

RURAL INFRASTRUCTURE DEVELOPMENT FUND

Government of India created the RIDF in NABARD in 1995-96, with an initial corpus of Rs.2,000 crore. With the allocation of Rs40,000 crore for 2021-22 under RIDF XXVII, the cumulative allocation has reached Rs. 4,18,408.73 crore, including Rs.18,500 crore under Bharat Nirman.

Eligible Activities

At present, there are 39 eligible activities under RIDF as approved by GoI. (Annexure I). The eligible activities are classified under three broad categories i.e.

- Agriculture and related sector
- Social sector
- Rural connectivity

Annexure I - Eligible Activities

Eligible Institutions

- State Governments / Union Territories
- State Owned Corporations / State Govt. Undertakings
- State Govt. Sponsored / Supported Organisations
- Panchayat Raj Institutions/Self Help Groups (SHGs)/ NGOs{provided the projects are submitted through the nodal department of State Government (i.e. Finance Department) }

Mode of Finance

NABARD releases the sanctioned amount on reimbursement basis except for the initial mobilisation advance @30% to North Eastern & Hilly States and 20% for other States.

Quantum of Loan and Margin/Borrower Contribution

The project for rural connectivity, social and agri-related sector, are eligible for loans from 80 to 95% of project cost. Cost escalation proposals for certain genuine reasons are considered within two years of sanction.

Rate of interest:

With effect from 01 April 2012, the interest rates payable to banks on deposits placed with NABARD and loans disbursed by NABARD from RIDF have been linked to the Bank Rate prevailing at that point of time.

Repayment period:

Loan to be repaid in equal annual instalments within seven years from the date of withdrawal, including a grace period of two years. The interest shall be paid at the end of each quarter i.e. 31 March, 30 June, 30 September and 31 December every year, including grace period.

Penal Interest:

Interest on the overdue interest amount is to be paid at the same rate as applicable to the principal amount.

Security for Loan:

Loans sanctioned would be secured by the irrevocable letter of authority/mandate registered with Reserve Bank of India/any other Scheduled Commercial Bank, Time promissory Note (TPN), Execution of unconditional Guarantee from State Governments (Additionally required for support to State Government sponsored organisations, etc.) and acceptance of terms and conditions of sanction in the duplicate copy of the sanction letter.

Phasing of RIDF projects:

The implementation phase for projects sanctioned is spread over 2-5 years, varying with type of the project and also location of the State.

Additional Information

- Cumulative Sanctions and Disbursements Below is the list of annual and monthly cumulative sanctions and disbursements under RIDF
 - Monthly
 - Annual
- Monitoring mechanism for RIDF Projects
- Evaluation Studies
- Rural Infrastructure Promotion Fund (RIPF)
- Ongoing Projects
- Completed Projects