

Role and Contribution of NABARD in Agriculture and Rural Development in Haryana

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Abstract:

NABARD is a apex bank for rural credit. NABARD is designed specifically as an organizational device for providing undivided attention, forceful direction and pointed focus to the credit problems of rural credit. NABARD is apex development bank in India having headquartered based in Mumbai and other branches all over the country. NABARD was established on the recommendation of Shivram committee, by (act 61, 1981 of parliament) on 12th July 1982 to implement the national bank for agriculture credit department (ACD) and agriculture refinance and development corporation (ARDC). NABARD is also known for its SHG Bank linkage program which encourages India's bank to lend self help groups. The initial capital of NABARD was 100 Rs. Crore. RBI sold its stake in NABARD to the Government of India, which hold 99 percent stake. And as on 31st march 2015 paid up capital of NABARD is stood at 5000 Rs. Crore with Govt. of India holding 4980 crore (99.60 per cent) and RBI Rs. 20.00 crore (.40 per cent). NABARD completed 36 years on March 2018 to providing development assistant to rural development.

Keyword: Kisan Credit Card Scheme, Investment in Venture Funds, Core Banking Solution, Section Grant and Infrastructure Development Assistances.

Role and Contribution of NABARD in Agriculture and Rural Development: Contribution of NABARD in rural development is explained is given heads

1. Kisan Credit Card Scheme: The Kisan Credit Card Scheme was introduced in 1998-99 to facilitate shortrun credit to farmers. NABARD, in January 2013 set up special project unit- kisan credit card (SPU-KCC) with a mandate for encouraging co-operative banks and regional rural banks across the country to issue Rupay KCC debit cards. The new KCC guidelines specify that all KCC customers should have the facility of withdrawal through ATM/Debit Cards. NABARD, with a view to facilitate early action in this direction, has already floated schemes providing financial support to RRBs and cooperative banks for issuing these cards.

2. Investment in Venture Funds: To encourage entrepreneurship, innovation growth and investment in agriculture and rural development. VCF should be on agriculture, agro processing and rural area focused at least 20 percent. NABARD commitment shall be invested by VCF in the projected that help agriculture and rural development.

3. Loan for Food Parks and Food Processing: NABARD initiate in the food processing fund in 2015-18.

4. Cooperative Development Fund: NABARD set up the cooperative development fund in 1993 with the objective of strengthen the cooperative credit institution in the areas of organizational structure human resource development, resource mobilization, recovery position etc. The assistance is provided to STCBs/SCARDBs/CCBs/PCARDBs by way of grant of soft loan or both. NABARD has development a product short term multipurpose credit product (STMPCP) to provide financial assistant to cooperative banks STCBs, DCCBs. Assistance to cooperative banks for and lending sugar factories for prompt payment to farmers.

5. Core banking solution (CBS) to cooperative banks: NABARD has facilitated the process of bringing the cooperative sector into core banking solution plate form. A total of 201 stat and central cooperative bank with 6953 branches from 16 states with 3 UTS of the country viz. Punjab, Haryana, Gujarat, Maharashtra, UP, Chhattisgarh, MP, Bihar, Karnataka, Tamil Nadu, Kerala, Uttarakhand, Sikkim, Himachal Pradesh, Jammu & Kashmir, Arunachal Pradesh, Chandigarh, Pondicherry and Andaman & Nicobar joined the NABARD initiated project for CBS in cooperative banks. Two vendors, via TCS and Wipro have implemented the ambitious project across the country.

Table 1.
Participating banks for CBS in Haryana

Serial no.	Name of Bank	Total no. of Branches
1	Ambala	30
2	Bhiwani	44
3	Faridabad	36
4	Fatehabad	31
5	Gurgaon	39
6	Hissar	47
7	Haryana STCB	16
8	Jhajjar	28
9	Jind	34
10	Kaithal	32
11	Karnal	47
12	Kurukshetra	34
13	Mahendragarh	24
14	Panchkula	13
15	Panipat	23
16	Riwari	30
17	Rohtak	29
18	Sirsa	42
19	Sonepat	39
20	Yamun Nagar	35
	Total	653

6. Grant Sactioned: NABARD sactioned the grantsin various states and UT. In Haryana under different promotional programmed of NABARD given as below in table 2.

Table 2.
Grant Sectioned Project in Haryana

Project Name	Fund Name	Implement Agency
Self help Promoting Institute	FIF	Action Reasearch and Training
Organizing financial literacy camps	FIF	Suraksha Agriculture
Self help promoting institute	FIF	Mahila kalyan samiti
Organizing financial literacy camps	FIF	Baba Dhanna singh capacity of adoption technological society
Capacity for adoption for adoption of technology financial literacy work	FSPI	Punjab Gramin Bank
Self help Promoting Institute	SHPI	Mahila kalyan samiti

NABARD Infrastructure development assistance (NIDA): NIDA is a new line of credit support for funding infrastructure projects. NIDA is designed to fund state owned institution/corporation on both on budget as well as off budget for creation of rural infrastructure outside the ambit of RIDG borrowing.

The assistance under NIDA is available on flexible interest term with longer repayment period upto 15 years (2-4 years repayment holiday). Creation of rural infrastructure faces certain issues:

- a. Borrowing power of state Govt. is limited under article 293, thus limiting the off take of RIDF.
- b. Prioritizing infrastructure to be created through RIDF funds is often dictated by political environment.

Conclusion: NABARD had developed a huge amount of trust capital in three decades of work with rural community SHF-2, revisiting the SHG Bank linkage programmed. As pointed by V. Krishnadevan, " it is somewhat strange that an agency dealing with agriculture finance and which is supposed to be in touch with ground root realities, houses a significant number of it employees in cities."

NABARD virtually ploughs back all the profit for development spending in their unending search for solution and answer.

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