Chapter - II

Review of Literature

This chapter presents and deals with an overall review of literature consistent with the objective of the study and the recommendations of the various committees and working groups on the subject matter of the research.

2.1 INTRODUCTION:

The Review of literature has main relevance with any research work because due to it the possibility of repetition of study can be eliminated and another dimension can be selected for the study. The literature review has helped researcher to remove limitations of existing work and also has assisted in research to extend prevailing study.

In the past several research have been conducted to analyze the different aspects of performance of commercial banks in India. But there are very few research and literature available on the subject related to Lead Bank Scheme and other financial reforms and its impact on rural development. The available literature and research are divided into four major parts according to the area of research.

In this section attempt has been made to review the literature studies pertaining to the study of SBH and rural development, and thus the review is divided into four parts namely:

1) Review of Literature related to Studies in Economic Growth & Development
2) Review of Literature related to studies in Agricultural & Rural Development
3) Review of Literature related to Studies in Lead Bank Scheme
4) Review of Literature related to Government Reports.

The present study is undertaken in the light of the methodology adopted and conclusions emerged in the earlier studies relating to the performance valuation, financial reforms and their impact on the rural development with the help of Lead Bank Scheme.

The researcher has reviewed a number of studies related with retail banking industry which deals with schemes initiated by the reserve bank and Government.

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2.2 STUDIES IN ECONOMIC GROWTH & DEVELOPMENT:

While studying the various issues related with economic growth and development of which agricultural development and co-operative banking are but a part, one cannot do without referring to Gunnar Myrdals (1975) voluminous work Asian Drama – An Inquiry into the Poverty of Nations. was observed that at the methodological level, for instance, attempts was made by Myrdal in his Economic Theory and Underdeveloped Regions and in his Asian Drama, to formulate an institutional approach and to apply it to the Indian situation were of great significance. They presented a new approach and rose important questions in this broad filed. The most significant contribution that Myrdal made was in following respects.

He has rejected a single factor approach through in his formulation and tried to bring more useful thought such as: ‘the essence of a social problem is that it concerns a complex of interlocking, circular and cumulative changes’.

a. The distinction between economic and non-economic factors important from economy point of view.

b. The land reform contributed to economic development.

c. In his Asian observations. Myrdal does not fully take into account Indian agrarian structure nor regional variations within India.

Myrdal’s analysis is thus inadequate as it is not based on sufficient empirical data. His work as representative of the type of work based on hypothesis-building unsupported by direct knowledge of the fled situation and an understanding of Indian agrarian history. This is not to underestimate Myrdal’s contribution which is that of a pioneer in many ways.

Doreen Warriner (1975) has observed utilization and benefits of the Nurksian analytical framework of the vicious circle and lopsided economy for analysis of the agrarian structure in relation to economic development. But she too does not go very far in exploring and identifying the variety of the patterns of agrarian structures in India and the variations in the degree of their responsiveness to technological change and economic development.

Datta and Sundharam (1973) are of the opinion that the economic development is a process whereas in real economy national income over a long period of time and if the rate of
development is greater than the rate of population growth then per capita real income will increase. But the reality was something else i.e the situation was vice-versa

The volume of works on economic growth and development is very large the objective of the present researcher is concentrated on the rural development under the Lead Bank Scheme. There for the review presented in this section is somewhat brief and in detail manner.

Sen S.R.(1966): suggested an perceptive essay on ‘Agricultural Economics Research and Economic Planning in India, he has tried to highlight on some of the basic problems and weaknesses of research in the field of agricultural economics in India. The has contributed some of his opinions in the form of writings and tried to focus on some of the deficiencies such as ‘neglect of economic analysis’ and the ‘lofty preference for philosophical essays’ have been identified by him as the two major deficiencies in this filed.

Khusro A.M.(1968): observed and found that in his recent work on the Economics of Land Reform and farm size in India, he has over come some of the deficiencies such as the absence of ‘an intimate and proper relationship between observation and theoretical speculation’, which is absolutely necessary for the growth of scientific knowledge.

Daniel Thorner’s(1954): in his research work it highlight the importance on studies and potentialities of filed-work for acquiring new insights about the Indian agrarian structure which is considered as the backbone of the developing economy.

Dandekar and Rath(1974): made an analysis and tried to show the real facet of our country in his book Poverty in India’ and Khusro A. M. in his ‘Economics of Land Reform and Farm Size’ have attempted to examine the nature and magnitude of this problem. In fact, both the nature and magnitude of the problem present great variation as between regions like the Punjab and Maharashtra on the one hand and West Bengal, Bihar and eastern U.P.on the other.

RaoV.K.R.V.(1975): observed and argues regarding the economy which is basically known for its agriculture has to be given some importance and special position and therefore he tried to highlight in his work ‘Growth with Justice in Asian Agriculture’ in which he has discussed the question on agriculture as the institutional framework of agricultural transformation in countries like India.
Doreen Warriner (1975) has tried to claimed and explain in her book on ‘Land Reform in Principle and Practice’ recognizes the importance of caste in India’s agrarian structure. She observes: ‘The agrarian structure of India encloses a world of its own since it is neither a large estate nor a pleasant system but a system of caste’ (p.141). This is a very penetrating statement made by an economist. But she has not elaborated this statement by drawing upon the insights available from field studies and by proposing further field studies.

Andra Beteille (1966) observed that “Studies in Agrarian Social Structure,” strength and limitations of the study and the contributions by social anthropologists in the field of the agrarian problem in the recent period.

Joshi (1986) emphasize upon some key facts and opinion on the studied of agricultural and economic development in Gujarat state and analyzed the structural features and silent changes experienced by Gujarat state economy in achieving the major goals and targets.

Dandekar M. N. (1988): has observed and examined the importance of farm credit in India. He has also reviewed agricultural economy in India. The Farm credit and the role of various agencies, has contributed in growth of Indian economy.

Chand and Swarup (1988): conducted an tracking studies and has given importance on the agricultural development in Himachal Pradesh. Though it had been a priority for the government but due to natural limitation on production base, growth in production and other services did not succeed in Deeping pace with expenditure and the domestic product of the state. He has also emphasized on the need to set up and upgrade the institutional infrastructure under the plan as well as to develop suitable technology to make the production of other fruits equally profitable.

Thakkar and Chole (1992): prepared the groundwork for in-depth studies on the agricultural development opportunity, the development of farmers and other factors related with agriculture.

Bhagvati (1993): has observed that the studies of the various level of agricultural development attained by the districts of Assam. The agricultural land use distribution was analyzed in the light of some major causal factors.

Viswa Prasad, P. and Parthsarthy, P.B. (1993) found that the studies gave importance to the Supply of short term credit and estimation of credit gaps in Medak district studied the
productivity of credit and credit needs of different sizes of farm in Medak district of A.P. Seventy two farmers from six villages were selected randomly and interviewed in the year 1986-87. The results reveals that commercial bank and co-operative are catering to the needs of large farms while small farmers credits requirement share met by private sources. This indicates that the institutional agency have not done much to cater the needs of small farmers. Their need to be safeguarded and flow of intuitional credit for meeting the consumption requirements be solved.

Lal and Pande (1994)\(^{20}\) : has analyzed the growth rates of area, production and productivity of rice, wheat and maize in Bihar state, India over the period 1951-52 to 1987-88.

Shrinivas and Shastri (1994)\(^{21}\) : evolution of the studies and the compound growth rates of area, production and yield of cotton for Cotton growing states in India (Maharashtra, Gujarat, Karnataka, Andhra Pradesh, Punjab and Madhya Pradesh).

Pandey and Choudhary (1994)\(^{22}\) :conducted a study which was based on an index no. approach to productivity measurement measured the growth rates of crop production output and input for each of the 12 districts in Haryana state, India.

Alexandratos (1995)\(^{23}\) :made an analysis and suggested that the future development in world food and agriculture to year 2010, in varying degrees of detail concerning commodities and country groups.

Singh and Tyagi (1995)\(^{24}\) : have observed that the impact on agriculture is one of the block of Basti district in Eastern Uttar Pradesh. Analysis indicated that the co-operation by providing adequate and timely credit could create a favorable impact on agricultural development even in a backward region.

Ahluwalia (1996)\(^{25}\) : argues regarding some of the key policy and issues involved in achieving the objectives of faster agricultural growth of around 4 per cent per year in India and examined how this can be addressed within the framework and constraints of the new economic policy in India.

Maheshwari A. (1996)\(^{26}\) : analyzed and elaborated many key concepts towards studied agricultural growth in semi-arid area in Karnataka state and concluded that there was growth in the period prior to the Green Revolution which continued in period –II (1967-68 to 1979-80).
Singh and Swarupa (1997)\(^{27}\) : in their book collected a unique set of trends in area, and found production and yield of major food grains (rice, wheat) coarse cereals, pulses, oil, seeds, sugarcane and cotton at the state level in India and the factors responsible for determining yield and acreage important food grains coops.

Sharma (1997)\(^{28}\) : has observed the evaluation of the study on regional disparities in agricultural development and also stated that the new technology had not been uniform among different states/regions.

Rangi (1998)\(^{29}\) : has stated and observed the growth pattern in Indian Punjab agriculture over the period 1966-67 to 1994-95 is and examined.

Barmah and Pandey (1998)\(^{30}\) : have found and prepared the ground work for the growth trends and variabilities in area, production and productivity of rice crops grown in three season. (Summer, autumn, winter) in Assam, India.

Li San Duk (1998)\(^{31}\) : has studied made an analysis on the agricultural development in Korea, Democratic people's Republic for the year 1960 to 1963.

Andersan (1999)\(^{32}\) : has examined and found the importance of agricultural development to alleviate poverty in the development world.

Dev Mahendra (2000)\(^{33}\) : in their study attempted to analyze the relevance of Agriculture and public distribution system and its affects on rural development and poverty. The author has expressed need for a strategy for effective distribution system.

Phulpare Balkrishnan (2000)\(^{34}\) : has emphasize upon the some key facts on agriculture and economic reforms. This study provides an overview of the principal developments in the agricultural sector since 1991, i.e. the economic reforms and of their likely consequence for the standards of living. The paper has been conceived more with a view to raising essential questions than providing complete solutions.

Gulati Ashok and Bathla Seema (2001)\(^{35}\) : have studied and found that capital formation in the Indian agriculture. This study shows the different components of capital formation by
digging into the very concepts and intimation procedure followed in the India system of national accounts vis-à-vis the united nation system.

2.3 STUDIES IN AGRICULTURAL & RURAL DEVELOPMENT:

The present study is a micro-level study of Nizamabad district. Such type of studies has also been conducted with reference to different blocks in India. Such studies are important from the point that the conclusions in respect of one geographical area can be advantageously applied to other areas. Therefore some significant contributions in the area of micro-level studies are outlined here.

Krishna Rao (1964)\textsuperscript{36}: in his study it is well pinpointed that “Six Agricultural credit Societies- A case study in Madurai and Salem Districts”, reviewed the working of the co-operative credit societies in the light of members economic conditions. The study revealed the members of the co-operative credit societies were largely indebted to the private credit agencies.

The main finding of this study was that members of the co-operative societies were largely indebted to private credit agencies. The study recommended that the managing committees should be properly constituted so that they could shoulder greater responsibility in dispensing credit to individual members.

Ashtikar (1974)\textsuperscript{37}: has conducted the studies wherein they found that credit requirement in command area of Purna, in Parbhani District. He has observed that the organizational as well as technological changes would significantly increase the capital and credit requirements on all farms.

Singh and Balishter (1980)\textsuperscript{38}: was of the view that the effect of flow of institutional credit in agriculture in Bichpuri block Agra district (U.P) They have selected its borrowers and classified into small, medium and large size groups, it was observed that the commercial bank mainly financed for fixed capital credit needs of farmers.

Kadam (1980)\textsuperscript{39}: elaborated many causes and reasons for non-repayment of agricultural loans in Nanded district. He observed two separate reasons for non-repayment of agricultural loans by farmers. Lower income is one of the principle reasons for small and medium farmers and
inadequate credit facility, high rate of interest and higher domestic expenditure for the bigger size group.

Sharma (1981)$^{40}$: in his remarkable work on studies of rural indebtedness in Assam. The broad objectives were to study sources, purpose and repayment of credit.

Kohinkar (1982)$^{41}$: as attempted to find out the impact of institutional finance on farmers economy in southern part of Raigad district of Maharashtra State.

Reddy C.R. and P. Kallurao (1984)$^{42}$: conducted tracking studies and examined impact of technology on co-operative credit. It relates to change in the adoption of technology and thereby getting better returns in the post credit period compared to per-credit one. For the purpose of the study Anantpur district co-operative central bank was selected. Authors mainly categorized types of farmers.

Kaylankar and Rajmane (1984)$^{43}$: have studied performance of Co-operative finance and indicted that District central Co-operative Bank Parbhani has made significant progress in the quantitative term as there was increase in the working capital. Growth rates were statistically significant but dangerous mdody of over dues increased significantly at bank level, which resulted into non-significant growth rate in the loan advances.

Sing (1984)$^{44}$: made an analysis and studied the role of Agricultural development bank Salabad in Madhurai district in Financing agriculture and conclude that recovery position of loan advanced by branch is not satisfactory. The amount of loan advanced by bank per hectare was higher in case of large farmers as compared to small farmers.

Chand and Sidhu (1985)$^{45}$: have observed the characteristics of defaulters of agricultural credit in Punjab. He classified the borrowers of institutional credit into willful defaulters and non-willful defaulters.

Jalal (1985)$^{46}$: in their study attempted to analyze the role of co-operative credit institutions in financing agriculture with special reference to Kumaon region of Uttar Pradesh and found that co-operative institutions have failed to make such headway in distribution of credit for agriculture.
Kale (1987)\textsuperscript{47} has found that the progress and growth of agricultural development in Parbani district over a period of 20 years from 1960-61 to 1979-80. It was assessed with view to measuring the magnitude of growth and fluctuations in pre-green and post-green revolution periods. Data regarding area, production and yield of major cereal crops like rice, wheat, Kharif and Rabi Jowar and Bajara, gram as well as cash crops like cotton, sugarcane, and groundnut were used.

Narayanswami and Ramchandran (1987)\textsuperscript{48} have observed and view the profitability performance of South Arcot District Central Co-operative Bank. The profitability of the bank was assessed using data relating to the period 1974-84. Different financial ratio were employed in the analysis involving volume of business, interest earned or paid out, wages, total profit, etc. Profitability has been decreased over the decade under consideration.

Jain Hemchand (1988)\textsuperscript{49} has conducted and suggested the study on impact of institutional credit on farmers. The Dindori block of Dindori tahsil of Mahdala district was selected. The study reviewed impact on farm production, net value of output of selected farmers, income from various sources and return to labour. Authors concluded that the institutional credit has the positive impact in raising the farm production, income and employment of tribal farmers in the area covered in this empirical study.

Desai (1988)\textsuperscript{50} studied and recommended on Institutional credit requirements for agricultural production 2000 A.D. India’s agricultural credit needs for its crop production by years 1990, 1995 and 2000.

Haque and Verma (1988)\textsuperscript{51} has observed that a study on regional and class disparities in flow of agricultural credit in India with reference to Karnataka State.

Shukla (1988)\textsuperscript{52} prepared the ground work and conducted a study and found that an agricultural credit flow-conduct or intermediation. Study relates to the period June 1982 to December 1993 for commercial banks and 1980-81 for co-operative banks. The study investigates the role of credit institutions in India’s agricultural sector and rural areas with special reference to commercial banks contribution to credit flow and deposit mobilization.
Patel Premji M. (1988): has recommended and suggested a research on the institutional approach for agriculture a case study of three co-operative societies in Sabarkanta district of Gujarat State. The sample Study was made on Ramos, Gadha, Bayal Dhankharol, and its different related factors of institutional finance for agriculture. The author concluded that the overdue of co-operative societies increased mainly because of the weak and unstable financial condition of the farmers. So it is essential to enhance the income earning capacity of the farmers. This economic base also must be protected from seasonal functions leading to risky and unstable income.

Parihar R.S. and Narinder Singh (1988): have conducted and argues on study into institutional finance for the agricultural sector in Ludhiyana district of Panjab State.

Radhakishan and Mukundan (1988): of the view that emphasizes upon some key facts that supply and utilization of short term co-operative agricultural finance in Palghat district of Kerala. It was concluded by the researcher that there is a inverse relationship between the amount of loan and size of folding and that smaller holding were delivered greater amount of loan as compared the large holdings.

Pandey and Kumar (1989): have studied on economic evaluation of Co-operative credit in Indian agriculture. The paper examines nature and growth of co-operative credit in different States of India over the period 1970-81.

Rajendra and Patil (1989): have studied Maharashtra State Co-operative land development Bank (MSCLDB) and indicated, that the financial position of MSCLDB concerned to the share capital, loan advanced, debentures, outstanding total demand and concluded that the MSCLDB were performing positive role in agriculture development through it’s branches and sub-branches.

Wangikar (1990): has conducted as brief study in Parbhani district of Maharashtra and it was concluded that for a large majority of the farmers (66.11 per cent) were advanced insufficient loan. Thus insufficient and in time credit delivery was the main problem faced by the farmers.

Aruncahalum and Palanisamy (1991): conducted a study wherein they found that in Konganpuram village co-operative credit society located in Salem district of Tamil Nadu and
found that the utilization of co-operative crop loan in the village was encouraging as nearly 50 percent of the beneficiaries have fully utilized the loan. This study has also studied diversion of the loan by farmers.

**Ghose and Patel (1991)**: have prepared the ground work for the studied regarding institutional credit for farm sector in India with a particular reference to marginal and small farmers.

**Suryakumari C. (1992)**: has observed that the evaluation of studies on impact of credit on agricultural output amongst schedule tribes in Visakhapatnam district of Andhra Pradesh.

**Devi (1992)**: has elaborated many key concepts which highlights on studies for growth and performance of co-operative agricultural credit in Kerala. Co-operatives have played a prominent role in the promotion of the credit for agriculture in Kerala State and their performance in terms of growth in credit supply has been outstanding, however analysis of trend in production and yield of major crops in relation to credit supply over the period 1979-80 to 1986-87.

**Rayadu (1992)**: made an analysis and evaluated the role and functioning of co-operative agricultural development banks in the drought-prone area of Rayalseems in Andhra Pradesh. The main aspects examined are progress made by these banks in enrolling members, their mobilization of resources, extent of beneficiaries credit disbursement outstanding recovery and overdue problems.

**Makadia (1992)**: has observed also conducted study on an evaluation of acquisition and utilization of Co-operative credit in Junagadh district and found that the average per hectare credit requirement was of the order of Rs.2849/- while the average institutional credit gap was Rs.1296/- per hecter.

**Chinnappa (1992)**: has suggested that a study on the problems of district central co-operative bank in Andhra Pradesh.

**Singh and Mruthunjaya (1992)**: has viewed on real truthful information regarding credit utilization and overdues on marginal and small farmers in Aligarh districts of Uttar Pradesh.
Sharma (1992): has conducted and elaborated many important issues in a case study on recovery of agricultural loans needed for innovative approach. This paper charts the inability of Indian banks to recover debt in a climate of increased lending to agricultural sector.

The Co-operative Planning Committee (1945): The committee noticed and was of the opinion that the number of societies were found to be facing the problem of frozen assets and the latter was of the opinion that laissez faire policy of the state, the illiteracy of people were the main reasons for a poor development of the co-operative movement.

The Rural Banking Enquiry Committee (1949): was appointed and guided by the Govt. of India with Shri Purushotamdas Thakurdas as chairman. The committee after examining the co-operative credit movement’s functioning style observed that the co-operative banking structure was to be reorganized as it was not strong except in Bombay & madras.

The All-India Rural Credit Survey Committee(1954): has observed need and the committee was appointed by the Governor of Reserve Bank of India in 1951. This was a massive research study conducted in the field of co-operative and moneylender’s credit through survey method. Field investigation was conducted in two rounds, which covered 75 districts spread all over the country. Seven different types of schedules were used for collecting the data. The survey was conducted at the institutional level as well as at the cultivator level.

The findings of the survey show that the professional moneylenders, the agriculturist moneylenders and the traders had an upper hand in the supplements, the government supplied as little as 3.3 per cent and the co-operatives 3.1 per cent. The study also revealed that of the total institutional credit (either by government or by co-operatives) the larger part went to the bigger agriculturists and only a minor fraction percolated to the small cultivator.

Regarding the primaries, the report says that ‘the weakest link of all, in a chain which is weak at all points, is the primary co-operative credit society.

The All India Rural Credit Committee diagnosed the problems faced by the co-operative credit movement in strengthening its base for bettering the rural people. In the survey, the committee covered 9000 households in 75 districts spreading 600 villages. In its conclusion, it said that though co-operation had failed in India it must succeed.
The Raja Committee (1956) 71: conducted the study wherein they found and laid down a basic framework reconciling the needs of co-operative autonomy and economic planning in the field of Co-operative law.

Karve Committee on Crop Loan System: (1956) 72: was observed and appointed by The Bombay State Co-operative Bank as an Evaluation Committee headed by Prof. D.G. Karve the examine the various aspects of the crop loan system. The main objective of the committee was to examine the various economic aspects of the crop loan system and suggest measures for improvement in the working of the system in the interest of the co-operative organizations. The report was published in 1958. The main findings of the report were that small farmers and tenants were excluded from the membership of the primary co-operative credit societies. Membership was refused on caste and personal considerations. It was pointed out that in larger multipurpose societies this discrimination was found to be less. The timeliness in supplying the crop loan affected the repayment performance of the crop loan system was the untrained supervisory staff. It suggested that a comprehensive training programmer for the co-operative personnel working at different levels be worked out. It also suggested that the co-operative institutions should contribute two per cent of their working capital to a training fund.

The Committee analyzed the various aspects of crop loan system. It found that many co-operative societies excluded the small farmers and the crop shares in giving loans and in several cases, membership was refused on personal grounds.

Report of the working Group on Co-operative Policy and Committee on Co-operative Credit - (1959) 73: has conducted the study by both of these committee and have submitted their reports in 1959. The main recommendations of the committees were in respect of creditworthiness, repaying capacity and adequacy of loans. They suggested that though the creditworthiness of the farmer should be barrier in advancing loans to the small farmers. The loans in fact should be determined on the basis of the requirements of agricultural production, present as well as future and such loans should be advanced on the basis of adequate sureties.

Rural Credit Follow-up Surveys (1956-57 - 1959-60) 74: in their study attempted to analyze by four follow-up surveys which were conducted by the Reserve Bank of India during the period under reference. All these four follow-up surveys highlighted the following drawbacks in the co-
operative credit structure. The Rural Credit Follow up Surveys were conducted on systematic lines in short term co-operative credit societies by the Reserve Bank of India in selected districts.

The Mirdha Committee (1961)\textsuperscript{75} has prepared a groundwork and examined the problem of vested interests in co-operative, is another landmark which makes the commencement of a new period.

All-India Rural Debt and Investment Survey (1961-62)\textsuperscript{76} has conducted and made an analysis by the Reserve Bank of India. In the early sixties the Reserve Bank of India conducted another survey of immense value, popularly known as the All-India Rural Debt and Investment Survey 1961-62. The survey was statistically designed to yield estimates of debt, borrowings, capital formation, etc. in the rural household sector for India as a whole and for individual States. The survey was carried out in a sample of 1,889 villages.

Report of Informal Group on Institutional Arrangement for Agricultural Credit (1964)\textsuperscript{77}: The informal Group on Institutional Arrangements for Agricultural Credit was found and appointed by the Reserve Bank of India under the Chairmanship of Shri B.C. Bhattacharya in 1964 with the following terms of reference:

1. Reviewing the credit needs of agriculture in relation to the development of modern technology.

2. Assessing the credit needs of agriculture in the present context as well as in relation to the expected modernization in future.

The main task of the group was to review and analyses the financial position of co-operative credit societies. It suggested transitional agricultural credit to be operative till the co-operative credit movement was sufficiently strengthened.

The Rural Credit Review Committee (1969)\textsuperscript{78} has laid the foundations and pinpointed that both the SFDAs and the MFALs and for improved arrangements for financing inputs like electricity and irrigation. The land banks had also made considerable progress. The nationalization of commercial banks marks a new period in the development of co-operative credit.
The Banking Commission (1969): was found and appointed by the Government of India. R.G. Sariya was the committee chairman. The commission X-rayed the co-operative banking and recommended the co-ordinated development of co-operative and commercial banks.

The White Paper on Co-operative Movement in Maharashtra State (1970): it raises and observes the most notable fundamental issues relating to persistent non-viable operations, ‘irrelevant’ development, etc. in a number of sub-sectors.

Reserve Bank of India, (1970): has observed and is of the opinion regarding ‘Studies in Agricultural Credit’, the report which was published in 1970 contains the findings of three filed studies, viz. study of intensive agricultural credit programmed, study of medium-term agricultural credit, and study of long-term agricultural credit. Some of the main findings of these studies were: (1) the participants in the IAD programmer had higher farm expenditure than non-participants, which means a higher degree of capital formation, (2) DCC banks did not take active interest in implementing the IAD programme as well as implementing the medium-term loan programmed, (3) farm plans were not properly prepared and followed and there was no linking of credit with marketing.

Report of the National Commission on Agriculture, (1971): has observed and stated in their Study about the Difficulties Faced by Farmers in Obtaining Institutional Credit. The National Commission on Agriculture was appointed by Government of India under the chairmanship Shri T.A. Pai. The report recommended the following structure of the agriculture credit services.

1. Farmer’s service societies – one for each tahasil / block or any other viable unit of convenient size the required number of branches in the area.
2. A union of these societies at the district level, and functional district level, and functional district organizations for specific commodities; and Lead Bank of the district assuming leadership in the matter of organizing agricultural credit services.

The Study Team on Overdoes (1974) and the Expert Committee (1978): has suggested the solutions for the issues and the problem of overdue in co-operative banks. The problem of overdue is mainly due to willful default besides internal reasons.
Agricultural Credit Review Committee (1989)\textsuperscript{85} has observed the need and appointed at the request of the Govt. of India, RBI appointed the under the chairmanship of Prof. A. M. Khusro to go in the entire grant of rural credit in India. The committee made an in-depth review of the major problems and issues relating to the rural financial system and submitted its report in August 1989. The committee suggested establishment of National Co-operative Bank of India to function as a balancing center for the co-operative credit system.

The Narsimahan Committee (1991)\textsuperscript{86} has studied and collected in-depth information regarding the problems of various agencies and proposed a number of changes in the rural credit delivery system. This committee has recommended that commercial banks should segregate the operation of the rural branches through the formation of one or more subsidiaries.

Thus it can be observed that the Government has also considered the problem of rural credit, rural development, co-operative banking and the related issues in depth and serious attempts have been made for the economic upliftment of the downtrodden masses living in the quagmire of poverty. Some of the important surveys conducted by the government and their findings are summarized here.

The above mentioned literature have been obtained from following four major sources in which researcher had tried to focus on the core areas of the topic such as banking, agriculture, rural development and on Lead bank scheme

i) The Ph.D. research conducted in India in view of financial system and banking sector.

ii) The research / studies carried over by the institutions like RBI, ICRA Limited and business magazines like Financial Express, Business Today, Money Outlook, Business India, etc. will help the researchers to make an easy access for review of any type of literature.

iii) The Research Studies of individual scholars published in journals and magazines also helps in research for collecting vital information.

iv) The various websites of different financial Institution like RBI, Govt. of India and also the websites of various banks for eg. SBH; Lead Bank.
CONCLUSION:

This chapter has exhibited the studies conducted and review of literature available on the subject of research. It has been divided into four major parts according to the subject area. After this review of literature it is found that, though there are several studies conducted on the subject, like banking sector, rural development, regarding agriculture etc. The most of the studies are conducted on performance appraisal studies or impact studies of financial reforms and its impact on individual banks.

There are very few studies have been conducted on the Lead Bank Scheme which is basically meant for rural development in which any one particular bank of the district has to play / act as a lead bank and adopt that particular district, where it is playing a major role as a banker and see the financial reforms and its impact on the adopted district or section of the society. There was a huge gap of the study on the subject and therefore after finding the scope of research, the study has been undertaken by the researcher on the above mentioned subject.
Notes & References:

31. La San Duk (1998): Agricultural Development in Korea, Moscow State University, Moscow.
73. Reserve Bank of India (1954): Report of the All India Rural Credit Survey Committee.
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84. Ibid.
85. RBI(1989) Agriculture credit review committee on cooperative credit chapter 3-4-6 and 18.