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CHAPTER-5

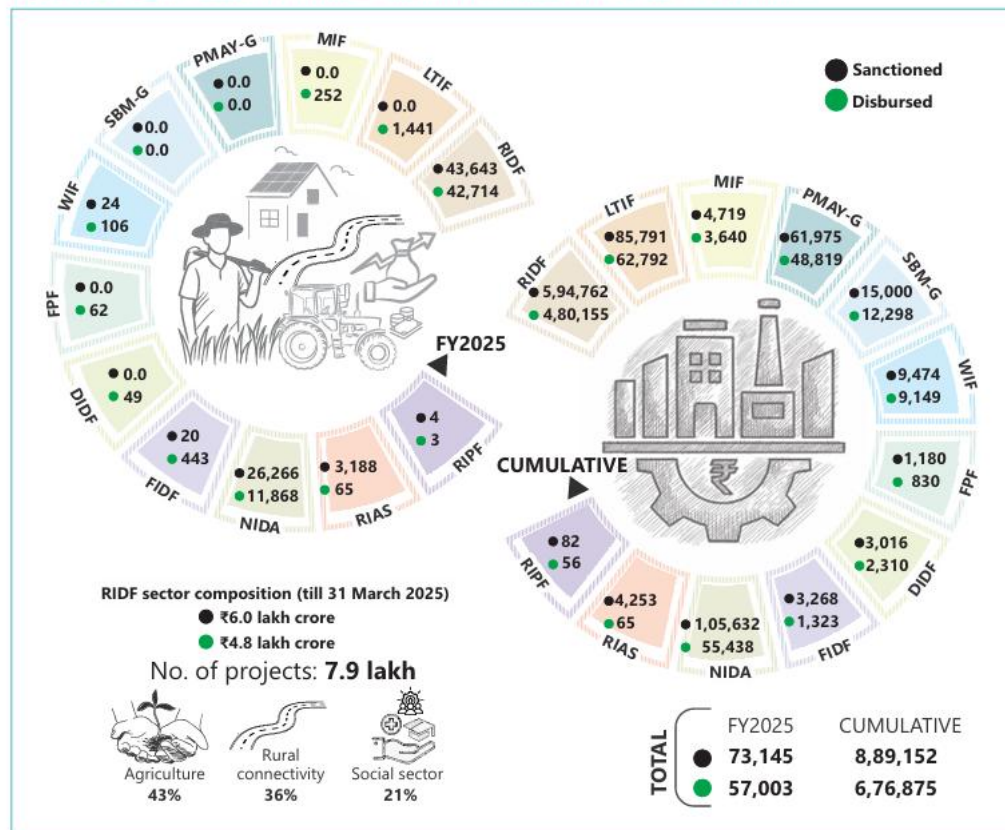
FINANCING RURAL INFRASTRUCTURE DEVELOPMENT



INTRODUCTION

- Through the provision of low-cost loans to state governments and local bodies, NABARD facilitates the creation of durable infrastructure assets that **improve agricultural productivity, enhance connectivity, and expand market access.**
- As on FY2025, **cumulative sanctions** under infrastructure financing from NABARD stood at **Rs. 8.9 lakh crore**, with **disbursements amounting to Rs. 6.8 lakh crore.**

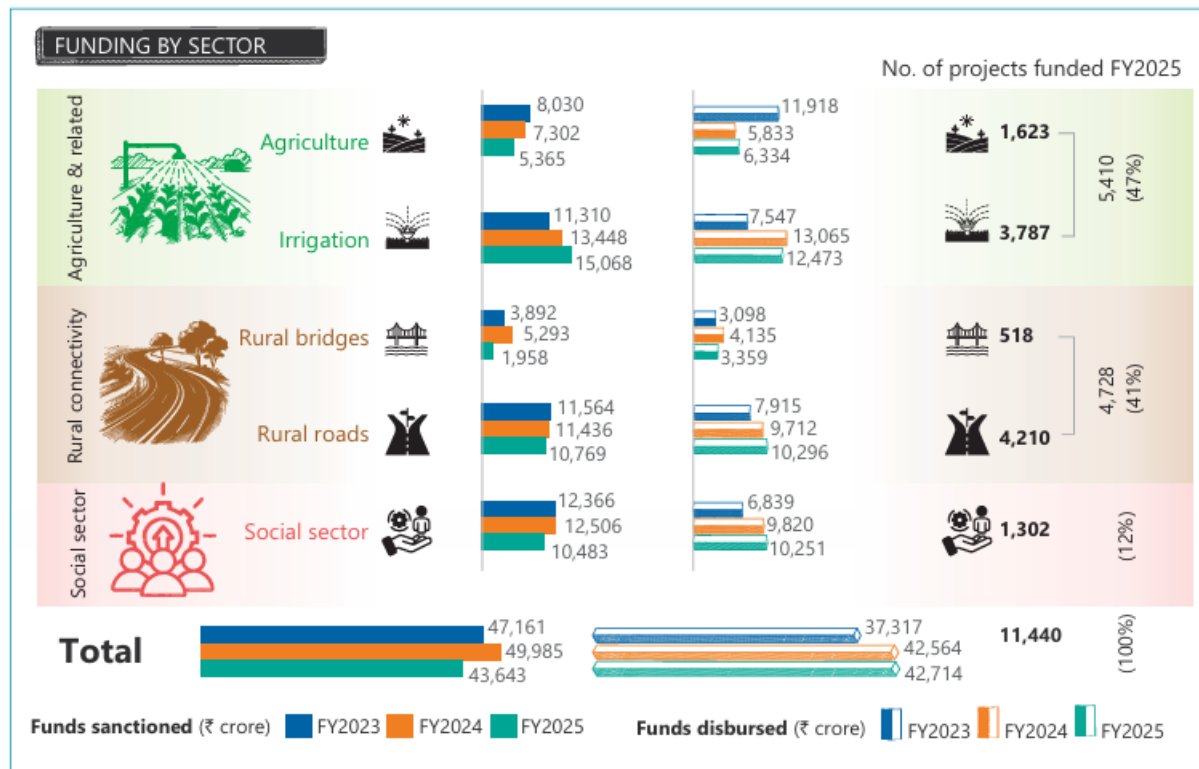
Figure 5.1: NABARD-managed infrastructure funds for rural India as on 31 March 2025 (₹ crore)



DIDF = Dairy Processing and Infrastructure Development Fund, FIDF = Fisheries and Aquaculture Infrastructure Development Fund, FPF = Food Processing Fund, LTIF = Long Term Irrigation Fund, MIF = Micro Irrigation Fund, NIDA = NABARD Infrastructure Development Assistance, PMAY-G = Pradhan Mantri Awas Yojana-Gramin, RIAS = Rural Infrastructure Assistance to State Governments, RIDF = Rural Infrastructure Development Fund, RIPF = Rural Infrastructure Promotion Fund, SBM-G = Swachh Bharat Mission-Grameen, WIF = Warehouse Infrastructure Fund.

RURAL INFRASTRUCTURE DEVELOPMENT FUND

Figure 5.2: Performance of RIDF as on 31 March 2025



- The Rural Infrastructure Development Fund (RIDF) was established by NABARD in 1996 to provide financing to state governments and state-owned corporations for infrastructure development in sectors such as irrigation, rural roads and bridges, health, education, and agriculture-related infrastructure.

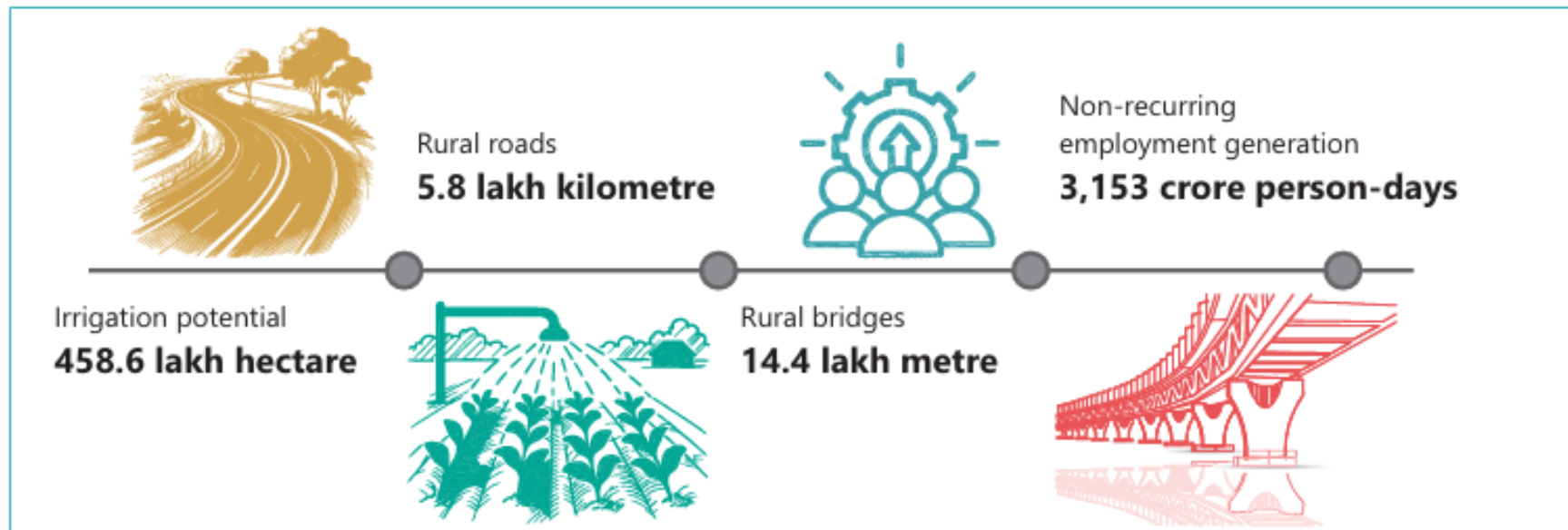
- In FY2025 (RIDF Tranche XXX), NABARD received an allocation of Rs. 35,000 crore under the RIDF and sanctioned Rs. 43,643.1 crore towards financing rural projects in agriculture and allied sectors, the social sector, and rural connectivity.



RURAL INFRASTRUCTURE DEVELOPMENT FUND

- The **impact of RIDF** has been substantial, contributing to **enhanced agricultural output, improved rural livelihoods, and a more equitable development trajectory** by reaching remote and underdeveloped regions. Through its focused investments, the RIDF continues to play a pivotal role in strengthening rural resilience and advancing inclusive growth

Figure 5.3: Outputs and outcomes under RIDF as on 31 March 2025



RIDF = Rural Infrastructure Development Fund.

RURAL INFRASTRUCTURE PROMOTION FUND

- The **Rural Infrastructure Promotion Fund (RIPF)** is a dedicated fund operated by NABARD to **support the promotion, capacity building, and development of rural infrastructure initiatives across India.**
- The fund plays a key role **in identifying and scaling up good practices**, enhancing stakeholder engagement, and fostering sustainable, technology-driven solutions for rural development.
- As on 31 March 2025, **cumulative sanctions under RIPF stood at Rs. 82 crore**, with disbursements amounting to Rs. 55.7 crore.

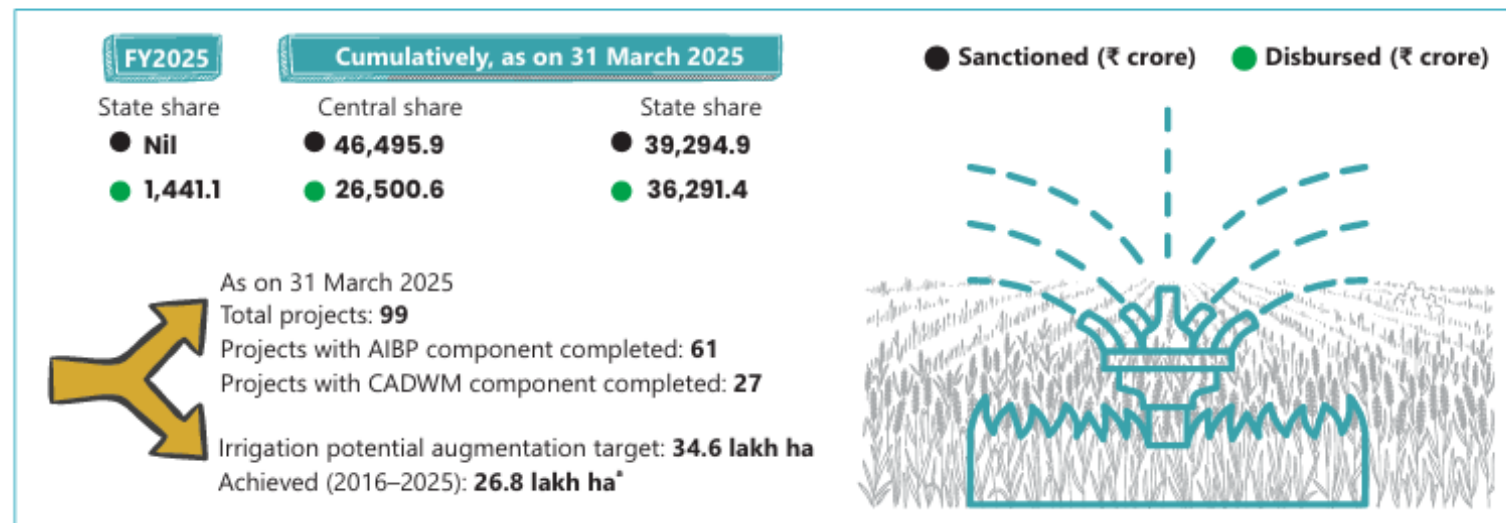


LONG TERM IRRIGATION FUND

- The **Long Term Irrigation Fund**, introduced in the Union Budget for FY2017, **supports state governments in expediting irrigation projects** through concessional financing.

- The fund, extended up to FY2026, covers 60 ongoing projects under the **Accelerated Irrigation Benefit Programme** and 85 projects under **Command Area Development and Water Management (CADWM)**, with up to 2% interest subvention from the GOI

Figure 5.4: Performance of LTIF as on 31 March 2025



* as shared by Ministry of Jal Shakti, Government of India.

AIBP = Accelerated Irrigation Benefit Programme, CADWM = Command Area Development and Water Management, ha = hectare, LTIF = Long Term Irrigation Fund.

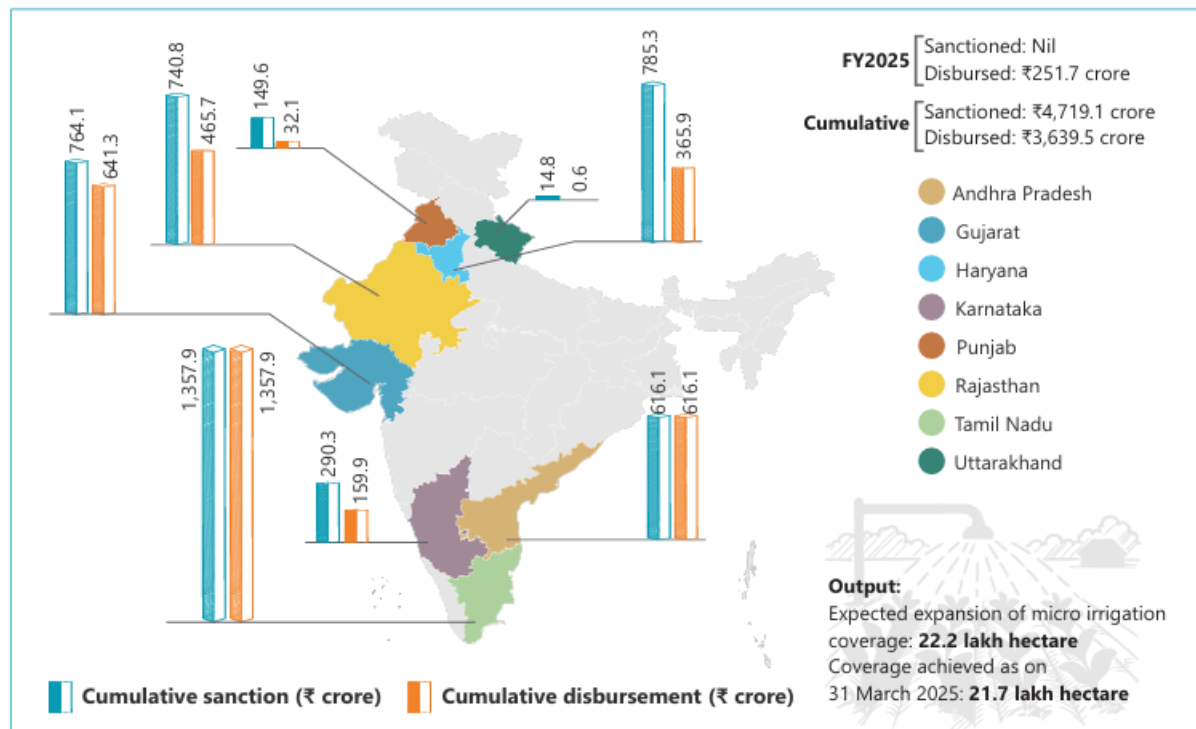


MICRO IRRIGATION FUND

- The **Micro Irrigation Fund (MIF)**, set up in FY2020 with an initial corpus of Rs. 5,000 crore, **was established in NABARD to support state governments in expanding micro irrigation coverage** beyond the provisions of the Pradhan Mantri Krishi Sinchayee Yojana. .

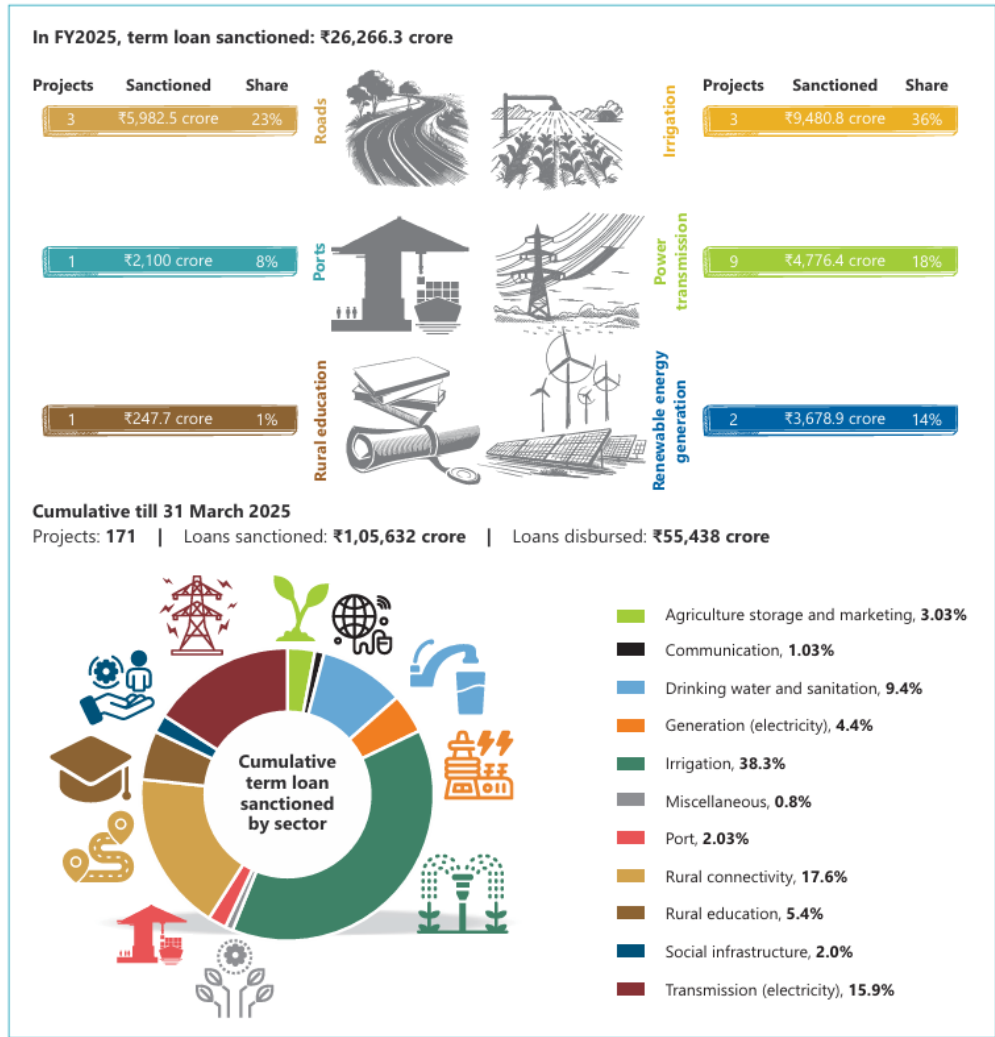
- The fund, administered by the Ministry of Agriculture & Farmers Welfare, was augmented by another Rs. 5,000 crore during the 15th Finance Commission period, **with loans extended to states at a 2% interest subvention from the GOI**

Figure 5.5: Performance of MIF as on 31 March 2025



NABARD INFRASTRUCTURE DEVELOPMENT ASSISTANCE

Figure 5.6: Performance of NIDA as on 31 March 2025

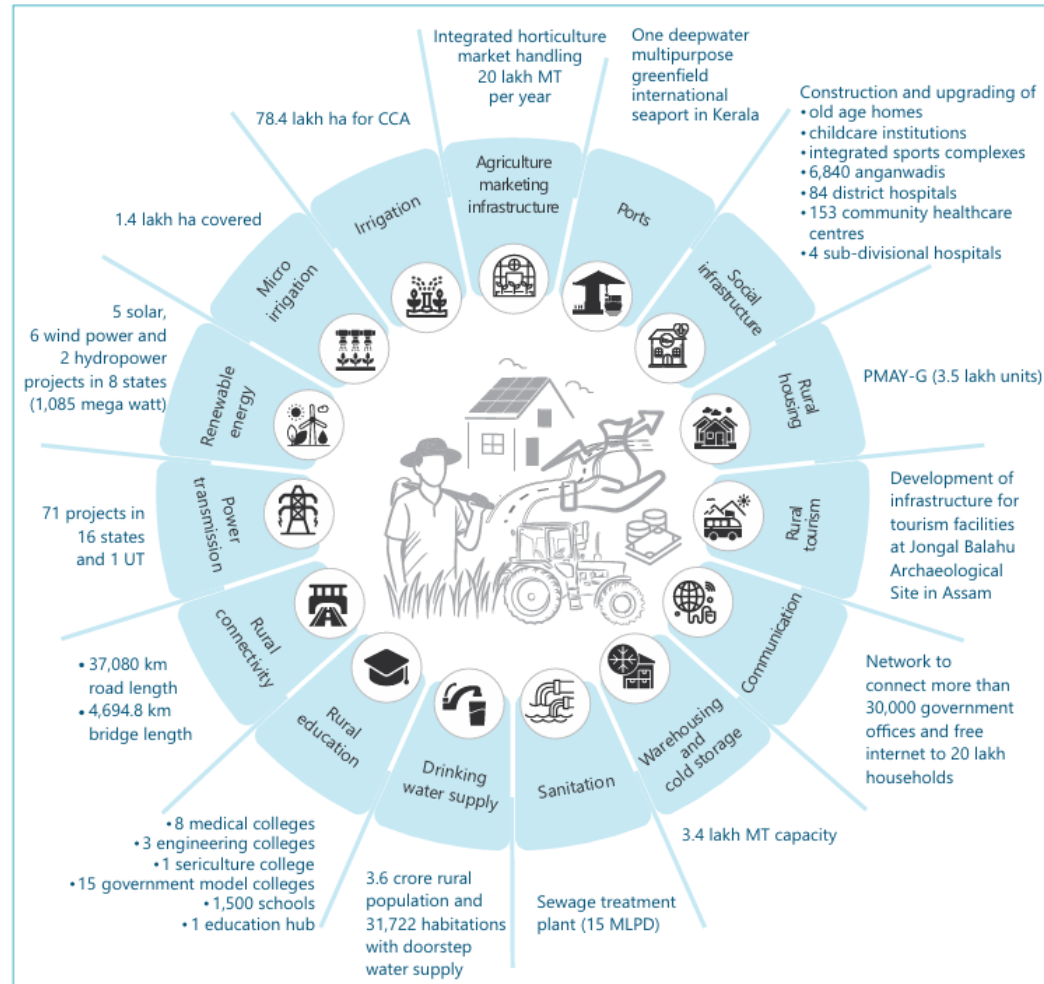


- **NABARD Infrastructure Development Assistance** provides flexible, long-term financing to **state governments, state-owned agencies, and other eligible entities** for a diverse portfolio of projects, including **social and commercial infrastructure, renewable energy, power transmission, drinking water and sanitation, and rural connectivity.**



NABARD INFRASTRUCTURE DEVELOPMENT ASSISTANCE

Figure 5.7: Expected outcomes of projects funded under NIDA



CCA = Culturable Command Area, ha = hectare, km = kilometre, MLPD = million litres per day, MT = metric tonne, NIDA = NABARD Infrastructure Development Assistance, PMAY-G = Pradhan Mantri Awaas Yojana-Gramin, UT = Union Territory.



POST-HARVEST INFRASTRUCTURE

- The **Warehouse Infrastructure Fund** extends loans to **public and private sector entities** for the development of **warehouses, silos, cold storages, and other cold chain infrastructure**.
- By strengthening storage facilities, WIF aims to **minimise post-harvest losses, improve market access for farmers, and enhance the efficiency of the agricultural supply chain**

- Under WIF, a **dedicated web portal** has been developed to host data on geo-tagged infrastructure.
- The **Kisan Bhandar App**, available for both Android and iOS devices, enables farmers, traders, and producers to locate nearby geo-tagged assets. An enhanced version of the app and portal, known as the **Dynamic Kisan Bhandar App**, is scheduled to be launched shortly

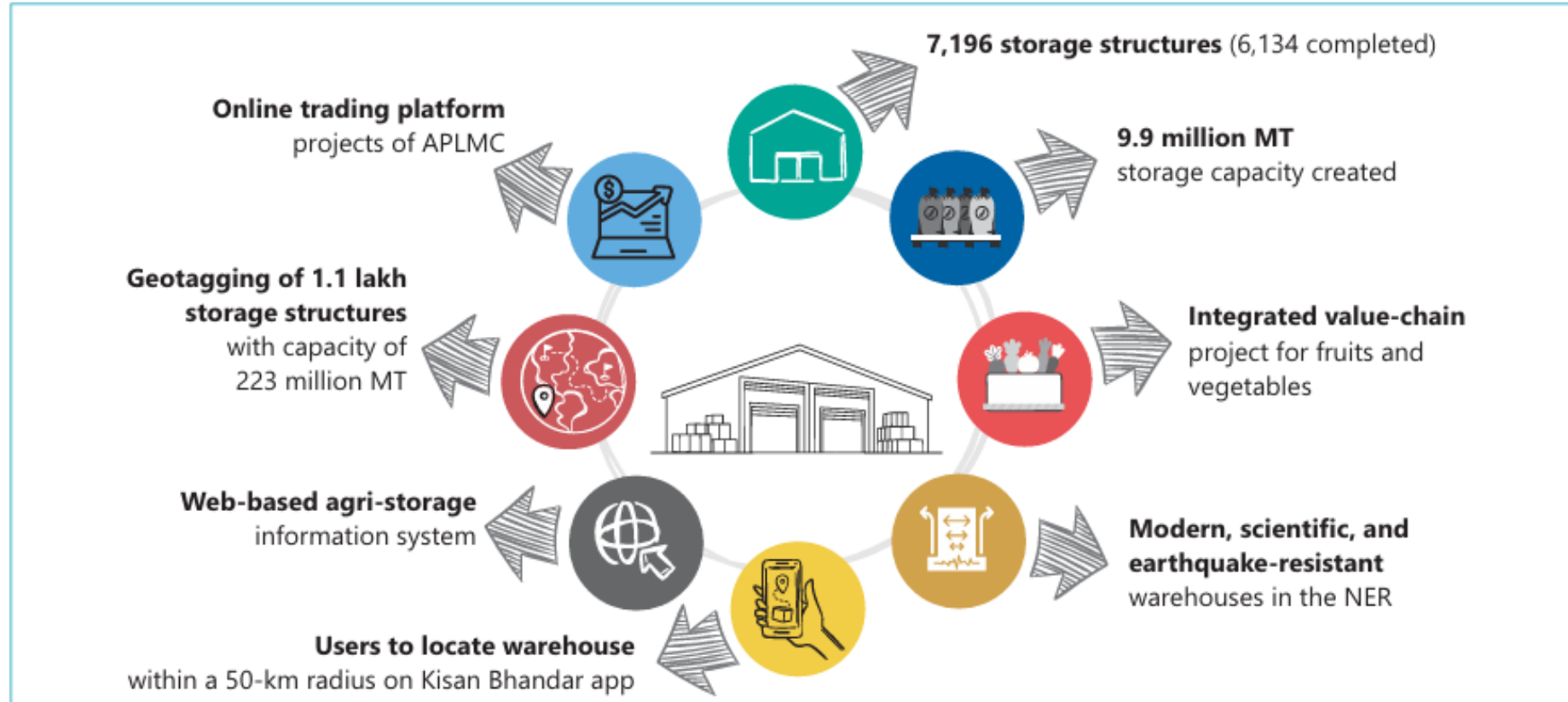
- The **Food Processing Fund (FPF)** was established with an initial corpus of Rs. 2,000 crore to provide affordable credit to **agro-processing units** located within designated food parks.
- The initiative **aims to strengthen the food processing sector** by reducing post-harvest losses, promoting value addition, and generating employment, particularly in rural areas.

- As of FY2025, NABARD has committed Rs. 1,179.7 crore in Financial assistance for projects across 16 states, including North East Region (NER) states such as Assam, Manipur, and Meghalaya



POST-HARVEST INFRASTRUCTURE

Figure 5.10: Output under WIF as on 31 March 2025

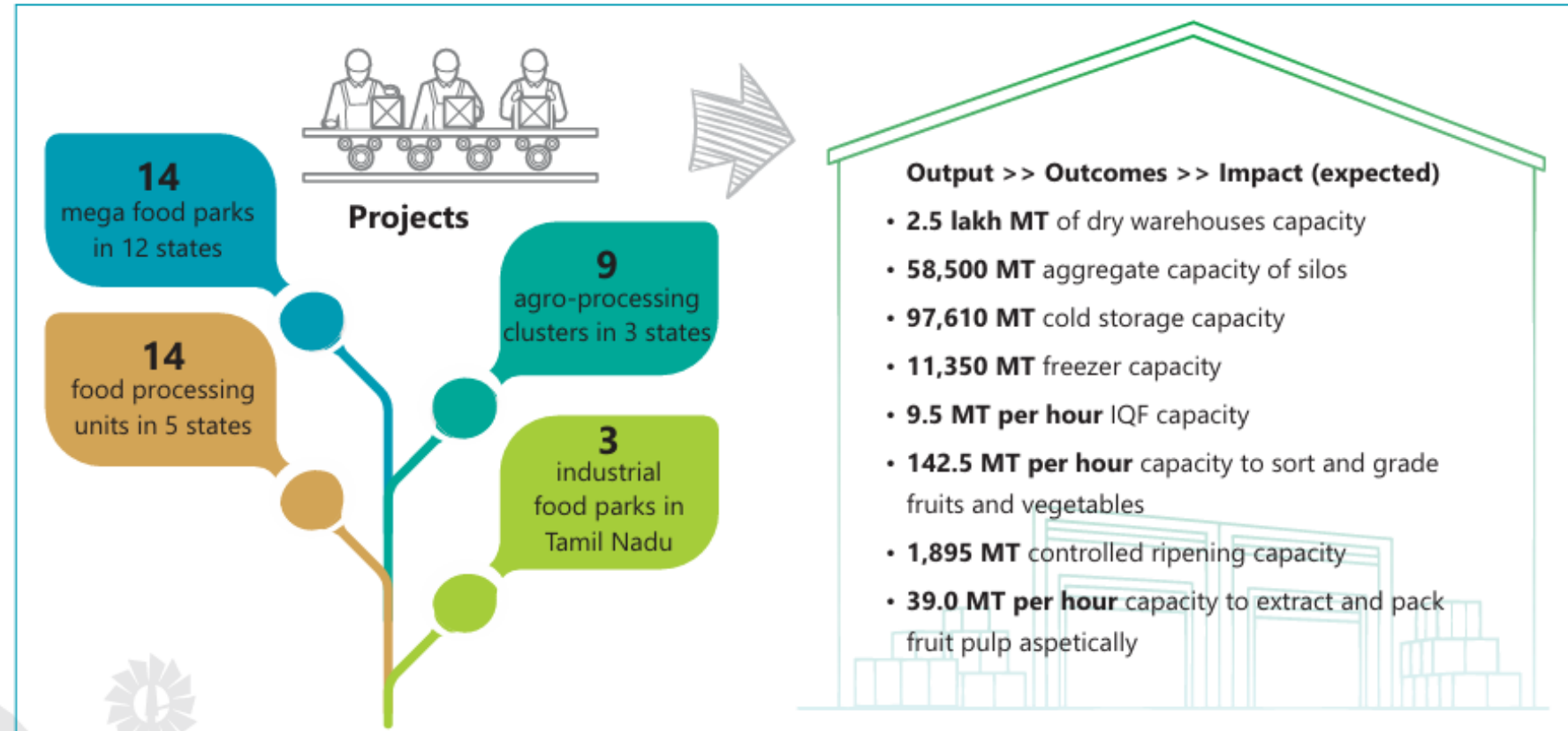


APLMC = Agricultural Produce and Livestock Market Committee, km = kilometre, MT = metric tonne, NER = North East Region, WIF = Warehouse Infrastructure Fund.



POST-HARVEST INFRASTRUCTURE

Figure 5.11: NABARD-supported food processing infrastructure as on 31 March 2025



IQF = individually quick frozen, MT = metric tonne.



POST-HARVEST INFRASTRUCTURE

- In FY2025, the following initiatives helped improve the implementation of the FPF and WIF:
 1. The State Projects Department facilitated onboarding of regional rural banks and cooperative banks onto the **e-Kisan Upaj Nidhi portal**. This initiative aims to ease farmers' access to pledge finance and promote awareness about the **credit guarantee scheme-eNWR Pledge Financing**.
 2. **Standard operating procedures** for both FPF and WIF were developed to streamline operations and enhance transparency.
 3. **Training programmes for warehouse personnel** on the use of the Dynamic Kisan Bhandar App and portal were conducted in Mumbai, Alibaug (Raigad district), and Lucknow.



OTHER INFRASTRUCTURE INITIATIVES

- The **Dairy Processing and Infrastructure Development Fund** was announced in the Union Budget 2017–18 to modernise milk processing plants and machinery, and to create additional infrastructure for processing higher volumes of milk and enhancing value addition, particularly in the cooperative sector.
- The fund has a total corpus of Rs. 8,004 crore.

- Under the scheme, **loans were to be extended by NABARD over a five-year period** from FY2019 to FY2023 to the **National Dairy Development Board and the National Cooperative Development Corporation** for further lending to eligible end borrowers

- The Union Cabinet approved the **subsuming of DIDF under Animal Husbandry Infrastructure Development Fund**, to be implemented under Infrastructure Development Fund with an outlay of Rs. 29,110.2 crore up to FY2026.

- Under the extended AHIDF scheme, **NABARD has been included as one of the loaning entities** and accordingly NABARD has institutionalised the scheme for lending to dairy cooperatives.



OTHER INFRASTRUCTURE INITIATIVES

- To boost Fisheries infrastructure, GOI launched the **Fisheries and Aquaculture Infrastructure Development Fund (FIDF)** in the Union Budget for FY2019, with a total corpus of Rs. 7,522.48 crore for five years (FY2019 to FY2023).
- The scheme has since been extended until 31 March 2026, within the approved fund size.

- Under FIDF, **concessional loans are provided by nodal loaning entities to states, Union Territories, cooperatives, and private entrepreneurs at interest rates not below 5% per annum.** These loans are supported by a **3% interest subvention and offer a repayment period of up to 12 years, including a two-year moratorium.**

- A **credit guarantee facility** is also available for eligible FIDF projects **through NABsanrakshan, providing a 25% guarantee cover up to a maximum of Rs. 2.5 crore** under the Credit Guarantee Fund of Infrastructure Development Fund of the Department of Animal Husbandry and Dairying.

- **Tripartite Memoranda of Agreement** with governments Tamil Nadu, West Bengal, the of Andhra Pradesh, Gujarat, Karnataka, Kerala, Maharashtra, Goa, Odisha, Himachal Pradesh, Haryana, and Jammu and Kashmir.



RURAL INFRASTRUCTURE ASSISTANCE TO STATE GOVERNMENTS

- The **Rural Infrastructure Assistance to State Governments (RIAS)** was introduced by NABARD in FY2021 to **provide financial assistance to state governments** for the development of critical rural infrastructure that promotes rural livelihoods and strengthens the local economy.

- **Focus areas** under RIAS include **states in the East zone** (Bihar, Chhattisgarh, Jharkhand, Odisha, Eastern Uttar Pradesh, and West Bengal), **states in the NER, aspirational districts, and border districts.**
- However, **infrastructure projects in all parts of the country remain eligible** for funding under RIAS.

- In FY2025, the RIAS was revamped to include expanded geographical coverage, programme-mode funding, and a **“credit-plus” approach.** As part of the credit-plus approach, **NABARD may extend value-added services** such as project or programme management and implementation support, technical assistance, capacity building and training, and environmental and social impact assessments.



CHAPTER-6

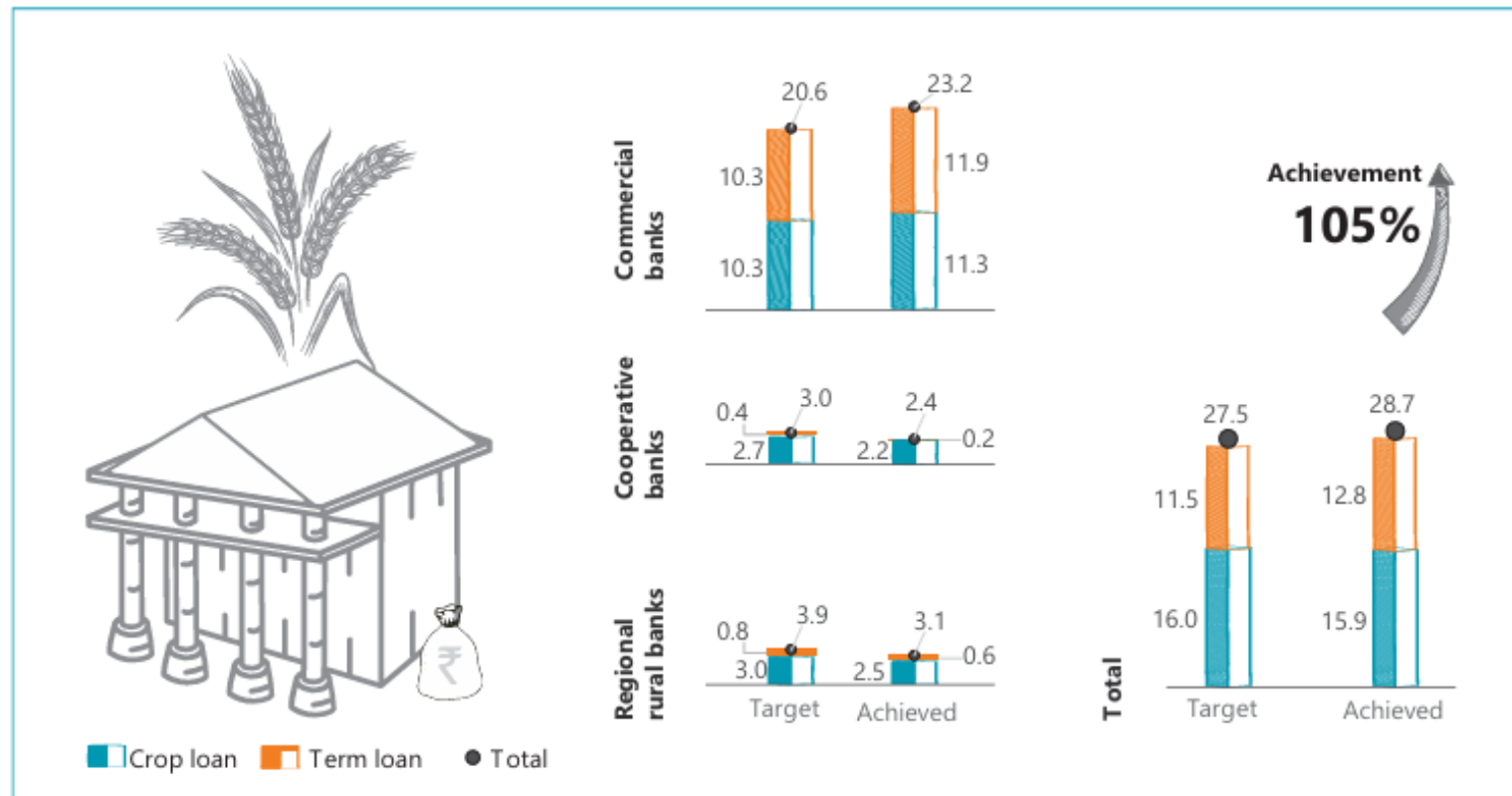
CREDIT PLANNING AND DELIVERY FOR FINANCIAL INCLUSION



INTRODUCTION

- To advance development through credit, **NABARD adopts a three-pronged approach:**
 - It plays a pivotal role in credit planning and monitoring.
 - It ensures last-mile credit delivery through refinance and direct finance products.
 - It deepens financial inclusion to stimulate rural credit demand.

Figure 6.1: Agricultural GLC by agency as on 31 March 2025 (provisional) (₹ lakh crore)



GLC = Ground-Level Credit.

- Data sourcing for Potential Linked Credit Plan (PLPs) is now being automated through the **ENSURE portal**. Likewise, the State Focus Papers for FY2023 have been prepared digitally by collating inputs submitted by DDMs via ENSURE during the PLP preparation process.
- **ENSURE = Electronic National Submission and Utilization of Rural Enterprises.**

INTRODUCTION

- Disbursements under **NABARD's ST credit support** registered a **year-on-year increase of 3.1%** over FY2024

- Region-wise, **the southern region accounted for the highest share of ST refinance** at 45.7%, followed by the north (17.7%) central (15.9%), and east (12.1%). The western region has a very small share (8.3%) in ST refinance disbursement.

- **Disbursements under long-term (LT) refinance** were Rs. 99,399 crore during FY2025. A **sizeable share (59%) of the disbursement went to SCBs including small finance banks**, followed by StCBs (12%) and NBFCs (11%). Regional disparity is visible even in LT refinance as the **major share of refinance offtake was in the south (41.8%)** followed by the west (25.9%), north (11.1%), east (9.9%), central (9.5%), and the north-east regions (1.7%).



NEW INITIATIVES IN CREDIT REFINANCE IN FY2025

- **Installation of Solar Rooftop Systems in the Residential Sector:** This scheme aims to promote solar energy adoption in rural areas and small towns by providing concessional refinance for **rooftop solar systems ranging from 200 watt (W) to 10kW**. Refinance is sanctioned under the **Automatic Refinance Facility (ARF)** streamlining access for financial institutions.

- **Rural Housing with Solar Rooftop:** This initiative encourages the integration of solar power in rural residential housing by bundling home loans with rooftop solar systems. Implemented by NABARD, the **scheme offers a 0.5% interest rebate on a reimbursement basis**, supported by a corpus of Rs. 200 crore. Refinance is sanctioned under the ARF.

- **Aspirational Districts:** This scheme supports sustainable economic activities, livelihoods, and employment generation in aspirational districts and those with low **coverage under priority sector lending (PSL)**. By offering concessional refinance, the scheme seeks to boost credit offtake and improve the socio-economic conditions of rural populations in these regions.

- **Animal Husbandry Infrastructure Development:** Designed to address infrastructure gaps and attract investment in the animal husbandry sector, this **scheme provides concessional refinance for activities eligible for support from the Animal Husbandry Infrastructure Development Fund** of the Government of India (GOI).



NEW INITIATIVES IN CREDIT REFINANCE IN FY2025

- NABARD has been implementing **the Agriculture Marketing Infrastructure (AMI) Scheme**, with claims submitted online via the ENSURE 1.0 portal over the past few years. To enhance functionality and ease of operations, NABARD has developed and launched ENSURE 2.0, incorporating advanced features.
- Following GOI approval for convergence of the **AMI Scheme with the Agriculture Infrastructure Fund (AIF) Scheme**, ENSURE 2.0 has been integrated with the AIF portal. This integration enables seamless transfer of eligible claims to ENSURE for processing and disbursement of subsidies under the AMI Scheme.



NEW INITIATIVES IN CREDIT REFINANCE IN FY2025

Figure 6.7: Performance of special refinance schemes and new refinance products in FY2025

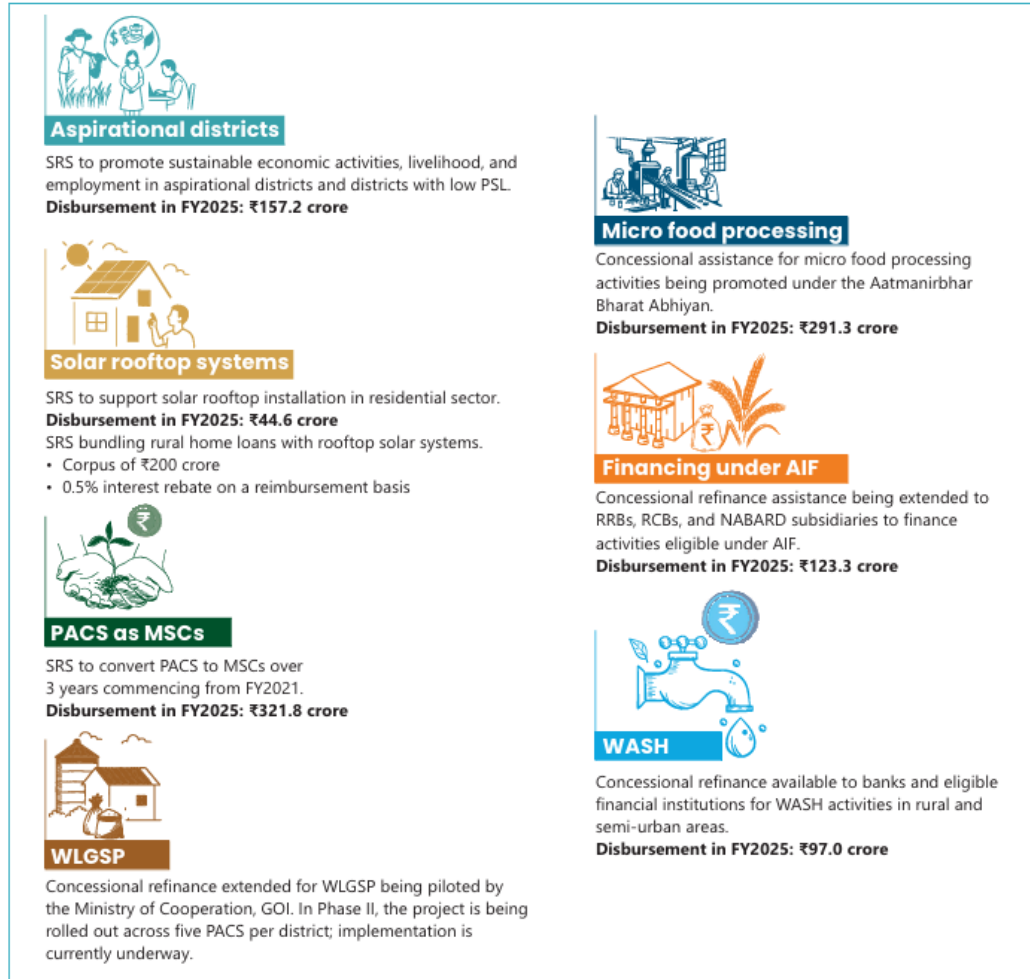
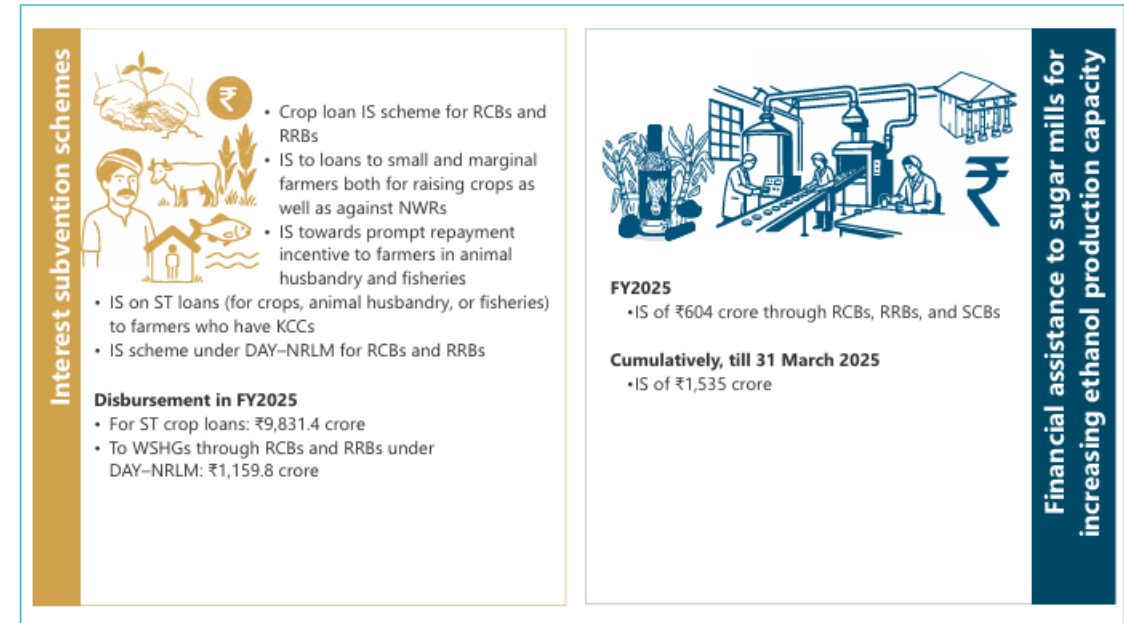


Figure 6.8: Performance of other credit products in FY2025



AIF = Agriculture Infrastructure Fund, GOI = Government of India, MSC = Multi-Service Centre, PACS = Primary Agricultural Credit Society, PSL = Priority Sector Lending, RCB = Rural Cooperative Bank, RRB = Regional Rural Bank, SRS = Special Refinance Scheme, WASH = Water, Sanitation, and Hygiene, WLGSP = World's Largest Grain Storage Plan in the Cooperative Sector.

Note: For greater details on these refinance products, please see NABARD (2023), *Annual Report 2022-23*, National Bank for Agriculture and Rural Development, Mumbai, p.75. <https://www.nabard.org/pdf/2023/annual-report-2022-23-full-report.pdf>.

NEW INITIATIVES IN CREDIT REFINANCE IN FY2025

Implementation of CSSs of GOI



Channelling subsidy for agriculture projects and priority sector activities

Performance during FY2025

| Particulars | ACABC | New AMI Scheme | Old AMI Scheme |
|----------------------------|-------|----------------|----------------|
| No. of units | 267 | 3,160 | 1 |
| Subsidy released (₹ crore) | 13.2 | 669.0 | 0.5 |

Cumulative performance as on 31 March 2025

| Particulars | ACABC | New AMI Scheme | Old AMI Scheme |
|---|-------|----------------|----------------|
| No. of units | 3,964 | 10,658 | 42,261 |
| Subsidy released (₹ crore) | 160.0 | 2,053.3 | 4,467.4 |
| Scientific storage capacity (thousand MT) | - | 27,600.6 | 60,853.3 |



KCC saturation drive

| Phase | No. of KCCs sanctioned (lakh) | Limits sanctioned (₹ crore) |
|-------|-------------------------------|-----------------------------|
| I | 12.6 | 8,450 |
| II | 172.3 | 1,77,482.3 |

DRA to cooperative banks



DRA is extended to StCBs and DCCBs for them to meet credit needs related to working capital, repair and maintenance of farm equipment and other productive assets; storage/grading/packaging of produce; marketing activities; food credit consortium; non-farm activities; working capital loans against pledge limits sanctioned to cooperative and private sugar factories; etc.

In FY2025

- Sanction: ₹38,002.5 crore; 41.7% higher than FY2024
- Disbursement: ₹37,216.6 crore; 38.5% higher than FY2024
- The outstanding position as on 31 March 2025 was ₹27,767.6 crore against ₹20,504.1 crore as on 31 March 2024.
- Credit availed by StCBs and DCCBs of Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand, and West Bengal.



ST credit is extended to agricultural marketing federations, civil supplies corporations, dairy cooperatives, milk unions, and federations to support procurement of inputs and agricultural commodities, and marketing operations.

In FY2025

- Sanction: ₹51,950 crore; 34.2% higher than FY2024
- Disbursement: ₹65,991 crore; 68% higher than FY2024
- The outstanding position as on 31 March 2025 was ₹41,677 crore against ₹20,583 crore as on 31 March 2024.
- Support to marketing federations and state civil corporations procuring food grains, to ensure timely payment to farmers at MSP.
- Assistance to Andhra Pradesh, Bihar, Chhattisgarh, Haryana, Odisha, Tamil Nadu, and Telangana, aiding over 73 lakh farmers by procurement of foodgrains of over 509 lakh MT.

Credit facility to federations

ACABC = Agri-Clinics and Agri-Business Centres, AMI = Agriculture Marketing Infrastructure, CSS = Capital Subsidy Scheme, DAY-NRLM = Deendayal Antyodaya Yojana-National Rural Livelihood Mission, DCCB = District Central Cooperative Bank, DRA = Direct Refinance Assistance, GOI = Government of India, IS = Interest Subvention, KCC = Kisan Credit Card, MSP = Minimum Support Price, MT = metric tonne, NWR = Negotiable Warehouse Receipt, RCB = Rural Cooperative Bank, RRB = Regional Rural Bank, SCB = Scheduled Commercial Bank, ST = Short-Term, StCB = State Cooperative Bank, WSHG = Women Self-Help Group.



IMPROVING CREDIT DELIVERY ECOSYSTEM EFFICIENCY



- **eKCC Portal:** In collaboration with 24x7 Moneyworks Consulting Pvt. Ltd., NABARD developed a portal integrated with the RBI Innovation Hub's Unified Lending Interface to digitise the KCC process. Farmers can apply for loans online with in-principle approvals granted within minutes. In FY2025, 12 banks joined the portal, with over 300 live loan cases tested.
- **AIF Interest Subvention portal:** This portal automates processing of interest subvention and credit guarantee fee claims under the AIF scheme. As on 31 March 2025, 27 banks have submitted approximately 14,000 claims worth Rs. 41 crore. Further onboarding and dashboard integration for real time tracking are planned for FY2026s.
- **NRLM Interest Subvention (NRLM-IS) portal:** This platform processes claims under the Deendayal Antyodaya Yojana- National Rural Livelihood Mission for RRBs and RCBs financing women self-help groups (SHGs). Since its launch on 11 January 2024, 202 banks have been registered. Claims worth Rs. 1,376 crore have been processed for 22.7 lakh SHG accounts, saving rural banks an estimated Rs. 9.6 crore in processing costs. This marks the first instance of RCBs submitting NRLM-IS claims through a digital process.



NEW ACTIVITIES SUPPORTED UNDER FIF DURING FY2025



As on 31 March 2025, cumulative sanctions under FIF stood at ₹6,233.3 crore, with disbursements totalling ₹3,540.5 crore. During FY2025 alone, ₹290.3 crore was sanctioned, and ₹191.6 crore disbursed. New initiatives include:

- **Learning Management System (LMS) for rural self-employment training institutes (RSETIs):** NABARD, in collaboration with Indian Institute of Technology Madras, is developing REAP—RSETI e-Learning AI Platform, a centralised LMS to support skill development across 64 courses in 12 languages with 4,400 hours of curated content. The initiative aims to benefit around 6 lakh rural trainees annually with a sanctioned budget of ₹18.6 crore. So far, IIT Madras has developed 85 hours of content for 15 courses.
- **Automation of JanSuraksha Schemes for RRBs:** To digitise and streamline the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY), NABARD is facilitating onboarding of all 43 RRBs⁴ to the JanSuraksha portal,⁵ implemented by Online PSB Loans Ltd. As on 31 March 2025, 26 RRBs are live on the platform, enabling end-to-end digital enrolment and claim settlement.
- **Incentive scheme for customer service points (CSPs)/business correspondents (BCs) of banks operating in hilly states/Union Territories:** Launched on 26 April 2024, this scheme offers ₹1,000 per month to the top two performing CSPs/BCs per village in Tier 5 and Tier 6 centres in Himachal Pradesh, Uttarakhand, Jammu & Kashmir, and Ladakh. A total of ₹688.8 lakh has been sanctioned, benefitting 5,740 BC agents during FY2025 (Showcase 6.1).
- **Support under the FIF for rural connectivity—HTS-VSAT, Dual LTE and SD-WAN technologies:** To enhance banking connectivity in remote areas, NABARD extended grant-based reimbursement to banks for deploying HTS-VSAT, Dual LTE, and SD-WAN technologies.⁶ So far, 163 devices have been deployed with a sanction of ₹373.1 lakh, improving network reliability across over 1,000 villages.
- **Special Campaign 4.0—Rural Financial Literacy:** Organised during 17 September–31 October 2024 under the guidance of the DFS, MOF, GOI, this campaign combined *swachhata* (cleanliness) with financial awareness. NABARD partnered with 43 RRBs to conduct 591 camps and street plays, with grant support of ₹96.8 lakh. Outcomes included:
 - ◇ 1,29,354 new Pradhan Mantri Jan Dhan Yojana accounts
 - ◇ 1,73,147 fresh PMJJBY enrolments
 - ◇ 4,09,915 new PMSBY enrolments
 - ◇ 66,601 new Atal Pension Yojana enrolments

Way Forward

To further deepen and sustain financial inclusion, NABARD is undertaking forward-looking initiatives that integrate gender sensitivity, digital engagement, and grassroots-level capacity building:

- 1. Gender Intentionality Scorecard (GIS) cum dashboard:** This digital monitoring tool is being developed in collaboration with Women's World Banking. This tool is designed to assess how deliberately financial institutions, particularly RRBs, incorporate women in their financial inclusion strategies. The GIS evaluates performance across five key dimensions—accounts, social security, credit, digital footprint, and workforce participation—using a comprehensive set of 62 parameters. The dashboard will enable comparative assessments and inform targeted gender-responsive interventions.
- 2. Development of interactive financial literacy game:** To address persistent gaps in financial literacy through an innovative approach, NABARD and the National Centre for Financial Education (NCFE) signed a Memorandum of Understanding on 22 May 2024. Under this collaboration, NCFE will develop a next-generation, mobile-based interactive financial literacy game. The game will leverage advanced technologies and will feature:
 - a. multi-lingual support, including regional languages;
 - b. offline accessibility for remote areas; and
 - c. gamified learning modules tailored for rural users.
- 3. Pilot project on community resource entities in skilling ecosystem:** In accordance with RBI recommendations, NABARD will pilot the concept of community resource entities (CREs) to act as a trusted intermediary layer within the skilling and livelihood ecosystem. The pilot will be launched across 20 blocks in Bihar and Chhattisgarh over one year. These CREs will serve as facilitators, linking rural aspirants with skilling centres, financial institutions, and employers—thereby improving alignment between skill supply and demand, and enhancing access to livelihood opportunities.



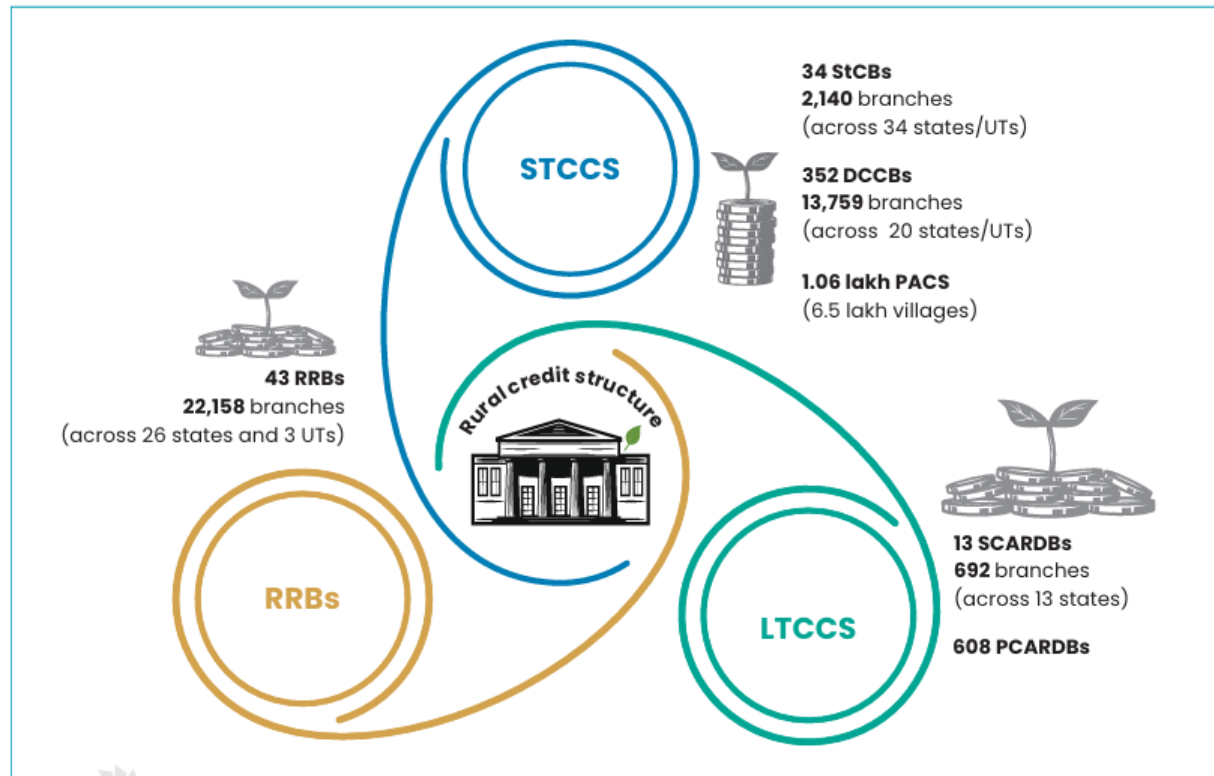
CHAPTER-7

SUPERVISORY ROLE OF NABARD



SUPERVISED ENTITIES OF NABARD

Figure 7.1: Rural institutional credit structure (as on 31 March 2025)



- The RRBs and RCBs are regulated by the Reserve Bank of India (RBI) and supervised by NABARD under Section 35(6) of the Banking Regulation (BR) Act, 1949 and the BR Act, 1949 (As Applicable to Co-operative Societies), respectively.

- Enhanced CAMELSC-based supervisory approach

- SuperSoft App

SUPERVISED ENTITIES OF NABARD

- C – Capital Adequacy
- A – Asset Quality
- M – Management
- E – Earnings
- L – Liquidity
- S – Systems & Control
- C – Compliance

- The Enhanced CAMELSC-based supervisory approach (E-CAMELSC) is a supervisory rating model used by NABARD to assess the health and performance of Supervised Entities (SEs) like State Cooperative Banks (StCBs), District Central Cooperative Banks (DCCBs), and Regional Rural Banks (RRBs).



FATF MUTUAL EVALUATION REPORT

- **Mutual Evaluation Report for India:** India has been placed under the “regular follow-up” category, which represents the highest rating tier assigned by FATF.
- Among the G20 nations, **only the United Kingdom, France, and Italy along with India have received this recognition.**



CHAPTER-8

EMPOWERING RURAL FINANCIAL INSTITUTIONS



RURAL FINANCIAL INSTITUTIONS (RFIS)

- **SHORT-TERM RURAL COOPERATIVE CREDIT STRUCTURE**

- State cooperative banks (StCBs) at the state/apex level,
- District central cooperative banks (DCCBs) at the district level,
- Primary agricultural credit societies (PACS) at the village level.

- **LONG-TERM COOPERATIVES**

- State cooperative agriculture and rural development banks (SCARDBs)
- Primary cooperative agriculture and rural development banks (PCARDBs).

- **REGIONAL RURAL BANKS**

- Specific, measurable, achievable, relevant, time-bound (SMART) metrics
- RRB Darpan (portal by NABARD)
- RRBs in Focus



RURAL FINANCIAL INSTITUTIONS (RFIS)

A pilot project was launched in FY2024 in **Banaskantha and Panchmahal DCCBs of Gujarat** to promote routing of all **financial transactions of primary dairy cooperative societies** (PDCS) and other cooperative bodies through the cooperative banking network, with the objective of strengthening and making the cooperative sector self-reliant. Under the initiative, PDCS were equipped with micro-ATMs through grant support from NABARD's Financial Inclusion Fund (FIF) provided to StCBs and DCCBs to encourage doorstep digital transactions.

The DCCBs also issued **RuPay Kisan Credit Cards (KCCs)** to dairy farmers, whose bank accounts were simultaneously opened with these banks. Awareness on the initiative was created through financial literacy camps, also supported through FIF. Subsequently, the pilot was scaled up to cover all districts of Gujarat and it recorded significant progress.

Following the success in Gujarat, the project was launched for national-level implementation on 19 September 2024 in New Delhi at a conference chaired by the Hon'ble Union Home Minister and Minister of Cooperation. NABARD is supporting StCBs and DCCBs with procurement of micro-ATMs and organisation of financial literacy programmes. A digital dashboard has been developed by NABARD to monitor the campaign's progress across various states and UTs.



RURAL FINANCIAL INSTITUTIONS (RFIS)

- A **web-based Cooperative Governance Index (CGI) portal** is under development. The CGI encompasses both qualitative and quantitative attributes, grouped into 11 categories, further subdivided into 19 sub-categories and 135 individual parameters
- **PACS Accelerator Programme:** implemented across 30 PACS in the states of Rajasthan, Uttar Pradesh, and Telangana.
- **ENGAGE: Enhancing Growth, Accessibility, Governance, and Empowerment**, reflecting its **multi-dimensional focus**. It is a **special initiative launched for Regional Rural Banks (RRBs)** to strengthen their **customer outreach, financial inclusion, and operational efficiency**.

RURAL FINANCIAL INSTITUTIONS (RFIS)

Of the central government's share, ₹261 crore was disbursed during FY2025 to three RRBs—Aryavart Bank (₹137.7 crore), Baroda U.P. Bank (₹57.9 crore), and Kerala Gramin Bank (₹65.3 crore)—after the respective state governments and sponsor banks released their proportionate contributions. With this disbursement, all 22 RRBs have now received the full recapitalisation assistance sanctioned by all stakeholders.

Progress in implementation of Sustainable Viability Plans

Consequent to GOI's decision to sanction recapitalisation assistance to RRBs, all RRBs rolled out a three-year, Board-approved viability plan in FY2023, incorporating specific, measurable, achievable, relevant, time-bound (SMART) metrics and a clearly defined implementation framework. The plan aims to achieve sustainable viability through credit expansion, business diversification, asset quality improvement, cost rationalisation, technology adoption, and enhanced corporate governance.

NABARD is developing a centralised digital lending platform, named the Centralised Digital Credit Infrastructure (CDCI), for implementation across RRBs. The platform is designed to digitalise, automate, and streamline credit processing and management for various loan products, that could potentially enhance operational efficiency and transparency. It is expected to provide a more agile and efficient solution than the current loan origination systems implemented in some RRBs. The CDCI is targeted for rollout by end of September 2025.



SUBSIDIARIES OF NABARD



SUBSIDIARIES OF NABARD

- **NABARD Financial Services Limited (NABFINS)** functions through two primary business models: the **business and development correspondent model** and the **direct lending model**. Additionally, under the institutional lending model, NABFINS provides **bulk loans** to support other institutions serving microfinance borrowers.
- **NABKISAN Finance Limited:** facilitate **technical assistance and consultancy** in rural development and agriculture finance.
- **NABARD Consultancy Services (NABCON):** Provide **professional consultancy services** in rural development, agriculture, and cooperative banking.

NABARD Scheme for Sustainable Rural Development and Livelihood Enhancement (NABSUMRUDDHI): It is a special program launched by NABARD to support rural livelihoods, SHGs, FPOs, and small rural enterprises through a combination of **financial, technical, and capacity-building support**. Focused on **enhancing income, productivity, and sustainability** in rural areas. It is part of NABARD's broader goal of **rural development, financial inclusion, and community empowerment**.



SUBSIDIARIES OF NABARD

- **NABARD Venture Capital Limited (NABVENTURES):** Promote **innovation and entrepreneurship** in rural and agri sectors through **venture capital and equity support**.

- **NABFOUNDATION** acts as a **development partner** for NABARD in areas where **technical assistance, skill building, and livelihood promotion** are needed.

NABSanrakshan Trustee Private Limited (NABSanrakshan): Manage credit guarantee funds aimed at **increasing the flow of institutional finance to priority sectors** of the rural economy. The company supports **sustainable and inclusive agricultural and rural development** through targeted credit guarantees



BALANCE SHEET OF NABARD



NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT
STANDALONE BALANCE SHEET AS ON 31 MARCH 2025

(Amount in ₹ crore)

| Sr. No | Property and Assets | Schedule | As on 31.03.2025 | As on 31.03.2024 |
|--------|--|----------|--------------------|--------------------|
| 1 | Cash and Bank Balances | 9 | 45,358.92 | 37,354.14 |
| 2 | Investments | 10 | 91,817.30 | 69,827.79 |
| 3 | Advances | 11 | 8,39,055.03 | 7,95,104.30 |
| 4 | Property, Plant and Equipment (Fixed Assets) | 12 | 559.91 | 548.84 |
| 5 | Other Assets | 13 | 7,839.78 | 8,027.49 |
| | Total | | 9,84,630.94 | 9,10,862.56 |
| | Foreign Currency Exposure Hedged with Cross Currency Swaps | | 529.50 | 579.49 |
| | Commitment and Contingent Liabilities | 17 | | |
| | Significant Accounting Policies and Notes to Accounts | 18 | | |

NABARD's balance sheet grew by ~8% in 2025.

Borrowings and bonds are the major funding sources.

Deposits reduced, but capital and reserves strengthened.

Lending and investment activities expanded.

Schedules referred to above form an integral part of financial statements

NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT
STANDALONE BALANCE SHEET AS ON 31 MARCH 2025

(Amount in ₹ crore)



| Sr. No. | Funds and Liabilities | Schedule | As on 31.03.2025 | As on 31.03.2024 |
|---------|--|----------|--------------------|--------------------|
| 1 | Capital (Under Section 4 of the NABARD Act, 1981) | | 17,080.00 | 17,080.00 |
| 2 | Reserve Fund and other Reserves | 1 | 63,413.71 | 55,787.40 |
| 3 | National Rural Credit Funds | 2 | 16,110.00 | 16,106.00 |
| 4 | Gifts, Grants, Donations and Benefactions | 3 | 6,615.72 | 6,691.17 |
| 5 | Government Schemes | 4 | 723.61 | 1,506.36 |
| 6 | Deposits | 5 | 2,75,991.45 | 3,01,958.07 |
| 7 | Bonds and Debentures | 6 | 3,27,366.25 | 2,86,150.10 |
| 8 | Borrowings | 7 | 2,51,220.50 | 2,01,082.58 |
| 9 | Current Liabilities and Provisions | 8 | 26,109.70 | 24,500.88 |
| | Total | | 9,84,630.94 | 9,10,862.56 |
| | Foreign Currency Exposure Hedged with Cross Currency Swaps | | 529.50 | 579.49 |

Schedules referred to above form an integral part of financial statements



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