



## **A STUDY ON ROLE OF NABARD SCHEME WITH SPECIAL REFERENCE IN RURAL DEVELOPMENT IN INDIA**

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### **ABSTRACT**

*Development with social justice has been the introductory ideal of development planning in post-independence India. Since the morning of planned development, the government has made significant strides in the development of pastoral India through the Five Year Plan. The National Bank for Agriculture and Rural Development was set up in July 1989. It becomes the apex institution to play a vital part in the sphere of policy planning and furnishing refinance installations to pastoral fiscal institutions and for accelerating their resource base. The paper analysis the part and function of NABARD in husbandry and pastoral development. It also throws a light on NABARD's history and present performance and its scheme for pastoral development.*



# **NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**



## INTRODUCTION

National Bank for Agriculture and Rural Development (NABARD) and it was set up in the time 12 July 1982 by the Act of the congress. NABARD, it substantially acts as a Development Bank, and it's helpful for furnishing loans and credit and other installations for the support of an development of husbandry, small scale diligence, cabin and vill, and oster colourful profitable conditioning in pastoral areas with a view to encouraging integrated pastoral development and knowledge of pastoral areas, and for matters connected to it. It aims for give fiscal support for the betterment of pastoral development to enable long term practices. Generally immolations fiscal services and points for the development and enhancement of pastoral in India. NABARD was established in terms of the Preamble to the Act, " for furnishing credit for the creation of husbandry, small scale diligence, cabin and vill diligence, crafts and other pastoral crafts and other confederated profitable conditioning in pastoral areas with a view to promoting IRDP and securing substance of pastoral areas and for matters connected therewith in incidental thereto " It's also accreditation to support all other confederated profitable conditioning promote integrated and sustainable pastoral development and secure substance of pastoral areas. The original capital was 100 crores and enhanced to 2000 crores by Government of India and Reserve Bank of India. It operate through its head office at Mumbai, 28 indigenious services positioned in state centrals and 391 quarter services at sections Agriculture credit is considered as one of the most introductory input for conducting all agrarian development programmes. As the profitable condition of Indian growers are veritably poor, there's a need for proper agrarian credit in India. plutocrat lenders have the main source of agrarian credit in India since the morning. After independence Government acceptable credit should be handed to growers at low interest by espousing a institutional credit approach through colorful agencies similar as cooperatives, marketable banks, indigenious pastoral banks etc. And with modernization in husbandry in the post-green revolution period, agrarian credit is demanded has increased further in recent times.

## ROLE OF NABARD

- Furnishing reliance to advancing institutions in pastoral areas.
- Assessing, covering and examining the customer banks acts as a fellow in the operations of pastoral credit institutions.
- Extends assists to the Government, the Reserve bank of India and other organisations in matters relating to pastoral development.
- Offers training and exploration installations for bank, collaborative and associations working in the field of pastoral development.
- Helps the state Government in searching their targets of furnishing backing to eligible institutions in husbandry and pastoral development.
- Acts as a controller for collaborative banks and RRB's.
- Serves as an apex backing agency for the institutions furnishing investment and product credit for promoting the colourful experimental conditioning in pastoral areas.
- Takes measures towards institution structure for perfecting absorptive capacity of the credit delivery system, including monitoring, expression of recuperation schemes, restructuring of credit institutions, training of labor force etc.
- The bank refinances the fiscal institutions which finances the pastoral sector.
- It also keeps check on its customer institute.

## HISTORY OF NABARD

- On the recommendation of B.Sivaraman commission, the NABARD was established on 12th July 1982 to execute or apply National bank for Agriculture and Rural Development Act 1981.
- It has set up with an original capital of Rs. 100 crores, its paid up capital stood at Rs. 17, 080 crores as on 31 March 2022.
- It was devoted to the service of the nation by the late Prime Minister Smt. Indira Gandhi on 5 November 1982.
- NABFOUNDATION has been set up by NABARD as a section 8 or Attachment Company, where the president of NABARD is also the president of NABFOUNDATION.
- NABARD had replaced Agriculture Credit Department (ACD) and Rural Planning and Credit Cell (RPCC) of Reserve Bank of India and Agricultural Refinance and Development Corporation (ARDC) .
- Headquarter of NABARD is at Mumbai and has 31 Regional services located in States and Union Territory.



- International associates of NABARD include World Bank- combined organisation and global experimental agencies working in the field of husbandry and pastoral development.
- These organisations help NABARD by advising and giving financial aid for the upliftment of the people in the pastoral areas and develop the agrarian process.

### **STATEMENT OF PROBLEM**

NABARD is facing the problem of shy finance. They're dependent on NABARD to collect finance for their farther operations. Poor pastoral people are unfit to save anything due to poverty and low per capita income. The low position of saving of these client produce handicap for NABARD to collect sufficient deposits A major challenges facing NABARD is diving the problem of hunger and malnutrition affecting one- third of the population. There's also a need to constrict gap between patron cost and consumer price so that planter's perimeters are enhanced through effective marketing support

### **OBJECTIVE OF THE STUDY**

1. To know about the NABARD.
2. To find out the part of NABARD in pastoral development in India.
3. To know in detail about the programs conducted by NABARD.

### **SCOPE OF THE STUDY**

This study is grounded on the working of NABARD. It tells us about the challenges faced by NABARD. It guides about the colourful programs taken up by the NABARD in pastoral areas. It also shows us about the development of the NABARD.

### **NEED FOR THE STUDY**

In India, the lesser number of the people in the pastoral areas. They're substantially related to the husbandry and colourful affiliated income sources from the husbandry only. It's the civic and suburban area for the development of the pastoral areas and it enhances the agrarian acquainted program will be to increase the profitable conditioning to encourage them to know the schemes to enhance road installations, road side light and water and public transport indeed though to help to construct water check levee addition of water tanks, drink water installations in pastoral areas. It promotes income generation conditioning for colourful tone help and provides microfinance system. The banking services are far out from the pastoral population. Hence fiscal addition has enforced by both the Government and RBI of the Indian Banking system. Substantially the Government like academy, library, scrap collection, drainage installations, may not be present and it helps to maintain and to have an control over the development in the pastoral areas. It substantially motivates to enhance the profitable conditioning and to have an attachment from the Government of India and as well as the State Government it helps to strengthen the profitable stability of the growers.

### **ORGANISATION STRUCTURE**

NABARD FUNCTIONS THROUGH ITS Head Office at Mumbai and operates each over the country through its 28 Regional services and 1 Sub- office, located in the centrals of all the countries union homes. It has 391 quarter services across the country, and one special cell at Srinagar It also has 3 training establishments in different corridor of the country for capacity structure and improvement of the chops of its man power and also of other associations similaras banks, NGOs, etc., who are equal mates in pastoral development.



### **FUNCTIONS OF NABARD**

- NABARD works as an apex body and to refinance through a marketable banks, collaborative banks, and RRB and to check on it.
- To promote the colourful intertwined development schemes and other profitable conditioning.
- 3. To abate the imbalances which was made in it and to make an mileage if a finances
- It major motive is to introduce new invention which was introduced in the forthcoming schemes.
- furnishing finance and refinance for product and marketing in the pastoral areas
- Coordinating and advising the operations of institutions engaged in pastoral credit
- Promoting exploration in husbandry and pastoral development
- It provides short- time, medium- time and long- term to SCB's, LDB's, RRB's and approved fiscal institutions.
- It provides long term backing to State Government.

### **RESEARCH DESIGN**

This is a descriptive study. The data and the other information required for the study were collected from secondary sources. The secondary data collected from various sources including libraries, journals, annual report magazines, articles and website

### **CREDIT FACILITIES OFFERED BY NABARD**

#### **1. RURAL INFRASTRUCTURE DEVELOPMENT FUND**

This credit was introduced in the year 1995-1996. The initial corpus of Rs.2000 crore with allocation of Rs.40000 crore for 2021-2022. Cumulative allocation has reached Rs.418408.73 crore including Rs.18500 crore under Bharat Nirmani .RIDF is a fund to promote the investment in structure for husbandry. State Government, on-governmental organisation, tone help group etc., are eligible to adopt out of RIDF for their schemes like ongoing irrigation, flood tide protection, watershed operation design, pastoral road and ground systems etc.



| S. No. | RIDF  | Year of Sanction | No. of schemes | Cost Rs.in Lakh  |
|--------|-------|------------------|----------------|------------------|
| 1      | XX    | 2014-15          | 59             | 26024.83         |
| 2      | XXI   | 2015-16          | 86             | 32381.61         |
| 3      | XXII  | 2016-17          | 107            | 35289.83         |
| 4      | XXIII | 2017-18          | 119            | 35036.85         |
| 5      | XXIV  | 2018-19          | 28             | 8096.49          |
| 6      | XXV   | 2019-20          | 84             | 23128.68         |
| 7      | XXVI  | 2020-21          | 115            | 41867.52         |
| 8      | XXVII | 2021-22          | 400            | 1505307.96       |
|        |       | <b>Total</b>     | <b>998</b>     | <b>360363.77</b> |

## 2. KISAN CREDIT CARDS

Kisan credit card was launched by Shripad Desso Naik (Ministry of Ayush) during the year 1998. NABARD has formulated a model scheme for issue of Kisan credit to growers on the base of their land effects for invarient relinquishment by banks, so that the growers may use them to readily purchase agrarian inputs similar as seeds, diseases, fungicides etc.

| YEAR      | ALLOCATED FUND  |
|-----------|---|
| 2020-2021 | <i>Rs.3 lakhs per farmer (subject to maximum of Rs.2 lakhs per farmer for WC loan for AH&amp;F activities)</i>  |
| 2021-2022 | <i>Personal accidental insurance up to Rs.50000 for permanent disability and death and up to Rs.25000 for other risks. Farmers can avail collateral free loan up to Rs.1 lakh</i> |

## 3. MICRO CREDIT INNOVATION SCHEME

This scheme was introduced in the year 1998 launched by Smt. Smriti Irani with the initial amount Rs.151051.30 crore. Under the MCIS, NABARD installations sustained access to fiscal services for the unreached poor in pastoral areas through colourful microfinance inventions in a cost effective and sustainable manner  
 2021-2022 – Rs.12.74 lakhs SHGs have been digitalised covering 146 lakh members

## 4. REFINANCE FOR PASTORAL CASING INSTALLATIONS

RRFHS provides credit to the individualities, collaborative casing societies, public bodies, casing boards, original bodies with NHB for finance extended by them to casing systems in the pastoral areas only

## 5. A EXPLORATION AND DEVELOPMENT FUND

It has been established by the bank with the ideal of acquiring new perceptivity into the problems of agrarian and pastoral development through in- depth studies and applied exploration and trying out innovative approaches backed up by specialized and provident studies

## 6. SWAROJGAR CREDIT CARD SCHEME

Swarojgar credit card scheme was introduced in the year 2003, September. It aims to give acceptable and timely credit to small crafters, handloom needlewomen, service sector, fishers, tone- employed, gharry scullers, other micro entrepreneurs, tone help groups etc., either working capital or block capital or both and cost effective system.

*The loan amount provided by this scheme is Rs.25000 per borrowers. SCC is valid for 5 years period and cash credit limit should be renewed annually*

## 7. FARMER'S CLUB PROGRAMME

It's a grassroots informal forum. Similar clubs are organized by the pastoral branches of the banks with the support and fiscal backing of NABARD Bank for the collective benefit of the concerned banks and the pastoral people. Integrate with wider operations banks to insure inflow of credit between its members and better bank borrower relationship affiliate with the subject.



## CREDIT FUNCTIONS

- Framing policy and guidelines for pastoral fiscal institutions.
- Furnishing credit installations to issuing associations.
- Preparation of commensurable- linked credit plans annually for all sections for identification of credit eventuality.
- Monitoring the inflow of ground position pastoral credit.
- Direct loan to State Government from pastoral structure development fund.

## CONCLUSION

NABARD scheme aims to give finances for India's pastoral structure to enable long term irrigation practices. Generally offering fiscal services and aid for the development and enhancement of pastoral India. It acts as a fiscal agency for the services rendered by NABARD and it suitable to give crediting installation in the pastoral areas. It enhances the promoting of fiscal conditioning of those particulars institutions and indeed in the field work, reaching the guests on time to apprehensive of the scheme for the development of the pastoral development in pastoral areas. Every time the fiscal backing entered by NABARD and the expenditure made out of it are adding. In short we can say that NABARD is furnishing pastoral India all round backing and proved to be an institution where growth with social justice exists. It's in brief, an institution for the purpose of refinance with the reciprocal work of commanding, examining and supervising the credit- overflows for agrarian and pastoral development. As the fiscal system has grown fleetly, NABARD has taken action that credit made available by small and borderline growers is productively employed. NABARD has played a veritably vital part in the development of Indian commodity request. It has a wide compass of services through which it has helped colourful sectors for its development.

## WEBSITES

1. *Business Standard The Financial Express*
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