CHAPTER – I

INTRODUCTION
Indian economy depends upon the prosperity of rural sector. The rural sector consists of agriculture and allied occupations, small and tiny industries, cottage and village industries, handicrafts, etc. In other words, the prosperity of this sector is the bedrock of economic activity; and on which depends growth and development of economy. In the absence of growth and development of this rural sector, the removal of poverty remains a distant hope. Therefore, the progress of rural sector is sine-qua-non for the economic development of India. It is worth sharing and subscribing to the opinion of Father of the nation, Mahatma Gandhi. He said: 'Real India lies in Rural India.' The rural economy is an in debit impact on the Indian economy. Several impediments are however in the way of rural development. They are inadequate infrastructure, improper resource development and unequal distribution of resources.

The overarching objective of India's development strategy has always been the eradication of mass poverty. This objective has been articulated in several development plans, ranging from those published in the pre-independence era by individuals and organizations to the ten five year plans, and annual development plans since 1950. However actual achievement has been very modest. In year 1997, five decades after independence, a little over a third of India's nearly billion population is estimated to be poor according to India's National Sample Survey.

Credit is important in the lives of the rural poor in a developing economy. As the distribution of land in the countryside remains skewed, the majority of the rural population is left with an inadequate resource base for production. Faced with a weak social security system to fall back upon, this section of landless or near-landless rural population is forced to depend credit for its livelihood. It was this understanding that led various developing countries to make credit an integral part of their poverty alleviation programmes. The conception and implementation of such programmes were
often based on the board principle of social banking in several development countries including India.

Social banking can be described as “the elevation of the entitlements of previously disadvantaged groups to formal credit even if this may entail a weakening of the conventional banking practices” (Copestake et al., 1984). Under this policy, the initiative and direct involvement of the state was central to the development of the banking system. In India, this policy led to nationalization of major commercial banks in 1969, adoption of the directed lending programme, development of credit institutions such as Regional Rural Banks (RRBs), and implementation of the Integrated Rural Development Programme (IRDP), a credit-based poverty alleviation programme implemented through commercial banks. These policy measures resulted in widening the “geographical spread and functional reach” of commercial banks in rural areas in the period that followed the nationalization of banks (Shetty 1997). Further, there was also some improvement in the access of rural poor- consisting largely of marginal and small peasant and the landless rural labour force- to bank credit at concessional rates (Chavan 2001).

Until the reforms of 1991 the downward trends in rural and urban poverty since in mid seventies were similar, with poverty levels in urban significantly lower. Since 1990, the trend began to diverge, with urban poverty continuing to decline while rural stagnated. This divergence could be in large part due to the fact that the reform process has thus far left agriculture and rural areas largely untouched. Indeed this conclusion is reinforced by the fact that in more urbanized states poverty continues to decline in the post reform period.

The rural, urban and overall national poverty levels in India recorded a significant decline during the pre-reform period from 1969-91, during the post reform period 1991-92 to 1993-94 these negative trends have weakened or even got reversed in terms of one or more of the three poverty indicators i.e. Head count Ratio, Poverty Gap Index and Squared Poverty Gap. There is no
doubt that rapid economic growth is essential for bringing about a significant reduction in poverty level in India.

**Review of Literature**

Much work related to the performance and evaluation of banking and poverty has been conducted by many researchers and institutions. An analytical attempt is made to review some related works done to organize them in the present form.

Naveen Chandra Joshi (1980)\(^1\) has studied the lead bank scheme functioning and its experiences in providing credit for all-round development of the district. He remarked: "The task of over all monitoring the progress of the scheme would effectively handled this would provide collective supervision which is important since a feeling of domination from the Lead Bank or the Government would have adverse effects on the psychology of participating banks".

Raghupathi (1979)\(^2\) has conducted a survey on the lead bank programme and policies thereto. He concluded thus: "Unless the State or Central Government takes up the task of building up of infrastructure, very little would probably be done by the lead bank and the banking institutions in developing the district. It would be discordant if lead bank respond the social and economic impulses on an adhoc basis without proper planned strategy in tune with the overall planning in an integrated regional development".

In appraising the objective of lead bank scheme that would clearly be framed would have to take into account the resources available in the district. Kantha Rao and Seetha Ramaiah (1980)\(^3\) in their research paper emphasized

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the role of resources in effective functioning of lead bank scheme. They stated: “The credit facilities could meet by the constituents of the lead bank hardly 30 per cent of the allocation for the agricultural sector, and this performance could relate to the provisions of credit in the areas of assured irrigation”.

Regarding the branch expansion policy, Satya Sundaram⁴ observed that, “there are still wide disparities in spread of banking facilities regionally. The lead bank surveys at the district level have identified a number of un-banked rural centres which have potentials for opening branch office.”

Datta (1972)⁵ in his study, points out that “where this has been haphazardly tried, it has helped the re-allocation of credit to a marginal extent, but the impact on removal of economic imbalance proved insignificant”. “The village industries and crafts will need more effective system of technical and marketing and credit support so as to increase the growth of off-farm employment opportunities in rural areas”.

Dudley Jackson⁶ offers an original and analytical account of poverty. His work shows how poverty is dealt with and presents an accounting system within which the whole scope of welfare policies can be comprehended. Jackson stresses the need to distinguish between stocks and flows of poverty analysis which intertwined with social functioning.

The problem is set in its historical context, and the way in which concepts of deprivation undergo change is demonstrated. The author describes the history of schemes used in British for the alleviation of poverty and the differences between them, and he analyses briefly the reform of pensions. The author considers poverty as a dynamic process, using data from America to explain the significance of education, culture of poverty, housing,

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fatherlessness and old age. Finally, he shows how an integrated system of social welfare functions.

Dandekar and Rath’s study is concerned with the problem of poverty in India. It is a problem of low national income and its slow pace of development and inequitable distribution of the small gains of development. By using the national sample surveys, they estimated private consumer expenditure of rural and urban households relating to 1960-61 and on the basis of the distribution of the expenditure, they determined the level of poverty. They found that an annual per capita expenditure of Rs. 180 was required in rural areas as against Rs. 270 in urban areas to give adequate diet of 2,250 calories per day. However, as per the prices of 1968-69, the corresponding figure for the rural and urban population worked out to be Rs. 324 and Rs. 485 per capita per annum respectively. On this basis, the author estimated a constant proportion of about 40 per cent of the rural population and about 50 per cent of urban population to lie below the desirable minimum both in 1960-61 and 1967-68. In absolute terms, the rural poor increased from 135 to 166 millions and the urban poor 42 to 49 millions during the same period.

In 1963-64, only about 20 per cent of the rural households were agricultural households and 5 per cent of the rural households were non-agricultural labour households. About 60 per cent of the labour households had no land and hence, they depend almost entirely on the personal labour of their members. In 1956-57, about 57 per cent of the agricultural labour households lived below the minimum. The incidence of poverty among the agricultural labour households is again somewhat different in different regions. In Central India, 68 per cent of the agricultural labour households and in North India and South India, about 60 per cent of the agricultural labour households lived below the minimum. The incidence of poverty is much more common among the agricultural labour households than among all rural households. Rural

poverty at the lowest level is largely accounted for by the agricultural labour households. Nevertheless, even at this level, they do not account for more than half the poor. The level, they do not account for more half the poor. The remaining rural poor consist predominantly of the land-holders with cultivated holdings of less than 5 acres and particularly, less than 2.5 acres. The groups would also include village artisans progressively thrown out of their traditional employment. The urban poor are only an over-flow of the rural poor.

Abhijit Sen⁸ has analysed the impact of economic reforms on the nature and incidence of poverty in India. He has estimated long item trends in poverty in India and in the states during 1951-1994 using NSS data from 5th to 50th Round. He has also examined the structure and determination of poverty using the large sample NSS Survey of 1987-1988. His findings are poverty in India is dominantly a rural phenomenon constituting around three-fourths of poor population; casual laborers are more poorer than the self-employed in rural areas; rural poor households in general, tend to have higher dependency ratios; SCs and STs record higher extent and severity of poverty than the general rural population; the self-employed is highly heterogeneous, comprising both highly paid professionals to poorly paid informal sector workers. The irregular and insecure nature of incomes, which are typically low, is the major source of poverty in urban households. SCs and STs were less significant among the poor the urban areas than in rural ones and there was no real evidence of regional disparities in urban poverty.

Datt and Martin Ravallion⁹ have analysed the post-reform impact of growth on poverty in India using aggregate time series data from India (1960-94) and observed that poverty measures have responded far more to rural economic growth than to urban economic growth. Both primary and tertiary sector growth reduced poverty nationally, and they also did so within both urban and

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rural areas. By contrast, secondary sector growth brought no discernible gains to the poor in either sector.

They have concluded that both the urban and rural poor were found to have gained from growth in the rural economy. By contrast, urban growth had adverse distributional effects within urban areas, which militated against the gains to the urban poor and urban growth, had no discernible impact on rural poverty. So despite the urbanization of Indian poverty, it is likely to remain true for many years to come that rural economic growth is central to an effective strategy for poverty reduction in India.

Gaurav Dutt\(^\text{10}\) has examined the trends in poverty and distributional measures not only for the rural and urban sectors of India, but also for the major states spanning the period 1951-94. Using 35\(^{\text{th}}\) NSS rounds he has calculated the three poverty measures, namely, Head Count Ratio (HCR), Poverty Gap Index (PGI) and Squared Poverty Index (SPG) of India (1951-94) and for the states (1957-94). He used the Planning Commission's National Poverty Line of Rs. 49.09 and Rs. 56.64 at 1973-74 prices for rural and urban areas respectively and the corresponding state specific poverty lines. His findings are; Nearly 35 per cent lived in absolute poverty in 1993-94 and the average poor person's standard of living fell by about 25 per cent short of the poverty line; No trend was noticed from the early fifties up to the mid seventies. After that, there had been a sizable poverty reduction from 56 to 35 per cent between the period 1969-70 and 1993-94; the incidence of rural poverty was higher than that of urban poverty throughout the period. In general, rural poverty declined faster than urban poverty. Despite the faster declined in rural poverty, poverty was still a rural phenomenon 1993-94, since 75 per cent of the poor lived in rural areas; there was an uneven progress in poverty reduction across states. Kerala\(^\text{10}\) and the highest rate of decline (2.4 per cent per annum) while Assam had a negative rate of decline of about 0.4 per

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cent per annum; Regarding urban poverty incidence, Punjab and Haryana performed well in poverty reduction, while Tamil Nadu, West Bengal, Maharastra, Madhya Pradesh and Bihar were the poor performs. Tamil Nadu ranked sixth at the beginning (1957-60) and seventh at the end (1990-94) of the period of analysis when the states were ranked by ascending order of Head Count Ratio.

By decomposing the cumulative change in poverty measures (HCR, PG and SPG) between March-September 1953 and 1993-94 into growth and redistribution components, he arrived at the following conclusions.

The growth in mean consumption was more important than the redistribution through the latter was also favourable to the poor. The more serious constraint on poverty reduction was that there was not enough growth. He had also made sectoral decomposition of changes in poverty measures and estimated that rural sector accounted for nearly 80 per cent and urban sector 17 per cent of the cumulative change in poverty incidence. Urbanization or the rural to urban population shifts had been a relatively minor reason for the decline in national poverty index.

Mahendra Dev and Ajit Ranade have reviewed the recent evidence on poverty (1987-88 to 1993-94) for 15 major states of India. With very few data points, they have analysed changes in the post 1990s using poverty estimates based on Expert Group methodology. The data showed after decline in rural poverty initially and the decline slowed down considerably after the introduction of reforms. On the other hand, urban poverty showed faster decline in the post-reform period. While the annual rate of decline in rural poverty had come down from 3.41 per cent in 1987-88 to 0.78 per cent in 1993-94, the annual rate of decline in urban poverty had increased from 1.45 per cent in 1987-88 to 2.71 per cent in 1993-94. Hence the trend revealed that

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Urban poverty had declined much faster than rural poverty in the post reform period. Average annual poverty reduction in Tamil Nadu Urban was found to be -1.10 per cent which was greater compared to -0.7 per cent for Urban India during the period 1957-58 to 1993-94.

A study by Lanjouw, Peter and Martin Ravallion\textsuperscript{12} using micro level data from the National Sample Survey (1993-94) had shown that the marginal odds of primary school participation in India was substantially higher for the poor (The marginal odds of programme participation was defined as the increment to the programme participation rate of a given expenditure group, associated with a change in the aggregate rate) suggesting that higher subsidies to primary education are as pro-poor a policy for India as expanding the best of the current anti-poverty programmes.

Shenggen Fan, Peter Hazell and Thorat\textsuperscript{13} have investigated the cause of decline in poverty in different states of India by measuring the impact of state government expenditures in poverty alleviation. Using World Bank data sources (1997), they have estimated the incidence of poverty (in 1993), state’s share of total poor (in 1993), annual growth rate of Head Count Ratio (during 1957-93) and annual growth rate of number of poor (during 1950-93) for 15 major states of India/for Tamil Nadu the incidence was 37 per cent, the state’s share to total poor in India was 5.24 per cent, the annual growth rate of HCR was -1.88 per cent and the annual growth rate of number of poor was -0.38 per cent. A simultaneous equation model had also been estimated using a Full Information Maximum Likelihood Method (FIML) for the period 1970-93 for 14 states. Using Reserve Bank of India data on state government’s development expenditures on different heads to measure the impact of public expenditure on poverty reduction. Their finding was that Government spending had significant impact on poverty reduction and any reduction in


Government spending on Roads, R & D, Education and Health might reverse the declining trend of poverty.

Jagadish Prasad and Sunil Kumar\(^\text{14}\) (1981-82) studied about various aspects of loan and their impact on improving income and employment conditions of beneficiaries. In the study of 'Vaishali Kshetriya Grameena Bank' in Muzaffarpur district of Bihar, they found that most of the beneficiaries belonged to poor families and the borrowing had a positive effect on generating income and employment position of the beneficiaries.

Dixit, Chakrabarthy and Dubey\(^\text{15}\) (1994) studied aspect the impact of the RRB finance on income and employment of weaker sections in various districts. They observed that the borrowings from the RRB have helped the weaker sections especially with their size of holding. It also helped non-formers in increasing their level of income and employment of their existing business. But, they suggested that the farmers should invest in such a way that it creates permanent source of income even in agricultural off-seasons by supporting agri-business. It is important for sustainability of profitable agriculture.

Sankariah and Bhagavan Reddy\(^\text{16}\) (1994) in their role titled “Recovery performance of the Rayalaseema Grameena Bank,” found the following the poor recovery – improper identification of borrowers politics intervention in the sanction of loans, postponement of due dates, waiving of interest/principle; imposition of moratorium; inadequate internal facilities in villages; conversion of short-term loan into medium loans; pace city of field


\(^{15}\) Dixit, R.S., Chakrabarthy, T., and Dubey, P.R. “Impact of RRB finance on income and employment of weaker section in varanasi district”. Agricultural Banker, July-Sep, 1994, Vol. 18, No. 3, pp. 11-18.

level staff and the misconception of some of the borrowers that they are not going to get the finance again, once the present loan is repaid.

Banoo Prem Kumar\(^{17}\) (1995) made an analysis of the RRBs in Andhra Pradesh. She suggested that all the government programmes, both Central and State, viz., TRYSEM, DPAP, JRY etc., should be interweavers with RRBs. Political interference in the functioning of the RRBs should be avoided. Bureaucratic altitude should be minimized. Timely and requires amount of loan preferably in kind should be given. She felt that in mobilizing deposits, the performance of Andhra Pradesh was not satisfactory, whereas total loans issued were relatively more.

A study on financial performance of regional rural banks in Rajastan made by Vyas, M.R., analyses their finances performance with the help of quick-ratio, credit–deposit ratio, profit to proprietors’ capital ratio and working capital analysis. He said that the RRBs had a promising future as an effective instrument in the economic growth an upliftment of the never-cared for and downtrodden sections of Indian society, particularly in rural areas.\(^{18}\) The committee on Regional Rural Banks called Dantwala Committee\(^{19}\) was appointed by the RBI to review the performance of the RRBs. The committee evaluated the performance of the RRBs in the light of objectives, the precise role for which they were set up in the rural credit structure. It recommended the enlargement of its scope and adoption of liberal procedure.

At the behest of NABARD, Agricultural Finance Corporation had made attempts on a detailed comparative study on the performance of two RRBs sponsored by Syndicate Bank drawn from Karnataka and Andhra Pradesh. On covering the issues of recruitment and training organizational structure; role of sponsor bank; bank’s efforts for deposit mobilization’ composition of funds;


\(^{19}\) RBI Report of the Review Committee on RRBs Mumbai; 1978, pp. 84-89.
analysis of loan operations; credit-deposit ratio; recovery performance; cost operations of the RRBs and commercial banks; and income and expenditure pattern. The corporation observed that more emphasis is not earning profits but on building up of substantial reserves and link the payment with marketing for avowed purpose of ensuring recovery allow lending to the richer section in the identified villages within a certain fixed proportion of their total lending.

Measures for success of each and every eligible house-hold under ‘family credit plan’ and focus on rural credit – in the place of agricultural credit suggested as effective measures to improve the working performance of the RRBs. This is expressed by Patel, A.R.  
Srivastava, R.N. et.al., in their study stated that “the regional rural banks provided an easy and timely crop loan at reasonable rate of interest, helped the farmers to have different type of inputs in an optimum manner.”  

Garg, Singh, and Tripathi in their study found that “the small and marginal farmers are the major beneficiaries; and there are relatively fewer beneficiaries in the group of rural labourers. This analysis revealed that there is an increasing demand for term loan, particularly for the development of irrigation, dairying and poultry. A study on finishing of public sector banks undertaken by James Raj Committee apart from opening more branches in rural areas, the RRBs should take over gradually the existing rural branches of commercial branches.”

To be effective instruments of rural development, the RRBs should be strong institutions with a good image and with a capacity to mobilize adequate resources through deposits and their staff periodicity and should increase

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earnings substantially. This has been studied by Ammannaya K.K., (1996). Shylendra stated that "the innovative self-help group based lending help in supplementing the institutional credit agencies to reach the rural poor effectively".

Need for study

Different researchers have probed into different aspects of institutional finances to meet the needs of the credit, of both farm and non-farm sectors. A good number of studies on the Regional Rural Banks performance and execution of Government sponsored schemes have been so far carried out. Hitherto no one attempted to study the impact of the Lead Bank sponsored RRB – Sri Ananta Grameena bank in the reduction of poverty levels in Anantapur district, which is next only to Jaisalmar in Rajasthan in respect of drought and incidentally the most backward district in the State of Andhra Pradesh.

Since the Lead Bank formulates ‘Annual Credit Plan’ for the district specifying the priority sectors for financial assistance from the banks. Which are located and functioning within the district. The Lead Bank is not directly providing funds for poverty alleviation schemes. On the otherhand, it makes necessary recommendations for financial assistance to implement poverty alleviation programmes. In the study it is attempted to know the impact, both direct and indirect, effects of the Lead Bank on poverty alleviation in the district. To arrive at the assessment of impact made by Lead Bank through its sponsored Regional Rural Bank –Sree Anantha Grameena Bank on poverty reduction is attempted in the study. It is therefore, the study evaluated the role of the SAGB in alleviating poverty in the district.

Statement of the Problem

Anantapur district is the second lowest rainfall receiving district in the country and also largest district in the State of Andhra Pradesh. Owing to scarcity of rainfall, the district is experiencing adverse seasonal conditions frequently making community and other related activities highly uncertain. The problem of poverty and unemployment is considered the biggest challenge to development planning in Anantapur district. Nearly, 70 per cent of the people live in rural areas, who include farmers, agricultural labourers and rural artisans. In the case of agriculture, the credit need emanates from the reason that a farmer’s capital is locked up in his land and stock. Secondly, the seasonal cycle of agricultural production is superimposed largely on perpetual and steady pattern of consumption. Thirdly, the interest of both the borrower and the lender sets the cycle of borrowing who is to follow the repayment. Nevertheless, this cycle is not maintained because of the continuous borrowings followed with irregular repayment. Lastly, modern technology is divisible and this divisibility helps even the small farmers to adopt new techniques of cultivation. So is the demand for credit.

Agricultural labourers are along with the farmers. Another class in rural areas which needs credit is the class of agricultural labourers. The needs for credit of this class are more and immense who try to supplement their meagre earnings by dairy, piggery, sheep and goat-rearing etc.,.

Equally are the immense of rural artisans. A rural artisan is a skilled worker in a traditional village-craft who does on his own account. The workers that thrive on the copper and other metal work, pottery, carpentry, painting on textile, basket-making, brick-making, weaving, bamboo-making come under the rural artisans. They belong to poor community; and about three-fourth of them in the group of poorer sections of the rural families. Naturally, their need for credit is all the more.
It is universally acknowledged that credit plays a pivotal role in the process of economic development. Credit constitutes an important developmental input. Gunnar Myrdal’s considered opinion in this regard is that credit is an accelerator of development. The provision of timely and sufficient credit to the needy rural farmers helps to actively engage in agricultural operations in India.

The rural credit system in India has evolved through different phases as a result of these initiatives and there has been a substantial broadening of the infrastructure of credit delivery resulting in increased outreach and reduction in the influence of informal agencies as evidenced by the increase in the share of institutional sources of the cash debts of rural households from 7.3 per cent in the early 1950s to 64 per cent in 1991 as per the All India Debt and Investment Survey. Policy measures were taken by the RBI following the nationalization of the commercial banks in 1969 aimed at increasing the spread of banking network in the rural areas and giving a new development thrust and orientation to the policies pursued by them.

The earlier studies carried on the performance of the cooperative banks categorically concluded that they failed to supply the needed rural credit in India.

It is pertinent to state here that the performance of the NABARD in meeting the rural credit. It is shocking to note that by 2001, after 20 years of NABARD, only about 16 per cent of the 82 million holdings of marginal and small farmers had received institutional credit; 84 per cent of them were still in the clutches of the money lenders.

In this context a sincere effort is made to know the extent of financial assistance extended by the Lead Bank (Syndicate Bank) sponsored Regional Rural Bank – Sree Anantha Grameena Bank to the farmers in the rural areas of the district and thus preventing them from being exploited by the village
money-lenders who charge usurious rates of interest on the sum lent to the farmers.

Objectives of the Study

1. To identify the poverty alleviation schemes / programmes covered by the Lead Bank Scheme for financial assistance in the district;
2. To assess the quantum of financial assistance provided to the Below Poverty Line (BPL) people in the rural areas by the Lead Bank (Syndicate Bank) sponsored RRB – the Sree Anantha Grameena Bank (SAGB) in Anantapur district;
3. To examine the role of Lead Bank sponsored Regional Rural Bank – Sree Anantha Grameena Bank (SAGB) of Anantapur – in poverty alleviation in Anantapur district;
4. To evaluate recovery rate of the loans advanced to the BPL people by the Lead Bank sponsored Regional Rural Bank – (SAGB); and
5. To assess the overall performance of the Lead Bank Scheme over a period of ten years 1991-92 to 2000-01 in promotion of economic well being of the people who were below the poverty line in the district.

Hypotheses of the study

1. Poverty alleviation programmes implemented in the district have been successful in making the poor to cross BPL;
2. The position of NPA’s of the RRB – SAGB of Anantapur under reference has not been causing concern; and
3. Performance of the Lead Bank is encouraging in poverty alleviation in the district.
Methodology

The study is based on the primary and secondary data. The secondary data were collected from the Five Year Plan Documents of both the India and State of Andhra Pradesh, Lead Bank Annual Reports, Action Plan Reports of the SAGB, Anantapur, Statistical Abstract of Anantapur District, Andhra Pradesh Government publications of reports relating poverty alleviation programmes and literature relating the Lead Bank from the Reserve Bank of India Bulletins and the occasional papers of the RBI.

The primary data were collected from the beneficiaries selected for the present study, by administering a structured questionnaire, covering all categories. Three Revenue Divisions in the district of Anantapur, two mandals from each Revenue Division, one developed mandal another one underdeveloped mandal were selected to the present study. Total sample of 300, each mandal were selected 50 beneficiaries. Personal visits were made to the selected mandals to make on the spot study to know the impact of the various poverty alleviation programmes that were implemented in the district.

It is both macro and micro level study. At macro level the study covers the various anti-poverty programmes implemented by the Government of India, and at micro level, the study is limited to Anantapur District of Andhra Pradesh.

Limitations

The study is confined to Anantapur District which is one of the four districts of the Rayalaseema Region of Andhra Pradesh. The researcher has encountered a serious data constraint. However, no effect was spared in an attempt to collect the required data from all the sources. The reliable data with regard to the implementation of poverty alleviation programmes, by the Lead Bank sponsored Regional Bank i.e. Sree Ananta Grammena Bank (SAGB) of Anantapur was available for a period of one decade from 1991-92 to 2000-
2001, which strictly, forms study period. However, data relating to 2002 onwards could not be obtained from the SAGB of Anantapur district.

**Chapter Design of the Study**

The study is designed to present in six chapters. The first chapter is on Introduction, Review of literature, Need for Study, Objectives, Hypothesis, Methodology, Limitations and Chapter design of the study. The second chapter deals with the economic profile of the study area – Anantapur district, the most backward and drought prone district in Andhra Pradesh. The third chapter explains (a) Banking sector reforms and (b) The concept of Lead Bank Scheme and its performance in Anantapur District. The fourth chapter analyses the Lead Bank and financial assistance through its sponsored Regional Rural Bank – SAGB, towards Poverty Alleviation Programmes in Anantapur District. The fifth chapter evaluates the impact of Bank’s financial assistance in the alleviation of poverty in Anantapur district. The Sixth and last chapter provides summary and conclusions of the study.