

# **Social Loan Impact Assessment**

**Kisan Credit Card (KCC)**

**Impact report of USD 1 Billion syndicated social loan by State Bank of India**

May 2025

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## About the Report

SBI has raised USD 1 Billion (USD 500 million+ green shoe of USD 500 million) through Syndicated Social Loan under ESG Financing Framework in April 2023 for the purpose of refinancing. The Bank's KCC portfolio of small and marginal farmers of Delhi Circle and Maharashtra circle as on 31.03.23, (eligible accounts that have been financed up to 24 months prior to the issuance date of the social loan) has been mapped as per requirement of Syndicated social loan of USD 1 billion.

Bank has engaged Crisil Limited, for social impact analysis report on the allocation of proceeds of USD 1 Billion social loan raised by the Bank in line with the ESG Financing framework 2023 mapped to KCC portfolio of small and marginal farmers of Delhi and Maharashtra Circle as on 31.03.2023, including assumptions, methodology and outcomes based on applicable standards, norms and regulations in line with the ESG Financing Framework.

Founded in 1987 as India's first credit rating agency, Crisil's expertise today extends across its businesses: Crisil Ratings, Crisil Intelligence, Crisil Coalition Greenwich and Crisil Integral IQ. The Impact assessment exercise has been carried out by Crisil Intelligence.

## Approach towards Impact Assessment

The impact assessment was conducted in accordance with the guidelines outlined in ICMA's Social Bond Principles (SBP), the LMA's Social Loan Principles (SLP), and the Harmonized Framework for Impact Reporting (HFIR) along with SBI's ESG Financing Framework, with the objective of evaluating the anticipated social outcomes of the Kisan Credit Card (KCC) portfolio refinanced through the USD 1 billion syndicated social loan. Additionally, Impact indicators were identified with reference to the IRIS+ system developed by the Global Impact Investing Network (GIIN), with final selection based on data availability and alignment with the intended outcomes of the intervention. The approach incorporates both qualitative and quantitative analysis, benchmarked against globally recognized impact reporting standards.

The impact assessment exercise was commenced after completion of post issuance assurance on use of proceeds of USD 1 billion syndicated loan to ensure that only disbursed loans qualifying under the Framework's eligibility criteria were considered.

As a part of impact assessment exercise, loan disbursement data was obtained from SBI's Core Banking System (CBS) and Loan Management System (LMS), leveraging bank's internal tracking and labelling mechanisms. This enabled identification and evaluation of the expected outcomes, and the number of farmers supported under the KCC scheme, including disaggregated insights across categories such as small and marginal farmers, women borrowers, first-time borrowers, and beneficiaries from aspirational districts. Further, a comprehensive desk review of relevant secondary literature and sectoral research was undertaken to contextualize the potential social impact of the KCC scheme.

## SBI's ESG Financing Framework

The Environmental, Social and Governance (ESG) Framework is guidance document for SBI's issuance(s) of Green, Social, or Sustainable instruments (Bonds and/or Loans) which are to be used for the financing or refinancing of eligible assets / projects with environmental or social benefits, so as to extend SBI's sustainability strategy and contribute to the sustainable development of Indian economy. The net proceeds of such ESG instruments or an equivalent amounts to be allocated for financing or refinancing of "Eligible Projects" as defined in the Framework.

All credit portfolios recognized under this Framework have to go through Bank's due diligence structure and process and only upon being sanctioned by the competent authority shall be reckoned for allocation under Green/Social/Sustainable Project portfolios.

The Framework has been developed in alignment with the sustainable finance principles and guidelines:

- With respect to bonds, bonds issued under this Framework shall be aligned with the International Capital Market Association ("ICMA") Green Bond Principles 2021 & Appendix 1 2022, Social Bond Principles 2023 and Sustainability Bond Guidelines 2021

- With respect to loans, loans issued under this framework shall be aligned with the Loan Market Association (“LMA”) Green Loan Principles 2023 and Social Loan Principles 2023

## Social Loans

Social Loans serve as financial instruments where proceeds are made available to fully or partially finance / refinance new or existing eligible social projects. Social loans support social projects including but not limited to Healthcare, Education, Affordable housing, Affordable basic infrastructure, employment generation through SME financing or microfinance. The loans are aligned to Social Loan Principles of the Loan Market Association (LMA).

## SBI's Social Loan

In April 2023, SBI concluded its syndicated social loan of USD 1 billion. (USD 500 million + Green Shoe of USD 500 million) raised under SBI's ESG financing framework.

SBI has mapped the proceeds of the social loan to refinance the nominated projects and assets included within the eligible social project categories as detailed in SBI's ESG financing framework dated January 2023. The social loan proceeds have been mapped to SBI's Kisan Credit Card (KCC) portfolio of small and marginal farmers in Delhi Circle and Maharashtra Circle as on 31st March 2023. (These have been financed (sanctioned, reviewed or renewed) up to 24 months prior to the issuance date of the social loan as per the ESG financing framework.)

This refinancing pertains to lending activities aligned with the 'Use of Proceeds' category focused on socioeconomic advancement & empowerment, particularly short-term loans for crops and allied agricultural activities benefiting smallholder farmers. In line with the ESG Financing Framework, all eligible credit portfolios have undergone the Bank's due diligence and approval process, with oversight from the Sustainability Committee – comprising senior representatives from key business functions.

The eligibility of the project has been determined by the Sustainability Committee as also monitoring of the portfolio. A KCC social projects dashboard has been developed showcasing Circle wise number and outstanding of KCC loans of small & marginal farmers as on a particular date. The accounts which are sanctioned, reviewed and renewed on or after 01.04.2021 and up to 31.03.2023, meeting the criteria of allocation of proceeds in case of refinancing has been included in the dashboard.

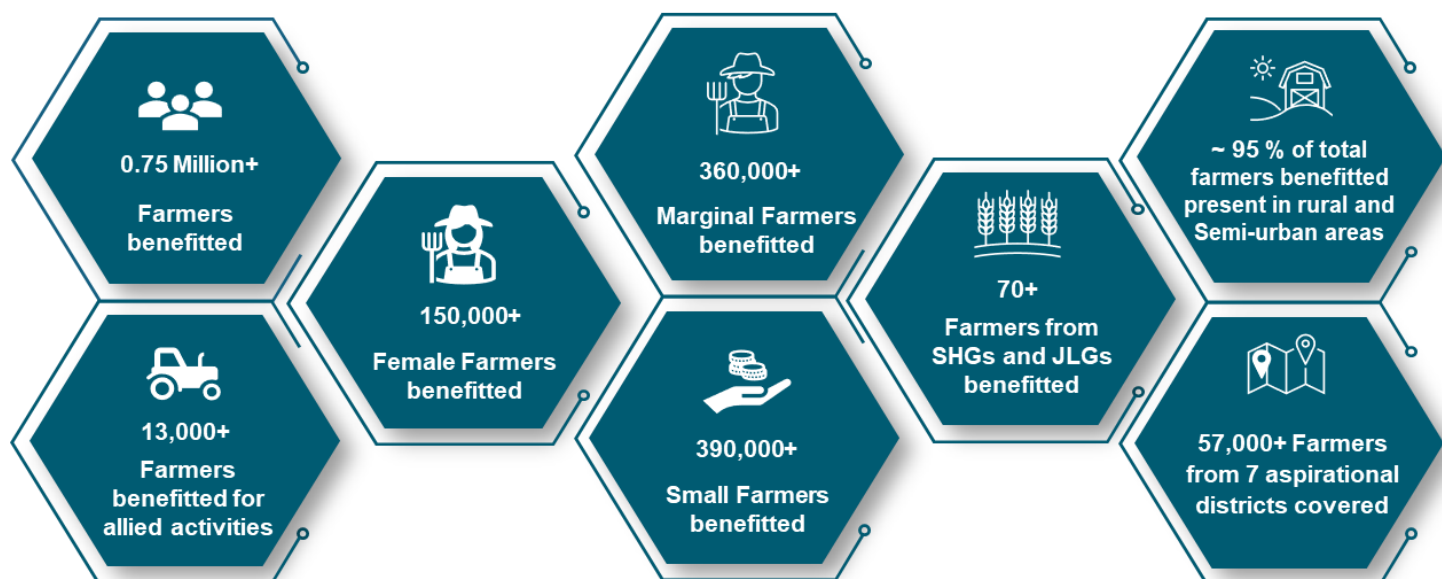
## Kisan Credit Card (KCC) Scheme

Kisan Credit Card scheme, introduced in 1998, aims to provide timely and adequate credit to farmers to meet their production credit needs (cultivation expenses) besides meeting contingency expenses related to ancillary activities through simplified procedure facilitating the borrowers for availing loans as and when they need. The social loan has been deployed in financing of KCC Portfolio of small and marginal farmers of Delhi and Maharashtra Circle.

A marginal farmer cultivates up to 1 hectare (2.5 Acres) of land while a small farmer cultivates between 1 and 2 hectares (2.5 to 5 Acres). These farmers are often at a disadvantage compared to large landowners facing challenges like limited access to resources, credit and markets.

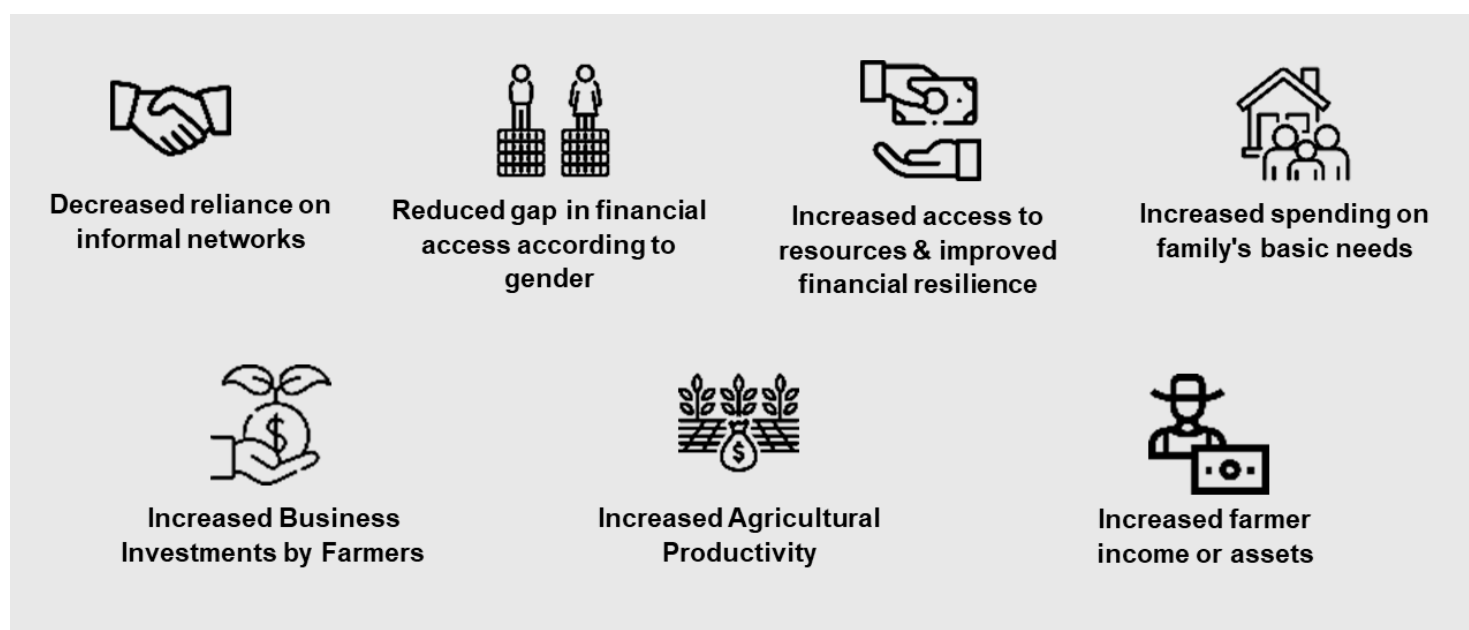
## KCC Social Loan Impact Highlights

### Output Indicators



Source: State Bank of India

### Expected Impact Areas



Source: ICMA Harmonized Framework for Impact Reporting; GIIN IRIS+ framework

## Contribution to SDGs

The proceeds from SBI's social loan are directed towards initiatives that advance inclusive development and economic resilience. These efforts support the achievement of multiple SDGs by addressing structural barriers to financial inclusion and promoting sustainable agricultural practices. By making credit accessible to farmers through the Kisan Credit Card Scheme, following UN SDGs are achieved.

Direct Contribution	
	<p>Access to affordable credit for over 0.75 million small and marginal farmers helps alleviate poverty by enabling timely investment in agriculture, which is often the primary livelihood in rural areas. By reducing dependence on informal lenders and improving income stability, the initiative plays a direct role in supporting the livelihoods of low-income small holder farmers</p>
	<p>More than 150,000 female farmers benefitted from affordable and easy credit access, representing a meaningful step towards lowering the gender gap in financial access. By promoting women's economic participation, the initiative enhances their autonomy and strengthens their role in household and community-level decision-making</p>
	<p>Access to better credit helps farmers purchase better equipment, seeds and fertilizers that boosts yield, leading to increased agricultural output, increased employment, increased earning capacity thus leading to overall economic growth. Considering that a large part of agricultural and allied activities take place in rural areas of India, better credit and improved agricultural productivity will help bridge the development and income gap between urban and rural India</p>
	<p>By prioritizing underserved segments, including smallholders, first-time borrowers, and rural populations – the initiative addresses systemic inequities in financial access. Credit disbursements in Aspirational Districts particularly highlight efforts to bridge regional disparities and empower communities otherwise excluded from formal banking systems</p>
	<p>The timely credit access enabled through the loan supports sustainable agricultural practices, such as efficient use of inputs and investment in allied activities that promote circularity in rural economies (e.g., livestock, fisheries). These efforts encourage long-term resource efficiency and responsible production patterns at the farm level</p>
Indirect Contribution	
	<p>By supporting timely and affordable access to credit, the initiative enables small and marginal farmers to invest in quality inputs. These investments are expected to improve crop yield, contributing to enhanced food security at both household and community levels</p>
	<p>Access to timely credit through KCC initiative is expected to enable smallholder farmers to adopt climate-resilient agricultural practices. This may include investments in water-efficient irrigation, crop diversification, and weather-resilient inputs, thereby strengthening the adaptive capacity of rural communities to climate-related risks such as droughts and irregular rainfall</p>
	<p>The initiative may support sustainable land use and farming practices by enabling farmers to invest in integrated and diversified agriculture, including livestock and agroforestry. Access to formal credit can potentially reduce the pressure on natural ecosystems caused by unsustainable practices and promote responsible stewardship of land and biodiversity</p>

## Expected Outcomes and Impacts from KCC lending

Output	Expected Outcomes and Impacts
Over 0.76 million small & marginal farmers supported through affordable credit access	<p>A total of <b>760,755</b> Kisan Credit Card (KCC) eligible loan accounts mapped to the social loan were reviewed, renewed, or sanctioned during the period. (01.04.2021 to 31.03.2023) benefiting <b>small and marginal farmers</b>. This includes <b>394,410 small farmers</b> and <b>366,345 marginal farmers</b>, thereby enhancing access to timely and affordable finance across rural and semi-urban areas.</p> <p>Such access is expected to facilitate the purchase of essential agricultural inputs such as seeds, fertilizers, and pesticides, which are crucial for improving crop productivity and operational efficiency.</p> <p>By easing liquidity constraints at the beginning of the crop cycle, the financing is likely to enable more timely and effective investments in agricultural activities.</p> <p>Over time, this may contribute to increased investment in farm operations, potentially leading to improved productivity and greater economic stability at the farm level.</p>
Enhancing Agricultural Productivity through Timely Credit Access for Crop Cultivation	<p>Credit access to <b>747,526</b> small and marginal farmers was provided specifically for crop cultivation through KCC loans mapped to social loan. Timely financial support plays a pivotal role in addressing liquidity constraints at the start of the agricultural cycle, allowing farmers to purchase inputs such as seeds, fertilizers, and pesticides without delay.</p> <p>By ensuring timely sowing and enabling the adoption of high-yield crop varieties and improved agricultural practices, the credit support contributes to potential enhancement in productivity and reduced yield variability. The availability of affordable and adequate credit also mitigates exposure to informal lending channels, thus avoiding high-interest rates to improve overall farm profitability and supporting better income outcomes for farmer households.</p> <p>Moreover, by availing KCC credit farmers can also get accessibility to crop insurance, accidental insurance, health insurance, and asset insurance as a part of scheme. These insurances act as safety nets against unforeseen risks, ensuring that farmers are protected from income shocks and unexpected expenses</p>
Supporting Livelihood Diversification and Financial Resilience	<p>KCC loans mapped to social loan facilitated credit access to <b>13,229</b> farmers for allied agricultural activities such as animal husbandry, fisheries, and related livelihoods.</p> <p>Additionally, formal credit support was extended to <b>73</b> farmers from Self-Help Groups (SHGs) and Joint Liability Groups (JLGs).</p> <p>Access to credit for allied and diversified agricultural activities is expected to support farm income supplementation and create avenues for value addition and rural employment. Improved financial access may also enable farmers to invest in basic infrastructure such as irrigation, mechanization, and post-harvest facilities—factors that are likely to contribute to increased agricultural productivity.</p> <p>By encouraging income diversification beyond traditional crop cultivation, the financing is positioned to help reduce reliance on a single livelihood stream. This, in turn, enhances</p>

Output	Expected Outcomes and Impacts
	financial resilience and contributes to improved financial health and incremental gains in household income and asset accumulation among rural farming communities.
<b>Expanding Financial access to first-time borrowers</b>	KCC loans mapped to social loan supported credit access for first time borrowers across <b>296,462</b> loan accounts, which were freshly sanctioned under the Kisan Credit Card (KCC) scheme— <b>229,314</b> in Maharashtra Circle and <b>67,148</b> in Delhi Circle. Access to formal institutional credit helps reduce reliance on informal lending networks. This shift is expected to lower borrowing costs, enhance borrower protections, and improve financial security for smallholder farmers.
<b>Promoting Gender Equality through Financial Inclusion</b>	<p>A total of <b>150,015</b> female farmers benefitted from credit under this initiative, <b>119,825 in Maharashtra Circle</b> and <b>30,190 in Delhi Circle</b>. This financial access enables women farmers to invest in agricultural activities and meet critical livelihood needs, fostering increased autonomy and participation in rural economies.</p> <p>By providing equal access to credit, KCC scheme empowers women to engage in income-generating activities, thereby reducing gender inequality in rural economies. Women being able to invest in agricultural inputs, start small businesses, leads to greater financial independence and empowerment. Furthermore, through initiatives like joint liability groups and self-help groups, women are encouraged to participate actively in agricultural activities and decision-making processes.</p> <p>This inclusion not only strengthens women's position within farming households but also contributes to the overall socio-economic empowerment of women in rural areas.</p> <p>Access to institutional credit also plays a transformative role in enhancing women's decision-making power within households and communities. It also contributes to improved household well-being by increasing spending on health, education, and nutrition.</p>
<b>Strengthening Financial Access for underserved population</b>	<p>Proceeds from the social loan facilitated credit disbursement to <b>39,053</b> farmers in aspirational districts under the Maharashtra Circle and <b>18,856</b> farmers under the Delhi Circle.</p> <p>By increasing the reach of formal financial services to <b>57,909 farmers</b> in these districts, the initiative significantly reduces dependence on informal sources of credit. This helps in strengthening the foundation for responsible borrowing and financial planning, encouraging the adoption of institutional financial systems and improving long-term economic resilience in backward regions.</p> <p><b>Aspirational Districts covered in Maharashtra Circle:</b></p> <ol style="list-style-type: none"> <li>1. Nandurbar</li> <li>2. Washim</li> <li>3. Gadchiroli</li> <li>4. Dharashiv (formerly Osmanabad)</li> </ol> <p><b>Aspirational Districts covered in Delhi Circle:</b></p> <ol style="list-style-type: none"> <li>1. Nuh (formerly Mewat)</li> <li>2. Haridwar</li> <li>3. Udham Singh Nagar</li> </ol>



## Annexure - 1: Overview of Disbursements

Table 1 SBI's Social Loan Overview

SBI's Social Loan Overview	
Issue Date	April 2023
Social Loan Raised	\$ 1 billion
KCC Loan Portfolio Mapped <sup>1,2</sup>	<p>\$ 1.216 billion (9999.52 INR Cr)<sup>3</sup></p> <p>1. Maharashtra Circle: \$ 0.685 billion (5631.73 INR Cr)</p> <p>2. Delhi Circle: \$ 0.531 billion (4367.79 INR Cr)</p>
Eligible Project Category	Socio-Economic Advancement and Empowerment
Disbursement Period	April 2021 to March 2023
Sub - Category	Lending to the agriculture sector
Project Name	Kisan Credit Card Scheme
Target Population	Small and Marginal Farmers
Geographies Reached	Maharashtra and Delhi Circle
Use of Proceeds	The proceeds from the \$1 billion syndicated social loan have been allocated towards refinancing eligible disbursements made under the Kisan Credit Card (KCC) scheme, with a geographic focus on the Maharashtra and Delhi Circles. The Bank, on a best effort basis, identified eligible projects that were financed up to 24 months prior to the issuance date of the Social Loan
Process for Project Evaluation and Selection	State Bank of India's Sustainability Committee (SC), comprising senior representatives from credit, agriculture, SME business units, sustainability, and treasury, is responsible for the evaluation, approval, and oversight of projects under the ESG Financing Framework. The committee ensures that each project meets the defined eligibility criteria before inclusion and labels approved projects within the Core Banking Solution for ongoing monitoring
Management of Proceeds	<p>Loans sanctioned under KCC portfolio are opened in CBS and include following information: Product code, Loan type, Loan account number, Borrower's details, Sanctioned amount, Amount of loan drawn &amp; outstanding, Loan maturity, Purpose of loan (cultivation of crops, post-harvest expense, allied activities, etc.), Date of issuance and Categorization into small/ marginal farmer as per RBI guidelines.</p> <p>A KCC social project dashboard has been developed showcasing circle-wise numbers and outstanding of KCC loans of small &amp; marginal farmers as on a particular date. The accounts which are sanctioned, reviewed and renewed covering the period from 01.04.2021 to 31.03.2023, meeting the criteria of allocation of proceeds in case of refinancing for social loan raised are included in</p>

<sup>1</sup> The outstanding loan amount as on 31.03.2023 for KCC loans of small & marginal farmers financed up to 24 months prior to issuance date of social loan i.e. between 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2023 for Maharashtra and New Delhi circle.

<sup>2</sup> Source: KCC Social Loan Dashboard, SBI, as on 31.03.2023.

<sup>3</sup> The number has been converted to INR considering applicable exchange rates as on 31.03.2023

	the dashboard. KCC portfolio of small and marginal farmers of two circles Delhi and Maharashtra have been mapped to meet the mapping requirement of Syndicated social loan of USD 1 billion.
<b>Reporting</b>	SBI shall, on a timely basis, report the information related to the social loan pertaining to the allocation amount by eligible project category and expected impacts. The Impact report shall be made available on the bank's website.

Source: State Bank of India

## Annexure - 2: Target Population

Table 2 Target Population and Output Indicators

Output Indicator	Maharashtra Circle	Delhi Circle
Total no. of Accounts	541,593	219,162
No. of Small Farmers benefitted	350,346	44,064
No. of Marginal Farmers benefitted	191,247	175,098
No. of Male Farmers benefitted	421,704	188,920
No. of Female Farmers benefitted	119,825	30,190
No. of Farmers taking loans for crop cultivation	538,917	208,609
No. of Farmers taking loans for Allied Activities	2,676	10,553
No. of first-time borrowers	229,314	67,148
No. of Farmers benefitted in Aspirational Districts	39,053	18,856
No. of Farmers benefitted in rural and semi-urban areas	517,497	206,485
No. of Tenant farmers, oral lessees & sharecroppers benefitted	5,738	19,746

Source: State Bank of India

## Annexure - 3: Overview of Expected Output Indicators, Outcomes and Impact areas

Table 3 Expected Outcome and Impact areas

Output Indicators	Expected Outcome	Expected Impact Areas
No. of Small and Marginal farmers availing loans	Increased Access to and Use of Quality Agricultural Inputs	<ul style="list-style-type: none"><li>Increased Business Investments by Farmers</li><li>Increased Agricultural Productivity</li><li>Increased farmer income or assets</li></ul>
No. of farmers taking loans for allied activities	Improved Financial Health of Farmers	
No. of farmers in Vulnerable categories availing Loans		
No. of farmers taking loans for crop cultivation	Improved Farm Profitability	
No. of farmers in aspirational areas availing loans	Improved Access to and Use of responsible Financial Services for Underserved Populations	<ul style="list-style-type: none"><li>Decreased reliance on informal networks</li><li>Reduced gap in financial accessibility according to gender</li><li>Increased access to resources and improved financial resilience</li><li>Increased spending on family's basic needs</li></ul>
No. of female farmer availing loans	Increasing Gender Equality through Financial Inclusion	
No. of first-time borrowers	Improving Financial Inclusion	
No. of farmers in rural/semi-urban areas availing loans		

Source: State Bank of India; ICMA Harmonized Framework for Impact Reporting; GIIN IRIS+ framework

## Annexure - 4: Glossary

Table 4 Glossary

Term	Description
<b>GIIN</b>	Global Impact Investing Network (GIIN) is an International organization dedicated to enhancing the effectiveness of impact investing, by defining and promoting standards, such as the IRIS+ system, for measuring and managing social and environmental impact
<b>HFIRSB</b>	Harmonized Framework for Impact Reporting of Social Bonds (HFIRSB) is a guidance document developed by ICMA to support consistent, transparent, and comparable impact reporting for social bonds, including recommended metrics and qualitative indicators
<b>ICMA</b>	International Capital Market Association (ICMA) is a global industry association of capital market participants that promotes high standards and guidelines for the issuance of sustainable bonds, including the Social Bond Principles and the Harmonized Frameworks for Impact Reporting
<b>IRIS+ Framework</b>	A comprehensive system developed by GIIN for measuring, managing, and optimizing impact
<b>SBP and SLP</b>	Voluntary guidelines developed by ICMA to promote transparency, disclosure, and integrity in the issuance of social bonds/ loan transactions
<b>UNSDGs</b>	United Nations Sustainable Development Goals (UNSDGs) is a set of 17 global goals adopted by all UN member states in 2015, aimed at ending poverty, protecting the planet, and ensuring peace and prosperity for all

## Disclaimer

The Social Loan Impact Assessment report submitted to SBI reflects Crisil's assessment of the expected impact of lending towards KCC portfolio through SBI's syndicated social loan under ESG financing framework. The report offers a limited, point-in-time assessment, based on the information available when the report was prepared and published, and it is not surveilled. The report relies on information provided by SBI, Crisil Limited ("Crisil") has not undertaken any independent verification or audit of documents and information provided by SBI. Crisil is not obligated to update this report to reflect any facts or circumstances that may come to our attention in the future. Crisil shall have hold no liability for the use of the report or any information provided therein.

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## About Crisil

Crisil is a global, insights-driven analytics company. Our extraordinary domain expertise and analytical rigour help clients make mission-critical decisions with confidence.

Large and highly respected firms partner with us for the most reliable opinions on risk in India, and for uncovering powerful insights and turning risks into opportunities globally. We are integral to multiplying their opportunities and success.

Headquartered in India, Crisil is majority owned by S&P Global.

Founded in 1987 as India's first credit rating agency, our expertise today extends across businesses: Crisil Ratings, Crisil Intelligence, Crisil Coalition Greenwich and Crisil Integral IQ.

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