

NABARD: Fostering Rural Prosperity and Agricultural Development

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Abstract: *This article explores the multifaceted role of the National Bank for Agriculture and Rural Development NABARD in promoting rural prosperity and agricultural development in India. It delves into NABARDs functions, responsibilities, financial resources, loan operations, and its impact on the countrys overall development. With a focus on sustainable and equitable agriculture, NABARD plays a pivotal role in shaping the rural landscape, supporting small-scale industries, and contributing to natural resource management. The article highlights NABARDs mission, vision, and its significance in the nations journey towards rural prosperity.*

Keywords: NABARD, rural development, agricultural development, sustainable agriculture, financial institution

1. Introduction

NABARD is a development Bank with a mandate for providing and regulating Credit for the development of agriculture, Small Scale industries, Cottage and Village Industries, handi Crafts and other allied economic activities in rural areas to promote prosperity of rural areas.

The major functions of NABARD include promotion and development, refinancing, financing, planning, monitoring and supervision, its Mission is to “ Promote Sustainable and equitable agriculture and rural prosperity innovative through effective credit support, related service, institution development and innovative initiative, NABARD is the acronym for the National Bank for agriculture and Rural Development. It was Set up in 1982 as an apex Body to Co-Ordinate the activities of all institutions involved in rural Credit.

NABARD with its head office at Mumbai has 31 regional offices at located states and U. T, a cell at Srinagar, 04 training Establishment in the Northern, eastern, Southern, Eastern Parts of India.

NABARD Was Set up with the initial Capital of INR 100 Crores and its paid up was INR 17080 Crores as on 31st March, 2022. Now it is fully owned subsidiary of the Govt of India.

Role of NABARD:

NABARD has been given many responsibilities related to the formulation of policies, planning and operations in agriculture and financial development. This bank aims to provide regulate credit to the rural areas which will be a first step towards enhancing the rural development in the Country.

It also works towards promoting and developing man industry in the rural areas like agriculture industry, Cottage and other small scale industries.

Along with the above roles, NABARD also Keeps the portfolio of the natural resource management programme.

NABARD also helps self-group through its SHG bank linkage programme.

It also provides loans to state Co-operative banks i. e. Regional rural bank land development bank etc. for farther research programmers regarding agriculture. There is also a reserve fund used for its programmes.

NABARD Vision & Mission: –

- To work as a development Bank of the nation for fostering rural prosperity.
- To promote Sustainable and equitable agriculture and rural development through participative and financial non-financial interventions, technology and innovation for securing prosperity.

Financial Resources of NABARD:-

To meet the in Creasing demand of rural Credit NABARD raises funds from the following resources

- 1) Capital-The total capital of NABARD is contributed by Govt. of India and RBI. Its present capital stood up at 17080 Core by 2022.
- 2) Deposits:-The deposits mainly come from rural Infrastructural development fund introduced in Central Government Budget from the year 1995-96.
- 3) Borrowings-NABARD raises funds through market borrowings, loans from union Government and borrowings From other sources. It helps to maintain it's financial Status and ables to lend Capital to other firms.
- 4) Reserves and Surplus:-NABARD gets 3% of sources from its Reserves and surplus. Every working firm remains its reserves and surplus. Every working firm remains its hand some amount as Reserves. It Can be used by any time of need.
- 5) Bonds and debentures-It also releases bonds and debentures for financial purposes.

Loan operation of NABARD:

The main purpose of NABARD to set up a top firm for agricultural programmes.

Short term Loans-It Consists of multiple Segments i. e. Agriculture and Allied activities marketing of Crops, fisheries, Industrial Co-operative Societies.

Mid term Loans-It provides loans for consolidated rural development Sprinkled irrigation, Cow dung Composites, etc. Programmes Govt. of India is also boosting and implementing many policies to boost the rural economy and progress through NABARD.

Long term Loans-This bank helps rural agencies and banks to provide them financial loans. Agricultural Equipment, Irrigation, gardening, Dairy purposes, Storage facility are the main big services helped by this bank.

Partner Institution / Clients

State Governments, State Owned bodies and Corporations, regional rural banks, Rural Banks, state. Co-operative Banks, state Co-operative

Agriculture & Rural development banks.

Scheduled Urban Co-operative Banks, Small finance Banks with the help of above these bodies NABARD is doing it work very smoothly to enhance the Economy and Small industries.

Conclusion of NABARD

Now it Can be Concluded that agricultural and rural development are Completely reliant on the effective ness of the NABARD which is performing its duties in accordance with the needs of the economy.

In a nut shell, NABARD for full filling its role as a facilitator of rural prosperity and is entrusted with the refinancing of credit institution in rural areas With regards to rural developments, the Contribution of NABARD has been exceptional. NABARDS role in the overall development of India in general and rural and agricultural Particular is very vital.

2. Conclusion

In conclusion, NABARDs effectiveness in fulfilling its role as a facilitator of rural prosperity and its dedication to refinancing credit institutions in rural areas have been remarkable. Its contributions to the overall development of India, particularly in the rural and agricultural sectors, are of paramount importance. NABARD continues to be a key player in shaping the economic landscape of rural India, fostering sustainable agriculture, and promoting equitable growth.

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