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● ANNUAL REPORT

Nabard's loans rise 25% to reach ₹6 lakh crore in FY21

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THE TOTAL LOANS and advances extended by Nabard during 2020-21 registered a growth of 25.2% year-on-year to reach ₹6 lakh crore, with half of it going into production and investment, the bank said in its annual report.

The report said Nabard earned ₹34,671.2 crore income during 2020-21, or a 6.1% increase over the preceding year. Its profit before tax in 2020-21 was ₹6,081.4 crore, against ₹5,234.3 crore in the year-ago period. The profit after tax was ₹4,320 crore compared with ₹3,859.2 crore in 2019-20.

The National Bank for Agriculture and Rural Development (Nabard) also said its balance sheet size reached ₹6.57 lakh crore as on March 31, 2021, most of which is on account of non-idle (earning) assets that, in turn, helped create private and public investments at the ground level.

"We achieved a record year-on-year growth of 24% in our



total assets and similar impressive growth in loan portfolio," Nabard chairman GR Chintala said in the annual report.

He noted that because of the government's Aatmanirbhar Bharat package and hardworking farmers, the agricultural sector recorded a growth of 3.6% last year and is likely to repeat the performance in the current financial year also.

Agricultural credit outstanding grew at 12.3% in 2020-21, the highest across all sectors.

"This gives us confidence to meet the target of ₹16.5 lakh crore rural credit flow set by the Union Budget 2022, as the

monsoon during current year is also expected to be normal," Chintala said.

Highlighting deployment of funds and year-on-year growth as on March 2021, the annual report said the total loans and advances from Nabard reached ₹6 lakh crore compared to ₹4.8 lakh crore as on March 31, 2020. The growth was 25.2% despite the pandemic compared with 11.5% in 2019-20.

"Encouragingly, half of this total went into production and investments and a third into infrastructure development. With the package unfolding over the coming years, the retail credit offtake in agriculture and rural sector is likely to remain buoyant," it said.

The report further said the quantum of short-term surplus deployed by Nabard in various financial instruments including deposits with banks stood at ₹47,740 crore as on March 31, 2021, accounting for 7.3% of the balance sheet.

Out of this, it said 94% was deployed in government securities and other financial in-

struments and ₹2,945 crore was kept in the form of short-term bank deposits to meet liquidity and contingency requirements, as on March 31, 2021.

Nabard said that during 2020-21, it formed about 6.8 lakh self-help groups (SHGs), ensured bank credit for nearly 4 lakh, and released ₹170.2 crore against a sanction of ₹418.20 crore for promoting over 8.7 lakh SHGs.

As per the report, the bank promoted 634 farmer producer organisations (FPOs) during the fiscal ending March 2021 against the target of 600. In 2019-20, the government had announced a scheme to develop 10,000 FPOs in five years. As one of the implementing agencies, Nabard targeted the promotion of about 4,000 FPOs within the scheme period.

A credit guarantee fund of ₹1,000 crore with equal share from the central government and Nabard was set up under NABSAnrakshan, a Nabard subsidiary, to incentivise banks to finance FPOs.