Standard Asset till the scheme is considered by the creditors / order passed by NCLT. Hence, pending orders from NCLT, the loan account is classified as Standard Asset.
- 7) The Honourable Supreme Court in Writ petition (CIVIL) No 825 of 2020 by Gajendra Sharma Vs Union of India & Anr vide its interim order dated 03.09.2020 has directed that the accounts which were not declared NPA till 31.08.2020 shall not be declared NPA till further orders, pending disposal of the case by the Supreme Court. The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. Union of India Ors, and other connected matters. However, the Bank has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms as applicable for the quarter and year ended 31 March 2021
- 8) In accordance with the RBI notification dated April 7, 2021, the Bank is required to refund/adjust 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020. The bank had not charged "interest on interest" to any of its borrowers during the said period and hence it does not necessitate any interest refund / adjustment.

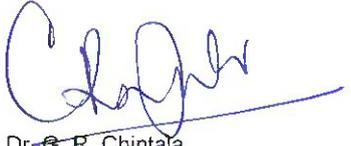


- 9) Disclosure in respect of RBI circular on "COVID19 Regulatory Package - Asset Classification and Provisioning" dated April 17, 2020 having reference number RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 as per para 10

Particulars	As at March 31, 2021	As at March 31, 2020
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the RBI Circular;	--	--
Respective amount where asset classification benefits is extended as at March 31,2020	--	--
Provisions made during the Q4 FY2020 and Q1 FY2021 in terms of paragraph 5 of the RBI Circular	--	--
Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6	--	--

- 10) The disclosure as per format prescribed under notification no RBI/2020-2021/16 DOR No BP BC/3/21.04.048/2020-21 for the year ended March 31, 2021 is not applicable for NABARD for the year under report.
- 11) The management of the Bank assessed the impact of the COVID19 considering its internal and external inputs for ascertaining the same on the financial reporting numbers. In the opinion of the management of the Bank, such impact on the reported numbers would not be significant.
- 12) Previous period figures have been regrouped / rearranged wherever necessary.

Place : Mumbai  
Date : 18 May 2021

  
Dr. G. R. Chintala  
Chairman



**National Bank for Agriculture and Rural Development**  
**Consolidated Balance sheet as on 31 March 2021**

(Amount in ₹ Crore)

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



**National Bank for Agriculture and Rural Development  
Consolidated Balance sheet as on 31 March 2021**

(Amount in ₹ Crore)

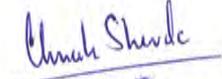
Sr.No.	PROPERTY AND ASSETS	Schedule	As on 31.03.2021	As on 31.03.2020
1	Cash and Bank Balances	9	4,751.09	12,227.85
2	Investments	10	45,052.34	33,591.06
3	Advances	11	6,03,117.88	4,81,034.31
4	Fixed Assets	12	580.89	550.24
5	Other Assets	13	5,155.62	5,227.23
	<b>TOTAL</b>		<b>6,58,657.82</b>	<b>5,32,630.69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

Schedules referred to above form an integral part of accounts

As per our attached report of even date  
For Khimji Kunverji & Co LLP  
Chartered Accountants  
FRN: 105146W/ W100621



Has Mukh Dedhia  
Partner  
Membership No.: 033494  
Mumbai  
18 May 2021

U. S. Shevde  
Chief General Manager  
Accounts Department



Dr. G. R. Chintala  
Chairman



Shaji K V  
Deputy Managing Director



P V S Suryakumar  
Deputy Managing Director

**National Bank for Agriculture and Rural Development**  
**Consolidated Profit and Loss Account for the year ended 31 March 2021**

(Amount in ₹ Crore)

Sr.No.	INCOME	Schedule	2020-21	2019-20
1	Interest Received on Loans and Advances (Refer Note B-8 of Schedule 18)		31,441.51	28,983.76
2	Income from Investment operations / Deposits		3,372.89	3,866.60
3	Other Income		193.78	153.92
	<b>TOTAL (A)</b>		<b>35,008.18</b>	<b>33,004.28</b>
Sr.No.	EXPENDITURE	Schedule	2020-21	2019-20
1	Interest and Financial Charges (Refer Note B-7 of Schedule-18)	14	24,235.65	23,784.07
2	Establishment and other expenses	15 A	2,102.77	2,305.58
3	Expenditure on Promotional Activities	15 B	95.05	69.43
4	Provisions	16	2,328.01	1,434.80
5	Depreciation		50.67	37.21
	<b>TOTAL (B)</b>		<b>28,812.15</b>	<b>27,631.09</b>
6	<b>Profit before Income Tax (A-B)</b>		6,196.03	5,373.18
7	Prior period items		-	-
8	Provision for Income Tax		1,794.13	1,369.05
9	Deferred Tax Asset Adjustment (Refer Note B-10 of Schedule 18)		0.81	46.40
10	<b>Profit after Tax</b>		<b>4,401.09</b>	<b>3,957.73</b>
11	Minority Interest		14.51	20.06
12	<b>Profit available for Appropriation</b>		<b>4,386.58</b>	<b>3,937.66</b>



**National Bank for Agriculture and Rural Development**

**Consolidated Cash flow for the year ended 31 March 2021**

(₹ in crores)

Particulars	2020-21	2019-20
<b>(a) Cash flow from Operating activities</b>		
Net Profit as per Profit and Loss a/c before tax	6,196.03	5,373.18
Adjustment for:		
Depreciation	50.67	37.21
Provisions and Amortisations	(0.36)	-
Provision for Non performing Assets	875.24	729.49
Provision for Standard Assets	1,448.42	696.89
Provision for sacrifice in interest element of Restructured Loan	-	-
(Profit) / Loss on sale of Fixed Assets	0.26	(0.28)
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	387.47	370.71
Other Expenses	(8.67)	(0.02)
Income from Investment (including Discount Income)	(3,391.51)	(3,880.86)
<b>Operating profit before changes in operating assets</b>	<b>5,557.55</b>	<b>3,326.32</b>
Adjustment for changes in working capital :		
(Increase) / Decrease in Current Assets	7,697.95	(2,324.40)
Increase / (Decrease) in Current Liabilities	2,902.54	2,837.30
(Increase)/ Decrease in Loans and Advances (Including Housing Loan & Other Advances to Staff	(1,23,709.26)	(51,182.41)
<b>Cash generated from operating activities</b>	<b>(1,07,551.22)</b>	<b>(47,343.19)</b>
Income Tax paid - Net of refund	(1,808.80)	(1,396.68)
(Out of above ₹ 149.28 crore paid on account of taxability of RIDF/ STCRC differential debited to Watershed Development / Tribal Development / Financial Inclusion Fund)	-	-
<b>Net cash flow from operating activities (A)</b>	<b>(1,09,360.02)</b>	<b>(48,739.87)</b>
<b>(b) Cash flow from Investing activities</b>		
Income from Investment (including Discount Income)	3,391.51	3,880.84
Purchase of Fixed Asset	(85.05)	(101.33)
Sale of Fixed Assets	1.37	38.25
Increase / Decrease in Investment	(11,994.01)	4,978.99
<b>Net cash used in investing activities (B)</b>	<b>(8,686.18)</b>	<b>8,796.76</b>



<b>(c) Cash flow from financing activities</b>		
Grants / contributions received	1,003.32	1,152.66
Interest Expense	(0.00)	-
Proceeds of Bonds	56,130.14	33,949.26
Increase / (Decrease) in Borrowings	55,056.53	(11,018.71)
Increase / (Decrease) in Deposits	5,109.02	12,316.42
Dividend Paid including Tax on Dividend	(0.10)	1,487.74
Increase in Share capital	1,065.65	162.32
<b>Net cash raised from financing activities (C)</b>	<b>1,18,364.56</b>	<b>38,049.69</b>
Net increase in cash and cash equivalent (A)+(B)+(C)	318.36	(1,893.43)
Cash and Cash equivalent at the beginning of the year	1,162.05	3,055.48
<b>Cash and cash equivalent at the end of the year</b>	<b>1,480.41</b>	<b>1,162.05</b>

<b>1. Cash and cash equivalent at the end of the year includes :</b>	<b>2020-21</b>	<b>2019-20</b>
Cash in hand	0.00	0.00
Balance with Reserve Bank of India	843.23	621.20
Balances with other Banks in India	637.18	540.85
Remittances in Transit	-	-
Collateralised Borrowing and Lending Obligations	-	-
<b>Total</b>	<b>1,480.41</b>	<b>1,162.05</b>

Demand Deposits with Banks with an original maturity of more than 3 months are disclosed under Investments

As per our attached report of even date

Khimji Kunverji & Co LLP

Chartered Accountants

FRN: 105146W/ W100621



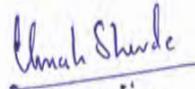
Hasmukh Dedhia

Partner

Membership No.: 033494

Mumbai

Date : 18 May 2021

U. S. Shevde

Chief General Manager

Accounts Department

Mumbai



Dr. G. R. Chintala

Chairman



Shaji K V

Deputy Managing Director



P V S Suryakumar

Deputy Managing Director

# Independent Auditor's Report

To:  
The Board of Directors of  
National Bank for Agriculture and Rural Development

## Report On the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of National Bank for Agriculture and Rural Development ('the Holding Bank' or 'NABARD') and its 6 (six) subsidiaries (the Holding Bank and its subsidiaries collectively referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at March 31, 2020, Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information ('Consolidated Financial Statements' or 'CFS').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid CFS, read with the matter contained in the emphasis of matter paragraph below, exhibit a true and fair view, in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, its consolidated profits and its consolidated cash flows for the year ended on that date.

### Basis of Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the

Audit of the Consolidated Financial Statements section of our report. Those Standards require that we comply with ethical requirements. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

### Emphasis of Matter

3. Without modifying our opinion, the attention is drawn to Note Nos 21 & 22 of the Consolidated Financial Statements, stating that the financial statements of all the six subsidiaries of NABARD are unaudited and consolidation thereof is prepared based on the numbers certified by the respective managements of these subsidiaries. As further stated in the said Note, the audit of these subsidiaries could not be completed by the respective statutory auditors of those entities, due to prevailing nation-wide lockdown situation. The impact on the CFS consequent to the adjustments, if any, arising from the audit of these subsidiaries is not ascertained, hence we are unable to comment thereon but as represented to us by the management of the Bank, such impact, if any, would not be material on the CFS.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the CFS for the year under audit. These matters were addressed in the context of our audit of the CFS, as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters. In our professional judgement, we have decided the following to be the key audit matter to be communicated in our report.

Particulars of the Key Audit Matter	Audit Processes in the Matter
(1) Multiple IT Systems: The Holding Bank is dependent on technology	We performed a range of audit procedures, which included:

Particulars of the Key Audit Matter	Audit Processes in the Matter
<p>considering significant number of transactions that are processed daily across multiple and discrete Information Technology (“IT”) systems. The audit approach relies extensively on several reports generated by interface of these IT systems and in-built automated controls therein. The major IT systems concerning the financial reporting process include:</p> <ul style="list-style-type: none"> <li>• CLMAS – transactions processing and financial reporting system</li> <li>• TALMS – Treasury Operations</li> <li>• Empower HRMS – HR and payroll</li> <li>• Various workflows inputting data into CLMAS</li> <li>• FAMS – Property, Plant and Equipment</li> <li>• Interface/interplay of one or more of above systems in building up or generating reports</li> </ul> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data.</p> <p>Management of the Holding continuously endeavors several remediation activities and is in the process of bettering the implementation thereof aiming at minimization of the risks over IT applications in the financial reporting process.</p> <p>These includes implementation of preventive and detective controls across critical applications and infrastructure.</p> <p>Due to the pervasive nature, in our preliminary risk assessment, we planned by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</p>	<p>Review of the report of IS Audit carried by an independent firm of chartered accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting.</p> <p>Our audit tests were designed to cover the following:</p> <ul style="list-style-type: none"> <li>• understanding the Bank's IT control environment and key changes in the course of our audit that were considered relevant to the audit;</li> <li>• review the workflow of core transactions as captured by the IT systems;</li> <li>• selectively tested key automated and manual business cycle controls including logic for system generated reports relevant to the financial reporting;</li> <li>• selectively recomputing interest calculations and maturity dates;</li> <li>• selectively re-evaluating masters updating, interface with resultant reports;</li> <li>• selective testing of the interface of CLMAS with other IT systems like TALMS, Empower and workflows;</li> <li>• Selectively testing the system generated reports manually (Verification around the computer system).</li> </ul>

**Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon**

5. The Management and Board of Directors of the Holding Bank are responsible for the preparation of the other information, comprising of the information such as Report of Board of Directors and such other disclosures included in the Holding Bank's annual report, excluding the Financial Statements and auditors' report thereon ('Other Information')

The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the CFS does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the CFS, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the CFS or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'

**Management's Responsibility for the Consolidated Financial Statements**

6. The Management of the Holding Bank is

responsible for the preparation of the CFS in accordance with the National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984, that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the CFS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the CFS, the respective Management and Board of Directors of the holding Bank and of companies included in the Group are also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the holding Bank and of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

7. Our objectives are to obtain reasonable assurance about whether the CFS, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these CFS. Our audit process in accordance with the SAs is narrated in detail in

Annexure 1 to this report.

### **Other Matters**

8. Incorporated in these CFS are the returns of 14 Regional Offices and 1 Training Centre of NABARD visited by us for the purposes of audit and the same including Head Office, account for 80.73% of advances, 99.98% of deposits, 82.90% of interest income and 99.98% of interest expenses. These Offices and Training Centre have been selected in consultation with the management of the Holding Bank. We have not visited other remaining offices of the Holding Bank i.e. 17 Regional Offices and 2 Training Centers but have reviewed their returns at the Head Office.
9. Due to complete lockdown imposed by the Central Government to restrict the spread of COVID19, our audit finalization process, for the year under report, was carried out by us from remote locations i.e. other than the Head Office of the Holding Bank, to the extent data/details made available / feasible based on financial information/records remitted by the management through the digital medium.
10. As stated in paragraph 3 above, the financial statements / financial information of 6 (six) subsidiaries, whose financial statements / financial information reflect total assets of ₹3,486.54 crore as at 31 March, 2020, total revenues of ₹498.47 crore and net cash inflows amounting to ₹28.21 crore for the year ended on that date, as considered in the CFS, have not been subjected to audit by the respective auditors of these subsidiaries, due to prevailing lockdown situation. The same being unaudited, our opinion on the CFS, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is solely based on our reliance placed on the management certified numbers. Our opinion on the CFS and our report on Other Legal and Regulatory Requirements, is based on management's written representation to us that the effect of the changes / adjustments, if any, required to be made to the reported numbers of these subsidiaries consequent to their audit would not be material for the Group.

### **Report On Other Legal and Regulatory Requirements**

11. We report that the CFS have been prepared by the Holding Bank in accordance with the requirements

of Accounting Standard (AS) 21 – 'Consolidated Financial Statements'. As per the information and explanations provided to us and in our opinion, the

CFS comply with the applicable accounting standards.

For Khimji Kunverji & Co LLP  
Chartered Accountants  
Firm's Registration No: 105146W/W100621

Hasmukh B. Dedhia  
Partner  
Membership No: 033494

Place: Mumbai  
Date: May 22, 2020

## Annexure 1 to the Independent Auditors' Report

(referred to in para 7 titled “Auditor's Responsibilities for the Audit of the Consolidated Financial Statements”)

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and obtain audit evidence for material items that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Group.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the CFS or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the CFS, including the disclosures, and whether the CFS represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance of the Holding Bank regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Review of the audited financial statements of the subsidiaries, not audited by us, if made available and communicating with the respective statutory auditors of such subsidiaries as per the framework of provisions of SA 600, “Using the Work of Another Auditor”.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Independent Auditor's Report

To:  
The Board of Directors of  
National Bank for Agriculture and Rural Development

## Report on the Audit of the Standalone Financial Statements

### Opinion

- We have audited the accompanying Standalone Financial Statements of National Bank for Agriculture and Rural Development ('the Bank' or 'NABARD'), which comprise the Balance Sheet as at March 31, 2020, Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information ('Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984 and exhibit a true and fair view, in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ('ICAI') and accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2020, its profits and its cash flows for the year ended on that date.

### Basis of Opinion

- We conducted our audit in accordance with the Standards on Auditing ('SAs') issued by the ICAI. Our responsibilities under those SAs are further

described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. Those Standards require that we comply with ethical requirements. We are independent of the Bank in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

### Emphasis of Matter

- Attention is invited to Note No 17 to the Standalone Financial Statements regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management of the Bank on its operations and financial reporting for the year ended March 31, 2020; such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.

### Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year. These matters were addressed in the context of our audit of the Standalone Financial Statements, as a whole, and in forming our opinion thereon, we do not provide a separate opinion on the key audit matters. In our professional judgement, we have decided the following to be the key audit matter to be communicated in our report:

Particulars of the Key Audit Matter	Audit Processes in the Matter
<p>Multiple IT Systems: The Bank is dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The audit approach relies extensively on several reports generated by interface of</p>	<p>We performed a range of audit procedures, which included: Review of the report of IS Audit carried by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon</p>

Particulars of the Key Audit Matter	Audit Processes in the Matter
<p>these IT systems and in-built automated controls therein. The major IT systems concerning the financial reporting process include:</p> <ul style="list-style-type: none"> <li>• CLMAS – transactions processing and financial reporting system</li> <li>• TALMS – Treasury Operations</li> <li>• Empower HRMS – HR and payroll</li> <li>• Various workflows inputting data into CLMAS</li> <li>• FAMS – Property, Plant and Equipment</li> <li>• Interface/interplay of one or more of above systems in building up or generating reports</li> </ul> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data.</p> <p>Management of the Bank continuously endeavors several remediation activities and is in the process of bettering the implementation thereof aiming at minimization of the risks over IT applications in the financial reporting process.</p> <p>These includes implementation of preventive and detective controls across critical applications and infrastructure.</p> <p>Due to the pervasive nature, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</p>	<p>for financial reporting.</p> <p>Our audit tests were designed to cover the following:</p> <ul style="list-style-type: none"> <li>• Understanding the Bank's IT control environment and key changes in the course of our audit that were considered relevant to the audit;</li> <li>• Reviewed the workflow of core transactions as captured by the IT systems;</li> <li>• Selectively tested key automated and manual business cycle controls including logic for system generated reports relevant to the financial reporting;</li> <li>• Selectively recomputing interest calculations and maturity dates;</li> <li>• Selectively re-evaluating masters updating, interface with resultant reports;</li> <li>• Selective testing of the interface of CLMAS with other IT systems like TALMS, Empower and several workflows;</li> <li>• Selectively testing the system generated reports manually (Verification around the computer system).</li> </ul>

### Information Other Than the Financial Statements and Auditor's Report Thereon

5. The Bank's management and Board of Directors are responsible for the preparation of the other information, comprising of the information such as Report of Board of Directors and such other disclosures included in the Bank's annual report, excluding the Financial Statements and auditors' report thereon ('Other Information').

The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the standalone Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other Information and if we

conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.

### Management's Responsibility for the Standalone Financial Statements

6. Management of the Bank is responsible for the preparation of the Standalone Financial Statements in accordance with the National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984, that give a true and fair view of the financial position, financial performance, and cash flows of the Bank. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, design, implementation and maintenance of adequate internal financial

controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and Board of Directors are also responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements. Our audit processes in accordance with the SAs are narrated in Annexure 1 to this report.

### Other Matters

8. Incorporated in these financial statements are the returns of 14 Regional Offices and 1 Training Centre visited by us for the purposes of audit and the same including Head Office, account for 80.73% of advances, 99.98% of deposits, 82.90% of interest

income and 99.98% of interest expenses. These Offices and Training Centre have been selected in consultation with the management of the Bank. We have not visited other remaining offices of the Bank i.e. 17 Regional Offices and 2 Training Centers but have reviewed their returns sent at the Head Office.

9. Due to complete lockdown imposed by the Central Government to restrict the spread of COVID19, the audit finalization process, for the year under report, was carried out from remote locations i.e. other than the Head Office of the Bank, and to the extent data/details available/feasible based on financial information/records remitted by the management through digital medium.

### Report on Other Legal and Regulatory Requirements

10. The Balance Sheet and the Profit and Loss Account have been drawn up as per Schedule 'A' and Schedule 'B' of Chapter IV of National Bank for Agriculture and Rural Development (Additional) General Regulations, 1984.

As required by the provisions of National Bank for Agriculture and Rural Development Act, 1981 and regulations made thereunder, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. The transactions of the Bank, which have come to our notice in course of our audit, have been within the powers of the Bank.
- c. In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts and with the returns received from the regional offices and training centers not visited by us.
- d. In our opinion, the Standalone Financial Statements comply with the applicable accounting standards.

For Khimji Kunverji & Co LLP  
Chartered Accountants  
Firm's Registration No: 105146W/W100621

Hasmukh B. Dedhia  
Partner  
Membership No: 033494  
ICAI UDIN: 20033494AAAAEC7877

Place: Mumbai  
Date: May 22, 2020

## Annexure 1 to the Independent Auditors' Report

(referred to in para 7 titled “Auditor's Responsibilities for the Audit of the Standalone Financial Statements”)

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and obtain audit evidence for material items that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Bank.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## National Bank for Agriculture and Rural Development

Head Office: Plot No. C-24, G Block, BandraKurla Complex  
Bandra (E) Mumbai 400051 Website: www.nabard.org

### Audited Financial Results for the year ended March 31, 2020

(₹ crore)

Sr. No.	Particulars	6 Months ended 31 March 2020 Audited	6 Months ended 31 March 2019 Audited	Year ended 31 March 2020 Audited	Year ended 31 March 2019 Audited
<b>1</b>	<b>Interest earned (a)+(b)+(c)+(d)</b>	<b>16,112.44</b>	<b>16,091.35</b>	<b>32,511.25</b>	<b>29,602.62</b>
(a)	Interest on loans and advances	14,170.27	14,069.49	28,744.65	26,248.71
(b)	Income on investments	1,942.17	2,001.88	3,866.60	3,353.91
(c)	Interest on balances with Reserve Bank of India and other inter-bank funds	0.00	0.00	0.00	0.00
(d)	Others	0.00	0.00	0.00	0.00
<b>2</b>	<b>Other income</b>	<b>51.94</b>	<b>45.84</b>	<b>51.04</b>	<b>55.29</b>
<b>3</b>	<b>Total Income (1+2)</b>	<b>16,174.38</b>	<b>16,138.19</b>	<b>32,692.30</b>	<b>29,667.91</b>
<b>4</b>	<b>Interest Expended</b>	<b>11,573.49</b>	<b>11,933.77</b>	<b>23,762.98</b>	<b>22,159.72</b>
<b>5</b>	<b>Operating Expenses (i) + (ii)</b>	<b>968.29</b>	<b>1,201.98</b>	<b>2,275.07</b>	<b>1,987.57</b>
(i)	Employees cost	689.14	913.26	1,814.81	1,539.15
(ii)	Other operating expenses	279.15	288.72	460.26	448.42
<b>6</b>	<b>Total Expenditure (4+5) excluding provisions and contingencies</b>	<b>12,541.78</b>	<b>13,135.75</b>	<b>25,058.05</b>	<b>24,188.29</b>
<b>7</b>	<b>Operating Profit before Provisions and Contingencies (3-6)</b>	<b>3,632.60</b>	<b>3,002.44</b>	<b>6,634.25</b>	<b>5,481.62</b>
<b>8</b>	<b>Provisions (other than tax) and Contingencies (Refer Note No.3 below)</b>	<b>1,249.51</b>	<b>406.77</b>	<b>1,399.53</b>	<b>522.27</b>
<b>9</b>	<b>Exceptional Items</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>10</b>	<b>Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)</b>	<b>2,383.09</b>	<b>2,595.67</b>	<b>5,234.72</b>	<b>4,959.35</b>
<b>11</b>	<b>Tax expenses</b>	<b>705.05</b>	<b>836.41</b>	<b>1,375.09</b>	<b>1,504.79</b>
<b>12</b>	<b>Net Profit (+)/Loss (-) from Ordinary Activities after tax (10-11)</b>	<b>1,678.04</b>	<b>1,757.26</b>	<b>3,859.23</b>	<b>3,364.56</b>
<b>13</b>	<b>Extraordinary items (net of tax expense)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>14</b>	<b>Net Profit (+) / Loss (-) for the period (12-13)</b>	<b>1,678.04</b>	<b>1,757.26</b>	<b>3,859.23</b>	<b>3,364.56</b>
<b>15</b>	<b>Paid-up capital</b>	<b>14,080.00</b>	<b>12,580.00</b>	<b>14,080.00</b>	<b>12,580.00</b>
<b>16</b>	<b>Reserves excluding Revaluation Reserves</b>	<b>34,410.99</b>	<b>30,688.75</b>	<b>34,410.99</b>	<b>30,688.75</b>



<b>17</b>	<b>Analytical Ratios</b>				
(i)	Capital Adequacy Ratio	21.20%	18.00%	21.20%	18.00%
(ii)	Earnings Per Share (EPS)	NA	NA	NA	NA
<b>18</b>	<b>NPA Ratios</b>				
(a)	Gross NPA	1,236.99	168.06	1,236.99	168.06
(b)	Net NPA	719.88	0.00	719.88	0.00
(c)	% of Gross NPA to Gross loans & advances	0.2565	0.0389	0.2565	0.0389
(d)	% of Net NPA to Net loans & advances	0.1494	0.0000	0.1494	0.0000
<b>19</b>	<b>Return on Assets</b>	<b>0.81%</b>	<b>0.89%</b>	<b>0.79%</b>	<b>0.75%</b>

NA = Not Applicable

Return on Assets = Net Profit (after tax) divided by total average assets

**Notes:**

- 1) The financial results were reviewed by Audit Committee of the Board and approved by the Board in its meeting held on 22 May 2020 at Mumbai.
- 2) The amounts for six month ended 31 March 2020 are balancing figures between the amounts as per financial statements for year ended 31 March 2020 and six months ended 30 September 2019.
- 3) Provisions and Contingencies includes Floating Provision of ₹ 500 crore created during the year.
- 4) During the year GOI contributed ₹ 1500 crore towards the capital of NABARD.
- 5) The management of the Bank assessed the impact of the COVID19 considering its internal and external inputs for ascertaining the same on the financial reporting numbers. In the opinion of the management of the Bank, such impact on the reported numbers would not be significant.
- 6) Previous period figures have been regrouped / rearranged wherever necessary.

Place: Mumbai  
Date: 22 May 2020

  
Harsh Kumar Bhanwale  
Chairman



**National Bank for Agriculture and Rural Development**  
**Consolidated Balance sheet as on 31 March 2020**

(Amount in ₹ Crore)

Sr.No.	FUNDS AND LIABILITIES	SCHEDULE	As on 31.03.2020	As on 31.03.2019
1	Capital (Under Section 4 of the NABARD Act, 1981)		14,080.00	12,580.00
2	Reserve Fund and Other Reserves	1	35,247.94	31,322.43
3	National Rural Credit Funds	2	16,090.00	16,086.00
4	Gifts, Grants, Donations and Benefactions	3	6,020.77	5,701.47
5	Government Schemes	4	2,446.92	1,244.84
6	Minority Interest	1A	168.53	146.01
7	Deposits	5	2,36,463.09	2,24,146.66
8	Bonds and Debentures	6	1,39,752.25	1,05,802.99
9	Borrowings	7	66,710.34	77,971.03
10	Current Liabilities and Provisions	8	15,650.85	12,936.64
	<b>TOTAL</b>		<b>5,32,630.69</b>	<b>4,87,938.07</b>
	Forward Foreign Exchange Contracts (Hedging) as per contra		1102.35	1088.25
	Commitment and Contingent Liabilities	17		
	Significant Accounting Policies and Notes on Accounts	18		

**National Bank for Agriculture and Rural Development**  
**Consolidated Balance sheet as on 31 March 2020**

(Amount in ₹ Crore)

Sr.No.	PROPERTY AND ASSETS	SCHEDULE	As on 31.03.2020	As on 31.03.2019
1	Cash and Bank Balances	9	12,227.85	12,318.53
2	Investments	10	33,591.06	39,353.44
3	Advances	11	4,81,034.31	4,30,712.80
4	Fixed Assets	12	550.24	524.09
5	Other Assets	13	5,227.23	5,029.21
	<b>TOTAL</b>		<b>5,32,630.69</b>	<b>4,87,938.07</b>
	Forward Foreign Exchange Contracts (Hedging) as per contra		1102.35	1088.25
	Commitment and Contingent Liabilities	17		
	Significant Accounting Policies and Notes on Accounts	18		

Schedules referred to above form an integral part of accounts  
 As per our attached report of even date

For Khimji Kunverji & Co LLP  
 (Formerly Khimji Kunverji & Co)  
 Chartered Accountants  
 FRN: 105146W/ W100621

Hasmukh B. Dedhia  
 Partner (F-033494)

Harsh Kumar Bhanwala  
 Chairman

Shaji K V  
 Deputy Managing Director

S. Sankaranarayanan  
 Chief General Manager  
 Accounts Department

P V S Suryakumar  
 Deputy Managing Director

Mumbai  
 22 May 2020

**National Bank for Agriculture and Rural Development**  
**Consolidated Profit and Loss Account for the year ended 31 March 2020**

(Amount in ₹ Crore)

Sr.No.	INCOME	SCHEDULE	2019-20	2018-19
1	Interest Received on Loans and Advances (Refer Note B-7 of Schedule 18)		28,983.76	26,306.97
2	Income from Investment Operations / Deposits		3,866.60	3,353.91
3	Other Income		153.92	238.32
	<b>TOTAL (A)</b>		<b>33,004.28</b>	<b>29,899.19</b>

Sr.No.	EXPENDITURE	SCHEDULE	2019-20	2018-19
1	Interest and Financial Charges (Refer Note B-6 of Schedule-18)	14	23,784.07	22,199.61
2	Establishment and Other Expenses	15 A	2,305.48	1,996.14
3	Expenditure on Promotional Activities	15 B	69.43	61.41
4	Provisions	16	1,434.80	544.89
5	Depreciation		37.21	35.32
	<b>TOTAL (B)</b>		<b>27,630.99</b>	<b>24,837.37</b>
<b>6</b>	<b>Profit before Income Tax (A-B)</b>		<b>5,373.29</b>	<b>5,061.82</b>
7	Prior period items		0.11	0.02
8	Provision for Income Tax		1369.05	1638.61
9	Deferred Tax Asset Adjustment (Refer Note B-9 of Schedule 18)		46.40	-9.64
<b>10</b>	<b>Profit after Tax</b>		<b>3,957.73</b>	<b>3,432.83</b>
11	Minority Interest		20.06	17.30
12	Profit available for Appropriation		3,937.66	3,415.53

**National Bank for Agriculture and Rural Development**  
**Consolidated Cash flow for the year ended 31 March 2020**

(Amount in ₹ crore)

PARTICULARS	2019-20	2018-19
<b>(a) Cash flow from Operating activities</b>		
Net Profit as per Profit and Loss a/c before tax	5,373.71	5,061.80
Adjustment for:		
Depreciation	37.21	35.32
Provisions and Amortisations	0.00	0.00
Provision for Non-Performing Assets	729.49	229.59
Provision for Standard Assets	696.89	309.50
Provision for sacrifice in interest element of Restructured Loan	0.00	0.00
Profit / Loss on sale of Fixed Assets	-0.28	0.23
Interest credited to various Funds (including addition/ adjustment made to Interest Differential Fund)	370.71	330.93
Other Expenses	-0.02	0.00
Income from Investment (including Discount Income)	-3,880.86	-3,370.92
Operating profit before changes in operating assets	3,326.85	2,596.45
Adjustment for changes in Working Capital :		
(Increase) / Decrease in Current Assets	-2,146.54	6,947.15
Increase / (Decrease) in Current Liabilities	2,836.77	-1,829.78
Increase in Loans and Advances (Including Housing Loan & Other Advances to Staff	-51,182.41	-78,466.07
Cash generated from operating activities	-47,165.33	-70,752.25
Income Tax paid - Net of refund	-1,396.68	863.05
<b>Net cash flow from operating activities (A)</b>	<b>-48,562.01</b>	<b>-69,889.20</b>
<b>(b) Cash flow from Investing activities</b>		
Income from Investment (including Discount Income)	3,880.84	3,370.94
Purchase of Fixed Asset	-101.33	-80.58
Sale of Fixed Assets	38.25	7.18
(Increase) / Decrease in Investment	4,978.99	-9,479.34
<b>Net cash (used) / generated from investing activities (B)</b>	<b>8,796.75</b>	<b>-6,181.80</b>
<b>(c) Cash flow from financing activities</b>		
Grants / contributions received	1,152.66	-262.07
Proceeds of Bonds	33,949.26	31,781.87
Increase / (Decrease) in Borrowings	-11,018.71	33,787.29
Increase / (Decrease) in Deposits	12,316.42	9,696.69

PARTICULARS	2019-20	2018-19
Dividend Paid including Tax on Dividend	1,487.74	-10.13
Increase in Share capital	162.32	2,087.26
<b>Net cash raised from financing activities (C)</b>	<b>38,049.69</b>	<b>77,080.91</b>
<b>Net increase in cash and cash equivalent (A)+(B)+(C)</b>	<b>-1,715.57</b>	<b>1,009.91</b>
Cash and Cash equivalent at the beginning of the year	3,055.48	2,045.57
<b>Cash and cash equivalent at the end of the year</b>	<b>1,339.91</b>	<b>3,055.48</b>

<b>1. Cash and cash equivalent at the end of the year includes :</b>	<b>2019-20</b>	<b>2018-19</b>
Cash in hand	0.00	0.00
Balance with Reserve Bank of India	621.20	1,405.57
Balances with other Banks in India	718.71	548.12
Remittances in Transit	0.00	528.59
Collateralised Borrowing and Lending Obligations	0.00	573.20
<b>Total</b>	<b>1,339.91</b>	<b>3,055.48</b>

Demand Deposits with Banks with an original maturity of more than 3 months are disclosed under Investments

As per our attached report of even date

For Khimji Kunverji & Co LLP  
(Formerly Khimji Kunverji & Co)  
Chartered Accountants  
FRN: 105146W/ W100621

Hasmukh B. Dedhia  
Partner (F-033494)

S. Sankaranarayanan  
Chief General Manager  
Accounts Department

Harsh Kumar Bhanwala  
Chairman

Shaji K V  
Deputy Managing Director

P V S Suryakumar  
Deputy Managing Director

Mumbai  
22 May 2020