Several factors and causes operating in the economy at various levels have been responsible for the increase of inequalities, underemployment and unemployment. Though the Government of India as well as various authorities, during the Plan periods, have reiterated the urgency and the need for achieving the goals of growth and equitable distribution. However, much could not be achieved. In financing even the financial institutions, such as Industrial Finance Corporation, State Finance Corporations, Commercial Banks, Cooperative Banks, Grameena Banks etc., have a soft and sympathetic attitude towards the big enterprises. In brief, it was large business concerns in contrast to the small ones that encashed the situation by reaping the concessions and reliefs.

Need For Coordination

Thanks to the various measures taken by the Government of India for institutionalisation of rural credit. Rapid progress in rural credit, particularly in agricultural credit, is a well
evidenced due to institutionalisation of rural credit in India. The commercial banks, regional rural banks and cooperative banks put together had provided a credit of both short-term as well as long term credit Rs. 20551 crores in 1994-95 while it was Rs. 11,202 crores in 1991-92. This accounted for an average annual growth rate of 17 per cent. The cooperatives have been considered as one of the important credit institutions to meet the credit needs of rural economy. A bunch of concerted efforts have been taken by the Government of India, particularly after the Planning era to strengthen the cooperatives administratively and functionally. Despite, they could not come up to the expectations and the most disquieting problem of their maldistribution, geographically, sectionally and functionally continues to impede their progress.

The commercial banking system is of branch banking type. Many citations were available, showing to better performance of commercial banks. However, the main drawback which is a glaring fact is the unevenness in the spread of bank network, deposits mobilisation and credit advancement. The above facts indicate clearly that though development achieved but uneven; and the benefits of growth were not shared equally by all the people. This kind of uneven and lopsided development of various banking

1. Rangarajan, C., Ibid.
institutions meant for developmental activities have been led to imbalances in income-generation and distribution. Consequently, area approach which had gained significance was introduced in the country. This approach, which is inherent in cooperative system, was suggested to commercial banks in order to tune the banking industry to respond positively to the needs of various economic significance sectors. The specific characteristic features envisaged under the Lead Bank Scheme was to bring about effective cooperation among various agencies, both financial and non-financial at the district level.

Meaning of Coordination

Coordination means a harmonious cooperation or interaction or unification of various activities, people, institutions, etc. In other words, it is an orderly arrangement of group effort to provide unity of action in the pursuit of a common purpose. In the context of the Lead Bank Scheme, coordination refers to the harmonious cooperation and synchronisation of the activities of various agencies both financial and non-financial at various levels - district, block and village - information and implementation of technically feasible and economically viable schemes incorporated in the credit plans. This task is entrusted to the Lead Bank in the Lead District.

"The involvement of commercial banks in agriculture and other priority sector finance is not in creating an unhealthy
competition among institutional agencies in rural areas, but to supplement the cooperative credit through coordination between commercial and cooperative banks.  

Further, the financial institutions and Government Departments were working as watertight compartments without any understanding of the relationship even in common areas and activities. This communication-gap has resulted in confusion and un-awareness of activities of each, inspite of the fact that every agency is expected to contribute its own mite to the process of development of the district. It was imminent to develop a system with an effective communication for an efficient and coordinated planning, execution, and control mechanism of all the financial institutions and Departments operating in the district. This kind of mutual understanding would provide ample scope for utilising the available resources in the best possible manner by eliminating the constraints and conflicts. In a nutshell, the group effort would always be more than the individual's effort. This group-effort refers to among the Reserve Bank of India, commercial banks, cooperative banks and the purchase and sale, supply, marketing and processing organisations, the State Government and the financial institutions such as the SFC, the Agro-Industries Development Corporation, the AIDC, and the agricultural development corporations and boards of the states.  

Small Scale Industries Development Corporation, etc. The onus of bringing together all these institutions and their operations lies with the Lead Banks.

**Types of Coordination**

The coordination in the context of the Lead Bank Scheme in the sample study is studied under two categories. They are:

(a) Coordination among the financial institutions working in the district.

(b) Coordination between financial institutions and administrative and development authorities.

For examining the degree of group effort referring to the above two aspects, the required information was gathered through schedule and also through discussion with the concerned.

**Areas of Coordination**

The word coordination refers to all operations which lead to improve economy through 'unity of action.' The coordination among the financial institutions is referred to the areas of (i) promotional, (ii) lending policy and (iii) operational.

**Promotional**

The promotional aspects refer to (a) the geographical coverage (b) the growth and development of commercial banks and
cooperative banks and (c) strengthening of the institutions, structurally, functionally, financially and administratively. The motto of coordination between the cooperative banks and the commercial banks should be:

(1) Creation of widespread and progressive institutional base at the primarily level with rural producers. This would facilitate the provision of credit in right time on adequate terms, besides the infrastructure for tapping resources.

(2) Framework of local savings consolidation, strengthening and expansion of cooperative banking at higher levels for mobilisation of resources.

(3) Programmes of training and equipping the personnel in the cooperative banks to carry out their task in an efficient manner.

So far as the branch expansion, a good amount of network has been done by the banks, particularly the commercial banks (see Table 4.1). With this network, the financial institutions could mobilise a deposits of Rs. 589.77 crores (see Table 4.7). The Lead Bank has conducted six training programmes for personnel as well as to the end-users.

**Lending Policy**

The aim of lending policy is that

(a) no area is starved of adequate credit facilities,
(b) multiple lending should be avoided,

(c) the borrowers should not be deprived of the advantage regarding the quantum and type of credit, rate of interest and other facilities,

(d) avoiding unhealthy and detrimental and other activities to other institutions,

(e) each financial institution's support to the other - 'each for all and all for each.'

In brief, the leading policy should aim at the integrated credit facilities to the needy, based on the purpose of loan, through modernisation and diversification and response to the individual needs.

The commercial banks, including cooperative and regional rural banks, have extended credit to the producers, on an increased level (see Table 4.8). Further, they, of late, have been diversified their portfolio of lending towards mechanised machinery as well as diversification of farming - poultry, piggery, sheep, jasmine, plantation, etc. Splendid and innovative efforts have been done by the Syndicate Bank, which is the Lead Bank, in the District, in diversification of farming. As the result of this, to-day, Anantapur district has earned a place in the map of top-producers' district in fruits in the State. Further, the Lead Bank is also getting the
services of the sponsored-schemes by the State Government, the Central Government and the World Bank, for taking the turn of the economy towards rise. Under the arena of the Lead Bank direction and supervision, about 100 purposes are getting services.

Operational

The operational aspects relate to the provision of information on all matters on which decisions to be sought. Absence of an effective and well designed information system is one of the major drawbacks in any concern. Inadequate/no information on time, for taking scientific decision to improve the efficiency of the system seems as hopeless as the attempt to catching a 'black cat' in darkness. The Study Group on the information system has conducted a survey. The report has stated that the banking system was unaware, until recently, of the usefulness of information system in decision-making process. Formulation of plan, performance of budget, economic analysis etc., have added an enhancive scope and coverage of information needed in the financial institution.

The information system is a right measure for collecting, classifying, analysing and interpreting the data. It aims at compact comprehensive and condensed data which requires for the purpose of policy formulation, performance evaluation, and economic control in the sense to translate the objectives on the workable plans. Information system provides information of the past, the present and
projected future; and the relevant events, inside and outside, the organisation. The information system thus is the basic input to guide the present and the future measures to be taken.

The effectiveness of information depends on (a) volume of information of clarity and condensed form and (b) the information on time. The information system of the Lead Bank can be broadly grouped into:

(1) Flow of information between the Lead Bank and the financial institutions at the primary level.

(2) Flow of information between financial institutions at the primary level and the Lead Bank.

(3) Flow of information among the branches of financial institutions and

(4) Flow of information between the Lead Bank and the developmental agencies and vice-versa.

An inter-relationship between the data of the grass root level and data of financial institutions as also developmental agencies should be brought out towards this end; an integrated information system based on these informations should be formulated. Further, to quicken the process of decision-making in the context of increased social obligations, the integrated information system should be computerised. Computer is the best
convenience for data storage and data retrieval and data analysis. In brief, the degree of Lead Bank efficient functioning to provide services to customers, to improve the working of financial institutions under its control and to improve decision-making would obviously depend on such kind of information system. The banks use 'management by objective' as a tool; the success of which in modern era squarely depends on information system. The decisions mainly related to avoidance of competition, overlapping and duplication of activities.

In the survey, it is observed that the framework and climate for achieving better coordination among the financial institutions have been on card. Regarding the information service on various aspects, there seems to be poor response from among the commercial banks, cooperative banks and others. Each agency has to carry out business taking into account the norms prescribed in the credit plan and annual plan. The Lead Bank in Anantapur district has made efforts for identification of jurisdiction on the basis of geographical area. The problem, which all financial institutions strongly viewed in lending operation, was getting 'no dues certificate' from other agencies. The relationship of the Lead Bank with cooperatives, commercial banks and grameena bank is fair, mostly in the form of financing vis-a-vis technical advice and other services such as recovery of loans, organisation of training programmes, etc. It was also noticed, during the conversation with the officers of the financial
institutions and other agencies, that there was proper cooperation amongst them in formulating the schemes and identifying the beneficiaries to avoid over financing by the multiple agencies.

At the level of bank branches, the response is mostly positive regarding coordination being received from their banks. Three-fourths of the selected branches expressed that there was good response on two-way for coordination at the block-level in implementation of bankable schemes while the remaining one-fourth of the branches felt that the response for coordination was not effective. The reason being the lack of funds at their disposal on right time and no effective communication from top to bottom branches. It is understand, on the whole, from the message of Managers of the sample branches that there are no serious problems regarding coordination and cooperation and, hence they did not come forward with any specific problem. However, a few following points were offered as suggestions. They are:

(1) Identification of target-beneficiaries should be systematic,

(2) delay should be avoided in sanctioning of subsidies margin/relief money,

(3) frequent exchange of information between the banks and other agencies to be improved,
Coordination Between Banks and Development Authorities

The coordination among the financial institutions alone is insufficient for attaining the phenomenon of success making on going economy in the district. What is needed here is cordial coordination between the commercial banks and the Developmental Authorities. Bringing this between the commercial banks and the Developmental Authorities in the district has been an arduous task, as their ideologies, objectives, and style of administration widely vary.

To dovetail the credit plan of the Lead Bank with the District Development Plan and recoveries of loans lent is the main area where coordination is needed and can be achieved; nowhere such cooperation was evidenced between commercial banks and the District Administration. Care should be taken in the integration process in identifying the priorities in the Credit Plan and the District Development Plan. Credit, the only input, alone cannot bring development in the district. For the success of the viable and bankable schemes, necessary infrastructural facilities, such as power, security (insurance), marketing, processing, etc., are to be provided to the people. Sanctioning of loan is the main problem of all the financial institutions; the recovery of dues is much more severe one than that.
During the survey, it was observed that, although the coordination between banks and financial institutions was satisfactory in general and was achieved through mutual contacts; but much remains desirable to be done in certain specific areas. Factual information on profile of the borrowers seeking from various Government agencies is the major problem; many sample branches held the same view. It is also noticed that the District Development Plan is appropriately integrated with the District Credit Plan proposed under the Lead Bank Scheme. In this regard, the Lead Bank has to play a significant role in implementing both the plans.

The researcher besides carrying out the field study has participated in the District Level Review Meeting for the Anantapur District held on 31-3-1995. The feelings expressed at the meeting and implied in the information gathered are that the coordination was found to be defective and unsystematic in the following areas.

1. There is no coordination in identification of beneficiaries in farm-sector. Much confusion is being caused due to variety of application forms of sponsoring agencies. Hence, the form used by all the sponsoring agencies in the State should be of the same type.

2. The small and marginal farmers are identified by the Government Departments; practically banks have no
involvement in this regard. The banks are rendered unpopular when they do not grant loans to this category of applicants, practising their own criteria. Therefore, this highlights a need for the preparation of the list of small and marginal farmers for every block and also district with the involvement of the banks, who, in turn, finally, are to provide loans.

(3) Moreover different practices are being operated by the commercial banks and cooperative banks. The commercial banks grant crop-loans in cash only, while cooperatives grant both cash and in kind. The commercial banks should grant loans both cash and in kind, in collaboration with input distribution. The sanction of margin-money or subsidy by the agencies is not done with proper cooperation. The unit-cost fixed by one agency for a scheme is lower compared to the actual-cost. As an integrated measure, a uniform policy for the district should be framed with cooperation of all the agencies, holding discussions in the district level.

(4) Recovery of loans is also another area where coordination is inevitable. The commercial banks have to resort and get legal proceedings in case of default of loans, while it is not so in case of cooperatives.
Therefore, necessary uniform Legislation should be brought out which is to be made applicable to all the financial institutions.

(5) Coordination may also be required quite obviously in infrastructure facilities. For instance, though, crop insurance is introduced in certain blocks, nothing concrete has been done so far. Similarly the farmers are not getting remunerative prices for the entire produce, due to lack of marketing facilities. The cooperative marketing societies have been existing at the district-level and in some important taluk headquarters; they could not function well due to certain reasons, political-cum-inefficiency factors. It is imperative that the developmental agencies in the district should come forward with all means before the financial institutions go for catering credit, for the outflow of optimum economic benefits to the borrowers.

Block Level Administration

To know the extent of coordination that has been extending by the Block Administration, the researcher has conducted interviews with the officials at block level of concerned Departments that strengthen the implementation of Lead Bank Scheme and improve the economy of beneficiaries. At the block
level, the discussions were made with the authorities of the Irrigation Department, the Integrated Rural Development Programme, the Drought Prone Area Programme, the Scheduled Caste Corporation, the Backward Caste Corporation, the Small Scale Industries Department, the Animal Husbandry Department, the Fisheries Department and the Sericulture Department.

Further, the researcher also participated in the District Level Review Meeting for Anantapur District and collected information in the review meetings leading effective coordination and also the feelings of the officials expressed thereto. The opinion elicited from a few important Departments of Block level administration is highlighted in the following paragraphs.

Irrigation Department

The establishment of Irrigation Department at the district level and at the block level have been extending their services to the farmers for their uplift in terms of economy. However, 80 per cent of the officials at Block and District level expressed their view that their services were not satisfactory from the point of view of the farmers, very poor economic improvement which is due to the scanty and inadequate rainfall leading inflow of water through canals inadequately, and helping the farmers in identification of bore-points which later dry up or going down the water level resulting in non-availability of
adequate pumping water. Further, they also expressed the budget allocations were insufficient for undertaking the irrigation of potential areas. The Irrigation Department's services would have become obviously meaningful provided that the district had adequate rainfall.

**Drought-Prone Area Programme**

Drought-Prone Area Programme (DPAP) is a nodal agency to mitigate drought and to generate employment avenues to the people of the district, particularly in the rural areas. Such agency has been going yeoman service through adequate budgets being allocated by the Governments of the State and the Central. This agency has been effectively participating in the Lead Bank Scheme being prepared by the Syndicate Bank which is a Lead Bank, covering the economic programmes being formulated as 20 Point Economic Programme. However, it is observed from the officials on work in the DPAP that its services are yet to reach the weaker sections. The major reason for this state of affairs is the problem of identification of weaker sections. Sometimes, even the affluent people were enjoying the fruits of the DPAP, influencing the political leaders.

**Integrated Rural Development Programme**

The Integrated Rural Development Programme (IRDP) aims at economic improvement of human beings on totality on being
made available the needed services to them. The concept of IRDP is so tailored and conducive to protect and guard the teeming people who have 'nothing-to-do-attitude' when the rainfall fails, in the district. The machinery of IRDP at district as well as block levels is sufficient; but its effective working depends on the efficiency and dynamism of its administrators. The officials of IRDP participated in the Lead Bank District Level Review Meetings and effected the Lead Bank Scheme meaningful and helpful to the people with their expertise (who have practical) knowledge. However, the people could not be much benefited from the financial institutions due to the non-sponsoring problem of the benefits of the IRDP; added to indifferent attitude of the authorities, cumbersome procedure in the identification of the target-groups.

Scheduled Castes and Backward Castes Corporations

These corporations were established with the aim to uplift the scheduled castes and backward community people by socio-economic promotion. The authorities of these corporations did not participate effectively in the Lead Bank Programmes. The reason may be that the corporation extended their services directly to the categories of these people. However, the financial institutions under Differential Rate of Interest scheme provide credit facilities on identification of scheduled castes and scheduled tribes.
Coordination within the Financial Institutions

The financial institutions which are the constituents of the Lead Bank in the district of Anantapur are broadly grouped into three categories namely (i) commercial banks, (ii) grameena banks and (iii) cooperative banks.

Structurally, the branches of commercial banks are located at a cluster village. The primary cooperative societies at the village level (of late, under the viability programme, weak societies were ceded or merged with the viable, resulting in the operation of primary societies, extended to 4 to 6 villages) and the branches of grameena bank are organised at the villages with jurisdiction in-between the above two. It could be known that the structure of the financial institutions are varying; sometimes the outlets of all three categories of financial institutions are found at villages.

Organisationally, the staffing pattern of these three categories are also varied. The staffing in the branches of grameena bank should work under coordination of the Government Departments such as dairy, irrigation, DRDA, IRDP, ANSET, Veterinary, etc., at the block level, whereas there is no such staffing to work under such coordination in case of branches of commercial banks. In the branches of these commercial banks, the information to be supplied by the Managers of the constituents of Lead Bank. The staffing in case of the district cooperative
central bank as well as cooperative primary societies are under the (invisible) control of the political leaders, particularly the ruling party. Varying in structure, line, and staff in these three broad categories of financial institutions, it is really a Herculean task to any Lead Bank Manager to coordinate and avail of cooperation from them for expected results. However, the Lead Bank Manager alone with his team was found concerted efforts in coordinating the developmental activities of the district. A few instances wherein the Lead Bank could not get cooperation are:

(i) from the officials of the district development plan,

(ii) from the member-banks as well as branches in getting information within the time, and

(iii) members of the Committees such as District Consultative Committee, Block Level Committee, Standing Committee, Review Committee.

A few incidents are discussed hereunder. The District Development Plan Committee consists of the Government officials of the district should identify economic yielding programme, being prepared by the Government/financial institutions based on the past year performance of the Lead Bank well in advance, for taking budget allocation and assigning each constituent of the Lead Bank. This is not happening some times due to busy schedule;
of Government officials and due to indifferent attitude. The lethargy of the district officials could also be found in strengthening the hands of the financial institutions' machinery in the recovery of loans lent. The researcher with interview guide, has discussions with some of the officials of the district. From this discussion, it was noticed that all should not equally be blamed and nor all should be praised at the same time. The spirit and willingness have deteriorated was the reply when a question, are you free from force in attending entrusted business operations was put to officials.

The business viability of many of the branches of financial institutions are constrained due to the ambitions covering a larger area without infrastructure, without required expertise or with less area deploying more than required staff. Survey conducted by the branches is just a matter of compliance; village profiles are incomplete as many columns are left blank. With such incomplete information, preparing credit plans are not based on realistic terms. No significant cooperation is achieved with the cooperative credit societies in drawing up of service-area plans. Of course, the cooperatives do not adopt village-wise planning, hence, it is a difficult to ensure proper alignment of their lending programmes.

The regional rural bank and the cooperatives have constraints in deposit mobilisation. Recovery is under decline;
hence low financing eligibility. Finally, they are unable to meet credit demands.

It is no exaggeration to say that the members of the various Committees are simply members in the sense they would attend without doing any homework before attending such meetings. Whatever the measures that are suggested by the Lead Bank Manager or by whomsoever suggested it does not matter. This apathetic observation was all round heard attending the District credit Plan Meeting held on 31-3-1995, the District Review Meeting held on 11-1-1995, and the Standing Committee meeting held on 21-2-1995.

In identifying poorer of the poorest for providing specially designed programmes benefit, the exercise is not in terms of realistic approach but haphazard one. Even this type of identification may not continue for a period of at least three years. A few beneficiaries under the target-group were asked about the services being rendered by the financial institutions for their economic promotion. The echoed reply from all when approach through these specially designed subsidy agencies to the financial institutions, the latter 'bluntly replied;' no loan facility.' The same was replied by the officials of the financial institutions. The reply from them, particularly from the commercial banks was that "with the subsidy input, the borrowers may not turn to the bank for their repayment, instead become
defaulters. And whatever the subsidy input collected at the end of the loan period is adjusted to the loan due from the borrowers. In other words, all this exercise is in no way improving the mandays creation, in effective utilisation of loan, and finally in improving the socio-economic conditions of the beneficiaries.

The financial institutions should adopt follow-up measures. Diversion of credit does not serve the purpose for which it is meant. The point that is revealed from the Branch Managerss and some of the authorities of agency is that the borrowers, instead of using the credit for the purpose for which it is meant, have been diverting the loan that he has taken. For example, the sheeps, goats, and livestock purchased out of loans are being disposed later and that sale proceeds are being utilised for other purposes. And this kind of diversion is quite obvious with the cooperatives. This trend has also spread to grameena bank, shadowing the commercial banks too.

Under the promotional service of the Lead Bank, all the banks have been arranging farm-extension and demonstration meetings quarterly/half-yearly. Here also, all such meetings are not effective in the sense that no effective participation is evidenced either from beneficiaries or services rendered. From this, what could be noticed is the absence of effective cooperation and coordination from the branches in lending demonstration/
extension services which make known to the participant-borrowers about the adverse constraints and positive economic benefits.

Problems Experienced

The existence of Lead Bank Scheme is a good augury in area-planning for the balanced growth of the economy. In this process what problems that have been experienced by the financial institutions involved in implementing the Lead Bank Scheme is examined on the basis of information collected from the sample branches, agencies and officers besides the data collected from the publications. The thrust of the Lead Bank Scheme is rural oriented; understanding the rural conditions and problems. It is clear that the Lead Bank Scheme, its scope, objectives and significance has not been properly understood by various institutions concerned with the Scheme. Most of the Branch Managers in rural areas, do not have the necessary knowledge of the philosophy of Lead Bank Scheme.

To many questions by the researcher, the reply from them was: They do not know Lead Bank Scheme. It implies that they never felt that they were part of the Lead Bank Scheme. In brief, the financial institutions particularly in rural areas, including development supporting agencies could not have the clear-cut idea on the philosophy of Lead Bank.
Adequate data support with reliability and validity needs no emphasis in making sound decision for healthy policy. In other words, data concerning the rural people/rural sector is the core on which depends framing policy for implementation. The Lead Bank could not get such significant data in time.

The District Collector, who is the Head of the developmental machinery at the district level, is also the Chairman of the District Consultative Committee. He is loaded with all powers at the district level and also responsible to the Ministry concerned with the general administration. This is in addition to his main role of the revenue collection and maintenance of law and order. The Lead Bank Scheme adds a new role of coordinating the financial and non-financial institutions in the process of district development. Such an important officer fails to attend the meetings, excuses may also come from other officials. Further, neither the Lead Bank has authority over the District administration nor the District administration has it over Lead Bank, resulting in the lack of responsibility. A significant observation from the deliberations at the meetings of District Consultative Committee is that 'the meetings turn out to be ineffective; not result-oriented.' The part played by the Chairman of District Consultative Committee is of bureaucratic style rather than managerial style.
The credit plan should be prepared by the Lead Bank only on availability of district information on developmental plans. Many times, data on district developmental plans was inadequate and sometimes not at all provided by some blocks. Lack of uniformity in maintaining the information is another problem. The term 'District Developmental Plan' refers to the aggregate of various schemes, with consideration of local needs and resources endowments for district development.

The specialised agencies such as DPAP, DRDA etc., are designed without any idea about the commercial banks' involvement. Besides such structural defects, lack of coordination is being faced by the Lead Bank in synchronising the district credit plans with other plans in the district.

The financial institutions do practice performance budgeting. The performance budgeting is nothing but the internal planning for achieving the desired goals. It enables the branch bank to translate its business plan into a short-term action programme and ensure its attainment. On the other hand, the district credit plan by the District Consultative Committee would be out of tune, a hindrance rather than an asset to achieve the goals of the Lead Bank Scheme. It is noticed that the weakest link in monitoring the implementation of the district credit plan is that the annual plans under the credit plans are not commensurate with performance budgets. Accountably the branches
are responsible to their higher ups, and naturally tend to evince more interest in achieving better performance and performance budgets rather than the annual plans under credit plans. Therefore, there is in-built problem in planning and monitoring the performance.

The paucity of sufficient and suitable staff is another problem that is being experienced by many branches of financial institutions. The recruitment, selection and training of personnel could not keep pace with the introduction of various new schemes and policies. This results in manning the branches with inexperienced staff who will be entrusted with the sense of responsibility and accountability. Further, the staff, mostly brought up in urban way of life style may not identify themselves with the rural people and thereby fail to develop commitment towards rural development.

The issue which needs more attention is that of branch expansion. To balance imbalances, the commercial banks have been asked to open new branches in rural areas of the country. "In the expansion of banking facilities to rural areas at a fast pace, care will have to be taken to ensure the strength, viability and resilience are not weakened. It will paradoxical if drive for the rural expansion cuts into the stability of Indian banking." 3

In the study, it is noticed that 133 branches, out of 216 branches are located in rural areas. Of the deposits, Rs. 117.63 crores raised by the rural branches which accounted for 20.00 per cent only. In this context, the elicited response from the rural branch officers clearly indicate that the deposit mobilisation is far below in a rural branch compared of semi-urban and urban. To quote one or two instants, the branch of Sri Anantha Grameena Bank at Nagasamudram (May 1994) had mobilised deposits Rs. 17.98 lakhs, when shifted to Guntakal, an urban area, it was able to mobilise Rs. 78.01 lakhs (March, 1995). Another branch of Sri Anantha Grameena Bank at Ragulapadu had mobilised deposits of Rs. 15.59 lakhs (May 1994) which shifted to Urvakonda, deposits increased to Rs. 44.40 lakhs (March, 1995).

Score Test

Implementation of credit plans as well as the developmental plans of the district is obviously depend on the staffing pattern of the bank. To meet the underlying object of bank nationalisation i.e. extending banking services to countryside and improving the socio-economic conditions of the rural people, the commercial banks have been followed opening of their branches in rural areas. Accordingly, new branches have come into field of extending services to the rural people.

The staff of a branch is usually consists of a Branch Manager, Accountant, Cashier, Clerks, Field Officers and
Attenders. In order to know how and to what extent the branch staff have been able to supply the requisites and diversified services to the rural people, a few propositions have been proposed. The propositions are related to (i) adequacy of the existing staff (ii) need for existence of separate cell (iii) adequate legal right and power to recovery of loans lent (iv) initiation of new schemes (v) political interference, (vi) support staff in achieving the targets set, of the Lead Bank (vii) full cooperation of borrowers and (viii) existing procedure in considering the loan application are studied on five-point-scale technique assigning weightage of (+)2, (+)1, 0, (-)1, (-)2, for the opinions: strongly agree, agree, no opinion, disagree and strongly disagree respectively.

In carrying out the targets set, adequate staffing is a requisite factor. This is more so in the case of rural branch whose business transactions are of diverse in nature. It is often and repeated need that an expertise would be provided to a branch whose business transactions involved financing risk-oriented projects. Quite obviously, it is the responsibility of a bank to protect and safeguard the depositors' money being catered in the form of loans to the needy one's. So, there is a very need to follow up the legal framework in sanctioning and also in recovery. To the bank, the recovery of loan is an important as a provision of loan to the borrower. In other words, without adequate recovery, the bank could not afford to
grant fresh loan; finally the soundness and healthy banking structure becomes thinner and thinner.

It is equally important on the part of the branch staff who are very much close and in touch with the people of the area under the jurisdiction of the branch. In other words, the Manager of branch has proximity, intimate relation, and knows the local conditions favouring the project potentially viable. Hence, he has to initiate the conduct of surveys for viable projects in that locality and submit the same to the higher authorities for action.

The banking services leading to economic promotion needs the support of political administration being the form of government. In other words, economic promotion and political administration are interdependent; each other depends for its progress. As such, participation of the Government with the initiation and interest in framing economic programmes and asking the financial institutions to implement the schemes for the welfare of the public. It is the most welcome feature. On the other hand, political participation should not become a coercive force on the part of the banking institutions with pretext of political advantage. In achieving the objectives, each and every employee should participate whole-heartedly in implementing the programmes assigned. The employees of the branch should therefore, work with team spirit. In addition, the cooperation from within the
branch, the coordination of various departments from outside the branch would equally important for pace progress.

As is seen, above regarded propositions are of relevance in working efficiently for the well-being of those for whom the bank is meant. All the sample 32 Branch Managers were interviewed with the above propositions and their responses on a five point scale technique were elicited. Observation of Managers on a five point scale and score are presented in Table 5.1. From Table 5.1 it is noticed that the need for adequate legal right and power to recovery of loans lent scored with 38 followed by cooperation of borrowers in borrowing and repayment (26), need for separate cell (19) and staff support in achieving the target set (15). The views measured pertaining to the need for political interference are worked out to negative score of 23. It infers that the prevailing system with accountability is very much means of economic development provided the absence of political interference. This is also supported by F-Test.

Conclusion

From the discussions on the aspect of coordination, it is concluded that the Syndicate Bank, which is the Lead Bank, has been taking efforts on totality of all round development of the people of Anantapur district. The role, services and coordination extended by the commercial banks are laudable.
### Table 5.1
**Opinion of Branch Managers and Score**

<table>
<thead>
<tr>
<th>Proposition</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>No opinion</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequacy of the existing staff</td>
<td>10</td>
<td>6</td>
<td>7</td>
<td>4</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Need for existence of separate cell</td>
<td>11</td>
<td>8</td>
<td>6</td>
<td>3</td>
<td>4</td>
<td>19</td>
</tr>
<tr>
<td>Need for adequate legal right and power to recovery of loans lent</td>
<td>16</td>
<td>11</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>38</td>
</tr>
<tr>
<td>Need for Government new Schemes</td>
<td>7</td>
<td>8</td>
<td>4</td>
<td>7</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Need for Political interference</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>11</td>
<td>(-23)</td>
</tr>
<tr>
<td>Need for support of staff in achieving the targets set by the Lead Bank</td>
<td>14</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>Need for cooperation of borrowers in lending and repayment</td>
<td>11</td>
<td>9</td>
<td>8</td>
<td>3</td>
<td>1</td>
<td>26</td>
</tr>
<tr>
<td>Need for no change in existing procedure in considering loans applications</td>
<td>9</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>7</td>
<td>6</td>
</tr>
</tbody>
</table>

F- Value = 2.78
Table Value : V = 5 and V (34) = 9.14.
Result: Significance (as inference).
Source : Field Survey.

182
It is disheartening to note that the district cooperative central bank, including primary cooperatives, are not extending their support to the Lead Bank for its efforts of effective coordination. The grameena bank toed the same line in the direction of the district cooperative central bank. So far, the Lead Bank sought effective coordination among the commercial banks; and between the commercial banks and the Government Departments at district level on man-power.

It is high time to resort to computer services with which more than fifty per cent coordination work could be completed. Besides, entrepreneurability and willingness should be prerequisite factors for implementing the programmes successfully and reaping optimum benefits. 'Cooperation and Coordination' should emerge among the institutions, and between the institutions who enmesh the Lead Bank Scheme with the people.