

National Bank for Agriculture and Rural Development (NABARD)

NABARD is the acronym for India's apex development bank, which is the National Bank for Agriculture and Rural Development. With headquarters in Mumbai, NABARD has branches across India. This is an important topic in the section of Indian Economy as well as Indian Polity of the [USPC Syllabus](#).

What is NABARD?

In the year 1982, CRAFTCARD or the Committee to Review Arrangements of Institutional Credit for Agriculture and Rural Development recommended the establishment of a developmental bank and accordingly, NABARD was set up.

It was formed by a special parliamentary act. The chief focus of the organisation was the advancement of rural India by enhancing the flow of credit for the upliftment of agriculture as well as the rural non-agricultural sector.



Functions of NABARD

The functions of NABARD are described below.

- In order to build an empowered and financially inclusive rural India, NABARD has specific departments that work towards the desired goals. These departments can be collectively categorized into three major units:
 - Financial
 - Developmental
 - Supervision
- The financial support necessary to build rural infrastructure is provided by NABARD.
- Preparation of district-level credit plans by NABARD are used to guide and motivate the banking industry to achieve required targets.
- NABARD also supervises the Regional Rural Banks (RRBs) and Cooperative Banks along with developing their banking practices and integrating them to the Core Banking Solution (CBS) platform.
 - **What is CBS platform?**
 - Core Banking Solution (CBS) is a networking of branches, which enables customers to operate their accounts, and avail banking services from any branch of the Bank on the CBS network, regardless of where he maintains his account. The customer is no longer the customer of a Branch. He becomes the Bank's Customer.
- NABARD also helps handicraft artisans sell their products by training and providing a marketing platform for them.
- NABARD has partnered with various leading global organisations and institutions affiliated to the World Bank that have played a role in transforming agriculture.
 - It offers advisory services and financial assistance provided by these international partners help in consultation with rural development and other agricultural practices.

Important Contributions of NABARD

NABARD contributions	
Kisan Credit Card Scheme:	RuPay Kisan Cards:

- | | |
|---|---|
| <ul style="list-style-type: none">• This scheme was introduced in 1998 in association with RBI to provide crop loans. | <ul style="list-style-type: none">• All farmer clients were provided with RuPay cards trying to bring a technological change in the rural financial sector. |
|---|---|

UPSC questions related to NABARD

What is NABARD and its functions?

- NABARD is the acronym for the National Bank for Agriculture and Rural Development.
- It is an apex financial institution in India that provides rural and agricultural financing.

Is NABARD under RBI?

- The Reserve Bank of India divested its entire stake in the National Bank for Agriculture and Rural Development (NABARD) and National Housing Bank (NHB).
- With this divestment, the Government of India holds 100% stake in both of these financial institutions.

Related Links:

Pradhan Mantri Jan-Dhan Yojana	National AYUSH Mission
Pradhan Mantri Fasal Bima Yojana (PMFBY)	National Rural Health Mission
IAS 2020	NCERT Books PDFs For UPSC