Preface

The Lead Bank Scheme is an important instrument for overall development and its chief merit lies in the fact that the responsibility for banking development has been laid squarely on a specified bank in each district which is required to act as a leader and coordinate the activities of the various agencies in the district for its rapid overall development. The Scheme aims at avoiding overlapping of efforts and employing the human and financial resources of banks to the optimum effect for economic betterment through area approach. The concept of lead responsibility has helped to bring about a better understanding of the need for an integrated area planning approach among commercial banks, other financial institutions, State Governments and development agencies. Rapid success will depend primarily upon the quality of leadership the banks can provide at the district level. It is to be hoped that with further experience, forging and strengthening of working relationship among financial institutions for evolving specific programmes of development and more active assistance from the State Governments, the progress in future will be much more rapid.

After the two major phase of nationalization of banks in India, the 91 per cent of the banking sector came under the public sector/government ownership. The third phase of development of banking in India started in the early 1990s when India started its economic liberalization. The initiation of financial reforms in the country during the early 1990s along with Banking Sector Reforms were to a large extent conditioned by the analysis and recommendation of various committees/working groups set up to address specific issues.

The current phase of banking is going to be highly competitive and information technology driven networking of banks, remote access, ATM facilities etc. have transformed the face of banking. The
internet banking, mobile banking and net banking have no more remained monopoly of private banks only. Since the public sector banks have witnessed the era of change, the present study is an attempt to appraise the Lead Bank Scheme in Himachal Pradesh and to lay down recommendations in order to achieve the best possible results, taking into consideration all aspects of present situations especially with reference to the Banking Sector Reforms. The study has been divided into seven chapters.

The first chapter describes briefly the chronological introduction of banking from the Lead Bank Scheme to Banking Sector Reforms and further to the recently launched PMJDY. The second chapter gives a review of literature on the topic and the research design. In the third chapter, along with the brief introduction of economic profile of the districts of the State, district-wise analysis has been carried out to know the trend of population served per branch and relative shift in the ranking of the districts vis-à-vis to State average during the period of the study. In fourth chapter an attempt has been made to analyse the growth of deposit mobilization and credit disbursement in the various districts of Himachal Pradesh. In the fifth chapter an attempt has been made to analyze the district-wise and bank-wise performance of Annual Credit Plans to the Priority Sectors of the State. Chapter six deals with Financial Inclusion status of the Pradesh and the coordination of the awareness level thereupon through FLCC. The last chapter gives a summary and conclusion drawn from the study and suggestions for the improvement of the Lead Bank Scheme in Himachal Pradesh.