India is a rural country. An agriculture farm is the backbone of the economy. Above 75 of the Indian population lives in rural areas and about 80% of the population is dependent on agriculture for its livelihood. Agriculture account is about 37% of the National Income. The development of the rural areas of agriculture and its allied activities thus has vital importance in the rapid development of the economy as whole. Increase in agriculture production and productivity depends on the adoption of new farm techniques and better technology. This in turn depends heavily on the availability of larger and larger amounts of funds and credits. The structures and operations of the financial institutions in the rural area thus become an area of critical importance.

As per the Debt and Investment Survey of Government of India (1992), about 30% of the rural household is found to be outside the fold of Institutional Credit. Generally, it is the big farmer who can avail of the facilities of the organized segment. While the smaller farmer and marginal farmer are forced to borrow non-institutionally at much higher rate of interest. So, it is necessary to give more impetus on institutional finance. The farmers need short term, medium term, and long term credit for their agricultural development. They should adopt modern technology to improve agricultural production and productivity. The need of long – term credit, National Bank for Agriculture and Rural Development (NABARD) has adopted multi-agency system for providing loans. They are Co-operative Banks, Commercial Banks, and Regional Rural Banks, Maharashtra State Co-operative Agriculture and Rural Development Bank known as Institutional Credit, it has been adopted to provide cheaper, adequate and timely credit to farmers to assist the weaker sections.
The National Bank for Agriculture and Rural Development Bank (NABARD) is thus an apex organization with respect to all matter relating to policy, planning and operational aspects in the flow of credit for the promotion of agriculture, small scale and village industries, handicrafts, other rural crafts and other allied economic activities in rural areas. The National Bank single integrated agency for making the credit needs of all types of agricultural and rural development activities. It has taken these functions of Agriculture and Rural Development Corporation and responsibilities of Reserve Bank of India to oversee the entire rural credit schemes. With this point of view the present subject has been studied.

Nanded is one of the districts of Maharashtra State. Thus, district has been studied as a unit of agricultural finance and credit through National Bank for Agriculture and Rural Development. Thereby the result of this present study is very important for the agrarian development of the Nanded district.

B.V. DAKORE
SHANKARNAGAR