CONCLUSIONS AND SUGGESTIONS
The progress of rural sector which consists of agriculture, subsidiary occupations, small and tiny industries, cottage and village industries, handicrafts, is the bedrock of Indian economic activity; and, on which depends growth and development of economy. The prosperity of this sector is, thus, *sine-qua-non* for the economic development of India. The Government of India, recognising and realising of this fact, has been emphatically given due importance for the development of rural sector in the successive Five Year Plans.

The Twenty Economic Programme which was innovative thought of late Prime Minister Smt. Indira Gandhi also ushered in faster and allround growth of rural economy. The agriculture sector of India has many blessings and excellent prospects to double its growth and support the economic development, provided the required inputs are supplied. In the literature, many academicians such as Gunnar Myrdal, Dandekar, Wilson Gee, William Nicholls, Belshaw, Vyas, Rao, C.H.H., Schumpter, J.A., have
forcibly expressed that the agricultural sector's prosperity and its fortunes are dependent on the degree of services including credit provided by the financial institutions and the institutions specially designed for uplift of the weak.

The meaningful pooling of resources for productive and economic purposes was sought through the increasing investment and governing channels. Towards this, infrastructural facilities like banking, marketing, water management, man-power, transportation, covering all potential villages, need a comprehensive approach with collaborative, coordinative and cooperative efforts. The crucial success of overall economic development depends on the specific strategies and programmes restoring operational efficiency and financial viability of the projects. That scheme, responsible and responsive with integrated approach at the district level, is the Lead Bank Scheme.

The Study

The main object of Lead Bank Scheme is to meet the credit needs of the rural people, and, of the potentially viable projects of the district. It would mean intensive development of the area (district) is the main motto of the Lead Bank Scheme. The Scheme has completed two and a half decade; and is an ongoing one. It is a high time to make an appraisal of its working by undertaking an investigation. The investigation covers the
functional aspects done by the financial institutions for the area development, highlighting the cooperation and coordination being gained by the Lead Bank. The present study which is empirical is an attempt to examine the performance of Lead Bank Scheme in Anantapur district.

**Organisation of Lead Bank Scheme**

The Lead Bank Scheme, which is guided by the Lead Bank in formulating and implementing the plans of developmental credit; and banking is necessary to bring all the concerned institutions together in the district. The Lead Bank Scheme saw the light of the day in 1970 to act as an innovative leader, a pathfinder and a pace-setter amidst the prons and cons which existed in the uneven growth of banking sector. The service-area approach was introduced in April 1989 within the framework of Lead Bank Scheme considering the block as a unit. This service-area approach is, thus, represents a new strategy for rural-lending as a part of the Lead Bank Scheme.

The quick and impressionistic surveys were conducted immediately after introducing the Lead Bank Scheme to have an appropriate organisational setup and procedural framework for effective implementation of the Lead Bank Scheme. Initially, the Lead Bank Scheme had obviously not taken a distinct organisational shape. On the recommendations of the team, consisting of the
officers of the Reserve Bank of India and Ministry of Finance, different committees were set up at the district, state and national levels to bring appropriate changes for successful implementation of the Lead Bank Scheme.

Syndicate Bank which is the Lead Bank in the present study had a separate Lead Bank Department at its headquarters, Manipal, for planning and monitoring the Lead Bank Scheme in the district of Anantapur. On the recommendations of this Department, branch expansion took place in the district. The District Consultative Committee is formed to provide a forum for bankers and administrators for taking decision regarding the implementation of the Scheme. A standing committee of the District Consultative Committee also came into existence to assist in preparing credit plans of the district. The credit needs of the various sectors were estimated on the information supplied by the blocks. It is observed that the exercise done in estimating the credit needs of the district, based on the information supplied by the blocks, is not scientific. So also the methodology adopted in identification of the centres is not realistic, in the sense not covered the deposit potential, credit demand on project viability and services requirement at the doorsteps for the special schemes.

The degree of relation between the size of the bank and the number of districts allotted is poor compared to all India. Regarding resources of the bank, contiguity of the districts, the
desirability of each State who have more than one Lead Bank and every bank to take the lead role in more than one State have fulfilled. Neither in Anantapur nor elsewhere in the State, the Lead Bank role is assigned to any private sector banks. It looks reasonable and justifiable to allocate at least a few districts in the State to private banks which would give rise to competitive performance of the public sector banks. A helping hand and potent patronage of the financial institutions are very much in need on which sound and sustainable organisational structure of the Lead Bank Scheme could be framed. This would obviously become a guiding factor to the District Developmental Plans.

Operations for Area Development

The Lead Bank's main task was to conduct impressionistic surveys in the district to ascertain the profile of it, in respect of its agro-climatic, physiographic and socio-economic conditions; with which the un-banked and the under-banked centres could be identified for the spread of branch net work. In the study, it is observed that there are variations in the content and the conduct of surveys made. The surveys are mostly general in nature, covering location, climate, soil, raw material availability, state of agriculture, industry, service activities.
Under the Lead Bank Scheme, the service-area approach was introduced for evolving programmes and strategies of development suitable to the needs and resources endowment of each block in the district. This concept was introduced in 1989, with focus of planning of 'bottom up.' The branch expansion is significant. The rural branch expansion has significantly increased in conformity with the plan objective, uplifting the rural people. The allocation of centres among different banks is based on the branch network of those banks, their network, proximity, etc. The per branch population served was 14,400 in 1995 which is more than national average (11,000).

The increase in number of branches is more than the increase in population which confirms that the branch expansion to this backward and hitherto neglected Anantapur district is satisfactory. Considering the mobilisation of deposits and their deployment, care should be needed to take in order to strengthen the viability of branches, particularly in the branches opened in rural areas. It is perceived that the efforts of the private sector banks, in terms of deposit mobilisation, is better compared to the public sector banks. Though the magnitude of credit distribution is on increasing rate, the fluctuations are wider. The sector-wise analysis of credit distribution clearly has indicated that the tertiary sector (weak who undertakes the activities of skill-oriented programme) is not satisfactory. The norm of forty
per cent of credit to the priority sector is not fulfilled which is at decreasing trend to the years to come in the study period.

The target performance of banks under the guidance of Lead Bank was satisfactory in the beginning, but deteriorated in 1995. The main reason is that the performance of the banks, without doubt, indicates an increasing trend with reference to primary and secondary sectors; and fixing of targets are not realistic resulting with high degree of target.

The credit-deposit ratio is satisfactory to the norm of sixty per cent in the initial period of study but deteriorated in 1995. The private sector banks' performance in credit-deposit ratio is not satisfactory throughout the study period.

The recovery performance is satisfactory; but trend analysis shows wide fluctuations. In overdues position, the private sector banks' efforts are better in having less overdues, as also in age-wise overdues compared to other banks. The block-wise analysis on credit facility being provided by the banks is not uniform with reference to blocks. Some blocks have got much credit while few got very much less. Here, the reason may be that all the blocks' position in terms of resources are not the same. But the block not having enough resources in agriculture may not be weak in small scale industry or artisan programme. Hence, the Lead Bank's need to initiate necessary steps for indepth survey on different sector resources in fixing credit targets.
Coordination

Institutionalisation of rural credit provided many benefits to the rural people / rural sector. Many citations were available to this effect. The main drawback, a glaring fact is found in the unevenness in the spread of branch network, deposit mobilisation and credit deployment. This lead area approach in order to atone banking sector to respond positively to the needs of various economic-significant sectors. Here needed concerted efforts for coordination in order to avail cooperation of all banks at the district level for this economic development. This onerous task lies with the Lead Bank. It is noticed that there is proper cooperation amongst the banks in formulating schemes and identifying beneficiary avoiding double financing.

A strained criticism that has come up in working of the banks is that the response is not two-way for coordination at the block level in implementing bankable schemes. In other words, the response should be 'top down' (Lead Bank to ultimate borrowers) and 'bottom up' (ultimate borrowers to Lead Bank). This would certainly help in identification of target-beneficiaries avoiding delay in subsidies sanctioning, and in positive stronger relation among the credit institutions. Coordination not only among the credit institutions but also between the credit agencies and the development authorities of the district is a felt need.
It is found that there is no coordination in identifying beneficiaries in farm sector, the weaker sections of farmers identified by the Government in which practically the banks have no involvement.

Recovery of loan is another area where strong coordination is a 'must'. Here, the uniform legislation should be brought out to be made applicable to all credit agencies. The coordination is not well motivated from the political wing with reference to release of marginal money, interest waiver, writing off loan through signals made at public speech. Further, a few instances wherein the Lead Bank could not get cooperation from the officials of the district development plan, from the member-banks, and, from the members of the Committees such as District Consultative Committee (DCC), District Level Committee (DLC), Standing Committee. The services of farm extension as well as demonstration as promotional service is found in the district; but it is not effective in the sense that there is no effective participation. Cooperation is also lacking in getting adequate data-support from the lower-tiers.

Perception of Beneficiaries

The role of banking is a primary and paramount in the generation of job employment and acceleration of economy. It is found that the working hours and the location of the branch are inconvenient. The provision of timely credit is as important as the provision of credit. From the responses of beneficiaries,
it is perceived that a common complaint of not-getting credit in time is untrue. However, the provision of credit is inadequate. Proper use of credit acts as cushion in the amelioration of socio-economic status of borrowers. As far as 25.65 per cent of Rs. 6,99,180 is diverted by 48 borrowers. Of the diverted amount, many borrowers have utilised more than 60 per cent of the diverted credit for repayment of old dues. Even after two and a half decades of institutionalisation of rural credit through means of nationalisation, still rural indebtedness stalks caused by the money lenders. Diversion of the loan amount should be stopped.

The repayment position is better; as also thickly seen the default particularly from the willful default. The economic factors such as irrigation, land-holding, crops pattern and size of credit in right time have statistically proved significant in generating income and thereon repayment. One disheartening fact which is observed in the study is that the education has not proved significant factor. Here, it is right to examine the position of education, both vertically and horizontally; it is, at the most, secondary education with exception of graduation. In this context, professional courses such as agriculture and its subsidiary activities are very much needed to impart and impulse the farmers in up-gradation of the use of modern technology and farm management. This would certainly go to reap optimum economic benefits.
Any policy should be framed considering responses of ultimate end-users. An attempt in this direction discloses worthwhile facts. The facts brought to light are that the political element intervenes and disturbs the course of forcible action necessary for implementation of several programmes. A banker is a friend, philosopher and guide to the customer. This is found written in literature. But the sad part of it is that, this is not chorus to the response of the households. Covering the banking operations for socio-economic promotion of the rural people/ rural sector is not effective, but relatively accelerating in position.

Problems and Difficulties

On examination of the secondary data and primary data which are presented in previous chapters, it is found that there are some problems and difficulties faced by the banks in implementing Lead Bank Scheme. The confronted problems are:

(i) Lack of understanding of the scope by the people as well as the institutions in the formulation and execution of the scheme;

(ii) difficulty in getting reliable data;

(iii) adoption of different reference periods by different agencies for compilation of data;
(iv) simply ratifying the items of the agenda at the District Consultative Committee meeting due to either lack of time or unrealistic approach;
(v) handicaps in preparation of credit plans;
(vi) failure to dovetail credit plans with the performance budgets of the non-availability of motivated, committed and responsive personnel for manning rural branches;
(vii) adoption of uniform norms without taking into the varying local conditions;
(viii) provision of indiscriminate assistance by the banks,
(ix) inappropriate norms being applied for identifying target groups,
(x) lack of adequate coordination among the banks; between the banks and the administrative authorities. These problems need corrective measures.

Suggestions

On experiencing in the course of data presentation and discussion, some suggestions are being made for improving implementation and working of Lead Bank Scheme.

In identifying the area for opening branches should be based on composite-index, covering deposit potential, credit
needs, availability of services and potentialities for development. The study of these composite factors should be undertaken for each village, in a block, if population exceeds thousand. The planning 'forum' of the village, consisting of different groups of people belonging to different occupations should be given the main thrust in the composite index.

The credit plan should bestow much attention in assessing the deposit potentiality of the block as well as the district, and, accordingly provide shares to the banks, considering their resources-base. A great deployment is a sequel of deposit mobilisation of the banks, it cannot be delinked from deposits. In fact, the overall development of banking should depend on deposit mobilisation and credit deployment which go hand in hand. The branch expansion, deposit mobilisation and credit deployment are the 'trinity' of the banking progress. Hence, the banking operation plan should integrate branch expansion, deposit mobilisation and credit-development. This, in turn, should be integrated with block and district development plans.

A wide awareness of the objectives of the Lead Bank Scheme should be made known to the people at the grassroot level as well as to the personnel of the branch of the bank, and specialised agency including Departments at the block and district level. This exercise helps to patronise and to cut delays in implementation of the Scheme. Added, it is quite essential to
strengthen the organisational-base to the Lead Bank Scheme at the block level on the service area approach; to bring about an effective coordination between the banks and to developmental agencies. A Committee should be established at the block level to monitor the progress and suggest the means for improving the economy of the block; the same should be at the district level also.

The effective measures to be taken to promote coordination among different agencies concerned with subsidy and margin money. The amount of subsidy and margin-money payable to the eligible borrowers should be sanctioned immediately, once the loan is sanctioned to the borrowers, on their identification; and it should be routed without delay through the concern bank. The authorities should undertake measures for providing all the infrastructural facilities in order that the banks would come forward to finance various schemes. The infrastructural facilities are electricity, roads, marketing, extension service, and inputs supply.

In recovery of loans, the banks should be empowered to collect the dues without recoursing to the court. Unless the recovery is improved, it is highly difficult and impracticable to the banks for recycling of funds.

In order to bring perspective borrowers, banks should be advised to provide credit on preferential terms to that of the
borrowers who had already availed margin-money/subsidy. To avoid indulging in willful default, they should also be provided credit, but such credit shall not exceed thrice the amount of subsidy. By practising this, it could cover more and more beneficiaries under Integrated Rural Development Programme. The Scheme of Differential Rate of Interest and Subsidy-linked sponsored programme of any type of the Central or State Government should also adopt the above suggestion.

The productivity potential of agriculture has been amply demonstrated in Punjab and Haryana where it is nearly equal to those of developed countries. If India attains that rate of production, the national income would be more than doubled. To achieve this, farmers in every development block should be asked to select one cash crop or enterprise, most suited for the area. Then, every assistance—technological, financial and managerial should be provided for, through banking with the Government Departments under the able guidance of Lead Bank. The Anantapur district, due to vagaries of monsoon, may not depend completely on agriculture for its allround development. The district has, however, resources for the development of dairy, piggery, poultry, sheep, mulberry. The research department of the Lead Bank should come forward to stimulate and innovate the degree of potentialities of these occupations; it should provide services to the potential entrepreneurs. Here, the role of State Government
is of crucial importance in developing infrastructural facilities in order to boost up those occupations.

To promote the specific programme, it is very much necessary to promote participative-extension strategy. It is suggested that, at least, one small farmer and one other farmer be selected in each village and they should be provided training in research institutes on the latest technology of production of crop for which they have selected. Similar reference should also be made with regard to artisans and small industry. The amount incurred in this connection should be borne by the State Government which later should be realised from the beneficiaries in instalments of 10 or more years. These model farmers/entrepreneurs, if properly trained, should likely to prove far more effective in dissimination of new methods of raising production.

For creating more and more employment opportunities in rural areas, through setting up of cottage and small scale industries was considered to be imperative in view of the contribution of agriculture to GNP is progressively diluted. Unless the rural people are engaged in industries and nonfarm activities, their contributions to arrest of the enlargement of urban 'slums' would not be possible. The premier institute NABARD, with its innovative programmes, has come to the rescue of the rural people by taking industrialisation of rural areas and for management
operations (watershed development; irrigable crops, dry crops, etc.). In this context, full involvement of the financial institutions is the need of the hour to develop the skills of the rural people which again depends on training. At the Anantapur district level is the personnel of bank, DRDA, SC Corporation etc., who need to be trained on the latest concepts of economic development as they will have to guide the forces which contribute much socio-economic status of human populace.

Of late, realisation has been noticed with regard to neglected women. The women labour-force could be utilised properly in the rural economic activities which would certainly supplement the family-income. Therefore, there is felt need to correct this neglect and to lay emphasis on development of the rural women-folk. Organisations of women-folk, covering cluster villages would serve this purpose on multi-facets, namely (a) inculcating saving thrift and developing the attitude of potential borrowers for the village projects, being identified either by the Lead Bank or the Government and (b) economic generation as well as renewal of wealth which depends effectively on the effective investments and adequate saving contribution in the form of deposits. On this line, banks should set up feasible programmes and operate on mobile system.

The survival of any bank depends on four primary factors on which they have to concentrate. The four 'R's are
Resources, Recoveries, Refinance and Recycling. Having tested the operations of the banks for the area development of the district under the guidance of the Lead Bank, it is worthy means to have Development Action Plan (DAP) for each bank branch as well for each block with monitoring cell at the head quarters of lead district office. The Lead Bank should stress on the member-banks and see that the deposits of the district are invested in the production programme of the district; if not they would flow to other districts/States. In this context, appreciation is due, to Syndicate Bank which is the Lead Bank in the Anantapur district, for the initiation and enthusiasm being developed among the banks, as well as to the specialised agencies and Government Departments for taking keen interest in the development of the people of Anantapur district. Still, Syndicate Bank should develop the 'winning team' for all the glory and achievement in economic front. To achieve this 'boon reality,' people should collaborate and cooperate with the bank. Then only, the banker and the borrower harnessed together would be 'a driving force' in the acceleration of district economy.

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