

VEER NARMAD SOUTH GUJRAT UNIVERSITY

M.R.S Part – II

Paper - 8 : Rural Finance

Objectives :

The objective of this paper is to equip students to appreciate the role and importance of finance for development of economy and different forms, sources causes and constraints of rural finance and the available policy, alternatives to gear up rural economy by ensuring better rural financial institutions and facilities.

Unit 1: Role of Rural Finance in development of rural economy.

Unit 2:

⇒ Non-Institutional.

⇒ Source of non-Institutional finance and role, performance, present status of non institutional finance.

⇒ Regulatory mechanism and its efficiency.

Unit 3: Evolution of institutional financial agencies and Critical appraisal of the role played by institutional financial agencies with reference to Agriculture credit.

Unit 4: Multi - Agency approach in Rural finance.

Financial Institutional :

(A). Cooperative Banks.

a. Primary Agricultural Cooperative credit Societies PACS.

b. District Cooperative Societies.

c. Central Land Development Bank CLDB.

d. Farmer's Service Cooperatives FSS.

e. Large size Adiosi Multipurpose Cooperative Societies (LAMPS).

(B). Public sector commercial Banks, Role and Scope.

a. Priority Sector/lending

b. Differential rate of interest.

c. Lead Bank Scheme and Service Area Approach.

e. Local Area Banks.

- (C). Corporations and apex bodies.
- a. Agricultural finance corporation.
 - b. National Bank for Agriculture and Rural Development (NABARD).
 - c. Deposit Insurance and Credit guarantee corporation of India.

Unit 5: Recent Committee to Review Arrangements for Institutional credit (1978) khushro committee (1986) Narmsinhem committee on financial Reforms (1991) and their main recommendations.

Unit 6: **Rural Financial reforms.**

- ⇒ Deregulation of interest rates of cooperatives Banks and RRBS.
- ⇒ Prudential norms and provisioning requirements.
- ⇒ Alternative Credit delivery innovations.
- ⇒ Revamping Rural credit system.
- ⇒ Development Action Plan. (DA).
- ⇒ Reutilization Plan for RRB.
- ⇒ Memorandum of understanding (MOU).
- ⇒ Monitoring rural credit.
- ⇒ Provision for local Area Private Bank.
- ⇒ Implementation and impact of reforms.

Unit 7: Recent Innovations in Rural Banking.

- ⇒ Micro credit.
- ⇒ NGOs and self help groups.
- ⇒ The Grameen Bank
- ⇒ Anand Rural credit model of kerala.
- ⇒ Rural service centers of banks.

RECOMMENDED READING IN COOPERATIVE / FINANCE.

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Co, operatives in Agricultural, Princess Hall, 1993.
2. Tushar Shah.
Catalysing Cooperatives. Sage, 1995
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Making farmer's cooperatives work, Sage, 1995.
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Finding the Middlepath, The political Economy of Rural Cooperatives, Vistar, 1995.
5. Hooda - (edited)
Cooperatives and Economic Development, Mittal (1996).
6. Bhatia Verma and Gurg.
Rediscovering Cooperation, Volume – 1, IRMA - 1996.
7. Rajgopalan (Edited)
Rediscovering cooperation.
8. Institute of Rural Management,
Proceedings of International, Seminar on Managing Cooperatives, 1992.
9. Kanitha
Cooperatives and Rural Development, Mittal, N.D. 1997.
10. Samar Datta and Sanjeev kooper,
collective Action, Leadership and Access in Agricultural Cooperatives, OXFORD IBH, 1995.

RECOMMENDED READING IN RURAL FINANCE

1. K.P. Padmanabhan
Rural Financial Market in India, Oxford, 1990.
2. S. Subba Reddy and P.Raghuram.
Agricultural Finance and Management.
3. K.Subbarao.
Agriculture Credit, ICSSR, 1993.
4. Kusharo committee Report on Review of
Agricultural Credit, Reserve Bank of India, 1990.
5. Narsimhan Committee Report on
Financial Reforms - 1992.
6. Pulley Robert V. Making the poor credit Worthy.
World Bank, Disussion Paper, 35
7. Devid Hulmp and Paul Mosely,
Finance Against Poverty.

8. NABARD
Studies on self-Help Group on the Rural poor, 1989.
9. B.M.Desai.
Banking Credit for form imports Marketing Busines,
OXFORD IBH (1996).
10. Surjeetsingh,
Rural Credit Issues for Ninetees, Rawat, 1997.