Chapter VII

Observation & Suggestions of Study

This chapter summarized findings (Hypotheses Testing), observation and suggestions as well as to highlight the problems & prospects of rural development in Aurangabad district on basis data analysis & PLP Report of NABARD and Directions for Future Research.

VII.1: Findings of Study – Hypotheses Testing

The main findings of the present research effort are presented in this section. Most of Hypotheses have been largely supported. The hypotheses of this study are tested following manner:

• $H_1$ – ‘NABARD is formulating development programs & projects to suit requirements of rural development’

The researcher explains and analyzed the various scheme formulated by the NABARD in the chapter V point no. V.1.2. a. Milestones of NABARD and Chapter VI point no. VI.2: Economic & Development Activities of NABARD in Aurangabad District. These points are review the various scheme formulated by the NABARD in on the whole for rural development and also appraisal the performance of varies schemes implementing in the Study area i.e. Aurangabad District. Aurangabad DDM office broadly undertook functions of credit planning, developmental and promotional functions, monitoring & coordination between various agencies / institutions engaged in rural development. The result find in requirements of rural developments is changed to moment in time fallowed
by NABARD has Launching ample Schemes for necessitate of rural development and direct to the banks for accomplish this goal.

Hence the first hypotheses entitled ‘NABARD is formulating development programs & projects to suit requirements of rural development’, is accepted by the researcher.

- **H**₂ . ‘ NABARD plays a vital role in Co-operative sector development’

The NABARD is an Apex institution in the field of rural credit. Therefore it does not deal directly with farmers and other rural people. It grants assistance to them through the co-operative banks. An idea about NABARD’S assistance can be had from the following details.

1) A major part of NABARD’S short-term credit support is disbursed for financial seasonal Agricultural operations (SAO). The credit limits sanctioned by NABARD to the state co-operative banks for financing SAO aggregated Rs. 5165 crore in 1996-97. This credit limit is increased up to Rs. 10,000 crore in 2006-07.

2) NABARD was sanctioned short-term agricultural credit amounting to Rs. 105 crore in the year 1996-97 to farmers affected by droughts, floods and other natural calamities.

3) NABARD was sanctioned long-term credit limit amounting to Rs. 101 crore in the year 1996-97 to the state governments for enabling them to contribute to the share capital of co-operative credit institutions.

4) There is increasing trends of Investment credit refinance to commercial banks, Co-operative banks and Regional Rural Banks.

6) Additional refinance at the rate of 5% to SCBs and RRBs which have utilizes 90% of ST (SAO) credit limits of previous year
5) Strengthening Co-Operatives –


Special Audit of 79,450 PACS completed, Re-Cap Assistance Released-Rs.3,098 Cr.

Cumulative Assistance Released-Rs. 7,972 Cr.

Training & Capacity Building Efforts (71334 PACS Staff, 98941 Board Members (PACS), 61212 PACS Functionaries, 3435 Department Auditors, 1547 Board Members (DCCBs).

6) Under its various schematic lending operations, NABARD provides refinance support to four agencies namely as. 1) State Co-operative Agricultural and rural Development Bank. 2) Scheduled commercial banks. 3) Regional Rural Banks. 4) State co-operative Banks.

7) NABARD provides refinance assistance under Integrated rural development programme (IRDP) for schemes like minor irrigation, dairy development, sheep/goat/piggery development, livestock, (bullocks, bullock carts, camels, etc.) poultry, fisheries etc.

Thus second hypotheses entitled, ‘NABARD plays a vital role in Co-operative sector development’ is accepted by the researcher.

- $H_3$ ‘The NABARD gives huge flow of refinance of ‘Rural-Credit’.

$H_3$ is found largely accepted. Because the results reveal that, the NABARD has-

- Working Funds Rs 136575 crore is increasing doubled in last few years.
- RIDF Loans to NRRDA (Rs 18,500 crore was sanctioned and disbursed in the last 4 year to National Rural Road Development Agency (NRRDA) under Bharat Nirman)
There is increasing trends of Investment credit refinance to commercial banks, Co-operative banks and Regional Rural Banks.

In the year 2009-10 it has 47 crore SHGs linked with bank (cumulative).

The study reveals that NABARD helps to complete Watershed Project in 3030 villages in India. Cumulative disbursements for Watershed Projects of Rs.318 crore.

Total area covered under Tribal Development is 148753 (acre) and 165280 Families are beneficial it.

The formation of Farmers’ Clubs is an innovative scheme of NABARD as a contribution in rural development.

Supervision of NABARD:

360 Banks Inspected (252 DCCBs, 61 RRBs, 30 SCBs, 16 SCARDBs, 1 Apex Society)

Sec.11- Non compliant Banks reduced (from 113 to 90) New Licenses Issued (8SCBs, 97 DCCBs)

Rural Non-Farm Sector: -2627 REDPs Covering 62000 rural youth-Grants support of Rs.1048 lakh

Rural marketing :-

119 rural Marts supported, Rs.134 lakh grant.

87 rural Haats supported, Rs. 299 lakh grant.

221 Exhibitions / Mela supported Rs.119 lakh grant.

Artisans’ cluster:- 15 clusters formed Rs.225 lakh grant support. (cumulative position :107 clusters)
Strengthening Co-Operatives –

Revival Package:- 25 States signed MOU
Special Audit of 79,450 PACS completed
ReCap Assistance Released-Rs.3,098 Cr.
Cumulative Assistance Released-Rs. 7,972 Cr.

Training & Capacity Building Efforts (71334 PACS Staff, 98941 Board Members (PACS), 61212 PACS Functionaries, 3435 Department Auditors, 1547 Board Members (DCCBs).

The RBI and the National Agriculture and Rural Development Bank (NABARD) have taken a number of measures in recent years to improve financial soundness of co-operative banks.

Indian Banking sector is dominated by Public sector banks (PSBs) which accounted for 72.6% of total advances for all SCBs as on 31st March 2008.

Although there is a restrictive entry/expansion for private and foreign banks in India, these banks have increased their presence and business over last 5 years.

The Scheduled Commercial Banks (SCBs) in India have shown an impressive growth from FY04 to the mid of FY09. Total deposits, advances and net profit grew at CAGR of 19.6%, 27.4% and 20.2% respectively from FY03 to FY08.

The NABARD’s monitoring of schemes is in the nature of both desk and field reviews. Various types of evaluation studies are undertaken by NABARD, such as; system of returns and analysis, district oriented monitoring studies, etc. NABARD undertook more than 100 evaluation studies between 1982-83 and
Aurangabad DDM office broadly undertook functions of credit planning, developmental and promotional functions, monitoring & coordination between various agencies / institutions engaged in rural development.

- \( H_4 \) ‘The NABARD plays significant role in micro-credit development’.

The results found for \( H_4 \) mirrors the findings of \( H_3 \), where the general attitude towards Micro Finance has significantly increasing manner but as compared with Aurangabad district was found that growth of Micro-Finance is showing Decreasing manner. For the support of this statement, the researcher explains and analyzed the various scheme of micro-finance by the NABARD in the chapter V. and district level position of Micro finance in Chapter VI.3 informal credit system.

The Microfinance programme in India has emerged as not only the largest in the world having covered about 8.6 crore poor households as on 31 March 2009, but also the main contributor towards financial inclusion in the country. As on 31 March 2009, 61.21 lakh SHGs maintained bank savings of Rs.5,545.62 crore and 42.24 lakh SHGs had loan outstanding of Rs.22,679.84 crore. During the year 2009-10, while 16.09 lakh groups availed of bank credit of Rs.12,253.51 crore, 581 Micro Finance Institutions (MFIs) availed of Rs.3,732.33 crore of bank credit. As on 31 March 2010, 1,915 MFIs had loan outstanding of Rs.5,009.09 crore. The share of SHG loan to GLC increased to 4.07 per cent in 2008-09 from 3.8 per cent in 2007-08. The overall progress of the microfinance programme is given in Table: V.5. ‘Progress of the Micro-Finance Programme’
But in Aurangabad district table: VI.29 has showing SHG Bank Linkage Programme in Maharashtra has been continuously witnessing significant growth since last few years. During the year 2005-06, as many as 60,324 new SHGs were credit linked as against 32,611 SHGs in the previous year registering a growth of 85%. During the same period, bank loan of Rs.13083.56 lakh was disbursed to new SHGs as against the disbursement of Rs. 8811.64 lakh in 2004-05 (48 % growth). Cumulatively, 1, 31,470 SHGs have been credit linked in the State.

The SHG - bank linkage programme has gained momentum in the district during last three / four years. As against 12 SHGs linked to banks during 1998-99, the number of SHGs linked increased to 3387 as on 31 March 2006 (cumulative position). During the year 2005-06, 1223, & 2009-10, 13,030 SHGs were credit linked. It may be observed from the table: VI.29 that the share of the district to the State's position has declined during last few years.

The district offers excellent scope for promotion and linking of SHGs and coordinated efforts of banks, NGOs, NABARD etc., could result in improving the district's share. The district offers excellent scope for promotion and credit linkage of SHGs. Coordinated efforts of banks, NGOs, NABARD etc. could result in improving the district's share.

Thus $H_4$ entitled, ‘The NABARD plays significant role in micro-credit development,’ is partially accepted by the researcher.
VII.2: observation of the Study

- In Aurangabad district NABARDs District Development Office at District Headquarters is located in Aurangabad city and only one officer is operate this office. Respondents are facing the troubled to proper communication of NABARD. Thus as a district level needed to is making available more resources at the disposal of NABARD.

- NABARD has been promoting sustainable and equitable agriculture and rural prosperity through effective credit support, related services, institution building and many other innovative initiatives, through a large number of inter related activities / services, which fall under following three broad categories:- i] Credit Dispensation, ii] Developmental and Promotional ,iii] Supervisory.

- Aurangabad DDM office broadly undertook functions of credit planning, developmental and promotional functions, monitoring & coordination between various agencies / institutions engaged in rural development.

- Sector-wise observation of Study area are subsequently-

  (I) Agriculture Sector - Crop Loan- The major crops taken in the district are cotton, maize, Bajra, Tur, and Soyabean as also various pulses and oilseeds. Considering good rainfall during Kharif-2010, the sowing has taken place at 112%. Over the last 2-3 years there is a clear shift in Kharif cropping pattern from cereals (except maize) to pulses like Tur, Mung and cash crops like cotton ,maize, Ginger & Turmeric. There is a huge scope for enhancing productivity and production of cotton, maize, Tur and other crops. Efforts are being made to increase cropping intensity and agricultural productivity by implementing various schemes of the Central/State Govt. Considering the shift in
cropping pattern, past trend of credit flow, infrastructure available in the district, gaps assessed, and developments planned for the sector etc. The GoI’s policy thrust on ensuring food security and concessional rate of interest i.e. 7% p.a. as also large number of farmers becoming eligible for availing fresh credit after ADWDR scheme 2008, has positively resulted in enhanced potential for crop loans.

(II) Agriculture Sector - Term Loan (Major activities)

The share of Agricultural Term Loans in the total ground level credit flow during 2009-10 was on a very lower side as compared to that under Crop Loans. It was declined' from 12.52% in 2008-09 to 9.58% in 2009-10. Private investments in agriculture and allied sectors are essential for a sustainable economic growth. The sub sectors which have been provided focused attention and are important from the point of food security are Minor Irrigation, Farm Mechanization, Plantation and Horticulture, Dairy development, Food & Agro Processing and Storage Godowns & Market Yards for which the NABARD PLP envisages substantial growth in the credit flow from the Banking sector. In spite of high potentials for private investments in agriculture sector in the district, the growth in the credit flow has been inhibited due to various factors like infrastructure gaps, low levels of recovery of bank loans, staff constraints in the banks etc.

1. Water Resources-Increased investment for Minor Irrigation development through institutional lending is important in boosting up district's agriculture economy. Efforts need to be taken for promoting rain water harvesting, water saving irrigation systems like drip, sprinkler as also lining of channels, underground pipelines, dug wells, deepening of wells etc. Recharging of dried up wells, artificial recharge measures through construction of percolation tanks, farm ponds, check dams etc. should be
given top most priority. Banks need to play a proactive role in providing adequate finance for various MI activities.

2. Farm Mechanization: Mechanization in agriculture is necessary to enhance productivity and conservation of energy required for various operations involved in crop production, threshing, processing, transportation, value addition, storage etc. It also contributes to improving the quality of life of rural work force and farm families. The existence of a large number of small sized, uneconomic land holdings is one of the main constraints in implementation of farm mechanization programmes. The use of low cost machinery suitable to small farms should be encouraged so that farmers of small holding can also take full advantage of the mechanization of agriculture. Banks should encourage this sector as farm machinery would lead to large scale production.

3. Plantation and Horticulture: The soil in the district is mainly black and suitable for growing Sweet Lime and Kesar Mango. There is a good market demand for these fruits in/outside the district. Ground level credit flow to the sector during 2009-10 was encouraging (Rs.1855.94 lakh) as compared to that in the previous two years (Rs.230 lakh). Under NHM, more stress should be given on providing support to improve productivity, production, and quality of horticulture produce. There has to be proper coordination among growers, Horti. Divn., bankers, industries and exporters for overall development of Horticulture sector.

4. Animal Husbandry (Dairy development / Poultry / Sheep-Goat Piggery etc)
   i. Dairy development: Considering a big shortage of milk of about 1.00 lakh litres/day, the district has a tremendous potential for dairy activities. Banks should take up financing these activities in a big way which will not only ensure increased milk
production but also assist farmers in increasing their income. Banks should popularize various Govt. schemes like VCFS, AMIGS etc. being implemented by NABARD for strengthening dairy sector in the district. In view of huge scope for the activity them.

**ii. Poultry development** - Being a famous tourist place the district has steady demand of poultry products particularly in hotel industry and other places. Maize, the main ingredient in poultry feed manufacturing, is grown on a large scale in the district. As such, good scope exists for setting up new broiler & layer poultry farms and expansion of existing units. Banks, in coordination with AH Department and poultry hatcheries, may encourage schemes involving farmers/entrepreneurs.

**iii. Sheep / Goat Development** - Increasing product demand as also the topographical and climatic conditions in the district offer excellent potential for rearing of sheep/goat.

5. **Inland Fisheries** - Water spread area of 15936 ha suitable for fisheries with 1868 reservoirs in the district offer scope for inland fisheries. Farmers may take up this activity in the farm ponds to earn additional income. Establishment of fish seed farms, carp hatcheries etc. could be taken up in with support from banks.

6. **Storage / Godowns / Market Yards** - Considering the predominance of small and marginal farmers in the district, adequate facilities of storage godowns and market yards are necessary that will help in ensuring remunerative prices to the farmers for their agricultural products. Capital Investment Subsidy Scheme of GoI has been implemented by NABARD to encourage farmers/entrepreneurs to take-up activities like construction of rural godowns, establishment of market yards etc.

7. **Renewable Sources of Energy & Waste Utilization** *(Bio-gas, Solar / Wind energy)* - Suitable alternatives, to meet the increasing energy demand in the district, are
required to be evolved for generation of power from renewable sources of energy like biogas plants, Solar energy, Co-generation energy from wastes, wind mills, small hydro power generation plants etc. Banks in coordination with NGOs, State Govt. should promote these activities with adequate credit support.

8. **Food & Agro Processing** - GoI and State Govt. have accorded high priority for development of Food & Agro processing sector. Agro-climatic conditions and soil texture in the district are suitable for growing good quality cotton, maize, mango, papaya, tamarind, Chiku, custard apple and citrus fruit like Mosambi. Therefore, good scope exists in the district for establishment of Ginning/Pressing/Textile units, Maize/Fruit processing units, dehydration plants etc. which would provide employment opportunities to rural youth. Banks may encourage farmers, entrepreneurs to take benefit of Capital Investment Subsidy Scheme of GoI being implemented by NABARD for Development/Strengthening of Agriculture Marketing Infrastructure, Grading & Standardization for taking-up some of the above activities.

(III) **Non-farm sector** - The district has 5 major industrial estates. Despite passing through the peak period of economic recession the Non-Farm sector in the district had a lower impact. SSI sector was the major contributor (72.91%) to the credit demand under NFS during 2009-10 for investment credit and working capital together. A new Auto-Cluster project is being established at Waluj near Aurangabad that will offer good scope for bank credit. Paithani, Himroo, Bidriware, Handmade paper and Agateware, the traditional art crafts of Aurangabad also hold promise of employment generation in rural areas.

Non Farm Sector is the only sector in the district, among others, that has always been
over achieving the credit disbursement targets for the last 6 years. The average achievement of the sector during last 3 years under ACP is 278.37%. The Non farm sector has got tremendous potential to create employment and absorb the surplus labour in agriculture sector. Influenced by the Government policy to provide industrial infrastructure and package of incentives, many big industrial units have come up in Aurangabad block. However, except Aurangabad, other blocks in the district are not much developed industrially. The district has abundant potential for developing agro/forest/metal based, processing units, handloom /handicrafts and village industry units.

(IV) Other Priority Sector-OPS activities are vital from social and economic point of view as they keep the supply line going in respect of raw materials, consumer and other essential goods, as also provide a outlet for agricultural and finished products etc. The activities with regard to small road transport operators, professionals; businessmen, self-employed people, retail trade, education, consumption purpose, housing, etc. are grouped under the head' Other Priority Sector'. Housing sector, Information & Communication Technology continues to dominate and related enterprises are increasing even in rural areas. Banks, therefore, should encourage these activities which have large employment potential and growth.

Under Other Priority Sector also the credit flow has been satisfactory. During 2009-10 it crossed the targets for the first time (116%) with a credit flow of Rs.63861.38 lakh. Keeping in view the need for expanding these programmes more vigorously, the strategies outlined in the PLP are expected to be followed and necessary actions be taken at different levels by the concerned authorities / bankers in the district.
Micro-finance- i) Self Help Groups (SHGs)-SHG-Bank Linkage Programme in the district has been showing good progress in the district. As many as 3862 SHGs were credit linked during 2009-10 and the trend is likely to be continued for the years to come. With the RBI’s Internal Committee having recommended utilization of external agencies extensively for development of micro Finance, non-financial functions relating to micro Finance could be outsourced through Farmer Clubs, IRVs etc. by banks so that they can increase the flow of credit to SHGs and other micro-entrepreneurs, without any difficulty.

ii) Joint Liability Groups (JLG) / Activity Based Groups (ABG)- Small farmers have the potential to increase their production, realize better incomes and contribute to the national economy to their full potential if they are provided better access to markets and credit. Adopting SHG/JLG/ ABG mode of financing would greatly help banks in increasing flow of quality credit to rural people who are hitherto not covered by bank finance.

(V) Policy and Development Initiatives of NABARD

Government of India, State Government, Reserve Bank of India and NABARD have been taking a number of policy measures for the development of agriculture and rural sectors and accelerating credit flow. The important policy measures/initiatives/innovations are given below:

1. Additional refinance at the rate of 5% to SCBs and RRBs which have utilizes 90% of ST (SAO) credit limits of previous year

2. Quantum of refinance to NBFC enhanced from 50% to 70% of the loan disbursed.

3. Activities like seed production, tissue culture plant production, agri-marketing infrastructure including cold storage, godowns, market yards, etc., agriculture
implements, nonconventional energy sources, financing in areas where watershed and tribal development programmes are included as 'thrust areas'

4. Three new GoI schemes viz., Establishment / Modernisation of Rural Slaughter Houses, Integrated Development of Small Ruminants and Rabbits, Scheme for Poultry Estates and Mother Units for Rural Backyard Poultry are being implemented through NABARD.

5. Scheme for Salvaging and Rearing of male buffalo and Scheme for Pig development have been sanctioned for implementation during 2010-11 and 2011-12.

6. Normative allocation of RIDF assistance for states is based on population, geographical area, infrastructure index, rural CD ratio, cumulative RIDF sanctions and disbursements.

7. 31 diversified activates related to agriculture and rural development are eligible for assistance under RIDF

8. Cantage charges have been included as an eligible item for RIDF assistance

9. Capital subsidy cum refinance scheme for installation of solar off grid (photo voltaic and thermal) and decentralized applications under Jawaharlal Nehru National Solar Mission will be implemented through NABARD

10. A pilot project for augmenting productivity of lead crops /activities through. Adoption of sustainable agricultural practices has been launched to make agriculture sustainable.

11. To promote the System of Rice Intensification (SRI) among SF/MF, a model has been developed to cover 14 States in 3 years 'from Kharif 2010.

12. Sustainable sugar cane farming initiatives promoted to enhance productivity, reducing
water intake, etc., to benefit the farmers.

13. A pilot project on Natural and Ecological (NATUECO) farming, harnessing sunlight, soil, water, etc., has been launched in six states.

14. Establishment of soil testing facilities in junior science colleges to be supported.

15. ‘Seed Village Programme’ to create awareness on importance of quality seeds for crop production and increase seed replacement ratio to be supported.

16. An Umbrella Programme for Natural Resource Management (UPNRM), which envisages a shift from-project based approach to programme based approach and from grant based to loan based natural resource management, is under implementation.

17. An initiative aimed at technology transfer, credit counseling and market advocacy through Farmers’ Clubs has been launched.

18. 50% of the cost of annual recurring expenses or Rs.15 lakh, whichever is lower, is provided as financial assistance to Farmers’ Training and Rural Development Centers set up by Public Sector Banks/agencies under FTTF.

19. Support extended to RRBs for engaging ‘authorized functionaries’ of well run SHGs linked to banks as BCI BF.

20. Support to RRBs to engage Farmers’ Club as BF for financial inclusion

21. Assistance from FITF to RRBs for piloting ICT solutions for financial inclusion through BC/BF model

22. Reimbursement of cost for certification course for BC/BF offered by Indian Institute of Banking and Finance

23. JLG programme to be implemented in a mission mode
24. Promotional grants to be provided to banks for forming, nurturing and financing JLGs in farm and nonfarm sectors for the first three years.

25. Promotional grant assistance at enhanced rate for forming, nurturing and linking and stabilizing credit linkage of SHGs with special focus on hilly and tough districts and resource poor regions.

26. Technology support assistance to NGOs for strengthening MIS enhanced.

27. Scheme for rating I grading MFIs revised and made operational on an ongoing basis.

28. Scheme for capital support I RFA to MFIs refined and rationalized to provide enhanced support.

29. Assistance for Micro Enterprise Development Programme for matured SHGs enhanced.

VII.3: Suggestions

1. Priority Sector:

I. Agriculture Activities - Crop Loans

- The Aurangabad DCCB should improve its recovery and capacity to recycle funds in order to provide credit facilities to societies and enable the latter to extend loans to non-defaulting members.

- Commercial banks and AJGB should make efforts to step up financing under crop loans keeping in view the objective of 'Doubling of agricultural credit' campaign launched by GoI.

- Effective tie-up arrangements for recovery of loans with sugar factories, cotton federation and other processing and marketing societies need to be put in place.

- Credit flow wider crop loans could be improved by guiding farmers to adopt
improved cropping pattern, diversification of crops etc.

- Due to large number of small land holdings, agriculture has become an uneconomic activity over the years. Consolidation of holdings is the only solution to this problem. For this purpose, education, counseling and guidance to farmers as also clearing of legal hurdles are necessary.

- Extensive use of bio fertilizers and bio pesticides should be encouraged for ensuring production on sustainable basis.

- A strong integrated marketing system by the farmers’ cooperatives needs to be established. The system should consist of scientific harvesting and collection of farmers' produce at all collection centres, scientific grading and standardisation, improved and innovative packing, appropriate storage and transport, marketing, finance etc.

- There is a need to have time bound programme for reforms of PACS.

- Credit flow under crop loans could be improved by guiding the farmers in adoption of improved cropping pattern, diversification of crops etc.

- Banks may provide Kisan Credit Cards to all eligible farmers for production credit

- Commercial banks and MGB should step up financing under crop loans.

- Aurangabad DCCB should make efforts to improve its recovery / capacity to recycle funds in order to provide adequate credit facilities to PACS.

- Banks through NGOs may play effective role in formation of farmers clubs that could help in creating awareness among farmers on modern farm technology, market trend etc.

- Present scale of finance may be considered as minimum and banks may consider
financing even at a higher scale, if necessary, to enable farmers to meet the actual cost of cultivation.

- Soil & water conservation programmes should be effectively implemented on large scale in the district. Huge no. of water harvest structures should be setup to overcome drought conditions.

- Agriculture Dept. needs to take constant efforts on crop rotation, replanting, improving soil quality, enhancing production and productivity for food security etc. by organising awareness programmes, training, demonstration etc. at village level.

- Adequate and timely supply of fertilizers and seeds to the farmers should be ensured. Strict action should be taken in case of 'linking' by the dealers / distributors of fertilizers, seeds etc. iv Extensive use of bio fertilizers and bio pesticides should be encouraged for ensuring production on sustainable basis and replenishing the level of soil fertility. Agriculture Department should initiate effective steps to popularise the measures on large scale.

- A strong integrated marketing system with the involvement of farmer’s cooperatives needs to be established.

- More stress is required to be given on Agriculture & allied activities under BRGF programme implemented in the district. In BRGF-2010-11 plan, the work items proposed by the Gram Panchayats under agriculture & allied sector were merely 1% of the total plan.

- Rashtriya Krishi Bima Yojana - Agriculture Dept. should make efforts to promote this scheme to provide insurance coverage and financial support to farmers in the event of failure of any of the notified crops as a result of natural calamities, attack of
pests and diseases.

II. Agriculture Term Credit

II.1 Water Resources

- District has a good potential for financing Drip, Sprinklers and pipeline for distribution system on surface water irrigation projects (Paithan, Gangapur, Vaijapur blocks) and ground water structures.
- Banks should step up lending to this sector and help farmers to increase production / productivity.
- With a view to revive large number of cooperative LIS financed by Aurangabad DCCB & MSCARDB in Paithan, Gangapur and Vaijapur taluka, it is essential that the Irrigation Department, Cooperation Department and banks initiate suitable action.
- All blocks in the district are suitable for undertaking underground pipeline programme. Aurangabad, Gangapur, Paithan, and Phulambri blocks are suitable for deepening of wells. Banks therefore need to play a proactive role in providing finance for such purposes.
- Irrigation / implementing departments are required to keep constant vigil over the irrigation project work so that quality of the work being executed is maintained as per the required standards.
- Drip Irrigation system needs to be introduced on a large scale for production of cotton and sugarcane. It is necessary to educate the farmers, through awareness programmes, in understanding the need to conserve water as also arrest water logging.
- People's participation, particularly in irrigation projects by forming Water Users Association (WUA) has not gathered momentum despite Govt. instructions in this
regard. This has been causing low utilisation of irrigation potential and non maintenance of field channel.

- Irrigation Department may consider issuing water lifting permissions on volumetric basis for different seasons in place of percentage terms as being currently done.

- Due to inadequate & erratic power supply, many MIILI schemes have suffered. MSEDCL should take urgent steps to create necessary infrastructure to ensure adequate power supply.

- Most of the LI schemes are owned by registered societies. Cooperation Dept. should help societies in streamlining their functioning, water distribution, recovery of water charges etc.

- Registration of all groundwater structures needs to be done at one common point preferably with GSDA, irrespective of sources of finance.

- Registration of all groundwater structures needs to be done at one common point preferably with GSDA, irrespective of sources of finance.

- Water conservation techniques like rainwater harvesting, construction of underground water harvesting structures (Kedia Farm Pattern), using plastic sheets in the farm ponds should be adopted.

II.2 Land Development

- Banks may make good use of the schemes on Improving & Managing Cultivated Saline & Alkaline Soils, Bio-fertilizers, Vermi-compost etc for financing in their operational areas.

- It is very important to utilize the created irrigation potential. Banks may, therefore, provide adequate support to the farmers after completion of Command Area
Development Projects.

- Farmers, entrepreneurs etc. in the district have good understanding on organic farming and its beneficial use. There is a good demand for organically produced foods, vegetables, fruits etc. in the market. However, in order to give a thrust to these techniques, banks need to come forward and lend a helping hand to prospective entrepreneurs and service providers to take up commercial production of organic manures of different types.

- Under various tranches of RIDF, a large number of irrigation projects have been completed. The command area of these projects needs to be exploited with assistance from banks and concerned line departments of the state government. Major activities that can be taken up are land levelling, farm-bunding, contour bunding, drainage, soil reclamation etc.

- All out efforts should be made to create awareness among farmers to adopt modern farm practices, use improved varieties of seeds, bio & micro-bio-fertilizers, bio-pesticides, vermin-composting, and other quality inputs to improve soil quality, increase production and productivity.

- Farmers also should be sensitized on harvesting and recycling of rainwater for critical & life saving irrigation in Kharif and pre-sowing irrigation to short duration Rabi crop.

II.3 Farm Mechanization

- Banks can encourage this sector as farm machinery would lead to large scale production. Produce can be taken to market without much labour and loss of time.

- SHGs, Farmers clubs and Cooperative users’ societies need to be promoted / assisted
with bank loan so as to enable the small farmers to have access to mechanisation.

- Stipulated margin norms should be adhered to so that borrowers could get maximum eligible loan.

- One of the major impediments for implementation of farm mechanization programmes is the existence of a large number of small sized, un-economic land holdings. Govt. should, therefore, encourage machinery suitable to small farms and suitable for cooperative large scale farms so that farmers of small holding can also take full advantage of the mechanisation of agriculture.

- There is need to revamp the tenancy legislation so that the land lease market is encouraged and the size of the tractor operated farms is increased to justify the existing farm machinery.

- Suitable crop planning on the farm and in the area can be quite useful to gainfully employ the tractor. Monoculture of crops and varieties in the area results in high seasonal fluctuation in its use.

- NABARD has relaxed norms related to minimum acreage while financing for tractors and banks have been advised to evolve on their own, area-specific norms.

II. 4 Plantation And Horticulture

- Ground level credit flow to the sector during 2009-10 was encouraging as compared to that in the previous 2 years. Banks need to play pro-active role in supporting horticultural activities

- Despite good potential under sericulture sector in the district, the institutional credit flow to the sector has not been satisfactory since 2002-03. Systematic efforts are, however, required on

- Under NHM, more stress should be given on providing support to improve
productivity, production and quality of horticulture produce.

• There has to be a proper coordination among growers, Agriculture Dept. (Horti. Divn), bankers, industries and exporters for overall development of Horticulture sector

• In case of sericulture, there is a need to produce adequate quality planting material by departmental nurseries to fulfil the needs of farmers.

• Cluster approach for development of sericulture may be adopted so that both technical and financial inputs could be provided to prospective entrepreneurs in an effective manner.

• With a view to popularise mulberry plantation and silk rearing-among farming community the extension services presently provided by the Govt. need to be further strengthened.

• Proper awareness on various horticulture schemes needs to be created amongst farmers.

• Dissemination of information / data on various PH schemes at the ground level needs to be strengthened for the benefit of large no. of small/ marginal farmers.

• Adequate cold storage facilities need to be provided to the farmers to enable them to minimize the wastage and hold their horticulture produce till they get favorable market price.

• Capital Investment Subsidy Scheme (CISS) operated under National Horticulture Mission for construction / expansion / modernization of cold storage can be made use of by banks as well as entrepreneurs for creation of additional cold storage capacity in the district.
II. 5 Forestry And Wasteland Development

- Considering the environmental and commercial benefits from forestry schemes, banks need to play a pro-active role in development of forestry sector.
- Formulation and implementation of projects for private waste land development may be supported by banks by involving reputed NGOs that can work as nodal agency.
- Financing to forestry sector in the district is negligible. Banks do not take interest in such schemes in view of the long gestation periods and also due to restrictions imposed on movement of forest produce which could hamper recovery prospects.
- Lead Bank may prepare a model scheme for development of wasteland through farm forestry & silvi pasture and circulate the scheme among the banks.
- Efforts should be made to develop forest as a productive unit by ensuring proper management of the forests with the active involvement of the people.
- Awareness may be created among farmers on environmental and commercial benefits from forestry schemes. More incentives may be offered in the form of seedlings, extension services.
- Reforestation of the denuded forest adjacent to villages may be done through Forest Protection Committee in which every family in the village should be given chance to represent.
- Systematic survey of private wastelands needs to be done for assessing the exact potential.
- To encourage tree plantation for commercial purposes, restrictions and procedures to obtain permission from the Govt. for felling of trees on private lands and transportation of timber and fuel wood, maybe relaxed to certain extent.
• At least one agro-forestry model farm may be developed in each block for demonstration.
• Monetary rewards may be given for survival of plants in private wastelands.
• Social Forestry Department may work as a nodal agency in identification of wastelands, creating awareness / motivating farmers and to provide technical guidance, inputs etc.
• Forestry Department may lease out small forest plots to SHGs, for a period of 5 years. The lease agreements may be used by SHGs to avail bank loan for packaging & marketing of forest produce.

II.6 Animal Husbandry-

A. Dairy Development

• Considering the shortage in milk production, there is a tremendous potential in the district for dairy activities. Banks should take up financing these activities in a big way which will not only ensure increased milk production but also assist farmers in increasing their income.
• Various Govt. schemes like VCFS, AMIGS etc. being implemented by NABARD for strengthening dairy sector in the district are regularly discussed in various forums, BLBC/DLCC meetings etc. However, the response from banks in terms of credit flow to the sector is not encouraging. Banks should popularise these schemes by providing need based credit support and scheme benefits to the farmers, SHGs etc. on a large scale. Farmers should not be deprived of a benefit of such schemes that provide incentives.
• Dairy Development Dept. has been supplying cows at 50% subsidy to needy poor
people, members of SHGs preferably of those below the poverty line. Banks should provide remaining 50% assistance to these beneficiaries.

- CB/graded buffalo calf rearing through institutional finance may be encouraged by linking subsidy programmes of AH dept. and also by involving potential Milk Unions / sugar cooperatives in their operational areas.

- Area development schemes may be formulated in coordination with Animal Husbandry Dept., Dairy Development Dept. and Milk Union.

- Establishment of fodder plots should be explored.

- Establishment of calf rearing and cattle breeding farms at Aurangabad or Kmmad.

- Promotion of fodder development programmes in a big way particularly in watershed areas. Linking them to dairy programmes and setting up of fodder banks on pilot basis may be encouraged.

- Establishment of additional Veterinary Graduate Centres (to bridge the gap of 94 centres) by up-gradation of existing centres to Veterinary Graduate Centres, setting-up of new centres and establishing additional 82 AI Centres to bridge the gap in a phased manner.

- Organizing various training programmes for dairy farmers on a regular basis to upgrade their technical knowledge, create market awareness etc.

- Modernise / strengthen infrastructure with assistance under RIDF, in select livestock markets which could be the model centres for procuring livestock (Action- AH Department)

- Venture Capital Fund Scheme- The district is included under non-operation flood districts and, therefore, is eligible for Gol's Venture Capital Fund scheme for dairy
sector implemented through NABARD. (Interest subsidy / Interest free Joan- 50% of-
project outlay). Eligible beneficiaries- Individuals, SHGs, NGOs, public/private
sector undertakings, cooperatives etc.

- Agriculture Marketing Infrastructure Grading & Standardization scheme (AMIGS)-
  GoI scheme implemented by :NABARD could be utilized to establish milk
  processing plants by availing term loan of minimum 50%. Back ended subsidy @
  25% is available under the scheme.

II.6 Animal Husbandry-

b. Poultry Development

- Commercial broiler activity is attracting. Farmers, entrepreneurs, unemployed youth
  in the District Banks may encourage them by providing adequate credit support.
- Farmers, rural youth may also be encouraged to avail credit under Venture Capital
  Scheme for poultry (layer unit) implemented by NABARD.
- Banks may extend credit in coordination with private hatcheries I contract farming
  agencies.
- Providing need based credit for establishing private veterinary clinics, diagnostic labs
  & poultry feed mixing plants (capacity 8-10 MT/day) would give further boost to the
  sector.
- Poultry farmers may be given proper training on commercial lines.
- Proper vaccination of birds needs to be undertaken to prevent diseases like Bird Flue
- Awareness may be created on maintaining high standard hygiene in poultry farms
  /products.
- Small poultry farmers may be given adequate health cover.
II. 6 Animal Husbandry-

c. Sheep, Goat & Piggery Development

- The sector has a good potential to absorb high amount of credit in phased manner. Considering good market demand for the produce and credit potential for the activity in the district, banks should make systematic efforts to increase the credit flow under this activity.
- Banks are supporting this activity mostly under Govt. sponsored programmes like SGSY. Credit flow may also be increased for sheep/goat rearing units, commercial goat farms to generate employment in rural areas.
- SHGs could be encouraged to take-up goat activities on a pilot basis.
- Breeding farms for sheep/goat could also be supported with adequate credit.
- Most of the AH cooperative societies are defunct due to various organisational and managerial deficiencies. Necessary measures need to be taken to revive these societies.
- Non-availability of quality sheep/goat in adequate number is a limiting factor for the development of the sector. Animal Husbandry Dept. and Sheep & Goat Corporation may identify proper sources for procuring animals of a good quality.
- Extension services for carrying out this activity on commercial lines need to be intensified.
- Sheep/Goat/Piggery offers good scope for providing gainful employment to rural youth.
- It is necessary that coordinated efforts by banks & Govt dept. are made to popularise it. For this purpose, joint awareness programmes, field training etc. may be organised.
II. 7 Fisheries Development

- Despite having good targets under ACP, the credit flow was not satisfactory during last 2 years. With a view to boost the sector, banks need to support it in a big way. The establishment of fish seed farms and cold storages could be encouraged by the banks.
- Farm Pond fishery may be supported through adequate bank credit.
- Policy decision should be taken to revamp / rehabilitate weak fisheries coop societies
- Renovation, expansion and up gradation of existing fish seed production farms should be taken care of.
- Total 2900 Farm Ponds are planned to be developed in the district under RKVY (1100 FPs) and MREGS (1800 FPs). Therefore, farmers may be encouraged and supported to undertake fisheries activity in the farm ponds to generate additional income.
- It is also important to encourage fishermen to undertake prawn farming in order to increase fish production in the district.
- Lease period of ponds / tanks owned by Gran1 Panchayat, ZP, Municipalities and Irrigation Dept. needs to be enhanced to 12 to 15 years to match with the bank loan repayment period.
- Necessary infrastructure facilities may be provided for strengthening inland fish marketing.

II. 8 Storage Godowns & Market Yards

- Under Rural Godown Scheme, bank should ensure that the main source of borrower's income is from agriculture to claim subsidy at higher rate. Tehsildar's certificate to
that effect should be submitted by borrower. Alternatively, IT returns for the last 3 years or revised affidavit needs to be submitted.

• Banks should take up the matter for conducting inspection of godowns with DMI / NABARD soon after completion of godowns to avoid delay in release of subsidy.

• Banks should ensure submission of Utilisation Certificates to NABARD in case of fully disbursed loans considering the increasing demand; the activity needs to be given focused attention for systematic development of storage infrastructure in the district.

• Construction of cold storage / rural godowns under GOI schemes should be encouraged.

• Awareness on preservation technology needs to be created among farmers.

II. 9 Renewable Sources of Energy & Waste Utilization

• While selecting beneficiaries for the biogas project, availability of adequate number of animals, water, inclination of beneficiaries, arrangements for repairs / maintenance of plants etc., should also be seen to ensure success of the project.

• Sugar mill running in profit may prepare plan for having a captive bagasse based cogeneration unit. The unit may be financed by bank.

• MEDA may popularize solar equipments and train rural youth for repairs & maintenance. Banks in the district may work out a credit scheme / package jointly with the manufacturers, suppliers like 'Tata BP Solar' for encouraging use of solar light systems in rural areas.

• Implementing agency may initiate necessary steps to motivate people and propagate the use of this alternate source of energy. NGOs/Voluntary Agencies could play a
vital role in this regard and may therefore be involved in the process.

- SHGs may be imparted training on repairs of bio-gas plant

II. 10 Food And Agro Processing

- Banks should encourage Entrepreneurs, SHGS and Cooperatives by providing them need based credit for setting-up Food & Agro Processing units.
- Considering the shortage of milk of 1.55 lakh ltr/day in the district more dairy and milk processing units need to be established.
- In view of the increasing area and production of cotton and maize in the district, more stress need to be given on establishing good no. of processing units to absorb the increased level of production, converting agro produce into marketable form with value additions, creating more opportunities for self employment in the district.
- Cotton Ginning / Pressing units, Maize / Milk Processing Plants etc., where huge capital investment is involved, could be supported with NABARD's co finance facility.
- Strong data/information base for the food processing industry needs to be developed.
- Supporting entrepreneurs, unit holders in improving quality of raw material produced by farmers through industry extension services by Infrastructure Development
- Educating farmers, entrepreneurs for adopting latest technologies / adapting globally accepted methods to Indian environment
- Supporting shift from raw to value added processed foods
- Development of products to suite consumer needs based on local dietary habits in different regions of the country and internationally
- Efforts to improve efficiency, reduce wastage, use cost effective processes +
Rationalization of tax structure and reduction in duties in necessary

- Strong R&D unit required to be develop international quality products and establish global brands for export
- Farmers and industry should be encouraged to use insulated/refrigerated vehicles for raw material transportation

II.11 Other Activities

- Larger part of requirement of institutional credit for BC/BP is met under the Government Sponsored Schemes, however, banks should encourage financing this activity on a cluster basis wherever such requirement arises.
- Banks should start financing Agri-Clinics / Agri-Business Centers to augment support & services for agriculture and also to provide gainful employment to Agri graduates in the district.

2. NON-FARM SECTOR (NFS)

- Banks should support and encourage financing for activities undertaken by rural artisans, handloom, powerloom units etc. to protect, continue and grow the traditional art & culture in the district.(e. g. Paithani carpet weaving, Bidri, Himroo, Embroidery work etc.)
- The art of weaving Paithani silk sarees needs to be supported by MSSIDC, banks and DIC on the lines similar to those in Yeola block in Nasik district.
- Non availability of uninterrupted power supply hampers the growth of industries. Govt. should take necessary steps to ensure uninterrupted power supply to industrial units.
3. OTHER PRIORITY SECTOR

- Activities like SRTOs and Retail Trade & Small Business need to be encouraged further on a big scale to improve the growth rate of transport, communication and business I trade sectors. This will help to boost the district economy and reduce the percentage of dependence, to some extent, on agriculture sector.

- During 2009-10, there was a good improvement in the credit flow disbursement for housing sector as compared to that in the previous year. However, the achievement was to the extent of 58% of the targets and banks need to further improve the performance. Banks may take advantage of refinance support made available by NABARD under its 'Rural Housing' scheme.

4. INFORMAL CREDIT DELIVERY SYSTEM

- Regular discussion / review by banks on SHG-BLP during periodical meetings.

- SHG-BLP to use as a tool to expand the coverage of Financial Inclusion programme.

- Promoting financing SHGs as a business proposition.

- Ensuring balanced growth of SHG-Bank linkage programme in all blocks.

- Encouraging banks to operationalism proper rating of SHGs before financing.

- Regular submission of progress reports on SHG-BLP by the banks.

- Involvement of more NGOs under add-on activity support, for promotion of quality SHGs. Encouraging use of Farmers' Clubs and IR V s for promotion of SHGs.

- Capacity building of SHGs for ensuring quality of books of accounts.

- Graduating of SHGs from micro credit to micro enterprises.

- Designing and funding suitable training and exposure programmes for all stakeholders.
- Dissemination of the concept of SHGs among rural masses, on a large scale.
- Canvassing the scheme among banks, NGOs, MFIs, Farmers' clubs and other suitable organizations operating in their area of jurisdiction.
- Identifying activity based groups and their support agencies and studying their operations.
- Mobilising proposals for promoting / supporting ABGs from banks, NGOs etc.
- Conducting suitable training and organizing exposure programmes for ABGs and promoting Agencies.
- Encouraging Farmers' Clubs for promotion of JLGs/ ABGs
- NGOs are working all over the district including remote areas for formation of groups, bank linkage and empowerment of women on economic and social front. NGOs are at a better position than any other agency for pursuing the rural people and educating them for formation of SHGs by frequent interaction with them. NGOs have time, manpower, diligence and local boys usually work for NGOs who can easily gain the confidence of the rural people. But resource constraint may be a pull back with the NGOs. Without external aid NGOs are not able to work extensively for promotion of SHG Bank linkage programme. Probably for this reason, out of about 100-150 NGOs working in the district on various fields only 5 are active in SHG related activities.
- The District has 348 bank branches, including 183 rural branches, out of which all branches take part in micro finance. The RRB has also 10 SHPI branches. Apart from this, the RRB (Maharashtra Gramin Bank) has been extended the facility of
Individual Rural Volunteer facilities to upscale SHG Bank linkage programme in the district.

- Government Departments like DRDA, DSW and Panchayat Samiti etc. are operational in promotion of SHG Bank linkage programme. Small construction works at Panchayats level have also been entrusted to SHGs. A wide network of AWWs has been monitoring the program at grassroots level.

- More number of entrepreneurship development training programmes may be arranged for the SHGs members.

- NGOs, especially the smaller organizations, have done well to push the SHG bank linkage programme in the taluka. NABARD has been extending necessary support to NGOs working in this direction. NABARD, Aurangabad Regional Office may extend the support to Eligible NGOs without much delay in order to motivate them to contribute positively to the SHG bank linkage programme.

- In many cases the SHGs were enthusiastic to take up economic activities but they found to be lack of ideas. The line departments may design micro enterprises, diversification of activities, value additions in locally available resources/raw materials, market network for produce, etc. for the SHGs.

- More number of entrepreneurship development training programmes may be arranged for the SHGs members.

- More importantly, SHG movement has become a cardinal game for many. Agencies like Banks, NGOs, etc. claim having formed sizeable number of SHGs. This might be due to fixation of time bound physical target for formation of SHGs. But, unless the health of SHGs is sound enough to sustain against all barriers and limitations, the sole
objective of the movement may be diluted. Thus, quality, health and sustainability of SHGs should also be given importance in addition to formation of SHG.

5. Financial Inclusion

- Village-wise voters list may be supplied by the Lead bank to Bank branches, Anganwadi workers, unemployed youth and Gram Sewaks for opening of no-frill accounts.
- Allocation of targets to all the branches of the banks for opening of no-frill accounts, organization of camps for the purpose and periodic monitoring of the progress.
- Opening of no-frill accounts for payment of wages under NREGA.
- Lead Bank / major banks in the district may identify and appoint Business Correspondents/ Facilitators (NGOs, Farmers Clubs, SHGs, post offices etc.) for increasing the level of FI.
- DLCC may take a decision of paying a nominal amount (per a/c) to NGOs, students, SHG members, educated unemployed youth etc. for helping banks to open SB accounts.
- Banks to treat FI as a business'opportunity and as well as a corporate responsibility.
- LICs micro insurance products such as Janashree, Jeevan Madhur may be popularised.
- PACS may be explored as e-branches of ADCCB / CBs.
- Establishment of Financial Literacy and Credit Counseling Centres (FLCCCs) by the banks in their area of operation.
- Procedural simplification in banking for financial inclusion.
- ADCCB/MGB may explore new distribution channels and new marketing techniques
to expand their outreach. Some of the innovative distribution channels may include post offices, pharmacies, supermarkets, railway stations, bus terminals, petrol pumps etc.

- Introduction of new and innovative savings and credit products for matured SHGs.
- Cash credit type loan facility to members, either directly by the bank or through the SHG, 'over and above normal loan availed from the SHG. This will essentially work as working capital loan for the occupation pursued by the member.
- Banks may make efforts to attract the financially excluded sections with various credit & products like Festival advance, Loans for delivery expenses, Loans for medical expenses, Loans for social functions / marriage, Housing loans, Loans for funeral expenses, Loans to liquidate borrowings from moneylenders etc.

6. Response from Farmers & Non-Farmers:

- Govt. needs to take necessary action to ensure timely and adequate supply of genuine, good quality fertilizers and other Agri inputs like improved seeds, pesticides, nutrients, supplements etc.
- 'Linking' by the dealers needs to be checked and strict action should be taken in this regard.
- Infrastructure support and services need to be strengthened like all-weather roads, electricity, irrigation facilities, availability of drinking water, sanitation, marketing outlets, medical facilities etc.
- Power leakages should be stopped and power supply should be improved during working hours. MSEDCL needs to take suitable action in this regard.
- Marketing of agricultural produce is, to a great extent, in traders' hands which results
in poor/ inadequate returns to farmers. Govt. should take necessary steps in this regard to ensure that farmers get adequate price for their produce.

- Promotion of good farmer clubs by the banks / NGOs would certainly help the farmers to upgrade their knowledge on best farm practices, adoption of modern technology, various Govt. / NABARD programmes and schemes implemented in the interest of the farmer community. This would ultimately help the farmers to increase their productivity, production and ensure food security.

- Promotion of JLGs / ABGs would help the neglected 'non-farmer' community in increasing the level of income.

- Provision of credit alone to farmers will not contribute to development. This has to be associated with provision of other support services like all-weather roads, availability of drinking water, electricity, school buildings, primary health centres, marketing outlets etc. The departments concerned like PWD, MJP, MSEB, Education Department and Health Department etc., of the state government therefore need to take suitable action in this regard.

- Although the traditional crops of the district are cotton, jowar, maize, bajra etc., in some areas, mango and mosambi cultivation has taken roots. Similarly, cultivation of mulberry plantation has also been done in some parts. There is therefore good scope for setting up of agro-processing units in these blocks.

- Due to weak financial position of the Aurangabad DCCB and the Aurangabad DLDB, the sources of credit to farmers have shrunk. Under such circumstances, commercial banks and Aurangabad-Jalna Gramin Bank need to play proactive role and provide credit to all needy farmers.
Marketing of agricultural produce is, to a great extent, in traders' hands which results in poor / inadequate returns to farmers. The government should take necessary steps in this regard to ensure that farmers get adequate price for his produce.

To conclude that Thus we find from the above discussion that NABARD has acted as an apex refinance and development institution in the field of agriculture and rural development of the country. In all the fairness, it can be said that NABARD's performance is satisfactory and it can be made more functional if some improvements are brought about in the matter of its functioning, policy decisions and business activities, Actually, what needed is making available more resources at the disposal of NABARD and active co-operation of State Governments and agencies disbursing credit directly to the needy rural people.

VII.4: Directions for Future Research:-

Future research may be designed in a manner that addresses the limitations of the study pointed out above.

• An effort should be made to investigate micro 'aspects of rural development' perception of a number of developed and developing nations across different research situations.

• Future research on Banking & Rural Development should include more wide-ranging aspects. Use of different services, Technology, category may provide additional insights on the structure of Indian economy.

• Similar research should be carried out in other geographic areas of the country.