Chapter X

SUMMARY, RECOMMENDATIONS AND CONCLUSION

INTRODUCTION

The lead bank scheme was introduced in Assam in the latter part of the nineteen seventies. With the implementation of the second round of district credit plan in the early part of the nineteen eighties, this scheme gained momentum. In spite of the various drawbacks, it must be accepted that the LBS has brought in its wake, considerable economic development, especially in the rural and backward areas of this state.

The present indepth study is an effort to review and examine the functioning of the lead bank scheme in Assam with special emphasis on the district of Kamrup. The results of this study are summarised below.

SUMMARY OF FINDINGS

The objectives of the present study were to review the progress of LBS in the state of Assam and also to analyse the organisational pattern and infrastructural support from the state government agencies and the Reserve Bank of India. The difficulties faced by the lead banks in implementing this scheme, particularly in the district of Kamrup and the case studies of the beneficiaries and non-beneficiaries in selected areas of the district, were also covered under this study.
Accordingly, remedial and corrective measures have been suggested for improving the functioning of the scheme.

Relevant information for the study was collected both from the primary and secondary sources. The data were procured from the controlling offices of all the three lead banks of the state and from three non-lead banks. Besides this, additional data were obtained through interviews from 43 bank branches. These included the Lead banks, Non-lead banks, Regional rural banks and Co-operative banks. A total of 104 beneficiaries from all over Kamrup District were also interviewed and the data collected were analysed to assess the actual progress achieved under this scheme. The data were also analysed statistically to ascertain correlations, if any, between certain factors and recovery performance.

**PROBLEMS FACED AT THE IMPLEMENTATION LEVEL**

The basic infrastructure required for the proper functioning of banks has been found to be very poor in Assam. It was seen that two thirds of the bank branches were devoid of some of the essential infrastructural facilities.

As regards the bank deposits and credits, the position was found to be quite satisfactory. But it was not encouraging in the matter of bank expansion. The deposits over the last eight years rose by 31.15% p.c. The credits during the same period increased by 304.57 p.c. A very
encouraging and healthy trend observed was that the rural centres recorded the highest percentage of growth in bank deposits and credits. Over the last seven years ending December 1984, deposits in the rural areas rose by 213.47 p.c. and credits during the same period increased by 406.27 p.c.

The population served per bank branch, as seen during December 1984 was 23,606 while the figure for all India remained at 17,000. The branch expansion was highest (142.44 p.c.) in the rural areas, over the seven year period ending December 1984.

The field officers experience difficulties in supervising credit, due to very large number of accounts and the beneficiaries are spread over several kilometres. The situation is further aggravated by bad transport facilities.

Inadequate supply of inputs by various government agencies has adversely affected many beneficiaries and their schemes. There is considerable scope to improve the marketing facilities. Cold storage facilities have to be provided in those areas where schemes on fishery and poultry are concentrated.

Indiscreet financing of certain schemes in some areas has jeopardised the marketability of their produce. Usually indiscreet financing occurs due to pressure on branch managers from various vested interests. Under pressure, the
bank officials are unable to exercise the usual discretion, and very often this results in over financing of some schemes and at times, financing of undeserving people.

DISTRICT CREDIT PLANNING

It has been observed that many of the rural and semi-urban bank branches do not receive the DCPs and AAPs which they are supposed to receive. It has been noticed that the procedure of formulating DCPs at present is not very scientific. If certain new measures are adopted, it is believed that the procedure will be set right. In this context, it is surprising to note that, in spite of repeated annual floods in Assam, there is no provision for an action plan by banks, in times of such crisis and calamity.

The government of Assam follows the financial year (April to March) for its various development plans. But the banks follow the calendar year (January to December). This creates a lot of problems to the bankers, as they do not receive the required information from the State departments to formulate the DCP. Again, bank branches are put into difficulties as the targets received by them (in the DCP) are usually well above their potential capacity.

It was intended originally under the LBS that equal emphasis should be given to the number of total accounts financed as well as the actual quantum of finance disbursed.
However, in practice, the emphasis still continues to be on the amount of finance given rather than the number of accounts financed.

From the performance recorded under each AAP, it has been observed that the small scale Industries sector and the Service sector have both achieved their set targets, whereas the agriculture and allied services sector has always lagged behind.

The major objective set by the RBI for all banks in India, with regard to the priority sector lending has been poorly achieved by the banks operating in Assam. Many banks do not furnish this information, as required by the RBI, to the respective lead banks. In general, however, the performance under IRDP has been found to be good in Assam.

Even though LBS has been in operation in this state for quite a long time, and despite its usefulness, not many people are aware of this scheme. Again many branch managers have not yet realised the practical utility of this scheme and therefore, many of them have not discharged their responsibility faithfully.

A number of credit camps and 'loan melas' were held in this state to distribute loans, to educate beneficiaries and also to spread the awareness about this scheme among the rural and semi-urban people. However, the results of these
efforts have not been very encouraging till now. Many bank branches could not organise these camps and melas due to acute shortage of staff. The block authorities, on the other hand, did not take any initiative in this matter.

In certain extension blocks, motivated parties, mislead the people by telling them that the amount given by the bank is 'free money' and this need not be refunded. This type of faulty and mischievous information adversely affects the recoveries.

Again, many branches are incapacitated to give loans due to non-receipt of subsidy from the government. In some of the blocks, some amount has to be paid for the loan applications. These forms are supposed to be free.

ORGANISATIONAL SETUP UNDER THE LBS

The shortage of personnel at the branch level is acute. 'Overtime' work has almost become routine matter in many banks. This shortage has affected the proper functioning of banks.

It is found that need for specialists like agricultural and veterinary field officers, DRI officers etc. is intensely felt at the branch level especially in rural areas where there is a dearth of such persons and their need is most.
The functioning of the LBOs has been found to be far from satisfactory. Meetings (DCC) are not held properly and timely and targets (under DCP) are not allocated to the branches at the right time.

Non-member banks of the DCC feel that they have no platform to voice their feelings and the LBO should help voice their opinions in the DCC.

All the non-lead banks have a district co-ordinator in those districts where they have more than one branch. But it is seen that very few banks follow this direction of the RBI. As a result the existing district co-ordinators are overburdened. In the case of the Regional Rural Banks and the Co-operative banks, no organisational set-up worth the name exists in Assam.

In the entire North East India, there is only one RBI office to look after the needs of all the seven states. Again, each Lead district officer (LDO) is in charge of nine districts in this region, whereas he ought to be in charge of only four or five districts.

On the part of the State government, there is no a single Focal Point Officer (FPO) in any district of Assam. At the state level, the Director of Institutional advances acts as the FPO.
FORUMS OF CO-ORDINATION UNDER THE LBS

In Assam the BLCC meetings are organised by the block authorities; but these meetings are held without any regularity and they are usually not very effective. Points raised by bankers are rarely sorted out; very often even the bankers themselves are ignored.

Holding of DCC meetings vary from district to district. If the Chairman of the DCC evinces sincere interest in these meetings, then the function of the Committee becomes effective. Otherwise, generally these meetings turn out to be merely rituals.

DLRMs are being held regularly since January 1985. Earlier they were rarely held. SLBCs are regularly held. But very often, it is gathered, that these meetings end up in conflicts between the officials of the banks and the government departments. The SLCCs are rarely held in Assam. Since 1982, only one meeting was held, till 1985.

MONITORING AND RECOVERY UNDER THE SCHEME

In most of the banks in Assam, all the loan accounts are not monitored. Usually, the small loan accounts are generally overlooked. The major drawback, which has handicapped the proper monitoring, is the poor staff position, especially field officers, at the branch level.
It is observed that the practice of pre-sanction inspection and post-sanction follow-up in urban areas is quite poor. But in rural and semi-urban areas the procedures are strictly adhered to.

The new information system (NIS) is found to be complex and is divorced from the operating systems and the existing realities with reference to bookkeeping at the branch level.

Computerisation appears to be essential, to cope with the mounting work load in almost all the banks in Assam.

Banks are expected to conduct impact studies periodically, to assess the impact of the LBS on the economic development. State Bank of India is the only one which conducts these studies in their lead districts in Assam. The other banks have done nothing worthwhile in this matter.

The recovery rates of loans under this scheme in Assam is found to be rather poor. Willful defaulters are also mounting. The main reason for this is that the baseline surveys conducted by government authorities are found to be faulty. However, recoveries in the rural areas are the highest. Floods play havoc on agriculture and allied activities in Assam and this also adversely affects the recovery of loans. The officials of the government (Bankjai officers) who are appointed for the recovery of the bank
dues, are found to be quite ineffective for this task.

Finally, an allegation is gaining momentum in the rural and semi-urban areas of Assam, that a 'middle man' has emerged on the LBS scene. It is reported that he mediates between the bank and the beneficiary for the loan amount and receives a handsome share from the poor villager for his 'service'.

**TRAINING PROGRAMME**

The training imparted to the bank personnel under LBS in Assam is not at all satisfactory. Most of the bank officials have not received any formal training under this scheme. Whatever they know about this scheme is through reading and practical experience.

Similarly, most of the government officials representing the different departments involved in the LBS have also received no training for orientation on this scheme. However, an invitation from banks to attend workshops or seminars on LBS, it is seen that government at the district level, are found to attend the same. Since SLVs and SLVs are rarely held in Assam, the government and bank officials at the state level, do not get proper exposure to the LBS.

In spite of the various schemes financed under LBS, it is sad to state that there is no training programmes for
the beneficiaries. The honourable exception in this matter is the State Bank of India, which has conducted a few Entrepreneurial Development Programmes (EDP) in some of the districts in Assam.

**Beneficiaries**

There is considerable discontent among the beneficiaries, as the schemes prepared by them are drastically changed, including the scale of finance. Often they have to seek help from other sources to bridge the gaping credit gap.

Red tapism, both at the branch level and the block, frustrates the beneficiaries to such an extend that very often they do not repay the loan, which they have earned the hard way.

Some of the non-beneficiaries, when questioned, have stated their ignorance regarding the procedure to obtain these loans. Obviously, they are not given any guidance about LBS.

Statistical techniques were used to study the relationship, if any between

(i) the educational status of beneficiaries and their recovery performance,

(ii) the sector of the scheme and recovery rate

(iii) the sex of the beneficiary and the recovery.
None of the above studies could indicate any significant relationship.

**RECOMMENDATIONS**

In the light of the findings and the personal experience gained during the course of the field investigation, the following recommendations are forwarded for improving the functioning of the Lead bank scheme in Assam.

**Selection of beneficiaries:**

(1) It has been observed that 'gram sevaks' are not technically qualified persons to select beneficiaries under the LBS or to conduct 'base line surveys'.

As such, persons having the necessary qualifications, experience and skill should be recruited for this important task. They should be able to choose the proper schemes for the beneficiaries according to their aptitude, capacity and willingness. The scheme should not be thrust upon them.

(2) It has been found that a lot of time is unnecessarily spent by bank officials at the branch level scrutinising application forms of prospective beneficiaries.

In order to reduce the burden of the branch managers, it is desirable to have a separate officer in each district.
(if the branches in the district are fairly high) for doing exclusively the scrutinising work of the applications. This will enable the bank officials to concentrate on routine functions as well as the supervision of credit.

Supply of inputs:

Infrastructure required for the proper functioning of the various schemes in the agricultural and allied activities sector is found to be not at all satisfactory. Hence, a suggestion has been made to constitute a multiprogrammed agency, which will provide the required inputs in correct quantity, at the right time to the beneficiaries such that their schemes may continue to function unhindered.

The proposed multiprogrammed agency is to be organised at four levels. At the State level, which is the highest, there should be a state corporation consisting of four departments, namely, Fishery, Agriculture, Animal husbandry and Textiles (shown in Model I). These departments should supply all the inputs required by the respective beneficiaries.

At the second level, there should be an input distributing agency. It should help the district agencies (at the third level) to get the inputs as and when ordered by them from the respective state departments. In fact this second level agency should act as a stockist of the required inputs. Thus each district agency will contact only the
MODEL I: PROCEDURE FOR PROVIDING INFRASTRUCTURE/INPUTS FOR AGRICULTURE AND ALLIED ACTIVITIES BY THE GOVERNMENT

- Downward flow of inputs
- Upward flow of orders (for inputs)
- Administrative control over departments

STATE CORPORATION
(for supply of inputs under the LBS)

ANIMAL HUSBANDRY DEPARTMENT
- VETERINARY
- FISHERIES
- ANIMAL & ANIMAL FEED

AGRICULTURE DEPARTMENT
- HIGH YIELDING SEEDS (H.Y.V.)
- FERTILIZERS & PESTICIDES
- FARM EQUIPMENT

TEXTILES DEPARTMENT
- LOOM SUPPLY
- YARN SUPPLY
- TRAINING

DISTRIBUTING AGENCY

DISTRICT AGENCIES

EXTENSION BLOCKS

BANK BRANCHES

BENEFICIARIES
stockist (second level agency) and not each and every department of the State. This will avoid a lot of unwanted correspondence with so many departments.

At the third level, there should be a district input supply agency. Like the state level setup, the district agencies should also have the same number of departments for proper functioning and supply of the inputs. For nonperishable items such as animal feeds, seeds, fertilisers, agro-chemicals etc., storage and transportation may not pose much of a problem at the district and the block level. But in the case of inputs like fingerlings, day-old chicks etc., social arrangements for storage and transportation will be required. These inputs could be supplied on specific demand, but other items can be stored for longer periods, even at the block level.

The fourth and the last level of the agency should be at the Block. From here, the inputs should be supplied direct to the beneficiaries periodically, as per the demand. As per this plan, the beneficiaries will place the order for their required inputs with their bank branches, which in turn will place the order for the total amount of inputs required for their clients with the block officials. The block officials in turn will collect all orders from the banks (within their jurisdiction) and forward them to the district authorities periodically. The district agency should send
the required inputs from their stock immediately to the different blocks. They, in turn should replenish their stock of inputs from the state level distributing agency.

If a system of this type can be organised for distribution of inputs alone, then many of the present difficulties of the beneficiaries can be overcome. This is bound to improve the working of the schemes under LBS. If marketing facilities are also provided to the beneficiaries, then the LBS schemes will progress very well in Assam.

Target setting under DCP:

The recommendation for target setting under DCP has been shown in Model II. The suggested model includes a two-way system involving planning at various levels. In fact, it is a multi-level planning approach, which is a process in decentralised planning.

Towards the end of the year, the bank branches should send their target estimates for the next year. This should be based on their past performance and future potential, keeping in view the changing staff position, development in the area (i.e., ability of the area to absorb more credit) and repayment of loans by the existing beneficiaries. These estimates should be sent by each branch to its district co-ordinator. The DCs of all the banks should send the same, after scrutiny, to the lead bank officer
of the district. In the case of lead banks, the branches should send it direct to the LBO.

The lead bank officer of the concerned bank has to finalise the targets. For this, he has to keep in view the target estimates received from various banks and also the statistical and other returns periodically submitted by banks about the achievement of targets and recovery of loans in the previous years. This has to be done very carefully after scrutinising all the documents. Finally, the LBO has to present these finalised targets in the DCC meeting where the targets are allotted to different banks operating in the district.

If some banks have differences of opinion regarding their allotted targets and if the arguments in support of their view is justified, necessary alterations can be made.

The district co-ordinators of the various banks, after receiving the finalised targets from the LBO, in turn allocate them to the individual branches of the banks in the district. They can also combine the bank's own internal performance budget with the targets of the DCC and send a consolidated target to its branches. Thus the chances of overloading certain branches and underloading other branches can be minimised. This will help to reduce dissatisfaction at the branch level considerably.
MODEL-II: PROCEDURE FOR SCIENTIFIC TARGET SETTING UNDER LBS
(This is a multi-level planning approach which is a procedure in decentralised planning)

DISTRICT CONSULTATIVE COMMITTEE
(consisting of members from the government, Lead Bank, Non-lead Bank, Financial inst., etc.)

LEAD BANK OFFICER

DISTRICT CO-ORDINATOR
BANK I

DISTRICT CO-ORDINATOR
BANK II

DISTRICT CO-ORDINATOR
BANK III

DISTRICT CO-ORDINATOR
BANK IV

BRANCH
(of Lead Bank)

BRANCH
(of non-
Lead Bank)

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(of non-
Lead Bank)

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↑ - Upward flow of target estimate from the grass root level (bank branches to the DCC)

↓ - Downward flow of allotted targets for each bank, and down to each branch.
This type of arrangement is supposed to be there; but it is only on paper. It is hoped that the above suggestions, if implemented sincerely, can convert the huge investment in the LBS to yield rich harvest of economic development in the state. Proper target allocation will also enable the bank branches to function more effectively than they do at present.

**Supervision and Recovery:**

A model has been prepared to improve the functioning of the LBS at the grass root level (Model III).

At the outset, the applications forwarded by the prospective beneficiaries should be verified by both bank and block officials jointly. This is not done at present. Such joint verifications can be done on Saturdays, which are half holidays or on any other mutually agreeable days. This will help to avoid misunderstanding among both the parties and will prove to be a fruitful and effective exercise. Double financing and wilful alteration of schemes as well as indiscriminate and indiscreet sponsoring of applications can be avoided to a great extend.

Further, supervision of the credit disbursed should not be the sole responsibility of the banks, as is the practice now. Joint supervision programs should be organised periodically, by the concerned officials of the
Joint Verification of applications from prospective Borrowers

Joint supervision of Credit (especially of sick, defaulting units)

Joint Recovery drive (from time to time to recover the loan from the beneficiaries)

Law (Bakerji Officer or Government Recovery officer)

Effective implementation and achievement of higher recovery rate under LBS

BENEFICIARIES

Joint Recovery drive (with the help of Law especially for wilful defaulters)
banks and the blocks. This process will make the credit supervision better and more effective than it is now.

Finally, recovery of loans, which is an important aspect of the lending process, should also be performed jointly by the officials of the banks and the blocks. In the case of wilful defaulters, the help of law should be taken (i.e., bankjail officers or government recovery officers). However, this step should be resorted to, only when all the persuasive measures are exhausted.

1. Besides the model provided, there is a suggestion which is being forwarded to curb the low rate of recoveries. This is given below.

The names of the defaulting borrowers should be publicised by hanging a list of such persons on the notice boards of the banks. A copy of the list should also be sent to the DRDA and blocks for their ready reference. This sort of publicity would hurt the ego of many of the defaulters, who would like to get their names removed from the list, by repaying the outstanding dues.

2. Another suggestion regarding recoveries of loans is given below.

In order to improve the recovery rate, the bank officials (as far as possible) should personally contac
the beneficiaries and collect the instalments due from them. This is very likely to reduce the defaulting borrowers.

*Marketing facilities for Beneficiaries:*

1. Every district should be provided with adequate number of warehouses to store the farm produce. These warehouses should be well distributed all over the district, and they should be located in areas, which should be chosen after conducting a proper 'need based survey'. However, the location of the warehouses should be such that it is fairly accessible to all farmers and other beneficiaries of the area. The marketable excess production of the beneficiaries should be bought by the government agents at the minimum fixed price and stored in the warehouses for future use. During times of emergency such as flood, the stored food grains can also be readily used for distribution in the rural areas.

2. Every district in Assam should also be provided with cold storage facilities. These units should be located specially in such areas where schemes on fishery and poultry have been financed in a big way (clusters). Government agents should purchase and store the produce of the beneficiaries of LBS. Besides storing the perishable items properly, government can also regulate
the supply of these items to the urban markets for stabilising the prices.

3. Many beneficiaries have been given loans for dairy farms all over Assam. But their effective functioning is not being properly monitored and assessed. To make such units profitable and viable, every district must have at least one pasteurisation plant at a convenient place. Milk collected from the beneficiaries all over the district should be pasteurised and packed at the district dairy units for distribution to the consumers. This will ensure a ready market and fair price to the various beneficiaries under this scheme. The consumers in the urban and semi-urban areas will also be greatly benefited.

4. Vigilance and action committees should be constituted at the state and district levels to keep track of the functioning of these warehouses, cold storages and pasteurisation plants. These committees should be empowered to take action against the employees who try to exploit the poor beneficiaries in collusion with unscrupulous and anti-social elements of the society.

5. In the case of Government sponsored applications for schemes under the LBS, it is essential to emphasise on 'cluster finance' rather than 'scattered lending'. This will help to concentrate certain schemes in certain areas which are naturally suited for those locations. For e.g.,
fisheries in those areas where natural water bodies are found in abundance. This will help in providing inputs as well as storage and marketing of the produce conveniently. These cluster areas, in course of time, will become highly specialised centres of production of certain specific items. As it is, there are some natural centres for production of silk and fish in Assam.

General recommendations:

1. Insurance should be introduced in a big way in all the LBS activities. All the loans offered to the beneficiaries should be insured by the banks as a matter of policy. Besides, crop and animal insurance should also be undertaken at the level of each and every beneficiary. In fact, the banks should have collaborative arrangements with insurance companies on a block to block basis. This would help the insurance companies to do their business on group basis. In the long run, the recovery would improve and finally the LBS would be fully successful.

2. The RBI should offer some financial assistance to the universities in Assam in the form of scholarships and fellowships to take up survey or research work on specific topics of importance in clearly specified locations. This will bring out a wealth of information useful for planning of LBS activities in the State.
information thus collected, should be passed on to the
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3. Similarly the Engineering colleges in Assam may be
provided with financial assistance to evolve new designs
and structures from local resources to construct buildings
for banks, warehouses, cold storages etc. within the state.
It will act as an impetus to think and plan constructive
activities for the budding engineers of the state. The
major thrust should be on economy of construction and use
of locally available materials.

4. The Assam Agricultural University should be urged to
organise Risen melas, exhibitions, workshops, etc. in the
cluster areas of the LBS. This will help the beneficiaries
to see and hear from the various experts on different
topics and subjects of their interest. During these
functions, training camps can also be organised for the
beneficiaries on subjects like fisheries, agriculture,
animal husbandry, home science etc. Sales of quality
seeds, fertilisers, agro-chemicals etc. should be provided
during these melas.

5. Government should introduce at the block level 'audio-
visual educational programmes'. The films required for
this should be specially planned and produced showing the
various developmental activities of the government.
departments. There should be films highlighting the
technical aspects of various LBS schemes on fishery,
Agriculture, Animal husbandry, Poultry, small scale
industries etc. These films should be in local language
and/or regional language. Some of these films should be
exclusively for the LBS activities, i.e., how the
application forms have to be pressed, how to fill them
up, approach the block authorities, visit to bank
branches, receiving loan amount either in kind or cash,
setting up of the scheme, input facilities, marketing of
the produce etc. The cases of a few successful
beneficiaries under the LBS will be most inspiring and
rewarding in the long run. In short, the main thrust of
these films should be to show to the potential
beneficiaries that the LBS is meant to raise the poor
families from poverty to prosperity and from stagnation
to income generating. The banks and the block officials
are their 'friends, philosophers and guides' and also
their well wishers. If necessary, the banks should
finance the production of these films partly or fully.
There is no doubt that at least some of the viewers of
these films may be motivated to come under the LBS.

The combined efforts of the bank and the block
officials are the need of the hour to make LBS in Assam
a great success and the economic development of this state
is closely linked up with the success of this scheme.
## INPUTS

1. Proper planning and target allocation to banks (based on feedback)
2. Conducting proper 'baseline surveys' for identification of prospective beneficiaries.
3. Timely supply of finance to beneficiaries as per their requirement/eligibility.
4. Supply of required inputs to the beneficiaries of the schemes, at the required time and at stipulated prices.
5. Availability of assured marketing facilities to help beneficiaries market their produce.

## PROCESS

1. Joint appraisal of applications received from prospective beneficiaries (i.e., by the bank and government officials)
2. Joint credit supervision to supervise proper utilization of the loan. It also includes concurrent monitoring of the schemes to assess both physical and financial development.
3. Joint recovery drive periodically to ensure the return of the loan from the beneficiaries (i.e., by the bank and block officials, assisted by the law, if needed).
4. Holding of periodic meetings at different levels (from the block to the state) to review the functioning of the scheme and to adopt corrective measures.

## OUTPUT

1. Successful implementation and continuity of schemes by beneficiaries.
2. Development in the area leading to sustained economic growth.
3. High recovery rate.
4. Provision of increased job opportunities to the unemployed.

## FEEDBACK

1. Thorough returns submitted by bank branches and BOOs periodically.
2. By conducting impact studies and evaluation studies.
CONCLUSION

The findings of this study, prima facie establish the fact that the functioning of the Lead bank scheme in Assam has, beyond doubt, started hastening the process of economic growth in this state. To be more precise, this scheme has helped in bridging yawning chasms of differences between the 'haves' and 'have nots' to a certain extend. In fact, it will not be an exaggeration to state that the LBS has marshalled in, an era of a 'new awakening' especially among the poor and the lower middle class people, particularly in the rural and semi-urban areas of Assam.

However, to end on an entirely positive note, would amount to doing injustice to truth. There are a host of lacunae, which are responsible for the LBS not getting the desired level of achievement in this state. Poor infrastructure, lack of proper inputs and market facilities, corruption, nepotism, inefficient credit supervision and criminal indifference to the scheme, to mention a few, would take the front place. Suggestions for improvement have been forwarded keeping these shortcomings in view. It is hoped that the implementation of at least a few of the major recommendations (with necessary changes, if any) would go a long way in plugging many a loophole.

It can be reiterated with justifiable confidence, that if the concerned authorities are prepared and willing
to take necessary steps to improve the functioning of LBS in this State, it is certain that Assam will develop fast and catch up with other states of India before long. The state has plenty of natural resources for economic exploitation. The LBS is bound to play an important role in future, in the economic development of this state. It is for the state government to take up the challenge to help the lead bank scheme actively and sincerely.