

## AN ANALYSIS OF NABARD ACTIVITIES IN THE STATE OF J & K

**\*Dr. Darakhshan Anjum**

**\*Asst Professor, Baba Ghulam Shah Badshah University, Rajouri, Jammu & Kashmir, India.**

### **Abstract**

The Eighth Five Year Plan witnessed deceleration in public investment in agriculture and rural infrastructure. The lack of investment in infrastructure for agriculture resulted in incomplete projects for lack of resources. In this backdrop, RIDF was created in 1995-96 to support infrastructure development in the rural sector. Rural infrastructure facilities within its ambit economic and social infrastructure for the purpose of creation of new economic activities, generate additional employment and income, facilitate and improve delivery in rural areas. This paper provides a complete look about sector-wise amount sanctioned under RIDF Projects, Agency wise Bank loan disbursed to SHGs and Outstanding against SHGs, Progress under SHGs Banks Linkage Programme in Jammu and Kashmir State, and Agency wise position of Farmers' Clubs in Jammu and Kashmir.

*Keywords : Agency wise, Infrastructure, Jammu & Kashmir, Loan, Programme, Self Help Groups.*

**Introduction:**

National Bank for Agriculture and Rural Development (NABARD) has been supporting Rural Infrastructure Development in the State of Jammu and Kashmir, since the creation of RIDF in 1995-96.

**Objectives of the study:**

The focus of the study is on the following objectives:

- i) To review the sector wise amount sanctioned under RIDF Projects in J& K.
- ii) To review the agency wise bank loan disbursed to SHGs in J&K.
- iii) To study the outstanding against SHGs in J&K.
- iv) To study the agency wise position of Farmers' Clubs in J&K.

**Methodology Adopted:**

Significant part of the study depends on secondary sources. But information has also been obtained from primary sources which include interviews, comments, observations, opinion, notes, etc. of the persons concerned with the National Bank for Agriculture and Rural Development (NABARD). The primary information was also gathered through discussion with persons in NABARD, District Industries centre (DIC), DSEO, Chief Agriculture office, ACD Office. Materials for the present study were collected from the published records available in the library of Baba Ghulam Shah Badshah University, Rajouri, J&K, DSEO, District Industries Centre, Rajouri, various

Economic survey, magazines, journals, annual reports and periodicals, have also been gone through to derive information pertaining to the present study.

### **Limitations of the Study:**

Nothing is perfect so is this study. The present study suffers from certain limitations. The study is based on the information from secondary source which reduce the degree of reliability. However, attempt has been made to collect maximum information from the official record of NABARD and J&K in particular on the various aspects of the study. Most of the departments neither publish the information nor do they allow the outsiders an access to their records, internal workings etc. on the pretext of maintaining secrecy. This restricts the data availability. It was difficult to collect all the necessary data from grass-root level.

### **NABARD'S Interventions for Rural Infrastructure in the State**

Jammu and Kashmir State has been sanctioned loan for projects under rural roads, rural bridges, minor irrigation, soil conservation, watershed development, schools, rural drinking water supply etc. Since 1995-96, the interventions of NABARD for rural infrastructure development in the State have been as follows :

Table No.1

## Sector-wise Amount Sanctioned under RIDF Projects in J&amp;K

(Rs. in Lakh)

Sector – wise Projects	No. of projects	Amount Sanctioned	Benefits of the Project
Roads	1368	210232.64	10798.70
Bridges	144	15034.03	-
Irrigation	321	26739.69	71048 ha
Soil Conservation (Flood Protection)	47	7129.86	14933 ha
Watershed Development	3	70.33	-
Schools	1860	3183.56	66000 students
Rural Drinking Water	176	14036.94	1006292 people
Seed Farm, Healthcare, Farm Development etc.	163	19176.52	24.48 lakh people
Total	4082	295603.57	

Source : Govt. of J&K, Economic survey 2009-10, Directorate of Economic & Statistics, p 125.

### Financial Inclusion:

As per 2001 census, the total population of Jammu and Kashmir State is 10143700, out of which 75% is rural population. Although there are 1241 bank branches operating in the State as on 30 September 2009, with a network of 659 rural branches, a large chunk of rural population still remains unbanked i.e the outreach of banking services to these people has remained limited. As on 30th September 2009, the number of loan accounts in the State was only 68589 against the target of 182854 accounts.

As per the NSSO data, the number of formally excluded cultivator households in Jammu and Kashmir State is 916200 and the State comes under the category of 51% to 75% exclusion.

Out of 22 Districts in the State of Jammu and Kashmir, Financial Inclusion is being implemented in two districts of Pulwama and Samba. Pulwama was adopted as first district to be covered under Financial Inclusion in the year 2006-07 by SLBC and Samba in the year 2007-08 by the State Bank of India being the Lead Bank.

### **Steps taken by NABARD Jammu and Kashmir Regional Office:**

- The guidelines on Financial Inclusion Fund and Financial Inclusion Technology Fund have been forwarded to all the Cooperative Banks, RRBs and CBs with a request to cover all districts under financial inclusion.
- Banks have been requested to issue necessary instructions to all branches to ensure at least 250 new rural households accounts are added every year to the existing numbers.
- Regional office also organized State Level Workshops to create awareness about utilization of Financial Inclusion Fund (FIF) and Financial Inclusion Technology Fund (FITF).
- SLBC convener has been requested to include financial inclusion as regular agenda item in SLBC, DCC and BLBC meetings.
- DDMs and DDOs of NABARD have been advised to ensure that financial inclusion is discussed in all the bankers' meetings in the districts.

## SHGs – Bank Linkage Programme:

The SHGs-Bank Linkage Programme launched by NABARD is an important strategy in promoting financial inclusion and inclusive growth. The programme has resulted in SHGs being credit linked.

### Progress under Micro Finance in Jammu and Kashmir

Table No.2

Agency wise Bank Loan Disbursed to SHGs in J&K

Agency	Bank Loan Disbursed to SHGs during 01April to 31March, 2009 (including Repeated Loans)			
	No. of SHGs		Amount	
	Total	Out of which under SGSY	Total	Out of which under SGSY
Commercial Banks	398	249	250.00	177.17
RRBs	119	104	114.03	104.19
Cooperatives Banks	161	129	181.02	76.42
Urban Cooperatives Banks	0	0	0.00	0
Total	678	482	545.05	357.78

Source : Economic survey 2009-10, Directorate of Economic and Statistics, J & K, p 127.

Table No.3

## Agency wise Bank Loan Outstanding against SHGs in J&amp;K

Agency	Bank Loan Disbursed to SHGs			
	As on 31March, 2009.			
	No. of SHGs		Amount	
	Total	Out of which under SGSY	Total	Out of which under SGSY
Commercial Banks	1744	629	1107.11	533.23
RRBs	316	253	217.28	199.41
Cooperatives Banks	445	379	254.26	180.32
Urban Cooperatives Banks	0	0	0.00	0.00
Total	2505	1261	1578.65	912.96

Source: Govt. of J&K, Economic survey 2009-10, Directorate of Economic & Statistics, J&K, p 127.

### Initiatives of NABARDS for Expansion of SHGs Programme in Jammu and Kashmir

- NABARD has conducted various SHG orientation / awareness programmes for NGOs, SHG members, bankers and Govt. officials.
- Various Workshops for Bankers and Govt. Departments for SHG bank-linkage have also been conducted.
- Exhibitions for display and sale of products prepared by SHG members are also organized / sponsored by NABARD.
- Capacity building programmes are organized them to set up income generating units.

- Training and capacity building programmes organized for NGOs and Banks to act as Self Help Promoting Institutions.
- Liaisoning with State Govt. to rope in Govt. machinery like ICDS workers for promotion of SHGs.

### Farmers Club Programme :

NABARD introduced the concept of Vikas Volunteer Vahini (VVV) Programme in November 1982 to propagate the philosophy of Development through Credit with the help of a group of farmers organized for the purpose. The programme was later rechristened as Farmers' Club Programme (FCP) in 2005. By end December 2008, NABARD could facilitate formation of 33,000 clubs across 29 States through institutional and other agencies. Agency wise position of Farmers' Clubs as on 31.03.2009 are as follows :

Table No. 4

Agency-wise Position of Farmers' Clubs in J&K

Agency-wise	Number	District	Number
Commercial Banks	44	Jammu	49
RRBs	57	Udhampur	30
Cooperative Banks	19	Kathua	32
		Other Districts	9
<b>Total</b>	120		120

Source:Economic survey 2009-10, Directorate of Economic & Statistics, J&K, p 128.



The mission of Farmers' Club Programme is Development of rural areas through Credit, awareness creation, capacity building and technology transfer. Currently, their role has been enlarged and expanded to enable them to act as business facilitators / business correspondents for banks, formation of Self Help Groups, joint liability groups and producer groups / companies. Federations of Farmers' Clubs undertake community related works, assume the role of a leader and act as NGOs. Any grass-root /other agency including bank branches can form Farmers' Clubs with support from NABARD. NABARD assistance will be available in the form of grant at Rs.10,000 per club per annum for a period of three years.

## **Conclusion**

NABARD has an important role to play in the development of Jammu and Kashmir. It is one of the most important inputs in economic development. NABARD has been termed as the fuel of economic progress and the prime mover of economic growth and development. Finally, the study concludes with the observation that NABARD's activities are playing a pivotal role in the State of Jammu and Kashmir's economic development.

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## Abbreviations and Acronyms

FCP	:	Farmers' Club Programme.
FIF	:	Financial Inclusion Fund.
FITF	:	Financial Inclusion Technology Fund.
J & K	:	Jammu and Kashmir.
NABARD	:	National Bank for Agriculture and Rural Development.
RID	:	Rural Infrastructure Development
VVV	:	Vikas Volunteer Vahini.

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