In modern era banking is considered as an important adjunct in the economic growth of a particular region whatever may be the structure and nature of the economy. In the monetised and organised economy of to-day, proper flow of investable funds is the basic need for its healthy growth. That is why so much of emphasis has been laid on the necessity of institutional finance in which commercial banks play a vital and diversified role. In order to ensure the proper flow of funds in the weaker sections of the community, fourteen major commercial banks have been nationalised in July, 1969 and subsequently six more banks in 1980.

This particular topic "Growth of Commercial Banking In Cachar And Its Impact On The Economy Of The District With Special Reference To Nationalised Banks" has been selected for research, because the investigator is firmly of the opinion that there is a positive correlation between the growth of banking and the economic development of an area. The underdeveloped economy of Cachar has sprouted mainly from lack of proper infrastructure. Development of infrastructure is greatly dependent on the availability of finance. If in Cachar proper infrastructure is to be developed, finance will be the most urgently needed factor. And in this respect commercial banks may assume a very significant role.
As a student of economics the observer feels an urge to trace the achievements of the commercial banks and also their impact on the various sectors of the national economy. In fact the present investigation owes its origin to such feeling which has prompted him to explore this particular subject. In pursuing this task the present investigator has been confronted with the following questions. What is the nature and extent of growth of commercial banking in the district of Cachar and to what extent the various sectors of the economy of the district have been influenced by this growth. The present study is an endeavour to find out the answers to these questions. This investigation has been initiated with the following hypotheses, viz.

1. The growth of commercial banking in Cachar is inadequate.
2. Even the small amount of assistance that is extended by the commercial banks in the district has not been proved fruitful due to lack of active participation of the commercial banks and
3. The priority sector in Cachar has not yet been fully attended to by the nationalised commercial banks.

In course of investigation a large number of small and marginal farmers, village artisans and small entrepreneurs has been contacted and the problems arising out of inadequate and irregular fund flow analysed. The central problem of most of the entrepreneurs and farmers in Cachar is paucity of investable funds. However availability of funds alone is not a guarantee of viable organization for which necessary planning and follow up measures are to be pursued.
That is why firms either in the agricultural or in the industrial sector that have received a considerable quantum of finance from commercial banks exhibit marked failure to effect the desired development of the district's economy. These aspects shall be dealt with in the chapters 6 and 7.

It is inevitable that the commercial banking in India has made rapid strides since the nationalisation of major banks in 1969 in respect of expansion of banking services in the rural and urban areas. In the district there has been a pronounced thrust in respect of geographical and organizational speed of banking services specially in the hitherto unbanked areas. Although Cachar has also reaped the harvest of nationalisation, still its share is far from being enough.

The commercial banks in Cachar serve as the principal financial institutions in the organised sector. Still we find that the priority sector in the district is gasping for breath in the absence of requisite finance.

This work endeavours to provide a comprehensive historical and analytical picture of growth of commercial banking particularly in the nationalised sector and the part played by them in the economic structure of the district. A good deal of efforts have been made here to focus the achievements of the individual units of the commercial banks towards the agricultural and small scale industrial sectors of the district.

While pursuing the investigation, attempts have been made to trace the latest developments from the available stock of data.
on banking and economic growth in the district and also from personal contact with the bulk of the people and organisations deploying bank credit. This investigation has been completed by procuring relevant published data from the concerned authorities and by obtaining views and opinions from various parties directly involved in the diversified productive ventures. Besides, data collected from field survey have also been used as important tools to assess the efficacy of the financial institutions in developing the economic conditions of the district. Therefore, it is hoped that the findings shall not be merely a bookish repetition but inspiring and meaningful to those these findings are meant for.

This thesis comprises eight chapters that have been divided into four parts. 'Part One' deals with the concept of bank functionary, the economic profile of the district and the origin and growth of commercial banking in India. This part contains chapters 1 - 3. The growth process of commercial banking in Cachar in the pre and post nationalisation era has been elaborately dealt with in 'Part Two', that contains chapters 4 and 5. The impact of banking growth in two main sectors of the economy viz. agriculture and industry has been enquired into in 'Part Three' comprising of chapters 6 and 7. To assess the efficacy of bank finance in the agricultural sector a real case study has been conducted on the Narsingpur Development Block situated at about 16 K.M. south of Silchar town and started in 1952 with the objective of integrated development of the area. It is felt that the efficacy of the institutional finance shall meaningfully be reflected in
the viability of Norsingpur Block. Hence the role of Agricultural Development Branch of the State Bank of India at Norsingpur and the elaboration of case study on the same block consisting of 50 farmers have been highlighted in Chapter 6.

To assess the impact of bank finance in the industrial sector, a survey report on 50 small scale industrial units of the district along with a detailed case study report on eight units, out of these small scale industries surveyed has been included within the scope of this thesis and the impact of bank finance on these units analysed elaborately in Chapter 7. The schedules of questions used in respect of field survey relating to Chapters 6 and 7 have been furnished in Appendix I and II. 'Pant Four' consists of Chapter 8 indicating the summary of all the preceding chapters including the findings of investigation and remedial measures suggested, based on the findings, Bibliography and Appendices. All efforts have been made by the investigator to visit the district at length and breadth particularly the growth centres where bank offices have already been opened and are likely to be opened for acquainting himself with the problems encountered by the small and marginal farmers, village artisans, small entrepreneurs, as well as branch managers employed by the commercial banks in different isolated branches. It has been his constant endeavour to present this thesis as analytically as possible, resorting to description only to rationalise analytical process.

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The hordes of hurdles met by an academic researcher like me shall well be visualised in the inadequacy of data that are available, shyness of the entrepreneurs to disclose the correct figures relating to the profit and loss accounts. Moreover lack of information regarding banking operations in the district prior to 1973-74 was indeed a great obstacle in arriving at projected conclusions. Therefore, it is earnestly hoped that the deficiencies of this thesis whatever detected shall be viewed in the light of these unsurpassable impediments.

I shall deem my efforts fully rewarded if the conclusions and suggestions made herein are found realistic and fit for implementation by the authorities concerned and also the personnel at the helm of the bank management.

Dated, Silchar, The 7th July, 1983.

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