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RESEARCH ARTICLE

NABARD: RURAL INDIA'S ALL ROUND ASSISTANCE PROVIDER

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ABSTRACT

The National Bank for Agriculture and Rural Development (NABARD) was set up in July, 1982 following after the recommendations of the "Committee to Review Arrangements for Institutional Credit for Agriculture and Rural Development". All major issues related to rural credit until then dealt with by the RBI and the Agricultural Refinance and Development Corporation moved under the control of NABARD. NABARD thus emerged as the apex institution to play a pivotal role in the sphere of policy planning and providing refinance facilities to rural financial institutions. NABARD also administers the Rural Infrastructure Development Fund (RIDF), which was set up in 1995-96. NABARD has also been playing a catalytic role in micro-credit through the channel of Self-Help Groups (SHGs). The National Bank for Agricultural and Rural Development commonly known by the acronym NABARD is a leading development oriented bank in India, which has its headquarters in Mumbai, the country's financial capital. With branches all across the country dedicated to improving the lot of the rural populace, the bank is expected to play a key role in ensuring development and implementation of the government's financial inclusion policy. To that effect, this leading rural development bank has joined hands with the broader Alliance for Financial Inclusion. The vision of NABARD is to play a leading role in a range of matters that deal with policy, planning as well as operations that are related to the broad area of agriculture credit. Another key role of NABARD is to provide financial assistance to various areas apart from agriculture to spearhead the development of villages in India through financing of key economic activities.

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INTRODUCTION

After independence, in order to improve rural credit, the government and Reserve Bank of India decided to set up a committee which would take up a study of agricultural credit in India. This committee was called All India Rural Credit Survey Committee (AIRSCS). It was headed by Mr. Gorewalla. The committee's recommendations were accepted by RBI and were implemented. Accordingly, RBI has started two major funds for providing loans to State Governments and also to cooperate banks. The role of RBI in agricultural credit was appreciated. With the increasing role of RBI, it was found too difficult to concentrate on agricultural finance. Even the institution such as Agricultural Refinance Corporation (ARC) could not provide the required amount of refinance. A decision was taken to delink agricultural finance from RBI and to set up a separate institution to provide agricultural finance. The importance of institutional credit in boosting rural economy has been clear to the Government of India right from its early

stages of planning. Therefore, in 1981, the Reserve Bank of India (RBI) at the insistence of the Government of India, constituted a Committee to Review the Arrangements For Institutional Credit for Agriculture and Rural Development (CRAFICARD) to look into these very critical aspects. The Committee was formed on 30 March 1979, under the Chairmanship of Shri B. Sivaraman, former member of Planning Commission, Government of India. The Committee's interim report, submitted on 28 November 1979, outlined the need for a new organisational device for providing undivided attention, forceful direction and pointed focus to credit related issues linked with rural development. Its recommendation was formation of a unique development financial institution which would address these aspirations and formation of National Bank for Agriculture and Rural Development (NABARD) was approved by the Parliament through Act 61 of 1981. NABARD came into existence on 12 July 1982 by transferring the agricultural credit functions of RBI, it replaced the Agricultural Credit Department (ACD)

Table 1. Abbreviated forms of related institutions and other aspects of NABARD

Sl.	Institutions/Aspects	Full Form
1	NABARD	National Bank for Agriculture and Rural Development
2	RBI	Reserve Bank of India
3	ARDC	Agricultural Refinance and Development Corporation
4	RIDF	Rural Infrastructure Development Fund
5	SHG	Self-Help Group
6	RRB	Regional Rural Bank
7	LDB	Land Development Bank
8	SCB	State Cooperative Bank
9	DCCB	District Central Cooperative Bank
10	PACS	Primary Agricultural Cooperative Societies
11	AIRCSC	All India Rural Credit Survey Committee
12	ARC	Agricultural Refinance Corporation
13	CRAFICARD	Committee to Review the Arrangements For Institutional Credit for Agriculture and Rural Development
14	ACD	Agricultural Credit Department
15	RPCC	Rural Planning and Credit Cell
16	DoR	Department of Refinance
17	R&D	Research and Development
18	IRDP	Integrated Rural Development Programme
19	NWDP	National Watershed Development Programme
20	NMWD	National Mission of Wasteland Development
21	IBPS CWE	The Institute of Banking Personnel Selection-Common Written Examination
22	NIDA	NABARD Infrastructure Development Assistance
23	PPP	Public Private Partnership
24	SPV	Special Purpose Vehicle
25	NBFC	Non-Banking Financial Company
26	SLOB	Separate Line of Business
27	LAB	Local Area Bank
28	NHB	National Housing Bank
29	LOB	Line of Business
30	SCARDB	State Cooperative Agriculture and Rural Development Bank
31	PCARDB	Primary Cooperative Agriculture and Rural Development Banks.
32	SIDBI	Small Industries Development Bank of India

and Rural Planning and Credit Cell (RPCC) of Reserve Bank of India, and refinance functions of the then Agricultural Refinance and Development Corporation (ARDC). NABARD's activities are governed by a Board of Directors. The Board of Directors are appointed by the Government of India in harmony with NABARD Act 1981. It was dedicated to the service of the nation by the late Prime Minister Smt. Indira Gandhi on 05 November 1982. Set up with an initial capital of Rs.100 crore, its' paid up capital stood at Rs. 5,000 crore as on 31 March 2016. Consequent to the revision in the composition of share capital between Government of India and RBI, NABARD today is fully owned by Government of India. It is one of the premier agencies providing developmental credit in rural areas. NABARD is India's specialised bank for Agriculture and Rural Development in India. Consequent to the revision in the composition of share capital between Government of India and RBI, the paid up capital as on 31 May 2017, stood at Rs.6,700 crore with Government of India holding Rs.6,700 crore (100% share). The authorized share capital is Rs.30,000 crore. International associates of NABARD include World Bank-affiliated organizations and global developmental agencies working in the field of agriculture and rural development. These organizations help NABARD by advising and giving monetary aid for the upliftment of the people in the rural areas and optimizing the agricultural process.

Reserve Bank of India

The Reserve Bank of India (RBI) is India's central banking institution, which controls the monetary policy of the Indian rupee. It commenced its operations on 1 April 1935 in accordance with the Reserve Bank of India Act, 1934.

The original share capital was divided into shares of 100 each fully paid, which were initially owned entirely by private shareholders. Following India's independence on 15 August 1947, the RBI was nationalised on 1 January 1949.

Agricultural refinance and development corporation

The Agricultural Refinance Corporation was established by an Act of Parliament in 1963 and started functioning from 1st July 1963. Although primarily a refinancing agency, the Corporation had from the beginning assumed certain functions which are essentially developmental and promotional in nature. In order to emphasise the developmental and promotional role of the Corporation, it was renamed as Agricultural Refinance and Development Corporation (ARDC) by amending the original Act in 1975. The Corporation owes its birth to the wide recognition that a central organisation with adequate resources of its own is essential for supporting schemes for agricultural development. According to the statute, the Corporation is to "provide such financial assistance to eligible institutions as it considers necessary for promoting the development of agriculture in India" and agriculture has been defined as including animal husbandry, dairy farming, poultry farming and pisciculture involving development of both inland and marine fisheries, catching of fish and activities connected therewith or incidental thereto. NABARD replaced the Agricultural Credit Department (ACD) and Rural Planning and Credit Cell (RPCC) of Reserve Bank of India, and Agricultural Refinance and Development Corporation (ARDC). It is one of the premier agencies providing developmental credit in rural areas. NABARD is India's specialised bank for Agriculture and Rural Development in India.

Department of Refinance

Genesis: Reserve Bank of India (RBI) set up the Agricultural Refinance Corporation (ARC) in 1963 to work as a refinancing agency in providing medium term and long term agricultural credit to support investment credit needs for agricultural development. In 1975 this institution was renamed as Agriculture Refinance and Development Corporation (ARDC) with a view to lay emphasize on developmental and promotional role, besides refinancing activities. Upon its formation in 1982, NABARD took over the functions of the erstwhile Agricultural Credit Department (ACD) and Rural Planning and Credit Cell (RPCC) of RBI and Agricultural Refinance and Development Corporation (ARDC). Today, the Department of Refinance (DOR) deals with short term and long term refinance functions of NABARD which were being addressed by ACD and ARDC respectively before NABARD's formation.

Core Functions of the Department: DOR mainly deals with:-

- Short term refinance for production credit activities contributing to food security
- Medium –term and long-term refinance for investment credit activities for giving a boost to private capital formation in agriculture
- Additionally DOR also acts as a subsidy channelizing agency for various Govt. of India schemes

Vision: Development Bank of the Nation for Fostering Rural Prosperity.

MISSION: Promote sustainable and equitable agriculture and rural development through participative financial and non-financial interventions, innovations, technology and institutional development for securing prosperity.

Objectives of Nabard: The main objectives of NABARD are as follows:

- NABARD provides refinance assistance for agriculture, promoting rural development activities.
- It also provides all necessary finance and assistance to small scale industries.
- NABARD in coordination with the State Governments, provides agriculture.
- It improves small and minor irrigation by way of promoting agricultural activities.
- It undertakes R&D in agriculture, rural industries.
- NABARD promotes various organizations involved in agricultural production by contributing to their capital. Thus, the objectives of NABARD can be brought under three major heads:- (a) Credit function (b)Development function (c) Promotional function.

Role of nabard

- It deals policy, planning as well as operations in giving credit for agriculture and other economic activities in the rural areas.
- it is a refinancing agency for those institutions that provide investment and production credit for promoting the several developmental programs for rural development.

- It is improving the absorptive capacity of the credit delivery system in India, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions, and training of personnel.
- It co-ordinates the rural credit financing activities of all sorts of institutions engaged in developmental work at the field level while maintaining liaison with Government of India, and State Governments, and also RBI and other national level institutions that are concerned with policy formulation.
- It prepares rural credit plans, annually, for all districts in the country.
- It also promotes research in rural banking, and the field of agriculture and rural development.

Functions of NABARD

- To serve as an apex financing agency for the institutions providing investment and production credit for promoting various developmental activities in rural areas;
- To take measures towards institution building for improving absorptive capacity of the credit delivery system.
- To coordinate the rural financing activities of all institutions engaged in developmental work at the field level.
- To undertake monitoring and evaluation of projects refinanced by it.
- NABARD gives high priority to projects formed under Integrated Rural Development Programme (IRDP).
- It arranges refinance for IRDP accounts in order to give highest share for the support for poverty alleviation programs run by IRDP.
- NABARD also gives guidelines for promotion of group activities under its programs and provides 100 percent refinance support for them.
- It is setting linkages between Self-help Group (SHG).
- It refinances to the complete extent for those projects which are operated under the 'National Watershed Development Programme'(NWDP) and the 'National Mission of Wasteland Development (NMWD).
- It also has a system of District Oriented Monitoring Studies, under which, study is conducted for a cross section of schemes that are sanctioned in a district to various banks, to ascertain their performance and to identify the constraints in their implementation, it also initiates appropriate action to correct them.
- It also supports "Vikas Vahini" volunteer programs which offer credit and development activities to poor farmers.
- It also inspects and supervises the cooperative banks and RRBs to periodically ensure the development of the rural financing and farmers' welfare.
- NABARAD also recommends about licensing for RRBs and Cooperative banks to RBI.
- NABARD gives assistance for the training and development of the staff of various other credit institutions which are engaged in credit distributions.
- It also runs programs for agriculture and rural development in the whole country.
- It is engaged in regulations of the cooperative banks and the RRB's, and manages their talent acquisition through IBPS CWE conducted across the country.

Core functions of Nabard: NABARD Infrastructure Development Assistance (NIDA) is a line of credit for funding rural infrastructure projects under the following four channels:

- Funding directly to State Government and State-owned Institutions for rural infrastructure development projects
- Funding PPP infrastructure projects in rural areas, developed by: (a) State-owned Institutions (b) Co-operatives (c) Local Bodies (d) Companies (e) Self-Help Group federations (f) Non-Governmental Organizations (g) Community-Owned Organizations (h) Producer Organizations (i) Special Purpose Vehicles (SPV) promoted by above organisations
- Funding non-PPP, rural infrastructure projects developed by Registered entities like Companies and Co-operatives
- Funding NBFC- Infrastructure Finance Companies and Public Financial Institutions/Companies for rural infrastructure development projects

Achievements of Nabard: The following is a short list of some of the key achievements and actions that NABARD has achieved or is carrying out in India:

Development of the cottage industry: As a majority of cottage or small scale industries in India are based in rural areas, NABARD has played a pivotal role in redeveloping India's cottage industry such that these rural industries have become a key driver of growth and change in the rural areas.

The rural economy is only part of the overall national economy and it cannot be treated as a separate silo which is completely independent from the other portions of the country's economy. With this in mind, NABARD has historically reached out to numerous allied economies such as fertilizer manufacturers, pesticide producers, manufacturers of farm equipment and more in order to create a virtuous cycle which not only benefits the rural economy but the overall economy of the country as a whole.

This unique institution also serves as the supreme agency that is involved in financing a range of organizations that are involved in the disbursement of credit to rural regions for carrying out a range of development activities. Additionally, NABARD also funds other companies that are involved in providing development support to rural industries all over the country.

NABARD is also a leading organization involved in taking measures towards building of new agencies and institutions involved in creating credit delivery systems specifically targeted at Indian villages and their residents. These measures include end to end overview of monitoring, rehabilitation centre formulation, credit institution restructuring, training new personnel and much more.

This agency also operates as a co-coordinator of various rural financing activities across the complete range of organizations that work at the grassroots level. Apart from financing such institutions, NABARD also acts as a liaison for these institutes with the Indian Government, state level governing bodies, the Reserve Bank of India (RBI) as well as any other institutions that operate at a national level and are engaged in the formulation of rural policies.

The bank also plays a noteworthy role in both the monitoring as well as evaluation of any and all projects that NABARD has in the past or is currently refinancing. This includes all financial institutions engaged in financing activities in the rural sector be it agriculture, manufacturing, infrastructure development or any others.

Enhancing the rural development: In terms of enhancing the rural development opportunity, NABARD also engages in ensuring the development of organizations that can help the rural economy. To ensure that these develop in the correct direction, NABARD is also engaged in keeping a check on its various client institutions.

Regulates Co-operative banks: Co-operative banks are the backbone of the rural economy and the NABARD is engaged in regulating these banks while also providing training facilities for the personnel employed with these banks as well as other financial institutions operating in the rural areas of the farthest reaches of India.

State Cooperative banks: State Cooperative banks are the apex of the three-tier cooperative structure dispensing mainly short/medium term credit. The state cooperative banks receive current and fixed deposits from its constituent banks as well as savings, current and fixed deposits from the general public and from local boards, other local authorities, etc. Further, they receive loans from the RBI and NABARD. NABARD is the supervisory authority for State Cooperative banks. The state govt. contributes the certain portion of their working capital. The principal function of State Cooperative banks is to assist the central cooperative banks and to balance excesses and deficiencies in the resources of central cooperative banks. It also act as the balancing centre for central cooperative banks in the sense that surplus fund of some of these banks are made available to other needy banks. It also serves the link between RBI and the central cooperative banks and Primary agricultural credit societies.

District Central Cooperative Bank, popularly known as DCC Bank is a cooperative banking network established in India to serve cooperatives and rural areas. It was established to provide banking to rural hinterland for agriculture sector with the branches primarily established at rural and semi-urban areas. The Banking model consists of a district central bank for each District in every state of India known with a name as a respective District Central Cooperative Bank. These banks are collectively represented by a State Apex Central Cooperative bank for each state and it acts as the ultimate bank and apex body for the DCCs under each state. Central Cooperative Banks form the middle tier of cooperative credit institutions. The Central Cooperative Banks draw their funds from share capital, deposits, loans from the State Cooperative banks and where State Cooperative banks do not exist from the RBI, NABARD and commercial banks. NABARD is the supervisory authority for Central Cooperative Banks. Deposits constitute the major component of sources of funds, followed by borrowings. The main function of Central Cooperative Banks is to finance the primary credit societies.

Primary agricultural cooperative societies (pacs): Primary Agricultural Credit Society (PACS) is a basic unit and smallest co-operative credit institutions in India It works on the grassroots level (**gram panchayat** and **village** level).

Table 2. Regional Office of NABARD

Sl.	States/UTs	Place
1	Jammu & Kashmir	Railway Road, Railhead Complex, Near Saraswati Dham, Jammu
2	Punjab	Plot. No. 3, Sector 34-A, Chandigarh
3	Haryana	Plot. No. 3, Sector 34-A, Chandigarh
4	Rajasthan	No:3, Nehru Place, Tonk Road, Jaipur
5	Gujarat	Nabard Tower, Opp. Municipal Garden, Usmanpura Ahmedabad
6	Maharashtra	54, Wellesley Road, Shivaji Nagar, Pune
7	Goa	Nizari Bhavan, Menezes Braganza Road, Panaji
8	Karnataka	Nabard Towers, 46 Kempegowda Road, Bengaluru
9	Kerala	Post Box No 220, Punnen Road, Statue, Thiruvananthapuram
10	Tamil Nadu	No:48, Mahatma Gandhi Road, Nungambakkam Chennai
11	Andhra Pradesh	1-1- 61, Rtc XRoads, Musheerabad, Hyderabad
12	Telangana	1-1- 61, Rtc X Roads, Musheerabad, Hyderabad
13	Orissa	Ankur 2/1, Nayapalli Civic Centre, Bhubaneswar
14	West Bengal	Abhilasha, 2Nd Floor, 6, Royd Street, Kolkata
15	Sikkim	Om Niwas Church Road, Gangtok
16	Bihar	Maurya Lok Complex, Dak Bunglow Road, Patna
17	Jharkhand	Opposite Adivasi College Hostel, Karamtoli Road, Ranchi
18	Uttarpradesh	No:11, Vipin Khand, Gomti Nagar Lucknow
19	Uttarakhand	Hotel Sunrise, Rajpur Road, Dehradun
20	Himachal Pradesh	Block No.32, S D A Commercial Complex, Dev Nagar, Kasumpti, Shimla
21	Madhya Pradesh	E-5, Arera Colony, Bittan Market Post Office, Ravishankar Nagar, Bhopal
22	Assam	P.O.Box No. 1, Opposite Assam Secretariat, G S Road, Dispur Guwahati
23	Arunachal Pradesh	Bank Tinali, Vip Road, Itanagar
24	Nagaland	House No. 016, Sector - C, Opposite Panchayat Hall, Kohima
25	Manipur	Leiren Mansion 2Nd Floor, Opp Lamphel Super Market, Lamphelpat, Imphal
26	Mizoram	Ramhlun Road (North) Bawngkawn Aizawl
27	Tripura	Shilpa Nigam Bhawan, Khejur Bagan, Agartala
28	Meghalaya	Upheit Kharmihpen Building, Dhankheti, Near Law College, Shillong
29	New Delhi	No:24, Rajendar Place, New Delhi
30	Chhattisgarh	Pithalia Complex Fafadih Chowk, K K Road, Raipur
31	Andaman Nicobar	Nabard Complex, Kamaraj Road(Vip Road), Junglighat, Port Blair

Table 3. District Central Cooperative Banks (DCCBs) of India

Sl.	States/UTs	No. of DCCBs	Sl.	States/UTs	No. of DCCBs
1	Jammu & Kashmir	3	11	Telangana	9
2	Punjab	20	12	Orissa	17
3	Haryana	19	13	West Bengal	17
4	Rajasthan	29	14	Bihar	23
5	Gujarat	18	15	Jharkhand	8
6	Maharashtra	31	16	Uttarpradesh	50
7	Karnataka	21	17	Uttarakhand	10
8	Kerala	14	18	Himachal Pradesh	2
9	Tamil Nadu	23	19	Madhya Pradesh	38
10	Andhra Pradesh	13	20	Chhattisgarh	6
All India position of DCCBs (Total)			371		

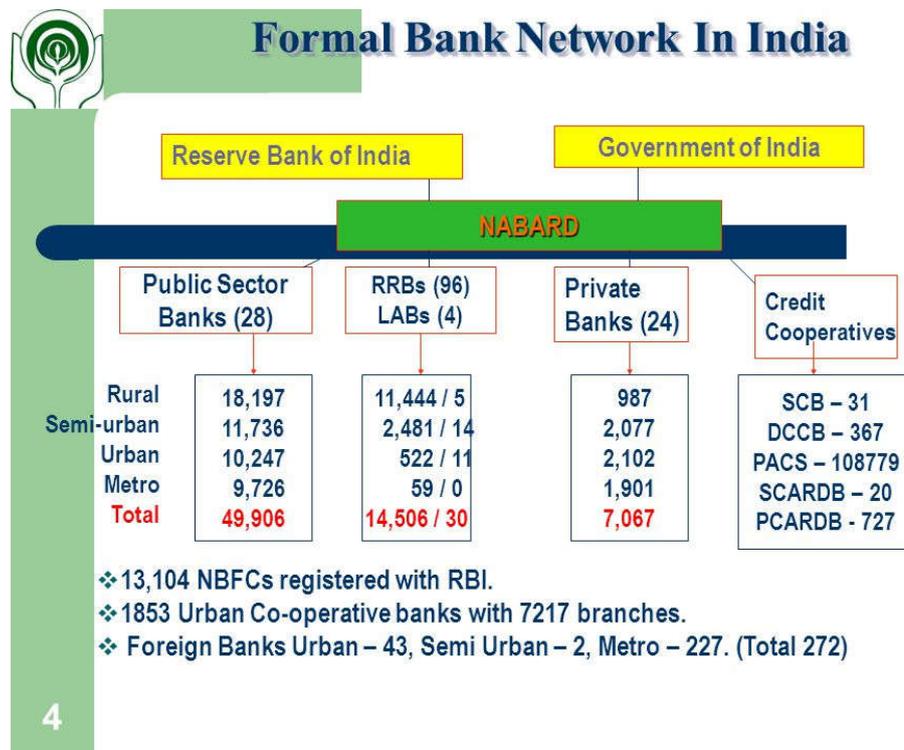
The Primary Agricultural Cooperative Societies (PACS) are the bottom-tier of three-tier Cooperative credit structure operating in the country. These are Short Term Cooperative Credit Structure functioning at the grassroots (Gram Panchayat) level. These are Primary Societies owned by farmers, rural artisans etc. and intended to promote thrift and mutual help among the members; cater to their credit requirements and provide credit-linked services like input supply, storage and marketing of agricultural produce etc. These Cooperative Credit Institutions with their deep reach in the rural areas and accessibility to the small and marginal farmers and the other marginalized populations have been playing a vital role in dispensation of agricultural credit. PACS are important structures that have been providing credit facilities mainly to the farmers in villages of India. It has the deepest penetration amongst all the other credit providing institutions. Currently, India has approximately 93,000 PACS — one for every seven villages.

Regional Rural Bank: Regional Rural Banks (RRBs) are scheduled commercial banks (Government banks) operating at regional level in different States of India.

They have been created with a view to serve primarily the rural areas of India with basic banking and financial services. However, RRBs may have branches set up for urban operations and their area of operation may include urban areas too. The area of operation of RRBs is limited to the area as notified by Government of India covering one or more districts in the State. RRBs also perform a variety of different functions. RRBs perform various functions in following heads:- (a) Providing banking facilities to rural and semi-urban areas.(b) Carrying out government operations like disbursement of wages of MGNREGA workers, distribution of pensions etc. (c) Providing Para-Banking facilities like locker facilities, debit and credit cards. (d) Small financial banks. Regional Rural Banks were established under the provisions of an Ordinance passed in September 1975 and the RRB Act 1976 to provide sufficient banking and credit facility for agriculture and other rural sectors. These were set up on the recommendations of The Narshimham committee Working Group, with a view to include rural areas into economic mainstream. The development process of RRBs started on 2.

Table 4. State-wise number of Primary Agricultural Cooperative Societies (PACS) of India

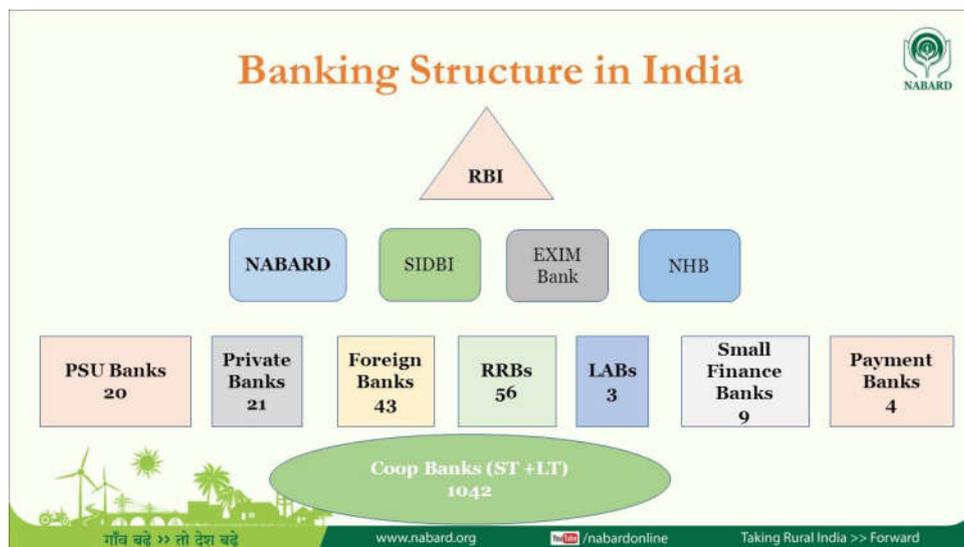
Sl.	States/UTs	No. of PACs	Sl.	States/UTs	No. of PACs
1	Jammu & Kashmir	765	17	Uttar Pradesh	8,929
2	Punjab	1,609	18	Uttarakhand	759
3	Haryana	640	19	Himachal Pradesh	2,117
4	Rajasthan	5,671	20	Madhya Pradesh	4,457
5	Gujarat	8,154	21	Chhattisgarh	1,213
6	Maharashtra	21,402	22	Assam	766
7	Goa	77	23	Arunachal Pradesh	34
8	Karnataka	4,740	24	Nagaland	1719
9	Kerala	1,566	25	Manipur	232
10	Tamil Nadu	4,538	26	Mizoram	133
11	Andhra Pradesh	2,808	27	Tripura	268
12	Orissa	2,452	28	Meghalaya	179
13	West Bengal	7,962	29	Chandigarh	16
14	Sikkim	169	30	Puducherry	53
15	Bihar	8,463	31	Andaman Nicobar	46
16	Jharkhand	498		Total in all India	92,435

**Diag. 1. Formal Bank Network in India**

October 1975 with the forming of the first RRB, the Prathama Bank. Also on 2 October 1975 five regional rural banks were set up. The Regional Rural Banks were owned by the Central Government, the State Government and the Sponsor Bank (Any commercial bank can sponsor the regional rural banks) who held shares in the ratios as follows Central Government – 50%, State Government – 15% and Sponsor Banks – 35%. Currently, RRB's are going through a process of amalgamation and consolidation. 25 RRBs have been amalgamated in January 2013 into 10 RRBs. On 31 March 2016, there were 56 RRBs (post-merger) covering 525 districts with a network of 14,494 branches. All RRBs were originally conceived as low cost institutions having a rural ethos, local feel and pro poor focus. However, within a very short time, most banks were making losses. The original assumptions as to the low cost nature of these institutions were belied.

LAND DEVELOPMENT BANK:-A land development bank is a special kind of bank in India, and is of quasi-commercial type that provides services such as accepting deposits, making business loans, and offering basic investment products.

The main objective of the LDB is to promote the development of land, agriculture and increase the agricultural production. The LDB provides long-term finance to members directly through its branches. Land Development Banks have developed a special technique for conducting their business. They obtain their funds, not in the shape of short-term deposits like commercial banks but by the issue of long dated debentures sometimes carrying State Government guarantee with regard to payment of interest and repayment of principal. Thus, they are able to lend their money for long periods to agriculturists. On account of their importance to the nation they enjoyed special powers for the recovery of defaulted loans, exemption from taxes and in some cases state guarantee for these bonds. The first Land Development Bank was started at Jhang in Punjab in 1920. Even though the first LDB was started in Punjab, the real progress began when the land development bank was established in Chennai in 1929. Without it, land banks, land mortgage banks, agriculture banks, agriculture development banks are now called land development banks in modern world. Indian farmers need three types of credit, viz., short-term, medium-term and long-



Diag. 2. Banking structure in India

Table 5. State wise List of Regional Rural Banks-2018, Head Offices and Sponsored Banks

Sl.	States/UTs	Name of RRB	Head Office	Sponsor bank
1	Jammu & Kashmir	Ellaquai Dehati Bank	Srinagar	State Bank of India
		J&K Grameen Bank	Jammu	J&K Bank Ltd
2	Punjab	Malwa Gramin Bank	Sangrur	State Bank of Patiala
		Punjab Gramin Bank	Kapurthala	Punjab National Bank
		Sutlej Kshetriya Gramin Bank	Bathinda	Punjab & Sind Bank
3	Haryana	Sarva Haryana Gramin Bank	Rohtak	Punjab National Bank
		Gurgaon Gramin Bank	Gurgaon	Syndicate Bank
4	Rajasthan	Baroda Rajasthan Kshetriya Gramin Bank	Ajmer	Bank of Baroda
		Rajasthan Marudhara Gramin Bank	Jodhpur	State Bank Of India
5	Gujarat	Baroda Gujarat Gramin Bank	Bharuch	Bank of Baroda
		Dena Gujarat Gramin Bank	Gandhinagar	DenaBank
		Saurashtra Gramin Bank	Junagadh	State Bank of India
6	Maharashtra	Vidarbha Konkan Gramin Bank	Nagpur	Bank of Maharashtra
		Maharashtra Gramin Bank	Aurangabad	Bank of Maharashtra
7	Karnataka	Kaveri Grameena Bank	Mysore	State Bank of Mysore
		Karnataka Vikas Grameena Bank	Dharwad	Syndicate Bank
		Pragathi Krishna Grameena Bank	Bellary	Canara Bank
8	Kerala	Kerala Gramin Bank	Malappuram	Canara Bank
9	Tamil Nadu	Pallavan Grama Bank	Salem	Indian Bank
		Pandyan Grama Bank	Virudhunagar	Indian Overseas Bank
10	Andhra Pradesh	Andhra Pradesh Grameena Vikas Bank	Warangal	State Bank of India
		Andhra Pragathi Grameena Bank	Kadapa	Syndicate Bank
		Chaitanya Godavari Grameena Bank	Guntur	Andhra Bank
		Saptagiri Grameena Bank	Chittoor	Indian Bank
11	Telangana	Telangana Grameena Bank	Hyderabad	State Bank of Hyderabad Now SBI
		Andhra Pradesh Grameena Vikas Bank	Warangal	State Bank of India
12	Orissa	Odisha Gramya Bank	Bhubaneswar	Indian Overseas Bank
		Utkal Grameen Bank	Balangir	State Bank of India
13	West Bengal	Bangiya Gramin Vikash Bank	Berhampur	United Bank of India
		Paschim Banga Gramin Bank	Howrah	UCO Bank
		Uttar Banga Kshetriya Gramin Bank	Coochbehar	Central Bank of India

term. Their short-term and medium-term credit requirements are fulfilled by the co-operative banking institutions like PACs, CCBs and SCBs. A major problem of the LDBs is, however, the mounting over-dues. Another problem is of the inadequacy of trained personnel. A third difficulty is regarding land as a form of security. Its valuation, titles, ownership etc., are to be checked. As a result, the LDBs cannot avoid some usual delays in sanctioning loans to their borrowers. The total number of LDBs (central and primary) increased from 481 in 1960-61 to 920 in 1984-85.

Some of the milestones in nabard's activities are

Business Operations: Production Credit:- NABARD sanctioned aggregating of 66,418 crore short term loans to

Cooperative Banks and Regional Rural Banks (RRBs) during 2012-13.

- **Investment Credit:** Investment Credit for capital formation in agriculture & allied sectors, non-farm sector activities and services sector to commercial banks, RRBs and co-operative banks reached a level of 17,674.29 crore as on 31 March 2013.
- **Rural Infrastructure Development Fund (RIDF):** Through the Rural Infrastructure Development Fund (RIDF) 16,292.26 crore was disbursed during 2012-13, covering irrigation, rural roads and bridges, health and education, soil conservation, drinking water schemes, flood protection, forest management etc.

Table 6. Regional Rural Banks -2018

Sl.	States/UTs	Name of RRB	Head Office	Sponsor bank
14	Bihar	Bihar Gramin Bank	Begusarai	UCO Bank
		Madhya Bihar Gramin Bank	Patna	Punjab National Bank
15	Uttar Pradesh	Uttar Bihar Gramin Bank	Muzaffarpur	Central Bank of India
		Allahabad UP Gramin Bank	Banda	Allahabad Bank
		Gramin Bank of Aryavart	Lucknow	Bank of India
		Ballia Kshetriya Gramin Bank	Ballia	Central Bank of India
		Baroda Uttar Pradesh Gramin Bank	Rae Bareli	Bank of Baroda
		Kashi Gomti Samyut Gramin Bank	Varanasi	Union Bank of India
		Prathama Bank	Moradabad	Syndicate Bank
		Sarva UP Gramin Bank	Meerut	Punjab National Bank
16	Uttarakhand	Purvanchal Gramin Bank	Gorakhpur	State Bank of India
17	Himachal Pradesh	Uttarakhand Gramin Bank	Dehradun	State Bank of India
		Himachal Pradesh Gramin Bank	Mandi	Punjab National Bank
18	Madhya Pradesh	Parvatiya Gramin Bank	Chamba	State bank of India
		Narmada Jhabua Gramin Bank	Indore	Bank of India
19	Chhattisgarh	Madhyachal Gramin Bank	Sagar	State Bank of India
		Central Madhya Pradesh Gramin Bank	Chhindwara	Central Bank of India
		Chhattisgarh Rajya Gramin Bank	Raipur	State Bank of India
20	Assam	Surguja Kshetriya Gramin Bank	Ambikapur	Central Bank of India
		Durg-Rajnandgaon Gramin Bank	Rajnandgaon	Dena Bank
21	Arunachal Pradesh	Assam Gramin Vikash Bank	Guwahati	United Bank of India
		Langpi Dehangi Rural Bank	Diphu	State Bank of India
22	Nagaland	Arunachal Pradesh Rural Bank	Naharilagan	State Bank of India
		Nagaland Rural Bank	Kohima	State Bank of India
23	Manipur	Nagaland State Cooperative Bank Ltd.	Dimapur	Government of Nagaland
		Manipur Rural Bank	Imphal	United Bank of India
24	Mizoram	Mizoram Rural Bank	Aizawl	State Bank of India
25	Tripura	Tripura Gramin Bank	Agartala	United Bank of India
26	Meghalaya	Meghalaya Rural Bank	Shillong	State Bank of India
27	Puducherry	Puduvai Bharathiar Grama Bank	Muthialpet	Indian Bank

Table 7. NABARD's Past Performance (Prior to 2005)

Year	Activities
1983-84	During 1983-84 NABARD mobilised net resources amounting to Rs. 774 crores, which however fell to Rs.541 crores during the year 1984-85. During this year NABARD sanctioned Rs. 1233 crores to SCBs for financial seasonal agricultural operations. It also provided medium-term and long term credit facilities for the benefit of the agricultural sector.
1984-85	During 1984-85, its total outstanding amounted to Rs. 1018 crores and limits sanctioned amounted to Rs.1688 crores. NABARD also assisted the development and promotion of agricultural investments in the less developed and/or under banked states. For this purpose during the year 1984-85, it disbursed Rs.455 crores.
1986-87	For the year 1986-87 NABARD could mobilize Rs.887 crores towards its aggregate net resources for providing rural credit. During 1986-87, NABARD completed the inspection of 178 CCBs, 86 RRBs, 7 SLOBs and 30 other institutions. It also approved and assisted during the year, 5 research proposals, 17 seminars and several conferences from its R&D fund, and incurred an expenditure of Rs.3.41 lakhs on this account. During the year 1987, NABARD also introduced a 10 point action programme for rehabilitation of weak primary land development banks and branches of state land development banks. The action program was with regard to: (i) investigation of overdues; (ii) strengthening of organization and management; (iii) review of loan policies and procedures; and (iv) Strengthening of the resources of the LOBs.
1989-90	For the year 1989-90, the short term credit limits sanctioned by NABARD for financing seasonal agricultural operations aggregated to Rs.2807 crores. During this period NABARD provided refinance assistance to the tune of Rs.549 crores.
1995-96	During 1995-96, the total amount of refinance disbursements by NABARD increased by less than 2 percent to Rs.3064 crore from that of the previous year. During this period a Rural Infrastructural Development Fund (RIDF) was created within NABARD for facilitating rural infrastructure projects.
1996-97	During 1996-97 NABARD's resources increased to Rs.2963 crores against rs.1617 crore in the previous year.

New Business Initiatives

- **NABARD Infrastructure Development Assistance (NIDA):** NABARD has set up NIDA, a new line of credit support for funding of rural infrastructure projects.
- **Direct refinance assistance to CCBs for short term multipurpose credit:** Direct refinance assistance to CCBs was conceived and additional line of finance for CCBs in the light of recommendations of the "Task Force on Revival of Short Term Rural Cooperative Credit Structure, which enables the latter to raise financial resources other than from StCBs. Now it can be conclude that the Agricultural & rural development is totally dependent on the efficiency of the NABARD, which is doing its job as per the requirements of the economy.

Nabard's Past and Present Performance: NABARD is responsible for coordinating with the Government of India, the Planning Commission, State Governments and other agencies concerned with the development of rural industrialization. It is also responsible for ensuring the implementation of various policies and programs meant for providing finance to the rural industries.

NABARD current performance (After 2005): NABARD saw its refinance to commercial banks increase by over 50 percent year on year, for the fiscal ended March 31, 2006. For 2005-06, the refinance was Rs.4028 crore against Rs.2569 crore in 2004-05. As on February 2006, commercial banks, regional banks and co-operatives disbursed an aggregate of Rs.1,46,668 crores by way of farm credit. This is against Rs.1,25,000 crore in 2004-05.

Table 8. Public sector and private sector banks related with NABARD

Sl.	Public-Sector Banks	Sl.	Private-Sector Banks
1	Allahabad Bank	1	Axis Bank
2	Andhra Bank	2	Bandhan Bank
3	Bank of Baroda	3	Catholic Syrian Bank
4	Bank of India	4	City Union Bank
5	Bank of Maharashtra	5	DCB Bank
6	Canara Bank	6	Dhanlaxmi Bank
7	Central Bank of India	7	Federal Bank
8	Corporation Bank	8	HDFC Bank
9	Dena Bank	9	ICICI Bank
10	Indian Bank	10	IndusInd Bank
11	Indian Overseas Bank	11	IDFC Bank
12	IDBI Bank	12	Karnataka Bank
13	Oriental Bank of Commerce	13	Karur Vysya Bank
14	Punjab and Sind Bank	14	Kotak Mahindra Bank
15	Punjab National Bank	15	Lakshmi Vilas Bank
16	State Bank of India	16	Nainital Bank
17	Syndicate Bank	17	RBL Bank
18	UCO Bank	18	South Indian Bank
19	Union Bank of India	19	Tamilnad Mercantile Bank Limited
20	United Bank of India	20	U.P Agro Corporation Bank
21	Vijaya Bank	21	Yes Bank
		22	P & M Bank

Purpose wise Disbursements under investment Credit during 2007-08: The purpose wise disbursement for the year 2007-08 shows that total of Rs.9,04,627 was disbursed for various purposes like agriculture and allied activities, non farm sector etc. and maximum 32% is allotted to agriculture sector.

Purpose wise Disbursements under RIDF during 2007-08: The data shows that under Rural Infrastructural Development Fund (RIDF) maximum disbursement is provided to irrigation i.e. 35.71% , 32.03 % to rural roads and rest approximate 32% to all the other activities like drinking water, drainage improvements etc.

Capital source of Nabard: The existing organizations such as Agricultural Credit Department, Rural Planning Credit Cell of RBI, and Agricultural Refinance and Development Corporation were taken over by NABARD. The authorized capital of NABARD was Rs. 500 crores. The subscribed and paid up capital as of March 2015 is Rs. 5000 crores out of which Central Government has contributed 4980 Crores and RBI 20 Crores (source). In addition to this a loan of Rs. 1,200 crores was granted by RBI. All the loans granted by RBI to various State Governments and State Cooperative banks for agriculture were transferred to NABARD. The NABARD has been recognized as the apex institution for agricultural finance. As the name suggests, the bank has been set up not only for agricultural finance, but also for the development of rural areas.

Nabard Refinance Schemes: The unmatched and exceptional refinance scheme on offer by NABARD applies to a range of organizations that operate in rural areas. Some of the key institutions of this type include RBI approved finance institutions, commercial banking entities, regional banks located in rural areas, state cooperative banks as well as state-operated agriculture and rural development cooperative banks in India. Though the above mentioned ones are the direct beneficiaries of the scheme, the end-point benefits are reaped by a different set of people. The final beneficiaries of the NABARD-operated refinance scheme include individuals, cooperative firms, state-operated companies, private

companies, partnership organizations and any others who are directly linked to or operating in the rural regions of India.

Conclusion

India is an agrarian country. Without agriculture, the country's existence will be a doubtful, questionable and debateable matter. According to 2011 census, country's population was 121.1 crores and in 2010-2011 foodgrain production was 235 million tonnes. According to estimation, in 2030 country's population will be 140 crores and food requirement will be 380 million tonnes, hence there is need to enhance (380-235) 145 million tonnes more in 20 years (2010-2030) respect. It is really a biggest challenge in our country. Because, our country's approximately one-third population still live in below poverty line (BPL), simply poor. Our country is the home of maximum illiterate people in the world, home of maximum malnourished population in the world. These illiterate people and malnourished people are living in maximum in rural India. Hence, rural India's development is need of the hour and rural India's development is possible only through agriculture (as a seventh largest country in the world, we have vast agricultural land) not by industrial development because we are still toddling in this sector due to lack of sufficient skilled labourers and resource crunch in field of every aspect of development, though service sector is comparatively fruitful. Therefore, it is proved that agriculture is the only way to develop rural India. To accelerate rural India's development NABARD is playing a pivotal role or we can say NABARD is rural India's all round assistance provider. As we analyse the data it shows that NABARD is working for the 360 degree development of rural India. Every year the financial assistance received by NABARD and the disbursement made out of it are increasing. The balance sheet size also increased from Rs.81220 crore to Rs.98706 crore & profit after tax from Rs.856 crore to Rs.1226 crore. In short we can say that NABARD is providing rural India all round assistance and proved to be an institution where "Growth with Social Justice" exists. At present, the National Bank for Agriculture and Rural Development (NABARD) has various international partnerships including leading global organizations and World Bank-affiliated institutions that are

breaking new ground in the fields of rural development as well as agriculture. These international partners play a key consultant's role in providing advisory services as well as financial assistance designed to ensure uplifting of rural peoples as well as optimization of various agricultural processes.

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