

Lead Bank for Employment Generation

Suman Kumari

Student, Department of Economics, Magadh University, Bodhgaya, India

Abstract: This paper presents an overview on lead bank for employment generation.

Keywords: Annual action plan, Area approach, Branch expansion, District credit plan, Employment Generation, Small scale sector, Service sector.

1. Introduction

Lead bank has contributed a lot for employment generation by way of disbursing loans to establish institutions for employment generation. Post-independence, all nationalized banks have participated in development of such institutions for employment generation but lead bank have led the task for such employment generation. The study group of "Organizational framework for implementation of social objectives" appointed by the National Credit Council in October, 1969 under the chairmanship of late Prof Dr. R. Gadgil, recommended the adoption of "Area Approach" for the development of credit planning on the basis of local conditions for this purpose commercial banks were assigned particular districts where they were expected to become pace-setter in providing integrated banking facilities and in accelerating the process of regional development. The Reserve Bank of India accordingly accepted the suggestions and implemented the scheme of Lead Bank. The Lead Bank of the district was expected to act as the consortium leader and after identifying through survey, areas requiring branch expansion and area suffering from credit gaps, and solicit the co-operation of all banks and financial institutions in the district in the process of branch expansion and meeting the credit needs. From the sample study of the scheme, it was found that Lead Bank prepared the first set of credit plan for all the districts by March 1978. Subsequently it was felt necessary to prepare new credit plan to coincide with the five year plans. Efforts were made to bring about uniformity in approach and methodology and to systematise the entire working arrangements in the light of experience of the district credit plan. The system of preparation of Annual Action Plan under DCP was also introduced. Thus, the Lead Bank Scheme has become an important agency to ensure the proper assessment and development of credit by the commercial banks. In the background of the above observations we propose to analyse this topic by dividing it into the following four parts.

1. Development programmes of the district.
2. Review of the district credit plan of SBI of the Sahibganj district.
3. Review of annual action plan.

4. Constraints in the achieving of the targets.

2. Development Programmes of the District

The district credit plan envisages to meet the credit requirement of District Development plan for the period of five year plan. As we know the decentralized system of planning in Bihar has been started since the inception of the 7th five year plan and before it there was no practice to adopt the area approach of planning. The multi-level Planning has been in vogue in the state in the Tribal sub-plan area with a Branch Secretariat headed by the RDC at Ranchi. Three statutory Autonomous Authorities have been set up for South Chotanagpur, North Chotanagpur and Santhal Parganas division. District planning is being introduced for implementation from 1985-86. At the lowest rung, the ITBP Projects are functioning in the Sub-Plan areas which comprise 112 blocks each block being conterminous with a civil subdivision.

In Sahibganj district, District Development Plan could be prepared during initial years of the sixth five year plan. In the absence of the District Development Plan, the way was left to go in for the credit planning on the basis of past experience and discussion with the concerned authorities. Accordingly, discussions were held in detail with the authorities of different department at district and block level. The review of sector-wise, Scheme-wise, and block-wise credit consumption was made and on the basis of past performance the projections for the coming year were made. In estimating the credit demand for different sectors and block the existing and past budgeting component was also taken into account & corresponding provision of credit was made.

Block wise infrastructural facilities were also taken into account as successful implementation of any scheme depends upon the infrastructural facilities available. It was being added that the existing facilities available are insufficient & the blocks and district have to go a long way towards improving and expanding the existing infrastructure facilities. The agencies and department which have taken the development work of the district are given below.

3. District Rural Development Agency

DRDA is the major development agency operating in the entire district. The object of the agency is to implement integrated rural development programme throughout the district. During the tenure of six Five Year Plan, it was targeted

that 600 families per year per block must be benefited through IRDP. The allotment of subsidy component was kept at Rs. 5 lakh per block during 1981-82 and Rs. 8 lakh per block per year during three remaining year of the sixth five year plan.

Thus, it was targeted to release a subsidy component amount to Rs. 35 lakh per block and Rs. 7.35 crores for the district as a whole during the entire sixth five year plan period. Due to unavoidable reason, the programme (IRDP) was started late in the district and only in the year 1982-83 it gathered momentum. As per report of DRDA authorities, they have only released 2.81 crores of subsidy up to 31 march 1983. As such they released 2.81 crores of subsidy up to 31.03.1983. While they have to spend about 4.54 crores during the DCP period. The annual action plan 1985 envisaged to meet the credit requirement of district development plan for the year 1984 only in the absence of the district development plan, discussions were held in detail with the authorities concerned. The review of sector-wise. Scheme,

1. Draft seventh five year plan 1985-90 planning Department Govt. of Bihar, 1983.
2. District credit plan-1983-85 sahibganj District wise, and block-wise credit consumption was made and on the basis of past performance the projection for the coming year were made. In estimating the credit demand for different sectors and block the existing and past. Budgeting component was also taken into account and corresponding provision was made.

In allocation of various types of credit to different sectors and schemes the proposed development plan of various development were taken into consideration.

The activities included in AAP 1985 have been classified into two point as per Reserve Bank of India directives.³

- a) Ongoing programmes requiring only institutional credit support.
- b) Other programme for which infrastructure and other support are to be made available either wholly or partly.

As the District Development Plan has not been prepared, the programme, schemes the District Administration could not be sub sounded in full in the Annual Action Plan of 1987. However, the plan incorporates the National Development programmes such as IRDP, the twenty point programme, scheme for self-employment for educated unemployed youth and self-employment programme for urban poor. The principal programmes included in AAP 1987 are the following,

1) IRDP

During Seventh Five Year Plan, we have to consolidate achievement of the sixth five year plan and help fresh beneficiaries in crossing the poverty line. A family having an income over Rs. 6400 per annum has been considered to have crossed the poverty line as per the latest definition. Out of the families falling below the poverty line families with an annual income below Rs. 3500 has been considered first as per government of India guidelines. In the absence of sufficient

number of beneficiaries, the cut-off line has been considered as Rs. 4800 income level as per the circular of Bihar Government relating to the financial year 1986-87. Keeping the above norms in view the following target per block has been fixed by the Department of Rural Reconstruction, Government of Bihar during financial year 1986-87.

Taking into account the above said per block target of new and old beneficiaries during 1987-88 came to 4725 and 10,774 respectively. Thus, a total target of financing.

Annual Action Plan 1985 Sahibganj District (Bihar), 1985.

District Credit Plan, 1983-85, Sahibganj District (Bihar), 15,499 beneficiaries has been fixed. The corresponding consumption of subsidy has been envisaged to Rs. 202 Cr. Altogether which means Bank financing requirement would be in order of Rs. 4 Crores.

4. Bankable Schemes and Credit Demand

The details of various bankable schemes incorporated in the DCP 1983-85 for implementation of Commercial and Co-operative Banks and explanation of credit demand estimation has also been presented in it. The schemes included in the 1984-85DCP were almost similar to the second round of DCP. The bank ability of all these schemes is an accepted fact. In making the allocation of the scheme to different blocks, the potentiality infrastructure and Socio-economic conditions of the people were taken into account.

The assessment of credit demand has been made consideration all the aspect of the economy of the district subject to the manpower and resource position. Due weightage has been given to agriculture as is required by the SBI. Besides the district agriculture oriented, the agriculture sector has good credit absorption capacity especially in respect of Minor Irrigation Schemes due to good ground water potential which hitherto remains untapped fully.

Table 1

Year	Type of beneficiaries	No. to be benefitted	Limit of capital Subsidy
I	For old beneficiaries	514	Rs. 1,000
II	For new beneficiaries	225	Rs. 2,000

Annual Action Plan 1987

5. Agriculture and Allied Activities

The crop loan requirement has been estimated taking into account the following main aspect-

1. Gross area sown
2. Net area sown
3. Net irrigated area
4. Gross irrigated area
5. Area under different crops

Different scales of finance in respect of the major crops raised in the district have been arrived at after consulting the district Agriculture officer and are based on costs of different inputs, such as seeds, fertilizers, pesticides and insecticides.

Wherever irrigation facilities are inadequate or nil, dry land farming has been given impetus by earmarking sufficient sums.

As the aggregate amount so arrived at under the sector becomes out of proportion, the likely percentage of borrowers in farm sector has been established on the existing position in the co-operative Banks and accordingly the total amount has been revised downwards in proportion to the borrowing members out of the total membership.

As far as other schemes in this sector, priority has been accorded to those under IRDP. In addition to this a sizeable amount has been earmarked for the schemes under general category.

A. *Small scale industries*

As is well known weaving (both handloom and power loom) has been traditional activity in and around Sahibganj town and in certain pockets of blocks. This activity has assumed mass significance in the recent past that a considerable quantity being exported in addition to trading with other states. Thus, this sector necessitates channeling of sizeable amount from Banking Industry to give a boost to this sector. Accordingly, adequate sum has been allocated for this scheme. In addition, sufficient funds have been earmarked for food processing units keeping in view the vast potential in the district other schemes given prominence in the plan are engineering units in the urban centers and village and a cottage industry in rural and semi-rural places.

B. *Service sector*

The Sahibganj town being centrally located with almost all government offices and market facilities has good traffic. The volume of trading activities is also comparable with other neighboring cities. The inter-district traffic is also heavy due to massive incoming and outgoing passengers. Moreover, the existing passengers transport facilities is inadequate as also the goods traffic. Hence transport has been given due importance under service sector

6. Planning Progress: A Review

The planning process of development schemes and credit requirement of the district as we have seen in the above discussion seems to be inadequate in the view of the magnitude of the problems of the district. The DCP is nothing, but simply targets of financial allocation for different sectors. The Lead Bank Scheme which is based on the philosophy of the "Area Planning" has not been properly implemented. The planning process introduced in the country in 1951 out its nature remained centralized. It is just during the period of 4th five year plan, the idea of decentralization of planning process was realized on the operation of the plan economic development favored promotion of urban society and rural society remained in the background and rural-urban gap began to develop. Not only that a clear variation as between two sets of the economy emerged in the country.

Bihar has never given a serious thought on the development

of 'multi-level' planning process. Thus, whatever attempt has been made by the DCP is simply the distribution of financial resources as between different sectors of the economy. And it is simply, financial planning and not the physical planning which is more important of area planning approach. Because, it is the physical investigation under area planning through which we can change the economic scenes of the country and the area concern.

In short, we sum up that in the absence of the clear cut exercise of the area planning, where priority may differ in the background of the national planning has followed the path of national priority, which fulfill the idea of area. The main approach of the DCP is to support the asset creating activity which may support the programme of economic development of the area concerned.

7. Review of the DCP of State Bank of Sahibganj District

As a result of the finding of the study group appointed by the RBI to review the performance of the LBS in Gujarat and Maharashtra, the credit planning was started during 1974. The first round of preparation of DCP under the LBS was completed by March 1978. This round of DCP for Sahibganj district was prepared by the statistics & Economic Division of the SBI Bank, Sahibganj.

The DCP's of this round were not uniform with regard to coverage, methodology and period all over the country. These plans were not also aligned with the development plans of the year 1979 and issued directives to formulate a uniform plan for a three years period i.e. 1980-82 and this was 2nd round of DCP has already been completed in December 1982 and as per directive of RBI, the period of the 3rd round of DCP had been initiated and it has also been completed with the completion of the sixth five year plan.

The fundamental principle of the empirical studies is that the observations and experiences gained in the past should be analyzed in terms of the operation and achievement of the objectives for future line of action.

The review of the implementation of the 2nd round of the DCP and Annual Action Plans of this period have been made by examining the performance of the financing agencies in terms of their targets and achievements. The following table presents the bank-wise-sector-wise targets and achievements during 1980-82. Achievements of targets under Annual Action plan-1988, total credit plan bank wise 1980-9, Bank wise total credit plan for the year 1990-91.

The sectoral target and achievement of different banks have been given in the above table. As far as the targets of DCP are concerned, a provision of Rs. 1982.83 lakhs was made available to agriculture, Rs. 261.58 lakhs to industries, Rs. 185.58 lakhs to others. The achievements in the targets were much below. As the table indicates till 1982, the achievements were 51.26% in agriculture, 106.34% in industry and 170.76% in others.

It appears that the performance in the fields of industries and tertiary sector have surpassed the targets. The agricultural

sector, which accounts for more than 80 per cent of DCP share has received a poor performance as only 51.26 per cent utilization of the targeted amounts. The fundamental reasons for poor achievement in this sector are backwardness of agriculture and the late start of IRDP in this district

Another data of targets and achievements bank wise for the year 1988, The bank wise plus sector-wise target and achievements indicates the allocation of rigorous has always been higher for agricultural sector in respect of other sectors of the economy of Sahibganj district, but except in the case of SBI no banks have achieved their target, when SBI has crossed their targets when SBI has crossed the target Rs. 183.00 lakhs were fixed for SBI for agriculture sector but this bank has deployed Rs 298.00 lakhs. Even SBI the lead bank of the district has failed to achieve the target Rs 274.00 lakhs were fixed for financing agriculture whereas in disbursed Rs 216.00 lakhs. More similar position is found in the case of other banks.

But this situation changed in respect of industrial sector SBI Allahabad Bank, Union Bank, UCO bank, CBI and almost all disbursed more than the targeted amount for the year 1988. Failure of the achievement of target in the case of the financing of the other sectors has also been found except few exceptions.

Another data presents the total credit plans bank wise for the year 1980-90. Here we find two data one in the number of accounts and another is the amount disbursed. If we present the perusal of the data concerning the various sectors the amount granted under the number of accounts seem to be negligible. For instance, UCO bank for agricultural sector number of accounts were 4640 when the amount granted was Rs. 180.20 lakhs. Similarly is the position in the case of other banks and sectors.

Again, the data presents the Bank wise and sector-wise total credit plan for the 1990-91. Here again we see the similar trend as we have found in the case of the previous year 1989-90. In view of the number of account, the amount of loan granted was small For instance, Allahabad Bank the total amount was Rs. 41.50 lakhs under the total account of 673 for agriculture and for small industry Rs. 5.10 lakhs under the accounts of 95. In the case of other sectors the total number of account was 155 and amount granted was Rs. 9.40 lakhs. In this way Allahabad Bank disbursed Rs. 55.00 lakhs under the wall accounts of 963. This shows the allocation as well as absorbing capacity of the different sectors of the economy of Sahibganj district.

8. Review of the Annual Action Plan

The annual action plan which has been framed under the scheme of DCP is an exercise to implement the credit plan under the guidance of Lead Bank.

The AAP for review is available from 1980, which is the period of sixth five year plan, April 1980- March 1985. The data related to the target and achievement of APP-1980 indicates both commercial and co-operative banks have taken part. The data gives bank-wise and scheme-wise target and achievements The total target for agricultural and allied activities was fixed to

Rs. 806 70 lakhs But the achievement came to much lower only Rs. 259.57 lakhs, which was advanced by the banks in 1980, and this comes only to 32 per cent This sort of achievement may not be counted as satisfactory implement action of AAP for agricultural sector for such backward region.

The sector of rural and small scale industries has been fixed the target of Rs.96.33 lakhs and achievement came to Rs. 57.49 lakhs by recording 59 per cent utilization of credit fund allocated to this sector.

The area of service sector, better known to tertiary sector gives a different picture in comparison to primary and secondary sectors. The target fixed for this sector was Rs. 56.00 lakhs and achievement went to Rs. 77.48 lakhs recording the percentage of achievement to 137.

The next data gives the targets and achievements of APP of Sahibganj 1980-84; again for giving a comparative picture of the annual action plan we have presented the data from Annual Action plan of banks of Sahibganj for the year 1991-1992, 1992-93 and Annual Action Plan of District Industry centres for the year 1993-94 and 1994-95. In this way, we have tried our best to present the picture of Annual Action Plans for more than a decade, i.e., from 1980 to the year 1994-95. Though mode of action plan has changed or varies from year to year, but it gives us a picture of the state of inner picture of the district credit plan.

In another data, we have presented the same to credit plans from 1980 to 1994-95. In the 1980 only 32 per cent target was achieved in financing agriculture and allied activities whereas the percentage of achievements were 59 per cent in SSI and 137% in the service sector. The figure for 1984 the total lease of funds as well as achievement of targets was only 49.51% by all banks whereas by bank groups, commercial banks achieved 61.88%, DCCB 7.60% and LDB39.57%.

Annual credit plan of banks of Sahibganj District 1991-92 presents data sector wise like priority and non-priority as well as bank wise. After perusal of data we find that Bank of India has allocated maximum amount under service sector Rs. 39909 thousand and followed by Allahabad Bank Rs. 5900 and Canara Bank Rs. 5949 thousands. Among the sectors agriculture has been allocated the maximum amount. This shows the approach of District Credit Plan for the development of the agriculture which is the backbone of economy. More or less the same amount has been allocated by different banks in the Annual Credit Plan for the year 1992-93. But the number of participant banks have increased from only 9 in 1991-92 to 19 in 1992-93. So the total amount allocated has increased to a great extent.

Further, data related to the Annual Credit Plan of District Industry centre for the year 1992-94 and 1993-95. This was exclusive for the industrial development. The loan has been categorized into two groups Churn loan and Working capital. The amount of loans as between two years 1993-94 and 1994-95 varies a lightly. There has been a slight increase in 1994-95 in comparison to 1993-94.

Now, we present a brief review of the Annual Action Plan

particularly of the first half of the 1980's for an inner view of the working of the District Credit Plan. This will through light on the process of development of the district as main hurdle, the shortage of fund has been resolved to a great extent.

A. Brief Review of Annual Action Plan 1981

The AAP of 1981 was of Rs 875 lakhs, out of this the overall achievement during the year was 782.87 lakhs which comes to 78 per cent. The data gives sector- wise target and achievement of AAP 1981.

B. Annual Action Plan 1982

The annual action plan 1982 envisaged a credit investment of Rs. 1048 lakhs.

This credit programmes has been prepared after considering all the on-going programmes of Govt/ARDC/Banks. A special mention may be made of IRDP which require a credit outlay of Rs. 473 lakhs which is 45 per cent of total outlay. It has been worked out that 20655 families from poorest of the poor would be benefited by Government subsidy and bank credit from the above noted programme. The following table gives sector wise number of beneficiaries under IRDP.

As the above data presents, it has been proposed that 48 per cent of the beneficiaries would be benefited from agricultural programme, 21 per cent from activities allied to agriculture, 20 per cent from Rural Industries and 11 per cent from service sector.

The State Bank being the Lead Bank of the district and having 55 branches has been allocated 31.68 per cent of the total credit outlay. State Bank of India which has 22 branches of which 4 are ADB's has been allocated 27.20 per cent of the credit outlay for APP1982. The total share of all the SBI Banks was 82 per cent and that of co-operative banks came to 18 per cent.

The DCP and AAP during 1983-85 periods have followed the comprehensive action oriented credit plan. The plan was based not only on the current credit needs but the future demand for credit estimated from growth potential of the district. In general the targets are either demand based and or resource based. The extent of motion of the activities included in DCP has been decided by the availability of the real human and fiscal resources credit need for all major sector and the activities under them have been estimated. In the first phase, as per RBI instructions, initially attempt was made to collect block profiles so that a data based may be established for the plan.

After ascertaining the status of the district as a whole in the second phase and blocks separated the attempt was made to ascertain the ongoing and proposed developmental schemes and programmes.

In the third phase, the information regarding deposits, advances and expected growth of deposits and recovery were collected from the bank branches. The number and details of bank wise proposed financing during the DCP period were also collected from bank branches. Finally staffing pattern and proposed increase in staff was also obtained from different bank

branches to assess the main power requirement for implementation of DCP.

The DCP is mount to promote optimum utilization of Land, Labor and financial resources for prompting productivity, which is possible only when finger improvement co-ordination takes place. The availability in provided for increasing productivity and employment opportunities in different section of rural societies to enable the downtrodden to rise above the poverty line and promote the balanced development of different blocks Economic Programme have been fully kept in mind. These schemes have been directed towards weaker section of the society that is small and marginal farmers, agriculture laborers rural artisans SC/ST.

The objective of the DCP as Per Reserve Bank of India guidelines are the followings:

1. Removal of unemployment and underemployment.
2. Appreciable rise in the standard of living of poorest section of the population
3. Provision of some of the basic needs of the people belonging to the poor section

The directions issued by RBI were strictly followed in the process of preparation,

- i. To attain 60% credit deposit ratio for rural and semi-urban branches.
- ii. To disburse at least 1 per cent of the total advances as at the end of 1985 86 under differential rate of interest scheme at an interest rate of 4 per cent & ensure that at least 40% of such advances go to SC/ST and further that at least 2/3 of DRI advances are made through rural and semi-urban branches
- iii. To achieve up to 1985 a level of 40% of total leading to priority sectors
- iv. To achieve up to 1985 a level of 40% of priority sectors advances for agriculture and allied activities
- v. In case of advance to agriculture sector 50 per cent must go to weaker section i.e., small, marginal farmers and landless laborers. The credit limit is up to Rs. 10,000/- only
- vi. In respect of advances to SSI up to March 1985, 12.5 per cent should go to weaker section i.e., rural artisans, craftsman, cottage industry and SSI units which a credit limit of Rs. 25,000/- only
- vii. Particular attention to the credit needs of scheduled caste/schedule tribes under IRDP and other special plans

9. Annual Action Plan

The data related to the targets and achievements of the Annual Action Plan of Sahibganj district is available since 1981. In 1981, the AAP was of Rs. 875 lakhs and out of this the overall achievement during the year was Rs. 682.87 lakhs. In term of targets, the total achievement came Rs. 78 per cent. The following table gives the sectoral targets and achievement of AAP-1981.

As the above table indicates the sectoral achievements of the 1981, AAP does not give us a satisfactory picture as the achievement varies from one sector to another. The district being agrarian, the target for agriculture and allied activities fell short of the total target for this sector was Rs. 555.00 lakhs and achievements Rs. 370.71 recording the percentage of achievement is 67 only.

In the case of rural and small scale industries the achievement is higher than the As the table indicates, the target for advance in this sector was Rs 100.00 lakhs while the achievement came to Rs. 165.39 lakhs, recording the percentage of achievement to 165.

The service sector whose target was much higher than the sector of industries included with a lower achievement than the industrial sector. In this sector the target of advancing of loan was Rs. 220.00 lakhs and achievement was Rs. 146.77 lakhs, by maintaining achievement 67 percent achievement.

In this way, the overall achievement during 1981 AAP came to 78 as in view of Rs 875.00 target the figure of achievement came to Rs. 682.87.

A. AAP-1982

In 1982 AAP Plan, the target for advancing of loans was much higher than the target of 1981 AAP But the achievement fell further shot in comparison to 1981 AAP. The data presents the targets and achievement of 1982 AAP.

The target for agricultural development for advancing of loans by the commercial banks in 1982. AAP was higher than the target of 1981 AAP. But the achievement in advancing of loans in this sector was only 47 per cent when it was 67 per cent in 1981.

Similarly in the case of rural industries/small scale industries the achievement was most unsatisfactory. As in 1981 AAP this sector achieved 165 per cent targeted allocate of loans whereas in 1982 AAP, it came to only 30 per cent.

The service sector, whose growth is an essential precondition the development backward region also failed to utilise the targeted allocation of resources available for investment. This sector utilised 67 per cent credit from commercial banks in AAP1981, but in 1982, the percentage fell to 50 percent only, when it was 78 percent in 1981.

The following data presents the target and achievement of 1983 AAP.

Like the nature and characteristics of national plan in the country, the district credit plan of Sahibganj district also suffer from the same deceased. It has ever kept ambitious targets, but achievements are normally always far from expectation. The target for agricultural development of 1983 AAP was Rs. 905.50 lakhs, when it was Rs. 734 in 1982 and Rs. 550 in 1981. Achievement for this sector has further fallen short of. In response to targeted allocation of loan utilization came only to Rs 240.63 lakhs recording only 26 per cent achievement when it was 47 percent in 1982 and 67 per cent in 1981.

There is a slight change or increase in the utilization of loan for the rural industries in 1983 AAP The percentage

achievement for this sector was 165 in 1981, 30 in 1982 and 37 in 1983. The total amount fixed for this sector was Rs. 162.85 lakhs & loan advances came to 61.52 lakhs recording 37 percentage achievement.

In case of port the price is a bit different from the credit plan of agriculture and small scale industries on the one hand and in comparison to previous year's achievement on the other. We have seen that the percentage of achievement in the case of agriculture was 26 and for the small scale sector 37. But the service sector has achieved 68 per cent of targeted allocation of loans. Similarly in 1981, it was 67 per cent and in 1982 it came to 53 per cent.

10. Annual Action Plan 1984

In comparison to the 1993 AAP, the 1984 AAP has been found a bit different. As the table indicates the targets for agricultural sector was lower in 1984 in comparison to 1983 and the achievement was higher on both the counts, i.e., in quantum and in percentage. The total targeted amount for this sector in the 1984 AAP was fixed to Rs. 800.60 lakhs when it was Re. 905.53 in 1983 AAP. But the achievement was very poor in 1983 AAP period the achievement came to Rs. 316.86 lakhs i.e. 39 per cent utilization. Although this figure may not be counted as satisfactory but improvement in companion to previous years achievement

The allocation of fund for advancing of loans to the rural & small scale industries was also different from previous year target. In 1983 AAP, the target fund for this sector was 162.85 lakhs and achievement Rs. 61.53 lakhs, i.e. 37% achievement. In 1984 AAP, the targeted amount was fixed a bit lower than 1983 AAP. The target for this sector in 1984 AAP was Rs. 149.70 lakhs and achievement 197.87 lakhs i.e. 79%

The service sector has also been given the fair deal in 1984 AAP period. The target for this sector in 1984 was Rs. 174/- and achievement Rs. 122.20 i.e. 79 per cent hen the achievement in 1983 was 68 per cent. And in total the achievement came to 49.51 per cent in 1984 when it was only 33.76 per cent in 1983.

11. Annual Action Plan 1985

The operation of 1985 AAP also does not give us a satisfactory picture as achievements are again for short of Agriculture and Allied activities which core sector for both complement and income generation failed to catch the spirit of plan economic development.

As the table indicates the percentage of achievement at 48 in agriculture and milieu activities, 54 for real all industries and only 47 in die ware of service sector.

12. Annual Action Plan 1986

The data related to the target and achievement of 1986.

Agricultural sectors have done well in 1986 AAP in comparison to previous years' experience. As the data indicates

the target for the sector has been fixed to Rs33.22 lakhs and achievement to Rs. 476.57 i.e. 57 per cent utilization of fund. The quantum and percentage, both are higher in comparison to the previous years achievement. But the sectors of industries failed to maintain this tempo again. The target for thus sector was Rs. 224.52 lakhs and Rs. 74.90 i.e. 28 per cent achievement. This percentage of achievement is lower in comparison to previous year's achievements of this sector.

In percentage term the service sector is also fallen short off. The target for this sector was Rs. 351.92 lakhs and Rs. 158.04 lakhs achievement i.e. 45 per cent when in 1984, it was 79 per cent and in 1983, 68 per cent. The total figure of achievement of 1986 AAP is also not very satisfactory. The total target was Rs. 1409.66 lakhs and achievements Rs. 709.41 i.e. 50.32 per cent. Thus, we find no impressive picture of annual action plans for Sahibganj District on either count. The graph is showing the picture of target and achievement of AAP Sahibganj District 1981-86.

13. Constraints in the Achievement of Targets in the AAP

The preceding discussions of the APPs of the first half of eighties have clearly indicated that the APs have failed to achieve the targets. The following are the General bottlenecks in the implementation of Annual Action Plan.

A. Lack of Proper infrastructure throughout the District

Sahibganj is one of the economically and industrially backward districts of Bihar. Its economy is predominantly agrarian and density of population is sufficiently high. The district lacks in facilities of proper supply of electrification of this situation communications, transportation, marketing and health care of animals, which result in low consumption credit in general.

B. Improper identification of borrowers and lack of no dues certificates

It has been experienced that often proper verification of borrowers is not being carried out by the sponsoring agency which creates difficulty for the bankers and beneficiaries alike. It has also been observed that the application of the borrowers are sponsored to the forcing institution without no dues certificates which cause delay in sanction by the bank and may result in double financing or multiple financing.

C. Shortage of technical and field staff in banks and government

During the period under review in most all commercial

Banks have been facing the problem of inadequate of technical and field staff 13 field officers have been posted in the district in different branches of the State Bank of India. The development of technical field is an essential condition for proper implementation of the AAP of DCP The inadequacy of staff also predominant in government development department, particularly at grassroots levels.

D. Poor recovery

Recovery is must for better flow of credit and successful implementation of credit programme. The situation is just opposite in the district. This has hampered the flow of credit and announce the certificate cases are pending in district and sub-divisional court.

E. Coordination

For successful implementation of the plan, co-ordination as between different agencies is an essential pre-condition up to district level such sort of co-ordination is being maintained but at the grass root level where plan is implementation, there is lack of such co-ordination and this is responsible for poor implementation of AAP and DCP.

F. Integration of credit plan input and services

Often it has been observed that due to untimely and inadequate supply of inputs like fertilizers, seeds and improved breed animals etc., evening credit cannot help the poor borrowers economically viable schemes may turn unviable and thus effect credit consumption and recovery alike.

In view of the above observation, we conclude that the aims and objectives of Lead Bank Schemes will be achieved only when there is a clear-cut vision before both the banking institutions and the entrepreneur. Vision here stands for market behavior which is going to be shaped in thin changing world. The age of Loan Mela is gone. Bank has to be observed the viability of the project and entrepreneurs have to look the happening in the market. The deployment of credit is essential but it is also essential to look the viability of the scheme.

Lead bank credit plan has thus created a tremendous opportunity for establishment of institutions which has paved the way for employment generation.

References

- [1] B. M. Swain, "Role of Lead Bank Scheme on Area Development: A Study with Special Reference to Chandbali Block of Odisha," in *International Journal of Economics*, vol. 7, no. 1, pp. 36-41, December 2018.