Chapter 1

Introduction, Research Methodology and

Review of Literature

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Chapter 1

Introduction, Research Methodology and Review of Literature

1.1 Introduction:

The Indian Banking system can be categorized into private sector banks, nationalized banks and specialized banking institutions. The RBI acts as a Central body to monitor any discrepancies and shortcomings. The nationalized banks continue to dominate Indian banking area. Industry estimates indicates that, out of total 274 commercial banks, 223 banks are public sector and 51 banks are in private sector. Private sector also includes foreign banks. Under Nationalized banks umbrella, there are specialized banking institutions. The co-operatives, regional rural banks focus on areas of agriculture and rural development.

Banking system in our country has played vital role in the socio-economic development. On account of social, economic, cultural, industrial obligations commercial banks are aware of their responsibilities towards rural and economic weaker masses, but their experience in transacting with rural people and rural enterprises is limited. Hence, to make banks more effective and meaningful towards rural masses, National Credit Council was set up in Dec' 1967 to determine priorities of banking among various sectors. They had appointed Dr. D. R. Gadgil Study Group in Dec' 1968 and the F. K. F. Nariman Committee (Nov' 1969) recommended 'Lead Bank Scheme' in 1969 and Service Area Approach (1989). Under this
scheme Lead Bank has to act as consortium leader and act as a leader. At the end of March 2009, 26 banks (public/private) have been allotted lead responsibility of 622 districts of the country.

In Ahmednagar district, Central Bank of India had been allotted with lead responsibility of district in 1969. The Central Bank of India (hereafter it is called as the CBI) was established in 1911. This was the first Indian commercial bank which was wholly owned and managed by the Indians. The establishment of the the CBI was ultimate realization of dream of Sir Sorabaji Pochkhanwala, founder of the bank. "Today among all public sector banks the CBI can be truly described as a all India bank, due to its large network of 3976 branches and 1478 ATMs, through the length and breadth of the country." ¹ The the CBI is performing its 'Lead Bank' responsibility in 39 district under lead bank scheme. "Since last 40 years, the CBI is performing its 'Lead Role' in Ahmednagar district. In 1971, there were 10 branches of the the CBI in the district", ² which was increased to 61 branches (44 rural, 16 semi - urban, 1 urban) in 2010-11. Initially, the CBI had prepared Lead Bank Survey Report for the district and since then, preparing District Credit Plan of Ahmednagar district. As lead bank the CBI provides its assistance to agriculture, Small Scale Industries and other priority sectors and non-priority sectors of rural and economically weaker sections of the society.

Today, it is expected from the commercial and Lead bank that, banks should assist agriculturist who is trapped in the problems like, low prices of agricultural products, govt. policies, natural calamities, private lenders, loans, etc. Agriculture sector totally depends on the nationalized banks for financial assistance and low recovery from
agriculture is problem of nationalized banks. Hence these banks should be strong to revitalize the agriculture sector of the country. In case of business sector, small industries have to face the competition of multi-national corporations. Services have increased in a large scale in last 20 years. Hence, to survive every service provider has to maintain quality in services. The CBI, as Lead Bank of Ahmednagar district, is providing financial assistance to Agricultural as well as Business Sector to revitalize and channelize the development of the district.

1.2 Importance of the Study:

Banks are important institutions for society and economy. They are helpful in overall development of the society. Savings obtained by banks from its depositors are used for providing loans to industries, agriculture and to its customers. Banks also pay interest on the amount deposited in them. They also raise awareness among people regarding savings. Banking institutions play important role in encouraging saving, which is beneficial for nation building. It is not possible to think about nation's development without the network of banks. After nationalization and introduction of Lead Bank Scheme, it was possible for banks to provide banking facilities to rural and remote area which remove regional disparities in economic development. Banks awaken the rural masses about the need and utility of banking services through lead bank scheme.

Ahmednagar district is geographically largest district of Maharashtra state. The CBI, as a ‘Lead Bank’ is performing its role in the district since last 40 years. Continuous four decades is sufficient period for performance of any banking institution. The CBI, as lead bank, providing financial assistance to agriculture,
business and other sectors. It also co-ordinates other banking institutions as a lead bank. The CBI is playing important role in development of Ahmednagar district. Though much work has been done in banking sector from various perspectives, the role of CBI in the development of Ahmednagar district has not been studied at micro level. Hence researcher has selected the proposed topic for the study.

1.3 Statement of the Problem:

As stated earlier, three types of banks are providing financial assistance to the various types of consumers. Industrial, commercial, agriculture and overall economic development of the country is mainly depends on banking sector. However, banking sector and borrowers are also facing various problems. Some important problems are listed below. Researcher had started the study with following problems -

1) Borrowers do not get loans at proper time.
2) Adequate amount of loan is not sanctioned by the banks.
3) NPA problems.
4) Problems faced by the CBI as a Lead Bank.
5) Co-ordination among all banks in Ahmednagar district is not in a proper way.

Thus to find out answers to the above questions and to evaluate the role of the CBI, researcher had selected the topic.

1.4 Selection of the topic:

Topic was selected for the present study due to following reasons-

1) the CBI is ‘Lead Bank’ of Ahmednagar district.
2) the CBI has largest network of 61 branches (i.e. 44 rural, 16 semi-urban, 1 urban) in the district amongst the nationalized and commercial banks.

3) Ahmednagar district is has rich history of co-operative movement, variety in geographical combination of drought prone as well as irrigated area, developing industrial and service sector. Hence, studying the role of the CBI in agriculture and business sector is not only interesting but also illuminating.

4) The researcher is resident of this district, hence, would be manageable for individual researcher from time and financial considerations.

1.5 Objectives of the Study:

The following objectives were established for the purpose of study:

a. To study formation and development of the CBI.

b. To study the role of banking sector in the development.

c. To study and understand the concept of 'Lead Bank' and the 'Lead Bank Scheme'.

d. To study working of the CBI in Ahmednagar district.

e. To study the role of the CBI in the development of Ahmednagar district.

f. To analyze the performance of the CBI in agriculture and business sector.

g. To study the problems faced by the borrowers.

h. To study the problems of the CBI in Ahmednagar district.
1.6 Scope and Limitations of the Study:

A. Scope of the study:

1. The CBI has been selected by researcher for study.
2. Geographical scope is confined to Ahmednagar district.
3. Study period was fixed from 2001-02 to 2010-2011 (i.e. 10 yrs)
4. Study pertains to agriculture sector and business sector performance of the CBI. Hence, theoretical scope covers, history of banking, banking and development, formation of the CBI, and role of the CBI in agriculture sector and business sector.
5. Analytical study covers agriculture and business sector performance of the CBI in development of Ahmednagar district.

B. Limitations of the Study:

1. Study is of the CBI and of a particular district i.e. Ahmednagar district.
2. Study is limited to agriculture sector and business sector performance of the CBI.
3. Limitations of Primary data is upto selected 12 branches of the CBI and selected 360 borrowers (180 from agriculture sector and 180 borrowers from business sector)
4. Research period is restricted to 2001-02 to 2010-11. The bank branches were reluctant to release the confidential information of their customers due to secrecy clause.
1.7 Hypotheses of the Study:

a. The role of the CBI as Lead Bank in Ahmednagar district is satisfactory.
b. CBI has played a supportive role in the development of agriculture sector of Ahmednagar district.
c. CBI has played important role in the development of business sector in Ahmednagar district.

1.8 Working Definitions:

The important terms which are used in the present study are defined as follows-

1. As per Report of High Level Committee to review Lead Bank Scheme 2009
   i. Lead Bank Scheme (means) -
      Gadgil study Group and Nariman Committee, RBI introduced the scheme towards the end of 1969. The study group observed inadequate presence of commercial banks in rural area. Hence, Lead Bank Scheme was evolved as an important organizational framework to fulfill primary objective of financial assistance to priority sector.
   ii. Lead Bank (means) -
      As per Lead Bank Scheme, banks have to play their lead role in an effective and systematic manner, in all districts in the country except metropolitan cities. All districts of India were allotted among public sector banks and one private sector bank. Such bank in a district is known as Lead Bank for that district.
Lead Bank is required to act as a consortium leader for coordinating the efforts of all credit institutions in allotted district.

2. Development -

i. At a symposium on social policy and planning organized by the United Nations in 1970, a working definition of ‘Development’ was formulated as-

“Development can be defined as a process of improving the capability of a country’s institutions and value systems to meet increasing and different demands of a social, cultural, political as well as an economic character.”

ii. According to Meier, economic development means, "the process whereby the real per capita income of a country increases over a long period of time subject to the stipulation that the number below an 'absolute poverty line' does not increase and that the distribution of income does not become more unequal"

It indicates that development has many facets. It is the act or process of developing or growth evolution within the framework of available resources.

3. Agriculture -

i. As per Britannica ready reference encyclopedia 'Agriculture means science or art of cultivating the soil, growing and harvesting crops and raising livestock'.

ii. As per Oxford dictionary 'Agriculture means science or practice of farming'.
iii. As per The Maharashtra Value Added Tax Act, 2002, the sec2 (1) - "Agriculture includes floriculture, horticulture, the raising of crops, grass or garden produce and also grazing, but does not include dairy farming, poultry farming grazing, stock breeding, the mere cutting of wood, grass, gathering of fruit, raising of man-made forests or rearing of seedlings of plants."  

4. Agriculturist

Sec 2(2) of MVAT 2002, "Agriculturist means a person who cultivates land personally, for the purpose of agriculture."  

5. Business -

i. "Sec 2(4) of MVAT 2002. The term 'business' includes a) Any service b) Any trade, commerce and manufacture c) Any adventure or concern in the service, trade commerce or manufacture."  

ii. Prof. Stephenson defines business as- "Business is an economic activity involving the production and distribution of goods and services with the object of earning profits through the satisfaction of human wants". 

Thus business sector includes- manufacturing, trading and service activities.

6. Priority Sector -

"The concept of 'Priority Sector' was evolved in late sixties, with a view to ensure flow of credit to neglected
sectors. Under which, commercial banks were advised to grant at least 40% of their total advances to borrowers in priority sector, 'Priority Sector' includes -

i. Agriculture

ii. SSI

iii. Small road and water transport operators, small business operators, professionals and self employed persons, Self Help Groups / NGOs, state sponsored SC/ST organizations, education, housing and consumption loan.

iv. In case of foreign banks operating in India, their advances to Export sector are treated as priority sector advances. Since, foreign banks are not allowed to open branches in rural / semi-urban areas.  

7. Short, Medium and Long Term Loans -

i. **Short Term Loans** are the loans for a period not exceeding 12 months.

ii. **Medium Term Loans** are for a period from 1 year to 5 years.

iii. **Long Term Loans** are provided for more than period of 5 years.

1.9 Research Methodology:

In order to attain above mentioned objectives a design of research methodology was made for the study. The study is encompassing the role performed by the CBI in the development of Ahmednagar district (agriculture and business sector). hence, following methodology is used to evaluate role of the CBI in agriculture and business sector development of Ahmednagar district.
1.9.1. Primary Data:

1) Informal Discussion -

For getting detailed information of investigation, the researcher has relied on informal discussion. The researcher has discussed with Bank Officers, Bank Managers, agriculture sector borrowers and business sector borrowers of the CBI, Lead Bank Officers, District Statistical Officers, MIDC area and industrial estate area officers, regarding schemes of finance, credit facilities provided by the CBI.

2) Questionnaire -

Three types of structured questionnaires were prepared by the researcher. One for the agriculture sector borrowers of the Central Bank of India, second for business sector borrowers of the Central Bank of India and third questionnaire for the bank executives of the Central Bank of India.

The questionnaires were provided to borrowers and bank executives.

1.9.2. Secondary Data:

For discussing theoretical and informative aspects of the topic under investigation, number of books, journals, periodicals, newspapers, articles, research papers, magazines have been used and acknowledged. A number of publications of RBI, reports of various committees, Southern economist, Yojana, Pranjanan, Financial Express, Official records of banks, annual reports, potential linked credit plan of NABARD, online information of the CBI and other banks, websites have been intensively used.
Institutes / Places Visited - The researcher has visited following institutes to get useful information.

Institutes / places

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Name of Institute</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>National Institute of Banking Management</td>
<td>Pune</td>
</tr>
<tr>
<td>2.</td>
<td>Gokhale Institute of Politics and Economics</td>
<td>Pune</td>
</tr>
<tr>
<td>3.</td>
<td>Jaykar Library, University of Pune</td>
<td>Pune</td>
</tr>
<tr>
<td>4.</td>
<td>Lead Bank Cell, the CBI</td>
<td>Ahmednagar</td>
</tr>
<tr>
<td>5.</td>
<td>Regional Office, the CBI</td>
<td>Ahmednagar</td>
</tr>
<tr>
<td>6.</td>
<td>Bank branches of the CBI</td>
<td>Ahmednagar</td>
</tr>
<tr>
<td>7.</td>
<td>C.D. Jain College Library (Research Center)</td>
<td>Shrirampur</td>
</tr>
<tr>
<td>8.</td>
<td>Nashik-Road College Library</td>
<td>Nashik</td>
</tr>
<tr>
<td>9.</td>
<td>Sangamner College Library</td>
<td>Sangamner</td>
</tr>
<tr>
<td>10.</td>
<td>B.Y.K. College Library</td>
<td>Nashik</td>
</tr>
</tbody>
</table>

1.9.3. Selection of Sample:

1. Selection of Tahsil - Ahmednagar district is geographically largest district of Maharashtra state. For administrative purpose, Maharashtra Government has divided the district into 14 tahsils. The district is divided in two parts i.e. North and South Ahmednagar District. Out of 14 tahsils researcher has selected 6 Tahsils (i.e. 42.85%) for the purpose of study.
Table 1.1
Selection of Tahsils

<table>
<thead>
<tr>
<th>Division of Ahmednagar</th>
<th>Name of Selected Tahsil</th>
<th>Special Characteristic of Tahsil (Reason of Selection)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Ahmednagar District</td>
<td>Sangamner</td>
<td>Partly drought affected and partly irrigated area, developed Tahsil.</td>
</tr>
<tr>
<td></td>
<td>Shrirampur</td>
<td>100% irrigated due to Mula-Pravara region, plateau region, industrial</td>
</tr>
<tr>
<td></td>
<td>Akole</td>
<td>Tribal hilly area, irrigated rural Tahsil.</td>
</tr>
<tr>
<td>South Ahmednagar District</td>
<td>Ahmednagar</td>
<td>District place, developed urban area, industrialized area, drought affected agriculture zone.</td>
</tr>
<tr>
<td></td>
<td>Shrigonda</td>
<td>Highly (100%) irrigated, agriculture oriented Tahsil.</td>
</tr>
<tr>
<td></td>
<td>Parner</td>
<td>Drought prone, industrialized area.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>06</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Data

Purposive sampling method of Non-probability sample was used by the researcher for selection of Tahsils. The main objective behind selection of above Tahsils was variety characteristics which covers major part of the district for in depth study of the topic.

2. Selection of Branches of the Central Bank of India:

In Ahmednagar district, the CBI has 61 branches, out of which 44 are rural, 16 semi urban and 1 urban branch. For in-depth study, the researcher has selected 12 branches (i.e. 20% of 61
branches) of the CBI for the study. The selected 12 branches are such as, 6 branches are from urban, semi urban area and 6 branches are from rural area.

Table 1.2

<table>
<thead>
<tr>
<th>Tahsil</th>
<th>Selected Branches</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sangamner</td>
<td>Sangamner Ashwi</td>
<td>Semi-Urban Rural</td>
</tr>
<tr>
<td>Shrirampur</td>
<td>Shrirampur Ukkalgaon</td>
<td>Semi-Urban Rural</td>
</tr>
<tr>
<td>Akole</td>
<td>Akole Kalas</td>
<td>Semi-Urban Rural</td>
</tr>
<tr>
<td>Ahmednagar</td>
<td>Ahmednagar Nagapur M.I.D.C.</td>
<td>Urban Semi-Urban</td>
</tr>
<tr>
<td>Shrigonda</td>
<td>Shrigonda Belvandi</td>
<td>Semi-Urban Rural</td>
</tr>
<tr>
<td>Parner</td>
<td>Parner Kanhur Pathar</td>
<td>Semi-Urban Rural</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Primary Data

Purposive sampling method was used by the researcher for selection of branches of the CBI. The main objective behind selection of above branches was to cover the urban, semi urban and rural area equally and to give justice to study area i.e. agriculture and business sector. Rural branches of the CBI were selected for agriculture sector and urban, semi urban branches were selected for business sector primary data. While selecting the branches, the researcher has covered variety of characteristics of the Ahmednagar
district viz. tribal area, hilly area, irrigated area, drought affected, industrialized area, urban/semi urban, rural area.

3. Selection of Borrowers:

The study is divided into two sectors i.e. agriculture sector and business sector. For the purpose of primary data collection borrowers of the CBI were selected from selected 12 branches of the CBI. Researcher has selected 30 borrowers from each branch (i.e. 30 x 12=360 borrowers), out of which 180 borrowers are from agriculture sector and 180 borrowers are from business sector.

a) Agriculture Sector Borrowers:

Rural area branches of the CBI were selected for agriculture sector borrowers.

Table 1.3
Agriculture Sector Borrowers

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Branches of the CBI</th>
<th>No. of Agriculture sector borrowers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ashwi</td>
<td>30</td>
</tr>
<tr>
<td>2</td>
<td>Kalas</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Kanhur Pathar</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>Shrigonda</td>
<td>30</td>
</tr>
<tr>
<td>5</td>
<td>Belvandi</td>
<td>30</td>
</tr>
<tr>
<td>6</td>
<td>Ukkalgaon</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>180</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

Simple random sampling method was used for the selection of borrowers. All the selected borrowers of agriculture sector from 6 branches of the CBI were farmers. Shrigonda branch is located at tahsil place but the area is agriculture oriented and maximum finance
is given to agriculture sector. All the remaining branches are rural area branches.

b) **Business Sector Borrowers:**

Urban and semi-urban area branches were selected for business sector borrowers.

**Table 1.4**

**Business Sector Borrowers**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Branches of the CBI</th>
<th>No. of Business sector borrowers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sangamner</td>
<td>30</td>
</tr>
<tr>
<td>2</td>
<td>Shrirampur</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Akole</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>Ahmednagar</td>
<td>30</td>
</tr>
<tr>
<td>5</td>
<td>Nagapur - MIDC</td>
<td>30</td>
</tr>
<tr>
<td>6</td>
<td>Parner</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>180</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

Simple random sampling method was used for selection of business sector borrowers. As the term 'business' includes industry, trading and services activities, the selected 180 borrowers are from different categories like industries (factory owners), traders and services.

The following table shows category wise classification of selected borrowers of business sector
### Table 1.5

**Classification of Business Sector Borrowers**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Business Sector (Categories)</th>
<th>No. of Selected Borrowers</th>
<th>Percentage of Borrowers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Industries</td>
<td>39</td>
<td>21.66</td>
</tr>
<tr>
<td>2</td>
<td>Trading</td>
<td>118</td>
<td>65.55</td>
</tr>
<tr>
<td>3</td>
<td>Services</td>
<td>23</td>
<td>12.79</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>180</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

Out of 180 borrowers, 39 borrowers are manufacturers, 118 are traders and 23 borrowers are from service sector.

The sample borrowers are running business like chemical industry, metal industry, plastic, food products, dairy products, engineering job work, stationery manufacturing, tyre remolding, battery manufacturing, stone crushers. Traders like cloth stores, foot wears, grocery shops, medical stores, book sellers, agro agencies, building material suppliers, mobile shopee, fruit and vegetable, jewellery shops and services like hotels, hospitals, cyber café, share brokers, laundry, petrol pump.

1.10 **Statistical Tools:**

In order to analyze and interpret data, the researcher has used simple mathematical and statistical tools like percentage, proportion, ratio, growth rate in order to make primary data easily understandable and amenable.
1.11 Review of Literature:

Banking sector is playing an important role in economic development, because banks have control over a large part of supply of money in circulation. Development is a continuous process, in which banks are the main stay of progress. In this chapter a brief review of literature is taken. The researcher went through literature, available on this subject. Numerous books, articles and studies were thoroughly studied and it was observed that there are various reasons for the study of Lead Bank Scheme and performance of the CBI. The researcher has presented summarized literature on various studies on banking, lead bank scheme, reforms in the following part.


3. **George M. V. and Gupta T. R. (1968)**: In their article, "Role of commercial banks in Agriculture Development" at The Indian Economic Conference, Hyderabad, Bombay Popular Prakashan, P.40 explains, India agriculture seems to be getting out of the vicious circle of low output, low savings and low investment now. One of the way in which commercial banks can help accelerate the process of change is by mobilizing rural savings. The entry of commercial banks in agricultural sector
would enable the RBI to extend the area of monetary control and affect the cost and availability of farm credit.

4. **Balsubramanian M. (1968)**: In his article, *"Role of Banking in Developing Economy"* The Indian Economic Conference, Bombay Popular Prakashan, Bombay P. 39 ensure that, a sound banking system is a sine qua non for accelerating the process of economic growth. The development of banking and economic growth are interdependent. It is possible to tap a large part of monetary savings in a developing economy only if banking spreads to the rural areas. The role of banks in Indian development is dealt with in the second section. The commercial banks have to play an insignificant role in the domain of agriculture credit.

5. **Pandey Purushottam (1968)**: In his article, *"Role of Banks in Economic Development"* The Indian Economic Conference, Bombay Popular Prakashan, Bombay P. 42 observes that, banks should take more interest in agriculture and small scale industries. There is a certain propensity to hoard observable in rural areas. Banks can induce the people in these areas to keep their money in bank deposits rather than hoard it at home. But the money so hoarded should first be used for rural rather than urban development. An important task for the banks is to popularize the use of credit instruments and, for this banks might, if necessary, change their operating rules and practices. (The Indian Economic Conference, Hyderabad)
6. **Joshi M.D. (1968)** : In his article, "Role of Banking in Agriculture Development in Developing Economy with special ref to India", Bombay Popular Prakashan, Bombay envisages an increasing role for bank in rural sector. This in his view will provide a healthy competition to co-operative who do not seem to face any competition at the present moment. The task, he thinks, can be achieved by having social control over rural banking on the one side and by improving and strengthening the working of co-operatives on the other. As per Dr. Joshi's view, it should be possible for temporary rural surpluses to flow into the deposits.

7. **Hukku V. N. (1968)** : In his article "Role of Commercial Banking in Developing Economy with Special Reference to India", Bombay Popular Prakashan, Bombay favors extension of commercial banks to rural areas but only as a supplement to co-operatives. He thinks that commercial banks can mobilize savings of the people effectively if they provide proper banking education and incentives. Indirectly, commercial banks could promote capital formation by underwriting issues of shares, building up liquidity, subscribing to share capital of co-operatives, forming consortium to provide long-term finances to agriculture and industry. It should be the effort of commercial banks to displace indigenous money lenders and to lend to priority sectors.

8. **Mafatlal Arvind, (1968)** : In his article, "Banking and Industry", The Role of Banks in National Life, Syndicate Bank Limited, suggested that Government should provide a larger share in the total bank credit to small industries. The
small industries of various sorts account for about 30 percent of industrial production in the country.

9. **Dr. Khusro A. M. (1968)**: In his article, *Banking and Agriculture*, Role of Banks in National Life. Suggests that Interest rates in rural banking need not be as high as the money lenders rate, but they must be high enough to enable the rationing of limited credit amongst the most efficient borrowers.

10. **A Report of Study Group on National Credit Council (1969) P.10** under the Chairmanship of **Dr. D. R. Gadgil** recommended the adoption of an 'Area Approach' to evolve plans and programs for the development of banking and credit structure. The central idea behind this was that, depending upon the area of operations and location, commercial bank should be assigned particular district in an area where they should act as pace setter providing integrated banking facilities.

11. **RBI Bulletin : Lead Bank Scheme - Progress and Perspective (Nov. 1970), P.1917** explains that, "To enable the bank to assume the role of leadership in an effective and systematic manner, all the districts in the country have been allocated among public sector commercial banks and few of the private sector banks. The Lead Bank Scheme has been designed for formulating dynamic relationship between nationalized and non-nationalized banks, between commercial banks and co-operative credit institutions and between short term and long term lending institutions."
12. **Annual Report on the working of RBI and Trends and Progress of Banking in India (1970), Govt. of India P. 63.**

The bank assigned the lead role is thus expected to act as the consortium leader and after identifying through survey, area requiring branch expansion area suffering from credit gaps, it should invoke the co-operation of other banks in the district for opening branches as well as meeting the credit needs.

13. **RBI Bulletin :** In **RBI Bulletin (1970), Vol. - 24, P. 93.** It has been stated that, Lead Bank has to assume the major role in development of banking and credit in the concerned district. At the same time, it is not expected to have monopoly of banking business in that district.

14. **Jagnnath S. (1972) - RBI Bulletin, P. 2118** - underlined in his article - In planned economic development, the banking industry was expected to help the economy not only as an agent for mobilization of financial resources and its deployment according to priority schemes but also as a stimulating force to increase the quantum of saving and the saving income ratio by increasing the productive capacity of economy.

15. **Report of Banking Commission (1972) Government of India - P. 82,** pointed out that according to one view the lead bank's responsibility was to conduct district survey's identify places having potential for banking and offer the list to all interested banks for opening branches.

16. **SIMHA S. L. N. (1972) :** In his article, **Evolution of India Banking, Reforms of Indian Banking System, ORIENT**
Longman Limited, Madras expresses Lead Bank Role as, A Lead Bank is responsible for taking a leading role in surveying the credit needs, development of branch banking and development of credit facilities in the districts allotted to it. They are to maintain liaison with the district authorities. They are to conduct survey of lead district, to estimate deposit mobilization etc.

17. Dr. Saxena D. N. (1972): In his article, Commercial Banks in Current Development Strategy in India, says that, the importance of lead bank scheme is that for filling up the credit gaps in particular region it would be much better to allocate the co-ordination responsibility to any one specified institution (bank) than to make general exhortations to one and all.

18. A Report of Credit Planning and Policy, (1974) Govt. of India Bombay, P. 11: Preparation of district credit plan is 3rd important step in implementation of lead bank scheme. A lead bank prepares a systematic credit plan for the development of lead district, considering the credit gaps and potentialities of district. The district credit plan is a plan of a bank for allocation of its available resources among the various types of borrowers in conformity with the planning priorities.

19. Baranwal S. P., (1976): In his book, Guide to Indian Banking, Guide Publication, New Delhi, P. 88 highlights that, the commercial banking system in India has made rapid strides in recent years both structurally and in terms of geographically coverage and is fairly well-developed today. The process of consolidation of system began by the Reserve
Bank following the enactment of Banking Regulation Act, 1949 and was accelerated in 1960, when bank was vested with winder powers to bring about compulsory amalgamation of weak points with sound one.

20. **Datta Bhabatosh - Classics in India Banking Economic and Political Weekly - Vol. 11, No. 26, 1976 -** has reviewed the Indian Banking System and history of Indian Banking, starting from Indigenous Banking Agency houses, Indian Joint stock banks, Pre and Post Nationalization of Banks and reforms.

21. **Aniruddha - "Lead Bank Scheme : Monitoring the Implementation", Financial Express, dated 9th Feb 1977 P. 4:** Expresses in his article - As the first step in playing their lead role the lead banks were asked to conduct quick and impressionistic survey of their lead districts to assess their developmental potential and credit needs and to identify the centers where bank branches were needed to be opened in near future.

22. **Ammannaya K. K. :** In his article **Lead Banks and Branch Expansion, Financial Express dated 15th Jan 1977 P. 4** the lead bank of the district may have to put in together efforts for expansion in co-ordination with other banks. To correct the situation the lead bank of the district, must prepare separate expansion plans in respect of these district and implementation the same. Banks prepare branch expansion plans at the institutional level and regional level and in the plans so prepared no special treatment or importance is given to the districts which continue to be backward in banking.
23. In the article, **Lead Bank Scheme : Need for Rethinking**, (1977), *India in Industries*, vol. - thirteen number two, Oxford Books Co., Calcutta expresses that, after ten years of Lead Bank Scheme, there is need for rethinking on the methodology of the schemes.


25. **Agarwal H. N. (1980)** : In his book "A Portrait of Nationalized Banks", Inter India Publication, Delhi, has studied comparative performance of various social obligations, qualified and illustrated by the nationalized commercial banks (1969-73). Union Bank of India, Bank of India, Indian Bank and Central Bank of India has shown above average success and highest performance i.e. at least 2/3rd of all the social obligations were satisfactorily discharged by them.

26. **Bhuchar A. K. (1980)** : In his article, "Lead Bank Scheme", *Commercial Banking Volume III* expresses that, the Lead Bank Scheme is an important instrument for overall development and its chief merit lies in the fact that the responsibility for banking development has been laid squarely on a specified bank in each district which is required to act as a leader and co-ordinate the activities of various agencies in the district for its overall development.

27. **RBI Issue : Role of the RBI in the Sphere of Rural Credit, June 1980** : Outlines that the commercial banks have made
considerable headway in financing agriculture. In enabling banks to achieve this progress, the RBI has been playing an active role with the opening of more and more branches in the rural and other centers which do not have banking facilities and increase in the scale of agricultural operations in the country, it is expected that there will be further involvement of commercial banks in the financing of agriculture in coming years, of course, in co-ordination with the existing credit institutions, in particular the wide-spread network of co-operative banks and societies.

28. Birla Institute Of Scientific Research : (Economic Search Division) (1981) in their issue Banks since Nationalization expresses that After nationalization, the banks in both the public and the private sectors vastly expanded their network of branches, more than 60% of which were opened in rural areas. The primary task of widening the social base of commercial banks and to bring them to the doorsteps of common man could be considered to have been achieved to a considerable degree, if the number of rural branches were taken as criterion, although especially in large parts of the country which still remain unbanked.

29. Gupta Malay, Central Bank of India - Economic Bulletin (1983), PP. 69,70 : In his article Banking as a lever for Rural Development says that, the role of commercial banks in the development of country was not specified in five year plans. Since Nationalization of major commercial banks in the country in 1969, a significant role was given to banks for rural development. Branch network was spread in all parts of the
country and barring a few all the blocks of the country have been blocked.

30. Dr. Kamal Nayan (1985) : In his book 'Commercial Banking in India Performance Evaluation, Deep and Deep Publications, New Delhi says that the new banking policy, as formulated after nationalization of major commercial banks, have sought to change the very structure of commercial banking in the country. The unprecedented expansion in unbanked rural areas, coupled with phenomenal growth in bank deposit and advances were altogether a new experience for bank management in the country.

31. Dr. K. Seshaih (1985) : In his book, "The Lead Bank Scheme - An Empirical Evaluation" Rainbow Publications, Coimbatore explains one of the important tasks under the Lead Bank Scheme was effective co-ordination among various agencies functioning in district co-ordination between the commercial banks and the development authorities at the district level is difficult and complicated due ideologies and administrative styles. The main problem confronted here were concerned with district development plan and recovery of loan. He has suggested for improvement in implementation of lead bank scheme - e. g. Identification of centers, operational plan, organizational set-up, identification of beneficiaries, crop loan, subsidiaries and margin money, infrastructural facilities, training, recovery of over dues and periodical reviews.

32. Dr. Upadhyaya Rajiv (1985) : In his book, "Management of Commercial Banks in India - Public Relations and
In the twentieth century, commercial banking spread its tentacles over the whole of the commercial and industrial economy of the country. Besides this, a chain of co-operative sector in rural and urban areas cater to the needs of agriculturists and artisans. Thus to give proper guidance and efficient service to its customers, the bank management must modernize and spread the functions of public relations and customer service over the entire banking structure.

33. Dr. Husain Farhat (1986): In his book "Public Sector Commercial Banking in India", Deep and Deep Publication, New Delhi, P. 31 Since nationalization of major commercial banks, the weaker sections of community i.e. small agriculturists, small industrialists, retailers, road and water transport operators, students, professionals and educated unemployed have started receiving special attention from commercial banks in the country. Commercial banks have shifted from the age-old conservative policies to modern banking practices, with emphasis on regional development and supervised credit planning which brought dynamism and innovations in their activities.

34. Belge M. W. (1986): In his research article Working of Lead Bank: A case study in Eastern Vidarbha published and Edited by Tokhi and Sharma, in Rural Banking in India, P. 49 point out that the lead banks face number of problems when opening branches in rural areas, like selecting place, availability of intelligent agents, deposits mobilization etc. Apart from these problems the most important point of
economic interest regarding financing of agriculture and small industries is: both sectors are receiving larger advances from lead banks. Hence because of changed attitude of bank in favour of small farmers and small industries, the total picture that emerges from the lead banks working is optimistic.

35. **Bhattacharya Hrishikesh, (1986)**: In his book, *Banking in India*, foreign Book House, Calcutta has been examined the managerial issues involved in the development of banking industry in India. History of banking development in India is traced by an examination of monetary policies from 1930 to the present date. The present status of managerial functions in banking industry covering a wide field.

36. **Sarda D. P. (1986)**: In his book, *Handbook on Lending to Priority Sector*, Govind Prakashan, Bombay, P. 88, explain the lead Bank Scheme's organizational set-up and forums of co-ordination is three tier system of District level, State level and National level. At district level, District Collector is the chairman, at state level, Lead Bank designated as convener bank and at national level, Deputy Governor of RBI is chairman of national level High Power Committee.

37. **Singh Awadh Bihari Prasad (1987)**: In his book, *Lead Bank Scheme*, Capital Publishing House, New Delhi, P.34 comments that, Institutional organizational and administrative problems in implementation of the scheme are interrelated. There are multiplicity of rural agencies parallel to Lead Bank Scheme, which have been created for dealing with the
problems of agriculture/rural development and each one is expected to adopt on Integrated Approach.

38. Dr. Goyal K. G., (1987) : In his book, "Rural Development and Banks", Pratiksha Publications, Jaipur, P. 286 states that Lead Bank Scheme plays a vital role and the success of the scheme largely depends upon the development of agriculture, cottage and rural industries which would ultimately lead to absorption of under-utilized excess manpower in different sectors of rural economy, creation of additional income and reduction in inter / intra regional economic imbalances.

39. Abrol Prem Nath, (1987) : In his book, "Commercial Banking". Anmol Publications, Delhi, P.103 Banking encourages habit of thrift and savings among people and mobilizes their savings towards further generation of income in addition to meeting urgent social needs which have a vital bearing of the process of socio-economic change. It assesses the financial and technical needs of different sectors of economy such as agriculture, industry, transport etc.

40. Ghosh D. N. (1988) : "Commercial Banking - Lessons from Indian Experiences", 41st International Banking Summer School, Mumbai, P. 36 says that, the Indian Banking system has undergone a major and rapid structural transformation over the last few decades. It has attained stability and maturity. Now the system is diversifying itself to cater to the sophisticated needs of different corporate clients and at the same time, experiment with new ideas for attending with greater vigor,
dedication and efficiency to the diverse development needs in the rural and agriculture sector.

41. Ojha P. D., (May, 1988) : Report on "Service Area Approach - Formulation of Credit Plan", published by RBI, Rural Planning and Credit Dept., Bombay. The committee recommended that, with the large network of rural and semi urban branches the time was opportune to adopt a system of assigning specific areas to each bank branch. This would enable the branch to have development of specific areas assigned to it.

42. Chhabra Trilok N. (1988) : In his book, "Rural Banking in India", Dhan Pat Rai and Sons, Delhi, PP. 145,146 stated that, Lead Bank Scheme has been faced with many difficulties such as, conduction survey of the district, quality on banking services provided, undue burden on banks, lack of authority of lead bank, lack of co-ordination, understaffing etc, while implementation in rural area.

43. Deb Kalipada, (1988) : Indian Banking since Independence, Aashish Publishing House, New Delhi suggests that the Indian planners also envisaged it to be so and actions in that direction followed soon after independence. The important findings of the study are that the changes in policy and operation system of banks came very slowly and that too not in adequate measure.

44. PR. Perichiappan, (July, 1988) : "Priority sector Lending by Commercial Banks", Attangudi Ganeshkumar Publication, Secunderabad explains the concept of priority
sector in detailed as, the priority sector is broadly divided into following categories namely Agriculture, Indirect finance to agriculture, Small scale industries, Small road and water transport operators, Retail trade, Small business, Professional and Self employed persons, State sponsored organization for SC of ST, Education, Housing, Consumption etc.

45. **Bhatia B. S. and Chawla A. S., (1988)**: In their article, *Emerging Issues in Priority Sector Financing, Indian Banking towards 21st Century*, Deep and Deep Publications, Delhi, expresses that financing of priority sector of economy has been one of the strategies of commercial banks in their development role in India. Previously, though there were certain regulation, they did not help in optimization of production and blossoming of new entrepreneurship in the country, as a million of small scale producers, farmers, transport, operators, small business men etc. could not progress for want of availability of inputs particularly that of credit.

46. **Uppal K. K. and Amandeep, (1988)**: In their article, *Banking Industry in 21st Century", Deep and Deep Publications, Delhi* focused that Banking system occupies an important place in a nation's economy. It plays pivotal role in the economic development of a nation and forms the care of the money market in a developed country.

47. **Dr. Anand S. C. (1990)**: In his book, *Rural Banking and Development, UDH Publishing House, Delhi, PP. 167,178* The formulation of District Credit Plan Program has undergone four different rounds 1990. The lead bank made 1st attempt in
between 1975-78, whose implementation was not uniform in regard contents, coverage and period etc. then the high power committee has issued certain guidelines in March, 1979 for preparation of 5th and 6th five year plan, and then fourth round of DCP covers the three year period upto Dec. 1990.

48. **Mathur B. L., (1990)** : In his article, "Service Area Approach - A New Strategy for Rural Development", RBSA Publishers, Jaipur, P. 166 he explains that, SAA remedies the inadequacies in the Lead Bank Scheme under which lead bank officer was preparing the credit plan for the blocks-districts as a whole but the branch managers, not being aware of exact operational area of each branch and loaning potential of each village in their national operational areas, were not in a position to prepare a branch wise annual program of lending.

49. **Chug A. C., (1991)** : In his article, Service Area Approach - A New Dimension in Credit Planning, Trends and Portents in Banking, Pointer Publishers, Jaipur, P. 34 says that, The service area approach (SAA) which become operational on April 1st, 1989 aims at bringing about an improvement in the quality of lending optimizing the use of credit, establishing improved linkages with production and productivity and proper recycling of bank credit.

50. **Narendra Kaur (1991)** : In the article, "Loans to agriculture by Commercial Banks", Trends and Portents in Banking, Pointer Publishers, Jaipur, P. 54 he states, The importance of Indian agriculture has led the farmers to realize the importance
of commercializing agriculture through the use of hybrid seeds, fertilizers, pesticides and multiple cropping etc. This has started generation and is likely to generate still further surpluses in the neglected and traditional agriculture. It is fully in keeping with the accepted role of banking to try to attract additional incomes generated and to provide the credit needed to sustain and enhance the prosperity of the farmer.

51. Juneja N. K. (1992) : In his book, "Service Area Approach - Lead Bank Scheme", Manas Publishers, New Delhi, P. 82 he has given few suggestions to how to prepare realistic credit plans of service area and their effective implementation with minimum efforts; and to acquaint the readers with the updated and detailed guidelines of service area approach and lead bank scheme. It is an attempt to rectify the bottlenecks visualized in the implementation of service area approach by incorporating newly developed methodologies.

52. Mrs. Garhwas Santosh, (1993) : In her book, "Commercial Banking and Economic Development", Pointer Publishers, New Delhi, P. 38 mentioned that commercial banking development is also multidimensional in nature. Branch expansion, deposit mobilization and deployment of credit are three major aspects of commercial banking.

village credit plan appears to be too ambitious, considering the experience of Dist Credit plan and staff constraints at branch level. The concept of credit planning it appears, is still not properly implemented by lead bank, in true spirit and content of credit planning.

54. Karnik S. D., (1993) : In his article, "Banking in Maharashtra - Issues of Importance", Himalaya Publishing House, Bombay, PP. 3,4 in the field of banking and finance, Maharashtra occupies the top most position whether one refers to commercial banks, co-operative banks or state level development banks. In fact, Maharashtra is cradle of banking movement in India. Many of leading commercial banks can trace their origins to the joint stock banking co- started by pioneering business families of Bombay to finance the then nascent textile industry in the city.

55. Shah A. C., (1993) : In his article, "Banking in Maharashtra - A Banker's View", Himalaya Publishing House, Bombay, P. 82 he says that, the state of Maharashtra occupies the most prominent position in the economic and banking map of India. It is the 3rd largest state of India, both in area and population. The degree of urbanization in Maharashtra is greater than that in other stated. Maharashtra is the only state in India having four cities with a population of 1 million and above. Bombay is the capital of Maharashtra, is truly regarded as commercial capital of India. Maharashtra has a predominant position in banking as well.
56. **Tripathi R. A.,** (July, 1995) : "Computerisation in Central Bank of India", Central Bank of India, Economic Bulletin, Vol. 5, No. 7, PP. 2,3 'Central Bank on India is one of the very few banks which embarked upon computerization even as early as the seventies. The Electronic Data Processing Dept. (EDP) was formed in 1979. The bank installed zonal mini computer in 1986-87 and requisite software for all the concerned zonal officers was developed from within the bank itself. The mainframe computer of the bank was installed in March 1991 at Central Office. The Central Bank of India which has the reputation of introducing innovative schemes and services since its inception in 1911 would continue to be the pioneer even in the field of computer application.'

57. **Raut Kishor C. and Das Santosh K.,** (1996) : in their book "Commercial Banks in India", Kanishka Publishers and Distributors, New Delhi, 'Indian Banking, as a matter of fact has undergone a metamorphosis in the very concept, percept and outlook since nationalization. Explosive growth coupled with functional diversification in consonance with national diversification in consonance with national objectives and priorities has been the hallmark of this phenomenal transformation. By any reckoning, the Indian banking system has given a good account of itself and eventually emerged as an effective instrument of socio-economic change.'

sector reform in India is an integral part of overall program of economic reforms aimed at improving productivity and efficiency. A major lesson to be learnt from the experiences of other countries which have gone through a program of financial sector reforms are successful only if accompanied by fiscal consolidation, moderate inflation and no sharp appreciation in real effective interest rate.

59. Sarat Chandra A., (1997) : In his article, Rural Banking - Changing Scenario, Banking Reforms in India, Edited by Subramaniyam and Velayudham, Tata McGraw Hill Publishing Co. Ltd., New Delhi, he says that the redefinition of priority sectors is likely to reduce the negative impact of directed lending on profitability. The relaxation in restrictions on the service area norms would enable the rural bank branches, to improve rural credit business to the sizeable level. All these measures are expected to help rural credit system to develop a more profitable business profile. The improvement of rural credit delivery system is essential for the economic upliftment of rural poor who form the backbone of our society.

60. Prasad Narendra, (2001) : In his article, Banking and Financial Sectors Reforms in India, edited by Amalesh Banerjee and Singh, Deep and Deep Publication, New Delhi says, the reforms in financial sector are aimed at improving the productivity and efficiency of the Indian Financial System which transfer funds from the surplus units to the deficit ones at minimum operating cost.
61. **Natrajan and Parmeswaran, (2001)**: "Indian Banking, S. Chand and Co. Ltd, New Delhi, P. 42" World over dramatic changes are taking place in banks and banking operations. Indian banks are bracing up to meet the standards set by supranational bodies like Bank for international settlements (BIS) with regards to various prudential measures. The complexities of banking operations in the recent years have undergone significant changes due to innovations in banking products and cross-border dealings.

62. **Rajkonwar Utpal and Rajkonwar Ajanta, (2001)**: In their book, "Role of Commercial Banks in Rural Development: A Study of Dibrugarh Dist.", Radha Publications, New Delhi they stated, It is expected that by removing certain bottlenecks on the part of the banks in the sphere of giving loan and recovery of the same, the commercial banks will help the rural poor of this country to overcome their poverty and hardship. At the same time, the beneficiaries of the various schemes of the banks should make optimum utilization of the resources to reap the best result.

63. **Shreekantaradhya B. S., (2004)**: In his article, "Resolving the Problems of NPA's of Commercial Banks", Deep and Deep Publication, New Delhi highlights that, Reducing the NPA's to a reasonable level remains a challenging job. What one can expect from banks at this juncture is that they should effectively make use of the new legislative and other measures and lay greater emphasis on preventive measures to resolve the problem of NPA.
64. **Dr. Bhattacharya Kali Mohan, (2002)**: In his book, "Role of Banks for Poverty Alleviation", Rai Publishing House, Jaipur, PP. 18,19 he says that the development of a country depends largely on efficiency and effectiveness of intermediaries. This would call for a well designed system to take care of the allocative mechanism. Lead Bank Scheme was conceived with a view to achieving precisely this.

65. **Sarda D. P., (2004)**: In his book, "Handbook on Lending to Agriculture", Govind Prakashan, Jaipur, PP. 29,30 he says that, the main objective of Kisan Credit Card is to provide adequate and timely support to the farmers to meet their short term credit requirements. The encouraging progress in the implementation of Kisan Credit Card Scheme indicates that it has been found beneficial not only by farmers but also by banks.

66. **Shreekantadhyya B. S., (2004)**: In his article, "Meeting the Banking Needs of Poor : The Emerging Trends", Deep and Deep Publications, New Delhi The failure of the conventional mechanism of providing financial services to the poor has led to an innovative approach like micro-credit. The emerging system is undoubtedly the most appropriate which needs to be greatly strengthened to meet banking needs of poor.

67. **Chaudary C. M., (2004)**: In his book, **Recent Trends in Indian Banking**, Sublime Publication, Jaipur, P. 92 says that, Economic reforms, liberalization and globalization have affected the Indian economy and consequently different sections of society. The basic contribution of Indian Banking
system is to cater to the credit requirements of the economy to attain the basic objectives of our planned economic development—generation of employment opportunities and eradication of poverty in rural and urban areas.

68. Shreekantaradhya B. S., (2004) : In his article, "Banking Sector Reforms in India", Deep and Deep Publications, New Delhi he says, to strengthen the reform process, there is need for urgent attention in one more area and that is Human Resources Development in banking sector. To meet the changing needs of the banking sector in the process of reforms, the recruitment and training methods should be reoriented.

69. B. Yerram Raju, (2007) : In his article, Financial Inclusion, revamp lead bank scheme, (Financial Express), he suggests that, financial inclusion in its wider definition of savings and thrift, credit and counseling should be part of credit plan exercise. The Lead Bank office should be equipped with essential staff and equipment to undertake the planning and monitoring exercise. Therefore, RBI should quickly revitalizes the entire Lead Bank Scheme so that credit to the vulnerable results in enduring assets with recycling capabilities.

70. Dr. Joshi D. P. (2006) : In her book, Social Banking, (Foundation Books Pvt. Ltd., New Delhi), suggests a rich historical perspective of developments of different areas of social banking and poverty alleviation strategies in all their ramifications, critically argues that both risk and opportunity have become established elements in the pro-poor banking and
testifies to the increasing response of financial services sector to this clarion call'.

71. **Dr. Verma Sanjeev and Dr. Pandey A. S., (2007)**: In their article, *Challenging Dimensions of Work-Culture in Indian Banking Sector*, state that, banking encounters the complex interactions affected by multiple elements so it becomes important to adopt holistic marketing approach. The service outcome in terms of customer satisfaction depends on a host of variables.

72. **Prakash Ved, (2007)**: In his article, *Indian Banks and Global Challenges*, states that, the global challenges which banks face are not confined only to the global banks. These are also highly relevant for banks. Further overcoming these challenges by the local banks is expected to not only stand them in good stead during difficult times but also equip to launch themselves as a global bank.

73. **Mehta Raman, (2007)**: In his article, *Public and Private Sector Banks: A Comparative View*, he compares the performance of Private Sector Banks with Public Sector Banks. Various parameters he has used to compare these banks and conclude that how private sector Banks are beneficial for development for economy and Public Sector Bank are reliable and less expensive.

74. **Dr. Vinod Kumar, (2007)**: In his article, *Banking Sector Reforms in India - Need, Performance and Agenda for the Future*, has following findings - The banking sector reforms in India have transformed the banking system from an
unprofitable, inefficient and financially unsound system to a competitive system driven by market forces. The reform period has experienced growth of banks in an environment of operational flexibility, capital adequacy and improved asset quality.

75. Singh Rupinder, (2007) : In his article, Banking Sector Reforms in India, elaborates that - RBI had introduced the reforms in a phased manner instead of destabilizing the whole system. This first phase of banking sector reforms has provided a platform to the banking sector to operate effectively. The success of second phase of reforms will depend primarily on organizational efficiency of the banks.

76. Uppal R. K. and Kaur Rimpi, (2007) : In their book, Banking in the New Millennium : Issues Challenges and Strategies, Mahamaya Publishing House, New Delhi they say, The fast pace of changes have radically and perceptibly transformed the operational environment of banking sector. Therefore, the leading banks have to shifted their focus to provide prompt efficient customer service and offering variety of hi-tech banking product / services. In order to achieve the same, the leading nationalized banks started building up necessary infrastructure for introducing attractive hi-tech products and offering new services.

77. Bimal Anjum, Monika Saini and Rajan Shridhar, (2008) : In their article, Mergers and Acquisitions : Need of Indian Banking Sector, New Century Publications, New Delhi says that, Indian Banking Industry is not only helping in generation
of revenue but also playing dominant role in the achievement of social objectives by providing credit to priority sector.


79. Chaudhary S. K., (2008) : In his book, Public Sector Banks in India, Rajat Publications, New Delhi, P. 87 he says that, Countries such as the United States and Japan have enormously benefited from strong banking systems which not only helped the domestic economic systems to grow and prosper but also pursue international ambitions and business expansion.

80. Uppal R. K., (2008) : In his book, Indian Banking in the Globalised World, New Century Publications, New Delhi, P. 52 he says, that banking sector reforms have supported the transition of Indian Economy to a higher growth path, while significantly improving the stability of financial system. In comparison with the pre-reform period, the Indian banking system today is more stable and efficient.

81. In the article, Non-performing Assets of Commercial Banks in India, Ahuja Rajesh (2008), Indian Banking in Globalised World, New Century Publications, New Delhi has studied the comparison of NPA of Nationalised, foreign and other scheduled commercial Banks, with the help of data
of year 2005. The result is, NPA of PSB’s is more than Private Sector Banks hence, he suggests that there is an urgent need of change in attitude of PSB’s.

82. Mathur B. L., (2008) : In his book, Banking Perspective and Development, Book Enclave Publishing, Jaipur India has a rapidly growing Banking and Financial services sector based on sound fundamental characterized by level of low NPA's. The total assets of Indian Banking Sector was of about $450 billion in 2004, achieved a growth of 15% p.a. since 1991, PSBs accounts for 75% of the assets. However Indian Private banks and foreign banks are growing very fast.

83. Report of High Level Committee (2009), RBI recommends that, the Lead Bank Scheme is useful and needs to continue. The State Level Bankers Committee and various for a under LBS should focus on addressing the 'enablers' and 'Impeders' in achieving greater financial inclusion and flow of credit to priority sectors, while continuing to monitor subsidy linked govt. sponsored schemes.

84. G. Raju and Soju S., (2010) : In their article, Commercial Banks in India - Beyond 2007-08, 'Banking in India', Regal Publications, Delhi, P. 84 suggests that, Indian commercial Banks have to migrate into the new international prudential standard BASEL 2. The cost minimization variable returns to scale, DEA model developed for the study identified foreign banks as the peer group among the commercial banks working in India.
85. In the article, *A Study of NPA's in Indian scheduled Commercial Banks, (2010), N. Sundaram and C. M. Maran Banking Industry in India, Regal Publications, Delhi, P. 51* says that, the India Banking Sector is facing a serious problem of NPA's. The extent of NPA's is comparatively higher in PSB's. To improve the efficiency and profitability, the NPA's has to be scheduled. Various steps have been taken by Government to reduce NPA. But at least, Indian Banks can try competing with foreign banks to maintain a international standard.

**1.12 Chapter Scheme:**

The thesis consists of seven chapters as follows -
1) Introduction, Research Methodology, Review of Literature
2) Banking in India and it's Role in Development.
3) Profile of Ahmednagar district
4) Formation and Progress of Central Bank of India
5) the CBI’s Role in the Development of Ahmednagar District
6) Data Analysis.
7) Summary, Conclusion and Suggestions.
References:

1. Daily Loksatta - 1st Feb 2011, P.9
6. Ibid, P. 153
7. Ibid, P. 153
8. Dr. P. C. Shejwalkar and authors, 'Organization of commerce and management', Narendra Prakashan, Pune, P. 2