THE AIM OF THIS STUDY IS TO ANALYSE THE PROBLEMS IN PROVIDING AGRICULTURE CREDIT BY NATIONALISED BANKS IN ITS AREA OF OPERATION AND FIND OUT THEIR WORKING EFFICIENCY AND SUGGEST WAYS AND MEANS TO IMPROVE THEM IN THE LIGHT OF PRESENT WORKING OF THIS BANKING SECTOR.

INTRODUCTION:

THE INDIAN BANKING SYSTEM IS EVOLVING ITSELF AS A POWERFUL INSTRUMENT OF PLANNING FOR ECONOMIC GROWTH. NATIONALIZATION OF BANKS WAS A BOLD STEP AIMED AT BRINGING ABOUT A RADICAL CHANGE. THE FUNDAMENTAL CHANGE THAT WAS INTENDED TO BE INTRODUCED WAS A RAPID TRANSFORMATION FROM A PURELY PROFIT ORIENTED, PRIVATE OWNED AND URBAN-BIASED BANKING SECTOR INTO A DEVELOPMENT-ORIENTED, SOCIAL JUSTICE BASED, RURAL ORIENTED PUBLIC SECTOR VENTURE WITH THE AIM OF "SOCIAL SEVA" OF INDIAN MASSES. THE PURPOSE WAS TO CONVERT THE "BANKING OF CLASSES" INTO THE "BANKING OF MASSES" SO THAT THEY MIGHT IDENTIFY THEMSELVES MORE CLOSELY WITH THE NATION'S SOCIO-ECONOMIC GOODS. AS SUCH THE POST NATIONALISATION PERIOD OF COMMERCIAL BANK HAS WITNESSED DIVERSITY IN BANKING INDUSTRY OF THE COUNTRY, STRUCTURALLY, GEOGRAPHICALLY AND CONCEPTUALLY.

BANKING HAS UNDERGONE A SEA CHANGE NOT ONLY IN ITS BASIC PHILOSOPHY, STRUCTURE AND WORKING BUT ALSO IN ITS LONG
and short term objectives committed to the planned economic development of the country, and welfare of the people. It is now being realised that bank is an effective and potent instrument in achieving the socio-economic objectives of the country. The Bank is, therefore, an important agent of change facilitating the achievement of socio-economic goals in a planned economy.

The post nationalisation period has witnessed a tremendous increase in the operations of commercial banking in terms of deposit mobilisation, opening of branches, in unbanked rural and semi-urban areas, financing of sick industries, advances under differential rate of interest (DRI) schemes, export credit etc. In addition commercial banks have also been obliged to carrying out the directives of the Reserve Bank of India (RBI) to keep inflation in check.

However, the conduct of the banking industry has been for quite some time past the subject of bitter criticism from the public and the Government both. The profitability pattern derived from the figures upto 1985 and should cause serious concern. The RBI's report on trend and progress of banking in India 1984-85 admits that "in more recent years the profitability of banks has tended to erode, even when judged in the frame work of social banking. RBI does recognise that this is an outward manifestation of some deeper problems which emphasise the need for more efficient
recycling of banks resources improving the productivity of the banking industry. Banking efficiency in their operation has indeed improved in each and every corner of the country, but their effectiveness has grossly suffered. However, banking activities in this Jalgaon District of Maharashtra State have made significant contribution and are responsible for upliftment of a common man. The discussion up to this stage reveals that the progress of the Nationalised bank is not confined to a specific area but have been extended to other areas. As far as the agricultural credit and activities allied to agricultural etc. nationalised banks are concerned, it has made significant progress.

In view of the vital and significant role of nationalised banks in this district, the present investigation has been taken up. The overall environmental conditions are suitable for the growth of banking facilities in this area, the considerable area and accounts for the largest proportion of the economic life of the people of this area. The study was taken up with a view to overcoming the difficulties in day to day business of the banking sectors specially in providing agriculture credit by nationalised bank in Jalgaon District.

**Scheme of Work:**

The present study is based on survey of sixty branches of nationalised banks selected at multi-stage stratified sampling design of the six talukas of this district. The whole thesis is divided into ten chapters.
HYPOTHESIS:

The role of nationalised banks in providing agriculture credit in Jalgaon district is satisfactory, but they have to face certain problems and difficulties in their business and they should be imperially investigated and solutions are to be devised. Chapter scheme of the thesis is as under:

CHAPTER - 1 - It is an introductory chapter and throws light on the history and importance of banking sector and its place in the National-vis-a-vis world economy. Attention is drawn to the desirability of evolving a scientific structure of banks in place of messed banking to the class banking today.

CHAPTER - 2 - This is a study of Geo-physical features of the Jalgaon district. It deals with place population area, soil, climate, rainfall, agriculture and infrastructure facilities in the district.

CHAPTER - 3 - This chapter is devoted to the methodology used in field investigation and it provides details about the selection of samples of banks intermediaries village and basic for the choice of Jalgaon District.

CHAPTER - 4 - This chapter deals with the overall performance of nationalised banks in the district an attempt is made towards agriculture credit provided to the farmers, small farmers, marginal farmers and other activities in respect of deposits advances and overall credit programme is studied in detail.

CHAPTER - 5 - In this chapter existing problems of all nationalised banks taken up for the study especially the problems of recovery of agriculture loan and allied to
agriculture activities in details. This chapter is an attempt to determine efficiency of different banks and their problems encountered in day to day affairs of the business. **CHAPTER - 6 -**

This chapter is devoted to the role of agriculture development branch (State Bank of India) in financing agriculture credit to the different farmers in its area of operation. Attention is made to study of borrowers and recovery position in details.

**CHAPTER - 7 -** It deals with land development bank, its achievement in the district towards credit worthiness of the borrower and focuses attention on the working and difficulty raising day to day at long term credit device in details.

**CHAPTER - 3 -** In this chapter, existing central financing agency is studied. Attempt is also made to throw light on the working practices, specially agricultural loan recovery performance average debt per house hold and role of management and desirability of controlling of their activities in details.

**CHAPTER - 9 -** This chapter deals with the Results and Discussion of the collected data. Data have been compiled classified analysed and inferences have been drawn out of it.

**CHAPTER - 10 -** This chapter is the summary and conclusions based on the earlier work along with suggestions wherever they are necessary.

JALGAON,

Mrs. S.F. MAHAJAN.