Chapter - VII

Conclusions & Recommendations

7.1 INTRODUCTION:

This chapter summarises the conclusion, findings of the study and brings out suitable suggestions and give recommendations to improve the performance of SBH and the Lead bank scheme for rural development.

7.2 FULFILLMENT OF OBJECTIVES:

The objectives of the present study are fulfilled as follows:

1. The researcher has presented a historical review of rural development in India with special reference to Nizamabad district with reference to the role of SBH in implementation of Lead Bank Scheme.

2. The researcher has studied the role & significance of rural development in the banking system of India with special reference to Nizamabad district with reference to the role of SBH in implementation of Lead Bank Scheme.

3. The researcher has studied the impact of Lead Bank Scheme on socio-economic status of the various sector of the economy with special reference to Nizamabad District of Andhra Pradesh.

4. The researcher has presented a agro-economic profile of Nizamabad district with reference to the role of SBH in implementation of Lead Bank Scheme.

5. The researcher has presented a analytic study of performance of sample banks with reference to rural development in Nizamabad district with reference to the role of SBH in implementation of Lead Bank Scheme.

6. The researcher has presented an analysis of the problems faced by beneficiaries and bankers with reference to rural development in Nizamabad district with reference to the role of SBH in implementation of Lead Bank Scheme.
7. The researcher has analyzed the impact of new economic policy on rural development in India with special reference to Nizamabad district with reference to the role of SBH in implementation of Lead Bank Scheme.

8. The researcher has presented conclusions & recommendations.

7.3 CONCLUSIONS:

The conclusions of the presented study are divided into following groups:

1. Conclusions Related Performance of Lead Bank Scheme in Nizamabad District
2. Conclusion Related to Profile of Beneficiaries
3. Conclusions Related to Problems of Beneficiaries’
4. Conclusions on Problems of Bank Officers

7.3.1 CONCLUSIONS RELATED PERFORMANCE OF LEAD BANK SCHEME IN NIZAMABAD DISTRICT

1. It is concluded that, the Crop Loan target of State Bank of Hyderabad in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2006-07 (113.12%), whereas the highest positive variance was located in the year 2006-07 i.e. Rs. 1834 lakhs and the lowest positive variance was located in the year Rs. 199 lakhs in the year 2004-05. On the other hand the highest negative variance can be seen in the year 2011-12 i.e. Rs. 16658 lakhs and the lowest negative variance can be seen in the year 2003-04 i.e. Rs. 1612 lakhs.

2. It is concluded that, the Crop Loan target of Other Banks in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2005-06 (102.67%), whereas the highest positive variance was located in the year 2005-06 i.e. Rs. 1207 lakhs and the lowest positive variance was located in the year 2003-04 i.e. Rs. 375 lakhs. On the other hand the highest negative variance can be seen in the year 2012-13 i.e. Rs. 47013 lakhs and the lowest negative variance can be seen in the year 2006-07 & 2007-08 i.e. Rs. 1047 lakhs.
3. It is concluded that, the Crop Loan target of All Banks in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2005-06 (102.65%), whereas the highest positive variance was located in the year 2005-06 i.e. Rs. 1481 lakhs and the lowest positive variance was located in the year 2006-07 i.e. Rs. 787 lakhs. On the other hand the highest negative variance can be seen in the year 2012-13 i.e. Rs. 58688 lakhs and the lowest negative variance can be seen in the year 2003-04 i.e. Rs. 1237 lakhs.

4. It is concluded that, the Term Loan target of State Bank of Hyderabad in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2004-05 (194.41%), whereas the highest positive variance was located in the year 2009-10 i.e. Rs. 4789 lakhs and the lowest positive variance was located in the year 2008-09 i.e Rs. 528 lakhs. On the other hand the highest negative variance can be seen in the year 2012-13 i.e. Rs. 4702 lakhs and the lowest negative variance can be seen in the year 2005-06 i.e. Rs. 84 lakhs.

5. It is concluded that, the Term Loan target of Other Banks in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2006-07 (123.25%), whereas the highest positive variance was located in the year 2006-07 i.e. Rs. 1992 lakhs. and the lowest positive variance was located in the year 2004-05 i.e. Rs. 956 lakhs. On the other hand the highest negative variance can be seen in the year 2010-11 i.e. Rs. 19132 lakhs and the lowest negative variance can be seen in the year 2003-04 i.e. Rs. 737 lakhs.

6. It is concluded that, the Term Loan target of All Banks in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2006-07 (120.55%), whereas the highest positive variance was located in the year 2006-07 i.e. Rs. 2209 lakhs and the lowest positive variance was located in the year 2004-05 i.e. Rs. 2173 lakhs. On the other hand the highest negative variance can be seen in the year 2010-11 i.e. Rs. 22679 lakhs and the lowest negative variance can be seen in the year 2003-04 i.e. Rs. 25 lakhs.
7. It is concluded that, the Industries Loan target of State Bank of Hyderabad in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2008-09 (149.46%), whereas the highest positive variance was located in the year 2008-09 i.e. Rs. 2423 lakhs and the lowest positive variance was located in the year 2005-06 i.e. Rs. 176 lakhs. On the other hand the highest negative variance can be seen in the year 2010-11 i.e. Rs. 1203 lakhs and the lowest negative variance can be seen in the year 2006-07 i.e. Rs. 77 lakhs.

8. It is concluded that, the Industries Loan target of Other Banks in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2003-04 (139.36%), whereas the highest positive variance was located in the year 2009-10 i.e. Rs. 2496 lakhs and the lowest positive variance located in the year 2008-09 i.e Rs. 74 lakhs. On the other hand the highest negative variance can be seen in the year 2010-11 i.e. Rs. 4997 lakhs and the lowest negative variance can be seen in the year 2012-13 i.e. Rs. 1044 lakhs.

9. It is concluded that, the Industries Loan target of All Banks in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2003-04 (124.34%), whereas the highest positive variance was located in the year 2009-10 i.e. Rs. 4588 lakhs and the lowest positive variance was located in the year 2004-05 i.e. Rs. 955 lakhs. On the other hand the highest negative variance can be seen in the year 2010-11 i.e. Rs. 6200 lakhs and the lowest negative variance can be seen in the year 2005-06 i.e. Rs. 1050 lakhs.

10. It is concluded that, the Business & Service Loan target of State Bank of Hyderabad in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2005-06 (110.99%), whereas the highest positive variance was located in the year 2005-06 i.e. Rs. 394 lakhs and the lowest positive variance was located in the year 2004-05 i.e. Rs. 56 lakhs. On the other hand the highest negative variance can be seen in the year 2009-10 i.e. Rs. 5440 lakhs and the lowest negative variance can be seen in the year 2003-04 i.e. Rs. 238 lakhs.
11. It is concluded that, the Business & Service Loan target of Other Banks in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2005-06 (106.75%), whereas the positive variance was located only in the year 2005-06 i.e. Rs. 589 lakhs. On the other hand the highest negative variance can be seen in the year 2010-11 i.e. Rs. 8103 lakhs and the lowest negative variance can be seen in the year 2003-04 i.e. Rs. 414 lakhs.

12. It is concluded that, the Business & Service Loan target of All Banks in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2005-06 (107.99%), whereas the positive variance was located only in the year 2005-06 i.e. Rs. 983 lakhs. On the other hand the highest negative variance can be seen in the year 2009-10 i.e. Rs. 12180 lakhs and the lowest negative variance can be seen in the year 2004-05 i.e. Rs. 517 lakhs.

13. It is concluded that, the Total Loan target of State Bank of Hyderabad in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2004-05 (112.04%), whereas the highest positive variance was located in the year 2006-07 i.e. Rs. 2220 lakhs and the lowest positive variance was located in the year Rs. 16 lakhs in the year 2003-04. On the other hand the highest negative variance can be seen in the year 2012-13 i.e. Rs. 17102 lakhs and the lowest negative variance can be seen in the year 2008-09 i.e. Rs. 3992 lakhs.

14. It is concluded that, the Total Loan target of Other Banks in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in comparison with the target was seen in the year 2006-07 (101.25%), whereas the highest positive variance was located in the year 2006-07 i.e. Rs. 1003 lakhs. On the other hand the highest negative variance can be seen in the year 2010-11 i.e. Rs. 59614 lakhs and the lowest negative variance can be seen in the year 2005-06 i.e. Rs. 595 lakhs.

15. It is concluded that, the Total Loan target of All Banks in Nizamabad district under Lead Bank Scheme has been continuously increasing. The highest percentage achievement in
comparison with the target was seen in the year 2006-07 (103.06%), whereas the highest positive variance was located in the year 2006-07 i.e. Rs. 3223 lakhs and the lowest positive variance was located in the year 2005-06 i.e. Rs. 165 lakhs. On the other hand the highest negative variance can be seen in the year 2010-11 i.e. Rs. 71735 lakhs and the lowest negative variance can be seen in the year 2003-04 i.e. Rs. 2557 lakhs.

7.3.2 CONCLUSION RELATED TO PROFILE OF BENEFICIARIES

The various conclusions related to the profile of sample beneficiaries in Nizamabad district are as follows.

1. It is concluded that, out of the 360 respondent beneficiaries 116 (32.22%) are below 30 years of age, whereas 171 (47.50%) are 30 to 50 years of age and 73 (20.28%) are above 50 years of age.

2. It is concluded that, out of the 360 respondent beneficiaries 286 (79.44%) are male, whereas 74 (20.56%) are female.

3. It is concluded that, out of the 360 respondent beneficiaries 292 (81.11%) are literate, whereas 68 (18.89%) are illiterate.

4. It is concluded that, out of the 360 respondent beneficiaries 89 (24.72%) are educated up to school education, whereas 194 (53.89%) are graduates and 77 (21.39%) are educated post graduate and above.

5. It is concluded that, out of the 360 respondent beneficiaries 127 (35.28%) are agriculturists, whereas 79 (21.94%) are artisans and 154 (42.78%) are self employed.

6. It is concluded that, out of the 360 respondent beneficiaries 52 (14.44%) are from high income group, whereas 201 (55.83%) are from medium income group and 107 (29.72%) are from low income group.

7. It is concluded that, out of the 360 respondent beneficiaries 75 (20.83%) are from large size family, whereas 145 (40.28%) are from medium size family and 140 (38.89%) are from small family.

8. It is concluded that, out of the 360 respondent beneficiaries 128 (35.56%) are resident of rural area, whereas 82 (22.78%) are resident of urban area and 150 (41.67%) are resident of semi-urban area.
9. It is concluded that, out of the 360 respondent beneficiaries 154 (42.78%) are from Hindu religion, whereas 48 (13.33%) are from Muslims religion, whereas 55 (15.28%) are from Boudh religion, whereas 32 (8.89%) are from Christian religion and 71 (19.72%) are from other religion.

10. It is concluded that, out of the 360 respondent beneficiaries 145 (40.28%) are from open category, whereas 55 (15.28%) are from SC category, whereas 45 (12.50%) are from ST category, whereas 78 (21.67%) are from OBC category and 37 (10.28%) are from other category.

11. It is concluded that, out of the 360 respondent beneficiaries 171 (47.50%) are having RD A/c with Bank, whereas 189 (52.50%) do not have RD A/c with Bank.

12. It is concluded that, out of the 360 respondent beneficiaries 186 (51.67%) are having Fixed Deposit A/c with Bank, whereas 14 (3.89%) do not have Fixed Deposit A/c with Bank.

13. It is concluded that, out of the 360 respondent beneficiaries 52 (14.44%) are having relationship with bank from less than 3 years, whereas 214 (59.44%) are having relationship with bank from 3 to 5 years, and 94 (26.11%) are having relationship with bank from above 5 years.

14. It is concluded that, out of the 360 respondent beneficiaries 309 (85.83%) have opted loan for agricultural purpose, whereas 51 (14.17%) have opted loan for non-agricultural purpose.

15. It is concluded that, out of the 360 respondent beneficiaries opted loan for agricultural purpose, 151 (48.87%) have opted crop loan, whereas 72 (23.30%) have opted loan for irrigation, whereas 49 (15.86%) have opted loan for mechanisation and 37 (11.97%) have opted loan for other agricultural purpose.

16. It is concluded that, out of the 51 respondent beneficiaries opted loan for non-agricultural purpose, 14 (4.53%) have opted loan for artizns, whereas 17 (5.50%) have opted loan for retail trading, whereas 9 (2.91%) have opted loan for professional activity and 11 (3.56%) have opted non-agricultural loan for other purpose.

17. It is concluded that, out of the 360 respondent beneficiaries 290 (80.56%) have availed subsidy on loan, whereas 70 (19.44%) do not availed subsidy on loan.
18. It is concluded that, out of the 360 respondent beneficiaries 111 (30.83%) have opined that their loan repayment is regular, whereas 191 (53.06%) have opined that their loan repayment is irregular and 58 (16.11%) have stated that their loan status is NPA.

19. It is concluded that, out of the 360 respondent beneficiaries 309 (85.83%) have opined that the interest rate of loan is DRI, whereas 51 (14.17%) have stated that the interest rate on loan is non-DRI.

20. It is concluded that, out of the 360 respondent beneficiaries, the recovery status of 19 (5.28%) respondents is suit file, whereas the recovery status of 155 (43.06%) respondents is compromise and the recovery status of 186 (51.67%) respondents is write-off.

7.3.3 CONCLUSIONS RELATED TO PROBLEMS OF BENEFICIARIES
The various conclusions related to problems of sample beneficiaries in Nizamabad district towards implementation of Lead Bank Schemes.

1. It is concluded that, out of the 360 respondent beneficiaries 112 (31.11%) have reported that the intensity of problem of information bout lead bank schemes is high, whereas 193 (53.61%) have reported that the intensity of problem of information bout lead bank schemes is medium and 55 (15.28%) have reported that the intensity of problem of information bout lead bank schemes is low.

2. It is concluded that, out of the 360 respondent beneficiaries 105 (29.17%) have reported that the intensity of problem of timely sanction of loan is high, whereas 203 (56.39%) have reported that the intensity of problem of timely sanction of loan is medium and 52 (14.44%) have reported that the intensity of problem of timely sanction of loan is low.

3. It is concluded that, out of the 360 respondent beneficiaries 103 (28.61%) have reported that the intensity of problem of sanction of sufficient loan is high, whereas 208 (57.78%) have reported that the intensity of problem of sanction of sufficient loan is medium and 49 (13.61%) have reported that the intensity of problem of sanction of sufficient loan is low.

4. It is concluded that, out of the 360 respondent beneficiaries 105 (29.17%) have reported that the intensity of problem of Processing Period is high, whereas 201 (55.83%) have reported that the intensity of problem of Processing Period is medium and 54 (15%) have reported that the intensity of problem of Processing Period is low.
5. It is concluded that, out of the 360 respondent beneficiaries 77 (21.39%) have reported that the intensity of problem of Loan Disbursement is high, whereas 233 (64.72%) have reported that the intensity of problem of Loan Disbursement is medium and 50 (13.89%) have reported that the intensity of problem of Loan Disbursement is low.

6. It is concluded that, out of the 360 respondent beneficiaries 122 (33.89%) have reported that the intensity of problem of Interest Rate is high, whereas 196 (54.44%) have reported that the intensity of problem of Interest Rate is medium and 42 (11.67%) have reported that the intensity of problem of Interest Rate is low.

7. It is concluded that, out of the 360 respondent beneficiaries 89 (24.72%) have reported that the intensity of problem of Staff Cooperation is high, whereas 226 (62.78%) have reported that the intensity of problem of Staff Cooperation is medium and 45 (12.50%) have reported that the intensity of problem of Staff Cooperation is low.

8. It is concluded that, out of the 360 respondent beneficiaries 110 (30.56%) have reported that the intensity of problem of Targets is high, whereas 209 (58.06%) have reported that the intensity of problem of Targets is medium and 41 (11.39%) have reported that the intensity of problem of Targets is low.

9. It is concluded that, out of the 360 respondent beneficiaries 91 (25.28%) have reported that the intensity of problem of Guarantee is high, whereas 225 (62.50%) have reported that the intensity of problem of Guarantee is medium and 44 (12.22%) have reported that the intensity of problem of Guarantee is low.

10. It is concluded that, out of the 360 respondent beneficiaries 120 (33.33%) have reported that the intensity of problem of Collateral Security is high, whereas 191 (53.06%) have reported that the intensity of problem of Collateral Security is medium and 49 (13.61%) have reported that the intensity of problem of Collateral Security is low.

11. It is concluded that, out of the 360 respondent beneficiaries 82 (22.78%) have reported that the intensity of problem of Documentation is high, whereas 229 (63.61%) have reported that the intensity of problem of Documentation is medium and 49 (13.61%) have reported that the intensity of problem of Documentation is low.

12. It is concluded that, out of the 360 respondent beneficiaries 116 (32.22%) have reported that the intensity of problem of Processing Fees is high, whereas 196 (54.44%) have
reported that the intensity of problem of Processing Fees is medium and 48 (13.33%) have reported that the intensity of problem of Processing Fees is low.

13. It is concluded that, out of the 360 respondent beneficiaries 83 (23.06%) have reported that the intensity of problem of Repayment Schedule is high, whereas 220 (61.11%) have reported that the intensity of problem of Repayment Schedule is medium and 57 (15.83%) have reported that the intensity of problem of Repayment Schedule is low.

14. It is concluded that, out of the 360 respondent beneficiaries 104 (28.89%) have reported that the intensity of problem of Recovery Method is high, whereas 214 (59.44%) have reported that the intensity of problem of Recovery Method is medium and 42 (11.67%) have reported that the intensity of problem of Recovery Method is low.

15. It is concluded that, out of the 360 respondent beneficiaries 127 (35.28%) have reported that the intensity of problem of Margin Amount is high, whereas 187 (51.94%) have reported that the intensity of problem of Margin Amount is medium and 46 (12.78%) have reported that the intensity of problem of Margin Amount is low.

16. It is concluded that, out of the 360 respondent beneficiaries 121 (33.61%) have reported that the intensity of problem of NPA Classification is high, whereas 200 (55.56%) have reported that the intensity of problem of NPA Classification is medium and 39 (10.83%) have reported that the intensity of problem of NPA Classification is low.

7.3.4 CONCLUSIONS ON PROBLEMS OF BANK OFFICERS
The various conclusions related to problems of sample Bank Officers in Nizamabad district towards implementation of Lead Bank Schemes.

1. It is concluded that, out of the 90 respondent Bank Officers 24 (26.67%) have reported that the intensity of problem of Literacy of Beneficiaries is high, whereas 50 (55.56%) have reported that the intensity of problem of Literacy of Beneficiaries is medium and 16 (17.78%) have reported that the intensity of problem of Literacy of Beneficiaries is low.

2. It is concluded that, out of the 90 respondent Bank Officers 16 (17.78%) have reported that the intensity of problem of Pre-Post Sanction Inspection is high, whereas 58 (64.44%) have reported that the intensity of problem of Pre-Post Sanction Inspection is medium and 16 (17.78%) have reported that the intensity of problem of Pre-Post Sanction Inspection is low.
3. It is concluded that, out of the 90 respondent Bank Officers 22 (24.44%) have reported that the intensity of problem of Lakhs of Financial Discipline is high, whereas 54 (60%) have reported that the intensity of problem of Lakhs of Financial Discipline is medium and 14 (15.56%) have reported that the intensity of problem of Lakhs of Financial Discipline is low.

4. It is concluded that, out of the 90 respondent Bank Officers 14 (15.56%) have reported that the intensity of problem of End Use of Finance is high, whereas 64 (71.11%) have reported that the intensity of problem of End Use of Finance is medium and 12 (13.33%) have reported that the intensity of problem of End Use of Finance is low.

5. It is concluded that, out of the 90 respondent Bank Officers 27 (30%) have reported that the intensity of problem of Insufficient Staff is high, whereas 49 (54.44%) have reported that the intensity of problem of Insufficient Staff is medium and 14 (15.56%) have reported that the intensity of problem of Insufficient Staff is low.

6. It is concluded that, out of the 90 respondent Bank Officers 15 (16.67%) have reported that the intensity of problem of Overdoes is high, whereas 62 (68.89%) have reported that the intensity of problem of Overdoes is medium and 13 (14.44%) have reported that the intensity of problem of Overdoes is low.

7. It is concluded that, out of the 90 respondent Bank Officers 26 (28.89%) have reported that the intensity of problem of Lakhs of Communication is high, whereas 50 (55.56%) have reported that the intensity of problem of Lakhs of Communication is medium and 14 (15.56%) have reported that the intensity of problem of Lakhs of Communication is low.

8. It is concluded that, out of the 90 respondent Bank Officers 25 (27.78%) have reported that the intensity of problem of Target Oriented Financing is high, whereas 51 (56.67%) have reported that the intensity of problem of Target Oriented Financing is medium and 14 (15.56%) have reported that the intensity of problem of Target Oriented Financing is low.

9. It is concluded that, out of the 90 respondent Bank Officers 18 (20%) have reported that the intensity of problem of Political Interference is high, whereas 60 (66.67%) have reported that the intensity of problem of Political Interference is medium and 12 (13.33%) have reported that the intensity of problem of Political Interference is low.
10. It is concluded that, out of the 90 respondent Bank Officers 18 (20%) have reported that the intensity of problem of Psychological Impact of Debt Relief is high, whereas 60 (66.67%) have reported that the intensity of problem of Psychological Impact of Debt Relief is medium and 12 (13.33%) have reported that the intensity of problem of Psychological Impact of Debt Relief is low.

7.3.5 CONCLUSIONS FROM CHI-SQUARE TEST:

The various conclusions drawn from Chi-square Test related to problems of sample Bank Officers in Nizamabad district towards implementation of Lead Bank Schemes presented here.

1. It is concluded that, there is no significant difference between the opinions of bank officers and beneficiaries regarding Lead Bank Scheme has made a positive contribution to the socio-economic development in Nizamabad district of Andhra Pradesh.

2. It is concluded that, there is no significant difference between the opinions of bank officers and beneficiaries regarding State Bank of Hyderabad has recorded notable performance in Lead Bank Scheme in Nizamabad district. Thus, it is proved that, State Bank of Hyderabad has recorded notable performance in Lead Bank Scheme in Nizamabad district.

3. It is concluded that, there is significant difference between the opinions of bank officers and beneficiaries regarding regarding Recovery of Loans of SBH under Lead Bank Scheme is very poor.
4. It is concluded that, there is significant difference between the opinions of bank officers and beneficiaries regarding Lead Bank Scheme in Nizamabad district has eradicated poverty.

5. It is concluded that, there is no significant difference between the opinions of bank officers and beneficiaries regarding the usefulness of Lead Bank Scheme in Poverty Alleviation and rural development.

7.4 TESTING OF HYPOTHESIS:
The hypothesis of the present study are tested and proved as follows:

1. Lead Bank Scheme plays an important role in rural development in Nizamabad district of Andhra Pradesh.

2. Lead Bank Scheme has made a positive contribution to the socio-economic development in Nizamabad district of Andhra Pradesh.

3. State Bank of Hyderabad has recorded notable performance in Lead Bank Scheme in Nizamabad district.

4. It is necessary to change approaches and attitudes of bankers with a view to make the Lead Bank Scheme more effective.

5. There is no significant difference between the opinions of bank officers and beneficiaries regarding the usefulness of Lead Bank Scheme in Poverty Alleviation and rural development.

7.5 RECOMMENDATIONS:
The major recommendations are presented as follows:

1. The working of Nationalized Banks suffers from the mindsets of the controlling officers who are normally from the urban area. The concepts which are normally applied in industry and business by Nationalized Banks cannot be adopted in to in Lead Bank Scheme financing.
2. The staff of the Banks need training with reference to customer services in Lead Bank Scheme financing. Unfortunately there is no separate training institute for Lead Bank Scheme financing.

3. The banks should conduct proper background study before establishing a branch in unbanked area. The branches of the bank should also conduct annual background study and access the credit need of beneficiaries under Lead Bank Scheme on realistic basis.

4. The branches of banks should provide loans for infrastructural development in the village developing basic amenities in the villages like electricity, drinking water, roads etc. in co-operation with Gram Panchyat of the villages.

5. Various loans under Lead Bank Scheme should be the main target and be distributed well in time. The successive doses of credit should be delivered at the right time. These loans may be delivered in cash. In case of direct payment to dealers of inputs there is possibility of malpractices which bring loss to the beneficiaries.

6. The lending standards of Lead Bank Scheme loans should be based upon the cost input requirements of different activities and should be revised every year with reference to increased cost of inputs.

7. The term loan delivery under Lead Bank Scheme should be done with proper pre-sanction assessment. The assessments should be made on fact basis with proper survey of the background of farmers.

8. The lending system and documentation process should be made easy for Lead Bank Scheme financing.

9. The package of loans to be sanctioned to a particular beneficiary should contain scope for activities allied to business & agriculture. The bank officers should suggest the beneficiaries which allied activities they can adopt.

10. The banks should start a cell of experts who can advise the beneficiaries for proper socio-economic development. The banks officers should give continuous visits to the sites and access the growth and working of the beneficiaries under Lead Bank Scheme.

11. The bank should promote consumption loans so that the end use of funds in other types of loans can be assured to the Lead Bank Scheme beneficiaries.
12. The bank should suggest the farmer beneficiaries under Lead Bank Scheme to become independent in respect of agro inputs and supporting assets like bullocks, cows, bullock carts etc. and provide loans for the same.

13. The banks should promote the farmer beneficiaries under Lead Bank Scheme for availing irrigation loans. The banks should promote the farmer beneficiaries for use of drip irrigation, sprinklers and other irrigation facilities so that water can be saved and increase the agricultural production.

14. The banks should promote the farmer beneficiaries under Lead Bank Scheme for use of bio-fertilizers, Goober Gas Plant etc.

15. The banks should promptly disburse to the farmer beneficiaries under Lead Bank Scheme Government subsidy wherever it is available.

16. The banks should introduce a special rate of interest structure which is not heavy for the beneficiaries under Lead Bank Scheme.

17. The banks should introduce a special repayment structure which is flexible for the beneficiaries under Lead Bank Scheme.

18. The banks should avoid court cases for recovery and should settle the matters by mutual understanding as far as possible with reference to beneficiaries under Lead Bank Scheme.

19. The banks should exempt the cost of processing and bank charges for beneficiaries under Lead Bank Scheme.

20. The banks should keep flexible bank timings, suitable in the rural area for beneficiaries under Lead Bank Scheme.

21. The banks should not maintain commercial attitude towards the beneficiaries under Lead Bank Scheme. They should adopt the approach of a development agency working for the growth of beneficiaries under Lead Bank Scheme.

The issue of beneficiaries under Lead Bank Scheme, socio-economic development and credit is not a recent one. It is an age old issue. It is said that Indian farmer is born in debt, lives in debt and dies in debt. This is the remark made by All India Rural Credit Survey Committee Report of RBI. British Government also tried to probe into the issue by appointing Royal Commission on Agriculture. The issue gathered momentum after the Nationalization of Banks in 1969. Agriculture was declared as a priority sector. The slogan of Grow More Food and Green Revolution boosted up the agricultural scenario. The Government of Maharashtra declared debt
exemption thrice during the last 30 years. But this is not the solution. It is necessary that the overall lending system of banks and approaches to agriculture need be changed. It is also necessary that the beneficiaries under Lead Bank Scheme themselves should change their mindsets. Rural poverty is a multi variable phenomenon. It is a vicious cycle. Rural credit is one of the solutions. It should be supported by proper infrastructure, communication, schooling, hygiene; nourishment etc. supported by these agricultural credits can bring the right solutions. The ultimate aim should be to treat agriculture at par with industry.