

## **NABARD organizes Annual Press Conference for FY 2016-17**



**“The 2016-17 Annual Press Conference was organized today in Head Office. Dr. Harsh K Bhanwala, Chairman addressed over 30 main line journalists of press along with Shri H.K. Dave, DMD. NABARD posted healthy figures for the past year with its balance sheet size increasing from Rs.3,10,385 crore last year to Rs. 3,48,119 crore on 31 March 2017 registering growth of 12.16%.”**

***“Deepening credit, last mile digitization and rural infrastructure were our priority during 2016-17.” Dr. Bhanwala, Chairman, NABARD***



### **NABARD in the rural eco-system**

NABARD is India's apex development financial institution, formed by an Act of Parliament in 1982. Beginning as a pure refinance provider in its early years, it has today grown into India's largest Development Financial Institution working for rural India with its footprints in a host of areas like development of rural infrastructure, deepening of financial inclusion, women empowerment, capital formation & climate proofing of agriculture, besides strengthening of rural financial institutions among many others.

During 2016-17, it has also consolidated its position as a think tank for both Central and State Governments through district and state level planning which supports banking industry and other stakeholders in credit and non-credit planning support.

We now present a brief about our contributions to the rural economy during 2016-17. In addition, we are enclosing;

- A. Our award winning corporate brochure, “Beyond Numbers”
- B. “Simply Development” – Profiles of some of our best field level interventions across the country
- C. Highlights of the press releases given during the year

**NABARD in Numbers - 2016-17**

**(Rs. in crore)**

Particulars	31/3/2015	31/03/2016	31/3/2017	Annual growth (%)
			(Unaudited)	
<b>Balance Sheet Size</b>	2,85,809	3,10,385	3,48,119	12.16 %
<b>Capital &amp; Reserves</b>	24,601	27,426	31,414	14.54 %
<b>Loans &amp; Advances outstanding</b>	2,52,369	2,65,448	3,08,625	16.27 %
Of which				
<b>Long Term Loans</b>	68,458	89,943	1,06,327	18.22 %
<b>Loans under RIDF</b>	83,545	91,384	1,00,982	10.50 %
<b>Profit after tax</b>	2,403	2,524	2,631	4.24 %
<b>Per employee productivity</b>	37.39	38.60	46.00	19.17%

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**BUSINESS AREAS**

- i. NABARD’s refinance outstanding during the year 2016-17 reached an all-time high of Rs. 1,41,267 Crore ( Rs.1,19,770 Crore during 2015-16 – 18% growth). This was enabled through all time high disbursements of Rs.53,504 crore ( 11 % higher over previous year)

ii. NABARD played a critical role in easing the short term credit needs of farming community during 2016-17 by disbursing Rs.83,355 Crore to Cooperative Banks and RRBs. This facility is primarily for crop loans. In addition, NABARD also disbursed Rs.1,510 Crore under Short Term (Others) and Short Term (Weavers) Limits for meeting the working capital requirements of Agri, Allied and Weavers sectors.

iii. **Post demonetisation steps**

- ✓ Sanctioned an additional amount of Rs.20,000 Crore to Cooperative Banks and Societies, to provide farmers with better access to loans. Out of this additional sanction, an amount of Rs.17,774 Crore has been disbursed to Cooperative Banks. This ensured availability of credit at concessional rate during the 2016-17 Rabi Season.
  - ✓ To address the cash flow problems of farmers due to demonetisation, interest for 2 months (November-December 2016) on short term crop loans sanctioned and disbursed by Cooperative Banks during the Kharif season 2016 was waived. An amount of Rs.458.28 Crore has been credited to the accounts of 154,07,473 farmers as on 31 March 2017.
- iv. Refinance for long term loans, which is an established indicator of long term capital formation, touched a new high at Rs.53,504 Crore. Significantly, this vertical has recorded a CAGR of 35% over the last 3 years.
- v. **Rural Infrastructure Development Fund (RIDF)** disbursements at Rs. 25,600 Crore registered a 8.8% growth over previous year (Rs.23,507 Crore). As on 31 March 2017, total cumulative sanctions under the 22 tranches of RIDF have gone up to Rs.2,87,129 Crore with disbursements of Rs.2,29,809 Crore thereagainst.

**NABARD's contribution to India's Rural Infrastructure**

Impact of NABARD's efforts through RIDF can be best summarized by pointing out the phenomenal achievements as on 31<sup>st</sup> March, 2017:

- Creation of additional irrigation potential of 291.00 lakh ha.
- Creation of rural road network of 4.28 lakh kms
- Building rural bridges of 10.37 lakh meters
- Creation of non-recurring employment of 23.01 billion man days.
- A clear and verified positive impact on the income levels, agriculture production and quality of living.

- vi. Under Long Term Irrigation Fund (LTIF), which is a game changer in the field of irrigation, NABARD sanctioned 81 projects towards Central Government share and 63 projects towards State Government with loans totaling Rs 49,890 Crore. A sum of Rs 9,086 Crore has been already disbursed under the Fund.
- vii. The previous year saw a major consolidation of NABARD's foray into direct financing of public sector bodies, federations and Cooperatives. Disbursements of such loans stood at Rs. 21,386 Crore as at the end of the year, registering a 55% increase over the previous year. In sync with its nation building mandate, NABARD has consistently looked at areas like micro irrigation, cold storages, roads and wind projects in this finance segment.
- viii. The disbursements under Warehouse Infrastructure Fund (WIF) increased from Rs. 1,046 Crore last year to Rs.1,150 Crore during 2016-17. Cumulative disbursements: Rs.3,400 Crore.
- ix. As against the target of Rs 9.00 lakh Crore, the agricultural credit flow during 2016-17 (*Provisional data*) stood at Rs 9.60 lakh Crore. ( Term Loans- Rs. 3,37,140 Crore ; Crop Loans – Rs. 6,22,685 Crore )
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## **DEVELOPMENTAL WORK**

### **i. Financial Inclusion and NABARD**

The year 2016-17 saw some very spirited efforts from NABARD in the field of digitizing cooperative banks and RRBs aimed at building a financially inclusive cashless economy.

- NABARD sanctioned support for 2.05 lakh PoS devices, covering more than 82,000 villages during the year. The goal is to reach 1 lakh villages with two POS machines. NABARD also supported Cooperative Banks and RRBs in procuring EMV chip-based RuPay Kisan cards.
- With consistent efforts of NABARD, RRBs have today succeeded in issuing over 1.00 crore Rupay Kisan Cards (RKC)s. Infact, all RRBs, except one i.e. Rajasthan Marudhar Gramin Bank (RMGB), have covered 100% Live/ Eligible KCCs.
- NABARD has laid special focus on Cooperative Banks in this direction. The total number of Rupay KCCs issued by cooperative banks today stands at 52.38 lakh. In a remarkably short period of time, out of 380 licensed cooperative banks, NABARD has enabled 190 to come on card technology. This is bound to have a significant game changing impact on rural banking in the very short term.

- In a quick move, consequent upon demonetisation, Digital Financial Literacy Awareness Programme (DFLPAS) were ushered in by NABARD to create awareness and demonstrate hands-on experience of various digital banking technologies. The programme has also been extended to schools.
  - NABARD sees solar energy as a potential disruptor technology in financial inclusion. To address the issue of lack of power and connectivity in sub-service areas (SSAs), NABARD extends support for setting up of solar-powered V-SATS to kiosks/fixed CSPs. It sanctioned Rs. 274.78 crore during 2016-17 taking the total to Rs. 308.46 crore for deployment of such V-SATs in 8257 SSAs. Implementation to be completed by September 2017.
  - ***Lucky Grahak Yojana & Digi-Dhan Vyapar Yojana:*** The Niti Ayog designed “*Lucky Grahak Yojana*” and “*Digi-dhan Vyapar Yojana*” are schemes designed to promote digital transactions at consumer and merchant levels. These schemes are being funded through Financial Inclusion Fund. NPCI determines the winners for the cash rewards (Daily, Weekly and Mega Prizes) by electronic draw of lots from amongst the digital Transaction IDs. The scheme commenced on 25<sup>th</sup> December 2016 and will continue on daily & weekly basis with the Mega Draw on 14<sup>th</sup> April 2017. The expenditure of Rs.340.00 crore for the scheme is being supported from FIF. As on 31st March 2017 an amount of Rs.275 crore has been spent under the schemes.
- ii. **NABARD All India Financial Inclusion Survey (NAFIS)**  
 NABARD launched an All India Financial Inclusion Survey (NAFIS) in 2016-17 to get a deeper understanding of livelihood and financial inclusion aspects at the household level. The survey covering 40,000 households is expected to bridge certain critical gaps in the existing level of understanding about rural financial inclusion. 50 % of the sample households have been covered till now with the final report due in 2017-18.
- iii. **E-shakti – the future of Self Help Group movement: Project EShakti** for digitisation of SHGs was extended to another 22 districts under phase II taking a total of 24 districts where the project is being implemented. The number of SHGs digitised now stands at 1.28 lakh in 18,515 villages touching **14.70 lakh** families. The project now has 92 field implementing partner agencies across India.

iv. **Growth of Self Help Groups Movement**

<b>Sr.</b>	<b>Particulars</b>	<b>Numbers during 2016-17 (Lakh)</b>	<b>Cumulative Number 31-3-2017 (Lakh)</b>	<b>Amount during 2016-17 (Crore)</b>	<b>Cumulative Amount 31-3-2017 (Crore)</b>
1	Savings Linked SHGs	6.54	85.56	479	14,170
2	Credit linked SHGs	13.19	46.73	20,370	57,119
3	JLGs	5.13	22.22	5,545	22,882

- v. Under the newly launched LEDP (Livelihood Enterprise Development Programme), nearly 100 projects covering both Farm and Non- farm sector activities were sanctioned grant assistance of Rs 422.21 lakh to create sustainable livelihoods for SHG members, mostly women.

vi. **Climate resilient agriculture**

- A unique proposal was submitted to GCF by NABARD for ground water recharge and solar micro irrigation in tribal areas of Odisha with a project outlay of USD 166.297 million. The same was sanctioned and is a promising start in this direction.
- Under Adaptation Fund, NABARD sanctioned total grant assistance of USD 2.55 million during 2016-17. The cumulative disbursement for 6 projects stood at USD 9.85 million.
- NABARD has sanctioned 07 projects under NAFCC amounting to Rs.154.55 Crore during 2016-17. The cumulative disbursement stood at Rs 396.85 Crore out of which Rs 44.87 Crore has been released.
- NABARD steered a campaign in 38,000 villages during 2016-17 on water conservation and water use efficiency.

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**NABARD's Institutional Development and Supervisory Role**

- Out of the 23 unlicensed banks, 18 DCCBs were issued licences during the year based on recommendations of NABARD.
- NABARD, as a part of its supervisory role, inspected 314 banks (33 StCBs, 56 RRBs, 213 DCCBs, 10 SCARDBs and 2 Apex level Societies) during the year.