Chapter - 6

Findings, Conclusion
& Suggestions
Chapter - 6
FINDINGS, CONCLUSION AND SUGGESTIONS

6.1 CONCLUSION

It is more than four decades of the State Bank of India's establishment which has witnessed a tremendous progress all over the country. The State Bank of India has been playing a vital role in the development of Indian economy till the advent of establishment of the State Bank of India under the Parliament act 1955. Before 1955 Banks in India were known to be working purely on the commercial pattern. This was the success of the State Bank of India which encouraged government to the nationalisation of 14 major commercial banks in 1969 and again 6 banks in 1980 was nationalised. In the Post-nationalisation era, banking shifted from "Class Banking" to "Mass Banking" and consequently social banking perhaps eclipsed the importance of the profitability aspect of banks.

In modern times the banks are to be considered not only as the dealers of money but as the leaders in economic development. They are not just the store houses of the country's wealth but are the reservoirs of resources necessary for economic development. Their primary objective is to mobilize the savings and direct them in the some productive channels. Basically, they as a bridge, between those who require funds and those who have surplus funds but are unable to make an effective and productive use of them.
Banks, thus, how become an instrument of a more efficient use of savings as they provide a convenient avenue to the saver and the investor a source of finance. Hence, out of their saving they provide financial assistance to the industry. Trade and commerce and give a push to the development of the economy.

A number of studies have been conducted in our country on various issues or aspects of banking industry. Researchers have made a number of attempts to study the extent of variations in banking services at all India level. Most of the studies point out that imbalances in banking services have been minimised since nationalisation. A very few studies points out lendings to the priority sectors at a district level. The present study is the pioneer study in which an attempt has been made to examine how far the State Bank of India is successful in lending the priority sectors specially in Aligarh district. Prior to establishment of the State Bank of India, a general observation was 'where enterprise leads finance follows'. The dictum was full applicable to all the banks. The geographical coverage and concentration of banking offices was, therefore, a reflection of the pattern of industrial development. The rural sector, small scale industries, education, retail traders, small businessman, professionals, S.C. / S.T., other neglected and weaker sections of the society were fully deprived of financial assistance provided by Banks. As their motive of providing the financial assistance, was not governed by credit worthiness of purpose but by 'credit worthiness of persons'. Such attitude of banks was basically responsible for widening imbalances among
the regions which helped in the concentration of economic power in a few hands and in the creation of industrial and business monopolies. Banks were not being utilized in the national interest rather funds of the banks have been used for the promotion of the business and industrial concerns of directors. Hence banks were lacking a sense of 'social justice' the interest in the development priorities and the need for financing the economically weaker sections of the society whose credit worthiness is no doubt poor but their urge for development was very genuine. Inspite of the fact that agriculture is the basic industry of the country, was completely ignored. They remained indifferent toward the credit needs of the farmers and land improvements. Moreover it was also realised that banking industry in general is supporting anti-social elements and under stable activities such as hoarding and speculation and investing the public savings in certain pockets according to their vested interests. Thus, it was realised that banks are actually aggravating inter-regional, inter-state and inter-district imbalances. And such a policy of banking industry went against the welfare of the general masses resulting serious imbalances, neglection of priority and the weaker sections in the country.

In the present work apart from evaluating the performance of the State Bank of India, an attempt has also been made to identify the credit lendings to priority sector specially in Aligarh District on the basis of primary and secondary data.

The data of this decade from 1991 to 2001 of Aligarh district shows the progressive performance. From 1994 to 2001 every year, we have seen
the increment in the targets as well as the target was fully achieved or the achievement was more than the target. This is a progressive step in the direction of economic development.

But the data of blocks shows that the State Bank of India was not working as successful in the blocks as it was in the district. Only agriculture advances was successfully financed. Allied sector, SSI and other priority sector was badly financed. That is to say the amount of target was targeted to these sector in very low quantity inspite of it the target could not be achieved. Only in four and five blocks the target was achieved. In the blocks there is much more scope for non farm sector, allied sector and other priority sector. The cheap raw material, cheap labour and cheap transportation cost makes the goods cheapter. KVIC and village industries are working here which produces cheap product with good quality which have heavy demand in the local market. The ignorance of these sector are creating the problem of heavy migration from villages to city due to unemployment. Because the small farmers work seasonally after harvesting seasons they become unemployed therefore they start to seek job but lack supply of fund from Banks to non farm sector do not give permission to raise their production. Therefore the unemployment increases and migration from villages to city also increases. Another problem for non farmer sector is lack supply of power. Supply of power is only for 8 to 10 hours in the blocks and villages. This is another miserable problem for the small investors. As well as due to professional qualified unemployment, lack supply of power, the damaged
roads, low quantity of good schools and colleges, no good facility of medical services are also creating migration. To check this problem, Bank should raise lending facility to the needy people. So that they could get employment as well as government should pay attention towards education facility, medical facility, road construction and supply of power.

To find out the impact of loan on the borrowers, I used the random sampling method. I collected the data of 100 borrowers. I have selected two sectors these are agriculture and small scale industries for the field survey. In survey, I have chosen 60 farmers and 40 small scale industrialists. To find out the impact of loan on agriculturists, I took Block Lodha with five villages - Bhankri, Barola Jafarbad, Bhagwanpur, Khera Khushkhabar and Bhikampur. I have prepared the questionnaire for agricultural field survey which is included in the thesis. Likewise I have taken 40 borrowers belongs to small scale industries. To find out the impact of bank loan on Industry, I have prepared another separate questionnaire which is included in the thesis. I have taken only Aligarh's small scale industries for the field survey. To know the impact of loan, I have taken borrower's net income (Before Borrowing the Loan and Income After Investing the Loan). After analysing their income, I found that 92% borrowers' income was increased and only 8% borrowers were in loss. But they were in loss due to mis-utilisation of their loan instead of farming.

My findings and suggestion are based on the results of secondary data and on the field survey.
6.2 FINDINGS

The major findings of this study are as follows:-

6.2.1 FINDINGS OF DISTRICT

The performance of State Bank of India shows that in the beginning years of this decade from 1991 to 1993, the lendings towards the priority sector was unsatisfactorily. The bank was failed to achieve its targets but from 1994 to 2001, the improvement was seen towards in the lendings to agriculture, SSI and other priority sector. The target was increased as well as fully achieved and the achievement was more than the target.

6.2.2 BLOCKWISE FINDINGS

(1) Findings of the year 1992-93
- The report of the year 1992-93 shows that credit advances to the agriculture was successfully lent in the three blocks these are Hathras, Iglas and Hassayan. The amount of credit advances to agriculture was less than the target in other blocks.

- Allied sector's lendings shows that only two block Hathras and Khair financed more than the target. But the target was very low in Hathras. The Bank could not achieve its target in other blocks.

- Only Gangiri, Atrauli, and Gonda Blocks performance shows the amount of loan, which was sanctioned to SSI, was more than the target. Other blocks performance shows the sanctioned amount of loan was very small or nothing could be sanctioned. In the Hathras, Dhanipur and Akrabad no amount was sanctioned to Small Scale Industries.
- In the Blocks Dhanipur, Jawan and Hathras no amount was lent to the other priority sector. In the other blocks, the target could not be achieved and the amount, which was sanctioned, was very low in block Atrauli.

(2) Findings of the year 1993-94

- Out of 12 blocks only 4 blocks, Hathras, Iglas, Chandaus and Hassayan was lent more than the target in agriculture sector. In the other Blocks the amount of target could not be achieved.

- Allied sector performance shows that only in the blocks Gangiri, Mursan, Gonda, and Hassayan, the target could not achieved while in other blocks the bank financed more than the target.

- The performance of the Small Scale Industries shows that in Hathras and Akrabad no amount was sanctioned. The sanctioned amount was very small. In other blocks only Gangiri and Atrauli was financed more than the target. Only Rs. 5000 was lent in Hassayan. From Rs. 5 thousand how an industrialist can be benefited? I likewise Rs. 25 thousand was the target in Gangiri. How many industrialist will be benefited through this small amount?

- No amount was lent in the Akrabad, Hathras and Dhanipur for other priority sector. Except Atrauli, Gangiri and Iglas. The amount of loan, which was sanctioned in other blocks, was very small and far away from the target.
- In other priority sector, Bank financed successfully to Atrauli, Gangiri and Iglas. In Akrabad, Dhanipur and Hathras, bank did not sanctioned any amount and in other blocks the amount, which was financed, was less than the target.

(3) **Findings of the year 1994-95**

- In the year 1994-95 the agricultural lendings are in satisfactory position except the Mursan, Sasni, Dhanipur and Gangiri. In the blocks Akrabad, Hathras, Gonda, Lodha, Hassayan, Khair, Jawan, Bijoli, Sikandrarao, Iglas and Chandaus, the target could not achieved.
- The report of Gangiri, Lodha and Hassayan shows that the SSI sector in these blocks was financed more than the target. These blocks' performance shows that target amount was very small inspite of low target, the target could not be achieved. In Dhanipur, Akrabad and Hathras, no amount was financed.
- The other priority sector lendings was not satisfactory in Gonda, Chandaus, Dhanipur, Hassayan and Lodha. The target could not be achieved by the State Bank of India. Sasni is that block, for which no amount was sanctioned in any sector. The amount of target was very low in other blocks.

(4) **Findings of the year 1995-96**

- Performance of the agriculture shows that the target of nine blocks out of seventeen blocks could not be achieved. These are Atrauli, Gangiri, Hathras, Mursan, Khair, Dhanipur, Jawan, Hasayan and Sikandrarao.
Under allied sector Bijoli, Sasni and Tappal was not financed any amount. In Atrauli, Gangiri, Mursan, Chandaus, Dhanipur, Jawan and Hassayan, the target could not be achieved by SBI. Out of 17 blocks, only in 7 blocks, the bank successfully financed.

The performance of SSI again shows the poor lendings towards the Small Scale Industries. Either blocks was not financed any amount or if they financed, the amount was very low. Only Gangiri's performance was satisfactory.

Very small amount was lent to other priority sector in the Block, Atrauli, Hassayan, Dhanipur. The data of Gangiri, Hathras, Gonda, Iglas, Chandaus, Khair and Lodha, shows that bank financed more than the target in these blocks.

In Akrabad, Bijoli, Sasni, and Tappal, bank financed only agriculture successfully. SSIs and other priority sector was badly neglected i.e. no amount was targeted for SSIs and other priority sector in these blocks.

(5) Findings of the year 1996-97

Report of year 1996-97 shows that the target of agricultural lending was achieved only in Block Lodha and Tappal. These two blocks were financed more than the target. And in other Blocks, the target of agricultural lendings could not be achieved. Akrabad, Sasni and Bijoli were financed without any target.

The report of the year 1996-97 shows that the target of allied sector lending was achieved only in two blocks Gangiri and Gonda. These
blocks were financed more than the target. In Block Akrabad allied sector was financed without any target. In other Blocks Bank could not be achieved its target.

- The report of 1996-97 shows that the target of SSIs lendings was successfully achieved in Gangiri and Hassayan. Other Blocks data shows that Bank could not financed any amount or the amount, which was financed, was very low. This sector was completely neglected by the State Bank of India such as in Jawan, only Rs. 8000 was financed to SSI, Rs. 20000 was financed in Hathras, Rs. 36000 was financed in Mursan and only Rs. 35000 was targeted for Gonda. How can development can take place through this small amount?

- The report of 1996-97 shows that the target of other priority sector was achieved in Gangiri, Mursan, Iglas, Chandaus, and Lodha. In other Block the target was not successfully achieved. In Sikandrarao, Bijoli, Atrauli, Tappal, Sasni, no amount was lent.

All over performance of this year shows that the SSIs sector is in the worst lending condition. Very small amount was sanctioned to this sector by the State Bank of India.

(6) Findings of the year 1997-98

- In the year 1997-98 target of agricultural lendings was achieved in Gangiri, Gonda, Iglas, Chandaus, Khair, Dhanipur, Jawan, Lodha, Sikandrarao, Bijoli, Tappal, Sasni. Out of 17 blocks 13 blocks were successfully financed by the State Bank of India.
The target of allied sector lendings was achieved in Gangiri, Gonda, Dhanipur and Hassayan during the year 1997-98. In the other 12 blocks the amount of lending could not be reached upto the target.

The report of the year 1997-98 shows no amount was lent in Atrauli, Akrabad, Sikandrarao, Bijoli, Sasni, and Tappal for SSI sector. In Mursan, Gonda, Iglas, Chandaus, Jawan, very small amount was lent to small scale industries. It can not be said successful lending.

In the Gonda, Sasni and Tappal no amount was lent to other priority sector. In the block Atrauli, Gangiri, Hathras, Mursan, Chandaus, Jawan, Akrabad, Hassayan, Sikandrarao, and Bijoli the bank could not achieved its target.

Overall performance of SBI's lending in the year 1997-98 shows that again the amount of lendings to small scale industries was very small. This lending cannot be benefited for the SSI sector. Performance of agriculture sector was satisfactory during this year.

(7) Findings of the year 1998-99

During the year 1998-99, in Atrauli, Gangiri, Iglas, Chandaus, Khair, Jawan, Lodha, the bank was failed to achieve its target in agricultural sector. Out of 12 blocks, in the 7 blocks bank was failed to achieve its targets. Only Chandaus, Bijoli, Tappal, Gonda and Dhanipur was successfully financed
- During the year 1998-99, only three blocks were targeted to finance the SSIs. These are Chandaus, Atrauli and Dhanipur from which only Chandaus was financed successfully. Jawan was also financed without any target. No amount was targeted for other blocks. Only two blocks were financed out of 12 blocks.

- In the Gonda, Khair, Jawan, Akrabad, Tappal and Bijoli, no amount was financed to the other priority sector by SBI. Only 4 blocks were financed more than the target to other priority sector. In Dhanipur and Chandaus, bank was failed to achieve its target.

- Over all performance shows SSI sector lending completely neglected by the State Bank of India. Other priority sector lending is not much in healthy position.

(8) Findings of the year 1999-2000

- The report of year 1999-2000 shows that the lendings towards agriculture is satisfactory. Only in four blocks Atrauli, Gangiri, Iglas and Lodha, the State Bank of India could not achieved its target.

- In the year 1999-2000, the lendings towards the allied sector was not satisfactory. In Atrauli, Gangiri, Gonda, Iglas, Chandaus, Khair and Lodha the target could not be achieved. Out of 12 blocks, in 7 blocks State Bank of India's performance was poor and in Dhanipur, Jawan, Bijoli and Tappal, no amount was targeted.

- The condition of SSIs lending again has not in healthy position. No amount was lent in Atrauli, Gangiri, Gonda, Iglas, Khair, Jawan,
Akrabad, Bijoli and Tappal. Only three blocks were financed, these are Chandaus, Dhanipur and Jawan.

- No amount was lent to other priority sector in Bijoli, Tappal, and Atrauli. In the Blocks Chandaus, Khair, Dhanipur and Akrabad the targeted amount could not be achieved.

- Again overall performance of this year shows the poor lendings to the SSIs, allied sectors and other priority sectors.

(9) Findings of the year 2000-2001

- The report of the year 2000-2001 shows that in Atrauli, Gangiri and Jawan, State Bank of India could not achieved its targets in agriculture credit advances. In other blocks, bank has financed successfully.

- In the year 2000-2001 the Bank could not achieve the target of the allied sector in Gangiri and Jawan. No amount was lent to Akrabad, Tappal and Bijoli during this year.

- In the year 2000-2001, the bank could not lent any amount to SSIs in Atrauli, Gonda, Iglas, Akrabad, Tappal and Bijoli. In Jawan only Rs. 50,000 was targeted to SSIs this amount was very small for running any small scale industry. Target could not achieved in all the blocks except Dhanipur, Gangiri and Lodha.

- In the year 2000-2001 the bank could not lent any amount to other priority sector in Lodha, Akrabad, Tappal, Bijoli and Dhanipur. In Chandaus very small amount was lent. Only in 50% blocks, the target was achieved.
Overall performance of this year shows again the small scale industries lendings were not effective. It can not be said a healthy investment. Amount of loan was small and the target could not be achieved in mostly blocks.

In the nutshell we can say that the State Bank of India was not as much successful in credit lending towards the priority sector in the blocks as it was successful in the city. In the agricultural lending only six and seven blocks' performance has shown satisfactory and in other blocks either the amount was not financed or if it was financed, the amount was very small. Likewise in the allied sector only four or five block's performance is satisfactory while in other blocks the State Bank of India has shown poor lendings, the target could not achieved.

The SSI sector is also in worst condition. The State Bank of India lent very small amount to this sector as well as target amount was very small. Only two or three blocks were benefited through the SBI's lendings. In other blocks either the amount of lending was very small or no amount could be lent to SSIs. While SSI is an important sector of the economy. It can not be ignored.

State Bank of India lends the amount under 20 Km. area. If area is outer side from 20 Km. The money will be lend after the permission of zonal office. Akrabad, Tappal and Bijoli shows the poor lending picture because these Blocks have no branch of State Bank of India. Akrabad is financed by Hassayan Branch of S.B.I., Bijoli is financed by S.B.I., Chherat
and Chharra and Tappal is financed by S.B.I. Khair and ADB Khair. Therefore, the amount of lending was very small and not much target was prepared to these blocks.

6.2.3 FINDINGS OF FIELD SURVEY

I have surveyed 60 farmers and 40 industrialists. I have tried to find out the impact of bank loans on the borrowers. How much new income generated after investing the loan? How much they are beneficiary from the loan? The result of this efforts came out positive. The income increased after investing the loan of Farmers as well as Industrialists. I have seen 8% negative effect in the agriculture. I find that the negative impact of loan was due to misuse of the loan amount i.e. they used borrowed amount for domestic purposes instead of investing the amount for farming.

According to the report of field survey 92% farmers were benefited after investing the loan. Their income increased Rs. 175 Per month as per farmer and Rs. 2100 per annum as per farmer.

Industrialists do not give me any information in figures. Therefore, I have taken interview of industrialists they accepted that after investing the loan their income increased. But during past 10 years the profit ratio of their income are decreasing. They told me that the main reason of reducing their profit is lack supply of power. For the firms it is necessary that 12 hours continuous supply of power must flow in the peak hours. But in Aligarh district power flows only from 12 to 16 hours. They used the generators which raised their cost of production. But they cannot raise the sale price of product. Therefore the increase in the cost of production reduces their profit.
Today there is tough competition in the market. Due to globalisation policy the new multinational companies are entering in our country. Their products are quality-wise better and cheaper. They are technically advanced and produce international mark product. They used more advanced machinery and used less labour to produce their products. Therefore, their product is made under short period with large quantity in comparison to Indian industries. Therefore, their cost of production is also less than from Indian products. Aligarh is untouched from it. If the small scale industries want to live in this tough competition they should improve quality of products and the product should be cheaper. If they improve the quality their cost of production will raise. They are not in condition that they increase the sale price of the products. The increment in cost of production every Industrialist cannot afford. In Aligarh the milk processing unit Glaxo has been sold in the hand of MNC Heinz India Ltd. due to reducing profit and in the last reduction in the profit generated a huge loss to the company. This is a very miserable condition for SSIs.

6.3 **SUGGESTIONS**

The drop in overall priority sector lending has, no doubt, come about alongside the decline in overall credit-deposit ratio of the bank. But what is also disturbing is that priority sector bank credit seems to have worsened because of the manner in which priority sector targeting has been done by linking it to the total bank credit advanced rather than to total bank deposit mobilised. That this route of targeting priority sector with reference to credit
was adopted right from the outset is a poor reflection on the system that has led to regressive outcomes.

The targeting of RBI of priority sector bank lending as a proportion of total credit, and not total deposits, has meant that the priority sector credit falls not only when there is shortfall in reaching the norm itself but also when the denominator used for the norm, namely CD ratio, slips downwards. Instead, if priority sector lending targets had been fixed in terms of total deposits, priority sector credit need not have declined even when overall CD ratio slipped downwards.

The Small Scale Industries comes under second topmost priority. It generates employment, new income for the country, earns foreign currency through export, etc. This sector can not be neglected. In the Blocks the cheap labour availables, raw material can be easily found. The industries of backward areas are free from tax payment all these symptoms make the goods cheaper due to low cost of production. Therefore, the State Bank of India should raise its target amount for SSIs as well as should try to achieve the target.

Report of secondary data shows bank played poor performance in the field of credit advances to the priority sector in three blocks Akrabad, Bijoli and Tappal. These three blocks comes under dark area i.e. there is no irrigation facilities. But there is much scope in the field of small scale industries. Rice mills and Ayurvedic Medicines firms are situated in Akrabad, Agricultural Machinery Industries, Steel trunk, Readymade garments, General Engineering
Industries are situated in Tappal and Agricultural machinery and tools industries are situated in Bijoli. It fulfills not only the demand in local market but also these are fulfilling the demand in other local markets. Therefore State Bank of India should open branches under these blocks through the Branch expansion programme.

State Bank of India should arrange the camps from time to time to educate the farmers about multicropping system, how they can generate more profit within year, encourage them for mechanised farming.

State Bank of India, the public sector behemoth, is all set to roll out the first phase of its Rs. 500 crore banking solution. The solution involves a project to network 3000 computerised branches across the country in a time bound manner. In the first phase 300 branches in 50 cities have been identified to be brought under the network. Aligarh is one of them. The computerisation will provide for the backbone to integrate the front and back office functions of SBI, to provide anywhere - anytime banking solutions. The computerisation will use multiple modes of communication such as VATs, broadband connectivity and the internet for this venture.

When I was doing survey in the SBI's Branches of Aligarh district, I found that the staff was not technically educated. The technical problems related with computer (Software and hardware) they were unable to handle. The training can not be trained such like as Engineer. When they face any technical problem it creates wastage of time of both public as well as bankers. The project engineer is not available in the district level and block level.
Therefore, Bank should hire one Computer Engineer for districts and blocks to ensure the smooth functioning of computer system of all the branches, so that lendings, borrowings, repayment position should be available easily at every time.

The State Bank of India as well as other Banks are confronted with a number of serious problems with respect to credit development. The problems of poor recovery of loans is one of them which not only slows down the process of recycling of funds but also affect their profitability. It is worthwhile to mention here that NPA in terms of percentage under govt. programme are rising every year. For which Banks are required to pay special attention.

A strategic action plan should be initiated to reduce NPA lend by constituting recovery team at chronic loss making branches for aggressive follow up / personal contact to recover bank dues.

Apart from this another problem which seems to be politically motivated, is waiving of loans. Such schemes have provoked the institutions of some people not to return their loans, whether they are in a position of returning or not. Hence Banks should make some policies so that Bank could not more be used for anybody's vested interests. Banks should also have some machinery to check whether the credit disbursed is going into productive uses or not. That is to say redeployment of staff may be examined. Keeping categorisation and business level of branches in mind. Regular
staff meetings should be organised in order to involve all members in business development and to build team spirit of branch level.

These are days of competition and therefore, borrowers may have to be discriminated from one to another on the basis of a rating system. Rating helps in providing preferential treatment to well-rated borrowers. At present, this rating system is followed in the case of corporate borrowers by professional agencies such as CRISFL, etc. This idea may be extended to the larger SSI units. It is suggested that banks may promote a separate consultative agency for rating of such SSI units. Initially, this arrangement may be made applicable to bigger units enjoying credit limits of Rs. 10 lakhs and above.

It is understood that entrepreneurs experience difficulties in providing the requisite margin money. Due to pressure from banks and financial institutions they are forced to borrow from the market at exorbitant rates of interest, to fulfill the margin requirements. In this regard, they seek assistance from SIDBI, and the State Govt. concerned. Therefore the State Bank of India should reduced the margin requirements and equity supported schemes should be popularised.

Banks experience difficulties in taking over the possession of movable assets of the borrowers as a part of recovery procedure. These difficulties arise on account of the requirements of court intervention. In this regard, banks may enjoy powers as under section 29 of SFCs Act. Similarly, the law of limitation may be amended suitably in order to avoid inconvenience
in obtaining acknowledgement of Debt periodically. In the same way, the stamp duty Act may be amended to exempt SSI units from the payment of stamp duty for availing of mortgage loans from the banks. Introduction of Recovery Certificates System similar to State Agricultural Recoveries Act may be considered for bank advances. This will save banks from the payment of court fees, and the recovery can be expedited.

Recently a bill of security was passed in the both houses of Parliament Lok Sabha and Rajya Sabha. This bill has given more rights to the bank and other financial institutions. According to this Bill, the bank has the right to take action against the borrowers who do not pay the payment of loan at the time whether they are in condition or not. If they want to pay the limit amount, the action will not be taken otherwise bank have the right to sell their mortgage property. This will help in declining the ratio of NPA as well as more loan can be sanctioned to the needy people. This bill makes the banks more powerful. This is a good step in the right direction. Bank should implement this rule with strict hand so that the NPA can be reduced.

Keeping all the facts in mind, that after analysing the primary and secondary data as well as after taking the direct interviews of the farmers, industrialists and bank employees, we reached to this conclusion that State Bank of India has certainly played very strong positive role in financing the priority sectors of the economy. We have no hesitation in saying and proving that State Bank of India is pioneer in financing for priority sector directly or indirectly. In case of Aligarh we have examined from all point of views that
State Bank of India has played very positive role in financing the priority sector.

Lastly we can say that the working of the Bank should improve and adequate quantity of loan should be granted to the needy farmers timely so that it may be utilised fully to achieve the target on the other hand recovery procedure of loan should also be more effective and easy. The insurance scheme of the crops should also be implemented effectively. The procedure of lending to the real beneficiaries should be easy. Lengthy procedure should be avoided to help the borrowers. For achieving the real goal, we hope that after adopting the above measures SBI which is very helpful to the farmers, industrialists and common persons, will be more helpful and fruitful for the betterment of the investors of priority sector. The production and demand of the goods in priority sector will increase and we will be able to achieve the target of economic development and welfare of the people by adopting the new measures and policies.