



# 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 PROFIT AND LOSS APPROPRIATION ACCOUNT

(Amount in ₹ crore)

Sr. No.	Appropriations / Withdrawals	2020-21	2019-20
<b>1</b>	<b>Profit for the year brought down</b>	<b>4,319.96</b>	<b>3,859.23</b>
2	Add: Withdrawals from funds against expenditure debited to Profit & Loss A/c [Refer Schedule 1]		
a)	Co-operative Development Fund	18.71	17.90
b)	Research and Development Fund	29.95	30.33
c)	Producers' Organisation Development Fund	4.03	2.61
d)	Investment Fluctuation Reserve	-	-
e)	Rural Infrastructure Promotion Fund	20.00	1.20
f)	Farm Sector Promotion Fund	17.67	17.95
g)	Climate Change Fund	0.97	1.22
h)	Gramya Vikas Nidhi	27.67	28.56
i)	Catalytic Capital Fund	6.00	-
<b>3</b>	<b>Profit available for Appropriation</b>	<b>4,444.96</b>	<b>3,959.00</b>
	Less: Transferred to: [Refer Schedule 1&2]		
a)	Special Reserves u/s 36(1) (viii) of IT Act, 1961	1,100.00	850.00
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	29.95	30.33
e)	Investment Fluctuation Reserve	457.00	42.50
f)	Co-operative Development Fund	58.71	17.90
g)	Producers' Organisation Development Fund	104.03	102.61
h)	Rural Infrastructure Promotion Fund	20.00	26.20
i)	Farm Sector Promotion Fund	17.67	17.95
j)	Gramya Vikas Nidhi	47.67	28.56
k)	Climate Change Fund	0.97	1.22
l)	Catalytic Capital Fund	16.00	10.00
m)	Forex Fluctuation Reserve Fund	7.03	-
n)	Reserve Fund	2,583.93	2,829.73
	<b>Total</b>	<b>4,444.96</b>	<b>3,959.00</b>

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

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



## SCHEDULES TO BALANCE SHEET

### Schedule 1 - Reserve Fund and Other Reserves

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2020	Transferred from P&L Appropriation	Transferred to P&L Appropriation	Balance as on 31.03.2021
1	Reserve Fund	23,661.18	2,583.93	0.00	26,245.11
2	Research and Development Fund	50.00	29.95	29.95	50.00
3	Capital Reserve	74.81	0.00	0.00	74.81
4	Investment Fluctuation Reserve	1,240.00	457.00	0.00	1,697.00
5	Co-operative Development Fund	60.00	58.71	18.71	100.00
6	Special Reserves Created & Maintained u/s 36(1)(viii) of Income Tax Act, 1961	9,435.00	1,100.00	0.00	10,535.00
7	Producers' Organisation Development Fund	200.00	104.03	4.03	300.00
8	Rural Infrastructure Promotion Fund	50.00	20.00	20.00	50.00
9	Farm Sector Promotion Fund	60.00	17.67	17.67	60.00
10	Gramya Vikas Nidhi	90.00	47.67	27.67	110.00
11	Climate Change Fund	20.00	0.97	0.97	20.00
12	Catalytic Capital Fund	10.00	16.00	6.00	20.00
13	Forex Fluctuation Reserve Fund	0.00	7.03	0.00	7.03
	<b>Total</b>	<b>34,950.99</b>	<b>4442.96</b>	<b>125.00</b>	<b>39,268.95</b>
	<b>Previous year</b>	<b>31,093.76</b>	<b>3956.99</b>	<b>99.76</b>	<b>34,950.99</b>

### Schedule 2 - National Rural Credit Funds

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2020	Contribution by RBI	Transferred from P&L Appropriation	Balance as on 31.03.2021
1	National Rural Credit (Long Term Operations) Fund	14,495.00	1.00	1.00	14,497.00
2	National Rural Credit (Stabilisation) Fund	1,595.00	1.00	1.00	1,597.00
	<b>Total</b>	<b>16,090.00</b>	<b>2.00</b>	<b>2.00</b>	<b>16,094.00</b>
	<b>Previous year</b>	<b>16,086.00</b>	<b>2.00</b>	<b>2.00</b>	<b>16,090.00</b>

### Schedule 3 - Gifts, Grants, Donations and Benefactions

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2020	Additions during the year	Interest Credited*	Expenditure / Adjustments during the year	Balance as on 31.03.2021
<b>A.</b>	<b>Grants from International Agencies</b>					
1	KfW – NABARD V Fund for Adivasi Programme	0.61	0.03	0.02	0.13	0.53
2	KfW NB UPNRM – Accompanying Measures (Refer Note B-4 of Schedule 18)	0.00	1.11	0.00	1.11	0.00
3	KfW NB UPNRM – Financial Contribution	0.15	0.00	0.00	0.00	0.15
4	KfW UPNRM Fund (Refer Note B-1 of Schedule 18)	0.00	0.00	0.00	0.00	0.00
5	KfW Risk Mitigation Fund	7.99	0.00	0.00	7.99	0.00
6	Indo German Watershed Development Programme – Andhra Pradesh	0.64	0.00	0.03	0.00	0.67
7	Indo German Watershed Development Programme – Gujarat	1.04	0.00	0.03	1.04	0.03
8	Indo German Watershed Development Programme – Rajasthan	0.60	0.00	0.02	0.56	0.06
9	GIZ UPNRM Technical Collaboration (Refer Note B-4 of Schedule 18)	0.00	0.50	0.00	0.47	0.03
10	Climate Change – (AFB) – Project Formulation Grant	14.36	10.52	0.58	6.28	19.18
11	GIZ Soil Project	1.41	0.00	0.00	0.00	1.41
12	KfW Soil Project (Refer Note B-4 of Schedule 18)	2.43	8.46	0.00	8.42	2.47
13	GCF Project Grants	0.00	11.16	0.04	10.10	1.10
<b>B.</b>	<b>Other Funds</b>					
1	Watershed Development Fund (i)	1,384.09	88.97	86.00	107.84	1,451.22
2	Interest Differential Fund – (Forex Risk)	237.80	0.00	16.96	19.05	235.71
3	Interest Differential Fund – TAWA	0.10	0.00	0.00	0.00	0.10



<b>Sr. No.</b>	<b>Particulars</b>	<b>Opening Balance as on 01.04.2020</b>	<b>Additions during the year</b>	<b>Interest Credited*</b>	<b>Expenditure / Adjustments during the year</b>	<b>Balance as on 31.03.2021</b>
4	Adivasi Development Fund	5.77	0.00	0.00	0.00	5.77
5	Tribal Development Fund (ii)	1,261.91	88.97	101.03	115.47	1,336.44
6	Financial Inclusion Fund (iii)	2,573.39	296.58	162.18	300.68	2,731.47
7	Financial Inclusion Fund – Digital	18.21	19.04	0.00	25.28	11.97
8	PODF-ID (iv)	252.01	118.63	11.94	68.43	314.15
9	National Bank – Swiss Development Cooperation Project	64.43	0.84	0.00	0.00	65.27
10	RPF & RIF – Off-Farm Sector Promotion Fund	21.21	0.00	1.11	1.77	20.55
11	Centre for Professional Excellence in Co-operatives – (C-PEC)	2.74	0.00	0.21	0.00	2.95
12	LTIF Interest Fluctuation Reserve Fund	27.84	25.03	3.26	-53.69	109.82
13	National Adaptation Fund for Climate Change a/c	142.04	39.94	4.05	125.47	60.56
	<b>Total</b>	<b>6,020.77</b>	<b>709.78</b>	<b>387.46</b>	<b>746.40</b>	<b>6,371.61</b>
	<b>Previous year</b>	<b>5,701.47</b>	<b>715.01</b>	<b>370.69</b>	<b>766.40</b>	<b>6,020.77</b>

\*Refer B-3 of Schedule 18

NABARD is acting as a banker/ custodian/ trustee on behalf of GOI/ RBI/Other entities and is holding the above funds, pending disbursement/ utilization in terms of respective schemes, on their behalf, to the extent of contribution made by them and accrued interest on unutilized balances, wherever applicable.

- (i) includes ₹22.39 crore being income tax paid
- (ii) includes ₹22.39 crore being income tax paid
- (iii) includes ₹74.64 crore being income tax paid
- (iv) includes ₹29.86 crore being income tax paid

### Schedule 4 - Government Schemes

(Amount in ₹ crore)

Sr. No.	Particulars	Opening Balance as on 01.04.2020	Additions during the year	Interest Credited*	Expenditure / Adjustments during the year	Balance as on 31.03.2021
<b>A</b>	<b>Government Subsidy Schemes</b>					
1	Capital Investment Subsidy for Cold Storage Projects – NHB	0.89	0.00	0.00	0.00	0.89
2	Capital Subsidy for Cold Storage TM North East	0.08	0.00	0.00	0.00	0.08
3	Credit Linked Capital Subsidy for Technology Upgradation of SSIs	0.02	14.65	0.00	13.96	0.71
4	On-farm Water Management for Crop Production	0.07	0.00	0.00	0.00	0.07
5	Bihar Ground Water Irrigation Scheme (BIGWIS)	78.98	0.00	0.00	0.00	78.98
6	Cattle Development Programme – Uttar Pradesh	0.03	0.00	0.00	0.00	0.03
7	Cattle Development Programme – Bihar	0.08	0.00	0.01	0.00	0.09
8	National Project on Organic Farming	1.64	0.00	0.00	0.17	1.47
9	Integrated Watershed Development Programme – Rashtriya Sam Vikas Yojana	4.29	0.00	0.00	0.00	4.29
10	Dairy and Poultry Venture Capital Fund	1.14	0.00	0.00	1.00	0.14
11	Poultry Venture Capital Fund (Refer Note B-4 of Schedule 18)	4.51	0.00	0.00	4.51	0.00
12	ISAM – Agricultural Marketing Infrastructure	49.95	143.94	0.00	162.88	31.01
13	ISAM – Grant Recd for Promotional Expenditure a/c	0.01	0.00	0.00	0.01	0.00
14	NATIONAL LIVESTOCK MISSION – PVCF EDEG	146.30	112.60	0.00	183.18	75.72
15	Centrally Sponsored Scheme for establishing Poultry Estate	0.00	0.00	0.00	-0.08	0.08
16	Multi Activity Approach for Poverty Alleviation – Sultanpur, Uttar Pradesh	0.07	0.00	0.01	0.00	0.08
17	Multi Activity Approach for Poverty Alleviation - BAIF – Rae Bareli, Uttar Pradesh	0.02	0.00	0.00	0.00	0.02
18	Dairy Entrepreneurship Development Scheme	217.35	0.00	0.00	132.85	84.50
19	CSS for Solar Mission	0.03	0.00	0.00	0.00	0.03
20	CSS – JNNSM – Solar Lighting a/c	0.02	0.00	0.00	0.00	0.02
21	CSS – Solar Photovoltaic Water Pumping	0.02	0.00	0.00	-0.01	0.03
22	Capital Subsidy Scheme – Agri Clinic Agri Business Centres	7.12	10.73	0.00	10.47	7.38
23	CSS MNRE Lighting Scheme 2016 a/c	0.08	0.00	0.00	-0.03	0.11
24	Artificial Recharge of Groundwater in Hard Rock Area	4.62	0.00	0.00	0.00	4.62
25	CSS On Formation and Promotion of FPO (Refer B-2 of Schedule 18)	0.00	33.27	0.00	0.00	33.27



Sr. No.	Particulars	Opening Balance as on 01.04.2020	Additions during the year	Interest Credited*	Expenditure / Adjustments during the year	Balance as on 31.03.2021
<b>B</b>	<b>Other Government Schemes</b>					
1	Agriculture Debt Waiver and Debt Relief Scheme (ADWDR) 2008	284.65	0.00	0.00	2.53	282.12
2	Women's Self Help Groups [SHGs] Development Fund	44.75	0.00	0.00	7.60	37.15
3	PRODUCE FUND	34.87	0.00	0.00	11.30	23.57
4	Revival of 23 unlicensed DCCBs	111.22	0.00	0.00	0.00	111.22
5	Interest Subvention (Sugar Term Loan)	104.41	568.04	0.00	240.42	432.03
6	AMI – Workshop Assistance Fund	0.04	0.00	0.00	0.02	0.02
7	Kutch Drought Proofing Project	0.22	0.00	0.00	0.00	0.22
8	Revival Package for Long Term Cooperative Credit Structure (LTCCS)	20.00	0.00	0.00	0.00	20.00
9	Revival Reform and Restructure of Handloom Sector	8.47	15.56	0.00	17.20	6.83
10	Comprehensive Handloom Package	0.23	14.93	0.00	13.11	2.05
11	Interest Subvention (SAO, NRLM, NWR)	1,320.74	5,385.14	0.00	4,459.86	2,246.02
12	Arunachal Agri Start Up Scheme	0.50	0.00	0.00	0.00	0.50
	<b>Total</b>	<b>2,447.42</b>	<b>6,298.86</b>	<b>0.02</b>	<b>5,260.95</b>	<b>3,485.35</b>
	<b>Previous year</b>	<b>1,244.84</b>	<b>8,351.44</b>	<b>0.02</b>	<b>7,148.88</b>	<b>2,447.42</b>

\*Refer B-3 of Schedule 18

NABARD is acting as a banker/ custodian/ trustee on behalf of GOI/ RBI/Other entities and is holding the above funds, pending disbursement/ utilization in terms of respective schemes, on their behalf, to the extent of contribution made by them and accrued interest on unutilized balances, wherever applicable.

### Schedule 5 - Deposits

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Central Government	–	–
2	State Governments	–	–
3	Others		
	a) Tea / Rubber / Coffee Deposits	64.10	61.46
	b) Commercial Banks (Deposits under RIDF)	1,36,226.93	1,30,442.23
	c) Short Term Cooperative Rural Credit Fund	44,644.51	44,786.94
	d) ST RRB Credit Refinance Fund	9,921.00	9,952.65
	e) Warehouse Infrastructure Fund	5,540.00	5,940.00
	f) Long Term Rural Credit Fund	44,825.56	44,929.80
	g) Fund for Food Processing Units	350.00	350.00
	<b>Total</b>	<b>2,41,572.10</b>	<b>2,36,463.08</b>

### Schedule 6 - Bonds and Debentures

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Tax Free Bonds (Refer Note B-16 of Schedule-18)	5,000.00	5,000.00
2	Non Priority Sector Bonds	75,648.30	48,628.30
3	Capital Gains Bonds	1.29	1.29
4	Bhavishya Nirman Bonds	–	405.47
5	PMAY-G – GOI Fully Serviced Bonds	48,809.60	28,809.80
6	Bonds – LTIF	33,615.40	30,010.50
7	LTIF – GOI Fully Serviced Bonds	18,755.00	14,598.70
8	SBM (G) – GOI Fully Serviced Bonds	12,298.20	12,298.20
9	Micro Irrigation Fund (MIF) Bonds	1,754.60	–
	<b>Total</b>	<b>1,95,882.39</b>	<b>1,39,752.26</b>

### Schedule 7 - Borrowings

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
	<b>(A) In India</b>		
1	Central Government	–	–
2	JNN Solar Mission	2.81	2.81
3	Reserve Bank of India	24,567.00	–
4	<b>Others:</b>		
	(i) Certificate of Deposits	11,590.27	21,144.63
	(ii) Commercial Paper	42,457.06	24,035.75
	(iii) CBLO / Tri Party Repo	12,044.39	6,224.70
	(iv) Term Money Borrowings	3,601.82	7,210.51
	(v) Repo a/c	–	–
	(vi) Term Loan from Banks	26,434.50	7,000.00
	(vii) Facility from commercial banks	–	–
	<b>(B) Outside India</b>		
	(i) International Agencies	959.98	1,052.60
	<b>Total</b>	<b>1,21,657.83</b>	<b>66,671.00</b>





## Schedule 8 - Current Liabilities and Provisions

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Interest / Discount Accrued	7,356.92	7,293.10
2	Sundry Creditors (Refer note B-5 of Schedule-18)	1,392.99	739.24
3	Subsidy Reserve (Co-finance, Cold Storage, CSAMI)	86.93	104.07
4	Provision for Gratuity (Refer Note B-19 of Schedule 18)	5.21	20.40
5	Provision for Pension (Refer Note B-19 of Schedule 18)	39.27	160.34
6	Provision for Encashment of Ordinary Leave (Refer Note B-19 of Schedule 18)	374.99	360.46
7	Provision for Post Retirement Medical Benefit (Refer Note B-19 of Schedule 18)	135.10	135.10
8	Provision for Salary Revision (Refer Note B-9 of Schedule-18)	680.00	500.00
9	Unclaimed Interest on Bonds	3.22	4.00
10	Unclaimed Interest on Term Deposits	–	0.12
11	Term Deposits Matured but not claimed	–	0.05
12	Bonds matured but not claimed	31.74	39.14
13	Bond Premium	225.22	88.29
14	Provisions and Contingencies	–	–
(a)	Depreciation in Value of Investment a/c – G. Sec.	355.70	–
(b)	Amortisation of G. Sec. – HTM	103.92	81.30
(c)	For Standard Assets	2,623.00	1,925.00
(d)	Non-performing Investments	650.34	564.86
(e)	Countercyclical Provisioning Buffer / Floating Provision	1,264.45	514.45
(f)	Provision for Other Assets & Receivables	4.45	4.45
(g)	Provision for Income Tax [Net of Advance Tax]	3,052.62	3,065.06
	<b>Total</b>	<b>18,386.07</b>	<b>15,599.43</b>

## Schedule 9 - Cash and Bank Balances

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	Cash in hand	–	–
2	<b>Balances with:</b>		
	<b>A) Banks in India</b>		
	(i) Reserve Bank of India	843.23	621.20
	<b>(ii) Other Banks in India</b>		
	a) In Current Account	619.33	530.97
	b) Deposit with Banks	2,945.00	10,845.00
	c) Remittances in Transit	–	–
	d) CBLO / Tri party Repo	–	–
	<b>(B) Outside India</b>	–	–
	<b>Total</b>	<b>4,407.56</b>	<b>11,997.17</b>

## Schedule 10 - Investments

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
1	<b>Government Securities</b> (Refer Note B-18 of Schedule-18)		
	<b>a) Securities of Central Government &amp; State Govt</b> [Face Value ₹356,24,48,60,000 (₹22143,08,90,000 )] [Market Value ₹376,10,52,59,132.60 (₹23708,08,73,099 )]	37,878.80	23,248.25
	<b>b) Treasury Bills</b> [Face Value ₹565,00,00,000.00 (₹0)] [Market Value ₹556,31,00,300.05 (₹0)]	556.31	–
2	<b>Other Approved Securities</b>	–	–
3	<b>Equity Shares in:</b>		
(a)	Agricultural Finance Corporation Ltd. [1,000 (1,000) – Equity shares of ₹10,000 each]	1.00	1.00
(b)	Small Industries Development Bank of India [5,31,92,203 (5,31,92,203) – Equity shares of ₹10 each]	966.28	966.28
(c)	Agriculture Insurance Company of India Ltd. [6,00,00,000 (6,00,00,000) – Equity shares of ₹10 each]	60.00	60.00
(d)	Multi Commodity Exchange of India Ltd. [3,77,758 (3,77,758) – Equity shares of ₹10 each]	0.30	0.30
(e)	National Commodity and Derivatives Exchange Ltd. [56,25,000 (56,25,000) – Equity shares of ₹10 each]	16.88	16.88



<b>Sr. No.</b>	<b>Particulars</b>	<b>As on 31.03.2021</b>	<b>As on 31.03.2020</b>
(f)	CSC e-Governance Services India Ltd Equity [ 55,000 (55,000) Shares of ₹1000 each]	9.75	9.75
(g)	Agriculture Skill Council of India [4,000 (4000) Shares of ₹10 each]	–	–
(h)	National E-Governance Services India Ltd [Equity] [15,00,000 (15,00,0000) Shares of ₹10 each]	1.50	1.50
(i)	National e-Repository Ltd. [105,30,000 (105,30,000) Shares of ₹10 each]	10.53	10.53
(j)	Other Equity Investments [Market Value ₹ 84,88,26,973 (₹ 82,44,91,556)]	43.73	47.30
<b>4</b>	<b>Debentures and Bonds</b>		
(i)	Special Dev Debentures of SCARDBs (Refer Note B-14 of Schedule 18)	709.80	1,118.34
(ii)	Non Convertible Debentures	1,474.65	2,246.26
<b>5</b>	<b>Shareholding in subsidiaries and Joint Venture</b>		
<b>(a)</b>	<b>Shareholding in subsidiaries</b>		
(i)	NABARD Financial Services Ltd, Karnataka [10,20,06,300 (10,20,06,300) – Equity shares of ₹10 each]	102.01	102.01
(ii)	NABSAMRUDDHI (formerly known as Agri - Business Finance [Andhra Pradesh] Ltd. [11,27,88,000 (10,52,88,000) – Equity shares of ₹10 each]	145.06	133.73
(iii)	NABKISAN (formerly known as Agri Development Finance [TN] Ltd) [12,04,00,050 (12,04,00,050) – Equity shares of ₹10 each]	168.36	168.36
(iv)	NABARD Consultancy Services Pvt. Ltd. [50,00,000 (50,00,000) – Equity shares of ₹10 each]	5.00	5.00
(v)	NABVENTURES Ltd [50,00,000 (50,00,000) – Equity shares of ₹10 each]	5.00	5.00
(vi)	NABFOUNDATION [50,00,000 (10,00,000) – Equity shares of ₹10 each]	5.00	1.00
(vii)	NABSANRAKSHAN TRUSTEE PVT LTD [5,00,00,000 (0) – Equity shares of ₹10 each]	50.00	–
<b>(b)</b>	<b>Joint Venture</b>	–	–
<b>6</b>	<b>Others</b>		
(a)	Mutual Fund	2,001.47	3,519.17
(b)	Commercial Paper [Face Value ₹650,00,00,000 (₹300,00,00,000)]	618.08	276.87
(c)	Certificate of Deposit [Face Value ₹250,00,00,000 (₹1725,00,00,000 )]	243.44	1,660.04
(d)	Venture Capital Funds / AIFs	284.03	222.10
(e)	Investment Earmarked towards EOL [Refer note B-19.1.3 of Schedule 18]	148.26	186.48
	<b>Total</b>	<b>45,505.24</b>	<b>34,006.15</b>

## Schedule 11 - Advances

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
<b>1</b>	<b>Refinance Loans</b>		
(a)	Production & Marketing Credit	1,06,372.45	68,692.87
(b)	Conversion Loans for Production Credit	15.15	92.00
<b>(c)</b>	<b>Other Investment Credit</b>	-	-
(i)	Medium Term and Long Term Project Loans	1,98,800.36	1,65,979.87
(ii)	Direct refinance to DCCBs	4,566.76	3,025.89
<b>2</b>	<b>Direct Loans</b>		
(a)	Loans under Rural Infrastructure Development Fund	1,32,723.87	1,25,647.06
(b)	Loans under Warehouse Infrastructure Fund	5,155.31	5,164.36
(c)	Long Term Non-Project Loans	58.73	63.33
(d)	Loans under NABARD Infrastructure Development Assistance (NIDA)	17,998.73	11,750.48
(e)	Loans to Producers' Organisation Development	37.58	82.68
(f)	Credit Facility to Federations [CFF]	20,038.21	12,123.24
(g)	Loans under Food Processing Fund	293.35	278.80
(h)	Loans under Long Term Irrigation Fund	51,712.54	44,687.28
(i)	Pradhan Mantri Aawas Yojana – Gramin	48,819.03	28,819.23
(j)	Swacch Bharat Mission Gramin	12,298.20	12,298.20
(k)	Dairy Processing and Infrastructure and Development Fund	956.33	1,009.69
(l)	Loan Under GCF	319.82	344.43
(m)	Micro Irrigation Fund	1,827.47	-
(n)	Fisheries and Aquaculture Infrastructure Development Fund	193.77	-
<b>(o)</b>	<b>Other Loans:</b>		
(i)	Micro Finance Development Equity Fund Programme Loans	0.11	0.11
(ii)	Watershed Development Fund Programme Loans	15.55	20.64
(iii)	Tribal Development Fund Programme Loans	0.34	0.97
(iv)	KfW UPNRM Loans	85.17	129.68
(v)	Off-Farm Sector Promotion Activities Programme Loans	1.47	185.65
(vi)	Direct Loan Under Sec 30 of NABARD Act [Refer Note B23.11 of Schedule 18]	-	-
	<b>Total</b>	<b>6,02,290.30</b>	<b>4,80,396.46</b>



## Schedule 12 - Property, Plant and Equipment (Fixed Assets)

(Amount in ₹ crore)

Sr. No.	Particulars	As on 31.03.2021	As on 31.03.2020
<b>1</b>	<b>LAND: Freehold &amp; Leasehold (Refer Note B-12 of Schedule 18)</b>		
	Opening Balance	195.27	180.03
	Additions/adjustments during the year	-	15.24
	Sub-Total	195.27	195.27
	Less: Cost of assets sold/written off	-	-
	Closing Balance (at cost)	195.27	195.27
	Less: Amortisation of Lease Premium	60.81	59.05
	Book Value	134.46	136.22
<b>2</b>	<b>PREMISES (Refer Note B-12 of Schedule 18)</b>		
	Opening Balance	579.23	420.89
	Additions / Adjustments during the year	73.00	173.45
	Sub-Total	652.23	594.34
	Less: Cost of assets sold/written off	-	15.11
	Closing Balance (at cost)	652.23	579.23
	Less: Depreciation to date	300.91	280.68
	Book Value	351.32	298.55
<b>3</b>	<b>FURNITURE &amp; FIXTURES</b>		
	Opening Balance	66.57	68.53
	Additions/adjustments during the year	-1.80	6.05
	Sub-Total	64.77	74.58
	Less: Cost of assets sold/written off	0.29	8.01
	Closing Balance (at cost)	64.48	66.57
	Less: Depreciation to date	60.40	60.83
	Book Value	4.08	5.74
<b>4</b>	<b>COMPUTER INSTALLATIONS &amp; OFFICE EQUIPMENT</b>		
	Opening Balance	159.28	121.70
	Additions/adjustments during the year	31.91	46.23
	Sub-Total	191.19	167.93
	Less: Cost of assets sold/written off	3.35	8.65
	Closing Balance (at cost)	187.84	159.28
	Less: Depreciation to date	133.36	113.68
	Book Value	54.48	45.60
<b>5</b>	<b>VEHICLES</b>		
	Opening Balance	8.55	10.05

<i>Sr. No.</i>	<i>Particulars</i>	<i>As on 31.03.2021</i>	<i>As on 31.03.2020</i>
	Additions/adjustments during the year	5.97	4.97
	Sub-Total	14.52	15.02
	Less: Cost of assets sold/written off	2.88	6.47
	Closing Balance (at cost)	11.64	8.55
	Less: Depreciation to date	4.54	4.38
	Book Value	7.10	4.17
6	Capital Work in Progress	14.40	40.20
	<b>Total</b>	<b>565.84</b>	<b>530.48</b>

### Schedule 13 - Other Assets

(Amount in ₹ crore)

<i>Sr. No.</i>	<i>Particulars</i>	<i>As on 31.03.2021</i>	<i>As on 31.03.2020</i>
1	Accrued Interest	3,252.84	3,579.53
2	Discount Receivable	11.53	27.05
3	Deposits with Landlords	0.70	0.97
4	Deposits with Government Departments and Other Institutions	37.53	37.06
5	Housing loan to staff	121.15	135.42
6	Other Advances to staff	84.31	92.37
7	Sundry Advances	30.43	44.81
8	Deferred Tax Assets (Refer Note B-10 of Schedule 18)	147.01	158.46
9	Receivable from Government of India/International Agencies (Refer Note B-4 of Schedule 18)	1,340.63	1,065.38
10	Discount on issue of Bonds	3.23	3.64
	<b>Total</b>	<b>5,029.36</b>	<b>5,144.69</b>



## Schedule 14 - Interest and Financial Charges

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
1	Interest Paid on		
(a)	Deposits under RIDF	5,726.58	6,114.48
(b)	Short Term Cooperative Rural Credit Fund	1,809.49	1,885.81
(c)	ST RRB Credit Refinance Fund	397.46	418.83
(d)	Warehouse Infrastructure Fund	246.35	278.06
(e)	Long Term Rural Credit Fund	1,627.39	1,788.78
(f)	Fund for Food Processing Units	14.78	16.08
(g)	Tea / Coffee / Rubber Deposits	2.66	3.44
(h)	Term Money Borrowings	301.18	214.30
(i)	Bonds (Refer Note B-16 of Schedule-18)	9,955.36	8,420.70
(j)	Term Loan from Banks	510.99	611.90
(k)	Borrowings from International Agencies	28.33	30.21
(l)	Borrowing against ST Deposit	-	-
(m)	Discount on Commercial Paper	1,040.96	1,688.88
(n)	Discount on Certificate of Deposits	903.91	1,518.23
(o)	Repo Interest Expenditure	19.79	26.17
(p)	Interest paid on funds	364.81	347.46
(q)	Borrowing from RBI under SLF	846.88	-
2	Discount on CBLO / TREPS	359.31	342.52
3	Discount, Brokerage, Commission & issue exp. on Bonds and Securities	29.77	38.57
4	Swap Charges	33.55	38.56
	<b>Total</b>	<b>24,219.55</b>	<b>23,782.98</b>

### Schedule 15 A - Establishment and Other Expenses

(Amount in ₹ crore)

<i>Sr. No.</i>	<i>Particulars</i>	<i>2020-21</i>	<i>2019-20</i>
1	Salaries and Allowances (Refer Note B-9 of Schedule 18)	872.31	955.60
2	Contribution to / Provision for Staff Superannuation Funds	690.54	797.01
3	Other Perquisites & Allowances	120.15	62.21
4	Travelling & Other allowances in connection with Directors' & Committee Members' Meetings	0.10	0.16
5	Directors' & Committee Members' Fees	0.16	0.08
6	Rent Rates, Insurance, Lighting, etc.	34.83	35.30
7	Travelling Expenses	22.51	38.88
8	Printing & Stationery	4.18	5.61
9	Postage, Telegrams & Telephones	19.22	19.14
10	Repairs	14.93	44.00
11	Auditors' Fees	0.33	0.28
12	Legal Charges	0.99	1.09
13	Miscellaneous Expenses	127.70	125.15
14	Expenditure on Miscellaneous Assets	10.03	11.61
15	Expenditure on Study & Training	61.17	74.75
	<b>Total</b>	<b>1,979.15</b>	<b>2,170.87</b>

### Schedule 15 B - Expenditure on Promotional Activities

(Amount in ₹ crore)

<i>Sr. No.</i>	<i>Particulars</i>	<i>2020-21</i>	<i>2019-20</i>
1	Cooperative Development Fund	18.71	17.90
2	Producers' Organisation Development Fund	4.03	2.60
3	Rural Infrastructure Promotion Fund	20.00	1.20
4	Expenditure under Farm Sector Promotion Fund	17.67	17.96
5	Expenditure under Climate Change Programme	0.97	1.22
6	Gramya Vikas Nidhi	27.67	28.56
7	Catalytic Capital Fund	6.00	-
	<b>Total</b>	<b>95.05</b>	<b>69.44</b>





## Schedule 16- Provisions

(Amount in ₹ crore)

<i>Sr. No.</i>	<i>Particulars</i>	<i>2020-21</i>	<i>2019-20</i>
	<b>Provisions for:</b>		
1	Standard Assets	698.00	196.00
2	Non Performing Assets	801.20	703.90
3	Non Performing Assets – staff	0.06	0.03
4	Floating Provision	750.00	500.00
	<b>Total</b>	<b>2,249.26</b>	<b>1,399.93</b>

## Schedule 17 - Commitments and Contingent Liabilities

(Amount in ₹ crore)

<i>Sr. No.</i>	<i>Particulars</i>	<i>As on 31.03.2021</i>	<i>As on 31.03.2020</i>
1	Commitments on account of capital contracts remaining to be executed	1.08	1.81
	<b>Sub-Total "A"</b>	<b>1.08</b>	<b>1.81</b>
2	Contingent Liabilities		
(i)	Bank Guarantee	24.18	25.57
(ii)	Claims against the Bank not acknowledged as debt	–	–
(iii)	Pending legal cases	9.00	–
	<b>Sub-Total "B"</b>	<b>33.18</b>	<b>25.57</b>
	<b>Total (A + B)</b>	<b>34.26</b>	<b>27.38</b>

# SCHEDULE 18

## Significant Accounting Policies and Notes Forming Part of Accounts for the year ended March 31, 2021

### A. Significant Accounting Policies

#### 1. Basis of Preparation:

The accounts are prepared on the historical cost convention and comply with all material aspects contained in the National Bank for Agriculture and Rural Development Act, 1981 and Regulations thereof, applicable Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) and regulatory norms prescribed by the Reserve Bank of India (RBI). Except otherwise mentioned, the accounting policies have been consistently applied by the National Bank for Agriculture and Rural Development (the Bank/NABARD) and are consistent with those used in the previous year.

#### 2. Use of Estimates:

Preparation of financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of the operations for the reporting period. Although these estimates are based on the management's best knowledge, the actual results could differ from these estimates. Such differences are recognized in the year of outcome of such results.

#### 3. Revenue recognition:

- 3.1 Income and expenditure are accounted on accrual basis, except the following, which are accounted on cash basis:
- i) Interest on non-performing assets identified as per RBI guidelines.
  - ii) Income by way of penal interest charged due to delayed receipt of loan dues or non-compliance with terms of loan.
  - iii) Service Charges on loans given out of various Funds.

iv) Expenses not exceeding ₹10,000 at each accounting unit, under a single head of expenditure.

- 3.2 Discount on Bonds and Commercial Papers issued are amortized over the tenure of Bonds and Commercial Papers. Issue expenses relating to floatation of bonds are recognized as expenditure in the year of issue of Bonds.
- 3.3 Dividend on investments is accounted for, when the right to receive the dividend is established.
- 3.4 i) Income from Venture Capital funds is accounted on realization basis.  
ii) Release of subsidy in which NABARD is acting as a pass through agency is accounted for, including service charges thereon, on payment basis subject to availability of funds under the respective schemes.
- 3.5 Recovery in non-performing assets (NPA) is appropriated in the following order:  
i) penal interest  
ii) cost & charges  
iii) overdue interest and interest  
iv) Principal

#### 4. Property Plant and Equipment (Fixed Assets)

- a) Fixed assets in are stated at cost of acquisition, less accumulated depreciation and impairment losses, if any. The cost of assets includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Subsequent expenditure incurred on existing asset is capitalized, only when it increases the future benefit from the existing assets beyond its previously assessed level of performance.
- b) Land includes freehold and leasehold land.
- c) Premises include value of land, where segregated values are not readily available.
- d) Depreciation policy on premises situated on freehold land and leasehold land has been revised



during the FY 2017–18 and calculated on straight line basis over the period of 30 years.

- e) The upfront lease premium paid on leasehold land are amortized over the tenure of lease period @5% on opening written down value or the proportionate amount of remaining lease premium on the remaining period of lease, whichever is higher.
- f) Fixed Assets individually costing ₹1 lakh or less (except easily portable electronic assets such as laptops, mobile phones, etc.) are charged to the Profit and Loss Account in the year of acquisition. Easily portable electronic assets such as laptops, mobile phones, etc., are capitalized, if individual cost of the items is more than ₹10,000. All software costing ₹1 lakh each and less, purchased independently are charged to the Profit and Loss Account.
- g) Depreciation on other fixed assets is charged over the estimated useful life of the assets ascertained by the management at the following rates on Straight Line Method basis:

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

- h) Depreciation is charged from the month the asset is capitalized in the year of purchase and till the month the asset is sold in the year of sale.
- i) Capital work in progress includes capital advances and is disclosed under Fixed Assets.

## 5. Investments

- a) In accordance with the RBI guidelines, Investments are classified into “Held for Trading” (HFT), “Available for Sale” (AFS) and “Held to Maturity” (HTM) categories (hereinafter called “categories”).
- b) Securities that are held principally for resale within 90 days from the date of purchase are classified as “HFT”. Investments that the Bank intends to hold till maturity are classified as “HTM”. Securities which are not to be classified in the above categories are classified as “AFS”.
- c) Investments classified under HTM category are carried at acquisition cost, wherever cost is equivalent to face value or less. If cost is more

than the face value, the premium is amortized over the period remaining to maturity. Provision for diminution, other than temporary, in the value of investments in subsidiaries and joint ventures under the category “HTM” is made, wherever necessary. Provision for diminution/ amortization, in value of such investments, is included under Current Liabilities and Provisions.

- d) Profit on redemption of investment categorized under “HTM” is recognized in Profit & Loss A/c.
- e) Investments under “AFS” are marked to market, scrip-wise, at the rate, declared by Fixed Income Money Market and Derivative Association of India (FIMMDA) and by Financial Benchmarks India Pvt. Ltd. Net depreciation, if any, is provided for investments in the category classified as “AFS” and appreciation is ignored. The book values of the individual scrip are not changed after such revaluation.
- f) Investments under “HFT” are marked to market, scrip-wise, at the rate, declared by Fixed Income Money Market and Derivative Association of India (FIMMDA) and by Financial Benchmarks India Pvt. Ltd. Depreciation / appreciation is recognized in the category for investments classified as “HFT”. The book value of the individual scrip is changed after such revaluation.
- g) Investments in subsidiaries, joint ventures and associates are classified as Held to Maturity.
- h) Treasury Bills, Commercial Papers and Certificates of Deposits are valued at carrying cost.
- i) Unquoted Shares are valued at breakup value, if the latest Audited Financial Statements of the investee companies are available, or at ₹ 1/- per Company as per RBI guidelines.
- j) Brokerage, commission, etc. paid in respect of investments including unlisted equities, at the time of acquisition, are charged to revenue.
- k) Brokerage, paid on acquisition / disposal of equities traded on stock exchange is capitalized.
- l) Broken period interest paid/received on debt investments is treated as interest expenses/ income and is excluded for cost/ sale consideration.
- m) Transfer of a security between the categories is accounted for, at lower of the acquisition cost/ book value/market value on the date of transfer and depreciation, if any, on such transfer, is fully provided for.
- n) Amortization/Gain/Loss on Revaluation of Government Securities is charged to Profit and Loss Account.

- o) Weighted average cost method has been followed for accounting for investments.
- p) Investments in Venture Capital Funds are accounted as per the accounting policy adopted by the respective Fund.

## 6. Advances and Provisions thereon

- a) Advances are classified as per RBI guidelines. Provision for standard assets and non-performing assets is made in respect of identified advances, based on a periodic review and in conformity with the provisioning norms prescribed by RBI.
- b) In case of restructuring/rescheduling of advances, the difference between the present value of future principal and interest as per the original agreement and the present value of future principal and interest as per the revised agreement is provided for.
- c) Advances are stated net of provisions towards Non-performing Advances.
- d) Provision for Non-Performing Loans in respect of loans granted out of funds are charged to the Profit and Loss account.

## 7. Foreign Currency Transactions

As per Accounting Standard (AS-11) on Accounting for the Effects of Changes in Foreign Exchange Rates issued by the ICAI; following accounting treatment is given to foreign exchange transactions:

- a) Assets and liabilities in foreign currency are revalued at the exchange rate notified by Reserve Bank of India as at the close of the year/reporting date. The hedged portion of the foreign currency borrowings are stated at the contracted value and the liability of hedged borrowing as per year-end exchange rate is disclosed as a contra item in the Balance Sheet (as off Balance Sheet item).
- b) Income and Expenditure items are translated at the exchange rates prevailing on the date of the transaction.

## 8. Accounting for Foreign Exchange Contracts

- a) Foreign Exchange Contracts are to hedge the repayment of foreign currency borrowings.
- b) The foreign currency borrowings which are hedged are stated at the contract rate.
- c) The foreign exchange unhedged contracts are revalued at the exchange rates notified by FEDAI / FBIL at the year end. The resultant gain / loss on revaluation is recognised in the Profit & Loss Account under the head Gains / Loss on revaluation

of Forward Exchange Contract Account. Premium/ discount are accounted over the life of the contract.

- d) The Profit / Loss on cancellation and renewal of foreign exchange contracts are recognised in Profit and Loss Account under the head 'Profit / Loss on Foreign Currency Loan Account'.

## 9. Employee Benefits

All personnel transferred from RBI are considered as employees of the Bank and provisions for Employee Benefits are made accordingly. Actuarial valuation, wherever required, for long term employee benefits are carried out at each balance sheet date.

### a) Short Term Employee Benefits:

The undiscounted amount of short-term employee benefits, which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

### b) Post-Retirement Benefits:

#### i) Defined Contribution Plan

The Bank has a Provident Fund Scheme in respect of all eligible employees who joined the Bank on or before 31 December 2011. The scheme is managed by RBI. Contribution is recognized on accrual basis.

The Bank has introduced a New Pension Scheme (NPS) for all the officers/employees who have joined the services of the Bank on or after 01 January 2012. The Bank has adopted the "NPS- Corporate Sector Model", a defined contribution plan, as formulated by the Pension Fund Regulatory and Development Authority (PFRDA). Contribution to the Fund is made on accrual basis.

#### ii) Defined Benefit Plan

- a. Provision for gratuity is made based on actuarial valuation, made at the end of each financial year based on the projected unit credit method in respect of all eligible employees. The scheme is funded by the Bank and is managed by a separate trust. Actuarial gain or loss are recognised in the Profit and Loss Account on accrual basis.
- b. Provision for pension is made based on actuarial valuation, in respect of all eligible employees who joined the Bank on or before 31 December 2011. The scheme is funded by the Bank and is managed by a separate trust.



### iii) Other Long Term benefits

All eligible employees of the bank are entitled for compensated absences. All the eligible employees are also entitled for post-retirement medical benefits. The cost of providing other long term benefits is determined using the projected unit credit method based on actuarial valuations being carried out at each balance sheet date. Actuarial gain or loss are recognised in the Profit and Loss Account on accrual basis.

## 10. Taxes on Income

- a) Tax on income for the current period is determined on the basis of taxable income and tax credits computed, in accordance with the provisions of Income Tax Act, 1961 and based on expected outcome of assessments/appeals.
- b) Deferred tax is recognized, on timing difference, being the difference between taxable income and accounting income for the year and quantified, using the tax rates and laws that have been enacted or substantively enacted, as on Balance Sheet date.
- c) Deferred tax assets relating to unabsorbed depreciation/business losses are recognised and carried forward to the extent that there is virtual certainty that sufficient future taxable income will be available against which, such deferred tax assets can be realized.
- d) Tax paid/provided on taxable income earned by the funds are accounted as expenditure of respective funds.

## 11. Segment Reporting

- a) Segment revenue includes interest and other income directly identifiable with / allocable to the segment.
- b) Income, which relates to Bank as a whole and not allocable to segments is included under "Other Unallocable Bank income".
- c) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. The expenses, which relate to the Bank as a whole and not allocable to segments, are included under "Other Unallocable Expenditure".
- d) Segment Assets and Liabilities include those directly identifiable with the respective segments. Unallocable Assets and Liabilities include those that relate to the Bank as a whole and not allocable to any segment.

## 12. Impairment of Assets

- a) As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:
  - i) the provision for impairment loss, if any, required; or
  - ii) the reversal, if any, required for impairment loss recognized in the previous periods.
- b) Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

## 13. Provisions, Contingent Liabilities and Contingent Assets

- 13.1 Provisions are recognised for liabilities that can be measured only by using substantial degree of estimation if:
  - a) the Bank has a present obligation as a result of a past event;
  - b) a probable outflow of resources is expected to settle the obligation; and
  - c) the amount of the obligation can be reliably estimated.
- 13.2 Contingent liability is disclosed in the case of:
  - a) a possible obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
  - b) a present obligation when no reliable estimate is possible, and
  - c) a possible obligation arising from past events where the probability of outflow of resources is remote.
- 13.3 Contingent assets are neither recognised, nor disclosed.
- 13.4 Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

## 14. Cash and cash equivalents

- a) Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash in hand, demand deposits with banks and other short-term investments with an original maturity of three months or less.
- b) Cash Flow statement is reported using indirect method. The cash flow from operating, financing and investing activity is segregated based on the available information.

## 15. Prior Period Income / Expenses

Items of Income / Expenditure which are prior period in nature is disclosed separately only when the individual prior period income / expense exceeds 0.5% of Gross Income.

## 16. Implementation of Indian Accounting Standards (Ind AS)

In terms of the Press Release No. 11/10/2009 CL-V dated 18 January 2016 issued by the MCA, the bank would be required to prepare Ind AS based financial statements for accounting periods beginning from April 1, 2018 onwards, with comparatives for the periods ending March 31, 2018 and thereafter. The implementation of Ind AS by AIFIs has been deferred by Reserve Bank of India until further notice.

## 17. Impact of Covid-19

- a) The outbreak of COVID-19 across the globe and in India consequent to the restricted movements and partial lockdown has caused significant decline in the economic activity of the nation. It has created disruptions across the businesses more particularly in Banking and Financial services sector also posing severe challenges to the farm sector, especially during the peak of rabi season in the country and when crops are at harvestable stage or almost reaching maturity. This is also the time when the farm harvests reach the mandis (market yards) for assured procurement operations by designated government agencies.
- b) The management of the Bank assessed the impact of the COVID-19 considering its internal and external inputs for ascertaining the same on the financial reporting numbers, which in turn is based on its assessment of the evolving developments in the subsequent periods.
- c) As banking and financial services are categorized as essential services, all the routine activities of the bank on policy matters, disbursement of loans, Investment of surplus and other related operations are conducted smoothly during the lockdown period by allowing majority staff to work from home through online / digital mode. A limited number of staff are called to office on rotational basis for attending to emergency work.
- d) In the opinion of the management of the Bank, based on information presently available, the impact of COVID-19 on the reported numbers and impairment of the assets would not be significant.

## B. Notes forming part of the Accounts

1. In terms of the agreement with Kreditanstalt Fur Wiederaufbau - German Development Bank (KfW), accretion / income and expenditure under UPNRM have been charged to the fund. The loans granted out of this fund have been classified as Other loans and disclosed under Schedule 11. The borrowing related to the UPNRM are classified as borrowing from international agencies and disclosed under Schedule 7. During the year, a sum of ₹5.91 crore (₹21.06 crore), representing total expenditure of ₹17.64 crores over income of ₹11.73 crores under the fund, has been charged to Profit & Loss Account.
2. During the FY 2020-21, ₹ 33.27 crore was received from Government of India under Central Sector Scheme towards formation and promotion of 10,000 Farmer Producer Organizations.
3. Interest on unutilised balances has been credited to the following funds as per the respective agreements / as approved by the management/ Board of Directors. The details of rate of interest for respective funds are as under:

Sr No.	Name of the Fund	Rate of Interest for 2020-21	Rate of Interest for 2019-20
1.	Watershed Development Fund	4%	4%
2.	KfW- NB IGWDP (Andhra Pradesh, Gujarat, Rajasthan)	4%	4%
3.	KfW Accompanying Measures	4%	4%
4.	National Adaptation Fund for Climate Change	4%	4%
5.	Tribal Development Fund	4%	4%
6.	Financial Inclusion Fund	4%	4%
7.	Kfw NB- V Adivasi Development Programme- Gujarat	4%	4%
8.	Climate Change – (AFB) – Project Formulation Grant	4%	4%
9.	LTIF Interest Fluctuation Reserve Fund	4%	4%
10.	PODF-ID	4%	4%
11.	Green Climate Fund Project Grants	4%	-
12.	Cattle Development Fund (UP & Bihar)	7.52%	8.97%
13.	Multi Activity Approach for Poverty Alleviation (Sultanpur and Rae Bareilly)	7.52%	8.97%
14.	Center for Professional Excellence in Co-operatives	7.52%	8.97%



4. Recoverable from Government of India / International Agencies (Refer Schedule-13 of Balance Sheet) includes ₹6.92 crore (₹1.06 crore) being debit balance of various funds.

The details of such funds are as under:

(Amount in ₹ crore)

Sr. No.	Name of the Fund	31.03.2021	31.03.2020
1.	KfW- UPNRM – Accompanying Measures	0.07	0.59
2.	KfW- Soil Project	6.70	0.00
3.	KfW UPNRM – Technical collaboration	0.00	0.47
4.	Poultry Venture Capital Fund	0.15	0.00

5. Sundry creditors includes ₹30.48 crore (₹30.48 crore) being amounts outstanding to contributors in respect of Micro Finance Development and Equity Fund (MFDEF).
6. Pursuant to the directions of RBI, the relative margin available to the Bank in excess of 0.5 percent in respect of Rural Infrastructure Development Fund (RIDF) deposits, Warehousing Infrastructure Fund (WIF) deposits and Food Processing Fund (FPF), placed by the Commercial Banks is credited to Watershed Development Fund, Tribal Development Fund, Financial Inclusion Fund and PODF.
7. Interest Subvention received / receivable from Government of India (GOI) under various schemes has been adjusted from Interest and financial charges under Schedule 14. The amount of Interest subvention adjusted under different schemes is given below:

(Amount in ₹ crore)

Sr. No.	Scheme	2020–21	2019–20
1.	Long Term Irrigation Fund	454.71	332.74
2.	Seasonal Agricultural Operations (SAO)	-672.18	-296.60
3.	Dairy Processing and Infrastructure Development Fund (DIDF)	20.25	15.18
4.	National Rural Livelihood Mission (NRLM)	15.56	20.54
5.	Micro Irrigation Fund (MIF)	34.60	0.00
6.	Fisheries and Aquaculture Infrastructure Development Fund (FIDF)	1.64	0.00

8. Interest Margin on providing refinance under interest subvention scheme to StCBs, RRBs and to

CCBs, Public Sector Banks for financing Primary Agriculture Co-operative Societies (PACS) for Seasonal Agricultural Operations and under NRLM scheme has been accounted as interest income. The amount received / receivable from GOI under the scheme stood at ₹90.10 crore (₹100.02 crore).

9. The salaries and allowances of the employees of the Bank are reviewed every five years. The review is due from 01 November 2017. Pending such settlement, an amount of ₹180 crore (₹200 crore) has been provided, during the year under report, under the head Salary and Allowances during the year.
10. The Bank, during the year, in accordance with AS 22 “Accounting for taxes on Income”, recognized in the Profit and Loss Account the deferred tax asset of (-) ₹11.45 crore (₹ (-) 45.09 crore). The details of the deferred tax are as under:

(Amount in ₹ crore)

Sr. No.	Deferred Tax Assets	31.03.2021	31.03.2020
1.	Provision allowable on payment basis	128.38	126.99
2.	Depreciation on Fixed Assets	18.63	31.47
	<b>Total</b>	<b>147.01</b>	<b>158.46</b>

Provision for Deferred Tax on account of Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961, is not considered necessary, as the Bank has decided not to withdraw the said reserve.

11. The details of pending Income Tax Appeals with various authorities is given below:

Sr. No.	Assessment Year	Authority where Appeal is pending	Appeal preferred by	Amount in dispute 31.03.2021 (₹ crore)	Amount in dispute 31.03.2020 (₹ crore)
1.	2006–07	High Court – Mumbai	IT Dept.	115.52	115.52
2.	2007–08	Income Tax Appellate Tribunal (ITAT)	IT Dept.	89.56	89.56
3.	2008–09	Income Tax Appellate Tribunal (ITAT)	IT Dept.	–	118.77
4.	2009–10	Income Tax Appellate Tribunal (ITAT)	IT Dept.	–	194.82
5.	2010–11	Income Tax Appellate Tribunal (ITAT)	NABARD	28.20	28.20

Sr. No.	Assessment Year	Authority where Appeal is pending	Appeal preferred by	Amount in dispute 31.03.2021 (₹ crore)	Amount in dispute 31.03.2020 (₹ crore)
6.	2010-11	Income Tax Appellate Tribunal (ITAT)	IT Dept.	215.31	215.31
7.	2011-12	Income Tax Appellate Tribunal (ITAT)	NABARD	51.07	51.07
8.	2011-12	Income Tax Appellate Tribunal (ITAT)	IT Dept.	287.62	287.62
9.	2012-13	Income Tax Appellate Tribunal (ITAT)	NABARD	45.63	45.63
10.	2012-13	Commissioner of Income Tax (Appeals)	NABARD	25.55	25.55
11.	2012-13	Income Tax Appellate Tribunal (ITAT)	IT Dept.	327.03	327.03
12.	2013-14	Income Tax Appellate Tribunal (ITAT)	NABARD	1.70	1.70
13.	2013-14	Income Tax Appellate Tribunal (ITAT)	IT Dept.	380.05	380.05
14.	2014-15	Income Tax Appellate Tribunal (ITAT)	IT Dept.	450.61	450.61
15.	2015-16	Income Tax Appellate Tribunal (ITAT)	IT Dept.	448.87	448.87
16.	2016-17	Commissioner of Income Tax (Appeals)	NABARD	407.23	407.23
17.	2017-18	Commissioner of Income Tax (Appeals)	NABARD	360.69	360.69

12. Free hold land and Lease Land and Premises include ₹14.00 crore (₹14.00 crore) paid towards Office Premises and Staff Quarters for which conveyance is yet to be completed.
13. In the opinion of the Bank's management, there is no impairment to assets to which AS 28 – "Impairment of Assets" applies requiring any provision.
14. Pursuant to the directives of RBI, the project loans provided to State Co-operative Agriculture and Rural Development Banks (SCARDBs) by

way of subscription to the Special Development Debentures (SDDs) floated by these agencies, are treated as under:

- a) Classified as Investments and shown in Schedule – 10 under the head 'Debenture and Bonds'.
  - b) Interest earned on the same is shown as a part of 'Interest received on Loans and Advances' in the Profit and Loss Account, treating them as 'Deemed Advances'.
  - c) 'Deemed Advances' for the purpose of IRAC norms, capital adequacy and computation of ratios, etc.
15. As on the date of the financial statements, out of the disbursement extended to various State Governments under RIDF, ₹483.17crore (₹438.65 crore) pertains to non-starter projects under ongoing Tranches (XX to XXV). Pending receipt of the proposal from State Government for adjustment of the amount with the respective / other projects, the amount has been classified as disbursement from the fund.
  16. In terms of Central Board of Direct Taxes, Ministry of Finance notification dated 18 February 2016, NABARD was allowed to raise tax free bonds having benefits under section10(15)(iv)(h) of the Income Tax Act 1961 amounting to ₹5,000 crore. Accordingly, ₹1,500 crore repayable in 10-year tenure was mobilized through Private Placement and ₹3,500 crore repayable in 10- & 15-year tenure through public issue. The tax free bonds are in the nature of secured, redeemable and non-convertible bonds. These bonds are secured against pari passu charge on property situated in Mumbai and also first charge on specified book debts of NABARD. The interest charge to revenue pertaining to these bonds for the current year is ₹365.41 crore (₹365.94 crore).

The details of the debenture Trustee is as under:

**Axis Trustee Services Limited,**  
The Ruby, 2nd Floor, SW,  
29, Senapati Bapat Marg,  
Dadar West, Mumbai - 400028  
Telephone: +91 22 6230 0451

17. In terms of RBI circular RBI/2015-16/104DBR. No.FID.FIC.3/01.02.00/2015-16 dated 01 July 2015 relating to Prudential Guidelines on Investment in Venture Capital Fund, an amount of ₹19.45 crore





(₹42.38 crore) made in the units of VCF was shifted from HTM category, on completion of 3 years, to AFS category.

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

(Amount in ₹ crore)

Particulars	Face Value	Book Value
Pledged for Business Segment (Securities)	760.00 (750.00)	798.77 (783.15)
Pledged for Business Segment (CBLO / Tri Party Repo)	23111.05 (13252.00)	24895.54 (14091.46)
Pledged for Business Segment (Securities) Default Fund	50.00 (50.00)	52.21 (52.21)
Pledged for Business Segment (CBLO / Tri Party Repo) – Default Fund	50.00 (50.00)	52.21 (52.21)

## 19. Disclosure required under AS 15 (Revised) on “Employee Benefits”

### 19.1 Defined Benefit Plans

Employees Retirement Benefit plans of the bank include Pension, Gratuity, Leave Encashment and Post-retirement Medical Benefits, which are defined benefit plans. The present value of obligation is determined based on actuarial valuation, by an independent Actuary, using the Projected Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

#### 19.1.1 Pension

- a) Reconciliation of opening and closing balances of defined benefit obligations:

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Present value of defined benefit obligation at the beginning of year	5749.70	4976.36
Current Service Cost	69.47	82.74
Interest Cost	388.10	365.76
Actuarial gain/loss	604.22	557.23
Benefits paid	-268.41	-232.38
Present value of defined benefits obligations at the year end	6543.10	5749.70

- b) Amount recognised in Balance Sheet as on 31 March 2021 and 31 March 2020:

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Present value of defined benefits obligations as at the year end	6543.10	5749.70
Fair value of plan assets as at the year end	-6546.03	-5609.19
Add: Outstanding claim in respect of benefit payable	21.46	19.83
Total Liability to be recognised in Balance Sheet	18.53	160.34
Liability recognised in the Balance sheet as at the year end	39.27	160.34

- c) Expenses recognised in the Profit and Loss Account during the year:

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Current Service Cost	69.47	82.74
Interest Cost	388.10	365.76
Net Actuarial gain/loss	726.01	563.64
Expected return on Plan Assets	-554.19	-266.33
Expense recognised in the statement of Profit and Loss	629.41	745.81

- d) Actuarial assumptions:

Particulars	2020-21	2019-20
Mortality Table (LIC)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate (per annum)	6.75%	6.75%
Salary growth (per annum)	6.00%	6.00%
Withdrawal rate	1.00%	1.00%

#### 19.1.2 Gratuity

- a) Reconciliation of opening and closing balances of defined benefit obligations:

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Present value of defined benefit obligation at the beginning of year	501.34	508.90
Current Service Cost	20.42	26.27
Interest Cost	33.84	37.40
Actuarial gain/ loss	-1.80	7.02
Benefits paid	-98.89	-78.25
Present value of defined benefits obligations at the year end	454.92	501.34

b) Amount recognised in Balance Sheet as on 31 March 2021 and 31 March 2020:

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Present value of defined benefits obligations as at the year end	454.92	501.34
Fair value of plan assets as at the year end	-458.89	-490.13
Add: Outstanding claim in respect of benefit payable	3.55	9.18
Total Liability to be recognised in Balance Sheet	-0.43	20.40
Liability recognised in the Balance Sheet as at the year end	5.21	20.40

c) Expenses recognised in the Profit and Loss Account during the year:

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Current Service Cost	20.42	26.27
Interest Cost	33.84	37.40
Net Actuarial gain/loss	-3.43	7.98
Expected return on Plan Assets	-34.80	-31.63
Expense recognised in the statement of Profit and Loss	16.03	40.02

d) Actuarial assumptions:

Particulars	2020-21	2019-20
Mortality Table (LIC)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate (per annum)	6.75%	6.75%
Salary growth (per annum)	7.00%	7.00%
Withdrawal rate	1.00%	1.00%

**19.1.3 Encashment of Ordinary Leave**

a) Reconciliation of opening and closing balances of defined benefit obligations:

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Present value of defined benefit obligation at the beginning of year	357.68	343.76
Current Service Cost	11.44	9.37
Interest Cost	24.14	25.27
Actuarial gain/loss	1.05	23.65
Benefits paid	-47.14	-44.37
Present value of defined benefits obligations at the year end	347.18	357.68

b. Amount recognised in Balance Sheet as on 31 March 2021 and 31 March 2020:

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Present value of defined benefits obligations as at the year end	347.18	357.68
Fair value of funds earmarked by the Bank	-226.91	-238.81
Add: Outstanding claim in respect of benefit payable	18.44	20.30
Total Liability to be recognised in Balance Sheet	138.71	139.18
Net Liability recognised in the Balance Sheet as at the year end*	148.09	171.19

\* After adjusting fair value of the funds earmarked by the Bank

c. Expenses recognised in the Profit and Loss Account during the year:

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Current Service Cost	11.44	9.37
Interest Cost	24.14	25.27
Net Actuarial gain/loss	-17.23	24.66
Expected return on Plan Assets	-16.96	-10.22
Expense recognised in the statement of Profit and Loss	1.40	49.07

d. Actuarial assumptions:

Particulars	2020-21	2019-20
Mortality Table (LIC)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate (per annum)	6.75%	6.75%
Salary growth (per annum)	7.00%	7.00%
Withdrawal Rate	1.00%	1.00%

**19.1.4 Post-Retirement Medical Benefits**

The present value of defined benefit obligation in respect of post-retirement medical benefits accounted in Profit and Loss Account is ₹0.00 crore (₹0.00 crore).

**19.1.5** The estimates of rate of escalation in salary considered in actuarial valuation, take into account NABARD related factors, inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

**19.1.6** The aforesaid liabilities include liabilities of employees deputed to subsidiaries.



### 19.1.7 Amortisation of Post-retirement benefits

The entire liability towards post-retirement benefits are charged to Profit and Loss account and are not amortised.

### 19.1.8 Investment under Plan Assets of Pension, Gratuity & Leave Encashment Fund as on 31 March 2021

Particulars	Pension	Gratuity	Encashment of OL
	% of Plan Assets	% of Plan Assets	% of Plan Assets
Central Govt. Securities	7.24	–	–
State Govt. Securities	42.91	–	–
Insurer Managed Funds	0.00	100.00	100.00
Others	49.85	–	–
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

### 19.2 Defined Contribution Plan:

- The bank contributes its share to Provident Fund with RBI. As per the terms the contribution is a defined contribution plan. During the year the bank has contributed ₹24.91 crore (₹27.49) with RBI.
- The employees' recruited on or after 01 January 2012 are covered under New Pension Scheme, which is a defined contribution plan. During the year the bank has contributed ₹7.50 crore (₹4.57 crore) to the said scheme.

## 20. Capital

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

The authorised capital of the bank stood at ₹30,000 crore as on 31 March 2020 and as on 31 March 2021. The entire paid up capital of the bank has been subscribed by Government of India. The details are given below:

Contributor	31 March 2021		31 March 2020	
	(₹ crore)	%	(₹ crore)	%
Government of India	15,080.00	100.00%	14,080.00	100.00%
<b>Total</b>	<b>15,080.00</b>	<b>100.00%</b>	<b>14,080.00</b>	<b>100.00%</b>

During the year an amount of ₹1,000 crore was infused by Government of India towards Capital of NABARD.

### 20.2 Capital Adequacy

20.2.1 Capital adequacy ratio of the Bank as on 31 March 2021 was 18.80% (21.20%) as against a minimum of 9% as stipulated by RBI.

20.2.2 In accordance with RBI Instructions, assets financed from National Rural Credit – Long Term Operations (NRC LTO) Fund amounting to ₹14,497 crore (₹14,495 crore) are excluded for the purpose of computing the CRAR.

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

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
(i)	Common Equity	51547.69	46884.98
(ii)	Additional Tier 1 capital	0.00	0.00
(iii)	Total Tier 1 capital (i+ii)	51547.69	46884.98
(iv)	Tier 2 capital	5344.24	3471.90
(v)	Total Capital (Tier 1+Tier 2)	56891.93	50356.88
(vi)	Total Risk Weighted Assets (RWAs)	302607.64	237571.73
(vii)	Common Equity Ratio (Common Equity as a percentage of RWAs)	17.03	19.74
(viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	17.03	19.74
(ix)	Capital to Risk Weighted Assets Ratio (CRAR)	18.80	21.20
(x)	Percentage of the shareholding of the Government of India in the AIFI	100.00	100.00
(xi)	Amount of equity capital raised #	1000.00	1500.00
(xii)	Amount of Additional Tier 1 capital raised; of which	0.00	0.00
	(a) Perpetual Non-Cumulative Preference Shares (PNCPS):	0.00	0.00
	(b) Perpetual Debt Instruments (PDI)	0.00	0.00
(xiii)	Amount of Tier 2 capital raised; of which	0.00	0.00
	(a) Debt capital instruments:	0.00	0.00
	(b) Perpetual Cumulative Preference Shares (PCPS)	0.00	0.00
	(c) Redeemable Non-Cumulative Preference Shares (RNCPS)	0.00	0.00
	(d) Redeemable Cumulative Preference Shares (RCPS)	0.00	0.00

# Subscription received from Government of India towards Share Capital during the year is ₹1,000 crore.

## 21. Provisions on Standard Assets

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Provisions towards Standard Assets	698.00	196.00

## 22. Floating Provisions and Counter Cyclical Provision

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
(a)	Opening balance in floating provision account (counter cyclical provisioning buffer)	514.44	14.44
(b)	The quantum of floating provisions made during the accounting year #	750.00	500.00
(c)	Amount of drawdown made during the accounting year	0.00	0.00
(d)	Closing balance in the floating provision account	1264.44	514.44

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

## 23. Asset Quality and specific provisions

### 23.1 Non-Performing Advances

(Amount in ₹ crore)

S. No.	Particulars	31.03.2021	31.03.2020
(i)	<b>Net NPA to Net Advances (%)</b>	<b>0.00</b>	<b>0.15</b>
(ii)	<b>Movement of NPAs (Gross)</b>		
(a)	Opening Balance	1236.99	168.06
(b)	Additions during the year	4.01	1107.64
(c)	Reductions during the year	0.12	38.71
(d)	Closing Balance	1240.88	1236.99
(iii)	<b>Movement of Net NPAs</b>		
(a)	Opening Balance	719.88	0.00
(b)	Additions during the year	0.00	719.88
(c)	Reductions during the year	719.88	0.00
(d)	Closing Balance	0.00	719.88
(iv)	<b>Movement of provisions for NPAs (excluding provision on standard assets)</b>		
(a)	Opening balance	517.11	168.06
(b)	Provision made during the year	723.89	388.28
(c)	Write off / write back of excess provision	0.12	39.23
(d)	Closing balance	1240.88	517.11

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 the loan as Standard Asset until the scheme is considered by the creditors/orders passed by NCLT. Hence, pending orders from NCLT, the loan is classified as Standard Asset.



## 23.2 Non-Performing Investments

(Amount in ₹ crore)

<i>Sr. No.</i>	<i>Particulars</i>	<i>31.03.2021</i>	<i>31.03.2020</i>
<b>(i)</b>	<b>Net NPI to Net Investments (%)</b>	<b>0.00</b>	<b>0.26</b>
<b>(ii)</b>	<b>Movement of NPIs (Gross)</b>		
(a)	Opening Balance	650.34	226.05
(b)	Additions during the year	0.00	440.29
(c)	Reductions during the year	0.00	16.00
(d)	Closing Balance	650.34	650.34
<b>(iii)</b>	<b>Movement of Net NPIs</b>		
(a)	Opening Balance	85.48	0.00
(b)	Additions during the year	0.00	85.48
(c)	Reductions during the year	85.48	0.00
(d)	Closing Balance	0.00	85.48
<b>(iv)</b>	<b>Movement of provisions for NPIs</b>		
(a)	Opening balance	564.86	226.05
(b)	Provision made during the year	85.48	354.81
(c)	Write off / write back of excess provision	0.00	16.00
(d)	Closing balance	650.34	564.86

## 23.3 Non-Performing Assets (23.1+23.2)

(Amount in ₹ crore)

<i>Sr. No.</i>	<i>Particulars</i>	<i>31.03.2021</i>	<i>31.03.2020</i>
<b>(i)</b>	<b>Net NPA to Net Assets (Advances + Investments) (%)</b>	<b>0.00</b>	<b>0.16</b>
<b>(ii)</b>	<b>Movement of NPAs (Gross Advances + Gross Investments)</b>		
(a)	Opening Balance	1887.33	394.11
(b)	Additions during the year	4.01	1547.93
(c)	Reductions during the year	0.12	54.71
(d)	Closing Balance	1891.22	1887.33
<b>(iii)</b>	<b>Movement of Net NPAs</b>		
(a)	Opening Balance	805.36	0.00
(b)	Additions during the year	0.00	805.36
(c)	Reductions during the year	805.36	0.00
(d)	Closing Balance	0.00	805.36
<b>(iv)</b>	<b>Movement of provisions for NPAs (excluding provision on standard assets)</b>		
(a)	Opening balance	1081.97	394.11
(b)	Provision made during the year	809.37	743.09
(c)	Write off / write back of excess provision	0.12	55.23
(d)	Closing balance	1891.22	1081.97

### 23.4 Particulars of Accounts Restructured

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

	<i>Type of restructuring</i>		<i>Under CDR Mechanism</i>					<i>Under SME Debt Restructuring</i>		
	<i>Asset Classification</i>		<i>Std</i>	<i>SS</i>	<i>Dful</i>	<i>Loss</i>	<i>Total</i>	<i>Std</i>	<i>SS</i>	<i>Dful</i>
	<i>Details</i>									
1	Restructured Accounts as on 01 April 2020	No. of Borrowers								
		Amount outstanding								
		Provision thereof								
2	Fresh restructures during the year	No. of Borrowers								
		Amount outstanding								
		Provision thereof								
3	Upgradation to restructured standard category during the FY	No. of Borrowers								
		Amount outstanding								
		Provision thereof								
4	Restructured Standard advances which cease to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers								
		Amount outstanding								
		Provision thereof								
5	Downgradation of restructured accounts during the FY	No. of Borrowers								
		Amount outstanding								
		Provision thereof								
6	Write offs of Restructured accounts during the FY	No. of Borrowers								
		Amount outstanding								
		Provision thereof								
7	Restructured accounts as on 31 March 2021	No. of Borrowers								
		Amount outstanding								
		Provision thereof								



### 23.5 Movement of Non-Performing Advances

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
(i)	Gross NPAs as on 01 April	1236.99	168.06
(ii)	Additions during the year	4.01	1107.64
	<b>Sub-total (A)</b>	<b>1241.00</b>	<b>1275.70</b>
<b>Less:</b>			
(i)	Upgradations	0.00	16.15
(ii)	Recoveries (excluding recoveries made from upgraded accounts)	0.12	22.56
(iii)	Technical / Prudential Write offs	0.00	0.00
(iv)	Write offs other than those under (iii) above	0.00	0.00
	<b>Sub-total (B)</b>	<b>0.12</b>	<b>38.71</b>
	<b>Gross NPAs as on 31 March (A-B)</b>	<b>1240.88</b>	<b>1236.99</b>

### 23.6 Write-offs and recoveries

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Opening balance of Technical / Prudential written off accounts as at 01 April	0.00	0.00
Add : Technical / Prudential write offs during the year	0.00	0.00
Sub-total (A)	0.00	0.00
Less: Recoveries made from previously technical / prudential written off accounts during the year (B)	0.00	0.00
Closing balance as at 31 March (A-B)	0.00	0.00

Note: Technical or prudential write-off is the amount of non-performing loans which are outstanding in the books of the branches, but have been written-off (fully or partially) at Head Office level.

### 23.7 Overseas Assets, NPAs and Revenue

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Total Assets	0.00	0.00
Total NPAs	0.00	0.00
Total Revenue	0.00	0.00

### 23.8 Depreciation and provisions on investments

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
<b>(1)</b>	<b>Investments</b>		
(i)	Gross Investments*		
	(a) In India	44795.43	32887.81
	(b) Outside India	-	-
(ii)	Provision for Depreciation*		
	(a) In India	650.34	564.86
	(b) Outside India	-	-
(iii)	Net Investments *		
	(a) In India	44145.09	32322.95
	(b) Outside India	-	-
<b>(2)</b>	<b>Movement of provisions held towards depreciation on investments</b>		
(i)	Opening balance	564.86	240.39
(ii)	Add: Provisions made during the year	85.48	354.81
(iii)	Appropriation, if any, from Investment Fluctuation Reserve Account during the year	0.00	0.00
(iv)	Less: Write off / write back of excess provisions during the year	0.00	30.34
(v)	Less: Transfer, if any, to Investment Fluctuation Reserve Account	0.00	0.00
(vi)	Closing balance	650.34	564.86

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

### 23.9 Provisions and Contingencies

(Amount in ₹ crore)

Sr. No.	Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account	2020-21	2019-20
1	Provisions for depreciation on Investment	85.48	354.81
2	Provision towards NPA (Advances + Investments)	801.26	703.93
3	Provision made towards Income tax (Net)	1761.45	1375.09

### 23.10 Provisioning Coverage Ratio (PCR)

PCR [ratio of provisioning (including counter cyclical/ floating provisions) to gross non-





performing assets] as at close of business for the current year stood at 166.86% (84.58%).

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

During the year 2016–17, resolution plan for stressed loan account (HCC) to the extent of ₹46.91 crore was considered under Scheme for Sustainable Structuring of Stressed Assets. The details of resolution plan are given below:

Particulars	Amount (₹ in crore)
<b>Part – A</b>	
(i) Loan outstanding	13.68
<b>Part – B</b>	
Equity Shares	8.06
Optionally Convertible Debentures	14.22
<b>Total</b>	<b>35.96</b>

The net outstanding of the above loan account stood at ₹35.96 crore as on 31 March 2021. The account is continued as NPA and 100% provision held against the outstanding balance as per S4A guidelines. The amount received under S4A arrangement and kept in Debt Servicing Reserve account had been fully utilised.

### 23.12 Moratorium under Covid-19 package

- a) In terms of “COVID-19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets” announced by RBI on 27 March 2020 and 17 April 2020, the bank has allowed three /six months’ moratorium for thirty-two clients on the principal and interest due between 01 March to 31 August 2020 amounting to ₹383.85 crore. Out of the thirty-two clients, twenty-nine are classified as standard and there was no overdue on any of these accounts as on 31.03.2021. Three loan accounts amounting to ₹0.75 crore have turned into NPA for which applicable provisions have been made.
- b) 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.

- c) 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.
- d) 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	–	–

\*As of March 31, 2021 in respect of such accounts

# No asset classification benefit and no moratorium are provided as of March 31, 2021

- e) 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.

## 24. Investment portfolio: constitution and operations

### 24.1 Repo Transactions

(Amount in ₹ crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 March 2021
<b>Securities sold under repo</b>				
i. Government securities	220.22 (158.53)	5119.43 (4379.80)	601.55 (479.77)	0.00 (0.00)
ii. Corporate debt securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
<b>Securities purchased under reverse repo</b>				
i. Government securities	56.23 (105.76)	259.43 (2762.36)	0.86 (68.43)	0.00 (0.00)
ii. Corporate debt securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

### 24.2 Disclosure of Issuer Composition for Investment in Debt Securities

(Amount in ₹ crore)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs	552.31 (581.42)	552.31 (581.42)	–	–	0.00 (0.00)
(ii)	Govt	38435.11 (23248.24)	38435.11 (23248.24)	–	–	0.00 (0.00)
(ii)	FIs	0.00 (0.00)	0.00 (0.00)	–	–	0.00 (0.00)
(iii)	Banks	243.44 (1660.04)	243.44 (1660.04)	–	–	0.00 (0.00)
(iv)	Private Corporates	1540.43 (1941.70)	1540.43 (1941.70)	–	–	0.00 (0.00)
(v)	Subsidiaries / Joint Ventures	–	–	–	–	–
(vi)	Others	0.00 (0.00)	0.00 (0.00)	–	–	–
(vii)	Provision held towards depreciation	650.34 (564.86)	650.34 (564.86)	–	–	–
	<b>Total</b>	<b>40120.95</b> <b>(26866.56)</b>	<b>40120.95</b> <b>(26866.56)</b>	<b>0.00</b> <b>(0.00)</b>	<b>0.00</b> <b>(0.00)</b>	<b>–</b>

### 24.3 Sale and Transfers to/from HTM Category

During the year, SDL Securities were transferred from HTM to AFS category of the book value of ₹328.03 crore (face value ₹329.65 crore) and Govt Securities were transferred from HTM to AFS category of the book value ₹1,183.61 crore (face value ₹1,150 crore). The market value of

all investments held by NABARD under Held to Maturity (HTM) category was ₹12,407.78 crore against the book value of ₹10,859.10 crore

### 25. Details of Financial Assets purchased/sold

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



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

**25.2 Details of Non Performing Financial Assets Purchased / Sold**

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

**25.3 Operating Results**

Sr. No.	Particulars	2020-21	2019-20
(i)	Interest income as a percentage to working funds	6.06	6.66
(ii)	Non-Interest Income as a percentage to working funds	0.02	0.02
(iii)	Operating Profit as a percentage to working funds	1.46	1.35
(iv)	Return on Assets (%)	0.76	0.79
(v)	Net Profit per employee (₹ crore)	1.27	1.08

**26. Credit Concentration risk**

**26.1 Capital market exposure**

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt; \$\$	1590.38	1528.64
2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	0.00	0.00
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.00	0.00
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	0.00	0.00

Sr. No.	Particulars	2020-21	2019-20
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	0.00	0.00
6	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	0.00	0.00
7	Bridge loans to companies against expected equity flows / issues;	0.00	0.00
8	Underwriting commitments taken up by the AIFI in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
9	Financing to stockbrokers for margin trading;	0.00	0.00
10	All exposures to Venture Capital Funds (both registered and unregistered)	284.03	222.10
<b>Total Exposure to Capital Markets</b>		<b>1874.41</b>	<b>1750.74</b>

\$\$ Equity shares, subsidiaries and other strategic investments

**26.2 Exposure to Country risk: NIL**

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

26.3.1 The number and amount of exposures in excess of the prudential exposure limits during the year: NIL

26.3.2 Credit exposure as percentage to Capital Funds and as percentage to Total Assets

(Amount in ₹ crore)

	Category	2020-21		2019-20	
		Credit Exposure as % to		Credit Exposure as % to	
		Capital Funds	Total Assets	Capital Funds	Total Assets
I	Largest Single Borrower	85.81	7.42	57.20	5.42
II	Largest Borrower Group	Not Applicable		Not Applicable	
III	Twenty Largest Single Borrowers for the year	552.81	47.81	500.03	47.35
IV	Twenty Largest Borrower Groups	Not Applicable		Not Applicable	

26.3.3 Credit exposure to the five largest industrial sectors as percentage to total loan assets: Not Applicable

26.3.4 Factoring exposures: Not Applicable

26.3.5 Exposure where the FI had exceeded that Prudential Exposure Limits during the year: NIL

## 26.4 Concentration of borrowings / lines of credit, credit exposures and NPAs

a) Concentration of borrowings and lines of credit

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
(i)	Total borrowings from twenty largest lenders	363557.52	293624.33
(ii)	Percentage of borrowings from twenty largest lenders to total borrowings	65.02	66.52

b) Concentration of credit exposures

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
(i)	Total exposures to twenty largest borrowers	314501.61	251925.57
(ii)	Percentage of exposures to twenty largest borrowers to Total Advances of the AIFI	52.05	52.26

c) Sector-wise concentration of exposures and NPAs

The sector wise concentration of exposure and NPAs is given below:

(Amount in ₹ crore)

Sr. No.	Particulars	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	FY 2020-21		FY 2019-20	
					Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	
<b>I.</b>	<b>Agricultural sector including allied agricultural activities</b>	<b>604227.16</b>	<b>1227.06</b>	<b>0.20</b>	<b>481996.33</b>	<b>1223.65</b>	<b>0.25</b>	
1	Central Government	0.00	0.00	0.00	0.00	0.00	0.00	
2	Central PSUs	16.91	0.00	0.00	39.31	0.00	0.00	
3	State Governments	168660.47	0.00	0.00	154633.28	0.00	0.00	
4	State PSUs	19960.33	0.00	0.00	10833.04	0.00	0.00	
5	Scheduled Commercial Banks	114189.82	0.00	0.00	88637.85	0.00	0.00	
6	Regional Rural Banks	61587.56	0.00	0.00	46095.58	0.00	0.00	
7	Co-operative banks	104629.33	0.00	0.00	78952.81	0.00	0.00	
8	Private sector (excluding banks)	106241.96	119.56	0.11	76775.21	116.15	0.15	
9	Others SCRADB/LDB/NBFC-MFI/ ADFC	28940.78	1107.50	3.83	26029.25	1107.50	4.25	
<b>II.</b>	<b>Others</b>	<b>219.28</b>	<b>13.82</b>	<b>6.30</b>	<b>241.13</b>	<b>13.34</b>	<b>5.53</b>	
1	Construction Sector	13.68	13.68	100.00	13.25	13.25	100.00	
2	Staff Loans	205.60	0.14	0.07	227.88	0.09	0.04	
	<b>Total (I+II)</b>	<b>604446.44</b>	<b>1240.88</b>	<b>0.21</b>	<b>482237.46</b>	<b>1236.99</b>	<b>0.26</b>	



**27. Derivatives**

**27.1 Forward Rate Agreement / Interest Rate Swap: NIL**

**27.2 Exchange Traded Interest Rate derivatives: NIL**

**27.3 Disclosure on Risk exposure in derivatives:**

- i) The Bank does not trade in derivatives. However, it has hedged its International Borrowings to the extent of 62.59 million Euro (73.01 million Euro) and 46.63 million USD (50 million USD). Consequent upon hedging

of foreign currency borrowings the same is shown at contracted value as per the Swap agreement / forward contract. The bank has open exposure of 16.31 million (14.33 million) in Euro as on 31 March 2021.

- ii) The value of outstanding principal amount of hedge contract at the year-end exchange rate stood at ₹880.20 crore (₹983.32 crore). The value of outstanding principal liability in the books of account stood at ₹959.98 crore (₹1052.60 crore). The quantitative disclosure in this regard is as under:

(Amount in ₹ crore)

Sr. No.	Particular	Current Year		Previous Year	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)				
	a) For hedging	880.20		983.32	
	b) For trading	-		-	
(ii)	Marked to Market Positions				
	a) Asset (+)	20.39		24.53	
	b) Liability (-)				
(iii)	Credit Exposure	30.84		27.64	
(iv)	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives	14.02		18.35	
	b) on trading derivatives	-		-	
(v)	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging	-		-	
	b) on trading	-		-	

**28. Letters of Comfort (LoCs) issued by AIFIs: NIL**

**29. Asset Liability Management**

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

(Amount in ₹ crore)

Particulars	1-14 d	15-28d	29d-3m	>3m-6m	>6m-1y	>1y-3y	>3y-5y	>5y	Total
Deposits	0	7,434	0	22,471	64,986	74,134	51,047	21,500	2,41,572
Advances	6,189	6,847	51,257	60,672	1,00,831	1,53,684	87,352	1,36,168	6,03,000
Investments	10,508	9,332	11,849	770	1,829	704	491	12,258	47,741
Borrowings	14,110	5,208	45,632	21,763	20,599	52,689	32,137	1,24,442	3,16,580
Foreign Currency Assets	0	0	0	0	0	0	0	0	0
Foreign Currency liabilities	0	0	0	36	60	195	148	521	960

### 30. Draw Down from Reserves: NIL

#### 31. Business Ratios

Particulars	2020-21	2019-20
Return on Equity (%)	8.46	8.41
Return on Assets (%)	0.76	0.79
Net Profit Per Employee (₹ crore)	1.27	1.08

#### 32. Disclosure of Penalties imposed by RBI: NIL

#### 33. Disclosure of Complaints

##### a) Customer Complaints

Sr. No.	Particulars	2020-21	2019-20
(a)	No. of complaints pending at the beginning of the year	9	2
(b)	No. of complaints received during the year	229	211
(c)	No. of complaints redressed during the year	233	204
(d)	No. of complaints pending at the end of the year	5	9

#### 34. Off-Balance Sheet SPVs Sponsored (which are required to be consolidated as per accounting norms)

There are no SPVs sponsored by NABARD.

#### 35. The movement in Contingent Liability as required in AS 29 “Provisions, Contingent Liabilities and Contingent Assets” is as under:

(Amount in ₹ crore)

Particulars	2020-21	2019-20
Opening Balance	25.57	25.02
Addition during the year	33.18	25.57
Deletion during the year	25.57	25.02
Closing Balance	33.18	25.57

#### 36. Prior period items included in the Profit and Loss account are as follows:

(Amount in ₹ crore)

Sr. No.	Particulars	2020-21	2019-20
1.	Income	0.00	0.00
2.	Revenue Expenditure	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>

#### 37. Accounting Standard 18 – Related Party Disclosures

As the Bank is state controlled enterprise within the meaning of AS-18 “Related Party Transactions”, the details of the transactions with other state controlled enterprises are not given.

List of Related Parties:

##### a) Companies where entity has control:

Sr. No.	Companies	Relationship
1.	NABARD Financial Services Ltd.	Subsidiary
2.	NABSAMRUDDHI Finance Limited	Subsidiary
3.	NABKISAN Finance Ltd.	Subsidiary
4.	NABARD Consultancy Services Pvt. Ltd.	Wholly owned Subsidiary
5.	NABVENTURES Ltd.	Wholly owned Subsidiary
6.	NABFOUNDATION	Wholly owned Subsidiary
7.	NABSanrakshan Trustee Private Limited*	Wholly owned Subsidiary

\* Incorporated on 13 November 2020 and an amount of ₹50 crore was contributed towards share capital of the company on 11 January 2021

##### b) Key Management Personnel:

Name of the party	Designation
Dr. Harsh Kumar Bhanwala*	Chairman
Dr. G R Chintala (with effect from May 2020)	Chairman
Shri Shaji K V (with effect from May 2020)	Deputy Managing Director
Shri P V S Suryakumar (with effect from May 2020)	Deputy Managing Director
Shri Harishkumar Rasiklal Dave**	Deputy Managing Director
Shri R Amalorpavanathan**	Deputy Managing Director

\* Dr. Harsh Kumar Bhanwala's transactions are from April 2020 to May 2020.

\*\* DMDs (HRD) and (RA) retired in April and May 2019 respectively.



a. Transactions with Key Management Personnel:

(Amount in ₹ crore)

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year	Outstanding
Dr. Harsh Kumar Bhanwala	Key Management Personnel– Chairman	Remuneration including perquisites	0.13 (0.61)	0.00
Dr. G R Chintala	Key Management Personnel– Chairman	Remuneration including perquisites	0.63 (0.00)	0.00
Shri Shaji K V	Key Management Personnel– Deputy Managing Director	Remuneration including perquisites	0.59 (0.00)	0.00
Shri P V S Suryakumar	Key Management Personnel– Deputy Managing Director	Remuneration including perquisites	0.56 (0.00)	0.00
Shri Harishkumar Rasiklal Dave	Key Management Personnel– Deputy Managing Director	Remuneration including perquisites	0.00 (0.13)	0.00
Shri R Amalorpavanathan	Key Management Personnel– Deputy Managing Director	Remuneration including perquisites	0.00 (0.17)	0.00

No amounts, in respect of the related parties have been written off/back, or provided for during the year. Related party relationships have been identified by the management and relied upon by the auditors.

**c) Information on Business Segment**

(a) **Brief Background**

The Bank has recognised Primary segments as under:

- i) **Direct Finance:** Includes Loans given to state governments and other agencies for rural infrastructure development, co-finance loans and loans given to voluntary agencies/non-governmental organizations for developmental activities and other direct loans to Co-operative Banks etc.

- ii) **Refinance:** Includes Loans and Advances given to State Governments, Commercial Banks, SCARDBs, StCBs Regional Rural Banks etc. as refinance against the loans disbursed by them to the ultimate borrowers.

- iii) **Treasury:** Includes investment of funds in treasury bills, short-term deposits, government securities, etc.

- iv) **Unallocated:** Includes income from staff loans and other miscellaneous receipts and expenditure incurred for the developmental role of the bank and common administrative expenses.

(b) **Information on Primary Business Segment**

(Amount in ₹ crore)

Particulars	Treasury		Refinance		Direct Lending		Other Business		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	3372.89	3867.07	15998.01	15096.98	15204.49	13654.63	95.78	73.62	34671.17	32692.30
Result	2041.55	2248.67	4025.13	2828.64	3326.77	2811.00	-3312.04	-2653.99	6081.41	5234.32
Unallocated Expenses									0.00	0.00
Operating Profit									6081.41	5234.32
Income Taxes									1761.45	1375.09
Extraordinary profit / loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Profit</b>									<b>4319.96</b>	<b>3859.23</b>

Particulars	Treasury		Refinance		Direct Lending		Other Business		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Business Segments</b>										
<b>Other Information</b>										
Segment Assets	48484.91	44693.36	312809.76	241001.39	292931.07	243069.05	3572.56	3311.15	657798.30	532074.95
Segment Liabilities	99432.66	68543.82	278469.69	219481.93	211150.09	183334.31	68745.86	60714.89	657798.30	532074.95
Unallocated Liabilities									0	0
<b>Total Liabilities</b>									<b>657798.30</b>	<b>532074.95</b>

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

**38.** Figures in brackets pertain to previous year.

**39.** Previous year's figures have been regrouped/ rearranged wherever necessary.

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  
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**  
**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