

February 19, 2021

National Bank for Agriculture and Rural Development: [ICRA]AAA(Stable) assigned to long-term bonds programme; Ratings reaffirmed

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---------------------------|-----------------------------------|----------------------------------|---|
| Long-term Bonds Programme | 80,773.33 | 80,773.33 | [ICRA]AAA(Stable); Reaffirmed |
| Long-term Bonds Programme | 262.72 | - | [ICRA]AAA(Stable); reaffirmed & withdrawn |
| Long-term Bonds Programme | - | 40,000.00 | [ICRA]AAA(Stable); assigned |
| Commercial Paper | 50,000.00 | 50,000.00 | [ICRA]A1+; Reaffirmed |
| Long-term Deposits | 1,96,350.00 | 1,96,350.00 | [ICRA]AAA(Stable); Reaffirmed |
| Short-term Deposits | 55,000.00 | 55,000.00 | [ICRA]A1+; Reaffirmed |
| Total | 3,82,386.05 | 4,22,123.33 | |

*Instrument details are provided in Annexure-1

Rationale

The ratings for National Bank for Agriculture and Rural Development (NABARD) factor in its strategic, supervisory and policy formulation role in the development of India's agricultural and rural sectors as well as its sovereign ownership with the Government of India (GoI) holding the entire equity stake in the bank. The GoI has demonstrated regular capital support to help maintain the leverage¹ within the regulatory levels.

As a part of its lending operations, NABARD has exposures to the GoI and state government entities for funding various rural development programmes. Further, as a part of refinancing activities, it takes exposure to regional rural banks (RRBs), state co-operative banks (StCBs), scheduled commercial banks (SCBs) and non-banking financial companies (NBFCs). Some of the counterparties, especially the RRBs, StCBs and state-owned entities, could be weak. However, NABARD has maintained a strong asset quality with the gross non-performing advances (GNPAs) and net NPA ratios at 0.24% and Nil, respectively, as on December 31, 2020. This is supported by its sovereign exposures and guarantees from the concerned state government for a part of its loan portfolio. Regulatory and supervision oversight on RRBs and StCBs also improves the timely intervention ability of NABARD to address any capital-related issues in these banks.

NABARD has maintained a competitive and diversified funding profile supported by low-cost rural infrastructure development fund (RIDF) deposits allocated by the GoI and the Reserve Bank of India (RBI) against the priority sector lending (PSL) target shortfalls of SCBs. In addition, the GoI offers interest subvention on the lending programmes of

¹ Leverage is defined as total debt/net owned funds

NABARD, which enables it to offer competitive lending rates to borrowers. Over the last few years, NABARD has been instrumental in raising extra budgetary resources (EBR) for various rural development programmes of the GoI for which it has raised funds through GoI-fully serviced bonds (GoI-FSBs). NABARD also administers various funds earmarked by the GoI for rural development. Overall, NABARD has a diversified funding profile with positive asset-liability gaps in the short as well as long term as on December 31, 2020, driving a superior liquidity profile. NABARD's capital position remains comfortable on the back of RIDF loans to state government entities, which carry zero risk weight. However, the leverage (Debt/Net owned funds) metrics remained relatively high at 9.19 times as on December 31, 2020. Given the seasonality in the loan book, the peak leverage also tends to be higher than the year-end leverage. Further, the leverage is expected to remain high, given the lending requirements under various schemes and the projected credit growth and consequent increase in the borrowing requirement.

ICRA expects that NABARD will continue to benefit from its role of the apex financial institution for the development of the Indian agricultural and rural sectors and will continue to benefit from its sovereign ownership, driving a Stable outlook on the long-term rating. Given the cap on the lending margins, the earnings profile in terms of the return on assets (RoA)/equity (RoE) is likely to remain modest and the internal capital generation may fall short of the capital required for the targeted growth. Hence, the bank will continue to require capital support in the near term to maintain its leverage within the regulatory levels. The GoI has budgeted a capital infusion of Rs. 2,000 crore for NABARD for FY2022, which is sufficient, in ICRA's view, for the targeted growth requirement next year.

Key rating drivers and their description

Credit strengths

Sovereign ownership and strategic importance to GoI for development of agricultural and rural sectors – NABARD (wholly owned by the GoI w.e.f. from March 2018) commenced operations in 1982. It was set up in 1982 under the NABARD Act, 1981, as an apex financial institution for the development and flow of credit to agriculture, small scale industries, cottage and village industries, the rural sector, handicrafts and other rural crafts. Given its role in framing policies for the development of the agriculture and rural sectors and for augmenting ground-level rural credit, NABARD continues to have a strategic importance for the GoI. It also conducts the statutory inspection of StCBs, RRBs and district co-operative banks (DCCBs) apart from the voluntary inspection of state co-operative agriculture and rural development banks (SCARDBs), apex co-operative societies and federations.

Though the bank's CRAR was strong at 21.32% as on December 31, 2020, its leverage remains closer to the regulatory level of 10 times² at 9.19 times as of December 2020 (9.03 times as on March 31, 2020). Given the seasonality in the loan book, the peak leverage also tends to be higher than the year-end leverage. Further, the leverage is expected to remain high, given the lending requirements under various schemes and the projected credit growth and consequent increase in the borrowing requirement. Moreover, with a return on net worth of 8.68% in FY2020, the internal capital generation will lag the growth capital requirements. Accordingly, NABARD will continue to require capital infusion from the GoI in the near term. The GoI has also demonstrated regular capital support to NABARD in the past for meeting its regulatory as well as growth capital requirements and has budgeted a capital infusion of Rs. 2,000 crore for FY2022 (Rs. 1,500 crore for FY2021).

Strong asset quality indicators – As a part of its lending operations, NABARD has exposures to the GoI and state government entities for funding various rural development programmes. Further, as a part of its refinancing activities, it takes exposure to RRBs, StCBs, SCBs, DCCBs and NBFCs. Some of the counterparties could be weak

² RBI has allowed NABARD a temporary relaxation of 11 times on leverage till September 2021; similar relaxations have been provided in the past

though NABARD has maintained a strong asset quality with the GNPA and net NPA ratios at 0.24% and Nil, respectively, as on December 31, 2020.

NABARD's asset quality is also supported by RIDF loans, which are secured by an irrevocable letter of authority executed by the state government and registered with the RBI for direct debit to the state government's account with the RBI, in case of any shortfall in repayments. Further, advances towards investment credit (medium-to-long-term refinance) to StCBs are made available against guarantees provided by the concerned state governments while refinance to SCARDBs is only against Government guarantees. Moreover, funding under various GoI programmes is backed by EBR raised through GoI-FSB issuances and these liabilities are serviced by the GoI. However, ICRA notes that all the exposures to state government entities are not covered by state government guarantees. Regulatory and supervision oversight of RRBs, DCCBs and StCBs also improves the timely intervention ability of NABARD to address any capital-related issues in these banks. Overall, these act as a credit risk mitigant for NABARD's advances to entities with a weak financial profile and help in maintaining a strong asset quality.

NABARD witnessed a few slippages in its NBFC exposures during the last two years, which led to an increase in its NPAs and non-performing investments. Further, given the Covid-19 pandemic-induced stress on the NBFC sector, a few more slippages cannot be ruled out in the near term though these are expected to be limited in relation to the bank's operating profit and net worth.

Diversified funding profile – NABARD's funding profile remains diversified across various sources such as deposits against the PSL target shortfall of SCBs, GoI-FSBs, market borrowings and bank loans. RIDF deposits and other funds³ from SCBs towards the shortfall in PSL targets constituted 48.2% of its total funds (including the net worth) as on December 31, 2020. GoI-FSBs accounted for 11.5% of the total funds and were deployed towards funding for the PMAY-G scheme, LTIF-G scheme and SBM-G scheme⁴. NABARD's own net worth and reserves accounted for 9.1% of the total funds with loans from the RBI accounting for 4.1% of the total funds and market borrowings for the rest. Given its quasi-sovereign status, NABARD mobilises funds at competitive rates from the capital markets in the form of bonds, commercial papers and certificates of deposit. NABARD's borrowings are expected to rise further at a similar pace from the level of ~Rs. 4.6 lakh crore as on March 31, 2020, given its targeted plan of 12-15% growth in the assets over the next few years. The share of GoI-FSBs and market borrowings in the overall borrowings have continued to increase in recent years and is expected to increase further over the next few years as NABARD is one of the entities raising EBR for the funding of various GoI rural and agricultural development programmes.

Credit challenges

Relatively weak counterparties and concentrated exposures – NABARD's lending is concentrated towards state governments (32.1% of net advances as on March 31, 2020), co-operative banks (16.4%), SCBs (18.4%), RRBs (9.6%) and Others⁵ (5.4%). Some of these entities could have a weak credit profile. The concentration of the top 20 borrowers in the total exposure remained high at ~52% as on March 31, 2020 compared to ~50% as on March 31, 2019. As some of the state-level entities, co-operative banks and RRBs have weak credit profiles, NABARD's exposure

³ Apart from RIDF deposits, which accounted for 22.3% of total funds as on December 31, 2020, NABARD receives a shortfall against PSL targets from SCBs under Short Term Cooperative Rural Credit (STCRC Fund), Long Term Rural Credit Fund (LTRCF) and Short Term Rural Credit (Refinance) Fund for Regional Rural Banks (STRRB Fund); these funds comprised 25.9% of the total funds as on December 31, 2020

⁴ PMAY-G: Pradhan Mantri Awaas Yojana – Gramin, LTIF-G: GoI's share in LTIF; SBM-G: Swachh Bharat Mission-Gramin

⁵ Loans to state co-operative rural agricultural development banks/land development banks/NBFC-MFIs/agricultural development finance companies

to counterparty risk remains. NABARD has also funded exposures to NBFCs and NBFC-MFIs, estimated at 3% of its advances; some of these entities could have a weak credit profile.

Modest earnings profile in relation to growth requirements – Given the cap on the lending margins, the earnings profile in terms of the RoA/RoE is likely to remain modest. NABARD's net interest margin (NIM) and gross interest spreads improved to 1.77% and 1.16%, respectively, in 9M FY2021 (1.73% and 0.97%, respectively, in FY2020). The spreads remain moderate mainly on account of a cap on its lending margins such as 50 bps on RIDF advances, 40-60 bps on LTIF advances and 40 bps on PMAY-G and SBM-G.

Accordingly, NABARD's earnings profile reflected an RoA of 0.79% in 9M FY2021 (0.76% in FY2020) and RoE of 8.68% in 9M FY2021 (7.87% in FY2020). Given the high growth of over 12-15% expected in the assets, the internal capital generation may fall short of the capital required for the targeted growth. Hence, the bank will continue to require capital support in the near term to maintain its leverage within the regulatory levels.

Liquidity position: Superior

NABARD has a comfortable asset-liability profile with positive asset-liability gaps in the short as well as the long term as on December 31, 2020. It holds liquid investments of 8.4% of the total assets in Government securities and liquid mutual funds (MFs) as on December 31, 2020. In addition to this, NABARD has undrawn bank lines of Rs. 23,800 crore (5% of the total borrowings as on December 31, 2020) from banks. Overall, the liquid investments and undrawn bank lines drive the bank's superior liquidity profile.

Rating sensitivities

Positive factors – NA

Negative factors – ICRA could assign a Negative outlook or downgrade the ratings in case of a dilution in NABARD's strategic role and importance to the GoI.

Analytical approach

| Analytical Approach | | Comments |
|---------------------------------|---------------|---|
| Applicable Methodologies | Rating | Rating Methodology for Banks Impact of parent or group support on an Issuer's credit rating |
| Parent/Group Support | | The ratings factor in NABARD's sovereign ownership and its continued role as a public policy institution for the development of the agricultural and rural sectors of India, which will enable it to access fund allocation and capital support from the GoI. |
| Consolidation/Standalone | | For arriving at the ratings, ICRA has considered the standalone financials of NABARD. However, in line with its limited consolidation approach, ICRA has factored in the capital requirement of NABARD's subsidiaries, namely NABKISAN Finance Limited, NABSAMRUDDHI Finance Limited, NABARD Financial Services Limited, NABARD Consultancy Private Limited, NABFOUNDATION, NABVENTURES Limited and NABSAURAKSHAN, which is under the process of incorporation. ICRA notes that all six operational NABARD subsidiaries have a limited scale of operations and are profitable. The capital requirements, if any, are likely to be insignificant in relation to NABARD's profits and net owned funds in the near to medium term. |

About the company

Wholly owned by the Government of India (GoI) with effect from March 31, 2018, National Bank for Agriculture and Rural Development (NABARD) is the apex agricultural development bank. NABARD was set up under an Act of Parliament in 1982 for the development and flow of credit to agriculture, small scale industries, cottage and village industries, the rural sector, handicrafts and other rural crafts. NABARD also has a mandate to promote the integrated and sustainable development of rural areas. It also frames policies and guidelines for rural financial institutions and provides financial assistance to various issuing financial institutions and banks through refinancing. Moreover, NABARD monitors the flow of ground-level rural credit.

NABARD's board of directors consists of –

- Chairman appointed by Central Government in consultation with RBI
- Three directors from RBI
- Three directors from Central Government
- Four directors from state governments

Three directors, who are experts in rural economics, rural development, village and cottage industries, small scale industries or persons with experience in the working of co-operative banks, RRBs or commercial banks, are appointed by the Central Government in consultation with the RBI.

Key financial indicators (standalone)

| NABARD | FY2018 | FY2019 | FY2020 | 9M FY2021* |
|--|----------|----------|----------|------------|
| | Audited | Audited | Audited | Unaudited |
| Net interest income (NII) | 6,362 | 7,297 | 8,828 | 7,788 |
| Profit before tax | 4,354 | 4,959 | 6,634 | 4,668 |
| Credit provision | 186 | 522 | 1,400 | 512 |
| Profit after tax | 2,962 | 3,365 | 3,859 | 3,482 |
| Net advances | 3,52,111 | 4,30,273 | 4,80,396 | 5,20,839 |
| Total assets | 4,06,642 | 4,87,470 | 5,32,075 | 5,87,724 |
| | | | | |
| % Tier I | 17.65% | 18.59% | 19.74% | 19.73% |
| % CRAR | 18.85% | 18.96% | 21.20% | 21.32% |
| Leverage | 8.69 | 9.34 | 9.03 | 9.19 |
| | | | | |
| % Net interest margin / Average total assets | 1.69% | 1.63% | 1.73% | 1.77% |
| % Net profit / Average total assets | 0.78% | 0.75% | 0.76% | 0.79% |
| % Return on net worth | 7.73% | 7.70% | 7.87% | 8.68% |
| | | | | |
| % Gross NPAs | 0.05% | 0.04% | 0.26% | 0.24% |
| % Net NPAs | 0.00% | 0.00% | 0.15% | 0.00% |
| % Net NPA/ Net worth | 0.00% | 0.00% | 1.47% | 0.00% |

Source: NABARD, ICRA research; Amount in Rs. crore

* Provisional numbers; All ratios as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| | Instrument | Current Rating (FY2021) | | | | Chronology of Rating History for the past 3 years | | | | | | |
|---|---------------------------|-------------------------|--------------------------|--------------------------------|----------------------------|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | Type | Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | FY2021 | FY2021 | FY2020 | FY2019 | | FY2018 | | |
| | | | | | Feb 19, 2021 | Sep-16-2020 | Dec-31-2019 | Jan-24-2019 | Jul-31-2018 | Jan-19-2018 | Dec-13-2017 | May-19-2017 |
| 1 | Long-term Bonds Programme | Long Term | 40,000.00 | - | [ICRA]AAA (Stable); assign | - | - | - | - | - | - | - |
| 2 | Long-term Bonds Programme | Long Term | 1,036.05 | 1,036.05 | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) |
| 3 | Long-term Bonds Programme | Long Term | 262.72 | - | Withdrawn | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) |
| 4 | Long-term Bonds Programme | Long Term | 80,000.00 | 68,101.90^ | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | - | - | - | - | - | - |
| 5 | Commercial Paper | Short Term | 50,000.00 | NA | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ |
| 6 | Short-term Deposits | Short Term | 55,000.00 | 52,222.92 [#] | [ICRA]A1+ | [ICRA]A1+ | - | - | - | - | - | - |
| 7 | Long-term Deposits | Long Term | 1,96,350.00 | 1,79,580.40 [#] | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | - | - | - | - | - | - |

[^] Balance yet to be placed (Rs. 12,671.43 crore) as on February 10, 2021

[#] Amount outstanding as on December 31, 2020

Source: ICRA

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

| ISIN No | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (RS Crore) | Current Rating and Outlook |
|--------------|--------------------|-----------------------------|--------------|---------------|-------------------------|----------------------------|
| INE261F09GC5 | Long-term bonds | Mar-31-11 | Zero Coupon* | Apr-01-21 | 73.30 | [ICRA]AAA(Stable) |
| INE261F08BW6 | Long-term bonds | Jan-09-20 | 6.72% | Apr-14-23 | 2,000.00 | [ICRA]AAA(Stable) |
| INE261F08BX4 | Long-term bonds^ | Jan-31-20 | 7.43% | Jan-31-30 | 6,952.60 | [ICRA]AAA(Stable) |
| INE261F08BY2 | Long-term bonds^ | Feb-10-20 | 7.10% | Feb-08-30 | 3,283.40 | [ICRA]AAA(Stable) |
| INE261F08CA0 | Long-term bonds | Mar-02-20 | 6.40% | Jul-31-23 | 2,535.00 | [ICRA]AAA(Stable) |
| INE261F08CB8 | Long-term bonds^ | Mar-09-20 | 6.87% | Mar-08-30 | 2,549.50 | [ICRA]AAA(Stable) |
| INE261F08CC6 | Long-term bonds^ | Mar-19-20 | 7.40% | Mar-19-30 | 3,475.50 | [ICRA]AAA(Stable) |
| INE261F08CD4 | Long-term bonds | Apr-17-20 | 6.50% | Apr-17-23 | 2,500.00 | [ICRA]AAA(Stable) |
| INE261F08CE2 | Long-term bonds^ | May-26-20 | 6.65% | May-25-35 | 903.10 | [ICRA]AAA(Stable) |
| INE261F08CG7 | Long-term bonds | Jun-01-20 | 6.93% | Jun-01-35 | 611.40 | [ICRA]AAA(Stable) |
| INE261F08CF9 | Long-term bonds | Jun-01-20 | 6.57% | Jun-01-27 | 1,094.90 | [ICRA]AAA(Stable) |
| INE261F08CA0 | Long-term bonds | Jun-12-20 | 6.40% | Jul-31-23 | 2,000.00 | [ICRA]AAA(Stable) |
| INE261F08CH5 | Long-term bonds | Jun-25-20 | 6.79% | Jun-25-35 | 564.30 | [ICRA]AAA(Stable) |
| INE261F08CA0 | Long-term bonds | July-02-20 | 6.40% | Jul-31-23 | 2,500.00 | [ICRA]AAA(Stable) |
| INE261F08CI3 | Long-term bonds | Jul-29-20 | 5.47% | Apr-11-35 | 1,125.00 | [ICRA]AAA(Stable) |
| INE261F08CJ1 | Long-term bonds | Jul-29-20 | 6.45% | Apr-11-31 | 1,450.00 | [ICRA]AAA(Stable) |
| INE261F08CK9 | Long-term bonds | Aug-10-20 | 5.14% | Jan-31-34 | 1,385.00 | [ICRA]AAA(Stable) |
| INE261F08CK9 | Long-term bonds | Sep-24-20 | 5.17% | Jan-31-24 | 500.00 | [ICRA]AAA(Stable) |
| INE261F08CL7 | Long-term bonds | Nov-12-20 | 6.59% | Nov-12-35 | 434.10 | [ICRA]AAA(Stable) |
| INE261F08CM5 | Long-term bonds | Nov-19-20 | 6.07% | Nov-19-27 | 659.70 | [ICRA]AAA(Stable) |
| INE261F08CN3 | Long-term bonds | Nov-19-20 | 6.39% | Nov-19-30 | 3343.70 | [ICRA]AAA(Stable) |
| INE261F08CO1 | Long-term bonds | Nov-25-20 | 6.42% | Nov-25-30 | 2792.50 | [ICRA]AAA(Stable) |
| INE261F08CP8 | Long-term bonds | Dec-04-20 | 6.44% | Dec-04-30 | 2234.20 | [ICRA]AAA(Stable) |
| INE261F08CK9 | Long-term bonds | Dec-14-20 | 5.14% | Jan-31-24 | 2,000.00 | [ICRA]AAA(Stable) |
| INE261F08CQ6 | Long-term bonds | Dec-30-20 | 6.49% | Dec-30-30 | 2,012.30 | [ICRA]AAA(Stable) |
| INE261F08CR4 | Long-term bonds | Dec-30-20 | 6.65% | Dec-28-35 | 514.30 | [ICRA]AAA(Stable) |
| INE261F08CK9 | Long-term bonds | Jan-08-21 | 5.14% | Jan-31-24 | 2,500.00 | [ICRA]AAA(Stable) |
| INE261F08CS2 | Long-term bonds | Jan-19-21 | 4.60% | Jul-29-24 | 5,000.00 | [ICRA]AAA(Stable) |
| INE261F08CT0 | Long-term bonds | Jan-22-21 | 6.69% | Jan-22-35 | 1,108.10 | [ICRA]AAA(Stable) |
| INE261F08CS2 | Long-term bonds | Jan-29-21 | 4.60% | Jul-29-24 | 5,000.00 | [ICRA]AAA(Stable) |
| INE261F08CU8 | Long-term bonds | Feb-05-21 | 5.44% | Feb-05-24 | 5,000.00 | [ICRA]AAA(Stable) |
| NA | Long-term bonds | Unplaced | NA | NA | 12,671.43 | [ICRA]AAA(Stable) |
| NA | Commercial paper | NA | NA | 7-365 days | 50,000.00 | [ICRA]A1+ |
| NA | Short-term deposit | | | | 55,000.00 | [ICRA]A1+ |
| NA | Long-term deposit | | | | 1,96,350.00 | [ICRA]AAA(Stable) |

Source: NABARD

^ With redemption premium resulting in promised return; # GoI-FSBs

Annexure-2: Details of instruments withdrawn

| ISIN No | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (RS Crore) | Current Rating and Outlook |
|--------------|-----------------|-----------------------------|--------------|---------------|-------------------------|----------------------------|
| INE261F09FL8 | Long term bonds | 01-Oct-10 | Zero Coupon* | 01-Oct-20 | 67.98 | [ICRA]AAA(stable) |
| INE261F09FN4 | Long term bonds | 01-Nov-10 | Zero Coupon* | 01-Nov-20 | 26.85 | [ICRA]AAA(stable) |
| INE261F09FQ7 | Long term bonds | 01-Dec-10 | Zero Coupon* | 01-Dec-20 | 117.00 | [ICRA]AAA(stable) |
| INE261F09FS3 | Long term bonds | 01-Jan-11 | Zero Coupon* | 01-Jan-21 | 40.54 | [ICRA]AAA(stable) |
| INE261F09FX3 | Long term bonds | 01-Feb-11 | Zero Coupon* | 01-Feb-21 | 10.35 | [ICRA]AAA(stable) |

Source: NABARD

Annexure-2: List of entities considered for consolidated analysis

| S. No. | Name of the entity | Ownership | Consolidation Approach |
|--------|--|-----------|------------------------|
| 1. | NABKISAN Finance Limited | 87.5% | Limited Consolidation |
| 2. | NABSAMRUDDHI Finance Limited | 90.7% | Limited Consolidation |
| 3. | NABARD Financial Services Limited (NABFINS) | 63.1% | Limited Consolidation |
| 4. | NABARD Consultancy Private Limited (NABCONS) | 100.0% | Limited Consolidation |
| 5. | NABVENTURES Limited | 100.0% | Limited Consolidation |
| 6. | NABFOUNDATION | 100.0% | Limited Consolidation |
| 7. | NABSAURAKSHAN | - | Yet to be incorporated |

Source: NABARD and ICRA research

^ As on March 31, 2020

ANALYST CONTACTS

Karthik Srinivasan

+91 22 6114 3444

karthiks@icraindia.com

Anil Gupta

+91 124 4545 314

anilg@icraindia.com

Samiksha Karnavat

+91 22 6114 3471

samiksha.karnavat@icraindia.com

Aashay Choksey

+91 22 6114 3430

aashay.choksey@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50



Branches



© Copyright, 2021 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.