CHAPTER II
GRAMODAYA KENDRA

Following the spirit contained in the following words of Pandit Jawaharlal Nehru "Apart from the practical results which have been achieved and these are both visible and considerable, there is something even more important, eventhough it can't be measured and weighed, the imponderable factor, is the spirit of the people, the removal of inertia in thought and action, the development of a team spirit in national work, and the sense of partnership of the people to great undertaking", all commercial banks came forward willingly to participate in rural development. Though the present study is on the participation of Indian bank in such programmes through its Gramodaya Kendras it will not be out of place to discuss a couple of schemes introduced by other commercial banks. Hence in the following paragraphs some details of the schemes of Bank of Baroda and Syndicate Bank are given.

BANK OF BARODA - GRAKA VIKAS KENDRA (GVK)

Bank of Baroda has been formulating and implementing several schemes designed in such a way to benefit the weaker section of the society—small/marginal farmers,
landless labourers, and Scheduled Castes/Scheduled Tribes. For this purpose the bank has been actively associated with the developmental agencies like Small Farmer’s Development Agency, Draught Prone Area Programme, Tribal subplan etc., which have helped the bank to bring under its activity financing a large number of weaker sections of the society as also farmers, to develop their agricultural land, stabilise farm production, increase their productivity and profitability, and to generate more employment opportunities.

By experience the Bank found that the success of development programmes appreciably depends upon providing an organisational structure and management input. Thus Grama Vikas Kendra came into existence in the year 1973. From the name itself it is quite clear that the model is intended to make the rural/semi-urban branches the focal point of integrated rural growth with the active support of Government officials, Panchayats, industrial/business/commercial houses and voluntary associations. Grama Vikas Kendras (GVK) seek to create employment opportunities in rural areas, to improve farm output through various measures including increasing irrigational facilities and reduce rural poverty by increasing the income of rural families.
This scheme was introduced in the year 1973 at their Pollachi branch in Tamil Nadu.

They have formulated and have been implementing area specific schemes covering potentially viable activities viz., Agriculture, Irrigation, Animal Husbandry, Poultry, Sericulture, Allied Activities, Rural and Cottage Industries. They have surveyed the area and prepared impressionistic credit plan. They have adopted 25 villages for concentrating all round village development activities. Specially trained staff are provided to guide the villagers for making optimum use of resources and facilities. Door to door collection system is introduced which includes help in filling up the necessary forms for disbursement of loans, collection of repayments of loan instalments, and deposits. Technical consultancy is provided to the farmers, artisans etc., in the areas of farm and livestock management, production and in promoting the institutional arrangement. Centralised data processing system is introduced so that GVK staff can concentrate more time on development work.

In the light of the experience obtained in the first experiment at Pollachi, Bank of Baroda has
extended this scheme throughout the country. In the second implementation, the scheme has been modified so that each GVK can adopt up to 100 villages effectively. This scheme now operates in all the districts for which Bank of Baroda has been chosen as the Lead Bank.

Farm Clinic - Syndicate Bank

The Farm Clinic is an innovative rural development programme devised by Syndicate Bank to help the poor families in the villages to improve their socio-economic position. The programme also seeks to bring about overall improvement in the villages where it operates. The programme was initiated in 1973 with the establishment of the first Farm Clinic at Barkur village in Dakshina Kannada district of Karnataka.

Set-up of Farm Clinic

Each Farm Clinic covers one or more villages and it has its office in the village itself. The clinic is linked to the nearest branch of the Syndicate Bank. A full-time assistant at the clinic renders all services to the village people.
Agriculture Foundation which is a voluntary organisation of farmers is promoted by the Bank. This is responsible for running the farm clinics. The Agricultural Foundation also runs various programmes intended for dissemination of new agricultural technology.

Areas of Operation

The villages for setting up Farm Clinic are carefully selected keeping in view the following criteria.

1) Villages which have remained backward in respect of social and economic development.

2) Villages which lack banking facilities.

3) Villages which have a number of poor families and which are presently not being assisted either by banks or by co-operative societies.

4) Villages which are situated not very far from the rural and semi-urban branches of Syndicate Bank.
A Farm Clinic does not operate in any village permanently. The mission of the Farm Clinic is to motivate the poor families and to support their endeavours for their own development and to teach them to deal with the bank and other development agencies. Usually a period of five years is considered to be sufficient for a Farm Clinic to substantially achieve this objective.

Planning For Development

The Field Assistant at Farm Clinic conducts survey of the families which are living in poverty conditions in the village. This survey forms the basis for preparing plans to assist them to come out of poverty. The survey is completed by the Field Assistant within a period of 12 to 18 months after opening of the Farm Clinic.

The main objective of the plan prepared for development of each family is to use the resources available with the family such as land, man-power, and live stock as fully as possible, so that the family can maximise its income. The development plan envisages suitable economic activities for involving all the members
the family. It also embodies the improvements which have to be brought about in the education, housing and health aspects. The development plans for the families are prepared for a period of 3-5 years in consultation with the family members. The Field Assistant implements the plans with full involvement of each family. The credit facilities required by the families for starting economic activities included in the plan are provided by the Syndicate Bank.

Village Development Plan

In addition to this development plan for the families, each clinic will also prepare a development plan for the village taking into consideration the existing village conditions and the desires expressed by the village people. This plan includes infrastructural facilities like roads, schools, transport, input supply, marketing and processing facilities etc.

Village Development Council

The Farm Clinic cannot hope to succeed except with the full involvement of the village people. In order to promote the acceptance of the Farm Clinic programmes by the village people, their representatives are involved in
the process of planning the activities of the Clinic and in implementing the programmes. Each Farm Clinic organises a Village Development Council which has representatives of village people who can be helpful in mobilising local support. The representatives of Syndicate Bank and the Field Assistant are also members of the Council. The Council meets at periodical intervals to plan programmes and to review progress.

Activities of the Farm Clinic

The Clinic takes up the following types of activities depending upon the needs of the village people:

1) Organising credit programmes for providing easy credit to the selected families

2) Promoting supply of quality inputs.

3) Working for the creation of infrastructure like roads, schools, hospitals, veterinary clinics, artificial insemination centres etc.

4) Working for promotion of essential services like storage, processing and marketing.
v) Organising educational programmes for the farmers, artisans, and rural youth.

vi) Organising health care, immunisation camps, mother and child care programmes, shramadan for various construction programmes, assist old people and the physically handicapped people for obtaining pensions and other facilities made available by the Government, organising animal husbandry camps, audio-visual/field publicity programmes.

The experimental Farm Clinic was started during was 1973, and in force for 7 years, and after being convinced about the utility of the concept, Syndicate Bank decided to expand the programme. Farm Clinics were organised in Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Uttar Pradesh, Haryana, Maharashtra, Madhya Pradesh and Orissa States from 1980 onwards. During 1984, 176 Farm Clinics were functioning in these States in more than 400 villages. They have been able to reach out to 55 thousand rural families.
Gramodaya Kendra (GK)

Need

To bring about drastic changes in the system of lending to priority sectors, Gramodaya Kendras (GKs) or Rural Development Centres have been set up by the Indian Bank. The agricultural lending of the bank needed qualitative improvement by covering up the then existing organisational inadequacies such as lack of adequate number of field officers to follow up credit and recovery system etc. Besides quantitative improvement of reaching a level of 15% of the total credit by 1985, and 16% by the end of March 1987, loans to priority sector is to be taken to a level of 40% of the net credit of the bank in India and advances to weaker sections to reach 25% of the priority sector advances or 10% of the total bank credit. Keeping this end in view Gramodaya Kendra provides financial assistance to all types of rural borrowers such as village artisans, handloom weavers, small or marginal farmers, cottage and tiny industries etc., and offers guidance as to how to utilize the minimum financial assistance to achieve maximum results.

Organisation

Gramodaya Kendra as a specialised unit attached to the head quarters branch serves the needs of a cluster of branches around it besides being the head quarters branch. There are two types of Gramodaya Kendra, namely, 'A' type and 'B' type. A Rural Development Officer and a clerk-cum-typist are attached to A type.

Objectives of Gramodaya Kendra

The following are the objectives of Gramodaya Kendra.

1. To make an indepth survey of the command area and prepare a banking plan to systematically increase the rural lendings on an area basis, in compact blocks.

2. To formulate and implement suitable schemes for development of the command area after identifying the available local resources/skills and giving emphasis to those covered under refinance from NABARD.

3. To actively participate in the Government sponsored programmes such as IRDP, 20 point programme etc.
4. To function as a liaison between the borrowers and the various Government extension agencies.

5. To provide counselling service to the villagers of the command area.

6. To monitor all the ongoing schemes, to follow up the accounts and to effect recoveries of the advances coming under the purview of Gramodaya Kendra.

7. To evaluate the functioning of Gramodaya Kendra and to ensure that the above objectives are fulfilled.

Action Plan

The main aim is to have genuine rural development through exploration. 'Rural development through exploration' includes the following key areas.

a. Conducting a detailed village level survey to identify and quantify the need and to know about the villagers' perception of development.
b. To design a command area development plan for a minimum period of two to three years, fully specifying the various assumptions from time to time after getting it duly cross checked by the villagers and to list down the agencies and their role to ensure forward and backward linkages.

c. To dove-tail the credit allocations given by the lead bank under District Credit Plan and Annual Action Plan with that of Command Area Development Plan of Gramodaya Kendra and ultimately merging and incorporating into the performance budget system of the branches.

d. To provide for inbuilt safe-guards so as to ensure co-ordination within and between banks and to initiate proper monitoring systems among branches, GK head quarters, Regional Office, Zonal Office and Head Office, from time to time.

Preparation of Command Area Development Plan

The command area for the GK will comprise of the villages covered or proposed to be covered by the
branches coming under the GK. Number of branches under each GK would be decided depending upon their distance, scope for GK activities, number of non-defaulter population etc.

The following facts are to be taken into account in preparing the Command Area Development Plan (CADP).

1. Village means a revenue village with all hamlets attached to it.

2. The final phase of Command Area Development Plan will cover two years.

3. The CADP will cover all the advances to the sectors such as agriculture and allied activities and to such other activities covered under industries, service and business (ISB) giving emphasis in all cases towards financing the weaker sections whether under Government sponsored programme or other programmes.

4. The assessment of credit requirements will have to be made observing the scales of finance for different crops approved by the Technical Committee for the District and the unit costs
approved by the Standing Committee of the NABARD for various investments in each state.

5. CADP document will contain the data on area covered, its map, potential beneficiaries, tentative plan for each area, summary of proposed economic activities under each sector such as Government sponsored IRDP, DRI etc. counselling services proposed, list of voluntary agencies functioning and a statement showing the dovetailing of the CADP with district credit plan allocations.

6. The completed plan documents have to be sent to Agricultural Finance Department (AGFD), of the central office for scrutiny and modifications which will then be referred to the Zonal Committee or the respective Regional Manager for final approval of the plan, who fixes the necessary lending powers to the loan committee of the Kendra.
7. The CADP should attempt to formulate the area based scheme for specific activities in the command area and send them to Zonal Office/Central Office, Agricultural Finance Department for approval. Such schemes will be referred to NABARD for refinance and could be implemented pending clearance from the same.

8. The field staff of GK as well as branch managers shall endeavour to collect the loan applications from the villagers during their visits instead of merely waiting for response from them.

9. While every attempt should be made to confine to the area and schemes proposed under GK plan prepared from outside the command area any new line of activity may be considered after getting approval from Agricultural Finance Department.

**Job Roles of Different Personnel**

In order to effectively implement the GK plan, specific job roles have been suggested which are as follows:-
Job Role for Officer-in-Charge (OIC)

Officer-in-charge is the ambassador of the Indian Bank in the command area who will identify the command area after conducting a detailed survey of the resources, level of economic activities and prepare specific schemes for approval by AGFD/NABARD. He has also to review the adequacy of the area from time to time and take steps to retain/prune/enlarge the command area based on the intensity of business potential.

On the implementation side of the plan GK will endeavour to lend technical/extension service to the branch managers by helping them in conducting pre sanction inspection and service, generating enough business demands from the village by launching preplanned business campaigns and rendering help in getting sanction from NABARD for various schemes from time to time.

Monthly Tour Plan

The OIC being an approving authority prepares his monthly tour plan in advance in consultation with Rural Development Officer (RDO) and Agricultural Assistant (AA)
to cover the entire area and the branches in question specifying the date and time of his visit. It is his responsibility to find out the end use of funds and to ensure the recovery of loan sanctioned through the GK either under the Branch Managers' Discretionary powers or through the GK loan committee.

OIC shall send his periodical reports on the performance of all Agricultural Assistants and Rural Development Officers under his jurisdiction to the Regional Manager concerned.

He will ensure smooth functioning of GK by co-ordinating and co-operating with the Branch Manager and the Head Quarters Branch Manager. Any industrial relation problem and inter personnel problem beyond his competence to handle shall be brought to the notice of Regional Manager. It is also his duty to promote informal organisational meetings at villages in command area and to ensure people's participation and involvement.

Apart from safeguarding banks assets like name boards, sign boards, wall paintings etc., he shall be
responsible for effective diffusion of GK concept among the villagers.

He has to ensure people's participation in the implementation of GK plan and to propagate the good works carried out through GK he can seek the help of All India Radio, field publicity wing and newspapers.

Co-ordinator

To increase the credit absorption capacity and for better recovery in the adopted command area he shall enlist the co-operation of all Governmental, non Governmental agencies, voluntary organisations, business houses and other local forces.

To minimise the unit cost of the various activities he shall draw an area based advance plan and submit it for discussion in District Level Credit Committee (DLCC) and to the Regional Office of the NABARD through head office for effective clearance. He shall endeavour to mobilise rural deposits during his visits to the villages for implementation of GK's plan.
Rural Development Officer (RDO)

Rural Development officer can officiate as OIC during his absence.

Job Role for Agricultural Assistants

Agricultural Assistant is the king-pin in the wheels of GK. His duty is to assist the OIC/RDO and the Branch Manager with whom he is working for specific implementation of GK concept. He is to work for the benefit of the sectors and activities as proposed and approved by the Zonal Committee from time to time within the entire command area of the GK.

His tour plan is drawn in advance to fulfil the GK plans drawn for the command area from time to time.

He is responsible for the effective recovery of the advance given by the branch as per the bank procedure and also to take follow up action for the advances sanctioned / to be sanctioned by the Branch Manager / through GK.

While making recovery he will acknowledge receipt of cash by affixing cash seals duly cancelled in the pass books provided to the beneficiaries and account for each cash seal maintained by him.
He can independently tour in accordance with his advance tour plan approved by OIC. He shall take prior approval from the OIC of GK, under intimation to the concerned Branch Manager for any deviation in his tour programme. Diversion of his services for non GK function can be done by the Branch Manager only with the consent of OIC.

He shall assist the branch served by GK for implementing specific counselling service programme drawn for the benefit of command area from time to time.

He shall plan for working hours jointly in consultation with OIC and Branch Manager for the business activities such as lendings, recovery, counselling services etc., in the command area and in general to work for GK's business.

Duties of Agricultural Assistants (Bipartite Agreements)

1. To assist small enterprises (other than small scale industries) such as vegetable vendors, artisans, self employed persons in getting loan/financial assistance under DRI scheme, from Bank.
2. To assist farmers and small borrowers in getting loan and filling up application forms and to scrutinise them after collecting them back from them and to verify whether the required particulars are furnished. He may visit the farms if required for verification and for collection of relevant information.

3. To ensure that the periodical details called for are received from the farmers/small borrowers in time.

4. To keep constant touch with farmers and to bring to the notice of the management if any adverse feature is noticed.

5. To verify farms, farms machinery and equipments at periodical intervals in case of agricultural loans not exceeding Rs. 2,500/-. 

6. To inspect and verify whether bank loan is utilized to the same work for which it was granted and to furnish a report of such verification.
7. To recover amount not exceeding Rs. 2,500/- from farmers and small borrowers from their work spots subject to the conditions that necessary arrangements are made with regard to fidelity, transport and personal risk insurance by the bank.

8. To assist in deposit mobilisation.

9. To collect information from villagers about crops, and necessary data for determination of village adoption, for financing the farmers, for providing infrastructural facilities, for improving source of irrigation, for the usage of tractor, pumpset etc.

10. To maintain liaison with registration offices, government and developmental agencies for expediting bank’s work.

Job Role for Industrial Development Officers Attached To Regional Offices (IDO):

Industrial Development Officers will assist the branch/bank to conduct basic village level inventory
survey for finalising a comprehensive command area development plan for the respective GKS.

He will assess potential economic activities and project probable level of business and formulate bankable schemes under Industries, Service and Business (ISB) sectors.

He will offer technical assistance to Branch Managers, OIC etc., and help them in follow up action of advances sanctioned by GK in respective command areas.

He will prepare tour plan in advance for conducting post sanction follow up inspection of accounts sanctioned under ISB sector and furnish inspection reports to Regional Manager.

He will co-ordinate with offices such as Director of Industries and Commerce, District Industries Centre, District Rural Development Agency, Khadi and village Industries, Sarvodaya Sangh and other Development corporations for promotion of activities under ISB sectors.

He will also help the bank to review sick units within the command area if any, under ISB sector irrespective of loan limit and balance outstanding.
Branch Manager's Role

Since GK is only a development unit functioning within a Branch, the Manager shall accelerate the development activities such as lending, recovery, follow up, image building and overall business development.

He shall lend support and adequate lead to all the members of GK and give timely feedback to top management about implementation of GK plan.

The branch manager shall endeavour to use his discretionary powers of lending, to make additional demands of credit which may be generated based on potential spotted out in the command area development plan booklet.

He shall be responsible to convene loan committee meeting at frequent intervals, for timely payment of credit with the support of the officers-in-charge/Rural Development officer.

He will implement the decisions taken in loan committees and the decisions taken under his discretionary lending in the proper way.
The branch manager is responsible for the recovery of existing advances and advances sanctioned under Managers Discretionary Lending through GK.

He will inform the Regional Office the operational problems, if any, in implementing the scheme.

He has to submit a monthly mail to OIC and AGFD regularly.

Roles of Regional Manager and Zonal Manager

Regional Manager shall provide necessary support (manpower, provision of vehicles, stationary etc.) to the OIC and other personnel involved in conducting village level survey, for the preparation of Command Area Development Plan. Based on Command Area Development Plan finalised and suggested in the plan the Regional Manager will delegate through the zonal committee, adequate powers to loan committee of GK. He will closely monitor the GK functions and will help to sort out the problems faced by GK.

Entertaining Proposals

The beneficiaries of GK are primarily the weakest among the weaker sections and hence lending procedures
have been simplified, made innovative and practical for their benefit.

**Loan Application**

Standardised specimen forms of loan application are used by GK branches for various activities. New loan application for ISB sector up to Rs. 5,000/- designed by Small Industries Finance Department (SIFD) is available in bilingual format at the Branches.

Every application form shall be issued after making village wise entries in the register maintained as per the format.

The filled in applications received from applicants shall be entered in the application received register.

**Filling up of Applications**

Every staff member of the bank shall help the applicants to fill the forms in their own interest to get the correct details. It is obligatory on the part of the manager to conduct inspection prior to the sanction of the loan. He can get the assistance of the field staff of GK in pre-sanction inspection and

1. For Application Blanks please refer Appendix
2. For Application Received Register please refer Appendix
collection of data. Applications completed in all aspects with relevant records will be referred to GK loan committee. Even to have the loan sanctioned under Managers' Discretionary Lending (MDL) the applications must be completed in all aspects.

**Decision Making**

After proper perusal of the loan application and its project, a decision whether to sanction or to reject the proposal has to be made. Every manager will endeavour to get the services of IOC/RDO to know the techno-economic feasibility of the project. When large number of applications for the same activity under schematic lending are made, report from OIC/RDO need not be insisted on, for all the applications. Entries in the applications received register in relation to the sanction/rejection of the proposals and details of sanction/rejection with reasons therefor shall be recorded.

A loan committee will be constituted at each branch served by GK to process quickly in taking decision over almost all proposals at field level and to render timely credit assistance to the applicants.
Proposals exceeding the powers of Manager will be referred to loan committee and decision on such proposals be communicated to the concerned branch.

Constitution of Loan Committee

A Loan Committee will be constituted at each branch including the head quarters branch. The loan committee consists of two representatives one from the branch and the other from the GK. The manager will act as the branch representative. The representative from GK will either be the OIC or the RDO of the GK. The quorum will be two representing each from Branch and GK.

In the case of 'A' type GK where OIC and RDO are functioning with separate geographical coverage, the loan committee will be constituted by the manager of the respective branch and OIC or RDO. In case of 'B' type kendra OIC will be the sole representative of the GK in the entire command area and he will constitute the committee with Branch Manager/Acting Manager.

Both Manager and OIC/RDO of GK have equal responsibilities for the functioning of the loan
committee effectively and properly. It must be ensured that the loan committee meeting is convened on a date and time convenient to both of them. Convening the meetings frequently depends on the number of proposals to be handled and urgency involved.

The loan committee will maintain a register for all proposals received and proposals referred to the committee. Branches will ensure only proposals that are complete in all respects are referred to the committee. No proposal should be kept pending for more than 7 days. Decision taken at the loan committee must be duly recorded in the proposal received register.

Ceiling

The Zonal Committee/Zonal/Regional Manager would delegate powers to the loan committee based on the activities identified, and unit costs worked out for such activities in the command area.

Zonal committee/Regional/Zonal Managers shall revise the discretionary powers delegated to the loan committee for the increase in the ceiling limit for loans as and when GK approaches, for the smooth functioning of GKs.
If the Zonal Committee/Zonal Manager/Regional Manager feels that the ceiling limits approved by the Bank Board are inadequate they may take up the matter with Agricultural Finance Department for revision.

The discretionary lending powers indicated for various activities are only the ceiling; but the actual amount to be sanctioned to each individual should always be in accordance with unit cost, standard norms, estimates, and scale of finance prescribed by NABARD Technical Committee/Standing committee.

While exercising the discretionary powers delegated, the GK loan committee should observe the following guidelines.

In the case of short term crop loans the extent of loan eligibility for individual is based on the scale of finance approved in each district by technical committee.

In the case of term loans for agriculture and allied activities and ISB, refinance is available from NABARD.

1. For Lending Powers please refer Appendix
Decision Making by Loan Committee

A decision either to sanction or to reject the proposal will be based on proper appraisal of the loan application and its project. The loan committee members will assess the requirements of the borrower, adequacy of the loan, purpose, of the loan, mode of disbursement, repayment, securities available, arrangements made for marketing etc., and will interview applicants wherever necessary, by inviting them to the loan committee meeting.

The applicant will be informed of the sanction/rejection through 'sanction advise memo' designed for this purpose. The specific consent of the applicant shall be obtained in the same original sanction advice memo, and it must be kept in office file along with application and other documents/papers in the respective loan file for future reference. Documentation will not proceed without filing such sanction advice memo in the loan file.

Documentation

Documents as specified in the respective schemes, after filing in all the columns may be got executed in
the presence of an officer of the Bank. Officers and other staff members are obliged to explain in detail, about the liabilities of the executants as per the clauses of the documents. To avoid delay for want of forms and for early disbursement of loan, GK branches will keep necessary document forms in sufficient numbers.

Separate loan ledgers shall be kept for each activity if necessary, depending on the volume of transactions, both existing and proposed, for proper follow up and monitoring.

Disbursement

Loan has to be disbursed as per the terms of sanction and general guidelines. In the case of short term crop loans, cash and kind components and in the case of credit meant for the purchase of assets (machinery, vehicle, animals, birds etc..,) direct payment to suppliers will be made. Staggered disbursements will be made in case of investment credit (land development, minor irrigation, horticulture, plantation etc.). In cases where disbursements are made in stages, subsequent disbursements are to be made after satisfying the utilisation part of the previous disbursement.
Monitoring and Control System

The command area development plan of GK is the outcome of the team work of people at gross root level and with co-ordination among various agencies and departments in addition to active participation of the bank officials and involvement of the public. Enhanced lending powers delegated to loan committee of GKs and added discretionary powers delegated to the GK officials for incurring expenditure are likely to induce sudden growth in the number of priority sector lendings. Unless the volume of business and the number of rural clientele are monitored from time to time, the co-ordination link between vital agencies/departments will fail because growth cannot be assessed. A reporting system for continuous adoption by GKs and its branches has been prepared by the Bank.\(^1\) This system contains provisions for inbuilt checks and counter checks within the overall system so that monitoring becomes part and parcel of their concurrent activities.

The Regional Office will take steps to offer timely guidance to regulate the growth of GK both in terms of quality and quantity. Regional Office will closely

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1. For Report Flow chart please refer Appendix
watch the progress of lending by GK and its branches vis-a-vis the CADP allocations and will advise suitably the GK as well as branches to take corrective steps, if there are any short falls.

Quality Control

Periodical follow-up inspections to check up the quality of assets created out of loan, is to be conducted so as to avoid the gap between the amount disbursed and the actual investment at field level by the beneficiary. A format has been designed to conduct follow up inspection and such format will be supplied to GK/branches by AGFD.

Technique of Counselling Service

Experience in rural development indicates that credit alone is not the only answer to bring prosperity in rural sector. Credit is only one of the subsystems that has to work in close co-ordination with other subsystems like Research and Development, Extension Services, supply of input, services creation, servicing of infrastructure, supply and servicing of technology and marketing of products to ensure better absorption of institutional credit for prosperity in rural development process.
When financing banks extend credit assistance to rural sector, the rural sector has to look to other agencies engaged in rural development for other services. The agencies extending services for the benefit of rural people can be broadly classified into two. One with funds and other with manpower and technology but without funds. Agencies with funds receive grants and donations from philanthropists. Such agencies with funds include Lions Club, Rotary Club, Jaycees, Young Men's Christian Association, Young Women's Christian Association, Red Cross Society, Christian Missions and similar other religious trusts and organisations. The other agencies with manpower and technology include various development departments/corporations of Central/State Governments, National Social Service (NSS), Research and Development wings of various organisations/institutions and some voluntary social organisations engaged in providing Shram dhan for rural development.

Input suppliers, manufactures and marketing agencies distributing fertilizers, pesticides, fungicides etc., form a club to help the rural public either
directly or indirectly through their retail outlets spread over the entire country. Since such distribution agencies are owned by local persons, and rural people repose confidence in them, they act as link between rural community and other agencies including credit institutions.

Government of India gives enough incentives like income tax concessions, and other benefits to attract voluntary organisations and business houses to play an effective role along with government agencies and institutional credit agencies like commercial banks for rural development.

Agricultural Universities as well as agricultural colleges and veterinary colleges have their wings to work for transfer of technology from laboratory to land. Such farm universities are working in co-ordination with Indian Council for Agricultural Research (ICAR) for village adoption, dissemination of technology etc., with able support of manpower and budgetary allocations.

Training centres located at taluk and district levels, train farmers and conduct function for the benefit of the villagers. Government through All India
Radio and Television have programmes known as "Farm school on Air" and "Krishi Dharshan" for the purpose of disseminating research findings to villagers.

The Government of India introduced special extension scheme namely "Training and visit system". This is being administered by the Agricultural Department of the State Government. Under this programme each gramasevak or subject specialist is having an informed group of contact farmers to work with. Their visit to villages are preplanned and known. Data on inventory resources to plan for a better crop production in the command area is available with concerned Gramasevak, as well as Assistant Director of Agriculture.

At the instance of Government of India, all the colleges and universities are implementing Social Service Schemes at national level involving the college students. The scheme has also been extended to higher secondary schools. There is a well trained co-ordinator for this activity at each school/college to draw plans for better utilisation of the available manpower (Shramadhan) and budgetary allocations for the rural
development and other social causes. Each student joining this unit is supposed to offer 120 working hours spread over 10 days, in villages by offering his physical labour/Shramadhan for identified activities for rural development.

Agencies like Mahila Mandals undertake developmental activities, in collaboration with financing institutions, to identified potential beneficiaries in rural areas. Some agencies conduct programmes for social causes such as Family Planning Camps, Eye camps, Dental Hygiene week, Campaign on Rural sanitation, Free medical camps, Adult Literary campaign and Night School for the aged etc., Some agencies regularly ply mobile medical units to rural areas for the sake of providing medicare to the villagers.

Institutions like insurance companies, public and private sector enterprises show keen interest in rural development and adopt a few villages around their factories/units for rural development. They earmark a certain portion of their annual expenditure for rural development and spend them for construction of community hall, provision for water supply, installation of wind mill
for community purposes, construction of school buildings, laying approach roads to villages and providing recreation cum education facilities like Radio, TV, to the villagers etc. Some conduct animal fairs, animal hygiene camps, soil testing campaigns etc.

_GK_ officials should find out the voluntary organisations that are operating in their area and extend their co-operation to such agencies for channelising their efforts and activities for overall development of the command area of _GK_. _GK_ staff will try to organise Mahila Mandals or women forums, farmers discussion forums, youth clubs/forum etc., in the command area and educate the villagers the concept of "Self help" for betterment of the community.

**Action of _GK_ and _GK_ Branches**

_GK_ and _GK_ branch officials will draw a plan well in advance for conducting various counselling services with active participation of local agencies/organisations. Counselling services can be offered to all villages in the command area at least once within the planning period.
The periodicity of conducting campaigns in villages has to be determined depending on the seasonality of various activities and the convenience of voluntary agencies concerned.

Budget specifying various types of expenditure incurred by the banks and other agencies will be prepared and got approved by Regional Manager and agencies respectively. Discretionary powers given to GK for conducting such counselling services will have to be made effective use of. Pooling the manpower, money power and time of all agencies and organisations shall be to reduce the direct cost to the bank in this sphere of activity. Efforts must be made to minimise the expenditure by taking advantage of the availability of school buildings, Panchayat buildings, community halls and such other halls in villages, instead of erecting infrastructures even by way of pandals.

The officer in charge of the GK has to arrange for adequate publicity for such activities through AIR, News papers etc., atleast once in 3 months.
GK team will make effective use of technical magazines, bulletins etc., subscribe and purchase books, to keep them fully aware of the latest developments in the field of agriculture, animal husbandry and other related activities on which farmers may approach them for their guidance on various operation problems and GK team will be able to either advice them properly or to assist them in getting the correct information from the experts concerned.

The success of implementation of the spirit of GK will be always reviewed through the frequency, quality and success of the counselling services offered by the GK team by enlisting more and more organisations and institutions rather than merely reviewing through disbursement of credit, because counselling services increase the awareness of the villagers in new technologies and play a catalytic role in the proper absorption of credit.