PREFACE

The entry of commercial banks into the business of agricultural finance is of recent development. Banking is the base for economic development. In order to supplement the required financial help for the agricultural sector, certain institutions have been nationalised in India in the post independence era. The State Bank of India that happens to be the largest commercial bank at present earlier known as the Imperial Bank formed in 1921 by amalgamating the three presidency banks of Bombay (1840), Calcutta (1804) and Madras (1843). And the Imperial Bank was nationalised by passing the State Bank of India Act, 1955 and the State Bank of India (SBI) came into existence from 1st of July 1955. The primary aim of the bank is to extend banking facilities in the rural areas throughout the country.

In order to provide credit to farmers on an intensive area basis, the State Bank of India and its other Associate banks have opened Agricultural Development Branch (ADB) at certain selected centres throughout the country. The SBI has formulated the "Village Adoption Scheme" in 1973-74. Under the banner of the scheme, a branch usually adopts a few villages for intensive and integrated financing of farmers for meeting their credit requirements. In the last two and a half decades the Indian Banking Industry has witnessed a series of reforms and some schemes, were introduced. Subsequently, the emphasis has been shifted from industrial and commercial sectors to the small scale industries and agriculture and also from the urban areas to the rural areas with a view to achieving the social objectives of economic development process.
Though State Bank of India since its nationalization have played a commendable role for the development of the agricultural sector, yet there seems to be great imbalance in respect of development of this sector in some areas of the state. The question generally crops up in the mind, which category/class of cultivators have really benefited more from the banks' credit scheme? Do all the agriculturists of the interior villages could receive the facilities of the banks' schemes? What are the expectations and feelings of the farmers regarding the banking schemes in the coming years? Evidently all these cannot be examined through the utilisation of the secondary data alone. Hence an attempt is being made in the present study to examine the operational aspects of the existing banking schemes at grass root level as well as to know the real beneficiaries/non-beneficiaries under various schemes of banking institutions. For this purposively Golaghat district of Assam has been selected as the area of field investigation. For the purpose of the present study, the data have been collected from two hundred (200) sample families of twenty (20) villages under ten (10) gaon panchayats located in two development blocks. It is to be noted that 200 borrower farmers were selected to know the cropping pattern, yield rate of important crops, land utilization, credit mobilization, income of the borrowers from farming activities etc.

In order to make the study more practical oriented and to receive the first hand information field level questionnaires were canvassed on to the farmers and also the questionnaire were served upons banking institutions. In the process some inaccuracies cannot be ruled out as for the fact that much of the data furnished by the farmers were drawn from their memory and not
from any recorded sources. Again, some of the farmers seem to have tried to conceal/exaggerate some information. Therefore to minimise the inaccuracies, care has been adopted to cross check the data with the internal consistency and external evidence.

Objectives of the study

The State Bank of India in general and the Agricultural Development Branch of State Bank of India in particular is taken as the area of study. The State of Assam as in the case of other North Eastern States of India poses a few problems in the path of economic development. The backwardness of the state is also due to the non-adaptability of new technology, sticking to the traditional method of shifting cultivation, non existence of too many industries, big or small, low level of consciousness among the rural people and above all non-acceptance of the banking facilities in the rural areas. On the other hand, the region has its potentiality in respect of various raw materials availability of land with the scope for dairy farming as well as horticulture.

To be more specific the objectives of the present study are: (i) To review the working of the Agricultural Development Branch of State Bank of India in the sample area; (ii) To study the methods as well as the principles of granting assistance by Agricultural Development Branch for developing the region; (iii) To analyse district-wise and block-wise achievement under various schemes; (iv) To suggest measures to improving institutional framework considering the felt need of the rural society.

Chapter Design:

The present work is designed to cover every possible aspect relating to the role played by the State Bank of India in
agricultural financing in general and Agricultural Development Branch in Golaghat district of Assam in particular. For the convenience, the whole work is divided into thirteen specific chapters in **FOUR PARTS**.

In **Part-1 chapter 1** "Brief Profile of Golaghat District" an attempt is made to discuss the salient features of the Golaghat district with a view to get a comprehensive detail of the area of our study. **Chapter - 2** deals with the salient features of Agricultural Economy of Assam. The genesis and the concept of the State Bank of India and its Agricultural Development Branch has been focus in **3rd chapter** which also gives us the course that our banking system as gone through in a brief manner.

The **Part II** contains four chapters in total. In **chapter - 4**, the nature, objectives of State bank of India and its ADB is discussed along with the trend and activities while in **chapter- 5** of the aforesaid part II deals with the description of organisational structure and the determinants of administrative mechanism for the bank. Some aspects viz. evaluation of operational aspect, area eligible for assistance and statutory jurisdiction in regard to its operations have been discussed in **chapter 6**. In **chapter 7** the review of the policies and procedures of State Bank of India as well as other commercial banks have been dealt with.

**Part III** of the work contains in three chapters, where the data collected by canvassing the questionnaires to the borrowers as well as to the banking officials are tabulated and analysed. The characteristics of the farmers of the Golaghat district are recorded in this **chapter 8**. This chapter examines some specific questions viz. which class of farmers have benefited.
most and what types of their credit requirement have been met by
the banks. In brief this chapter also assessed achievements made
with different heads especially on socio-economic network. Some of
the operational problems faced by the implementing agencies are
evaluated in chapter 9 while in chapter 10 difficulties expressed
by the people of the study district are being discussed.

Part IV which happens to be the last part of the work included three chapters and are entirely designed to evaluation of
performance under credit plan, assessment of the problems and its
remedial measures. The findings of the whole work done along with
the summary and conclusion are dealt with in this part.

The study is based on diverse source materials which
consists mainly of official and non-official reports; reports of
various commissions and committees; Action plans/credit plans of
the banks of the district, reports of the field level survey and
also of books and journals.

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Date .... Golaghat

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