PREFACE

An important feature of rural economy in this country is the heavy load of the debt of the agriculturists. Though several measures have been adopted to fight this heavy load of debt, and how moneylender's legislations have been enacted in several states to put a curb on charging heavy rates of interest by moneylenders. With the introduction of the co-operative movement it was thought that it could be in a position to provide both the long-term and short-term credit needs of agriculturists. The credit co-operative societies were permitted to advance long-term and short-term loans only to the extend allowed by the co-operative department. It may be noted that the co-operative societies depend for their resources on borrowing from central financing agencies, which, in turn attract only short term deposits. So it, obviously was unfeasable for the societies to provide long-term loans with short-term resources, and wherever they did so, they invited trouble and landed themselves in difficulties. For long-term loaning security is required to be pledged with the institution, for this purpose too, these co-operative credit societies are not in a position to assess the value of real estate correctly, nor to examine their titles, nor are they in a position to meet outside obligations when borrowers fail to pay their debts. These disabilities underlined the need for establishing a separate co-operative agency for the dispensation of long-term credit.
The first province where the earliest attempts were made to set-up special land mortgage institutions, was the Punjab, where the first land mortgage bank was started at Jhang in 1920. Madras followed next by organising two banks of that type in 1925 and Bombay came next by establishing three banks in 1929. During the first few years there was a rise in the number of the banks, but with the onset of economic depression, rot set in and the troubles of the bank were aggravated.

The most important feature of Land Development Banking in India was that they were mostly concerned with the redemption of old debts. They had not taken any step for advancing funds for the improvement of land and agriculture. It was so because of heavy indebtedness of the agriculturists. The land mortgage bank could hardly take any initiative for the improvement of agriculture, which was the basic necessity, as otherwise, they were unable to serve any useful purpose in the real sense. Under these circumstances the present study is an attempt to encompass such aspects which may facilitate an understanding of the nature and causes of the problem of providing financial assistance by Land Development Banks.

The present study is an endeavour to verify how far the land development banks have succeeded in the realisation of their objectives so far as their performance
in providing loans to agriculturists. In all this study has been divided into eight chapters. Chapter I and II deal with the introduction and historical review of Land Development Bank. Chapter III provides a general appraisal of the progress of Uttar Pradesh State Co-operative Land Development Bank. Chapter IV is devoted to the process of disbursement and recovery of loans. Chapter V is devoted to study of Land Development Bank in Etawah District. Chapter VI is related to the study of impact of working of Rural Development Bank. Chapter VII highlights the problems and constraints that are faced by the bank. The last chapter that is Chapter VIII sums up the main findings of the study and provides an insight into the problem that are being faced and may be faced in future by Uttar Pradesh State Co-operative Land Development Bank which is today known as Uttar Pradesh Gram Vikas Bank and suggests certain remedies for their eradication.

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