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8.1 Short-Term Rural Cooperative Credit Structure

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EMPOWERING RURAL FINANCIAL INSTITUTIONS

Rural financial institutions (RFIs), that include rural cooperative banks (RCBs) and regional rural banks (RRBs), play a pivotal role in delivering financial services to support agriculture and rural development.¹ With their extensive networks and wide outreach, these institutions have significantly contributed to expanding the scope of institutional credit by promoting banking habits among poor populations and those living in remote areas. To improve access to banking and transform RFIs into robust, financially sustainable, and operationally efficient entities, NABARD undertakes a range of institutional development initiatives to strengthen both RRBs and RCBs. These initiatives include enhancing governance systems and institutional culture, promoting business diversification, upgrading technology, building human resource capabilities, and expanding outreach. Collectively, these efforts aim to improve credit delivery at the grassroots level and strengthen the competitiveness of RFIs vis-à-vis other financial institutions.

8.1 SHORT-TERM RURAL COOPERATIVE CREDIT STRUCTURE

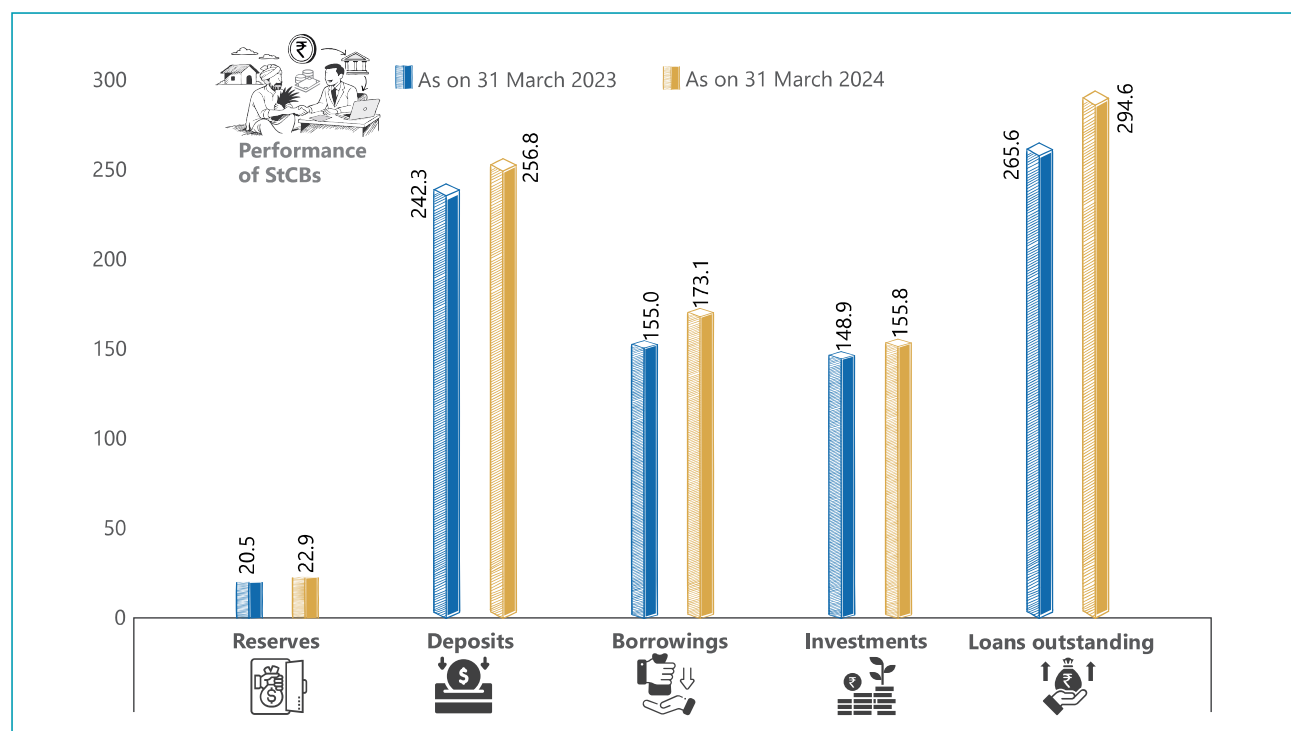
The short-term co-operative credit structure (STCCS) comprises three types of financial institutions, viz. state cooperative banks (StCBs) at the state/apex level, district central cooperative banks (DCCBs) at the district level, and primary agricultural credit societies (PACS) at the village level. In addition to PACS, other types of primary societies are also affiliated to DCCBs. However, not all states follow the conventional three-tier structure. Twelve states have a three-tier system, seven states have a mixed-tier system (comprising both three-tier and two-tier structures), and fifteen states have a two-tier structure.



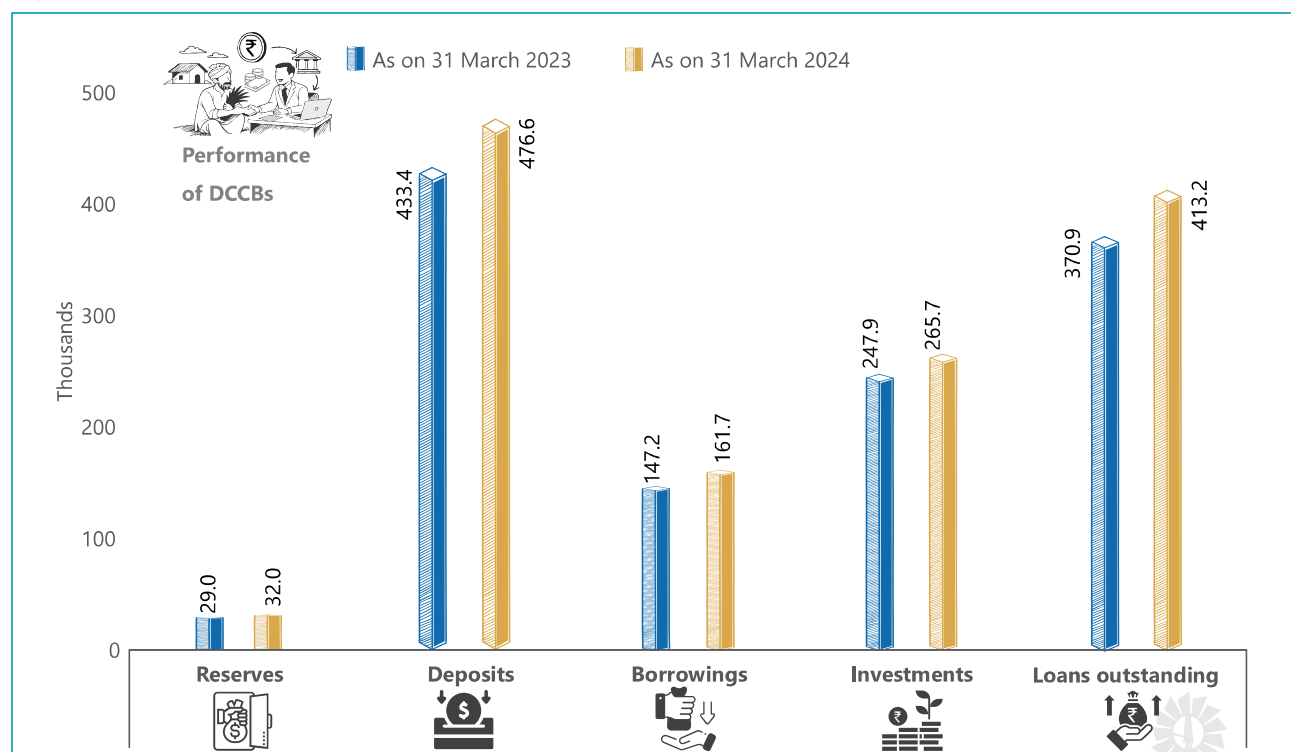
Transforming rural lives and livelihoods with short-term credit.

As on 31 March 2025, the STCCS consisted of 34 StCBs (with 2,140 branches), 351 DCCBs (with 13,759 branches), and nearly 1.06 lakh PACS.² The StCBs and DCCBs fall under the regulatory purview of the Reserve Bank of India (RBI) through the Banking Regulation (BR) Act, 1949 (AACS), and NABARD has been authorised under Section 35(6) of the BR Act to conduct inspections of these institutions. The PACS are outside the purview of the BR Act and are not permitted to use, as part of their name or in connection with their business, the words “bank”, “banker”, or “banking”. The StCBs and DCCBs recorded improved financial performance in FY2024 over FY2023 (Figures 8.1 and 8.2).

The consolidated financial performance of StCBs and DCCBs is detailed in Appendix Table A8.1.


Figure 8.1: Performance of StCBs in FY2024 over FY2023 (₹ in '000 crore)


StCB = State Cooperative Banks.

Figure 8.2: Performance of DCCBs in FY2024 over FY2023 (₹ in '000 crore)


DCCB = District Central Cooperative Bank.

8.2 LONG-TERM COOPERATIVES

The long-term cooperative credit structure typically operates within a two-tier framework comprising state cooperative agriculture and rural development banks (SCARDBs) and primary cooperative agriculture and rural development banks (PCARDBs).

Among the 13 states and Union Territories (UTs) with functional SCARDBs, 5 states follow a unitary structure, with SCARDBs operating branches but without separate PCARDBs; 6 states have a federal structure operating through PCARDBs; and 2 states follow a mixed model, where SCARDBs operate both through PCARDBs and their own branches. As agricultural and rural development banks are not governed by the BR Act, 1949, they are not permitted to mobilise demand deposits from non-members, and such deposits are not covered under the Deposit Insurance and Credit Guarantee Scheme.

A summary of the financial position of SCARDBs and PCARDBs is provided in Table A8.2.

8.3 IMPORTANT DEVELOPMENTS IN THE SHORT-TERM COOPERATIVE CREDIT STRUCTURE

8.3.1 Formation and strengthening of new multipurpose primary cooperatives

On 15 February 2023, the Union Cabinet approved a five-year plan to revitalise the cooperative movement through the formation of two lakh new multipurpose primary cooperatives (M-PACS), including dairy and fishery cooperatives. The initiative aims to ensure nationwide coverage of all categories of primary societies. NABARD and state governments have jointly targeted the formation of 95,327 M-PACS during this period.

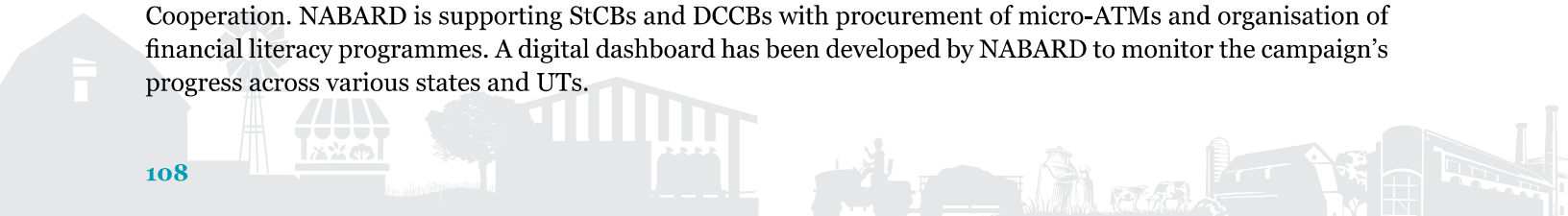
The Hon'ble Union Home Minister and Minister of Cooperation launched the *Margdarshika* (Action Plan) on 19 September 2024, outlining the roadmap for establishing and strengthening new M-PACS, dairy, and fisheries cooperative societies in each Panchayat. Subsequently, on 25 December 2024, the minister inaugurated 10,000 newly formed cooperatives. As of FY2025, a total of 18,406 new societies were established, comprising 5,175 M-PACS, 11,900 multipurpose dairy cooperative societies, and 1,331 multipurpose fisheries cooperative societies—reflecting substantial progress in cooperative development efforts.

8.3.2 National Campaign on Cooperation among Cooperatives

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.





Key outcomes of the campaign included (i) a rise in the number of deposit accounts by 19.6 lakh, (ii) an increase in deposits with RCBs by ₹6,284 crore, and (iii) the issuance of 1.95 lakh RuPay KCCs. These initiatives substantially contributed to advancing financial inclusion and promoting self-reliance within the cooperative sector.

8.3.3 Cooperative Governance Index for RCBs

Robust governance systems and a positive institutional culture are essential for ensuring the financial stability of RCBs. Towards this end, 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.

Each parameter is assessed on a scale of 0–100 to quantify the state of governance. The total score, capped at 100, reflects performance across all categories, sub-categories, and parameters. Specific weightages are assigned to each attribute, and negative marking is applied for non-compliance with prescribed governance standards.

8.3.4 PACS Accelerator Pilot



Technology-enabling PACS with drone, a demo; Kharkhoda PACS, Meerut, Uttar Pradesh.

Under the Unnati Phase II initiative, NABARD is implementing the “PACS Accelerator Programme” to support PACS in diversifying into non-credit business activities. As part of the pilot phase, the programme is being implemented across 30 PACS in the states of Rajasthan, Uttar Pradesh, and Telangana. The programme is anchored on four key pillars: (i) market-based activity selection, (ii) timely financing by DCCBs, (iii) on-ground enablement and infrastructure support, and (iv) capacity building. Detailed project reports have been prepared for 36 non-credit activities to facilitate financing by DCCBs. NABARD officers are providing handholding support to PACS for the successful implementation of the identified business activities. A comprehensive training plan has also been developed for capacity building of PACS personnel. NABARD aims to scale up the initiative to cover 10,000 PACS in FY2026.

8.3.5 Project implemented under the Cooperative Development Fund

The Cooperative Development Fund (CDF) was established by NABARD in FY1993 with an initial corpus of ₹10 crore, which has since been augmented periodically through contributions from NABARD’s annual profits. As on 31 March 2025, a cumulative amount of ₹381.5 crore has been disbursed from the CDF since its inception. Following replenishment and appropriation, the balance of the corpus is ₹200 crore as on 1 April 2025. A summary of the grant support provided under CDF is presented in Appendix Table A8.3.

Some of the key outcome indicators under the CDF as on 31 March 2025 are listed below:

1. The major share of CDF assistance is directed towards training-related activities under the Scheme of Financial Assistance for Training of Cooperative Banks Personnel (SOFTCOB). Over the past three years, cooperative training institutions (CTIs) have conducted more than 4,000 programmes, covering over one lakh participants across various tiers of the cooperative structure. NABARD undertook a comprehensive revision of the SOFTCOB guidelines in FY2025 to enhance their effectiveness.
2. Under the CDF scheme, NABARD established the Centre for Professional Excellence in Cooperatives (C-PEC) at the Bankers Institute of Rural Development (BIRD), Lucknow. The C-PEC aims to enhance the

quality of training systems and develop policies to promote professionalism and skilled human resources within the STCCS. Its core activities include accreditation of CTIs, standardisation of training programmes, preparation of operational and technical manuals, conduct of certification courses and training-of-trainers programmes, among others. The fund is also utilised for training activities conducted by NABARD's training establishments (BIRDS at Lucknow, Mangaluru, and Kolkata). Efforts are underway to strengthen C-PEC by digitalising all its operational functions and expanding the scope of its activities.

3. In 2020, NABARD introduced a CDF-supported scheme for establishing Business Diversification and Product Innovation Cells (BDPICs) within StCBs. As on 31 March 2025, 20 BDPICs are operational, with total financial support of ₹15.5 crore.
4. Assistance from CDF is also available for the transformation of PACS into multi-service centres (MSCs). Under this scheme, PACS avail grant support for accompanying activities such as project preparation, exposure visits, capacity building of functionaries, documentation, and technology adoption. During FY2025, ₹366.1 lakh was disbursed under this initiative.
5. PACS Development Cells (PDCs) have been established in StCBs and DCCBs to support capacity building and institutional strengthening of PACS through training, handholding, guidance, exposure visits, and other relevant interventions. These efforts aim to enable PACS to deliver both financial and non-financial services in an efficient and viable manner. As on 31 March 2025, 95 StCBs and DCCBs have been supported in setting up PDCs, covering 2,556 PACS across 20 states. A revised guideline is currently being prepared, drawing on insights from past experience.
6. A Comprehensive Support Plan under the CDF has been extended to the states in the North East Region of India (including Sikkim), Andaman and Nicobar Islands, and Jammu & Kashmir, providing capacity building and infrastructure support. As on 31 March 2025, a total amount of ₹1,009 lakh has been sanctioned to the StCBs in these areas.

8.3.6 Development of an umbrella digital portal

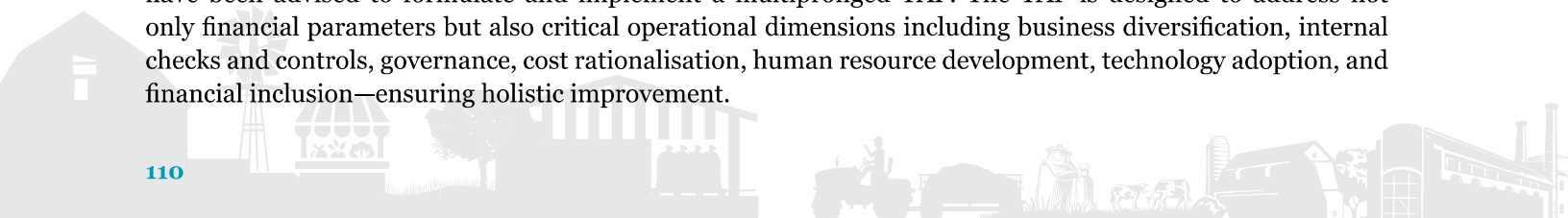
As part of its digital transformation agenda under the ENGAGE initiative, NABARD is developing an umbrella digital portal to track the performance of schemes under the CDF and other institutional initiatives. The launch of this portal is planned for September 2025.

8.3.7 Efforts to establish new StCBs and DCCBs

To expand the outreach of RCBs across all states and UTs, NABARD has prepared an approach paper recommending the establishment of additional institutions within the cooperative banking structure. The paper proposes the creation of 240 new DCCBs, subject to the preparation of viability plans, as well as 2 new StCBs in the UTs of Ladakh and Lakshadweep. It also consolidates the applicable regulatory and statutory guidelines governing the formation of StCBs and DCCBs. The Ministry of Cooperation, Government of India (GOI), has circulated this approach paper to state governments for consideration. As part of this initiative, the RBI has approved the bifurcation of the existing Salem DCCB to create a new DCCB in Namakkal district.

8.3.8 Preparation of turnaround plan and development action plan by RCBs

To strengthen weak RCBs, NABARD has initiated the preparation of a turnaround plan (TAP) for each such institution. Under a comprehensive framework, RCBs falling under Category C and D based on NABARD's latest inspection ratings, as well as those under the Supervisory Action Framework–Self-Initiative for Turnaround, have been advised to formulate and implement a multipronged TAP. The TAP is designed to address not only financial parameters but also critical operational dimensions including business diversification, internal checks and controls, governance, cost rationalisation, human resource development, technology adoption, and financial inclusion—ensuring holistic improvement.





NABARD has circulated a standardised template to guide the preparation of TAPs and conducted training programmes through BIRD for officials of the identified RCBs. All targeted banks have submitted their respective TAPs, and progress is being monitored through various platforms, including reviews by the Ministry of Cooperation.

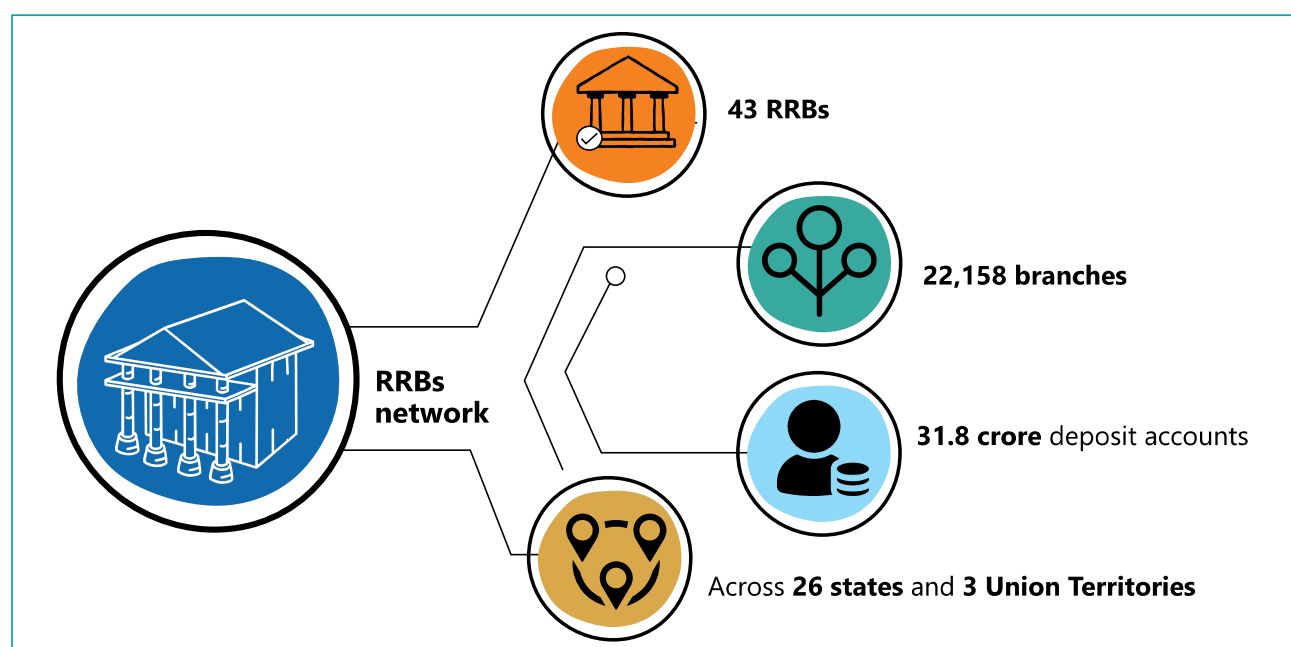
8.3.9 Internal Grievance Redressal Portal

To promote transparency, accountability, and robust internal controls, NABARD is developing a white-label web application for a centralised complaint/grievance redressal management system for RCBs. This portal will facilitate the timely and efficient resolution of customer grievances and support compliance with supervisory requirements. The development and testing phases—carried out with selected RCBs—have been completed.

8.4 REGIONAL RURAL BANKS

Established in 1975, the principal objective of RRBs is to promote rural economic development by providing credit and other financial services, particularly to small and marginal farmers, agricultural labourers, artisans, and small entrepreneurs. These banks support activities related to agriculture, trade, commerce, industry, and other productive sectors in rural areas, including associated and ancillary services (Figure 8.3).

Figure 8.3: Network of RRBs as on 31 March 2025



RRB = Regional Rural Bank.

Notably, 92% of RRB branches are located in rural or semi-urban areas, underscoring their vital role in deepening financial inclusion.

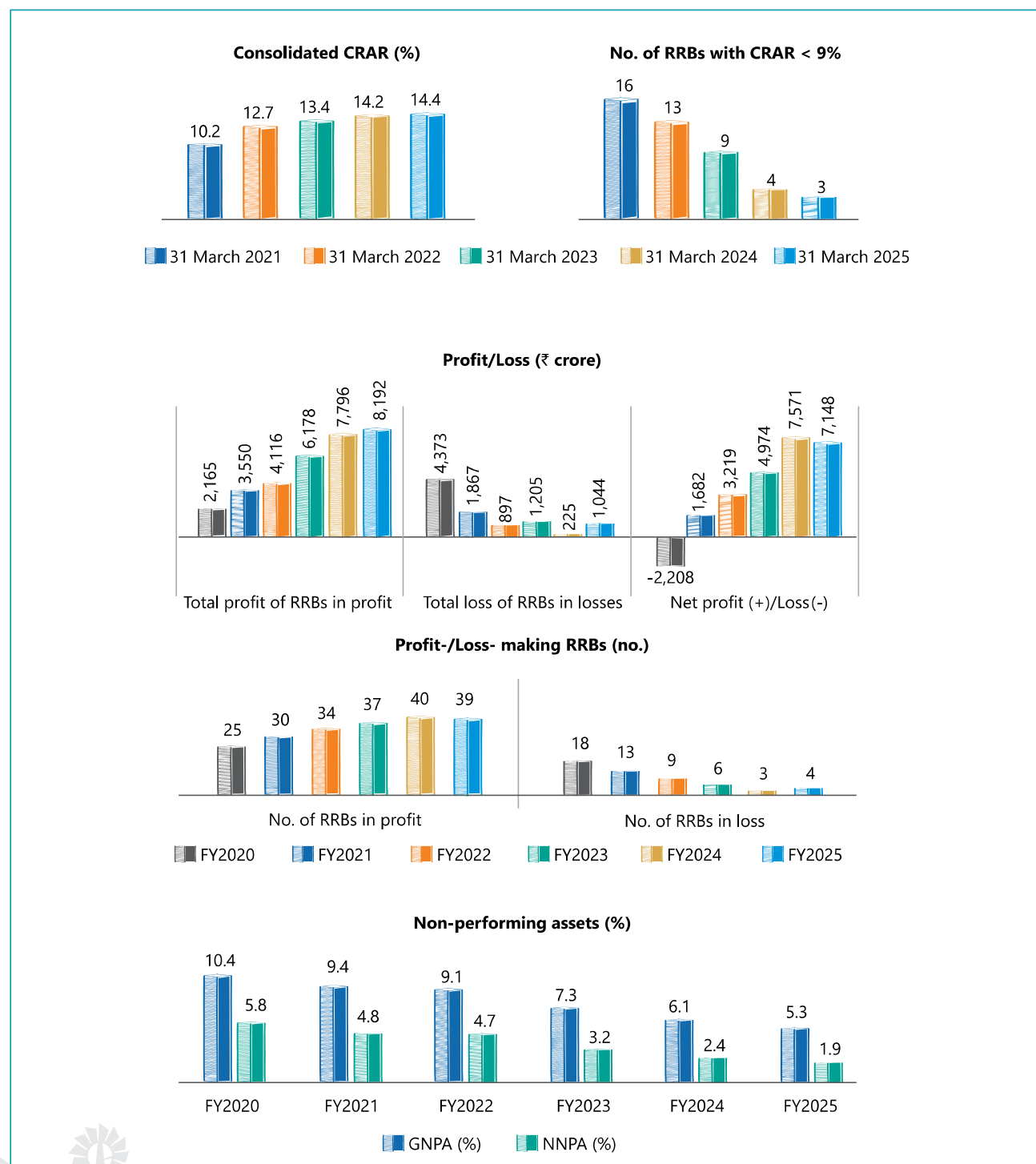
8.4.1 Financial performance of RRBs

The consolidated profit of all 43 RRBs was ₹7,148 crore during FY2025,³ and the consolidated capital to risk-weighted assets ratio reached an all-time high of 14.4% as on 31 March 2025, up from 14.2% in the previous financial year.

Asset quality improved significantly, as reflected in the decline of gross non-performing assets to 5.3%—the lowest level recorded in the past 13 years. The expansion in credit activity led to an increase in the consolidated credit-to-deposit ratio, which rose to 73.8%—its highest level in over 38 years.

The improvement in key performance indicators is illustrated in Figure 8.4. A detailed summary of these indicators is provided in Table A8.4, while the performance of RRBs in achieving priority sector lending targets during FY2025 is outlined in Table A8.5.

Figure 8.4: Performance highlights of RRBs from FY2020 to FY2025



CRAR = Capital-to-Risk (Weighted) Assets Ratio, GNPA = Gross Non-Performing Asset, NNPA = Net Non-Performing Asset, RRB = Regional Rural Bank.

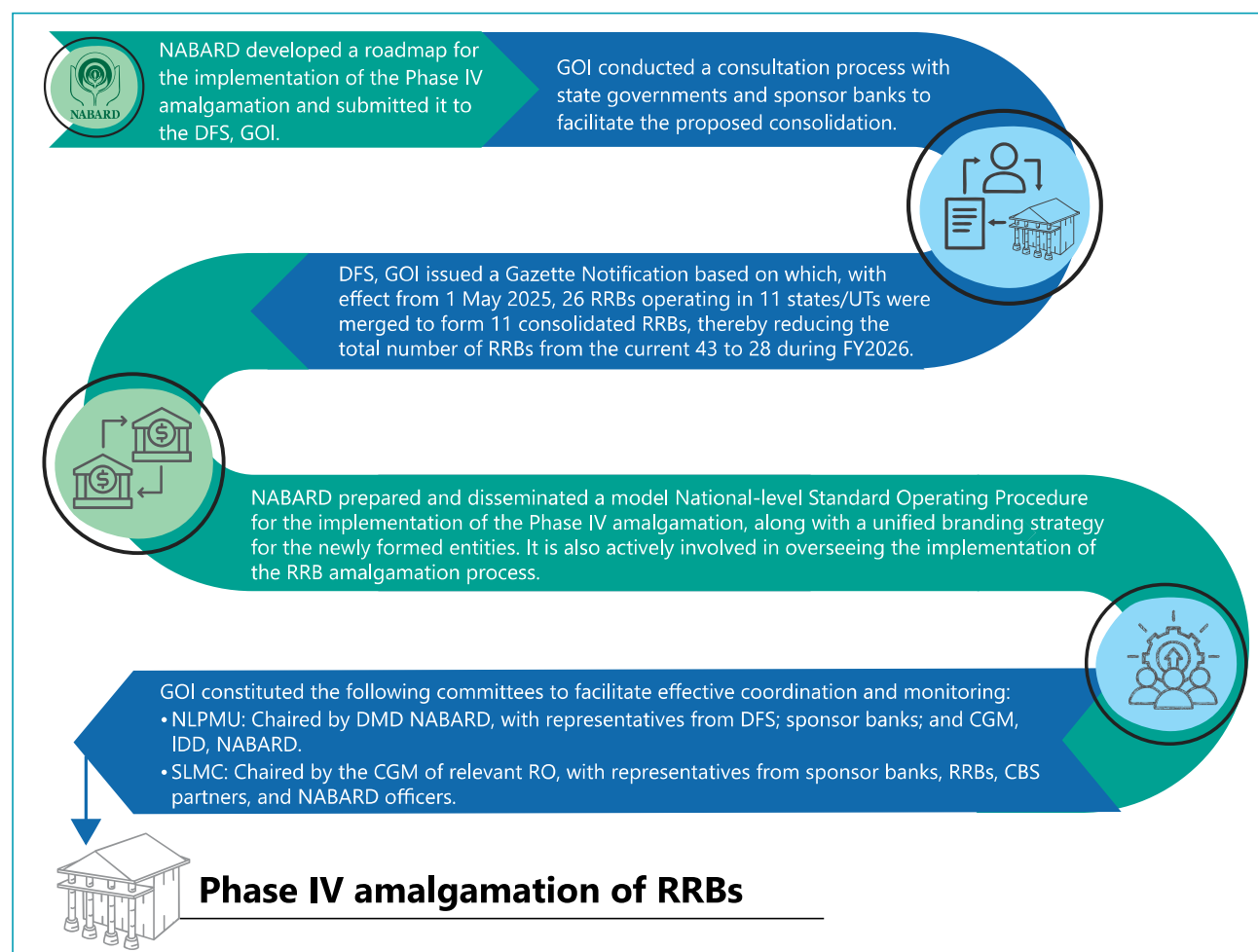


8.4.2 Important developments in the context of RRBs

Amalgamation of RRBs

During FY2025, GOI initiated the consultation process for Phase IV of the amalgamation of RRBs, with the objective of achieving the vision of “One State–One RRB”. This initiative is expected to reduce the number of RRBs from the existing 43 to 28 (Figure 8.5). The Phase IV amalgamation seeks to preserve the unique value proposition of RRBs—their deep-rooted connect with rural communities—while simultaneously capitalising on scale efficiencies and cost rationalisation through consolidation.

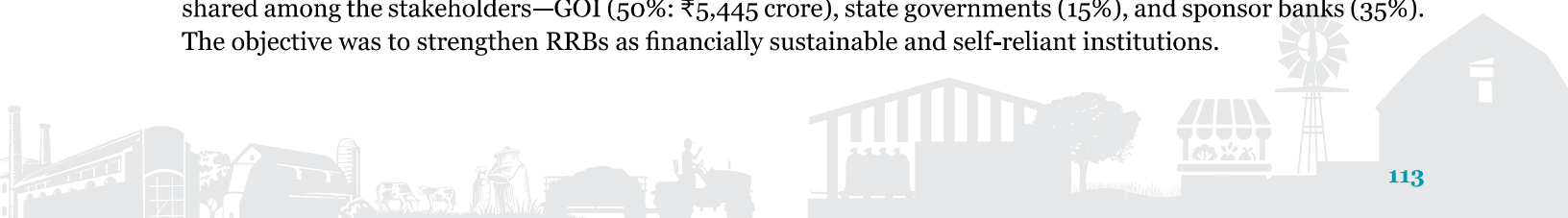
Figure 8.5: Phase IV amalgamation of RRBs: Role of NABARD



CBS = Core Banking Solution, CGM = Chief General Manager, DFS = Department of Financial Services, DMD = Deputy Managing Director, GOI = Government of India, IDD = Institutional Development Department, NLPMU = National Level Project Monitoring Unit, RO = Regional Office, RRB = Regional Rural Bank, SLMC = State Level Monitoring Committee, UT = Union Territory.

Recapitalisation of RRBs

The GOI sanctioned ₹10,890 crore for capital infusion into RRBs during FY2022 and FY2023, with contributions shared among the stakeholders—GOI (50%: ₹5,445 crore), state governments (15%), and sponsor banks (35%). The objective was to strengthen RRBs as financially sustainable and self-reliant institutions.



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 played a key role in supporting RRBs in preparing the viability plans and continues to undertake periodic monitoring under the sustainable viability plan framework. The digital portal “RRB Darpan”, developed by NABARD, has proven to be an effective tool for real-time monitoring and review of RRB performance. Against this backdrop, RRBs recorded steady improvements, achieving historic highs across several performance parameters during FY2025.

Initiatives for promoting MSME lending by RRBs

The GOI has prioritised increasing lending by RRBs to micro, small, and medium enterprises (MSMEs). To facilitate this, RRB branches were mapped to MSME clusters to align credit delivery with enterprise requirements. All RRBs have completed mapping their branches to identified MSME clusters within their operational areas. Many RRBs have begun introducing innovative and customised loan products for MSMEs, designed to meet the specific needs of borrowers in these cluster-mapped branches, thereby diversifying their loan portfolios.

RRBs in Focus

The “RRBs in Focus” mechanism functions as an early warning system to prevent further financial deterioration and possible inclusion under the Prompt Corrective Action framework.⁴ NABARD provides ongoing guidance and technical assistance to these RRBs, supplementing other forms of institutional support.

A review meeting was convened on 17 September 2024 to assess the performance of the identified RRBs, during which the chairpersons of 11 RRBs delivered presentations outlining key aspects of their operations. These included progress against viability plan targets for FY2025 across various areas such as business diversification, technological upgradation, and mitigation of non-performing assets.

Bifurcation of assets and liabilities of APGVB

Consequent upon the bifurcation of the state of Andhra Pradesh under the Andhra Pradesh State Reorganisation Act, 2014 (6 of 2014), GOI notified the reorganisation of the area of operation of Andhra Pradesh Grameena Vikas Bank (APGVB) and Telangana Grameena Bank on 20 October 2014.⁵ To operationalise these notifications, a working group was constituted by the GOI to recommend the bifurcation of assets and liabilities of APGVB between the states of Andhra Pradesh and Telangana.

During FY2024, the Department of Financial Services (DFS) approved the scheme for bifurcation of assets and liabilities of APGVB⁶ and advised NABARD to complete the process in accordance with the working group's recommendations by the end of calendar year 2024. The bifurcation of 493 branches of APGVB was successfully completed, and these branches were merged with Telangana Grameena Bank with effect from 1 January 2025.





Arrear payment towards pension and computer increment

The Hon'ble Supreme Court, vide order dated 12 August 2024, directed GOI to implement the pension scheme and computer increment scheme, including the payment of arrears, for employees of RRBs. NABARD facilitated compliance with this directive by enabling RRBs to process and disburse the eligible arrears.

Further, NABARD requested the RBI to allow RRBs to amortise their additional pension liability. Based on this request, the RBI permitted RRBs to amortise the liability over a period not exceeding five years beginning with the financial year ending 31 March 2025, subject to a minimum of 20% of the total liability being expensed annually.

Centralised digital credit infrastructure

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.

Revised human resource policy for RRBs

The DFS constituted a committee on 30 September 2022 to review matters related to recruitment, promotion, outsourcing in RRBs, and the appointment of chairpersons and sponsor bank officers on deputation to RRBs. The committee was chaired by Shri Shaji K. V., then Deputy Managing Director and currently Chairman, NABARD. The committee submitted its report in October 2023. During FY2025, several consultations were held with DFS and other stakeholders on various aspects of the committee's recommendations. A revised human resource policy for RRBs is expected to be issued by September 2025.

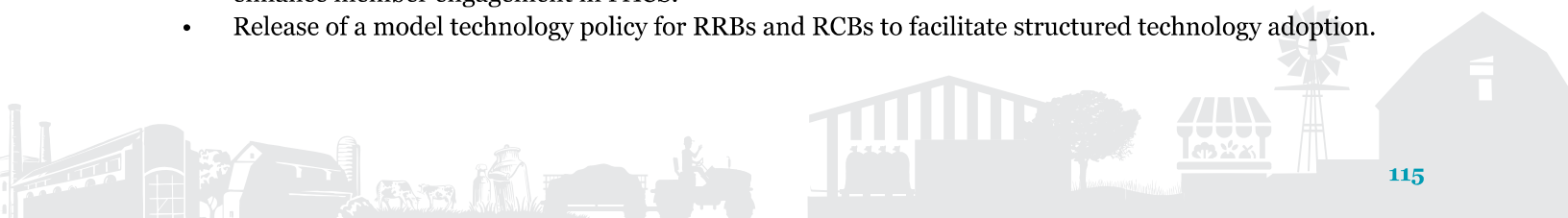
Other initiatives

1. **Transfer policy in RRBs:** To promote greater transparency and ensure a uniform and non-discretionary transfer mechanism in RRBs, DFS, in consultation with NABARD, issued revised guidelines on 20 February 2025 for framing transfer policies in RRBs.
2. **Model board agenda for RRBs:** To streamline board proceedings and strengthen governance, NABARD prepared a revised model agenda for board meetings of RRBs. The revised model agenda was circulated to all RRBs vide NABARD's letter dated 29 July 2024.

8.5 WAY FORWARD

8.5.1 Institutional development of cooperatives

- Commemoration of the International Year of Cooperatives in 2025 through various activities and events.
- Enhanced engagement with international cooperative organisations, including the International Cooperative Alliance and the World Council of Credit Unions.
- Roll-out of a common internal grievance redressal portal for RCBs to strengthen customer service and regulatory compliance.
- Implementation of CGI to assess and improve governance standards in RCBs.
- Scaling up of the PACS Accelerator Programme to promote diversification into non-credit activities and enhance member engagement in PACS.
- Release of a model technology policy for RRBs and RCBs to facilitate structured technology adoption.



- Launch of the Rural Cooperative Accelerator Programme to build a robust human resource ecosystem for the holistic development of the STCCS.
- Provision of enabling policy support through the CDF for technology-led initiatives in cooperatives.

8.5.2 Institutional development of RRBs

- Implementation of Phase IV of the amalgamation process for RRBs, along with a unified branding strategy to enhance visibility and business outcomes.
- Development and roll-out of CDCI for end-to-end automation of credit delivery in RRBs.
- Strengthened capacity building of NABARD's nominee directors through targeted workshops, doubt-clearing sessions, and release of a guidance manual.
- Support in designing innovative loan products to diversify RRB portfolios—for example, housing loans with first-loss default guarantees and products for the micro, small, and medium enterprise sector.
- Strategic repositioning of RRBs and RCBs as competitive alternatives to non-banking financial companies—microfinance institutions.





APPENDIX TO CHAPTER 8

Table A8.1: Consolidated performance of StCBs and DCCBs (amount in ₹ crore)

S.No.	Parameter	StCBs			DCCBs		
		31 March 2023	31 March 2024	Change % (YOY)	31 March 2023	31 March 2024	Change % (YOY)
1	Banks (no.)	34	34	-	351	351	-
2	Branches (no.)	2,102	2,140	1.8	13,698	13,759	0.4
3	Share capital	9,774	10,531	7.7	26,486	28,661	8.2
4	Reserves	20,544	22,861	11.3	28,729	31,701	10.3
5	Deposits	2,42,327	2,56,819	6.0	4,33,358	4,76,610	10.0
6	Borrowings	1,54,970	1,73,116	11.7	1,47,207	1,61,728	9.9
7	Investments	1,48,666	1,55,826	4.8	2,47,942	2,65,692	7.2
8	Loans outstanding	2,65,580	2,94,577	10.9	3,70,851	4,13,161	11.4
9	Assets/liabilities	4,51,840	4,88,266	8.1	6,97,304	7,65,577	9.8
10	Banks in profit (no.)	32	32	-	305	312	Improved
11	Amount of profit	2,518	2,726	8.3	2,879	3,297	14.5
12	Banks in loss (no.)	2	2	-	46	39	Improved
13	Amount of loss	60	35	-41.7	998	1,403	40.6
14	Net profit/loss	2,458	2,691	9.5	1,881	1,894	0.7
15	CD ratio (%)	109.6	114.7	Improved	85.6	86.7	Improved
16	CRAR (%)	13.3	12.9	Declined	12.1	11.9	Declined
17	Banks with CRAR <9% (no.)	2	2	-	41	39	Improved
18	GNPA (%)	5.4	4.9	Improved	9.6	8.9	Improved
19	NNPA (%)	2.1	2.0	Improved	3.9	3.4	Improved
20	PCR (%)	67.2	68.5	Improved	78.4	83.9	Improved

CD Ratio = Credit to Deposit Ratio, CRAR = Capital to Risk (Weighted) Assets Ratio, DCCB = District Central Cooperative Bank, GNPA = Gross Non-Performing Assets, NNPA = Net Non-Performing Assets, PCR = Provision Coverage Ratio, StCB = State Cooperative Bank, YOY = Year-on-Year.

Source: Offsite surveillance returns submitted by banks in ENSURE Portal of NABARD.

Table A8.2: Overview of financial position of SCARDBs and PCARDBs (amount in ₹ crore)

S. No.	Parameter	SCARDBs		PCARDBs	
		31 March 2023	31 March 2024 ^P	31 March 2023	31 March 2024 ^P
1	Number of institutions	13	13	608	609
2	Number of institutions for which data is available	13	13	607	608
3	Share capital	973	1,007	1,110	1,058
4	Reserves	5,621	5,761	4,518	4,600
5	Deposits	2,621	2,679	1,721	1,804
6	Borrowings	12,559	12,520	16,949	16,840
7	Loans outstanding	20,770	21,048	16,044	15,922
8	Investments	2,913	2,837	2,387	2,502
9	Total assets/liabilities	27,795	28,851	32,883	33,324
10	Banks in profit (no.)	10	9	352	345
11	Amount of profit	448	304	535	231
12	Banks in losses	3	4	255	263
13	Amount of loss	40	563	234	368
14	Net profit/loss	408	–259	301	–137
15	GNPA (amount)	7,571	8,070	6,371	6,144
16	GNPA (%)	36.4	38.3	39.7	38.6

^P Data is provisional.

GNPA = Gross Non-Performing Assets, PCARDB = Primary Cooperative Agriculture and Rural Development Bank, SCARDB = State Cooperative Agriculture and Rural Development Bank.

Source: Data reported by SCARDBs.

Table A8.3: Fund utilisation under CDF in FY2025

S. No.	Purpose	Beneficiary agency	Utilisation (₹ lakh)
1	SOFTCOB	CTIs	1,655.1
2	PACS Development Cell	DCCBs/StCBs	2.0
3	Training conducted by BIRD	BIRD (Lucknow, Mangaluru, Kolkata)	443.3
4	Exposure visits	StCBs/DCCBs/PACS	75.6
5	Conference/seminar/workshop	NABARD/StCBs/DCCBs	43.0
6	Comprehensive Support Plan for NER states	StCBs	139.0
7	PACS computerisation	StCBs/DCCBs	1,902.1
8	BDPICs	StCBs	161.5
9	C-PEC	C-PEC	398.3
10	PACS as MSCs	PACS	366.1
11	Publications	RCBs	5.5
12	Other interventions	RCCIs	267.7
	Total		5,459.2

BDPIC = Business Diversification and Product Innovation Cells, BIRD = Bankers Institute of Rural Development, CDF = Cooperative Development Fund, C-PEC = Centre for Professional Excellence in Cooperatives, CTI = Cooperative Training Institute, DCCB = District Central Cooperative Bank, MSC = Multi-Service Centre, NER = North East Region, PACS = Primary Agricultural Credit Societies, RCB = Rural Cooperative Bank, RCCI = Rural Cooperative Credit Institutions, SOFTCOB = Scheme of Financial Assistance for Training of Cooperative Banks Personnel, StCB = State Cooperative Bank.

**Table A8.4: Consolidated performance of RRBs (amount in ₹ crore)**

S. No.	Particulars	31-Mar-24	31-Mar-25 ^p	Change % (YOY)
1	Branches (no.)	22,069	22,157	0.4
2	Share capital	19,042	19,303	1.4
3	Reserves	46,659	53,800	15.3
4	Deposits	6,59,815	7,13,790	8.2
5	Borrowings	92,444	92,266	-0.2
6	Investments	3,19,099	3,14,249	-1.5
7	Loan outstanding	4,70,109	5,26,829	12.1
8	Total assets/liabilities	8,40,080	9,02,200	7.4
9	Banks in profit (no.)	40	39	Declined
10	Banks in loss (no.)	3	4	Increased
11	Net profit/loss	7,571	7,148	-5.6
12	CD ratio (%)	71.2	73.8	Improved
13	CRAR (%)	14.2	14.4	Improved
14	Banks with CRAR<9%	4	3	Improved
15	GNPA (%)	6.1	5.3	Improved
16	NNPA (%)	2.4	1.9	Improved
17	PCR (%)	62.6	65.2	Improved

^p Data is provisional.

CD Ratio = Credit to Deposit Ratio, CRAR = Capital-to-Risk (Weighted) Assets Ratio, GNPA = Gross Non-Performing Assets, NNPA = Net Non-Performing Assets, PCR = Provision Coverage Ratio, RRB = Regional Rural Bank, YOY = Year-on-Year.

Source: Off-site surveillance returns submitted by banks to the ENSURE Portal and RRB Darpan Portal of NABARD.

Table A8.5: Achievement of PSL targets by RRBs in FY2025

S. No.	Sector/Sub-sector	Target (%)	Achievement (%)	RRBs not meeting target/sub-target
1	Overall priority sector	75.0	88.1	–
2	Agriculture	18.0	31.9	–
3	Small and marginal farmers	10.0	18.3	–
4	Non-corporate farmers	13.8	41.2	Arunachal Pradesh RRB (12.1%)
5	Micro enterprises	7.5	22.7	–
6	Weaker sections	15.0	34.7	–

PSL = Priority Sector Lending, RRB = Regional Rural Bank.

Note: Target and achievement presented as a percentage of adjusted net bank credit (ANBC) for FY2025 are computed on an average basis of achievement for all four quarters as per RBI guidelines. ANBC is as on corresponding date of the previous year.

NOTES

1. In this chapter, data on all RFIs is drawn from offsite surveillance returns submitted by banks in Ensure Portal of NABARD, unless otherwise mentioned.
2. DCCBs here include the three DCCBs in Jammu and Kashmir that are yet to be licensed, and exclude the Tamil Nadu Industrial Co-operative Bank, which is treated as a DCCB only for regulatory and supervisory purposes. The number of PACS includes farmer service societies and large-sized agricultural multipurpose societies. Data is sourced from the National Cooperative Database of the Ministry of Cooperation, Government of India.
3. Data on financial performance of RRBs for FY2025 is provisional.
4. RRBs which meet one of three criteria—CRAR < 10%; GNPA > 10%; Return on Assets (RoA) < 0% for the last two consecutive years—are categorised as “RRBs in Focus”.
5. Through notification numbers S.O. 2718(E) and S.O. 2719(E).
6. Vide letter F.No. 15/15/2015(E)-RRB dated 13 November 2024.

