Adequate literatures are reviewed to understand the structures, functions and problems of cooperative organisation. Books and journals containing the cooperative aspects are referred.

All India Debt and Investment Survey (1971-72) revealed that about one-third of rural households live below the poverty line and upon their physical labour and skill making a living as they do not own productive assets. He has further revealed that 50% of the cultivators are marginal and 20% belong to small farmer categories. On account of their poor asset holding and frequent failures of monsoons these people resort to taking loans from local money-lenders at higher rates of interests which they ill-afford to pay. Therefore, a major thrust of effort in cooperative development programmes should reach these vulnerable sections of the society to uplift them from the clutches of vicious circle of poverty. He concludes that cooperative credit extended by Warangal district cooperative Central Bank to weaker sections under different schemes benefited the target groups.

Kahlon A.S. and Karan Singh (1984) opined that India has witnessed a phenomenal growth during 1970’s but is still not without certain intractable problems, solution to which cannot be found without a careful and critical examination of the theory and practice, not only of the whole system of agricultural finance, but also of the design and operations of the banking system in the country. The authors with their long association with the banking industry and
rich experience of teaching and research in agricultural finance in the agricultural institutions of the country, have taken the focus of the book much beyond the conventional reaches of literature on this subject, exploring new areas of project financial (highlighting complimentary relationships between different components of such integrated projects as watershed approach to the development of dry farming system), and monitoring and evaluation of the credit system in much greater depth to unravel the intricacies of the system. It looks into the future and focuses the attention of the policy makers more on the need of financial and credit discipline than on continuous acceleration of credit. He also considering the critical importance of credit input in facilitating the adoption of new technologies and improved methods and practices of agricultural production, the subject matter of this book is designed not only to meet the needs of scholars, bankers and students of agricultural finance, but of all those administrators and policy makers who are involved in managing agricultural finance. He conclude that who are interested in the field of agricultural finance, this work will come handy and useful and heighten their interest in better understanding and appreciation of the complex problems of agricultural finance.

Mahfooouhr Rahman (1988) examined the role of co-operative credit in agricultural development in Jammu and Kashmir. Further he attributes that the role of Cooperative financing in reducing income variability, length of structure, functional techniques, operations of co-operative credit Institutions and the Mobilization of Cooperative credit and its gearing to new agricultural strategy in the state are discussed. The role of the nationalized banks in these areas had also been discussed. And also provides valuable statistical data derived from various
sources are used to draw the appropriate result and highly useful suggestions for reforms of agricultural development in Jammu and Kashmir. The research efforts have covered private, cooperative, and governmental activities in various fields such as development administration, agricultural credit, crop husbandry, fisheries, forestry, major irrigation projects, agro-industries, rural industries, farmers’ education and extension, natural resource utilization, and energy. In terms of management areas, these have covered planning and financing, marketings/organisation, implementation, monitoring and evaluation. Further analysis shows the macro level the concentration of field level institutions was adequate, their spread was not uniform and some areas, for example, the north-eastern States definitely had less than adequate density of these institutions on the basis of both area and population. Finally author conclude that the important issues in the field of institutional finance for rural development, suggestions have been made to make the system more efficient and effective so that cheap credit is available to the needy at the proper time in sufficient amounts and at convenient places.

Singh J.P. (1988) deals with the late sixties, co-operatives were considered to be the most suitable agency for agricultural financing in terms of official policy and commercial banks with their inadequate rural coverage and also urban-orientation were not considered equal to this task. Although cooperatives did grow substantially over the years, they were still unable to meet the increasing credit needs of agricultural and the credit provided by PACS, constituted less than $1/3^{rd}$ of the borrowings of the agricultural sector by 1968. Further in the wake of the green revolution in the mid-sixties with its emphasis on the use of high cost inputs,
credit needs of agriculture were expected to increase rapidly and it was felt that, cooperative financial agencies by themselves would not be in a position to handle this volume of credit. A complementary role was, therefore visualized for commercial banks in the field of rural credit, though co-operatives were continues as the principal agency. Social control over the banks in 1968 and more particularly the nationalization of major commercial banks in July 1969 provided tremendous momentum to the programme of increasing banking facilities in the rural areas and provision of agricultural credit. This book is to evaluate the performance of various institutional and non-institutional agencies in the field of agricultural financing. Finally concluded the subject in two parts. Part I deals with the various credit institutions, their structure and functioning in our country. The second part is devoted to the principles involved in capital and credit management.

Verma M.L. (1988) deals with the present Rural Banking is patent weapon of transforming the socio-economic structure of rural India. It can be open new vistas of prosperity for the rural masses, through sound bankable schemes. It can fill up the interesting credit gaps and explore the age old institution of Indigenous bankers. During last twenty five years the commercial banks have been constantly directed to discharge the new responsibility and the branch licensing policy, take over the major commercial banks, evolution of new institutional model the banner of regional rural banks, launching of various schemes especially the lead bank schemes and fixing of level of achievements under IRDP and twenty point economic programmes have been instrumental in the process. In this book study is confined to commercial bank including RRBs etc. the chapter contains
introduction, organization and layout of rural branches, state participation, geographical expansion, functional coverage, problems of rural banking, impact of rural banking and summary and conclusions are discussed in depth.

Ranga Reddy A. (1990) analyze the nature and character of credit in the agricultural sector and major implications of defaulter and over dues. The introduction of seed-fertilizer technology involving intensive application of modern inputs has given rise to increasing demand for credit. Credit is to be considered as viable, versatile and easily accessible. The credit requirements have been rising very fast to meet the short and long term needs of farming community, replacing moneylender. The distribution of institutional credit is not only uneven among different size groups of cultivators and regions of the country but also results in a high degree of default and over dues. It has serious implications in regard to flow of funds, liquidity, risk that confronts the lenders and borrowers in the two segments of the Indian money market. The incidence of defaulting is higher in the case of large farmers compared to small. Overdue outstanding of Guntur District Central Cooperative Bank Ltd., have been steadily rising over three decades. Its recovery performances have been improving by the rehabilitation programmes initiated. The empirical study proves that the incidence of defaulters is more among growers of food crops than non-food crops. Agrarian reforms and crop and market insurance, if properly conceived and enforced could promote the incomes of the rural weak and enable them to repay loans.

Desai B.M. and Namboodri N.V. (1991) examine the performance of rural financial institutions by analyzing time series data of about twenty years. Unlike other studies, this study is unique in approach, methodology and coverage of
issues. The study conceptualizes four performance criteria, viz. contributions of rural financial institutions as they relate to size and functional structure of operations, association of degree of agricultural progress and investments with the institutional finance variables, and skewness in the interclass distribution of loans; loan delinquency rate of farmer level credit; viability; and scale economies in transaction costs of these institutions. He mentioned that the major distinctive features of this study are: (i) loans and non-financial operations are visualized as facilitators of investment in modern inputs and assets; (ii) size of operations are measured in constant prices; (iii) viability of rural financial institutions is studied for an institution rather than its single activity like credit, as these institutions’ products are joint and multiple in nature and the transaction costs are common to all these products; and (iv) rural institutional credit is not merely for encouraging demand for investment goods by farmers but also for inducing supply of these goods and farm produce marketing and processing services. The study also makes useful suggestions for improving the contributions, viability and scale economies in administrative costs of rural financial institutions.

**NABARD (1994)** analyzed the financially strong and organizational vibrant credit institutions are imperative for dispensation of adequate and timely credit. Realising this, Honourable Union Finance Minister, while presenting the budget for the year 1994-95 had stated that the flow of institutional rural credit is unduly slow in relation to the need and he had, therefore, stressed on the immediate need for strengthening of the rural financial structure as their various constituents suffer from many weaknesses. Since cooperative banks and Regional Rural Banks are two important constituents of rural financial structure, it had been
decided by National Bank for agriculture and rural development (NABARD) to sensitize these banks to the concepts of cost effectiveness, commercial orientation, professionalisation, accountability, etc. To achieve this, conscious and bank specific action plans had been evolved by NABARD, based on the strengths and weaknesses/constraints and untapped/undertapped potential available for development in their respective regions. Preparation of such developmental action plans (DAP) was also expected to facilitate planning for improving the flow of credit to the desired levels.

**RBI Report (1994)** stated that the greater access and sustainable flow of credit is critical for the improvement of the poor. Credit has also to be prompt and adequate. The concern is also almost universal regarding the urgent availability to the poor. In this regard, bank credit plays a critical role in accelerating economic growth in general and alleviation of poverty in particular. It enables the poor to accumulate productive assets. More importantly it helps the recipients to make the optimal use of the assets. Availability of credit has always been scarce in particular for the poor who have little to offer as collateral. It is for this reason that concerted efforts have been made to bring about important institutional innovation for purveying credit exclusively to the weaker sections. With the enlargement of the institutional mechanism, the share of institutional rural credit has risen considerably although the institutional sources do not yet cover the credit needs.

**Bhaskar, G., Jamuna and Venkat Reddy K. (1995)** suggested that in an agrarian economy like India, the economic development is closely linked to the development of agricultural sector. Agricultural development needs certain institutional and technical changes. Agricultural credit is one of the most crucial
inputs in all agricultural development activities. Ownership on various agricultural inputs depends on the economic condition of the peasantry. The rural agricultural households not only need the credit for agricultural activities but also for the consumption needs.

Jugale V.B. (1997) attempts, to deal with the impact of co-operative credit on socio-economic and technological aspects of agriculture sector. The real success of cooperative credit depends on micro-level achievements of the Primary Agriculture Co-operative Societies and Primary Land Development Banks. The PACS are entitled to disburse the Short Term and Medium Term loans while Long Term loans are being disbursed by Land Development Banks. But most of the credit benefits are being harnessed by rich peasantry. Not only has this but they had a control on PACS management, whereas co-operatives are meant for the backwards. Further he explains that the credit is responsible to transform the cropping and land use patterns with remarkable increase in the productivity and employment in-farm and off-farm activities. Both socio-economic change has been brought by credit, however, credit will not claim the change by it alone. The use of bio-technology and mechanical technology has gone high phenomenally, because of credit. Irrigation, investment in human capital and investment in industrial activities have been brought in by credit first and then sugar cooperatives in Maharashtra. Finally author opined that the cooperatives are to be successful in bringing effective improvement in the well being of the rural populations as quickly as possible, then the co-operative movement must be armed with morality, dignity and equality. In most of the developing countries the cooperative strategy has been accepted as the most appropriate instrument of
achieving the goals of the economy. However, the system should be restructured and refrained for further consolidation of the confidence and economic gains obtained by the rural population.

**Reserve Bank of India the High Level Committee (1997)** reveals that the flow of agricultural credit by commercial banks decreased due to various reasons. Among them major reasons are insufficient authority of the Branch Manager to finalize the loan applications, complex procedure, lack of freedom to commercial bank to fix the rate of interest on loans of all amount as it is being done in the Cooperatives and Regional Rural Banks, duly connected with registering mortgage. Besides, service area approach programmes, restrict the borrowers’ freedom to approach any bank in the locality. The major recommendations of the committee are to deregulate interest rates on agricultural loans, to let banks offer facility in-built loan products, to prepare a special agricultural credit plan to accelerate the flow of credit, to give option to the bank to obtain a no dues certificate, when the bank is conversant with the record of the borrowers and to modify, service area approach to provide borrowers a choice of bank.

**Sathya Sundhram (1999)** explains that the rural sector requires institutional credit to take up economically viable. But its needs to be noted that credit that alone cannot delivers the goods. Thus depends on the implementations of economic viable schemes. Hence the formulation of economic plans should precede the preparation of credit plans. The author opinioned that there are certain agencies like the cooperatives; regional rural banks and farmers service societies which are most appropriate to serve the rural population.
Sudhakar Patra (2000) assesses the credit requirements of the sample borrower households on the basis of expenditure method. While the assessment of credit requirements for the sample borrowers is made, a number of inter dependent factors such as nature and size of the land, income, Family size etc, are considered. It can be further stated landholding is less significant as it is a rain-fed and less-developed block under the study. The regression co-efficient of size of landholding and credit requirements is 0.39 which is also significant at 5 percent level of significance. Approximately, 40 percent of credit requirements is influenced by the size of land holding is less significant as it is a rain-fed and less-developed block under the study. The regression co-operative of size of landholding and credit requirements is 0.39 which is also significant at 5 percent level of significance. The author also examines the rural requirement and supply by credit agencies with special reference to co-operative banks in Korei block of Jaipur district of Orissa. Conclusions emerged from the study are: (i) The credit requirement of the farmers is 40 to 50 percent of the total cost of cultivation. (ii) The co-operatives are the main credit supplying agencies in rural Orissa compared to commercial banks and regional rural banks. (iii) The small, marginal, medium and large farmers require short-term credit where as businessmen and transport operators require long and medium credit. (iv) There exists 30 percent gap between the credit demand and credit supply in rural areas. (v) The size of the land holding and income of the households are two important factors which influence the credit requirement. Finally the author concluded that the demand and supply mismatch of credit is very high in rural Orissa and there is a urgent need to bridge up the gap. It is strongly suggest that a bank by the government of Orissa
should be established with branches in every block of Orissa to meet the credit needs of the farmers.

**Gupta S.K., Mishra, A.M., Sharma H.O. and P.K. Mishra (2001)** indicated that in Madhya Pradesh the total financing by all the institutions in 1997-98, 1998-99 and 1999-2000 were Rs. 3,112, Rs. 2,363 and Rs. 2,570 crores, respectively. Of this, financing to agricultural sector were Rs. 2385 crores, Rs. 1,658 crores and Rs. 1747 crores respectively to total financing. He conclude that the Mandsaur District Central Cooperative Banks financed more than 90 per cent of the total agricultural loans for short term purposes where as 4.85 to 10.09 per cent loans were for long term purposes. In all the three years the entire agricultural loans provided by District Central Cooperative Land Development Banks was only for long term purposes. All the borrowers were comfortable with the borrowing experience and did not experience any problem including repayment. Most of the borrowers opined that loans were neither monitored nor the financial institutions provided extension services on the use of inputs.

**Awadesh K.R. Singh (2003)** revealed that the co-operative credit reforms in India and revitalization of co-operative credit structure in UP. Interestingly, perspective rural credit has been discussed in the context of new agricultural policy of state. Author opinion that the role of cooperatives especially PACS in agricultural development in terms of agricultural inputs and micro credit has been well recognized. Finally author concludes that the changes including structure of rural financial institution especially cooperative will lead towards efficiency, autonomy, accountability, and competitiveness in rural credit sector.
Swami Prakash Srivastava (2003) explored the issues of growth of institutional agricultural credit in India, its distribution in different regions and accessibility of credit to rural poor especially small and marginal farmers and economic viability of the operations of agricultural credit disbursement in terms of recovery performance and margins. Author further explain that the multi-agency approach adopted in our country is also a reflection of the need for different players in the field of agricultural credit. The experience also reveals that the performance of the commercial bank has shown the same kind of weakness in rural lending that afflicted the cooperative system. It has come out strongly in favour of revival and revitalization of the co-operative credit system at public cost on the ground that the other financial institutions are neither capable of nor interested in providing adequate credit at reasonable cost to million of asset-less and asset-poor people in the rural areas.

Kulandaiswamy, V. and Murugesan, P. (2004) opined that agricultural credit cooperatives constitute the sheet-anchor of cooperative policy and development in India. In the short term cooperative credit structure, which comprises of the three tier-structure, the Primary Agricultural Cooperative Credit Societies (PACS) are at the base, being the foundation for the entire edifice. It is therefore imperative that in any strategy for the development of agricultural credit cooperatives, major emphasis should be on strengthening the PACS. Besides being the purveyors of production credit, these grass-root institutions also serve as multi-purpose units providing a comprehensive range of services such as: generating income of the farmers and improving their productivity, delivery of inputs and providing services like processing and marketing, promotion of subsidiary and
non-farm activities in rural areas and mobilizing rural savings.

Singh S.K., Pratyush and Avaneesh (2004) examine the structure and functioning of Bikapur Primary Agricultural Co-operative Society (PACS) based on a case study of 182 PACS operating in Ghazipur district of Uttar Pradesh. A detailed investigation was made to work out the size of membership for the year 1995-96 to 1999-2000, volume of loan advanced during this period, financial position, socio-economic profile of farmers (40 each from all four groups i.e., marginal, small, medium and large who were selected randomly belonging to two villages of the sample PACS), average value of farm assets owned by the sample farmers, credit taken by them during 1999-2000, productive and unproductive use of credit, etc. Author finally conclude that the unproductive utilization of borrowed credit was found to be only 6 per cent on an average which shows that the co-operative officials have strict supervision on the over utilization of credit. However, the marginal farmers misutilised the credit to about 17 per cent, this was because this group being under economic pressure had diverted their borrowed credit for unproductive purposes like ceremonies, consumption and to payoff old debt, etc. which needs to be checked.

Surjit Singh and Vidya Sagar (2004) opined the agricultural growth, depends on the growth of productivity that in turn requires sustained infusion of capital. Farmers in most developing countries need more capital than they can afford to generate through their savings. At the time of independence, co-operative sector and the local moneylender were the major sources of finance for agriculture. Since, inception of social banking in the late sixties, commercial banks significantly contributed to the growth of Indian agriculture. The banking sector
also observed variety of innovations over time, some useful and some added to the burden of the banking institutions. With the introduction of financial sector reforms in the early nineties, the neglect of agriculture by formal sector financial institutions began. Agriculture suffered in certain regions of the country due to this neglect. The condition of co-operative sector, the prime source of crop finance, became critical. It was against this background that Agricultural Credit in India formed an important part of the Millennium Study. An overview of issues concerning agricultural credit since independence were discussed in the book. More particularly, it looks at the need and availability of credit, evolution of credit institutions, the delivery mechanism, credit cycle, institutional finance for rural infrastructure, and tries to enlist the current issues in credit. Micro finance innovations are also looked into this study examines the performance of rural financial institutions by analyzing time series data-of about twenty years. Unlike other studies, this study is unique in approach, methodology and coverage of issues. The study conceptualizes four performance criteria, viz. contributions of rural financial institutions as they relate to size and functional structure of operations, association of degree of agricultural progress and investments with the institutional finance variables, and skewness in the interclass distribution of loans; loan delinquency rate of farmer level credit; viability; and scale economies in transaction costs of these institutions. The major distinctive features of this study are: (i) loans and non-financial operations are visualized as facilitators of investment in modern inputs and assets; (ii) size of operations are measured in constant prices; (iii) viability of rural financial institutions is studied for an institution rather than its single activity like credit, as these institutions’ products
are joint and multiple in nature and the transaction costs are common to all these products; and (iv) rural institutional credit is not merely for encouraging demand for investment goods by farmers but also for inducing supply of these goods and farm produce marketing and processing services. The study also makes useful suggestions for improving the contributions, viability and scale economies in administrative costs of rural financial institutions.

**Gautam, B.S. (2005)** worked is based on empirical data on the role of cooperatives in the development of rural Delhi from 1980-90. The Universe of the study consists of 452 cooperative societies spread over 191 villages of rural Delhi grouped into five developmental blocks, viz. Alipur, Kanjhawala, Najafgarh, Mehrauli and Shahadra. Care was taken to have a representative sample of 50 cooperative societies (11.62%) with 382 members for the field survey. Cooperative organization is a voluntary association of human beings for common benefit, and one of the most useful tools for rural development. It is a unique model of an economic system resting on the foundation of participation, self-help, initiative, self-reliance. Self-management of common economic affair for mutual benefit of members. A cooperative is also a cradle for the growth and development of social attributes essential for community development through democratic organization and management of common affairs.

**Jadhav K.L., Yadav D.B. and Shendage P.N. (2005)** examines the financial management, magnitude and direction of inequality in the flow of short-term credit amongst the different regions of the state and factors influencing the inequality in short term credit disbursement of District Central Co-operative Banks (DCCBs) in Maharashtra. The study is based on secondary data obtained from the
annual reports of 30 DCCBs in Maharashtra covering the period of 16 years, i.e., from 1985-86 to 2000-01. The regionwise results revealed that the magnitude of compound growth of total loans in the Western Maharashtra was high (14.77 per cent) as compared to Vidarbha (13.69 per cent) and Marathwada (12.85 per cent). Author suggested that due importance needs to be given to borrower members, which will lead to increase in loan disbursement.

Mishra, R.K. and Pattanaik, S. (2005) observed that the problem of loan overdues is a matter of serious concern, as it affects the recycling of funds and credit expansion on the one hand and economic viability of the lending institutions, specially the cooperatives and the RRBs, on the other. A problem connected with loan overdues is that the rate of growth of agricultural credit advanced by the cooperatives has slowed down in recent years to around Rs. 4,800 crore of short-term credit and to Rs. 700 crore of long-term credit. The basic reason for this stagnation in credit flow is the mounting overdues, which are clogging the process of credit recycling. Due to non-availability of loans at proper time, inadequate amount of loan, uneven distribution of credit, willful default in repayment of loans, overdues have become a serious problem in agricultural credit. The “Khusro Committee” has suggested various measures to rejuvenate credit institutions. Keeping this in view, the present study aims at assessing the magnitude of overdues and identifying the factors that affect the overdues of agricultural loans with empirical evidences on the study of repayment performance of borrowers with respect to agricultural loans. The specific objectives set up for this study are: (a) to study the process of financial institutions in the study area and to study the extent of borrowings and its nature of utilization among different
categories of sample farms; (b) to analyse the extent of overdues among different categories of farmers; (c) to examine the trend and duration of overdues in case of financial institutions; and (d) to identify the factors associated with overdues among different categories of defaulters.

Avinash V. Raikar (2006) opined that almost 100 years have passed since the registration of the first cooperative society in 1904. Since then, there has been significant growth of the cooperative credit sector in India. At present, the cooperative sector comprises of 19 SARDBs with 1,172 branches and 733 PCARDBs with 647 branches comprising the long-term credit structure. The short-term credit structure is composed of 29 SCBs with over 742 branches and 367 DCCBs with about 12,217 branches. Apart from this there are over 1,12,309 PACS. In the urban area there are Urban Cooperative Banks (UCBs) and Urban Cooperative credit societies. At the end of March, 2003 there were 2104 UCBs with a network of over 6300 branches. As part of the financial sector reforms, a number of measures related to CRR, SLR, Asset Classification and provisioning, Capital Adequacy, Entry Point Capital, Governance, Management Information System, etc. are being progressively extended to the Cooperative banks. This paper makes an attempt to assess the impact of these measures on the performance of the cooperative credit institutions in India. The study uses the concept of CAGR that is obtained by using a long-linear model. Apart from this, the study also uses various relevant ratios of performance evaluation to make inter period and inter bank comparisons.

Fulbag Singh and Balwinder Singh (2006) suggested that the cooperative banking system has witnessed a sea change since the initiation of the financial
sector reforms in India from 1991-92. There has been a comprehensive change as regard to the profitability position of the central cooperative banks in Punjab. Two different years i.e., 1991-92 and 2002-03 have been studied with the help of a framework of Return on Equity (ROE) model. Both the conceptual and pragmatic approaches have been worked upon. The sample central cooperative banks with high business volume and those with low business volume have been tested separately. It could be concluded that as far as the profitability performance is concerned, the central cooperative banks of Punjab have responded well. The miscellaneous income, in comparison to the total income has been in low profile in these banks. The switching over to high yield non-farm sector advances has helped to register a positive trend in financial margins in almost all the banks. Although the implementation of prudential norms from 1996-97 onwards, have helped to generate an awareness for adverse effects of overdues/non-performing assets in these banks. But the percentage of overdues to total loans has still been a matter of concern for the Gurdaspur Central Cooperative Bank, the Ferozepur Central Cooperative Bank and the Fazilka Central Cooperative Bank.

Misra J.P. and Maurya S.K. (2006) attempts to work out the credit needs and its availability to the sample farmers from commercial banks in Gorakhpur district of Uttar Pradesh, to study the impact of commercial banks finance on income and employment of the farmers and to examine the cost of borrowing, repayment performance and problem of overdues of the sample borrowers. Multistage stratified random sampling technique was employed to select the district, blocks, villages and respondents. For the purpose of study, 50 borrower and 50 non-borrower farmers were selected randomly from five villages of the
selected block. The study concludes that the use of capital in agriculture is an important factor in increasing agricultural production and productivity. The capital formation in agriculture as well as modern input use is largely dependent on credit. On an average, per farm crop loan requirement was worked out to Rs. 5,355 and term loan requirement was Rs. 28,800. The availability of crop loan from financing institutions worked out to 72 per cent and term loan was 88 per cent respectively. It was observed that income and employment both on per hectare and per farm basis were higher on borrower farms than nonborrower farms due to credit facilities provided to the borrowers with higher investment on fixed capital of sample borrowers compared to non-borrower farms.

Narayananmoorthy A. (2006) analyses the use as well as the determinants of credit in agriculture utilizing data from 256 districts covering three time points: 1970-71, 1980-81 and 1990-91. The study shows that over three-fifth of the districts considered for the analysis use low level (less then average) institutional credit supplied by scheduled commercial banks at all time points. About 90 per cent of the districts using low level of credit are located in the agriculturally less developed states of Bihar, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Uttar Pradesh and West Bengal. The inter-district variation in credit use has come down in 1990-91 as compared to 1980-81. The analysis on the characteristics of the districts reveals that the growth and the infrastructural parameters of the districts using medium to high level credit are much better than those of the districts utilizing low level of credit in agriculture. Among the various factors used, in the regression analysis to study the determinants of credit use in agriculture, the expected income from crop cultivation and rural road facility turned out to be the
important determinants. The bank branches also positively and significantly influenced the use of credit, conclude the importance of increasing the bank infrastructure in the rural areas under the present supply-led approach.

Prabhakar Rajkumar K. (2006) suggested that for over two decades, NABARD as a national level apex institution has been playing a proactive role in addressing important issues of the rural economy. However, in the current global economic scenario, time is ripe for NABARD to review its strategies and policies with regard to rural employment from basic agricultural facilities. National Bank for Agriculture and Rural Development (NABARD) is established as a development bank for providing and regulating credit and other facilities for the promotion and development of agriculture, small scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promote integrated rural development and secure prosperity of rural areas and for matters connected thereto.

Rotan, Vardan and Aleksandryan, Mariana and Hovhannisyan, Vardges (2006) aims at study the challenges of agricultural finance in Armenia. Strengthening the rural credit markets and institutions in Armenia is of paramount importance. The study reviews and analyzes the outcomes of the Agricultural Credit Club Program implemented by the US Department of Agriculture Marketing Assistance Program in Armenia. The study identifies the attitudes and perceptions of member farmers relating to the level of interest rates and access to credit. The findings provided clear indications of the challenges facing the improvement or even development of rural financial markets and agricultural credit institutions from the demand side to agricultural credits. The study
concentrates on several important issues like: problems with loan collateralization in rural areas, land reform and property rights, transaction costs for monitoring rural credits, the role of government in rural credit and finance markets, and the role of specialized agricultural credit institutions like credit.

Shivappa H. (2006) examines the growth in advances, deposits and financial performance of the Regional Rural Banks (RRBs). The analysis of data revealed that in 1977-78 the RRBs had Advanced Rs. 52.27 crore, which increased to Rs. 39,713 crore in 2005-06. In 2005-06 the share of agriculture and non-agricultural loans in total loans was 53.87 per cent and 46.13 per cent respectively. Author concluded that the majority of the weaker sections are still dependent upon private money lenders due to inadequate loans for traditional activities and non-availability of credit for all non-traditional activities. The RRBs, therefore should make sincere efforts to overcome these grievances of weaker sections.

Singh R.P. and Saba K.P. (2006) reveals that during the sixties, the public sector banks contributed about 25 per cent of the credit requirement as against 75 per cent by private institutions. But after the nationalization of commercial banks, the share of institutional credit increased to 61 per cent in 1981 and further to 64 per cent in 1991. During 2003-04, the scheduled commercial banks and their sponsored regional rural banks contributed 62.4 per cent of the total institutional credit. After the Green Revolution period, the overall growth rate- of short-term production loans from these public sector banks was higher than that of investment loan. There is also a significant growth of around 13-15 per cent for the loan advanced by the three-tier co-operative structure consisting of primary agricultural cooperative credit societies, district central co-operative banks and state
cooperative banks. During the post-green revolution period the growth rate of about 12 per cent in the flow of agricultural credit from the co-operative sectors for both the production and investment purposes was also observed. As the Government of India has announced that a provision of Rs. 2,25,000 crores towards institutional credit to agricultural sector for the year 2007-08 would be made, the public sector banks have to make an outlay of Rs. 1,75,500 crores to take up this challenge.

Smita Mehrotra and Sunita Mathur (2006) observed that over the years institutional sources of finance have become a major source of rural finance. To coordinate and synchronize the functioning of institutional agencies, NABARD was set up in 1982 as a refinance and apex institution. Commercial banks have surpassed the cooperatives in providing rural credit in the recent past. Some new schemes as the Kisan Credit Card and Self Help Group (SHG) Bank Linkage Programmes have been devised to make rural credit more accessible to farmers. With the gradual increase in rural incomes and agricultural exports the next few years would witness a substantial increase in the demands for rural credit. These changes may necessitate involvement of financial agencies or groups such as SHGs. This will call for greater refinance facilities from NABARD and proper resource management at the central and local levels.

Aleksandryan, Mariana and Uruty; Vardan and Hovhannisyan, Vardges (2007) analysed the challenges of agricultural finance in Armenia. Strengthening the rural credit markets and institutions in Armenia is of paramount importance. The study reviews and analyzes the outcomes of the Agricultural Credit Club Program implemented by the US Department of Agriculture
Marketing Assistance Program in Armenia. The study identifies the attitudes and perceptions of member farmers relating to the level of interest rates and access to credit. The findings provided clear indications of the challenges facing the improvement or even development of rural financial markets and agricultural credit institutions from the demand side of agricultural credits. The study concentrates on several important issues like: problems with loan collateralization in rural areas, land reform and property rights, transaction costs for monitoring rural credits, the role of government in rural credit and finance markets, and the role of specialized agricultural credit institutions like credit.

Chalam, G.V. and Prasad, A. (2007) opined that financial analysis determines the organization’s financial strengths and weaknesses by establishing strategic relationship between the components of financial statements and other operative data. It establishes the relationship between these components, on the one hand and as between individual components and totals of these items, on the other. Along with this, we study the trends of various important factors over the period to clearly understand the business organization’s changing profitability and financial condition. Financial analysis seeks to spotlight the organization’s significant facts and relationships of managerial performance, corporate efficiency, financial strengths and weaknesses and creditworthiness. The tools of analysis are used to study accounting data to determine the continuity of the operating policies, investment value of the business, credit ratings and test the efficiency of operations. The finance manager equips himself with the different tools of analysis to take rational decisions. These tools of analysis are immensely helpful to him in carrying out his planning and controlling functions. While
preparing financial plan for the firm, the finance manager knows the impact of his decisions on financial condition and profitability of the business enterprise.

Chaudhari, R.R., Shinde, P.S. and Mohod, P.V. (2007) suggested that it is quite obvious that in India most of the farmers do not have sufficient funds with them to meet their farming needs. They are very much dependent on the borrowed money from one or the other source of finance to manage farm inputs such as seeds of high yielding varieties, new package of practices, fertilizers, pesticides, farm implements, etc. The success of credit cooperatives as far as recovery of crop loan in concerned, largely depends on productive utilization of agricultural credit by the borrowers. Hence, it is essential for cooperative society to know the credit utilization and repayment behaviour of farmer borrowers.

Gurmeet Singh (2007) opined that a second green revolution is urgently needed to raise the growth rate of agricultural GDP at around 4%. This is not an easy task since actual growth of agricultural GDP, including forestry and fishing was only 2% per annum in the five year plan. The Indian economy grew at a whopping 9.4% in 2006-07, beating the advance estimate of 9.2% and pushing the absolute size of the economy to forty lakh crore rupees or $1 trillion at current market prices. Savings and investment also touched record levels at 32.4% and 33.8% of GDP respectively. This is according to data released by the central statistical organization (CSO), the manufacturing and services sector grew 12.3% and 11% respectively in 2006-07, while the estimate for manufacturing are higher than 11.3% projected earlier, the growth of services are estimated higher at 11.2% previously. But despite the high growth in different sectors, agriculture, which generates almost a quarter of economic activity, grew just 2.7% compared with
6% a year ago. According to Prime Minister, Dr. Manmohan Singh agriculture should be more viable to reduce poverty and rural distress.

Lakshmanan, C. and Dharmendran, A. (2007) described that in line with the international practices and as per the recommendation made by the Committee on financial system under the Charimanship Shri. M. Narasimhan. The RBI has introduced, in a phased Manner, Prudential norms for income recognition, asset Classification and Provisioning for the advances portfolio of the Central Cooperative Banks so as to move toward greater consistency and transparency in the published account. The Concept of Non-Performing Assets in its present form came in the existence with the recommendations of Narasimhan Committee implemented by RBI in 1996-97. Levels of NPAS as per these guidelines were first reflected in the CCBs balance sheets of 31.3.1997. A credit facility is treated as ‘past due’ when it remains outstanding for 30 days beyond the due date. A non-performing asset (NPA) is defined generally as a credit facility in respect of which interest or installment of principal is in arrears for two quarters or more.

Lakshmanan, C. and Dharmendran, A. (2007) has made an attempt to study the performance of all DCCBs in Tamil Nadu taking into account some selected financial indicators viz. deposits, loans and advances and overdues of DCCBs in Tamil Nadu for a period of seven years (1998-99 to 2004-05). The financial performance has been analysed with the help of the exponential equation of trend and growth, this has been analysed district-wise during the study period by using annual and compound rate worked out of base data.

Sandeep Kumar and Smita Anand (2007) opined that despite all the noble efforts on part of the government and non-government agencies, access to
financial services for all at affordable rates remains a distant dream. However, with the persistent effort of government and non-government organizations, the dream of financial inclusion for all sections of the society in remotest areas of the country can be realized. Even today, approximately 70% of the total population in India lives in rural areas. Lack of access to financial services for the vast majority of Indian population is the biggest hurdle in realizing the full growth potential of economy in this non-urban part of the country. As Prof. Muhammed Yunus said, “Credit is a kind of key, a passport to explore the potential of a person. Credit was the real missing link between people and their creative potential. I wanted to make credit available to more and more poor people to give them the chance of better future”. Therefore rural credit has to play a critical role in the socio-economic development of our country.

Surya Rao, K. (2007) observed that cooperative banks have been functioning in India since the enactment of the Agricultural Credit Cooperative Societies Act in 1904. The century old cooperative banking structure is regarded as an important instrument that provides banking access to rural masses and is thus viewed as a vehicle for democratization of the Indian financial system. However, of late, in India the cooperative banking sector is not in a position to fulfill the desired objectives. In states like Gujarat, Andhra Pradesh, many cooperative organizations including Cooperative Urban and Rural banks are in deep troubles. Particularly in Andhra Pradesh in recent times, due to collapse of many cooperative banks viz., Charminar Bank, Krushi Bank, Prudential Bank, Vasavi Bank and Cooperative Urban Bank, there does not exist conductive climate for cooperative development. Against this background, it is interesting to note that
District Cooperative Central Bank – Eluru has bagged the “Best Performing Bank” award from NABARD for three continuous years 1999-2000 and 2000-2001, 2001-02. Hence an attempt is made to examine the performance and progress of DCCB-Eluru.

Darling Selvi, V. (2008) examines that even though ‘cooperation’ is an age old concept of economic system and a movement of people in most of the countries in the world, it requires changes in system, structure, legislation, etc., in accordance with the local situation to make the cooperatives vibrant. In turn, its members are benefited economically, socially and ethically. In the past, the Cooperative Banks have contributed significantly not only for their own growth but also to diversification of their activities other than meeting only consumption credit requirements of their members, the important role of urban banks in financing artisans, small traders, small businesses, factory workers and retail traders working groups and beyond this priority loans to urban middle classes for their house construction, car or vehicle purchase, etc., was recognized all over the world. The cooperative banks can survive and thrive on the same lines in the future also, provided that they follow the road map of corporate governance in the form of accountability, transparency, predictability and participation and the innovativeness and developing competitive edge through imagination, ethical decision making, leading to accountability to shareholders and stakeholders, will finally bring competitiveness in Urban Cooperative Banks leading to better performance as per past record. For achieving strong future progress of agriculture cooperative banks should take up the study of SWOT analysis for finding out points of strengths or weakness. Hence, the future of the cooperative banks lies in
the location and correction of their own weakness and to overcome them by proper ways and means.

Loganathan, P. (2008) observed that Kisan Credit Card (KCCs) scheme was started by the Government of India (GOI) in consultation with the RBI (Reserve Bank of India) and NABARD (National Bank for Agricultural and Rural Development) in the year 1998-99. To provide adequate and timely support from the banking system to the farmers for their cultivation needs including purchase of all inputs in a flexible and cost effective manner, a model Kisan credit card scheme was introduced in the year 1998 for implementation by all the rural financial institutions in the country. In India 70% of the people are involved in the agricultural sector. Since independence the Agricultural credit loan is very low and also moneylender’s domination is strong. So a farmer’s involvement is very low in the planning period, but in the recent years the commercial banks, RRBs and cooperative banks have started playing a vital role in farmers development (Rural development). The allotment of credit cards issued by the banks, improves the social condition of the farmers in the society. There is improvement in the condition of the farmers.

Etali Sarmah and Bedanga Bordolo (2009) opined that the farmer households are financially excluded from both formal and informal sources. This is about 45.9 million farmer households out of 89.3 million farmer household in the country. There is a growing consensus that the poor as well as the rich, irrespective of their origin, caste, creed, etc. should be included in saving, credit and other financial opportunities. The reasons for this growing consensus are both ethical and realistic. The ethical reasoning is that people should have a fair
opportunity, a chance to develop their capacities to lead a secure and stable life. The realistic or practical interpretation is that we, as individuals, communities, and societies, are all better off when people accumulate assets, invest in themselves and their children, and become more productive and engaged in society and the global economy. While increasing income through proper delivery of credit helps the poor, it is often not enough to pull them out of poverty. Therefore, it is pertinent to analyse the different policy frameworks at work for financial inclusion of the poor and in particular the rural poor. The 59th round of NSSO survey says that 51.4% of the farmer households are financially excluded from both formal and informal success. This is about 45.9 million farmer households out of 89.3 million farmer household in the country. Of the total farmer households, only 27% has access to formal sources of credit; of which one-third also borrow from non-formal sources. Farm households not accessing credit from formal sources as a proportion to total farm households is especially high at 95.91 percent, 81.26 percent and 77.59 percent in the north-eastern, eastern and central regions, respectively.

Ravichandran K. and Nakkiran S. (2009) in their book Cooperation – Theory and Practice state that cooperative should be used as a means of assessing the problems and interests of the rural population in the planning and preparation of agrarian reform measures and appropriate suitable voluntary forms of cooperative land use should be encouraged. These forms may range from the organisation of certain services and farming operations in common to the complex pooling of land labour and equipment. Book contains four parts which deals with various aspects of cooperative organisation. Part I deals with organisation and
management of cooperatives and environment for cooperatives. Part II discuss agricultural cooperative credit and banking short term credit structure in India, marketing cooperatives, etc. Part III deals agriculture related cooperatives, dairy cooperatives, forest cooperatives, multipurpose cooperatives. Part IV discusses the non-agricultural cooperatives like banking, industrial and consumer cooperatives.