

Mona
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B.A Economics
Topic - NABARD

National Bank for Agriculture and Rural Development

Founded- 2 July 1982

Headquarter - Mumbai

Chairman - G.R Chintala

Purpose - Development assistance, Poverty Reduction

Introduction

From the very beginning, RBI was extending the agricultural credit through state level co-operative banks and land development banks. Later on the Agricultural Refinance Development Corporation (ARDC) was also set up by RBI in 1963 for meeting the long term credit requirement of rural areas. But after the formation of NABARD, it took over all the agricultural credit function of RBI and the Refinance function of ARDC after its merger with NABARD.

National Bank Agriculture and Rural Development is an apex Development Financial Institution in India. The Bank has been entrusted with matter concerning policy planning and operations in the field of credit for agriculture and other economic activity in Rural areas in India.

The initial corpus of NABARD was Rs.100 crores. 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.

Organizational structure:

The Structure of NABARD comprises of Board of Directors, Chairman, Managing Director, 2 Executive Director. They All look after 26 Head Office Department, 28 Regional Offices, 6 Training Establishment. There are 391 District Development Offices and one Sub Office Special Cell under the Regional Offices.

Hierarchy of NABARD



Role :

1.NABARD is the most important institution in the country which looks after the development of the cottage industry, small scale industry and village industry, and other rural industries.

2.NABARD also reaches out to allied economies and supports and promotes integrated development.

3.NABARD discharge its duty by undertaking the following roles :

- Serves as an apex financing agency for the institutions providing investment and production credit for promoting the various developmental activities in rural areas
- Takes measures towards institution building for improving absorptive capacity of the credit delivery system, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions, training of personnel, etc.
- Co-ordinates the rural financing activities of all institutions engaged in developmental work at the field level and maintains liaison with Government of India, state governments, Reserve Bank of India (RBI) and other national level institutions concerned with policy formulation
- Undertakes monitoring and evaluation of projects refinanced by it.
- NABARD refinances the financial institutions which finances the rural sector.
- NABARD partakes in development of institutions which help the rural economy.
- NABARD also keeps a check on its client institutes.
- It regulates the institutions which provide financial help to the rural economy.
- It provides training facilities to the institutions working in the field of rural upliftment.
- It regulates and supervise the cooperative banks and the RRB's, through out entire India.

Functions of NABARD :

- **CREDIT FUNCTION :**

- 1.Framing policy and guideline for rural financial institution.
- 2.Providing credit facilities to issuing organization
3. Monitoring the flow of ground level rural credit.

- **Financial Function:**

- 1.It provides short term and medium term loans to RRBs (Regional Rural Bank), CCBs (central Cooperative bank) and SCBs(state Cooperative banks) and other institution involve in Agriculture and rural development.
- 2.It provides long term loan to the Agriculture and allied activities ,Artisans,small scale industries ,Handcrafts and other non form sectors.
- 3.It directly finance the ware houses,cold storage and cold chain infrastructures.also for food parks and food processing units.

- **Development Function:**

- 1.Help Cooperative banks and other rural banks to prepare their action plan.
- 2.Monitor implementation of development action plan of banks and fulfillment of obligation under MoU.
- 3.Provide financial support to training institutes of cooperative banks.
- 4.Helping in development of farm and non farm sector by giving financial,technical,educational and other supports.

- **Supervisory Action:**

- 1.Undertake inspection of RRBs,Cooperative Banks,SCARDBs,and apex non credit cooperative societies.

References:

1.*EDA and APMAS Self-Help Groups in India: A Study of the Lights and Shades, CARE, CRS, USAID and GTZ, 2006, p. 11*

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3. *"Regional Offices Information". NABARD.*

4. *"Nabard Rural Innovation Fund | Agriculture and Industry Survey". Agriculture information.com. Archived from the original on 16 July 2012. Retrieved 1 September 2010.*

5. *"Archived copy". Archived from the original on 4 March 2016. Retrieved 9 December 2015.*

6. *"National Bank for Agriculture and Rural Development". Nabard.org. Archived from the original on 29 September 2010. Retrieved 1 September 2010.*