CHAPTER-V
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Developments in general and agriculture in particular since independence if visualized critically, it will be observed that in Fifty’s the emphasis was on irrigation and investment in fertilizer production that laid the foundation of modern agriculture which was considered the base for all-round development in the country. In Sixties the attention was on fertility responsible high yielding varieties the objective being attaining self sufficiency in food grains. Seventies saw focus on diversification on agriculture, eighties the focus shifted to oil seeds, pulses, conservation of natural resources etc. In nineties diversification in agriculture post harvest technology were some of the priorities. In the current decade sustainable agriculture was main focus accompanying conservation of resources, their management and efficient utilization aimed at economic upliftment of families below poverty line representing various social sectors. For this purpose central and state Govt., besides other agencies such as banks introduced different schemes from time to time. Lead Bank Scheme is one such introduced through different banks throughout the country with an object of percolating the benefits to the rural poor. This is a very comprehensive, systematic and well thought scheme being Implemented by various banks with quite a large number of schemes therein under with sufficient magnitude of investment. Present study is an attempt to systematically study and evaluate the Lead Bank Scheme on certain selected aspects. The specific objectives however, were as under:
1. To take an account of origin, history and development of banking in India.
2. To underline the salient features of the lead bank scheme in Akola district.
3. To highlight personal and socio-economic and psycho-situational characteristics of bank employees and borrowers considered as respondents
   i) Branch Managers
   ii) Beneficiaries
      i. Farmers
      ii. Entrepreneurs
      iii. Head of family below poverty line
      iv. Members of Self-help-group.
4. To understand banking activities and client system.
5. To enlist the difficulties encountered by the Branch Managers in the implementation of Lead Bank Scheme in particular.
6. To enlist the difficulties encountered by the Beneficiaries in availing of benefits.
7. To invite the suggestions from the Branch Managers in the effective implementation of Lead Bank Scheme.
8. To invite the suggestions from Beneficiaries for effective implementation of the Lead Bank Scheme.
9. To undertake evaluation of Lead Bank Scheme in terms of branch expansion programme, growth of Deposits and Advances, performances of Annual Credit Plan besides role of District Consultative Committee.
10. To develop satisfaction index and find out level of satisfaction of beneficiaries in particular.

Present study was confined to Akola and (then formed Washim district) with 13 blocks located in Western Vidarbha region of Maharashtra. Further investigation was restricted to 45 branches out of 87 under Area Development Approach for bringing about overall development covered by different banks both in Akola and Washim district were finally selected. Naturally, Branch Managers of all these 45 branches and 220 beneficiaries selected through stratified proportionate random sampling from the sample for the study.

Present study actually commenced in the year 1996 when Washim district was not at all in existence which come into being in 1999. Author therefore, had to consider data for the banks selected some of which had subsequently gone to Washim, otherwise data could not have been complete in its totality. It also needs to be made a mention of the fact that Lead Bank declared for this two different districts were different. To be more precise and clear in presentation, it may be stated that Central Bank of India has been named as Lead Bank for Akola district whereas for Washim district State Bank of India has been nominated as Lead Bank.

Results were based on the data collected for the period from 1996 to 2004. In the selection of branches for the study, care was taken to provide representation to almost all the blocks, however, more number of branches were from Akola block obviously because author had already established acquaintances and rapport which was considered as a prerequisite for ease and convenience for obtaining the data.
As stated above, 220 beneficiaries availing the advantage of the scheme through these selected branches were selected from the locality both from rural and urban area. For this purpose list of beneficiaries from selected branches were obtained and respondents at the rate of 75, 75, 35, and 35 beneficiaries representing the categories of farmers, entrepreneurs, family below poverty line and members of self-help group were selected to make a total sample of 220.

Data were collected from Branch Managers and beneficiaries as respondents through personal interview with the help of structured schedule developed. For obtaining additional information documents, reports and proceedings were made available to the author by the branch managers.

Data collected were appropriately transformed firstly into primary tables and subsequently into secondary tables and then data were subjected to appropriate statistical techniques for the purpose of analysis as specified earlier.

Results emerged out of the present investigation have been briefly summarized. For the sake of convenience presentation of findings have broadly been divided into three different sections based on the responses received form three type of respondents namely Branch Managers, Members of District Consultative Committee, and Beneficiaries representing the different sections as above besides 4 different components centrally focused as Branch Expansion, Deposits and Advances, Annual Credit Plan and District Consultative Committee.
*Branch Managers:*

In an attempt to understand personal, socio-economic and psychosituational profile of the Branch Managers, it was revealed that majority of the Branch Managers were in between 40 to 50 years of age, graduated and some of them being postgraduates in different faculties such as arts, commerce, science, agriculture and law. Majority of the branch managers had more than 21 years of professional experience at their credit.

As far as their native background and monthly income besides, training received was concerned it was understood that majority of them had urban native background with a monthly income of Rs. in between 20,001 to 25,000. All the Branch Managers according to them had received training, however, 38 of them reported that training received by them resulted in improving their work performance. Number of Branch Managers who reported that they could not experience benefit as a result of training in better work performance and those who had no response to furnish worked out to be 5 and 2 respectively.

So far as it relates to reaction of Branch Managers on various aspects of Lead Bank Scheme, it was made known that majority of the Branch Managers reported that objectives of the Lead Bank Scheme were comprehensive and well formulated, staff concerned with the implementation of the scheme was cooperative and certainly had positive outlook towards the scheme under study. Further they reported adequate financial outlay earmarked for the achievement of target, expressing satisfactory opinion about the beneficiaries. Above all they were reported to be satisfied for the transformation in the economic situation of the beneficiaries attributed to Lead Bank Scheme.
In the process, implementation of Lead Bank Scheme Branch Managers invariably come across with variety of difficulties which had relevance with their job performance. Some of the important aspects such as branch expansion, deposit and advances, annual credit plan and DCC. Besides other administrative and managerial difficulties. During the course of an interrogation they were specifically asked to name the difficulties aspect wise. Difficulties spelled out as regards the branch expansion, majority of Branch Managers have frankly reported that the policy of RBI has been a bottleneck in branch expansion programme.

Another difficulty which was reported by the Branch Managers was that most of the branches particularly in rural area are running in loss and therefore, it is not advisable to increase the number of branches.

Credit cooperative societies established both in urban and rural area are transformed into full-fledged banks in course of time leaving no scope for branch expansion programme at all.

Another difficulty reported in this behalf was that encouragement to cooperative banks as a result of policy formulated by the government and more so banks which were running in loss were put together and their merging also had adversely affected branch expansion programme.

**Branch Expansion:**

Pointing out certain administrative, technical and policy decision difficulties Branch Managers have offered some suggestions. Some of the practical suggestions only were considered and have been discussed below.
1. Instead of opening new branches which also will be in contradictory to the policy decision of R.B.I., extension counters should be opened which in course of time and after fulfillment of requirements can be converted into branch.

2. As has already been mentioned earlier, some of the branches which were running in loss were discontinued, Branch Managers and other concerned should seriously think of how these branches can come in profit which itself will amount to opening of branch and ultimately branch expansion.

**Deposits and Advances:**

In an economic field standing of financial institution particularly identical to that of bank is usually known by its transactions on account of deposits and advances. In an attempt to understand the difficulties faced by the Branch Managers in this aspect it was made known to the author that majority of the Branch Managers were unable to receive cooperation of the government agencies working at various levels mainly in the process of recovering the amount of loan from the borrower beneficiaries. Secondly, borrowers do not obey the orders of the Branch Managers once the loan is disbursed to them.

It was very interesting to note that borrowers think that the loan received through government under any scheme need not to be repaid at all. According to Branch Managers beneficiary borrowers are very much keen for receiving subsidy and therefore, they do not like to bother for other things.
As far as increase in the deposits was concerned one of the difficulties raised by the Branch Managers was unawareness of rural people about the importance of saving. Some of the Branch Managers with all said and done could not resist in disclosing the fact that they have to consider the loan cases favourably as a result of pressure particularly form non-officials.

In order to overcome variety of difficulties raised by the Branch Managers author could receive worth considering suggestions also. Some of the important suggestions offered by the Branch Managers are briefly discussed below:

One of the suggestions came from Branch Managers in order to increase deposits, importance of saving need to be inculcated in the minds of people through organisation of group discussions, street play, folk play etc.

It was further suggested that encouragement for establishing small scale industries and enterprises, will make easier for the banks to provide advances to them on larges scale.

It was also suggested that the people should be encouraged for crop loan, loan for other agricultural purposes and personal loans also. This ultimately will enable banks to increase their advances.

With a view to facilitate early disposal of cases for advances asked for necessary documents should be issued by the concerned revenue authority with appropriate endorsement and little earlier also.
One of the important suggestions offered by the branch managers for enhancing deposits was that all the Government agencies and departments should extend their whole hearted cooperation in the recovery of loan.

**Annual Credit Plan:**

Annual Credit Plan has been considered as an instrumental for effective implementation of Lead Bank Scheme. Therefore, Annual Credit Plan needs to be carefully and cautiously formulated. In the formulation of Annual Credit Plan however, Branch Managers had to face different kinds of difficulties which have been discussed and solution offered have been presented below:

1. Majority of the Branch Managers reported that the cases for granting loan are received by them through different departments and agencies in the last week of financial year and that too great in number. It therefore, becomes very difficult to carefully and meticulously undertake scrutiny of the same.

2. Timely receipt of required information from different departments and agencies is a pre-requisite for formulation of Annual Credit Plan. However, it has been an experience of Branch Managers that information necessary for preparing Annual Credit Plan is not received from them in time.

3. Another difficulty put forth by the Branch Managers in this connection was that while allocating the target, number of branches with the bank concerned is not at all taken into account.

4. For proper formulation of Annual Credit Plan Branch Managers had solutions/suggestions of their own to offer.
It was suggested that while proposing the target in the Annual Credit Plan number of branches with the bank should certainly be given thought to.

5. Effective implementation of Annual Credit Plan is not the only responsibility of the Lead Bank, however, it should be borne in mind that the different govt. departments and agencies concerned are also equally responsible for effective implementation of Annual Credit Plan and should therefore, extend their cooperation accordingly.

Difficulties listed above according to Branch Managers could be solved if following suggestions are considered in their right perspectives.

1. Not only while proposing the targets the number of branches with the bank should be seen but also bank should not be forced for fulfillment of targets allocated to them.

2. Formulation of Annual Credit Plan should be considered as a joint venture and all concerned banks, Government departments and agencies should extend their cooperation in a way and manner anticipated.

3. The officers who are supposed to recommend and forward the cases for grant of loan should forward the cases as and when received rather than sending at the end of financial year at one time.

4. The responsibility of collecting statistics necessary for finalisation of annual credit plan is presently done by the Lead Bank Officer. Instead of this, responsibility should be assigned to District Planning Officer and or District Statistical Officer.
5. Identity or similarity in the format of Annual Credit Plan should be maintained by all the banks. In this connection, it was further suggested that common format either at state or national level should be prepared or circulated to all the banks.

6. Lead bank should be delegated the authority to take appropriate action against those banks which will fail to implement Annual Credit Plan in a manner it should otherwise be implemented.

**District Consultative Committee:**

In the effective implementation of Lead Bank Scheme District Consultative Committee has to play vital role and offer significant contribution. It was however, observed that Branch Managers under study faced certain difficulties in the working of District Consultative Committee. Important ones have been discussed below:

1. One of the difficulties in connection with District Consultative Committee reported by the Branch Managers was that the information otherwise necessary for finalization of items on agenda is received late with the result it becomes difficult for them to prepare agenda well in advance.

2. As a matter of fact the senior officers representing the different departments and Government Agencies are ex-officio members of District Consultative Committee, however, it was marked and reported by the Branch Managers that, these senior officers seldom attain the meetings in person and most of the time deputes their representatives. This naturally affects the deliberation of the meeting to the extent that some times these representatives are not in a position to furnish the required information.
3. Poor attendance has been a regular feature in the meeting of District Consultative Committee moreover; issues are not discussed at threadbare.

Considering the difficulties realized by the Branch Managers in convening and conducting the meetings of District Consultative Committee the Branch Managers had suggestions to offer. Some of the suggestions have been presented below in brief.

1. Branch Managers and the Members of District Consultative Committee should discuss items on the agenda at length and in the meeting itself and discussing the difficulties they should come out with suitable alternatives which ultimately will help them discharging their duties effectively.

2. Discussion in the meeting of District Consultative Committee should mainly focus on fulfillment of targets and provision of requirements for fulfilling targets assigned to them.

3. It was further rightly suggested that notice of the meeting, agenda of the meeting together with requisite information in the form of notes should be sent to the members well in advance so as to reach them at least 15 days before the date of meeting.

4. The present interval of three months should be reduced to two months. This will provide check on the feedback with regard to action taken as per the decisions arrived at in the earlier meeting.

5. Proceedings of the meetings should be finalised as early as possible and should be made available to the members immediately.

6. District collector who is ex-officio chairman of District Consultative Committee who is extremely busy with the assignments and most of
the times is unable to attend the meeting. One solution appears to be appointment of independent officer as ex-officio chairman who will take care of conducting the meetings of District Consultative Committee properly.

**Beneficiaries of the Lead Bank Scheme:**

Beneficiaries are the vital component of any scheme. They are the persons for whose benefit schemes are introduced by the Govt. or any other agency for that matter. It is in this context their study could be of immense utility and importance. In the present study, therefore, beneficiaries representing the various categories namely farmers, entrepreneurs, families below poverty line and the members of the self-help-group were considered as respondents and information relating to various aspects of the scheme was sought from them.

For the sake of convenience, information obtained from them has broadly been divided into following sections.

1. **Personal, Socio-economic and psycho-situational characteristics.**
   i) Age
   ii) Education
   iii) Type of family
   iv) Size of family
   v) Income
   vi) Material possession
   vii) Ownership of house
   viii) Cattle wealth
2. Source of information for obtaining information about different schemes under Lead Bank Scheme.

3. Reactions about-
   i) Appropriateness of eligibility criteria for selection of beneficiaries,
   ii) Time consumed for completion of formalities for availingment of benefits,
   iii) Cooperation of bank officials in availingment of benefits,
   iv) Control over the proper utilization of the bank loan,
   v) Impact of Lead Bank Scheme in terms of economic upliftment attributed to financial assistance from the bank,
   vi) Punctuality reported in repayment of loan and
   vii) Nature of implementation of the scheme reported by the beneficiaries.

4. Difficulties reported and suggestions offered by the respondents in the availingment of benefits.

5. Satisfaction expressed by the beneficiaries towards the implementation of Lead Bank Scheme.

**Personal, Socio-economic and Psycho-situational Characteristic:**

In an attempt to understand personal, socio-economic and psycho-situational characteristics of the beneficiary respondents it was understood majority of the beneficiaries representing different categories put together were in between 31 to 40 years of age and had formal education received from 8th to 12th standard. Majority of them had joint family system with 4 to 6 members in their respective families. So far as income is concerned
majority of them reported income in between Rs. 30,000 to Rs. 50,000 per annum.

Some of the items under the material possession possessed by the beneficiaries were fans, TV, telephone, bicycle, radio, bullock cart and sewing machine. These machines had importance in terms of utility for them.

With regard to type of houses owned by the respondents, it was revealed that majority of the respondents had kaccha type of houses, although few of them had medium and well constructed houses owned by them.

Information collected regarding cattle wealth possessed by them revealed that majority of them had buffalows followed by goats and cows.

Some of the sources of information tapped by them for obtaining information about the scheme reported by them in order of priority were bank employees, relatives, neighborers, radio, friends, TV, and newspapers.

When the respondents were specifically asked to opine their personal reaction as far as eligibility criteria for selection of beneficiaries is concerned, it was revealed that majority of them expressed appropriate reaction followed by those who however, expressed inappropriate reaction.

One of the relevant questions which were asked to them covered the requirement of time for completion of formalities in the availingment of benefits. Responses furnished in this behalf made us to believe that it took about 3 months to receive the actual benefits. This was reported by majority of respondents.
Receiving cooperation from the bank officials in the entire process right from filling the form to receive the benefits, cooperation of bank officials has its own contribution. Majority of the beneficiaries however, were very happy to record satisfactory response for the cooperation that they have received from the bank officials.

Once the loan is made available to the beneficiaries, whether the bank officials had any control over its appropriate utilization was a matter of curiosity and concern. When this was asked, majority of the beneficiaries reported that they did have control of bank officials over the proper utilization of loan received.

One of the very vital questions and had direct relevance to the study and evaluation of the Lead Bank Scheme under investigation was, whether there had economic upliftment as a result of financial assistance from the bank. It was interesting and encouraging as well that majority of the respondents reported economic upliftment attributed to financial assistance from the bank.

How far and to what extent respondents were punctual in repayment of loan was a matter to be known. When the respondents were asked to report on this, majority of them reported that they were punctual in repayment of loan.

Proper implementation of the Lead Bank Scheme was reported by majority of respondents followed by the number of respondents who reported the scheme is not being implemented properly.
It was thought necessary to get information from the beneficiaries about the difficulties they faced in the process of availing the loan and invite suggestions for proper procedure for availing of loan. It was understood that majority of them reported that a officer of the bank concern take considerable time for scrutiny of application forms. Beneficiaries therefore, suggested that scrutiny of application forms should be done by the bank officials as early as they can preferably by an independent officer.

Another difficulty which was reported by the beneficiaries was lack of guidance in the completion of formalities. In order to overcome this difficulty, it was suggested that special officer should be assigned. The job of guiding the beneficiaries for completion of formalities and scrutiny of application forms.

For the difficulty of period for repayment of loan and size of installments proposed alternative suggestion offered by majority of the respondents was that the period for repayment of loan should be extended with minimizing the amount of installment to be paid.

Truly speaking respondents had no detail information about the Lead Bank Scheme and other schemes included therein under. This was reported by majority of the beneficiaries and the solution which was suggested was ‘bank officials should organise group discussions, meetings to tell the detail about’.

In over all estimation in terms of nature of satisfaction reported by the beneficiaries was an aspect of priority. For this purpose as stated earlier satisfaction index was developed. Score of satisfaction was given to each and every respondent and all the respondents were divided into three
categories on the basis of level of satisfaction. Exercise resulted in understanding that majority of respondents were in the medium category of level of satisfaction almost equal number of them being in the category of high and low respectively.

CONCLUSIONS:

Based on the findings emerged out of the investigation following conclusions can conveniently be drawn:

1. **Branch Managers** who were ultimately responsible for implementing the Lead Bank Scheme had expressed favourable reaction, further expressing objectives of the Lead Bank Scheme reported that they are comprehensive and well formulated, reported cooperative outlook of coworkers, conforming adequacy of financial outlay, considerate opinion about beneficiaries and finally satisfactory transformation in the economic upliftment of the beneficiaries.

2. According to Branch Managers branch expansion programme could not be seen in reality because of different reasons in general and policy of R.B.I. and merging of banks running in loss in particular.

3. Very interesting and though provoking conclusion could come out as far as deposits and advances as an indicator of bank efficacy depicting little discouraging picture, which further made us to conclude that ruralites were unaware of importance of saving coupled with relying on their local source of money lenders for advances.
4. Targets earmarked by the banks although were enhanced; achievements do not match with targets in course of time.

5. Functioning of District Consultative Committee was reported to be upright however, for its better functioning scope exists with the acceptance of suggestions offered.

6. Branch Managers have variety of difficulties in the implementation of Lead Bank Scheme and they certainly have suggestions to offer for its effective implementation.

7. Although the beneficiaries have expressed overall satisfaction about the scheme, however, could not resist in offering suggestions with regard to little change in eligibility criteria for beneficiaries, early disposal of cases and simplification in the procedure for grant of loan etc.

From the detail discussion presented in the preceding pages it could be said the purpose has been achieved and the progress of Lead Bank Scheme in the district is in its right direction.

Further it could be said that the scheme has provided a framework for implementation of schemes/programmes which should be used effectively for rural development.