

“It gives me immense pleasure to present a brief outline of NABARD. We have completed 33 years of glorious service to the nation on July 12, 2015. The objective of this publication is to share how we are making a difference to the lives of many across the vast stretches of India, in our own modest way. That is why ‘beyond numbers’. Come, be a part of the journey.”

Dr. Harsh Kumar Bhanwala,
Chairman, NABARD

Who We Are:

We are India's apex development financial institution, formed by an Act of Parliament in 1982. Our mandate is bringing rural prosperity through credit and non-credit initiatives in the fields of agriculture, cottage and village industries, handicrafts & small scale industries.

From being a pure refinance provider in 1982 to India's apex level development financial institution, we today directly and indirectly touch lives of millions in rural India. We have traversed a long journey and are today engaged with various facets of nation building, in our own humble way.

Our paid up capital is ₹ 5,000 crore with the Government of India (GoI) holding ₹ 4,980 crore and the remaining with Reserve Bank of India (RBI). The fund base of NABARD is a result of the internal accruals over the years and allocations made by GoI for specific activities along with market operations.



Our Structure:

Our Head Office is located in Mumbai and we have a pan-India presence with 30 Regional Offices. We have a phenomenal district-level outreach with more than 420 District Development Managers engaged in rural development at the district level. Our training establishments are situated at Bolpur, Lucknow and Mangalore, serving the capacity building requirements of rural financial institutions across the country and Asia Pacific countries, besides our own staff.



Our Functions

Our initiatives are aimed at building an empowered and

financially inclusive rural India through specific goal oriented departments which can be categorized broadly into three heads: Financial, Developmental and Supervision, touching almost every aspect of rural economy. From providing refinance support to building rural infrastructure, from preparing district level credit plans to guiding and motivating the banking industry in achieving these targets, from supervising Cooperative Banks and Regional Rural Banks (RRBs) to helping them develop sound banking practices and on boarding CBS platform, from designing new development schemes to acting as a conduit for the implementation of GoI's development schemes, training handicraft artisans to providing them a marketing platform for selling these articles' we touch millions of rural lives across the country and we are proud of it.



Our Financial Functions

Refinance

Short Term Loans: NABARD's short term refinance supplements the resources of banks for meeting these requirements and channelizes credit to purposes, locations and activities in line with the policy initiatives taken by GoI. In addition to crop loans, NABARD's short term refinance also supports various activities related to production and/or marketing needs. During the year 2014-15, we sanctioned short term credit limits of ₹ 90,620 crore to financial institutions.

Long Term Loans: We have consistently laid special emphasis on investment credit that leads to capital formation through asset creation and thereby sustainable development of rural areas. During the year 2014-15, we extended credit of ₹ 31,427 crore for these purposes to financial institutions which included an amount of ₹ 5000 crore allocated in the Union Budget 2014-15 under Long Term Rural Credit Fund for RRBs and Cooperatives.

Direct Finance

Rural Infrastructure Development Fund (RIDF): The ₹ 2,000 crore-Rural Infrastructure Development Fund (RIDF), set up with NABARD in 1995-96 by the Reserve Bank of India out of the shortfall in lending to priority sector of scheduled commercial banks, was a vindication of GoI's trust in our professional expertise and capacity to oversee

much-needed rural infrastructure projects. We disbursed ₹ 19,666 crore during 2014-15, a growth of 13% over the previous year. Of the total RIDF loans sanctioned to State Governments amounting to ₹ 2,12,451 crore under various tranches since 1995-96, 31% accounted for rural roads, 29% for irrigation, 15% for social sector, 13% for agriculture and related sectors and 12% for rural bridges.

Warehouse Infrastructure Fund (WIF): Buoyed by the successful utilization of the ₹ 5000 crore corpus under WIF by us during 2013-14, GoI made a further allocation of ₹ 5000 crore during 2014-15 for supporting creation of scientific storage infrastructure for perishable as well as non-perishables in the country. Against this, we approved projects with a loan commitment of ₹ 6,002 crore. With these approvals set to create cumulative storage capacity of about 25 MMT, we have become the leader in financing storage infrastructure contributing to 71% of targeted storage capacity creation of 35 MMT in the country during the XII Five Year Plan.

NABARD Infrastructure Development Assistance (NIDA): NABARD Infrastructure Development Assistance (NIDA) has been designed outside the purview of RIDF. This line of credit has been opened to State-owned institutions and corporations with sustained income streams. During 2014-15, we sanctioned 8 projects involving ₹ 682.20 crore under NIDA. The cumulative sanction and disbursement under NIDA since inception stood at ₹ 5,465 crore and ₹ 2,468 crore respectively as on 31 March 2015.

Direct Lending to Cooperative Banks: In continuation of our efforts to invigorate the co-operative sector, we designed a Short Term Multipurpose Credit Product for financing Central Cooperative Banks (CCBs) directly. In sync with the overarching aspirations of the Vaidyanathan Committee recommendations, this has enabled CCBs to raise financial resources from sources other than the State Cooperative Banks (StCBs). During 2014-15, we assisted 59 CCBs and 7 StCBs to the tune of ₹ 4,893 crore.

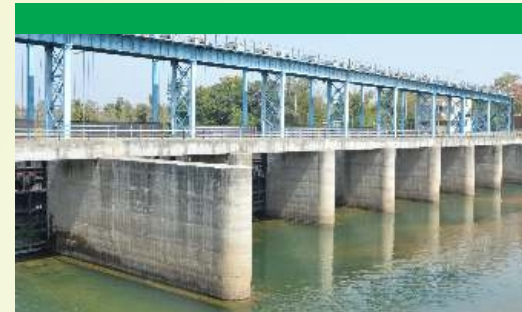
Credit Facilities to Marketing Federations: In order to strengthen the arms of Marketing Federations / Cooperatives, we established a separate line of credit, viz. Credit Facilities to Federations which promotes marketing of agriculture produce and other agricultural activities. The eligible institutions are Marketing Federations and Cooperatives having Primary Agricultural Cooperative Societies (PACS) and other Producers' Organizations as members/shareholders. During 2014-15, ₹ 6,265 crore was sanctioned by us with disbursements of ₹ 5,155 crore.

Primary Agriculture Cooperative Societies as Multi Service Centres: We are involved in supporting the implementation of various projects with Primary Agriculture Cooperative Societies (PACS). The scope of this engagement covers funding for creation of storage infrastructure, cold chain, processing and marketing infrastructure, establishment of Agro Service Centres, from input trading, aggregation and procurement of produce to enable PACS to function as One Stop Shops and extend Agricultural Services to their members. During 2014-15, we helped in turning 769 PACS into Multi Service Centres (MSCs) with a financial support of 181.184 crore under

Producers Organisation Development Fund (PODF).

Credit to Producer's Organisation: We set up Producers Organizations Development Fund (PODF) with an initial corpus of ₹ 50 crore to support and finance Producers' Organizations which we see as critical tools to leverage benefits of united and joint action at community level. During the year 2014-15, financial assistance of ₹ 157.718 crore was sanctioned to Producers' Organizations covering major activities such as dairy, commercial production of fish, cultivation and processing of medicinal plants, cotton value chain management and marketing infrastructure.

Produce: The Union Finance Minister in his Budget Speech for 2014-15, announced setting up of Producers Organization Development and Upliftment Corpus (PRODUCE) Fund of ₹ 200 crore with us to be utilized for the promotion of 2000 Farmer Producer Organizations (FPOs) in next two years. As on 31 March 2015, we have mobilized over 800 FPOs with our support encompassing capacity building/nurturing and further development for 3 years involving a grant assistance of ₹ 65.54 crore, under the Fund.



Farm Sector: We have devised various programmes to address farm sector's issues such as development of Kisan Credit Card scheme, participatory approach towards Watershed Development, Village Development Programme, Pilot Project on Augmenting Productivity of Lead Crops, Pilot Project on System of Rice Intensification and Supporting Capacity Building for Adoption of Technology, Farmers' Club Programme among others. We have continued the tradition of establishing specific Funds which address sector - specific developmental aspirations viz., the Farm Sector Promotion Fund to facilitate transfer of technologies to boost agri-production, Watershed Development Fund and Tribal Development Fund to support Flagship activities under Natural Resource Management (NRM).

Kisan Credit Card scheme for farmers: The Kisan Credit Card (KCC) scheme was designed by NABARD in association with the Reserve Bank of India (RBI) in August 1998. It has today emerged as the very backbone of India's rural credit delivery system. Our efforts are now focused on covering agricultural borrowers of the Co-operative Banks and Grameen Banks. As on March 31, 2015, RRBs and Co-operative Banks have issued 18.72 lakh RuPay Kisan Credit Cards, a fully enabled, inter - operable electronic card to the agricultural borrowers. Co-operative Banks are also joining the effort and 43 Co-operative Banks, have issued 1.72 lakh RuPay KCC, to their agricultural borrowers as on 31.03.2015, who are new to electronic banking.

Tribal Development: The Tribal Development Fund (TDF) created by us in 2003-04 with a corpus of ₹ 50 crore has encouraged hundreds of successful projects in remote tribal areas. Today, the programme is being implemented by about 350 Project Implementation Agencies comprising NGOs, corporates through their CSR wings, Krishi Vigyan Kendras, State and Central Government departments, etc. Since inception, 610 projects have been sanctioned covering 4.73 lakh tribal families with a financial commitment of ₹ 1,010.22 crore has been disbursed as of March 31, 2015.

Umbrella Programme on Natural Resource Management: We, in collaboration with KfW and GIZ, two Germany-based funding partners, are implementing the Umbrella Programme on Natural Resource Management (UPNRM) since 2009. The programme aims to improve livelihoods in rural areas by promoting and funding sustainable use, management and conservation of natural resources. An assistance of ₹ 50 crore was sanctioned during 2014-15 taking the cumulative sanction to ₹ 525 crore, at the end of March 2015.

Watershed Development: The Watershed Development Fund that was set up during 1999-2000 with an initial corpus of ₹ 200 crore by GoI and NABARD in equal proportion has been augmented over the years by us by way of interest differential earned under RIDF and interest accrued on the unutilised portion of the Fund. It today stands at 1084.94 crore (31 March 2015) and has helped in establishing 821

watershed projects in 18 States with 783 of these having been completed successfully. The cumulative sanction under all our watershed programmes stands at an impressive ₹ 1678.39 crore, covering an area of 17.88 lakh Ha.

Convergence of CSR funds of corporate bodies with developmental interventions of NABARD:

Keeping in view the objectives of our NRM projects and their phenomenal impact on the community development, some CSR outfits and Foundations have partnered with us through financial participation. As on 31 March 2015, 96 projects are under implementation with total financial outlay of ₹ 12,365 lakh under co-funding arrangements with 18 Foundation of major corporate houses like TATA Trusts, LUPIN Foundations, Bajaj Foundation, Jindal, BALCO, Ambuja Cements, ITC, Hindustan Unilever Ltd., JSW Steel Ltd. etc. We are looking forward to more of such pro-active engagements which allow corporates to play a more significant role in nation building.

Institutional Development: We have been associated with the improvement of the health of rural financial institutions for over 30 years. From capacity building programmes to working on Development Action Plans to conducting Organization Development Initiatives, we have consistently undertaken a host of initiatives that are bank specific. We were also entrusted with the responsibility of implementing the scheme for revival of the 23 unlicensed DCCBs functioning in 4 states announced in 2014-15. Alongside, we have had a pro-active engagement with Regional Rural Banks on both credit and non-credit fronts.

Financial Inclusion: Financial inclusion has been our primary corporate goals since our inception and we have pursued that goal through many channels and projects. The Financial Inclusion Fund (FIF) and Financial Inclusion Technology Fund (FITF) set up in NABARD by GoI have given shape to hundreds of developmental and promotional interventions to secure greater financial inclusion and support suitable technology and innovations. Cumulative sanctions under these two funds were ₹ 706.37 crore and 509.76 crore, respectively as on 31st March 2015.

CBS For Cooperatives: We have played the role of an advisor and facilitator in implementation of Core Banking Solutions (CBS) in Cooperative Banks under "NABARD initiated Project on CBS" to enable the Cooperatives to migrate to CBS. The essential, overarching objective is to help them participate in the payment system through RTGS/NEFT and also to provide the facility of Anytime, Anywhere Banking to their customers. As a result of our continued efforts in association with these banks, 378 have completed CBS in all their branches out of 379 licensed Cooperative Banks. Of the 378 banks, 201 with 6,953 branches have completed CBS with Application Service Provider (ASP) model of NABARD and 178 Cooperative Banks have initiated CBS on their own, out of which 177 Banks have completed it.

Micro Finance Sector: We launched the Self-Help Group (SHG) Bank Linkage Programme in 1992 with a target of linking 500 SHGs in a year's time which eventually transformed into the world's largest micro-finance programme with a phenomenal outreach of over 95 million poor rural households. During 2014-15, itself we helped in the formation of over 4.50 lakh SHGs and credit linkage of over 11.00 lakh SHGs. We see this model of community development as a sustainable method of tackling Left Wing Extremism affected backward districts in the country scaling up SHG promotion activities in 150 affected districts. Alongside we have also launched an ambitious pilot for digitisation of SHGs in 2 districts i.e. Ramgarh (Jharkhand) and Dhule (Maharashtra) in tune with Hon'ble Prime Minister's vision for Digital India. We propose to extend the pilot and cover ten districts in ten states of the country. Under the project, complete data of all the SHGs will be hosted on a dedicated website which will benefit banks in taking informed decisions on the credit needs of SHGs.

Skill Development: The capacity development measures initiated by NABARD have covered 29500 skill and entrepreneurship development programmes, in association with our partner agencies, with grant assistance of ₹ 107.82 crore covering over 7.50 lakh unemployed rural youth in the country, till date.

Cluster Development: Cluster Development Programme envisages comprehensive strategy to increase the income and improve the standard of living of the artisans through various planned interventions. NABARD has supported 119 clusters in 110 districts across 22 States with a total grant support of ₹ 21.45 crore.

Marketing initiatives: During 2014-15, we ensured rural

artisans and producers participation in 211 exhibitions in different parts of the country with financial assistance of ₹ 3.47 crore. A new generation initiative in this sphere is providing support for development of two e-portals viz., "shilpihaat.com" and "ekraftsindia.com" which have commenced functioning through pilot mode showcasing 500 products of artisan groups supported by NABARD, comprising handicrafts, jewelry and handloom sectors.

Encouraging Rural Innovations: The Rural Innovations Fund (RIF) was set up in 2005-06 in collaboration with Swiss Agency for Development and Cooperation (SDC). A total of 687 projects have been sanctioned for rural innovation with a total commitment of ₹ 72.96 crore as on 31 March 2015. Taking our involvement further, we set up a dedicated fund called "Off-Farm Sector Promotion Fund" (OFSPF) by merging the balances outstanding under RIF and Rural Promotion Fund (RPF) as on 30 Sep 2014 with the flexibility to support innovative, risk friendly, unconventional experiments in farm, non-farm, micro-finance sector and other promotional programs that would enhance livelihood opportunities and employment in rural areas. Grant assistance of ₹ 12.44 crore was provided for various projects/interventions, innovations under OFSPF during 2014-15. Our efforts were lauded by the President of India himself in the Round Table Discussion on Nurturing and Financing Innovations organized on 13th March, 2015 in the Rashtrapati Bhavan.

Research & Development Initiatives: Our ₹ 50 crore Research and Development (R&D) Fund acquires new insights into the problems of agricultural and rural development through in-depth studies and applied research and trying out innovative approaches backed up by technical and economic studies. During 2014-15, we introduced the 'Scheme of Sponsored Research' on four broad themes i.e. 'Rural Infrastructure', 'Rural Services Sector', 'Agri Value Chain' and 'Natural Resource Management'. We have also established Chair Units in Indian Institute of Management, Ahmedabad, Institute of Rural Management, Anand and Xavier University, Bhubaneswar.

Green Initiatives: We have been accredited by the Adaptation Fund Board (AFB) of UNFCCC as National Implementing Entity in India as per the "Operational policies and guidelines for parties to access resources from the AFB" which has been set up under the directives of Kyoto Protocol. AFB has sanctioned 3 project proposals of \$5.0 million. These projects would help develop climate change resilient livelihood systems for the communities in Andhra Pradesh, Madhya Pradesh & West Bengal. We have been considered by MoEF & CC, GoI to act as National Implementing Entity under National Adaptation Fund for Climate Change (NAFCC) announced in the Union Budget while our application for accreditation to Green Climate Fund (GCF) is in an advanced stage.

Our Supervisory Functions:

We undertake statutory inspections of 33 State Co-operative Banks, 371 District Central Cooperative Banks and 56 Regional Rural Banks and voluntary inspections of 20 State Cooperative Agriculture and Rural Development Banks besides select apex noncredit cooperatives. We also undertake off-site surveillance of the Co-operative Banks and RRBs and issue appropriate warning signals to enable the banks to take corrective measures. We constituted a professional Board of Supervision as an Advisory Committee to the Board of Directors of NABARD to provide guidance and suggestions on policies and matters relating to supervision. During 2014-15, we conducted 238 inspections. As a major improvement to our supervisory function this year, we have launched a new Web Based Portal "ENSURE" that enables online submission of information/data by our supervised entities.

Our Subsidiaries

We have so far floated four Subsidiaries i.e. NABARD Financial Services (NABFINS) Bengaluru, Agri Business Finance (AP) Ltd. (ABFL) Hyderabad, NABKISAN Financial Ltd. Chennai and NABARD Consultancy Services (NABCONS) Mumbai.



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