



NABARD Projects Credit Potential for Bihar | Bihar | 21 Mar 2024

Why in News?

The [National Bank for Agriculture and Rural Development \(NABARD\)](#) has projected Rs 2,43,093 crore credit potential for Bihar in 2024-25.

Key Points

- The estimate has been made taking into account the [Reserve Bank of India's](#) priority sector-based guidelines, Central and state government policies and policies for [sustainable agriculture](#) and [rural development](#).
- The **State Focus Paper 2024-25 for Bihar**, a compilation of the assessed credit flow for all 38 districts of the state was unveiled by the Development Commissioner at NABARD's credit seminar.
 - The total credit flow under the priority sector for the year 2024-25 is estimated at Rs 2,43,093 crore.
- There is a need for **credit intensification through specific planning** for each of the sub-sectors under agriculture in Bihar.
 - Credit plays an important role in **economic development and employment generation** in the state.

National Bank for Agriculture and Rural Development (NABARD)

- It is a development bank focussing primarily on the rural sector of the country. It is the apex banking institution to provide finance for Agriculture and rural development.
- Its headquarter is located in Mumbai, the country's financial capital.
- It is responsible for the development of the small industries, cottage industries, and any other such village or rural projects.
- It is a **statutory body** established in 1982 under the Parliamentary act-**National Bank for Agriculture and Rural Development Act, 1981**.

Reserve Bank of India (RBI)

- It was established on **April 1, 1935** in accordance with the provisions of the **Reserve Bank of India Act, 1934**.
- The Central Office of the Reserve Bank was initially established in Calcutta but was **permanently moved to Mumbai in 1937**. The Central Office is where the Governor sits and where policies are formulated.
- Though **originally privately owned**, since nationalization in 1949, the Reserve Bank is fully owned by the Government of India.