

Particulars of its organization, functions and its duties

NABARD is a Development Bank with a mandate for providing and regulating credit and other facilities for the promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas, and for matters connected therewith or incidental thereto.

In discharging its role as a facilitator for rural prosperity, NABARD is entrusted with

1. Providing refinance to lending institutions in rural areas
2. Bringing about or promoting institutional development and
3. Evaluating, monitoring and inspecting the client banks

Besides this pivotal role, NABARD also:

- Acts as a coordinator in the operations of rural credit institutions
- Extends assistance to the government, the Reserve Bank of India and other organizations in matters relating to rural development
- Offers training and research facilities for banks, cooperatives and organizations working in the field of rural development
- Helps the state governments in reaching their targets of providing assistance to eligible institutions in agriculture and rural development
- Acts as regulator for cooperative banks and RRBs

Some of the milestones in NABARD's activities are:

A. 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, against which, the maximum outstanding was 65,176 crore.
- **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 registering an increase of 14.6 per cent, over the previous year.
- **Rural Infrastructure Development Fund (RIDF):** Through the Rural Infrastructure Development Fund (RIDF) 16,292.26 crore was disbursed during 2012-13. A cumulative amount of 1,62,083 crore has been sanctioned for 5.08 lakh projects as on 31 March 2013 covering irrigation, rural roads and bridges, health and education, soil conservation, drinking water schemes, flood protection, forest management etc.

B. 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. The sanctions under NIDA during the year 2012-13 was 2,818.46 crore and disbursement was 859.70 crore.
- **Producers Organisations Development Fund (PODF):** In its endeavour to support Producer's Organizations in a comprehensive manner, NABARD sanctioned as assistance of 55.95 crore out of Producer Organization Development Fund (PODF) to 34 PO's during 2012-13. The disbursement amounted to 29.18 crore covering major activities like dairy, fishery, marketing infrastructure and agro processing infrastructure.
- **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. During

2012-13, refinance assistance aggregating 3,385 crore was sanctioned to 42 CCBs and three StCBs and disbursement stood at 2,363.45 crore.

- **Support to develop PACS as Multi Service Centres:** Keeping in mind the wide coverage of PACS at the ground level and the limited products at their disposal, NABARD extended financial support to StCBs/CCBs/PACS to develop PACS as Multi Service Centre (MSCs) so as to serve as “one Stop Shop” unit for meeting the various requirements of the farmers. During 2012-13, 747 PACS were supported with sanction of 141.17 crore and the disbursements thereagainst stood at 48.84 crore, assistance for establishment of agro service, processing, storage and information centres, etc.
- **NABARD Initiated Project on Core Banking Solutions (CBS) in Co-operatives :** Through Core Banking Solution (CBS), Co-operatives are being brought to a higher technology platform so as to compete with other banks for business and growth. The programme made rapid strides with 5,543 branches of 163 banks across 10 States joining the platform in the first phase and 42 banks joining in the second phase, a total of 7,088 branches of 205 StCBs and CCBs across 16 States and three UTs came into the umbrella of the programme as on 31 March 2013.

C. Development Initiatives:

- **Watershed Development Fund (WDF):** The cumulative number of watershed projects sanctioned under Watershed Development Fund (WDF) stood at 586 in 16 States covering an area of 5.40 lakh ha with total commitment (loan and grant component) of 306.36 crore as on 31 March 2013.
- **Farm Innovation and Promotion Fund (FIPF) and Farmers’ Technology Transfer Fund (FTTF):** The funds were created out of the operating profits of NABARD to support innovative ventures and to support technology transfer in farm sector and its corpus stood at 50.00 crore and 61.21 crore respectively as on 31 March 2013. Grant assistance of 9.90 crore and 39.79 crore, respectively, were disbursed for various interventions under the programme during 2012-13.
- **Farmers’ Clubs:** With the launching of 24,802 new Farmers’ Clubs during the year, the number of clubs reached 1.27 lakh as on 31 March 2013.
- **Umbrella Programme on Natural Resource Management (UPNRM):** UPNRM aims to boost rural livelihoods by supporting community-managed sustainable natural resource management projects. Assistance of 174.30 crore was sanctioned during 2012-13 taking the cumulative sanction to 386.92 crore as at the end of March 2013. The cumulative disbursement under the programme amounted to 217.57 crore, including 207.23 crore as loan and 10.34 crore as grant.
- **Tribal Development Fund (TDF):** During the year 2012-13, financial assistance of 224.26 crore was sanctioned for 69 projects benefiting 53,700 tribal families in 14 States. The cumulative sanction as on 31 March 2013 was 1,432 crore, covering 3.80 lakh families in 484 projects across 26 States/UTs.
- **Financial Inclusion Fund (FIF) and the Financial Inclusion Technology Fund (FITF) :** As on 31 March 2013, the cumulative sanctions under FIF and FITF were 181.64 crore and 365.49 crore, respectively against which disbursements were 69.77 crore and 201.30 crore, respectively.
- **SHG-Bank Linkage Programme:** As on 31 March 2013, there were more than 73.18 lakh savings linked Self Help Groups (SHG) and more than 44.51 lakh credit-linked SHGs covering over 10.3 crore poor households under the micro-finance programme. NABARD carried forward its guiding role in the microfinance programme during 2012-13 by taking a host of new initiatives and consolidating some of the already operational interventions.