

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 Rs.28,000 crore for 2018-19 under RIDF XXIV, the cumulative allocation has reached Rs.3,20,500 crore, including Rs. 18,500 crore under Bharat Nirman.

Eligible Activities

At present, there are 36 eligible activities under RIDF as approved by Gol. (Annexure I). The eligible activities are classified under three broad categories i.e.

- Agriculture and related sector
- Social sector
- Rural connectivity

Eligible Activities:

Agriculture and related sectors (RIDF loan : 95%)

1. Minor Irrigation Projects/ Micro Irrigation;
2. Soil Conservation;
3. Flood Protection;
4. Watershed Development/ Reclamation of waterlogged areas;
5. Drainage
6. Forest Development;
7. Market Yard, Godown, Mandi, Rural Haat, Marketing Infrastructure;
8. Cold storage, Public/ Joint sector cold storage at various exit points;
9. Seed/ Agriculture/ Horticulture Farms;
10. Plantation and Horticulture;
11. Grading/ certifying mechanisms; testing/ certifying laboratories;
12. Community irrigation wells for the village as a whole;
13. Fishing harbour/ jetties;
14. Riverine Fisheries;
15. Animal Husbandry;
16. Modern Abattoir;
17. Medium Irrigation Projects;
18. Mini Hydel Projects/ Small Hydel Projects (upto 25 MW);
19. Major Irrigation Projects (already sanctioned and under execution);
20. Village Knowledge Centres;
21. Desalination plants in coastal areas;
22. Infrastructure for Information Technology in rural areas
23. Infrastructure works related with alternate sources of energy viz. solar, wind etc. and energy conservation
24. 5/10 MW Solar Photovoltaic Power Plant
25. Separate Feeder Line
26. Dedicated Rural Industrial Estates

Social Sectors (RIDF loan: 85% / Hill States 90%)

27. Drinking Water;
28. Infrastructure for Rural Education Institutions;
29. Public Health Institutions;

30. Construction of toilet blocks in existing schools, specially for girls
31. "Pay & use" toilets in rural areas;
32. Construction of Anganwadi Centres;
33. Setting up of KVIC industrial estates/ centers.
34. Solid Waste Management and Infrastructure works related with sanitation in rural areas. III. Rural **Connectivity (RIDF loan: 80%/ Hill States 90%)**
35. Rural Roads;
36. Rural Bridges;

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 installments within seven years from the date of disbursement, 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.