

The National Bank for Agricultural and Rural Development (NABARD) Act, 1981: A Significant Effort towards Socio-Economic Development in Rural India

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Abstract

NABARD has been established as a unique institution in India under the National Bank for Agriculture and Rural Development Act, 1981, which combines the roles of a central bank, a development agency, a financial institution, an infrastructure funding agency, a microfinance institution, a planning board and an apex-level policy maker. NABARD has taken various initiatives toward Sustainable Development Goals (SDGs), poverty alleviation and inclusive growth through increasing agricultural production, rural employment and Self Help Group (SHG)-Bank Linkage Programme. The establishment and participation of NABARD has been serving various fruitful purposes at the grass-root level which includes enhancing the health of the rural credit delivery system and strengthening the same since its inception.

Keywords: *NABARD, Sustainable Development Goals, Rural Credit Delivery System*

1. Introduction

“If we can come up with a system which allows everybody access to credit while ensuring excellent repayment- I can give you a guarantee that poverty will not last long”-

Prof. Dr. Muhammand Yunus

The Statement of Object of the National Bank for Agricultural and Rural Development (NABARD) Act, 1981 states that:

“An Act to establish a development bank to be known as the National Bank for Agriculture and Rural Development 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

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development and securing prosperity of rural areas, and for matters connected therewith or incidental thereto”².

NABARD has built itself up into a unique institution in this world under the National Bank for Agricultural and Rural Development Act, 1981, which combines the roles of a central bank, a development agency, a financial institution, an infrastructure funding agency, a microfinance institution, a planning board and an apex-level policy maker. It also plays an important role in grass-roots level credit planning and monitoring through its district presence³. The prime objective of NABARD is to promote the health and strength of rural credit delivery system through supporting the institutional credit sources i.e. Commercial Banks, Regional Rural Banks and Cooperatives. The establishment of NABARD is in consonance with the Constitution of India where under the Preamble it is clearly mentioned the purpose to secure justice in the name of Social, Economic and Political have been enumerated⁴.

2. Research Methodology

2.1 Objective of the study

- i) To understand the status of credit facilities provided by NABARD to the rural population.
- ii) To study various initiatives of NABARD toward Sustainable Development Goals (SDGs), poverty alleviation and inclusive growth through increasing agricultural production and rural employment.
- iii) To understand the role of NABARD in promoting Self-Help Groups (SHGs) through SHG-Bank Linkage Programme (SHG-BLP).

2.2 Methodology

The study is confined to the NABARD and Reserve Bank of India (RBI) literature. The study makes use of secondary data related to institutional credit in India. The data is collected from the documents published by NABARD, RBI and other websites and published documents. For analysis, I have collected data from above mentioned sources since inception of NABARD.

² The National Bank for Agriculture and Rural Development Act, 1981 [https://www.nabard.org/auth/writereaddata/tender/0307180838 Nabard Act 1981.pdf](https://www.nabard.org/auth/writereaddata/tender/0307180838%20Nabard%20Act%201981.pdf) (Accessed on 06.01.2020 at 1.47 P M)

³ P. S. Rao, NABARD and RBI- A 30-year legacy being upturned, *Economic & Political Weekly*, Vol XLVII, No. 38, September 22, 2012.

⁴ Preamble to Constitution of India, P M Bakshi, *The Constitution of India*, Universal Law Publishing Co. Pvt. Ltd. 5th Edn. 2003, Pp. 1.

2.3 Limitation of the Study

- i) This study is limited to NABARD and cannot be generalised.

3. Genesis of NABARD

At first the Agricultural Finance Committee (Gadgil Committee 1945) suggested that an autonomous public corporation should be established for agricultural credit, but All-India Rural Credit Survey Committee (1951-54) disfavoured the idea of such corporation⁵. The Agricultural Refinance Corporation was set up in 1963 and again the idea of National Agricultural Bank was received by the Mirdha Committee on cooperation in 1965 to establish a National Cooperative Bank which would act as an apex of the cooperative structure of credit in the country⁶. Once again the proposal has been rejected by the All-India Rural Credit Review Committee in 1969⁷.

The Banking Commission of 1972 advised to combine the Agricultural Refinance and Development Corporation (ARDC) and Agricultural Finance Corporation (AFC) to outline a new institution within the RBI regime. In 1976 the National Commission on Agriculture encouraged the RBI to step forward with its primary role to “integrating the total structure for financing agriculture and rural development from ground level upwards right upto the creation of an Agriculture Development Bank of India as the apex organization”⁸.

After recommendation of the National Commission on Agriculture, RBI appointed a Committee to Review arrangement for Institutional Credit for Agricultural and Rural Development (CRAFICARD) in 1979. The prime objective of the committee was to evaluate the structure and operations of ARDC under the circumstances of an increasing need of institutional credit at national, state, district and village levels.

After a comprehensive analysis of arguments in favour and against the establishment of a National Bank for agriculture, the committee found that a new institution which would be equally responsible as the RBI and

⁵ Report of the High Powered Committee on Cooperatives, Ministry of Agriculture, Government of India, May 2009. Pp. 75-76. www.indiaenvironmentportal.org.in/files/hpcc2009new.pdf (Accessed on 14.01.2020 at 9.00 P M)

⁶ Ibid. pp. 85.

⁷ Tapas Kumar Chakrabarty, Rural Income: Some Evidence of Effect of Rural Credit During Last Three Decades, Reserve Bank of India Occasional Papers, Vol. 24, No. 3, Winter 2003, pp. 225-239. <https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/60618.pdf> (Accessed on 14.01.2020 at 9.00 P M)

⁸ CRAFICARD, P. 258. <https://nabard.org/auth/writereaddata/Flipbook/2017/Publication/Nabard-17-CRAFICARD-Sivaraman-Committee-Report/files/assets/common/downloads/publication.pdf> (Accessed on 06.01.2020 at 09.13 P M)

coordinate the entire credit operation that will improve the financial health of the rural India. They also observed that the problem of agricultural credit is correlated with rural development at a large scale. Finally, the committee realized that “An Organizational Device” is much needed to give prior attention to credit problems of agriculture arising out of integrated rural development. Therefore, the committee came to the following conclusions: “Therefore, the committee is convinced that the balance of advantage in the present context lies in setting up a national level bank with close links with the RBI. However, we envisage the role of the RBI as one of spawning, fostering and nurturing the new banks, somewhat in the same manner as the ARDC. We would cast a special responsibility on the RBI to develop the new institution which in our view is a logical step in the organizational evolution of the RBI itself”⁹.

The CRAFTICARD suggested the name for a national level organization as National Bank for Agriculture and Rural Development (NABARD). The prime aim of NABARD was to decentralize the Central Bank’s function for providing all kinds of production and investment credit to agriculture, small-scale industries, artisans, khadi and village industries, handicrafts and other allied economic activities for agricultural and rural development¹⁰. In accordance to the recommendation of the Shivaraman Committee (CRAFTICARD) in March 1979, the National Bank for Agricultural and rural Development (NABARD) was established on 12 July, 1982 as per the NABARD Act 1981.

4. Main Objectives of NABARD

The main objectives which guide the functioning of NABARD are-

- i) To provide refinance to eligible institutions for development activities in rural areas.
- ii) To improve the absorptive capacity of the credit delivery system.
- iii) To coordinate the activities of different agencies engaged in development work at the field level.
- iv) To keep liaison with Government of India, State Governments and RBI and other national level institutions connected with policy formulation¹¹.

⁹ *Ibid.* p. 261.

¹⁰ Mohd. Furqan; Acritical study of organization and management pattern of NABARD- An appraisal; Aligarh Muslim University, 2005. Pp. 79. ir.amu.ac.in/1308/1/T6290.pdf (Accessed on 14.01.2020 at 9.48 P M)

¹¹ *Ibid.* pp. 80-82.

5. Functions of NABARD

NABARD was established as a development bank to perform the following functions-

- i) To serve as an apex financing agency for the institutions providing investment and production credit for promoting various developmental activities in rural areas.
- ii) To take measures towards institution building for improving absorptive capacity of the credit delivery system, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions and training of personnel.
- iii) To co-ordinate rural financing activities of all institutions engaged in developmental work at the field level and liaison with the government of India, the state governments, the Reserve bank of India and other national level institutions concerned with policy formulation.
- iv) To promote research in agriculture and rural development NABARD provides financial support.
- v) To undertake monitoring and evaluation of projects refinanced by it. NABARD's refinance is available to State Co-operative Agricultural and Rural Development Banks (SCARDBs), State Co-operative banks (StCBs), Regional Rural Banks (RRBs), Commercial Banks and financial institutions approved by the Reserve Bank of India¹².

6. Role of NABARD in Rural Financing in India

After independence for the rural people in India to meet their credit need gradually started preferring institutional credit more than non-institutional credit because the institutional credit sources (the Governments, Commercial banks, Co-operatives, NABARD and others) are having organizational attitude, non exploitative nature, following all the rule and regulations and also taking various policies to provide credit for rural masses. On the other side, the Money lenders charged quite high rate of interest which often much above the maximum rate legally prescribed by the state governments and followed all sort of malpractices to exploit the rural people in village India. They also controlled the socio-economic environment in the village India by capturing the rural credit market.

¹² S. K. Mishra and V. K. Puri, Indian Economy-Its development experience, Himalaya Publishing House, 27th & updated edition, 2009, pp. 308.

Table- 1
Relative share of Borrowing of Agricultural Households from different Sources

Sources of Credit	(Per cent)						
	1951	1961	1971	1981	1991	2002	2012
Non-Institutional sources (A)	92.7	81.3	68.3	36.8	30.6	38.9	41
<i>of which</i>							
Money Lenders	69.7	49.2	36.1	16.1	17.5	26.8	31
Institutional agencies(B)	7.3	18.7	31.7	63.2	66.3	61.1	59
<i>of which</i>							
Co-operatives Societies/ Banks	3.3	2.6	22.0	29.8	23.6	30.2	28.9
Commercial Banks	0.9	0.6	2.4	28.8	35.2	26.3	30.7
Unspecified (C)	-----	-----	-----	-----	3.1	-----	-----
Total (A+B+C)	100.0						

Source: All India Debt and Investment Survey and NSSO¹³.

The above table-1 shows the relative share of borrowing of Agricultural Households from different sources. It is found that the share of non-institutional credit sources gradually declined from 92.7 percent in 1951 to 41 percent in 2012. On the other side there was a remarkable growth in institutional finance from 7.3 percent to 59 percent during the same period.

Table- 2
Agency wise Ground Level Credit (GLC) Flow to Agriculture and Allied Sectors

Agency	(Amount in Rs. Crore)	
	2011-12	2018-19 (P)
Commercial Banks	3,68,616	9,49,622
RRBs	54,450	1,51,259
Cooperatives	87,963	1,53,882
Total	5,11,029	12,54,762

Source: NABARD Annual Reports 2011-12¹⁴ and 2018-19. (P)= Provisional.

¹³ www.mospi.gov.in/sites/default/files/publication_reports/KI_70_18.2_19dec14.pdf (Accessed on 14.01.2020 at 9.48 P M)

It is found from the above table-2 that the total amount of Ground Level Credit (GLC) to agriculture and allied sector was Rs. 5,11,029 crore in 2011-12 which increased to Rs. 12,54,762 crore in 2018-19. The said data reveals that in order to provide the institutional credit commercial banks are playing a dominant role with compare to RRBs and Cooperatives.

In the post- nationalisation of banks in India, the institutional credit agencies have been achieved a spectacular progress in terms of the scale and outreach. The Banking Institutions not only act as the observers of their credit but also take an active role in initiating such activities wherever they are not already in operation. The importance of banking institutions in promoting rural development in India and also encouraging the saving of the community, mobilized the deposits of the maturity and liquidity and extended the resources by way of loans for agriculture, industry, transport, commerce and allied activities as well as to the government for various development purposes.

Under the provision of Section 21.(1) of the NABARD Act, 1981¹⁵, NABARD provides refinance, loans and advances through various institutions (i.e. Commercial Banks, Regional Rural Banks, Co-Operative Banks and others) for the purpose of covering both investment and production credit in farm and non-farm activities. NABARD formulates policies for its refinance business (short and long-term credit) and direct business, keeping in mind of promoting national programmes and missions, maintaining regional and inter-sectoral balance, improving health status of the rural financial institutions.

¹⁴ NABARD Annual Reports 2011-12, pp. 81. Available at: https://www.nabard.org/auth/writereaddata/tender/0609161051AR_2012-13_E_fullrr.pdf (Accessed on 21.09.2019 at 07.17 am)

¹⁵ Section 21.(1) of the NABARD Act, 1981. The National Bank may provide by way of refinance, loans and advances, repayable on demand or on the expiry of fixed periods not exceeding eighteen months, [to State cooperative banks, central co-operative banks]1, regional rural banks, or to any financial institution or to any class of financial institutions, which are approved by the Reserve Bank in this behalf, for financing- (i) agricultural operations or the marketing of crops, or (ii) the marketing and distribution of inputs necessary for agriculture or rural development, or (iii) any other activity for the promotion of or in the field of agriculture or rural development, or (iv) bona fide commercial or trade transactions, or (v) the production or marketing activities of artisans or of small-scale industries, industries in the tiny and decentralised sector, village and cottage industries or of those engaged in the field of handicrafts and other rural crafts.

Table- 3

**Agency Wise Disbursement of Short-Term (ST) & Long-Term (LT)
Refinance as on 31st March, 2019 (Amount in Rs. Crore)**

Agency	Purpose	
	Short-Term (ST)	Long-Term (LT)
StCBs	73,143	6,464
RRBs	16,946	13,862
SCBs	--	54,082
NBFCs	--	12,764
SCARDBs	--	1,936
NABARD Subsidiaries	--	1,146
Total	90,089	90,254

Source: NABARD Annual Report, 2018-19¹⁶.

Note: StCBs = State Co-operative Banks, RRBs = Regional Rural Banks, SCBs = Scheduled Commercial Banks, NBFCs = Non Banking Finance Companies, SCARDBs = State Co-operative Agriculture and Rural Development Banks.

It is found from the above table-3, during 2018-19, an amount of Rs. 90,089 crore was disbursed to StCBs (Rs. 73,143 crore) and RRBs (Rs. 16,946 crore) to meet the seasonal credit demand for rural economic activities [i.e. Short Term Seasonal Agricultural Operation (ST—SAO), additional ST-SAO and ST(others)]. On the other hand, NABARD provided Rs. 90,254 crore to different agencies for Long-Term (LT) refinance. The Long-Term (LT) credit has been disbursed for both Agricultural and Non-Farm activities [i.e. Dairy Development, Farm Mechanization, Fisheries, Forestry, Land development, Minor Irrigation, Bio-Gas, Plantation and Horticulture, Rural Housing and SHGs etc.]

In order to achieve Sustainable Development Goals (SDGs), poverty alleviation and inclusive growth, NABARD is taking an active part in various Government of India sponsored programmes and schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri MUDRA Yojana, Pradhan Mantri Awas Yojana (PMAY) and Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) etc.

In addition to this, NABARD established a Tribal Development Fund (TDF) with an initial corpus of Rs. 50 crore out of its profit in the year

¹⁶ NABARD Annual Report 2018-19, pp. 73-77.
[https://www.nabard.org/auth/writereaddata/tender/3107191001NAR 2018-19 \(E\), Web-RGB \(Checked - Final\), 2019.07.29, 0830hrs.pdf](https://www.nabard.org/auth/writereaddata/tender/3107191001NAR 2018-19 (E), Web-RGB (Checked - Final), 2019.07.29, 0830hrs.pdf) (Accessed on 15.10.2019 at 9.41 a.m)

2003-04 for achieving sustainable development of the tribal population. NABARD has taken 748 projects which covered 5.35 lakh families across the country and also sanctioned the amount of Rs. 2,198 crore as on 31st March 2019¹⁷.

7. Role of NABARD in supporting the SHG-Bank Linkage Programme (SHG-BLP)

A Self Help Group (SHG) is a group of 10-20 individual members who by free association come together for a common collective purpose from the same village, community and even marketing neighborhood, who operate on the principle of self-help, solidarity and mutual interest. These people are having same economic and social status at the village level and the Self Help Group (SHG) can be registered or unregistered. The concept of SHG in India was introduced in 1985 and as a result of which a pilot scheme was launched by NABARD in 1992 known as Self Help Group Bank Linkage Programme (SHG-BLP), thus, SHG act as a financial intermediary so as to improve the livelihood and quality of life of the rural poor¹⁸. At the beginning, the SHG-Bank Linkage Programme started with 225 credit linked groups and a loan amount of Rs. 29 Lakh in 1992, but within 3 years 4750 SHG were credit linked with different banks with a loan of Rs. 6.06 crore. The overwhelming success of the pilot led to Reserve bank Of India (RBI) mainstreaming SHG-BLP as normal business activity and finally it become priority lending activity in 1996¹⁹. Self Help Group Bank Linkage Programme (SHG-BLP) was good for both sides. The banks were able to inject a huge amount of credit into the rural market like the low-income households, transactions cost were low and also high repayment rate. On the other hand the SHGs were able to improve their operations with more financing and more credit products become available to them.

The main objective of SHGs is to include the habit of thrift, saving and banking culture to gain economic prosperity through credit. The most important component of SHG is the mobilization and organization of women towards the basic strength of solidarity, informality and collective action. Self Help Group methodology is a novel approach in development of economics and it can create a unique, alternative, need-based credit delivery mechanism by pooling their insufficient resources for catering to their consumption and occupational requirement²⁰. According to Pandit

¹⁷ *Ibid.* Pp. 46-47.

¹⁸ Shruti Agarwal and Dr. O. P. Singh, Role of Self Help Groups in India, Journal of Management and Social Science, Vol. 1, Issue 4, August, 2014. Pp. 4-14.

¹⁹ Status of Micro Finance in India, NABARD 2018-19. https://www.nabard.org/auth/writereaddata/tender/1207192354SMFI_2018-19.pdf (Accessed on 04.01.2020 at 11.12 P.M)

²⁰ Majid Karimzadeh, Ghayoum Nematinia and Masoud Karimzadeh; Role of Self Help Groups through Micro-finance for poverty alleviation and Micro-Entrepreneurship of

Jawaharlal Nehru, the first Prime Minister of India, “*Freedom depends on economic condition even more than political. If women are not economically free and self-earning, she has to depend on her husband or son or father or someone-else and dependents are never free.*”

The SHGs are classified into five categories are as follows-

- i) Model I: SHGs formed and financed by banks.
- ii) Model II: SHGs formed by NGOs and formed agencies but directly financed by banks.
- iii) Model III: SHGs financed by banks using NGOs as financial intermediaries.
- iv) Model IV: NGO guided but self-supported SHGs.
- v) Model V: Completely Self-Supported SHGs²¹.

Table- 4

Progress of SHG-BLP as on 31st March 2019.

Particulars	Number of SHGs (lakh)	Amount (Rs. In Crore)
Savings with banks	100.14	23,325
Loan disbursed	26.98	58,318
Loan outstanding	50.77	87,098
NPA level (%)		5.19
No. of Members (lakh)		122.37
Average loan disbursed per SHG (Rs. In lakh)		2.16

Source: Status of Micro Finance in India, NABARD 2018-19 and Annual Report NABARD 2018-19.

It is found that in the above table-4, the SHG-Bank linkage programme has grown exponentially and reached many a milestone with a total membership of about 1.14 crore groups covering 12.37 crore households across India since inception. The SHG-BLP become the largest microfinance programme in the world with total deposits of Rs. 23,325 crore. As on 31st March 2019, the programme has made an indelible mark on the Indian financial landscape by extending loan disbursement of Rs. 58,318

women; Conference on Inclusive Growth and Microfinance Access, Banaras Hindu University; January 2011.

²¹ R Uma Devi; An evaluative study on the role of Self-Help Groups in Empowering women in India; The International Journal of Management; Vol 2. Issue 1; January 2013.

crore and a loan outstanding of Rs. 87,098 crore. The average loan disbursed per SHG has touched of Rs. 2.16 lakh. It is also seen that the Non Performing Asset (NPA) has reached at 5.19 % is quite remarkable.

7.1 Social impact of SHG-Bank Linkage Programme (SHG-BLP) in India

7.1.1 Employment

Since inception the implementation of SHG-BLP has created 12.34 crore Self-employment opportunities for India through establishing their own micro-enterprises. Another achievement of this program is that NABARD provided a cumulative grant assistance of Rs. 132.91 crore to Women Self-Help Groups (WSHG) till 31st March, 2019 and also cumulatively around 2.10 lakh participants received training and capacity building programme under WSHG fund support.

The women of rural India are economically and socially empowered after creating self help groups among themselves. This empowerment cannot be transformed or delivered it must be self generated and it allow them to take control over their lives.

7.1.2 Decision-making within the Household

The social impact of the SHG program increased involvement in Decision-making, awareness about various programs and organizations, increased access to such organizations, increased expenditure on Health and Marriage events, there is a Change in the attitude of male members of the families, now they are convinced about the concept of SHG and encourage women to participate in the meetings and women reported that they have savings in their name and it gives them confidence and increased self respect. Within family the respect and status of women has increased. Children Education has improved significantly. Especially girl education was very low but now SHG members are sending their children including girls to school. The Sanitation in

Members' households have improved and it has led to better health in members' families. Now women are taking treatment from qualified doctors, even if they have to travel to nearby towns. Members are now confident enough to raise social status²².

²² A Sundaram, Impact of Self-Help Group in Socio-economic development of India, IOSR Journal of Humanities and Social Science (JHSS), Vol. 5, Issue 1 , Nov-Dec 2012, pp.20-27.
<https://pdfs.semanticscholar.org/f27e/e7d81e6bb4c88582ebd28665e31ca5b8b70b.pdf>.
(Accessed on 11.01.2020. at 01.08 P M).

7.1.3 Participation in Local Government

Because of SHG, women know about their local political institutions such as the Gram Panchayats and have better knowledge of where to report certain types of grievances. As part of the political empowerment process, it is a pertinent fact that many women have not only been elected to the Grama Panchayats but have become the role holders too.

In a majority of the cases, the women perceived themselves as now having some influence over decisions in the political life of village, and in a smaller number of cases, the women named their participation and influence in village political life as an important and note-worthy change. However, in general, the opportunities available to the women to participate in village life were limited, as most of the village processes were still being male-dominated and patriarchal. Though the SHGs generate positive impact on the rural economy through empowering women and enhancing the rural income of those participant households, the issue of group size has been of long standing concern²³.

7.1.4 Social Justice

Social justice is the presence of moral and ethical conduct in areas that are historically typified with backward and abusive customs. There have been several occurrences of SHGs resolving disputes between members and the community at large. These instances include initiating legal action, arbitration, divorce and others. While there have long been dispute resolution mechanisms in villages, in the past it was controlled by men. Now, there are instances of women, SHG members, being involved in resolving disputes. Whether or not the women are working for their own interests or in the case for justice varies, regardless SHGs' impact on the political arena is certainly being seen also in social justice, albeit in a slow and evolutionary²⁴.

7.1.5 Change in Family Violence with increase in self confidence among Members

The SHG helped to improve members' talent, leadership qualities and status in their family. They are getting more knowledge about banking and government activities which feel them more confident and find respect in their own villages. The family members changed their attitudes towards them after the financial support to their family. In several times the women group members revealed that involvement with SHG reduced the family violence due to their economic improvement.

²³ *Ibid.* pp. 20-27

²⁴ C S Reddy and Sandeep Manak; Self-Help Groups: A keystone of Microfinance in India- Women empowerment & social security; Mahila Abhivruddhi Society, Andhra Pradesh; October 2005.

7.1.6 Financial Inclusion and Social Security drive in E- Shakti Project

NABARD launched “E-Shakti” a pilot project for digitization of SHG in March 2015 in Ramgarh district (Jharkhand) and Dhule district (Maharashtra). The prime objective of E-Shakti is to capture the demographic and financial profile of the SHG as well as their members, so as to provide them all sort of financial services along with increasing the bankers’ comfort in credit appraisal and linkage. During January to March 2019, NABARD initiated a large scale financial inclusion and social security drive among SHG in the 100 districts under E-Shakti Projects to accelerate the opening of savings or Jan Dhan accounts, maximize enrolments into Atal Pension Yojana and other micro-pension policies, and increase subscriptions to micro insurance schemes like Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana. As a result, 3.82 lakh fresh accounts were opened and cumulative details of 9.96 lakh accounts were captured under E-Shakti projects. It is also found that 47.91 lakh members were captured under E-Shakti Projects, 21.37 lakh i.e. 44.60 % of the total held Jan Dhan or other savings bank accounts, 2.60 lakh i.e. 5.43 % of the total were enrolled into micro-pension plans, 9.29 lakh i.e. 19.38 % of the total had life insurance and 12.57 lakh i.e. 26.23 % of the total had health insurance²⁵.

7.1.7 Livelihood and Enterprise Development Programme (LEDP)

One of the goals of the SHG-Bank linkage programme (SHG-BLP) is to generate income and alleviate poverty through livelihoods. With a view to creating sustainable livelihoods among SHG members and to create maximum impact of skill upgradation with hand holding and credit linkages the Livelihood and Enterprise Development Programme (LEDP) was launched by NABARD in December 2015²⁶. Around 61,000 SHG members were supported for setting up livelihoods through 532 LEDPs up to 31st March 2019²⁷.

8. Conclusion

From the above analysis it is observed that credit is an indispensable input for the agricultural and rural development process. The farmers require credit for capital investment as well as working capital for effective change in scale of production and technology. In this regard, the establishment and

²⁵ NABARD Annual Report 2018-19. Pp. 52.

²⁶ NABARD Annual Report 2015-16. Pp. 87. Available at: <https://www.nabard.org/auth/writereaddata/tender/0609160550Annual-Report-2016.pdf> (Accessed on 21.09.2019 at 06.48 am)

²⁷ NABARD Annual Report 2018-19. Pp. 54. [https://www.nabard.org/auth/writereaddata/tender/3107191001NAR 2018-19 \(E\), Web-RGB \(Checked - Final\), 2019.07.29, 0830hrs.pdf](https://www.nabard.org/auth/writereaddata/tender/3107191001NAR 2018-19 (E), Web-RGB (Checked - Final), 2019.07.29, 0830hrs.pdf) (Accessed on 15.10.2019 at 9.41 a.m)

participation of NABARD in agricultural financing has quantitatively and qualitatively improved the institutional credit delivery system in India.

Majority of the population of India concentrated in rural areas and they are suffering from poverty, unemployment and socio-economic inequalities. The above study revealed that NABARD is a historical landmark to achieve Sustainable Development Goals (SDGs) through generating employment opportunities and taking various poverty alleviation programmes with help of Government of India. NABARD is also taking active role to improve the rural infrastructure through Rural Infrastructure Development Fund (RIDF).

With an aim to provide adequate refinance support to Commercial banks, Regional Rural banks and Cooperatives, NABARD act as a perfect liaison with the government of India, the state governments, the Reserve bank of India (RBI) and other national level institutions concerned with policy formulation.

In order to give focus to rural masses, the microfinance of NABARD has remarkable success and emerged as one of the largest microfinance programmes in the world through its SHG-Bank Linkage Programme (SHG-BLP). Around 1.14 crore SHGs are getting financing and training support through SHG-BLP as on 31st March 2019. It is clearly playing a central role in the social lives of the poor specially the rural women. It changed the social status and standard of living of rural women through the economic independence.

Finally to conclude, the overall performance of NABARD can be said as satisfactory to achieve its aims and objectives. The NABARD also acted as an apex institution of institutional credit as well as development institution for agricultural and rural development in true sense. Henceforth it can be said that the establishment of NABARD served a fruitful purpose, the benefit of which is available to the people of our country in accordance with the main goal that was to be achieved as per the requirement of the Preamble of the Constitution of India