

**ROLE OF INSTITUTIONAL FINANCING IN RURAL DEVELOPMENT IN
TELANGANA STATE WITH SPECIAL REFERENCE TO NABARD**

Abstract of the Thesis submitted to
OSMANIA UNIVERSITY, HYDERABAD

For the Award of the Degree of
DOCTOR OF PHILOSOPHY
IN
COMMERCE

Submitted by

B. D. Hansraj

Under the guidance of

Prof. A. SUDHAKAR

Professor of Commerce & Director - Academic
Dr. B R Ambedkar Open University



**OSMANIA UNIVERSITY,
HYDERABAD**

October 2018

CONTENTS

	Page No
1. Introduction	3
2. Need and importance of the study	5
3. Objectives of the study	5
4. Hypothesis	6
5. Research Methodology	6
6. Scope of the study	8
7. Period of the study	8
8. Chapterisation	8
9. Findings of the study	9
10. Suggestions	25
11. Conclusion	29
12. Limitations of the study	31
13. Contribution from the research	32
14. Scope for Future research	32

Introduction

The majority of people in rural India have no access to demand-oriented banking services which might help them to improve their economic situation. This is especially true of poorer households, smallholder farmers and women. Cooperative banks and other regionally active banks, as well as credit cooperatives and self-help groups would be able to provide financial services for these population groups. However, such institutions generally have only low operative and innovative capacities. For this reason, the Government of India has charged the National Bank for Agriculture and Rural Development (NABARD) with the implementation of programmes to promote rural finance and financial inclusion.

NABARD is an apex institution which is established by the government of India to provide fund and fee based services to banks & financial institutions, government and rural borrowers for the agriculture and integrated rural development. Its main functions are concerning policy, planning and operations in the field of credit for agriculture and other economic activities in rural development. It is a refinancing agent for the financial institutions providing investment and production credit for promoting the various developmental activities in rural development. It also promotes institution building for improving absorptive capacity of the credit delivery system, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions, training of personnel, etc. It co-ordinates the rural financing activities of all the institutions engaged in developmental work at the field level and maintains liaison with Government of India, State Governments, Reserve Bank of India and other national level institutions concerned with policy formulation. It prepares, on annual basis, rural credit plans for all districts in the country; these plans form the base for annual credit plans of all rural financial institutions. It undertakes monitoring and evaluation of projects refinanced by it. It promotes research in the fields of rural banking, agriculture and rural development.

The growth and good health of rural industries is thus not only crucial for our economy as a whole, but also for protecting the livelihood and well being of a very large section of our people. NABARD provides refinance for crop loans to farmers, avail loan warehouse receipt, marketing of crops, fisheries sector, production and marketing activities of artisans (other than handloom weavers) and village/cottage/tiny sector industries, for financing persons belonging to weaker

section and engaged in trade/business/service activities, The investment credit potential of the state, estimated in the document includes credit for agricultural infrastructure including construction of storage facilities, warehouses, market yards including cold storage units/cold storages chains, land development, watershed structures, ancilliary activities of agro processing units, tissue culture, vermi- composting etc. in agriculture in addition to regular activities like minor irrigation, farm mechanization, horticulture and allied activities of animal husbandry including fisheries. Mission Bhagiratha, telangana state's the flagship programme of aiming to provide piped drinking water to every household in the State. Mission Kakatiya, telangana state's the flagship programme of aiming to repair and rejuvenate 45,000 + irrigation tanks, The activities like desiltation, repairing of damaged sluices and weirs, restoring dilapidated tank bunds, stone revetments and plugging seepages are carried out as part of the Mission. For the sustainable development through organic farming, constructing check dams, awareness and training dissemination of sustainable practices in agriculture, research and training centres for producing natural fertilizers and pesticides, watershed development programme, crop diversification focusing on less water intensive crops and crop varieties, establishing village level agro meteorology centres. To promote important horticulture crops grown in the state include, mango, sweet orange, banana among fruits, tomato, brinjal, bhendi and gourds among vegetables, chillies, turmeric, ginger among spices and oil palm, cashew and coconut in plantation category. Telangana State Micro Irrigation Project, Poly house cultivation, promote Rastriya Krishi Vikas Yojana (RKVY) supports cultivation of hybrid vegetables and pandal cultivation of vegetables, to promote edible oils , Oilseeds and Oil palm, ground nuts, Tiloil, sunflower, soybean oil, rice bran oil, etc. to promote sericulture, Livestock production and agriculture, poultry business, loans to Micro, Small and Medium Enterprises and Rural Infrastructure Development Fund such as roads and bridges, irrigation, drinking water supply, education, animal husbandry, water harvesting, etc.

MSME sector provides livelihood, checks rural urban migration, generates export earnings, and touches upon the lives of the remotest and most marginalized people. There is a need to move from competitive to complementary relationships by making each sector a resource for the other. In this direction, NABARD should move from a Development Finance Institution to become a Development Facilitating and Financing Institution in Rural Sector. To maintain the financial viability of NABARD to serve the people, the Government is required to help the national bank

in view of withdrawal of support from RBI. Moreover there is a need to create more organizations as subsidiaries of NABARD and their support in nurturing the effectiveness of NABARD must be analyzed. Future depends on its core competency and comparative advantages. NABARD and the Government have to set it as their bench mark for the development of rural industries.

Need and importance of the study:

NABARD has completed thirty four years of its existence. It is appropriate to assess its performance. During this span, major developments like liberalization took place in the Indian economy. NABARD provides funds to state and central government for integrated rural development. The study is conducted to check whether Telangana is receiving the appropriate benefits or not. The study also assesses as to which sector is receiving maximum benefit. The study also makes a comparative analysis of the various districts and the benefits that they are receiving from NABARD. It is also essential to study the role of NABARD rural development and development of Telangana state. Telangana happens to be the 31st state formed by the government of India. The State has a well-developed network of Commercial Banks, Regional Rural Banks and Co-operatives. This makes Telangana a suitable area to study the implementation of various programs initiated by NABARD. NABARD has also taken up various projects for balanced development in Telangana state. Hence the roles of NABARD in rural development of Telangana various sector including agriculture and non-agriculture and improve state GDP, output and create employment and regional balanced development in telangana state.

Objectives of the Study

The present study has the following as its objectives:

- i) To analyze the relationship between rural development and institutional financing.
- ii) To study the various schemes of the government aimed at rural development.
- iii) To perform comparative analysis of institutional financing made by NABARD for Ten districts of Telangana

- iv) To perform comparative analysis of institutional financing made by NABARD across different sectors in Telangana.

Hypotheses

1. **Ho-**There is no significant difference in institutional financing made by NABARD in ten districts of Telangana.
2. **Ho-** There is no significant difference in institutional financing made by NABARD for four different sectors.

Research Methodology

Sources of Data

The proposed study will be carried out to assess the Role of Institutional Financing in Rural Development and to analyse the role of NABARD in Rural Development. Therefore the data required will be collected by using secondary sources.

Secondary source of information:

These have been gathered from the following:

➤ Dailies:

- a. Telangana Ttoday
- b. The Hans India
- c. Deccan Chronicle
- d. Business Standard
- e. Economic Times
- f. Financial Express
- g. The Times of India
- h. Hindustan Times
- i. Indian Express
- j. The Pioneer
- k. The Hindu

➤ Published Literatures

- a. Booklets

- b. Brochures
 - c. Catalogues
 - d. Leaflets
 - e. Direct Mails
- **Periodicals and Journals:**
- a. Annual Reports, Profiles, State Focus Papers, Newsletters, and Technical Digest of NABARD
 - b. Annual Reports of Ministry of MSMEs, Economic Survey of India, Statistical records of DGCI&S, and Bulletin and Statistical Diary of RBI
- **Websites:**
- a. <http://www.google.in/>
 - b. <http://www.wikipedia.org/>
 - c. <http://www.books.google.co.in/>
 - d. <https://rural.nic.in/>
 - e. <https://www.telangana.gov.in>
 - f. <http://www.indiabudget.nic.in/>
 - g. <http://www.nabard.org/>
 - h. <http://censusindia.gov.in/>
 - i. <http://niti.gov.in/>
- **Research Works:**
- In addition to the above, a number of published and unpublished dissertation of doctoral research available from the university library, books and journals have been presented in the review of literature.
- **Others:**
- Moreover various reports of Planning Commission, and various studies conducted by Central Government, State Government and NABARD related to the topic have also been referred.

Statistical tools

Various tools like Averages, Percentages, Ratios, t – test and ANOVA, Non-Parametric test - Kendall's W has been used to analyse the role of Institutional Finance on Rural Development with special reference to NABARD.

Scope of the Study

The present study intends to examine The Role of Institutional Financing in Rural Development of Telangana with Special Reference to NABARD. 10 old districts of Telangana were chosen. For this Purpose the Required Data were collected from NABARD Regional Office and SLBC of Telangana.

Period of the Study

The period of the study is eight years spanning 2007 – 2018. However, an attempt will be made to make the study as latest as possible at least at Districts level.

Chapterisation

The study is organized into six chapters.

Chapter I: The Chapter is Introductory in nature covering the need for the study, Review of the literature, Scope and Objective of the study, Sources of data and Statistical tools.

Chapter II: The Chapter outlines the Theoretical framework of Rural Development and Institutional Financing.

Chapter III: The Chapter outlines the Rural Development Schemes in Telangana

Chapter IV : The Chapter presents a Comparative Analysis of Institutional Financing provided by NABARD across the Ten Districts of Telangana.

Chapter V: The Chapter presents a Comparative Analysis of Institutional Financing provided by NABARD across the four different sectors of Telangana.

Chapter VI: The Chapter presents a summary of Findings, Conclusions and Suggestions of the Study.

Findings of the study:

1. The allocation for agriculture in the present budget has been raised by 12.8 percent, which is the same as the last year. The allocation for the rural sector has been increased by only 1.8 percent which is substantially lesser than the 19 percent hike in the previous budget. The increase in the allocation for social sector schemes, which largely benefit the farming population, is 14.5 percent in this budget as compared to 21.4 percent in 2016-17

2. Within the ministry's schemes, the ones that received the maximum rise in allocation from last year are Blue Revolution (113 percent), White Revolution (36 percent), Pradhan Mantri Fasal Bima Yojana (21 percent) and the National Mission on Horticulture (15.8 percent).

3. The allocation for Rashtriya Krishi Vikas Yojana has declined substantially (18 percent) while that of the Integrated Child Development Services (ICDS) has increased marginally (7 percent). The budget has enhanced the food subsidy for Food Corporation of India by almost 35 percent. The allocation towards crop insurance has been enhanced by 21 percent to help stabilise farmer incomes.

4. The Ministry of Rural Development has the third highest ministry-wise allocation in the Union Budget 2018-19, of Rs 1,14,915 crore. This is an increase of Rs 4,041 crore (3.6%) over the revised estimates of 2017-18. In 2018-19, the Department of Rural Development has an allocation of Rs 1,12,404 crore, accounting for 97.8% of the Ministry's allocation.

5. In 2018-19, the Department of Land Resources has an allocation of Rs 2,511 crore, which is 37.1% more than the revised estimates of 2017-18.

6. In 2018-19, the Department of Rural Development has witnessed a 3% increase in funds from revised estimates of 2017-18. In 2017-18, the Department was allocated Rs 1,05,448 crore, which was revised upwards by Rs 3,594 crore in the revised estimates for that year. On the other hand, the Department of Land Resources saw a 37% increase in allocation in 2018-19, from the

revised estimates of 2017-18. In 2017-18, the budgeted expenditure of Rs 2,310 crore was decreased by Rs 478 crore at the revised estimates stage.

7. Over the past 10 years, the allocation to the Department of Rural Development has seen an annual average increase of 7%. Except in 2011-12 and 2012-13, when the allocation was reduced in comparison to the previous year, funds allotted to the Department have seen an increase over the years. In recent years, the highest increase in allocation was seen in 2016-17, when it was 23% in comparison to the previous year.

8. The funds for Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), which account for nearly half of the department's budget, have remained unchanged.

9. The housing scheme, Pradhan Mantri Awaas Yojana- Gramin (PMAY-G) has seen a decrease in allocation by 8.7%. National Rural Livelihoods Mission (NRLM), which aims to provide sustainable livelihood opportunities, has seen an increase of 32.2%. The National Social Assistance Program (NSAP) has seen an increase of 14%, money allocated for the rural roads scheme, Pradhan Mantri Gram Sadak Yojana (PMGSY) has seen an increase of 12.4%.

10. The allocation for Rurban Mission, which aims to develop village clusters into economically and socially sustainable spaces, has been doubled, over the revised estimates of last year, though on a small base. In 2018-19, 49% of the Department's expenditure is estimated to be on the Mahatma Gandhi National Rural Employment Guarantee Scheme. This is followed by the rural component of Pradhan Mantri Awaas Yojana (19%), and Pradhan Mantri Gram Sadak Yojana (17%). Over the years, it has been observed that this split in the department's expenditure has remained the same.

11. In Union Budget 2018-19, Government has decided to fix the minimum support price (MSP) of coming Kharif (summer sown) crops, which include maize, soya bean and pulses, at least one-and-half times the cost of production. MSPs of most of rabi (winter sown) crops have already been raised.

The government will ensure that farmers get MSP even if prices fall, for which, the farmers will be offered at least 50 per cent more than the cost of production and the government is sensitive towards this. The Budget also proposed hiking the agricultural credit target for the next fiscal by Rs 1 lakh crore to a whopping Rs 11 lakh crore.

12. The government will set up fisheries and aqua culture infra fund and animal husbandry infra fund with an outlay of Rs 10,000 crore. 470 mandis (wholesale market) have been electronically linked under e-NAM (National Agriculture Market) programme out of 585 mandis. The remaining will be linked by March 2018. The Budget also doubled the allocation of food processing ministry to Rs 1,400 crore

13. The Gross State Domestic Product (GSDP) of Telangana for 2018-19 (at current prices) is approximately Rs 8,42,631 crore. This is 15% higher than the revised estimate for 2017-18. The state has allocated 10.9 % of its total budget towards agriculture and allied activities. This is higher than the allocations of 18 other states (6.4%). In 2016-17 and 2017-18, spending on agriculture was 5.9% of the total budget. Agriculture, which contributes to 18% of the GSDP, grew by 6% in 2017-18. Industries, with a share of 16%, grew by 6.1% in 2017-18.

14. Investment support of Rs 4,000 per acre per crop for two crops will be provided to every farmer. Rs 12,000 crore is allocated for this purpose. Rs 1,800 crore allocated for Mission Bhagiratha scheme. Rs 6,104 crore allocated for Kaleswaram project . Rs 667 crore allocated for Pradhan Mantri Gram Sadak Yojana, this is 30% less than the revised estimate in 2017-18. Rs 1,500 crore allocated for National Rural Employment Guarantee Scheme. This is 46% less than the revised estimate in 2017-18. Rs 552 crore allocated for promotion of farm equipment . Rs 127 crore allocated for micro-irrigation. Rs 193 crore allocated for Pradhan Mantri Krishi Sinchayi Yojana. Rs 120 crore allocated for polyhouse and greenhouse cultivation.

15. Rhythu Bhima Pathakam, a farmer group insurance will be launched to provide life insurance cover of Rs five lakh. Rs 500 crore is allocated for this purpose.

16. Telangana has allocated 4.6% of its expenditure on rural development. This is lower than the average (5.6%) of the 18 other states. Further, the share of expenditure on rural development has decreased from 5.8% in 2016-17 to 4.6% in 2018-19.

17. NABARD that provides credit for agriculture and allied sector activities, natural resources management, climate change, etc., has agreed to release Rs 1,000 crore loan to Telangana government's flagship programme "Mission Kakatiya" (MK) for restoration of minor irrigation tanks with community participation.

18. NABARD had already provided a loan of Rs 725 crore to MK, and would now extend another Rs 1,000 crore in phases. The programme with a tentative cost of Rs 20,000 crore, more than 46,000 tanks are aimed to be restored in phases. Already, 8,000 tanks have been rejuvenated at a cost of Rs 1,600 crore.

19. Telangana government has also approached the Union Finance Ministry to release an amount of Rs 5,000 crore to the state as central assistance under RRR (repair, renovation and restoration of water bodies) of Ministry of Water Resources, River Development and Ganga Rejuvenation for implementation of MK. Ministry of Finance would release the said amount of Rs 5,000 crore as central assistance in a period of three years. In addition, the government has been encouraging people to adopt tanks or donate in their villages for their protection, beautification and maintenance. Telangana NRIs are coming forward to adopt a tank or donate in their respective villages. So far, Rs 17.09 crore has been raised as donations from NRIs, Telangana citizens, employees and industries among others, and 30 tanks have been earmarked for adoption.

20. NABARD has been implementing several programmes for farm, non-farm and micro finance sectors. The efforts of NABARD for the financial inclusion in rural areas are most creditworthy in this respect. NABARD's farm projects are greening the farm sector at the same time non-farm projects are supporting the non-farm activities. Micro finance and financial inclusion projects are linking the rural poor households with the formal organized financial system. Recognizing the promising and potential nature of NFS in generating employment and income in rural areas, Central Government, State Governments, Voluntary Associations, NGOs, other Developmental agencies and NABARD are sincerely working for the upliftment of rural industries.

21. NABARD provides refinance at concessional rate of interest i.e. @4.5% p.a. to State Cooperative Bank and Regional Rural Banks to ensure timely availability of crop loans to farmers for such activities which are undertaken in the process of raising various crops and are seasonally recurring in nature.
22. NABARD provides refinance under Post harvest loans to small and marginal farmers against Negotiable Warehouse Receipts (NWR) in order to discourage distress sale and to facilitate better price realization, small and marginal farmers are being encouraged to store their produce in warehouses and avail loan against NWR. Govt. of India had introduced a scheme to extend the benefit of interest subvention to banks so as to enable them to finance small and marginal farmers having KCC for a period of up to six months during the post harvest period at the same concessional rate of interest of 7% as applicable to crop loans. Refinance from NABARD is available to Cooperative Banks and Regional Rural Banks at interest rate of 4.5% p.a. with provision of 2% GoI interest subvention, for a period of 06 months.
23. NABARD provides refinance to RRBs and State Cooperative Bank/DCCBs for financing marketing of crops, fisheries sector, production and marketing activities of artisans (other than handloom weavers) and village/cottage/tiny sector industries, for financing persons belonging to weaker section and engaged in trade/business/service activities including distribution of inputs for agriculture and allied activities.
24. NABARD provides refinance is based on the estimated gross cropped area of the state, the crops grown, the ratio of small, marginal and other farmers and trends in off take of credit as also, keeping in view the programmes of GoI and the various plans of the State Govt. and special initiatives of NABARD, the potential for credit support assessed for Crop Production, Maintenance and Marketing for the year 2018-19 is `46344.61 crores which is an increase of 41.6% over PLP projections of 2017-18 and 16.58% over Annual Credit Plan (ACP) Target for 2017-18.

25. NABARD provides refinance to the sector-wise based performance under Annual Credit Plans for the State during last three years has been discussed in the banking profile. Investment in agriculture is generally undertaken for acquiring physical assets that result in the creation of a stream of incremental income over a period of time. Creation of capital goods is necessary to raise productivity of existing resources and realising the long term growth potential. There is a strong association between the term loans disbursed and private sector capital formation in agriculture. Further, it is a concern that the share of LT credit in overall agriculture credit is constantly on fall in the all India picture. There is an urgent need to step up the growth rate of investment credit for much required capital formation at farm level. The share of investment credit to the tune of 30-35% of agricultural credit is essential for sustaining growth in agriculture. The expectation from the banks in the state is to ensure that their share of investment credit dispensed for creation of assets in agriculture leads to capital formation in its end use. The investment credit potential of the state, estimated in the document includes credit for agricultural infrastructure including construction of storage facilities, warehouses, market yards including cold storage units/cold storages chains, land development, watershed structures, ancilliary activities of agro processing units, tissue culture, vermi- composting etc. in agriculture in addition to regular activities like minor irrigation, farm mechanization, horticulture and allied activities of animal husbandry including fisheries. NABARD has prepared 60 Area Development Schemes (2 per district) on five major activities. The scheme phased over a period of five years (2018-19 to 2022-23) is a step towards increasing investment credit portfolio of banks and achieving the goal of doubling of farmers' income by 2022-23 is to be implemented by the banks in a focused way. ADS is a process to direct bank credit for asset based agricultural financing. NABARD has come up with literature on indicative unit costs for majority of the activities covered under investment credit to provide ready reference to the banks and is also providing technical support to project plans through its technical expertise.
26. NABARD has undertaken watershed programme (funded under IGWDP and Watershed Development Fund) in an area of 3.23 lakh ha in 1038 villages benefitting

14.25 lakh people. As a pilot initiative, NABARD has launched Sustainable Development Programme which tops up climate smart agriculture practices covering 71 treated watershed projects.

27. NABARD provides refinance for Mission Bhagiratha, telangana state's the flagship programme of aiming to provide piped drinking water to every household in the State over a period of four years (2015-16 to 2018-19) continues to be the major agenda of the Govt. Taken up with an estimated cost of ` 35,000 crore, the Mission is conceived to provide 100 litres per capita per day (LPCD) treated and piped water to every household in rural areas, 135 LPCD in municipalities and 150 LPCD in municipal corporations. The regional office has so far sanctioned Rs 3,145 crore to the State government for the Mission Bhagiratha that seeks to provide drinking water to all the habitations in the State. It disbursed Rs 1,384 crore so far.

Mission Bagiratha, the flagship irrigation project scheme, got a cumulative disbursal of Rs 3,884 crore so far, including Rs 2,154 crore last year, against a sanction of Rs 6,791 crore.

28. NABARD provides refinance for Mission Kakatiya, Telangana state's flagship programme of aiming to repair and rejuvenate 45,000 + irrigation tanks over a period of five years (2014-15 to 2018-19) is another major initiative of the State Govt. The mission is expected to provide irrigation to about 25 lakh acres with an estimated expenditure of ` 22,000 crore. It is aimed at improving ground water table, reducing power consumption by farm sector, getting higher yields, spurring the growth of livestock and rejuvenating rural economy on the whole. The activities like desiltation, repairing of damaged sluices and weirs, restoring dilapidated tank bunds, stone revetments and plugging seepages are carried out as part of the Mission.

29. NABARD provides refinance for Tribal development programme, focuses on the development of orchards and value chain interventions coupled with soil and water conservation, and other drudgery reduction measures for tribal communities. Twenty five projects involving grant assistance of ` 5.25 crore benefitting 55000 people have

been launched. These projects are, now, ready for post-harvest interventions for reaching organized markets.

30. NABARD provides refinance for Telangana State level Action Plan on Climate Change (SAPCC) aiming to take action plans for sustainable development through organic farming, constructing check dams, awareness and training dissemination of sustainable practices in agriculture, research and training centres for producing natural fertilizers and pesticides, watershed development programme, crop diversification focusing on less water intensive crops and crop varieties, establishing village level agro meteorology centres.
31. NABARD provides refinance for Horticulture sector has been identified as one of the focused areas for the development of the state. The horticultural crops are grown in an area of 6.73 lakh ha with a production of 81.65 lakh MT. Telangana ranks 3rd in area and 8th in production of fruits and ranks first in turmeric production. Important horticulture crops grown in the state include, mango, sweet orange, banana among fruits, tomato, brinjal, bhendi and gourds among vegetables, chillies, turmeric, ginger among spices and oil palm, cashew and coconut in plantation category. An area of 713 acres has been under polyhouse for cultivation of modern flowers (gerbera, chrysanthemum, rose) and exotic vegetables (capsicum, cucumber and tomato). The Department of Horticulture projects an additional area of 3.61 lakh ha with an expected production of 33.93 lakh MT with in a span of five years. An area 1505 ha would also be brought under protected cultivation with an investment of `993 crore.
32. NABARD provides refinance for Telangana State Micro Irrigation Project as against the potential area of 17.12 lakh ha, an area of 6.12 lakh ha has been under MI, leaving the potential gap at 11.00 lakh ha. The Govt is implementing a Micro-irrigation programme (with support of NABARD) to cover an area of 1.26 lakh during 2016-17 and 2017-18 .

33. NABARD provides refinance for Poly house cultivation provides an opportunity to the farmer in off season cultivation of high value horticultural crops (modern flowers and exotic vegetables). Govt provides 75% subsidy towards structure and cultivation expenses (rose, gerbera, carnation, chrysanthemum). Subsidy is available for a minimum of 200 sq m to 4000 sq m.
34. NABARD provides refinance for Mission for Integrated Development of Horticulture (MIDH), under MIDH subsidy is provided for establishment of new gardens, polyhouses and mulching, farm ponds for life saving irrigation, post-harvest management, farm mechanization and conduct of front line demonstrations and training and awareness programmes.
35. NABARD provides refinance for Rastriya Krishi Vikas Yojana (RKVY) supports cultivation of hybrid vegetables and pandal cultivation of vegetables. Subsidy is available to farmers for supply of hybrid vegetables & establishment of pandals, for market linkages (establishment of functional infrastructure for collection, sorting/grading, packing units). Training and other capacity building measures are also supported under this programme.
36. NABARD provides refinance for will be extending a loan of Rs 7000 crore to the Telangana Govt for 11 irrigation projects. The loan is a part of the MoU between the Ministry of Water Resources, River Development and Ganga Rejuvenation and NABARD for providing assistance to 99 irrigation projects in the State. These projects come under the PM Krishi Sinchayee Yojana programme (PMKSY).
37. NABARD provides refinance for National Mission on Oilseeds and Oil palm at Nalgonda and Khammam districts are suitable for oil palm.
38. NABARD provides refinance for Development of Centers of Excellence (COE) would act as “fulcrum” for horticulture development, especially that of vegetables and flowers. The COE for flowers & vegetables at Horticulture farm at Jeedimetla, Rangareddy district has commenced operation and the COE for fruits at Mulugu, Medak District is under progress.

39. NABARD provides refinance for Sericulture is a sustainable farm based economic enterprise favoring the rural poor in the unorganized sector because of its relatively low requirement of fixed capital, and higher returns at frequent intervals on the investment. The state produces two types of silk viz., Mulberry and Tassar. Tassar is predominantly practiced in the forest areas of Mancherial, Kumurambheem, Adilabad, Jayashankar Bhupalpally and Bhadradri-Kothagudem districts. The soil and climate in state are very congenial for practicing of mulberry cultivation and Silkworm rearings. The industry has an immense potential of generating employment for not less than (5) persons per acre throughout the year, both directly and indirectly. An important feature of sericulture industry is involvement of female labour for more than 60% in silkworm rearing and cocoon reeling, which are critical operations in the silk production. Nearly 7100 acres are under Mulberry Cultivation in the state.
40. NABARD provides refinance for National Forest Policy envisages that 33% of the geographical area should be under forest/ green cover. In Telangana state there is 26.90 lakh Ha. of forest area which is only 24% of the total geographical area. To enhance this 24% green cover to 33%, Government of Telangana have launched a flag ship programme “Telanganaku Haritha Haaram (THH)” in the year 2014- 15. The programme proposes to plant and rejuvenate 230 crore seedlings within forest areas (100 crores) and outside forest areas (130 crores). Till 30 July 2017, 62.63 crores seedlings have been planted.
41. NABARD provides refinance for Livestock production and agriculture are intrinsically linked, both dependent on each other and crucial for overall food security. The livestock sector contributed 6.41% to GVA (2016-17) and formed 42% of agriculture, forestry and fishing sector GVA. According to Livestock Census, 2012, the State has 48.80 lakh Cattle, 41.60 lakh Buffaloes, 128.36 lakh sheep, 45.76 lakh Goat and 807.51 lakh Poultry population. The state has 19.80% of total Country's sheep population. The State stands 2nd in Sheep population, 13th in Goat population, in the country as per the Livestock Census, 2012. The State had produced 44.42 lakh tonnes of Milk, 2.80 lakh tonnes of Meat, 2.62 lakh tones of chicken and 113 billion Eggs during the year 2015-16. The state occupies 13th position in milk production (2.86 % of all India milk production), 6th position in meat production (7.7

% of all India meat production), and 3rd in egg production (13.5% of all India egg production), among the states in the country. Buffaloes account for nearly 72% of milk production. The target is to reach milk, egg and meat production of 59.54 lakh mt, 14178.9 million numbers and 8.6 lakh mt, respectively during 2021-22.

42. NABARD provides refinance for Sheep rearing is more popular than goatery. These activities are source of livelihood for small and marginal farmers in the State. Sheep rearing provides steady income throughout the year by sale of ram lambs, unproductive animals, manure and wool. Sheep/Goat rearing acts as drought proofing during the monsoon failure for the families dependent on.
43. NABARD provides refinance for Agriculture Fisheries is one of the fast growing sectors contributing to about 0.44% to the State GVA in 2016-17. The sector aims at exploitation of all the possible resources under capture and culture fishery base for increasing fish production and productivity through sustainable development. Fish and Prawn production have been on ascending scale and it was at 2.60 lakh tons and 8352 ton respectively during 2014-15. The State has targeted for fish and prawn production of 3.64 lakh tons and 9780 tons respectively during 2017-18. The Fisheries Department is having vast fishery potential under reservoirs, tank and ponds. There are 78 reservoirs having water spread area of 1.89 Lakh Ha, 35031 tanks having water spread area of 4.02 Lakh Ha., and 474 ponds having water spread area of 781 Ha., In addition 5573 Kms of rivers and canals. The fishermen population of the state is 19.04 Lakh and there are 3732 Fishers Coop. Societies with a membership of 2.40 Lakh. There are 28 state fish seed farms with a cumulative area of 189.46 ha. The State government is setting up two new fisheries colleges to offer Degree courses in aquaculture in the State.
44. NABARD provides refinance for In order to regain the area under tank irrigation, the State Govt has launched Mission Kakatiya for renovation of tanks in the State. Micro irrigation has been the flagship programme of the State Govt. to harness the potential in command areas of wells. Efficient implementation of Mission Kakatiya and agro climatic specific farm ponds/ rainwater harvesting structures have to be promoted to maximize the water conservation and for critical irrigation. Groundwater

development in safe mandals and a cautious approach in the critical mandals have to be aimed at. Watershed approach along with appropriate rainfed farming practices, needs to be followed in the rainfed areas. There is a need as well as good scope for bank financing of new irrigation/ recharge structures, pumping systems (conventional as well as renewable energy based), water conservation technologies, etc., on individual as well as JLG mode. Considering all these, the credit potential for the year 2018-19 for Water Resources for the year 2018-19 has been pegged at `905.90 crore. During the summer of 2017, NABARD has taken up massive water campaign and prepared a state water conservation investment plan with an outlay of ` 635.96 crore including the ` 130 crore for creating water harvesting / conserving structures. Banks may focus in this area.

45. NABARD provides refinance for construction of cold warehouses for storing agricultural crop as per the All India Cold-chain Infrastructure Capacity Assessment of Status & Gap Report (2015) of National Centre for Cold Chain Development (NCCD), there is a requirement of 171 pack houses, cold storage capacity of 2.78 lakh MT (bulk and hub), ripening chambers of capacity 2828 MT and onion storage capacity of 4.40 lakh MT for Telangana state. There is a need for creating scientific storage capacity to prevent post-harvest losses and also improve the holding capacity of the farming community to store agriculture produce for better price realisation. To bridge this gap, Telangana Govt. has availed a loan of `972.79 crore under Warehouse Infrastructure Fund (WIF) for constructing 364 warehouses with approximate 18.3 lakh MT of dry storage capacity.
46. NABARD provides refinance for National Horticulture Board (NHB) setting up of cold storage (of capacity above 5000 MT and up to 10000 MT) and their modernization are eligible for assistance under the NHB Scheme of Capital Investment subsidy for construction/ expansion/ modernization of cold storage for Horticulture Products. National Mission for Integrated Development of Horticulture Cold storage (long term storage and distribution hubs) up to 5000 MT capacity are eligible for assistance.

47. NABARD provides refinance for Small Farmer Agri-Business Consortium (SFAC) assistance to cold storage. Setting up of cold storage as a part of an integrated value chain project are eligible for subsidy support.
48. NABARD provides refinance for Agricultural and Processed Food Products Export Development Authority (APEDA) assistance for cold chain. Those who have set up of cold chain are assisted by APEDA as a part of strategy to develop the industries relating to the scheduled products for export. The Scale of assistance as 40% subsidy subject to a limit of ` 75 lakh for cold chain projects with mechanized handling system. Digital India movement and towards doubling of farmers' income, GoI has launched unified Pan India trading portal eNAM (National Agriculture Market portal) to create a unified national market for agricultural commodities with a dedicated budget of `200 crore christened as Agri Infrastructure Fund. This eNAM enables farmers showcase their produce online from their nearest markets and traders can quote price from anywhere. It results in increased number of traders, greater competition and ensures open price discovery leading to better returns for farmers. Five APMCs are connected to eNAM on pilot basis covering paddy, turmeric, maize and onion. As of now, 44 APMCs have come on the platform.
49. NABARD provides refinance for Agro processing. Agro processing plays a significant role in increasing value addition in agriculture and horticultural produce, diversification and commercialization of agriculture, reduction in wastage of farm produce, generating new employment and enhancing export earnings. As per the revised Priority Sector Guidelines of RBI, loans for food and agro processing up to an aggregate sanctioned limit of `100 crore per borrower from banking system shall be classified under Agriculture – ancillary activities. Two of the three Mega Food Parks that the Centre sanctioned would get a support of Rs 47 crore. These two are coming up in Mahboobnagar and Khammam.

50. NABARD provides refinance for Micro, Small and Medium Enterprises in Telangana state is replete with industrial clusters in the realm of pharmaceuticals, foundry and defence. Govt has been offering slew of incentives and policies for development of traditional non- farm sector and MSME. Recently, Andhra Pradesh and Telangana have jointly topped the ease of doing business ranking. This shows the immense potential for the segment In a recent Policy initiative, NABARD has prepared a scheme for promoting FPOs in off –farm sector clusters, which have received prior support under its programmes. NABARD extends grant support for capacity building, market linkages, etc. Industrial development promotes higher capital formation; raises wage incomes to higher levels and absorbs surplus workforce from rural areas and enables achieving overall rural prosperity. To realize these benefits and hasten up the socio-economic changes, industrial development is accorded top priority by the State Government. While the Industrial Policy of the State Govt emphasises on creation of quality infrastructure, promotion of manufacturing Investment Zones and Industrial Corridors, the special focus on MSMEs with growth enabling incentives to create a level playing field, has assured required boost to this sector. Further, the Govt has introduced Telangana State Industrial Project Approval and Self Certification System – TSIPASS to provide speedy processing for issue of various licenses, clearances and certificates required for setting up of industrial undertakings for the promotion of industrial development and also to provide for an investor friendly environment in Telangana State. Keeping in view the special focus of the state through the new industrial policy, the potential assessed for lending to the MSMEs both in manufacturing and service sectors, during 2018-19 is `11528.77 crore and the aggregate sub-sector wise
51. NABARD provides refinance for The EPTRI (Environmental Protection Training and Research Institute) is executing the four-year project. “The project would focus on small and marginal farmers and building capacities of partner agencies in climate change management,” he said. the performance of the bank in the region in 2016-17, he said the bank sanctioned Rs 24 crore for 15 villages in Mahbubnagar (undivided) district to help farmers cope with the consequences of climate change.

The National Bank for Agriculture and Rural Development (Nabard) has pegged Telangana's credit potential at Rs 83,400 crore for the financial year against Rs 65,590 crore in the previous year. Credit potential for the current financial year could include Rs 16,000 crore for term credit and about Rs 46,000 crore for crop loans. It had disbursed a financial assistance of Rs 10,633 crore for 2017-18, showing a growth of 15 per cent over the previous year's achievement of Rs 9,240 crore. In 2015-16, the assistance stood at Rs 7,226 crore.

52. NABARD provides refinance for the energy needs of rural areas, which are at present being met out of fossil fuels or forest wood and also dung cakes being made from cattle dung. As the fossil fuels are non-renewable sources of energy and are fast depleting and cutting the trees for fuel wood is creating ecological imbalance, there is a need to promote viable and renewable sources of energy. Government of India (GoI) has set for itself an ambitious target of increasing solar capacity to 100 GW by 2022 and 200 GW by 2050. In order to achieve these targets, GoI is implementing a wide range of regulatory and policy interventions. Telangana has a vast solar potential with average solar insolation of nearly 5.5 kWh/m² for more than 300 sunshine days. Projects/ programmes being implemented in the Renewable Energy sector is expected to augment the need for credit in the State. The credit potential under Renewable Energy sector for 2018-19 in Telangana State is estimated at ₹263.58 and the aggregate activity wise potential.

53. NABARD provides refinance for Rural Infrastructure Development Fund As on 30 September 2017, ₹10730.01 crore has been sanctioned to the Government of Telangana for 14545 different infrastructure projects such as roads and bridges, irrigation, drinking water supply, education, animal husbandry, water harvesting, etc

54. The hypothesis stating "There is no significant difference between Refinance of Crop loans among Telangana districts", was tested using Kendall's Concordance Coefficient. Kendall's W was 0.231, a positive but low correlation between the ranking. P value was less than 0.05 i.e., 0.007, hence the null hypothesis is rejected

alternate hypothesis is accepted. Calculated Chi-square value is 22.852 and critical value is 16.92 at 9 degree of freedom (df) and 95% significant level. There is a significant difference between Refinance of Crop loans among Telangana districts due to unequal distribution of funds, the district that received highest funds was Mahabubnagar and least is Alidabad for crop loans. The number years of data considered was for eleven years. Thus, **“There is a significant difference between Refinance of Crop loans among Telangana districts”**.

55. The hypothesis stating “There is no significant difference between Refinance of Total Term Loan Agriculture & Allied among Telangana districts”, was tested using Kendall’s Concordance Coefficient. Kendall’s W was 0.508, a positive but moderate correlation between the ranking. P value was less than 0.05 i.e., 0.000, hence the null hypothesis is rejected and alternate hypothesis is accepted. Calculated Chi-square value is 50.326 and critical value is 16.92 at 9 degree of freedom (df) and 95% significant level. There is a significant difference between Refinance of Total Term Loan Agriculture & Allied among Telangana districts due to unequal distribution of funds, the district that received highest funds was Ranga Reddy and least is Alidabad for Total Term Loan Agriculture & Allied. Data was considered for a period of eleven years. Thus, **“There is a significant difference between Refinance of Total Term Loan Agriculture & Allied among Telangana districts”**.
56. The hypothesis stating “There is no significant difference between Refinance of Non Farm Sector among Telangana districts”, was tested using Kendall’s Concordance Coefficient. Kendall’s W was 0.422, a positive but moderate correlation between the ranking. P value was less than 0.05 i.e., 0.000, hence the null hypothesis is rejected and alternate hypothesis is accepted. Calculated Chi-square value is 41.763 and critical value is 16.92 at 9 degree of freedom (df) and 95% significant level. There is a significant difference between Refinance of Non Farm Sector among Telangana districts due to unequal distribution of funds, the district that received highest funds was Ranga Reddy and least is Mahabubnagar for Total Term Loan Agriculture & Allied. Data was considered for a period of eleven years. Thus, **“There is a significant difference between Refinance of Non Farm Sector among Telangana districts”**.

57. The hypothesis stating “There is no significant difference between Refinance of Other Priority Sector among Telangana districts”, was tested using Kendall’s Concordance Coefficient. Kendall’s W was 0.421, a positive but moderate correlation between the ranking. P value was less than 0.05 i.e., 0.000, hence the null hypothesis is rejected and alternate hypothesis is accepted. Calculated Chi-square value is 41.656 and critical value is 16.92 at 9 degree of freedom (df) and 95% significant level. There is a significant difference between Refinance of Other Priority Sector among Telangana districts due to unequal distribution of funds, the district that received highest funds was Ranga Reddy and least is Nizamabad for Other Priority Sector. Data was considered for a period of eleven years. Thus, **“There is a significant difference between Refinance of Other Priority Sector among Telangana districts”**.
58. The hypothesis stating “There is no significant difference between Agricultural and Non Agricultural lending in Telangana state”, was tested using ANOVA. The mean value of Agriculture was found to be 1743.204 and variance was 1117902.03; Similarly, mean of Non-Agriculture was found to be 934.3477 and variance was 1313223.313. Calculated F value (29.602) was greater than F-critical value (3.884) at 95% Level of Significance. The p-value 0.000 is smaller than the chosen alpha level (.05). Hence, the null hypothesis is rejected. **There is a significant difference between Agriculture lending and Non-Agriculture lending in Telangana State.** This statistical significance is due to higher priority given to agriculture over non agriculture sector, that is evident through statistical data.

Suggestions:

1. NABARD provides refinance at concessional rate of interest **LIBOR or MIBOR** to State Cooperative Bank and Regional Rural Banks to ensure timely availability of crop loans to farmers for such activities which are undertaken in the process of raising various crops and are seasonally recurring in nature. The subsidy on interest on agriculture debt can be reduced.

2. NABARD provides refinance under Post harvest loans to small and marginal farmers against Negotiable Warehouse Receipts (NWR) in order to discourage distress sale and to facilitate better price realization, small and marginal farmers are being encouraged to store their produce in warehouses and avail loan against NWR. Govt. of India had introduced a scheme to extend the benefit of interest subvention to banks so as to enable them to finance small and marginal farmers having KCC for a period of up to six months during the post harvest period at the same concessional rate of interest of **LIBOR or MIBOR + 2%** as applicable to crop loans. Refinance from NABARD is available to Cooperative Banks and Regional Rural Banks at interest rate of **LIBOR or MIBOR + 2%** p.a. with provision of 2% GoI interest subvention, for a period of 06 months.
3. The potential for credit support assessed for Crop Production, Maintenance and Marketing for the year 2018-19 is `46344.61 crores which is an increase of 41.6% over PLP projections of 2017-18 and 16.58% over Annual Credit Plan (ACP) Target for 2017-18. NABARD should increase credit support assessed for Crop Production, Maintenance and Marketing.
4. NABARD provides refinance for Mission Bhagiratha, Telangana state's flagship programme of aiming to provide piped drinking water to every household in the State over a period of ten to fifteen years. Since it is a capital intensive, it should primarily target dry areas and tribal areas where water scarcity is higher.
5. NABARD provides refinance for Mission Kakatiya, Telangana state's flagship programme of aiming to repair and rejuvenate 45,000 + irrigation tanks. However, it should cover all the tanks, irrespective of their size and these should be repaired every 5 years. It enhances ground water and agricultural output.
6. NABARD provides refinance for Tribal development programme, focuses on the development of orchards and value chain interventions coupled with soil and water conservation, and other drudgery reduction measures for tribal communities. It should allocate more funds to increase forestation and cultivation of plantation in the tribal areas.
7. Important horticulture crops grown in the state include, mango, sweet orange, banana among fruits, tomato, brinjal, bhendi and gourds among vegetables, chillies, turmeric,

- ginger among spices and oil palm, cashew and coconut in plantation category. NABARD provides refinance for Horticulture sector. This has been identified as one of the focused areas for the development of the state. The government should test soil test and promote more vegetable cultivation, fruits cultivation, ayurvedic medicines and other marketable plantations to promote better horticulture in the state.
8. NABARD provides refinance for Telangana State Micro Irrigation Project as against the potential area of 17.12 lakh ha, an area of 6.12 lakh ha has been under MI, leaving the potential gap at 11.00 lakh ha. The Govt is implementing a Micro-irrigation programme (with support of NABARD) to cover an area of 1.26 lakh during 2016-17 and 2017-18. Along with water shed projects micro irrigation projects and mission Kakatiya has a motive of save water and it has to initiate in all householdes in telangana state.
 9. NABARD provides refinance for Poly house cultivation provides an opportunity to the farmer in off season cultivation of high value horticultural crops (modern flowers and exotic vegetables). Govt provides 75% subsidy towards structure and cultivation expenses (rose, gerbera, carnation, chrysanthemum). Subsidy is available for a minimum of 200 sq m and above to promote exports.
 10. NABARD provides refinance for Mission for Integrated Development of Horticulture (MIDH), under MIDH subsidy is provided for establishment of new gardens, polyhouses and mulching, farm ponds for life saving irrigation, post-harvest management, farm mechanization and conduct of front line demonstrations and training and awareness programmes.
 11. NABARD provides refinance for Rastriya Krishi Vikas Yojana (RKVY) which supports cultivation of hybrid vegetables and pandal cultivation of vegetables. Subsidy is available to farmers for supply of hybrid vegetables & establishment of pandals, for market linkages (establishment of functional infrastructure for collection, sorting/grading, packing units). Training and other capacity building measures should also be supported under this programme.
 12. NABARD provides refinance of Rs 7000 crore to the Telangana Govt for 11 irrigation projects. The loan is a part of the MoU between the Ministry of Water

Resources, River Development and Ganga Rejuvenation and NABARD for providing assistance to 99 irrigation projects in the State. These projects come under the PM Krishi Sinchayee Yojana programme (PMKSY). They should cover more projects.

13. NABARD provides refinance for National Mission on Oilseeds and Oil palm at Nalgonda and Khammam districts are suitable for oil palm. It should cover more districts and millets & edible oils should be included.
14. NABARD provides refinance for promotion of Sericulture. It is a sustainable farm based economic enterprise favoring the rural poor in the unorganized sector because of its relatively low requirement of fixed capital, and higher returns at frequent intervals on the investment. The state produces two types of silk viz., Mulberry and Tassar. It should provide basic inputs like providing basic plant seedlings, training, basic infrastructure loans at subsidized rate to promote sericulture.
15. NABARD provides refinance for Livestock production and agriculture. Both are intrinsically linked, dependent on each other and crucial for overall food security. It provides credit for breeders and rearers for life stock such as goat, sheep, cow, buffalos, pigs, etc. and promote poultry business by providing credit for breeders and rearers of hens, emu birds, rabbits, etc to increase meat and eggs that can be exported to world market.
16. NABARD provides refinance to promote Fisheries sectors in state to meet local and international market's demand. This needs to be further augmented.
17. NABARD provides refinance to provide infrastructure for construction of cold warehouses for storing agricultural crop till farmers gets reasonable price. This has to be further enhanced
18. NABARD provides refinance to promote Micro, Small and Medium Enterprises. Telangana state is replete with industrial clusters in the realm of pharmaceuticals, foundry and defence. Govt has been offering a slew of incentives and policies for

development of traditional non- farm sector and MSME. It creates employment and increases exports to world markets.

19. NABARD provides refinance for Rural Infrastructure Development Fund for construction of roads and bridges, irrigation, drinking water supply, education, animal husbandry, water harvesting, etc as to be increased.

Conclusion

Rural development is a process of enhancing the quality of life of rural people, without sacrificing economic growth. It has been evident that rural development is not possible without appropriate credit and structural financial institutional support for financing rural development. Initiatives taken by Reserve Bank of India and NABARD have created a structural and institutional arrangement so that credit available should not only be adequate, but it should reach to all regions, sectors and section in the population. The government initiatives are established to bring regional and balanced development in economy. The lead banks are playing a significant role in providing credit facilities for rural development directly through financial institutions and indirectly through refinancing facilities of NABARD.

The growth and good health of rural industries is thus not only crucial for our economy as a whole, but also for protecting the livelihood and well being of a very large section of our people. NABARD provides refinance for crop loans to farmers, loan warehouse receipt, marketing of crops, fisheries sector, production and marketing activities of artisans (other than handloom weavers) and village/cottage/tiny sector industries, for financing persons belonging to weaker section and engaged in trade/business/service activities, The investment credit potential of the state, includes credit for agricultural infrastructure including construction of storage facilities, warehouses, market yards including cold storage units/cold storages chains, land development, watershed structures, ancilliary activities of agro processing units, tissue culture, vermi- composting etc in

addition to regular activities like minor irrigation, farm mechanization, horticulture and allied activities of animal husbandry including fisheries. Mission Bhagiratha, Telangana state's flagship programme of aiming to provide piped drinking water to every household in the State. Mission Kakatiya, Telangana state's, flagship programme of aiming to repair and rejuvenate 45,000 + irrigation tanks, The activities like desiltation, repairing of damaged sluices and weirs, restoring dilapidated tank bunds, stone revetments and plugging seepages are carried out as part of the Mission. For the sustainable development through organic farming, constructing check dams, awareness and training dissemination of sustainable practices in agriculture, research and training centres for producing natural fertilizers and pesticides, watershed development programme, crop diversification focusing on less water intensive crops and crop varieties, establishing village level agro meteorology centres. The important crops grown in the state include, mango, sweet orange, banana among fruits, tomato, brinjal, bhendi and gourds among vegetables, chillies, turmeric, ginger among spices and oil palm, cashew and coconut in plantation category. Rastriya Krishi Vikas Yojana (RKVY) supports cultivation of hybrid vegetables, edible oils, Oilseeds and Oil palm, ground nuts, Til oil, sunflower, soybean oil, rice bran oil, etc. Livestock production and agriculture, poultry business, loans to Micro, Small and Medium Enterprises and Rural Infrastructure Development Fund such as roads and bridges, irrigation, drinking water supply, education, animal husbandry, water harvesting, etc are also promoted.

MSME sector provides livelihood, checks rural urban migration, generates export earnings, and touches upon the lives of the remotest and most marginalized people. There is a need to move from competitive to complementary relationships by making each sector a resource for the other. In this direction, NABARD should move from a Development Finance Institution to become a Development Facilitating and Financing Institution in Rural Sector. To maintain the financial viability of NABARD to serve the people, the Government is required to help the national bank in view of withdrawal of support from RBI. Moreover there is a need to create more organizations as subsidiaries of NABARD and their support in nurturing the effectiveness of NABARD must be analyzed. Future depends on its core competency and comparative advantages. NABARD

and the Government have to set it as their bench mark for the development of rural industries.

To support the rural development projects NABARD has to be organizationally strong. In this direction, it has to be examined whether the present organizational structure is going to serve the goals placed before it or not. NABARD should become a learning organization in the real sense through building a system from where information about the grass root level developments reaches the top management. Special emphasis is required on the critical and thrust areas/segment financing. There is a need for NABARD to reposition itself in terms of networking resources, building of capabilities and partnering institutions in public, private and voluntary sectors which will empower the institution to deliver development across rural India effectively. In this direction, organizations like NABCONS, NABFINS, Micro-insurance Subsidiary, NRM foundation/ Trust, etc must be promoted for effectiveness of operations of NABARD.

Encouraging the symbiotic relationship between different segments of the MSME sector should be the key strategy for Indian Government in upcoming years. NABARD has to continue to play the role of a thought leader in rural sector through innovation and mainstreaming in translating rural credit growth into real sector impact. Therefore the collective efforts of the Central Government, the national bank, respective State Governments, and other development agencies can only change the scenario of the rural, remote and tribal areas. After concluding the research work all the hypotheses studied by the researcher were proved.

Limitations of the study

- The study is limited to historical data of Telangana state and NABARD financing during 2007-08 to 2017-18.
- The study is limited to secondary data only and primary data is not considered
- The study is limited to old districts of Telangana and NABARD financing only.

Contribution from the research

The study identifies shift in the role of NABARD from refinancing to financing directly to the need for economic development and balanced regional development in the economy. It has emphasized on NABARD funding to various districts in Telangana state. It has also emphasized on NABARD funding to various sectors such as agricultural, non-agricultural sectors. The study tested significant relationship between the funding among various sectors and it was found to be statistically insignificant. The study tested significant relationship between the funding among various Districts and was found to be statistically insignificant.

Scope for Future research

Some of areas that can be considered for further research are:

- To make comparative study on NABARD financing between two different states.
- To study trend analysis of NABARD financing for all states.
- To study trend analysis of NABARD financing for southern state and northern states in India.
- To study the basis on which fund allocation is done and the parameters to allocate the fund.
- To study the comparison between funding of NABARD and other Financial institutions.